



WHEN TRUST MATTERS



OMAN TELECOMMUNICATIONS COMPANY SUSTAINABLE FINANCING FRAMEWORK 2023



Document title: Second Party Opinion on Oman Telecommunications Company Sustainable Finance Framework 2023

Prepared by: DNV Business Assurance Services UK Limited

Location: London, U.K.

Date: 29th March 2023

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

OMAN TELECOMMUNICATIONS COMPANY SUSTAINABLE FINANCING FRAMEWORK 2023

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Oman Telecommunications Company (henceforth referred to as “Omantel” or the “Group”) is a leading integrated telecommunications service provider in Oman, headquartered in the capital of Muscat. The Group is publicly listed on the Muscat Stock Market (MSX) and is majority-owned by the Government of Oman.

Omantel has committed to conducting its business and operations in a responsible and sustainable manner and has developed a sustainability approach which is aligned with key national and international agendas. For example, Omantel’s sustainability approach aligns with the Oman Vision 2040 sustainability agenda, particularly the aspirations for a ‘digitalised and sustainable Oman’ and the United Nations (UN) Sustainable Development Goals (SDGs), in particular, Goal #7 (Affordable and Clean Energy), Goal #8 (Decent Work and Economic Growth), Goal #9 (Industry, Innovation and Infrastructure), Goal #11 (Sustainable cities and communities) and Goal #12 (Responsible Consumption and Production).

Omantel has acted on its environmental and social agenda. With the rollout of 5G technology and digital transformation, the Group has focused on driving emission reductions and resource savings (e.g. waste and energy consumption). Similarly, on the social side, Omantel’s Social Responsibility Programme has focused on providing digital inclusion and coverage to targeted populations through the development of state-of-the-art integrated network infrastructure. To further deliver this ambition, the Group is raising capital to finance several green and social projects through their Sustainable Finance Framework 2023.

DNV Business Assurance Services UK Limited (henceforth referred to as “DNV”) has been commissioned by Omantel to provide a review of the Sustainable Finance Framework, against the International Capital Market Association’s (“ICMA”) Green Bond Principles 2021 (“GBP”), Social Bond Principles 2021 (“SBP”) and the Sustainability Bond Guidelines 2021 (“SBG”), and the Loan Market Association’s (“LMA”) Green Loan Principles 2023 (“GLP”) and Social Loan Principles 2023 (“SLP”). 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 the Sustainable Financing Instruments as issued via the Company’s Framework, the value of any investments, or the long-term environmental or social benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Omantel and DNV

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

In our work we have relied on the information and the facts presented to us by Omantel. DNV is not responsible for any aspect of the projects or assets referred to in this opinion, and cannot be held liable if estimates, findings, opinions, or

conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Omantel used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

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

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

Principle One: Use of Proceeds. The Use of Proceeds criteria are guided by the requirement that the Sustainable Financing Instruments must use the funds raised to finance eligible activities, that should produce clear green, social and sustainable benefits.

Principle Two: Process for Project Evaluation and Selection. The Project Evaluation and Selection evaluation criteria are guided by the requirements that an issuer of a Sustainable Financing Instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.

Principle Three: Management of Proceeds. The Management of Proceeds criteria are guided by the requirements that the Sustainable Financing 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 of a high-level review of the available information provided to us by Omantel in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion, included:

- Creation of a Omantel-specific Protocol, adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by Omantel on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Omantel's management, and a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in Schedule 2 of this document.

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

Findings and DNV's opinion

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

1. Principle One: Use of Proceeds.

DNV confirms that an amount equivalent to the net proceeds from the Sustainable Finance Instruments (including, but not limited to, bonds, loans, sukuks, and revolving credit facilities) as issued under the Framework, will be used to (re-) finance in part or in full, the following Eligible Green and Social Project Categories (the "Eligible Sustainable Projects"):

Eligible Green Categories:

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

Eligible Social Categories:

- Affordable Basic Infrastructure.
- Employment Generation.

