



# SOBHA REALTY GREEN FINANCING FRAMEWORK 2025

# SOBHA REALTY

**Document title:** Second Party Opinion (“SPO”) on Sobha Realty’s Green Financing Framework

**Prepared by:** DNV Business Assurance Services UK Limited

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## Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

# **SOBHA REALTY – GREEN FINANCING FRAMEWORK ASSESSMENT 2025**

## **DNV ELIGIBILITY ASSESSMENT**

### **Scope and objectives**

PNC Investments LLC, (henceforth referred to as “Sobha Realty”, “Sobha”, or the “Company”) is a leading luxury real estate developer renowned for its high-quality and vertically integrated business model. Sobha Realty was founded by Mr. PNC Menon, a real-estate entrepreneur with over 45 years of experience. Mr. PNC Menon started his journey with an interior decoration firm in Oman in 1976, and later on expanded into real estate by establishing a strong presence across the UAE and India.

Sobha Realty has delivered 7,000+ units encompassing over 13 million square feet of projects since its establishment in 2011 in the UAE. With over 35 ongoing projects, Sobha Realty acknowledges the role of sustainability through commitments to UAE-based climate initiatives, including the UAE Alliance for Climate Action (UACA), alongside the MOCCA Climate-Responsible Companies Pledge, which seeks to accelerate the private sector in achieving the UAE’s “Net Zero by 2050” strategic Initiative. Sobha Realty frames its strategy around such commitments, which is embedded in its four key pillars, including: climate action, energy optimisation, water optimisation and circularity. It has also received multiple awards recognising its commitment & efforts to sustainability. In 2024, Sobha achieved a score of 91 in its annual GRESB (Global Real Estate Sustainability Benchmark) assessment, ranking 5th among its peer group.

In support of its broader environmental objectives, Sobha looks to continually integrate sustainability into its projects. As an example of a recent milestone project exemplifying the Company’s ongoing environmental efforts - Sobha One, in Ras-al-Khor, Dubai, achieved a Green Mark certified building status with Super Low Energy (SLE) Platinum rating – a regional first for the Middle East. To further advance the implementation of sustainability throughout its developments, Sobha prioritises sustainability initiatives through incorporating: Extensive Green Spaces (enhancing air quality and urban biodiversity), Innovative Construction Practices (reducing construction waste and adopting low-carbon solutions) and Sustainable HVAC systems (to enhance energy savings).

Beyond its environmental commitments, Sobha is committed to social development through numerous programs focused on education, healthcare, housing, women empowerment, and sustainability across UAE, Oman and India. Examples include the ‘Contributing to One Billion Meals Program’ offering global food assistance to the underprivileged, including vulnerable groups. More locally, the Company engages in additional social initiatives, including Health & Sports Initiatives and Employee Welfare Programs.

To further support its sustainability endeavours, DNV Business Assurance Services UK Limited (“DNV”) has been commissioned by Sobha Realty to provide an eligibility assessment of their Green Financing Framework according to the criteria established within the International Capital Market Association (ICMA) GBP and the Loan Market Association (LMA) GLP. Our methodology to achieve this is described under ‘Work Undertaken’ below.

DNV was not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of bonds issued under the Company's Framework, the value of any investments, or the long-term environmental and/or societal 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 Sobha Realty and DNV

The management of Sobha Realty 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 Sobha Realty management, and other interested stakeholders in the Framework, as to whether the established criteria have been met based on the information provided to us.

In our work, we have relied on the information and the facts presented to us by Sobha Realty. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided and 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 a Sobha Realty-specific Green Financing Framework Protocol (henceforth referred to as "Protocol") See [Schedule 2](#). 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 Green Finance Instruments must use the funds raised to finance eligible activities, that should produce clear green 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 Green 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 Green 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 Sobha Realty based on the understanding that this information was provided to us by Sobha Realty in good faith. DNV 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 a Company-specific Protocol, adapted to the purpose of the Framework, as described above, and in [Schedule 2](#) of this Assessment.
- Assessment of documentary evidence provided by Sobha Realty on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with Sobha Realty's management, as well as 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 summary findings are listed below, with further detail found in [Schedule 2](#):

### 1. Principle One: Use of Proceeds.

DNV can confirm that Sobha Realty intends to use this Framework to issue Green Financing Instruments, including but not limited to green bonds, loans and sukuks, whereby an amount equivalent to the net proceeds will be used to (re-)finance, in part or in whole, new or existing Eligible Green Projects Categories. These include:

#### Eligible Green Categories:

- Green Buildings
- Energy Efficiency
- Renewable Energy
- Clean Transportation
- Pollution Prevention and Control.

