












بنك دبي الإسلامي
Dubai Islamic Bank

SUSTAINABLE FINANCE REPORT 2024



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	DIB Board
	Limited Assurance by KPMG
	Second Party Opinion by ISS-Corporate
	External Advisory by Carbon Trust



About the Report

The 2024 Sustainability Finance Report is our second such report. It outlines Dubai Islamic Bank's (DIB's) sustainable finance commitments, allocation for use-of-proceeds financing, and impact performance for both general and use-of-proceeds financing.

This report provides progress on sustainable finance activities undertaken by DIB, its Sustainable Sukuk allocation, use of proceeds, impacts and their calculation methodology for the allocation amounts as of September 30, 2024 (with a three-year look-back period).

DIB's Sustainable Finance categories referred to in this report are formulated based on DIB's Sustainable Finance Framework published in 2022 and comply with the International Capital Market Association (ICMA) and Loan Market Association (LMA) Principles¹.

ISS Corporate has provided a Second Party Opinion for DIB's Sustainable Finance Framework published in 2022. Further, DIB has updated its Sustainable Finance Framework in 2024, which will be effective for the reporting year 2025.

DIB holds the responsibility for the preparation of this report, as well as its supporting information and the reporting criteria in accordance with the Sustainable Finance Framework.

An Independent third-party limited assurance for the allocation and use-of-proceeds has been provided by KPMG and available in the end of this report.

¹ International Capital Market Association (ICMA) Green Bond Principles ("GBPs") 2021, Social Bond Principles (SBPs) 2021 and Sustainability Bond Guidelines (SBGs) 2021; and/or the Loan Market Association (LMA) Green Loan Principles (GLPs) 2021 and Social Loan Principles (SLPs) 2021.

Executive Summary

The reporting period from September 1, 2023 to September 30, 2024 has been highly successful for DIB from both financial and sustainability perspectives. Our total income grew by 17% year-over-year (YoY) to AED 17 billion, and our balance sheet increased by 4.7% year-to-date (YTD) to reach AED 329 billion. Simultaneously, we have made significant strides in sustainable finance.

First, DIB has continued to issue sustainable sukuk. In March 2024, we issued our third sustainable sukuk worth USD 1 billion, marking the largest sustainable sukuk issuance by a Middle Eastern financial institution in nearly a year. As of September 30, 2024, DIB has outstanding sustainable sukuk valued at USD 2.75 billion. Our latest issuance aligns with our COP28 commitments, where the largest UAE banks pledged AED 1 trillion for sustainable finance.

Second, DIB is committed to having 15% of its portfolio in sustainable finance by 2030. To achieve this, we have robustly built our ESG expertise. In September 2023, we appointed our first Chief Sustainability Officer, and since then, the Sustainability team has expanded to include a dedicated sustainable finance team. The active development and implementation of sustainable finance and corporate sustainability policies and making DIB's portfolio more sustainable are key focus areas driving us towards our commitments.

Further, during the reporting period, our Sustainable Finance Framework was revised and supporting Sustainable Finance Governance was designed to align with leading market standards. On the retail product side, the EVOLVE initiative for electric and hybrid car financing, launched in 2022, has continued its success with more than 5,000 new customers. DIB also launched NEST, a dedicated product for sustainable home financing. For corporate clients, DIB actively seeks eligible green and social assets while providing sustainability-linked finance. We are also proud to report a USD 3.25 billion Sustainability-Linked Financing transaction for GEMS Education, with DIB as the main financier. Additionally, DIB has facilitated sustainable issuances worth USD 2 billion for our clients between 2021 and 2024.

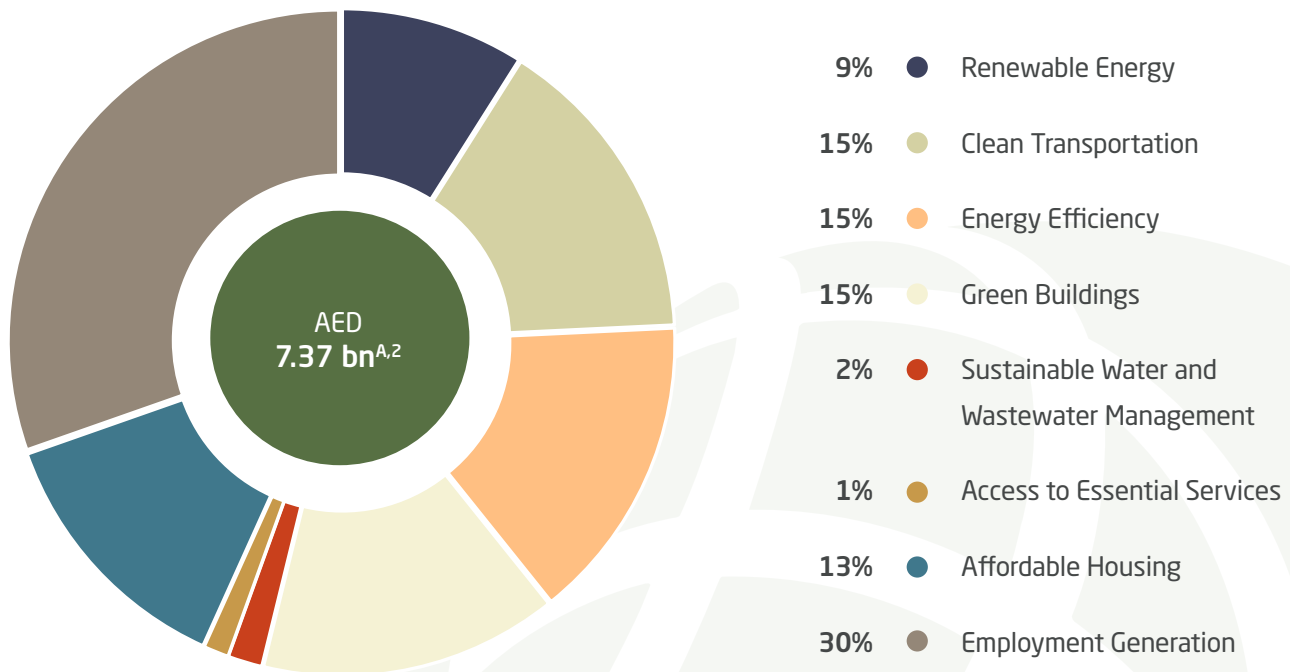
DIB's Sustainable Asset Register represents assets worth AED 7.37 billion as of September 30, 2024. The first two sustainable sukuk are fully allocated, and for the third, the allocation is 26%. The four largest eligible categories—Employment Generation, Clean Transportation, Energy Efficiency, and Green Buildings—represent approximately 75% of our assets. Monitoring of the sustainable asset register is a standard agenda item for the Management Sustainability Committee and the Board Sustainability Committee meetings.

