ISS-CORPORATE

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

Dubai Islamic Bank

7 May 2026

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Green, Social, and Sustainability Sukuk[1]
Relevant standards	▪ Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025) ▪ Green Loan Principles (GLP), as administered by the Loan Market Association (LMA) (as of March 2025) ▪ Social Bond Principles (SBP), as administered by the International Capital Market Association (ICMA) (as of June 2025) ▪ Social Loan Principles (SLP), as administered by the Loan Market Association (LMA (as of March 2025) ▪ Sustainability Bond Guidance (SBG), as administered by the International Capital Market Association (ICMA) (as of June 2021) ▪ Guidance on Green, Social and Sustainability Sukuk, as administered by the International Capital Market Association

[1] The assessment is limited to Green, Social, and Sustainable Sukuk.

	(ICMA), Islamic Development Bank (IsDB), and the London Stock Exchange Group (LSEG) (as of April 2024)
Scope of verification	▪ Dubai Islamic Bank Sustainable Finance Framework (as of (Apr. 30, 2026) ▪ Dubai Islamic Bank Eligibility Criteria (as of Apr. 30, 2026)
Lifecycle	▪ Pre-issuance verification ▪ Second update of SPO as of Oct. 15, 2024 (ISS-Corporate weblink)
Validity	▪ Valid as long as the cited Framework remains unchanged

CONTENTS

SCOPE OF WORK

Dubai Islamic Bank ("the Issuer," "the Bank," or "DIB") commissioned ISS-Corporate to assist with its green, social, and sustainability sukuk by assessing three core elements to determine the sustainability quality of the instruments:

- Dubai Islamic Bank's Sustainable Finance Framework (as of Apr. 30, 2026), benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and Guidelines on Green, Social, and Sustainability Sukuk, and against the Loan Market Association (LMA)'s Green Loan Principles (GLP) and Social Loan Principles (SLP).
- The Eligibility Criteria - whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
- Overview of Green, Social, and Sustainability Sukuk with Dubai Islamic Bank's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

DUBAI ISLAMIC BANK OVERVIEW

Dubai Islamic Bank PJSC engages in the provision of banking and financial services. It operates through the following segments: Consumer Banking, Corporate Banking, Investment Banking, and Treasury. The Consumer Banking segment focuses on individual customers by providing them with Sharia-compliant accounts and deposits, and dedicated financing via Personal Finance, Home Finance, Auto Finance and Cards. The Corporate Banking business offers a suite of Sharia-compliant corporate banking products and services designed to meet the diverse needs of businesses in the UAE, and serving a wide range of clients across the public and private sectors. The Investment Banking business assists clients including sovereigns, quasi-sovereigns, large corporates, and financial institutions with every aspect of their funding requirements and acts as the financial advisor and dealmaker. The Treasury division is a critical part of the Bank, managing the Bank's liquidity as well as funding requirements through the capital markets. Treasury also manages the Bank's Sukuk Investment book, along with enhancing business relationships with financial institutions across the globe. Treasury provides a range of Sharia-compliant products including Foreign Exchange, Profit Rate Hedging, Commodity Hedging, Fixed Income Sales (Sukuk), and Structured investment solutions. In 2025, DIB also created a dedicated Commercial Banking Division providing products and services for SMEs and Middle Market corporate clients. The company was founded on March 12,1975 and is headquartered in Dubai, United Arab Emirates.

ESG risks associated with the Issuer Industry

DUBAI ISLAMIC BANK is classified in the Commercial Banks & Capital Markets industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies[2] in this industry are sustainability impacts of lending and other financial services/products, customers and product responsibility, sustainable investment criteria, labor standards and working conditions, and business ethics.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

Rationale for issuance

Dubai Islamic Bank's green, social and sustainability sukuk issuance builds on previous issuances and aims at supporting the Bank's ESG goals. DIB believes that the sukuk issued under this Framework will advance environmental and social objectives in line with the United Arab Emirates Ministry of Climate Change and Environment's UAE Sustainable Finance Framework 2021 – 2031.

[2] Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry. Key ESG issues by industry are sourced from ISS ESG's Corporate Rating methodology.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[3]
Part I: **Alignment with GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk**	The Issuer has defined a formal concept for its Green, Social, and Sustainability (GSS) Sukuk regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with exceptions with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk.	**Aligned with exceptions[4]**
Part II: **Sustainability quality of the Eligibility criteria**	The Green, Social, and Sustainability Sukuk will (re)finance the following eligible asset categories: Green categories: Clean Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Biodiversity, Circular Economy, Sustainable Industries, Climate Change Adaptation. Social categories: Employment Generation, Affordable and Social Housing, Essential Infrastructure, Essential Services, Empowered Society, Food Security, Sustainable Digitalization. Product and service-related use of proceeds categories individually contribute to one or more of the following SDGs: 	

[3] The evaluation is based on the DIB's Sustainable Finance Framework (Apr. 30, 2026 version), on the analysed Selection Criteria as received on Apr. 30, 2026.

[4] Our assessment (see Part II of this report) indicates that certain criteria within Clean Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater, Biodiversity, Circular Economy, Sustainable Industries, Food Security, and Sustainable Digitalization currently provide limited demonstrable environmental and/or social benefits. However, future transactions confirmed by the Issuer as excluding activities classified as 'No Net Impact' (NNI) in this Second Party Opinion (SPO), should be considered fully aligned with the Green and Social Bond and Loan Principles. For further details please refer to the Appendix.

SPO SECTION	SUMMARY	EVALUATION[3]
	For certain criteria within the categories Clean Energy [5], Energy Efficiency [6], Clean Transportation [7], Green Buildings [8], Pollution Prevention and Control [9], Sustainable Water and Wastewater [10], Biodiversity [11], Circular Economy [12], Sustainable Industries [13], Food Security and Sustainable Digitalization there is no evidence of an environmental or social contribution or of an improvement on the Issuer and/or end users' potential negative externalities. The environmental and social risks associated with those use of proceeds categories and the financial institution are outlined in part II.B.	
Part III: **DIB's sustainability strategy**	The Issuer has disclosed its ESG pillars. Internal performance targets are set for these pillars. Progress on the sustainability strategy is being publicly reported.	

[5] Combined Heat & Power Systems – bioenergy, waste-to energy, waste heat.
[6] Energy storage – battery energy storage systems, mechanical storage, thermal storage energized from renewable or hybrid systems or low carbon electricity; District cooling systems; Digital infrastructure and solutions – 5G; Ecolabels.
[7] Aircrafts, fulfilling the Best-in-Class criteria set by the International Civil Aviation Organization 2031 and EU Taxonomy Technical Screening Criteria; Low carbon shipping; Clean transportation infrastructure and supporting services – projects supporting transfer to emissions-free fuels and transport; Water transportation – dual fuel; Water transportation – vessels.
[8] Energy efficient buildings – top 15%; Buildings and communities classified as 'Green' or 'Sustainable' by local authorities or other certifications; Renovation, refurbishment and retrofit – at least 20% energy reduction; Data Centers.
[9] Waste to energy plants.
[10] Sustainable infrastructure and supply – water metering activities; Water desalination.
[11] Afforestation and reforestation – detrimental impacts not caused by the borrower, and alignment with ICVCM Core Carbon principles, CORSIA, National Carbon Market Regulations.
[12] Circular design and inputs – recycled, repurposed, or bio-based materials aligning with IFC Harmonized Circular Economy Finance Guidelines; Circular design and inputs – bio-based products certified by the Roundtable on Sustainable Biomaterials, etc.
[13] Sustainable industrial processes in high emitting sectors such as cement – decarbonization measures with a 10% reduction in clinker-to-cement ratio; Sustainable industrial processes in high emitting sectors such as iron and steel – activities aligned with the Kenya Green Finance Taxonomy 2025 for primary and secondary steel production, activities aligned with the IFC Harmonised Circular Economy Finance Guidelines, circular inputs & scrap recirculation, sustainable bio-reductants, retrofits (BF-BOF/EAF), transition innovation & national leadership, future-ready DRI/EAF infrastructure, innovation in low-carbon solutions; Sustainable industrial processes in high emitting sectors such as aluminum – best-in-class performance, verifiable transition & retrofits; Sustainable industrial processes in high emitting sectors such as chemicals – alignment with IFC Harmonized Circular Economy Finance Guidelines, Decarbonization Technologies); Sustainable industrial processes in high emitting sectors such as plastics – low-carbon feedstock transition; Sustainable industrial processes in high emitting sectors such as plastics – advanced recycling technology, adherence to the technical screening criteria of the Kenya Green Finance Taxonomy; Finance relating to Sustainable Digitalization projects based on sectoral practices and impact assessment, digital solutions reducing emissions, digital solutions using green coding, or secure digital solutions.

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk

This section evaluates the alignment of the DIB's Sustainable Finance Framework (as of April 30, 2026) with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk.

GBP, SBP, SBG, GLP, SLP, AND GUIDANCE ON GSS SUKUK	ALIGNMENT	OPINION
1. Use of proceeds	✓ with exceptions[14]	The use of proceeds description provided by DIB's Sustainable Finance Framework is **aligned with exceptions** with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk. The Issuer's green and social categories align with the project categories as proposed by the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk. Criteria are defined clearly and transparently, with exceptions.[15] Disclosure of an allocation period and commitment to report by project category has been provided, and environmental and social benefits are described. The Issuer has a process showing that the sukuk structure complies with the Shariah standards. The Issuer defines a look-back period of 3 years, in line with best market practice.
2. Process for project evaluation and selection	✓	The process for project evaluation and selection description provided by DIB's Sustainable Finance Framework is **aligned** with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk.

