

Second-Party Opinion

DP World Sustainable Development Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the DP World Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers projects and activities aligned to (i) Renewable Energy, (ii) Energy Efficiency, (iii) Sustainable water and wastewater management, (iv) Aquatic biodiversity conservation, (v) Green buildings, (vi) Climate change adaptation, (vii) Socioeconomic advancement and empowerment, (viii) Employment generation, and (ix) Clean transportation to have positive environmental or social impacts and to advance the UN Sustainable Development Goals.



PROJECT EVALUATION / SELECTION DP World's internal process for evaluating and selecting projects is managed by the Sustainable Development Financing Committee (the "Committee"), which is comprised of various departments and management employees. The Committee oversees alignment of projects with eligibility criteria outlined in the Framework and reports to the DP World Sustainability Advisory Committee and the Group CFO. This process is aligned with market practice.



MANAGEMENT OF PROCEEDS DP World's processes for management of proceeds is handled by the Committee. DP World intends to establish a Sustainable Development Financing Register (the "Register") to track the allocation of proceeds to eligible assets. The Register will be reviewed at least annually by the Committee to ensure that proceeds have been allocated to eligible projects. Unallocated proceeds will be managed according to DP World's cash and liquidity risk management policies. This process is aligned with market practice.



REPORTING DP World intends to publish a Sustainability Impact Report containing information on the allocation of proceeds and impact of projects and activities on an annual basis and until full allocation. The report will be located on DP World's website. The Report will include a list of eligible project categories, the amounts allocated, the amounts of refinancing vs financing, and the remaining balance of any unallocated proceeds. Additionally, DP World will report on relevant impact metrics for each of the eligible project categories. Sustainalytics views DP World's allocation and impact reporting as aligned with market practice.

Evaluation date	2 September, 2019
Issuer Location	Dubai, United Arab Emirates

Report Sections

Introduction.....	2
Sustainalytics' Opinion.....	3
Appendices.....	11

For inquiries, contact the Sustainable Finance Solutions project team:

Lili Hocke (Amsterdam)
Project Manager
lili.hocke@sustainalytics.com
(+31) 20 205 00 40

Evan Bruner (Amsterdam)
Project Support
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Charles Cassaz (Amsterdam)
Project Support
charles.cassaz@sustainalytics.com
(+31) 20 205 02 09

Jean-Claude Berthelot (Amsterdam)
Client Relations
susfinance.emea@sustainalytics.com
+44 20 3880 0193

Introduction

DP World (the “Company”) is a global supply chain solutions company headquartered in Dubai, specializing in cargo logistics, port terminal operations, freight forwarding solutions and maritime activities with container handling generates more than 50% of its revenue. DP World operates has over 150 operations in over 45 countries across six continents in both developed and emerging markets.

DP World has developed the DP World Sustainable Development Financing Framework (the “Framework”) which it intends to use for bonds, sukuk, and/or loans and use the proceeds to finance/refinance, in whole or in part, existing/future social and environmental sustainability projects ranging from renewable energy, energy efficiency and marine conservation to infrastructure, education and women’s empowerment. The Framework defines eligibility criteria aligned to the following project categories under the Social Bond Principles/Green Bond Principles:

1. Renewable Energy
2. Energy Efficiency
3. Sustainable water and wastewater management
4. Aquatic biodiversity conservation
5. Green buildings
6. Climate change adaptation
7. Socioeconomic advancement and empowerment
8. Employment generation
9. Clean transportation

DP World engaged Sustainalytics to review the DP World Sustainable Development Financing Framework, dated August 2019, and provide a second-party opinion on the Framework’s environmental and social credentials and its alignment with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines 2018 (SBG).¹ This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of DP World’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of DP World’s Sustainable Development Financing Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the DP World Sustainable Development Financing Framework and should be read in conjunction with that Framework.

¹ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The DP World Sustainable Development Financing Framework is available on DP World’s website at: <https://www.dpworld.com/investors/bonds>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the DP World Sustainable Development Financing Framework

Summary

Sustainalytics is of the opinion that the DP World Sustainable Development Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. Sustainalytics highlights the following elements of DP World's Sustainability Bond Framework:

- Use of Proceeds:
 - DP World intends to finance/refinance projects related to the Company's port and logistics operations around the globe, including energy efficiency, renewable energy (solar and wind), green buildings, and employee development as well as its external projects related to sustainable water management and marine conservation and education. These project categories are aligned with the GBP and the SBP and are considered credible and impactful. Sustainalytics positively notes that the Framework excludes port infrastructure projects dedicated to the transport or storage of fossil fuels.
 - DP World will finance/re-finance operational energy efficiency improvements and investments into control systems, equipment and facilities, including electric vehicles, automated stacking cranes and high bay storage systems, and refurbishment of existing equipment, such as hybrid saddle carriers. Sustainalytics acknowledges the importance of GHG emissions reduction through greater energy efficiency. However, the Company has not established any energy efficiency thresholds. In addition, investments in equipment for greater energy efficiency may include equipment that relies on fossil fuels. DP World has clarified that this will only be considered in cases of technological constraints or lack of stable energy sources, but does not provide a comprehensive list of what equipment might be refurbished. The potential financing of equipment that relies on fossil fuel is considered a limitation.
 - Investments will be made into port-related climate resilience, which includes investments into the refurbishment, adaptation and modernization of assets in order to ensure resilience to climate change risks such as flooding and erosion. An example of a financed project is DP World London Gateway's Salt Fleet Flats, an intertidal mudflat on the south bank of the River Thames, which created a new flood defense and intertidal habitat for overwintering wading birds by reducing the ground level at the site.
 - DP World intends to use part of the proceeds to finance greenfield and brownfield developments of ports and related infrastructure to support economic development and sustainable industrialization in developing countries.³ Sustainalytics positively notes that DP World will limit financing to those projects that can demonstrate that the investment will contribute significantly to socio-economic development of the region based on credible third-party socio-economic impact assessments. However, Sustainalytics also notes that ports and related infrastructure have a significant negative impact on marine life and natural habitats on land.⁴ DP World has operations in countries that border the Red Sea. It is important to note that the Red Sea is considered an environmentally sensitive area and the expansion of shipping operations will likely contribute to negative environmental impacts.⁵ Sustainalytics positively notes that DP World's internal Health Safety and Environment Standards require environmental management systems aligned with ISO 14001 standard. The Company also shared draft standards that require environmental impact assessments for new development and

³ <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm>

⁴ Walker, T. et al., "Environmental Effects of Marine Transportation", (2018), at: https://www.researchgate.net/publication/322992301_Environmental_Effects_of_Marine_Transportation; United Nations Environmental Protection Agency, Ports Primer: Environmental Impact: <https://www.epa.gov/community-port-collaboration-and-capacity-building/ports-primer-71-environmental-impacts>

⁵ Ship Technology, "Protecting the Red Sea from shipping", (2017), at: <https://www.ship-technology.com/features/protecting-red-sea-shipping/>

DP World Sustainable Financing Development Framework

significant works. While the standard is pending implementation, Sustainalytics considers it to address important aspects for environmental risk mitigation. (See Risk Management section).

- Investments directed towards green buildings will be aimed at buildings that adhere to green building certification standards including BREEAM “Very Good”, LEED “Silver”, and ASASI Level 1. Sustainalytics positively notes the inclusion of BREEAM “Very Good” to be aligned with market expectation, but the Company has established a certification level 1 for ASASI, which is viewed as a minor limitation to the Framework. In addition, LEED Silver is not aligned with market practice and Sustainalytics encourages DP World to only invest in buildings with an ASASI level of 3 higher and LEED Gold or higher to ensure significant environmental impacts. Please refer to Appendix 1 for Sustainalytics assessment of these certification schemes.
- Investments will be made into water infrastructure, such as rainwater harvesting solutions and water recycling. Additionally, DP World will invest into water recycling projects to reduce potable water waste, salvage greywater and increase water re-use and recyclability. Sustainalytics notes these investments are targeted at environmental objectives and encourages DP World to establish water reduction/reuse targets.
- As part of the Company's efforts to improve ocean ecosystems, investments will be made into coastal restoration projects, for example coral reefs, seagrass, mangroves, saltmarshes, oyster reefs and marine life monitoring systems and technologies. Sustainalytics notes the importance of these activities for mitigating the impact that industrial ocean operations can have on ocean health and encourages DP World to strive for avoiding marine life damage in the first place.
- DP World may finance R&D into hyperloop technology, a high-speed magnetic levitation train which transports passengers or cargo via electric propulsion through a low-pressure tube.⁶ While acknowledging the potential promise of hyperloop technology, Sustainalytics is unable to comment on its overall potential contribution to the greening of transportation systems⁷ and encourages DP World to disclose the estimated environmental benefits to be achieved taking the entire product life-cycle into consideration.
- Financing will also be directed to improve gender equality, including capacity development and mentorship for gender equality to the youth in developing countries, specifically those aged 3-25 years old, and training and capacity building in technology and technologically advanced equipment. Part of the training is conducted at DP World internally and partly through training provided in local schools and communities. Sustainalytics views women's empowerment and gender equality as important investments. Sustainalytics positively views the Company's identification of examples of initiatives for women's empowerment from economic projects and soft skills development in a variety of different countries around the globe,⁸ as well as the focus on women.
- DP World also intends to use part of the proceeds to finance education and vocational training programmes for youth, including educational programmes on trade, logistics, and port ecosystems and industry skill development for youth in developing countries as well as construction and development of educational facilities and campuses. Sustainalytics considers education to enable empowerment and increased equality and positively views DP World's targeting of youth in developing countries.
- Project Evaluation and Selection:
 - DP World's internal process for evaluating and selecting projects is managed by the Sustainable Development Financing Committee (the “Committee”), which is comprised of various departments and management employees. The Committee oversees alignment of projects with eligibility criteria outlined in the Framework and reports to the DP World Sustainability Advisory Committee and the Group CFO. This process is aligned with market practice.
- Management of Proceeds:

⁶ Virgin Hyperloop One, Facts & Frequently Asked Questions, website accessed August 2019: <https://hyperloop-one.com/facts-frequently-asked-questions>

⁷ Sustainalytics is aware that the extensive development of hyperloop would require the construction of infrastructure that would be highly resource intensive and has the potential to outweigh the environmental benefits of the technology.

⁸ Example countries include Senegal, Peru, India, Hong Kong, UK, UAE, Australia, Afghanistan and Pakistan.

DP World Sustainable Financing Development Framework

- DP World's processes for management of proceeds is handled by the Committee. DP World intends to establish a Sustainable Development Financing Register (the "Register") to track the allocation of proceeds to eligible assets. The Register will be reviewed at least annually by the Committee to ensure that proceeds have been allocated to eligible projects. Unallocated proceeds will be managed according to DP World's cash and liquidity risk management policies. This process is aligned with market practice.
- Reporting:
 - DP World intends to publish a Sustainability Impact Report, on an annual basis and until full allocation, containing information on the allocation of proceeds and impact of specific projects and activities, in addition to a broader update on the Group's sustainability initiatives. The report will be located DP World's website. DP World will report on a list of eligible project categories, the amounts allocated, the amounts of refinancing vs financing, and the remaining balance of any unallocated proceeds. Additionally, DP World will report on relevant impact metrics for each of the eligible project categories, such as GHG emissions reduced, number of people trained, and case studies. Sustainalytics views DP World's allocation and impact reporting as aligned with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that DP World's Sustainable Development Financing Framework align to the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. For detailed information please refer to Appendix B: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Performance of the Issuer

Contribution of Framework to Issuer's sustainability strategy

DP World integrates sustainability in its corporate strategy, by promoting sustainable growth. The company's sustainability strategy has three focal areas: (1) reduce carbon emissions and energy use, (2) promote renewable energy and (3) responsible use of natural resources and waste management. It also emphasizes ocean preservation and women empowerment. In the below Sustainalytics highlights some of the key elements that speak to the issuers positioning to issue a sustainability bond, sukuk and/or loan.

- (1) DP World's environmental initiatives have led to a 13% decrease in energy use over the past five years.⁹ The company also achieved a 3.7% reduction of its carbon emissions between 2017 and 2018. Regarding both carbon emissions and energy use, Sustainalytics underlines the importance of establishing quantitative reduction targets and strongly encourages DP World to do so.
- (2) The company has significant involvement in the development of solar power generation. DP World launched its Solar Power Program in 2017 (EAU), which will supply carbon-free electricity to 4,600 households upon completion. In addition, DP World has made its headquarters in Jebel Ali carbon-neutral through reliance on solar power.
- (3) DP World launched a zero-waste initiative in 2018 at JAFZA¹⁰ which consists of converting food waste into compost, reducing and recycling waste and banning the export of non-recycled waste from the port of Jebel Ali. Today, JAFZA recycles 9,700 tons of waste per year.
- (4) Ocean preservation and women's empowerment are the two new priorities of DP World's sustainable strategy. The issuer's activity entails taking care of the ocean: DP World joined the World Ocean Council in 2018, being the first company of its sector to join.¹¹ Their collaboration aims at improving port resilience to sea level rises. The company is committed to the empowerment of women through education, health and employment. Among other goals it aims to increase female representation in its

⁹ DP World, "Annual Reports", (2018), at: <https://www.dpworld.com/investors/financials-and-Presentations/financial-reports/annual-reports>

¹⁰ A free zone entity located in Dubai.

¹¹ World Maritime News, DP World Becomes Part of World Ocean Council, June 2018: <https://worldmaritimeweb.com/archives/254573/dp-world-becomes-part-of-world-ocean-council/>

DP World Sustainable Financing Development Framework

workforce, which stood at only 7% as of 2015.¹² Sustainalytics views DP World's efforts to improve gender inclusion positively and encourages the issuer to quantify its objectives.

Although DP World does not have quantifiable targets for its environmental and social objectives, it has demonstrated its efforts through environmental and social initiatives. Sustainalytics is of the opinion that DP World's Sustainable Development Financing Framework will help the Company to advance its sustainability strategy and commitments.