Among the broader ESG highlights of the reporting year are our ESG scores across four rating agencies: DIB's MSCI rating increased from BBB to A, Refinitiv rating improved from 32 to 61 (+92%), Sustainalytics risk rating shifted from High to Medium (+19%), and S&P rating rose from 24 to 27 (+11%).

With these achievements, DIB is well-prepared to achieve even greater success in 2025.

Impact and Allocation Highlights

DIB issued its third Sustainable Sukuk this year worth USD 1 bn / AED 3.67 bn, taking the total Issuance to date to USD 2.75 bn / AED 10.10 bn



Total Financed Emissions Avoided: 96,135 tCO₂e

Contribution to SDGs



A Limited assurance provided by KPMG covers the reporting of items marked with the symbol 'A' and relates to the Allocation of the Sustainable Sukuk proceeds as of September 30, 2024.

2 Eligible assets for all DIB Sustainable Sukuk Issuances, considering the three-year look-back period, stand at AED 7.37 billion.

USD 2.75bn (AED 10.10bn)	Sustainable Sukuk Issued
USD 2.01bn (AED 7.37bn)	Eligible Sustainable Asset Portfolio
Eligible Sustainable Asset Portfolio allocated	
100%	1 st Sustainable Sukuk USD 0.75bn
100%	2 nd Sustainable Sukuk USD 1bn
26%	3 rd Sustainable Sukuk USD 1bn
73%	Average - Eligible Sustainable Asset Portfolio allocated
Share of Green and Social Assets	
56%	Green Asset Portfolio
44%	Social Asset Portfolio

Introduction to DIB and our Sustainable Finance developments

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

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

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

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

The eight Priority Areas with respective objectives are: Embrace Diversity & Inclusion, Enhance Employee Wellbeing, Drive Transparency & Disclosure, Reduce Operational Environmental Footprint, Champion Business Ethics and Customer Privacy, Propel Sustainable Finance, Promote Financial Inclusion, and Embed ESG in Decision Making. Read more from our Sustainability Report (available on [DIB website](#)).

DIB's commitments:

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

As a leading Islamic bank, DIB builds its sustainable finance practices on national and international objectives and frameworks. The UAE Net Zero 2050 strategic initiative aligns with the Paris Agreement, which calls on countries to prepare long-term strategies to reduce greenhouse gas (GHG) emissions and limit the rise in global temperature to 1.5 °C. The UAE has set an ambitious target of reaching net-zero emissions by 2050 and is actively leading the transition to a sustainable future.

DIB acknowledges the UAE's ambitious commitments and the urgency to build a strong foundation for achieving environmental, social, and economic progress. We actively work towards a sustainable future.

Following the introduction of our inaugural Sustainable Finance Framework in the second half of 2022 and the first Sustainable Sukuk issuance in Q4 2022, we extended our focus to establishing a comprehensive sustainability strategy, which was approved by the Board in 2023.

In December 2023, DIB participated at COP28 hosted in our home city of Dubai as an Associate Pathway Partner, demonstrating our commitment to eco-conscious initiatives and sustainable financial solutions. DIB had a presence in the Green Zone's Climate Finance Hub at the event. Following our attendance at COP28, we have set the target of 15% sustainable finance in our portfolio and have continued embedding sustainability into our business strategy and design of sustainable solutions to meet our customers' needs.

To further strengthen our efforts, and to guide and oversee the implementation of our strategy and progress against our sustainability ambitions, we established a dedicated Board Sustainability Committee and Management Sustainability Committee in 2023.

