Green Finance **Framework**

January 2026

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INTRODUCTION

Established in 2018, ADQ is an active sovereign investor focused on critical infrastructure and global supply chains. As a strategic partner to the Government of Abu Dhabi, it invests in the growth of business platforms anchored in the Emirate that create value for local communities and generate long-term financial returns for its shareholder. ADQ's growth has been driven both by the contribution of a broad range of independently operating businesses from its indirect shareholder and by asset management actions aimed at creating synergies and value across its largely UAE-based portfolio.

ADQ's vision is to be a leading investor in critical global infrastructure and supply chains. Its strategy has three pillars:

- **Building clusters:** Developing thriving economic clusters that align with Abu Dhabi's policy objectives and enhance the resilience of its economy.
- **Portfolio management:** Growing and developing assets, whether transferred by the Government or newly created or acquired, and accelerating their transformation through mergers and acquisitions, joint ventures, and other initiatives.
- **Delivering strategic government initiatives:** Supporting the rapid and high-quality execution of national initiatives that advance Abu Dhabi's economic and social priorities, particularly in critical infrastructure, supply chain security, and sovereign investment partnerships.

In line with its mandate, ADQ's assets are concentrated in Abu Dhabi and focused on the eight economic clusters mentioned below:

Energy & Utilities	**Transport & Logistics**
Food & Agriculture	**Healthcare & Life Sciences**
Financial Services	**Infrastructure & Critical Minerals**
Real Estate Investments	**Sustainable Manufacturing**

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ADQ'S SUSTAINABLE INVESTING STRATEGY

ADQ is a long-term investor managing a broad portfolio of assets across key sectors of Abu Dhabi's economy, positioning it to support sustainable outcomes. It is committed to contributing positively to the environment, society, and the communities in which it operates.

ADQ aligns with both local and international guidelines and objectives, including the United Nations Sustainable Development Goals, the UAE Energy Strategy 2050, the UAE Green Agenda 2030, UAE Net Zero 2050, and Abu Dhabi's Environment Vision 2030, among others.

ADQ's Sustainable Investing Strategy integrates sustainability as a driver of innovation, value creation, and resilience. This approach reflects ADQ's commitment to leveraging sustainability as an opportunity to foster long-term growth and enhance the robustness of its investment portfolio. The strategy reflects a dual mandate as both a responsible asset owner and a proactive investor, each role contributing uniquely to long-term value creation and sustainable impact.

As a responsible asset owner and investor, ADQ embeds sustainability principles across the entire investment lifecycle—from pre-acquisition screening to post-investment stewardship. This ensures that environmental and societal considerations are systematically evaluated to support enduring value for both the economy and the communities we serve.

As an asset owner, ADQ exercises active stewardship by setting clear expectations and enabling best practices across its portfolio companies. This includes providing strategic guidance on sustainability strategy, sustainability performance, reporting, risk management, and impact measurement. ADQ empowers its portfolio to adopt outcome-oriented practices that foster innovation, resilience, and responsible growth.

Together, these roles reinforce ADQ's commitment to being a catalyst for sustainable development—supporting Abu Dhabi's economic transformation while delivering environmental and societal benefits.

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APPROACH TO INTEGRATING SUSTAINABILITY INTO INVESTMENT ACTIVITIES

Through its portfolio companies, ADQ is contributing to economic diversification and supporting the transition towards lower-carbon businesses and industries. These efforts aim to lower sustainability-related risks and unlock greater opportunities across all stages of the investment cycle.

ADQ integrates sustainability by assessing ESG considerations early in the screening and pre-due diligence process to ensure that related risks and opportunities are identified (as further described in Section 4). ADQ seeks to identify sustainability opportunities and increase synergies within and among its portfolio companies through clean technology applications, replacement inputs (e.g., green hydrogen), low carbon, circular economy opportunities and other sustainability-related possibilities.

ADQ equips its investment teams and portfolio companies with the necessary tools and training, supplemented by specialized third-party consultants when required.

ADQ actively measures and monitors material sustainability indicators across its underlying investments. To ensure responsible operations, both within ADQ and across its portfolio companies, the organization continuously enhances its engagement mechanisms and clearly defines roles and responsibilities related to sustainability.

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KEY SUSTAINABILITY FOCUS AREAS

ADQ has defined four sustainability-focused pillars, each with their own strategic objectives and focus areas, in order to best identify, monitor, manage and mitigate sustainability risks and opportunities for direct operations and portfolio companies. These are:

- Environmental Stewardship
- Social Well-being and Inclusion
- Responsible Practices
- Ethical Governance and Risk Management

ADQ acknowledges the responsibility to help mitigate its climate-related impact on the environment and community and factors in the financial and competitive impact of climate change on the operations of portfolio companies and investments. This is delivered by encouraging a transition towards product or service offerings that incorporate low-carbon differentiation.

In addition, ADQ seeks to continually improve environmental stewardship, particularly in energy, water and material usage, striving to conserve natural resources and ensure proper management of the environmental impacts related to its direct operations. This involves effective monitoring and management of the progress of ADQ's portfolio companies' progress in minimizing greenhouse gas (**GHG**) emissions, reducing energy consumption and increasing recycling, whilst also exploring clean technology investments that target lower environmental impacts, promoting circular solutions and minimizing landfill waste.