To demonstrate alignment to wider sustainability initiatives and in line with ICMA guidance, Sobha Realty has mapped the impact areas of its Eligible Green Project Categories to the UN Sustainable Development Goals (UN SDGs), specifically: Goal #7 (Affordable and clean energy), Goal #9 (Industry, innovation and infrastructure) and Goal #11 (sustainable cities and communities).

To make the Projects' benefits quantifiable, the Company's Framework also outlines a series of potential metrics for each Eligible Project Category. For more information, please see [Schedule 2](#).

DNV can conclude that the Green Eligible Projects as described within the Framework fall into the defined categories of the GBP and GLP and will deliver clear environmental benefits.

## **2. Process for Project Evaluation and Selection:**

DNV can confirm that there is a robust decision-making process behind the approval of Eligible Green Project that falls within the respective Eligible Green Categories, in [Schedule 1](#).

Accountability for the Green Financing Framework lies with Sobha Realty's Green Financing Working Group (GFWG), a cross-functional committee that meets annually. The GFWG is chaired by the Chief Sustainability Officer (CSO) and comprised of the Chief Finance Officer (CFO) and Head of Development.

Key responsibilities include reviewing, selecting and validating the list of Eligible Green Projects, regular monitoring of the Eligible Green Projects to ensure continued adherence to the eligibility criteria as outlined in [Schedule 1](#), replacing any projects that no longer meet such criteria as soon as a practically possible prior to full allocation, and continued adherence to internal risk standards and procedures as well as applicable national & international environmental & social standards and regulations.

DNV concludes that the activities financed by future issuances will be appropriately evaluated, selected, managed, and reported in accordance with the GBP and GLP. DNV also confirms that the Framework aligns with Sobha Realty's broader environmental and social strategy.

## **3. Management of Proceeds:**

DNV can confirm the net proceeds generated from each Green Financing Instrument issuance, used for the (re-) financing of the Eligible Green Projects, will be managed and overseen by the Sobha Realty on an instrument-by-instrument basis through an internal register. The register will be actively managed, with new Eligible Projects added as needed to ensure full allocation. Proceeds from any issuance will be allocated within 24 months of the issue date.

To enable this, a Green Financing Register will be established to track the allocation of proceeds raised through Green Financing Instrument(s), which will be managed by the GFWG and reviewed annually.

In the event that a project becomes ineligible or must be replaced prior to full allocation, the GFWG will reallocate the proceeds to new Eligible Projects as soon as reasonably practicable on a best-efforts basis and within 24 months.

Until full allocation is achieved, unallocated net proceeds will be temporarily held in investments such as cash, cash equivalents, and/or other liquid marketable investments.

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 GBP and GLP.

## **4. Reporting:**

DNV can confirm Sobha Realty is committed to publishing annual Allocation and Impact Reports covering its Green Finance Instruments. These reports will be made available on the [Company's website](#) one year post issuance and then on an annual basis until full allocation of the net proceeds.

The Allocation Report will detail the following for example:

- An overview of net proceeds from Green Finance Instrument(s) outstanding
- The year of investment
- The amount of net proceeds allocated to the Eligible Green Projects as defined by the 'Use of Proceeds' section of the Framework, broken down by category, if applicable

For a full list of details, please refer to [Schedule 2](#).

Alongside this, the Impact Report will present relevant metrics, methodologies, and assumptions, subject to data availability and confidentiality. Where applicable, the Company will reference indicators from the latest version of the ICMA Harmonized Framework for Impact Reporting. For a full list, please refer to [Schedule 2](#).

