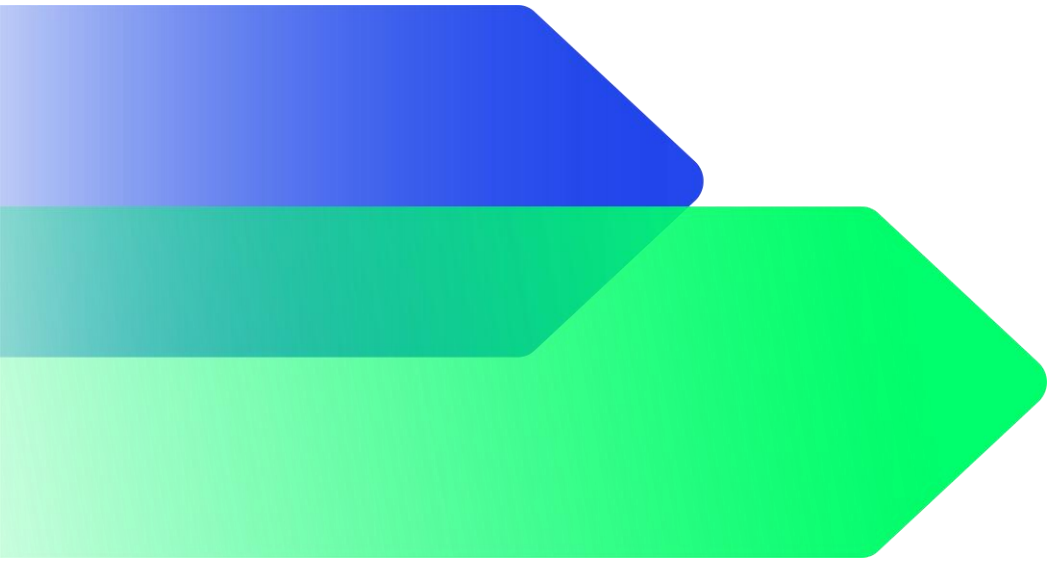
DUBAI ISLAMIC BANK

DIB Sustainable Sukuk Impact Assessment

For eligible green uses of proceeds under the DIB Sustainable Finance Framework

February 2025



The Carbon Trust's mission is to accelerate the move to a decarbonised future.

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AED	Emirati Dirham
DIB	Dubai Islamic Bank
EV	Electric Vehicle
GBP	Green Bond Principles
GHG	Greenhouse Gas
GLP	Green Loan Principles
DCS	District Cooling Systems
ICE	Internal Combustion Engines
LMA	Loan Market Association
PCAF	Partnership for Carbon Accounting Financials
ICMA	International Capital Markets Association
IFI	International Financial Institutions Working Group on Greenhouse Gas Accounting
MW	Mega-Watt
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SDG	Sustainable Development Goals
SLP	Social Loan Principles
tCO_2e	Tonnes of carbon dioxide equivalent
UAE	United Arab Emirates
USD	United States Dollar
WBCSD	World Business Council for Sustainable Development

Introduction

DIB Sustainable Sukuk Overview

Aligned with international and country-specific sustainability initiatives, Dubai Islamic Bank ("**DIB**") is intending to issue green, social or sustainability sukuk and other financing instruments ("**Sustainable Financing Instruments**") to finance and / or refinance projects that meet the requirements as described in the DIB Sustainable Finance Framework ("**Framework**")[1]. The objective of the Framework, and subsequent Sustainable Financing issued from it, is to fund Sustainable Projects that conform to the sustainable finance principles listed below:

- the International Capital Market Association ("**ICMA**") Green Bond Principles ("**GBPs**") 2021, Social Bond Principles ("**SBPs**") 2021 and Sustainability Bond Guidelines ("**SBGs**") 2021; and/or
- the Loan Market Association ("**LMA**") Green Loan Principles ("**GLPs**") 2021 and Social Loan Principles ("**SLPs**") 2021.

The Framework has received a Second Party Opinion from ISS-Corporate[2].

The GBP, SBP, SBG, GLP and SLP (the "**Principles**") are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the sustainable finance market by clarifying the approach for issuing sustainable instruments. The Framework therefore has four key components for each sustainable issuance, DIB asserts that it will adopt:

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

DIB, at its discretion but in accordance with the Principles, will allocate the amount at least equivalent to the net proceeds of the Sustainable Financing Instruments in whole or in part to eligible sustainable projects which meet the eligibility criteria ("**Sustainable Asset Register**" or "Register"). The Sustainable Asset Register is to be financed and/or refinanced in whole or in part by an allocation of the issuance proceeds. The Eligible Green Project Categories includes:

1 DIB Sustainable Finance Framework
2 DIB Second Party Opinion

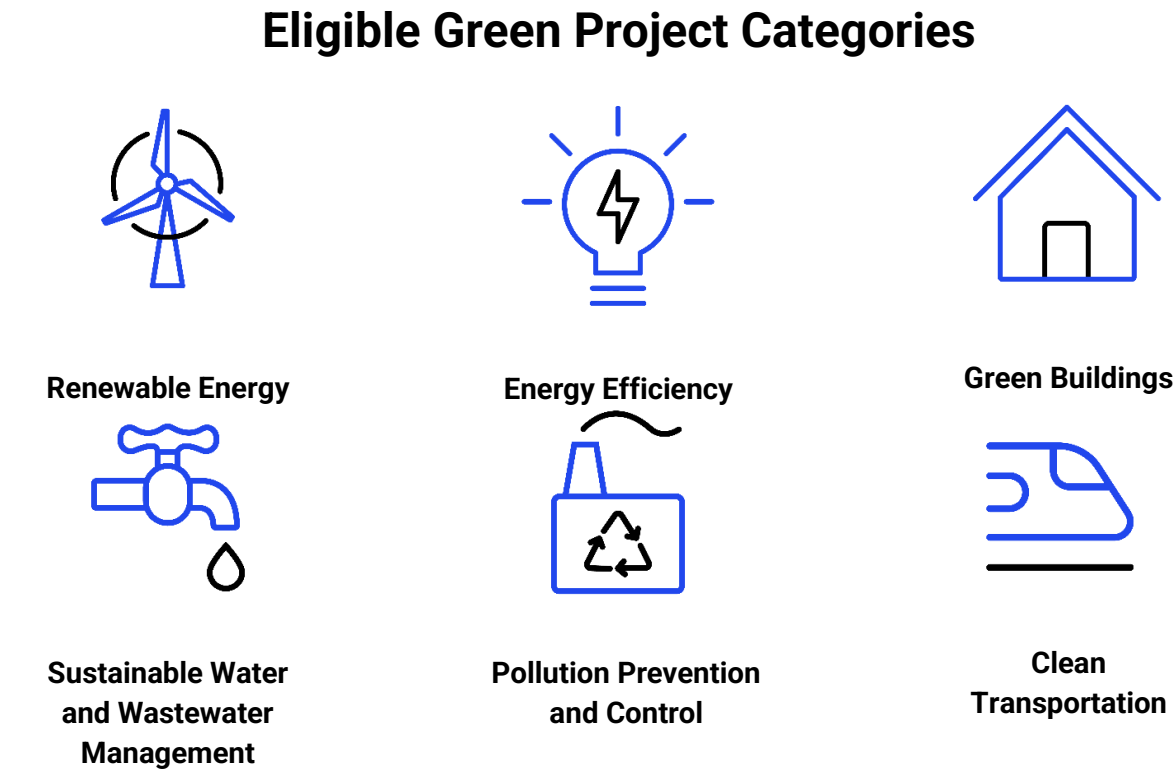

Figure 1: Eligible Green Project Categories

Reporting Principles

Reporting of the environmental impacts of green bonds is evolving and is a relatively new concept. However, the Carbon Trust is committed to reporting on the method used to calculate the avoided GHG emissions based on:

- PCAF's The Global GHG Accounting and Reporting Standard for the Financial Industry (December 2022), Chapter 5.3 Project Finance[3],
- ICMA Harmonised Framework for Impact Reporting (2023)[4].
- Climate Bonds Standard V3.0[5]
- IFI GHG Accounting for Grid Connected Renewable Energy Projects (July 2019),
- Green Loan Principles (Feb 2021),
- Green Bond Principles, Voluntary Process Guidelines for Issuing Green Bonds (2021),
- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and,
- WBCSD Guidance on Avoided Emissions[6]

DIB follows the key recommendations outlined in the Principles, with external reviewers present across their reporting process. In addition, DIB is committed to reporting greenhouse gas emissions in accordance with the five principles contained within the Greenhouse Gas Protocol, namely relevance,

3 The Global GHG Accounting and Reporting Standard for the Financial Industry (Dec 2022)
4 Handbook Harmonised framework for Impact Reporting (June 2023)
5 Climate Bonds Standard V3.0 | Climate Bonds Initiative
6 WBCSD Guidance on Avoided Emissions (Mar 2023)

completeness consistency, transparency, and accuracy. DIB further commits to transparent disclosure of any assumptions and estimations used in the calculation of its reporting framework.

Scope of Calculations and Reporting

DIB intends to report the expected or actual quantitative environmental impact of the Sustainability Projects it finances or co-finances through its sustainable finance issuance. The reporting includes the estimated reduction or avoidance of greenhouse gases ("**GHGs**") estimated to have occurred from its sustainability holdings. DIB also evaluates other indicators that are appropriate to report for environmental impact and performance, such as energy generation figures by type of technology.

DIB undertakes to report the environmental impact of projects it finances or co-finances through its sustainable finance issuances based, where possible, on the actual environmental performance of the asset. Where this is not possible, expected performance is used. The reporting includes both green indicators and resulting emissions reductions or avoidance, both of which require assumptions and calculations. The reporting is based on the net benefit resulting from the asset in a given period of operation, rather than the gross emissions change before or after the life of the asset or project.