ADQ believes that enhancing workforce and community wellbeing through equity, diversity, and safety focused initiatives at the company level and across the portfolio provides a competitive advantage and enhances decision-making as well as the overall performance of the workforce. Specifically, ADQ is committed to improving female representation across all levels of operations and contributing to Emiratization and the professional progression of UAE nationals through training and development. This is complemented by ADQ's strong emphasis on adopting measures to identify, monitor and sustain a healthy and safe environment for its employees and the communities it operates in. These aspirations and ambitions are encompassed in ADQ's Diversity and Inclusion and the ADQ Health, Safety and Wellbeing Position Statements[1].

[1]ADQ's Diversity and Inclusion Position Statement: D&I Statement, ADQ Health, safety and wellbeing position statement: HS & Wellbeing statement

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GOVERNANCE

Corporate governance is central to achieving ADQ's objectives. ADQ is committed to excellence in governance practices and compliance with all statutory requirements, as well as consideration of industry best practices. This is highlighted through the involvement of senior management in the development and adoption of ADQ's Environmental, Social and Governance Policy[2] as well as its Position Statements addressing Climate Change[3], Biodiversity[4], and Diversity and Inclusion[5].

The key roles and responsibilities of ADQ's leadership and management are set out below:

Board of Directors	◥ The Board of Directors[6] oversees ADQ's approach to sustainability and provides guiding principles.
Management Committee	◥ The Management Committee ensures that all mechanisms and resources necessary to implement decisions made by the Board of Directors are put in place. ◥ Furthermore, the Management Committee sets sustainability commitments and targets and through the Sustainable Finance Committee oversees all aspects of the Green Finance Framework.
Sustainable Finance Committee	◥ The Sustainable Finance Committee comprises members of ADQ's sustainability, Investment and Treasury teams and has responsibility for selecting, reviewing, and monitoring the eligible assets identified under the Green Finance Framework.
Investment Directors	◥ Investment Directors incorporate sustainable investment considerations into their investment analysis and decision-making and establish a dialogue about sustainability issues.

ADQ is also working with portfolio companies to ensure that appropriate oversight is given to sustainability activities and issues through regular review by each company's Board.

[2]ADQ's Environmental, Social and Governance Policy: ADQ ESG Policy
[3]ADQ Climate Change Position Statement: Climate Change Statement
[4]ADQ Biodiversity Position Statement: Biodiversity Statement
[5]ADQ Diversity and Inclusion Statement: D&I Statement
[6]Through existing governance mechanisms

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KNOWLEDGE SHARING

As a strategic and engaged owner with a strong track record of proactive and constructive engagement on sustainability-related matters, ADQ promotes continuous learning and awareness of sustainability across all levels and roles within the organization. This approach helps establish a common understanding of sustainability considerations and builds the expertise needed to navigate key stakeholders' agendas, priorities, and decision-making processes.

ADQ aims to foster strong governance practices within its portfolio companies and is actively working with its portfolio companies in developing sustainability policies. These policies are designed to reflect sector-specific material issues and risks, while also incorporating ADQ's key focus areas and being tailored to each company's unique context.

ADQ has identified material Key Performance Indicators (**KPIs**) that are aligned with ADQ's core sustainability and business strategy and address relevant environmental, social and/or governance challenges. ADQ is currently measuring its portfolio companies' performance against the selected set of KPIs ensuring a sustainable investor and a responsible owner direction.

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GREEN FINANCE FRAMEWORK

ADQ's establishment of a Green Finance Framework facilitates sustainable finance transactions in different formats to meet the sustainability commitments described above and deliver benefits to support ADQ's sustainable investment approach.

ADQ published its inaugural Sustainable Finance Framework in September 2023 and has chosen to update the Framework to better reflect its mandate as a financial investor and its evolving sustainability ambitions. The revised Framework emphasizes environmental projects that inherently deliver social benefits. The present Green Finance Framework builds upon the previous version to align with the latest updated version of the Green Bond Principles, and Green Loan Principles and expand the Use of Proceeds to include expenditures related to Nuclear Energy projects.

For the avoidance of doubt, this new Framework replaces the Sustainable Finance Framework from September 2023, and any new issuance will be aligned with the latest version of the Framework.

Overview

The Green Finance Framework is the framework under which ADQ may issue:

- Green Bond(s)/Sukuk(s)/Loan(s) - where proceeds are used to finance/refinance projects under 'Eligible Green Categories'
- Green Investments - financing/refinancing projects/companies under 'Eligible Green Categories'

(collectively **Sustainable Financing Instruments**) to finance new or existing assets, businesses, projects, investments and activities that are:

- Expected to provide significant environmental benefits towards Climate Change Mitigation, Climate Change Adaptation, and Sustainable Use of Water Resources
- Expected to facilitate the Transition to a Circular Economy, Pollution Prevention and Control and Biodiversity Preservation

(collectively **Eligible Projects/Assets**).

Each Eligible Project/Asset may include new or existing projects with a lookback period of no greater than 3 years from the date of issuance of the relevant Sustainable Financing Instrument.

