



ahli

Sustainable
Finance Framework
June 2024

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Introduction

This framework sets forth the governing guidelines and principles under which Jordan Ahli Bank (collectively referred to as, “the Bank”, or “we”) intend to issue thematic debt instruments, such as Green, Social and Sustainability Loans or Bonds. It cements the Bank’s strong commitment

to advance its sustainable finance agenda and position itself as the market leader in sustainability and sustainable finance in the Jordanian banking sector.

The Framework has been developed based on the Bank’s Environmental and Social Management System (ESMS) international standards and best practices, such as:

- The Sustainability Bond Guidelines (“SBG”), 2021, issued by the International Capital Market Association (“ICMA”) ¹.
- The Green Bond Principles (“GBP”) 2021 (with June 2022 Appendix 1), issued by ICMA ².
- The Social Bond Principles (“SBP”) 2023, also issued by ICMA ³.
- The Loan Market Association (“LMA”) Green Loan Principles (“GLP”, 2023)⁴.
- LMA’s Social Loan Principles (“SLP”, 2023) ⁵.
- The Green Bond Guidelines prepared by the Jordanian Ministry of Environment in collaboration with the Jordan Securities Commission, the Central Bank of Jordan, the Ministry of Finance and the Ministry of Planning & International Cooperation in December 2021 ⁶.
- The MDB Common Principles for Climate Mitigation Finance Tracking, last updated in December 2023 ⁷.
- Jordan’s Nationally Determined Contribution (NDC) ⁸.
- IFC’s Performance Standards on Environmental and Social Sustainability ⁹.

External Verification:



The framework is designed to be adaptable and will undergo regular reviews to update or add qualifying activities and criteria as needed, and to comply with regulatory requirements. Jordan Ahli Bank will seek further external verification for any significant updates made during these reviews.

A second-party opinion (SPO) has been provided by ISS-Corporate on Jordan Ahli Bank’s Sustainable Finance Framework. ISS-Corporate, a top global SPO provider, assesses the environmental and social performance of companies and countries’ frameworks based on contemporary market practices for sustainable finance, adhering to various standards and voluntary guidelines.

The SPO will be published on Jordan Ahli Bank’s website, available here: <https://ahli.com/>

1. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

2. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

3. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

4. https://www.lma.eu.com/application/files/8916/9755/2443/Green_Loan_Principles_23_February_2023.pdf

5. https://www.lma.eu.com/application/files/9416/9755/3230/Social_Loan_Principles_23_February_2023.pdf

6. https://moenv.gov.jo/ebv4.0/root_storage/ar/eb_list_page/jordan_green_bond_guidelines.pdf

7. <https://documents1.worldbank.org/curated/en/514141645722484314/pdf/Common-Principles-for-Climate-Mitigation-Finance-Tracking.pdf>

8. <https://unfccc.int/sites/default/files/NDC/2022-06/UPDATED%20SUBMISSION%20OF%20JORDANS.pdf>

9. <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>

About Ahli Bank

Jordan ahli bank traces its illustrious heritage back to its establishment in 1955 as the first national bank in Jordan. At the forefront of the Kingdom's dynamic financial evolution, the bank has shaped the banking industry with an ambitious vision and a steadfast commitment to comprehensive and sustainable economic, social, and environmental development.

As pioneers within the local banking landscape, the bank's legacy of trust, loyalty, and progress spans over six decades, earning it a distinct spot among the Kingdom's foremost banking institutions. With a network of 61 branches and offices, 164 ATMs across Jordan and Palestine, and EU banking presence in Cyprus, Jordan ahli bank walks alongside its customers and communities on journeys like no other, toward a future brimming with promise. As proudly declared on its 60th anniversary - 'For 60 years, together, one Jordan ahli bank family' - the pledge still stands true.

Understanding the heartbeat of the community like no other, Jordan ahli bank's dedication to its customers goes beyond the delivery of mere banking services. It is about crafting meaningful relationships, embarking on prosperous paths together, and navigating the financial landscape hand-in-hand. Guided by a seamless blend of personalized attention, cutting-edge sustainable financial and non-financial solutions, and a genuine connection that makes customers feel part of the family.

The bank's brand essence emanates reliability, confidence, warmth, and forward-thinking, reflecting its integrity, transparency, and excellence in everything it does. Striving

to embody its values of 'Customer Centricity', 'Operational Excellence', and 'Creativity and Innovation' across its services and products, the bank continuously adapts and evolves to meet the ever-changing needs of its clients.

Jordan ahli bank takes pride in caring for its customers, placing special emphasis on achieving the highest levels of care and satisfaction while presenting premium products and services tailored to diverse market segments. This dedication is at the very core of its identity and is the most profound pillar of its company culture.

Recognizing that true '**shared prosperity**' is not just measured in financial terms but also in the sustainability of communities, Jordan ahli bank fosters their well-being to thrive and prosper together for generations to come. Through initiatives that promote social responsibility, economic empowerment, and environmental conservation, the bank strives to shape a more equitable and resilient society.

Meanwhile, the bank's commitment extends beyond its customers to its employees, fostering a sustainable culture of specialization, integrity, inclusivity, and continuous improvement. For it is through their dedication, professionalism, and passion that the bank continues to push boundaries and redefine what's possible.

Jordan ahli bank; where corporate values, sustainability, and innovation enable true '**shared prosperity**'.

