



بنك دبي الإسلامي
Dubai Islamic Bank

SUSTAINABLE FINANCE FRAMEWORK



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Glossary

BSC	DIB's Board Sustainability Committee (BSC)
CBI	Climate Bonds Initiative
Committee(s)	DIB's Management Sustainability Committee (MSC) and Board Sustainability Committee (BSC)
DIB	Dubai Islamic Bank
Framework	DIB Sustainable Finance Framework, also abbreviated as "SFF"
GBP	Green Bond Principles
GLP	Green Loan Principles
GSS	Guidance on Green, Social, and Sustainability (GSS) Sukuk, as administered by the International Capital Market Association (ICMA)
ICMA	International Capital Market Association
LMA	Loan Market Association
MSC	DIB's Management Sustainability Committee (MSC)
Principles	GBPs, SBPs, SBGs, GLPs and SLPs
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SFF	DIB Sustainable Finance Framework, also abbreviated as "Framework"
SLP	Social Loan Principles
SPO	Second Party Opinion
UBF	United Arab Emirates Banks Federation



1. Introduction

Dubai Islamic Bank P.J.S.C. ("DIB", "Bank") is among the largest Islamic banks in the world, offering an ever-increasing range of innovative Sharia-compliant products and services to retail, corporate and institutional clients since 1975. Driven by the vision to be the most progressive Islamic financial institution in the world, our purpose is to instill simplicity and convenience in all our offerings through a personal and engaging experience aligned to global sustainable practices for a better future.

DIB has five core values, which constitute our "I Care" approach:

- I:** Inclusive - Accessible to all, and most importantly, without bias.
- C:** Collaborative - Connected together as a team to deliver banking with ease.
- A:** Agile - Deliver faster solutions and provide happy experiences.
- R:** Responsible - Fair, transparent and accountable in making responsible decisions.
- E:** Engaged - Passionate and committed to deliver fulfilling journeys.

Our values, Sharia compliance, Corporate Sustainability and Sustainable Finance are an integral part of DIB's operations. We are currently ambitiously implementing our ESG Strategy which builds on two pillars: Lead by Example and Finance a Sustainable Future. These two pillars have eight priority areas with objectives and KPIs¹ in line with Sharia principles.

Our recently appointed, dedicated and growing Sustainability Department supports all of DIB to integrate ESG as part of everything we do, and to reach our overarching strategic vision to "Own the ESG Space".

We aim to:

- Embed ESG at the heart and core of our business strategy,
- Outperform our peers in the ESG space,
- Become a role model for sustainable finance in the region, and
- Shape and influence the ESG policy agenda in the markets we operate in.

In 2024, DIB has committed to the United Nations Global Compact (UN GC). As a member/signatory, we are committed to meet responsibilities in four areas: environment, human rights, labour practices and anti-corruption.

¹ The eight Priority Areas with respective objectives are: Embrace Diversity & Inclusion, Enhance Employee Wellbeing, Drive Transparency & Disclosure, Reduce Operational Environmental Footprint, Champion Business Ethics and Customer Privacy, Propel Sustainable Finance, Promote Financial Inclusion, and Embed ESG in Decision Making. Read more from our Sustainability Report <https://www.dib.ae/sustainability/info-hub?category=all&year=2024>

DIB actively collaborates with key institutions to advance Sustainable Finance in the region. These partnerships include:

- UAE Banks Federation (UBF): Working with industry peers to establish best practices and promote Sustainable Finance initiatives
- Emirates Institute for Banking and Financial Studies (EIBFS): Partnering to enhance knowledge and expertise of our employees in Sustainable Finance within the Banking sector
- Dubai Sustainable Finance Working Group (DSFWG): DIB is an active member

DIB is also in the process of analysing relevant international sustainable finance initiatives to which we could commit.

Sustainable Finance

Sharia-compliant Sustainable Finance covers three broad impact areas, namely; the environment, society and governance (ESG).

Sharia compliance and objectives of our ESG strategy are fundamental pillars of our business strategy. To translate these into action, our ESG strategy provides a systematic approach to integrating sustainability across our operations.

We have embedded ESG as part of our governance structure with dedicated committees, roles and responsibilities. Consideration of ESG is incorporated into the three defense lines, namely business, risk management and internal audit.

DIB is committed to promoting Sharia-compliant Sustainable Finance. We first established our Sustainable Finance Framework (SFF) in 2022, and recently renewed it in 2024. By 2024, DIB had successfully issued three Sustainable Sukuk totaling USD 2.75bn, demonstrating our commitment to Sustainable Finance.

We are actively researching ways to enhance the sustainability of our balance sheet to reflect our commitment to Sustainable Finance.

DIB already offers a range of sustainable products within its Consumer Banking portfolio such as EVOLVE² and Nest³.

2 Auto Finance Product for Electric and Hybrid Cars

3 Sustainable Home Finance Product

Since 2024, DIB is implementing a systematic approach to Sustainable Finance in Corporate and Investment Banking. This involves identifying and analysing ESG risk factors at both the client and transaction (project) levels. We leverage leading international practices to ensure all financing decisions consider not only financial viability, but potential environmental and social risks and impacts as well.

Climate change mitigation is among DIB's focus areas, in alignment with the global agenda. The UAE Net Zero 2050 strategic initiative aligns with the Paris Agreement, which calls on countries to prepare long-term strategies to reduce greenhouse gas (GHG) emissions and limit the rise in global temperature to 1.5 C compared to pre-industrial levels. Following the framework developed by the United Arab Emirates Ministry of Climate Change and Environment (MOCCAEE)'s "UAE Sustainable Finance Framework 2021 - 2031" and the DIB ESG strategy, we have currently committed to:

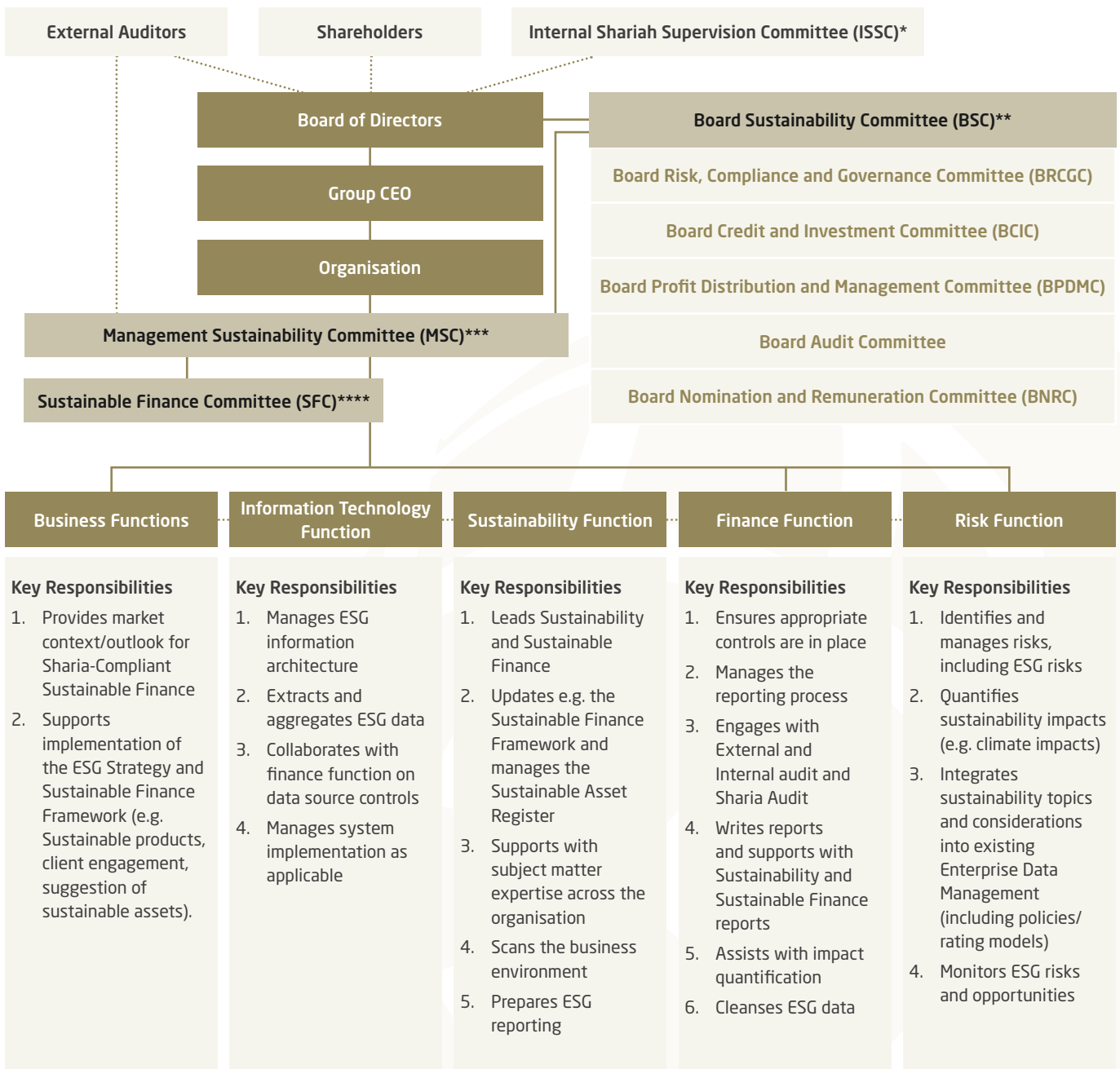
- Make 15% of our portfolio Sustainable Finance by 2030
- Achieve Net Zero in our scope 1 and 2 emissions by 2030 for DIB UAE.

DIB is in the process of analysing portfolio decarbonization target setting and further portfolio level Sustainable Finance targets that align with the UAE's Net Zero 2050 plan.

In Sustainable Finance and Corporate Sustainability development work, including our frameworks, policies, processes, practices and reporting, we make use of global leading practices, including but not limited to International Capital Market Association (ICMA), Loan Market Association (LMA), Climate Bonds Initiative (CBI), International Sustainability Standards Board (ISSB), as well as regulation such as the EU Taxonomy, Sustainable Finance Disclosure Regulation (SFDR) and Corporate Sustainability Reporting Directive (CSRD) to the extent they are in compliance with Sharia rules and principles.

2. ESG Governance

DIB's governance and operating model aims to integrate ESG across the bank's operations and portfolio to ensure credible implementation of our ESG strategy and effective oversight as presented in Graph 1.



..... Information Sharing

———— Reporting Line

* ISSC Key Responsibilities	** BSC Key Responsibilities	*** MSC Key Responsibilities	**** SFC Key Responsibilities
<ol style="list-style-type: none"> 1 Provides Sharia rulings on all Sustainability and Sustainable Finance initiatives. 2 Supervision covers business, products, transactions, risk management and documentation. 	<ol style="list-style-type: none"> 1 Reviews sustainability strategy and monitors its implementation and progress. 2 Reviews and proposes to the Board sustainability related policies, strategic commitments and targets. 3 Reviews and recommends strategic sustainability initiatives, strategic partnerships and plans. 4 Considers, endorses and monitors e.g. the effectiveness of sustainability considerations and measures to be embedded in the strategy, operating model and policies, organisation structure, roles and responsibilities, rewards system, risk management processes, portfolios and products. 5 Oversees and ensures transparent, accurate, credible and consistent sustainability disclosures. 	<ol style="list-style-type: none"> 1 Facilitates the implementation of the bank's sustainability strategy and supporting initiatives. 2 Considers and assesses the alignment of the bank's sustainability strategy, initiatives and outcomes with the bank's strategic vision and objectives with respect to sustainability, national priorities and stakeholder expectations. 3 Oversees the implementation of DIB's sustainability strategy and tracks progress. 4 Identifies and recommends to the BSC sustainability related policies, strategic commitments, targets, strategic initiatives and partnerships. 5 Drives and embeds sustainability across the bank's operations. 6 Reviews all sustainability related disclosures and recommend these to the BSC. 	<ol style="list-style-type: none"> 1 Reviews and recommends new Sustainable Finance Framework eligible assets 2 Oversees and approves the allocation of proceeds to the Eligible assets.

Graph 1. DIB's ESG governance and key responsibilities.

