

MASDAR GREEN FINANCE FRAMEWORK



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INTRODUCTION

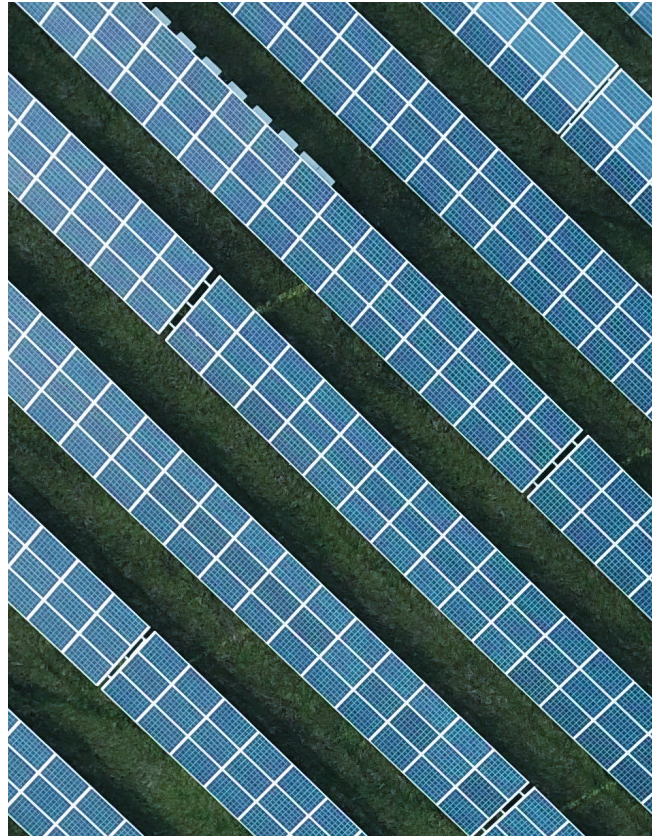
Abu Dhabi Future Energy Company – known as Masdar – is a global leader in renewable energy and at the forefront of global energy transformation. Since our establishment in 2006, we have advanced the development, commercialisation and deployment of cutting-edge renewable energy solutions to support the United Arab Emirates' transition to a diversified and sustainable economy. Our expertise lies in the development and deployment of utility-scale clean energy projects that enable an inclusive and sustainable future for all.





Our portfolio covers solar, wind, geothermal, green hydrogen, energy storage and energy efficiency and we actively address critical global issues, including energy access, climate change and decarbonisation. Our ambition is to achieve a 100-gigawatts (GW) portfolio capacity by 2030, driven by continuous investment and development of new generation assets around the globe. This commitment is our promise to redefine the possibilities in sustainable energy solutions for a brighter and cleaner future.

In December 2022, Masdar entered into a new shareholding structure, with Abu Dhabi National Energy Company PJSC (TAQA), Mubadala Investment Company, and Abu Dhabi National Oil Company (ADNOC) partnering under the Masdar brand to create a truly global, clean energy powerhouse intended to spearhead the UAE's drive to net-zero carbon by 2050, while cementing the country's leading role in green hydrogen.



Mission, Vision and Values



Our Purpose

To provide affordable clean energy to the world for a more sustainable future.



Our Vision

To build a global, clean energy powerhouse in renewables and green hydrogen.



Our Mission

To accelerate the energy transition by delivering clean energy solutions to help communities meet their net-zero goals.



Our Values

Agile

We swiftly adapt to global energy trends.

Pioneering

We are champions of innovation.

Sustainable

We are accountable to future generations.

Inclusive

We thrive on the diversity of our people.

1.1 Masdar's ESG Approach

Masdar is committed to advancing the United Nations' Sustainable Development Goals (UN SDGs) and these serve as a blueprint for our approach to sustainability. Environmental, Social and Governance (ESG) has always been at the core of our mandate, and our approach to ESG focuses on actions that drive absolute and positive impact. This is especially important in how we choose our investments. Since 2006, we have built a balanced and resilient portfolio that has delivered long-term value and strong operational results, while prioritizing positive environmental and social impact.

