

Burgan Bank K.P.S.C. Sustainable Financing Framework

3 February 2022



1. Introduction

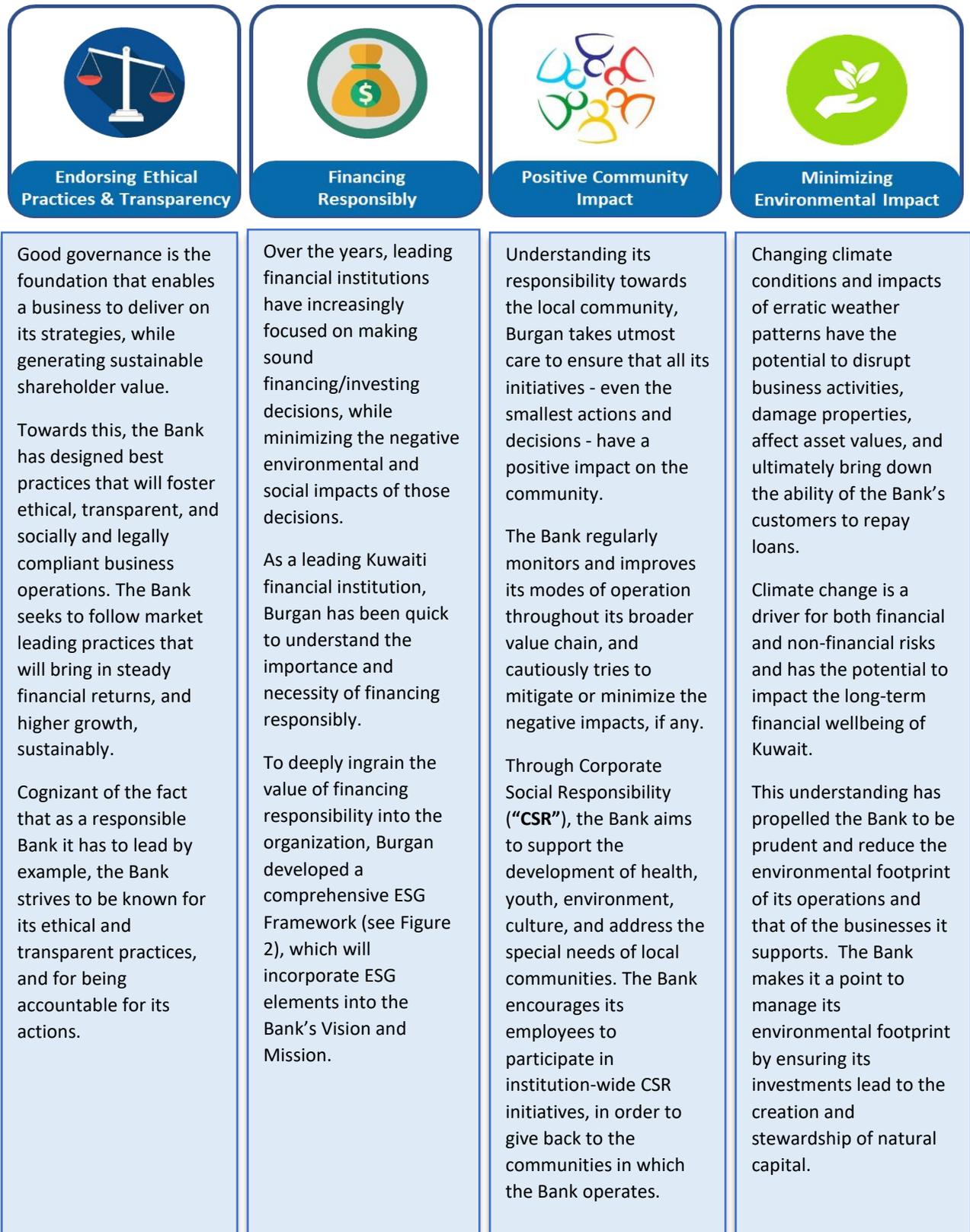
Burgan Bank K.P.S.C. (“**Burgan**”, or the “**Bank**”) was established by the Government of Kuwait as a Joint Stock Company in 1977, and was privatized in 1997. In 1984, the Bank was listed on Boursa Kuwait (formerly known as the Kuwait Stock Exchange) and has since grown to become the second largest conventional, commercial bank in the country by assets. The Bank has a significant focus on the corporate and commercial customer segments, as well as growing retail and private banking customer bases. Burgan also has one of the largest regional branch networks that is supported by a number of majority-owned subsidiaries in the MENAT region. These subsidiaries include Burgan Bank Turkey, Gulf Bank Algeria, Bank of Baghdad, and Tunis International Bank. Burgan also has presence in the UAE through its representative office, Burgan Bank Financial Services Limited, which allows the Bank to participate in financing opportunities in the UAE.

