



Sweihan PV Power Company (SPPC)

Noor Abu Dhabi Solar PV Project

Green Bond Framework

September 2021

1. Introduction to Sweihan PV Power Company & the Noor Abu Dhabi Solar PV Project

1.1 Overview

Noor Abu Dhabi solar photovoltaic (“**PV**”) independent power project (“**IPP**”) consists of the ownership, insurance, operation, and maintenance of a 1,177 MW (dc) PV power generation plant in the Emirate of Abu Dhabi (“**Noor**” or the “**Project**”).

Noor Abu Dhabi PV IPP is a fully operational solar PV plant owned by Sweihan PV Power Company (“**SPPC**” or the “**Company**”). Noor is located at a strategic location on the high voltage transmission grid near the town of Sweihan, in the Emirate of Abu Dhabi, United Arab Emirates. The topography of the site is flat and the total allocated area is approximately 7.8 km².

Noor was the largest single site and the first GW-scale solar PV project at the time of completion, and at the time of bid submission had the most competitive levelized tariff achieved to date in the global solar PV market.

Noor reached project commercial operations date (“**PCOD**”) on April 30, 2019, on-time and within budget. The Project also benefited from a period of early operations as it was commissioned and connected to the grid on November 28, 2018.

The 881 MW (ac) energy output is sold exclusively to Emirates Water & Electricity Company (“**EWEC**”) on a long-term take-or-pay basis under an existing Power Purchase Agreement (“**PPA**”). The Project will displace gas-fired generation as a result of solar PV’s competitive economic position.

Noor is of strategic importance to the Emirate of Abu Dhabi given that one of the government’s key strategic objectives is to increase the share of renewables in the energy supply mix.

The Project is owned and operated by Sweihan PV Power Company, with the following shareholding (the “**Shareholders**”):

- Abu Dhabi National Energy Company (“**TAQA**”): 60%
- Marubeni Corporation (“**Marubeni**”): 20%
- JinkoSolar (“**Jinko**”): 20%

TAQA is one of the largest utilities in the EMEA region, with assets of US\$ 51 billion, revenues of US\$ 11.2 billion and EBITDA of US\$ 4.4 billion. The group is present in 11 countries and is engaged in power & water generation, transmission and distribution as well as oil & gas exploration and storage, with 23 GW of installed capacity (gross) of power generation, with strong development, operations and maintenance capabilities.

Marubeni is one of the leading trading and investment houses in Japan, and also one of the leading global I(W)PP developers with 38 GW (gross) / 12 GW (net) installed capacity in 19 countries around the world, and in particular owns and operates numerous solar PV projects, and numerous power plants in the U.A.E. and GCC. Marubeni is actively promoting energy transition to support decarbonization of the world.

JinkoSolar (NYSE: JKS) is one of the largest and most innovative solar module manufacturers in the world. JinkoSolar distributes its solar products and sells its solutions and services to a

diversified international utility, commercial and residential customer base. JinkoSolar has built a vertically integrated solar product value chain, with an integrated annual capacity of 22 GW for mono wafers, 11 GW for solar cells, and 31 GW for solar modules. JinkoSolar has 9 production facilities and 23 overseas subsidiaries globally.

1.2 Sustainability at the Noor Abu Dhabi Solar PV Project

Solar PV generation is of key strategic importance to EWEC and the Government of Abu Dhabi as a key driver for achieving core objectives for the power sector, which are critical to the Emirate. The Project aligns with various government renewable energy targets, for example:

- Increasing renewables in the energy supply mix has been identified as a key strategic objective by EWEC and the government of Abu Dhabi
- The United Arab Emirates is aiming to meet more than 50% of its power needs from renewables by 2050
- Noor is the first project in a series of planned solar PV projects with EWEC targeting solar installation of 7 GW by 2025 and 10 GW by 2035

The Project results in significant environmental benefits from the reduction of CO₂ emissions – based on current forecasts, Noor will save 9 million metric tonnes of CO₂ from being released between 2020-2030 by displacing gas-fired power generation. The Project utilises state of the art cleaning robots which are powered by the plant and do not use any water, thereby saving substantial amounts of water relative to traditional solar PV cleaning solutions. (For further information on environmental impact please see section 2.4 (Reporting) below.)

The Project has been constructed and operated under a duly issued environmental permit as well as environmental management plan, which ensures the environmental impact of the Project is minimal and under appropriate controls in accordance with all the applicable environmental regulations, standards and stipulations of the United Arab Emirates.

2. Green Bond Framework

Alignment with the Green Bond Principles and Climate Bonds Standard

As part of its continued commitment to sustainability, SPPC has developed this Green Bond Framework (the “**Framework**”) in accordance with the Green Bond Principles 2021¹ (the “**GBP**”), administered by the International Capital Market Association (ICMA), and Climate Bonds Standard (the “**CBS**”), under which SPPC is intending to issue a Green Bond specifically to finance and/or refinance expenditures related to the Noor Abu Dhabi Solar PV project.

