innovent

GREEN BOND FRAMEWORK

MARCH 2021

InnoVent issues Green Bonds as senior unsecured bonds.

All eligible Green assets are power generation facilities from renewable energy sources, power storage facilities and power grid and mobility related assets.

This Green Bond Framework details InnoVent's policy and internal organisation in terms of Green Bond potential future issuance. It intends to apply best market practices, in line with the Green Bond Principles ("GBPs") published by the International Capital Markets Association (ICMA).
This Green Bond Framework aims to formalise the single approach that InnoVent will use for its potential future Green Bond issues and the extension of its programme to new types of eligible projects.

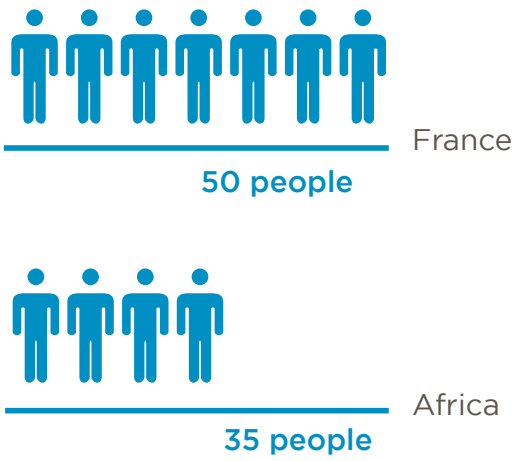
1. InnoVent in a nutshell

INNOVENT was created in 2001 by Grégoire VERHAEGHE with an 80 KW wind turbine installed on the land of the family textile company, in Lille in the north of France. INNOVENT has been interested in Africa since 2008, installing a first wind farm of 105 MW in South Africa, which was then sold to EDF EN. Beginning 2021, INNOVENT emerges as a family-owned company with an international dimension, with a track record of 600 MW built and 300 MW in operation (26% in Africa).

For over 20 years, InnoVent has been using its internal resources and specialist partners to respond to the full range of issues linked to the development, construction and operation of wind and solar farms. Through its experiences, InnoVent became a skilful company that is well recognized in its field. With a long-term vision, InnoVent chose to export its know-how in solar farms and wind turbines to ten countries in Africa with its subsidiaries. INNOVENT's strategy is to sell the cheapest KWh possible, to facilitate the energy transition. To achieve this, it is necessary to use the most competitive production method, depending on the geographical location: wind power in the north of France and Europe, and in certain African wind corridors, and photovoltaic power in Africa.

2020		
Contribution au groupe en	**GWh**	**Turnover in M €**
Wind	85%	78%
Solar	15%	15%
Batterie	0%	7%
TOTAL	**647,1**	**56,0**

2020		
Contribution au groupe en	**GWh**	**CA en M €**
Europe	82%	82%
Afrique	18%	18%
TOTAL	**647,1**	**56,0**



InnoVent's workforce

Key figures 2020

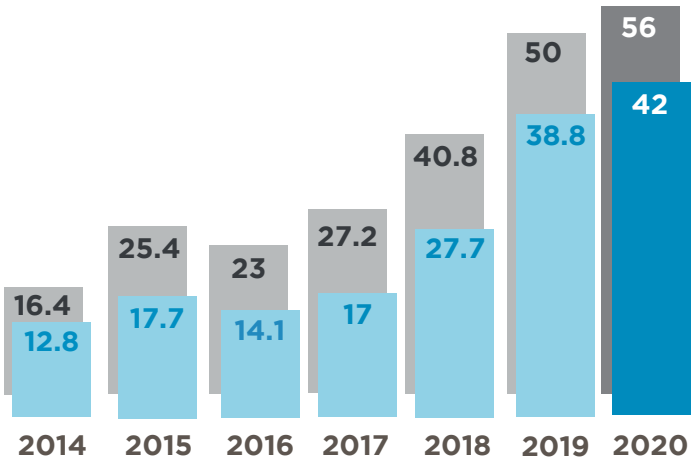
InnoVent paid:

718,799 €
of social security contributions

2,671,602 €
of flat taxes

3,586 917 €
of income taxes

Turnover in M€
EBITDA in M€



InnoVent produced 647 GWh

529 GWh

118 GWh

Which is equivalent to saving **164 000** tons of CO_2

46 000 tons of CO_2

118 000 tons of CO_2

Or...