1.1 Sustainability Approach

Burgan considers itself to be an agent of positive change in the community, and thus, aspires to enhance its contributions to sustainability and its overall efforts towards national advancement to the benefit of all. The Bank is firmly committed to collaborating with all similarly concerned stakeholders on the betterment of the community, and the creation of a more prosperous and progressive society. To continue being a best-in-class financial services provider, the Bank has started to focus its responsibilities towards sustainability. In 2021, the Bank crafted its Environmental, Society and Governance (“**ESG**”) Framework, with the goal of consistently developing a holistic approach to providing financially sustainable, relevant, secure and innovative products and services to customers, stakeholders (e.g., employees, investors, regulators, suppliers), and the community at large.

The Bank’s ESG Framework is held by four strong pillars, which are meant to reflect Burgan’s commitment to creating products that support local communities, steer people towards paths of financial growth, and contribute to a greener environment. These four pillars, namely, (i) endorsing ethical practices and transparency, (ii) financing responsibly, (iii) creating positive community impact, and (iv) minimizing environmental impact comprise the Bank’s **ESG Policy** (see Figure 1), which will serve as the foundation for the Bank’s sustainability efforts that it’s committed to growing consistently and persistently.

Figure 1: Four Pillars of Burgan's ESG Policy



ESG Framework:

The ESG Framework encompasses the Bank's ESG Policy, which is based on the four pillars in Figure 1 above, and provides guidance on ESG matters. In line with leading global practices, the ESG Framework seeks to establish ESG monitoring practices and improve the Bank's ESG performance by incorporating ESG factors into the Bank's strategy, risk management and governance processes, with the purpose of facilitating tangible contributions to the creation of a sustainable environment and society.

In order to implement its ESG Framework, and promote responsible financing, the Bank instituted an **ESG Integration Model** (see Figure 2) that will seamlessly integrate its ESG considerations with its overall engagement and financial/investment processes. The ESG Integration Model is based on four principles, which include: (i) avoiding decisions with negative implications, (ii) assessing risks and opportunities, (iii) amplifying positive attitude towards ESG, and (iv) aiming for positive environmental and social impact. In addition to these principles, the ESG Integration Model will be further supported by the Bank's policies, risk identification and mitigation methodologies, as well as its Code of Conduct – the ultimate guide to connecting Burgan's purpose, values, principles, key policies and expectations, with the goal of delivering balanced and sustainable outcomes to all stakeholders.

Figure 2: Principles of Burgan's ESG Framework



Burgan is committed to conducting ESG risk assessments to ensure that the credit/investment analysis of borrowing entities/investee companies and investment decision making processes are aligned with Bank's ESG considerations. The ESG risk assessments, which will ensure the effective management of ESG risks and/or opportunities will also be aligned with the Bank's existing Enterprise Risk Management ("ERM") structures and processes that are in place to identify, assess, manage monitor and communicate risks.

1.2 Contribution to the UN Sustainable Development Goals

In 2015, the United Nations (“UN”) launched 17 Sustainable Development Goals (“SDGs”) – also known as the **Global Goals** – which are a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The SDGs were adopted by a number of UN Member States, and the State of Kuwait (“Kuwait”) has been active in adopting the same.