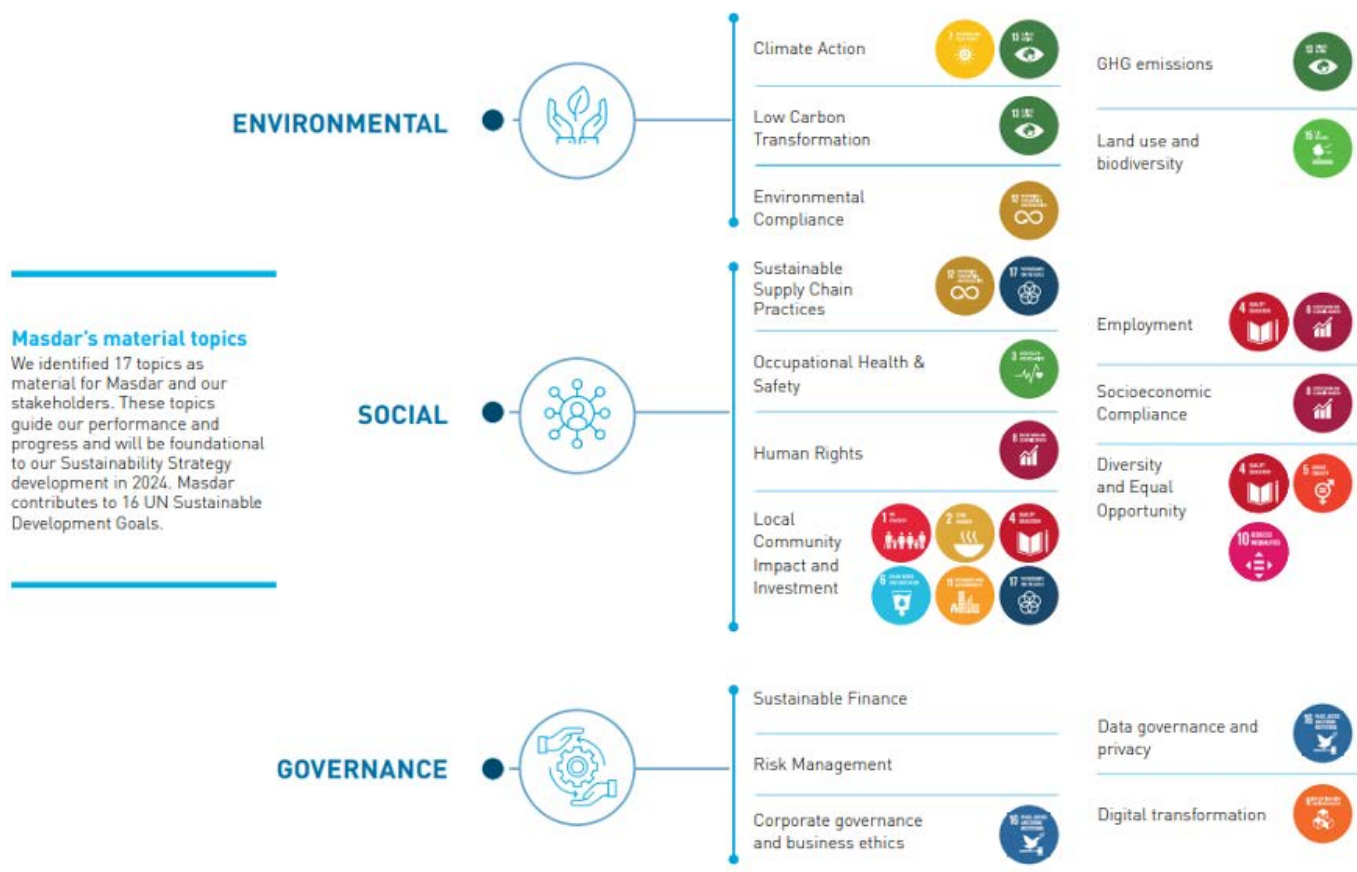
ENVIRONMENT



We prioritize ESG considerations from project conception through construction and operation, ensuring the protection of the environment and the local ecosystems in which we operate and positive impacts on local development. We manage our environmental footprint by managing and monitoring our biodiversity impact, limiting water consumption and avoiding greenhouse gas (GHG) emissions where feasible. In 2024, we updated our Corporate Sustainability Policy to guide our initiatives, actions and reporting and embed sustainability standards and practices into every facet of our operations and projects.

We re-evaluated the impact Masdar has on the environment, economy and its people to pinpoint the sustainability topics most relevant to the company.

All of our projects are subjected to Environmental & Social Impact Assessments (ESIA), which follow Good International Industry Practices (GIIP) and national laws and regulations to avoid and address negative impacts on the environment and surrounding communities. These impacts may be linked to biodiversity, habitats, waste generation at local sites, noise pollution, land acquisition, economic or physical displacement or social disruption.



The ESIA process includes a detailed biodiversity risk assessment, beginning with a screening study to avoid locating projects in areas of high biodiversity values. Next, we incorporate detailed baseline surveys using methods that meet or exceed GIIP standards, with the aim of delivering evidence for identifying, avoiding and reducing impacts to priority biodiversity features or Critical Habitat features. When such features are identified through the ESIA as being at risk of negative impact by our projects through unavoidable or residual effects, we work with experts and stakeholders to develop effective and achievable mitigations to achieve No Net Loss (NNL) or Net Gain (NG) outcomes for the affected species or habitats.

Project-specific Biodiversity Management Plans or Biodiversity Action Plans are implemented during construction and operations to achieve, monitor, and document NNL or NG requirements, ensuring that our projects contribute to maintaining biodiversity and enhancing key habitats and species.

The guiding principles of the Environmental component of our ESG approach are to provide low-carbon energy for the future and to ensure that every project is delivered to the highest international standards applicable at the time.

SOCIAL



Our focus on the social pillar is driven by our dedication to safeguarding the well-being of our people and the communities we operate in.

The ESIA's include a detailed assessment of the socioeconomic environment where our projects are developed.

During early site screening, we identify land uses and areas of cultural significance, selecting sites that avoid impacts on local community livelihoods and cultural sites. Socioeconomic baseline surveys are carried out to gain a detailed understanding of the socioeconomic characteristics of the local area, tailoring the ESIA and the project's Environmental and Social (E&S) Management System to the specific characteristics of the local area, hence avoiding or minimising negative impacts and maximising opportunities for social benefit.

The ESIA process is carried out in close consultation with local communities, ensuring stakeholder engagement is carried out in a culturally appropriate manner. The community engagement process includes specific mechanisms to ensure potentially vulnerable groups in the local area are meaningfully consulted, hence ensuring any concerns or feedback on our projects is captured and considered in the design of the ESIA and the E&S Management System.

