



Al Dhafrah PV2 Energy Company Green Bond Framework

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Contents

1. Introduction	3
1.1. Overview	3
1.2. Al Dhafrah PV2 Project Structure	3
1.3. Sustainability at Al Dhafrah Solar PV Plant	4
Compliance with legal frameworks and standards	4
2. Al Dhafrah PV2 Energy Company's Green Bond Framework	5
2.1. Rationale for establishing a Green Bond Framework	5
2.2. Use of Proceeds	5
2.3. Process for Project Evaluation and Selection	6
2.4. Management of Proceeds	6
2.5. Reporting	6
Allocation Reporting	6
Impact Reporting	7
2.6. External Review	7
Pre-issuance	7
Post-issuance	7
Disclaimer	8

1. Introduction

1.1. Overview

The consortium of EDF Renewables S.A. (“**EDF Renewables**”), Jinko Power Company Limited (“**Jinko Power**”), Abu Dhabi National Energy Company (“**TAQA**”) and Abu Dhabi Future Energy Company (“**Masdar**”), has agreed to implement a large-scale photovoltaic project in Al Dhafra, approximately 35 km south from Abu Dhabi city, through a Power Purchase Agreement (“**PPA**”) with the Emirates Water and Electricity Company (“**EWEC**”). The Al Dhafrah Solar PV2 IPP (the “**Project**”) consists of a Greenfield photovoltaic (“**PV**”) solar power plant with a total installed capacity of 2.1 GWp (1.640 GWac), covering an area of 20.34 km² and managed by Al Dhafrah PV2 Energy Company LLC (“**DPEC**”, the “**Company**” or the “**Issuer**”). June 2023 marked the Commercial Operation Date (“**COD**”) of the Project, which has been developed as a standalone Independent Power Producer (“**IPP**”) under a 35-year PPA with EWEC.

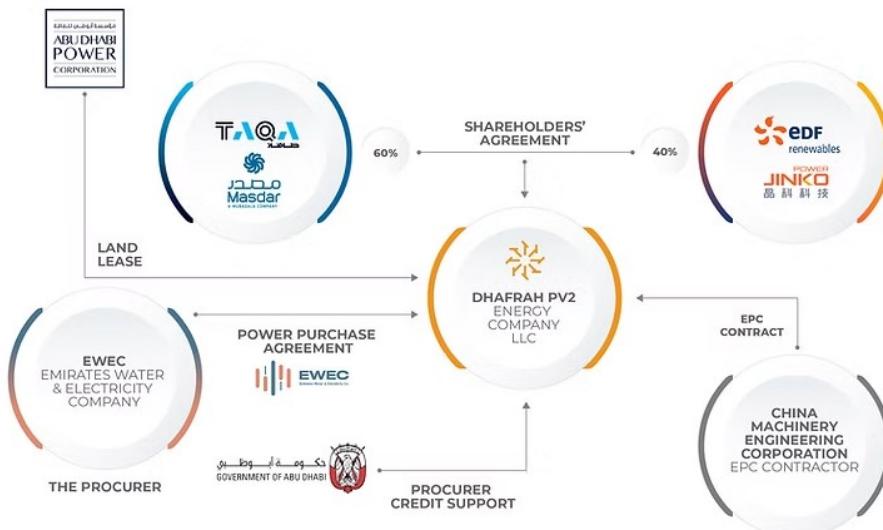
The implementation of the proposed Project is a significant contribution of the Emirate of Abu Dhabi to the United Arab Emirates Energy Strategy 2050¹, which aims to increase the contribution of clean energy in the total energy to 50% by year 2050. Abu Dhabi is home to three of the largest single-site solar plants in the world (Al Dhafrah PV2, Sweihan PV and the upcoming Al Ajban PV plants), making it a global leader in the adoption of utility-scale solar power. The Project doubled the installed capacity of clean energy at the time of its implementation to the total energy mix of more than 23% in the UAE.

1.2. Al Dhafrah PV2 Project Structure

The Al Dhafrah PV2 commercial and contractual structure is similar to those used in the IPP/IWPPs in Abu Dhabi and the northern Emirate. The DPEC Project Company will be owned as follows:

- 60% by a local holding company owned by TAQA and Masdar
- 40% by a foreign holding company, owned 50% by EDF Renewables and 50% by Jinko Power.

100% of production will be sold to EWEC under a Power Purchase Agreement commencing from COD.



¹United Arab Emirates Energy Strategy 2050, Government of UAE, 2017. Available [here](#)

1.3. Sustainability at Al Dhafrah Solar PV Plant²

DPEC is responsible for the implementation and monitoring of the sustainability practices on the Project, while strictly following the consortium's applicable ESG Policies, Codes of Conduct, ESG Human Rights policies³.

