

# Second-Party Opinion

## Doha Bank Sustainable Finance Framework

### Evaluation Summary

Sustainalytics is of the opinion that the Doha Bank Sustainable Finance Framework is credible and impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2023 and Social Loan Principles 2023. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Healthcare, Education, Support to SMEs and Micro-finance – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental and/or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 8 and 11.



**PROJECT EVALUATION AND SELECTION** Doha Bank's ESG Bond Committee will evaluate, select and monitor eligible projects in line with the eligibility criteria. The ESG Bond Committee comprises members of Treasury, Wholesale and Retail Banking, Investor Relations, Market and Credit Risk, Finance and Strategy departments. The committee will assess potential environmental and social risks associated with all the allocation decisions made under the Framework, including any negative externalities that may result from the financing of eligible assets. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** Doha Bank's Treasury division will be responsible for the management and allocation of proceeds using an internal tracking system through a portfolio approach. Doha Bank intends to allocate proceeds in full within 24 months of issuance. Pending full allocation, proceeds will be temporarily held in Doha Bank's treasury liquidity portfolio, in cash or other short-term and liquid instruments. This is in line with market practice.



**REPORTING** Doha Bank intends to report annually on the allocation of proceeds and corresponding impact in a Sustainable Finance Report, which will be published on its website, until the outstanding instruments reach maturity. Allocation reporting may include metrics such as the size of the eligible asset pool, the total amount of proceeds allocated to eligible assets, the number of new assets added to the eligible portfolio on an annual basis and the balance of unallocated proceeds. Sustainalytics views Doha Bank's allocation and impact reporting commitments as aligned with market practice.



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<b>Issuer Location</b>	Doha, Qatar

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## Introduction

Doha Bank (the “Bank”) is a commercial bank headquartered in Doha, Qatar. The Bank was founded in 1979 and offers domestic and international banking services to over 190,000 retail, commercial, corporate and institutional clients. As of 2021, Doha Bank had over 963 employees<sup>1</sup>, and as of March 2023, the Bank reported a total asset base of QAR 96.6 billion (USD 26.5 billion).<sup>2</sup>

The Bank has developed the Doha Bank Sustainable Finance Framework (the “Framework”) under which it intends to issue green, social and sustainability bonds (including private placements), commercial paper, loans<sup>3</sup> and other financing instruments<sup>4</sup> and use the proceeds to finance and refinance, in whole or in part, existing and future assets that are expected to support sustainable infrastructure and socioeconomic development in Qatar.

The Framework defines eligible green assets under the following categories:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Clean Transportation

The Framework defines eligible social assets under the following categories:

5. Healthcare
6. Education
7. Support to SMEs and Micro-finance

The Bank engaged Sustainalytics to review the Doha Bank Sustainable Finance Framework, dated May 2023, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP),<sup>5</sup> Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).<sup>6</sup> The Framework has been published in a separate document.<sup>7</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>8</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023 and Social Loan Principles 2023, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.13.3, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

<sup>1</sup> Doha Bank, “Sustainability Report 2021”, (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>2</sup> Doha Bank, “Doha Bank Achieves Profit of QR 209 Million”, (2023), at: <https://qa.dohabank.com/doha-bank-achieves-profit-of-qr-209-million/>

<sup>3</sup> Doha Bank has communicated to Sustainalytics that in cases where multi-tranche loans are obtained, the Bank will categorize as “green”, “social” or “sustainable” only those tranches that finance eligible projects under the Framework.

<sup>4</sup> Sustainalytics has reviewed the criteria only for those securities that are specified in the Framework.

<sup>5</sup> The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>6</sup> The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

<sup>7</sup> The Doha Bank Sustainable Finance Framework is available on Doha Bank’s website at: <https://qa.dohabank.com/investor/>

<sup>8</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last, but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity; another is transparency.

As part of this engagement, Sustainalytics held conversations with various members of Doha Bank's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Doha Bank representatives have confirmed that: (1) they understand it is the sole responsibility of Doha Bank to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Doha Bank.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Doha Bank is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Doha Bank has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Doha Bank Sustainable Finance Framework

Sustainalytics is of the opinion that the Doha Bank Sustainable Finance Framework is credible, impactful and aligned with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of Doha Bank's Sustainable Finance Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Healthcare, Education and Support to SMEs and Micro-finance – are aligned with those recognized by the GBP, SBP, GLP and SLP.
  - Doha Bank has communicated to Sustainalytics that operating expenditures will not be refinanced under the Framework and, therefore, the Bank has not established a look-back period for refinancing activities.
  - Under the Green Buildings category, Doha Bank may finance and refinance assets for the construction, acquisition and refurbishment of residential and commercial buildings in accordance with the following criteria:
    - New and existing buildings that have achieved one of the following minimum certification levels: LEED Gold,<sup>9</sup> BREEAM Excellent,<sup>10</sup> Global Sustainability Assessment System (GSAS) 3 or 4 star,<sup>11</sup> BCA Green Mark Gold Plus,<sup>12</sup> Passive House Label<sup>13</sup> and equivalent building environmental certification schemes.

