

The future isn't somewhere
we're going. It's something
we're powering, together.

Masdar – Green Finance Framework

October 2026



GREATER
AS ONE

UNBOUND BY
CONVENTION

ROOTED IN
INTEGRITY

FURTHER
EVERY TIME

1. Introduction

Abu Dhabi Future Energy Company PJSC – 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, commercialization 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 decarbonization. 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 (**MIC**), 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.

Three Abu Dhabi national champion shareholders:



66.5 GW
Gross capacity at year end 2025

100 GW
Target gross generation capacity by 2030

240+
Projects in 25 countries

40.2 TWh
Generation from projects in operation in 2025

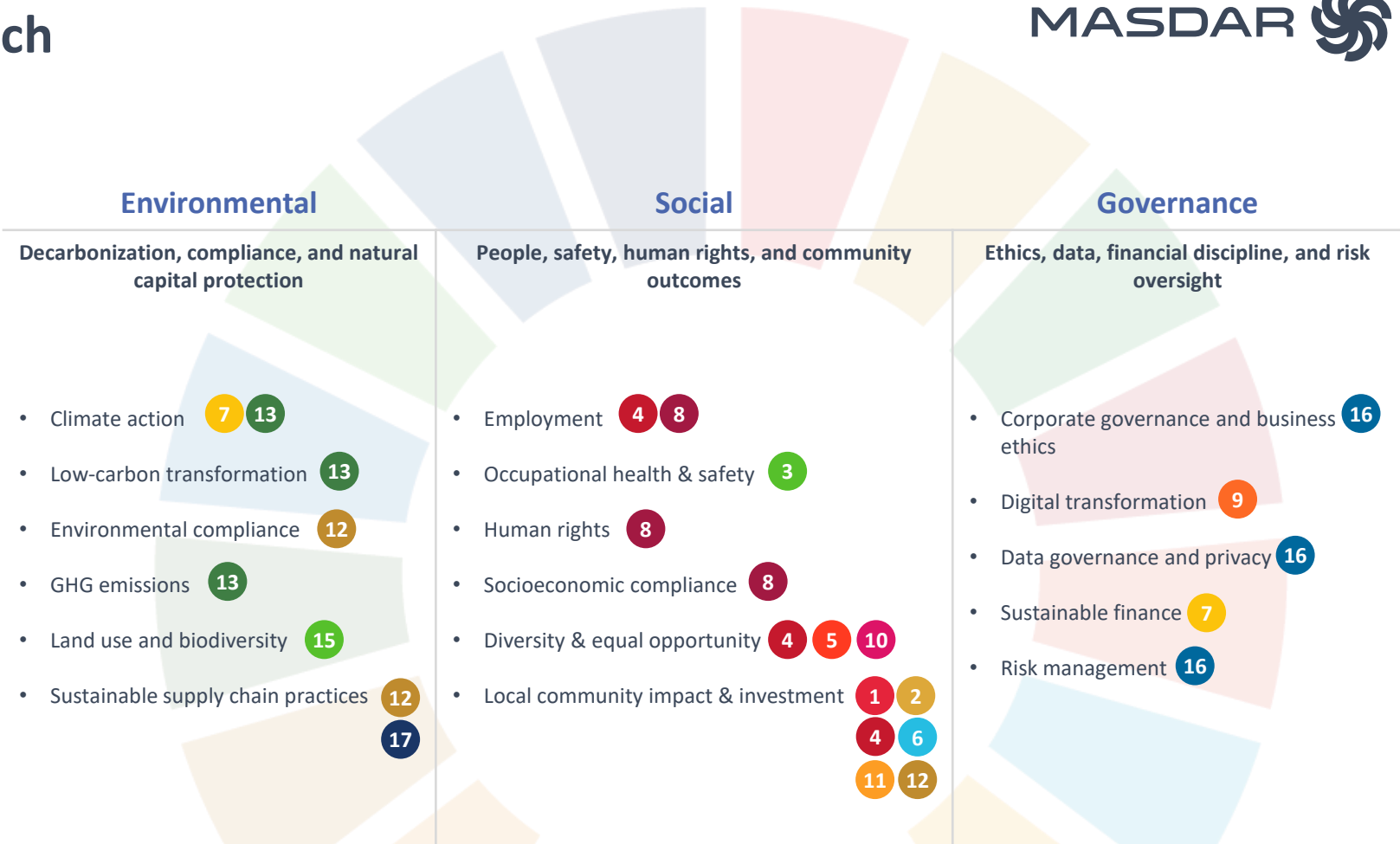
1.1 Masdar's ESG Approach



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.

Masdar's material topics

We identified 17 topics as material for Masdar and our stakeholders. These topics guide our performance and progress and are fundamental to our Sustainability Strategy. Masdar actively contributes to 16 of the UN SDGs.



1.1 Masdar's ESG Approach

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 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.

1.1 Masdar's ESG Approach

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 Management System (ESMS) to the specific characteristics of the local area, hence avoiding or minimizing negative impacts and maximizing 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 ESMS 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.



Masdar's **Women in Sustainability, Environment and Renewable Energy (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.



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, **Youth 4 Sustainability (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.



Zayed Sustainability Prize (ZSP) is the UAE's pioneering global award that recognizes and rewards SMEs, 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 by accelerating sustainable development through impactful, innovative and inspiring solutions.



Abu Dhabi Sustainability Week (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 work together on strategies for 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.

1.1 Masdar's ESG Approach

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' Sub-committees, are tasked with providing oversight of the overall system of internal control, governance and compliance. Notably, our Sustainability, Strategy and 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 and 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 we seek to build mutual trust with our customers, suppliers and communities by working honestly and ethically. The governance and monitoring of our business ethics is maintained by our Ethics and Compliance team, and our high standards of ethical and professional conduct are set out in our "Code of Ethics and Business Conduct" and "Business Partner Code of Conduct" (**Codes of Conduct**).⁽¹⁾ These define what we stand for and how we work, and emphasize that we must keep integrity at the heart of everything we do.

