Independent Second Party Opinion

DBSA Sustainable Finance Framework – April 2026



For Development Bank of South Africa (DBSA)

Making Sustainability Happen

Introduction

IBIS Environmental Social Governance Consulting Africa Proprietary Limited, trading as SLR ('SLR'), has been engaged by the Development Bank of South Africa, hereinafter referred to as the "Issuer" or "the Company" or "DBSA" to perform an independent Second Party Opinion (SPO) to determine the alignment of DBSA's Sustainable Finance Framework dated April 2026 ('the Framework') with the relevant principles and guidelines as outlined below. SLR conducted the SPO based on the ISAE3000 (revised) standard.

The DBSA is a development finance institution wholly owned by the government of South Africa, with a mandate focused on infrastructure finance in South Africa and the rest of the African continent and its oceanic islands. As a DFI, DBSA bridges the infrastructure gap by mobilizing financial and other resources from diverse public and private sources, both domestic and international. These resources are channelled towards sustainable development projects that address critical infrastructural and capacity development challenges across South Africa, South African Development Community, and the wider African continent.

Subject Matter Information, Criteria, and Scope

The subject matter of this assurance engagement is the DBSA Sustainable Finance Framework, dated April 2026, which outlines DBSA's approach to issuing green, social, and sustainability bonds/ loans. The Framework has been developed in alignment with the core components of the International Capital Market Association (ICMA), as well as the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association (LSTA)'s Green Loan Principles and Social Loan Principles, as applicable.

Applicable Criteria:

- ICMA Green Bond Principles[1] (2025)
- ICMA Social Bond Principles[2] (2025)
- ICMA Sustainability Bond Guidelines[3] (2021)
- APLMA, LMA, LSTA Green Loan Principles[4] (2025)
- APLMA, LMA, LSTA Social Principles[5] (2025)

The scope of work included:

- An evaluation of DBSA's existing Sustainability and Environmental, Social, and Governance (ESG) strategies and its rationale for issuing the instrument.
- A review of the framework against the requirements of the four pillars of the relevant ICMA's and LMA's principles, which included an assessment of the:
  - Use of Proceeds

1 https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf
2 https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Social-Bond-Principles-SBP-June-2025.pdf
3 https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf
4 https://www.lsta.org/content/green-loan-principles/#
5 https://www.lsta.org/content/social-loan-principles-slp/#

- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

- A review of the eligibility criteria and evaluation of the environmental or social impact of the eligible projects, including the DBSA Safeguards, Impact Categorisation and approach to Integrated Environmental and Social Sustainability.
- Evaluation of the DBSA's robustness of reporting and alignment of disclosures practices with investor expectations.

Our engagement was conducted following limited assurance procedures to determine whether the Framework, in all material respects, is prepared in accordance with the stated criteria. The scope of our work did not include any post issuance assurance activities such as evaluating the allocation of proceeds, the actual implementation of projects, or the impact reporting associated with any financing instruments issued under the Framework.

Independence and Quality Control

Our firm is an independent provider of non-financial assurance services. This engagement was conducted by a multidisciplinary team of non-financial assurance specialists led by Petrus Gildenhuys, who has more than 25 years of experience in non-financial performance measurement involving both advisory and assurance work and supported by assurance consultants, Matthew Diepenbroek and Lara Bezuidenhout.

Our firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The engagement was completed with a commitment to maintaining professional independence ensuring the quality and consistency of our work. We confirm that we are independent of DBSA during this engagement and that there are no relationships or circumstances that may impair our independence while performing this work in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Respective Responsibilities

DBSA

DBSA is responsible for the development of the Sustainable Finance Framework and its application, and the provision of accurate and reliable information to SLR for this assessment. SLR shall not be held liable if any of the information provided by DBSA management was not accurate or complete.

SLR

SLR's responsibilities were to conduct an SPO and to report its conclusions to the Directors in accordance with the procedures followed. SLR conducted the engagement based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

Inherent Limitations

The assessment of the Sustainable Finance Framework was based on the information provided by the entity and evaluated against the relevant principles of ICMA and LMA as applicable at the time of the engagement. The Framework is subject to evolving standards, market practices, and interpretations. Therefore, our conclusion is based on the framework's alignment with the ICMA and LMA principles as of the date of this report and does not provide assurance on the actual implementation or future performance of the financed projects.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The procedures performed in a limited assurance engagement are markedly less in scope than those performed in a reasonable assurance engagement.

