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DHOFAR INTEGRATED SERVICES COMPANY S.A.O.C (DISC) SUSTAINABLE FINANCE FRAMEWORK 2024



Document title: Second Party Opinion on Dhofar Integrated Services Company S.A.O.C Sustainable Finance Framework 2024

Prepared by: DNV Business Assurance Services UK Limited

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This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial instrument being assessed.

DHOFAR INTEGRATED SERVICES COMPANY S.A.O.C SUSTAINABLE FINANCE FRAMEWORK 2024

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Dhofar Integrated Services Company SAOC (henceforth referred to as “DISC” or the “Company”) now known as Nama Dhofar Services (henceforth referred to as “NDS”), was established in 2001 as a closed joint-stock company. Presently, it is 99% owned by Electricity Holding Company (Nama Holding), a wholly-owned subsidiary of Oman Investment Authority (OIA).

The company distributes and supplies electricity, water and wastewater services in Dhofar Governate. As of the end of 2022, the company managed around 300,000 customer accounts across the three sectors.

The electrical network of the company spans the Dhofar region. It ensures the delivery of reliable and secure electrical services to approximately 144,000 customers, including homes, farms, and various commercial, industrial, and governmental establishments.

The water services of the NDS extend to all regions within the Dhofar Governorate. Water provision for the customers is facilitated through a comprehensive water supply system, incorporating collection tanks, main transmission lines, and distribution networks. The company ensures the delivery of Omani standard specifications for drinking water. There are two desalination plants situated in the Ashur region, serving as the primary water source, collectively producing approximately 40 million gallons of water per day. These plants supply water to three major cities in the region: Salalah, Taqah, and Mirbat. The total length of water networks in the Dhofar region is approximately 2,760km, and the wilayat not connected to the main network rely on their independent wells, desalination plants, and water networks for their water supply.

NDS oversees wastewater services for multiple wilayat in the Dhofar Governorate. In the city of Salalah alone, the wastewater network spans over 1000km, providing wastewater services to 76% of the city. The company aims to expand this coverage to 95% by the year 2025. To manage wastewater treatment, the company operates nine treatment plants with a collective daily capacity of around 60,000 cubic meters.

To drive its commitment to deliver on its key environmental and social objectives, DNV Business Assurance Services UK Limited (henceforth referred to as “DNV”) has been commissioned by NDS to provide a review of its Sustainable Finance Framework against the International Capital Market Association’s (“ICMA”) 2021 Green Bond Principles (“GBP”) with June 2022 Appendix 1, the 2023 Social Bond Principles (“SBP”) and the 2021 Sustainability Bond Guidelines (“SBG”), the Loan Market Association (“LMA”) 2023 Green Loan Principles (“GLP”) and the 2023 Social Loan Principles (“SLP”).

Our methodology to achieve this is described under ‘Work Undertaken’ below. We were not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Sustainable Finance Instruments as issued via the Group’s Framework, the value of any investments, or the long-term environmental or social benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Dhofar Integrated Services and DNV

The management of Dhofar Integrated Services has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform NDS management and other interested stakeholders in the Framework, as to whether it is aligned with the Principles as set out by the GBPs, the SBPs, the SBGs, the GLPs, and the SLPs. DNV's assessment is supplemented with international guidelines and standards, as well as DNV's own technical expertise to assess sustainability eligibility.

In our work we have relied on the information and the facts presented to us by Dhofar Integrated Services Company. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. DNV shall not be held liable if any of the information or data provided by Dhofar Integrated Services used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment methodology to create an NDS-specific Sustainable Finance Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that the Sustainable Finance Instruments must use the funds raised to finance eligible activities, that should produce clear green and/or social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection. Evaluation criteria are guided by the requirements that an issuer of a Sustainable Finance Instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Sustainable Finance Instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information provided to us by Dhofar Integrated Service in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of an NDS-specific Protocol adapted to the purpose of the Framework as described above;
- Assessment of documentary evidence provided by NDS on the Framework, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;



- Discussions with NDS' management and a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in [Schedule 2](#) of this document.