DIB's ESG governance is organised as follows:

- Sustainability Department with dedicated Vice Presidents leading each of the following areas: ESG Strategy and Transformation, Sustainable Finance and Innovation, and ESG Data and Reporting.
- The Sustainability Department is led by the Chief Sustainability Officer, who is the Chair of the Sustainable Finance Committee (SFC), and Vice-Chair of Management Sustainability Committee (MSC).
 - SFC members represent Sustainability, Finance, Credit and Risk Departments
 - MSC is comprised of the leaders of each business area and organisational units.
- The Chief Sustainability Officer reports to the Chief Financial Officer, who is also a member of the MSC. The Group CEO is the Chair of the MSC.
- The MSC reports to the Board Sustainability Committee (BSC). The BSC has three members including the chair, all of which are DIB board members. The BSC reports to the Board of Directors.
- In accordance with the bank's governance framework, DIB's Internal Sharia Supervision Committee (ISSC) oversees all activities to ensure that DIB fully aligns with the Sharia Principles, in all its activities, including Sustainable Finance.

DIB is currently identifying sustainability Champions across the business areas and organisational units to drive sustainability initiatives aligned with our ESG Strategy.

3. New Sustainable Finance Framework

DIB uses this Framework as the basis to issue Green, Social or Sustainable Sukuk and other Sharia-compliant Sustainable Financial instruments. These instruments fund Eligible Sharia-compliant Sustainable Projects that conform to the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk (2024) to the extent they are in conformity with Sharia rules and principles. This Framework also takes inspiration from the EU Taxonomy and the Climate Bonds Initiative's (CBI) Taxonomy.

Sukuk issued under this Framework may take the form of public transactions or private placements, in bearer or registered format, and of senior unsecured or subordinated issuances. Such Sukuk and financing entered into under this Framework will be standard recourse-to-the-issuer obligations. All DIB's financing instruments, including Sustainable Financial instruments, comply with principles of Sharia and the respective local regulations. In case of new regulations, DIB will take appropriate action to become fully compliant⁴.

Under this framework, the proceeds of a Green Sukuk issuance will be allocated to Green projects exclusively, and Social Sukuk to Social projects. The proceeds of a Sustainable Sukuk can be allocated to both Green and Social projects. The financing of Eligible Projects contributes to the UN Sustainable Development Goals (SDG) and especially to the specified sub-targets provided these are in line with the principles of Sharia (Table 1).

Exclusions and assessment of ESG risks

Sharia principles are fully integrated in DIB's operations. This means that by nature, we exclude from all our operations non-Sharia compliant sectors and activities including but not limited to:

- Alcohol,
- Adult Entertainment,
- Gambling,
- Tobacco, and
- Interest-based loans.

⁴ E.g. The Chairman of the Authority's Board of Directors' Resolution No. (21/Chairman) of 2023 Concerning the regulation of green and sustainability related bonds and sukuk and the UAE Central Bank Higher Shari'ah Authority HSA Notice no. 5885.2023 Guiding Principles Regarding Islamic Sustainable Finance.

The use of proceeds of DIB's Sustainable Sukuk (and Green and Social Sukuk, if any) further exclude the following activities:

- Coal or gas fired power generation and distribution assets,
- Coal mining and transportation,
- Fossil fuel-related exploration and distribution,
- Conflict minerals,
- Extractive industries and mining,
- Military contracting and weapons, and
- Activities involving modern slavery, or forced labour.

Any potential temporary allocations are also subject to these exclusions.

All financing provided by DIB adheres to Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations established by relevant authorities. These KYC and AML requirements vary depending on the client category. Since 2024, DIB has implemented a systematic approach to identifying and analysing ESG risk factors at both the client and transaction (project) levels. This applies to large and mid-size corporate clients and leverages best practices from international standards.

Section 3.2 Process for project evaluation and selection details how projects qualify for eligibility under this framework after KYC/AML and ESG assessments are conducted.

3.1 Use of proceeds

DIB will allocate an amount at least equivalent to the net proceeds of the Sharia-compliant Sustainable Financial Instruments issued under this Framework to finance and/or re-finance, in whole or in part, Green and Social projects and businesses⁵ across their full life-cycle which adhere to the Eligibility Criteria (Table 1) unless otherwise defined.

The full life-cycle both in Green and Social projects can comprise of activities such as:

- Research and Development (R&D), with a clear and close practical link to the project/technology in question (early stage R&D projects are not typically eligible).
- Construction, manufacture, production, installation, transmission and distribution, operation, transport and similar activities.
- Expansion, scale-up, replication, and similar activities to widen or repeat/re-do the project in question.
- Improvement, maintenance, renovation, reparation, retrofit and refurbishment, and similar activities that prolong the life-cycle of the asset in question.
- Demolition and re-use.



The proceeds are typically used for components (e.g. equipment, machinery and services) that are specifically needed for the project. Operational expenditures such as salaries are eligible if they are an integral part of the project (e.g. installation costs, in Social projects the salary costs may play a crucial role).

We have performed a detailed review of our portfolio to identify eligible sustainable projects based on the criteria outlined in Table 1. Currently, the pool of Eligible projects that DIB in the United Arab Emirates has on its balance sheet form DIB's Sustainable/ESG Asset Register.

A maximum 3-year look-back period is applied for financed and refinanced projects. DIB expects each issuance under this framework to be fully allocated within 2 years from the date of issuance.

⁵ If more than 90% of the client's business revenue comes from activities that align with the Sustainable Finance Eligibility Criteria, DIB may classify the client's general-purpose financing as Eligible under this SFF.



Table 1. Eligible Green and Social project categories and criteria.

Clean Energy		
Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Solar photovoltaic energy, concentrated solar power (including floating) and solar heating	<ul style="list-style-type: none"> Minimum 85% of power generation derived from solar sources 	 <p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services. 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
Green hydrogen (incl. green ammonia)	<ul style="list-style-type: none"> Production of hydrogen, hydrogen-based synthetic fuels, or ammonia through electrolysis powered by renewable energy sources Ammonia recovery from waste water, from non-fossil fuel operations 	
Wind energy	<ul style="list-style-type: none"> Onshore and offshore 	 <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
Bioenergy	<ul style="list-style-type: none"> Only second-generation biofuels (i.e. raw materials are residues from other processes⁶) and related activities 	
Biofuels (incl. biogas and biomass)	<ul style="list-style-type: none"> Only second-generation biofuels (i.e. raw materials are residues from other processes⁶), e.g. used cooking oil. Raw materials: <ul style="list-style-type: none"> - Are residues from other processes (e.g. agricultural and forestry⁶ residues), and - Do not compete with food production, and - Do not deplete carbon pools 	
Geothermal energy	<ul style="list-style-type: none"> Direct emissions / emissions intensity is below 100g CO₂e / kWh 	
Hydroelectric energy	<ul style="list-style-type: none"> Run-of-river plants with a capacity of less than 1000MW, and No artificial reservoirs, or Life-cycle emissions below 50g CO₂e/kWh, or Power density greater than 10 W/m², or Refurbishments which do not increase the reservoir size 	
Hydro-wave	-	
Hydro - tidal thermal energy conversion	-	
Hydro - ocean thermal energy conversion	-	



⁶ Wood-based raw materials must come from certified sources (Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PFEC)).



