



FIVE HOLDINGS





# FIVE GREEN BOND ALLOCATION AND IMPACT REPORT

OCTOBER 2024

## INTRODUCTION

FIVE Group (FIVE) is an international hospitality business developing and operating iconic luxury hotels underpinned by high-energy entertainment-driven experiences. Within Dubai, FIVE owns and operates three hotels, FIVE Palm Jumeirah, FIVE Jumeirah Village, and the recently completed FIVE LUXE. In Switzerland, the company owns and operates one hotel, FIVE Zurich, which marked the group's entry into the European market. Following its Green Bond issuance in October 2023, FIVE acquired a 100% equity stake in the Spanish entity Universo Pachá, with the exclusion of the Lío Brand. The deal included two hotels in Ibiza, Destino Pacha Hotel Ibiza and El Hotel Pacha, as well as one club, Pacha Ibiza. FIVE's acquisition also included the Pacha Collection Merchandise stores and the Toyroom and WooMoon Storyeller Brand Concepts.

In June 2023, FIVE Holdings achieved an 'A' Corporate ESG Rating through ISS ESG. This score placed FIVE's ESG performance at the top of over 7000 evaluated companies with FIVE being the only to earn an 'A' rating across all sectors within the ISS corporate rating universe as of June 2023. Today, 100% of its Dubai and Zurich hotels are LEED Platinum certified and 100% of electricity requirement of assets in Dubai are met by solar power procured through I-RECs.

Focusing on aligning its luxury entertainment hospitality model with sustainability, the group advocates a 'Sustainable Indulgence' strategy providing luxury customer experiences while investing in green building design, occupational wellbeing, corporate governance, and community engagement.

As an expression of the group's commitment to proactive reporting, this document marks FIVE's first allocation and impact report in reference to CY 23 in line with its 2023 Integrated Report and Sustainability Report.





## DEBUT GREEN SENIOR SECURED NOTES

In October 2023, the debut listing of USD 350 million Green Bond by FIVE Holdings took place in Dubai. This listing marks a significant moment for FIVE, making it their first appearance on NASDAQ Dubai – the region’s esteemed international financial exchange. The issued Green Bond, featuring a coupon rate of 9.375%, amounts to USD 350 million, with maturity set for 2028. This listing underlines FIVE’s steadfast commitment to sustainable finance and its consistent leadership in ESG practices.

## SUMMARY OF FIVE’S GREEN FINANCING FRAMEWORK

The following provides a summary of FIVE’s Green Financing Framework. Access the group’s complete framework [here](#).

### USE OF PROCEEDS

Under this Framework, FIVE can structure Green Financing Instruments, including bonds and loans, proceeds of which will be exclusively allocated to Green Projects as described further in this Use of Proceeds section. An amount equivalent to the net proceeds from the issuance of Green Financing Instruments will be used to finance or refinance, in part or in full, Eligible Green Projects that meet the Eligibility Criteria set out in this Framework.

Eligible Green Projects may include assets, capital expenditures (capex) and operational expenditures (opex) including research & development expenses. Eligible Green Building Assets will not have a look back period and will be accounted for at their fair market value at the time of allocation reporting. For CapEx and OpEx expenditures, there will be a look back period of 3 years.

### FIVE ►

ELIGIBLE GREEN CATEGORY	ELIGIBILITY CRITERIA	CONTRIBUTION TO UN SDGS
Green Buildings  Environmental Objective: Climate Change Mitigation; Climate Change Adaptation	Financing related to the acquisition, construction or refurbishment of energy-efficient, low carbon buildings which have achieved or are targeting to achieve: <ul style="list-style-type: none"> <li>▶ LEED certification level “Gold” or better; or</li> <li>▶ BREEAM certification level “Excellent” or better.</li> </ul>	 
Renewable Energy  Environmental Objective: Climate Change Mitigation	Financing related to the development, installation and operation of renewable energy, including: <ul style="list-style-type: none"> <li>▶ Solar photovoltaic and solar thermal energy systems on FIVE owned hotel and resort sites;</li> <li>▶ Power Purchase Agreements (“PPAs”), Virtual Power Purchase Agreements (“VPPAs”), and any other investments that provides for the procurement of renewable energy through a long-term contract(at least ten years) aligned with the GHG Protocol.</li> </ul>	 





## PROCESS FOR EVALUATION AND SELECTION

FIVE's Green Finance Framework defines two Use of Proceeds Categories – Green Buildings and Renewable Energy – which define the respective eligibility criteria for the group.