Calculations include project-by-project impacts, as well as aggregated results across the portfolio of assets financed or co-financed with the proceeds of DIB sustainable financing. Environmental indicators are attributed to DIB on a project-by-project basis, based on the current percentage share financed (where applicable) and disbursed by the bank. The reporting is undertaken on an annual basis – for the 2024 report, this covers the previous 13-month period (September 2023 to September 2024) as DIB endeavours to align its impact assessment report with its financial year end. This has been noted within the report to follow and we expect future years to revert back to a 12-month period. The reporting also considers any dynamic changes in the assets financed or co-financed that occur from one reporting period to another. This is the second year of impact reporting, however this impact assessment includes a 3-year look-back period, as per DIB's Sustainable Finance Framework. In accordance with the principles of reporting described above, DIB has and continues to commit to transparent disclosure of any assumptions and estimations used in the calculation of its reporting framework.

Avoided Emissions

Avoided emissions form a core component of DIB's impact assessment. Measuring them provides insight into the wider positive impact in the form of GHG emissions avoided as a result of the solutions deployed by DIB, in comparison to a baseline reference scenario. Existing as a subsection of avoided emissions, this assessment will also consider the enablement from a solution (product/service) and whether that allows for the same or similar function to be performed with significantly less GHG emissions. By providing these solutions, companies enable avoided emissions in the wider system, outside of their value chain. Avoided emissions, along with the entire impact assessment, will be calculated on a year-by-year basis to track DIB's progress and contributions towards sustainability goals.

At the core of the assessment of DIB's avoided emissions is the reference scenario. The reference scenario looks to establish the context of the deployed proceeds and what is directly being replaced/reduced as a result of DIB's financing activities. The reference scenario must be a credible counterfactual to reflect the reality of the region. Where avoided emissions are calculated, the reference

scenario will be described in each of the relevant sector methodology sections. This is summarised in the graph and equation below:

$$\textbf{\textit{Avoided Emissions}} = \sum \textit{Reference Scenario Emissions} - \textit{Solution Emissions}$$

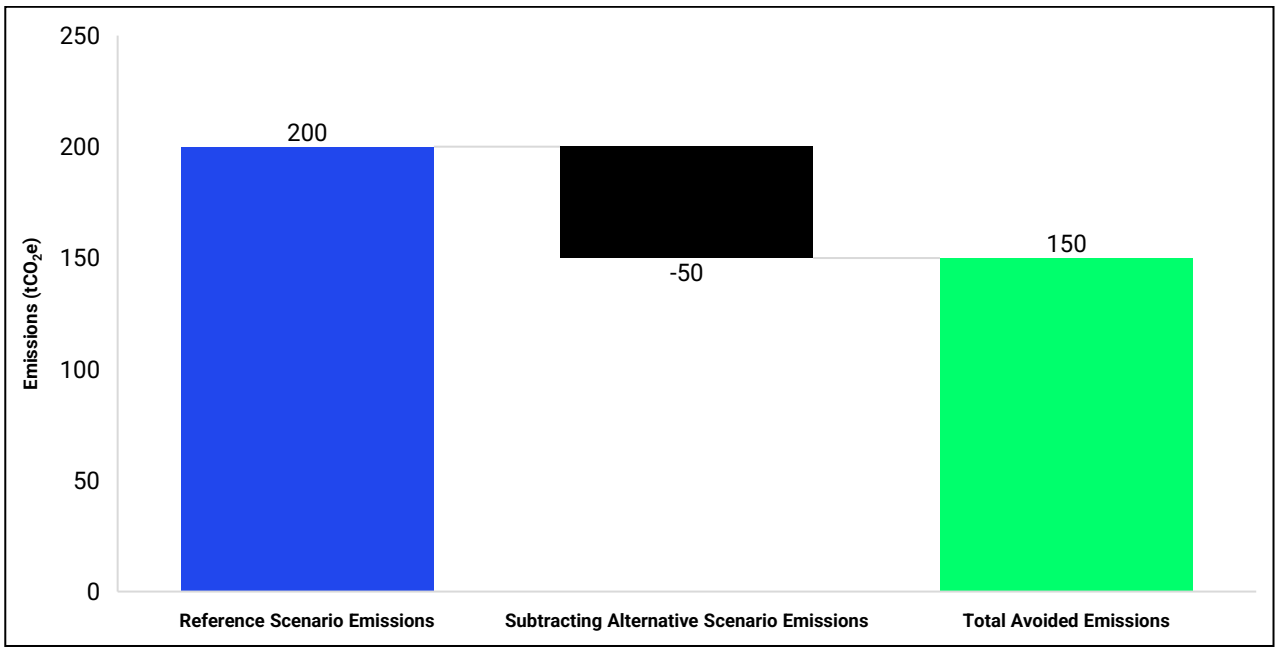

Figure 2: Example of Avoided Emissions Calculation

DIB Financed Emissions and Attribution

When carrying out the impact assessment, an attribution factor was applied to all assets in line with PCAF's methodology. This factor helps understand the share of DIB's exposure and contribution to the impact of the project. In the case of financing made via DIB's subsidiaries and owned entities, including joint ventures entered into by its subsidiaries, only the issuer's share of the financing will be applicable as an allocation to the eligible projects.

$$\textbf{\textit{Financed Emissions}} = \textit{Attribution Factor} \times \textit{Project Emissions}$$

In the process of considering financing for allocation under the Sustainable Financing Instruments, DIB will discount the portion of the Eligible Sustainable Projects that have been disbursed by one or several other issuers.