Masdar's E&S Management System ensures that all project workers, including contractors and subcontractors, comply with good international employment practices and

deploy satisfactory worker welfare facilities. We ensure the utmost protection and safety for all by adhering to rigorous health, safety and environmental (HSE) standards and practices. Additionally, we actively engage our stakeholders, ranging from our employees to the local communities in which we serve, as well as our suppliers and customers. Our goal is to attract the top talent and foster a diverse, inclusive workforce at Masdar, providing career opportunities for growth and advancement through training and workshops. Furthermore, we seek ways to support our local communities through initiatives such as education workshops and community engagement activities, for example:

- **Women in Sustainability, Environment and Renewable Energy (WiSER):** Masdar's WiSER outreach platform was officially launched on the sidelines of the 70th UN General Assembly in September 2015. WiSER is dedicated to inspiring women to play an active role in addressing global sustainability challenges, and strives to position women of all nationalities as drivers of change and innovation while ensuring that their voices are heard across the sustainability debate.

- **Youth 4 Sustainability (Y4S):** Under the patronage of His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council, Y4S is a Masdar initiative to invest in and actively support the development of our most valuable asset – our young people – enabling them to become the sustainability leaders of tomorrow. Aligned with the UN SDGs and the UAE’s national strategy, Y4S has introduced a series of programs focused on students and young entrepreneurs, including the Sustainability Ambassadors and Future Sustainability Leaders programs.
- **Zayed Sustainability Prize (ZSP):** ZSP is the UAE’s pioneering global award that recognizes and rewards small- to medium-sized enterprises, non-profit organizations, and global high schools with sustainable solutions. Established by the UAE leadership in 2008, ZSP honors the humanitarian and sustainability legacy of the UAE’s founding father, the late Sheikh Zayed bin Sultan Al Nahyan. To date, ZSP has awarded 128 winners, which have positively impacted the lives of over 400 million people around the world by accelerating sustainable development through their impactful, innovative and inspiring solutions. ZSP has six categories, covering Health, Food, Energy, Water, Climate Action and Global High Schools, which align and create synergies with both the UAE’s rapidly growing role in international sustainable development and the UN SDGs.

Masdar also contributes to knowledge platforms that are driving the global sustainability debate, such as Abu Dhabi Sustainability Week (ADSW).

- ADSW is a global platform that convenes world leaders to develop action-oriented solutions to address the world’s most pressing sustainability challenges. Hosted by Masdar since 2008, ADSW encompasses a series of global events, which bring together heads of state, policymakers, international business leaders and technology pioneers, providing them with an inclusive platform to share knowledge, showcase innovation and outline strategies as we work together towards a net-zero future.

The guiding principles of the Social component of our ESG approach are to be an industry leader in HSE practices and performance, and to develop a diverse and inclusive workforce with a commitment to community-driven initiatives.

GOVERNANCE



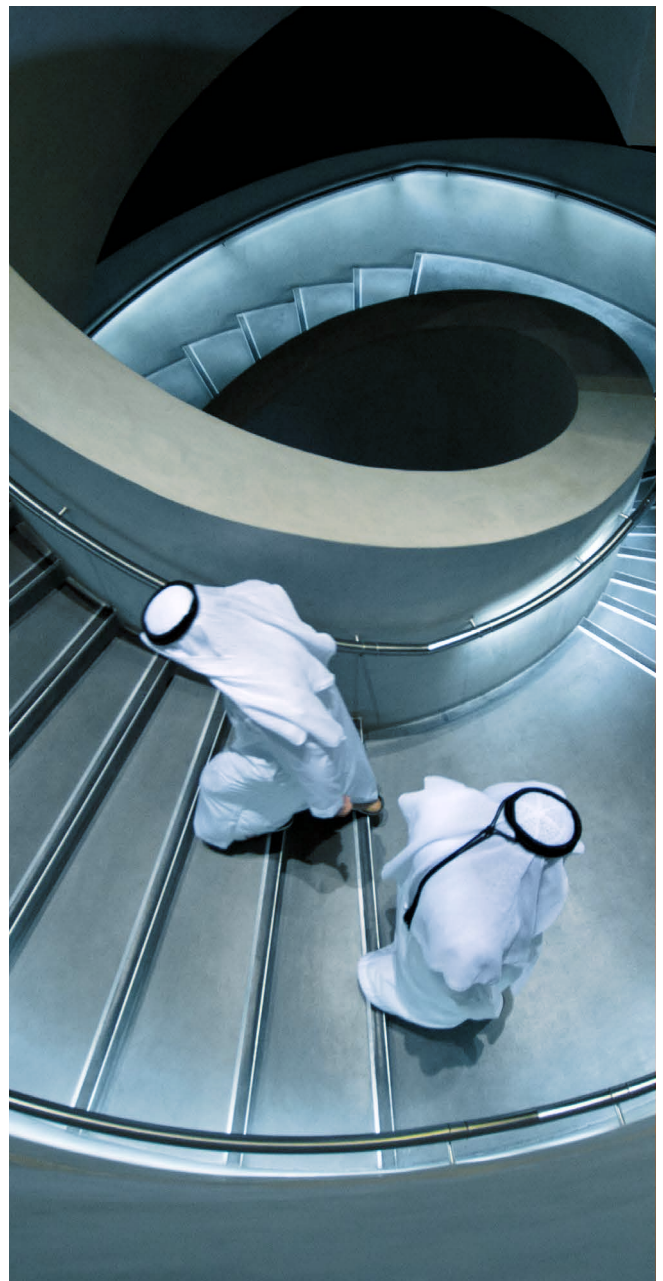
Our activities are guided by a robust governance model supported by internal procedures and policies. Ethics and integrity are the foundation of our business activities, upheld through well-established governance mechanics.

The Boards of Directors, and the Boards' Subcommittees, are tasked with providing oversight of the overall system of internal control, governance and compliance.

Notably, our Sustainability, Strategy & Investment Committee (SSIC), as well as our Audit, Risk and Compliance Committee (ARCC) provides guidance and oversight for our ESG activities. The Technical and Projects Committee (TPC) is responsible for overseeing the management's approach for projects and technical activities, ensuring their alignment with best practices.