The performance criteria for each of the eligible projects under the associated Eligible Sustainable Projects as listed above and within the Framework, are further defined in [Schedule 1](#) of this opinion. For each of the Eligible Sustainable Projects and the associated projects under these, Omantel has specified the suitable eligibility criteria (see [Schedule 1](#) of this opinion), and has confirmed the proposed projects will support the Group in addressing key environmental and social risks present in Oman, and of importance to the business.

Omantel has also mapped out which of the stated United Nations (UN) Sustainable Development Goals (SDGs) the Eligible Sustainable Projects will contribute to, specifically: Goal #7 (Affordable and Clean Energy), Goal #8 (Decent Work and Economic Growth), Goal #9 (Industry, Innovation and Infrastructure), Goal #11 (Sustainable Cities and Communities) and Goal #12 (Responsible Consumption and Production), in which the Eligible Sustainable Projects are expected to contribute towards.

We can confirm that the Eligible Sustainable Projects and their associated projects will positively contribute to the sustainability agenda of the Oman Vision 2040, and Omantel's commitment to reduce emissions, waste and energy consumption; invest in digital infrastructure and solutions; and build a digital, competent and connected community for sustainable development.

DNV concludes that the Eligible Sustainable Projects categories, as described within the Framework by Omantel, are consistent with those listed by the GBPs, GLPs, SBGs, SBPs and the SLPs, and that such projects will provide clear environmental and/or social benefits.

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

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

Omantel has confirmed that an Environmental, Social and Governance Steering Committee (the Committee”) will have overall responsibility for the governance and implementation of the projects and initiatives to be financed. This Committee is comprised of the members from the Groups company management personnel, including but not limited to representatives from Corporate Strategy, Finance/Investor Relations, Human Resources (Diversity & Inclusion), Technology, Operations, ICT EBU, Corporate Social Responsibility, Strategic Sourcing & Procurement, and ERM. The Committee is chaired by the Corporate Strategy, who and reports directly to the Corporate Management Team (“CMT”), which is chaired by the Chief Executive Officer (“CEO”).

The Committee will meet at least twice a year, and has the following responsibilities:

- The ratification of Eligible Sustainable Projects.
- Ensuring that all Eligible Sustainable Projects proposed are assessed from an environmental and/or social risk management perspective.
- The monitoring of the project/asset pool to ensure the eligibility of Sustainable Projects with the criteria as set out above in the Use of Proceeds section of the Framework.
- Replacing ineligible Sustainable Projects with new eligible Sustainable Projects.
- Facilitating regular reporting on any Sustainable issuance.
- Manage any future updates to the Framework; and
- Ensuring that the approval of Eligible Sustainable Projects will follow the Company’s existing credit/investment approval processes.

DNV concludes the eligible green and/or social projects to be (re)-financed by future issuances will be appropriately evaluated, selected, managed and reported on, as outlined within Omantel’s Framework, and that they meet the requirements of the GBPs, GLPs, SBGs, SBPs and the SLPs.

3. Principle Three: Management of Proceeds.

We can confirm that the net proceeds from any Sustainable Financing Instrument will managed via Omantel’s ESG Steering Committee (the “Committee”). The proceeds will be deposited into Omantel’s general funding accounts and earmarked for allocation towards each Eligible Sustainable Project and tracked via an internal Sustainable Finance Register, to prevent double counting of eligible projects.

Omantel has committed to reporting on the use of proceeds on a Portfolio basis, detailing:

- The Sustainable Financing Instruments (Sukuk/Bond/Loan etc.), including details on:
 - *Pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.*
- Allocation of Proceeds – the Eligible Sustainable Projects List, detailing:
 - Eligible Sustainable Projects financed under each Eligible Sustainable Project Category, including:
 - *A description of the Project, including the location;*
 - *Omantel’s respective ownership (%) of the projects;*
 - *Total project cost (currency); and*
 - *The total amount allocated.*
- Amount of unallocated Proceeds.

Omantel has reported in the Framework that it will hold any unallocated as cash deposits instruments, as per the Group’s Cash Surplus Policy.

The Group has committed to allocate the net proceeds (or an amount equivalent to those net proceeds) to eligible green and/or social projects within 24 months following receipt. For Capex and Opex spend, a lookback period of up to 36 months will be applied, prior to the receipt of the debt. As such, Omantel has committed to reporting the share of proceeds used for financing versus refinancing of eligible projects. In the case whereby a project is no longer is classified as “eligible” under the criteria as set out in the Framework, it will be removed from the Sustainable Finance Register and re-allocated to another Eligible Sustainable Project, as per the responsibilities of the Committee.