These eligibility criteria align with FIVE's Sustainable Indulgence strategy to minimize non-renewable energy consumption and to continue developing energy-efficient, low-carbon properties.

The Green Finance Committee chaired by the Group CFO supported by the Finance and Engineering teams is responsible for assessment and selection of eligible projects.

## MANAGEMENT OF PROCEEDS

FIVE's Finance team will manage the allocation of an amount equivalent to the net proceeds of its Green Financing Instruments on an aggregated basis for multiple Green Financing Instruments (portfolio approach).

A green financing register is maintained by the team containing information on Green Financing Instruments issued and the Eligible Green Project Portfolio.

## REPORTING

FIVE commits to publish on its website an allocation and impact report annually, starting one year after the issuance of its inaugural Green Financing Instrument until its maturity. The allocation report shall include information on the Net Proceeds of Green Financing Instruments, amount allocated to eligible green projects and information on it, and information on any unallocated amounts.

FIVE intends to align, on a best effort basis, with the reporting recommendations as outlined in ICMA's "Handbook – Harmonized Framework for Impact Reporting (June 2022)".

## EXTERNAL REVIEWS

Second Party Opinion: FIVE appointed ISS Corporate Services (ICS) to provide a Second Party Opinion (SPO) on the Green Financing Framework, to confirm alignment with the ICMA 2021 Green Bond Principles and LMA 2023 Green Loan Principles. FIVE received the Second Party Opinion from ICS in June 2023 as 'Positive', 'Aligned' and 'Consistent with FIVE's sustainability strategy'. Refer the detailed report on [FIVE's website](#).

Post-Issuance External Review on Reporting: Annually, FIVE will request an external review on the allocation of Green Financing Instrument proceeds to Eligible Green Projects. Ernst & Young Associates LLP has been appointed to provide an external review to FIVE's 2023 Green Bond Allocation and Impact Report.





# ALLOCATION REPORTING

The following table summarizes the net proceeds to FIVE from the issuance of Green Bonds on October 4, 2023:

## Proceeds from Green Bond (All amounts in USD mn)

INSTRUMENT	PRINCIPAL AMOUNT	PROCEEDS (POST PRICING)	ISSUANCE COSTS	NET PROCEEDS
Green Senior Secured Notes (Maturity Date: Oct 3, 2028)	350	346.6	10.3	336.3



## Use of Proceeds

FIVE's Green Finance Framework outlines a reporting structure based on its whole eligible portfolio, accounting for eligible green buildings at their fair market value. Accordingly, FIVE has adopted a Portfolio Approach to its Allocation and Impact Report.

GREEN PROJECT	ELIGIBILITY STATUS	DESCRIPTION	VALUE (USD MN)	TYPE
<b>GREEN BUILDINGS</b>				
FIVE LUXE	LEED Platinum (BD+C) v4	FIVE LUXE received LEED Platinum certification on October 17, 2023.	662.33	Fair Value of the Asset as of Dec 31, 2023
FIVE Palm Jumeirah	LEED Platinum (O+M) v4.1	FIVE Palm Jumeirah received LEED Platinum certification on September 27, 2022.	1,126.26	
FIVE Jumeirah Village	LEED Platinum (O+M) v4.1	FIVE Jumeirah Village received LEED Platinum certification on September 23, 2022.	228.07	
FIVE Zurich	LEED Platinum (ID+C) v4	FIVE Zurich received LEED Platinum certification on February 13, 2023.	166.48	Fair Value of the Asset as of Dec 31, 2023 [External valuation]
Destino Pacha Hotel Ibiza	Registered with USGBC (BD+C Hospitality)	Destino Pacha registered with the USGBC on Feb 26, 2024	-*	
El Hotel Pacha	Registered with USGBC (LEED-EB:OM)	El Hotel Pacha registered with the USGBC on Feb 26, 2024	-*	
Pacha Ibiza	Registered with USGBC (LEED-CI)	Pacha Ibiza registered with the USGBC on Feb 26, 2024	53.4	Fair Value of the Asset as of Dec 31, 2023 [External valuation]
Pacha Residences	Registered with USGBC (BD+C Hospitality)	Pacha Residences (Hotel apartment) registered with the USGBC on Feb 26, 2024	-**	
<b>TOTAL VALUE OF ASSETS (USD MN)</b>			<b>2,236.54</b>	