Our values are where Masdar's governance originates, and our values are the foundation of our business. They shape and inform both the softer aspects – behavior and corporate culture – and the more formal requirements enshrined in the policies and procedures that set out our governance standards.

- **Internal audit procedures:** Internal audit assesses the adequacy and effectiveness of internal controls in managing risks related to achieving strategic objectives, ensuring reliable and accurate financial and operational information, improving operational efficiency, safeguarding assets and complying with local/international laws and regulations



- **Embedding ethical practice:** At Masdar, good ethics are the foundation upon which our business is built. We are committed to embedding ethical practices throughout the organization, and seek to build mutual trust with our customers, suppliers and communities by working honestly and ethically. Our business ethics are governed by Masdar's Ethics and Compliance Program¹, outlining the highest standards of ethical and professional conduct set out in the Code of Ethics and Business Conduct (Code of Conduct) and the Business Partner Code of Conduct. By adhering to these principles, we uphold the integrity and reputation of our organization, setting a pioneering example in terms of ethics and compliance. The Codes of Conduct are supported by nine additional policies which establish clear expectations for ethical behaviour to ensure compliance with legal requirements. Further detail can be found in our Modern Day Slavery Statement²
- **Responsible sourcing:** As a responsible developer, we ensure all supply chain activities adhere to our stringent policies and guidelines. These commitments are encapsulated in our code of ethics, our Business Partner Code of Conduct. Our Business Partner Code of Conduct sets out stringent standards, which our suppliers are required to adhere to, including prohibitions against engaging in any form of modern slavery, human trafficking or any use of child labor, the observation of reasonable working hours and payment of fair wages working hours, and anti-discrimination. Additionally, detailed

procurement policies and procedures, passed to the various Special Purpose Vehicles and operating entities, are in place to guarantee transparent and fair procurement, with a focus on criticality and values. We improved our tendering policy and procedures and the supply chain traceability requirements specific to photovoltaic (PV) modules. The traceability of raw materials, identifying new technologies and enhancing localization efforts are all important aspects for our supply chain. The traceability of raw materials is paramount to ensure compliance with our requirements and the expectations of the financing entities we collaborate with. Additionally, identifying new technology providers, such as for modules, turbines, inverters, battery energy storage systems and trackers, across various fronts is vital to maintaining the health and competitiveness of our supply chain.

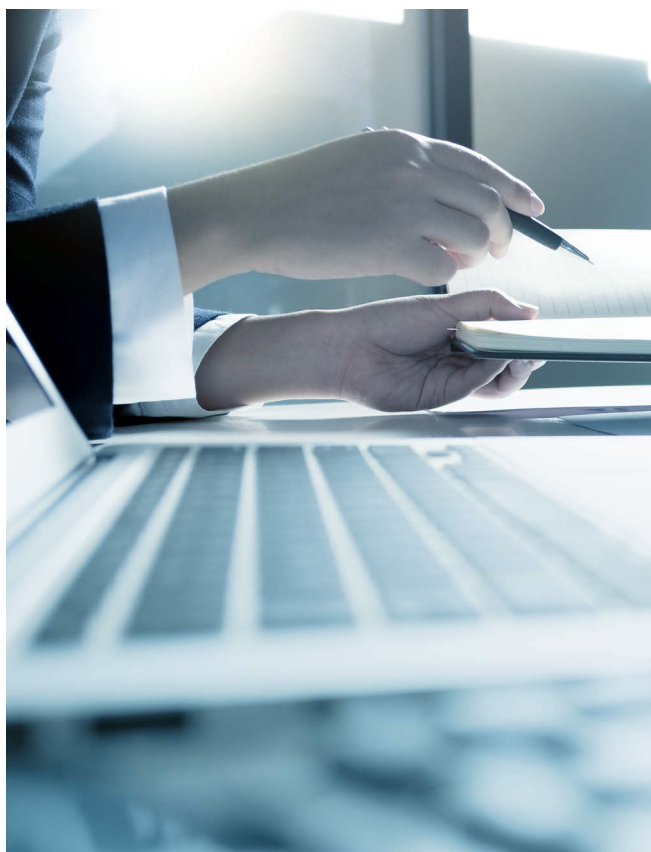
- **Supplier Screening and Assessment:** ESG compliance remains mandatory for our equipment providers and is designed to meet project- and lender-specific requirements. Continuous evaluation of the supply chain allows us to mitigate potential disruptions and maintain high-quality standards through our deploy teams. We also undertake thorough due diligence on suppliers with whom we purchase directly, including environmental and social screenings as well as other meticulous processes such as clearance, contractual clauses, inspection and monitoring, and bill material checks, among other processes.

¹ <https://masdar.ae/en/legal-terms/code-of-ethics-and-business-conduct>

² <https://masdar.ae/en/legal-terms/modern-day-slavery-statement>

Masdar has a dedicated ESG team which is responsible for the implementation of Environmental & Social (E&S) practices and procedures on each project that Masdar develops or acquires, throughout their lifecycle, in compliance with international and host country regulatory standards and best practices. The ESG team undertakes, inter alia, the following tasks in respect of each project:

- Ensures that E&S risk, constraints and opportunities are considered during screening and origination.
- Manages the preparation of the ESIA and ensures that the environmental and social permitting process is robust and efficient, and that the commitments outlined in the ESIA are aligned with good international industry practice.