Ability to address common environmental and social risks associated with the projects

Sustainalytics notes the overall importance of the projects and activities that will be financed through this Framework. However, as with any large-scale development projects, it is important to ensure that common environmental and social risks are mitigated. For example, worker health and safety issues, land use and biodiversity issues associated with infrastructure development, emissions, effluents and waste generated in construction and day-to-day operations and stakeholder engagement are a few of the key risks relevant to the projects and activities of this framework.

One of DP World's strategic focus areas for 2018 was nurturing a responsible business model that would deliver sustainable value creation for all stakeholders, ranging from customers and employees to local communities and government. As part of the Company's global materiality assessment, internal and external stakeholders were engaged to provide input and feedback on the overall sustainability vision and strategy. Additionally, as part of the Company's stakeholder engagement strategy, in order to rank and prioritize identified sustainability issues, a qualitative and quantitative assessment was undertaken to garner a better understanding of the social, environmental and economic importance of the material topics to DP world and its stakeholders.

Given that port-related infrastructure projects can completely change coastal ecosystem structure and significantly contribute to pollution, Sustainalytics views the implementation of credible environmental impact assessments to be of high importance to mitigate environmental risks. DP World requires that all business units have an Environmental Management System based on ISO 14001 standards. In addition, DP World shared with Sustainalytics draft documents of its Health Safety and Environment Operational Standard, which require environmental assessments for new developments and undertakings of significant work, environmental considerations to be included in the construction process and Construction Environmental Management Plan to be implemented for all construction works that have environmental impacts or risks. The standard includes considerations on ecosystems, noise, vibration, lighting, air quality, water, waste and emission management. However, Sustainalytics notes that the Standard is not yet implemented and further guidance is in development that speaks to the aspects considered in the environmental impact assessment. In addition, the standard does not include consultation with local communities regarding the potential impacts of project developments. Sustainalytics recommends DP World report on how the Standard is implemented throughout the projects financed by the bond proceeds.

Regarding health and safety, in 2018, DP World's injury frequency rate dropped by 9% from 3.2% in 2017 to 2.9% in 2018. However, other safety metrics, such as the Lost Time Injuries and Reportable Injuries rates deteriorated.¹³ In order to curb risks related to employee safety, the company is focusing on improving safety awareness and more accurate incident reporting. At a high level, DP World records and reports all safety incidents to the board of directors and investigates all cases.¹⁴ While local management is responsible for onsite safety, they are supported by local, regional and global safety teams.¹⁵

DP World's ports handle significant amounts of substances that are considered to present significant hazards to the environment if handled in an irresponsible manner, including oil and a variety of chemicals, for example. To manage the risks associated with spills and unintended discharges, the company states that it reviews all cargo and chemicals that it is expected to handle in advance of their arrival, so as to ensure potential negative incidents can be mitigated.¹⁶ DP World has developed an internal Incidents and Emergencies Standard, which has been provided to Sustainalytics. The document outlines all systems and processes to be followed in response to emergency situations and has implemented proactive initiatives to reduce impact emergency situations and speed up response and recovery. For example, all DP World business units undergo extensive training and are required to established Emergency Response Plans and Incident Management Teams (IMT), which include an Incident Commander, a Site Incident Warden and a Site

¹² DP World, "Annual Reports", (2018), at: <https://www.dpworld.com/investors/financials-and-Presentations/financial-reports/annual-reports>

¹³ DP World, "Annual Reports", (2018), at: <https://www.dpworld.com/investors/financials-and-Presentations/financial-reports/annual-reports>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

DP World Sustainable Financing Development Framework

Safety Advisor. Collectively the IMT is responsible for the implementation of the Emergency Response Plan and oversight of training programs.

Assuming the successful implementation of the company's Health Safety and Environmental Operational Standards, Sustainalytics considers DP World's health, safety and environmental management systems to sufficiently address potential impacts related to the projects financed by the bonds' proceeds.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are recognized as impactful by GBP. Sustainalytics has focused on five below where the impact is specifically relevant in local context.

Impact of GHG Emissions Reduction and Energy Efficiency

Annually, maritime transport emits 940 million tons of CO₂, which represents 2.5% of global greenhouse gas (GHG) emissions.¹⁷ In April 2018 the United Nations International Maritime Organization (IMO) adopted a strategy to phase out GHG emissions across the shipping sector, including a 50% total cut by 2050 compared to 2008 levels,¹⁸ indicating the importance of the sector to reduce GHG emissions. Nevertheless, shipping still remains one of the most efficient ways for the transport of goods. For instance, a ship emits about one third of the CO₂ emitted by a heavy truck per ton-km transported. Ports are a key element of maritime transport. They are subject to exhaust emissions due to near-port shipping and handling of the goods in the ports. These emissions often exceed air quality standards, raising environmental and public health issues. Decisions of ports operators/owners such as DP World are crucial to cut down these emissions. Electrification of cranes, rig trucks and tractors as well as allowing vessels to use shore-side electricity are among the most effective solutions¹⁹. Therefore, Sustainalytics views positively DP World's initiatives to reduce GHG emissions from its operations through investments in energy efficiency, renewable energy and green buildings. However, Sustainalytics also notes, that investments may include equipment that uses fossil fuels or hybrid fuel sources in cases of unstable energy sources and technological constraints. For instance, DP World may finance hybrid straddle carriers, which uses hybrid motor technology combining diesel and electric. This may reinforce the use of fossil fuels, albeit in a more efficient way, which Sustainalytics considers a limitation of the framework.