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

4. Principle Four: Reporting.

Omantel has committed to providing information on both the allocation of its proceeds and on the green and/or social impacts of the projects (re-)financed, until the proceeds have been fully allocated. Both the impact and allocation reports will be published on an annual basis.

DNV can confirm that Omantel’s allocation report will include information on:

- List of eligible Sustainable projects;
- The amount of Proceeds allocated to each Eligible Sustainable Project category;
- When possible, Omantel will provide descriptions of the Eligible Sustainable Projects financed, such as project locations and the amount allocated;
- Selected examples of projects financed;
- Amount of Proceeds unallocated and/or pending allocation; and
- Percentage share of refinancing vs. new financing.

To demonstrate the ongoing environmental and social impact of the business, Omantel has also committed to reporting on the green and/or social impacts of the Sustainable Financing Instruments to be financed (the eligible projects/assets), in addition to reporting on the broader initiatives and project delivery in an Impact Report.

Relevant metrics may include, for instance:

Eligible Green Categories

Renewable Energy:

- Capacity of renewable energy plant(s) constructed or rehabilitated in MW.
- Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy).
- Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent (where possible).

Energy Efficiency:

- Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings).

Pollution Prevention and Control:

- Waste reduced/avoided (tonnes).
- Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent).

Clean Transportation:

- Number of low- and zero-carbon vehicles (by type).
- Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent).

Sustainable Water and Wastewater Management:

- Annual reduction in water use in %.
- The annual amount of wastewater treated, re-used or avoided before and after the project in m3/a.

Green Buildings:

- Type of scheme and the certification level
- Energy efficiency gains in MWh or % versus baseline/building code.

Eligible Social Categories:*Affordable Basic Infrastructure:*

- Number of people to have benefitted (e.g. patients benefitted or supported)

Employment Generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises:

- The number of SMEs and entrepreneurs supported

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

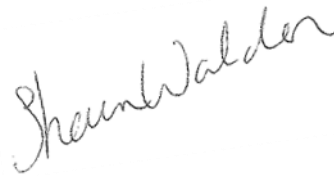
On the basis of the information provided by Omantel and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definitions of green bonds within the GBP 2021, social bonds within the SBP 2021, sustainability bonds as stated within the SBG 2021, green loans within the GLP 2023, and social loans within the SLP 2023.

for DNV Business Assurance Services UK Limited

London, 29 March 2023.

A handwritten signature in black ink, appearing to read "Niki Bowen".

Niki Bowen (PhD)
Principle Consultant, Sustainable Finance
DNV – Business Assurance

A handwritten signature in black ink, appearing to read "Shaun Walden".

Shaun Walden
Head of Sustainable Finance and Reviewer
DNV – Business Assurance





About DNV


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


With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

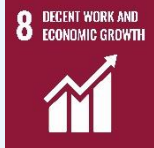
SCHEDULE 1: DESCRIPTION OF PROJECTS TO BE FINANCED UNDER THE FRAMEWORK

ICMA / LMA Eligible Project Categories	Description of Projects to be Financed	Proposed Impact Metrics	SDG Alignment
Eligible Green Project Categories:			
<p>Energy Efficiency</p>	<p>(Re-)financing the purchase and expenditures in the transformation and modernisation of networks to reduce energy demand and improve energy efficiency.</p> <p>This includes, for instance:</p> <ul style="list-style-type: none"> • The development, refurbishment, and operation of base stations for building 5G networks and upgrading of existing infrastructure to support 5G / 4G LTE, including 3G sunseting initiatives. • The deployment of 5G wireless technologies that allow for real-time response to energy demand, including smart city systems, smart building management systems, telecommuting systems and smart grids; • Network modernisation, which involves replacement/upgrade of legacy network and technologies, including moving from copper to fibre networks and upgrade of legacy IP core network; and • Network and server virtualization, cloud migration, aimed at reducing energy consumption. <p>Development and implementation of digital products and services, Internet of Things (IoT), Big data or Artificial Intelligence (AI), which aims at saving energy or natural resources.</p> <p>Replacement of old equipment with energy efficient equipment, such as heating, ventilation and cooling (HVAC) systems, chillers, cooling towers and lighting.</p> <p>Investments and expenditure in construction, operation, maintenance and</p>	<ul style="list-style-type: none"> • Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings). 	