In alignment with the UN’s SDGs, Kuwait’s ultimate purpose is to leave no one behind. As such, it incorporated the five, critical SDG dimensions of People, Prosperity, Planet, Peace and Partnership in its 2016-2020 National Development Plan, and founded its Kuwait Vision 2035 on seven pillars that contribute to the SDGs. Kuwait has also substantially invested in raising awareness among its partners about its dedication to the SDGs.

In lockstep with Kuwait’s efforts, Burgan founded its ESG Policy on four pillars that are aligned with the UN’s SDGs, and encompass key material topics of importance (see Figure 3) that contribute to the UN’s global vision.

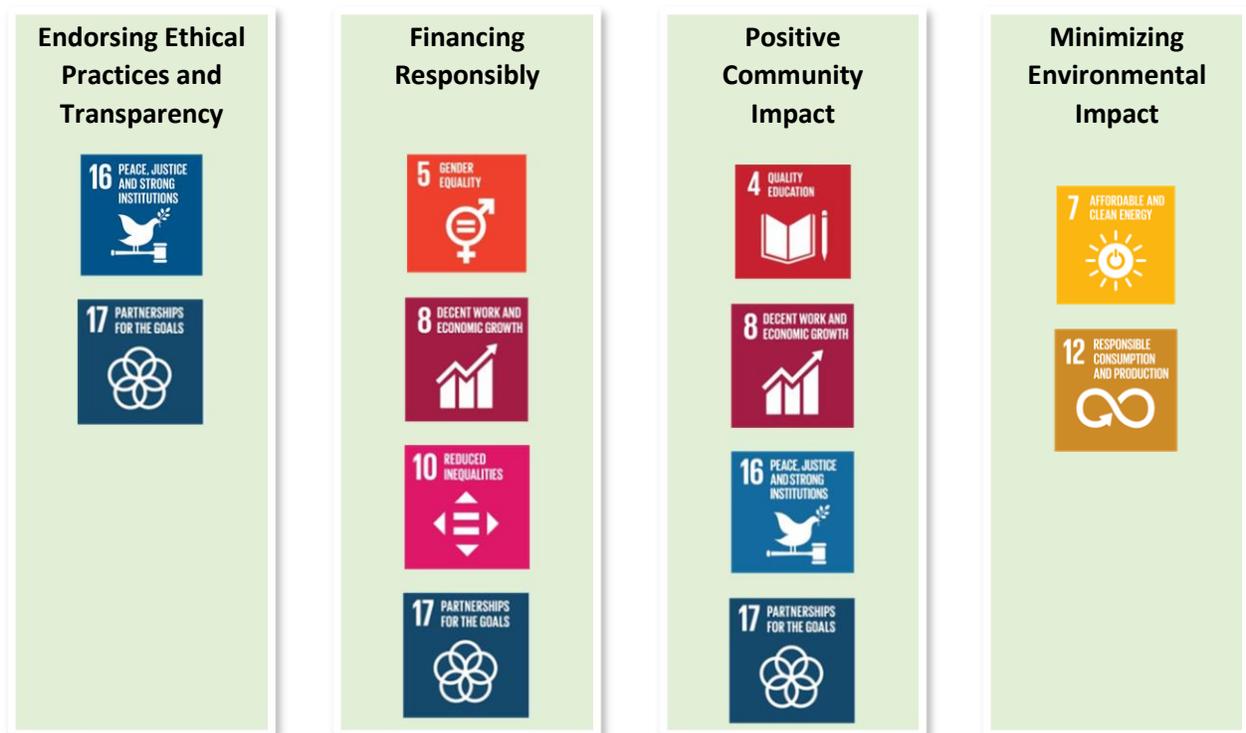


Figure 3: Alignment of Burgan’s Focus Areas to the UN SDGs

2. Burgan's Sustainable Financing Framework

To finance projects that will deliver environment and social benefits in alignment with Burgan's vision and business strategy, Burgan elected to create a Sustainable Financing Framework (“**Framework**”) in accordance with the ICMA Green Bond Principles (“**GBP**”) 2021¹, the ICMA Social Bond Principles (“**SBP**”) 2021², the ICMA Sustainability Bond Guidelines (“**SBG**”) 2021³, the LMA Green Loan Principles 2021 (“**GLP**”)⁴ and the LMA Social Loan Principles 2021 (“**SLP**”)⁵ – together, the “**Principles**”.