- Streamlines compliance with the relevant international standards and guidelines, supports lenders' environmental and social due diligence processes, and leads the development of the Environmental and Social Action Plan (ESAP) and its implementation until the project-level E&S team is onboarded.
- Leads the preparation of the Environmental and Social Management System (ESMS) in line with Masdar's requirements and project-specific compliance obligations.
- Defines the scope of the Project/Asset E&S team based on specific challenges and compliance requirements, leads the personnel selection process, and trains the team to ensure a full understanding of corporate and project-specific ESG requirements.
- Provides support to the Project/Asset E&S team and undertakes regular audits assurance to ensure successful implementation of the ESAP and ongoing compliance with the ESMS.

The guiding principles of the Governance component of our ESG approach are to ensure appropriate focus and oversight on ESG strategies and practices and to continually improve our governance structure and processes in line with international best market practices.

1.2 Masdar's Renewable Energy Portfolio

Masdar's portfolio of projects (operational, under construction and advanced pipeline capacity) grew from 20GW in 2022 to 51GW at the end of 2024. In 2024 alone, Masdar deployed close to \$8 billion in equity investments and secured more than \$4.5 billion of project financing across nine countries, enabling the development of projects totaling over 6.5GW of new capacity. These accomplishments reflect Masdar's commitment to expanding its renewable energy portfolio while driving the global energy transformation.

Table 1: Some of the benchmark projects in the Masdar portfolio



Shams

Concentrated Solar Power, 100MW, UAE

Located in western Abu Dhabi and with an installed capacity of 100 megawatts (MW), Shams was the largest renewable energy project in operation in the Middle East and the UAE's first large-scale solar power plant, when it launched in 2013. The project won the 'Project of the Year Award 2013' from the Emirates Solar Industry Association and the 'Emirates Energy Award 2013 – Large Energy Project Award' from the Dubai Supreme Council of Energy.



London Array

Offshore Wind, 630MW, UK

London Array's 175 wind turbines power more than a half a million homes in the UK, abating nearly 1 million tonnes of CO2 emissions every year. The project was the first of the next generation of larger offshore wind farms when it began producing power in 2012. The project was awarded 'Global Wind Deal of the Year' by Project Finance International in 2013.



Dudgeon

Offshore Wind, 402MW, UK

Dudgeon Offshore Wind Farm is located 32km off the Norfolk coast in the UK and produces 1.7 terawatt-hours of electricity annually. The combined output of its 67 wind turbines is sufficient to power an estimated 410,000 UK homes, abating 893,000 tonnes of CO2 annually. It was one of the first UK offshore wind projects to be awarded an investment contract under the UK government's Contract for Difference ("CfD") scheme in May 2014, and the first CfD offshore wind project to obtain financing in May 2016.



Hywind

Floating Offshore Wind, 30MW, Scotland

Hywind is the world's first commercial-scale floating offshore wind farm. Located off the coast of Aberdeenshire in Scotland, it entered operations in 2017 and currently provides 22,000 homes with electricity, abating around 63,000 tonnes of CO2 emissions annually. Hywind generates the highest average capacity factor for any wind farm in the UK, with an average capacity factor of 54-57% compared to the offshore wind average in the UK of around 40%. The Hywind project is also equipped with the world's first battery connected to an offshore wind farm.



Čibuk 1

Onshore Wind, 158MW, Serbia

The Čibuk 1 wind farm is the largest utility-scale commercial wind project in Serbia and the Western Balkans. Led by Masdar and deployed in 2019, the project capitalizes on Masdar's international renewable industry expertise in order to support Serbia's ongoing socio-economic development. Besides helping to minimize the environmental impacts of Serbia's power sector, Čibuk 1 created as many as 400 local jobs during construction while also delivering 50 kilometers of new roads.



Cirata

Floating Solar Photovoltaic, 145MW, Indonesia

In January 2020, Masdar announced it had signed a power purchase agreement (PPA) with PT Perusahaan Listrik Negara (Persero) (PLN), the state-owned electricity company in Indonesia, for the first floating solar photovoltaic (PV) plant in the country. The 145MW plant, which is also Masdar's first floating solar PV project and its first renewable energy project in the Southeast Asian market, is built on a 250-hectare plot of the 6200-hectare Cirata Reservoir, in the West Java region.



Nur Navoi

Solar Photovoltaic, 100MW, Uzbekistan

In August 2021, Masdar successfully completed and inaugurated the Republic of Uzbekistan's first independent-private producer (IPP) solar power plant. The deal has attracted numerous awards for Masdar, which is committed to developing a number of other solar and wind projects in the country, contributing to the government's ambition of developing 20GW of clean energy capacity by 2030.

GREEN FINANCE FRAMEWORK



This Green Finance Framework has been developed to serve as a reference for all green financial instruments including bonds, loans, private placements, and sukuk to be raised to finance our investments in projects at home and overseas. We consistently approach finance from the view of enhancing sustainability. Whatever capital we raise is deployed for a sustainable purpose and in pursuit of ESG goals. We also recognize the enormous appetite amongst the financial community to champion the global push towards carbon neutrality, and we believe that Green Finance Instruments are an effective tool to meet this demand, which Masdar is uniquely positioned to support.

This Framework is intended to create a platform that meets the highest standards of transparency, disclosure and integrity in order to allow sustainable investors the opportunity to confidently participate in the growth story of Masdar, one of the few pure-play, global, renewable development and investment companies in the world. Our Green Finance Instruments will provide increased transparency, thereby allowing investors, through their allocation of funds, to make a more measurable contribution to a more sustainable financial system.

With respect to bonds, issuances connected with this Framework will be aligned with the International Capital Markets Association's Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1).

For loan financings connected with this Framework, these will be aligned with the Green Loan Principles (GLP) 2023 of the Asia Pacific Loan Market Association, the Loan Market Association, and the Loan Syndications and Trading Association (APLMA/LMA/LSTA).