Clean Energy

Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Nuclear	<ul style="list-style-type: none">• Membership of the International Atomic Energy Agency (IAEA) by the country in which the project is located, and• Ratification of major nuclear safety conventions such as the Convention on Nuclear Safety and the Convention on the Physical Protection of Nuclear Materials, and• Ratification of major nuclear waste management conventions such as the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, and• Ratification of the Non-Proliferation Treaty (NPT) and the International Convention for the Suppression of Acts of Nuclear Terrorism, and• National safety agency (NSA) for nuclear activities that follows the recommendations of the IAEA.	<p> 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services. 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p> 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>






Energy Efficiency		
Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Energy storage	<ul style="list-style-type: none"> Storage for energy produced from renewable sources, or Storage for energy-efficient district cooling systems that are powered by: <ul style="list-style-type: none"> Minimum 50% renewable / waste heat, or Minimum 75% co-generated heat, or Minimum 50% combination renewable / waste energy and co-generated heat⁷ 	 <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>
District cooling systems	<ul style="list-style-type: none"> Reduction of energy consumption by at least 20% 	 <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
Electric heat pumps	<ul style="list-style-type: none"> Refrigerant threshold: Global Warming Potential (GWP) value does not exceed 675 	
Operational improvements	<ul style="list-style-type: none"> Reduction of energy consumption by at least 20%, and Water recycling resulting in at least 20% reduction in water use 	
Upgrade in grid infrastructure to improve electricity transmission efficiency and reduce transmission losses ⁸	<ul style="list-style-type: none"> Energy efficiency improvement of at least 20%, or Transmission to the system grid makes use of electricity produced by renewable sources, or <ul style="list-style-type: none"> With system grids, 67% of newly connected generation capacity is below 100g CO₂e / kWh, or The average system grid emissions factor is below 100g CO₂e/kWh (rolling five year period) 	
Investment in smart energy grids, energy meters and energy management systems	-	
LED and other energy efficient lighting	<ul style="list-style-type: none"> Reduction of energy consumption by at least 20% compared to the average of national energy consumption 	

7 Source: UAE Banks Federation's Model Sustainable Finance Framework. This activity is aligned with the technical screening criteria of The EU taxonomy activity "4.15 District heating/cooling distribution"

8 This activity is aligned with the Grids and Storage Criteria by the CBI (March 2022)






Clean Transportation

Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Zero tailpipe emission vehicles (e.g. electric, hydrogen, fuel cell)	<ul style="list-style-type: none"> All zero tailpipe emission vehicles are eligible Examples include vehicles such as bicycles and motorbikes; passenger cars, buses and light commercial vehicles; trucks, forklifts and cranes; aircrafts⁹ (private aircrafts are excluded). 	 <p>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.</p>
Rail and freight transportation	<ul style="list-style-type: none"> Until 2030, all low-emission rail transportation emitting less than 50g CO₂/ passenger-km For freight transportation¹⁰ <ul style="list-style-type: none"> Under 21g CO₂ / tonne-km up till 2030 Under 18g CO₂ / tonne-km from 2030 up till 2050 	
Clean transportation infrastructure and supporting services	<ul style="list-style-type: none"> Charging infrastructure and related repair & spare parts Train, metro and tram networks including station upgrades necessary to achieve and maintain clean transportation, etc. Projects supporting transfer to emissions-free fuels and transport (e.g. new technologies, products and services) 	
Walking and bicycle infrastructure and supporting services	<ul style="list-style-type: none"> Upgrades and expansion of walking and cycle paths 	 <p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services. 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
Water transportation	<ul style="list-style-type: none"> All emissions-free watercraft (e.g. solar, electric, hydrogen, ammonia, motorless) 	 <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>

⁹ This activity is aligned with the technical screening criteria of the EU taxonomy activity "3.21 Manufacturing of aircraft"




¹⁰ This activity is aligned with the Low Carbon Transport Criteria by the CBI (April 2023)

Green Buildings		
Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Energy efficient buildings	<ul style="list-style-type: none"> Top 15% energy efficient buildings from the national or regional building stock expressed as operational Primary Energy Demand (PED)¹¹ 	 <p>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.</p>  <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency.</p>  <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
LEED	<ul style="list-style-type: none"> All LEED certification levels 	
BREEAM	<ul style="list-style-type: none"> All BREAAM certification levels 	
Estidama Pearl Building Rating System	<ul style="list-style-type: none"> 2 Pearls and above 	
Global Sustainability Assessment System (GSAS)	<ul style="list-style-type: none"> "4 star" and above 	
Al Sa'fat	<ul style="list-style-type: none"> Golden and Platinum 	
WELL	<ul style="list-style-type: none"> Golden and Platinum 	
EDGE	<ul style="list-style-type: none"> All EDGE certification levels 	
Communities classified as 'Green' or 'Sustainable' by local authorities	<ul style="list-style-type: none"> Other local or regional certification by authorities and global certifications assessed on a case by case basis 	
Renovation, refurbishment and retrofit	<ul style="list-style-type: none"> At least 30% energy reduction in annual Primary Energy Demand (PED), aligned with the EU Taxonomy¹² 	

11 This activity is aligned with the technical screening criteria of the EU taxonomy activity "7.7 Acquisition and ownership of buildings" (with respective annexes/footnotes)


12 This activity is aligned with the technical screening criteria and respective footnote of the EU taxonomy activity "7.2 Renovation of existing buildings"



Pollution Prevention and Control		
Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Waste collection and storage for recycling, material recovery and / or waste minimising purposes	<ul style="list-style-type: none"> • Conversion ratios exceed 50%, and • Landfill and incineration is excluded 	 <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p>
Biological treatment facilities (including anaerobic digestion and composting facilities)	<ul style="list-style-type: none"> • Anaerobic produce is used for energy / fuel production, or as a fertiliser, or • Compost produced is used as fertiliser / soil improver 	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
Waste to energy plants	<ul style="list-style-type: none"> • Recyclables are sorted, and • Bottom ash produced in combustion process is recovered and managed 	 <p>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.</p>
CO ₂ capturing technologies	<ul style="list-style-type: none"> • CO₂ must be permanently and safely stored, and • Must be climate neutral (more CO₂ captured than generated) 	 <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>





