



**Standard Bank**

**STANDARD BANK GROUP**

# SUSTAINABLE FINANCE FUNDRAISING AND PRODUCT FRAMEWORK

**MAY 2026**

—  
AFRICA IS OUR HOME, WE DRIVE HER GROWTH.

**ENTER**



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# 1

# INTRODUCTION



SBG Overview | Sustainability Strategy | Environmental and Social Risk Management

# 1. Introduction

Standard Bank Group Limited, together with its subsidiaries (collectively SBG or the Group), is a financial institution that offers banking and financial services to individuals, businesses, institutions, and corporations in Africa and abroad.

As a founding signatory to the United Nations (UN) Principles for Responsible Banking (PRB), SBG is committed to ensuring that its business strategy is consistent with and contributes to society's needs and priorities.

This document covers two distinct frameworks, i) the Sustainable Finance Framework (SFF) covered in Section 2 and ii) the Sustainable Finance Product Framework (SFPF) covered in Section 3, which combined form the Sustainable Finance Fundraising and Product Framework (SFFPF or the Framework).

## 1.1 SBG Overview

SBG constitutes the largest financial services group in Africa, measured by assets

Established in 1862, SBG is purpose driven, "Africa is our home, we drive her growth". Headquartered in Johannesburg, South Africa, SBG operates in 21 countries in sub-Saharan Africa, with operations in five global financial centres and two offshore hubs. SBG operates through distinct client segments which provide integrated banking, investment, insurance and advisory solutions.

The Standard Bank of South Africa Limited (SBSA) is the single largest operating entity within SBG and the largest bank by assets in South Africa.

## 1.2 SBG's Sustainability Strategy

The Group's purpose is "Africa is our home, we drive her growth".

The Group's sustainability strategy is aligned to our purpose and is part of our Group strategy.

### SBG's Sustainable finance ambition supported by credible frameworks and governance.

#### Sustainable Finance Fundraising & Product Framework (2026)

External Review and Second Party Opinion – ISS

#### Sustainable Finance Fundraising Framework

The SFF outlines the methodology and associated policies and procedures to facilitate the raising of finance in the form of sustainable financing instruments including Green/Social/Sustainable (GSS), repurchase agreements and securitisation instruments by the Standard Bank Group (SBG or Group) and its subsidiaries.

The SFF describes the process to select, evaluate, report, track and verify eligible assets. The Framework considers eligible assets based on i) use of proceeds on green and social ii) eligible Pure Play assets, the use of whose proceeds are not specific but where eligibility for classification as a sustainable finance asset is assessed based on the company's profile.

#### Governance Frameworks

#### Sustainable Finance Product Framework

Finance Mobilisation Target > R450 billion (2022 -2028)

The SFPF is designed to classify, track and report on sustainable finance assets. It supports clients on their sustainability journeys by enabling client-facing teams to originate more sustainable finance transactions. It is a mechanism to drive positive impact in line with the Group's four impact focus areas. It facilitates tracking the Group's progress against its Sustainable Finance Mobilisation Targets and Sub-Targets.

**General purpose**  
Sustainability-linked  
Pure play  
Debt for development

**Green eligible activities**  
including renewable  
energy infrastructure  
and climate change  
mitigation and adaptation

**Social eligible activities**  
including financial inclusion  
and affordable basic  
infrastructure

**Transition eligible activities** for hard to abate sectors (under development)

**Target**  
>R100 billion  
(2025 – 2028)

**Target**  
>R100 billion  
(2025 – 2028)

SBG is developing sustainable finance governance frameworks at Group and business unit level to ensure consistency and credibility and to mitigate potential greenwashing risks.

Our sustainability strategy has two pillars: i) maximising positive impact; and ii) effectively managing sustainability-related risks. In assessing our impacts and risks, we take into account global and regional frameworks, including the United Nations Sustainable Development Goals (UN SDGs), African Union Agenda 2063, the UN Principles for Responsible Banking (PRB), the UN Principles for Responsible Investment (PRI), the UN Guiding Principles on Business and Human Rights, nationally determined contributions to climate mitigation, and sustainable banking frameworks in our countries of operation.

### MAXIMISE POSITIVE IMPACT

Our business activities drive positive impact in four identified focus areas:

1. Financial health and inclusion
2. Business growth and job creation
3. Climate change mitigation and adaptation
4. Infrastructure development.

We recognise the strategic importance of integrating adaptation and resilience considerations into our sustainability strategy and have developed an Annexure to this Framework that introduces an adaptation and resilience lens to our sustainable financing activities. We acknowledge that this is a relatively nascent focus area that will continue to develop.