	operational improvements in green data centres with a power usage effectiveness (PUE) less than 1.5 PUE.		
Renewable Energy	<p>Projects related to the production, transmission, and storage of energy from the following renewable sources - including:</p> <ul style="list-style-type: none"> Solar (including both PV and Concentrated Solar Power, where a minimum 85% of the power generation derived from solar sources); and Wind energy (including onshore and offshore). The procurement of renewable energy under long-term power purchase agreements (PPAs) may also be included. 	<ul style="list-style-type: none"> Capacity of renewable energy plant(s) constructed or rehabilitated in MW; Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy); and Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent (where possible). 	
Pollution Prevention and Control	Expenditures and investments in equipment takeback programs, including contracting of external partners for the safe recycling of lead acid batteries (LAB), and the recycling of electronic waste.	<ul style="list-style-type: none"> Waste reduced/avoided (tonnes); and Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent). 	
Clean Transportation	<p>Investments and expenditure in low energy consuming or low emission transportation, meeting the threshold of 50gCO2/p-km up to 2030, and zero tailpipe emissions thereafter.</p> <p>Projects supporting the deployment of electric vehicles including charging infrastructure.</p>	<ul style="list-style-type: none"> Number of low- and zero-carbon vehicles and type; and Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent). 	
Green Buildings	<p>Projects related to acquisition, development, construction and refurbishment of buildings that belong to the top 15% in terms of energy efficiency of their local market or have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, including:</p> <ul style="list-style-type: none"> LEED “Gold” or above; BREEAM “Excellent” or above Global Sustainability Assessment System (GSAS) “4 star” or above; and 	<ul style="list-style-type: none"> Type of scheme, certification level; and Energy efficiency gains in MWh or % versus baseline/building code. 	

	<ul style="list-style-type: none"> Projects related to building renovations that achieve a minimum 30% improvement in energy use and/or carbon emissions compared to a mandated local or regional baseline or code. 		
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ICMA / LMA Eligible Project Categories	Description of Projects to be Financed	Proposed Impact Metrics	SDG Alignment
Eligible Social Project Categories:			
Affordable Basic Infrastructure	<p>Projects related to:</p> <ul style="list-style-type: none"> The deployment, extension and optimisation of broadband (fixed or mobile) connectivity services in unconnected or underserved areas (rural and remote areas), in order to provide Internet access with sufficient bandwidth for the new digital services. The provision of telecoms specifically to disadvantaged people, such as those with special needs or disabilities (mobility, cognitive, hearing, vision and speech), including deployment of adaptive products and services for customers. <p>Omantel has identified the following target populations to whom they are dedicating this eligible social category as:</p> <ul style="list-style-type: none"> Unconnected populations that do not have mobile or fixed network coverage or have network coverage but limited or unaffordable to them. 	<ul style="list-style-type: none"> Number of people benefitted (e.g. patients benefitted or students supported). 	

	<ul style="list-style-type: none"> • Underserved population who has access to mobile and fixed networks of inferior technology (2G/3G for mobile networks and copper for fixed networks). • Rural populations; Persons of determination; Schools and Students in low-income communities. 		
<p>Employment Generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises</p>	<p>This includes projects related to:</p> <ul style="list-style-type: none"> • The empowerment of microentrepreneurs (incl. women)/ SMEs to conduct their business through digital tools. • Funding and supporting entrepreneurship ecosystem programs and direct or indirect investments in start-ups or SMEs. <p>Omantel has identified the following target populations to whom they are dedicating this section of the eligible social category:</p> <ul style="list-style-type: none"> • Women entrepreneurs; • Micro or small businesses; • Start-ups; and • SMEs. <p>Additionally, this includes projects related to:</p> <ul style="list-style-type: none"> • Training of local populations in the field of ICT; and • Tackling inequalities by investing in education, new skills, new competencies, and upskilling /reskilling programmes. <p>Omantel has identified the following target populations to whom they are dedicating this section of the eligible social category:</p> <ul style="list-style-type: none"> • The unemployed population, including people with limited knowledge of digital technologies; and • Members of the workforce at risk of losing their job due to lack of knowledge of new digital competencies. 	<ul style="list-style-type: none"> • Number of SMEs and entrepreneurs supported. 	