Our opinion, as detailed below, is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below, with further detail provided in [Schedule 2](#).

1. Principle One: Use of Proceeds.

DNV confirms that an amount equivalent to the proceeds from Green, Social and Sustainable Finance Instruments (including, but not limited to: public or privately placed bonds, debt private placements, floating rate notes, commercial paper, loans term loans and revolving credit facilities) as issued under the Framework, will be used to (re-)finance in part or in full, the following eligible green and/or social projects (the "Eligible Projects"):

Eligible Green Project Categories:

- Renewable Energy.
- Sustainable Water and Wastewater Management.
- Climate Change Adaptation

Eligible Social Project Categories:

- Affordable Basic Infrastructure.
- Access to Essential Services.

The performance criteria for each of the eligible projects for the associated green and social project categories as listed above, and within the Framework, are further defined in [Schedule 1](#) of this Opinion.

NDS plans to allocate funds generated to assets through capital expenditure ("CapEx") with the intention of supporting green and social project.

We can confirm NDS has implemented a 36-month lookback period for re-financing. To avoid duplicating projects and double counting on their related green and social impacts, the company will allocate funds exclusively based on its share of (re-)financing in the project. No allocation will occur for investments from other subsidiaries of Nama Holding, and where qualified projects are partially owned by NDS, a pro rata share of the project will be reported.

DNV concludes that the eligible green and social categories and the associated green and social projects as outlined above and in [Schedule 1](#) of this Opinion, are in line with the GBPs, the SBPs, the GLPs, the SLPs and the SBGs.

We can also confirm that the company has included an exclusions list for (re-)financing under the Framework. The exclusions list includes activities, projects or assets, related to:

- Fossil fuel extraction, processing or distribution.
- Transportation of fossil fuels.
- Fossil Fuel-related power generation.
- Alcohol.
- Gambling.
- Tobacco; and
- Weaponry/defence-related equipment.

DNV confirms that the eligible green and social project categories as described within the Framework by NDS and the example projects provided to DNV, are consistent with those listed by the GBPs, the GLPs, SBGs, SBPs and the SLPs, and that such projects will provide clear environmental and/or social benefits.

2. Principle Two: Process for Project Evaluation and Selection.

DNV can confirm that NDS has specified the eligibility criteria for each type of eligible green and social project in the Use of Proceeds section of its Framework. We can also confirm there is a robust decision-making process behind the approval of such projects that fall within the respective categories, taking into account a comprehensive set of parameters, as outlined in the Framework.

NDS has confirmed that a Sustainable Finance Working Group (henceforth: "SFWG") will be in place to assess and select the eligible green and social projects. The SFWG will be chaired by a representative of the Treasury Department, and will be comprised of the Chief Executive Officer (CEO) and representatives across the business including from the relevant project departments, asset and planning, and other relevant groups depending on the asset(s) undergoing assessment. The SFWG will meet and review the proposed projects on a bi-annual basis.

DNV concludes that the eligible green and/or social projects to be financed by future issuances will be appropriately evaluated, selected and managed as outlined within the Framework. We also confirm that this meets the requirements of the GBPs, the GLPs, the SBGs, the SBPs, and the SLPs.

3. Principle Three: Management of Proceeds.

We can confirm that NDS will allocate amounts equivalent to the net proceeds from the financing instruments and that the proceeds will be internally tracked by NDS' Treasury unit, until full allocation.

NDS has set up its own Sustainable Financing Register. This Register serves to track all Finance instruments raised under this Framework. The respective eligible green and social projects financed will be overseen by the Treasury Department.

The Register contains two sets of details:

- Details of the Transaction(s) themselves including principal amounts, settlement dates, ISIN numbers and interest margin among other details; and
- Details of the Use of Proceeds including the amount allocated, summary detail of the eligible projects, any unallocated proceeds and any estimated environmental or social impacts, where available.