<sup>9</sup> US Green Building Council, "LEED rating system", at: <https://www.usgbc.org/leed>

<sup>10</sup> BRE Group, "BREEAM", at: <https://bregroup.com/products/breeam/>

<sup>11</sup> The Gulf Organisation for Research and Development, "GSAS Overview", at: <https://gsas.qord.qa/gsas-overview/>

<sup>12</sup> Building and Construction Authority, "Green Mark Certification Scheme", at: <https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme>

<sup>13</sup> Passive House Institute, "Certification", at: [https://passivehouse.com/03\\_certification/03\\_certification.htm](https://passivehouse.com/03_certification/03_certification.htm)

- Sustainalytics notes that the Framework allows for the financing of green buildings that have achieved GSAS 3 or 4 stars. Sustainalytics considers GSAS 4 stars and above to be aligned with market practice, as these levels correspond to a minimum score of 2 in the energy performance category,<sup>14</sup> which Sustainalytics considers to be the most important. Sustainalytics notes that the proportion of buildings that had achieved the GSAS certification in Qatar, as of January 2023, is very limited.<sup>15</sup> Nevertheless, Sustainalytics encourages the Bank to select buildings that score a minimum of 2 in the energy performance category under the Framework.
- Sustainalytics notes that it is market expectation to specify all eligible schemes and certification, and Doha Bank has committed to report on any specific schemes and certifications it intends to use as part of its annual impact report.
  - New and existing residential or commercial buildings<sup>16</sup> that belong to the top 15% energy-performing buildings in the respective residential or commercial national building stock,<sup>17</sup> based on emissions intensity performance or primary energy demand.
  - Refurbishment of existing buildings that results in: i) at least a 30% improvement in net primary energy demand or carbon emissions compared to pre-renovation levels; or (ii) at least a two-step improvement in terms of the Global Sustainability Assessment System, with an assurance of achieving a 30% energy improvement over the baseline.
- Under the Renewable Energy category, Doha Bank may finance and refinance renewable energy generation facilities from the following sources:
  - Onshore and offshore wind power.
  - Solar photovoltaic power, concentrated solar power (CSP) and solar thermal plants. The Bank has confirmed to Sustainalytics that it will limit financing of CSP and solar thermal projects to those where at least 85% of the electricity generated is from solar energy sources.
  - Hydroelectric run-of-river and small-scale projects of maximum 25 MW of installed capacity that have a power density of greater than 5 W/m<sup>2</sup> or a life-cycle carbon intensity below 100 gCO<sub>2</sub>e/kWh. Sustainalytics notes that Doha Bank has defined the estimated reservoir emissions intensity threshold as below 100 gCO<sub>2</sub>e/kWh. However, considering the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for an extended period. Therefore, Sustainalytics encourages the Bank to favour projects with emissions intensities below a 50 gCO<sub>2</sub>e/kWh threshold.
    - Doha Bank has communicated to Sustainalytics that all new hydropower projects will be subject to an environmental and social risk assessment by a credible body to ensure that no significant risk, negative impact or controversy related to the project are identified.
  - Bioenergy projects: i) facilities for electricity generation with emissions intensity below 100 gCO<sub>2</sub>e/kWh; and ii) heating or combined heat and power (CHP) generation that use biomass or biofuel from sustainable sources. The Framework limits financing of bioenergy production to waste feedstock, including forestry and agricultural residues,<sup>18</sup> food waste and marine waste.
    - Doha Bank has communicated to Sustainalytics that: i) food waste consists of general food waste; ii) marine waste consists of algae cultivated on land in ponds or photobioreactors. Doha Bank has communicated to Sustainalytics that food waste financed under the Framework will exclude cooking oil and animal fat or oil.

<sup>14</sup> A minimum score of 2 in the energy performance category of GSAS corresponds to a 30% improvement in energy efficiency over the baseline which is in line with the CBI Green Building standard.

<sup>15</sup> The information is based on information reviewed by Sustainalytics on a confidential basis.

<sup>16</sup> Commercial buildings will be limited to office buildings, shopping malls, hotels and apartment buildings.

<sup>17</sup> The list of top energy performing buildings will be determined by specialist studies or the Climate Bond Initiative's Low Carbon Buildings Standard, if applicable for the relevant location.

<sup>18</sup> Limited to feedstock certified under the Forestry Stewardship Council (FSC), Programme for the Endorsement of Forest Certified (PEFC), Sustainable Biomass Program or Roundtable on Sustainable Biomass.