The Codes of Conduct are supported by our Modern Day Slavery Statement which sets out Masdar's group-wide approach to human rights. This statement is intended to supplement any other such statements made by entities owned by Masdar.⁽²⁾

- **Responsible sourcing:** As a responsible developer, we have stringent policies and guidelines in place which apply to all our supply chain activities. These are encapsulated in our Codes of Conduct and our Modern Day Slavery Statement, which map out the standards that our suppliers must adhere to including:
 - The prohibition of any form of modern slavery, human trafficking, and/or child labor; and
 - The observation of fair employment conditions including the payment of fair wages, reasonable working hours, and anti-discrimination.

Additionally, detailed procurement policies and procedures, passed to our various project companies and operating entities, are in place to guarantee transparent and fair procurement, with a focus on criticality and values. We are continually improving our tendering policies and procedures, including supply chain traceability requirements specific to photovoltaic (**PV**) modules and their raw materials. Furthermore, the identification of new technology providers, such as for PV modules, turbines, inverters, battery energy storage systems, etc, is vital to maintaining healthy, competitive, and responsible sourcing within 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>

1.1 Masdar's ESG Approach

Governance (continued)

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 Corporate Sustainability team has responsibility for, inter alia, the following tasks in respect of each project:

- Ensuring that E&S risk, constraints and opportunities are considered during screening and origination.
- Managing 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.
- Streamlining compliance with the relevant international standards and guidelines, supporting lenders' environmental and social due diligence processes, and leading the development of the Environmental and Social Action Plan (ESAP) and its implementation until the project-level E&S team is onboarded.
- Leading the preparation of the ESMS in line with Masdar's requirements and project-specific compliance obligations.
- Defining the scope of the project-level E&S team based on specific challenges and compliance requirements, leading the personnel selection process, and training the team to ensure a full understanding of corporate and project-specific ESG requirements.
- Providing support to the project-level E&S team and undertaking regular audits 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.