### EFFECTIVE GOVERNANCE AND RISK MANAGEMENT

We actively identify and manage potential risks and negative impacts, focusing on areas such as:

- Effective management of environmental and social risk associated with our lending and investment activities
- Fair treatment of customers
- Information security, data privacy and cybersecurity
- Combatting financial crime
- Employee engagement.

## 1.2.1 Positive Impact Areas

Sustainable Finance is an enabler across the Group's four impact areas. Each area is aligned with our core business activities and links to specific SDG targets. By focusing on these areas, we aim to ensure that our business activities solve for Africa's challenges and deliver improved prosperity for Africa's people.

We report annually on our progress against our impact areas in our Report to Society. We also provide comprehensive annual reports on our management of sustainability-related risks, in our Sustainability Disclosures Report and our Climate-related Financial Disclosures Report. These reports are available on our website at Investor Relations: [🌐 Integrated Reports | Standard Bank](#).



### FINANCIAL HEALTH AND INCLUSION

We provide people with access to relevant, affordable and convenient financial products, services and advice, and support to enable them to confidently manage their day-to-day finances, plan and invest in their financial future and strengthen their resilience to financial shocks.



### BUSINESS GROWTH & JOB CREATION

We provide businesses with financial and non-financial services to help them get started, expand, improve productivity, access new markets and create jobs.



### CLIMATE CHANGE MITIGATION AND ADAPTATION

We partner with our clients to understand their climate risks and develop appropriate solutions to help them mitigate and adapt to the effects of climate change. We develop innovative financial products and services that support the green economy, reduce carbon emissions, increase climate resilience and enhance socioeconomic development.



### INFRASTRUCTURE DEVELOPMENT

We work with governments and the private sector to facilitate and finance large-scale infrastructure projects across Africa, supporting economic development and improving access to public goods including energy, water, telecommunications and transportation. We prioritise the development of renewable energy services and related solutions to support climate risk mitigation and resilience. We partner with our clients to ensure environmental and social risks are appropriately managed and minimised.

### 1.2.2 Managing Sustainability-Related Risks

Our risk governance framework provides executive management with an integrated view of our sustainability-related risks. It defines structures and accountability for the oversight, governance, and execution of risk management, helping us to minimise and mitigate potential negative impacts to society and the environment arising from our operations and business activities.

Our environmental and social (E&S) risk standard and policy support compliance with regulatory requirements in our countries of operation and our obligations under various global standards, including International Finance Corporation

(IFC) Performance Standards on Environmental and Social Sustainability, the Equator Principles (EP), and the UN Guiding Principles on Business and Human Rights.

The SBG board is responsible for fostering a culture of ethics and appropriate conduct, approving relevant policies and overseeing risk management, including E&S risk. Board committees regularly review the Group's policies, including those related to sustainability and climate risk management. The board delegates oversight to its committees as shown below.

#### Group board sub-committees

SOCIAL, ETHICS AND SUSTAINABILITY (GSESC)	RISK AND CAPITAL MANAGEMENT (GRCMC)	INFORMATION TECHNOLOGY	REMUNERATION	AUDIT
<ul style="list-style-type: none"> <li>Oversees alignment between Group strategy and sustainability approach. Includes oversight of PRB commitments and progress</li> <li>Receives reports on stakeholder engagements and priorities, approves annual materiality process, issues, metrics and targets, approves sustainability reporting suite</li> <li>Approves metrics and targets related to sustainability impacts, ESG risks, ethics and conduct</li> <li>Oversees implementation of climate policy, monitors progress against climate targets and ensures alignment with Group strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Monitors enterprise-wide risks, including ESG and climate risk, and oversees integration into risk appetite, risk frameworks, credit processes, E&amp;S risk</li> <li>Approves updates to E&amp;S risk governance framework</li> <li>Monitors risks and opportunities associated with operating environment</li> <li>Approves risk appetite and allocation of capital, and monitors effect of macroeconomic and operating environment across jurisdictions on the Group's risk profile.</li> </ul>	<ul style="list-style-type: none"> <li>Approves frameworks and approach to cyber resilience, technology governance, data and information capabilities, standards and frameworks</li> <li>Oversees digital transformation and technology-related strategic initiatives</li> <li>Oversees responsible AI governance protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Sets remuneration philosophy and policy statement to enable stakeholders to assess reward practices and governance processes</li> <li>Reviews and approves Group remuneration report</li> <li>Assesses shareholder feedback and recommendations on Group remuneration policy and implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews internal audit's assurance governance and risk management processes and monitors adequacy and effectiveness of internal controls and reporting</li> <li>Assesses compliance with applicable legal, regulatory and accounting standards and policies in preparation of external reports.</li> </ul>

SBG's executive management is accountable for achieving sustainable growth and value, through implementation of the Group's sustainability approach. Responsibilities are clearly defined and relevant Key Performance Indicators (KPIs) are integrated into performance management for teams and individuals.