- The Framework excludes feedstock derived from high biodiversity sources or those that compete with food production or deplete terrestrial carbon pools.
  - Sustainalytics considers these assets to be aligned with market practice.
- Under the Energy Efficiency category, Doha Bank may finance and refinance loans to support the development and installation of energy efficient equipment, smart grid technologies, transmission and distribution infrastructure, in accordance with the following criteria:
  - Electricity powered district heating and cooling systems. Sustainalytics notes that district heating and cooling distribution systems that are primarily powered by renewables are preferred in the market. However, Sustainalytics recognizes the importance of improving energy efficiency of air conditioning systems and encourages Doha Bank to report on the impact achieved.
  - Transmission and distribution infrastructure dedicated to connecting renewable energy sources.
  - Smart energy grids, energy meters, management systems and battery storage facilities. Doha Bank has communicated to Sustainalytics that: i) smart energy grid components may include collector nodes, controllers, distribution and transmission lines and control centres, electric power substations and smart meters; and ii) battery storage facilities will be limited to storing energy from renewable sources.
  - Smart city infrastructure and technologies. The Bank has communicated to Sustainalytics that it may finance loans for investments in the use of digital technologies for better resource use and emissions reductions, such as those that result in smarter urban transport networks and more efficient ways to light and heat buildings. Sustainalytics encourages Doha Bank to report on the estimated or achieved energy efficiency gains, where feasible.
  - Loans under the Doha Bank Green Mortgage scheme<sup>19</sup> and projects to install energy efficient equipment for buildings, such as insulation, LED lighting and heating, ventilation and air conditioning (HVAC) systems, and instruments for measuring and controlling the energy performance of buildings.
    - Sustainalytics notes that Doha Bank may finance the installation of energy-efficient mechanical cooling systems. Sustainalytics recommends that the Bank finances loans for cooling systems that rely on low-GWP refrigerants and encourages customers to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at their end of life. Sustainalytics considers these investments to be aligned with market practice. Nonetheless, it encourages Doha Bank to report on estimated or achieved energy efficiency gains, where feasible.
- Under the Clean Transportation category, Doha Bank may finance and refinance loans for the purchase of low-carbon vehicles and the development of associated infrastructure:
  - Low-carbon vehicles for public, and passenger transportation, including cars, buses, ferries and trains. Potential assets include: i) battery electric vehicles; ii) plug-in hybrid electric vehicles with direct emissions intensities below 50 gCO<sub>2</sub>e/km; iii) hydrogen and fuel cell vehicles; and iv) loans granted under the Doha Green Car Loan Scheme,<sup>20</sup> if the vehicle fulfils the eligibility criteria stated in the Framework.
  - Low-carbon transport infrastructure, including electrified railways, electrified metro lines and charging stations for electric vehicles.
  - Sustainalytics considers assets under this category to be aligned with market practice.
- Under the Healthcare category, Doha Bank may finance and refinance loans for the development, acquisition and expansion of healthcare facilities, including: i) hospitals for the provision of healthcare; ii) facilities that treat specific physical or cognitive conditions; iii) rehabilitation services; and iv) elderly care facilities. Sustainalytics notes that public and private healthcare

<sup>19</sup> Doha Bank, "Live Green with Doha Bank Green Home Loan", at: <https://qa.dohabank.com/personal/loans/housing-loan/green-mortgages/>

<sup>20</sup> Doha Bank, "Save Some by Driving Green", at: <https://qa.dohabank.com/personal/loans/green-car-loan/>

- facilities in Qatar are made accessible to all residents.<sup>21,22</sup> Sustainalytics considers loans for the financing of such assets to be socially impactful and aligned with market practice.
- Under the Education category, Doha Bank may finance and refinance loans for the development, acquisition and expansion of educational facilities, such as schools, universities and campuses, and school sports facilities. The Bank may also finance education programmes dedicated to underprivileged students, and vocational training courses. The Bank intends to transparently report on the type of education loans included in the portfolio as part of its reporting commitments. The Framework considers students and young people as the target population for this category.
    - Sustainalytics notes that the Bank may extend financing to schools and universities for all levels of education in Qatar, with an aim to enhance accessibility to education for the general population. The Bank has informed Sustainalytics that such financing may include loans to universities in Qatar that provide a range of financial aid programmes and scholarships for students, based on income levels and merit.<sup>23</sup> Doha Bank has confirmed to Sustainalytics that the Bank will take affordability into consideration during the loan review phase and will favour loans that aim to enhance the affordability of such institutions to the low-income population. Nonetheless, Sustainalytics notes that the Framework does not limit financing to institutions that enhance accessibility and affordability specifically for low-income populations, including migrants, and, as such, does not guarantee the affordability of the institutions to the aforementioned population. Therefore, Sustainalytics considers this expenditure to be a deviation from what it considers to be good practice for such expenditures. However, Sustainalytics notes that Doha Bank intends to transparently report on the affordability considerations and the positive social impact of such expenditures as part of its annual reporting commitments.
  - Under the Support to SMEs and Micro-finance category, Doha Bank may finance and refinance the provision of loans and microfinance to SMEs<sup>24</sup> and entrepreneurs with an emphasis on employment creation or employment retention in economically underperforming regions,<sup>25</sup> including:
    - Loans to female-owned SMEs and female entrepreneur clients, such as small shops or micro-sized entities with less than 10 employees. Doha Bank has confirmed to Sustainalytics that female-owned SMEs are majority-owned or majority-managed (>50%) by females.
    - Loans to SMEs and microenterprises negatively impacted by economic slowdowns as a result of various events, such as natural disasters and social or health emergencies, including the COVID-19 pandemic. The Framework specifies that COVID-19 related loans are solely provided under a State Guarantee scheme.<sup>26</sup>
  - The Framework excludes the financing of businesses and projects associated with: i) fossil fuel related energy generation; ii) environmentally negative resource extraction, such as rare earth elements, metals or fossil fuels; iii) nuclear power and nuclear related technologies; iv) weapons, tobacco, gambling and adult entertainment; and v) deforestation and degradation of forests.
  - Project Evaluation and Selection:
    - The Bank's ESG Bond Committee (the "Committee") will be responsible for evaluating and selecting eligible assets in alignment with the eligibility criteria under the Framework. The Committee consists of members from the Treasury, Wholesale and Retail Banking, Investor Relations, Market and Credit Risk, Finance, and Strategy departments.
    - The Committee will assess potential environmental and social risks associated with all the allocation decisions made under the Framework, including any negative externalities that may