GREEN PROJECT	ELIGIBILITY STATUS	DESCRIPTION	VALUE (USD MN)	TYPE
<b>RENEWABLE ENERGY</b>				
2023 I-REC	Power Purchase Agreement (PPA)	Covering 100% of FIVE Palm Jumeirah and FIVE Jumeirah Village Hotel + Accommodation Electricity Consumption in 2023	0.06	PPA (OpEx)
2023 I-REC	Power Purchase Agreement (PPA)	Covering 100% of FIVE Palm Jumeirah and FIVE Jumeirah Village Hotel Electricity Consumption in 2022	0.06	PPA (OpEx)
<b>TOTAL VALUE OF OPERATIONAL EXPENDITURE (USD MN)</b>			<b>0.12</b>	
<b>TOTAL VALUE OF ALLOCATED PROCEEDS (USD MN)</b>			<b>336.3</b>	
<b>TOTAL VALUE OF UNALLOCATED PROCEEDS (USD MN)</b>			<b>-</b>	

\*EL HOTEL AND DESTINO PACHA BUILDINGS WERE ON LEASE AS OF DECEMBER 31, 2023 HENCE A FAIR VALUE OF THE ASSET CANNOT BE ATTRIBUTED. HOWEVER, PLEASE NOTE - EL HOTEL PACHA HOTEL BUILDING WAS ACQUIRED ON JAN 5, 2024, VALUE OF WHICH WILL BE ATTRIBUTABLE IN THE Q1 2024 FINANCIALS.

\*\*PACHA RESIDENCES PROJECT IS YET TO BEGIN DEVELOPMENT AS OF DECEMBER 31, 2023 HENCE NO VALUE IS ATTRIBUTED.

## IMPACT REPORTING

FIVE performed an impact reporting assessment at the end of year 2023 to evaluate the impact of the eligible portfolio.

FIVE's 2023 Allocation and Impact Report provides the following portfolio impact indicators demonstrating the environmental performance associated with its LEED Platinum certifications and Renewable Energy PPAs:

2023 ESG PERFORMANCE AND REDUCTION AGAINST 2020 BASELINE (IN GREEN):

- ▷ Carbon Intensity 29.92 (MtCO<sub>2</sub>e Scope 1, Scope 2 / Revenue in AED mn): **63.6%**
- ▷ Water per Capita 284.86 (litres/cover<sup>2</sup>): **40.6%**
- ▷ Electricity per Capita 20.44 (kWh/cover): **33.2%**
- ▷ Waste per Capita 3.38 (kg/cover): **34.4%**

AVOIDED EMISSIONS<sup>3</sup> IN 2023 FROM RENEWABLE ENERGY:

- ▷ 11,769 MtCO<sub>2</sub>e avoided through I-RECs<sup>4</sup>

Notes:

1. At the time of establishing its 2020 baseline, only two FIVE hotels were operational, FIVE Palm Jumeirah and FIVE Jumeirah. FIVE Zurich completed its first reporting cycle in 2023 and as of December 31, 2023, FIVE LUXE was still under development. For its future reporting, FIVE will aim to re-establish its baseline to report complete portfolio impact indicators as on date.
2. Covers include In-stay guests + F&B Walk-in guests
3. As of 2023, only FIVE Palm Jumeirah and FIVE Jumeirah Village consumed electricity validated by the group's existing I-REC Agreement. For its 2024 report, the avoided emissions of FIVE's renewable energy PPA will include FIVE LUXE.
4. Scope 2 Purchased Electricity emissions from the grid would result in 11,769 MtCO<sub>2</sub>e as per 2023 DEWA emission factors