Restriction of Liability

Our work has been undertaken to enable us to conclude on the specified scope and objectives of the engagement in accordance with the terms of our engagement, which includes the publication of this SPO, and for no other purpose. We do not accept or assume responsibility to any third parties i.e., other than to DBSA for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

The maintenance and integrity of DBSA's website is the responsibility of DBSA's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Framework or our independent SPO report that may have occurred since the date of the SPO.

This SPO is valid as far as no material changes are undertaken by the Issuer to its Sustainable Finance Framework as of April 2026.

Summary of Work Performed

DBSA provided SLR with its Sustainable Finance Framework (April 2026) document and relevant supplementary information to support the second party assurance process. SLR's Limited Assurance procedures were based on our professional judgement and consisted of:

- Interviews with key management representatives.

- Inspection and corroboration of the publicly available market documentation and information.
- Evaluation of the Framework characteristics against the SBPs, GBPs and SLPs and GLPs requirements related to the Issuer's Strategy and Rationale, Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting. SLR further relied on the following sources and provided documentation:
  - DBSA's Sustainable Finance Framework (April 2026)
  - DBSA's Environmental and Social Safeguard Standards
  - DBSA's Social and Institutional Guidelines
  - DBSA's Environmental and Social Policy
  - DBSA's Gender Mainstreaming Policy
  - The South African Green Finance Taxonomy
  - DBSA Sustainable Finance Use of Proceeds Tracking Procedure document.

Summary of Findings

SLR is of the view that the DBSA Sustainable Finance Framework is credible, and impactful and aligns with the previously stated principles and standards.

This assessment is based on the following summary of SLR's findings during the review of DBSA's Sustainability Strategy and the Sustainable Finance Framework in line with the requirements as set out in ICMA's Guidance for External Review.

Strategy and Rationale

DBSA has provided an outline of the overall sustainability strategy at the organisation by providing an overview of the approach to integrating sustainability considerations into the investment process and by documenting the frameworks/policies for ESG considerations and reporting. The documentation provided and listed above adequately demonstrates DBSA's considerations, safeguards, impact classifications and subsequent risk management policies.

DBSA has referenced high-level sustainable development objectives in terms of climate change mitigation and adaptation, has included processes for considering natural resource conservation and biodiversity conservation. Additionally, DBSA has included 'Just Transition' objectives and considerations, including integrating social impacts and safeguards into their project evaluation process.

DBSA has articulated the rationale for the issuance, clearly highlighting the role transactions under this framework will have in achieving the broader environmental and social purpose.

Use of Proceeds

Through assessment of the framework, SLR has confirmed that DBSA has provided clear descriptions for all the projects to be funded and has aligned the projects in accordance with ICMA's green and social project categorisations.

Specifically, these categories are Renewable Energy, Energy Efficiency, Clean transportation, Sustainable Water and Wastewater Management, Climate Change Adaptation, Green Buildings, Socioeconomic Advancement and Empowerment, Affordable Housing and Access to Essential Services. SLR notes the reference to the South African Green Finance Taxonomy to be used on a case-by-case basis as a complementary resource, while maintaining consistency with ICMA's definitions.

SLR has reviewed the eligible Green and Social categories of projects/assets to be financed under this framework. Further detail on this assessment is presented in *Table 1: Project analysis* below. SLR is of the view that the projects identified under this framework have clear social and environmental benefits and address or mitigate key social and environmental issues.

Additionally, DBSA has provided sufficient detail and eligibility criteria to ensure projects funded will improve or have a positive impact in terms of their associated environmental or social impact and has accurately identified the appropriate SDGs that projects are expected to contribute towards. A breakdown of which is presented in *Table 2: SDG Alignment*.