The Company is committed to achieving the following and require all Contractor's to adopt these Quality, Health, Safety, Social and Environmental ("QHSSE") commitments:

- Provide and maintain safe working environments so that risks to health, safety, environment, and welfare are reduced to a level as low as is reasonably practicable.
- Implement a risk-based QHSSE management system that conforms to the legal requirements, local and international practices, and standards.
- Train all employees to be aware of their own responsibilities in respect of relevant Quality health and safety matters and ensure that they participate in the prevention of accidents and co-operate with measures taken to prevent industrial disease.
- Ensure that conservation and protection of Environment is equally important for the business.
- Adopt a preventative approach in all our business activities by implementing the Project's Environmental & Social Impact Assessment and associated management plans to ensure legal and contractual compliance, using resources prudently and minimizing pollution.
- Set standards to promote and assure the best HSSE performance of our supply chain and service providers.
- Instruct all project employees and workers with their Human right to have the best work environment on site and live in better accommodation and have their right to raise any grievance, Al Dhafrah PV2 is committed to implement a strategy for all our projects in compliance with the IFC and EBRD standard.
- Annually review our QHSSE policy statement to set performance and management targets to enhance continual improvements of our commitment to the environment, social responsibilities and health and safety of our work force and local community.
- Cooperate with appropriate authorities (if applicable) and technical organizations to ensure that policies are updated, and standards reviewed to reflect good industry practice.
- Committed to provide all necessary procedures and cooperating with the authorities to limit the spread of infectious diseases, as well as in the event of pandemic spread in society.

DPEC is committed to explore the option of recycling any PV panel at their end of life. To be noted that Jinko Solar is a member of the PV Cycle, and as a pioneer in the recycling of panels has committed to explore PV module's end-of-life recycling and reusing methods and improve the recycling rate of PV modules. The material recycling rate of some of Jinko modules can reach 99%.⁴

Compliance with legal frameworks and standards

An Environmental and Social Assessment Report was elaborated in August 2020 further completed by an Addendum Environmental and Social Impact Assessment in October 2020, as required by the principal Federal Law covering environmental protection in the UAE - the Federal Law No. (24) of 1999 for the Protection and Development of the Environment, and in compliance with the requirements of the Equator Principles and IFC Performance Standards.

The Project is subject to environmental protection Laws related to waste management, air quality, soil contamination and others, for which it got the applicable permits from the relevant government entities. These permits imply a regular monitoring of the Project's air quality during its operation.

² Additional details available on Al Dhafrah Solar PV2 website. Available [here](#)

³ TAQA Code of Ethics & Business Conduct, 2021. Available [here](#); Jinko Code of Business Conduct and Ethics v2.0. Available [here](#); EDF Renewables Code of Conduct – Ethics and Compliance, 2021. Available [here](#)

⁴ Jinko Sustainability Report 2023. Available [here](#)

2. Al Dhafrah PV2 Energy Company's Green Bond Framework

2.1. Rationale for establishing a Green Bond Framework

Green Bonds are an effective tool for channelling investments to green projects, while reinforcing the commitment of Al Dhafrah PV2 Energy Company and its Shareholders to contribute to the achievement of globally recognised carbon neutral targets.

By establishing this Green Bond Framework (the “**Framework**”), DPEC intends to issue Green Bonds specifically to finance and/or refinance the Al Dhafrah Solar PV2 project while aligning its funding strategy with its sustainability mission and objectives.

DPEC’s Framework is established in accordance with the Green Bond Principles 2025 (the “**GBP**”)⁵ administered by the International Capital Markets Association (“**ICMA**”) and the Climate Bonds Standard V4 (with June 2024 V4.2 update) (the “**CBS**”)⁶, administered by the Climate Bonds Initiative (“**CBI**”), and their four core components:

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

2.2. Use of Proceeds

An amount equal to the net proceeds of any Green Bond issued under this Framework will be exclusively used to finance and/or refinance, in whole or in part, the “Al Dhafrah Solar PV2” project, in line with the Eligibility Criteria described below:

ICMA Eligible Green Project Category	Eligibility Criteria	EU Environmental Objective ⁷	UN SDG targets ⁸
Renewable Energy	<p>The “Al Dhafrah Solar PV2” project</p> <p>Financing and/or refinancing expenditures related to the construction, operation and maintenance of solar PV energy activities, projects, assets related to “Al Dhafrah Solar PV2” project, including:</p> <ul style="list-style-type: none">• Production of solar PV energy• Purchase of renewable energy applications and technologies and associated equipment• Maintenance work for its own PV plant	<p>Climate Change Mitigation</p> <p>4.1 Electricity generation using solar photovoltaic technology</p>	 <p>SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>

The Project meets the Climate Bonds Initiative Solar Sector Criteria⁹ as well as the Technical Screening Criteria for Substantial Contribution to Climate Change Mitigation defined by the EU Taxonomy (activity