DP World's financing of energy efficiency measures such as financing of control systems, equipment and facilities that use electrification, digitalization, and/or automation to reduce energy consumption, including electric vehicles and automated stacking cranes, high bay storage systems, optimizing working processes, retrofit or refurbishment of existing equipment to reduce energy consumption, including hybrid straddle carriers and the installation of new LED lights is viewed as positive by Sustainalytics. In this regard, Sustainalytics notes that DP World reduced its carbon intensity by 5% from 2014 to 2018. Globally, its ports are engaged in reducing GHG emissions by diversifying their energy mix²⁰ with the development of hydrogen powered equipment and electrification. Furthermore, DP World's investments in solar and wind will further facilitate the energy transition of the sector. While the major GHG emissions of the shipping sector come from vessels,²¹ ports can contribute to reducing the carbon footprint of the sector by facilitating the upcoming arrival of electric vessels. The IMO recently organized a conference to promote the use of onshore renewable power supply and supported the global harmonization of equipment.²²

The importance of addressing Gender equality in the maritime shipping industry

¹⁷ International Maritime Organization ("IMO"), "Third IMO GHG Study 2014", (2014), at: <http://www.imo.org/en/OurWork/Environment/PollutionPrevention/AirPollution/Documents/Third%20Greenhouse%20Gas%20Study/GHG3%20Executive%20Summary%20and%20Report.pdf>

¹⁸ IMO, "Initial IMO Strategy on reduction of GHG emissions from ships", (2018), at: <http://www.imo.org/en/OurWork/Environment/Documents/UN%20side%20event%205%20December%202018.pdf>

¹⁹ OECD, "Environmental Impacts of International Shipping, Chapter 3: Exhaust Emissions" (2011), at: https://read.oecd-ilibrary.org/environment/environmental-impacts-of-international-shipping/exhaust-emissions_9789264097339-7-en#page1

²⁰ For instance, the port of Rotterdam relies on fossil fuels but also on renewables such as wind (200 MW)

²¹ OECD, "Environmental Impacts of International Shipping, Chapter 4: Energy Use and Emissions of Greenhouse Gases", (2011), at: https://www.oecd-ilibrary.org/environment/environmental-impacts-of-international-shipping_9789264097339-en

²² <https://safety4sea.com/imo-focuses-on-the-role-of-ports-to-achieve-emissions-reduction/>

DP World Sustainable Financing Development Framework

The maritime transport sector is one of the most male-dominated sectors in the world, with only 2% of seafarers are women, while a third of shore-based positions are held by women. Women suffer from high wage inequality: in the UK, for example, the gender pay gap, according to one source, is 45.7%.²³

The sector's labor needs are significant as the industry is steadily growing: its sustainability will therefore depend on the inclusion of women in its workforce.²⁴ Studies find that stereotypes and male-centered workplace influence women's choice to join or leave.²⁵ Therefore, the Women in Maritime Taskforce issued a pledge (June 2018) to improve inclusion, equality and fairness within the sector, which has been signed by DP World. Moreover, the World Maritime Day's theme for 2019 will be "Empowering Women in the Maritime Community." Given, the above, Sustainalytics considers DP World's plans to invest in women empowerment to be a credible approach for ensuring more gender equity in the workplace, while also creating incentives for women to seek careers within the industry.

Importance of developing Sustainable Port Infrastructure

Ports are a growth pole: of the top 20 cities in the world by GDP, 14 have significant ports.²⁶ Ports generate taxes and duties,²⁷ contributing to global macroeconomic development. In India, DP World estimates that its operations have contributed USD 285 million to the country's GDP. Third party reports by EY showed that DP World activities in India engendered 51,600 positions in 2016 (Nhava Sheva, World Mundra and Cochin).²⁸ The report also mentioned DP World's upgrading of its workers skills through trainings sessions that have positive impacts on their qualifications and therefore employability.