SCHEDULE 2: OMANTEL-SPECIFIC SUSTAINABLE FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	<p>The Green/Social/Sustainable Bond must fall in one of the following categories, as defined by the Green/Social/Sustainable Bond Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond • Use of Proceeds Revenue Bond • Project Bond • Securitised Bond <p>Green/Social Loans are defined as any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing Eligible Green/Social Projects.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with Omantel.</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 	<p>The Framework outlines the type of Use of Proceeds instruments expected to be issued under the Framework. These include various sustainable financing debt instruments such as Sukuk, Bonds and Loans.</p>

1b	Green/Social Project Categories	The cornerstone of a Green/Social/Sustainability Bond/Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Omantel.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 	<p>Omantel intends to use the proceeds from future issuances, to finance or re-finance, the following eligible categories, and green/social projects:</p> <p>Green Categories:</p> <ul style="list-style-type: none"> • Energy Efficiency. • Renewable Energy. • Pollution Prevention and Control. • Green Buildings. • Clean Transportation. <p>Social Categories:</p> <ul style="list-style-type: none"> • Affordable Basic Infrastructure. • Employment Generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises. <p>DNV confirms that the eligible green/social categories and projects as stated in the Framework and in <u>Schedule 1</u> of this opinion, are consistent with the GBPs, SBPs, SBGs, GLPs and the SLPs guidelines.</p> <p>All issuances will be reviewed annually for impact and allocation reporting.</p>
1c	Green/Social/Sustainable benefits	All designated Green and/or Social Project category should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Omantel.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 	<p>Omantel has provided a description of the types of eligible green and/or social projects that it intends to (re-) finance under the Framework, as well as the corresponding ICMA/LMA-eligible project categories.</p> <p>The Group has also committed to working towards the UN SDGs and has outlined to initiatives and projects which contribute to UN SDGs, specifically Goal #7 (Energy Efficiency), Goal #8 (Decent Work and Economic Growth), Goal #9 (Industry, Innovation and Infrastructure), Goal #11</p>



				<p>(Sustainable Cities and Communities) and Goal #12 (Responsible Consumption and Production).</p> <p>Omantel has also defined strict criteria for which green and social projects and activities must meet to be classified as eligible. The Group has also defined for the social categories Omantel has described target populations to ensure social projects are aimed towards those most in need.</p> <p>To make the benefits quantifiable, Omantel has provided a detailed list of potential impact metrics for the eligible projects.</p> <p>The evidence reviewed gives us the opinion that future issuances to be issued under the Framework will deliver clear social and/or environmental benefits and is aligned to the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>
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2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green/Social/Sustainability Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Bond/Loan proceeds	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> Omantel Sustainable Finance Framework 2023 	<p>DNV can confirm Omantel has specified the eligibility criteria for each type of green and social projects in the Use of Proceeds table of its Framework, and as detailed in Schedule 1 of this opinion.</p> <p>Omantel has specified that the “Environmental, Social and Governance Steering Committee” bears responsibility and accountability for the assessment and ratification of eligible projects.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>The Committee is responsible for the governing and implementation of initiatives detailed within the framework. The ESG committee will meet at least twice a year and is chaired by the Strategist (Corporate Strategy). The Committee will report to the Corporate Management Team (CMT) which is chaired by the Chief Executive Officer.</p> <p>In addition to assessing all potential eligible projects, the ESG Committee will identify any potential environmental and social risks. We can confirm that the ESG Committee will undertake regular monitoring of Omantel's asset pool to ensure Eligible Sustainable Projects remain relevant, whilst replacing any ineligible projects with new eligible sustainable projects.</p> <p>We can also confirm that Omantel has specified the applicable criteria within the Framework and has stated that the use of proceeds will not be used for any activities which fall outside of those outlined in the framework.</p> <p>DNV concludes that the activities to be financed by future issuances will be appropriately evaluated, selected, managed and reported on, as outlined within Omantel's Framework. We can confirm that this is in alignment with the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>
2b	Issuer's environmental and social governance framework	In addition to information disclosed by an issuer on its Green/Social/Sustainability Bond/Loan process, criteria and assurances, investors may also take into consideration the quality of the	Evidence reviewed: <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 • Omantel Sustainability Report 2021 (online) 	DNV has reviewed the evidence showing Omantel's process will be supported by a robust governance framework and that this aligns with the Group's wider commitment towards sustainability through its long-term ESG commitments.