<sup>21</sup> Hamad Medical Corporation, Health care in Qatar, at: <https://www.hamad.qa/EN/Quick%20Links/Health%20Care%20in%20Qatar/Pages/default.aspx>

<sup>22</sup> US Department of Commerce, Qatar New Healthcare Insurance Law, at: <https://www.trade.gov/market-intelligence/qatar-new-healthcare-insurance-law#:~:text=A%20new%20Qatari%20law%20providing%20free%20healthcare%20services,tourists%20came%20into%20partial%20effect%20in%20May%202022>.

<sup>23</sup> Qatar University, "Financial Aid", at: <https://www.qu.edu.qa/students/student-life/student-services/financial-aid>

<sup>24</sup> Doha Bank defines SMEs as companies with fewer than 250 employees and annual revenues not exceeding QAR 100 million.

<sup>25</sup> Underperforming regions are defined using the United Nations Conference on Trade and Development (UNCTAD) list of developing countries, including Qatar, as per the development status categorization at: <https://unctadstat.unctad.org/EN/Classifications.html>.

<sup>26</sup> Doha Bank, "Covid-19 National Response Guarantee Program", at: <https://qa.dohabank.com/wholesale/covid-19-national-response-guarantee-program/>

result from the financing of eligible assets. Sustainalytics considers these risk management systems to be aligned with market expectation. For more details, please see Section 2.

Based on the Company's establishment of the ESG Bond Committee and its commitment to undertake an environmental and social risk evaluation of its assets, Sustainalytics considers this process to be in line with market practice.

- Management of Proceeds:
  - The Bank's Treasury division will be responsible for the management and allocation of proceeds and will track the proceeds using an internal tracking system through a portfolio approach.
  - The Bank intends to allocate proceeds in full within 24 months of issuance. Pending full allocation, proceeds will be temporarily held in the Bank's treasury liquidity portfolio, in cash or other short-term and liquid instruments, in line with the Framework's exclusion list.
  - Based on the use of an internal tracking system and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Doha Bank will report annually on the allocation of proceeds and corresponding impact in a Sustainable Finance Report, which will be published on its website until full allocation. For revolving credit facilities, the Bank has confirmed that reporting will continue until the maturity of such facilities.
  - Allocation reporting will include: i) the size of the eligible asset pool; ii) the total amount of proceeds allocated to eligible assets; iii) the number of eligible assets; iv) the balance (if any) of unallocated proceeds; v) the number of new assets added to the portfolio on an annual basis; vi) the number of assets removed from the pool on an annual basis, if relevant, and on a best effort basis.
  - Impact reporting is intended to include, where feasible, metrics such as installed capacity (MW), annual production of renewable energy (MWh), estimated annual emissions avoided (tonnes CO<sub>2</sub>e), estimated annual energy consumption or savings (kWh/m<sup>2</sup> or MWh), number of healthcare facilities financed, number of enrolled students, number or amount of loans granted to SMEs, microenterprises and entrepreneurs.
  - Based on the Bank's commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### **Alignment with Green Bond Principles 2021 and Social Bond Principles 2021, Green Loan Principles 2023 and Social Loan Principles 2023**

Sustainalytics has determined that the Doha Bank Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP and SLP. For detailed information please refer to Appendix 1: Sustainability Bond/Sustainability Bond Programme External Review Form.

## **Section 2: Sustainability Strategy of Doha Bank**

### **Contribution to Doha Bank's sustainability strategy**

Sustainalytics is of the opinion that the Framework is aligned with Doha Bank's aim to promote sustainability by focusing on: i) sustainable financing for sustainably developed infrastructure, SMEs and microenterprises in local communities to stimulate economic growth and promote environmental and social development in Qatar; ii) sustainable operations by reducing the Bank's operational carbon footprint; and iii) community engagement to raise environmental awareness.<sup>27,28</sup> Doha Bank's Sustainability Report 2021 was prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards, and the Bank has been reporting to United Nations Global Compact (UNGC)<sup>29</sup> since 2018.<sup>30</sup>

To reflect the Bank's commitment to support the SMEs, in 2020, the Bank participated in Qatar's National Response Guarantee Program to facilitate financing for SMEs that were adversely impacted by the COVID-19 pandemic and had an SME financing loan portfolio of QAR 799 million (USD 219 million).<sup>31</sup>