The management of sustainability risks, including climate risk, is integrated into the Group's enterprise risk management (ERM) framework. The group's three lines of defence model sets out the responsibilities of individuals and teams to ensure that risks are adequately considered and managed.

**Executive sub-committees**

	GROUP LEADERSHIP COUNCIL (GLC)	SOCIAL, ETHICS AND SUSTAINABILITY MANAGEMENT COMMITTEE	GROUP RISK OVERSIGHT COMMITTEE (GROC)	BUSINESS UNIT STRATEGY AND GOVERNANCE COMMITTEES
MANAGEMENT	<ul style="list-style-type: none"> <li>Chaired by group Chief Executive (CE)</li> <li>Highest management structure - provides feedback to SBG board.</li> <li>Meets monthly</li> </ul>	<ul style="list-style-type: none"> <li>Chaired by the Africa Regions and Standard Bank Offshore CE</li> <li>Provides feedback, through its chairman, to GSESC</li> <li>Meets quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Chaired by Group Chief Risk and Corporate Affairs officer</li> <li>Provides feedback, through its chairman, to GRCMC</li> <li>Meets quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Chaired by BU CEs.</li> </ul>
ACCOUNTABILITY	<ul style="list-style-type: none"> <li>Approve Group policies and standards, including sustainability strategy, and monitor adherence</li> <li>Ensure appropriate governance structures, policies, processes are in place to identify and resolve risks, including ESG risks, and strengthen risk culture</li> <li>Drive business alignment with ESG risk management and ensure business ownership and accountability</li> </ul>	<ul style="list-style-type: none"> <li>Oversee sustainability approach and progress</li> <li>Oversee Group Climate Policy and progress</li> <li>Approve metrics and targets related to sustainability impacts and risk management</li> <li>Approve annual materiality assessment process, issues, metrics and targets</li> <li>Oversee compliance with code of ethics and conduct, human rights statement, environmental and social (E&amp;S) risk management framework, climate policy and targets</li> </ul>	<ul style="list-style-type: none"> <li>Oversee ESG risk management through risk committees and mandated forums, including non-financial risk and climate risk</li> <li>Approve relevant risk governance policies</li> <li>Promote risk management culture</li> <li>Review and recommends Group risk appetite</li> <li>Ensure effective E&amp;S risk management in line with Group risk appetite</li> <li>Ensure climate-related risk identification, classification, analysis, monitoring and reporting is embedded in enterprise-wide risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Monitor progress against BU-level sustainability and ESG strategies, including positive impact and climate metrics and targets</li> <li>Ensure appropriate ESG risk management</li> <li>Provide quarterly progress reports to the GLC</li> </ul>
HOW IT RECEIVES INFORMATION	<ul style="list-style-type: none"> <li>Regular updates from business unit governance committees and risk and control committees</li> <li>Quarterly updates on progress against climate policy and targets.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports on progress against positive impact metrics and targets, climate targets</li> <li>Quarterly reports on stakeholder engagements and priorities</li> <li>Quarterly ethics and conduct dashboards.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports from various BUs and risk types</li> <li>Quarterly updates on management of climate risk at sector and BU level, and progress to develop appropriate methodologies and tools to assess and disclose financed emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports on progress against impact indicators and climate targets.</li> </ul>

### 1.2.3 Climate Policy

We published our first Group Climate Policy in March 2022, and an updated policy in March 2025

[OurClimatePolicy.pdf](#).

The policy includes our commitment to achieve net zero emissions for our own operations by 2040, and for our lending and investment portfolio by 2050. It is implemented primarily through sector strategies and client engagement. It includes targets to reduce exposure to coal, oil and gas over time, while recognising the importance of gas as a transition fuel, and describes the minimum standards to be met for the financing of non-renewable energy activities. It also sets out our Sustainable Finance mobilisation target, and sub-targets for green and social finance mobilisation.

We report annually on our progress against our climate targets in our Climate-related Financial Disclosures Report, available at Investor Relations:

[Integrated Reports | Standard Bank](#)

## Climate risk management

The Group has also implemented a robust climate risk management process that governs the setting of climate risk appetite statements, climate scenario analysis and stress testing, and the integration of climate risk into origination and credit approvals.

