PUBLIC INVESTMENT FUND GREEN FINANCE FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

The Public Investment Fund (henceforth referred to as "PIF") is the Sovereign Wealth Fund of the Kingdom of Saudi Arabia; an investment fund operating both domestically and internationally, focusing on long term cross-sector strategic investments. PIF is a public institution with assets valued at circa SAR 1,500 billion in 2020.

As part of its vision to become the world's most impactful investor and drive economic transformation in the country, PIF has developed a Green Finance Framework (the "Framework") under which it can raise capital to support the financing and refinancing of activities of an environmental nature. In line with Saudi Arabia's Vision 2030, PIF's goal to become a global investment leader through the delivery of large-scale investment and infrastructure projects that will shape the global economy. Through long term sustainable investment, PIF looks to grow and diversify its economy unlocking investment opportunities within Saudi and globally.

To achieve Saudi Arabia's Vision 2030, PIF is responsible for developing new opportunities for non-oil GDP growth. The first PIF program from 2018-2020 included expansion into sustainable sectors, including renewable energy and recycling, and developed strategic partnerships in the private and public sector. This financing framework will sit under PIF's Vision Realisation Program (VRP) 2, covering 2021-2025, which is the implementation program to achieve the goals of Vision 2030. VRP2 is expected to commit to $40 billion in new investments in the Saudi economy every year until the end of 2025, roughly 5% of current Saudi GDP. Additionally, its investment and portfolio companies will contribute $320 billion of GDP cumulatively and 1.8 million job years over the period 2021-2025. As outlined by the Renewable Energy Project Development Office (REPDO), PIF is committed to develop 70% of Saudi Arabia's renewable energy target of 58.5GW capacity by 2030. More broadly the PIF plays a vital role in realizing the Kingdom's commitment to reach "net-zero" greenhouse gas emissions by 2060.

PIF's Green Finance Framework also aims to support the financing of activities that contribute to the Circular Carbon Economy (CCE). Introduced by the Kingdom of Saudi Arabia during its presidency of the G20 in 2020, the CCE is a framework for tackling greenhouse gas (GHG) emissions by following four main principles: Reduce, Reuse, Recycle, and Remove. The Kingdom subsequently developed the "Circular Carbon Economy National Program" which aims to implement the CCE framework including through technological localisation and advancement. PIF's Green Finance Framework is aligned with the Program by focusing on emission control and frames the PIF's activities in the broader context of the Kingdom initiatives.

Furthermore, as part of its goal to be a leader in Sovereign Wealth Fund sustainability and ESG integration, PIF has developed an ESG strategy and roadmap. The roadmap seeks to; embed ESG into processes and portfolios, ensure disclosures according to international standards, attract capital and partners, drive value across the portfolio, and manage ESG related risks.

The PIF has also identified a number of broad initiatives to help them achieve the objectives set out in the ESG roadmap:

- Development of proprietary ESG scoring framework
- PIF Carbon Transition Plan to support KSA ambition of net zero by 2060
- Develop ESG policy and guidelines for portfolio companies Attract thematic investments including through issuance of green bonds
- Shaping & adopting international reporting and disclosure standards
- Establish a Voluntary Exchange Platform for Carbon Credits

The ESG roadmap will be delivered in three phases across two years, following COP26, resulting in fully established ESG capabilities in investment processes and wider sustainability initiatives and commitments.

PIF's commitment to sustainability is further highlighted in their founding membership of the One Planet Sovereign Wealth Fund (OPSWF). The forum promotes efforts for the economic transition to low greenhouse gas emissions economies and for addressing climate-related risk through the management of their significant assets. The OPSWF published their framework for sovereign wealth funds in 2018 which outlines how climate change can be systemically integrated into decision making. The coalition has now extended to asset managers (One Planet Asset Managers - OPAM) and private equity and investment firms (One Planet Private Equity Funds - OPPEF).

DNV Business Assurance Services UK Limited ("DNV") has been commissioned by PIF to provide a review of the Framework against the International Capital Market Association ("ICMA") Green Bond Principles 2021 ("GBP"), and the Loan Market Association ("LMA") Green Loan Principles 2021 ("GLP").