Sustainability at Jordan ahli bank

We, Jordan ahli bank, are committed to preserving our position and our concern for sustainable development issues that are based on maintaining a high environmental performance, distinctive social responsibility, and our commitment to corporate governance. We aim to enhance long-term sustainable investment, develop disclosure, and engage in developing sustainability and ESG issues.

Jordan ahli bank adopts business practices that address environmental, social, and governance issues within the framework of shared prosperity with stakeholders (customers, shareholders, suppliers and partners, the community and the environment, employees, and regulators), particularly through our financial activities.

Strategy:

Jordan ahli bank's Sustainability Vision and Mission was derived with a clear linkage to its overall strategy.



Ahli Bank Sustainability Vision

Achieving sustainable shared prosperity through responsible banking



Ahli Bank Sustainability Mission

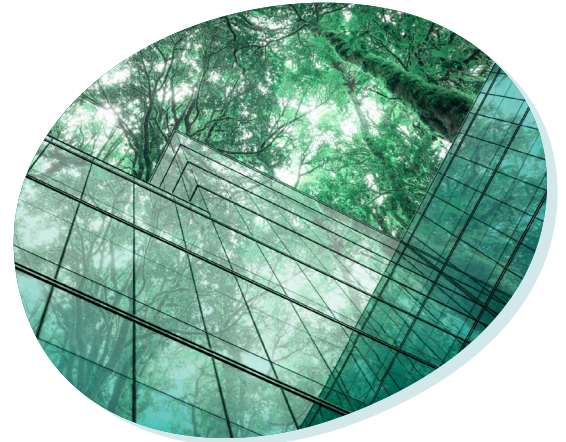
To act responsibly towards our stakeholders by providing sustainable finance and implementing operational excellence that addresses environmental and social issues.

Sustainability and ESG were practiced at Jordan ahli bank since its establishment. The bank has updated a dedicated policy in approaching sustainability and its commitment to conserving the environment, social responsibility, and governance according to the best global and international standards and practices. This policy was approved by Jordan ahli bank's board of directors.

Our ESG policy revolves around the following key pillars:

Environmental Sustainability

This pillar focuses on conserving the environment by reducing the environmental impact of our operations and practices. We do this by utilizing alternative energy sources, reducing natural resource depletion, and minimizing paper consumption through process automation. We aim to provide environmentally friendly banking solutions for individuals, institutions, and environmentally focused companies.



Social Sustainability

This approach revolves around uplifting the local community and developing our social responsibility by improving customer experience and satisfaction, developing, and enhancing employees' capabilities while considering their health and safety, empowering and supporting our communities through diverse development initiatives, and supporting local partners and suppliers.

Responsible Governance and its Sustainability

Ahli bank is committed to integrating and managing ESG issues within the governance framework and key governance principles of the bank. This guarantees responsible and sustainable practices throughout the bank's operations and institutional decision-making processes.



These pillars lead to three sub-pillars



Sustainable and Responsible Finance

which is one of the most significant areas of growth in the banking sector. It aims to finance projects and initiatives that have a positive impact on society and the environment.



Sustainable Operations

which involves adopting responsible procurement practices and sustainable supply chains, achieving fairness and equality for all our workforce.



Environmental and Social Responsibility

where purposeful initiatives are undertaken to provide social and economic development in the context of eight focus areas: community empowerment, particularly women's empowerment, poverty and unemployment, health, environment and climate change, education and financial inclusion, art and culture, social innovation and creativity, and volunteering.

Our sustainability-related disclosure and reporting are aligned with the GRI standards, International Financial Reporting Standards (IFRS), Sustainability Accounting Standards Board (SASB), Central Bank of Jordan, Jordan Securities Commission, Amman Stock Exchange, Central Bank of Jordan's Sustainability Guidelines, Group-Level Corporate Governance Manual, and appendix. We report through our sustainability report.



Integrating Sustainability within Ahli Bank

We are integrating sustainability at the level of the board and the executives. A dedicated Sustainability and ESG Executive Committee has been formed to oversee the implementation of sustainability endeavors. Our Sustainability and ESG department is responsible for the overall ESG programme across the bank. Jordan Ahli Bank also launched an ESG Ambassadors Program to ensure streamlined incorporation of environmental protection, social responsibility, and responsible governance throughout our operations.

Ambassadors from different departments are assigned with diverse responsibilities including raising awareness about sustainability policies and ensuring their implementation, collaborating with the Sustainability and ESG department to integrate ESG into their practices and decision-making, and contributing to the sustainability initiatives within their respective departments. Feedback is also sought from the Ambassadors to ensure continuous improvement.

Progressing on our Path to Sustainability

We are committed to undertake significant sustainability initiatives. We aim to protect the environment, harness renewable energy and utilize clean technologies to reduce emissions. Our social initiatives focus on promoting equality, empowering women, and providing education to our local community.

We are committed to offering responsible sustainable financing solutions that address social and environmental issues, promote sustainable development and social justice. Our efforts also include responsible procurement and sustainable supply chains.

In terms of governance, we always enhance transparency and efficiency through robust monitoring systems. Our goal is to continue to digitize our banking services through innovative technology.

ESG Training

We recognize the critical role ESG factors play in business and as a result, we acknowledge the need for our workforce to evolve their understanding of ESG issues and how they can potentially affect our lines of operation. We offer dedicated ESG trainings for our teams. This includes the in-depth GRI Standard training, where our team is acquainted with globally recognized sustainability reporting standards. We also offer an ESG Reporting Masterclass.

committed to adapting and refining our training modules to align with the evolving dynamics of the sustainability landscape.