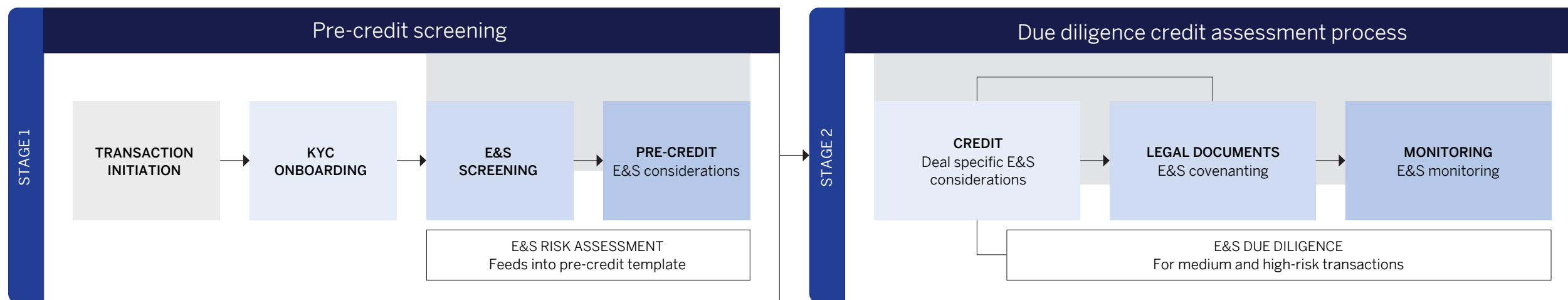
FIRST LINE	Heads of legal entities, business units, corporate functions (including legal, people and culture, and procurement)	<ul style="list-style-type: none"> <li>Promote a culture in which all employees take accountability for ESG risk management and understand and comply with requirements</li> <li>Integrate ESG risk management, including climate risk, in enterprise-wide systems and frameworks, including client onboarding and review, transaction screening and monitoring, portfolio management, third-party risk management and procurement</li> <li>Assess, manage, control and report ESG risk and ensure risk is within appetite</li> <li>Prepare conduct dashboards</li> <li>Implement climate commitments and targets</li> <li>Partner with clients to develop solutions that promote sustainability</li> <li>Support clients to mitigate and adapt to climate-related risk</li> <li>Deliver group sustainable finance targets.</li> </ul>			
	E&S risk teams in BUs	<ul style="list-style-type: none"> <li>Execute the E&amp;S risk governance standard and policy and monitor compliance across the Group, to ensure E&amp;S risks are correctly identified, evaluated and managed at client and transactional level</li> <li>Ensure alignment with international standards such as the Equator Principles and compliance with SBG's climate policy</li> <li>Review all project-related transactions and medium and high-risk non-project related transactions to identify, screen and manage E&amp;S impacts associated with the Group's lending activities</li> <li>Work with business and credit teams to assess and mitigate risks.</li> </ul>			
SECOND LINE	Risk management functions	<ul style="list-style-type: none"> <li>Identify, measure, monitor and report risk on an enterprise-wide basis, independently from the first line.</li> </ul>			
		<p><b>Portfolio risk management committee</b> Oversees credit exposure at sector and country level.</p>	<p><b>Group non-financial risk committee</b> Oversees non-financial risks and governance, including risks associated with ESG and climate.</p>	<p><b>Group compliance committee</b> Promotes a compliance culture and ensures the effective management of compliance risk across the Group.</p>	
THIRD LINE	Internal audit	<p><b>Sustainability</b></p> <ul style="list-style-type: none"> <li>Support integration of ESG risk management across the Group</li> <li>Support implementation of Group Climate Policy and coordinate reporting against climate targets</li> <li>Monitor and report on conduct dashboards</li> <li>Report to the Group Chief Risk &amp; Corporate Affairs officer</li> </ul>	<p><b>Client risk committees</b> Assess issues related to ESG, ethics and conduct in relation to onboarding new clients, new client mandates, and existing client relationships, including ESG risk level, conflicts of interest, anti-competitive behaviour, financial crime, sanctions, anti-money laundering/counter-terrorist financing, bribery and corruption and fraud risk.</p>	<p><b>Supplier risk committees</b> Review issues related to ESG, ethics and conduct in relation to suppliers and third parties, including conflicts of interest, anti-competitive behaviour, human rights, conduct and environmental impacts.</p>	
		Undertake risk-based and general audits to provide assurance to the board that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied.			