[14] Our assessment (see Part II of this report) indicates that certain criteria within Clean Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater, Biodiversity, Circular Economy, Sustainable Industries, Food Security and Sustainable Digitalization currently provide limited demonstrable environmental and/or social benefits. However, future transactions confirmed by the Issuer as excluding activities classified as 'No Net Impact' (NNI) in this Second Party Opinion (SPO), should be considered fully aligned with the Green and Social Bond and Loan Principles. For further details please refer to the Appendix.

[15] For Clean Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater, Biodiversity, Circular Economy, Sustainable Industries, Food Security and Sustainable Digitalization, the criteria are not clearly defined. For further details please refer to the Appendix.

GBP, SBP, SBG, GLP, SLP, AND GUIDANCE ON GSS SUKUK	ALIGNMENT	OPINION
		The project selection process is defined. ESG risks associated with the project categories are identified and managed. Moreover, the projects selected show alignment with the Issuer's sustainability strategy and clearly show the intended benefit to the relevant population. The Issuer defines exclusion criteria for harmful project categories. The Issuer clearly defines responsibilities in the process for project evaluation and selection, is transparent about it, and involves various stakeholders in this process, in accordance with best market practice. In addition, the Issuer identifies the alignment of their Sustainable Finance Framework and their green projects with official or market-wide taxonomies (CBI, EU Taxonomy, Kenya Green Finance Taxonomy, Pakistan Green Taxonomy) and references any green and social standards or certifications used, in line with best market practice. ISS-Corporate has not verified the alignment with the taxonomies.
3. Management of proceeds	✓	The management of proceeds provided by DIB's Sustainable Finance Framework is **aligned** with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk. The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately. The net proceeds are managed on an aggregated basis for multiple sukuk (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds and confirms that each loan tranche will be clearly labeled as green, social, or sustainable. The Issuer's sukuk comply with the Shariah standards set out by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

GBP, SBP, SBG, GLP, SLP, AND GUIDANCE ON GSS SUKUK	ALIGNMENT	OPINION
		The Issuer has defined an expected allocation period of 24 months.
4. Reporting	✓	The allocation and impact reporting provided by DIB's Sustainable Finance Framework is **aligned** with the GBP, SBP, SBG, GLP, SLP, and Guidance on GSS Sukuk. The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer's website. DIB has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the project category level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated. The Issuer discloses roles and responsibilities in the monitoring and reporting process, as well as structures and defines the reporting process, in accordance with best market practice. The Issuer is transparent on the information reported and further defines the duration, scope and frequency of the impact reporting, in line with best market practice. Furthermore, the Issuer discloses the location of the reports and commits to getting the allocation report audited by an external party, in line with best market practices.

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN, SOCIAL, AND SUSTAINABILITY SUKUK TO THE U.N. SDGs[16]

Financial Institutions support the advancement of SDGs through their lending activities. Bank's customers can either finance the production of solutions with positive social and environmental impacts or work on minimizing potential negative externalities.

The assessment of Use of Proceeds (UoP) categories for (re)financing/investing activities is based on a variety of internal and external sources, such as ISS Sustainability's SDG Solutions Assessment, which evaluates the impact of financed activities on the U.N. SDGs, as well as other ESG benchmarks (e.g., the EU Taxonomy Climate Delegated Act, the Green/Social Bond Principles, and relevant regional taxonomies, standards, and sustainability criteria)

The assessment of UoP categories for (re)financing in specific UoP categories is displayed on a three-point scale:

Obstruction	No Net Impact	Contribution

Each of the Sukuk's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

GREEN CATEGORIES

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Clean Energy ***Solar photovoltaic energy, concentrated solar power (including floating) and solar heating*** ▪ *Minimum 85% of power generation derived from solar sources.* ***Green hydrogen (incl. green ammonia)*** ▪ *Production of hydrogen, hydrogen-based synthetic fuels, or ammonia through electrolysis powered by renewable energy sources.*	**Contribution**	

[16] The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.
[17] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Wind energy: ▪ *Onshore and offshore.* ***Geothermal energy:*** ▪ *Direct emissions / emissions intensity is below 100g CO_2e / kWh.* ***Hydroelectric energy:***[18] ▪ *Run-of-river plants with a capacity of less than 1000MW, and* ▪ *No artificial reservoirs, or* ▪ *Life-cycle emissions below 50g CO_2e/kWh, or* ▪ *Power density greater than 10 W/m^2, or* ▪ *Refurbishments which do not increase the reservoir size.* ***Hydro-wave*** ***Hydro – tidal thermal energy conversion*** ***Hydro – ocean thermal energy conversion*** ***Combined Heat & Power systems:*** ▪ *Combined Heat and Power (CHP) / cogeneration: Biogas, geothermal, solar/CSP, hydrogen with direct emissions less than 100g CO_2e/kWh as per CBI taxonomy.*		
Clean Energy ***Green hydrogen (incl. green ammonia):*** ▪ *Ammonia recovery from wastewater, from non-fossil fuel operations.*	**Contribution**	
Clean Energy ***Bioenergy - Only second-generation biofuels (i.e., raw materials are residues from other processes):***	**Contribution**	

[18] The Issuer confirms that no hydropower projects with capacity higher than 1000 MW will be financed.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Wood-based raw materials must come from certified sources (Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PFEC)).* ***Biofuels (incl. biogas and biomass):*** ▪ *Only second-generation biofuels (i.e., raw materials are residues from other processes), e.g. used cooking oil. Raw materials: are residues from other processes (e.g., agricultural and forestry residues), and do not compete with food production, and do not deplete carbon pools Wood-based raw materials must come from certified sources (Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PFEC)).* ***Combined Heat & Power systems:*** ▪ *Combined Heat and Power (CHP) / cogeneration: Biomass [19] as per CBI taxonomy.*		
Clean Energy ***Combined Heat & Power systems:*** ▪ *Combined Heat and Power (CHP) / cogeneration: Bioenergy, waste-to-energy, waste heat with direct emissions less than 100g CO_2e/kWh as per CBI taxonomy.*	**No Net Impact**	
Clean Energy ***Nuclear:*** ▪ *Host country to have a membership of the International Atomic Energy Agency (IAEA) by the country in which the project is located, and* ▪ *Ratification of major nuclear safety conventions on Nuclear Safety and the Convention on the Physical Protection of Nuclear Materials, and*	**Contribution**	13 CLIMATE ACTION

[19] DIB confirms that all CHP fuel sources will strictly exclude first-generation biomass.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *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.*	**Obstruction[20]**	
Energy Efficiency ***Energy storage*** ▪ *Storage for energy produced from renewable sources, or* ▪ *Storage for energy-efficient district cooling systems that are powered by: minimum 50% renewable / waste heat, or minimum 75% co-generated heat, or minimum 50% combination renewable / waste energy and co-generated heat.[21]* ***Upgrade in grid infrastructure to improve electricity transmission efficiency and reduce transmission losses:*** ▪ *With system grids, 67% of newly connected generation capacity is below 100g CO_2e / kWh, or* ▪ *The average system grid emissions factor is below 100g CO_2e/kWh (rolling five-year period).[22]*	**Contribution**	

[20] The 'nuclear power generation' category is assessed according to ISS ESG's methodology applying to any nuclear power generation projects to date. The obstruction reflects uncertainties regarding the negative externalities of nuclear on water and biodiversity, in addition to its dependence on uranium which is a non-renewable resource of which mining is linked to many salient risks from an environmental and social perspective.
[21] This activity is aligned with the Technical Screening Criteria (with respective footnotes) of the EU Taxonomy Activity 4.15. "District heating/cooling distribution".
[22] This category is aligned with CBI criteria "Electrical Grid and Storage Criteria under the Climate Bond Standard", Criteria Document Version 1, March 2022.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS

Investment in smart energy grids, energy meters and energy management systems.
Digital infrastructure and solutions
▪ *ESG data platforms which include:*
  ▪ *Carbon & energy Intelligence,*
  ▪ *Climate Risk & Resilience Modelling,*
  ▪ *Global Compliance & reporting automation,*
  ▪ *Social & Supply chain oversight.*
▪ *General projects relating to Sustainable Digitalization based on leading sectoral practices and impact assessment driving minimum 20% energy efficiency:*
  ▪ *Smart Building & Industrial Automation.* [23]		

Energy Efficiency ***Energy storage*** ▪ *Battery energy storage systems (BESS) sourced from renewable.*[24] ***Electric heat pumps*** ▪ *Refrigerant threshold: Global Warming Potential (GWP) value does not exceed 675.* ***Operational improvements*** ▪ *Reduction of energy consumption by at least 20%.* ***Upgrade in grid infrastructure to improve electricity transmission efficiency and reduce transmission losses*** ▪ *Energy efficiency improvement of at least 20%.* ***Digital infrastructure and solutions*** ▪ *Server virtualization, cloud optimisation and remote data management of mobile*	**Contribution**	