DIB's Sustainable Finance Framework

DIB uses this Framework as the basis to issue Green, Social or Sustainability Sukuk and other financing instruments. The Sustainable Financing Instruments will fund Eligible Sustainable Projects that conform to below:

- the International Capital Market Association Green Bond Principles (GBPs) 2021, Social Bond Principles (SBPs) 2021 and Sustainability Bond Guidelines 2021
- the Loan Market Association Green Loan Principles (GLPs) 2021 and Social Loan Principles (SLPs) 2021

In aligning with the above principles and guidelines, the Bank's Sustainable Finance Framework is presented through the core components of the GBPs, SBPs, SBGs, GLPs and SLPs:

1	Use of proceeds
2	Proceed for project evaluation and selection
3	Management of proceeds
4	Reporting
5	External Review

Use of Proceeds

Dubai Islamic Bank will allocate an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under this Framework to finance and/or re-finance, in whole or in part, sustainable projects which meet the eligibility criteria of the following Eligible Green and/or Social Project categories ("Eligible Sustainable Projects"), as defined as below:



Category	Eligibility criteria	SDGs
Renewable Energy	Projects related to the production, transmission and storage of energy from renewable sources	
Energy Efficiency	Projects that reduce energy consumption by at least 20% compared to the average of national energy consumption of an equivalent project	
Clean Transportation	Financing related to electric and low carbon vehicles and associated infrastructure for public, passenger and freight transportation	
Green Buildings	Projects related to acquisition, development, construction and refurbishment of buildings that belong to the top 15% in terms of energy efficiency of their local market or have received, or expect to receive certification according to third-party verified green building standards	
Pollution Prevention and Control	Projects related to construction, upgrades and renovation of facilities for collection, sorting, processing and conversion and treatment of waste	
Sustainable Water and Wastewater Management	Projects related to construction, operation, maintenance, of water collection, recycling, transportation and treatment technologies. Projects that increase water-use efficiency by at least 20%, and water desalination using reverse osmosis technology	
Employment Generation	Financing and/or refinancing to SMEs and microfinance clients, as well as the provision of support measures to these clients such as offering extension of payment periods during natural disasters and pandemics Target population: SMEs, women-owned businesses, SMEs whose economic activities have been affected by pandemics and natural disasters	
Affordable Housing	Financing and/or refinancing of government-supported or government-subsidized mortgages for the provision of affordable housing as well as projects related to the homes covered under such programmes Target population: Populations meeting the criteria for government-supported affordable housing mortgage financing schemes	
Access to Essential Services	Projects related to the construction or expansion of public hospitals and schools for the provision of not-for-profit, free or subsidised healthcare and education Target population: General population, including populations that lack quality access to essential healthcare and education services	

Process for Project Evaluation and Selection

Qualification of projects for Eligibility under the DIB Sustainable Finance Framework follows the client and transaction (project) level ESG risk assessment. In 2024, DIB has taken the first steps to use an ESG scorecard for this purpose.

The overall aim of the Project Evaluation and Selection Process is to ensure that the proceeds of any DIB Sustainable Financing Instrument are allocated to finance or refinance Eligible Sustainable Projects that meet the criteria and objectives set for Use of Proceeds.

The Project Evaluation and Selection Process of the reporting period has followed a systematic but informal process:

- Identification, Screening & Analysis
- Presentation & Approval
- Sustainable Asset Register
- Internal Reporting, and
- External Reporting & Assurance

During the reporting period, DIB developed its ESG governance and took steps to establish a dedicated Sustainable Finance Committee (SFC) the role of which will be to formally approve Green and Social assets, as well as Sustainability-Linked Finance. The SFC will report to the Management Sustainability Committee.

Management of Proceeds

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

The Sustainable Asset Register includes relevant information that enables DIB to closely monitor:

- Allocation of proceeds (e.g. list of Eligible Sustainable Projects per eligible category, amount allocated, etc., as well as information on the amount of unallocated proceeds).
- Sustainable Financing Instrument (e.g. type, name, ISIN, maturity).

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



Reporting

DIB will publish an allocation report and an impact report on its Eligible Sustainable Projects at least annually, or more frequently if required by regulators. This reporting will be updated periodically until the full allocation of the net proceeds from any issued Sustainable Financing Instrument, or until the Sustainable Financing Instrument is no longer outstanding.

External Review

Second Party Opinion

ISS ESG has assessed DIB's Sustainable Finance Framework published in 2022 and its alignment with the latest versions of GBPs, SBPs, SBGs, GLPs and SLPs and has issued a Second Party Opinion (SPO) accordingly. The SPO is publicly available on the Bank's official website.