Additionally, PIF may choose to have specific transactions certified in alignment with the Climate Bond Initiatives (CBI) Climate Bonds Standard (CBS) (V3.0)[1], though this is not included with DNV's assessment scope and would require a separate review.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of Bonds/Loans issued via the organisation's Green Finance Framework, the value of any investments, or the long-term environmental benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of PIF and DNV

The management of PIF has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform PIF's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the International Capital Markets Association ("ICMA") Green Bond Principles ("GBP") 2021, and Loan Market Association ("LMA") Green Loan Principles 2021.

[1] https://www.climatebonds.net/climate-bonds-standard-v3

In our work, we have relied on the information and the facts presented to us by PIF. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by PIF and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our eligibility assessment methodology to create PIF-specific Green Finance Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds**. The Use of Proceeds criteria is guided by the requirement that an issuer of a Green Financing must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection**. The Project Evaluation and Selection criteria is guided by the requirements that an issuer of a Green Financing should outline the process it follows when determining eligibility of an investment using Green Financing proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds**. The Management of Proceeds criteria is guided by the requirements that a Green Financing should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**. The Reporting criteria is guided by the recommendation that at least annual reporting to investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by PIF in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a PIF-specific Protocol, adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by PIF on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with PIF's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in Schedule 2 of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. PRINCIPLE ONE: USE OF PROCEEDS.

PIF intends to use the proceeds issued under the Framework, in the form of Green Bonds, Green Loans, Sukuk and other financing instruments ("Green Financing Instruments"), to finance and/or refinance green projects (the "Eligible Green Projects"). The Eligible Green Projects are clearly listed in the Framework and will comprise of the following categories:

- Renewable Energy.
- Energy efficiency.
- Sustainable water and wastewater management.
- Pollution prevention and control.
- Green Buildings.
- Clean transportation.
- Sustainable Management of Living Natural Resources and Land Use.

The Green categories and their descriptions are further defined in Schedule 1 of this opinion. PIF has also listed expected environmental benefits for each category within the Framework and mapped its eligible green categories against the United Nations' Sustainable Development Goals ("SDGs"). The PIF intends to comply with the best market practices for the Green finance market and contribute to climate change mitigation, climate change adaption, sustainable use and protection of water and marine resources, natural resource and biodiversity conservation as well as pollution prevention and control. The PIF will follow the development of official taxonomies defining sustainable activities, as such, DNV notes many of the eligible categories have, where possible, been aligned to the Climate Bonds taxonomy and therefore represent low carbon and climate-resilient projects. The PIF may seek separate verification of individual bonds against the Climate Bonds Standard.

DNV notes the alignment of the framework's eligible green project categories with PIF's key ESG themes of ecological impact and biodiversity, carbon footprint and energy management, renewable energy and clean-tech adoption, water, and waste management. The use of proceeds in the framework complements PIF's ambition to drive ESG integration across their portfolio as outlined in the ESG Strategy and Roadmap.

DNV confirms PIF will apply specific exclusion criteria for the funding of expenditures and projects associated with: Coal or gas-fired power generation and distribution assets; Landfill operations and any incineration of any unsorted waste assets; Exploration and development of new oil and gas fields; Coal mining and transportation; Fossil fuel-related activities including refining and transportation of fossil fuel as well as underlying investments in research and development; Heat or Power facilities with emissions intensity above 100gCO_2e/kWh; Nuclear power generation and distribution assets; military activities; and Industrial agriculture and livestock practices.

DNV confirms that PIF intends to use an amount at least equivalent to the net proceeds of financial instruments issued under the Framework to finance, refinance and/or invest in Eligible Green Projects. Financing under the Framework may be through public transactions or private investments, in bearer or registered format, through senior unsecured or subordinated issuances. All financing under the Framework will be standard recourse-to-the-issuer obligations. There will be a maximum 2-year look-back period for refinanced projects, with issuances allocated within a reasonable period from the date of issuance. For CBI certified issuances, PIF will endeavour to fully allocate the proceeds within 24 months of the issuance date, however some assets may require longer allocation periods given their nature as long-term green infrastructure buildout projects.

DNV understands that where investments are made via PIF's subsidiaries and owned entities, including joint ventures, only the issuer's share of the investment will be applicable as an allocation to the eligible projects. To avoid double-counting, DNV also understands that proportionate discounting will occur in cases where investments are financed and/or refinanced by other issuers (PIF's subsidiaries and owned entities) under their respective finance frameworks.