Additionally, we host training on Green Finance Opportunities, specifically curated for our banking professionals to comprehend and leverage the growing potential of sustainable financing. Furthermore, our ESG Training Workshop equips our team with actionable insights into the application of ESG criteria, and their profound impact on investment decisions. Additionally, we are

In anticipation of future needs, we have already curated a list of upcoming ESG training sessions scheduled for 2024. These sessions will cover a wide range of pertinent topics, including Circular Economy Practices, Environmental and Social Management System (ESMS) workshops, Climate Risks and Transition Risks, Climate Change and Mitigation Strategies, among others. By offering these specialized trainings, we aim to equip our employees with the knowledge and skills necessary to navigate and lead in a sustainable and responsible manner, ensuring a steadfast commitment to our environmental and social governance responsibilities.

Ahli Bank's New Green Headquarters Building

Our new headquarters in Amman stands as a testament to our unwavering commitment to sustainability, marking our ambitious pursuit of targeted environmental goals. Our vision to achieve Leadership in Energy and Environmental Design (LEED) certification for the building began during the design stage. We are proud to report that the formal design review issued by the U.S. Green Building Council (USGBC) has awarded our design a score of 62 points, placing us within the range of achieving **LEED-Gold** certification.

In accordance with the vision of our top management, we have set an even more ambitious target for green building and is striving for additional points with the aim of obtaining the **LEED Platinum** certification target upon the successful completion of the construction phase. We will pursue further efforts to achieve this, such as optimizing the lighting systems, enhancing HVAC systems, and implementing a Building Management System (BMS). The data servers will continue to adhere to energy-efficient standards, and all laptops and computers within the bank will be Energy Star certified.



A Glance at Our 2023

ENVIRONMENT



110,676 kgs

of paper recycled



6.6%

decrease in paper consumption



38%

decrease in total GHG emissions



Introduced a

Green Business Bundle Program



Green building design successfully progressing towards LEED-Platinum certification Target

upon project completion

SOCIAL



24%

women in management



40% Female employment ratio compared with the national ratio of **14%**



88%

of expenditures spent on **local suppliers**



On average, **employees received 22 hours of training**



Awarded 1st place in financial services category for the "**Arabia CSR and Sustainability Awards**"



Signed the

United Nations Women's Empowerment Principles



Launched

Qawn

Jordan's first-of-its-kind social payment and BaaS platform



200 students

joined our Ahli 777 program

GOVERNANCE



79.2%

Customer Satisfaction Rate



2,361

hours governance-focused training in 2023



Incorporation of

ESG factors in risk management practices



Established a dedicated

ESG Executive Committee



Deloitte Governance Maturity Assessment Rate Score of

4.5 out of 5

ECONOMIC



13.5%

increase in net profit before tax



9.3%

increase in total deposits



Jordan Ahli Bank's Green, Social and Sustainability Bonds and Loans

Our Sustainable Finance Framework consists of the following five core components as the basis for our Sustainable Finance instruments (Green, Social and Sustainability Bonds and Loans):

- 1 Use of Proceeds
- 2 Process for Project Evaluation and Selection
- 3 Management of Proceeds
- 4 Reporting
- 5 External Review



Use of Proceeds

An amount equivalent to the net proceeds from the sustainable finance instruments issued by Jordan Ahli Bank will be utilized to finance and/or refinance a portfolio of Eligible Green and/or Social Projects or Loans, as defined by the Eligibility Criteria outlined below in this Framework. In case of a refinancing component, the Bank will include the lookback period in the public documentation of the relevant Sustainable Finance Instrument, as well as the expected timeline (the ramp-up period) to fully allocate the net proceeds to eligible green and social transactions. In terms of the allocation (ramp-up) period, this has been defined as two years from bond issuance. Look-back period (for refinancing) is also two years, with maximum refinancing percentage of 30%.

Eligible Loans will need to satisfy the standard due diligence process as part of Jordan Ahli Bank's lending assessment. This process already includes a negative screening to exclude any activities deemed unsuitable, as referenced in "Appendix 1: Exclusion List", and a positive screening for compliance with the eligibility criteria (as detailed in "Appendix 2: Eligible Activities for Green Instruments" and "Appendix 3: Eligible Activities for Social Finance"), as the proceeds of the Sustainable Finance Instruments will be fully earmarked to the following eligible green and social categories:

Eligible Green Categories:



- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Sustainable Water and Water Waste Management
- Green Buildings
- Environmentally sustainable Management of living natural resources and land use

Eligible Social Categories:



- Socio-advancement and empowerment.
- Affordable housing
- Access to essential services

Process for Project Evaluation and Selection

It is essential for Jordan Ahli Bank as a sustainable financial institution to integrate robust environmental and social risk management practices into this Sustainable Finance Framework, to ensure that the proceeds from the Sustainable Finance Instruments are used to finance or refinance projects that contribute positively to sustainability goals while minimizing adverse impacts on the environment and society, and meet the eligibility criteria mentioned in the use of proceeds section ¹⁰.