Post Issuance External Verification

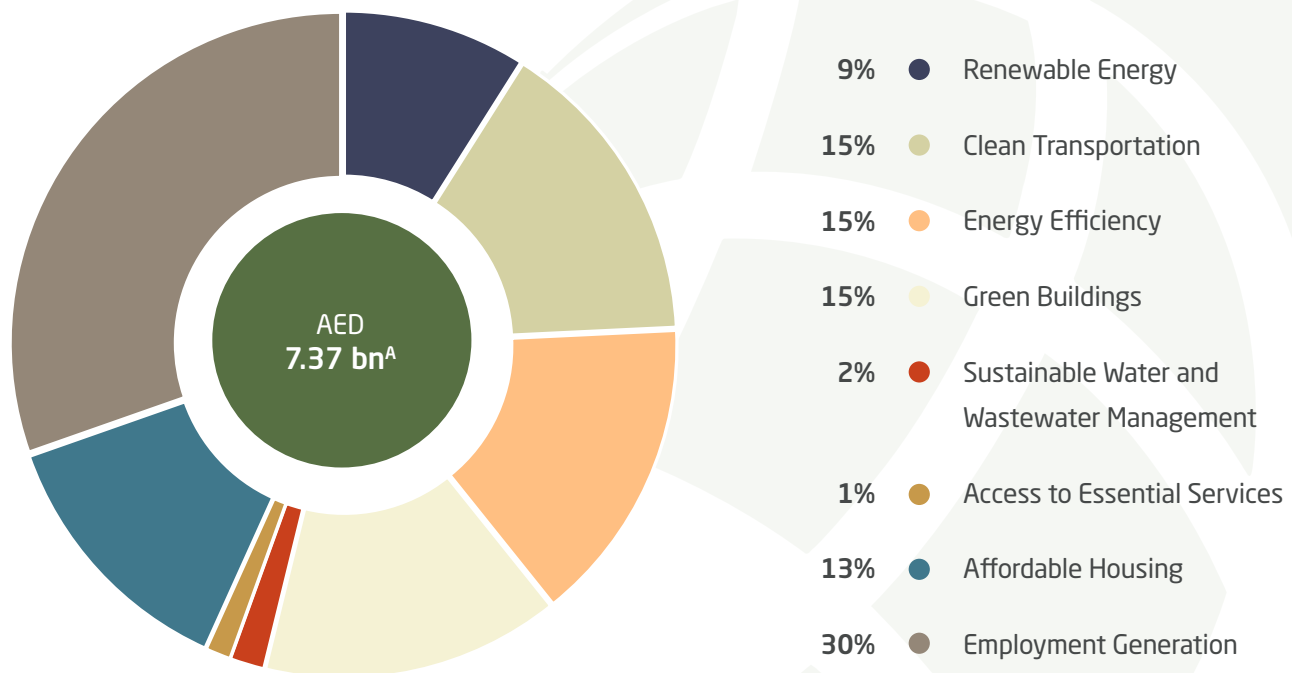
The limited assurance statement on allocation and use of proceeds by KPMG is in the end of this report.

Allocation Report

Sustainable Sukuk Issuances

Issuer	Dubai Islamic Bank		
Pricing Date	26-Feb-2024	09-Feb-2023	22-Nov-2022
Issuance Date	04-Mar-2024	16-Feb-2023	30-Nov-2022
Rank	Senior Unsecured	Senior Unsecured	Senior Unsecured
Net Proceeds (USDm)	1,000	1,000	750
Coupon	5.243	4.800	5.493
Tenure	5 yr	5.5 yr	5 yr
ISIN	XS2749764382	XS2579950200	XS2553243655

Eligible Asset Portfolio as of September 30, 2024³



³ Eligible assets for all DIB Sustainable Sukuk Issuances, considering the three-year look-back period, stand at AED 7.37 billion.

^A Limited assurance provided by KPMG covers the reporting of items marked with the symbol 'A' and relates to the Allocation of the Sustainable Sukuk proceeds as of September 30, 2024.



Eligible Green Asset Portfolio as of September 30, 2024

ESG Category	ESG Sub-Category	Funded (m AED)	Funded (m USD)	% of Total Assets
GREEN	Renewable Energy	661	180	9%
	Clean Transportation	1,124	306	15%
	Energy Efficiency	1,105	301	15%
	Green Buildings	1,074	292	15%
	Sustainable Water and Wastewater Management	124	34	2%
Total		4,089	1,113	56%

Eligible Social Asset Portfolio as of September 30, 2024

ESG Category	ESG Sub-Category	Funded (m AED)	Funded (m USD)	% of Total Assets
SOCIAL	Access to Essential Services	91	25	1%
	Affordable Housing	948	258	13%
	Employment Generation	2,237	609	30%
Total		3,277	892	44%

(1 USD = 3.673 AED)

Impact Report

DIB is continuously working towards expanding and strengthening its sustainable finance practices and actively tracks the impact it makes by avoiding emissions through its finance.

DIB has engaged The Carbon Trust to assess and estimate the impacts achieved by Eligible Green categories, covering Renewable Energy, Energy Efficiency, Clean Transportation, Green Buildings, and Sustainable Water and Wastewater Management. The estimated impacts of the Eligible Social categories, covering Employment Generation, Affordable Housing, and Access to Essential Services have been prepared by DIB. All impact figures have been internally reviewed by the departments involved, and the Management Sustainability Committee, the Board Sustainability Committee and the Board have approved this report for publication.

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

PCAF's The Global GHG Accounting and Reporting Standard for the Financial Industry (November 2020), Chapter 5.3 Project Finance ⁴ ,
ICMA Harmonised Framework for Impact Reporting (2023) ⁵ ,
Climate Bonds Standard V3.0 ⁶ ,
IFI GHG Accounting for Grid Connected Renewable Energy Projects (July 2019),
Green Loan Principles (Feb 2021),
Green Bond Principles, Voluntary Process Guidelines for Issuing Green Bonds (2021),
Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and,
WBCSD Guidance on Avoided Emissions ⁷

DIB follows the key recommendations outlined in the principles, with external reviewers present across their reporting process. In addition, DIB is committed to reporting greenhouse gas emissions in accordance with the five principles contained within the Greenhouse Gas Protocol, namely relevance, completeness consistency, transparency, and accuracy. DIB further commits to transparent disclosure of any assumptions and estimations used in the calculation of its reporting framework.