[23] DIB confirms that the objective is deploying sensors and digital twins for HVAC (District Cooling) and lighting automation, targeting 20%+ savings.
[24] DIB has confirmed that renewable energy sources (Solar, wind, hydropower, geothermal, tidal, etc.) to energize the BESS.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
networks, mobile network updates reducing energy consumption by minimum 20%. ▪ *General projects relating to Sustainable Digitalization based on leading sectoral practices and impact assessment driving minimum 20% energy efficiency:* ▪ *Cloud First Efficiency & Virtualization,[25]* ▪ *AI Enabled Grid & Energy Orchestration.[26]* ▪ *IT hardware (laptops, servers, networking gear) with EPEAT Gold certification or Energy Star rating of 8.0 or higher.* ***LED and other energy efficient lighting*** ▪ *Reduction of energy consumption by at least 20% compared to the average of national energy consumption.*		
Energy Efficiency ***Energy storage*** ▪ *Battery energy storage systems (BESS) mechanical storage,[27] or thermal storage[28] energized from renewable or hybrid systems or low carbon electricity of 100g CO_2e / kWh.* ***District cooling systems*** ▪ *Reduction of energy consumption by at least 20%.* ***Digital infrastructure and solutions***	**No** **Net Impact**	

[25] DIB confirms that the objective is consolidating on-premise servers to optimize resource utilization and reduce idle power draw.
[26] DIB confirms that the objective of these platforms is orchestrating renewable energy storage and demand-response to stabilize regional grids.
[27] DIB has confirmed that store renewable or low-carbon electricity will be utilized to energize the mechanical storage.
[28] DIB has confirmed that these thermal storages include Sensible Heat Thermal Storage (water tanks, molten salts, rocks/gravel, concrete) without changing its phase, latent Heat Thermal Storage (through phase change / PCM) (paraffin-based PCMs, salt hydrates, fatty acids), thermochemical Energy Storage (adsorption / desorption storage, chemical heat storage materials), Molten Salt Storage / Specialized thermal storage (molten nitrate salts), Ice or Chilled Water Storage (Cooling storage) (ice tanks, chilled water tanks), Underground Thermal Energy Storage (UTES) including Aquifer Thermal Energy Storage (ATES), Borehole Thermal Energy Storage (BTES), Cavern Thermal Energy Storage (CTES), and Pit Thermal Energy Storage (PTES).

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *5G and telecommunications infrastructure with a minimum of 20% energy savings.* ***Ecolabels*** ▪ *Certified sustainable & high efficiency products.*		
Energy Efficiency *Operational improvements:* ▪ *Water recycling resulting in at least 20% reduction in water use.*	**Contribution**	
Energy Efficiency *Technologies reducing emissions* ▪ *Sterilization systems that reduce facility emissions by 20%.*	**Contribution**	
Clean Transportation **Zero tailpipe emission vehicles (e.g., electric, hydrogen, fuel cell).** All zero tailpipe emission vehicles are eligible: ▪ *Aircrafts[29](private aircrafts are excluded).* ***Rail and freight transportation:*** ▪ *Until 2030, all low-emission rail transportation emitting less than 50g CO_2/ passenger-km.* *For freight transportation[30]* ▪ *<21g CO_2 / tonne-km up till 2030,* ▪ *<18g CO_2 / tonne-km from 2030 up till 2050.* ***Water transportation:***	**Contribution**	

[29] DIB confirms this activity is aligned with manufacturing specifications set out in EUT Activity 3.21 "Manufacturing of aircraft" or 6.18 "Leasing of aircraft" ensuring these assets meet internationally recognized efficiency thresholds.
[30] This category is aligned with CBI criteria "Low Carbon Transport Criteria under the Climate Bond Standard", Criteria Document of April 2023.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Complies with all CBI criteria and exclusions for emission intensity thresholds – top 15% of fleet performance.* ▪ *Green Ammonia-Fueled Engines.*		
Clean Transportation **Zero tailpipe emission vehicles (e.g., electric, hydrogen, fuel cell).** 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.* ***Hybrid electric vehicles*** ▪ *Hybrid electric vehicles and buses (<50 g CO_2e/km).* ***Clean transportation infrastructure and supporting services*** ▪ *Train, metro and tram networks including station upgrades necessary to achieve and maintain clean transportation, etc.* ▪ *Charging infrastructure and related repair & spare parts).* ***Walking and bicycle infrastructure and supporting services*** ▪ *Upgrades and expansion of walking and cycle paths.* ***Water transportation*** ▪ *All emissions-free watercraft (e.g. solar, electric, hydrogen, ammonia, motorless).* ▪ *Green Hydrogen Fuel Cells* ▪ *Fully Electric (Battery-Powered) Vessels* ▪ *Maintaining an IMO CII rating of A*	**Contribution**	
Clean Transportation ***Best-in-Class aircrafts***	**No Net Impact**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Aircrafts (such as A320neo or B737MAX), fulfilling the Best-in-Class criteria set by: ▪ *The International Civil Aviation Organization 2031, or* ▪ *The EU Taxonomy Technical Screening Criteria.*[31] ***Low carbon shipping*** ▪ *Cargo and passenger ships* [32] *with emissions intensity thresholds below those set in the International Maritime Organization's (IMO) GHG Strategy*[33]*, or* ▪ *Rating of: C or Higher threshold for energy efficient ships.* ***Clean transportation infrastructure and supporting services:*** ▪ *Projects supporting transfer to emissions-free fuels and transport (e.g. new technologies, products and services).* ***Water transportation:*** ▪ *Dual fuel*[34] *assets with a minimum of 20% GHG reduction compared to 2008 baseline CBI Shipping Criteria.* ▪ *Vessels emitting less than:* ▪ *<21.5g CO_2 / tonne-km (standard for large bulk/container) (until 2030),* ▪ *<14.3g CO_2 / tonne-km (2030 onwards).*		
Clean Transportation *Water transportation:*	**Contribution**	

[31] DIB confirms this activity is aligned with manufacturing specifications set out in EUT Activity 3.21 "Manufacturing of aircraft" or 6.18 "Leasing of aircraft" ensuring these assets meet internationally recognized efficiency thresholds.
[32] DIB has indicated that these ships will be mainly from electric, hybrid, or alternative fuel technologies.
[33] DIB has indicated that the strategy include: 40% reduction in carbon intensity by 2030, 5-10% usage of zero or near-zero fuels by 2030, 20-30% total GHG reduction by 2030, 70-80% total GHG reduction by 2040, Net Zero by 2050. These intensity targets are fleet-average goals.
[34] DIB confirms this activity is aligned with the Low Carbon Transport Criteria by the CBI (April 2023).

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Nuclear Propulsion (Small Modular Reactors - SMRs)*	**Obstruction**[35]	
Green Buildings[36] ***Energy efficient buildings*** *Top 15% energy efficient buildings from the national or regional building stock.*[37] ***Buildings and communities classified as 'Green' or 'Sustainable' by local authorities or other certifications*** ▪ *Other local, national or regional certifications by authorities.* ▪ *Other certifications assessed on a case-by-case basis.* ***Renovation, refurbishment and retrofit***[38] ▪ *At least 20% energy reduction in annual Primary or Final Energy Demand.* ***Data Centers*** ▪ *Data centers with a power usage effectiveness (PUE) of below 1.5* ▪ *Alignment with the BCA-IMDA Green Mark for Data Centers (Platinum or Gold Plus) or SS 564 Green Data Centers standards.*	**No Net Impact**	

[35] The 'nuclear power generation' category is assessed according to ISS ESG's methodology applying to any nuclear power generation projects to date. The obstruction reflects uncertainties regarding the negative externalities of nuclear on water and biodiversity, in addition to its dependence on uranium which is a non-renewable resource of which mining is linked to many salient risks from an environmental and social perspective.

[36] Eligible assets must have received or expect to receive certification according to third party-verified building standards. Upon completion of construction, if the anticipated certification is not awarded, the asset will be removed from DIB's sustainable finance asset register).

[37] Measured by: Energy Use Intensity (EUI): kWh/m^2/year, or Site Energy Intensity: kWh/m^2/year, or Source Energy Intensity kWh/m^2/year (source-adjusted) or Carbon intensity: kgCO^2e/m^2/year. DIB uses a uniform established methodology to identify the top 15% region/country and/or external benchmarks for the assessment or will rely on external consultants.

