

Green Bond Framework

February 2021



GENIEIA

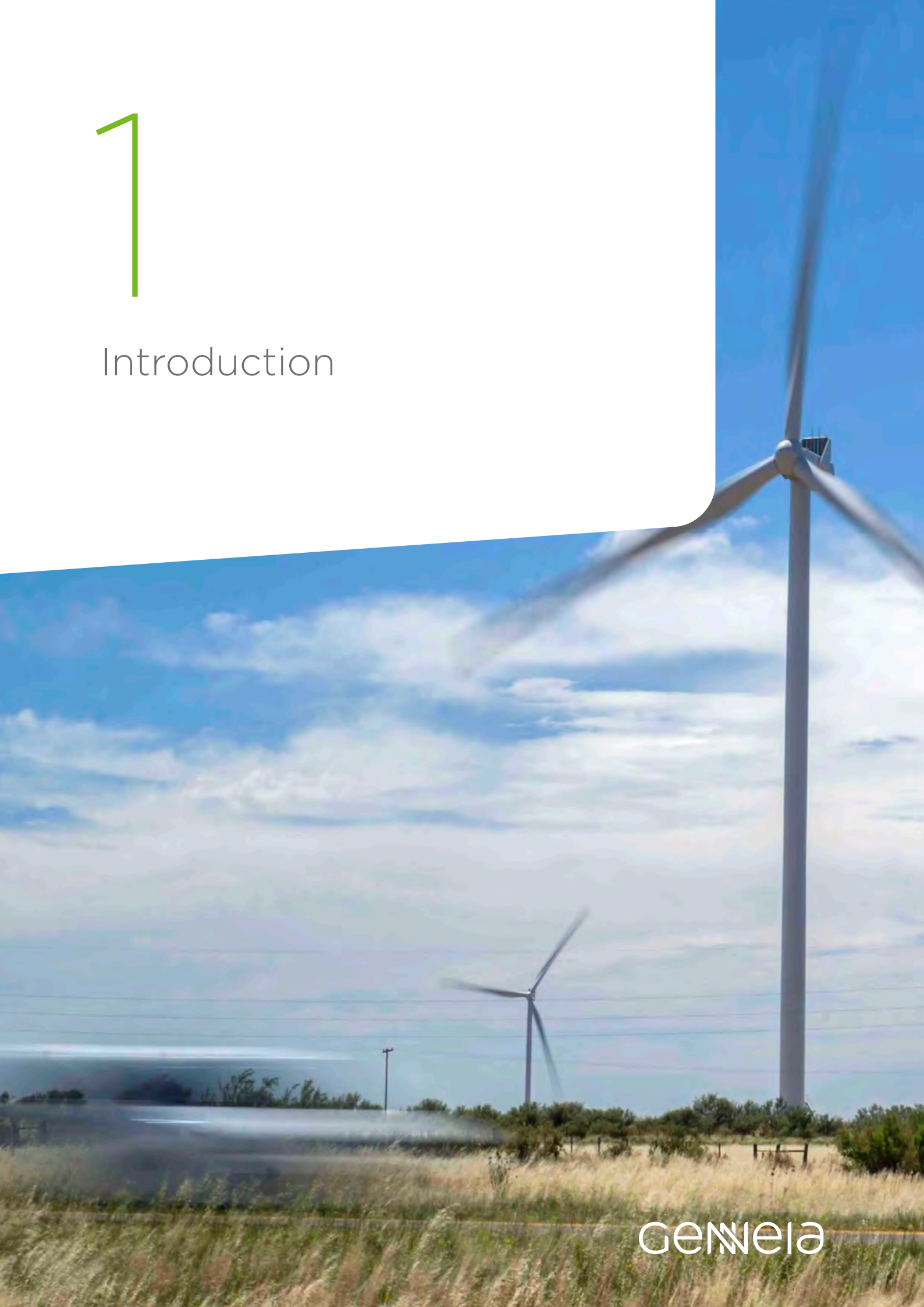


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Introduction



GENEIA

1. Introduction

Genneia is an Argentinian-based renewable energy generation company that holds approximately 22% of the country's installed renewable energy capacity as of February 2021, making Genneia a leader in the renewable energy sector in Argentina.