As such, ports have the potential to generate direct and indirect economic benefits for the regions in which they are located. For instance, a report by EY (2018) indicates that DP World's ports in India supported livelihoods of 31,000 families in Mumbai, 12,140 in Gujarat and 7,720 in Kerala. Ports expand the market opportunity for the global and domestic economies, therefore increasing competition which lowers prices. Nevertheless, benefits from increased competition may not be uniformly distributed among sectors and geography.²⁹

Ports are also vulnerable to natural disasters and impacts of climate change.³⁰ Rising sea-levels and strong storms are among the main growing risks ports have to withstand nowadays.³¹ Sustainalytics believes that DP World's investments in resilient port and transportation infrastructure are meaningful and could prepare ports to adapt to the impacts of climate change.

R&D on Sustainable Transport

In 2014, the transport sector accounted for more than 20% of global CO₂ emissions.³² In a press release following the Global Sustainable Transport Conference,³³ the UN advocates for cooperation to develop sustainable transport. DP World may use part of the proceeds to invest in the R&D of Hyperloop technology.³⁴ The Hyperloop is a new kind of rail transport for both peoples and goods that features a high-speed tube craft. It could provide an alternative to short-haul flights or, in the case of DP World, freight transportation. The technology is meant to be energy efficient thanks to its innovative design.

Given the early stage development of the technology and the uncertainties about its feasibility and its overall environmental impact,³⁵ Sustainalytics is of the opinion that it is too early to give a conclusive opinion about

²³ In the UK maritime industry women earn on average £16.5/hour while men earn £30/hour (Maritime HR Association, 2017)

²⁴ Ibid.

²⁵ Ibid.

²⁶ Fusco Girard, L. (2013), "Toward a Smart Sustainable Development of Port Cities/Areas: The Role of the "Historic Urban Landscape" Approach", at: https://www.researchgate.net/publication/277674911_Toward_a_Smart_Sustainable_Development_of_Port_CitiesAreas_The_Role_of_the_Historic_Urban_Landscape_Approach

²⁷ Ferrari, C. (2011), "Ports and regional economic development", at: <http://www.oecd.org/cfe/regional-policy/49456330.pdf>

²⁸ Provided to Sustainalytics, not a public document.

²⁹ Rodrigue, J-P and al., (2017), "The Geography of Transport System. Chapter 11: Application and Case Studies", at: https://transportgeography.org/?page_id=9435

³⁰ Ulrick, C. (2019), "The critical nature of global ports and their future resilience", The Resilience Shift, at: <https://www.resilienceshift.org/ports-resilience/>

³¹ Chrisodoulou, A. et al. (2018), "Sea-level rise in ports: a wider focus on impacts", at: <https://link.springer.com/article/10.1057/s41278-018-0114-z>

³² Our World in Data, "Carbon dioxide (CO₂) emissions by sector or source, World", (2014), at: <https://ourworldindata.org/grapher/carbon-dioxide-co2-emissions-by-sector-or-source>

³³ Sustainable Development Knowledge Platform, "Global Sustainable Transport Conference", (2016), at: https://sustainabledevelopment.un.org/content/documents/11979Final_Press_Release.pdf

³⁴ SpaceX, "Hyperloop Alpha", (2013), at: https://www.spacex.com/sites/spacex/files/hyperloop_alpha-20130812.pdf

³⁵ Sustainalytics also notes that the Hyperloop could have negative externalities in terms of energy consumption, soil contamination, ecosystems and biodiversity as well as noise pollution. E.g. the use of variable renewable energy requires investment in storage capacities, such as Lithium-ion

DP World Sustainable Financing Development Framework

the technology but considers that R&D into technological development of such kind is important to advance sustainability in transportation.

The Importance of Access to Education and Vocational Training

DP World intends to use part of the proceeds to finance education and vocational training in developing countries. Worldwide, 18% of all children and adolescents aged 6 to 17 years were out of school in 2017.³⁶ Universal access to education is yet to complete. Fostering education in developing countries is key to ensure socio-economic development. For example, Sub-Saharan Africa is one of the least developed area in the world and only 59% of children have the chance to complete their primary school education.³⁷ In 2016, DP World initiated a "Global Education Program" (GEP). The program targeted to reach 34,000 young people (8-14 years old) by 2020. Employee volunteers can share their skills and experience with the local community. The purpose of the GEP is to deliver education in priority areas and developing economies where the Company has a presence. Industry reports show that younger generations, specifically, lack knowledge of the global logistics industry and approximately 60% of young people do not even know what "logistics" means.³⁸ The GEP is part of the Company's approach to provide better educational standards across the global and focuses predominately on science, technology, engineering and mathematics (STEM) education and encourages students to consider careers in the area of sustainability and maritime affairs. As part of the Company's efforts to measure the impact of these programs, an Education Portal has been developed which allows employee volunteers to enter feedback from teachers and students. The survey has collected responses from 19,304 students and 693 teachers. Sustainalytics notes the importance of providing access to education in emerging economies and particularly to underserved communities. However, it is encouraged that the Company clearly defines priority areas and to further report on the quantitative impacts of these programs.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. Any sustainability bond/sukuk issued under this Framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Energy efficiency Renewable Energy	7. Affordable and Clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency
Investing in Oceans	6. Clean Water and Sanitation	6.1 By 2030 achieve universal and equitable access to safe and affordable drinking water for all. 6.4 By 2030, increase water-use efficiency
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Sustainable Transport Solutions Development of Sustainable Port Infrastructure Climate Resilience	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and

batteries. Lithium-ion batteries fabrication process is highly water intensive and incorporate rare-earth elements whose extraction is detrimental for the soil and the environment.