The calculation of the attribution of emissions and avoidance takes the outstanding financing amount and divides it against the total project value. This is summarised in the equation below:

$$\textbf{\textit{Attribution Factor}} = \frac{\textit{DIB Outstanding Investment Amount}}{\textit{Total Project Value}}$$

Impact of the Green Bonds and Eligible Green Assets Register

Summary of Projects and Allocation

As of 30 September 2024[7], there were three Green Sukuk issuances from DIB totalling USD 2.7 billion (AED 10.1 billion)[8] consisting of issuances for: USD 0.7 billion in November 2022, USD 1 billion in February 2023 and USD 1 billion in March 2024.

4.09 billion AED[9] has been deployed across green categories from the 10.1 billion AED issued across the November 2022, February 2023 and March 2024 Issuances. As seen in Table 2, the deployed amount has contributed to 7,926 eligible[10] green projects (including 7,914 clean vehicles) across 5 green sectors. This assessment will look at the impact of the additional amount deployed in 2024, as well as the total deployed amount.

Table 2: Summary of Allocation

Eligible Categories	Number of Eligible Projects	Total Deployed Amount (mn AED)
Renewable Energy	**3**	**661**
Energy Efficiency	**4**	**1,105**
Green Buildings	**4**	**1,074**
Clean Transportation	**7,914**	**1,124**
Sustainable Water and Wastewater Management	**1**	**124**
Total	**7,926**	**4,089**

7 This cut-off includes projects within the lookback period as stated in the Framework.
8 A USD-AED exchange rate of 1:3.673 was used for this conversion.
9 This number is after considering the look-back period, actual green financing is higher than 4.09 billion AED.
10 'Eligible' projects refers to projects financed or refinanced by DIB, that are eligible for sustainable financing under DIB's Sustainable Finance Framework. 'Assessed' projects refers to eligible projects, the impact of which has been assessed by Carbon Trust, based on available data.

Table 3: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Operational and Under Construction Projects

Category	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects[11])	2024 Outstanding Balance (mn AED)	Total Outstanding balance (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	2024 Attributed Avoided Emissions (tCO_2e)	Total Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3 (3)**	**70**	**661**	**38**	**87,762**	**-**	**5,177**	**48,795**
Concentrated Solar Tower	1 (1)	23	220	4	17,408	-	1,027	9,679
Parabolic trough plants with molten salt storage	1 (1)	23	220	24	52,223	-	3,080	29,036
Solar PV	1 (1)	23	220	10	18,130	-	1,069	10,080
Energy Efficiency	**2 (4)**	**371**	**1,105**	**-**	**-**	**19,172**	**8,039**	**23,979**
District Cooling	2 (4)	371	1,105	-	-	19,172	8,039	23,979
Green Buildings	**1 (1)**	**14**	**14**	**-**	**-**	**30**	**12**	**12**
LEED Platinum	1 (1)	14	14	-	-	30	12	12
Clean Transportation	**4,885 (7,908)**	**756**	**1,123**	**-**	**-**	**-**	**16,143**	**23,361**
Electric Vehicles	4,885 (7,908)	756	1,123	-	-	-	16,143	23,361
Sustainable Water and Wastewater Management	**1 (1)**	**124**	**124**	**-**	**-**	**-**	**100,262**	**100,262**
Desalination Plants	1 (1)	124	124	-	-	-	100,262	100,262
Total	**4,892 (7,917)**	**1,335**	**3,028**	**38**	**87,762**	**19,202**	**129,633**	**196,409**

11 The figure in parentheses shows the total number of assessed projects within the lookback period, as defined in DIB's Framework.

Table 4: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Operational Projects[12]

Category	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects[13])	2024 Outstanding Balance (mn AED)	Total Outstanding balance (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	2024 Attributed Avoided Emissions (tCO_2e)	Total Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3 (3)**	**53**	**496**	**28**	**65,821**	**-**	**3,883**	**36,597**
Concentrated Solar Tower	1 (1)	18	165	3	13,056	-	770	7,259
Parabolic trough plants with molten salt storage	1 (1)	18	165	18	39,168	-	2,310	21,777
Solar PV	1 (1)	18	165	7	13,598	-	802	7,560
Energy Efficiency	**2 (4)**	**371**	**1,105**	**-**	**-**	**19,172**	**8,039**	**23,979**
District Cooling	2 (4)	371	1,105	-	-	19,172	8,039	23,979
Green Buildings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LEED Platinum	-	-	-	-	-	-	-	-
Clean Transportation	**4,885 (7,908)**	**756**	**1,123**	**-**	**-**	**-**	**16,143**	**23,361**
Electric Vehicles	4,885 (7,908)	756	1,123	-	-	-	16,143	23,361
Sustainable Water and Wastewater Management	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Desalination Plants	-	-	-	-	-	-	-	-
Total	**4,890 (7,915)**	**1,179**	**2,724**	**28**	**65,821**	**19,172**	**28,064**	**83,936**

12 Projects presented in this table are a subset of total projects presented on Table 3.

13 The figure in parentheses shows the total number of assessed projects within the lookback period, as defined in DIB's Framework.