NDS has also committed to its approach to handling any unallocated proceeds within its portfolio and unallocated funds will be held according to the NDS Treasury Policy until the proceeds can be allocated to an eligible project. NDS has confirmed that the excluded sectors outlined in the Use of Proceeds section apply to the temporary storage of funds.

DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework, and that this meets the requirements of the GBPs, the GLPs, the SBGs, the SBPs and the SLPs.

4. Principle Four: Reporting.

NDS has committed to providing an annual allocation report and an impact report, on the sustainable financing instruments issued. This reporting will be provided annually until the complete allocation of the net proceeds from any issued sustainable financing instrument, or until the sustainable financing instrument is no longer in effect.

DNV can confirm that NDS's allocation report will include information on:

- The total amount of proceeds allocated to the Eligible Green and/or Social Projects;
- Breakdown of allocation by eligible project category;
- Allocation by geographic location;

- Refinancing versus new financing; and
- The balance of unallocated proceeds (if any).

NDS will also provide report, when able, the applicable impact of the eligible green and social projects financed. The report will also detail the appropriate methodologies and assumptions employed for calculating the impact metrics.

Illustrative impact metrics may include:

Renewable Energy:

- Total installed capacity (MW).
- Annual renewable energy generated (MWh/GWh).
- Annual GHG emissions avoided or reduced (tCO₂e).

Sustainable Water and Wastewater Management:

- Annual absolute (gross) water use before and after the project in m³/a, reduction in water use in %.
- Annual absolute (gross) amount of wastewater treated, reused or avoided, before and after the project, in m³/a, p.e./a, and as %.

Climate Change Adaptation:

- Reduction in flood damage costs
- Reduction in number of operating days lost to floods
- Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³
- Reduction in system outages due to floods

Affordable Basic Infrastructure:

- Number of water infrastructure projects built/upgraded.
- Number of new household water connections.
- Number of people provided with adequate and equitable sanitation.

Access to Essential Services:

- Number of hospital and other healthcare facilities built/upgraded.
- Number of health checks provided.
- Number of residents benefitting from healthcare which is otherwise not accessible.

DNV concludes that NDS has made the appropriate plans to produce reporting on both the allocation and impact of future sustainable finance instruments issued, and that this is aligned with the requirements as listed under the GBPs, the SBPs, the SBGs, the GLPs and the SLPs.



On the basis of the information provided by Dhofar Integrated Service and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definitions of "Green Bonds" within the GBP 2021 with June 2022 Appendix, "Social Bonds" within the SBP 2023, "Sustainability Bonds" as stated within the SBG 2021, "Green Loans" within the GLP 2023, and "Social Loans" within the SLP 2023.

for DNV Business Assurance Services UK Limited

London, 21 May 2024.

A handwritten signature in blue ink, appearing to read "G Oakman".

George Oakman

Senior Sustainable Finance Consultant and Project Manager
DNV – Business Assurance

A handwritten signature in blue ink, appearing to read "N Hutson".

Niki Hutson




Head of ESG Advisory and Sustainable Finance
DNV – Business Assurance





About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 14,800 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

Eligible Green Categories	Eligible Projects	Potential Impact Metrics	UN SDG alignment
Renewable Energy	Investments that dedicated to the transmission and distribution of energy generated from solar power.	<ul style="list-style-type: none"> Total installed capacity (MW). Annual renewable energy generated (MWh/GWh). Annual GHG emissions avoided or reduced (tCO₂e). 	
Sustainable Water and Wastewater Management	Investments in projects related to: <ul style="list-style-type: none"> The construction, upgrade, renovation or improvement of transportation and treatment of wastewater, including water and wastewater treatment plants (WWTP), reuse of WWTP effluents, sewer systems and pumping stations. The enhancement of water-use efficiency, such as water recycling, reuse and reclamation projects, water saving systems, technologies and water metering. 	<ul style="list-style-type: none"> Annual absolute (gross) water use before and after the project in m³ /a, reduction in water use in % Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³ /a and p.e./a or as a % 	
Climate Change Adaptation	Investments in projects related to the reduction of flood risk and extreme weather events like stormwater plans, smart metering and automation and improving the resilience of sites which are at the risk of flooding.	<ul style="list-style-type: none"> Reduction in flood damage costs Reduction in number of operating days lost to floods Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ Reduction in system outages due to floods 	