³⁶ UNESCO, "Meeting Commitments: Are Countries on Track to Achieve SDG 4?", at: <https://unesdoc.unesco.org/ark:/48223/pf0000369009>

³⁷ Federal Ministry for Economic Cooperation and Development of Germany, "Education in developing countries", at: <https://www.bmz.de/en/issues/Education/hintergrund/bildungssituation/index.html>

³⁸ According to the International Federation of Freight Forwarders Associations

DP World Sustainable Financing Development Framework

		gross domestic product, in line with national circumstances, and double its share in least developed countries
Training and Skills Development	4. Quality Education 8. Decent Works and Economic Growth	4.4 By 2030 ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education. 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training
Invest in women	5. Achieve Gender Equality and Empower all Women and Girls	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Conclusion

DP World has developed the DP World Sustainable Development Financing Framework under which it intends to issue sustainability bond(s) and/or sukuk and use the proceeds to finance future and existing projects related to (i) Renewable Energy, (ii) Energy Efficiency, (iii) Sustainable water and wastewater management, (iv) Aquatic biodiversity conservation, (v) Green buildings, (vi) Climate change adaptation, (vii) Socioeconomic advancement and empowerment, (viii) Employment generation, and (ix) Clean transportation.

DP World's project evaluation and selection processes as well as management of proceeds and reporting are aligned with market practice, and Sustainalytics is of the opinion that eligible projects will result in positive social and environmental impacts. However, while Sustainalytics had insight into draft standards that require environmental impact assessments for new development, the strength of the standard to mitigate environmental risks remains to be seen once implemented. In addition, Sustainalytics considers the possible financing of energy efficient equipment that uses fossil fuels (albeit limited to cases where there is a lack of available technology or stable energy source), to be a limitation of the framework.

Based on the above, Sustainalytics considers the DP World Sustainable Development Financing Framework to be aligned with the Sustainability Bond Guidelines.

Appendices

Appendix 1: Assessment of Green Building Standards used

	LEED	BREEAM	ASASI
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	ASASI (Advanced Sustainability Assessment Index) is a credit-based rating system that focuses on the sustainability of buildings and establishes its credentials through a well-conceived Assessment Index. ASASI was developed by Port, Customs and Free Zone Corporation (PCFC), Dubai, and addresses the current barriers of Dubai and the wider region. The ASASI rating system is also applicable beyond Dubai and UAE and setting up stage for wider adoption.
Certification levels	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding	1 2 3 4
Areas of Assessment: Environmental Project Management	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	The Core (includes design philosophy of the team and strategies in place for compliance) Energy Water Health & Environmental Protection (includes indoor air quality and comfort) Site & Land Use Transport Materials Operational Sustainability Progressive & Innovative
Areas of Assessment: Environmental Performance of the Building	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	
Requirements	Prerequisites (independent of level of certification) + Credits with associated points	Prerequisites depending on the levels of certification + Credits with associated points	There are rating specific mandatory as well as voluntary credits, along with minimum eligibility criteria specific to the

DP World Sustainable Financing Development Framework

	These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	This number of points is then weighted by item³⁹ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	highest two rating slabs, 3 and 4. There are a maximum number of obtainable points per credit category, which are then added together to obtain the ASASI level of rating. There are several different credit themes within each credit category in ASASI. Each credit theme is designed to target a specific requirement in the credit category.
Performance display			
Accreditation	LEED AP BD+C LEED AP O+M	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	
Qualitative considerations	Widely recognised internationally, and strong assurance of overall quality.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	

³⁹ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

Appendix 2: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	DP World
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: [specify as appropriate]	DP World Sustainable Development Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 2019
Publication date of review publication: [where appropriate, specify if it is an update and add reference to earlier relevant review]	

Section 2. Review overview

SCOPE OF REVIEW

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

The review assessed the following elements and confirmed their alignment with the GBPs and SBPs:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ 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 are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers projects and activities related to energy efficiency, renewable energy, sustainable water and wastewater management, green buildings, climate change adaptation, marine conservation, infrastructure development, education and women's empowerment to have positive environmental or social impacts and to advance the UN Sustainable Development Goals.