Table 5: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Under Construction Projects[14]

Category	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects[15])	2024 Outstanding Balance (mn AED)	Total Outstanding balance (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	2024 Attributed Avoided Emissions (tCO2e)	Total Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3 (3)**	**18**	**165**	**9**	**21,940**	**-**	**1,294**	**12,199**
Concentrated Solar Tower	1 (1)	6	55	1	4,352	-	257	2,420
Parabolic trough plants with molten salt storage	1 (1)	6	55	6	13,056	-	770	7,259
Solar PV	1 (1)	6	55	2	4,533	-	267	2,520
Energy Efficiency	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
District Cooling	-	-	-	-	-	-	-	-
Green Buildings	**1 (1)**	**14**	**14**	**-**	**-**	**30**	**12**	**12**
LEED Platinum	1 (1)	14	14	-	-	30	12	12
Clean Transportation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Electric Vehicles	-	-	-	-	-	-	-	-
Sustainable Water and Wastewater Management	**1 (1)**	**124**	**124**	**-**	**-**	**-**	**100,262**	**100,262**
Desalination Plants	1 (1)	124	124	-	-	-	100,262	100,262
Total	**5 (5)**	**156**	**303**	**9**	**21,940**	**30**	**101,568**	**112,473**

14 Projects presented in this table are a subset of total projects presented on Table 3.

15 The figure in parentheses shows the total number of assessed projects within the lookback period, as defined in DIB's Framework.

Table 6: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Operational and Under Construction Projects (Previous Reporting Period)

Category	No. of Assessed Projects [16]	Eligible Portfolio (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3**	**591**	**950**	**51,418**	**-**	**187,348**
Concentrated Solar Tower	1	197	100	10,199	-	37,161
Parabolic trough plants with molten salt storage	1	197	600	30,597	-	111,483
Solar PV	1	197	250	10,622	-	38,703
Energy Efficiency	**4**	**1,051**	**-**	**-**	**54,372**	**25,805**
District Cooling	4	1,051	-	-	54,372	25,805
Green Buildings	**4**	**1,357**	**-**	**-**	**-**	**-**
LEED Platinum	2	733	-	-	-	-
LEED Gold	1	511	-	-	-	-
Green Key Certified	1	114	-	-	-	-
Clean Transportation	**3,085**	**521**	**-**	**-**	**-**	**7,746**
Electric Vehicles	3,085	521	-	-	-	7,746
Total	**3,096**	**3,520**	**950**	**51,418**	**54,372**	**220,899**

16 "Operational" projects refer to those projects that are already in operation and delivering real-time impact. "Under Construction" projects are those that are still in the development and/or construction phase and have not yet become operational, therefore their impact is forward-looking.

Table 7: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Operational Projects (Previous Reporting Period)[17]

Category	No. of Assessed Projects [18]	Eligible Portfolio (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3**	**443**	**713**	**38,563**	**-**	**140,511**
Concentrated Solar Tower	1	148	75	7,649	-	27,871
Parabolic trough plants with molten salt storage	1	148	450	22,948	-	83,613
Solar PV	1	148	188	7,967	-	29,027
Energy Efficiency	**4**	**1,051**	**-**	**-**	**54,372**	**25,805**
District Cooling	4	1,051	-	-	54,372	25,805
Green Buildings	**4**	**1,357**	**-**	**-**	**-**	**-**
LEED Platinum	2	733	-	-	-	-
LEED Gold	1	511	-	-		
Green Key Certified	1	114	-	-		
Clean Transportation	**3,085**	**521**	**-**	**-**	**-**	**7,746**
Electric Vehicles	3,085	521	-	-	-	7,746
Total	**3,096**	**3,372**	**713**	**38,563**	**54,372**	**174,062**

17 Projects presented in this table are a subset of total projects presented on Table 6.

18 "Operational" projects refer to those projects that are already in operation and delivering real-time impact. "Under Construction" projects are those that are still in the development and/or construction phase and have not yet become operational, therefore their impact is forward-looking.

Table 8: Summary of the Impact of DIB's Sustainable Sukuk Portfolio of Under Construction Projects (Previous Reporting Period)[19]

Category	No. of Assessed Projects [20]	Eligible Portfolio (mn AED)	Annual Attributed Capacity (MWe)	Annual Attributed Production (MWh)	Annual Attributed Energy Savings (MWh)	Attributed Avoided Emissions (tCO_2e)
Renewable Energy	**3**	**148**	**238**	**12,854**	**-**	**46,837**
Concentrated Solar Tower	1	49	25	2,550	-	9,290
Parabolic trough plants with molten salt storage	1	49	150	7,649	-	27,871
Solar PV	1	49	63	2,656	-	9,676
Energy Efficiency	**-**	**-**	**-**	**-**	**-**	**-**
District Cooling	-	-	-	-	-	-
Green Buildings	**-**	**-**	**-**	**-**	**-**	**-**
LEED Platinum	-	-	-	-	-	-
LEED Gold	-	-	-	-	-	-
Green Key Certified	-	-	-	-	-	-
Clean Transportation	**-**	**-**	**-**	**-**	**-**	**-**
Electric Vehicles	-	-	-	-	-	-
Total	**3**	**148**	**238**	**12,854**	**-**	**46,837**

19 Projects presented in this table are a subset of total projects presented on Table 6.

20 "Operational" projects refer to those projects that are already in operation and delivering real-time impact. "Under Construction" projects are those that are still in the development and/or construction phase and have not yet become operational, therefore their impact is forward-looking.