DBSA has committed to allocation reporting on the proceeds per project category and has clearly stated that all projects under refinancing will continue to meet the relevant eligibility criteria. The issuer has disclosed to SLR that the estimated share of refinancing vs financing of new projects will be included in the annual reporting. SLR notes that while a lookback period of 36 months has the potential to result in reduced impact of environmental and social projects/assets this period remains is in line with market practice (24 - 36 months).

SLR is of the view that the projects described in the Use of Proceeds section have the potential to deliver positive environmental and social impacts and that the section is aligned with the relevant requirements.

Table 1: Project Analysis

Project/Asset Category	Assessment
Green	**Renewable Energy** Based on SLR's assessment of the eligible renewable energy projects under this framework we are of the opinion that these investments will contribute to South Africa's decarbonisation objectives and support the country's transition away from coal-dependent electricity generation. SLR considers the thresholds and limitations disclosed to be credible and in line with market practice. The renewable energy projects are designed to deliver measurable environmental benefits through reduced greenhouse gas emissions and improved air quality, while supporting South Africa's Nationally Determined Contributions (NDCs) under the Paris Agreement and contribute positively to the achievement of SDG 7 (Affordable and Clean Energy) and secondary climate mitigation effects to SDG 13 (Climate Action). **Energy Efficiency** Based on SLR's assessment of the eligible energy efficiency projects under this framework, we are of the view that these investments will deliver meaningful reductions in energy consumption and associated greenhouse gas emissions across the targeted sectors. SLR considers the exclusions, limitations and thresholds disclosed under this category to be in line with market practice. The energy efficiency projects are designed to contribute to SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities), while providing additional environmental co-benefits through reduced resource consumption and improved operational sustainability. **Clean transportation** Based our assessment of the eligible clean transportation projects under this framework, we are of the view that these investments will reduce greenhouse gas emissions from the transport sector through the deployment of low-carbon and zero-emission mobility solutions. SLR notes that all vehicles funded under this framework will be electric, non-motorised or any other non-fossil fuel transportation. SLR considers these criteria to be in line with market practice and within the South African market context and considers this supportive of the country's transition towards the decarbonisation of passenger transportation. SLR considers the exclusion of fossil fuel transport infrastructure and assets involved in fossil fuel transport to be credible exclusions. The clean transportation projects are designed to deliver environmental benefits through reduced air pollution and carbon emissions while supporting sustainable urban development objectives. Given the regional context, SLR is of the opinion that projects in this category will contribute positively to the achievement of SDG 11 (Sustainable Cities and Communities) with

Project/Asset Category	Assessment
	secondary benefits to SDG 7 (Affordable and Clean Energy). Further details on other SDG contributions can be ascertained from the issuer's accompanying documents.
	Sustainable Water and Wastewater Management Based on our assessment of the eligible sustainable water and wastewater management projects under this framework, we are of the opinion that these investments will improve water use efficiency, enhance water quality, and support sustainable water resource management. The sustainable water and wastewater management projects are designed to deliver critical environmental benefits in South Africa's water-stressed context while supporting improved resource efficiency. SLR is of the opinion that projects funded under the category will contribute positively to the achievement SDG 11 (Sustainable Cities and Communities). SLR notes that additional SDGs may also be contributed to, such as SDG 6 (Clean Water and Sanitation), but that the issuer has prioritised specific SDGs. Further details on other SDG contributions can be ascertained from the issuer's accompanying documents.
	Climate Change Adaptation Based on our assessment of the eligible climate change adaptation projects under this framework, we consider these investments will enhance resilience to climate-related risks and support adaptive capacity across vulnerable communities and ecosystems. Through discussion with the issuer, SLR recognises that sufficient governance mechanisms and safeguards have been implemented in evaluating these projects and believes this to be aligned with market practice. The climate change adaptation projects are designed to deliver measurable environmental benefits through improved climate resilience while directly supporting South Africa's adaptation priorities and SDG 13 (Climate Action).
	Terrestrial and aquatic biodiversity restoration, conservation and enhancement Based on our assessment, these projects/activities contribute directly to environmental benefits through the preservation and regeneration of biodiversity, improved ecosystem services and increased ecological resilience. SLR considers these projects to play an important role in achieving SDG 15 (Life on Land). Further details on other SDG contributions can be ascertained from the issuer's accompanying documents.
	Environmentally sustainable management of living natural resources and land use Based on our assessment of the eligible projects under this framework, we are of the view that these investments will promote responsible land management practices, enhance carbon sequestration, and support ecosystem conservation. Through discussion with the issuer, SLR recognises that sufficient governance mechanisms and safeguards have been implemented in evaluating these projects and believes this to be aligned with market practice.