For any Green Bond issued, SPPC will adopt the following as set out in this Framework:

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

The Framework also describes the approach to External Review.

2.1 Use of Proceeds

The net proceeds from any SPPC Green Bond will be applied solely to finance or refinance expenditures related to Noor Abu Dhabi Solar PV project, in line with the eligibility criteria described below (“Eligible Green Project”):

Eligible Green Project Category	Eligible Project	Alignment with the EU Environmental Objective ²	Alignment with the UN SDG targets ³
Renewable Energy	<p>Noor Abu Dhabi Solar PV Project⁴ Financing and/or refinancing of the expenditure related to the construction, operation and maintenance of solar PV energy activities, projects, assets related to Noor Abu Dhabi Solar PV 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>

¹ Green Bond Principles 2021 (International Capital Market Association acting as secretariat to the Principles).

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>

² SPPC has additionally included a high level alignment with the list of activities included in the EU Taxonomy Climate Delegated Act (Annex 1): https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

³ UN Sustainable Development Goals <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

⁴ Total Project Costs for the Project as at the Project Commercial Operations Date (“PCOD”) in April 2019 was USD872m

2.2 Project Evaluation and Selection Process

The proceeds of the SPPC Green Bond issued under this Framework will be solely used to finance or refinance expenditure related to the Noor Abu Dhabi Solar PV project. The project is in compliance with the Climate Bonds Standard Sector Technical Requirements for ‘Solar Energy’⁵. SPPC has suitably determined the project financing requirements as green financing.

The project has secured local Environmental Permits from pertinent Authorities and has had environmental and social impact assessments conducted.

The proceeds of the Green Bond will be allocated as described above in accordance with the relevant Offering Memorandum for such Green Bond and related finance documentation.

2.3 Management of Proceeds

In connection with the issuance of this SPPC Green Bond, the Company expects that all proceeds will be fully utilized for expenditures related to the Noor Abu Dhabi Solar PV project at closing of the Green Bond.

In the event of unallocated proceeds, any amounts will temporarily be held by the Company in the Company’s ordinary bank account or short-term money markets until deployed to the Noor Abu Dhabi Solar PV Project. For the avoidance of doubt, any net proceeds will not be invested in fossil fuel related projects.

2.4 Reporting

Impact Reporting

The net proceeds of the Green Bond will be fully used to refinance and/or finance expenditures related to the Noor Abu Dhabi Solar PV project. The solar PV plant began commercial operations in April 2019, and the impact of the project is outlined below.

Noor Abu Dhabi covers an area of 7.8 kilometres squared and features 3.2 million solar panels. The project has an installed capacity of approximately 1.2 GW (dc) and can cover the demand of 90,000 people. The project enables increased production of renewable energy which displaces gas-fired generation given its competitive economic position – it is expected to displace approximately 16 million GJ per annum. This reduction in the reliance on natural gas for electricity generation results in a carbon footprint reduction of 1 million metric tons per year, which is equivalent to taking 200,000 cars off the road. Based on current forecasts, Noor will save 9 million metric tonnes of CO₂ from being released between 2020-2030.

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

⁵ https://www.climatebonds.net/files/files/standards/Solar/Sector%20Criteria%20-%20Solar%20v2_1.pdf

Allocation Reporting

The Total Project Costs for the Project as at the Project Commercial Operations Date (“PCOD”) in April 2019 was USD872m. SPPC expects the net proceeds of the Green Bond to be fully allocated at closing, as specified in the Offering Memorandum. Should that not for any reason be the case, SPPC will publish a separate Allocation Report(s) disclosing the amount of any unallocated proceeds, and subsequently a confirmation that the proceeds of the bond have been allocated to expenditures related to the Noor Abu Dhabi Solar PV Project.

2.5 External Reviews

Pre-issuance:

SPPC has appointed DNV to provide verification of the Green Bond as an independent and approved verifier under the Climate Bonds Standard. DNV has provided assurance that the Green Bond meets the Climate Bonds Standard’s requirements for a Climate Bonds Certification.

Post-issuance:

SPPC has appointed DNV to provide a Post-Issuance Certification in line with the Climate Bonds Standard’s requirements, up to 24 months after the issuance of any Green Bond. References to any external criteria or standards are only in respect of such criteria or standards as in effect on the Issue Date.

2.6 CBI Certification Agreement Disclaimer

The certification of the Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Bonds or any Nominated Project, including but not limited to the Offering Memorandum, the transaction documents, the Issuer or the management of the Issuer.

The certification of the Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of the Issuer and is not a recommendation to any person to purchase, hold or sell the Bonds and such certification does not address the market price or suitability of the Bonds for a particular investor. The certification also does not address the merits of the decision by the Issuer or any third party to participate in any Nominated Project and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any Nominated Project (including but not limited to the financial viability of any Nominated Project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project. The certification may only be used with the Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Bonds and/or the payment of principal at maturity or any other date. The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.