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>issuer's overall framework and performance regarding social and environmental sustainability.</p>		<p>We can also confirm that the Framework aligns with core environmental and social areas as highlighted by Omantel's sustainability approach:</p> <p>Reducing Environment Impact:</p> <ul style="list-style-type: none"> • Omantel expansion of 5G technology supports national projects and growth in emerging sectors, while benefiting from its energy efficiency compared to older technology. • Omantel has installed solar power systems and hybrid power sources in its sites to reduce reliance on fossil fuel-based energy. • Omantel has cooperated with Oman Environmental Service Holding Company, Be'ah, to launch reverse vending machines to promote recycling and circular economy, ultimately reducing waste and pollution while encouraging recycling culture in the local community. <p>Supporting Digital Inclusion:</p> <ul style="list-style-type: none"> • Omantel is investing heavily in digital infrastructure and solutions to lead the digital transformation in Oman, with programs aiming to promote technology use and an inclusive digital environment. • Omantel has built a state-of-the-art, integrated network infrastructure providing extensive coverage throughout Oman and internationally, with a coverage rate of 94.99% across the country, and connectivity to over 120 cities worldwide.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Approach to social responsibility:</p> <p>Omantel seeks to enable a digitally competent and connected society that promotes sustainable development. To achieve this, the company has established a social responsibility program based on strategic partnerships which focuses on four main areas:</p> <ul style="list-style-type: none"> • Education. • Entrepreneurship. • Community wellbeing. • Environment. <p>Based on the evidence provided, DNV believes that the Framework is in line with Omantel's wider approach to managing environmental and social sustainability.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Green/Social/Sustainability Bond/Loan should be credited to a sub-account, moved to a sub- portfolio, or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 	<p>DNV concludes that the Framework commits Omantel to the tracking of the proceeds in an appropriate manner, and that this is attested to by a formal process.</p> <p>In the Framework, Omantel has outlined a transparent process whereby the net proceeds from the sustainable</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>issuer's lending and investment operations for Green/Social Projects.</p>		<p>financing instruments will be tracked via the Sustainable Finance Register.</p> <p>Omantel has committed to reporting on the use of proceeds, detailing the following information that will be captured on the Sustainable Finance Register:</p> <ul style="list-style-type: none"> • The Sustainable Financing Instruments (Sukuk/Bond/Loan etc.), including details on: <ul style="list-style-type: none"> ○ <i>Pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.</i> • Allocation of Proceeds – the Eligible Sustainable Projects List, detailing: <ul style="list-style-type: none"> ○ Eligible Sustainable Projects financed under each Eligible Sustainable Project Category, including: ○ <i>A description of the Project, including the location;</i> ○ <i>Omantel's respective ownership (%) of the projects;</i> ○ <i>Total project cost (currency); and</i> ○ <i>The total amount allocated.</i> ○ <i>Amount of unallocated Proceeds.</i> <p>The Group has also stated how the Eligible Sustainable Projects fit within the categories identified, and how the proceeds will be matched and monitored in relation to specific eligible projects.</p> <p>As part of the allocation reporting (Detailed in Section 4), Omantel will also highlight any cases whereby a project is no longer classified as "eligible" under the criteria as set out in the Framework. Where this event takes place, the project will be removed from the Eligible Project Portfolio, and the Group</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>will endeavour to replace the project as soon as reasonably practicable.</p> <p>We can confirm this is in alignment with the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>
3b	Tracking procedure	So long as the Green/Social/Sustainability Bonds/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green/Social/Sustainability investments or loan disbursements made during that period.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 	<p>We can confirm that Omantel has a clear process in place for tracking the balance of the net proceeds accounting for any disbursements.</p> <p>Omantel has also laid out its intention to allocate an amount equivalent to the net proceeds from its eligible projects within two years of issuance.</p> <p>A look-back period of up to three years prior to the time of debt issuance will be applied for the refinancing of eligible projects. It is in DNV's opinion based on the evidence provided, that this is in line with the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Omantel Sustainable Finance Framework 2023 • Omantel Cash Surplus Policy 	<p>DNV concludes that Omantel has appropriately disclosed how it will manage any unallocated proceeds within its portfolio.</p> <p>Omantel has confirmed that any unallocated funds will be invested in accordance with the Company's Cash Surplus, and will be held in cash or cash equivalents, until the allocation of the proceeds can be made to an eligible project.</p> <p>If an asset is no longer eligible under the criteria, Omantel has confirmed that it will be removed from the eligible project Portfolio.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				It is in DNV's opinion that based on the information provided, that this is in alignment with the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.