⁴ The Global GHG Accounting and Reporting Standard for the Financial Industry (Dec 2022)

⁵ Handbook Harmonised framework for Impact Reporting (June 2023)

⁶ Climate Bonds Standard V3.0 | Climate Bonds Initiative

⁷ WBCSD Guidance on Avoided Emissions (Mar 2023)

Impacts of Eligible Green Asset Portfolio by Category

Renewable Energy


The UAE currently relies on fossil fuels for most of its electricity supply. In 2022, thermal power accounted for 81.8% of its total electricity generation⁸. To counter this, and in line with the UAE's Energy Strategy 2050, the UAE aims to increase the contribution of clean energy in the total energy mix to 30% by 2031, and to an overall 44% by 2050, to ensure the country is on track to achieve its climate change mitigation goals.⁹

More investment into Renewable Energy for UAE will not only be accompanied by job creation and upskilling of existing workers, but a study by IRENA found that modern renewable sectors were comprised of 35% women, far higher than the energy sector average.¹⁰

Solar PV and Concentrated Solar Impact

According to the UAE 2050 Energy Goals, the UAE will aim to triple its renewable energy by 2030 to achieve net zero in domestic carbon emissions by 2050. The UAE has three of the world's largest solar plants and continues to build more.¹¹

DIB has financed three sub-projects consisting of: Concentrated Solar Tower, Parabolic trough plants with molten salt storage and Solar PV that were fully operational at the end of 2023 with a combined capacity of 950 MWe.

Number of Projects	Relevant Project Location	Allocation Amount (m AED)	Capacity of Renewable Energy Plant(s) MWe	Total Attributed Production (MWh)	Total Attributed Avoided Emissions (tCO ₂ e)	SDGs
3	Dubai	661	950	87,762	48,795	

⁸ United Arab Emirates - Countries & Regions - IEA

⁹ United Arab Emirates - UAE Energy Strategy 2050

¹⁰ Renewable energy benefits: Understanding the socio-economics (irena.org)

¹¹ UAE Energy Diversification | UAE Embassy in Washington, DC (uae-embassy.org)

Energy Efficiency

Dubai's rapid infrastructure development has seen a significant growth of energy demand to match. This is in line with the UAE Green Economy Initiative, UAE Integrated Strategy 2030 and the UAE 2050 Energy goals, led to a scale-up of renewable energy and energy efficiency measures, to satisfy the demand in a sustainable way, while maintaining energy security.¹²


Energy Efficiency improvements will also provide societal improvements across the UAE by reducing utility costs. With a mean temperature of 28.93 degrees and reaching 49.4 degrees during peaks in 2024,¹³ cooling is a necessity to ensure health and wellbeing. As such, DIB's investments will enable improved access to thermal societal comfort and reduce associated health risks.

District Cooling Impact

Cooling remains a major source of energy consumption across the MENA region, including Dubai. Therefore, a key part of the strategies developed for climate action, particularly for raising energy efficiency in the region, is the greater incorporation of district cooling projects.¹⁴

District cooling has significant potential to increase the energy efficiency of urban areas in the UAE. Currently, the peak electricity load of cooling in buildings represents about 70% for the Gulf Cooperation Council (GCC).¹⁵

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

Number of Projects	Relevant Project Locations	Allocation Amount (m AED)	Total Attributed Energy Savings (MWh)	Total Attributed Avoided Emissions (tCO ₂ e)	SDGs
4	Dubai	1,105	19,172	23,979	

¹² [2014-State-of-Energy-Report-English.pdf](#)

¹³ [UAE records hottest day of the year \(whatson.ae\)](#)

¹⁴ [Cooling in Dubai: A Market Share and Efficiency Study | RSB](#)

¹⁵ [Dubai, the sustainable, smart city | Renewable Energy and Environment Sustainability \(rees-journal.org\)](#)

Clean Transportation

The transport sector is a significant contributor to emissions in the UAE and a key target for decarbonisation efforts. In 2023, transport-related emissions were reported at 43.37 million tCO₂e, marking an increase of over 1 million tCO₂e compared to 2022.¹⁶ To support this, the updated Energy Strategy 2050 includes targets of reaching 691,000 EVs and hybrid vehicles by 2030.¹⁷ Dubai, as part of its Green Mobility Strategy 2030, also aims to achieve over 42,000 EVs on the roads, with a mandate that 30% of public sector vehicles and 10% of all vehicle sales are to be electric and hybrid by 2030.¹⁸

Over the last few years, there has been a significant increase in the uptake of EVs, due to the respective initiatives introduced by the UAE and Dubai. Demand for EVs is expected to see a 30% compound annual growth rate between 2022 and 2028.¹⁹

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

Battery Electric Vehicles Impact

DIB, for the reporting period from September 1, 2023 to September 30, 2024, has financed a total of 4,891²⁰ EVs. However, the total number of eligible vehicles, considering the three-year look-back period, is 7,914²¹. While DIB has also financed hybrid vehicles, these have been excluded from the impact assessment.