DNV confirms that Sobha Realty has committed to transparent and appropriate allocation and impact reporting, in line with the requirements of the GBP and GLP.

Based on the assessment procedures conducted, no matters have come to the attention of DNV that causes us to believe that the Framework is not, in all material respects, in accordance with the Pre-Issuance requirements of the GBP and GLP.

**for DNV Business Assurance Services UK Limited**

London, 26 August 2025

A handwritten signature in blue ink, appearing to read "Zohrah Yaqub".

**Zohrah Yaqub**

Lead Verifier

DNV – Business Assurance Services

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

**George Oakman**

Quality Reviewer

DNV – Business Assurance Services




#### 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 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.



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

Sobha Realty has listed its Eligible Green Projects to be (re-)financed. The Company has noted the eligibility criteria that it meets and has mapped out the alignment to the UN SDGs specified per Eligible Green Category, outlined below.

Eligible Green Category	Eligibility Criteria	UN SDG Alignment
<b>Green Buildings</b>	<p>Financing related to the construction, development, acquisition, maintenance and operation of new and existing residential, commercial or mixed-use buildings that have obtained or will receive a minimum building certification of the following for example:</p> <ul style="list-style-type: none"> <li>▪ LEED certification ('Gold' or better)</li> <li>▪ BCA Green Mark ('Gold+' or better)</li> <li>▪ EDGE certification</li> <li>▪ Or are within top 15% of national or regional buildings with regards to energy efficiency.</li> </ul>	
<b>Energy Efficiency</b>	<p>Investments in refurbishments and/or upgrades of commercial and residential buildings that result in a minimum of 30% of energy efficiency including:</p> <ul style="list-style-type: none"> <li>▪ Installation, maintenance and repair of on-site energy efficiency equipment e.g., HVAC and water heating systems or energy-efficient light sources (LEDs); and/or</li> <li>▪ Installation and maintenance and repair of on-site instruments and devices for measuring, regulating and controlling energy performance of buildings e.g., smart meters.</li> </ul>	
<b>Renewable Energy</b>	<p>Financing related to the production or procurement of energy from renewable energy sources:</p> <ul style="list-style-type: none"> <li>▪ Renewable energy generation capacity at commercial and residential properties e.g. wind (onshore and offshore), solar (PV or CSP<sup>1</sup>)</li> <li>▪ Bio-fuels (from used cooking oil / cooking oil wastage)</li> <li>▪ Purchasing Power Agreements ("PPAs") and any other investments that pertain to the procurement of renewable energy that is aligned with the GHG protocol</li> <li>▪ Battery Energy storage systems (BESS).</li> </ul>	

<sup>1</sup> Concentrated solar heat & power (CSP) generation plants where at least 85% of the electricity generated will be sources from solar energy.



Eligible Green Category	Eligibility Criteria	UN SDG Alignment
<b>Clean Transport</b>	<p>Financing related to zero tailpipe emission vehicles and associated infrastructure, such as:</p> <ul style="list-style-type: none"> <li>▪ Installation of charging infrastructure for electric vehicles (EVs) at commercial and residential properties</li> <li>▪ Infrastructure relating to other low-emissions mobility solutions, like bicycle garages at commercial and residential properties.</li> </ul>	
<b>Pollution Prevention and Control</b>	<p>Investment in waste reduction, reuse or recycling projects that result in diversion from landfills, reduction in extraction of virgin materials and recycling to bring the waste back to economic value.</p>	

## SCHEDULE 2: SOBHA REALTY GREEN FINANCING FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

### 1. Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The Green Financing Framework should make clear what financial instruments are to be defined as eligible for green financing.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>DNV can confirm that Sobha Realty intends to use the Framework to issue Green Financing Instruments, including, but not limited to, green bonds, loans, sukuk, whereby an amount equivalent to the net proceeds will be used to (re-)finance the Eligible Green Projects Categories as defined within <a href="#">Schedule 1</a> of this opinion.</p> <p>The Company intends to allocate the net proceeds raised from any green-labelled debt instrument within 24 months of issuance of the Green Financing Framework, to Eligible Projects for fixed assets, capital expenditures ("CapEx"), selected operational expenditures ("OpEx"), research and development ("R&amp;D") or equity investments into pure-play companies<sup>2</sup>.</p> <p>A lookback period of up to 36 months prior to the time of debt issuance will be applied for selected Opex, CapEx, R&amp;D and Eligible Green assets.</p> <p>DNV can confirm that the Green Financing Instruments outlined in the Framework align with the GBP and GLP.</p>