ALL LOANS WILL COMPLY WITH JORDAN AHLI BANK'S STANDARD LENDING DUE DILIGENCE PROCEDURE:

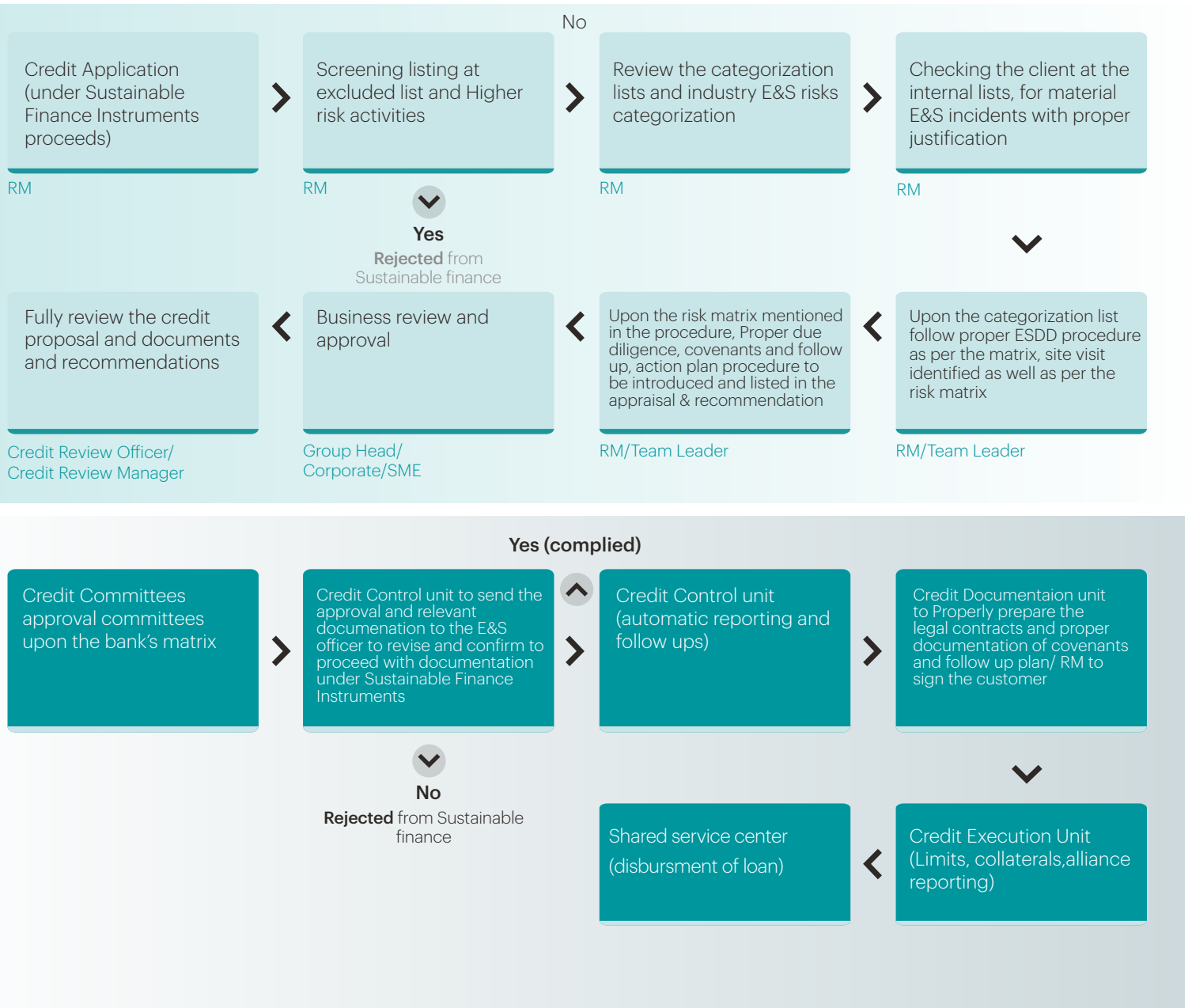
For SMEs and corporate Banking, a credit policy and procedures are in place that govern the lending process, including approval, documentation, and execution of facilities. Our procedures cover the lending process fully with the related framework methodology of sustainable finance procedures and Environmental and Social Management System (ESMS), with related monitoring and follow up processes and the reporting tools as well, the roles and responsibilities are clearly defined with proper segregation of duties. Jordan Ahli Bank has established Credit committees based on a matrix of group total exposure of facilities and risk rating.

Jordan Ahli Bank maintains a fully independent structure in the flow of all credit proposals.

¹⁰ All the project categories financed under the framework following IFC performance standards

JORDAN AHLI BANK MAINTAINS A FULLY INDEPENDENT STRUCTURE IN THE FLOW OF ALL CREDIT PROPOSALS.

Here is the high-level description of the sustainable finance instruments flow at the departments level:



NOTES:

- Proper reporting and follow up / monitoring along with the loan period to be performed and communicated upon the detailed procedure
- Upon the action plan with the client proper monitoring and follow ups with the client upon the detailed procedure
- Credit Review group is independent and totally separated upon our governance and organizational chart.
- Credit Execution department is independent and totally separated upon our governance and organizational chart.
- Shared services center (Operations) department is independent and totally separated upon our governance and organizational chart.
- Credit Committees contains representatives from groups (business, Credit , Upper management and approved from Board of directors upon our governance framework

GOVERNANCE OF SUSTAINABLE FINANCE INSTRUMENTS

After obtaining approvals from the relevant committees and concurrently with the documentation process, The approved packages under transaction is communicated by the Credit control to the Environmental and Social (E&S) officer (ESG department), so that the E&S officer will review the documents and double check the eligibility criteria as defined in this framework of the transaction, The response should be sent to the credit control. Only transactions that are aligned with the eligibility criteria will be added to the asset pool of the relevant sustainable finance instrument. And if the criteria requirements not achieved, a rejection Letter will be sent to the credit control to communicate with business and credit group.