DNV concludes that the eligible categories outlined in the Framework are consistent with those listed in the GBP and GLP and will provide clear environmental benefits.

2. PRINCIPLE TWO: PROCESS FOR PROJECT EVALUATION AND SELECTION

DNV can confirm that the proceeds arising from future issuances of Green Financing Instrument will be allocated to Eligible Green Projects by PIF's ESG & Sustainability Strategy Steering Group (the "Group") who drive ESG integration in PIF's strategic initiatives as part of its Vision Realisation Program (2021-2025). The Group will be composed of representatives from PIF's Finance, Risk, Compliance & Governance, Global Capital Finance, Investment Strategy and Economic Insights and Investment divisions. PIF has confirmed that the Group will meet periodically to review and monitor the allocation and eligibility of Green Projects and carry out the activities needed to meet the requirements of the Green Finance Framework, and support and/ or advise PIF management committees on ESG-related matters in accordance with the authorities delegated by the PIF Board of Directors.

The Group will be responsible for all management of the Green Financing Framework and its associated activities, including advising PIF management committees on ESG-related matters. DNV understands the Group's role to include:

- Regular monitoring of the assets pool to ensure eligibility with criteria set out in the Use of Proceed section of the Framework (and inline the GBP/GLP) and where relevant with the CBS and CBI sector criteria and replacing ineligible projects with new Green Projects.
- Managing the allocation of proceeds using the Green Finance Register.
- Evaluating the investments listed on the Green Finance Register to ensure they continue to meet the criteria for eligible projects and any unallocated proceeds from a Green Financing Instrument are used in line with PIF's standard liquidity policy.
- Facilitation of regular reporting on any Green Financing Instruments in line with the ICMA/LMA requirements and where appropriate CBS requirements.
- Overseeing Green Financing Instrument issuances in line with PIF's existing credit/loan/investment approval processes.
- Responsible for managing future changes to the Framework as required for compliance with regulations, disclosure standards, and market best practices.

The Project Evaluation and Selection Process will ensure that the proceeds of any PIF Green Financing Instrument are allocated to finance or refinance Eligible Green Projects that meet the criteria and objectives set out in section 2.1, Use of Proceeds of the Framework. The PIF has also established a process, managed by the ESG & Sustainability Steering Group, to identify mitigation measures to known material ESG risks of negative environmental and/or social impacts from eligible projects including an evaluation of potential trade-offs. DNV understands that PIF will align projects to appropriate national and international environmental taxonomies where possible including the CBI taxonomy.

DNV has reviewed PIF's asset allocation criteria which outlines how projects will be selected from PIF's pool using either a "case by case" or "top-down approach", with exclusion criteria such as when specifically earmarked (e.g. a previous green bond/loan) or legally ring-fenced (e.g. project finance) by the subsidiary for their own ESG issuance. This is to ensure no double counting of projects occurs. The "case by case" approach would identify Green Assets that have been financed through PIF equity investments where additional equity being drawn down has been used for a specific green project with direct linkage. The "top-down approach" will pro-rata PIF financing share in the investee company (PIF equity investments/ Total equity and debt) to the identified green projects and include that into the list of eligible projects if they have not already been previously earmarked for green financing. The total value of the eligible investment is restricted to PIF's total equity investment.

DNV also confirms the Framework is aligned with PIF's ESG strategy and roadmap for ESG integration, specifically the goal to issue green bonds, including associated disclosure for the use of proceeds in specific assets. DNV confirms that PIF's ESG themes (ecological impact and biodiversity, carbon footprint and energy management, renewable energy and clean-tech adoption, water, and waste management) outlined in the ESG strategy complement the relevant eligible green project categories. The framework also complements PIF's Vision 2030 strategic objective to drive national economic sustainable transformation, and with PIF's involvement in OPSWF which highlights the ambition to transition to a low carbon economy and support global climate change mitigation efforts.

DNV concludes that PIF's Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the GBP and GLP.