216 millions litres of petrol

476,000 tons of oil

1.6 million French households (excluding heating)

4.3 billions of km by car

Europe

234 MW in operation
62 MW under construction
214 MW under development

Sweden
29 MW in operation

Asia
Sri Lanka & China
236 MW
under development

France
205 MW in operation
12 MW under construction
214 MW under development

Belgium
50 MW under construction

Morocco
36 MW in operation
40 MW under development

Chad
5 MW under construction
15 MW under development

Senegal
20 MW in operation
40 MW under development

CAR
15 MW under development

Sierra Leone
42,8 MW
under development

DRC
18,4 MW under development

Burkina Faso
61 MW
under development

Kenya
77 MW under development

Benin
1 MW in operation
4 MW under construction
10 MW under development

Comoros
1 MW in operation
2 MW under construction
6 MW under development

Zambia
40 MW under development

Namibia
25 MW in operation
8 MW under construction
597 MW under development

Africa

83 MW in operation
19 MW under construction
1,198.2 MW under development

InnoVent strongly believes that maximising ecological and social impact is profitable and allows InnoVent to be sustainable in the long run. We thus have a simple motto: “Profitable zero emission now” through supplying clean energy to the largest population around the globe. InnoVent has a pipeline of projects of more than 1,5 GW and strain to build the most of it by 2030.

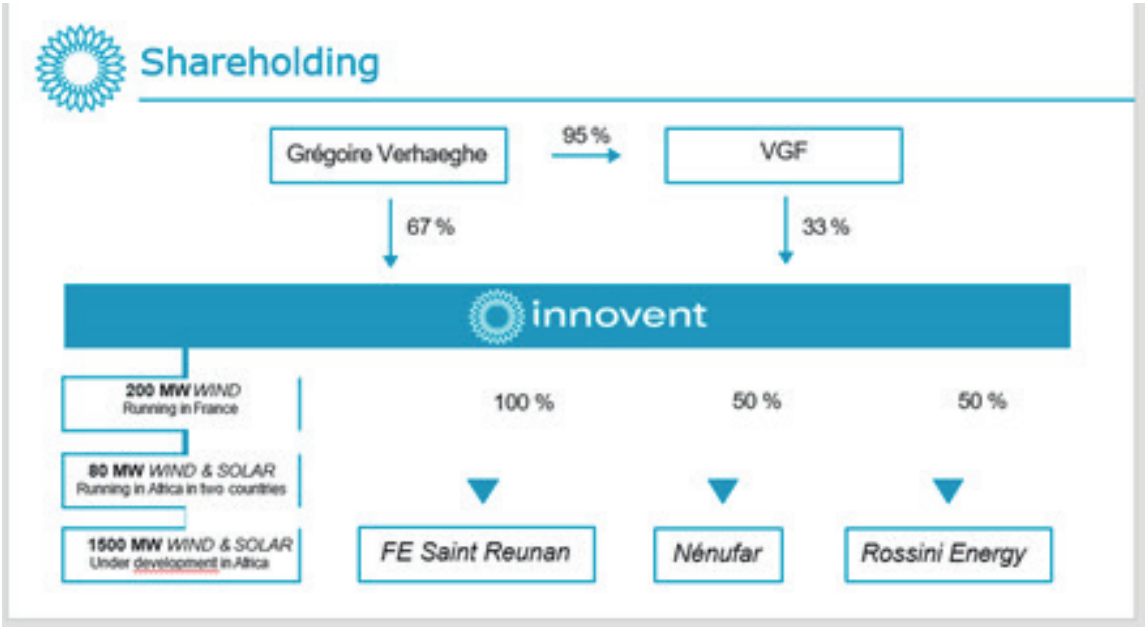
Power generation installed capacity per area

MW	Operation	Construction	Development	TOTAL
AFRICA	46	56	1 106	1 208
ASIA			36	36
EUROPE	234	61	194	490
TOTAL	**280**	**117**	**1 337**	**1 733**

Storage installed capacity

(MWh)	Operation	Construction	Development	TOTAL
AFRICA				
EUROPE	10	100	100	210
TOTAL	**10**	**100**	**100**	**210**