[38] This assessment is limited to UAE, Oman, Qatar, Bahrain, Turkey, Saudi Arabia and Kuwait.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings[39] ***LEED*** ▪ *All certification levels.* ***BREEAM*** ▪ *All certification levels.* ***Estidama Pearl Building Rating System*** ▪ *2 Pearls and above.* ***Global Sustainability System (GSAS)*** ▪ *"4 star" and above.* ***Al Sa'fat*** ▪ *Golden and Platinum.* ***EDGE*** ▪ *All certification levels.* ***Green Globes*** ▪ *"Two Globes" and above.* ***Green Star Africa***[40] ▪ *"4 star" and above (for Kenya only).*	**Contribution**	
Green Buildings[41] ***WELL*** ▪ *Gold and Platinum.*	**Contribution**	
Green Buildings[42] ***Green Globes*** ▪ *"One Globe".* ***Renovation, refurbishment and retrofit***[43]	**Contribution**	

[39] Eligible assets must have received or expect to receive certification according to third party-verified building standards. Upon completion of construction, if the anticipated certification is not awarded, the asset will be removed from DIB's sustainable finance asset register.
[40] This assessment is limited to buildings located in Kenya.
[41] Eligible assets must have received or expect to receive certification according to third party-verified building standards. Upon completion of construction, if the anticipated certification is not awarded, the asset will be removed from DIB's sustainable finance asset register.
[42] Ibid.
[43] This assessment is limited to Kenya and Pakistan.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *At least 20% energy reduction in annual Primary or Final Energy Demand.* ▪ *At least 20% energy reduction in annual Primary or Final Energy Demand.*		
Pollution Prevention and Control ***Waste collection and storage for recycling, material recovery and/or waste minimizing purposes:*** ▪ *Conversion ratios exceed 50%, and* ▪ *Landfill and incineration are excluded.* ***Biological treatment facilities (including anaerobic digestion and composting facilities):*** ▪ *Anaerobic produce is used as fertilizer,* ▪ *Compost produced is used as fertilizer/soil improver.*	**Contribution**	
Pollution Prevention and Control ***Biological treatment facilities (including anaerobic digestion and composting facilities):*** ▪ *Anaerobic produce is used for energy/fuel production.*	**Contribution**	
Pollution Prevention and Control ***Waste to energy plants:*** ▪ *Recyclables are sorted, and* ▪ *Bottom ash produced in combustion process is recovered and managed.*	**No Net Impact**	
Pollution Prevention and Control ***CO_2 capturing technologies*** ▪ *CO_2 must be permanently and safely stored, and* ▪ *Must be climate neutral (more CO_2 captured than generated), and* ▪ *Direct air capture, or* ▪ *CCUS projects with dedicated geological storage or storage of CO_2 in concrete, or* ▪ *CCUS in industrial facilities.*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Sustainable water and wastewater[44] ***Sustainable infrastructure and supply for clean and/or drinking water, and for wastewater treatment:*** ▪ *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.*	**Contribution**	
Sustainable water and wastewater ***Sustainable infrastructure and supply for clean and/or drinking water, and for wastewater treatment:*** ▪ *Other relevant projects may include: Rainwater harvesting and other water recycling systems.* ***Water and wastewater treatment plants (WWTP) including reuse of WWTP effluents (infrastructure only):*** ▪ *Water-use efficiency increases by at least 20%.* ***Sewer systems, pumping stations and water saving products:*** ▪ *Water-use efficiency increases by at least 20%.* ***Water leakage prevention:*** ▪ *Operational improvement projects that decrease leakage by at least 20% based on Infrastructure Leakage Index (ILI) with the target ILI of 1.5.*	**Contribution**	

[44] 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.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Irrigation ▪ *Existing irrigation networks/systems are modernized from flood to sprinkler or drip irrigation systems, and* ▪ *Irrigation water is not drinking water, and* ▪ *Irrigation is renewable energy powered.*		
Sustainable water and wastewater ***Sustainable infrastructure and supply for clean and/or drinking water, and for wastewater treatment:*** ▪ *Other relevant projects may include: Water metering activities to support water conservation and water-use efficiency.* ***Water desalination:*** ▪ *Waste management plan is in place, and* ▪ *Carbon intensity of less than 100g CO_2e / kWh over the residual asset life - the asset may be partially powered by renewables or use waste heat.*	**No Net Impact**	
Sustainable water and wastewater ***Water and wastewater treatment plants (WWTP), including reuse of WWTP effluents (services only, for corporates):*** ▪ *Water-use efficiency increases by at least 20%.*	**Contribution**	
Biodiversity ***Afforestation and reforestation*** ▪ *Detrimental impacts are not caused by the customer, and* ▪ *Forests are certified by recognized bodies such as the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PFEC), Regenerative Organic*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Certified (ROC), Rainforest Alliance[45]. ***Conservation & restoration of natural habitats:*** ▪ *Detrimental impacts being remediated are not caused by the customer, 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.* ▪ *Restoration of ecosystems that adhere to* one *of the following:* ▪ *Utilize native species and follow the IUCN Global Standard for Nature-based Solutions (NbS).* ▪ *Are validated for carbon credit generation under recognized high-integrity standards (e.g., Verra CCB or Gold Standard or ART TREES).*		
Biodiversity ***Afforestation and reforestation*** ▪ *Detrimental impacts are not caused by the customer, and* ▪ *Forests are not used for wood production but can be used for carbon credit generation, ensuring one of the following:* ▪ *Alignment with the ICVCM Core Carbon Principles (CCPs) for permanence and additionality.* ▪ *Compliance with CORSIA (or equivalent high-integrity*	**No Net Impact**	

[45] Examples include are not limited to: supporting the financing of the production of certified wood, supporting forest owners to finance applications for FSC, etc., and, supporting the acquisition of certified wood by construction companies.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
international standards) for lifecycle greenhouse gas savings if credits are traded. ▪ *Compliance with National Carbon Market Regulations of the host country.*		
Biodiversity ***Marine resources:*** ▪ *Detrimental impacts being remediated are not caused by the customer, and* ▪ *Conservation and restoration of coastal and marine areas.*	**Contribution**	
Circular Economy ***Circular business models*** ***Circular design and inputs:*** ▪ *Recycled, repurposed, or bio-based materials that align with the IFC Harmonized Circular Economy Finance Guidelines for resource efficiency.* ▪ *Bio-based products certified by the Roundtable on Sustainable Biomaterials (RSB), ISCC PLUS, or equivalent standards recognized by national environmental authorities, (e.g., NEMA in Kenya or SEPA in Pakistan).* ▪ *Plastics where ≥90% of feedstock is recycled [46] or renewable, with a documented strategy to eliminate single-use consumer products in line with local waste reduction targets (e.g., UAE Circular Economy Policy 2031).* ▪ *Design for Recyclability: e.g. re-tooling of production lines for mono-materials and PE-free barriers and modular/dis-assemble designs, textiles, electronics, or construction, enabling a 90% recovery rate.*	**No Net Impact**	

[46] DIB confirms that recycled plastics do not undergo pyrolysis.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Circular Economy ***Circular business models*** ***Circular design and inputs:*** ▪ *Closed-loop e-waste programs where 100% of decommissioned hardware is recycled or refurbished.* ***Product-as-a-Service (PaaS) and Life Extension:*** ▪ *Product-as-a-Service for zero-emission assets.*[47] ▪ *Direct second-hand sales and repurchase models.* ▪ *Bio-based technologies and material with innovation in bio-based materials (e.g., biopolymers) that comply with international sustainability criteria (such as RED II principles*[48]*).* ***Resource Recovery:*** ▪ *Reusable or highly recyclable packaging certified by the Forest Stewardship Council (FSC), PEFC, or local sustainable forestry initiatives.* ▪ *Material Recovery from end-of-life products that align with the IFC Resource Recovery definitions or national guidelines for waste mitigation.*	**Contribution**	
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as cement*** *The activity is aligned with one of the following:*	**Contribution**	

[47] DIB has confirmed that the zero-emission assets include 1. Zero-Emission Transportation (Mobility-as-a-Service) such as Battery Electric Vehicles (BEVs), Electric Two/Three-Wheelers, Electric Buses & Coaches, Smart chargers and battery swapping stations, etc. 2. Renewable Energy Generation & Storage (Energy-as-a-Service) such as Solar PV systems, BESS, Small-scale wind turbines, Green Hydrogen Electrolyzers, etc. 3. Energy-Efficient Machinery & Equipment such as Industrial Electrified Machinery, high efficiency HVAC Systems, Data Center Cooling/Server Equipment, etc. 4. Circular Economy & Waste Management Assets such as Industrial Rental Equipment, Waste Management & Recycling Machinery, Reusable Packaging Assets, etc. 5. Smart Infrastructure, IoT Sensors & Tracking Systems

[48] DIB confirms that under RED II (Renewable Energy Directive II), the "generation" of the feedstock is a critical eligibility factor referring to 2nd generation (e.g.: agricultural residues), 3rd generation / 4th generation (e.g. algae).

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Technical screening criteria (with respective footnotes) of the EU taxonomy activity "3.7 Manufacture of cement".* ▪ *Cement Criteria Document by the CBI (April 2023).* ▪ *Carbon Capture, Utilization, and Storage (CCUS).*[49] ▪ *Waste Heat Recovery (WHR) systems* [50] *or Co-processing of Waste (Alternative Fuels) that meets local environmental standards.* ***Sustainable industrial processes in high emitting sectors such as iron, steel and aluminum*** *Iron and steel* *The activity is aligned with one of the following:* ▪ *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).* *Mandatory Customer-Level Safeguards: To satisfy international transition finance guidelines and mitigate regional environmental risks, all customers must comply with the following: a) Net Zero Commitment: The customer must provide a Board-approved Commitment to reach Net Zero by or around 2050, including documented 2030 energy or emission intensity targets; b) Water Stewardship: DIB will perform an internal Water Stress Assessment. If a project is identified in a high-stress area, the customer must provide a Water Mitigation Plan to ensure zero competition with municipal drinking water; c) Waste Management: Primary producers (refineries/smelters) must provide a documented Bauxite Residue (Red Mud)*		