¹⁶ CEIC data - United Arab Emirates Total CO₂ Emissions

¹⁷ UAE Energy Strategy 2050 | The Official Portal of the UAE Government


¹⁸ Dubai's green mobility ambitions shift into high gear (mediaoffice.ae)

¹⁹ United Arab Emirates Electric Vehicle Market (trade.gov)

²⁰ A small portion of the portfolio (6 contracts, <0.1% of total portfolio) were not included in the impact calculations due to data limitations.

²¹ A small portion of the portfolio (6 contracts, <0.1% of total portfolio) were not included in the impact calculations due to data limitations.

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

Number of Projects	Allocation amount (m AED)	Total BEV Attributed Avoided Emissions (tCO ₂ e)	BEV Avoided Emissions per km (gCO ₂ e/km)	SDGs
7,908 ²²	1,123	23,361	199	

Green Buildings

In 2021, electricity and heat emissions, coupled with the construction and manufacturing sector accounted for 66.6% of the UAE's total emissions (73.22 MtCO₂e of electricity and heat emissions; construction and manufacturing sector which accounted for 70.74 MtCO₂e).²³

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

To further encourage the adoption of green buildings, there has been a myriad of sustainable/green building initiatives introduced by the UAE, such as the Estidama Pearl Rating System in Abu Dhabi and the Green Building Regulations and Specifications in Dubai.²⁴

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

²² Only 7,908 contracts were included in the impact calculations. A small portion of the portfolio (6 contracts, <0.1% of the total portfolio) was not included due to data limitations.


²³ [United Arab Emirates: CO₂ Country Profile - Our World in Data](#)

²⁴ [Green Building Sector in the UAE: Perspectives | EcoMENA](#)

Green Building Impact

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

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

Number of Projects	Location	Allocation Amount (m AED)	Level of Certification Achieved	Total Attributed Energy Savings (MWh)	Total Attributed Avoided Emissions (tCO ₂ e)	SDGs
1 ²⁵	UAE	14	LEED PLATINUM	30	12	

Sustainable Water and Wastewater Management

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

In light of this, the UAE has launched the Water Security Strategy 2036, aiming to ensure sustainable access to water under both normal and emergency conditions. The strategic objectives include reducing total water demand by 21%, enhancing the reuse of treated water to 95%, and increasing water storage capacity to safeguard against future water risks.²⁶ The plan also emphasises improving the water productivity index, reflecting the nation's commitment to balancing development needs with environmental sustainability.

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


²⁵ 3 projects were not included in the impact calculations due to data limitations.

²⁶ [The UAE Water Security Strategy 2036](#)

Desalination Impact

Desalination plays a key role in the UAE's water strategy, with currently 42% of its potable water supply coming from the thermal desalination of seawater.²⁷ However, the desalination process is highly-energy intensive. To address these concerns, the UAE is pushing for more energy-efficient and environmentally friendly technologies, such as solar-powered and reverse osmosis desalination plants as part of its broader Water Security Strategy 2036.


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

Number of Projects	Number of Operational Projects	Allocation Amount (m AED)	Expected Attributed Annual Water Treated (m3)	Expected Energy Reduced per m3 (kWh/ m3)	SDGs
1	0	124	15,941,129.4	15	

Impacts of Eligible Social Asset Portfolio by Category

Affordable Housing

DIB's assumed impact on the development or acquisition of new housing units is calculated by multiplying the number of new affordable housing projects developed by an assumed 5 individuals. Based on 2022 census data, there are an average of 5.0 inhabitants per household in the UAE.²⁸

Project type	Location	Allocated amount (m AED)	# Housing units constructed/ financed	# Individuals and families benefitting from subsidized housing	SDGs
Subsidized Mortgages	UAE	948	1,210	6,050 ²⁹	


²⁷ Aqanomics - the Economics of Water Risk and Future Resilience, p. 24

²⁸ Age Specific Fertility Rates, Total and General Fertility Rates by Nationality - Emirate of Dubai (2019)

²⁹ Assumed 5 individuals per dwelling - 2 parents plus average 3 children. Age Specific Fertility Rates, Total and General Fertility Rates by Nationality - Emirates of Dubai (2019)


Employment Generation

The allocation to the employment generation category comprises general corporate purposes facilities issued to SMEs. The methodology assumes that the facilities provided from the proceeds of the sukuk allows the SMEs to make investments which lead to higher levels of employment.

Project type	Location	Allocated amount (m AED)	# SMEs financed	SDGs
SMEs	UAE	2,237	812	

Access to Essential Services

DIB has allocated 91 m AED in funding to a fire safety product producer.

Project type	Location	Allocated amount (m AED)	SDGs
Essential Public Services	UAE	91	

Case Studies

ACWA building world's largest Renewable Energy Plant in Dubai³⁰



Dubai Islamic Bank (DIB) has disbursed a USD 180 million equity bridge facility towards the Noor Energy 1 Solar Project. This funding will support the implementation of a 950 MW hybrid solar project as part of the 4th phase of the Mohammed bin Rashid Solar Park.

The state-of-the-art project includes a 700 MW Concentrated Solar Power (CSP) plant and a 250 MW Photovoltaic (PV) plant. It will be the largest single-site concentrated solar power plant in the world. The technology used is unparalleled, featuring a combination of the world's largest solar tower at 260 meters (100 MW), parabolic trough CSP technologies to collect energy from the sun (600 MW, split into three units of 200 MW each), and bifacial photovoltaic panels (250 MW).