Eligible Social Categories	Eligible Projects	Target Population	Potential Impact Metrics	UN SDG alignment
<p>Affordable Basic Infrastructure</p>	<p>Projects that increase access to clean drinking water, sanitation facilities, including construction of public sanitation stations.</p>	<p>Underserved people defined as those who have not previously had access to basic infrastructure, clean water and sanitation, such as people living away from the cities.</p>	<ul style="list-style-type: none"> • Number of water infrastructure projects built/upgraded. • Number of new household water connections. • Number of people provided with adequate and equitable sanitation. 	 
<p>Access to Essential Services</p>	<p>Investments that enhance access to public, not-for-profit, free or subsidized essential services, including:</p> <ul style="list-style-type: none"> • Infrastructure for public hospitals, laboratories, clinics, healthcare, childcare and elder care centres. • Infrastructure for the provision of child, youth or adult education and vocational training services. 	<ul style="list-style-type: none"> • Unemployed. • Young people. • Underserved people defined as those who have not previously had access to healthcare and educational services. 	<ul style="list-style-type: none"> • Number of hospital and other healthcare facilities built/upgraded. • Number of health checks provided. • Number of residents benefitting from healthcare which is otherwise not accessible. 	 



SCHEDULE 2: DHOFAR INTEGRATED SERVICES-SPECIFIC SUSTAINABLE FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	<p>The Green/Social/Sustainable Bond/Loan must fall into one of the following categories, as defined by the Green/Social/Sustainable Bond Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond/Loan • Use of Proceeds Revenue Bond/Loan • Project Bond/Loan • Securitised Bond/Loan 	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> • Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>The Framework outlines the type of Use of Proceeds instruments expected to be issued under the Framework as various sustainable finance debt instruments (including but not limited to green, social and sustainable bonds, loans and sukuk (together known as “Sustainable Finance Instruments”). The specific type of Use of Proceeds Instruments will need to be further assessed on an individual basis.</p> <p>Projects eligible for Sustainable Financing Instruments must have undergone refinancing within 36 months before the issuance date.</p> <p>DNV can confirm that the instruments outlined in the framework align with the GBP, SBP, SBG, GLP, and/or SLPs, and will need to be further assessed on an individual basis.</p>
1b	Green/Social Project Categories	<p>The cornerstone of a Green/Social/Sustainability Bond/Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> • Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>NDS intends to use the proceeds from future issuances, to finance or re-finance, the following eligible categories, and green/social projects:</p> <p>Green Categories:</p> <ul style="list-style-type: none"> • Renewable Energy. • Sustainable Water and Wastewater Management. • Climate Change Adaptation.