Sector Breakdown of Eligible Green Asset Register

The following section presents the results of the impact assessment on a category-by-category basis. All results are provided as the attributed value, along with a qualitative description of the impact. All results presented below include the actual and/or expected Scope 1 and 2 emissions for both operational and under construction projects.

In line with the Framework, the Sector Breakdown will focus on the environmental impact of the projects, however, where applicable, the wider social benefits associated with the projects will also be touched upon.

Renewable Energy

The UAE currently relies on fossil for most of its electricity supply. In 2022, thermal power accounted for 81.8% of its total electricity generation.[21] To counter this, and in line with the UAE's Energy Strategy 2050, the UAE aims to increase the contribution of clean energy in the total energy mix to 30% by 2031, and to an overall 44% by 2050, to ensure the country is on track to achieve its climate change mitigation goals.[22]

More financing into renewable energy for UAE will not only be accompanied by job creation and upskilling of existing workers, but a study by IRENA found that modern renewable sectors were comprised of 35% women, far higher than the energy sector average.[23]

Solar PV and Concentrated Solar Impact

According to the UAE 2050 Energy Goals, the UAE will aim to triple its renewable energy by 2030 to achieve net zero in domestic carbon emissions by 2050. The UAE has three of the world's largest solar plants and continues to build more.[24]

DIB has financed three sub-projects projects consisting of: Concentrated Solar Tower, Parabolic trough plants with molten salt storage and Solar PV that were fully operational at the end of 2024 with a combined capacity of 950 MWe.

Number of Projects Assessed for 2024[25]:	3
Relevant Project Locations:	Dubai
Capacity of Renewable Energy Plants (MWe):	950
Attributed Annual Renewable Energy Generation (MWh):	9,310.57
Attributed Annual Avoided Emissions (tCO_2e):	5,177

Energy Efficiency

Dubai's rapid infrastructure development has seen a significant growth of energy demand to match. This is in line with the

21 United Arab Emirates - Countries & Regions - IEA
22 United Arab Emirates – UAE Energy Strategy 2050
23 Renewable energy benefits: Understanding the socio-economics (irena.org)
24 UAE Energy Diversification | UAE Embassy in Washington, DC (uae-embassy.org)

25 The total cumulative number of projects assessed and associated impact can be found in Table 3: Total Attributed Avoided Emissions (tCO_2e).

UAE Green Economy Initiative, UAE Integrated Strategy 2030 and the UAE 2050 Energy goals, has led to a scale-up of renewable energy and energy efficiency measures, to satisfy the demand in a sustainable way, while maintaining energy security.[26]

Energy Efficiency improvements will also provide societal improvements across the UAE by reducing utility costs. With a mean temperature of 28.93 degrees and reaching 49.4 degrees during peaks in 2024,[27] cooling is a necessity to ensure health and wellbeing. As such, DIB's financing will enable improved access to thermal societal comfort and reduce associated health risks.

District Cooling Impact

Cooling remains a major source of energy consumption across the Middle East and North Africa region, including Dubai. Therefore, a key part of strategies developed for climate action, and raising energy efficiency in particular, in the region is the greater incorporation of district cooling projects.[28]

Number of Projects Assessed for 2024[29]:	4
Relevant Project Locations:	Dubai
Attributed Annual Energy Savings (MWh):	19,172.18
Attributed Annual Avoided Emissions (tCO_2e):	8,038.9

District cooling has significant potential to increase the energy efficiency of urban areas in the UAE. Currently, the peak electricity load of cooling in buildings represents about 70% for the Gulf Cooperation Council.[30]

To contribute to this decarbonisation, DIB has financed the retrofit of four district cooling projects. As per DIB's Framework, these projects satisfy the requirement of reducing energy consumption by at least 20% compared to the average national energy consumption of an equivalent project or technology.

Green Buildings

In 2021, the electricity and heat emissions, coupled with the construction and manufacturing sector accounted for 66.6% of the UAE's total emissions (73.22 $MtCO_2e$ of electricity and heat emissions; construction and manufacturing sector which accounted for 70.74 $MtCO_2e$).[31]

There is a large focus of sustainability within the Gulf Cooperation Council's building sector – this is further highlighted by Dubai being ranked third in a list of global cities with the highest number of green certified buildings, as per a report by Core Savills in 2017.

To further encourage the adoption of green buildings, there has been a myriad of sustainable/green building initiatives introduced by the UAE, such as the Estidama Pearl Rating System in Abu Dhabi and the Green Building Regulations and Specifications in Dubai.[32]

26 2014-State-of-Energy-Report-english.pdf
27 UAE records hottest day of the year (whatson.ae)
28 Cooling in Dubai: A Market Share and Efficiency Study | RSB
29 The total cumulative number of projects assessed and associated impact can be found in Table 3: Total Attributed Avoided Emissions (tCO_2e).
30 Dubai, the sustainable, smart city | Renewable Energy and Environmental Sustainability (rees-journal.org)
31 United Arab Emirates: CO2 Country Profile - Our World in Data
32 Green Building Sector in the UAE: Perspectives | EcoMENA

To support these initiatives, and in line with the sustainability goals as set out in the Dubai Clean Energy Strategy 2050 and the UAE Energy Plan for 2050, DIB aims to invest in new or existing commercial or residential buildings that belong to the top 15% in terms of energy efficiency, or have received, or expect to receive, third-party verified green building standards. its energy usage.