ADQ's Green Finance Framework has been developed with reference to the following guidelines and principles:

- The International Capital Market Association (**ICMA**) Green Bond Principles (**GBP**) 2025[7] and ICMA, Islamic Development bank (**IsDB**) and London Stock Exchange Group plc (**LSEG**) Guidance on Green, Social and Sustainability Sukuk 2024[8]
- The Loan Market Association (**LMA**), Loan Syndications and Trading Association (**LSTA**) and Asia Pacific Loan Market Association (**APLMA**) Green Loan Principles (**GLP**) 2025[9]

[7]Link: ICMA Green Bond Principles (2021) (with June 2022 Appendix I)ICMA Green Bond Principles (June 2025)
[8]Link: ICMA, IsDB and LSEG Guidance on Green, Social and Sustainability Sukuk (April 2024)
[9]Link: LMA, LSTA, APLMA Green Loan Principles (February 2023)LMA, LSTA, APLMA Green Loan Principles (March 2025)

(collectively **Sustainable Finance Guidelines**).

In aligning with the above relevant Sustainable Finance Guidelines, this Green Finance Framework is anchored around the following four key core components and the key recommendations for heightened transparency including the recommended External Review:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Green Finance Framework contributes to the UN SDGs and may be amended from time to time to reflect market developments, including changes to relevant environmental and social taxonomies, and the ICMA / LMA / LSTA / APLMA Principles, with the aim of adapting to, and aligning with, best market practices on a best-efforts basis.

7.1 Use of Proceeds

7.1.1 Eligible Assets and Categories

The net proceeds of Sustainable Financing Instruments raised under this Green Finance Framework will be used to finance and/or refinance, in part or in whole, Eligible Projects/Assets that promote the categories set out in Appendix A below (**Eligible Categories**). Financing of Eligible Projects/Assets may also include general corporate and acquisition financing or refinancing purposes.

Where ADQ raises Sustainable Finance Instruments in support of equity investments in Eligible Projects/Assets, such investments could fall under one of the following three categories:

1. Greenfield "sustainable" project(s) in an existing portfolio company - where ADQ is funding the development of greenfield "sustainable" project(s) with equity that is being executed by a portfolio company
2. Acquisition of a company executing a greenfield "sustainable" project(s) - where ADQ is funding the acquisition of an entity that is developing "sustainable" project(s)
3. Acquisition of a company with existing "sustainable" assets - where ADQ is funding the acquisition of an entity that has existing "sustainable" project(s)[10] and where at least 90% of the acquired entity's revenue is derived from sources that meet eligibility criteria defined for one or more of the relevant Eligible Categories

To ensure traceability of funding to Eligible Projects/Assets in this context, ADQ will ensure that all investments can be traced to an equivalent amount of expenditure towards such Eligible Projects/Assets.

[10]Allocation will be done based on the historical cost of those projects not funded by other green loan/bond debt sources

To avoid the double counting of Eligible Projects/Assets:

- Only ADQ's share of the investment will be applicable as an allocation to the Eligible Project/Assets, including in the case of investments made via ADQ's portfolio companies (including joint ventures entered into by its portfolio companies).
- ADQ will discount the portion of the Eligible Projects/Assets that have been financed and/or refinanced by one or several other issuers or borrowers (e.g., ADQ portfolio companies) via their respective sustainable financing instrument(s).

In setting the Eligibility Criteria, ADQ has looked to incorporate external taxonomies where relevant, for example the EU Taxonomy Regulation for Sustainable Finance (EU 2020/852) issued by the European Commission[11] and the Climate Bonds Initiative Taxonomy[12].

7.1.2 Exclusions

For each Sustainable Financing Instrument issued under this Green Finance Framework, ADQ affirms that it will explicitly exclude funding towards any projects associated with:

- Fossil fuel exploration, extraction, refining, transport and / or distribution
- Coal
- Firearms or ammunition
- Landfill operations and incineration of waste
- Aviation - with the exception of aircraft using low GHG fuel (e.g., solar, electric, high % of biofuel)

7.2 Process for Project Evaluation and Selection

The Sustainable Finance Committee will primarily ensure that a project evaluation and selection process is followed so that the proceeds of any Sustainable Financing Instrument are allocated to finance or refinance Eligible Sustainable Projects that meet the criteria and objectives set out above in Use of Proceeds, as well as **Appendix A** (Eligible Categories), and ensure that they have met the Due Diligence criteria described below.

7.2.1 Due Diligence

ADQ's investment process integrates three phases of screening, monitoring, and mitigating sustainability risks.

i. Pre-investment

ADQ has developed a screening tool tailored to various asset classes, incorporating sector- and operation-specific sustainability considerations. The tool evaluates key sustainability criteria from three dimensions:

- the adequacy of disclosed commitments and supporting quantitative targets;
- the effectiveness of environmental, social, and governance risk management measures;
- and actual performance trends across critical sustainability KPIs

[11]Link: EU Taxonomy Regulation for Sustainable Finance (EU 2020/852)
[12]Link: Climate Bonds Initiative Taxonomy

The tool's latest enhancement includes a dedicated climate risk evaluation section, enabling ADQ to assess the presence and quality of climate risk management practices. Identified risks are summarized and submitted to the Management Committee for review.

ii. Due Diligence

Following initial investment approval, ADQ commissions an independent third-party to conduct detailed due diligence on all transactions, validating the preliminary analysis and ensuring all information is verified by subject matter experts. A risk register is also developed to monitor and assess identified risks, with the option to formulate a high-level action plan to address them.

iii. Post-investment

Following the approval of an investment, the risk register and action plans are integrated into the new investment's post transaction integration plan. Thereafter, an annual sustainability maturity assessment is conducted by an independent third-party using sustainability assessment criteria that generate a quantitative score to monitor and act upon performance gaps. ADQ's environmental assessment covers key environmental criteria that are weighted and customized by sector of activity. These environmental criteria include but are not limited to:

- Environmental management
- GHG emissions
- Energy consumption
- Prevention of pollution
- Water use
- Waste management
- Biodiversity

ADQ's social assessment covers social criteria that include but are not limited to:

- Responsible customers relationship
- Supply chain management
- Health and safety
- Training and development
- Prevention of corruption and anti-competitive practices
- Diversity and inclusion
- Data privacy and security
- Local employment
- Community impact
- Social stewardship

ADQ's governance assessment covers key considerations that are relevant across all sectors of activities including but not limited to: board quality and diversity, the inclusion of sustainability issues at the board level, and the efficiency of internal control systems deployed.