The Framework governs the deployment of proceeds obtained from the issuance of Green, Social or Sustainability Bonds and Loans, in alignment with the aforementioned Principles. As such, Burgan will adopt the following criteria for any Green, Social or Sustainability Bond and Loan issuances:

- 1) Use of proceeds.
- 2) Process for project/company evaluation and selection (including any regulatory obligations).
- 3) Management of proceeds.
- 4) Reporting.

Burgan will aim to adhere to best market practices (where possible), and review the Framework's alignment with the most updated versions of the Principles as and when they are released. As such, the Framework may be updated and amended in the manner described in *Section 4 – Amendments to this Framework*, below. Any update or amendment to the Framework will either maintain or improve the current levels of transparency and reporting disclosures. The updated Framework, along with the corresponding review by an external reviewer will be published on the Bank's website and replace the prior version of the Framework. Any Green, Social or Sustainability Bonds and Loans subsequently issued will therefore be subject to the updated/amended Framework.

2.1 Use of Proceeds

An amount equivalent to the net proceeds raised by Burgan from any Green, Social or Sustainability Bonds and Loans will be allocated in part or in full, to finance or refinance⁶:

- 1) “**Eligible Green/Social Projects**” meeting the green/social eligibility criteria defined below in Section 2.1.1 - *Green Project Categories* and/or Section 2.1.2 - *Social Project Categories*; and

¹ICMA's Green Bond Principles 2021 - <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

²ICMA's Social Bond Principles 2021 - <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

³ICMA's Sustainability Bond Guidelines 2021 - <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁴LMA Green Loan Principles 2021 - https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

⁵LMA Social Loan Principles 2021 - https://www.lma.eu.com/application/files/1816/1829/9975/Social_Loan_Principles.pdf

⁶Disbursements that occurred no earlier than 36 months prior to the issuance date of any Green/Social/Sustainability Bond/Loan

- 2) General corporate purpose loans to “**Pure Play Companies**”, which are defined as companies that derive over 90% of their revenues from the green/social eligibility criteria defined in Section 2.1.1 – *Green Project Categories* and/or Section 2.1.2 – *Social Project Categories*, below.

The table below outlines the eligibility criteria for the Eligible Green/Social Projects and Pure Play Companies, and addresses their alignment with the UN Sustainable Development Goals⁷ and their underlying targets.

2.1.1 Green Projects Categories:

ICMA Green Bond Principles project category	Eligibility criteria	Alignment with the UN SDG targets
<u>Clean Transportation</u> 	<ul style="list-style-type: none"> • Electric rail or fully electric vehicles. • Low carbon vehicles meeting the following emissions thresholds: <ul style="list-style-type: none"> (i) hybrid passenger vehicles below 75 gCO₂e/km, (ii) buses below 50 gCO₂e/p-km, (iii) light commercial vehicles below 75 gCO₂e/p-km, and (iv) heavy trucks below 25 gCO₂e/t-km. 	<p>SDG 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport.</p>
<u>Renewable Energy</u> 	<ul style="list-style-type: none"> • Generation of electricity coming from renewable energy generation sources. • Development, manufacturing, construction, operation and maintenance of renewable energy generation sources. • Transmission, distribution and other infrastructure to support renewable energy. • Manufacturing of equipment, components and machinery for renewable energy technologies <i>Eligible renewable energy generation sources include: wind, solar, geothermal, hydro</i> 	<p>SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p>

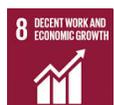
⁷ UN Sustainable Development Goals - <https://sustainabledevelopment.un.org/?menu=1300>