The Bank is currently in the process of developing its Sustainability Framework Strategy to align with the Qatar National Vision 2030, Qatar's national agenda for the future, which focuses on sustainable development and

<sup>27</sup> Doha Bank, "Sustainability Report 2021", (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>28</sup> Doha Bank, "Governance Report 2022", at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/DB-Governance-Report-2022-En.pdf>

<sup>29</sup> United Nations Global Compact, "The world's largest corporate sustainability initiative", at: <https://unglobalcompact.org/what-is-gc>

<sup>30</sup> Doha Bank, "Sustainability Report 2021", (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>31</sup> Ibid.

transformation, environmental protection and community development.<sup>32,33</sup> Between 2018 and 2020, the Bank followed reporting guidelines set by the Qatar Stock Exchange Sustainable Stock Exchanges Initiative,<sup>34</sup> a platform that follows the Sustainable Stock Exchanges Initiative of the United Nations to promote corporate sustainability investment.<sup>35</sup>

Sustainalytics is of the opinion that the Doha Bank Sustainable Finance Framework is aligned with the Bank's overall sustainability efforts and initiatives and will further Doha Bank's action on its key environmental and social priorities. Sustainalytics encourages the Bank to assess and disclose sustainability information that is material to the Bank's investment, such as GHG emissions financed from its portfolio. Sustainalytics further encourages the Bank to set quantified, time-bound sustainability targets, and to transparently report on its progress.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving money laundering and terrorism financing, bribery and corruption, land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents and waste generated in construction, human and labour rights, and occupational health and safety.

Sustainalytics is of the opinion that Doha Bank is able to manage or mitigate potential risks by implementing the following:

- Doha Bank has established an Enterprise-wide Risk Management Framework (ERMF), which is managed by its Risk Management Group to assess, monitor and mitigate risks identified through its materiality assessment, and is regularly reviewed and revised to reflect market changes.<sup>36</sup> The Bank also has a Whistleblowing Policy in place, through which employees are encouraged to report suspicious or unacceptable activities, such as issues relevant to health and safety risks, environmental damage, and breach of privacy codes.<sup>37</sup> Additionally, the Bank has in place due diligence and credit review processes to ensure fair lending practices.<sup>38</sup>
- To address risks associated with money laundering and terrorism financing, the Bank has established and implemented anti-money laundering/combating financing terrorism (AML/CFT) policy and procedures, in compliance with recommendations from the Financial Action Task Force and the Qatari law on Combating Money Laundering and Terrorism Financing, and instructions from Qatar Central Bank. The Bank has committed to monitoring compliance with its AML/CFT Policies through a combination of internal audit, external audit and regulatory reviews of compliance with relevant anti-money laundering legislation and regulations.<sup>39</sup>
- Regarding bribery and corruption, the Bank complies with the Corporate Governance Code, as required by the Qatar Financial Markets Authority and the Qatar Central Bank.<sup>40</sup> To address bribery and corruption, the Bank has developed anti-bribery and anti-corruption (ABC) policy and procedures to identify and manage bribery and corruption risks associated with the Bank, its foreign branches, entities and representative offices, all employees and external vendors. The ABC policy and procedures also require the Bank to conduct a periodic risk assessment to identify inherent risks and assess the effectiveness of the Bank's anti-bribery and corruption risk controls.<sup>41</sup>
- To address land use and biodiversity issues associated with large-scale infrastructure development and issues related to emissions, effluents and waste generated by construction, the Bank has confirmed that financed activities will comply with applicable environmental laws and regulations,

<sup>32</sup> Ibid.

<sup>33</sup> Qatar Stock Exchange, "Sustainability and ESG", at: <https://www.qe.com.qa/sustainability-and-esg>

<sup>34</sup> Doha Bank, "Sustainability Report 2021", (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>35</sup> The Qatar Stock Exchange, "Background", at:

<https://qse.arabsustainability.com/#:~:text=In%202016%2C%20QSE%20joined%20the%20Sustainable%20Stock%20Exchanges,tripple%20bottom%20line%20of%20%E2%80%9Cprofit%2C%20planet%20and%20people%E2%80%9D.>

<sup>36</sup> Doha Bank, "Sustainability Report 2021", (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>37</sup> Ibid.

