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 working world**

Independent Limited Assurance Report to the Directors and Management of Abu Dhabi Future Energy Co - PJSC - MASDAR

Assurance Conclusion

Based on our limited assurance procedures described below, nothing has come to our attention that causes us to believe that the following requirements of Abu Dhabi Future Energy Co - PJSC - MASDAR:

- The Climate Bond Standard Pre-Issuance Certification requirements

has not been appropriately prepared in all material respects in line with the 'Masdar Green Finance Framework', and in accordance with the Climate Bond Standard's:

- Climate Bonds Standard V4.0 as detailed on <https://www.climatebonds.net/climate-bonds-standard-v4>

Background

Abu Dhabi Future Energy Co - PJSC - MASDAR (the 'Company') has developed its Green Finance Framework to serve as a reference for all green bonds, loans and other financial instruments raised to finance investments in projects at home and overseas.

This Framework is intended to align with the four core pillars of the Green Bond Principles (GBP) and Green Loan Principles (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").

Scope

Ernst & Young ('EY') has performed a limited assurance engagement in relation to the Company's Green Finance Framework ('the Framework') to conclude that nothing has come to our attention that the Framework does not meet the Criteria presented below.

Subject Matter and Criteria

Subject Matter	Criteria
The Company's Green Finance Pre-Issuance Certification requirements Process, across the following impact categories: <ul style="list-style-type: none"> ▶ Use of proceeds ▶ Process for Evaluation and Selection of Projects and Assets ▶ Management of Proceeds ▶ Reporting Prior to Issuance 	<ul style="list-style-type: none"> ▶ Masdar Green Finance Framework ▶ Climate Bonds' Standard V4.0

Management Responsibility

The management of the Company is responsible for the preparation and presentation of the Subject Matter in accordance with the criteria, for determining the criteria are suitable, and for maintaining adequate records and internal controls that are designed to enable preparation of the Subject Matter.

Assurance Practitioner's Responsibility

EY's responsibility is to express a limited assurance conclusion on the noted subject matter as defined above.

In performing this engagement, we have applied *International Standard on Quality Control (ISQC) 1* and the independence and other ethical requirements of the *Australian Accounting Standards Board (AASB) Code of Ethics* (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)).

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, these procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



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Our Approach

We conducted our engagement in accordance with International Standard on Assurance Engagements (AU) 3000 (July 2020) Assurance engagements other than audits or reviews of historical financial information ("ISAE (AU) 3000 (July 2020)") as promulgated by the Financial Reporting Council (FRC) and the terms of reference for this engagement as agreed with the Company on 20 April 2023.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- ▶ Reviewing the policies, procedures and systems related to the Framework to assess whether they were aligned to the requirements detailed in the Criteria
- ▶ Interviewing management responsible for the Framework to understand key issues related to the Company's relevant policies and procedures
- ▶ Reviewing eligibility of nominated projects for inclusion in the Company's potential nominated asset pool against the Criteria
- ▶ Reviewing the basis and integrity for the potential value of the debt instrument
- ▶ Seeking management representation on key assertions

Limitations

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE (AU) 3000 is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 23 June 2023.

Independence

We confirm that EY has complied with all professional regulations relating to independence in relation to this engagement. EY has stringent policies and procedures in place to ensure independence requirements are addressed and monitored on a timely basis.

Use of Report

Our responsibility in performing our assurance activities is to the Directors and Management of the Company and its managed funds. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Framework is entirely at its own risk. No statement is made as to whether the Criteria are appropriate for any third-party purpose.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young
Melbourne, Australia
23 June 2023

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Annex A

Proceeds-based Criteria

The Company's Green Finance Framework was assured against the following requirements as specified in the Climate Bonds Standard v4.0.

Ref	Significant Process	Certification Checklist Requirements	Testing Procedures and Observations
1	Use of Proceeds	<ul style="list-style-type: none"> ▶ Masdar shall document the Nominated Projects & Assets which are proposed to be associated with the Green Finance Instruments and which have been assessed as likely to be Eligible Projects & Assets. Masdar shall establish a list of Nominated Projects & Assets which is required to be maintained during the term of the Green Finance Instruments ▶ The expected Net Proceeds of the Green Finance Instruments shall be no greater than Masdar's total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by Masdar. ▶ Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by Masdar that: <ol style="list-style-type: none"> 1. Distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bond, green loans, or other labelled instruments, or 2. The existing Certified Climate Bond, Certified Climate Loan or Certified Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Debt Instrument. 	<ul style="list-style-type: none"> ▶ EY performed a review of the Green Finance Register to confirm all assets listed in Annex B currently meet the CBS' Solar Energy and Wind Energy sector criteria and are eligible. ▶ EY reviewed a copy of the Green Finance Register to identify the amounts allocated to the assets. This was supplemented with a process interview with management, a review of minutes of Sustainability, Strategy and Investment Committee (SSIC) approval meeting for the nominated projects and sought management representation on the value of the debt to be raised and the projects to be funded by the debt. ▶ EY conducted a process interview with management and reviewed the asset pool of prior Masdar green bonds to understand whether nominated projects are already nominated to another debt instrument, and if so, EY determined whether parts could be distinguished. ▶ EY conducted a process interview with Masdar to understand further detail regarding internal processes and controls.