## 1.3 Environmental and Social Risk Management

We manage E&S risk through our environmental and social management system (ESMS), which forms part of our enterprise-wide risk management framework. Transactional and client-related E&S risk is governed by our E&S governance standard and E&S risk policy.

In CIB and BCB, we undertake E&S screening before entering a new client relationship or approving a transaction or investment. We use our internal E&S screening tool to check for compliance with national laws and standards and assess transactions and client eligibility against our exclusions list<sup>1</sup>, our E&S risk standard and policy, the SBG climate policy and other relevant Group policies. Where applicable, we also apply the IFC Performance Standards and the Equator Principles. Screening assesses potential E&S risks associated with the business, sector, transaction or project. The level of screening is informed by the type of financial product, the quantum and tenor of the transaction and the

potential E&S risks involved. Where E&S risk is deemed medium or high, at client or transaction level, E&S due diligence (ESDD) is required. The Group has identified high-risk industries, sectors and areas of high environmental sensitivity that require enhanced due diligence (EDD) before a transaction or investment may be approved. Activities in these sectors must also align with the commitments and targets in the Group's Climate Policy. The diagram below shows key stages of this process. Further information is available in SBG's annual Sustainability Disclosures Report available on our website [Investor Relations: Integrated Reports | Standard Bank](#).



In PPB, risk metrics are established and maintained at a portfolio level to enable effective assessment and reporting of significant physical exposures within each portfolio. Metrics are tailored for each business areas (for example, home services, vehicle and asset financing (VAF) and unsecured lending).

Insurance and Asset Management (IAM) performs ESG risk analysis of all investment opportunities being assessed – whether equity, bonds, private assets or other. These analyses are dynamic and continue to be further developed and enhanced across our different independent investment processes.

<sup>1</sup> The exclusions list is provided in the SBG Sustainability Disclosures Report at <https://www.standardbank.com/sbg/standard-bank-group/investor-relations/results-and-reports/integrated-reports>.



# 2

# SUSTAINABLE FINANCE FRAMEWORK



Purpose of this Framework | Potential Issuers and Borrowers: Treasury Transactions | Use of Proceeds Eligibility Criteria  
Process of Selection and Evaluation of Eligible Assets | Management and Tracking of Proceeds  
Allocation and Impact Reporting | General Purpose Instruments | External Review

## 2. Sustainable Finance Framework Overview

Under this Sustainable Finance Framework (SFF) the Group and its subsidiaries may execute Green/Social/Sustainable (GSS) either in bond, loan, repurchase agreement, securitisation instrument<sup>2</sup> or hybrid format, publicly or privately, to finance and/or refinance i) GSS projects, activities or assets; as well as ii) Pure Play assets (Eligible Assets).

Bonds issued under this SFF may take the form of public transactions or private placements, in bearer or registered format, issued under the Group's various Debt Issuance Programmes, where relevant or as the Issuer determines at its discretion, and may take the form of senior unsecured or subordinated issuances.

This SFF promotes SBG's lending to GSS projects (aimed at addressing positive environmental and social change). In addition, the SFF considers Pure Play companies where the company profile determines eligibility.

This Framework aligns with the core components of the following international principles and guidelines, which include, but are not limited to, principles published by the International Capital Market Association (ICMA) and the Loan Market Association (LMA).

SBG continues to assess relevant taxonomies in its development of Eligibility Criteria and will endeavour to confirm alignment with relevant taxonomies where required.

The SFF may be updated from time to time as the sustainable finance market develops and further guidelines, principles and taxonomies develop. As such, we will review the eligibility criteria, including removal or inclusion of additional eligibility categories, in future versions of this SFF.

1 ICMA's Green Bond Principles (GBP)

2 ICMA's Social Bond Principles (SBP)

3 ICMA's Sustainability Bond Guidelines

4 ICMA's Sustainability Linked Bond Principles (SLBP)

5 APLMA, LMA and LSTA's Green Loan Principles (GLP)

6 APLMA, LMA and LSTA's Social Loan Principles (SLP)

7 LMA and LSTA's Sustainability Linked Loan Principles (SLLP)

### 2.1 Purpose of this Framework

This SFF outlines the methodology and associated policies and procedures to facilitate the raising of finance in the form of sustainable financing instruments including GSS bonds or loans (including hybrid instruments), repurchase agreements and securitisation instruments by the Group and its subsidiaries. The raising of such sustainable finance instruments facilitates implementation of SBG's strategy of driving sustainable growth and value by delivering positive impact into the Group's four identified impact areas.