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, and where appropriate Loan proceeds, have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Evidence reviewed: <ul style="list-style-type: none"> Omantel Sustainable Finance Framework 2023 	<p>We can confirm that Omantel has committed to both annual reporting on the allocation of the net proceeds, and that the impact of the green and social projects to be (re-) financed will be stated. The annual reporting will be available on the website and the investor relations page and will include reporting on any material changes in allocation.</p> <p>Annual Allocation reporting will include:</p> <ul style="list-style-type: none"> Lists of eligible Sustainable projects that fall under the criteria laid out in Schedule 1; Proceeds allocated to each Eligible Sustainable Project category; When possible, descriptions of the Eligible Sustainable Projects financed, such as project locations, amount allocated, etc; Selected examples of projects financed; Amount of Unallocated Proceeds; and Percentage share of proceeds allocated to financing and refinancing.



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Annual Impact reporting will provide an indication of the environmental and/or social benefits of the Bond/Sukuk reporting on the environmental and/or social benefits of the Eligible Sustainable Projects. The Group's impact reporting will take reference from the relevant indicators as suggested in the ICMA Harmonized Framework for Impact Reporting. Where feasible, and with respect to confidentiality, the Group's impact reporting may cover the following metrics:</p> <p><u>Eligible Green Categories:</u></p> <p><i>Renewable Energy:</i></p> <ul style="list-style-type: none"> • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent (where possible). <p><i>Energy Efficiency:</i></p> <ul style="list-style-type: none"> • Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings). <p><i>Pollution Prevention and Control:</i></p> <ul style="list-style-type: none"> • Waste reduced/avoided (tonnes). • Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent).



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p><i>Clean Transportation:</i></p> <ul style="list-style-type: none"> • Number of low- and zero-carbon vehicles (by type). • Annual GHG emissions reduced/avoided (tonnes of CO2 equivalent). <p><i>Sustainable Water and Wastewater Management:</i></p> <ul style="list-style-type: none"> • Annual reduction in water use in %. • Annual amount of wastewater treated, re-used or avoided before and after the project in m3/a. <p><i>Green Buildings:</i></p> <ul style="list-style-type: none"> • Type of scheme and the certification level. • Energy efficiency gains in MWh or % versus baseline/building code. <p><u>Eligible Social Categories:</u></p> <p><i>Affordable Basic Infrastructure:</i></p> <ul style="list-style-type: none"> • Number of people to have benefitted (e.g. patients benefitted or supported) <p><i>Employment Generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises:</i></p> <ul style="list-style-type: none"> • Number of SMEs and entrepreneurs supported. <p>Omantel has reported that it may, where relevant, provide case studies of the projects which have been (re)-financed through the Sustainable Finance Framework, in its annual impact report.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV can confirm Omantel's intent to provide information on the impact and data reporting methodologies applied by the Issuer. In addition, that Omantel has confirmed that its approach to impact reporting may be updated over time to align with emerging reporting standards and methodologies.</p> <p>It is in DNV's opinion that based on the information provided this is in alignment with the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>