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Social Categories:</p> <ul style="list-style-type: none"> Affordable Basic Infrastructure. Access to Essential Services. <p>DNV confirms that the eligible green/social categories and projects as stated in the Framework and in <u>Schedule 1</u> of this opinion, are consistent with the GBPs, SBPs, SBGs, GLPs and the SLP guidelines.</p>
1c	Green/Social/Sustainable benefits	All designated Green and/or Social Project category should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>NDS has provided a description of the types of eligible green and/or social projects that it intends to (re-) finance under the Framework, as well as the corresponding ICMA/LMA-eligible project categories.</p> <p>The Company has also committed to working towards the UN SDGs key to their sector and has outlined which SDGs its proposed initiatives and projects will contribute towards – specifically Goal #3, Goal #4, Goal #6, and Goal #7.</p> <p>Additionally, NDS recognise the Environmental and Social performance and also outline some of the indicative environmental and benefits. To make the benefits quantifiable, NDS has also provided a detailed list of potential impact metrics.</p> <p>We can confirm NDS has clearly outlined how it intends to support the performance and assessment of eligible projects by following the vision and focus points.</p> <p>The evidence reviewed gives us the opinion that future issuances to be issued under the Framework will deliver clear social and/or environmental benefits.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1d	Target Population	All designated Social Projects should provide the social benefits outlined in 1c to specific target populations.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>DNV confirms that the target populations are consistent with the target populations as outlined in the SBPs and SLPs.</p> <p>The target population can be defined as:</p> <ul style="list-style-type: none"> Underserved individuals are characterised as those who have not previously enjoyed access to fundamental infrastructure, including clean water and sanitation, particularly those residing in rural or remote areas. Underserved people defined as those who have not previously had access to healthcare and educational services. Unemployed. Young people.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green/Social/Sustainability Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Bond/Loan proceeds	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>DNV can confirm NDS has specified the eligibility criteria for each type of green and social projects/activities in the Use of Proceeds table of its Framework.</p> <p>NDS will form a Sustainable Finance Working Group (SFWG) responsible for assessing and selecting Eligible Projects. The group will comprise the CEO and representatives from various departments/teams, including the Treasury</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>department, Project department, and Assets and Planning department. Additional relevant departments may be included as needed for specific projects. A representative from the Treasury department will chair the SFWG.</p> <p>The Sustainability Committee of the Group is chaired by the Treasury Department.</p> <p>The SFWG will conduct biannual consultations with other departments as required, to identify and propose eligible projects or expenditures for inclusion as the Eligible Use of Proceeds.</p> <p>The SFWG will follow a comprehensive process from project identification through thorough evaluation to project validation (whether to include or exclude from the portfolio of Eligible Green/Social Projects).</p> <p>During the evaluation process, the SFWG will assess the extent to which core minimum environmental, social, and governance (ESG) requirements, along with the specified criteria in the 'use of proceeds' section, are integrated and implemented in the project design and subsequent processes. Through in-depth analysis and collaboration with responsible project teams, the SFWG will determine whether a project qualifies as an Eligible Green/Social Project.</p> <p>We can also confirm that they meet the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2b	Issuer's environmental and social governance Framework	In addition to the information disclosed by an issuer on its Green/Social/Sustainability Bond/Loan process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding social and environmental sustainability.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <ul style="list-style-type: none"> Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. Dhofar Integrated Services Company Annual Report 2022 (Link) 	<p>DNV can confirm that every six months, the SFWG will assess all proposed Eligible Projects to ensure compliance with this Framework for the approval of proceeds allocation. Additionally, on a biannual basis, the SFWG will examine the allocation of proceeds to Eligible Projects, evaluating the need for adjustments.</p> <p>Eligible projects will adhere to NDS' internal guidelines, policies, and risk management procedures, as well as relevant social and environmental standards and regulations, to effectively mitigate any potential adverse social and environmental impacts.</p> <p>We can also confirm that the Framework is in line with NDS' wider approach to managing environmental and social sustainability.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Green/Social/Sustainability Bond/Loan should be credited to a sub-account, moved to a sub- portfolio, or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green/Social Projects.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. 	<p>DNV concludes that the Framework commits NDS to the tracking of the proceeds in an appropriate manner, and that this is attested to by a formal process.</p> <p>In the Framework, NDS has outlined that Sustainable Financing Register will be established to manage the proceeds of our sustainable financing instruments.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>The funds generated from each sustainable financing instrument will be allocated to the designated pool of eligible projects and expenditures, as outlined in the Sustainable Financing Register. Each year, the net proceeds will be adjusted to account for the investments made in eligible green/social projects during that annual period.</p>
3b	Tracking procedure	So long as the Green/Social/Sustainability Bonds/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green/Social/Sustainability investments or loan disbursements made during that period.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> • Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. • Dhofar Integrated Services Company Treasury Policy 	<p>The Treasury department has established a dedicated tracking process within the internal information systems and database to oversee and document the allocation of the proceeds.</p> <p>Annually, the Treasury team will conduct a review of the Sustainable Financing Register to account for any reallocations, repayments, or draws related to eligible projects and expenditures within the designated pool.</p> <p>Sustainable Financing Register will contain relevant information including:</p> <p>1.Transaction Details: Key information such as the transaction date, principal amount of proceeds, settlement date, maturity date, interest margin or coupon, ISIN number, etc.</p> <p>2. Use of Proceeds Details, including:</p> <ul style="list-style-type: none"> • Amount of the allocation made. • An overview of Eligible Projects to which the proceeds of the sustainable financing instrument have been designated in line with this Framework. • Any unallocated proceeds yet to be assigned to Eligible Projects.