	<i>(capacity <25MW), tidal (emissions <100gCO2/kWh for all renewable sources).</i>	
<u>Energy Efficiency</u>  	<ul style="list-style-type: none"> • Investments in technologies/ infrastructure that result in increased energy-efficiency by at least 20%. • Development/manufacture of energy efficiency technologies including LED lights, smart energy grids, energy meters, management systems and battery storage facilities. • Energy storage systems such as pumped hydro energy storage, compressed air energy storage, flywheel energy, super capacitors, etc. 	<p>SDG 7.3: By 2030, double the global rate of improvement in energy efficiency.</p> <p>SDG 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.</p>
<u>Pollution Prevention and Control</u> 	<ul style="list-style-type: none"> • Investments related to: <ul style="list-style-type: none"> ○ Waste collection. ○ Recovering materials from waste. ○ Recovery of organic waste. ○ Development and installation of technologies aimed at prevention, reduction, recycling and reuse of waste. 	<p>SDG 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
<u>Sustainable Water and Wastewater Management</u>  	<ul style="list-style-type: none"> • Investment related to: <ul style="list-style-type: none"> ○ Sustainable management of water resources. ○ Collection and transport of water ○ Water treatment equipment, technologies and facilities. ○ Waste water recovery equipment, technologies and facilities. • Development and installation of technologies aimed at improving water use efficiency. 	<p>SDG 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p>

<p><u>Green Buildings</u></p> 	<ul style="list-style-type: none"> • Acquisition, construction or refurbishment of buildings which meet recognised standards, such as: <ul style="list-style-type: none"> ○ LEED (Platinum and above). ○ BREEAM (Very Good and above). 	<p>SDG 7.3: By 2030, double the global rate of improvement in energy efficiency.</p>
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2.1.2 Social Project Categories:

ICMA Social Bond Principles project category	Eligibility criteria	Alignment with the UN SDG Targets
<p><u>Affordable Basic Infrastructure</u></p>   	<ul style="list-style-type: none"> • Projects providing/expanding access to electricity, clean drinking water, sanitation and transport. • Development of telecom network and related infrastructure in underserved areas. • Accessibility to public buildings and infrastructures: adapting access to public buildings and infrastructure for vulnerable populations including, people with reduced mobility, the elderly, and people with disabilities, in order to reduce social inequalities and exclusion. <p><u>Target populations:</u></p> <ul style="list-style-type: none"> ✓ People with disabilities. ✓ Low-income people. ✓ Excluded and/or marginalized communities. ✓ Vulnerable groups. ✓ Migrants and/or displaced persons. ✓ Underserved. 	<p>SDG 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.</p> <p>SDG 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>SDG 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</p>

<p><u>Access to Essential Services</u></p>  	<ul style="list-style-type: none"> • Projects expanding access to free public healthcare, education and training facilities. • Infrastructure for the provision of child, youth or adult education and vocational training services. <p><u>Target population:</u></p> <ul style="list-style-type: none"> ✓ Unemployed people. ✓ Young or undereducated people. ✓ Excluded and/or marginalized populations. ✓ Vulnerable groups. ✓ Migrants and/or displaced persons. ✓ Underserved. 	<p>SDG 3.C: Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing states.</p> <p>SDG 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.</p>
<p><u>Employment Generation - including through the potential effect of MSME financing</u></p>    	<ul style="list-style-type: none"> • Providing and increasing access to finance for micro, small and medium enterprises, and providing jobs for youth or underprivileged individuals. <p><u>Target population:</u></p> <ul style="list-style-type: none"> ✓ Long-term unemployed. ✓ Disabled people. ✓ Small, medium or microenterprise (“MSME”)⁸. ✓ Women-owned MSMEs (at least 51% owned by one woman or more). 	<p>SDG 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.</p> <p>SDG 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.</p> <p>SDG 5.C: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p> <p>SDG 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>

⁸ Micro, small and medium micro enterprises (MSMEs) are entities that employ less than 50 Kuwaiti people and have an asset base of less than KD 500,000 with revenues of less than KD 1,500,000

		<p>SDG 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.</p> <p>SDG 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p>
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Excluded sectors: Burgan will not deploy the proceeds obtained from the issuance of any Green, Social or Sustainability Bonds and Loans towards projects and/or companies involved in the following activities - coal, gambling, adult entertainment, alcohol, weapons, nuclear power generation, fossil exploration and exploitation, child and forced labor, and activities that involve human trafficking and are deemed illegal under host countries’ laws or regulations.