2. Internal organisation

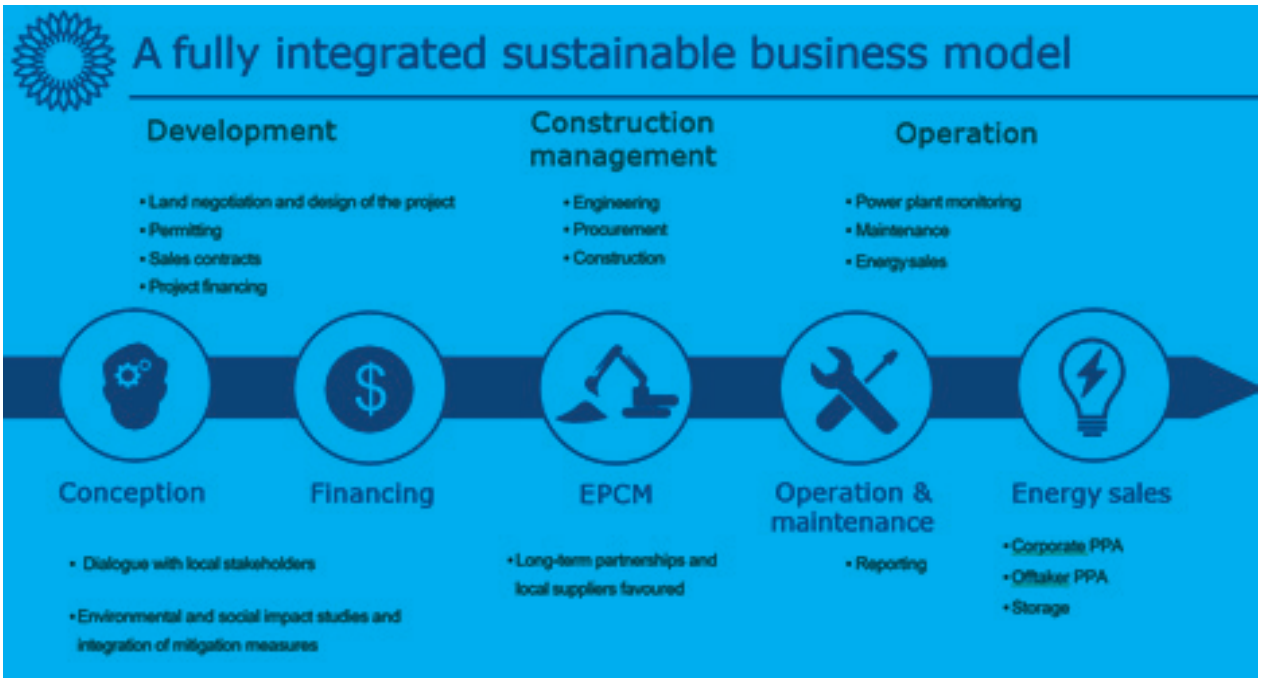


- InnoVent SAS is the holding of the group, owned by Grégoire Veraeghe and his family.

- In a project finance perspective, each project entails the creation of a new society (Special purpose vehicle), owned at more than 50% by the holding InnoVent SAS.

- FE Saint Reunan is the Operation & Maintenance subsidiary (almost fully internalised by InnoVent)

- Nénufar (biogas equipment) and Rossini Energy (electric mobility equipment) are promising startup owned at 50% by the InnoVent SAS holding.



3. Environmental and Social risks management

Environmental and Social issues are at the heart of InnoVent's strategy since our vision is: "saving the planet while being profitable". InnoVent aligns its E&S criteria on the World Bank's Social and Environmental standards. InnoVent's commitment to these stringent standards allows us to partner with Development Finance Institutions.

The CEO is fully involved in implementing the RSE strategy since the foundation of InnoVent in 2001 results from his will to "save the planet", while being socially, humanly and financially profitable.

The finance department is in charge of applying and assess the E&S policy.

Environmental impact:

- Impact studies and due diligence before each project, ensuring the projects do not harm biodiversity

- Environmental and Social Management Plans compliant with the EIB standards for each project. These documents ensure a stringent framework for the day-to-day operation on projects.