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> • Estimated environmental and social impact, if available. • Other necessary information. <p>DNV concludes that NDS has appropriately disclosed how it will track the funds and the disbursement of funds in its Framework.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.</p> <p>Evidence Reviewed:</p> <ul style="list-style-type: none"> • Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. • Dhofar Integrated Services Company Treasury Policy 	<p>DNV concludes that NDS has appropriately disclosed how it will manage any unallocated proceeds within its portfolio.</p> <p>If funds cannot be immediately and fully allocated, or in the case of early repayment, the proceeds will be retained in accordance with the NDS Treasury Policy until allocation to Eligible Green/Social Projects.</p> <p>NDS aims to assign the proceeds of a specific sustainable financing instrument to Eligible Green/Social Projects that have been initiated within a maximum of three years before the issuance. The allocation of proceeds will take place within two years from the date of issuance.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should	In addition to reviewing the evidence below, we had several detailed discussions with Dhofar Integrated Services.	We can confirm that NDS will release an allocation report and an impact report on its sustainable financing instruments annually, as outlined below. This reporting will be provided

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>provide at least annually a list of projects to which Bond, and where appropriate Loan proceeds, have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.</p>	<p>Evidence Reviewed:</p> <ul style="list-style-type: none"> • Dhofar Integrated Services Company SAOC (DISC) Sustainable Finance Framework. • Dhofar Integrated Services Company Annual Report 2022 (Link) 	<p>each year until the complete allocation of the net proceeds from any issued sustainable financing instrument or until the instrument is no longer outstanding.</p> <p>Allocation reporting:</p> <ul style="list-style-type: none"> • The total amount of proceeds allocated to the Eligible Green and/or Social Projects; • Breakdown of allocation by eligible project category; • Allocation by geographic location; • Refinancing versus new financing; and • The balance of unallocated proceeds (if any). <p>Impact reporting:</p> <ul style="list-style-type: none"> • When possible, NDS will provide reporting on pertinent potential impact metrics which is published online for Eligible Green and Social projects. • The report may additionally provide details regarding the methodology and assumptions employed in calculating the impact metrics. <p>Metrics may include the following:</p> <p>Renewable Energy:</p> <ul style="list-style-type: none"> • Total installed capacity (MW). • Annual renewable energy generated (MWh/GWh). • Annual GHG emissions avoided or reduced (tCO2e). <p>Sustainable Water and Wastewater Management:</p> <ul style="list-style-type: none"> • Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in %



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> • Annual absolute (gross) amount of wastewater treated, reused or avoided, before and after, the project in m³ /a, p.e./a or as a %. <p>Climate Change Adaptation</p> <ul style="list-style-type: none"> • Reduction in flood damage costs • Reduction in number of operating days lost to floods • Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ • Reduction in system outages due to floods <p>Affordable Basic Infrastructure:</p> <ul style="list-style-type: none"> • Number of water infrastructure projects built/upgraded. • Number of new household water connections. • Number of people provided with adequate and equitable sanitation. <p>Access to essential service:</p> <ul style="list-style-type: none"> • Number of hospital and other healthcare facilities built/upgraded. • Number of health checks provided. • Number of residents benefitting from healthcare which is otherwise not accessible.