2.2 Project Evaluation and Selection Process

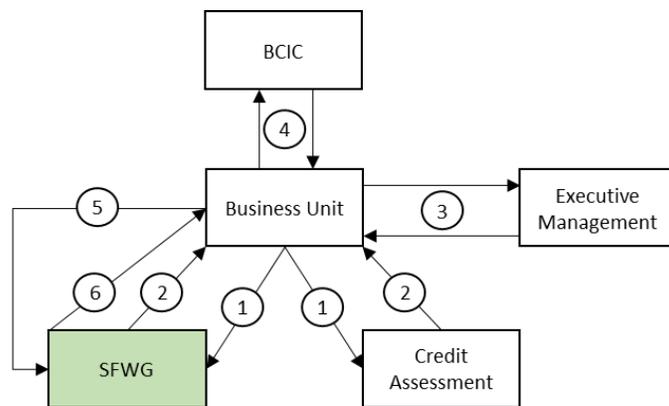


Figure 4: Project Evaluation & Selection Process

When business units identify new green/social projects or companies that may potentially be eligible for funding from net proceeds of Green, Social or Sustainability Bond and Loan issuances (“**ESG Proceeds**”), the business units will:

- 1) Formally approach the Sustainability Finance Working Group (“**SFWG**”) with requests to evaluate the eligibility of new green/social projects or companies that may potentially be eligible for funding from ESG Proceeds based on the extent to which their designs and subsequent processes meet core, minimum ESG requirements, and the criteria set out in Section 2.1 – *Use of Proceeds*.

Simultaneously and independently, the business units will formally approach the Credit Risk Department with requests to assess the credit worthiness of these new green/social projects or companies.

- 2) The SFWG will formally communicate its views regarding the eligibility of the new green/social projects or companies for funding from ESG Proceeds to the pertinent business units. New green/social projects and companies that are deemed eligible for funding from ESG Proceeds will potentially be **“New Obligors”**. Simultaneously and independently, the Credit Risk Department will communicate its views regarding the credit worthiness of the potential, New Obligors.
- 3) The business units will formally seek Executive Management’s approvals to formally approach the Board Credit and Investment Committee (**“BCIC”**) with requests to approve lending to the potential, New Obligors.
- 4) Subject to Executive Management’s approvals, the business units will formally approach the BCIC with requests to approve lending to the potential, New Obligors. The BCIC will communicate its approval/disapproval to the concerned business units.
- 5) Should the business units receive approvals from the BCIC to fund New Obligors, the business units will furnish the SFWG with the relevant BCIC approvals as part of the Bank’s overall post-fact credit process.
- 6) The SFWG will determine the amount of ESG Proceeds that will be allocated to each New Obligor (i.e., full or partial allocation), and communicate the allocation amount to the respective business units.

Business units will also formally approach the SFWG with requests to review the eligibility of **existing** green/social projects or companies (collectively, **“Existing Obligors”**) for financing from ESG proceeds based on the extent to which the Existing Obligors’ designs and their subsequent processes meet core, minimum ESG requirements and the criteria set out in Section 2.1 – *Use of Proceeds*.

In the event that no ESG Proceeds are available for allocation to New or Existing Obligors, they will be listed on a Sustainable Financing Register (**“ESG Register”**), in order to be potentially funded by ESG Proceeds as and when they become available. During its regular meetings, the SFWG will reference the ESG Register to also:

- Evaluate the amount and duration of ESG Proceeds that need to be sourced to fund New and/or Existing Obligors, and by when. This will be followed by respective recommendations to the Group Investment Banking & Treasury Officer (**“GCIBTO”**); and

- Confirm that unallocated ESG Proceeds are managed according to the Bank’s general liquidity guidelines, as they pertain to the deployment of ESG Proceeds, until the ESG Proceeds can be fully allocated to New and/or Existing Obligors.