<sup>38</sup> Doha Bank, "Corporate Governance and Policies", at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Consolidated-CG-PP-with-Board-Charter-2022.pdf>

<sup>39</sup> Doha Bank, "Doha Bank Anti-Money Laundering Policy Statement", (2022), at: <https://qa.dohabank.com/wp-content/uploads/sites/12/AML-Policy.pdf>

<sup>40</sup> Doha Bank, "Sustainability Report 2021", (2021), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/Sustainability-Report-2021-V2.pdf>

<sup>41</sup> Doha Bank, "Doha Bank Anti Bribery and Corruption Policy Statement", (2023), at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/ABC-Policy-Statement-Jan-2023.pdf>

such as the environmental impact assessment procedures required in Qatar's Environmental Protection Law.<sup>42</sup>

- Regarding human rights, labour rights and occupational health and safety (OHS) risks, Doha Bank is committed to prohibiting the use of child and forced labour. The Bank is in the process of developing policies and processes to address human rights, labour rights and OHS risks associated with its investments. Nevertheless, the Bank has confirmed that it complies with the applicable labour laws across its operational jurisdictions globally. The Bank has also committed to adhering to the Qatari labour laws on all employment-related matters, and ensuring preclusion from activities that violate human rights, or those involving child labour, forced or bonded labour.<sup>43</sup>
- Sustainalytics notes that Qatar has faced controversies over human rights and labour rights, especially related to large infrastructure projects.<sup>44</sup> Sustainalytics acknowledges the co-operation between the International Labour Organization and the government of Qatar in establishing human rights, labour rights and OHS standards.<sup>45,46</sup> Sustainalytics notes that Doha Bank is in the process of developing policies and processes to address human rights, labour rights and OHS risks associated with its investments, and that these policies and processes will be in effect prior to allocation decisions made under the Framework.<sup>47</sup> Sustainalytics strongly encourages the Bank to report on the implementation of such policies and processes.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Doha Bank has implemented adequate measures to manage and mitigate some of the environmental and social risks commonly associated with the eligible categories, and encourages the Bank to implement policies to address risks related to labour rights, human rights and occupational health and safety.

### Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by GBP, SBP, GLP or SLP. Sustainalytics has focused below on one category where the impact is specifically relevant in the local context.

#### Importance of financing green buildings in Qatar

In 2019, the buildings, construction and industry sector was responsible for approximately 8% of the total GHG emissions in Qatar.<sup>48</sup> In a business-as-usual (BAU) scenario, Qatar's total GHG emissions would increase by approximately 52% between 2021 and 2030, from 96 million tCO<sub>2</sub>e in 2021 to an estimated 146 million tCO<sub>2</sub>e in 2030.<sup>49,50</sup> In the National Climate Change Action Plan 2030, Qatar has set a target to reduce its GHG emissions by 25% by 2030, compared to the estimated BAU scenario. This reduction is equivalent to 37 million tCO<sub>2</sub>e and the buildings, construction and industry sector has the potential to reduce as much as 2 million tCO<sub>2</sub>e reduction in emissions.<sup>51</sup> The target reportedly presents an investment opportunity of at least USD 75 billion in sustainability projects between 2022 and 2030.<sup>52</sup>

As of 2021, Qatar has implemented various initiatives and projects to reduce emissions from the buildings, construction and industry sector, including: developing centralized district cooling systems in various cities,

<sup>42</sup> Qatar's Environmental Protection Law requires all public and private bodies must include an environmental protection and pollution control clause in local and international agreements and contracts which may be detrimental to the environment. These agreements and contracts shall include applicable penalties and the obligation to bear the costs of repairing environmental degradation and harm, more details can be found at:

<https://www.iea.org/policies/12010-law-no-30-of-2002-environmental-protection-law>

<sup>43</sup> Doha Bank, "Environment, Social, and Governance (ESG) Policy", at: <https://qadb.azureedge.net/wp-content/uploads/sites/12/ESG-Policy-En.pdf>

<sup>44</sup> Human Rights Watch, "Human Rights Guide for Reporters – 2022 FIFA World Cup in Qatar", (2022), at:

[https://www.hrw.org/sites/default/files/media\\_2022/11/202211mena\\_qatar\\_worldcup\\_reportersguide\\_2.pdf](https://www.hrw.org/sites/default/files/media_2022/11/202211mena_qatar_worldcup_reportersguide_2.pdf)

<sup>45</sup> According to International Labour Organization (ILO), labour reforms have taken place in Qatar. Qatar has also seen improvement in labour migration governance, the enforcement of labour law and access to justice.

International Labour Organization, "Labour reforms in the State of Qatar – Coming together around a shared vision", (2022), at:

[https://www.ilo.org/beirut/countries/qatar/WCMS\\_859843/lang-en/index.htm](https://www.ilo.org/beirut/countries/qatar/WCMS_859843/lang-en/index.htm)

<sup>46</sup> International Labour Organization, "Progress report on the technical cooperation programme between the Government of Qatar and the ILO", (2022), at:

[https://www.ilo.org/beirut/countries/qatar/WCMS\\_859839/lang-en/index.htm](https://www.ilo.org/beirut/countries/qatar/WCMS_859839/lang-en/index.htm)

<sup>47</sup> In accordance with the Framework, Doha Bank has defined an allocation period of 24 months from issuance.

<sup>48</sup> State of Qatar, "Qatar National Climate Change Action Plan 2030", (2021), at:

<https://www.mme.gov.qa/pdocs/cview?siteID=2&docID=23354&year=2021>

<sup>49</sup> Our World in Data, "Qatar: CO<sub>2</sub> Country Profile", at: <https://ourworldindata.org/co2/country/qatar>

<sup>50</sup> State of Qatar, "Qatar National Climate Change Action Plan 2030", (2021), at:

<https://www.mme.gov.qa/pdocs/cview?siteID=2&docID=23354&year=2021>

<sup>51</sup> Ibid.