Ref	Significant Process	Certification Checklist Requirements	Testing Procedures and Observations
2	Process for Evaluation and Selection of Projects & Assets	<ul style="list-style-type: none"> ▶ Masdar shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. The decision-making process shall include, without limitation: <ol style="list-style-type: none"> 1. A statement on the climate-related objectives of the Green Finance Instruments 2. How the climate-related objectives of the Green Finance Instruments are positioned within the context of Masdar's overarching objectives, strategy, policy and/or processes relating to environmental sustainability 3. Masdar's rationale for issuing the Green Finance Instrument ▶ Further aspects of the decision-making process, including: <ol style="list-style-type: none"> 1. Related eligibility criteria, including, if applicable, exclusion criteria or any other processes, applied to identify and manage potentially material environmental, social, or governance risks associated with the Nominated Projects & Assets 2. Green standards or certifications referenced in the selection of Projects & Assets 3. Masdar shall assess that all proposed Nominated Projects & Assets to be associated with the Green Finance Instrument meet the documented objectives and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard 	<ul style="list-style-type: none"> ▶ EY reviewed the Green Finance Framework and the Green Finance Register to determine whether decision making processes with respect to selecting nominated projects and assets were adequate. ▶ EY obtained confirmation from management that when each project was presented for endorsement by the SSIC no objections were received. These recommendations were validated. ▶ EY performed a review to determine that all nominated projects align with the EU taxonomy and align with CBS' Solar Energy and Wind Energy sector criteria and are eligible
3	Management of Proceeds	<ul style="list-style-type: none"> ▶ The systems, policies, and processes to be used for management of the Net Proceeds shall be documented by Masdar, and shall include arrangements for the following activities: <ol style="list-style-type: none"> 1. The Net Proceeds of the Green Finance Instruments can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by Masdar in an appropriate manner and documented. 2. The process to manage the balance of unallocated Net Proceeds reflects the Climate Bond Standards 	<ul style="list-style-type: none"> ▶ EY reviewed the Green Finance Framework to determine whether processes and controls are adequately in place to track proceeds. ▶ EY conducted a process interview with the Company to understand further detail regarding internal processes and controls.

Ref	Significant Process	Certification Checklist Requirements	Testing Procedures and Observations
		<ol style="list-style-type: none"> 3. The earmarking process can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing 	
4	Reporting Prior to Issuance	<ul style="list-style-type: none"> ▶ Masdar shall prepare a Green Finance Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Finance Framework shall include, without limitation: <ol style="list-style-type: none"> 1. Confirmation that the Green Finance Instruments issued by the Green Finance Framework are aligned with the Climate Bond Standards. This may include statements of alignment with other applicable standards, such as EU Green Bond Standard, the ASEAN Green Bond Standard, Chinese domestic regulations, Japanese Green Bond Guidelines, etc. 2. A summary of the expected use of proceeds, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement. 3. On the methodology and assumptions to be used for: confirming, where required by relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects & Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that Masdar has defined. 4. A summary of the approach to the management of unallocated Net Proceeds. 5. The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Green Finance Instruments remains outstanding. 6. The list of proposed Nominated Projects & Assets associated with the Green Finance Instruments and the investment areas, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, and 	<ul style="list-style-type: none"> ▶ EY reviewed processes and procedures in place in relation to disclosure documentation including the public availability of the Green Finance Framework. ▶ EY reviewed the Green Finance Framework to determine that all relevant requirements had been reported. ▶ EY have not reviewed disclosure documentation; since this is pre-issuance assurance the disclosure documentation is not yet available. Masdar plans to report on an annual basis, with post-issuance assurance to be conducted annually.

Ref	Significant Process	Certification Checklist Requirements	Testing Procedures and Observations
		<p>Masdar shall provide an explanation of why details on Nominated Projects & Assets are limited.</p> <p>7. Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.</p> <p>► Masdar shall include in the Disclosure Documentation:</p> <ol style="list-style-type: none"> 1. The investment areas, into which the Nominated Projects & Assets fall. 2. The intended types of temporary investment instruments for the management of unallocated Net Proceeds. 3. The approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Green Finance Instrument remains outstanding, including the location of published documents. 	



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Annex B

Nominated asset pool

The pool of nominated assets for the Company are listed below.

Potential Nominated Asset	Abu Dhabi Future Energy Co - PJSC - MASDAR	Country
AGL Energy Limited		
Project Area 60 (Garadagh Solar PV)	Solar Energy	Azerbaijan
Jizzakh Solar Project		Uzbekistan
Samarkand Solar Project		
Sherabad Solar Project		
Zarafshan Wind Farm	Wind Energy	Uzbekistan