The SFWG will be chaired by a senior member from GIBT and will comprise members from the following areas of the Bank:

- Group Investment Banking & Treasury (“GIBT”);
- Group Risk (“Risk”);
- Financial Accounting & Control (“FAC”);
- Corporate Communications Department (“CCD”); and
- Any other individual(s) assigned by Executive Management.

2.3 Management of Proceeds

The ESG Register will contain, but many not be limited to the following information regarding Green, Social or Sustainability Bonds and Loans, as well as details about the use of their proceeds:

- **Details of Green, Social or Sustainability Bonds and Loans:** transaction dates, principal amounts of proceeds, settlement dates, maturity dates, interest margins/coupons, ISINs, etc.
- **Details regarding use of ESG Proceeds:** summary details of New and Existing Obligors to which ESG Proceeds have been earmarked in accordance to this Framework, allocated and unallocated amounts, estimated environmental and social impact (where available), etc.

Credit Administration (“CA”) will embed and update the ESG Register in Burgan’s core banking system in order for Risk to efficiently access and monitor New and Existing Obligors, and for FAC to efficiently access and account for ESG Proceeds (e.g., sourcing, allocation, re-allocation, settlement) on a regular basis. In the event that ESG Proceeds cannot be immediately and fully allocated, or in the event that ESG Proceeds that were deployed towards Eligible Green/Social Projects or Pure Play Companies are repaid, ESG Proceeds will be held in line with the Bank’s general liquidity guidelines, as they pertain to the deployment of ESG Proceeds, until they can be allocated to New and/or Existing Obligors. The Bank intends to allocate ESG Proceeds towards New and/or Existing Obligors that were identified no more than three years prior to obtaining the ESG Proceeds. In addition, ESG Proceeds obtained from the issuance of Green, Social or Sustainability Bonds and Loans will be allocated within three years from the date of their issuance.

The management of ESG Proceeds will be aligned with Burgan’s internal guidelines, policies and risk management procedures, as well as the applicable social and environmental standards and regulations.

This is to ensure the stringent management of any potential negative social and environmental impacts that may be associated with funding Eligible Green/Social Projects or Pure Play Companies.

2.4 Reporting

As long as ESG Proceeds that are obtained from the issuance of Green, Social or Sustainability Bonds and Loans are not fully allocated, the Bank will include information about the allocation of ESG Proceeds to Eligible Green/Social Projects and Pure Play Companies (“**Allocation Reporting**”) and the environmental impact of these Eligible Green/Social Projects and Pure Play Companies (“**Impact Reporting**”) in its annual Sustainability Reports. In the event that ESG Proceeds are fully allocated to Eligible Green/Social Projects and/or Pure Play Companies, and that Allocation and Impact Reporting are not in order, the Bank will address any material changes such as changes to the maturities of ESG financing instruments (ESG bonds and loans) and/or any controversies regarding the allocation of ESG Proceeds in its annual Sustainability Reports.

The Bank’s CCD will be responsible for preparing the annual Sustainability Reports, and will source all of the information required for Allocation Reporting and Impact Reporting from FAC and SFWG. Once complete, the Allocation and Impact Reporting sections of the annual Sustainability Reports will be reviewed and approved by the SFWG.

Both, Allocation and Impact Reporting will be subject to the confidentiality agreements between the Bank and New/Existing Obligors.

2.4.1 Allocation Reporting

Allocation Reporting will encompass an overview of the Bank’s Eligible Green/Social Projects and Pure Play Companies portfolio, and will among other things address the following:

- 1) Eligible Green/Social Projects and Pure Play Companies.
- 2) Amount of ESG Proceeds allocated to each Eligible Green/Social Project and Pure Play Company.
- 3) Breakdown of ESG Proceeds allocated to Eligible Green/Social Projects and Pure Play Companies by category.
- 4) Breakdown of new vs. refinanced Eligible Green/Social Projects and Pure Play Companies.
- 5) Breakdown of Eligible Green/Social Projects and Pure Play Companies by geography.
- 6) Balance of unallocated ESG Proceeds.