[49] CCUS activities must utilize technologies that ensure permanent carbon removal (e.g., mineralization in building materials) or secure geological storage in accordance with regional regulations. Capture Efficiency of at least 90% is aimed at, which is the current industry benchmark for "efficient" CCS.
[50] Aligned with the CBI criteria for cement.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
management plan to mitigate local biodiversity and soil risks. (This is waived for secondary/scrap recyclers). ***Sustainable industrial processes in high emitting sectors such as chemicals*** *The activity is aligned with one of the following:* ▪ *Facilities must achieve an absolute GHG emission intensity (Scope 1 and 2) within the top 10% of the global or regional sector, or align with the EU Taxonomy threshold of 0.704 for High-Value Chemicals (HVCs) or 1.133 for Ammonia.* ▪ *Alignment with CBI Basic Chemicals Criteria.* *Mandatory Customer-level Safeguards: Customers must provide a Board-approved commitment outlining documented 2030 emission or energy intensity targets; eligibility for circular projects further requires third-party feedstock certification (e.g., ISCC PLUS or RSB) to verify the exclusive use of non-food-based organic waste and agricultural residues, ensuring no competition with regional food or water security.*		
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as cement*** ▪ *Decarbonization measures with a 10% reduction in clinker-to-cement ratio over the life of the financing relative to the facility's specific three-year historical baseline, which serves as the primary mechanism to steer regional assets toward the GCCA 2050 Roadmap targets.*	**No Net Impact**	
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as cement***	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Co-processing of Waste (Alternative Fuels) that meets local environmental standards (e.g., SEPA in Pakistan or NEMA in Kenya).*		
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as iron, steel and aluminum*** *Iron and steel* ▪ *Activities aligned with the Kenya Green Finance Taxonomy 2025 for primary and secondary steel production.* ▪ *Activities aligned with the IFC Harmonised Circular Economy Finance Guidelines.* ▪ *Circular Inputs & Scrap Recirculation: Projects must verify circularity by requiring a minimum scrap-to-product output of 90% for steel and 70% for iron foundries, aligning with the IFC's material recirculation benchmarks.* ▪ *Sustainable Bio-reductants: To mitigate environmental and food security risks, any biogas or bio-reductant used in these processes must be sourced exclusively from non-food-based organic waste or agricultural residues. All biochar must be certified by the International Biochar Initiative (IBI), ISCC PLUS, or equivalent to ensure the pyrolysis process captures waste gases and meets high-integrity environmental safeguards.* ▪ *Retrofits (BF-BOF/EAF): Projects achieving greater than or equal to 15% reduction in carbon intensity relative to a 3-year historical baseline via Waste Heat Recovery (WHR), sustainable biochar substitution, or greater than or equal to 90% CCS in line with the Circular Carbon Economy (CCE) framework.* ▪ *Transition Innovation & National Leadership: Solutions reaching an absolute*	**No Net Impact**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
emission intensity below 1.3 crude steel (or a 20% improvement over the national sectoral average), such as renewable-powered direct electrolysis or smelting reduction with CCS. ▪ *Future-Ready DRI/EAF Infrastructure: New or existing facilities that are "Hydrogen-Ready" (evidenced by an OEM Technical Statement confirming a min. 30% blending capability with a roadmap to 100%, aligned with IEA Iron & Steel Roadmap benchmarks). Eligibility is contingent upon sourcing greater than or equal to 50% low-carbon power.* ▪ *Innovation in low-carbon solutions such as direct electrolysis powered by renewable energy or smelting reduction that uses carbon capture and storage.*[51] *Aluminum* *Financing is restricted to projects meeting at least one of the following technical categories, subject to the Mandatory Safeguards outlined below:* ▪ *Best-in-Class Performance (New or Existing):* ▪ *Facilities achieving an absolute emission intensity below 1.5 tCO_2e/t (Scope 1 and 2), such as those utilizing inert anode technologies or renewable-powered smelting (e.g., solar-to-aluminum);* ▪ *Secondary aluminum production (Recycling) utilizing greater than or equal to 90% scrap metal feedstock and achieving a documented greater than or equal to 20% energy saving compared to the regional primary production baseline.*		

[51] The projects must achieve a minimum 90% carbon capture efficiency".

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Verifiable Transition & Retrofits:* ▪ *Smelter Efficiency: Projects achieving a greater than or equal to 15% reduction in carbon intensity relative to a 3-year historical baseline via Waste Heat Recovery (WHR), potline optimization, or high-efficiency motor upgrades;* ▪ *Clean Energy Integration: Facilities sourcing greater than or equal to 50% low-carbon power aligned with the International Aluminum Institute (IAI) 1.5°C Scenario.* *Mandatory Customer-Level Safeguards: To satisfy international transition finance guidelines and mitigate regional environmental risks, all customers must comply with the following: a) Net Zero Commitment: The customer must provide a Board-approved Commitment to reach Net Zero by or around 2050, including documented 2030 energy or emission intensity targets; b) Water Stewardship: DIB will perform an internal Water Stress Assessment. If a project is identified in a high-stress area, the customer must provide a Water Mitigation Plan to ensure zero competition with municipal drinking water; c) Waste Management: Primary producers (refineries/smelters) must provide a documented Bauxite Residue (Red Mud) management plan to mitigate local biodiversity and soil risks. (This is waived for secondary/scrap recyclers).*		
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as chemicals*** ▪ *Financing is restricted to projects meeting at least one of the following technical categories, subject to the Mandatory Safeguards outlined below: Alignment with the IFC Harmonized Circular Economy Finance Guidelines (2025) for*	**No Net Impact**	

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
manufacturing processes utilizing greater than or equal to 50% recycled or bio-based feedstocks (e.g., bio-methanol or recycled plastics) verified via ISCC PLUS or RSB standards. *Decarbonization Technologies (Ref: IEA Net Zero Roadmap):* ▪ *Electrification: Conversion of fossil-fueled steam crackers or boilers to renewable-powered electric heating.* ▪ *Green Hydrogen Integration: Substitution of fossil-based hydrogen with electrolytic green hydrogen for ammonia or methanol synthesis.* ▪ *CCUS (Carbon Capture, Utilization, and Storage): Implementation of CCS at point-source emissions (min. 90% capture rate) or CCU where is permanently mineralized or used in durable chemical products.* ▪ *Waste-to-Energy & Feedstocks:* ▪ *Utilization of secondary production residues or non-food agricultural waste (e.g., lignin-based chemicals) to replace virgin fossil-based carbon, ensuring no competition with local food security.* *Mandatory Customer-level Safeguards: Customers must provide a Board-approved commitment outlining documented 2030 emission or energy intensity targets; eligibility for circular projects further requires third-party feedstock certification (e.g., ISCC PLUS or RSB) to verify the exclusive use of non-food-based organic waste and agricultural residues, ensuring no competition with regional food or water security.*		
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as plastics***[52]	**No Net Impact**	

[52] DIB confirms this excludes pyrolysis-based chemical recycling and single use plastics.

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Financing is restricted to projects meeting at least one of the following technical performance pathways, subject to the Mandatory Safeguards below: *Low-Carbon Feedstock Transition:* ▪ *Production of plastics derived from mechanical/molecularly recycled waste or sustainably sourced bio-based materials. All bio-based inputs must be certified by ISCC PLUS.* ▪ *Production of plastics derived from mechanical/molecularly recycled waste or sustainably sourced bio-based materials. All bio-based inputs must be mandating greater than or equal to 50% sustainable content and a verified greater than or equal to 20% GHG reduction compared to the fossil-fuel baseline.* *Mandatory Customer-Level Safeguards: Customers must provide a Board-approved commitment to a 2050 Net Zero Roadmap outlining documented 2030 waste-reduction or carbon-intensity targets to ensure the project is a strategic bridge to a low-carbon industrial model. Furthermore, eligibility is contingent upon the exclusive use of non-food-based organic waste or agricultural residues for bio-based feedstocks.*		
Sustainable industries *Sustainable industrial processes in high emitting sectors such as plastics* *Financing is restricted to projects meeting at least one of the following technical performance pathways, subject to the Mandatory Safeguards below:* ▪ *Low-Carbon Feedstock Transition: Production of plastics derived from mechanical/molecularly recycled waste or sustainably sourced bio-based materials. All bio-based inputs must be certified by Cradle to Cradle (Bronze or higher) or Blue Angel/ Nordic Swan.*	**Contribution**	

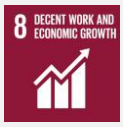
USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
▪ *Industrial Re-tooling (De-risking Single-Use Plastics): Dedicated CAPEX for the procurement of specialized machinery required to pivot industrial production away from single-use plastics toward multi-use/durable goods (min. 5-year lifecycle) or compostable alternatives (meeting EN 13432 or ASTM D6400).*[53] *Mandatory Customer-Level Safeguards: Customers must provide a Board-approved commitment to a 2050 Net Zero Roadmap outlining documented 2030 waste-reduction or carbon-intensity targets to ensure the project is a strategic bridge to a low-carbon industrial model. Furthermore, eligibility is contingent upon the exclusive use of non-food-based organic waste or agricultural residues for bio-based feedstocks.*		
Sustainable industries ***Sustainable industrial processes in high emitting sectors such as plastics*** *Financing is restricted to projects meeting at least one of the following technical performance pathways, subject to the Mandatory Safeguards below:* ▪ *Advanced Recycling Technology: Integration of chemical/molecular recycling processes that demonstrate a greater than or equal to 25% lower carbon footprint than virgin plastic production, verified via an ISO 14040/44 Lifecycle Assessment (LCA).* ▪ *Adherence to the Technical Screening Criteria (TSC) of the Kenya Green Finance Taxonomy (KGFT) 2025 regarding plastic manufacturing and waste mitigation.*	**No Net Impact**	

[53] DIB monitors the technical specifications of the equipment to ensure it is only optimized for thicker, durable goods or specific compostable materials. Operationally, DIB can track the raw materials purchased by the factory (such as purchase of high-grade polymers or certified compostable resins confirming the machine is making the right products). Additionally, DIB can include legal clauses in the loan that allow for "spot checks" or audits of the production floor and sales records. This will support a robust oversight system for DIB that ensures only multi-use products will be produced with the new machinery

USE OF PROCEEDS (PRODUCTS/SERVICES)[17]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Mandatory Customer-Level Safeguards: Customers must provide a Board-approved commitment to a 2050 Net Zero Roadmap outlining documented 2030 waste-reduction or carbon-intensity targets to ensure the project is a strategic bridge to a low-carbon industrial model. Furthermore, eligibility is contingent upon the exclusive use of non-food-based organic waste or agricultural residues for bio-based feedstocks.		
Climate Change Adaptation[54] ***Increasing the resilience of ecosystems*** ▪ *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), or* ▪ *Development and/or use of information and communications technology solutions for the purpose of collecting, transmitting, storing, and using data to facilitate climate adaptation and resilience.*	**Contribution**	

[54] 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.