We are involved in the entire cycle of power generation: from prospection and development to the construction and operation of renewable and conventional power plants. As of February 2021, we operate a gross installed capacity of 1,220 MW (782 MW of renewable energy and 438 MW of conventional energy) with 84 MW to be generated by renewable energy projects currently under construction.



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Approach to Sustainability



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2. Approach to Sustainability

Our mission is to provide sustainable and reliable energy. Genneia is a pioneer in promoting renewable energy practices in Argentina and is committed to the highest environmental standards today, while simultaneously thinking about the needs of future generations.

In 2012, we built our first wind farm of 75 MW in the Province of Chubut, the biggest wind farm in the first wave of renewable energy in Argentina. Between 2018 and 2019, we built the Madryn I & II wind farm of 222 MW, the biggest wind farm in Argentina. We are committed to the Sustainable Development Goals of the United Nations Development Program (“SDG”), which were adopted in 2015. Our renewable energy operations represent our largest impact and contribution to the SDGs, with a focus on SDG #7 on “Affordable and Clean Energy” and SDG #13 on “Climate Action”.

Aligned with our long-term strategy, over the past four years we have undergone a major transformation towards a more sustainable energy profile.

In 2016, we took advantage of favorable trends in the renewable energy sector and initiated a renewable energy investment plan of over U.S\$. 1 billion that is expected to increase our renewable energy gross capacity by +700MW.

Since November 2018, we increased our renewable energy capacity to 782 MW and disconnected 205 MW of thermal power capacity from the grid. In 2020, renewable energy represented 85.6% of our total generation compared to 25.6% in 2016.

In MW	Reached COD in 2018-2021	Under Construction	Investment plan 2018-2021
Wind	541	84	625
Solar	82	-	82
Total	623	84	707



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Alignment with the Green Bond Principles (2018)



3. Alignment with the Green Bond Principles (2018)

The Green Bond Principles 2018 (“GBP”), formulated by the International Capital Market Association (“ICMA”), are voluntary process guidelines for best practice when issuing green bonds (“Green Bonds”). The GBP recommend transparency, disclosure and promote integrity in the development of the Green Bond market. The Genneia Green Bond Framework (the “Framework”) has been developed to align with the GBP.



3.1 Use of Proceeds

We intend to allocate an amount equal to the net proceeds from any Green Bond issued in accordance with this Framework to finance and/or refinance, in whole or in part, one or more new or existing "Eligible Projects" as defined below. This is expected to include investments and expenditure -including improvements of Eligible Projects and research and development initiatives- on any such projects by us or any of our Subsidiaries and/or affiliates: (i) 36 months prior to the issuance date of the Green Bond or (ii) within 36 months since the issuance date of the Green Bond. For purposes of this paragraph, "affiliate" means any person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, Genneia.

Genneia anticipates that its Green Bond will support the achievement of the United Nations SDGs noted below and will meet our sustainability priorities.

"Eligible Projects" are defined as:

Eligible Project Category

Renewable Energy

Eligibility Criteria and Project Examples

Expenditures related to the construction, development, expansion, production, acquisition, maintenance and operation of renewable energy including:

- Wind
- Solar
- Biomass¹
- Small hydro (<25 MW)
- Green hydrogen²
- Battery storage facilities associated with renewable energy.

SDG Alignment



¹ Subject to an emissions threshold of 100gCO₂e/kWh and that the feedstock should be certified by credible certification schemes, such as Bonsucro.

² Using electrolysis powered by renewable energy.