- 100% renewable energy production

- 0% use of fossil fuel since 2020

- All our investments are dictated by a zero-emission motto and a will to maximise the greenhouse gas emissions savings

- Innovations to carry the strain further as possible (single axis PV trackers since 2015, 3 foots wind turbines mast, wood/steel Hybrid wind turbine mast, small scale methanation, electric mobility…)

Human and Social impact:

- Impact studies and due diligence before each project, ensuring the projects do not bother local communities and respect workers.

- Environmental and Social Management Plans compliant with the EIB standards for each project. These documents ensure a stringent framework for the day-to-day operation on projects.

- Skills sharing and sustainable local job creation (80% of permanent contracts)

- HR policy compliant with OIT principles

- Medical aid for all workers, no matter what the local regulation ensures

Human impact

The world is changing faster and deeper than ever before. We are convinced that it is possible to stop global warming while improving the quality of life and the environment of human beings:

In Europe and in Africa

- Encouraging the development of the local economy by creating jobs.
- Committing our teams on a supportive, long-term basis. 80% of our employment contracts are open-ended.
- Offering an alternative energy that can compete with the polluting forms of energy.
  In Europe, our 529 GWh avoid 46,000 tons of CO_2. In Africa, our 118 GWh avoid the emission of 118,000 ton of CO_2 while providing stable employment.

In Africa

- Providing development assistance through electricity
- Offering to local populations access to clean energy at a low cost
  1 liter of diesel in the Comoros costs 1 euro. Burned in a generator, it will produce 3 kWh at a cost of 0.33/kWh. In comparison, our solar power plant sells its electricity at 0.20/kWh for the first 6 years, then only 0.05/kWh for the next 20 years.

Team of the solar park of Sakal, Senegal.

Donations

InnoVent donates regularly to various associations working in areas matching our values. In recent years, InnoVent has supported various projects for local associations working to conserve the heritage or organisations in the social sector, for a total of 55,119 euros in 2020.

An association that is particularly dear to our hearts is **Muzukidz.**

Maria Botha, the initiator of the project, gives violin lessons to underprivileged children in three towns in the Cape area in South Africa. This initiative offers young people a channel to escape their daily life challenges through music.

Site Web : www.muzukidz.co.za

4. Strategy: activites and projects

InnoVent's vision: saving the planet while being profitable.
InnoVent plans for the future development of the energy sector. The challenge is no longer limited to supplying renewable energy. One must already plan for tomorrow's challenges: frequency support services, spinning reserve via electric vehicle charging stations, self-consumption, autonomous systems, hybrid RE-biogas systems. InnoVent has developed its expertise in these fields and selected the best partners to provide energy storage and auto-consumption systems in order to offer these new solutions.

- The wind farm at Essey les Ponts, for example, provides grid frequency support with its 5 MW of inverters connected to 10 MWh TESLA batteries. Our 50 MW/100 MWh batterieLithium-Ion storage park under constructionin late stage development in Belgium aims to scale up this model

- The solar farm under construction in Chad is connected to the generator sets in the town of Abéché, thereby saving 700,000 litres of fuel per annum