SOCIAL CATEGORIES

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Employment Generation ***Micro, Small and Medium Enterprises:*** ▪ *Micro, Small and Medium Enterprises[55] financing as per national definition.* ***SMEs whose economic activities have been affected by pandemics and natural disasters:*** ▪ *Micro, Small and Medium Enterprises financing as per national definition.*	**Contribution**	
Employment Generation ***Women-owned businesses:*** ▪ *Women-owned SMEs (at least 51% owned by one or more women).*	**Contribution**	
Affordable and Social Housing ***Government-supported affordable Sharia compliant house financing schemes*** ▪ *UAE nationals meeting the criteria for government-supported affordable house financing schemes.[56]* ***Social housing*** ▪ *Residential projects where at least 75% of units are reserved for households with an income below 60% of the Area Median Income (AMI).*	**Contribution**	

[55] SMEs as defined per each country's government definitions: 1) UAE: laid out in the UAE Central Bank Circular No. 1/2021 dated 26/02/2021 under Article 1, point a. & b; 2) Pakistan: laid out in the State Bank of Pakistan's Prudential Regulations for Small & Medium Enterprise Financing dated 06/11/2025, Part I; 3) Kenya: laid out in the Ministry of Co-Operatives and Micro, Small and Medium Enterprises (MSMEs) Development' MSME Policy 2025, dated March 2025, in Chapter 1, Introduction, under 1.1 Background."

[56] Examples include Sheikh Zayed Housing Program and Mohammed bin Rashid Housing Establishment.

Affordable and Social Housing ***Social housing*** ▪ *Social housing or provision of financing to social housing institutions that provide housing with reduced rates.* *Target groups include elderly, disabled, people with intellectual or development disabilities, young students, people with a higher risk of poverty, social exclusion, discrimination, and violence.*	**Contribution**	
Essential Infrastructure ***Basic Infrastructure for rural, excluded, marginalized, under- served or vulnerable groups:*** ▪ *Water: Clean water production and storage projects.*[57] [58]	**Contribution**	
Essential Infrastructure ***Basic Infrastructure for rural, excluded, marginalized, under- served or vulnerable groups:*** ▪ *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).*	**Contribution**	
Essential Services ***Education, vocational / professional training:*** *Education (public, not-for-profit or private with the majority of students with subsidized education or training):*	**Contribution**	

[57] For infrastructure projects under this category, ISS-Corporate considers that the most direct impact is linked to environmental topics. However, the activities might generate other environmental and/or social impacts. DIB decides to classify this as a social category.
[58] Water desalination projects are excluded.

▪ *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, etc.).* ***Student interest free loans, student and adult education interest free loans or Sharia compliant financings:*** ▪ *Student interest free loans or Sharia compliant financing, or* ▪ *Student education interest free loans for mid-income parents, or* ▪ *Interest free loans for reskilling and upskilling of adults.*	**Contribution**	
Essential Services ***Education, vocational / professional training:*** ▪ *School/curriculum/education program towards people with disabilities.*	**Contribution**	
Essential Services ***Student interest free loans, student and adult education interest free loans or Sharia compliant financings:*** ▪ *Student education interest free loans for low- income parents.*	**Contribution**	
Essential Services ***Health care and elderly care:*** ▪ *Enabling access to health care (remote).* ***Health care and elderly care (Operation):*** ▪ *Health care: Hospitals and health care centers (public, not-for-profit or private with the majority of patients*	**Contribution**	

with free or subsidized health care services). ▪ *Elderly care: Elderly homes and nurseries (public, not-for- profit or private with the majority of customers with free or subsidized elderly care services).* ▪ *Private hospitals that allocate at least 20% of their operational capacity to public-sector referred patients or those under subsidized government health schemes.*		
Essential Services ***Health care and elderly care:*** ▪ *Provision of health care services (e.g., health care machinery and equipment, prevention and treatment of diseases and epidemics for the above).* ***Health care and elderly care (Construction):*** ▪ *Health care: Hospitals and health care centers (public, not-for-profit or private with the majority of patients with free or subsidized health care services).* ▪ *Elderly care: Elderly homes and nurseries (public, not-for- profit or private with the majority of customers with free or subsidized elderly care services).* ▪ *Private hospitals that allocate at least 20% of their operational capacity to public-sector referred patients or those under subsidized government health schemes.* ***Emergency services:*** ▪ *Emergency services such as fire firefighting, or* ▪ *Enabling access to emergency services, or* ▪ *Provision of emergency services (e.g., firefighting equipment).*	**Contribution**	

Empowered society ***Advancement of International Human Rights (including Labor Rights and Children's Rights):*** ▪ *Organizations and non-governmental organizations (NGOs) which are non-for-profit: projects focusing on the advancement of International Human Rights (including Labor Rights and Children's Rights) provided they are not in conflict with the principles of Sharia.* ***Reduction of inequalities:*** *Projects relating to the reduction of inequalities, e.g.:* ▪ *Developing products and services tailored for low-income customers (e.g., mobile-based money transfer services for unbanked consumers) and other vulnerable groups.* ▪ *Organizations and non-governmental organizations (NGOs) which are non-for-profit: projects on reduction of inequalities.*	**Contribution**	
Empowered society ***Reduction of inequalities:*** *Projects relating to the reduction of inequalities, e.g.:* ▪ *Enabling disabled people to access and use products and services (removing architectural barriers with ramps, steps, tactile indicators etc.).*	**Contribution**	
Empowered society ***Reduction of inequalities:*** ▪ *Life support to people with disabilities.*	**Contribution**	 

Food security ***Agricultural structures and practices:*** ▪ *Hydroponics and aeroponics[59] in food production.* ▪ *Organic agriculture (International Federation of Organic Agriculture Movements IFOAM certifications).* ▪ *Climate smart farm inputs: Rainforest Alliance certified biological crop protection.*	**Contribution**	
Food security ***Agricultural structures and practices:*** ▪ *Regenerative Organic Certified (ROC)*	**Contribution** **Obstruction[60]**	 
Food security ***Agricultural structures and practices*** ▪ *Integrated cropland-livestock-forestry systems that utilize sustainable forestry management plans for smallholders.[61]*	**Contribution**	
Food security ***Aquaculture:[62]*** ▪ *Certified aquaculture (e.g., Friend of the Sea certification, Aquaculture*	**Contribution**	

[59] For hydroponic and aeroponic projects under this category, ISS-Corporate considers that the most direct impact is linked to environmental topics. However, the activities might generate other environmental and/or social impacts. DIB decides to classify this as a social category.
[60] The Regenerative Organic Certified (ROC) certification is assessed as contribution according to ISS ESG's methodology for its "crop production" section. The "meat production" section is assessed applying to intensive and large-scale livestock production activities to date. The obstruction reflects the sector's structurally high environmental and social externalities, including inefficient use of land, water, and crops that places pressure on food security. In addition, meat production is associated with significant water pollution and freshwater consumption, and is a material contributor to greenhouse gas emissions.
[61] Smallholders are small-scale farmers, pastoralists, forest keepers, or fishers who manage areas ranging from less than one hectare to 10 hectares.
[62] For aquaculture projects under this category, ISS-Corporate considers that the most direct impact is linked to environmental topics. However, the activities might generate other environmental and/or social impacts. DIB decides to classify this as a social category.

Stewardship Council (ASC), Best Aquaculture Practices (BAP), Marine Stewardship Council). ▪ *Certified Global G.A.P for Aquaculture Integrated Farm Assurance for Aquaculture).*		
Sustainable digitalization ▪ *Finance relating to Sustainable Digitalization projects 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.*	**No Net Impact**	

B. DUBAI ISLAMIC BANK'S MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS

Financial institutions are exposed to E&S risks through their financing of economic activities that impact E&S factors and, to a lesser extent, through their own operations and impacts they themselves generate on the environment and society in which they operate.

The table below describes sustainability-related risks considered relevant to the Bank's operations and the types of projects (re)financed via the Framework.

The assessment covers all business lines and locations across UAE, Oman, Qatar, Bahrain, Turkey, Saudi Arabia, Kuwait, Pakistan, and Kenya.