Jordan ahli bank's Credit Committees (approved by the Board of Directors and consisting of representatives who are fully independent according to Jordan ahli bank's Governance framework) will be responsible for governing and implementing the initiatives outlined in the Framework. These committees are also authorized and committed to nominate representatives for the Sustainability Finance Working Group to oversee, recommend, and monitor transactions in accordance with the Credit policy, procedures, and relevant framework.

The evaluation and selection process of the Eligible Green and Social Projects is defined in accordance with Jordan ahli bank's Sustainability policies, which rely on the Bank's strong processes to identify and mitigate common environmental and social risks, and the Exclusion List.

The Sustainability Finance Working Group ("SFWG") comprised of relevant members from different business units (Credit Group, Credit Review, Credit Execution, Credit Control, Retail, SME, Corporate, Risk, Sustainability and ESG & Treasury and FI), will then select relevant eligible green or social projects that would qualify within this Sustainability Finance Framework. This working group will review and approve, on an annual basis and, when circumstances require, the allocation of the proceeds to Eligible Projects and the annual reporting.

THE SUSTAINABILITY FINANCE WORKING GROUP WILL ALSO BE RESPONSIBLE FOR:

- Ensuring that the potential Eligible Loans are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section.
- Ensuring the proposed allocations are aligned with the relevant the bank's overall Sustainability and ESG policy and strategy, including affordability assessment for loan repayments under the general credit policies of the Bank.
- Ensuring that projects included in the asset pool comply with portfolio limits in terms of percentage of refinancing components and look-back period (both to be disclosed to investors for each sustainable instrument covered by this Framework).
- Making sure that funds from the net proceeds of any instrument covered under this Framework are fully allocated within a reasonable ramp-up period, typically within two years after issuance, but in any case, according to a timeline to be disclosed to investors.
- Approving any proposed changes to the asset pool ledger in the event that transactions are no longer meeting the eligibility criteria.
- Making sure that performance indicators are being considered. For green transactions (where possible), IFC Climate Assessment for Financial Institutions (CAFI¹¹) tool will be utilized for climate performance measurements.
- Approving the Allocation and Impact report.

¹¹ <https://www.ifc.org/content/dam/ifc/doclink/2023/cafi-brochure-ifc-2023.pdf>

Management of Proceeds

The Treasury Department will be overseeing the management of proceeds and track Eligible Green and Social Assets using an internal tracking system. The Proceeds from all Jordan Ahli bank's Sustainable Instruments covered under this document will be managed utilizing a portfolio approach, and used only for Projects that are considered eligible under the "Use of Proceeds" section.

The Bank will strive to regularly add Eligible Loans to the Eligible Loan Portfolio so that a full allocation of an amount at least equal to the proceeds of the Sustainable Instruments is built within the ramp-up period (to be disclosed individually for each instrument) and maintained until maturity.

THE FOLLOWING INFORMATION WILL BE TRACKED:

Details of Sustainability Bond Issuances

Principal amount of proceeds, transaction date, maturity date and repayment or amortization profile.

Allocation of Use of Proceeds

Name and description of eligible green/social projects (with an identifier to indicate which projects were financed and through which Sustainable Financing Transaction), the allocated amount per project, the share of total portfolio financing, maturity dates, due diligence scores.

The Bank will strive to substitute any redeemed or maturing Eligible Loans with other Eligible Loans and/or if any such loans cease to be an Eligible Loan, as soon as practicable once an appropriate substitution option has been identified.

Unallocated proceeds

Description of liquid instrument utilized for temporary allocation, allocated amount per instrument.

Pending the allocation or reallocation, as the case might be, of an amount equivalent to the net proceeds of the Bank's Green Bonds to the Eligible Loans, any proceeds temporarily unallocated will be invested in liquid instruments (such as Jordanian Government Treasuries in Foreign Currencies) according to the Bank's standard liquidity policy of investing in liquid securities and money market instruments.



Reporting

Jordan Ahli Bank adopts ICMA's Harmonized Framework for Impact Reporting and will report the expected environmental and/or social impacts on annual basis or when available, for the financed projects. The reporting process will continue until full allocation or maturity of any financial instruments covered under this Framework. The Bank will disclose information related to the allocation of proceeds of the Sustainability Bond issuances such as:

- Amount of proceeds outstanding allocated to each type of project (number of projects / amount / purpose)
- Disbursed amount of Eligible Loans.
- Number of Eligible Loans.
- Breakdown by Eligible Categories.
- Balance and utilization of unallocated proceeds, if any.



Within its annual Allocation and Impact Report, when relevant and feasible, the Bank will report on several Key performance Indicators in aggregate form per Green and Social Eligible Categories.

A list of potential indicators is presented in the Table below for various Green Eligible Categories, in addition to the information noted above.