## ADDITIONAL ASSET-WISE IMPACT INDICATORS –

GREEN PROJECT	UOP CATEGORY	IMPACT INDICATORS
FIVE LUXE	Green Building	FIVE LUXE achieved LEED Platinum BD+C (New Construction) v4 - 89 points in Oct 2023 <small>As of Dec 31, 2023, FIVE LUXE had not opened for operations. FIVE will report its environment impact figures following the completion of the 2024 reporting year.</small>
FIVE PALM JUMEIRAH	Green Building	<ul style="list-style-type: none"> <li>▷ Certification Scheme and Level: LEED Platinum (O+M) v4.1</li> <li>▷ <b>ESG KPIs monitored# - 2023 Performance and Reduction Against 2020 Base line (in green):</b> <ul style="list-style-type: none"> <li>- Carbon Intensity 18.73 (MtCO2e Scope 1, Scope 2 / Revenue in AED mn): <b>65.7%</b></li> <li>- Electricity Per Capita 17.57 (KWh/ cover): <b>35.8%</b></li> <li>- Water Per Capita 193.29 (litres / cover): <b>43.2%</b></li> <li>- Waste Per Capita 3.58 (kg / cover): <b>11%</b></li> </ul> </li> <li>▷ 24.8 KgCO2e / Occupied Room Night (Cornell Hotel Sustainability Benchmark 2024) using 2022 data</li> </ul>
FIVE JUMEIRAH VILLAGE	Green Building	<ul style="list-style-type: none"> <li>▷ Certification Scheme and Level: LEED Platinum (O+M) v4.1</li> <li>▷ <b>ESG KPIs monitored# - Reduction in 2023 vs 2020 baseline:</b> <ul style="list-style-type: none"> <li>- Carbon Intensity 63.18 (MtCO2e Scope 1, Scope 2 / Revenue in AED mn): <b>58.5%</b></li> <li>- Electricity Per Capita 24.62 (KWh/ cover): <b>29.5%</b></li> <li>- Water Per Capita 417.67 (litres / cover): <b>37.2%</b></li> <li>- Waste Per Capita 3.09 (kg / cover): <b>53.5%</b></li> </ul> </li> <li>▷ 30.8 KgCO2e/Occupied Room Night (Cornell Hotel Sustainability Benchmark 2024) using 2022 data</li> </ul>
FIVE ZURICH	Green Building	<ul style="list-style-type: none"> <li>▷ Certification Scheme and Level: LEED Platinum (O+M) v4.1</li> <li>▷ <b>ESG KPIs monitored# [First full year of operations - 2023]:</b> <ul style="list-style-type: none"> <li>- Carbon Intensity 2.76 (MtCO2e Scope 1, Scope 2 / Revenue in AED mn):</li> <li>- Electricity Per Capita 27.69 (KWh/ cover)</li> <li>- Water Per Capita 263.99 (litres / cover)</li> <li>- Waste Per Capita 0.95 (kg / cover)</li> </ul> </li> <li>▷ 5.17 KgCO2e/Occupied Room Night (Cornell Hotel Sustainability Benchmark 2024) using 2022 data</li> </ul>
2023 I-REC	Renewable Energy	▷ Achievement of 100% renewable electricity through agreement with Dubai Electricity and Water Authority [DEWA] for 29,424 MWH - for hotels and accommodation properties using International Renewable Energy Certificates (2023) reducing our Scope 2 GHG emissions by 11,769 MtCO2e
2022 I-REC	Renewable Energy	▷ Achievement of 100% renewable electricity through agreement with Dubai Electricity and Water Authority [DEWA] for 26,683 MWH - for hotels through International Renewable Energy Certificates (2022) reducing our Scope 2 GHG emissions by 10,605 MtCO2e