Integration of ESG guidelines into the financing process

ESG risks are integrated into the financing process through DIB's ESG Risk Policy and Credit Risk Policy's ESG addendum. DIB established an ESG Risk Scorecard as the primary tool used to identify, manage and monitor client-level and project-level ESG risk. This tool drives the assessment for wholesale business clients in Investment and Corporate banking. The tool is also accompanied by a list of questions, which are used in the financing appraisal process. For MSME clients, DIB is currently in the process of preparing a simplified ESG mapping, based on which a dedicated scorecard will be developed.

The ESG Risk scorecard is used during the underwriting process and takes the client's sector and geography into account. During the assessment, Relationship Managers of DIB collect information about the client's sustainability strategy, sustainability commitments, governance, relevant policies, information on their implementation, monitoring and reporting. The ESG Risk scorecard tool is comprised of a detailed questionnaire divided into four main areas: 1) client information, 2) environment, 3) social and 4) governance. Areas 2 to 4 deliver an individual score per area. A fifth component of the ESG Risk scorecard is ESG final score (of 1-5 from lowest to highest) assessment and manual adjustment (only possible if accompanied by specific reasoning). The financing proposal, together with the ESG Risk score, is then submitted for credit decision. The ESG Risk score alone does not have a direct consequence for the credit decision, as DIB has not yet defined an ESG risk appetite. The scorecard is meant to support aligning the portfolio with the bank's sustainability objectives. DIB's outstanding Investment and Corporate Banking portfolios have an ESG risk score. DIB's approach to ESG integration in credit decisions is currently undergoing further development considering regulatory changes.

Environmental risks assessed through DIB's ESG Risk scorecard explicitly include climate-related risks. These cover both physical climate risks (such as acute and chronic climate events affecting assets, operations, and supply chains) and transition risks (including regulatory changes, market shifts, and technological developments associated with the transition to a lower-carbon economy). Climate-related considerations are therefore

embedded within the environmental assessment and are taken into account alongside other environmental factors when evaluating client and project-level ESG risks.

The ESG risks identified as the output of the ESG Risk scorecard are used to define key ESG metrics and performance indicators for further monitoring and reporting. Additionally, the output is a factor considered for the pricing of the financing offered to the client.

DIB does not currently use an exclusion list for initial screening. Relationship Managers are responsible for identifying and analyzing ESG risk factors at both the client and transaction (project) levels and entering this information as part of the credit proposals. DIB is signatory of the UN Global Compact.

As an Islamic financial institution, DIB is also subject to the regulatory requirements imposed through the Higher Shari'ah Authority. As such, DIB has a rigorous governance structure in place to ensure Sharia compliance. DIB strictly excludes the finance of non-Sharia compliant sectors and activities, including but not limited to alcohol, adult entertainment, gambling, tobacco and interest-based loans.

Enhanced due diligence for sensitive sectors

DIB's ESG Risk scorecard was designed to capture specificities of different sections in the questions asked to the client and rating methodology. Additionally, DIB's Relationship Managers may escalate matters related to ESG risks to the sustainability department for further guidance when filling out the ESG Risk scorecard. DIB's Sustainable Finance Framework foresees financing such as high emitting industries (such as cement, iron, steel, chemicals, and plastics), forestry, agriculture and aquaculture. All sensitive sectors are part of the regular ESG Risk scorecard. As an additional layer of scrutiny, financing in these sectors may receive additional assessment by the sustainability department.

Due diligence measures for labor, health, safety, biodiversity, community dialogue

Assets are financed across DIB's operations. DIB's ESG Risk Policy and Credit Risk Policy's ESG addendum are applied as relevant. Each subsidiary of DIB group must have independent policy on ESG and climate risk that is appropriate to their jurisdiction. The policy adopted by DIB UAE acts as a guiding principle at broader level to the group entities.

Labor, health, and safety

On the topic of labor standards, the Issuer does not have a distinct policy in place but relies on the labor regulation applicable in each country. DIB's ESG Risk scorecard includes questions meant to assess whether the clients comply with the local regulations and best practices.

In terms of health and safety, on top of requiring its clients to comply with local regulation. DIB uses an internally designed questionnaire and collects any relevant written policies from clients as part of its usual due diligence process. Questions target division of responsibilities, types of systems in place (including availability of certifications such as ISO 45001 or OHSAS 18001), operational coverage of these systems, as well as statistics such as the time lost due to injury and overtime records.

Additionally, the GCC countries relevant for this Framework are in different stages regarding the ratification of ILO fundamental conventions. For the conventions that are not ratified, DIB compensates through taking its own measures as part of its due diligence process. For example, DIB requires businesses to provide data about the gender pay gap for a five-year period in locations where the ILO's Equal Remuneration Convention is not ratified (i.e., in Qatar, Kuwait and Bahrain).

Noticeably, DIB has not yet defined acceptance criteria/thresholds for these verifications. Additionally, MSMEs are not subject to the same level of scrutiny.

While strict legal requirements are assessed, additional aspects such as additional health and safety measures are assessed on a case-by-case basis (not systematically).

Biodiversity

As part of its due diligence process, DIB relies on the local regulation in the countries it operates regarding biodiversity protection. The local regulation in the relevant countries define aspects such as the endangered and critically endangered species, and measures are in place to protect them and biodiversity areas. In addition, infrastructure projects go through a centralized permitting process and in some cases an environmental impact assessment (EIA) is required. Additionally, DIB does not adhere to IFC Performance Standards and is not a member of the Equator Principles.

According to DIB, in the UAE, the projects financed will be subject to local regulations, including the Law Concerning the Protection and Development of the Environment, the National Biodiversity Strategy and the measures in the UAE National Invasive Species Strategy and Action Plan 2022 – 2026. Measures at the state level ensure that, for example, construction in areas classed as "sensitive" is not permitted.

In 2001, all GCC countries signed the Convention on the Conservation of Wildlife and their Natural Habitats in the Countries of the Gulf Cooperation Council, which defined the flora and fauna species that require protection and the animal species threatened by extinction. The countries committed to enact laws and regulations and to take measures to protect these. All GCC countries have regulations in place for environmental protection, including a definition of protected areas and of cases in which environmental impact assessments are

considered mandatory. Further measures are being taken through national plans or regulations on biodiversity in Turkey, Qatar, Oman, Kenya and Pakistan.

DIB's due diligence process goes beyond compliance with local regulation. Its ESG Risk scorecard includes questions dedicated to natural capital, which assesses clients' dependencies on natural capital as well as clients' impact on biodiversity. Official commitments made by clients and audit reports are also considered. DIB also plans to establish criteria within its ESG Risk scorecard to identify financing requests that will be subject to an EIA as part of the financing conditions.

Community dialogue

DIB considers community dialogue to be embedded in legal requirement for infrastructure project in the emirates of Dubai and Abu Dhabi, and in Oman, Qatar, Turkey, and Pakistan. DIB collects EIA documents, including assessments of impact on the affected community when this is required by law. However, it is not clear whether community dialogue is part of the scope of the EIA in other emirates within the UAE (apart from Dubai and Abu Dhabi) and in Bahrain, Saudi Arabia, Kuwait.

As part of the due diligence process, DIB officers collect any policy on local social and economic development for the communities impacted that may be available. Clients' audits are also requested and used to inform the evaluation.

Governance over ESG topics

DIB's approach for management of ESG risk is governed by the ESG Risk Policy in a manner consistent with the Enterprise-wide Risk Management Framework. The Board approved ESG Risk Policy describes the objectives, commitments and roles and responsibilities relating to the Bank's management of ESG risk and establishes the minimum requirements for the integration of ESG risk considerations into the decision-making processes across other risk types and business strategies, activities and internal operations. This policy assists DIB to managing ESG risks in a manner that is consistent with regulatory requirements, and risk appetite.

DIB conducts regular dialogue with its customers to track sustainability progress. Where material ESG risks are identified, the Bank requires time-bound mitigation plans as a condition for continued financing. The First Line of Defence undertakes risks within the assigned limits of risk exposure and are responsible for identifying, assessing and controlling risk through appropriate internal controls within their domains. The RMs & SF Commercial Team identify relevant ESG risks and eligibility to the Framework for the projects and clients. The identified ESG risks are either added as covenants to the contracts or guardrails are used to manage and mitigate project risks (e.g., more frequent reviews or 3rd Party reviews).

Any suggested sustainable finance is formally classified as sustainable finance by the Sustainable Finance Committee (SFC) which is a sub-committee to the Management Sustainability Committee (MSC). The ESG Asset Register is reported to the management and board level sustainability committees on a quarterly basis for endorsement. The board level committee is the owner of the Sustainable Finance Framework. DIB Board and the Internal Sharia Supervisory Committee (ISSC) approve the Sustainable Finance Framework and Sustainable Finance Reports.

There is no information on executive management remuneration linked to strategic ESG KPIs.

Other elements of the risk management framework

DIB confirmed it has integrated ESG aspects into the risk appetite framework and complies with regulatory requirements on factoring ESG risk within capital adequacy evaluation and stress testing.

Inclusion (non-discrimination)

DIB has a Code of Fair Treatment of Customers that promotes fair access to applicable products and services, irrespective of age, gender, ethnicity, background, identity, financial status or any other personal characteristics. Furthermore, DIB monitors its portfolio to ensure representation of various groups (e.g., by age, nationality, education, family status and gender).

However, the current nationality requirements on the financial product dedicated to affordable housing hinder achieving the financial inclusion objective.