Project/Asset Category	Assessment
	The sustainable land use projects are designed to deliver environmental benefits through improved soil health, biodiversity protection, and carbon storage while contributing to SDG 15 (Life on Land).
	Green Buildings Based on our assessment of the eligible green buildings to be funded under this framework, we are of the opinion that these investments will achieve significant improvements in energy and water efficiency, reduced carbon emissions, and enhanced environmental performance compared to conventional buildings. SLR notes that buildings that achieve a Green Star 4 level are those that rank in the top 20% of buildings in terms of energy performance, SLR considers projects meeting this threshold to be contributing significantly to reducing energy use and contributing positively from an environmental perspective. The green buildings projects are designed to contribute to SDG11 (Sustainable Cities and Communities) through reduced operational emissions and improved resource efficiency in the built environment. The projects have been designed to provide additional benefits for SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).
Social	**Socioeconomic advancement and empowerment** Based on our assessment of the eligible socioeconomic advancement and empowerment projects under this framework, we are of the opinion that these investments will support capacity building, financial inclusion, and economic opportunities for marginalized and underserved populations. The socioeconomic advancement projects are designed to deliver social benefits through enhanced economic participation and empowerment while contributing to the achievement of SDG 5 (Gender Equality). Further details on other SDG contributions can be ascertained from the issuer's accompanying documents.
	Affordable Housing Based on our assessment of the eligible affordable housing projects under this framework, SLR is of the opinion that these investments will increase access to safe, adequate, and affordable housing for low-to-moderate income households, as defined in the framework, and historically marginalised populations. SLR considers the thresholds, definitions and limitations to be credible and aligned to the national context in which they are applied. These projects are designed to deliver social benefits through improved living conditions and housing security while contributing to the achievement of the SDG 11 (Sustainable Cities and Communities). Further details on other SDG contributions can be ascertained from the issuer's accompanying documents.
	Access to Essential Services Based on our assessment of the eligible access to essential services projects under this framework, we are of the opinion that these investments will improve availability and quality of

Project/Asset Category	Assessment
	critical public services including healthcare and education, for previously disadvantaged and/or low-income populations. SLR considers the thresholds, definitions and limitations to be credible and aligned to the national context in which they are applied. The access to essential services projects are designed to deliver meaningful social benefits through enhanced service delivery and improved quality of life while contributing to the achievement of SDG 3 (Good Health and Well-being), SDG 4 (Quality Education).

Process for Evaluation and Selection of Projects and Assets

SLR considers DBSA's Project Evaluation and Selection process to be aligned with the relevant requirements. Through our analysis of the framework, relevant documentation and management interviews it has been shown that DBSA has a comprehensive risk identification and management framework in place and has implemented a robust governance mechanism for project/activity evaluation. The issuer has created a Sustainable Finance Use of Proceeds Tracking Procedure document that provides a comprehensive governance framework detailing the process flow, evaluation, project tracking and monitoring of eligible assets.

The processes and governance mechanisms have been described and referenced in detail in the framework, including the process for risk classification, analysis and evaluation, the process for monitoring and reviewing risks in ongoing projects, as well as structures in place to manage and mitigate these risks. The issuer has provided transparency on the eligibility criteria and definitions to be applied for target populations. These references are applicable to the context in which the projects are being financed and reference credible legislation or benchmarks.

The framework clearly sets out the process for screening and evaluating the potentially eligible projects, stating the intention to apply the eligibility criteria set out in the framework by DBSA's Environmental and Social Sustainability Team in coordination with the DBSA Treasury. This process will be overseen by DBSA's Social Environmental Ethics Climate Risk (SEECR) Management Committee comprising senior representatives from the DBSA Treasury, Distribution, asset lending teams, head of ESG, head of Climate and Environmental Finance unit, as well as specialists involved in Green Climate Mapping for the DBSA. Responsibility and accountability are ultimately held by this SEECR Management Committee.