Board of Directors

1 Board Committees

(Oversight of governance, internal controls, risk and compliance)

- **Sustainability, Strategy and Investment Committee (SSIC):** ESG guidance and oversight.
- **Audit, Risk and Compliance Committee (ARCC):** ESG guidance and oversight.
- **Technical and Projects Committee (TPC):** Oversight of management approach; alignment with good international industry practice.

2 Management

- **Corporate Sustainability / Project-level ESG teams:** Implement E&S practices across project lifecycle (screening, ESIA/ESAP, ESMS, monitoring, audits).
- **Corporate Sustainability:** Maintains the Green Finance Register (with Corporate Finance) and recommends Eligible Projects.
- **Corporate Finance:** End-to-end process owner for managing use of proceeds, impact and allocation reporting under the Framework, assurance.

3 Independent Controls

- **Internal Audit:** Assesses adequacy and effectiveness of internal controls and risk management; compliance.
- **Ethics and Compliance:** Maintains the Code of Ethics and Business Conduct, Business Partner Code of Conduct, and other policies (including Modern Day Slavery Statement).

1.2 Masdar's Renewable Energy Portfolio

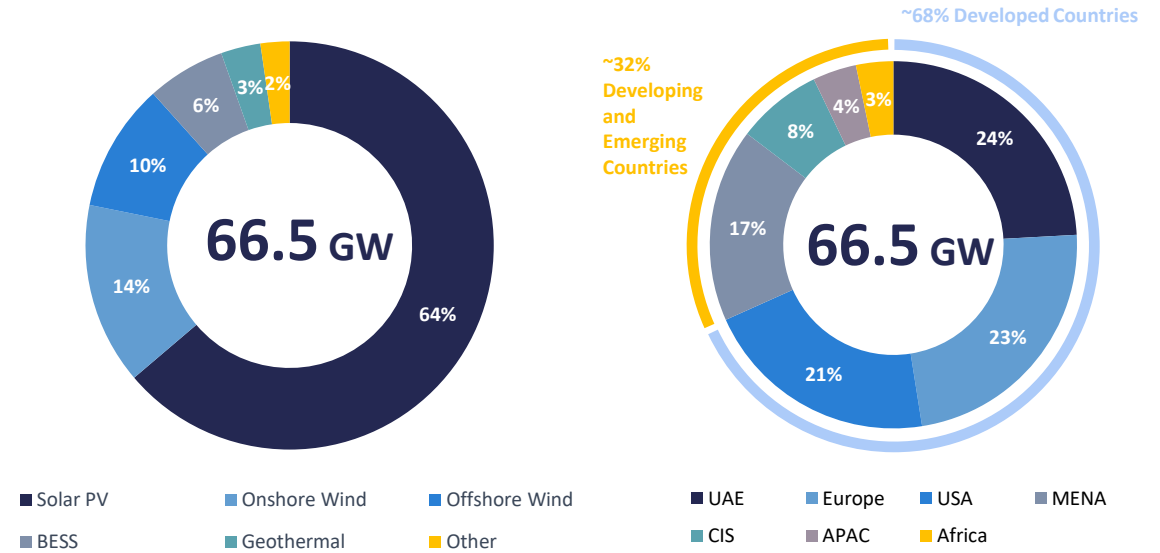
66.5 GW of gross capacity at year end 2025

Masdar's strategy is to grow to 100 GW of gross capacity through a combination of acquisitions and greenfield developments by 2030, principally by making majority control investments in large capacity markets, without compromising on returns. Masdar aims to remain diversified across geographies and technologies, while continuing to be a first mover in implementing commercially viable new technology advancements, for example floating offshore wind, floating solar PV and giga-scale battery storage solutions.