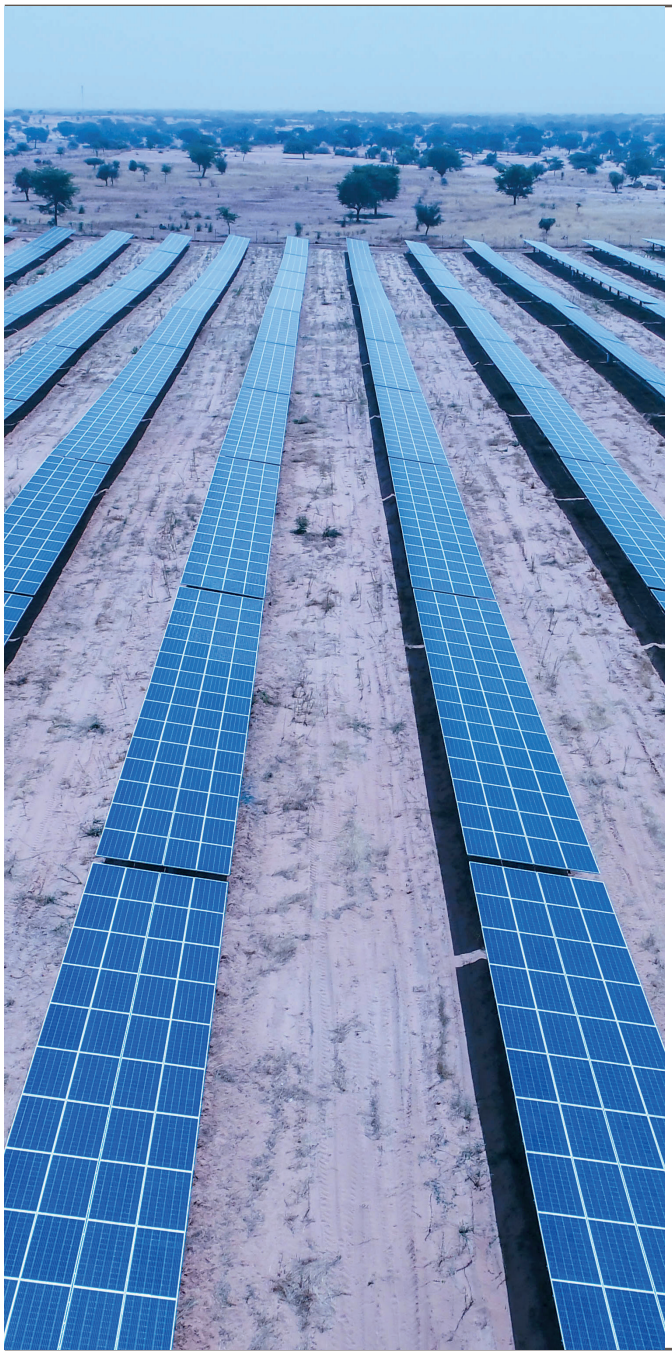
5. Rationale

Following the motto "profitable zero emissions now", InnoVent mapped out two development axes:

1 - Technological development, since Innovation is in our DNA

- InnoVent invests in development of renewable energy technology, and energy storage to provide a more competitive energy and clean mobility, in order to reduce the ubiquitous use of fossil fuels.
- Diversifying the technologies used to produce renewable energy: after a successful track record of wind power development, construction and operation in France, InnoVent diversified in 2015 in photovoltaic and made a seed investment in Nénufar, a methanation equipment supplier the same year. InnoVent is currently heading toward more diversification through storage solutions and hydropower.
- Developing batteries know-how and services either coupled with production (hybrid solar/wind + storage) or aimed to provide network support.
- Partnering with innovative suppliers and learn to operate breakthrough technologies reducing the cost and ecological impact of power generation construction.
- Investing in promising start-up in clean tech and supporting their development for diversification and future sustainable growth's sake (on a smaller scale to date): Rossini Energy and Nénufar so far.

A world premiere by InnoVent: Three individual footings instead of a concrete swimming pool, reducing the greenhouse gas emissions by 7 to 10



2 - International development, mostly in emerging Market where our impact can be significant

InnoVent is committed to prove, thanks to his expending track record, the low risk, profitability and significant ecological and social impact of these assets

- Dire need for competitive and clean energy:
- Many countries are not able to supply the population's need. In Africa of populations do not have a reliable access to power grids, and the population is expected to grow by more than 1 billion in the next decades.
- Many countries still rely heavily on fossil fuels for power generation
- Developing alternative source of financing (crowd lending platforms, Development Financial Institutions...) alongside traditional commercial banks.

The issuance of "green bonds" is the consequence of these stated objectives and aims to further the strain and impact of InnoVent.

6. Green bond programme and principles

InnoVent commits to follow the four GBP pillars for each Green Bond it issues.

6.1. Use of Proceeds

InnoVent commits to fund with the proceeds with the Green Bond, only new projects or upgrading (no refinancing of already bank funded project) to ensure the funding will have the maximum impact and comply with the following objectives:

1. Increase renewable energy generation up to at least 900 MW in 2030
2. Increase the share of renewable energy in the power generation mix to reduce CO_2 emission
3. Offer a competitive and clean energy
4. Create sustainable, qualified and local employment, through Construction and Operation of our assets. InnoVent put the emphasis on hiring local workers and skills and knowledge transfers.
5. Increase zero emission mobility on smaller scale, through only buying electric vehicles and buying reloading devices. InnoVent sticks with its commitment to consume 0 litres of fossil fuel since 2020. InnoVent intends also to support his subsidiary Rossini Energy If needed.