The SFF covers use of proceeds and pure play instruments. For use of proceeds instruments, the SFF describes the process to select, evaluate, report, track and verify eligible assets and further describes how the proceeds of the bonds or loans executed by the Group are managed and allocated, and how the Group verifies and reports on the management and allocation of proceeds and environmental and social impacts of assets.

### 2.2 Potential Issuers and Borrowers: Treasury Transactions

SBG or any other Group entity/subsidiary may execute GSS bonds or loans (including hybrid instruments), repurchase agreements and securitisation instruments under this SFF.



The preferred approach is for subsidiaries to adopt this framework, with any localisation requirements being appropriately documented in supplementary documentation which may include internal documentation, instrument legal documentation or investor or other presentations. Any such localisation requirements will be subject to appropriate subsidiary internal governance processes.

A list of the Group's subsidiaries is available on our website [Organisational structure | Standard Bank](#).

<sup>2</sup> Proceeds will be allocated until conversion date and reporting will continue until conversion date.

## 2.3 Use of Proceeds Eligibility Criteria

### 2.3.1 Green eligibility criteria<sup>3</sup>

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<b>Nuclear Energy (RE)</b> 	<p>Acquisition, construction, generation, upgrade or maintenance of nuclear energy or nuclear energy power plants and associated infrastructure, that</p> <ul style="list-style-type: none"> <li>Adhere to international safety standards through demonstration of nuclear safety; and</li> <li>Apply latest/best-in-class technology as approved by the relevant regional and sector based national safety regulator; and</li> <li>Ensure the safe disposal and long-term storage of nuclear waste through submission of a long-term waste management solution.</li> </ul>	<p><b>Exclusions:</b> Nuclear activities may not contribute to the proliferation of nuclear weapons</p> <p><b>Limitations:</b> The financing of nuclear activities require the following at a country level:</p> <ul style="list-style-type: none"> <li>Effective governance of nuclear power generation, including a formal governing body and regulations that address site selection, operational safety, radioactive waste management and decommissioning, as well as effective monitoring and enforcement of such regulations</li> <li>Concrete actions toward solutions for the secure, long-term storage of high-level radioactive waste</li> <li>No evidence of unsafe operation of nuclear power reactors and/or management of radioactive waste from nuclear power facilities within the last ten years. except if there is robust evidence that the causes of unsafe operations have been adequately investigated and addressed.</li> </ul>
<b>Renewable Energy</b> (including production, storage systems, transmission, appliances and products) 	<p>Acquisition, construction, generation, upgrade or maintenance of renewable power generation and associated infrastructure for:</p> <ul style="list-style-type: none"> <li>Wind</li> <li>Solar photovoltaic (PV)<sup>4</sup> or concentrated solar power (CSP/solar thermal), including solar-powered appliances and equipment such as solar geysers, solar lighting, etc.</li> <li>Ocean power</li> <li>Small scale hydropower (&lt;25 MWh; run-of-river hydropower with low storage capacity)</li> <li>Geothermal power projects: emit <math>\leq 100</math> gCO<sub>2</sub>e/kWh</li> </ul> <p>Hydropower<sup>6</sup> with:</p> <ul style="list-style-type: none"> <li>Life cycle carbon intensity of below 100gCO<sub>2</sub>e/kWh; or</li> <li>Power density above 10W/m<sup>2</sup></li> </ul>	<p><b>Exclusions</b></p> <ul style="list-style-type: none"> <li>Renewable energy projects used to power fossil fuel activities.</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>At least 85% of electricity generation must be derived from renewable energy sources<sup>5</sup></li> <li>For ocean thermal projects, fossil fuel backup must be limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures or restart capabilities.</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Hydropower plants must undergo environmental and social impact assessment.</li> </ul>


<sup>3</sup> Green activities that are in areas that have at least 50% of their surface within 10 km from the coastline, rivers, lakes, and wetlands may be categorised as Blue. Double counting of activities, assets or projects will be avoided.

<sup>4</sup> Solar PV includes residential (e.g. rooftop solar), commercial (commercial rooftop /microgrid) and utility-scale (generation projects above 1MW) projects.

<sup>5</sup> Only the renewable components of a hybrid power plant will be considered if less than 85% of electricity generated is from renewables.

<sup>6</sup> ISS Corporate consider hydropower plants above 1000MW to be obstructive with regards to SDG15. Standard Bank will only consider hydropower projects above 1 000 MW as being eligible under this Framework that are compliant with the IFC Performance Standards as assessed by a competent independent party.