This Framework is intended to align with the four core pillars of the GBP and GLP, including the recommendation for external review:

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds; and
4. Reporting.

In addition to alignment with the GBP and GLP, Masdar may seek certification in compliance with the requirements of the Climate Bonds Initiative (CBI) Climate Bonds Standard (V4.0) (CBS).

This Framework also aims to align, where possible, with the technical screening criteria for substantial contribution to Climate Change Mitigation specified by the Delegated Acts under the EU Taxonomy Regulation³ (EU Taxonomy).



³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

2.1 Use of Proceeds

The net proceeds from Green Finance Instruments will be used exclusively to finance and/or refinance new and/or existing projects in whole or in part from any eligible green project category in line with the eligibility criteria described in Table 2, including Masdar's participation in partnerships and joint ventures, in the relevant categories.

ELIGIBLE GREEN PROJECTS

All Eligible Green Projects are expected to align with the technical screening criteria for substantial contribution to Climate Change Mitigation as proposed by the EU Taxonomy and therefore deliver environmental benefits to support the implementation of our broader ESG approach.

Eligible Green Projects



Solar Power



Wind Power



Hydrogen



**Transmission and
Distribution of
Electricity**



Energy Storage

Table 2 provides an overview of green eligibility criteria of Eligible Green Projects, as well as their contributions to the UN SDGs (this list is not exhaustive given the interconnected nature of the SDGs).

Table 2: Eligible Green Projects

ELIGIBLE GREEN PROJECT CATEGORY : RENEWABLE ENERGY



SOLAR POWER

Eligible Green Project: Investments, development, construction, installation, operation and maintenance of facilities: PV plants, Floating PV, Concentrated solar power (CSP)

Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives:

- 4.1 Electricity generation using solar photovoltaic technology
- 4.2 Electricity generation using CSP technology
- **Climate Change Mitigation:** NACE codes D35.11 and F42.22

Alignment with the UN SDG targets:



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix



13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



WIND POWER

Eligible Green Project: Investments, development, construction, installation, operation and maintenance of facilities: Onshore projects, Offshore projects including floating wind turbines

Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives:

- 4.3 Electricity generation from wind power
- **Climate Change Mitigation:** NACE codes D35.11 and F42.22

Alignment with the UN SDG targets:



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix



13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

H₂ HYDROGEN

Eligible Green Project: Investments, development construction and installation of facilities, equipment or components dedicated for the manufacture of hydrogen produced with life-cycle GHG emissions lower than 3tCO₂e/tH₂

Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives:

- 3.10 Manufacture of hydrogen NACE code C20.11

Alignment with the UN SDG targets:



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix



13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



TRANSMISSION AND DISTRIBUTION OF ELECTRICITY

Eligible Green Project: Investments, development, construction, installation, operation and maintenance of:

- Electric power transmission and distribution network infrastructure directly connecting generation plants from renewable sources to the transmission grid
- Transmission and distribution infrastructure in an electricity system that complies with at least one of the following criteria:
 - the system is the interconnected European system;
 - more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh over a rolling five-year period;
 - the average system grid emissions factor is below the threshold value of 100 gCO₂e/kWh over a rolling five-year period.

Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives:

- 4.9 Transmission and Distribution of Electricity
- Climate Change Mitigation: NACE code D35.12 and D35.13

Alignment with the UN SDG targets:



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix



13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Investments, development, construction and operation of infrastructure and equipment where the main objective is an increase of the generation or use of renewable electricity generation; or to increase the controllability and observability of the electricity system to enable integration of renewable energy sources

ELIGIBLE GREEN PROJECT CATEGORY : ENERGY EFFICIENCY



ENERGY STORAGE

Eligible Green Project: Investments, development, construction, installation, operation and maintenance of electricity storage systems

Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives:

- 4.10 Storage of electricity Climate Change Mitigation

Alignment with the UN SDG targets:



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

All Masdar projects must meet stringent environmental and social requirements, including those that are imposed by commercial banks and multilateral development finance institutions in a lending capacity, for example:

- The Equator Principles;
- IFC Performance Standards (IFC PS); and
- IFC General Environmental Health and Safety Guidelines (IFC General EHS).

These environmental and social requirements typically oblige Masdar's projects to develop and implement (non-exhaustively):

- An ESIA, which includes the development of a commitments register and an Environmental & Social Management and Monitoring Plan (ESMMP).
- An ESMS in accordance with the general requirements of IFC PS1 and the objectives of ISO14001, covering both construction and operations consistent with the project ESIA, IFC PS and national requirements. This usually consists of a suite of management plans, including but not limited to: waste management; pollution prevention; water management; hazardous materials; biodiversity management; emergency response; community health, safety & security; road safety & traffic; worker accommodation; influx management; cultural heritage (including chance finds); livelihood restoration plan/resettlement plan (when IFC PS5 is triggered); environmental monitoring; stakeholder engagement (including grievance management); and contractor & supplier management.
- An Occupational Health & Safety (OHS) management system aligned (but not

necessarily accredited) with OHSAS18001 / ISO 45001 and of a scale appropriate to the project.

- A Biodiversity Management Plan (BMP) which demonstrates no net loss of natural habitat and priority biodiversity features, with appropriate mitigation measures. If the project triggers Critical Habitat, a Biodiversity Action Plan is developed to demonstrate net gain on the relevant species.