Thus, the proceeds from Sustainable Bond issuances can be used to finance the following investment activities ("Eligible Projects"):

80 % of funds

New renewable generation capacities

Upgrading of existing sustainable assets in France (Repowering of 20 MW in the next 7 years)

15 % of funds

Power storage capacities: coupled with power generation (hybrid parks) and storage parks providing grid support (100 Mwh in 2021-2022)

5 % of funds: support to the following start up subsidiaries

Clean mobility development through Rossini energy

Bio methanation equipment development through Nénufar

6.2 Process for evaluation and selection of Green Bond-financed projects

Each new project is assessed by InnoVent's Finance department and operational officers against the InnoVent E&S Criteria, lined up with the World bank Environmental and Social Standards (ESS)[1]. This assessment is based on elements provided by the InnoVent teams in charge of project development, procurement and sustainable development.

Since sustainable project are the heart of InnoVent's mission and business model, we do not make a distinction between eligible Projects for Green Bond funding and others, and do not have an ad hoc or specific project evaluation & selection process for Sustainable bond funding allocation. We are proud to put a strong emphasis on the climate and social impact of each investment. Especially in Emerging Markets where the GHG savings are much higher than in France and create a positive economic and social dynamic, since each project create local jobs (O&M) and bring competitive and clean energy.

InnoVent intends to take part in the effort toward a more sustainable world portrayed by the Sustainable Development Goals of the UN (SDGs), and can rely on these SDGs to assess the impact of these investments.

InnoVent strategic impact objectives

Each project should save GHG emissions : according to EIB methodology, the relative GHG emissions of the project should be negative : SDG 7 and SDG 13

Each project should respect economic fondamantals : the cost of energy sold should be in line with the price billed to final customer, to allow our offtaker to make profit and stay solvent. It ensures a sustainlable partnership in the long run and entails the opportunity for other projects, new development and financings, alongside the enhancement of the grid : SDG 7, SDG 8, SDG 9

Projects are selected according to the following criteria:

1. Economic and financial soundness
2. Expected avoided CO_2 emissions (in tons of CO_2) from injecting this electricity output into power grids
3. Social and economic impact: "usefulness" of the project for local population
4. Scalability of the project

1 https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards

Projects are excluded according to the following criteria:

1. Fossil fuels use
2. Positive relative GHG emission[2]
3. Corruption

Each E&S risks and issues of each project are assessed and mitigated thanks to the ESMS (Environmental and Social Management System) and the ensuing ESMPs (Environmental and Social Management plans) compliant with the IFC and EIB standards.

2.3. Management of proceeds

Complete allocation of the proceeds from a Green Bond issuance is expected within 24 months of the issue date.

InnoVent has set up a register and has put systems in place to track the outstanding proceeds of Green Financing instruments internally. This allows for comprehensive monitoring of allocated and to be allocated amounts by the finance department. The non-allocated funds will be put on an account which will have a sustainable label.

In case a project or asset where proceeds of sustainable financing have been allocated no longer meets the criteria stated in the InnoVent Green Bond emission framework, InnoVent is committed to re-allocate proceeds into alternative eligible projects.

In case a project with allocated proceeds has been stopped or abandoned, InnoVent is committed to re-allocate the funds to other eligible projects. These changes would be tracked and included in reporting.

For projects located in Special Purpose Vehicles (SPVs), InnoVent SAS brings funds through shareholders loan. Each SPV has a treasury agreement with the holding InnoVent SAS.

2.4. Reporting

The finance department is responsible for collecting the relevant data and to report annually on the InnoVent's website[3] on the following qualitative items:

A) Use of the Green Financing proceed
B) Benefits in terms of sustainability of the Sustainable Financing proceed
And the following already existing quantitative KPIs:
C) Revenue from renewable energy sales
D) Annual renewable energy produced (in MWh)
E) Annual attributable GHG emissions avoided (in tCO2e) according to the EIB methodology[4]: calculation will be available on the website
F) Number of jobs created and tax paid

2 https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards
3 https://innovent.fr/index.php/en/accueil-english/
4 Methodologies for the Assessment of Project GHG Emissions and Emission Variations: https://www.eib.org/en/about/cr/footprint-methodologies.htm

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