The outcomes the sustainability performance assessment generates are reviewed by the Sustainable Finance Committee for the relevant projects.

ADQ may engage with the relevant portfolio company and request additional relevant documents. These documents include but are not limited to Environmental and Social Impact Assessment studies (**ESIAs**), Environmental and Social Action Plans (**ESAPs**), Environmental Management Plans (**EMPs**), and evidence of stakeholder engagement.

7.2.2 The role of the Sustainable Finance Committee

The Sustainable Finance Committee will meet on at least a semi-annual basis and is responsible for the following:

- Reviewing and approving proposed allocation and tracking of proceeds[13] under the Sustainable Finance Register
- Evaluating and selecting projects in line with the relevant Eligible Environmental Criteria established in Appendix A
- Reviewing and approving the allocation of issued Financing Instruments' net proceeds to eligible projects throughout the life of the respective Sustainable Financing Instrument
- Undertaking regular monitoring, on at least a semi-annual basis, of the asset pool to ensure the eligibility of Green Projects with the criteria set out Appendix A, and, where required, compliance with the CBI sector criteria, whilst replacing any ineligible Green projects with new Eligible Green Projects
- Managing the publication of Allocation and Impact Reporting (including the Annual Sustainable Finance Report)
- Maintaining this Green Finance Framework (and relevant sustainability frameworks developed by ADQ) and managing any future updates that might be required, to ensure compliance with regulations, disclosure standards and commitments and/or market best practices

In carrying out their responsibilities, Sustainable Finance Committee members shall rely on the accuracy and completeness of information provided by the relevant stakeholders, portfolio companies, consultants and/or other available resources as well as on their own expertise and best judgment, where applicable.

[13]Until maturity of the relevant Sustainable Financing Instrument

7.3 Management of Proceeds

The proceeds of any Sustainable Financing Instrument issued under this Green Finance Framework and allocated to Eligible Projects/Assets will be tracked in a register (**Sustainable Finance Register**) and managed on an instrument-by-instrument basis. ADQ will aim to allocate proceeds to Eligible Projects/Assets within 24 months from the date of issuance of any Sustainable Financing Instrument.

The Sustainable Finance Register will contain the following:

- Details of the relevant Sustainable Financing Instruments (e.g., principal amount, maturity date etc.)
- A list of Eligible Projects/Assets (including equity investments) along with a description of each Eligible Projects/Assets, and amounts allocated[14]
- Quantum of unallocated proceeds

Any unallocated proceeds can be invested in approved short-term instruments[15] (pending investment) in accordance with ADQ's liquidity management guidelines as well as the Exclusion Criteria outlined in this Green Finance Framework (**Appendix A**).

7.4 Reporting

ADQ will report on an annual basis until full allocation of any outstanding Sustainable Financing Instrument. Reporting will be at the instrument level. Any material developments will be reported on an ad hoc basis as and when required.

Allocation Reporting

Allocation Reporting on any outstanding Sustainable Financing Instrument will include, but not be limited to, the following:

- List of Eligible Projects/Assets and amounts allocated
- The amount of proceeds allocated to each Eligible Category
- The unallocated/unutilized amounts and where such amounts are placed or invested pending utilization
- The portion of financed vs. refinanced eligible assets and look back period
- Breakdown of allocation by project location

[14]Any Eligible Expenditure that is allocated to any outstanding sustainable financing instrument, which is either sold, postponed, divested from, or for any other reason deemed to be no longer eligible under the criteria of the SFF or subject to a significant ESG controversy will be replaced with alternative Eligible Expenditure(s). The expected replacement period will be as per the availability of other eligible green assets with a target time frame of 12 months, on a best-efforts basis.

[15]An allegation and controversies screening on these assets will be undertaken to ensure that these investments do not violate environmental or social mandate.

Impact Reporting

- Where feasible and subject to data availability, Impact Reporting will be aligned, on a best-efforts basis, with the recommendation of ICMA's Handbook - Harmonized Framework for Impact Reporting[16] and may include information on the following:
  - Impact indicators as identified in **Appendix B**
  - Methodology of assessing impact indicators
  - Case studies

(the **Annual Sustainable Finance Report**)

To the extent that the relevant Sustainable Financing Instrument is a loan/private placement, the Annual Sustainable Finance Report will be provided to lenders/investors on a bilateral basis.

To the extent that the relevant Sustainable Financing Instrument is a public bond/Sukuk, the Annual Sustainable Finance Report will be published on ADQ's website and will remain on the website for as long as any such Sustainable Financing Instruments are outstanding.