EXCLUSIONARY CRITERIA

For each Green Finance Instrument, Masdar has established a set of criteria preventing any assets and/or projects included in the following list to be earmarked as Eligible Green Projects:

- Landfill operations and any incineration of any unsorted waste assets including industrial and non-conventional waste (chemicals, nuclear, toxic waste).
- Acquisition, development, operation and maintenance of new and/or existing fossil fuel-based electricity generation capacity or heating systems (including, but not limited to, coal, oil, or natural gas-powered assets) and fossil fuel related activities including transportation of fossil fuel as well as underlying investments in R&D.
- Heat or power facilities with life-cycle GHG emissions intensity above 100gCO₂e/kWh⁴.
- Nuclear power generation and related infrastructures, including distribution assets.

Furthermore, we may exclude certain projects on a case-by-case basis if any material issues exist that run counter to Masdar's ESG approach at a project level.

⁴EEU Commission Delegated Regulation (EU) /... amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities published in March 2022: [Eur-lex.europa.eu/legal-content/](https://eur-lex.europa.eu/legal-content/)

2.2 Process for Project Evaluation and Selection

Our project evaluation and selection process ensures that the proceeds of Green Finance Instruments are allocated to finance and/or refinance Eligible Green Projects that meet the criteria and objectives set out above in section 2.1 (Use of Proceeds), and, where issuance is to be certified by the CBI, conformance with the relevant CBS V4.2 sector standard criteria.

A register of Eligible Green Projects is maintained by our ESG and Structured Finance teams, bringing together experts in their respective fields. This process draws significant input from our Head of ESG and Head of Structured Finance.

The Green Finance Register contains the following minimum information:

- Green Finance Instrument details: net proceeds; currency; issuance date; maturity date; coupon; and ISIN number (to the extent applicable).
- Allocation of proceeds for each Eligible Green Project listed:
 - » The Eligible Green Project Category and the Eligible Green Project Sub-Category;
 - » Project description
 - » Project capacity
 - » Project location
 - » Masdar's ownership percentage and
 - » The portion of net proceeds allocated

- Amount of any unallocated net proceeds.

The Green Finance Register is updated with new projects when these are recommended by these two teams to our Sustainability, Strategy and Investment Committee (SSIC) for validation and inclusion.

The SSIC ensures that our overall investment process and guidelines remain fit for purpose and that investments are in line with our then-applicable strategy and shareholder-approved business plan. The SSIC comprises senior executives from our shareholders, including the CEO of our largest shareholder, TAQA, who chairs the SSIC.

The ESG and Structured Finance teams, in addition to identifying new projects as Eligible Green Projects and recommending their inclusion in the Green Finance Register, are also responsible for:

- Undertaking regular monitoring of the Green Finance Register to ensure the projects contained therein continue to satisfy the criteria for Eligible Green Projects set out in section 2.1 (Use of Proceeds), and, where required, compliance with the relevant CBS sector standard criteria, whilst replacing any ineligible projects with new Eligible Green Projects;
- Managing and tracking proceeds to ensure allocation towards the Eligible Green Projects contained in the Green Finance Register as set out in section 2.3 (Management of Proceeds).

- Ensuring that any proceeds from the issuance of a Green Finance Instrument, pending full allocation to Eligible Green Projects, are used in line with Masdar’s corporate liquidity policy as described in section 2.3.
- Facilitating regular reporting on the issuance of any Green Finance Instrument in line with the reporting commitments set out in section 2.4 (Reporting).
- Ensuring that the selection and inclusion of new projects as Eligible Green Projects follows Masdar’s ESG approach and the Exclusionary Criteria set out in section 2.1, taking into account regulatory, reputational and financial factors.
- Maintaining this Framework and managing any future updates that may be required including any updates that are required to retain compliance with regulations, disclosure standards and commitments, and best market practices.

In addition to the continuous selection and monitoring roles highlighted above, the ESG and Structured Finance teams will jointly provide regular updates to the SSIC on matters which relate to this Framework at least every six months.

Traceability of the decisions made on the selection of Eligible Green Projects will be done through a combination of the Green Finance Register, meeting minutes, as well as environmental and social requirements under each Eligible Green Project described in section 2.1 of this Framework.



2.3 Management of Proceeds

An amount equivalent to the net proceeds of each Green Finance Instrument raised in connection with this Framework will be deposited in a segregated account. These funds will be earmarked for allocation to Eligible Green Projects, with the end-to-end process being managed and overseen by our Structured Finance team.

To avoid double-counting of Eligible Green Projects, these will not be funded by other Green Finance Instruments unless we can demonstrate that:

- Distinct portions of the Eligible Green Project are being funded by different Green Finance Instruments, or
- The existing Green Finance Instrument is being refinanced via another Green Finance Instrument.

When the Eligible Green Projects are subject to partnerships or joint ventures, we will only consider our share of investment in those Eligible Green Projects. We will not consider a portion of any Eligible Green Project which has been financed and/or refinanced by any other stakeholder.

We will ensure, on a best-efforts basis, that the capital value of projects in the Green Finance Register exceeds, or is at least equal to the net proceeds of Green Finance Instruments raised under this Framework. The proceeds of Masdar's Green Finance Instruments may temporarily exceed the total valuation of

projects in the Green Finance Register as the proceeds will be gradually allocated according to the different deployment stages of each Eligible Green Project. Masdar commits, on a best-efforts basis, to reach full allocation of the net proceeds of each Green Finance Instrument within 24 months following the date of issuance.

Pending full allocation, the net proceeds will be temporarily invested in accordance with our corporate liquidity policy and the Exclusionary Criteria set out in section 2.1, in cash, cash equivalents, or similar instruments, including sustainable fixed deposits. Unallocated proceeds will not affect the environmental commitments of this Framework.