⁵ International Capital Market Association (ICMA), Green Bond Principles, June 2025. Available [here](#)

⁶ Climate Bonds Initiative (CBI), Climate Bonds Standard V4, April 2023 (with June 2024 update). For clarification purposes, the four core components refer to the CBS V4 Part A: Use of Proceeds Certification. Available [here](#)

⁷ Climate and Environmental objectives set by the European Green Deal. Available [here](#)

⁸ United Nations Sustainable Development Goals. Available [here](#)

⁹ Climate Bonds Initiative – Solar Sector Criteria: The Solar Sector Eligibility Criteria of the Climate Bonds Standard & Certification Scheme, April 2023. Available [here](#)

4.1. “Electricity generation using solar photovoltaic technology”)¹⁰. The Project seeks to contribute to the UN Sustainable Development Goal 7 “Affordable and Clean Energy”.

2.3. Process for Project Evaluation and Selection

As described in the Use of Proceeds section and in the Reporting section (below in this Framework), the Project has been selected as per its recognised contribution to clean energy generation and alignment international market principles and standards.

The Project has also secured local Environmental Permits from pertinent Authorities and has had environmental and social impact assessments conducted, as previously described in section 1.3 of this Framework.

The governance structure of DPEC consists of the Board, which is supported by the Board Technical Committee, the Audit Committee and the Finance Committee. This structure is responsible for ensuring the Project’s ongoing compliance with applicable legislation, Environmental Permits, and its performance against ESG and QHSSE policies and commitments. The Committees and the Board meet at least every quarter, with the Board meetings chaired by the Board’s Chairman while other meetings are chaired by the respective committee heads.

2.4. Management of Proceeds

The Company expects that all the proceeds will be fully utilized for the Project, as described in the Use of Proceeds, at closing of any Green Bond. In the event of unallocated proceeds, any amounts will temporarily be held by the Company in the Company’s ordinary bank account until deployed to the Project. For the avoidance of doubt, any net proceeds will not be invested in fossil fuel related projects. The equal amount to the net proceeds of any Green Bond will be allocated as described above in accordance with the relevant Offering Memorandum for such Green Bond and related finance documentation.

2.5. Reporting

Allocation Reporting

The total project costs for the Project as at the COD in June 2023 was AED 3,923mn (USD 1,068bn). As described in section 2.4 of this Framework (Management of Proceeds), DPEC expects the equivalent amount to net proceeds of any Green Bond to be fully allocated at closing, as specified in the Offering Memorandum. Should that not for any reason be the case, DPEC will prepare a separate Allocation Report disclosing the amount of proceeds from Green Bonds outstanding and the amount of any unallocated proceeds, and subsequently a confirmation that the proceeds of the bond have been allocated to expenditures related to the Al Dhafrah PV2 project, until such proceeds are fully allocated and later in the event of any material developments. The Allocation Report will either be published by

¹⁰ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council. Available [here](#)

DPEC on its dedicated website or shared with the Trustee of any Green Bond for distribution to bondholders.

Impact Reporting

The Project began commercial operations in June 2023, and the impact of the project is outlined below¹¹.

- The Project covers an area of 21.5 kilometres squared;
- Features 3.8 million bi-facial solar photovoltaic panels;
- Installed capacity of 2.1 GWp in DC (1.640 GWac);
- Estimated production capacity per year of 4,700 GWh;
- Meets the needs of approximately 160,000-200,000 homes per year;
- Based on the latest forecasts, the Project is expected to avoid approximately 1.84 million tons of carbon dioxide equivalent¹² annually.

For avoidance of doubt, this section of the Framework should be considered as Impact Reporting, and DPEC is not intending to publish any further impact reports during the life of any Green Bond.

2.6. External Review

Pre-issuance

DPEC has appointed DNV to provide a Second Party Opinion (SPO) on the Green Bond Framework's alignment with the Green Bond Principles and Climate Bonds Standard (Pre-Issuance Verification). The SPO report will be provided to the investors of Green Bonds issued under this Framework.

Post-issuance

DNV has also been appointed to review the Allocation and Impact Reporting figures included in this Framework. DPEC will seek to appoint a CBI Approved Verifier to provide a Post-Issuance Verification in line with the requirements of the Climate Bonds Standard V4, up to 24 months after the issuance of any Green Bond.

¹¹ Additional details available on Al Dhafrah PV2's website, available [here](#), and Masdar's project website, available [here](#).

¹² Based on the methodology proposed by the Harmonised Approach to GHG Accounting for Renewable Energy Projects by the [IFI](#), July 2019, and the [PCAF](#) Financed Emissions Standard (2022) for accounting greenhouse gas emissions avoided from renewable energy projects, and based on the latest available [Harmonised IFI Default Grid Factors](#) (April 2022)

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