³⁰ This has been confirmed in discussion with ACWA.



The project is expected to be completed by December 2030. Upon completion, it will support the Dubai Clean Energy Strategy 2050, to increase the share of clean energy in Dubai to 25% by 2030 and saving 2.4 million tons of CO₂ annually. Additionally, the project will deliver electricity at a levelized tariff of USD 7.30 cents per kilowatt-hour, a cost level that competes with fossil fuel-generated electricity without subsidies, providing reliable and dispatchable clean energy day and night using a Thermal Energy Storage system.

Key Highlights:

- USD 180 million equity bridge facility by DIB for a 950 MW hybrid solar project (700 MW CSP and 250 MW PV).
- World's largest solar tower at 260 meters with parabolic trough CSP technologies and bifacial photovoltaic panels.
- Aims to support the Dubai Clean Energy Strategy 2050, seeking to increase the clean energy share to 25% in Dubai by 2030, alongside saving 2.4 million tons of CO₂ annually.
- Levelized tariff of USD 7.30 cents per kilowatt-hour, competing with fossil fuel-generated electricity without subsidies.

NAFFCO working towards a Safer Future³¹



National Fire Fighting Manufacturing FZCO (NAFFCO), established in the UAE in 1991, is a prominent Middle East-based provider of fire protection and life safety solutions. With a team of over 15,000 dedicated employees from around the world, including 2,500 passionate engineers and more than 10.5 million square feet of manufacturing facilities, NAFFCO offers fire safety and security systems to various market sectors, including residential & commercial buildings, airports & aviation, healthcare & education, hospitality, oil & gas, etc. in over 100 countries.

NAFFCO has consistently strived to uphold the highest standards of product safety and quality. Recognized by the Dubai Quality Appreciation Program in 2008, the company has cemented its status as a renowned leader in fire protection solutions. NAFFCO continuously upgrades its processes to qualify for global certifications, ensuring worldwide acceptance of its product range. The company's manufacturing and production are approved by the British Standard Institution, the National Fire Protection Association, the National Safety Council, the American Fire Sprinkler Association, and the Fire Extinguishing Trades Association. NAFFCO is an ISO 9001, ISO 14001, and ISO 45001 certified manufacturer, guaranteeing the

³¹ This has been confirmed in discussion with NAFFCO.



highest standards of Quality, Occupational Health, Safety, and Environmental Management Systems, as evident from its wide product acceptability and leading market position.

With its "Passion to Protect" motto, NAFFCO is creating a significant social impact on the communities it serves. This year alone, the company has manufactured around 1 million fire and safety equipment, contributing to safer and better living experiences for millions of people globally.

In addition to the Social Impact of its core products, NAFFCO is going Green with its recently launched Green Policy under which it is committed to:

- Reducing CO₂ emissions by implementing effective management programs.
- Conserving natural resources by reducing energy and water consumption.
- Preventing pollution.
- Complying with ISO 14001 and other relevant industry standards.
- Identifying and addressing potential environmental impacts from its operations through comprehensive environmental impact assessments.

Methodology

Avoided Emissions

Avoided emissions form a core component of DIB's impact assessment. Measuring them provides insight into the wider positive impact in the form of GHG emissions avoided as a result of the sustainable solutions deployed by DIB, in comparison to a baseline reference scenario. As a subsection of avoided emissions, DIB's assessment will also consider the enablement provided by these solutions and whether they allow for the same or similar functions to be performed with significantly less GHG emissions. By offering these sustainable solutions, DIB enables avoided emissions beyond its immediate value chain. Avoided emissions, along with the entire impact assessment, will be calculated on a year-by-year basis to track DIB's progress and contributions towards sustainability goals.

At the core of DIB's avoided emissions assessment is the reference scenario. This reference scenario establishes the context of the deployed proceeds and identifies what is directly replaced or reduced as a result of DIB's financing activities. The reference scenario must be a credible counterfactual reflecting the reality of the region. For all avoided emissions calculations, the reference scenario is detailed in each relevant section.

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

Financed Emissions and Attribution

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

$$\text{Financed Emissions} = \text{Attribution Factor} \times \text{Project Emissions}$$

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

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

$$\text{Attribution Factor} = \frac{\text{(DIB Outstanding Investment Amount)}}{\text{(Total Project Value)}}$$



Independent Limited Assurance Report



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Independent Practitioner's Limited Assurance Report

Independent Practitioner's Limited Assurance Report to the Board of Directors of Dubai Islamic Bank Public Joint Stock Company over the Subject Matter Information

Conclusion

We have performed a limited assurance engagement on whether Dubai Islamic Bank Public Joint Stock Company's ("DIB") Subject Matter Information ("SMI") detailed below as at 30 September 2024, has been prepared in accordance with the DIB's Sustainable Finance Framework, July 2022 (the "Applicable Criteria") as set out below.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the DIB's SMI, as at 30 September 2024 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB)*. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA). Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB*. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Subject Matter Information ("SMI")

Subject Matter Information ("SMI") for our limited assurance engagement is presented on page 12 of the "Sustainable Finance Report 2024" (the "Allocation Report") and is available at <https://www.dib.ae/sustainability>. It is identified by the symbol (A) and indicates that AED 7.37 billion of the proceeds from Sustainable Sukuk were allocated to Eligible Green and Social Asset Portfolio as at 30 September 2024.