The tables present Masdar's 66.5 GW of gross generation capacity at year end 2025, broken down by technology and by geographic location, across different project development stages.

	Operational		Under Construction		Committed		Advanced Pipeline		Total	
	(No. of projects)	(MW)	(No. of projects)	(MW)	(No. of projects)	(MW)	(No. of projects)	(MW)	(No. of projects)	(MW)
Technology										
Solar PV ⁽¹⁾	94	9,741	15	10,335	10	11,282	25	11,063	144	42,421
Onshore wind	114	6,301	3	361	3	423	9	2,495	129	9,580
Offshore wind	4	1,538	1	1,400	-	-	3	3,822	8	6,760
BESS	9	726	4	225	2	316	27	2,867	42	4,134
Geothermal	15	1,932	2	110	-	-	3	50	20	2,092
Other ⁽²⁾	5	80	3	894	1	131	1	420	10	1,525
Total	241	20,318	28	13,325	16	12,152	68	20,717	353	66,512

Geography										
UAE	3	2,540	3	4,800	1	7,212	1	1,500	8	16,052
Europe	152	6,269	13	2,798	2	203	37	6,270	204	15,540
USA	43	5,526	2	783	4	667	17	6,861	66	13,837
MENA ⁽³⁾	14	1,522	5	3,926	4	2,900	3	2,980	26	11,328
CIS ⁽⁴⁾	6	1,583	2	902	3	890	4	1,636	15	5,011
APAC ⁽⁵⁾	17	2,096	3	116	1	200	4	150	25	2,562
Africa ⁽⁶⁾	6	782	-	-	1	80	2	1,320	9	2,182
Total	241	20,318	28	13,325	16	12,152	68	20,717	353	66,512



- (1) Solar PV capacity figures include the capacity of co-located BESS facilities.
- (2) Includes waste-to-energy, concentrated solar power, hydro, green hydrogen and distributed generation.
- (3) Excluding the UAE.
- (4) Commonwealth of Independent States (CIS).
- (5) Asia Pacific region.
- (6) Africa excluding North Africa.

Green Finance Framework

This Green Finance Framework has been developed to serve as a reference for all green and blue financing instruments including bonds, loans, private placements, and sukuk (together referred to as “Green Financing Instruments”) 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 Financing Instruments are an effective tool to meet this demand, which Masdar is uniquely positioned to support.



2 Green Finance Framework

Overview

This Framework is intended to create a platform that meets the highest standards of transparency, disclosure and integrity 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 Financing 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.

Masdar intends to use this Framework to issue:

- Green Financing Instruments, which will fund Eligible Green Projects and Eligible Blue Projects (together **Eligible Projects**);
- Blue Financing Instruments, which are a subset of Green Financing Instruments and where the proceeds will be exclusively allocated to fund Eligible Blue Projects.

Green Financing Instruments issued in connection with this Framework will be aligned with the International Capital Market Association's (ICMA) "Green Bond Principles" (GBP)⁽¹⁾ and the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association's (LSTA) "Green Loan Principles" (GLP)⁽²⁾.

With respect to Blue Financing Instruments, the Framework takes into account the International Finance Corporation's (IFC) "Guidelines for Blue Finance (version 2.0)"⁽³⁾ and is aligned with the "Bonds to Finance the Sustainable Blue Economy – A Practitioner's Guide" (2023) published by the Asian Development Bank (ADB), ICMA, IFC, United Nations Environment Programme – Finance Initiative (UNEP-FI), and United Nations Global Compact (UNGC) (A Practitioner's Guide)⁽⁴⁾

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, GLP and "Bonds to Finance the Sustainable Blue Economy – A Practitioner's Guide", Masdar may seek certification in compliance with the requirements of the Climate Bonds Initiative (CBI) Climate Bonds Standard (V4.3) (CBS).