### 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Renewable Energy</b> continued</p> 	<ul style="list-style-type: none"> <li>▪ Biofuel<sup>7</sup> power generation from waste materials<sup>8</sup> or certified sustainable crops</li> <li>▪ Production of biofuels, including anaerobic biodigesters that produce biogas</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▪ Manufacturing, development, import or acquisition of components of renewable energy technologies that support renewable energy generation (such as wind turbines, solar panels, solar lighting, solar-powered equipment)</li> <li>▪ Energy storage systems that increase renewable energy storage capacity (including batteries)</li> <li>▪ Corporate finance to renewable energy aggregators and traders<sup>9</sup></li> </ul> <hr/> <ul style="list-style-type: none"> <li>▪ Modernization<sup>10</sup> that aims at retrofitting transmission lines or substations to reduce energy use and/or technical losses by 15% and to avoid electricity cuts</li> <li>▪ Distribution assets that aim to improve existing systems to facilitate the integration of renewable energy sources into the grid, including underground cables, microgrids, and HVDC power transmission.</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Waste biomass feedstock sourced from high density livestock farming without adequate environmental safeguards</li> <li>▪ Waste biomass feedstock from non-RSPO-certified certified palm oil operations</li> <li>▪ Biomass feedstock from peat and palm oil</li> <li>▪ Biomass feedstock sourced from areas with high biodiversity and carbon stock, such as forests, wetlands, and peatlands</li> <li>▪ First generation food biomass</li> </ul> <p><b>Limitations:</b> For biofuels, biogas or biomass power:</p> <ul style="list-style-type: none"> <li>▪ Lifecycle greenhouse gas (GHG) emission intensity must be below 100 gCO<sub>2</sub>e/kWh for plants that utilise certified sustainable crops; and</li> <li>▪ Waste from existing livestock farm operations may be used ; and</li> <li>▪ Eligible certifications and schemes for sustainable crops are limited to: (i) Roundtable for Sustainable Biomaterials (RSB), (ii) International Sustainability and Carbon Certification (ISCC), (iii) the achievement of voluntary credit on GHG emission reduction, (iv) BONSUCRO, and (v) the Roundtable on Responsible Soy (RTRS),</li> <li>▪ Eligible certifications for wood and waste wood are limited to FSC and PEFC; and</li> <li>▪ Biomass associated with municipal waste must meet CBI Waste Management Criteria mitigation requirements (<a href="https://www.climatebonds.net/files/documents/Waste_Management_Criteria_August-2022.pdf">https://www.climatebonds.net/files/documents/Waste_Management_Criteria_August-2022.pdf</a>)</li> </ul> <hr/> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ For general purpose finance, at least 90% of the organisation's revenues must be derived from manufacturing of components for renewables; and</li> <li>▪ Renewable energy must meet the criteria in this framework.</li> </ul> <hr/> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ The renewable energy percentage must increase in the future.</li> </ul>


<sup>7</sup> Biomass and biofuel include solid, liquid and gaseous sources.

<sup>8</sup> Waste materials include but are not limited to agricultural residues (e.g. bagasse, corn stover, oats, barley straw, crop stalks, leaves, roots, fruit peels, seeds, nut shells, etc.) or solid municipal organic waste such as paper, cardboard, food waste, grass clippings and wood products where other recyclables have been segregated.

<sup>9</sup> Aggregators and traders are companies that purchase renewable energy from power producers and on-sell to various off-takers.


<sup>10</sup> A pro-rata approach that corresponds with the renewable energy mix of the existing grid will apply where the associated grid has <90% renewable energy mix.

### 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Energy Efficiency</b>                      (such as in new and refurbished buildings, district heating, smart grids, appliances and products)</p> 	<ul style="list-style-type: none"> <li>▪ Development, manufacture and/or installation of components or technologies to enable energy efficiencies e.g. smart meters, peak demand management technology such as variable speed drives, heat pumps, capacitors and energy efficient appliances</li> <li>▪ Clean cooking alternatives, including manufacture and/or distribution of energy efficient cookstoves<sup>11</sup></li> <li>▪ Upgrades and improvements to industrial and manufacturing processes that are proven to increase energy efficiency by a minimum of 20%, such as waste heat recovery systems, replacement of burners with high efficiency burners, improving insulation, compressed air system optimisation, etc.</li> <li>▪ Replacement of heating or cooling systems in existing agricultural, industrial, commercial, or residential infrastructure with electric powered systems with a minimum 20% lower GHG emissions</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Carbon Intensive Sectors</li> <li>▪ Clean cooking alternatives using fossil fuels</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Development, manufacture and/or installation of components or technologies and clean cooking alternatives must achieve at least a 10% improvement in energy efficiency</li> <li>▪ Household appliances must align with either                             <ul style="list-style-type: none"> <li>– highest two populated classes of the relevant country-specific energy efficiency labelling convention, or in the absence thereof, the European union (EU) Energy label, or</li> <li>– the relevant Substantial Contribution criteria listed under Activity 3.5 (Manufacturing of energy efficiency equipment for buildings) of the EU Taxonomy.</li> </ul> </li> </ul>



<sup>11</sup> Energy efficiency improvements will be verified by an accredited third party carbon verification body under acceptable carbon standards listed under Carbon Financing in this framework.