In the case of a full or partial disposal of an Eligible Green Project, the disposal proceeds will be reallocated to another Eligible Green Project to the extent required to ensure that the value of projects in the Green Finance Register is at least equal to the value of Green Finance Instruments outstanding. In the unlikely event that a project is no longer considered to meet the eligibility criteria set out in section 2.1, then we will use our best efforts to substitute the project as soon as an appropriate substitution option has been identified, and in any event within 24 months.

Net proceeds from the issuance of the Green Finance Instruments can be used to refinance:

- Existing projects and expenditures, in accordance with the eligibility criteria outlined above, with a lookback period of up to 24 months.

- Any existing Green Finance Instrument(s), provided the underlying asset(s) to which such existing Green Finance Instrument(s) relates is (are) still included in the Green Finance Register.

All relevant information regarding the issuance of Green Finance Instruments and the allocation of proceeds from such instruments to the Eligible Green Projects will be monitored and documented in the Green Finance Register throughout the life of each Green Finance Instrument.

2.4 Reporting

Until we no longer have any Green Finance Instruments outstanding, and subject to any material event⁵ thereafter, we will publish annually (i) an Allocation Report and (ii) an Impact Report, the latter subject to the availability of suitable information and data. Masdar intends to provide an aggregated report for all of its Green Finance Instruments.

Wherever possible, we will align our reporting with the approach described in the 'Handbook – Harmonised Framework for Impact Reporting' (June 2023)⁶.

For the maintenance of conformity with the existing CBS, we will seek verification of our Green Finance Instruments, where issuance is to be certified by the CBI, at least annually during the same reporting timeframe described above. This will include information about the Eligible Green Projects and their alignment with the CBI eligibility criteria.

ALLOCATION REPORT

With the aim of providing disclosure on the allocation of net proceeds, the Allocation Report will include:

- An overview of the Green Finance Instruments outstanding, including a list of Eligible Green Projects, their description and their alignment with the relevant eligibility criteria (such as the CBI Sector Criteria).
- The aggregated amount of net proceeds allocated to the Eligible Green Projects at the category level, if applicable.
- The proportion of net proceeds allocated to financing versus refinancing.
- The balance of any unallocated proceeds invested in cash and/or cash equivalents.
- The geographical breakdown of the Eligible Green Projects.



⁵Material event could include, but is not limited to, change of control or acquisition, change of name, changes to the eligibility of assets and projects as well as any material amendments, supplements, and other updates to deal documents including during the life of the Green Finance Instrument (including any winding up process or enforcement).

⁶Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf (icmagroup.org)

⁷<https://www.climatebonds.net/standard/sector-criteria>

IMPACT REPORT

The Impact Report will provide information on the associated environmental impact metrics and outcomes of our Green Finance Instruments, subject to the availability of suitable information and data. Where the Eligible Green Projects are operational, Masdar will use the actual measurements, unless this is not feasible, and will provide estimates of the expected data of those Eligible Green Projects that are not operational or where actual data is not available. In addition, areas where estimates are reported will be highlighted and any calculation methodologies and key assumptions will be disclosed.



Eligible Category	Potential Quantitative Performance Indicators
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy capacity installed in MW • Annual GHG emissions avoided in tonnes of CO2 equivalent • Annual renewable energy generated (or estimated) in MWh • Capacity of renewable energy plant(s) to be served by transmission systems (MW)
Energy efficiency	<ul style="list-style-type: none"> • Storage capacity developed in MW • Annual GHG emissions avoided in tonnes of CO2 equivalent • Annual energy savings (or estimated) in MWh

The Allocation Report and Impact Report will be publicly available at <https://masdar.ae/en/investors>

2.5 External Review

SECOND PARTY OPINION

Moody's Ratings has been appointed to issue a Second Party Opinion to assess and confirm the compliance of this Framework with the GBP, GLP and the alignment with the technical screening criteria for substantial contribution to Climate Change Mitigation specified by the Delegated Acts under the EU Taxonomy.

The Second Party Opinion can be found [here](#).

POST-ISSUANCE EXTERNAL REVIEW:

An independent external auditor will provide annual assurance on both Allocation Report and Impact Report that:

- The amount equivalent to the net proceeds from the Green Finance Instruments have been allocated in accordance with the Framework at the impact reporting date.
- The disclosed impact has been calculated in line with the disclosed methodology and in compliance with the reporting commitments set forth in the Framework.
- Assumptions and data limitations that may impact the reported impacts are clearly disclosed.

- The methodology utilized to calculate the reported impact is appropriate, considering aspects such as completeness, objectivity, and understandability, and consistently measurable.

The assurance reports can be found [here](#).

CBI VERIFICATION:

Masdar will engage an independent verifier to assess the Framework's compliance with the requirements of the CBS (V4.2) Masdar will engage an independent auditor to provide post-issuance verification over the actual use of proceeds and internal systems and controls to verify that the Green Finance Instrument has conformed with the CBS post-issuance requirements.

The CBI Verification reports (pre- and post-issuance) can be found [here](#).

AMENDMENTS TO THIS FRAMEWORK

Masdar may review this Framework from time to time, including its alignment with updated versions of the GBP, GLP and/or CBS, as and when such updates are made publicly available. Any material updates will be subject to the prior approval of the SPO provider. Future updates to this Framework, if any, will be published on Masdar's website and will replace this Framework.

DISCLAIMER

Although the information contained in this Framework has been prepared using all reasonable care, Masdar makes no representation and gives no warranties in relation to such information and shall not be liable for any error, omission or inaccuracy contained in this Framework. Masdar shall not be liable under any circumstances for any loss or damage of any kind including, without limitation, any direct, special, indirect or consequential loss or damage, arising out of or in connection with the information contained in this Framework or from any reliance that may be placed by any person on such information.

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