This Framework is designed so that all Eligible Projects are aligned, where feasible, with the technical screening criteria for substantial contribution to Climate Change Mitigation (CCM) specified by the Delegated Acts under the EU Taxonomy Regulation (EU Taxonomy).⁽⁵⁾

The net proceeds from Green Financing Instruments will be used exclusively to finance and/or refinance new and/or existing Eligible Projects in whole or in part from any Eligible Green and Blue Project Category in line with the eligibility criteria described in tables on the following pages, including Masdar's participation in partnerships and joint ventures, in the relevant categories.



(1) ICMA Green Bond Principles (2025) - [Green-Bond-Principles-GBP-June-2025.pdf](#)

(2) LMA, APLMA, LSTA Green Loan Principles (2025) - [Green Loan Principles - LSTA](#)

(3) IFC Guidelines for Blue Finance (2025) - [Guidelines for Blue Finance Version 2.0](#)

(4) ADB, ICMA, IFC, UNEP-FI, UNGC (2023) - [Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide](#)

(5) 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

Eligible Green Projects

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

Eligible Green Project Category	Eligible Green Project Sub-Category	Eligible Green Project	Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives	Alignment with the UN SDG targets
Renewable Energy	Solar Power	Investments, development, construction, installation, operation and maintenance of facilities: - Photovoltaic plants - Floating photovoltaic - Concentrated solar power	CCM 4.1 Electricity generation using solar photovoltaic (PV) technology CCM 4.2 Electricity generation using concentrated solar power (CSP) technology CCM NACE codes D35.11 and F42.22	 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix
	Wind Power	Investments, development, construction, installation, operation and maintenance of facilities: - Onshore projects - Offshore projects including fixed and floating installations	CCM 4.3 Electricity generation from wind power CCM NACE codes D35.11 and F42.22	 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	Hydrogen	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	CCM 3.10 Manufacture of hydrogen	
	Transmission and Distribution of Electricity	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.	CCM NACE code C20.11 CCM 4.9 Transmission and distribution of electricity CCM NACE code D35.12 and D35.13	
Energy Efficiency	Energy Storage	Investments, development, construction, installation, operation and maintenance of electricity storage systems	CCM 4.10 Storage of electricity	 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

2.1 Use of Proceeds

Eligible Blue Projects

All Eligible Blue Projects are expected to align with the technical screening criteria for substantial contribution to CCM as proposed by the EU Taxonomy and therefore deliver environmental benefits to support the implementation of our broader ESG approach. Eligible Blue Projects contribute to the protection and sustainable use of oceans and water resources and undergo due diligence assessments to minimize adverse biodiversity impacts. The table below provides an overview of blue eligibility criteria of Eligible Blue Projects, as well as their contributions to the UN SDGs (this list is not exhaustive given the interconnected nature of the SDGs).

Eligible Blue Project Category	Eligible Blue Project Sub-Category	Eligible Blue Project	Alignment with the EU Taxonomy Economic Activity and the EU Environmental Objectives	Alignment with the UN SDG targets
Marine Renewable Energy	Floating Solar Power	Investments, development, construction, installation, operation and maintenance of facilities: Floating photovoltaic Aligned with “Bonds to Finance the Sustainable Blue Economy: A Practitioner’s Guide”	CCM 4.1 Electricity generation using solar photovoltaic (PV) technology CCM NACE codes D35.11 and F42.22	 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix
	Offshore Wind Power	Investments, development, construction, installation, operation and maintenance of facilities: Offshore projects including fixed and floating installations Takes into consideration the IFC “Guidelines for Blue Finance (version 2.0)” (2025) and is aligned with “Bonds to Finance the Sustainable Blue Economy: A Practitioner’s Guide”	CCM 4.3 Electricity generation from wind power CCM NACE codes D35.11 and F42.22	 14.c: Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of “The Future We Want”
	Transmission and Distribution of Offshore Electricity to Shore	Investments, development, construction, installation, operation and maintenance of facilities: Electric power transmission and distribution network infrastructure directly connecting offshore generation plants from renewable sources to the transmission grid	CCM 4.9 Transmission and Distribution of Electricity CCM NACE code D35.12 and D35.13	 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

2.1 Use of Proceeds

Environmental and social standards

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; marine and coastal biodiversity management (including underwater noise, vessel traffic and collision risk, fisheries interaction, and protected area considerations); 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 affects a critical habitat, a Biodiversity Action Plan (BAP) is developed to demonstrate net gain on the relevant species.