#As part of its 2023 Sustainability Reporting, Limited assurance is obtained on ESG KPIs by third party external assurance provider





Ernst & Young Associates LLP  
12<sup>th</sup> Floor, The Ruby,  
29 Senapati Bapat Marg,  
Dadar (West),  
Mumbai 400 028

Tel: +91 22 6192 0000  
Fax: +91 22 6192 3000  
ey.com

## Independent practitioner's assurance report

### The Management and Board of Directors

FIVE Holdings (BVI) Limited  
Level 13, FIVE Palm Jumeirah,  
Palm Jumeirah, Dubai, UAE,  
PO Box. 118561

### Scope

We have been engaged by FIVE Holdings (BVI) Limited, to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on FIVE Holdings (BVI) Limited's Green Bond Allocation and Impact Report CY 2023 (the "Subject Matter") contained in FIVE Holdings (BVI) Limited's (the "Company's") Annual Report CY 2023 and standalone Green Bond Allocation and Impact Report CY 2023 as on 1<sup>st</sup> October 2024 for the year ended 31<sup>st</sup> December 2023 for the period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by FIVE Holdings (BVI) Limited

In preparing the Green Bond Allocation and Impact Report, FIVE Holdings (BVI) Limited applied, FIVE's Green Financing Framework (Criteria) aligned with Green Bond Principles by International Capital Markets Association (ICMA) and Loan Market Association (LMA) guidelines. Such Criteria were specifically designed for Green Bond Allocation and Impact Report CY 2023; As a result, the subject matter information may not be suitable for another purpose.

### FIVE Holdings (BVI) Limited's responsibilities

FIVE Holdings (BVI) Limited's management is responsible for selecting the Criteria, and for presenting the Green Bond Allocation and Impact Report CY 2023 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with FIVE Holdings (BVI) Limited on 31<sup>st</sup> May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies 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 that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Green Bond Allocation and Impact Report CY 2023 and related information and applying analytical and other appropriate procedures.

### Our procedures included:

- Conducted interviews with select personnel and the core team responsible for preparing the Green Bond Allocation and Impact Report CY 2023 to understand the Company's green Bond Framework, use of proceeds, and the process of collecting, collating and reporting the subject matter as per the FIVE's Green Financing Framework and Global Reporting Initiative (GRI) Standards.
- Conducted desk assessment of data, relevant documents and systems for gathering, analysing and aggregating the performance related to Green Bond Allocation and Impact Indicators.
- Checked that the calculation criteria were correctly applied in accordance with the methodologies outlined in the Criteria.
- Undertook an analytical evaluation of procedures to support the reasonableness of the data.
- Checked Impact Indicators, on a sample basis, for the following sites through consultations with the FIVE team:
  - FIVE Jumeirah Village
  - FIVE Palm Jumeirah
  - FIVE Zurich
- Performed an audit trail of claims and data streams on a selective test basis to assess the accuracy level of processes involved in data collection, transcription and aggregation.
- Evaluated the client's Green Bond portfolio performance on a sample basis using the client's internal data management system and based on the audited financial statement for CY 2022 and CY 2023.
- We relied on the information, documents, records and explanations provided by FIVE for the purpose of our assessment.

We also performed such other procedures as we considered necessary in the circumstances.





The assurance scope excludes:

- Data and information outside the defined reporting period (1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023).
- Data and information on economic and financial performance of the Company.
- Data, statements and claims already available in the public domain through other reports, or other sources available in the public domain.
- Data generated from the Bank's internal data management systems.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company.
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

**Our conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to Green Bond Allocation and Impact Report CY 2023 as of date 1<sup>st</sup> October 2024 for the year ended 31<sup>st</sup> December 2023 for the period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023, in order for it to be in accordance with the Criteria.

**For and on behalf of Ernst & Young Associates LLP**

**Chaitanya Kalia**  
**1<sup>st</sup> October 2024**  
**Mumbai, India**





FIVE HOLDINGS