Green Buildings Impact

All 4 projects financed by DIB have achieved Green Key Certification or LEED GOLD (or above), in line with the requirements as set out within its Framework. These are internationally recognised standards, ensuring that best practices are carried out across the construction and operational life span of the buildings.

Number of Projects for 2024[33]:	1
Relevant Project Locations:	UAE
Level of Certification Achieved:	LEED PLATINUM
Attributed Annual Energy Savings (MWh):	29.56
Attributed Annual Avoided Emissions (tCO_2e):	12.40

As at the current time of reporting, only 1 out of the 4 projects had sufficient data to calculate actual attributed annual energy savings and attributed annual avoided emissions, and no suitable proxies were identified. This is reflected in the figures in the table below.

Clean Transportation

The transport sector is a significant contributor to emissions in the UAE and a key target for decarbonization efforts. In 2023, transport-related emissions were reported at 43.37 million tCO_2e, marking an increase of over 1 million tCO_2e compared to 2022.[34] To support this, the updated Energy Strategy 2050 includes targets of reaching 691,000 EVs and hybrid vehicles by 2030.[35] Dubai, as part of its Green Mobility Strategy 2030, also aims to achieve over 42,000 EVs on the roads, with a mandate that 30% of public sector vehicles and 10% of all vehicle sales are to be electric and hybrid by 2030.[36]

Over the last few years, there has been a significant increase in the uptake of EVs, due to the respective initiatives introduced by the UAE and Dubai. Demand for EVs is expected to see a 30% company annual growth rate between 2022 and 2028.[37]

DIB aims to support the reduction of the country's reliance on internal combustion engine vehicles ("ICE") and the shift towards more sustainable transport alternatives by financing electric and low carbon vehicles.

Battery Electric Impact

DIB has, as at the time of reporting, financed a total of 4,891[38] EVs. However, the total amount of eligible vehicles included in the total results

33 The total cumulative number of projects assessed and associated impact can be found in Table 3: Total Attributed Avoided Emissions (tCO_2e).
34 CEIC data - United Arab Emirates Total CO_2 Emissions
35 UAE Energy Strategy 2050 | The Official Portal of the UAE Government
36 Dubai's green mobility ambitions shift into high gear (mediaoffice.ae)
37 United Arab Emirates Electric Vehicle Market (trade.gov)
38 A small portion of the portfolio (6 contracts, <0.1% of total portfolio) were not included in the impact calculations due to data limitations. As such, 4,885 vehicles were included within the impact calculations.

is 7,914[39] due to a higher number of vehicles being included within the lookback period. While DIB has also financed hybrid vehicles, these have been excluded from the impact assessment.

Although there is a lack of direct emissions, the benefits of EVs and hybrid vehicles are associated with the emissions intensity of the grid. As the overall grid decarbonises, in alignment with the commitments within the UAE Energy Strategy 2050, the benefit associated with EVs, and hybrid vehicles will increase as these are powered and charged using electricity from renewable energy.

Number of Projects Assessed for 2024[40]:	4,885
BEV attributed emissions per annum (tCO_2e):	4,756
BEV Attributed Avoided Emissions (tCO_2e):	16,143
BEV Avoided Emissions per km (gCO_2e/km):	199

Sustainable Water and Wastewater Management

The United Arab Emirates (UAE) is a one of the most water-scarce countries in the world, emphasising the critical importance for water security.

In light of this, the UAE has launched the Water Security Strategy 2036, aiming to ensure sustainable access to water under both normal and emergency conditions. The strategic objectives include reducing total water demand by 21%, enhancing the reuse of treated water to 95%, and increasing water storage capacity to safeguard against future water risks.[41] The plan also emphasises improving the water productivity index, reflecting the nation's commitment to balancing development needs with environmental sustainability.

To support these national goals, DIB has allocated financing to a desalination project designed to meet the growing demand for potable water and strengthen long-term resilience against climate and resource challenges.

Desalination Impact

Desalination plays a key role in the UAE's water strategy, with currently 42% of its potable water supply coming from the thermal desalination of seawater.[43] However, the desalination process is highly-energy intensive. To address these concerns, the UAE is pushing for more energy-efficient and environmentally friendly technologies, such as solar-powered and

Number of Projects Assessed for 2024[42]:	1
Number of Operational Projects:	0
Expected Attributed Annual Water Treated (m^3):	15,941,129.4
Expected Energy Reduced per m^3 (kWh/m^3)	15.00

39 The exclusion of the 6 contracts, <0.1% of total portfolio was also applicable to the total eligible vehicles. As such, 7,908 vehicles were included in the impact calculations.
40 The total cumulative number of projects assessed and associated impact can be found in Table 3: Total Attributed Avoided Emissions (tCO2e).
41 The UAE Water Security Strategy 2036
42 The total cumulative number of projects assessed and associated impact can be found in Table 3: Total Attributed Avoided Emissions (tCO2e).
43 Aquanomics – the Economics of Water Risk and Future Resilience, p. 24

reverse osmosis desalination plants as part of its broader Water Security Strategy 2036.