SLR considers this process to be robust and aligned with best market practice.

Management of Proceeds

The framework adequately outlines the structures and processes involved in the supervision, management, monitoring and allocation of proceeds. DBSA has clearly disclosed the intention to allocate, monitor and manage the funds through a separate account and earmarked for allocation to a "Sustainable Finance Register".

The issuer has confirmed that unallocated proceeds will be managed in line with DBSA's liquidity management framework - in cash, cash equivalents and other liquid instruments – and that they will not be invested in any coal, oil or gas related assets. Additionally, the issuer has committed to achieving full allocation within 24 months of the bond issuance.

As such, SLR considers DBSA's management of proceeds process aligned with the relevant requirements.

Reporting

DBSA will prepare and publish an annual allocation and impact report with respect to the green, social and or sustainability bonds/loans issued/raised under this framework at least until full allocation. This report will include details on:

- Total amount of proceeds allocated to eligible assets/projects
- Number of eligible assets/projects
- Balance of unallocated proceeds
- Amount or the percentage of new financing and refinancing
- Non-financial impact
- Annual impact indicators.

DBSA has stated their intention to align their reporting requirements with the Debt and Specialist Securities Listings Requirements for instruments issued under this Framework, including ongoing disclosure obligations under the relevant listing rules. These requirements include obtaining annual independent external post-issuance verification and impact reporting. SLR considers the intended allocation disclosures to be aligned with the requirements and in line with market practice.

DBSA has further committed to annual Impact Reporting, and will disclose where possible, and where data is available, the relevant key impact indicators. DBSA has referenced the ICMA Harmonised Framework for Impact Reporting (2023)[6] for Green Bonds and the Handbook - Harmonised Framework for Impact Reporting for Social Bonds (2025)[7], respectively and committed to identifying and assigning relevant impact indicators in reference to these resources.

SLR has reviewed the DBSA Development Results Reporting Framework (DRRF), Core Sector Indicator Framework (CSIF) and the Development Results Template (DRT) and considers the process for identifying and reporting on the non-financial impacts to be credible and comprehensive. Further, DBSA has transparently disclosed the methodologies to be employed, the standard/principles being referenced, the tools to be used and the indicators to be used in the impact reporting. DBSA has committed to publishing both the allocation and impact reports annually, and has further stated their intention to obtain independent verification of these allocations and impacts.

SLR considers the intended impact reporting to be aligned with international best market practice.

6 https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf
7 https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-for-Social-Bonds-June-2025.pdf

Sustainability Quality

Based on the assessment of the sustainability quality of the use of proceeds and using ICMA's 'High-level Mapping to the SDGs' document, SLR has assessed that the contribution of the Issuer's Green and Social Projects is set up for a positive and direct contribution to the following SDGs.

Table 2 2: SDG Alignment

Use of Proceeds Classification	Project/Asset Category	SDG
Green	Renewable Energy	**SDG 7, 13**
	Energy Efficiency	**SDG 9, 11**
	Clean transportation	**SDG 7, 11**
	Sustainable Water & Wastewater Management	**SDG 11**
	Climate Change Adaptation	**SDG 13**
	Terrestrial and Aquatic Biodiversity	**SDG 15**
	Environmentally sustainable management of living natural resources and land use	**SDG 15**
	Green Buildings	**SDG 7, 11, 13**
Social	Socio-Economic Advancement and Empowerment	**SDG 5**
	Affordable Housing	**SDG 11**
	Access to Essential Services	**SDG 3, 4**

Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the DBSA Sustainable Finance Framework, dated April 2026, is not, in all material respects, aligned with the relevant components of the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines issued by the

International Capital Market Association (ICMA), and the Green Loan Principles and Social Loan Principles issued by the Loan Market Association (LMA), as applicable.



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About this Report

SLR Consulting is a global sustainability consulting company supporting our clients in addressing some of the biggest sustainability challenges the world of business is facing today.