3. PRINCIPLE THREE: MANAGEMENT OF PROCEEDS

DNV can confirm that proceeds from Green Financing Instruments will be deposited in PIF's general funding accounts and reserved for allocation towards the Eligible Green Projects using the Green Finance Register. The Green Finance Register will include the Green Financing instrument details (pricing date, maturity date, principal amount of proceeds, coupon, ISIN number), as well as information on the allocation of proceeds; a breakdown of eligible projects and related details (project category, description, location, Group ownership percentage, cost, amount allocated, settled currency) and the amount of unallocated proceeds. The ESG & Sustainability Steering Group will be responsible for monitoring and managing the proceeds from the Framework.

DNV confirms that PIF has a process in place to prevent double counting of eligible projects. Any proceeds arising from the issue of Green Financing Instruments that are temporarily unallocated will be invested according to PIF's standard liquidity policy and placed into money market funds and other liquid instruments and will be subject to the exclusion criteria outlined in the Framework.

DNV has reviewed evidence and can confirm that PIF has committed to appropriately managing the proceeds arising from future issuances, in line with the requirements of the GBP and GLP.

4. PRINCIPLE FOUR: REPORTING

DNV confirms that PIF has committed to providing information annually on the allocation and impact of any future Green Financing Instruments. This will be available to investors on the PIF's website.

For allocation reporting, PIF has committed to issuing a report annually until full allocation of proceeds, or until the Green Financing Instrument is no longer outstanding. Reporting will detail a list of Eligible Green Projects, the amount of proceeds allocated to each category, description of Eligible Green Projects financed where possible including amount and locations, selected examples of projects financed, the unallocated proceeds as well as the amount and/or the percentage of new financing and refinancing.

PIF will also produce an impact report summarising the environmental benefits of the Eligible Green Projects on an annual basis. DNV understands this report will include carbon emissions avoided by Eligible Green Projects, calculation methodologies and key assumptions, as well as the below category specific-metrics.

Examples of metrics include:

Eligible Green Project Categories	Example of Impact Reporting Metrics
Renewable Energy	• Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Energy Efficiency	• Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings) • Number and breakdown by type of energy-efficient technologies and products installed
Sustainable Water Management	• Number of water treatment facilities built or upgraded • Reductions in water distribution losses (in m^3) • Amount (in m^3) or % of water recycled • Amount of water reduced (in m^3)
Pollution Prevention and Control	• Waste reduced/avoided (tonnes)
Green Buildings	• Level of certification by property • Energy efficiency gains in MWh or % vs. baseline • Annual energy savings (MWh pa)
Clean Transportation	• Number and type of clean transportation infrastructure built • Number of EVs produced • Number of users

Sustainable management of living natural resources and land use	• Amount (in m³) or % of water consumption reduced • Increase in production efficiency • [Inclusion of specific KPIs under consideration]

DNV confirms that, where relevant, the PIF will conduct periodic update reports to the CBI at least annually while the Bond remains outstanding, which will include both allocation and impact reporting. This will be made available to holders of the bond, the Climate Bonds Standards Board, and the public.

DNV concludes that PIF has made appropriate plans to report on the allocation and environmental impact of future issuances, in line with the requirements of the GBP and GLP. It is noted that PIF intends to work with a third-party reviewer to provide an external assessment on the alignment of the allocation until proceeds have been fully allocated.

On the basis of the information provided by PIF and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definition of green bonds within the Green Bond Principles 2021 and green loans within the Green Loan Principles 2021. Separate certification will be sort for instruments aligned to the Climate Bond Initiative's (CBI) Climate Bonds Standard (CBS) (V3.0)[2].

for DNV Business Assurance Services UK Limited

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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.
With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

2 https://www.climatebonds.net/climate-bonds-standard-v3

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

Eligible Green Projects Category	Description of activities
Renewable energy  	Investments and expenditures in the production, transmission and storage of energy from renewable sources: ➢ Solar (PV and Concentrated Solar Power with a minimum 85% of power generation derived from solar sources) ➢ Wind energy. Investment in Green Hydrogen, defined as Hydrogen produce through electrolysis using electricity powered fully by wind and/or solar energy, comprising hydrogen production (including either hydrogen produced under a GHG emissions threshold of 3tCO2e/tH2 or by electrolysis powered using 100% wind and/or solar power) with, storage and distribution and R&D.
Energy efficiency  	Installation of energy-efficient technologies and products, for example LED lighting, to increase operational energy efficiency by at least 30%. Deployment of wireless technologies that allow for real-time response to energy demand, including smart city systems, smart building management systems, telecommuting systems, smart grids. Exclusion Criteria Improvement activities that result in the lock in of fossil fuel technologies.