The desalination plant in which DIB has invested is powered 100% renewable energy and utilises advanced reverse osmosis for water desalination. The avoided emissions and energy reductions were calculated using the average energy consumption from the current supply system in Saudi Arabia, using it as a proxy, and by using the UAE country grid emission factor.

Appendix 1: Detailed Results

1.1. Renewable Energy

Table 9: Impacts of renewable energy projects within DIB's Sustainable Sukuk

Project type	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects)	2024 Deployed Amount (mn AED)	Total Deployed Amount (mn AED)	2024 Attribution (%)	Total Attribution (%)	Annual Attributed Capacity (MWe)	Annual Attributed production (MWh)	2024 Attributed avoided emissions (tCO_2e)	Total attributed avoided emissions (tCO_2e)	Attributed emissions intensity (tCO_2e/mn AED)
Concentrated Solar Tower	1 (1)	23	220	0.4%	4%	4	17,408	1,027	9,679	43.92
Parabolic Trough Plants with Molten Salt Storage	1 (1)	23	220	0.4%	4%	24	52,223	3,080	29,036	131.76
Solar PV	1 (1)	23	220	0.4%	4%	10	18,130	1,069	10,080	45.74
Total	**3 (3)**	**70**	**661**	**0.4%**	**4%**	**38**	**87,762**	**5,177**	**48,795**	**73.80**

It should be noted that this year's impact from renewable energy projects funded by the Sustainable Sukuk is considerably lower than the previous year. This decrease is attributable almost entirely due to the fact that DIB's attribution of these projects is much lower (4%) than in the previous year (15.3%). As such, attributed avoided emissions from renewable energy projects are approximately 3.8 times lower than in the previous year.

1.2. Energy Efficiency

Table 10: Impacts of energy efficiency (district cooling) projects within DIB's Sustainable Sukuk

Project type	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects)	2024 Deployed Amount (mn AED)	Total Deployed Amount (mn AED)	2024 Attribution (%)	Total Attribution (%)	2024 attributed district cooling energy (MWh)	2024 attributed energy savings (MWh)	2024 attributed avoided emissions (tCO2e)	Total attributed avoided emissions (tCO_2e)
District Cooling	2 (4)	370.60	1,105.4	18%	55%	29,895.6	19,172.18	8,038.9	23,979
Total	**2 (4)**	**370.60**	**1,105.4**	**18%**	**55%**	**29,895.6**	**19,172.18**	**8,038.9**	**23,979**

1.3. Green Buildings

Table 11: Impacts of green buildings projects within DIB's Sustainable Sukuk

Project Type	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects)	Total Deployed Amount (mn AED)	Attribution (%)	Total attributed floor area (m^2)	Annual Attributed reduced energy consumption (MWh)	Total attributed avoided emissions (tCO_2e)	Avoided emissions per floor area ($kgCO_2e/m^2$)
LEED Platinum	1 (1)	14.29	47.65%	6,479.73	29.56	12.40	1.91
Total	**1 (1)**	**14.29**	**47.65%**	**6,479.73**	**29.56**	**12.40**	**1.91**

The acquisition date for the green building was 2024, therefore there are no cumulative results to show.

1.4. Clean Transportation

Table 12: Impacts of clean transportation projects within DIB's Sustainable Sukuk

Project type	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects)[44]	Total Vehicle Price at Origination (AEDmn)	2024 Outstanding Financing amount (AEDmn)	Total Outstanding financing amount (AEDmn)	Attributed Distance (km)	Attributed emissions per annum (tCO_2e)	2024 attributed avoided emissions (tCO_2e)	Total attributed avoided emissions (tCO_2e)	Avoided emissions carbon intensity (tCO_2e/AEDmn)	Avoided emissions per km (gCO_2e/km)
Battery Electric Vehicles	4,885 (7,908)	1,789.47	756	1,123	81,272,471	4,756	16,143	23,361	21.34	199
Total	**4,885 (7,908)**	**1,789.47**	**756**	**1,123**	**81,272,471**	**4,756**	**16,143**	**23,361**	**21.34**	**199**

44 This figure represents the number of electric vehicles assessed. The total number of eligible vehicles within the three-year lookback period is 7,914, however, data was only available to assess the impact of 7,908 vehicles. The total number of eligible vehicles at the time of reporting is 4,891, however, data was only available to assess the impact of 4,885 vehicles.

1.5. Sustainable Water and Wastewater Management

Table 13: Expected impacts of desalination projects within DIB's Sustainable Sukuk

Project type	2024 No. of Assessed Projects (Lookback Period Total No. of Assessed Projects)	Total Deployed Amount (mn AED)	Attribution (%)	Annual Expected Total Water Desalinated (m^3)	Annual Expected attributed Water Desalinated (m^3)
Desalination Plants	1 (1)	124	4%	431,415,400	15,941,129
Total	**1 (1)**	**124**	**4%**	**431,415,400**	**15,941,129**

As this is the first year DIB have invested in sustainable wastewater management projects, there are no cumulative results to show.

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Published in the UK: 2025