Green Eligible Categories	Example of key performance indicators
Renewable Energy	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW); • Expected annual renewable energy generation (MWh); • Estimated annual GHG emission avoided (tCO₂e).
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh); or • Estimated annual GHG emission avoided (tCO₂e)
Clean Transportation	<ul style="list-style-type: none"> • Number / total finance of electric/hybrid vehicles.
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Annual absolute (gross) water savings (in m³ or as %); or • Annual absolute (gross) amount of wastewater treated, reused or avoided (in m³ or as%).
Green Buildings	<ul style="list-style-type: none"> • Estimated annual energy savings (MWh); • Estimated annual reduced and/ or avoided GHG emissions (tCO₂e); • Type of scheme/certification level, if applicable; • Number/ total of financed projects with internationally/ Local recognized Green Building certification.
Environmentally sustainable Management of living natural resources and land use	<ul style="list-style-type: none"> • Total land area certified; or • Estimated annual GHG emissions avoided (tCO₂e).

For various Eligible Social Categories and Subcategories, potential indicators are presented in the Table below.

Eligible Social Category	Eligible Social Sub-Category	Examples of key performance indicators
Socio-advancement and empowerment.	<ul style="list-style-type: none"> Loans dedicated to WSMEs and Youth in Jordan. Loans dedicated to Projects located Rural Areas¹². 	<ul style="list-style-type: none"> Number (#) and volume (\$) of outstanding WSMEs loans. WSME share of the overall SME loan outstanding portfolio (%). Number (#) and volume (\$) of outstanding Youth loans. Youth share of the overall SME loan outstanding portfolio (%). Number (#) and volume (\$) of outstanding loans for projects in rural areas. Rural areas projects share of the overall SME loan outstanding portfolio (%). Number/Share of disabled people employed
Affordable housing.	Affordable housing loans targeting underserved segments or first-time homeowners ¹³ in Jordan.	<ul style="list-style-type: none"> Number of outstanding loans (#), low-income/underserved individuals Volume of outstanding loans (US\$), low-income/underserved individuals
Access to essential services.	Loans dedicated to financing education provision and/or the construction or expansion of public hospitals and schools to provide free or subsidized healthcare, with a focus on underserved segments in Jordan.	<ul style="list-style-type: none"> Number of outstanding loans (#), low-income/underserved individuals Volume of outstanding loans (US\$), low-income/underserved individuals Number of public hospitals, clinics and health care centers financed Number of underserved patients reached Number of low-income individuals provided with affordable health insurance Number of schools and universities (in underserved areas) financed Number of underserved students reached

In addition, the Allocation and Impact Report will include descriptions of the types of material projects financed and several case studies to highlight the qualitative impact of some of the material projects financed.

The Allocation and Impact Report will be published yearly for the period of January to December of the previous year, starting in April 2026, to coincide with the financial information availability of the bank, on the bank's website: <https://ahli.com/>

¹² Rural area definitions are country-specific, but generally refer to geographic areas with less than 5,000 inhabitants. Urban slums are generally defined as urban areas that lack access to safe water and sanitation, durable housing, or sufficient living spaces (Projects located outside the governorates of Amman, Irbid, and Zarqa)

¹³ <https://www.ifc.org/content/dam/ifc/doc/2024/inclusive-business-investing-guide.pdf>

External Reviews

Jordan Ahli Bank will seek an independent second-party opinion to confirm the alignment of this Sustainable Finance Framework with the four core components of ICMA's and LMA's guiding principles. The SPO report will be published on the Bank's website (<https://ahli.com/>) on the date of the issuance of the first instrument for which this framework applies.

The Framework will also be reviewed internally and if required updated on a periodic basis, to reflect the evolution of the sustainable finance market in Jordan and globally. For example, future revisions to the ICMA's and LMA's guidelines, and/or developments related to the EU Taxonomy or the Jordanian Taxonomy when published for green finance may be incorporated into future versions of this Framework.

Any future iteration of this Framework will maintain or enhance the current level of transparency and reporting disclosures, and a revised Second Party Opinion will be requested to ensure its alignment with the latest relevant guiding principles.

External Verification:

ISS-CORPORATE 

A second-party opinion (SPO) has been provided by ISS-Corporate on Jordan Ahli Bank's Sustainable Finance Framework. ISS-Corporate, a top global SPO provider, assesses the environmental and social performance of companies and countries' frameworks based on contemporary market practices for sustainable finance, adhering to various standards and voluntary guidelines.

The SPO will be published on Jordan Ahli Bank's website, available here: <https://ahli.com/>

Appendix 1: Exclusion List







Under this framework, clients whose business and projects are involved in higher risk business activities that may involve (a) involuntary resettlement, (b) risk of adverse impacts on Indigenous Peoples, (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (d) significant Occupational Health and Safety risks, will be ineligible for the use of proceeds of our Green, Social and Sustainability Bonds and Loans.




Any of the prohibited activities listed below will also be excluded from any use of proceeds of our Green, Social and Sustainability Bonds and Loans.

- Production or trade in any product or activity deemed illegal under national laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife, or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages
- Production or trade in tobacco.
- Gambling, casinos, and equivalent enterprises.
- Production or trade in radioactive materials (except for medical purposes).
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- Production or activities involving harmful or exploitative forms of forced labor /harmful child labor.
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.