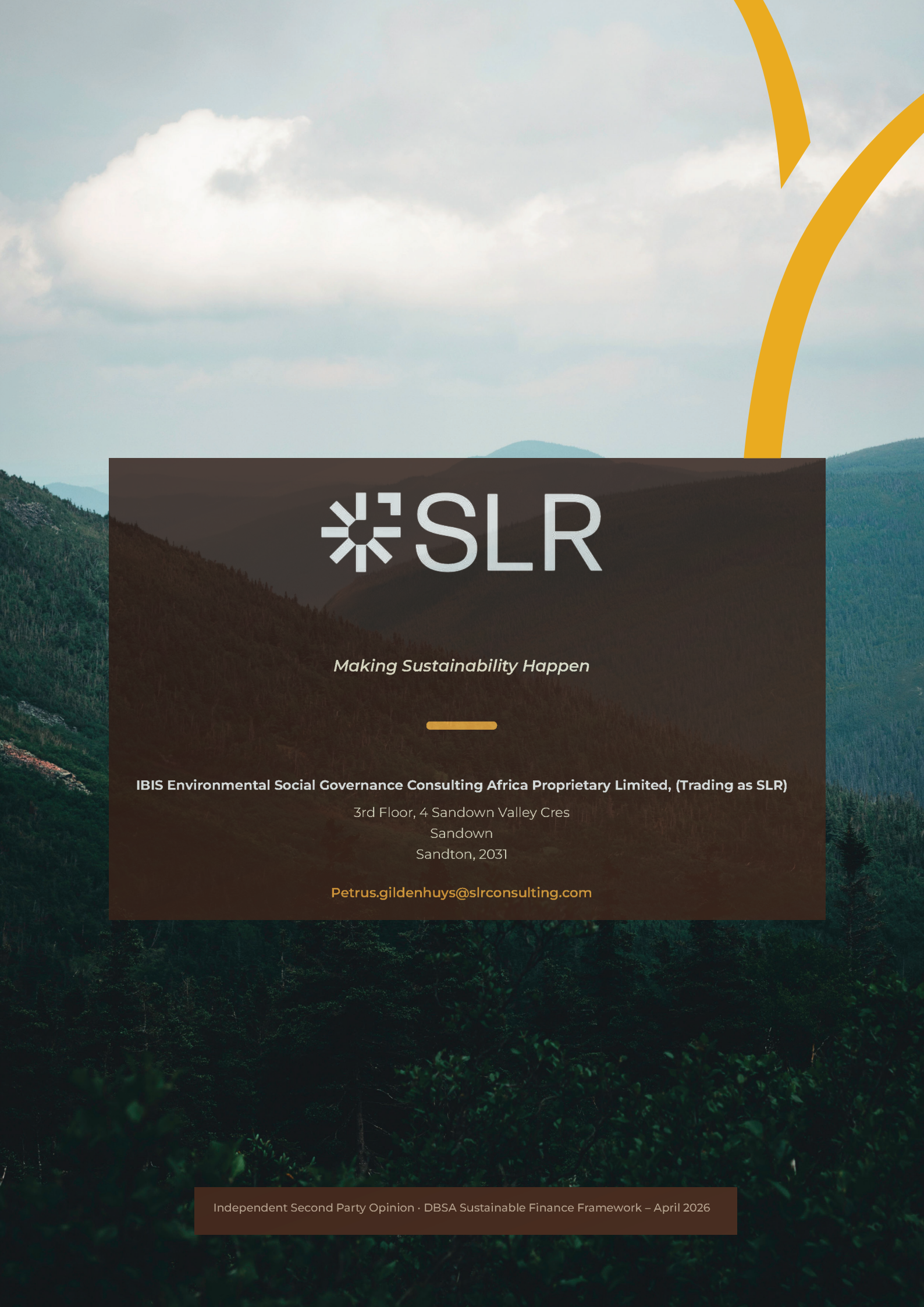
The SLR Assurance team offers a range of sustainability and non-financial assurance services, including sustainability report assurance, the provision of pre-issuance external reviews, such as this SPO, as well as post-issuance allocation and impact report verification, sustainable finance framework development, and decarbonisation or transition plan development.

Please visit SLR Consulting's website to learn more about our services we offer and for more information on SPO services, please reach out at Petrus.gildenhuys@slrconsulting.com.

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Making Sustainability Happen

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