Sustainable water and wastewater management	Investments and expenditures in projects and infrastructure increase water-use efficiency, such as water recycling and reuse projects, water saving systems, technologies, and water metering. Desalination plants that have an average carbon intensity at or below 100g CO_2/kWh over the residual asset life. These are on a reverse osmosis technology powered entirely by renewables.
Pollution prevention and control	Investment and expenditures for the acquisition, development, construction, and operation of facilities for: • Waste collection and storage • Waste sorting, separation, and material recovery • Recycling and reuse • Biological treatment facilities (including anaerobic digestion and composting facilities). Expenditures related to construction, upgrades, renovations or improvements for transportation and treatment of wastewater, including but not limited to: • Water and wastewater treatment plants (WWTP) • Sewer systems and pumping stations.
Green Buildings	Investment in new or existing commercial or residential buildings that belongs to the top 15% in terms of energy efficiency of their local market or have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as: • LEED (Gold and above) • BREEAM (Excellent and above) • Mostadam (Gold and Diamond) Other equivalent certification schemes, such as EPC A and above.

Clean Transportation	Investments and expenditure in low energy consuming or low emission transportation, including; • passenger cars (under 50gCO2/km up to 2025, and zero tailpipe emissions thereafter); • public transportation (under 50gCO2/p km up to 2025, and zero tailpipe emissions thereafter); • freight transportation (under 25g CO2/t km up till 2030, 21g CO2/t km from 2030 up to 2050). Investments and expenditure into development and production of electric vehicles (EVs), including construction of new dedicated manufacturing facilities and upgrading and retrofitting of existing facilities for the purpose of expanding production.
Sustainable management of living natural resources and land use	Investment in agricultural technologies that aim to rationalize water consumption, raise production efficiency, and preserve the environment, such as: • Activities enabling measurement, monitoring, reporting and verification of emissions reduction; • Research and development into ruminant feed that reduces methane emissions; • Research into alternative meat and dairy products; • Capacity-building or education services relating to low carbon agricultural practices.

SCHEDULE 2: PIF-SPECIFIC GREEN FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The bond must fall in one of the following categories, as defined by the Green Bond Principles: • Use of Proceeds Bond. • Use of Proceeds Revenue Bond. • Project Bond. • Securitized Bond. Green loans are defined as any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework	The Framework outlines the type of Bonds and Loans expected to be issued under the Framework such as, but not limited to: • Green Bonds. • Green Loans. • Green Sukuk. • Other unspecified Green Financings. The specific type of financing will need to be further assessed on an individual basis.
1b	Green Project Categories	The cornerstone of a Green bond/loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	Evidence reviewed: • Public Investment Fund Green Finance Framework • ESG Strategy	The Framework describes the categories that the Eligible Green Projects will fall under: • Renewable Energy. • Energy efficiency. • Sustainable water and wastewater management. • Pollution prevention and control. • Green Buildings. • Clean transportation. • Sustainable Management of Living Natural Resources and Land Use. DNV can also conclude that the instruments issued under this Framework support the achievement of the UN SDGs, with the alignment to specific SDGs as indicated in Schedule 1. We conclude that the Framework appropriately describes the proposed utilisation of proceeds.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				There will be a maximum 2-year look-back period for refinanced projects, with issuances allocated within a reasonable period from the date of issuance. For CBI certified issuances, PIF will endeavour to fully allocate the proceeds within 24 months of the issuance date, however some assets may require longer allocation periods given their nature as long-term green infrastructure buildout projects. The specific utilisation of proceeds of each issuance will need to be further assessed on an individual basis.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	Evidence reviewed: • Public Investment Fund Green Finance Framework • ESG Strategy	The Framework outlines the expected environmental benefits that will be realised by any Bonds/Loans issued under the Framework, including but not limited to: Increase in renewable energy production capacity: • Renewable energy project such as wind and solar • Investments and expenditures in the transmission, and storage of energy from renewable sources, such as battery storage and pumped hydro storage. • Investment in Green Hydrogen projects • Develop 70% of Saudi Arabia's renewable energy target of 58.5GW capacity by 2030 Increase in Energy Efficiency and reduction in energy requirements: • Installation of energy-efficient technologies and products, for example LED lighting, to increase operational energy efficiency by at least 30%. • Solar powered off grid charging infrastructure for EVs Sustainable Water Management through reduction in water usage and water recycling:

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• Investments in water-use efficiency projects, water saving systems and technologies. • Investment in low carbon desalination plants. Pollution prevention and control projects to reduced and/or avoid waste: • Projects supporting recycling and reuse, waste separation and recovery and biological treatment facilities. • Construction of, and renovations to, water and wastewater treatment plants and sewer systems • Developing the waste management sector by driving projects and investments into the sector, in line with KSA's target to achieve landfill diversion rate of 82% by 2035. Green Buildings resulting in reduction in energy consumption: • Investment in new, or existing, energy efficient commercial and residential buildings. • Investments in certified green buildings in the top 15% in terms of energy efficiency of their local market. • LEED Gold and Platinum certified buildings. • Mostadam (Gold and Diamond). Clean Transportation resulting in reduction of CO_2 emissions: • Investment in low carbon transport including passenger cars, public transportation, and freight transportation.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• Development and production of electric vehicles. Sustainable Management of living natural resources and land use creating more sustainable farming methods and alternatives to meat and dairy produce: • Investment in agricultural technologies for water consumption rationalization, increased production efficiency and environmental preservation. • Investment in projects aimed at the manufacture of meat and dairy alternatives. • Boost productivity and improve resources sustainability by investing in agricultural technologies. Specific quantifiable benefits of each issuance will be agreed on a case-by-case basis and subject to further assessment.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Evidence reviewed: • Public Investment Fund Green Finance Framework	We conclude that PIF will use the proceeds for financing, refinancing and/or investment in projects that are Eligible Green Projects as defined above. PIF confirms that where investment through PIF's subsidiaries, including joint ventures, only the issuer's share of the investment will be applicable as an allocation to the eligible project. PIF will specify the amount of net proceeds to be used for refinancing as a percentage, and report this against the amount raised for new financing. Assets that are eligible to receive financing under PIF's Framework will be tagged within the Green Finance Register. The allocation to eligible products/projects to be refinanced, will be monitored by the ESG & Sustainability Steering Group.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance • Project Segregation Criteria	We conclude that the Framework appropriately describes the process of project selection and evaluation. DNV understands that projects will be evaluated by the PIF ESG & Sustainability Steering Group, who will meet two times a year, to review the eligibility of projects for financing. This Group will communicate with PIF management and board level committee on Framework reporting and discloses. The specific issuances will need to be further assessed on a case-by-case basis.
2b	Issuer's environmental and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance • PIF Program 2021-2025 Strategy document • ESG Strategy	We conclude that from the information provided, the Framework is in line with PIF's wider approach to managing environmental sustainability. Specifically, DNV concludes the Framework aligns with PIF'S ESG strategy and roadmap for ESG integration, and PIF's involvement in One Planet Sovereign Wealth Fund (OPSWF) which seeks to decarbonise economics and address climate related risks by diversifying assets. Additionally, DNV acknowledges the Framework's alignment to PIF's Vision 2030 of non-oil GDP growth.

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Bond/Loan should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance	DNV confirms the net proceeds will be deposited in PIF's general funding accounts and allocated using a Green Finance Register. The Register will be managed by the ESG & Sustainability Steering Group and will include details on green financing instruments used in the Framework, as well as the allocation of proceeds. We conclude that the Framework commits PIF to tracking use of proceeds in an appropriate manner and attested to by a formal internal process.
3b	Tracking procedure	So long as the Bond/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance	We conclude that there is a clear process in place for the tracking of the balance taking into account disbursements.
3c	Temporary holdings	Pending such investments or disbursements to eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance	We conclude that PIF has appropriately disclosed how it will manage any unallocated proceeds in accordance with its standard liquidity policy.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Bond and where appropriate Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmental impact.	In addition to reviewing the evidence below, we had several detailed discussions with PIF. Evidence reviewed: • Public Investment Fund Green Finance Framework • PIF Responses to Governance	We confirm PIF has committed to annual green reporting which will provide investors with information on the selected projects and include quantification of their environmental benefits. It is noted that the impact report will include carbon emissions avoided by eligible green projects, calculation methodologies, and key assumptions.