<sup>52</sup> Invest Qatar, "Road to ESG investing – Financing Sustainable Growth in Qatar", at:

[https://www.invest.qa/storage/1410/629742838011f\\_ESG\\_1\\_6\\_22.pdf](https://www.invest.qa/storage/1410/629742838011f_ESG_1_6_22.pdf)

wider implementation of smart city technologies, such as 5G, artificial intelligence, blockchain, cloud computing, IoT and recycling more than 60 million tonnes of construction waste from large-scale infrastructure projects between 2014 and 2019.<sup>53,54</sup> In addition, Qatar has developed and adopted GSAS as a national green building and infrastructure certification standard to promote a sustainable built environment.<sup>55</sup> As of 2023, approximately 1,400 projects were registered under GSAS in Qatar.<sup>56</sup> Additionally, as of 2023, Qatar had more than 90 LEED certified buildings, of which 87% were LEED Gold or higher.<sup>57</sup>

To aid the financing of such developments, financial institutions in Qatar have launched various sustainability-related products such as green mortgage loans for homes that are certified as energy efficient and environmentally friendly, and the issuance of green bonds for the financing of green building projects.<sup>58</sup>

Based on the above, Sustainalytics is of the opinion that Doha Bank's financing of green buildings in Qatar is expected to contribute to decarbonizing the national buildings, construction and industry sector, while also contributing to the country's climate-related targets.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Doha Bank Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Healthcare	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
Education	4. Quality Education	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
Support to SMEs and Micro-finance	8. Decent work and economic growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and

<sup>53</sup> State of Qatar, "Ashghal participates in Qatar's First International Environmental Exhibition, EnviroteQ 2019 with various initiatives", (2019), at: <https://websiteat.ashghal.gov.qa/en/MediaHub/News/Pages/Ashghal-participates-in-Qatars-First-International-Environmental-Exhibition-EnviroteQ-2019-with-various-initiatives.aspx#.ZBxk-bLMI4d>

<sup>54</sup> State of Qatar, "Qatar National Climate Change Action Plan 2030", (2021), at:

<https://www.mme.gov.qa/pdocs/cview?siteID=2&docID=23354&year=2021>

<sup>55</sup> Gulf Organisation for Research and Development, "GSAS Overview", at: <https://gsas.gord.qa/gsas-overview/>

<sup>56</sup> Gulf Organisation for Research and Development, "GSAS Certifications", at: <https://gsas.gord.qa/>

<sup>57</sup> USGBC, "Qatar Market Brief", at: <https://www.usgbc.org/resources/country-market-brief>

<sup>58</sup> Invest Qatar, "Road to ESG investing – Financing Sustainable Growth in Qatar", at: [https://www.invest.qa/storage/1410/629742838011f\\_ESG\\_1\\_6\\_22.pdf](https://www.invest.qa/storage/1410/629742838011f_ESG_1_6_22.pdf)

		innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
--	--	--

## Conclusion

Doha Bank has developed the Doha Bank Sustainable Finance Framework, under which it intends to issue green, social and sustainability bonds (including private placements), commercial papers, loans and other financing instruments, and use the proceeds to finance and refinance, in whole or in part, existing and future assets that are expected to support sustainable infrastructure and socioeconomic development in Qatar.

The Doha Bank Sustainable Finance Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for reporting on the allocation and impact of the use of proceeds. Sustainalytics is of the opinion that the Doha Bank Sustainable Finance Framework is aligned with the Bank’s overall sustainability strategy and that the green and social use of proceeds will contribute to the advancement of UN Sustainable Development Goals 3, 4, 7, 8 and 11. Sustainalytics is of the opinion that Doha Bank has developed adequate measures to identify, manage and mitigate some of the environmental and social risks commonly associated with the eligible categories, and encourages the Bank to implement measures to address risks related to labour rights, human rights and occupational health and safety.

Based on the above, Sustainalytics is confident that Doha Bank is well positioned to issue green and social bonds and loans, and that the Doha Bank Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP), Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).

## Appendix

### Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

#### Section 1. Basic Information

Issuer name:	Doha Bank
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Doha Bank Sustainable Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 18, 2023
Publication date of review publication:	
Original publication date:	

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other (please specify):                                |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Healthcare, Education, Support to SMEs and Micro-finance – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental and/or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 7, 8 and 11.