<sup>2</sup> Pure play companies are considered to be those where  $\geq 90\%$  of the revenues can be attributed to one or more of the Eligible Green Project Categories described in Use of Proceeds section of Sobha Realty's Green Financing Framework and in Schedule 1 of this opinion.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1b	Green Project Categories	The cornerstone of a Green Bond/ Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Sobha Realty,</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>Sobha Realty confirms that an amount at least equivalent to the net proceeds of the finance debt instruments will be used to (re-)finance in full or in part Eligible Green Projects that meet the eligibility criteria of the Project categories defined in <a href="#">Schedule 1</a> of this Opinion. These include:</p> <p>Eligible Green Categories:</p> <ul style="list-style-type: none"> <li>Green Buildings</li> <li>Energy Efficiency</li> <li>Renewable Energy</li> <li>Clean Transport</li> <li>Pollution Prevention and Control.</li> </ul> <p>The Company also confirms, in line with EU Paris Aligned Benchmark (PAB) exclusion restrictions, that the following activities are excluded from financing:</p> <ul style="list-style-type: none"> <li>Fossil fuel energy</li> <li>Nuclear energy</li> <li>Gambling</li> <li>Tobacco</li> <li>Alcohol</li> <li>Weapons</li> <li>Child or forced labour.</li> </ul>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV can confirm that the Eligible Green Projects as stated in the Framework are consistent with the GBP and GLP.</p> <p>DNV can also conclude that the Framework appropriately describes the proposed utilisation of proceeds. The specificities of each issuance will need to be further assessed on an individual basis with considerations to its local context.</p>
1c	Green benefits	All designated Green Eligible Project categories should provide clear environmental benefits, which where feasible, will be quantified or assessed by the Issuer.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Sobha Realty,</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> <li>Sobha Realty Sustainability webpage (<a href="#">link here</a>).</li> </ul>	<p>Sobha Realty has provided an indicative description of the types of Eligible Green Projects and their expected, wider environmental benefits.</p> <p>As part of this, the Company is also committed to advancing specific UN Sustainable Development Goals (UN SDGs) through the Eligible Green Project categories in line with ICMA guidance, including:</p> <ul style="list-style-type: none"> <li><a href="#">SDG 7</a>: Affordable and Clean Energy</li> <li><a href="#">SDG 9</a>: Industry Innovation and Infrastructure</li> <li><a href="#">SDG 11</a>: Sustainable Cities and Communities.</li> </ul> <p>To make the benefits quantifiable for the Eligible Categories, Sobha's Framework outlines the respective</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>KPIs that will be monitored. These metrics are described in Section 4 of this Schedule.</p> <p>The evidence reviewed gives DNV the opinion that future issuances under the Framework will deliver clear environmental benefits, in line with the GBP and GLP.</p>
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>The Framework allows for refinancing of existing assets. DNV confirms a lookback period of up to 36 months prior to the time of debt issuance will apply for selected CapEx, Opex, R&amp;D and Eligible Green assets.</p> <p>DNV has not been provided with the balance of financing vs. refinancing, though Sobha has made a commitment to report on the balance in its allocation report as covered in Section 4a.</p>