Exclusionary criteria

For each Green Financing Instrument, Masdar will apply exclusions in accordance with the EU's Paris Aligned Benchmark (PAB) criteria:

- Activities related to controversial weapons;
- Cultivation and production of tobacco;
- Activities in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Exploration, mining, extraction, distribution or refining of hard coal and lignite;
- Exploration, extraction, distribution or refining of oil fuels;
- Exploration, extraction, manufacturing or distribution of gaseous fuels;
- Electricity generation with a GHG intensity >100g CO₂e/kWh;

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.

2.2 Process for Project Evaluation and Selection

Our project evaluation and selection process ensures that the proceeds of Green Financing Instruments are allocated to finance and/or refinance Eligible 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 V4.3 sector standard criteria.

A register of Eligible Projects is maintained by our Corporate Sustainability and Corporate Finance teams, bringing together experts in their respective fields. This process draws significant input from the leadership of both teams.

The Green Finance Register contains the following minimum information:

- Green Financing Instrument details: net proceeds; currency; issuance date; maturity date; coupon; and ISIN number (to the extent applicable).
- Allocation of proceeds for each Eligible Project listed:
 - The Eligible Green or Blue Project category and Eligible Green or Blue 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 Corporate Sustainability and Corporate Finance teams, in addition to identifying new projects as Eligible 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 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 Projects;
- Managing and tracking proceeds to ensure allocation towards the Eligible 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 Financing Instrument, pending full allocation to Eligible Projects, are used in line with Masdar's corporate liquidity policy as described in section 2.3 (*Management of Proceeds*).
- Facilitating regular reporting on the issuance of any Green Financing 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 Projects follows Masdar's ESG approach and the Exclusionary Criteria set out in section 2.1 (*Use of Proceeds*), considering 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 Corporate Sustainability and Corporate 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 Projects will be done through a combination of the Green Finance Register, meeting minutes, as well as environmental and social requirements under each Eligible Project described in section 2.1 (*Use of Proceeds*) of this Framework.

2.3 Management of Proceeds

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

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

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

To the extent Eligible Projects are subject to partnerships or joint ventures, we will only consider our share of investment in those Eligible Projects. We will not consider a portion of any Eligible 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 Financing Instruments raised under this Framework.

The proceeds of Masdar's Green Financing Instruments may temporarily exceed the total allocation to Eligible Projects in the Green Finance Register as the proceeds will be gradually allocated according to the different deployment stages of each Eligible Project. Masdar commits, on a best-efforts basis, to reach full allocation of the net proceeds of each Green Financing 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 (*Use of Proceeds*), 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 Project, including a reduction in ownership interest through a non-cash transaction such as a contribution to a joint venture, the amount of any Green Financing Instruments allocated to that Eligible Project will be adjusted to reflect Masdar's ownership interest following completion of the relevant transaction. Reallocation to one or more other Eligible Projects will be made as soon as practicable and, in any event, within 24 months following the issuance date of the relevant transaction, to ensure that the value of Eligible Projects recorded in the Green Finance Register is at least equal to the aggregate amount of Green Financing Instruments outstanding. Any project added to the Green Finance Register as part of such reallocation, including a project in which Masdar acquires an ownership interest through the same non-cash transaction, shall satisfy the eligibility criteria set out in Section 2.1 (*Use of Proceeds*), including the applicable look-back period. Any material adjustment and subsequent reallocation will be disclosed in the next Allocation Report.