#### Use of proceeds categories as per GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input checked="" type="checkbox"/> Energy efficiency  |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management   | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify):   |

If applicable please specify the environmental taxonomy, if other than GBPs:

#### Use of proceeds categories as per SBP:

- |   |  |
|---|--|
| <input type="checkbox"/> Affordable basic infrastructure  | <input type="checkbox"/> Access to essential services  |
| <input type="checkbox"/> Affordable housing   | <input type="checkbox"/> Employment generation (through SME financing and microfinance)                              |
| <input type="checkbox"/> Food security  | <input type="checkbox"/> Socioeconomic advancement and empowerment   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify): Healthcare, Education, Support to SMEs and Micro-finance |

If applicable please specify the social taxonomy, if other than SBP:

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Doha Bank's ESG Bond Committee will evaluate, select and monitor eligible projects in line with the eligibility criteria. The ESG Bond Committee comprises members of Treasury, Wholesale and Retail Banking, Investor Relations, Market and Credit Risk, Finance and Strategy departments. The Committee will assess potential environmental and social risks associated with all the allocation decisions made under the Framework including any negative externalities that may result from the financing of eligible assets. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

### Evaluation and selection

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives                                 | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available                | <input type="checkbox"/> Other (please specify):   |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify):   |  |

## 3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Doha Bank's Treasury division will be responsible for the management and allocation of proceeds using an internal tracking system through a portfolio approach. Doha Bank intends to allocate proceeds in full within 24 months of issuance. Pending full allocation, proceeds will be temporarily held in Doha Bank's treasury liquidity portfolio, in cash or other short-term and liquid instruments. This is in line with market practice.

### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify):  |

**Additional disclosure:**

- |   |   |
|---|---|
| <input type="checkbox"/> Allocations to future investments only                             | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify):  |

**4. REPORTING**

Overall comment on section (if applicable):

Doha Bank intends to report annually on the allocation of proceeds and corresponding impact in a Sustainable Finance Report which will be published on its website until maturity of the outstanding instruments. Allocation reporting may include metrics such as the size of the eligible asset pool, the total amount of proceeds allocated to eligible assets, the number of new assets added to the eligible portfolio on an annual basis and the balance of unallocated proceeds. Sustainalytics views Doha Bank's allocation and impact reporting commitments as aligned with market practice.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |

**Information reported:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Allocated amounts  | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): size of the eligible asset pool, number of eligible assets, balance of unallocated proceeds, number of new assets added to the portfolio |   |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |

**Information reported (expected or ex-post):**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
|---|--|

- Decrease in water use  
 Target populations  
 Number of beneficiaries  
 Other ESG indicators (please specify): In alignment with ICMA's Harmonized Framework for Impact Reporting

Use of Proceeds Category	Impact metric
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Installed capacity (MW)</li> <li>• Annual production of renewable energy (MWh)</li> <li>• Estimated annual emissions avoided (in CO<sub>2</sub>e)</li> </ul>
<b>Clean transportation</b>	<p>Low carbon vehicles:</p> <ul style="list-style-type: none"> <li>• Number of vehicles (units per year)</li> <li>• Estimated annual emissions avoided (in CO<sub>2</sub>e)</li> </ul> <p>Low-carbon infrastructure:</p> <ul style="list-style-type: none"> <li>• Number/KM of units</li> <li>• Estimated modal shift, by transferring transport from road to e.g., railway</li> <li>• Estimated annual emissions avoided (in CO<sub>2</sub>e)</li> </ul>
<b>Green buildings</b>	<ul style="list-style-type: none"> <li>• Overview of Environmental Certification or Energy Performance Certificate or Top 15% most energy efficient buildings, if relevant</li> <li>• Estimated annual energy consumption in kWh/m<sup>2</sup> or savings in MWh</li> <li>• Estimated annual emissions avoided (in CO<sub>2</sub>e)</li> </ul>
<b>Energy efficiency</b>	<ul style="list-style-type: none"> <li>• Number and type of projects being financed</li> <li>• Depending on data availability, the estimated annual amount of energy saved (% or MWh per year) and emissions avoided (in CO<sub>2</sub>e)</li> </ul>
<b>Healthcare</b>	<ul style="list-style-type: none"> <li>• Number of healthcare facilities financed</li> <li>• Number of beneficiaries</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>• Number/amount of loans granted to essential services</li> <li>• Number of enrolled students</li> <li>• Number of training program graduates successfully employed</li> </ul>
<b>SMEs and micro-enterprises</b>	<ul style="list-style-type: none"> <li>• Number/amount of loans granted to SMEs, microenterprises, entrepreneurs</li> <li>• Number/amount of loans granted to SMEs, microenterprises, entrepreneurs owned by women</li> <li>• Number of jobs created or retained in the selected region on a best effort basis, based on estimates and assumption which will be disclosed</li> </ul>
<b>Sustainable water infrastructure for public use</b>	<ul style="list-style-type: none"> <li>• Type of infrastructure</li> <li>• Quantity of treated wastewater and/or supplied freshwater (cubic meters per year)</li> <li>• Qualitative improvements in freshwater supply and/or wastewater treatment</li> <li>• Number of people benefitting from infrastructure</li> </ul>

**Frequency:**

- Annual  
 Semi-annual  
 Other (please specify):

### Means of Disclosure

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report                |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other (please specify): Sustainable Finance Report |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |  |

Where appropriate, please specify name and date of publication in the useful links section.

### USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

### SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

#### Type(s) of Review provided:

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other (please specify):                     |  |

#### Review provider(s):

#### Date of publication:

### ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance

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data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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Or contact us [contact@sustainalytics.com](mailto:contact@sustainalytics.com)