Inclusion (access to essential services)

The Issuer states that the activities financed under the category Access to Essential Services that target the general population (i.e., vocational/professional training, healthcare, elderly care and emergency services) will be either public (with free access for vulnerable population, including non-UAE nationals) or private (with free or subsidised access for vulnerable population, including non-UAE nationals). DIB confirms that customers will be required to present evidence in this sense. Student interest free loans and adult education interest free loans will be provided by DIB at subsidized rates for vulnerable groups.

Responsible lending practices

Sales practices

For DIB UAE, the Issuer states that the reward system for sales personnel is adequate, as customer satisfaction and grievances are linked to any bonus payments to sales employees.

Monitoring is in place through marketplace surveys, customer surveys focusing on their post-sale understanding of products and services, mystery shopping and complaint monitoring. Additionally, sales personnel receive regular training on responsible sales practices, which includes transparency about products, their costs and risks. There is no information on how DIB deals with these topics in other locations covered by the assessment, but DIB confirms compliance with local regulations.

Responsible marketing

For DIB UAE, responsible marketing and sales practices are regulated through the Consumer Protection Regulation issued by the Central Bank of the UAE. As such, DIB implements the regulatory requirement through various policies procedures and internal controls.

DIB's Consumer Product and Services Development and Management Policy have guidelines in place on clear and correct pricing and no hidden costs. All charges and fees are disclosed in Key Fact Statements, Terms & Conditions, and Contracts.

Sales personnel are required to provide customers with information on product risk by providing and explaining to customers the Key Fact Statements and warning statements.

DIB confirms that its employees are required to inform customers of the reasons leading to the rejection of a financing application, in line with applicable Market Conduct Risk Management Policy requirements. The applicant is provided with a written notification of the outcome, including the reasons for rejection, except where such disclosure is restricted due to financial crime compliance considerations or as prohibited by law.

There is no information on how DIB deals with these topics in other locations covered by the assessment, but DIB confirms compliance with local regulations.

Responsible treatment of customers with debt repayment problems

For DIB UAE, the Issuer has implemented various measures to responsibly deal with customers having debt repayment problems. For retail customers, the Debt Relief Policy applies; through this policy, customers facing financial difficulties may seek support from any of the Bank's branches or through the solutions hub. For corporate clients, covenants are built in the Facility Agreement Letter to limit indebtedness.

Customers with repayment problems may seek support from any of the Bank's branches or solutions hub. Rescheduling requests are reviewed by a dedicated team, and appropriate solutions are offered in cooperation with the customer. For corporate clients, the responsible Relationship Manager maintains regular contact with the client throughout the tenure of financing and offers debt counseling when appropriate. Rescheduling solutions provided to all consumers have no increase in profit as the profit rate remains the same:

- Credit cards: the outstanding principal is converted into equal installments at zero profit rate
- Murabaha contracts: the outstanding balance including profit is rescheduled with no additional profit being charged over and above the outstanding balance
- Ijara contracts: the outstanding principal is rescheduled at the current profit rate with no increase in rate

For corporates facing cash flow issues, restructuring solutions may include reducing the profit rate or increasing the tenure, which creates better conditions for the client. Only in rare cases (e.g., when the cost of funds for DIB has increased) will the total cost of debt be higher after the debt restructuring process.

DIB confirms that all alternative options are examined before undertaking foreclosure as a last resort. Mortgage sales and foreclosure are executed through competent courts.

There is no information on how DIB deals with these topics in other locations covered by the assessment, but DIB confirms compliance with local regulations.

PART III: DIB'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Core ESG pillars	The Issuer focuses on the following ESG pillars (in the case of DIB, named as "priority areas"): ▪ Propel sustainable finance ▪ Embed ESG in decision-making ▪ Promote financial inclusion ▪ Champion business ethics and customer privacy ▪ Embrace diversity and inclusion ▪ Enhance employee well-being ▪ Drive transparency and disclosure ▪ Reduce operational environmental footprint
Definition of core ESG pillars	The ESG priority areas of the Issuer have been defined through a double materiality assessment and stakeholder engagement. They build on two areas: Lead by Example and Finance a Sustainable Future, which altogether form DIB's Sustainability Strategy.
ESG targets and timeline	To achieve its ESG commitments, the Issuer has set the following targets and timeline:[63] Goals for 2026-2029 ▪ Grow climate-related financial risk capability ▪ Develop portfolio decarbonization roadmap ▪ Reduce emissions in own operations and supply chain ▪ Grow Sustainable Asset Register ▪ Continue to expand sustainable products and services for consumers and corporate clients ▪ Enhance environmental and social due diligence, and engage clients in climate risk mitigation and transition planning ▪ Launch products and services for historically under-represented and vulnerable segments Commitments for 2030 ▪ Net Zero Scope 1 and 2 emissions in own operations

[63] Sustainability Report, Dubai Islamic Bank, 2024, page 53, available here.

TOPIC	ISSUER APPROACH
	▪ 15% of group gross financing as Sustainable Finance
SBTi Targets	The Issuer has not set any SBTi targets.
Financial budget to achieve the ESG targets (CapEx, OpEx, Product Mix)	There is no information available on the Issuer's financial budget to achieve its ESG targets.
Association/ Collective commitments	The Issuer is a member of/signatory to: ▪ United Nations Global Compact (UN GC) since 2024
Sustainability reporting	The Issuer reports on its ESG performance and initiatives annually. The report is prepared in line with the Global Reporting Initiative (GRI) Standards. The report is available on the Issuer's website.
Previously issued sustainable/sustainability-linked issuances or transactions and publication of sustainable financing frameworks	The Issuer previously issued sustainable Sukuk issuances (USD 2.75B) and published a sustainable financing framework verified by ISS-Corporate. DIB has also issued a Sustainability-Linked Finance Facilities financing Sukuk (USD 1.00B) and the respective framework was verified by ISS-Corporate.

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate is a leading provider of robust SaaS and expert advisory services to companies, globally. ISS-Corporate's data-driven, research-backed Compass platform helps empower businesses to understand and shape the signals they send to institutional investors, regulators, lenders, and other key stakeholders. By delivering essential data, tools, and advisory services, ISS-Corporate can help businesses around the world to be more resilient, align with market demands, and proactively manage governance, compensation, sustainability, and cyber risk initiatives. ISS Corporate Solutions, Inc. ("ISS-Corporate") is a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS") and part of the ISS STOXX GmbH group of companies. This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of ISS-Corporate or its affiliates. The Information may not be reproduced or disseminated in whole or in part without prior written permission of ISS-Corporate. ISS-Corporate MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION. ISS-Corporate provides advisory services, analytical tools and publications to companies to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance practices. The ISS STOXX Governance and Sustainability research teams, which are separate from ISS-Corporate, will not give preferential treatment to, and are under no obligation to support, any proxy proposal of a corporate issuer nor provide a favorable rating, assessment, and/or any other favorable results to a corporate issuer (whether or not that corporate issuer has purchased products or services from ISS-Corporate). No statement from an employee of ISS-Corporate should be construed as a guarantee that ISS STOXX will recommend that its clients vote in favor of any particular proxy proposal or provide a favorable rating, assessment or other favorable result.
3. Second Party Opinion are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these Second Party Opinion, or any information provided therein. If the Second Party Opinion is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Second Party Opinion is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.

5. This Second Party Opinion, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the Second Party Opinion wholly or in part, the distribution of the Second Party Opinion, either free of charge or against payment, or the exploitation of this Second Party Opinion in any other conceivable manner.

ANNEX: QUALITY MANAGEMENT PROCESSES

SCOPE

Dubai Islamic Bank commissioned ISS-Corporate to compile a green, social, and sustainability sukuk SPO. The second-party opinion process includes verifying whether the Sustainable Finance Framework aligns with the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and Guidelines on Green, Social, and Sustainability Sukuk and assessing the sustainability credentials of its green, social, and sustainability sukuk, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)
- Green Loan Principles (GLP), as administered by the Loan Market Association (LMA) (as of March 2025)
- Social Bond Principles (SBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)
- Social Loan Principles (SLP), as administered by the Loan Market Association (LMA (as of March 2025)
- Sustainability Bond Guidance (SBG), as administered by the International Capital Market Association (ICMA) (as of June 2021)
- Guidance on Green, Social and Sustainability Sukuk, as administered by the International Capital Market Association (ICMA), Islamic Development Bank (IsDB), and the London Stock Exchange Group (LSEG) (as of April 2024)

ISSUER'S RESPONSIBILITY

DIB's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risk management at the asset level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS STOXX, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green, social, and sustainability sukuk to be issued by Dubai Islamic Bank has been conducted based on proprietary methodology and in line with the ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and Guidelines on Green, Social, and Sustainability Sukuk.

The engagement with Dubai Islamic Bank took place from February to May 2026.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS STOXX Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS STOXX.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's website to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

Project team

Project lead

Ilaria Vigo
Associate Vice President
Sustainable Finance Research

Project support

Margherita Goetze-von Heyking
Analyst
Sustainable Finance Research

Project support

Justin Chow
Associate
Sustainable Finance Research

Project support

Vittoria Favaloro
Associate
Sustainable Finance Research

Project support

Julia Samaras
Sr. Associate
Sustainable Finance Research

Project supervision

Adams Wong
Vice President
Head of Sustainable Finance Research