Use of proceeds categories as per GBP:

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

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

Use of proceeds categories as per SBP:

- | | |
|--|---|
| ☒ Affordable basic infrastructure | ☐ Access to essential services |
| ☐ Affordable housing | ☐ Employment generation (through SME financing and microfinance) |
| ☐ Food security | ☒ Socioeconomic advancement and empowerment |
| ☐ Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | ☒ Other (<i>please specify</i>): Invest in women |

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

DP World Sustainable Financing Development Framework

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

DP World's Sustainable Development Financing Committee (the "Committee") manages internal process for evaluating and selecting projects. The Committee involves various departments and management employees. The Committee oversees alignment of projects with eligibility criteria outlined in the Framework and reports to the DP World Sustainability Advisory Committee and the Group CFO. This process is aligned with market practice.

Evaluation and selection

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

Information on Responsibilities and Accountability

- | | |
|--|--|
| ☒ Evaluation / Selection criteria subject to external advice or verification | ☐ In-house assessment |
| ☐ Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The Committee oversees the management of proceeds. DP World intends to establish a Sustainable Development Financing Register (the "Register") to track the allocation of proceeds to eligible assets. The Register will be reviewed at least annually by the Committee to ensure that proceeds have been allocated to eligible projects. Unallocated proceeds will be managed according to DP World's cash and liquidity risk management policies. This process is aligned with market practice.

Tracking of proceeds:

- ☒ Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

DP World Sustainable Financing Development Framework

- | | |
|---|---|
| ☐ Allocations to future investments only | ☒ Allocations to both existing and future investments |
| ☐ Allocation to individual disbursements | ☐ Allocation to a portfolio of disbursements |
| ☒ Disclosure of portfolio balance of unallocated proceeds | ☐ Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

DP World intends to publish an Annual Sustainability Impact Report containing information on the allocation of proceeds and impact of projects and activities. The report will be located DP World's website. DP World will report on a list of eligible project categories, the amounts allocated, the amounts of refinancing vs financing, and the remaining balance of any unallocated proceeds. Additionally, DP World will report on relevant impact metrics for each of the eligible project categories. Sustainalytics views DP World's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| ☐ Project-by-project | ☒ On a project portfolio basis |
| ☐ Linkage to individual bond(s) | ☐ Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| ☒ Allocated amounts | ☐ Sustainability Bond financed share of total investment |
| ☐ Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| ☒ Annual | ☐ Semi-annual |
| ☐ Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| ☐ Project-by-project | ☒ On a project portfolio basis |
| ☐ Linkage to individual bond(s) | ☐ Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| ☒ Annual | ☐ Semi-annual |
| ☐ Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

DP World Sustainable Financing Development Framework

- | | |
|---|--|
| ☒ GHG Emissions / Savings | ☒ Energy Savings |
| ☒ Decrease in water use | ☐ Number of beneficiaries |
| ☐ Target populations | ☒ Other ESG indicators (please specify): |

Renewable energy capacity added/rehabilitated (MWh)
 % of electricity consumption from renewable sources
 Number of people with access to clean and sanitized water
 Capital invested in ocean enhancement initiatives to reduce pollution, eliminate dumping and minimize release of hazardous chemicals and materials
 Capital invested in water resources management
 Qualitative and quantitative case studies
 Qualitative and quantitative case studies
 Freight volumes and contributions to trade
 Increases in efficiency from innovation
 Share of people with access to newly developed infrastructure
 Qualitative and quantitative case studies
 Number of young people trained on global trade (disaggregated by gender)
 Number of youth and adults receiving training in information and communications technology (ICT) (disaggregated by gender)
 Number of educational institutions partnering with/ supporting DP World's programmes
 The arithmetic range of the age of participants in DP World's education programmes
 Proportion of women in managerial positions
 Number of annual promotions
 Number of women supported through empowerment programmes
 Number of 3-25 year old girls to go through digital literacy programme
 Number of males trained on gender equality
 Increase/decrease in staff retention

Means of Disclosure

- | | |
|---|---|
| ☐ Information published in financial report | ☐ Information published in sustainability report |
| ☐ Information published in ad hoc documents | ☒ Other (please specify): Annual Report |
| ☐ 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.)

<https://www.dpworld.com/investors/financials-and-Presentations/financial-reports/annual-reports>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ Other (please specify): | |

Review provider(s):

Date of publication:

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

- i. **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental and social sustainability or other aspects of the issuance of a Sustainability Bond, such as the establishment/review of an issuer's Sustainability Bond framework. "Second Party Opinions" may fall into this category.
- ii. **Verification:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally and socially sustainable features of underlying assets may be termed verification and may reference external criteria.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against an external green and social assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- iv. **Rating:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework rated by qualified third parties, such as specialized research providers or rating agencies. Sustainability Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Sustainability Bond frameworks / programmes.

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For more information, visit www.sustainalytics.com

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