7.5 External Review

Pre-issuance Verification

ADQ has appointed Moody's Investor Service (**MIS**) to provide a Second Party Opinion (**SPO**) on the alignment of this Green Finance Framework with the Sustainable Finance Guidelines. The Second Party Opinion will be published on ADQ's website and will remain on the website for as long as any Sustainable Financing Instruments are outstanding.

Post-issuance Verification

To the extent that any Annual Sustainable Finance Report is published on ADQ's website, ADQ will obtain an annual assessment and verification of the tracking and allocation of funds, alongside the impact indicators, in connection with the issuance of a Sustainable Financing Instrument from an independent, qualified provider of third-party assurance or attestation services (appointed by ADQ) (**Assurance Provider**), who will provide a verification assurance report (**Verification Report**) that will be published alongside any Annual Sustainable Finance Report.

7.6 Amendments to the Green Finance Framework

The Sustainable Finance Committee will review this Green Finance Framework on a regular basis. Such reviews may result in this Green Finance Framework being updated and amended.

Any updated version of this Green Finance Framework will be provided to the relevant lenders/investors or published on ADQ's website (as appropriate). In the event of significant revisions to the Green Finance Framework, ADQ will obtain an updated SPO.

[16]Link: ICMA Handbook - Harmonised Framework for Impact Reporting for Green Projects (June 2024) and for Social Projects (June 2025)

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APPENDIX

Appendix A: Eligible Use of Proceed Categories with Environmental Benefits

Eligible Environmental Criteria

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Renewable Energy **ADQ Objective:** Climate Change Mitigation	▼ Production of electricity from renewable sources: ▽ Solar Photovoltaic (PV) ▽ Concentrated Solar Power (CSP) ▽ Wind Power ▽ Ocean Energy ▽ Hydropower ▽ Geothermal ▽ Bioenergy (biomass, biogas and biofuels) ▽ Green hydrogen (produced from electrolysis entirely powered by renewables)	▼ Hydropower projects with life cycle emissions greater than 50 gCO2e/kWh ▼ Construction of large hydropower projects (>25MW)[17] ▼ Biofuel facilities operating below 80% of GHG emissions reduction in relation to the 100 gCO2e/kWh threshold ▼ Geothermal projects with life cycle emissions greater than 100gCO2e/kWh ▼ Run-of-river is excluded if it involves pondage as they can have negative impact on biodiversity.	**EU Environmental Objective** **Climate Change Mitigation** 4.1 Electricity generation using solar photovoltaic technology 4.2 Electricity generation using concentrated solar power (CSP) technology 4.3 Electricity generation from wind power 4.4 Electricity generation from ocean energy technologies 4.5 Electricity generation from hydropower 4.6 Electricity generation from geothermal energy 4.8 Electricity generation from bioenergy 4.9 Transmission and distribution of electricity 4.10 Storage of electricity	**SDG 7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix **SDG 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **SDG 13.3** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	▼ Development and/or manufacture of components for the above eligible renewable energy technologies, including equipment for renewable energy generation and energy storage including: ▽ Wind turbines ▽ Solar panels ▽ Renewable energy batteries ▽ Hydrogen fuel cells			
	▼ Development of technologies and systems that increase defined renewable energy storage capacity, including: ▼ Transmission and distribution assets including[18]: ▽ Assets or infrastructure that connects defined renewable energy generation facilities/inputs			

[17]Link: CBI Taxonomy

[18]T&D assets includes the development of new transmission systems dedicated to connecting renewables to the grid or facilitate integration of at least 90% renewable energy sources into the grid and/or improvement of existing transmission systems dedicated to connecting renewables to the grid or to facilitate the integration of at least 90% electricity from renewable sources into the grid.

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Energy Efficiency **ADQ Objective:** Climate Change Mitigation	▼ Development and implementation of products or technologies that reduce energy consumption by 30% or more of underlying assets, projects, appliances, products or systems i.e., improved lighting, improved chillers, or reduced power usage in manufacturing operations ▼ Improved efficiency in the delivery of bulk energy services, including district heating/cooling systems (low- Global Warming Potential (GWP) refrigerants), smart grids, energy recovery technology[19], the storage, transmission and distribution of energy that results in reduced energy losses ▼ Development/manufacture of energy efficiency technologies including LED lights, and smart grid meters	▼ Products or technology that improves the energy efficiency of fossil ▼ fuel production i.e., cleaner coal technology ▼ Products or technology that have an energy efficiency improvement of less than 30% ▼ District heating/ cooling systems that do not use at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.	**EU Environmental Objective** Climate Change Mitigation 3.6. Manufacture of other low carbon technologies 4.9. Transmission and distribution of electricity 4.10. Storage of electricity 7.3. Installation, maintenance and repair of energy efficiency equipment	**SDG 7.3:** By 2030, double the global rate of improvement in energy efficiency **SDG 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **SDG 11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
ICMA GBP: Sustainable Water and Wastewater Management **ADQ Objective:** Sustainable Use of Water Resources	▼ Water pipes and collection facilities to collect water/ rainwater for the supply of drinking water or for use in agriculture ▼ Dams that comply with the Equator Principles (where relevant) for the supply of drinking water or for use in agriculture ▼ Wastewater treatment (treatment or recycling of discharge water) where the treated water is supplied as drinking water or for use in agriculture	▼ Products or technology that improve the energy efficiency of fossil fuel production and/or distribution ▼ The net average energy consumption for abstraction and treatment is higher than 0.5 kWh per cubic meter produced water supply ▼ Landfill projects	**EU Environmental Objective** Climate Change Mitigation 5.1. Construction, extension and operation of water collection, treatment and supply systems 5.2. Renewal of water collection, treatment and supply systems 5.3. Construction, extension and operation of waste water collection and treatment 5.4. Renewal of waste water collection and treatment	**SDG 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