Appendix 2:

Eligible Activities for Green Instruments

Categories	Eligibility Criteria	UN SDGs
Renewable Energy	<p>Projects related to the production, transmission, and storage of energy from the following renewable sources:</p> <ul style="list-style-type: none"> Solar (PV and Concentrated Solar Power) Wind energy. Green hydrogen and green ammonia (from electrolysis powered by 100% renewable energy including wind and solar). 	 
Energy Efficiency	<p>Projects related to acquisition, replacement, redesign or refurbishment of equipment, systems and/or contracting services/products in order to decrease energy consumption for every unit of service output.</p> <p>This includes utilizing waste energy and any other measure to improve the efficiency of energy use (or reduce specific energy consumption) of the system directly affected by the sub-project based on minimum requirements.</p> <p>In general, an EE project must reduce absolute energy consumption by at least 20%.</p> <p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> Projects improving the energy efficiency of industrial production processes. Individual renovation measures including installation, maintenance, or repair of: <ul style="list-style-type: none"> Energy efficiency equipment (e.g., LED lighting). Home improvement equipment such as double glazing and roof/wall insulation. Instruments and devices for measuring, regulation and controlling energy performance of buildings (e.g., zoned thermostats, building automation and control systems, smart meters). 	 
Energy Efficient and Renewable Energy Equipment	<p>Energy Efficiency and Renewable Energy projects can include the financing of manufacturers and suppliers of equipment or products intended for EE and RE projects:</p> <ul style="list-style-type: none"> In the case of EE equipment or products, the eligible sub-project should be directly manufacturing or supplying the energy-efficient technology equipment or appliance. The EE equipment In products should either be verified as energy-efficient based on a reasonable benchmark in the market of the technology or product being sold or be directly supplied to EE projects (per definition of eligible EE sub-project above). In the case of RE technology equipment, the eligible sub-project should be directly manufacturing or supplying a component that is exclusively for the purpose of producing or supporting RE. 	 

Categories	Eligibility Criteria	UN SDGs
	<p>Equipment, appliances and lighting that show an energy efficiency assurance label, assuring at least 20% energy savings compared to the baseline are automatically accepted. Equipment, appliances or lighting with the following domestic EE labels can be accounted as eligible projects:</p> <ul style="list-style-type: none"> • Bangladesh EE label with 4 or 5 stars. • South African energy efficiency label A+++, A++, A+ • Energy Star (IT equipment) • White appliances listed in the annual list Most Efficient Energy Star • Vietstar 5 or 4 star (Vietnam) • FIDE A or B (Mexico) • Hong Kong Voluntary Energy Efficiency Labelling Scheme • Argentinian Official EE label category A or B • Brazilian Etiqueta Nacional de Conservação de Energia (ENCE) 	
Clean Transportation	<ul style="list-style-type: none"> • Finance or refinance purchase, rental, leasing and operation of zero direct emission vehicles (EVs, electric scooters/mopeds and similar), as well as related infrastructure (e.g. electric charging points)¹⁴. Hybrid vehicles are also included. 	 
Sustainable Water and Water Waste Management	<p>Projects related to construction, upgrades, renovations or improvements and treatment of wastewater and projects that increase water-use efficiently including:</p> <ul style="list-style-type: none"> • Sustainable water and wastewater management (including sustainable infrastructure for clean and/ or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation) • Supply management and wastewater treatment that includes the following: <ul style="list-style-type: none"> • Water monitoring: Smart networks, remote water quality/quality monitoring systems, including snowpack and remote sensing systems • Water storage: Rainwater harvesting systems, storm water management systems, water distribution systems, etc. • Water treatment: Drinking water treatment, water recycling systems, etc. • Water distribution: Rainwater harvesting systems, gravity-fed canal systems, pumped canal, or water distribution systems, etc. • Water saving products: Desalination plants running on reverse osmosis technology with an average carbon intensity of the electricity that is used for desalination at or below 100gCO₂e/kWh 	


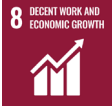
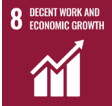


¹⁴Excluding vehicles that are used for the purpose of transportation of fossil fuels. Eligible infrastructure does not include parking facilities.

Categories	Eligibility Criteria	UN SDGs
Green Buildings	<p>Eligible Green Building Projects are for the financing of buildings that comply with standards on green buildings with the following certificates:</p> <ul style="list-style-type: none"> • IFC's Excellence in Design for Greater Efficiencies (EDGE) certificate. • Environmental Assessment Method (BREEAM) certificate as defined by the Building Research Establishment. • German Sustainable Building Council (DGNB) certificate. • Leadership in Energy and Environmental Design (LEED) certificate. 	  
Environmentally sustainable Management of living natural resources and land use.	<p>Sub-projects that are certified under the following Agri-certification schemes are automatically eligible:</p> <ul style="list-style-type: none"> • Aquaculture Stewardship Council Standards for Farmed Seafood • Roundtable on Sustainable Biomaterials Standard • Roundtable on Responsible Soy Association Standard • Better Cotton Initiative⁸ • Bonsucro Production Standard • Fairtrade Standard for Small-Scale Producer Organizations • Rainforest Alliance 2020 Sustainable Agriculture Standard <p>Sub-projects under other Agri-certification schemes may be eligible, but additional information on the certification will need to be provided to assess eligibility and determine what percentage of the sub-project will be considered eligible.</p> <p>Integrated cropland-livestock forestry systems (ICLFSs) as well as the manufacture, purchase, and distribution of inorganic or synthetic fertilizers, pesticides, and herbicides as well as financing of industrial-scale livestock farming, and techniques and/or technologies dedicated to industrial-scale livestock production units are excluded.</p>	 







Appendix 3:

Eligible Activities for Social Finance

Under Social projects, Jordan Ahli Bank aims to support projects that have a positive impact on the community and achieve sustainable profits. We help clients manage risk and issue sustainable debt instruments geared towards financing projects that contribute to serving our local community, promoting inclusion and equal opportunity, and supporting companies that contribute to the sustainable development goals.