Sustainable Water and Wastewater Management


Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Sustainable infrastructure and supply for clean and/or drinking water, and for wastewater treatment ¹³	<ul style="list-style-type: none"> Nature-based Solutions addressing protection, restoration, and extension of water resources management by accredited body (e.g. UNEP & IUCN), or Sustainable infrastructure, management and distribution of water may include treatment, drainage systems, river training, gravity fed canal systems, pumped canal, water distribution systems, or Other relevant projects may include: <ul style="list-style-type: none"> Rainwater harvesting and other water recycling systems 	 <p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>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.</p>
Water and wastewater treatment plants (WWTP) including reuse of WWTP effluents	<ul style="list-style-type: none"> Water-use efficiency increases by at least 20% 	
Sewer systems, pumping stations and water saving products	<ul style="list-style-type: none"> Water-use efficiency increases by at least 20% 	
Water leakage prevention	<ul style="list-style-type: none"> Operational improvement projects that decrease leakage by at least 20% based on Infrastructure Leakage Index (ILI) with the target ILI of 1.5 	
Irrigation	<ul style="list-style-type: none"> Existing irrigation networks/systems are modernised from flood to sprinkler or drip irrigation systems, and Irrigation water is not drinking water, and Irrigation is renewable energy-powered 	
Water desalination	<ul style="list-style-type: none"> Waste management plan is in place, and Carbon intensity of less than 100g CO₂e / kWh over the residual asset life - the asset may be partially powered by renewables or use waste heat 	

¹³ DIB will assess water projects related to climate change adaptation with a case-by-case approach to identify whether climate related risks and vulnerabilities have been investigated for the project, to define the contribution of the proposed investment on climate risks and to evaluate the alignment of the project with local, regional, national strategies and climate adaptation plans





Biodiversity		
Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Afforestation and reforestation	<ul style="list-style-type: none"> • Certified forests by recognised bodies such as the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PFEC), and • Detrimental impacts are not caused by the borrower, and • Forests are not used for wood production 	 <p>14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p>
Conservation & restoration of natural habitats	<ul style="list-style-type: none"> • Detrimental impacts being remediated are not caused by the borrower, and • Conservation and restoration of natural landscapes, biodiverse lands, high conservation value forests and marine areas and systems, or • Conservation and restoration of biodiversity in urban areas such as parks and green rooftops, or • Soil remediation or remediating contaminated soil / land 	<p>14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p>
Marine resources	<ul style="list-style-type: none"> • Detrimental impacts being remediated are not caused by the borrower, and • Conservation and restoration of coastal and marine areas 	 <p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p> <p>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.</p>

Circular Economy


Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Circular business models ¹⁴	<ul style="list-style-type: none"> Product-as-a-service business models (e.g. rental, leasing, repurchase of bicycles and electric vehicles), or Business models based on circularity (e.g. second-hand sales), or Fossil fuel-based circular business models are not eligible (e.g. petrol and diesel car leasing / used car sales) 	 <p>11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.</p>

Sustainable Industries

Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Sustainable industrial processes in high emitting sectors such as cement	<p>The activity is aligned with one of the following:</p> <ul style="list-style-type: none"> Technical screening criteria (with respective footnotes) of the EU taxonomy activity "3.7 Manufacture of cement" Cement Criteria Document by the CBI (April 2023) 	 <p>9.4 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.</p>
Sustainable industrial processes in high emitting sectors such as iron and steel	<p>The activity is aligned with one of the following:</p> <ul style="list-style-type: none"> Technical screening criteria (with respective footnotes) of the EU taxonomy activity "3.9 Manufacture of iron and steel" Steel Criteria Document by the CBI (February 2024) 	 <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
Sustainable industrial processes in high emitting sectors such as chemicals	<p>The activity is aligned with one of the following:</p> <ul style="list-style-type: none"> Technical screening criteria (with respective footnotes) of the EU taxonomy activity "3.14 Manufacture of organic basic chemicals" Basic Chemicals Criteria Document by the CBI (April 2023) 	
Sustainable industrial processes in high emitting sectors such as plastic	<p>The activity is aligned with:</p> <ul style="list-style-type: none"> The technical screening criteria (with respective footnotes) of the EU taxonomy activity "3.17 Manufacture of plastics in primary form" 	


¹⁴ Eligible circular business models are the design and introduction of reusable, and refurbished materials, components and products, or circular tools and services, and certified eco-efficient products.

Climate Change Adaptation


Eligible Assets	Eligibility Criteria	SDGs and sub-targets
Increasing the resilience of ecosystems ¹⁵	<ul style="list-style-type: none"> • Climate observation and early warning systems, or • Resilient infrastructure (water, power, transport, and communication) ensuring ease of repairs and reliability of service, or • Reducing or avoiding weather-related damage (e.g. flood management with focus on Nature-based Solutions), bridges to address higher levels of flooding, systems infrastructure for extreme climate hazards), or • Projects across sectors supporting the resilience of ecosystems (e.g. in agriculture, seed varieties tolerating heat and drought) 	 <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>

¹⁵ DIB will assess projects under climate change adaptation with a case-by-case approach to identify whether climate related risks and vulnerabilities have been investigated for the project, to define the contribution of the proposed investment on climate risks and to evaluate the alignment of the project with local, regional, national strategies and climate adaptation plans.