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of Green-labelled debt instrument should outline the decision-making process it follows to determine the eligibility of projects using Green bond/ loan proceeds.	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>DNV confirms that the Company has reported in the Framework a clear management structure to support the process of selecting and evaluating the Eligible Green Projects it will finance.</p> <p>The Green Financing Working Group (GFWG), which is chaired by the Chief Sustainability Officer (CSO), and also comprised of the Chief Finance Officer (CFO), and Head of Development, is a cross-functional committee that meets annually, whereby decision-making relating to the selection of Eligible Green Projects is made through majority consensus.</p> <p>The GFWG is responsible for:</p> <ul style="list-style-type: none"> <li>Reviewing, selecting and validating the list of Eligible Green Projects</li> <li>Ensuring proceeds raised through Green financing instruments are allocated to (re-)finance Eligible Green Projects, highlighted within <a href="#">Schedule 1</a></li> <li>Monitoring of Eligible Green Projects to ensure adherence to eligibility criteria, and replacing projects prior to full allocation as soon as practically possible</li> </ul>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>Overseeing Allocation and Impact reports and external assurance</li> <li>Overseeing and monitoring evolving market standards and practices to ensure Sobha Realty's Framework is alignment and reflective of these.</li> </ul> <p>DNV concludes that the Eligible Green Projects financed by future issuances will be appropriately evaluated, selected, managed, and reported in line with the GBP and GLP.</p>
2b	Issuer's environmental governance framework	In addition to the information disclosed by an issuer on its Green labelled debt instrument process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall Framework and performance regarding environmental sustainability.	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> <li>Sobha Realty's ESG report, (<a href="#">link here</a>)</li> <li>Sobha Realty sustainability targets website, (<a href="#">link here</a>)</li> </ul>	<p>DNV can confirm that the Framework falls within the wider environmental approach of Sobha Realty.</p> <p>As part of the project evaluation and selection process, Sobha Realty assesses how Eligible Projects align with the Company's business model and sustainable strategy.</p> <p>To demonstrate this further, the Company has set a number of measurable targets to track its progress and improve its wider environmental impacts, including commitments in the following areas:</p> <ul style="list-style-type: none"> <li>Installation of 7 MWp Solar PV, by 2027</li> </ul>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>Zero use of single plastics across the Group, by 2026</li> <li>Reduce Energy Use intensity by 5% by 2030, respective to 2024 baselines across Sobha's owned assets</li> <li>Reduce water use intensity by 5% by 2030, respective to 2024 baselines across Sobha's owned assets</li> <li>Implement initiatives to achieve 20,000 tCO2e emission reductions, by 2027.</li> </ul> <p>In addition to committing to support 14 of the 17 the United Nations Sustainable Development Goals (UN SDGs), Sobha is also committed to align to UAE-based climate initiatives, including the:</p> <ul style="list-style-type: none"> <li>UAE Alliance for Climate Action (UACA)</li> <li>MOCCA Climate-Responsible Companies Pledge, which looks to accelerate Paris-aligned targets via the private sector's role in the UAE's Net Zero by 2050 Strategic Initiative.</li> </ul> <p>This gives DNV the opinion that the Framework is in line with the Company's wider approach to managing its sustainability commitments, which is aligned with the GBPs and GLPs.</p>