3.2 Process for Project Evaluation and Selection

A Sustainability Finance Committee consisting of representatives from Genneia's Sustainability, Development and Finance teams will be responsible for the assessment and selection of Eligible Projects, on an annual basis, to ensure alignment with this Framework. The Sustainability Finance Committee reports directly to the Chief Financial Officer. The same governance structure and project evaluation process also applies to our subsidiaries and affiliates.

3.3 Management of Proceeds

The Finance department plans to track the actual amount of net proceeds from the sale of any Green Bonds spent on Eligible Projects. Pending allocation, an amount equal to the net proceeds from the issuance of any Green Bonds may be temporarily invested in cash, cash equivalents, and/or held in accordance with our internal liquidity policy.

Any payment of principal and interest on any Green Bonds is expected to be made from our general account and would not be linked to the performance of any Eligible Project.

3.4 Reporting

Annually, until full allocation of the net proceeds from the sale of any Green Bond, and on a timely basis in case of material developments, we intend to publish a Green Bond report on our website www.genneia.com.ar detailing, at a minimum, the allocation of an amount equal to the net proceeds of any such notes to Eligible Projects and expected impact metrics, where feasible, (the "Green Bond Report").

Allocation Reporting: Genneia aims to report, where feasible and subject to data availability and competition concerns, on the following metrics:

- i. The amount of net proceeds from the sale of any Green Bonds that have been allocated to one or more Eligible Projects either individually or by category, subject to confidentiality considerations;
- ii. The list of Eligible Project categories with a selection of brief descriptions; and
- iii. The outstanding amount of net proceeds from the sale of any Green Bonds yet to be allocated to Eligible Projects at the end of the reporting period.

Impact Reporting: Genneia aims to report, where feasible and subject to data availability and competition concerns, on the following metrics:

- i. Expected annual electricity output in GWh; and
- ii. Expected annual greenhouse gas emissions avoided in metric tons of CO₂e.



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External Review

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4. External Review

4.1 Second Party Opinion

Genneia has retained an independent consultant with recognized environmental and social expertise to provide a Second Party Opinion (SPO) on the Framework as well as the Framework's alignment with the GBP. The SPO is available on Genneia's website www.genneia.com.ar.



4.2 Assurance

The Green Bond Report is expected to be accompanied by (i) confirmation from Genneia management that an amount equal to the net proceeds of an offering of bonds has been allocated to Eligible Projects, and (ii) an annual report from an independent third-party auditor in respect of its examination of Genneia management's confirmation in this respect. The auditors' report will be made available on Genneia's website.

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Disclaimer

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5. Disclaimer

The information and opinions contained in this Framework (the Framework) are subject to change without notice. None of Genneia or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Genneia policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Genneia and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Genneia as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and are not guarantees of future performance or developments, which may differ materially from those made in or suggested by the Forward-looking statements contained in this Framework. No representation is made as to the suitability of any bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation for such bonds regarding the use of proceeds and its purchase of bonds should be based upon such investigation as it deems necessary. Genneia has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the Genneia Green Bonds. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by Genneia in any Green bonds that may be issued in accordance with this Framework. This Framework does not create any legally enforceable obligations against Genneia; any such legally enforceable obligations relating to any Green bonds are limited to those expressly set forth in the indenture and notes governing such Green bonds.



Therefore, unless expressly set forth in the indenture and the notes governing such Green bonds, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such bonds if Genneia fails to adhere to this Framework, whether by failing to fund or complete Eligible Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise. Factors including (but not limited to) market, political and economic conditions, any changes in government policy, changes in laws, rules or regulations, the lack of available Eligible Projects, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Projects. Each environmentally focused potential investor should be aware that Eligible Project may not deliver the environmental or sustainability benefits anticipated and may result in adverse impacts. This Framework does not constitute a recommendation regarding any securities of Genneia or any member of Genneia. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by Genneia or any member of Genneia. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase any bonds should be made solely based on the information to be contained in any offering document provided in connection with the offering of such bonds. Prospective investors are required to make their own independent investment decisions.