Employment Generation



Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
Micro, Small and Medium Enterprises	<ul style="list-style-type: none"> Micro, Small and Medium Enterprises (MSMEs) financing as per national definitions 	 <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
Women-owned businesses	<ul style="list-style-type: none"> Women-owned MSMEs (at least 51% owned by one or more women) 	
MSMEs whose economic activities have been affected by pandemics and natural disasters	<ul style="list-style-type: none"> Micro, Small and Medium enterprises (MSMEs) as per national definitions 	

Affordable and Social Housing

Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets Eligible Assets
Government-supported affordable Sharia-compliant house financing schemes	<ul style="list-style-type: none"> UAE nationals meeting the criteria for government-supported affordable house financing schemes¹⁶ 	 <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>
Social housing	<ul style="list-style-type: none"> Social housing or provision of financing to social housing institutions that provide housing with reduced rates Target groups include elderly, people with intellectual or development disabilities young students, people with a higher risk of poverty, social exclusion, discrimination and violence 	



¹⁶ Examples include e.g. Sheikh Zayed Housing Program and Mohammed bin Rashid Housing Establishment

Essential Infrastructure


Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
<p>Basic Infrastructure for rural, excluded, marginalised, under-served or vulnerable groups</p>	<p>Projects for rural, excluded, marginalised, under-served or vulnerable groups including:</p> <ul style="list-style-type: none"> • Water: Clean water production and storage projects¹⁷ • Energy: Access to renewable energy (regions with a power connection rate below 50%) • Telecommunications: Access to telecommunications (e.g. broadband, internet coverage or mobile phones) 	<div data-bbox="1098 595 1214 707">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <div data-bbox="1098 1043 1214 1155">  <p>6 CLEAN WATER AND SANITATION</p> </div> <p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>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.</p>

¹⁷ Water desalination projects are excluded.


Essential Services

Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
Education, vocational / professional training	<ul style="list-style-type: none"> • Education (public, not-for-profit or private with the majority of students with subsidised education or training): <ul style="list-style-type: none"> - Construction and operation of schools, universities, university campuses, vocational training facilities and other educational purpose facilities - Vocational training - Other educational activities (e.g. sports, culture, art, languages), or • School/curriculum/education program towards people with disabilities 	 <p>4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.</p> <p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</p>
Student interest-free loans, student and adult education interest-free loans or Sharia-compliant financings	<ul style="list-style-type: none"> • Student interest-free loans or Sharia-compliant financings, or • Student education interest-free loans for low- and mid-income parents, or • Interest-free loans for reskilling and upskilling of adults 	<p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.</p>
Health care and elderly care	<ul style="list-style-type: none"> • Health care: Construction and operation of hospitals and health care centers (public, not-for-profit or private with the majority of patients with free or subsidised health care services) • Elderly care: Construction and operation of elderly homes and nurseries with healthcare services (public, not-for-profit or private with the majority of customers with free or subsidised elderly care services) • Enabling access to health care (e.g. remote / in-person health care) • Provision of health care services (e.g. health care machinery and equipment, prevention and treatment of diseases and epidemics for the above) 	 <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>
Emergency services	<ul style="list-style-type: none"> • Emergency services such as firefighting, or • Enabling access to emergency services, or • Provision of emergency services (e.g. firefighting equipment) 	




Empowered Society		
Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
Advancement of International Human Rights (including Labour Rights and Children's Rights)	<ul style="list-style-type: none">Organisations and non-governmental organisations (NGOs) which are not-for-profit: projects focusing on the advancement of International Human Rights (including Labour Rights and Children's Rights)*	 <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>
Reduction of inequalities	<p>Projects relating to the reduction of inequalities such as:</p> <ul style="list-style-type: none">Enabling disabled people to access and use products and services (removing architectural barriers with ramps, steps, tactile indicators, etc.)Developing products and services tailored for low-income customers (e.g. mobile based money transfer services for unbanked consumers).Life support to people with disabilitiesOrganisations and non-governmental organisations (NGOs) which are not-for-profit: projects on reduction of inequalities	 <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>

* To the extent these are not in conflict with the principles of Sharia

Food Security		
Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
Agricultural structures and practices	<ul style="list-style-type: none"> Organic agriculture (International Federation of Organic Agriculture Movements IFOAM) Hydroponics and aeroponics in food production 	 <p>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.</p>
Aquaculture	<ul style="list-style-type: none"> Certified aquaculture (e.g. Friend of the Sea certification, Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), Marine Stewardship Council) 	 <p>14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p> <p>14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p>

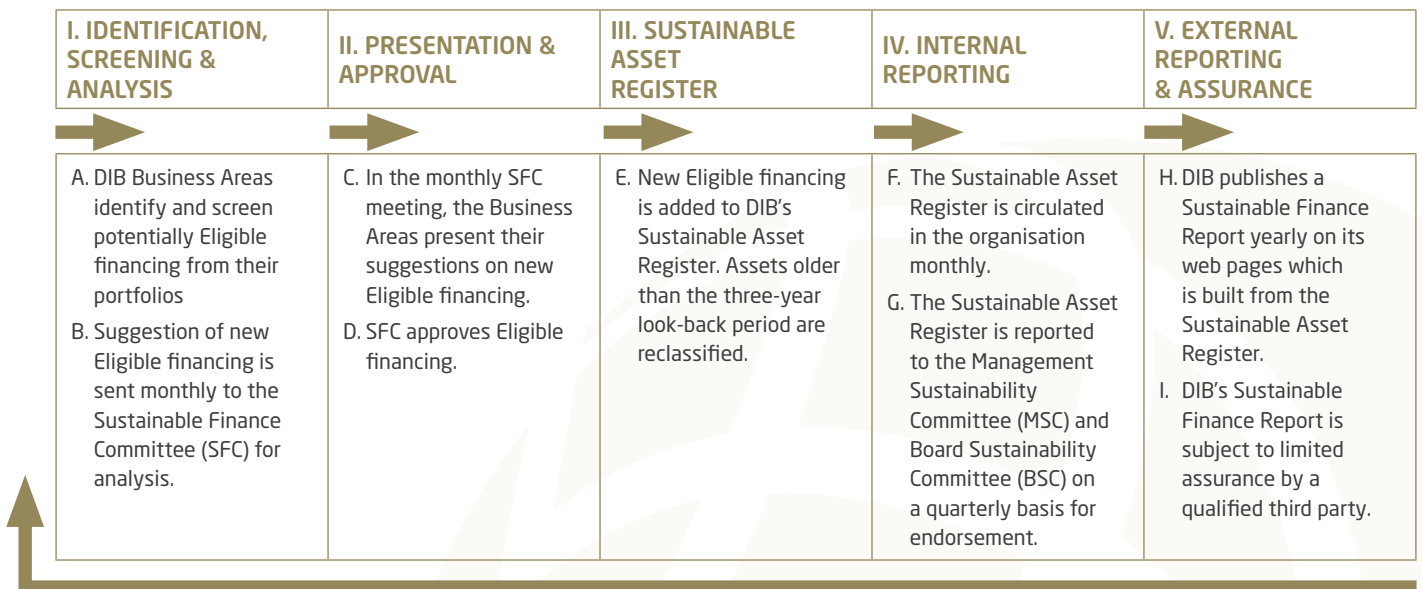


Sustainable Digitalisation		
Eligible Assets & Target Population	Eligibility Criteria	SDGs and sub-targets
Sustainable Digitalisation	<ul style="list-style-type: none">• Projects relating to Sustainable Digitalisation based on leading sectoral practices and impact assessment, or• Digital solutions reducing emissions, or• Digital solutions using green coding (documented decrease of energy use), or• Secure digital solutions	 <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</p>

3.2 Process for project evaluation and selection

Qualification of projects for Eligibility follows the client and transaction (project) level ESG risk assessment (described in the beginning of Chapter 3).