In the event that a project is no longer considered to meet the eligibility criteria set out in Section 2.1 (*Use of Proceeds*), Masdar 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 Green Financing 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 Financing Instrument(s), provided the Eligible Project(s) to which such existing Green Financing Instrument(s) relates is (are) still included in the Green Finance Register.

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

2.4 Reporting

Until we no longer have any Green Financing Instruments outstanding, and subject to any material event⁽¹⁾ thereafter, we will publish annually an Allocation and Impact Report, with impact reporting being subject to the availability of suitable information and data. Masdar intends to provide an aggregated report for all its Green Financing Instruments.

Wherever possible, we will align our reporting with the approach described in ICMA's "Handbook – Harmonised Framework for Impact Reporting",⁽²⁾ and for Eligible Blue Projects with the impact reporting recommendations in the IFC's "Guidelines for Blue Finance (version 2.0)" and "Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide".^{(3),(4)}

For the maintenance of conformity with the existing CBS, we will seek verification of our Green Financing Instruments where issuance is to be certified by the CBI, at least annually during the same reporting timeframe described above.

Allocation

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

- An overview of the Green Financing Instruments outstanding, including a list of Eligible Projects, their description and their alignment with the relevant eligibility criteria (such as the CBI Sector Criteria).⁽⁵⁾
- The aggregated amount of net proceeds allocated to the Eligible 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 Projects.

Impact

The Impact section of the Allocation and Impact Report will provide information on the associated environmental impact metrics and outcomes of our Green Financing Instruments, subject to the availability of suitable information and data. Where the Eligible 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 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	• Renewable energy capacity installed (with biodiversity features⁽⁶⁾) 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	• Storage capacity developed in MW • Annual GHG emissions avoided in tonnes of CO2 equivalent • Annual energy savings (or estimated) in MWh

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

(1) Material 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 Financing Instrument (including any winding up process or enforcement).

(2) [Harmonized Framework for Impact Reporting June 2026](#)

(3) IFC Guidelines for Blue Finance (2025) - [Guidelines for Blue Finance Version 2.0](#)

(4) ICMA (2023) - [Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide](#)

(5) <https://www.climatebonds.net/standard/sector-criteria>

(6) Applicable to Eligible Blue Project Categories

2.5 External Review

Second Party Opinion

Moody's Ratings has been appointed to issue a Second Party Opinion (**SPO**) to assess and confirm the compliance of this Framework with the GBP, GLP, "Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide", and the alignment with the technical screening criteria for substantial contribution to CCM specified by the Delegated Acts under the EU Taxonomy.

The Second Party Opinion can be found at <https://masdar.ae/en/investors>.

Post-Issuance External Review

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

- The amount equivalent to the net proceeds from the Green Financing Instruments has been allocated in accordance with the Framework at the 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 used to calculate the reported impact is appropriate, considering aspects such as completeness, objectivity, and understandability, and consistently measurable.

The assurance reports can be found at <https://masdar.ae/en/investors>.

CBI Verification

Masdar will engage an independent verifier to assess the Framework's compliance with the requirements of the CBS (V4.3) 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 Financing Instrument has conformed with the CBS post-issuance requirements.

The CBI Verification reports (pre- and post-issuance) can be found at <https://masdar.ae/en/investors>.

Amendments to this Framework

Masdar may review this Framework from time to time, including its alignment with updated versions of the GBP, GLP, "Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide" 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.



The future isn't somewhere
we're going. It's something
we're powering, together.

GREATER
AS ONE

UNBOUND BY
CONVENTION

ROOTED IN
INTEGRITY

FURTHER
EVERY **TIME**

Masdar
PO Box 54115, Abu Dhabi, UAE
T +971 2 653 3333
E info@masdar.ae
www.masdar.ae