[19]All recovery of waste heat is eligible except for waste heat from fossil fuel production/operation. However, waste to energy (energy from waste) would only be considered if the following criteria is met:
- ▼ Total methane emissions <= 1285g CH4/ tonne of waste input (this is approximately equivalent to 100g CO2e/ kWh
- ▼ Woody waste must be segregated before or after processing and sent to an eligible EfW or composting plant
- ▼ Monitoring, sampling and control of the following is carried out in accordance with PAS110 guidance or equivalent national or state standard or guidance: 1) waste inputs, 2) the process, and 3) roduct quality.
- ▼ The solid and liquid products are not landfilled and replace non-waste materials in the market.

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Pollution Prevention and Control **ADQ Objective:** Pollution Prevention and Control	▼ Recycling plants that are recycling household / municipal solid waste into new materials where the secondary raw materials cease to be waste and can be sold as secondary raw materials ▼ Waste-to-energy with the following conditions[20]: ▽ Plant efficiency >= 25%; and ▽ Bottom ash recovery; and ▽ >= 90% recovery of metal from ash; and ▽ All recyclables sorted prior to incineration; and ▽ Average carbon intensity of electricity and/ or heat over the life of the plant <= waste management allowance; and ▽ The capacity of the plant does not exceed the calculated residual waste at any time in the plant's life.	Toxic materials, if any, are expected to be segregated and excluded from eligible projects	**EU Environmental Objective** **Climate Change Mitigation** 4.8. Electricity generation from bioenergy 4.24. Production of heat/ cool from bioenergy 5.9. Material recovery from non-hazardous waste	**SDG 11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management **SDG 12.2:** By 2030, achieve the sustainable management and efficient use of natural resources **SDG 12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse minimize their adverse impacts on human health and the environment

[20]Link: Waste CBI Criteria

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Clean Transportation **ADQ Objective:** Climate Change Mitigation	▼ Investments and expenditure in low energy consuming or low emission transportation, including: ▽ Passenger cars (under 50gCO2/km until 2025 and moving to zero emission from 2026 onwards) ▽ Public mass transportation, including rail (under 50gCO2/pkm and moving to zero emissions from 2026 onwards) ▽ Freight transportation, including rail (under 25gCO2/tkm and moving to under 21gCO2/tkm from 2030 onwards) ▼ Investments and expenditure into zero emission electric vehicles and their components such as batteries, including the manufacture or development of electric vehicle components such as batteries ▼ Eligible investments and expenditure include the purchase of eligible vehicles, infrastructure required for eligible vehicles (e.g. railway lines or EV charging infrastructure) and manufacturing plants dedicated to the production of eligible vehicles and their components	▼ Systems and infrastructure dedicated to fossil fuel transport	**EU Environmental Objective** Climate Change Mitigation 6.2. Freight rail transport 6.3. Urban and suburban transport, road passenger transport 6.5. Transport by motorbikes, passenger cars and light commercial vehicles 6.6. Freight transport services by road 6.15. Infrastructure enabling low-carbon road transport and public transport 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	**SDG 7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services **SDG 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **SDG 11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons **SDG 11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management **SDG 13.3** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Green Buildings **ADQ Objective:** Climate Change Mitigation	▼ Construction, development, renovation, maintenance and/or purchase of commercial, public service, recreational or residential buildings that meet recognized green certification environmental building standards such as: ▽ LEED (Leadership in Energy and Environmental Design) Gold or higher ▽ BREEAM (Building Research Establishment's Environmental Assessment Method) Excellent or higher ▽ Estidama 4 Pearl rating or higher ▽ Al Sa'fat Platinum or higher ▼ Equivalent alternative environmental standards, where the emissions footprint of the building is in the top 15% of emissions performance in the local market ▼ Renovation, improvement and/or maintenance projects for existing commercial or residential buildings that achieve a minimum of 30% operational improvement in energy use or carbon emission as a result of renovation	▼ Improvement activities that result in the use of fossil fuel technologies ▼ Activities relating to buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels	**EU Environmental Objective** Climate Change Mitigation 7.1. Construction of new buildings 7.2. Renovation of existing buildings 7.7. Acquisition and ownership of buildings	**SDG 6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity **SDG 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **SDG 11.C:** Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