SBP's Social Categories	Target groups/ population	Eligibility Criteria	Alignment with prioritized UN SDGs
Socio-advancement and empowerment	Women, WSMEs	<p>Definition: Projects supporting women-owned/led businesses/entrepreneurs.</p> <p>Loans dedicated to financing of Women owned/led SMEs¹⁵ meeting at least one of the following criteria as follows:</p> <ul style="list-style-type: none"> (i) Entrepreneurship: ≥ 51% owned by woman/women; OR (ii) Leadership: ≥ 20% owned by woman/women; AND (a) has ≥ 1 woman as CEO/COO/President/Vice President; AND (b) has ≥ 30% of the board of directors composed of women, where a board exists (iii) Employment: ≥30% of women workforce 	 
	Youth	<p>Definition: Projects focusing on youth inclusion.</p> <p>Loans dedicated to financing of Youth owned/led SMEs meeting at least one of the following criteria as follows:</p> <ul style="list-style-type: none"> (i) Entrepreneurship: ≥ 51% youth ownership or 30% youth management, board or investment committee (ii) Employment: ≥ 20% of the workforce comprises young individuals aged 18 to 30 years 	
	Underserved people/ Vulnerable Groups /Rural Areas	<p>Definition: Projects promoting financial/social inclusion.</p> <p>Loans dedicated to financing financial/social inclusion, SMEs meeting at least one of the following criteria as follows:</p> <ul style="list-style-type: none"> (i) Location (geographically underserved): Projects located rural areas , outside the governorates of Amman, Irbid, and Zarqa. (ii) Startup/Newly established projects: Projects in operation for less than 3 years. (iii) Projects that provide access to economic resources, microfinance for vulnerable groups, such as the very poor, people with disabilities, elderly, migrants and marginalised communities 	 

¹⁵ The Framework defines SMEs as a small or medium enterprise that meets at least two of the following three criteria: (A) has annual sales of less than \$15,000,000 equivalent; (B) has total assets of less than \$15,000,000 equivalent; and (C) employs fewer than 300 employees per IFC's definition. <https://www.ifc.org/en/what-we-do/sector-expertise/financial-institutions/definitions-of-targeted-sectors>

SBP's Social Categories	Target groups/ population	Eligibility Criteria	Alignment with prioritized UN SDGs
Affordable Housing	<p>low-income Individuals ¹⁶</p> <ul style="list-style-type: none"> Individuals who purchase new build primary dwelling homes [on a shared equity basis, subject to approval of the individual(s) participation in the scheme by [the relevant authorized body] 	<p>Definition: Projects/activities that provide affordable housing or first-time home access ¹⁷.</p> <ul style="list-style-type: none"> Individuals for construction of social housing in accordance with accredited or registered definitions of social and affordable housing, as well as UN and international standards for social welfare eligibility. Housing bodies, organizations and entities that enable the provision of affordable housing and provide greater access to social and affordable housing in accordance with accredited or registered social and affordable housing definitions, and/or contributes to enhanced access for low-income residents or marginalized communities. 	  
Access to essential Services	<ul style="list-style-type: none"> Underserved people who live in rural areas and tend not to have access to health care and education Youth underserved students 	<p>Definition: Project which contributes to improving access to health and education targeting underserved segments.</p> <p>Loans to finance:</p> <ul style="list-style-type: none"> Projects which include the construction or expansion of public hospitals, clinics, health care centers to provide free or subsidized healthcare. Projects which include the Construction of public schools, universities and university campuses. campuses in underdeveloped countries Government-owned public-private partnerships (PPP) focused on healthcare equipment distribution, emergency medical response infrastructure and disease control service such as ,temporary hospital , ambulances and Advanced Medical Transport (AMT) and financing basic medical equipment and devices. Educational and Vocational training for medical care, emergency care and public health professionals. Education provision such as schools, universities and 3rd level education facilities and vocational training centers¹⁸ for children, youth, and adults. 	  

¹⁶ Defined by Jordanian government or due to restricted access to finance, meeting the relevant affordable housing requirements as defined by Jordan's government (The low-income segment is commonly considered to include people earning up to JOD 260/month)

https://www.mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/Jordan_ECT_Additional_Financing_-_RSA_-_English_July2021.pdf

¹⁷ First home owners and primary residence cannot use the property as an investment

¹⁸ The vocational training includes all forms of training that focus on skills enhancement

List of Acronyms

Acronyms	Long Form
ESMS	Environmental and Social Management System
GBP	ICMA's Green Bond Principles
GHG	Greenhouse gas emissions
GLP	LMA's Green Loan Principles
ICMA	International Capital Market Association
LMA	Loan Market Association
MDB	Multilateral Development Banks
SBG	ICMA's Sustainability Bond Guidelines
SBP	ICMA's Social Bond Principles
SDG	The United Nations' Sustainable Development Goals
SFF	This Sustainability Finance Framework, also referred to as "the Framework"
SFWG	Sustainable Finance Working Group
SLP	LMA Social Loan Principles
SPO	Second-Party Opinion
UoP	Use of Proceeds
AMT	Advanced Medical Transport

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