2.4.2 Impact Reporting

Impact Reporting will encompass environmental/social impact indicators of individual Eligible Green/Social Projects and Pure Play Companies. Such impact indicators may include any of the following reporting metrics, in accordance to the *Harmonized Framework for Impact Reporting*⁹:

2.4.2.1 Environmental Impact Indicators

Project Category	Impact Reporting Metrics
<u>Clean Transportation</u>	<ul style="list-style-type: none"> • GHG Emissions avoided (tCO₂e) • Percentage of electric vehicles in total portfolio (%) • Air pollutants reduction (PMO/NO_x/SO_x, in %)
<u>Renewable Energy</u>	<ul style="list-style-type: none"> • Renewable energy produced (MWh) • Renewable energy capacity (MW) • Share of renewable energies in final gross energy consumption (%) • GHG emissions avoided/reduced (tCO₂e) • Annual energy savings (MWh)
<u>Energy Efficiency</u>	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent • Number of people benefited • Annual Absolute (gross) GHG emissions from the project in tonnes of CO₂ equivalent
<u>Sustainable Water Management</u>	<ul style="list-style-type: none"> • Amount of water desalinated • Amount of water recycled (litres) • Amount of water reused (litres) • Reduction in fresh water usage (%)
<u>Pollution Prevention and Control</u>	<ul style="list-style-type: none"> • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a. and in % of total waste) • Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. • Amount of waste reused or recycled (tons or in % of total waste) • Number of batteries recycled • GHG emissions avoided (tCO₂e)

⁹ <https://www.icmagroup.org/sustainable-finance/impact-reporting/>

<u>Green Buildings</u>	<ul style="list-style-type: none"> • Level of certification by property • Energy efficiency gains in MWh or % vs. baseline • Estimated avoided GHG emissions (tCO2eq) • Annual energy savings (MWh pa) • Annual reduction in water consumption
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2.4.2.2 Social Impact Indicators

Project Category	Impact Reporting Metrics
<u>Employment</u> <u>Generation</u>	<ul style="list-style-type: none"> • Number of MSMEs supported or funded • Number of employees of MSMEs supported or funded • Number of jobs generated • Number of women/youth supported
<u>Affordable Basic</u> <u>Infrastructure</u>	<ul style="list-style-type: none"> • Number of beneficiaries • Share of people with mobile network • Share of people with broadband network • Number of women/youth supported
<u>Access to Essential</u> <u>Services</u>	<ul style="list-style-type: none"> • Number of patients reached • Number of students reached • Number of women supported

3. External Review

3.1 Second-Party Opinion

Burgan has appointed Sustainalytics (“**External Reviewer**”) to review this Framework, confirm its alignment with the ICMA GBP 2021, the ICMA SBP 2021, ICMA SBG 2021, the LMA GLP 2021 and the LMA SLP 2021, and provide a respective Second Party Opinion. Should this Framework be updated, Burgan will obtain an updated Second Party Opinion.

The Second Party Opinion will be made available on Burgan’s website.

3.2 Post issuance external verification

As long as the Bank is engaging in Allocation and Impact Reporting, such reporting will also be subject to verification by an external auditor or a Second Party Opinion Provider. The external auditor or Second Party Opinion Provider will verify the following:

- 1) The compliance of assets financed by ESG Proceeds with the eligibility criteria defined in Section 2.1 – *Use of Proceeds* of this Framework.
- 2) The amount of ESG Proceeds allocated to fund Eligible Green/Social Projects and Pure Play Companies.
- 3) The amount of unallocated ESG Proceeds.
- 4) The management of ESG Proceeds.

The external auditor or Second Party Opinion Provider’s post issuance external verification report will be published on Burgan’s website.

4. Amendments to this Framework

With the aim of adhering to best market practices, the SFWG will review this Framework on a regular basis, and take the necessary measures to ensure that its aligned with the most up to date versions of the Principles, as and when they are released. Such review may result in this Framework being updated and amended. The updates and amendments, if not minor in nature, will be subject to the prior approval of Burgan and an external reviewer (e.g., Second Party Opinion Provider). Any updated and amended version of this Framework that may exist in the future will either maintain or improve its current levels of transparency and reporting disclosures. The updated and amended Framework (if any) will be published on the Bank’s website and will replace this Framework.