Category	Eligibility Criteria	Exclusions	EU Taxonomy Activity	Alignment with UNSDGs
ICMA GBP: Environmentally Sustainable Management of Living Natural Resources and Land Use **ADQ Objective:** Biodiversity Preservation	▪ Sustainable agriculture, fishery, aquaculture, forestry supported by at least one of the following third-party certifications including, but not limited to: EU Organic, Sustainable Agriculture Network (SAN), Rainforest Alliance, FSC (Forest Stewardship Council), ASC (Aquaculture Stewardship Council) and MSC (Marine Stewardship Council). ▪ Establishment, expansion, or ongoing operation of crop production unit as a whole, e.g., conversion of degraded land for agricultural production, or maintenance of climate-friendly farming practices[21].	▪ Activities/practices related to conversion of high carbon stock lands for agricultural purposes. ▪ Inorganic or synthetic fertilizers	**EU Environmental Objective** Climate Change Mitigation 1.1. Afforestation 1.3. Forest management 1.4. Conservation forestry 2. Environmental protection and restoration activities	**SDG 2.4** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality **SDG 12.2** By 2030, achieve the sustainable management and efficient use of natural resources **SDG 15a** Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
Nuclear Energy **ADQ Objective:** Climate Change Mitigation	▪ Expenditures related to the construction and safe operation of new nuclear power plants and existing facilities alongside investments in supporting software, computer and hardware systems ▪ Includes projects that have undertaken environmental and social risk management reviews, authorized by the competent local authorities for the construction and safe operation of best available nuclear technologies and in jurisdictions where processes are in place to pursue viable options for the secure, long-term storage of high-level radioactive waste		**EU Environmental Objective** Climate Change Mitigation 4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies 4.28 Electricity generation from nuclear energy in existing installations: Modification of existing nuclear installations for the purposes of extension	**SDG 7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix

[21]Climate friendly farming practices include hydroponic and aquaponic practices (only if powered by renewables), permaculture, utilizing crop sensors, conservation of crop rotation or planned sequences of crops on the same land. utilizing cover crops.

Appendix B: Environmental Impact Reporting - illustrative only

Category	Impact Indicators
Renewable Energy	▪ Annual GHG emissions reduced/avoided (tCO2e) ▪ Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) ▪ Capacity of renewable energy plant(s) constructed or rehabilitated (MW) ▪ Capacity of renewable energy plant(s) to be served by transmission systems (MW) ▪ Annual Absolute (gross) GHG emissions from the project (tCO2e)
Energy Efficiency	▪ Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) ▪ Annual GHG emissions reduced/avoided (tCO2e) ▪ Number of people who benefitted ▪ Annual Absolute (gross) GHG emissions from the project (tCO2e)

Sustainable Water and Wastewater Management	▪ Sustainable water management - water use sustainability and efficiency projects:
	  ◦ Annual absolute (gross) water use before and after the project in m3/a, reduction in water use in %
	▪ Wastewater treatment projects (including sewage sludge management):
	  ◦ Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3/a and p.e./a(1) and as %
	  ◦ Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tons of dry solids p.a. and in %)
	  ◦ Annual absolute (gross) amount of sludge that is reused (in tons of dry solids p.a. and in %)
	▪ Improved water supply infrastructure and facilities and/or improved quality of the supplied drinking water as a result of the project:
	  ◦ Number of people with access to clean drinking water (or annual volume of clean drinking water in m3/a supplied for human consumption) through infrastructure supporting sustainable and efficient water use
	▪ Improved sanitation facilities that have been constructed under the project:
	  ◦ Number of people with access to improved sanitation facilities under the project
	▪ Improved measures to reduce the risk from adverse flooding impact:
	  ◦ Number of people and/or enterprises (e.g. companies or farms) benefitting from measures to mitigate the consequences of floods and droughts
	▪ Sustainable land and water resources management (SLM) systems in place:
	  ◦ Area covered by sustainable land and water resources management practices
	  ◦ Annual catchment of water (m3/year) that complies with quantity (m3/year) and quality (e.g. turbidity) requirements by utilities.

Waste Management and Resource Efficiency	▪ Waste management projects - resource efficiency:
	  ◦ Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tons p.a.
	  ◦ For certain waste management projects that reduce the amount of waste disposed of, it may also be possible to capture GHG emissions from waste management before and after the project (tCO2e) p.a.
	▪ Energy recovery from waste including energy/emission-efficient waste to energy projects:
	  ◦ Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh (electricity) and GJ/TJ (other energy)
	  ◦ Energy recovered from waste (minus any support fuel) in MWh/GWh/KJ of net energy generated p.a.
	  ◦ GHG emissions from waste management before and after the project (tCO2e) p.a.
	▪ Pollution Control Projects:
	  ◦ Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tons p.a. and in % of total waste)
	▪ Resource efficiency/reduction in raw materials used in manufacturing:
	  ◦ KG of raw material per produced unit before and after
	  ◦ Added monetary value created using waste