In brief, the DIB process is comprised of five steps: I. Identification, Screening & Analysis, II. Presentation & Approval, III. Sustainable Asset Register, IV. Internal Reporting, and V. External Reporting & Assurance (Graph 2).



Graph 2. DIB's process for project evaluation and selection.

All approved financing is checked for Eligibility under the Sustainable Finance Framework. The Business Areas are responsible for sending the potentially new Eligible assets to the Sustainable Finance Committee (SFC) on a monthly basis (Graph 2., Step I.). The SFC members are:

- Chair: Chief Sustainability Officer
- Vice Chair and member: Vice President, Sustainable Finance and Innovation (Sustainability)
- Members: Head of Financial Control, Head of Corporate Credit and Head of Wholesale Credit Policy and Portfolio Management

In the monthly SFC meetings, Business Areas present the suggested new Eligible Assets to the SFC for approval and the SFC approves them (Graph 2., Step II.) based on the mandate it has obtained from the Management Sustainability Committee (MSC). The MSC members represent the leaders across the different Units:

- Chair: Group CEO
- Vice Chair and member: Chief Sustainability Officer
- Members: Chief Financial Officer, Chief Operating Officer, Group Chief Risk Officer, Chief of International Business & RE Investments, Chief of Investment Banking, Chief of Corporate Banking, Chief Consumer Banking Officer, Chief of Treasury, Chief Credit Officer, Chief Digital Officer, Head of Human Resources, Head of Investor Relations & Strategic Communications, and Head of Organisational Effectiveness.

Then, the Sustainable Asset Register is updated to include the new assets deemed Eligible, and assets older than the three-year look-back period are reclassified. (Graph 2., Step III.).

3.3 Management of proceeds

The proceeds of each DIB Sustainable Financing Instrument will be deposited into DIB's sustainability-related funding accounts and earmarked for allocation towards the Eligible Sustainable Projects using the Sustainable Asset Register.

The Sustainable Asset Register (Graph 2., step III.) includes relevant information that enables DIB to closely monitor:

- Allocation of proceeds (e.g. list of Eligible sustainable projects per eligible category, amount allocated, etc., as well as information on the amount of unallocated proceeds). Financing with several tranches (e.g. Green, Social and conventional) is tracked.
- Sustainable Financing Instrument (e.g. type, name, ISIN, maturity)

Any proceeds temporarily unallocated will be invested according to the Bank's standard treasury processes into cash or cash equivalents.

3.4 Reporting

To ensure transparency and accountability, DIB implements a comprehensive internal sustainability reporting process:

- On a monthly basis, DIB circulates the Sustainable Asset Register to relevant unit leaders (Graph 2, step IV.). This ensures that departments can provide accurate, timely data, and allows for informed decision-making at the department level.
- On a quarterly basis, DIB reports on the Sustainable Asset Register to the MSC and BSC (Graph 2., Step IV.).

Externally, DIB publishes an annual Sustainable Finance Report on the Sustainability and Investor Relations web page until full allocation of the net proceeds of any Sustainable Financing Instrument issued, or until the Sustainable Financing Instrument is no longer outstanding. The Sustainable Finance Report is subject to a limited assurance by a qualified external third-party (Graph 2, step V.).

Allocation reporting

The Sustainable Finance Report will contain the following information at its minimum:

- Sustainable Financing Instrument issuance dates and maturity of the portfolio
- Geographic distribution of the assets
- Amount of proceeds allocated to Eligible Sustainable Project categories
- Amount of unallocated proceeds
- Selected examples of projects financed (if client consents to disclosure)
- The size of the identified Eligible Loan Portfolio, per Eligible Project Category.

Impact reporting

DIB's Sustainable Finance Report will include information on the impact of our Sustainable Asset portfolio, serving to enhance both DIB's and investors' understanding of the impacts of our portfolio.

The reporting builds on the ICMA Harmonized Framework for Impact Reporting¹⁸ and DIB's proprietary impact reporting metrics (Table 2). We may also make use of selected international impact indicators such as the EU Taxonomy, Sustainable Finance Disclosure Regulation (SFDR) and Corporate Sustainability Reporting Directive (CSRD). We link our impact reporting to the Sustainable Development Goals (SDGs) and sub-targets we consider to be the most relevant for us.

¹⁸ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf and https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf

DIB strives for maximum transparency and discloses calculation methodologies and key assumptions used. The completeness of impact reporting is subject to the availability and quality of information.

Table 2. Eligible Categories and Potential Impact Reporting Metrics.

Eligible Categories	Potential Impact Reporting Metrics
Green Project Categories	
Clean energy	<ul style="list-style-type: none"> Capacity of renewable / clean energy plant(s) constructed or rehabilitated in MW Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent Economic value generated (turnover, profit)
Energy Efficiency	<ul style="list-style-type: none"> Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) Energy storage capacity constructed / installed in MWh Economic value generated (turnover, profit)
Clean Transportation	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent Number and type of clean transportation infrastructure financed Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers or tonne-kilometres (i.e. the transport of one tonne over one kilometre) Length (km) of connecting infrastructure supported Economic value generated (turnover, profit)
Green Buildings	<ul style="list-style-type: none"> Energy efficiency gains in MWh or % versus baseline/building code Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) Number of financings to certified buildings Economic value generated (turnover, profit)
Pollution Prevention and Control	<ul style="list-style-type: none"> Waste reduced/reused/recycled/avoided (tonnes) before and after the project Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) Volume of waste collected and disposed or treated (tons) Number and type of pollution prevention and control projects financed Economic value generated (turnover, profit)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Annual reduction in water use in m³ or % Annual amount of wastewater avoided, treated or reused before and after the project in m³ Economic value generated (turnover, profit)