Applicable Criteria

The Applicable Criteria for this limited assurance engagement is outlined in DIB Sustainable Finance Framework, July 2022 (the "Framework") and is available at <https://www.dib.ae/docs/default-source/disclosures/dib-sustainable-finance-framework-2022.pdf>.

Other Information

Management is responsible for the other information. The other information comprises of all the information in the Allocation Report, other than the Subject Matter Information and our assurance report ("other information"). Our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. We have not performed any procedures with respect to the Other Information.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than DIB, for any purpose or in any other context. Any party other than DIB, who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than DIB for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report has been prepared for DIB solely in accordance with the terms of our engagement. We have consented to the publication of our report on <https://www.dib.ae/sustainability> for the purpose of DIB showing that it has obtained an independent limited assurance report in connection with the SMI.

Our conclusion is not modified in respect of this matter.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the Use of Proceeds ("Proceeds") mentioned in the Allocation Report may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Proceeds, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Proceeds.

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The Applicable Criteria and the definition of Green and/or Social Projects ("GSP") categories has been developed to assist DIB in determining the allocation of the proceeds from the Sustainable Sukuk Bonds. As a result, the SMI may not be suitable for another purpose. Our work is limited to assessing whether the net proceeds have been allocated to projects that meet the definition of GSPs as per DIB's Sustainable Finance Framework July 2022.

For the purposes of this limited assurance engagement, we have not performed any procedures to assess, and so we provide no assurance over:



Inherent limitations (continued)

- the appropriateness of the eligibility criteria which leads to the projects being classified as GSPs, nor whether the GSPs continue to meet that eligibility criteria on an ongoing basis;
- whether there is a correlation between the classification as GSPs and the actual environmental and social impact of undertaking the GSPs;
- whether the GSPs were only undertaken as a consequence of obtaining the Sustainable Financing Instruments nor whether DIB did not also use other cash flows to invest in other projects that would not qualify as GSPs.
- Audit, review or verification of the SMI nor of the underlying records or other sources from which the SMI was extracted. Moreover, we assume correctness of third-party information, where applicable, as well as publicly disclosed information to reach our conclusion.

Our engagement is planned and performed to obtain limited assurance, but not absolute assurance, about whether the SMI is free of material misstatement, whether caused by fraud or error. We will not perform any procedures by way of audit, review or verification of the SMI, nor of the underlying records or other sources from which the SMI will be extracted. Accordingly, we will not express such an opinion.

Management's responsibility

Management is responsible for:

- selection or development of suitable Applicable Criteria with respect to its relevance, completeness, reliability, neutrality and understandability, and appropriately referring to or describing the Applicable Criteria used;
- design, implementation and maintenance of internal control relevant to the preparation of the SMI that are free from material misstatement, whether due to fraud or error;
- preparation and presentation of the SMI in accordance with the Applicable Criteria;
- prevention and detection of fraud and for identifying and ensuring that DIB complies with laws and regulations applicable to its activities;
- ensuring that the staff involved with the preparation of the Applicable Criteria and the SMI are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- evaluating compliance of the SMI against any required targets is the responsibility of management of DIB.

Those charged with governance are responsible for overseeing the reporting process for the entity's SMI.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and;
- Reporting our conclusion to the Board of Directors of DIB.



Our responsibilities (continued)

Summary of the work we performed

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The procedures performed included:

- Obtained an understanding of the Applicable Criteria used by DIB in preparing the SMI;
- Obtained an understanding of DIB's processes and controls around management of proceeds, identification, tracking and reporting of eligible projects against the Applicable Criteria;
- Inspected the minutes/presentation, where applicable, of the DIB's Management Sustainability Committee and the Sustainability Committee Board to confirm that the eligible projects, allocation of proceeds from Sustainable Sukuk and process adopted by DIB around the Report preparation had been approved;
- Performed the following procedures over the SMI, which will include:
 - compared the total funds received by DIB from the Sustainable Sukuk with those spent on the allocated projects;
 - obtained an understanding of the information sources used by DIB to determine the amount of proceeds allocated (in AED) to eligible projects;
 - on the selected samples, performed testing to source documentation to verify the financing provided by DIB to eligible projects and inspected that the selected projects meet the eligibility criteria as per the Applicable Criteria
 - inspected that the funds were allocated within the designated period as per the Applicable Criteria; and
 - inspected the mathematical accuracy of the formulae used / manual calculations performed over the SMI, if any.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.:1015
Dubai, United Arab Emirates

Date: **07 FEB 2025**



Annexure

Eligible assets for all DIB Sustainable Sukuk issuances, considering the three-year look-back period.

Type	Eligible Category	Number of Eligible Projects	Total Deployed Amount (m AED)
Green	Renewable Energy	3	661
Green	Energy Efficiency	4	1,105
Green	Green Buildings	4 ³²	1,074
Green	Clean Transportation	7,914 ³³	1,124
Green	Sustainable Water and Wastewater Management	1	124
Social	Affordable Housing	1,210	948
Social	Employment Generation	812	2,237
Social	Access to Essential Services	1	91

³² 3 projects were not included in the impact calculations due to data limitations.

³³ A small portion of the portfolio (6 contracts, <0.1% of total portfolio) were not included in the impact calculations due to data limitations.



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