### 3. Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green labelled debt instrument issuances 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 Eligible Green Projects.	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>Sobha Realty intends to allocate an amount equivalent to the net proceeds from the issue of any Green Finance Instrument to Eligible Projects, managed on an instrument-by-instrument basis through an internal Green Financing Register.</p> <p>Both the maintenance of the register of Eligible Green Projects and oversight of the allocation of proceeds will remain with the GFWG. For projects that are no longer eligible, substitutions will be made by the GFWG prior to full allocation.</p> <p>DNV concludes that Sobha Realty has made the appropriate plans to track the use of proceeds and can confirm that this is attested to by an appropriate formal internal process.</p>
3b	Tracking procedure	So long as the Green labelled debt instruments proceeds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching Eligible Green	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>Sobha Realty is committed to maintaining an Eligible Green Project register to ensure that an amount equal to or exceeding the net proceeds raised through Green Finance Instruments is allocated to Eligible Green Projects.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		investments made during that period.		<p>The register will be actively managed, with additional Eligible Green Projects added as needed to ensure full allocation. Proceeds from any Green Finance Instrument issuance will be allocated to eligible projects within a maximum period of 24 months from the date of issuance.</p> <p>In the event that a project becomes ineligible or must be replaced prior to full allocation, the Company's GFWG intends to promptly reallocate the funds to new Eligible Green Projects.</p> <p>DNV concludes that there is a clear process in place for the tracking of the balance of the proceeds which accounts for disbursements.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Green 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 have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty Green Financing Framework 2025</li> </ul>	<p>Pending the allocation or reallocation of net proceeds to Eligible Green Projects, Sobha Realty may temporarily hold and unallocated, pending full allocation, or unallocated proceeds within temporary investments such as cash, cash equivalents, and/ or other liquid marketable investments.</p> <p>DNV concludes that Sobha Realty has appropriately disclosed how it will manage proceeds from the Green Financing Instrument issuances, and that this is in line with both the GBPs and GLPs.</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 provide at least annually a list of projects to which Bond/ Loan, 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 environmental impact.	<p>In addition to reviewing the evidence below, we have had discussions with Sobha Realty.</p> <ul style="list-style-type: none"> <li>Sobha Realty's Green Financing Framework 2025.</li> </ul>	<p>The Company has confirmed that it will publish annual reporting on the allocation of proceeds and impact, one year post issuance and then on an annual basis until full allocation.</p> <p>Sobha Realty's Allocation report will incorporate the following content:</p> <ul style="list-style-type: none"> <li>An overview of net proceeds from Green Finance Instrument(s) outstanding</li> <li>The year of investment</li> <li>The amount of net proceeds allocated to the Eligible Green Projects as defined by the 'Use of Proceeds' section of the Framework, broken down by category, if applicable</li> <li>The geographic distribution of the portfolio of Eligible Green Projects</li> <li>Subject to confidentiality considerations, a list of Eligible Green Projects</li> <li>The proportion of net proceeds allocated to existing and new projects (financing versus refinancing)</li> <li>A description of eligible projects and/ or case studies where applicable</li> </ul>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>The balance of unallocated proceeds, if any.</li> </ul> <p>Additionally, Sobha Realty's Impact report will incorporate the metrics outlined below, in addition to methodologies and assumptions:</p> <p><u>Green Buildings</u></p> <ul style="list-style-type: none"> <li>Number of buildings that have obtained green building certification– type and level of certification (LEED, BCA)</li> <li>Energy efficiency gains in MWh or %</li> <li>Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq)</li> <li>Annual energy savings (MWh/year)</li> <li>Net emissions reduction (tCO<sub>2</sub>eq)</li> <li>Amount of water recycled/ reused (litres)</li> <li>Annual reduction in water consumption.</li> </ul> <p><u>Energy Efficiency</u></p> <ul style="list-style-type: none"> <li>Annual energy savings (MWh)</li> <li>Net emissions reduction (tCO<sub>2</sub>eq)</li> <li>Estimated annual CO<sub>2</sub> emissions reduced (tCO<sub>2</sub>eq)</li> <li>% annual energy efficiency change relative to baseline.</li> </ul> <p><u>Renewable Energy</u></p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>Renewable energy purchased (MWh)</li> <li>Estimated annual GHG emissions avoided (tCO<sub>2</sub>eq/year)</li> <li>Annual renewable energy generation (MWh)</li> <li>% of electricity consumption from renewable sources</li> <li>Net emissions reduction (tCO<sub>2</sub>eq).</li> </ul> <p><u>Clean Transport</u></p> <ul style="list-style-type: none"> <li>Number of installed EV charging stations at Sobha's commercial and residential properties</li> <li>% parking spaces near Sobha's commercial and residential properties that have access to charging stations</li> <li># bicycle garages installed.</li> </ul> <p><u>Pollution Prevention &amp; Control</u></p> <ul style="list-style-type: none"> <li>Waste recycled (Tons)</li> <li>Waste diverted from landfill (Tons).</li> </ul> <p>Both reports will be made publicly available on the <a href="#">Company Website</a>.</p> <p>DNV can confirm the Company's commitment to appropriate and transparent reporting on both the allocation and impact of its Eligible Green Projects, and</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				that this meets the requirements of both the GBPs and GLPs.