Category	Impact Indicators
Waste Management and Resource Efficiency (contd.)	◥ Improved access to municipal waste collection (including separation): ◹ Number of people or % of population with access to waste collection under the project ◹ Area with improved regular (daily, weekly or bi-weekly) waste collection service ◹ How many fractions of waste were separated before and after the project ◹ The absolute amount or % of residual non-separated waste before and after the project ◥ Improved and regular access to street sweeping ◹ Number of people or % of population with access to street sweeping under the project ◹ Km of street with regular (daily, weekly or bi-weekly) street sweeping service coverage ◥ Improved municipal waste treatment or disposal services: ◹ Number of people or % of population provided with improved municipal waste treatment or disposal services ◥ Improved recycling programs Indicators: ◹ Number of people benefitting from selective collection of recyclables ◹ Number of informal recyclers integrated into a formal system ◥ Reduced local pollution to air and/or water Indicators: ◹ Absolute or % reduction in local pollutants ◥ Manufacturing for the circular economy Indicators: ◹ Tons of waste reduced ◹ Products changed to increase waste reduction ◹ Tons of secondary raw materials or compost produced
Clean Transportation	◥ Clean transportation projects and transport infrastructure: ◹ Passenger-kilometers (i.e., the transport of one passenger over one kilometer) and/or passengers; or ton-kilometers (i.e., the transport of one ton over one kilometer) and/or tons ◹ Annual GHG emissions reduced/avoided (tCO2e) p.a. ◹ Reduction of air pollutants: particulate matter (PM), sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs) ◥ Deployment of clean transportation: ◹ Annual Absolute (gross) GHG emissions (tCO2e) ◹ Number of clean vehicles deployed (e.g., electric) ◹ Estimated reduction in car/truck use in number of kilometers driven or as share of total transport ridership ◹ Estimated reduction in fuel consumption ◥ Construction or improvement to core infrastructure: ◹ Annual Absolute (gross) GHG emissions (tCO2e) ◹ Total in kilometers of new or improved train lines/dedicated bus, BRT, LRT corridors bicycle lanes ◹ Reduction in weather-related disruption (days p.a). and/or risk frequency (%) ◹ Ambient noise reduction from the transport infrastructure in decibels ◹ Estimated change in land consumption for transport infrastructure ◹ Number of hectares compensated ◹ Number of wildlife crossings created ◹ Volume of reused or recycled rail material for rail, or port infrastructure in tons ◥ Construction or improvement to auxiliary infrastructure Indicators: ◹ Annual Absolute (gross) GHG emissions (tCO2e) ◹ Improved luminance or road surface reflection coefficient (cd/m2) ◹ Number of LED or SSL lighting fixtures with lumen/watt (Lm/W) ◹ Ambient noise reduction in decibels ◥ Projects aimed at avoidance or reduction of transport use Indicators: ◹ Annual Absolute (gross) GHG emissions (tCO2e) ◹ Land use density including 'transit-oriented development' (people and jobs per unit of land area) ◹ Estimated reduction in car use (km driven) or as share of total transport ridership ◹ Increase of households with internet access (absolute or percentage) ◹ Reduction in congestion

Category	Impact Indicators
Green Buildings	◥ Energy performance ◹ kWh/m² of GBA p.a.; and % of energy use reduced/avoided vs local baseline/building code; and, if relevant % of renewable energy (RE) generated on site ◥ Carbon performance ◹ kgCO2 /m² of GBA p.a; and ◹ Annual GHG emissions reduced/avoided (tCO2e) vs local baseline/baseline certification level; and/or ◹ % of carbon emissions reduced/avoided vs local baseline/baseline certification level ◥ Water efficiency and savings ◹ m³/m² of GBA p.a; and Annual absolute (gross) water use before and after the project in m³/a (for retrofitted buildings) and/or ◹ % of water reduced/avoided vs local baseline/baseline certification level/IGCC/International Plumbing Code ◥ Waste management ◹ Amount p.a. of waste minimized, reused or recycled in % of total waste and/or in absolute (gross) amount in tons p.a. ◹ Waste removed in tons ◥ Certification standard, if available ◹ Type of scheme, certification level and m2 GBA ◥ Use of materials with lower environmental footprint - for both new buildings and retrofitted buildings: ◹ Embodied energy (and carbon) over life-cycle ("cradle to grave"), in tons CO2 ◹ % of embodied energy (and carbon) reduced over lifecycle ("cradle to grave"), vs local benchmark/ baseline ◥ Land use and biodiversity - for new buildings: ◹ Land remediated/decontaminated/regenerated, in ha or m² ◹ % of unadulterated green spaces before and after the project ◥ Water efficiency - for both new buildings and retrofitted buildings: ◹ Amount of rainwater harvested and reused in m³/a ◹ Recharge to groundwater in mm/d, mm/a ◥ Waste management - in the use of both new buildings or retrofitted buildings: ◹ Recycling, re-use or composting of non-hazardous waste in % ◹ Reduction of particulate matter vs local baseline: sulfur oxides (SOx), and nitrogen oxides (NOx) carbon monoxide (CO), (PM2.5/PM10) and non-methane volatile organic compounds (NMVOCs) ◥ Light quality and energy efficiency - for both new buildings and retrofitted buildings: ◹ Number of LED or SSL lighting fixtures with lumen/watt (Lm/W) ◹ Energy efficiency from installation of motion detectors (kWh) vs baseline/previous equipment ◹ Energy efficiency from installation of low-E window glass panels vs baseline/previous equipment ◥ Transport connectivity and clean transportation infrastructure - for both new buildings and retrofitted buildings: ◹ Land use density including 'transit-oriented development' (people and jobs per unit of land area) ◹ Number of Electric vehicle charging stations as a % of total parking and/or number of bicycle facilities provided ◹ Distance (in km) to public transportation (thereby reducing the scope 3 emissions of the building)
Environmentally Sustainable Management of Living Natural Resources and Land Use	◥ Reduction in net GHG emissions, GHG intensity (e.g., tCO2e/unit of output) or energy intensity (e.g., GJ/unit of output) ◥ Water savings from improved irrigation, stormwater and rainwater capture, groundwater ◥ Recharge and/or the reuse of highly treated wastewater (e.g., m³/year) ◥ Farmland covered by new, or rehabilitated efficient irrigation, water efficient crops and/or ◥ Resource conserving crop rotation (ha or km²)
Nuclear Energy	◥ Annual GHG emissions reduced/avoided (tCO2e) ◥ Capacity of nuclear energy plant(s) constructed or rehabilitated (MW) ◥ Annual energy generation (MWh)