Eligible Categories	Potential Impact Reporting Metrics
Green Project Categories	
Biodiversity	<ul style="list-style-type: none">• Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) as a result of newly planted forests• Managed area in km²• Economic value generated (turnover, profit)
Circular Economy	<ul style="list-style-type: none">• Material recovery rate in %• Number and type of circular economy projects financed• Economic value generated (turnover, profit)
Sustainable Industries	<ul style="list-style-type: none">• Number and type of sustainable industry projects financed• Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) before and after the project• Economic value generated (turnover, profit)
Climate Change Adaptation	<ul style="list-style-type: none">• Area protected (m²) from floods/drought/erosion• Number of people and companies benefitting from the measures taken• Number of innovations (e.g. seed varieties developed, patents)• Economic value generated (turnover, profit)



Social Project Categories

Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	<ul style="list-style-type: none">• Number and amount of financing to Micro, Small and Medium Enterprises (MSMEs) / women-owned MSMEs / MSMEs affected by pandemics• Economic value generated (turnover, profit)
Affordable and Social Housing	<p>Affordable Housing</p> <ul style="list-style-type: none">• Number of housing units constructed / financed• Number of people benefitting from subsidised housing (average family size of country * number of financings) <p>Social Housing</p> <ul style="list-style-type: none">• Number of people benefitting from social housing• Number of new/renovated social housing units financed
Essential Infrastructure	<ul style="list-style-type: none">• Number of people with access to clean water/ renewable energy/ telecom services• Economic value generated (turnover, profit)
Essential Services	<ul style="list-style-type: none">• Number of students/patients/elderly/disabled• Number of student/adult education interest-free loans/financings• Number of eligible educational (incl. disabled people), health care, elderly care and emergency services financed• Economic value generated (turnover, profit)
Empowered Society	<ul style="list-style-type: none">• Number of people benefitting from the project• Number and type of projects financed
Food Security	<ul style="list-style-type: none">• Number and type of food security projects financed• Economic value generated (turnover, profit)
Sustainable Digitalisation	<ul style="list-style-type: none">• Number and type of sustainable digitalisation projects financed• Economic value generated (turnover, profit)

4. External review

DIB engages with external reviewers to ensure our Sustainable Finance Framework, financing instruments issued under this framework¹⁹, related financing and reporting on the funds follows global leading practices. All external reviews are available on DIB's and Sustainability and Investor Relations web pages:

- <https://www.dib.ae/sustainability>
- <https://www.dib.ae/about-us/investor-relations>

DIB has obtained a Second Party Opinion (SPO) for this Framework from Institutional Shareholder Services (ISS) Corporate Solutions Inc to ensure alignment with the latest GBP, SBP, SBG, GLP, SLP and GSS²⁰.

For reporting on the allocation of the net proceeds and impact, DIB obtains a yearly limited assurance by a qualified provider, starting one year after funding and until full allocation and maturity of our Sukuk proceeds. Assurance ensures the alignment of fund allocation and impacts, and the related reporting as specified in this Framework.

¹⁹ As of October 2024, DIB has issued three Sustainable Sukuk.

²⁰ The International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk, as administered by the International Capital Market Association (ICMA) (2024).



5. Framework review and updates

5.1 Annual review

The SFC will conduct an annual review of the Sustainable Finance Framework to ensure alignment with the latest global best practices.

5.2 Approval process for updates

If updates are proposed, a three-step approval process will be followed. First, the MSC will approve the proposed updates. Second, a qualified external provider will conduct a new Second-Party Opinion (SPO) on the revised framework. At last, the framework will be approved by the Board Sustainability Committee (BSC) and the Board. ISSC approval shall be required for any updates and amendments to this document.

5.3 Framework ownership

The Board Sustainability Committee (BSC) is the ultimate owner of the Sustainable Finance Framework.

5.4 Transparency and future updates

DIB is committed to maintaining or enhancing the current level of transparency and reporting disclosures in any future version of this Framework. This includes ongoing engagement with external reviewers as outline above. Any updated Framework will be published on DIB's Sustainability web pages and Investor Relations, superseding the previous version.

Annexure I - Sharia Principles and Compliance

Sharia Principles:

1. Guided by the principles of Sharia, DIB integrates Islamic finance principles into modern banking practices.
2. As an Islamic bank, DIB operates within the Islamic economic system, adhering to the highest ethical standards. Transparency, justice, and avoiding practices and activities prohibited by Sharia are core values in DIB's approach.
3. DIB strictly avoids Riba (interest). Instead, it engages in trade and investment activities to generate Halal profits. This means DIB does not accept deposits or provide loans based on interest.
4. Dubai Islamic Bank ensures accuracy, transparency, and clarity in all transactions, including those related to sustainable Islamic finance. DIB is committed to adopting leading sustainability standards and disclosing them to its clients.

Sharia Compliance:

Reference to the below issued Notices and Resolution by Higher Sharia Authority of Central Bank of UAE:

Notice No. 5727.2021 re The Interpretation of AAOIFI Shari'ah Standards.

Notice No. 2123.2020 Standard Re-Shari'ah Governance For Islamic Financial Institutions.

Notice No. 1198.2021 re Standards re Risk Management Requirements for Islamic Banks

Notice No. 1906.2024 Standard and Guidance Note Re Shari'ah Compliance Function at Islamic Financial Institution.

Notice No. 5885.2023 re The Higher Shari'ah Authority Resolution re The Guiding Principles Regarding Islamic Sustainable Finance

1. DIB ensures Sharia compliance by offering products and services that adhere to Sharia rules and principles as documented in the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Sharia'a standards and Central Bank of UAE - Higher Sharia Authority's (CBUAE-HSA) resolutions.
2. DIB adheres to Sharia principles in all its objectives, strategy, policy level documents such as code of conduct, operations, products and activities.
3. All DIB products and services require approval from its Internal Sharia Supervisory Committee (ISSC) which comprises of highly reputable scholars and experts in Islamic jurisprudence (Fiqh) and Islamic commercial law (Fiqh al-Muamalat).
4. All DIB documents such as contracts and agreements, and related terms and conditions including schedule of charges and marketing materials must be reviewed by the Group Internal Sharia Control Department (GISCD) and approved by the ISSC to ensure alignment with Sharia principles and requirements.
5. DIB incorporates into its overall risk management framework the Sharia non-compliance risk - its identification, assessment, mitigation and management. This ensures adequate controls are in place to mitigate the risk of Sharia non-compliance.
6. DIB implements a robust Sharia governance framework with regular Sharia-based internal control assessments to maintain the highest standards of Sharia compliance.

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