### 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Pollution Prevention and Control</b> (including reduction of air emissions, reduction of water pollution, GHG control, soil remediation, waste prevention, waste reduction, waste collection and recycling and energy/ emission-efficient waste to energy)</p> 	<ul style="list-style-type: none"> <li>▪ Acquisition or development of projects that reduce air emissions (e.g., catalytic converters, diesel particulate filters; emission control technologies, industrial air filtration systems, flue gas treatment technology, industrial catalysts and air-emission cleaning technology).</li> <li>▪ Research and development (R&amp;D) focused on renewable and resource-efficient or low-carbon products (including packaging), processes and technologies</li> <li>▪ The procurement of recycled/waste/resource-efficient materials as an input material, including the use of recycled or reused plastics in areas connected to rivers or coastal water basins</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▪ Acquisition or development of projects that: <ul style="list-style-type: none"> <li>– Biogenic waste and sludge recovery for waste to energy conversion</li> <li>– Capture methane gas</li> <li>– Prevent waste generation and facilitate recycling (waste reduction)</li> <li>– Storage and bulking facilities dedicated to transfer waste to downstream waste reduction assets, such as paper, cardboard, pallets, glass, beverage canes, waste biomass</li> <li>– Anaerobic biodigestors</li> </ul> </li> <li>▪ Acquisition, development and production of: <ul style="list-style-type: none"> <li>– Products made from sustainable raw materials to replace existing harmful products or reduce nitrogen or phosphorous loads products such as microbial fertilisers</li> <li>– Alternative low carbon and biodegradable fibres substituting fossil fuel-derived fibres (e.g., Lyocell fabric replacing polyester)</li> <li>– Biodegradable plant-based plastics and packaging, or compostable plastics and packaging in locations where compostable facilities are accessible</li> </ul> </li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Projects related to operations in Carbon Intensive Sectors</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Reduction in air emissions must be at least 10% greater more than compliance requirements</li> <li>▪ R&amp;D for resource-efficient products, processes and technologies must be limited to those using bio-based materials, such as biopolymers or bioplastics and where there is an estimated 20% GHG emissions reduction outcome</li> <li>▪ Procurement of recycled, input materials will endeavour to achieve 30% reduction in GHG emissions</li> </ul> <hr/> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Feedstocks must be separated into recyclable, non-combustible and hazardous materials before incineration</li> <li>▪ Capture of methane gas investments are limited to projects that are based on decommissioned or non-operational landfill facilities and have a gas capture efficiency of more than 75%</li> <li>▪ A robust waste management plan is required for electronic waste management<sup>12</sup></li> <li>▪ Biomaterials must be non-food based and must be sustainably sourced and certified by FSC or RSB.</li> </ul>





<sup>12</sup> It is recommended that increasing amounts of recyclables (e.g. plastics, metals) is removed and prioritised for re-use and circularity (incorporate waste hierarchy principles that prioritise waste avoidance, reuse, recycling and recovery), and the monitoring of thermal efficiency of financed facilities.

## 2.3.1 Green eligibility criteria continued


GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Environmentally sustainable management of living natural resources and land use</b> (including environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally sustainable forestry, including afforestation or reforestation; preservation or restoration of natural landscapes; and eco-tourism)</p> <div style="display: flex; gap: 10px;">   </div>	<ul style="list-style-type: none"> <li>▪ Projects and equipment that contribute to environmentally sustainable agriculture through –</li> </ul> <p><b>Climate smart agricultural practices</b></p> <ul style="list-style-type: none"> <li>▪ Adoption of land use management practices, regenerative, conservation or precision farming practices including cover cropping, reduced or no till farming, crop diversification, integrated pest management, and use of climate and pest resilient crop varieties that enhance resource efficiency, carbon sequestration and resilience</li> </ul> <p><b>Agricultural infrastructure, equipment and technology</b></p> <ul style="list-style-type: none"> <li>▪ Energy efficient equipment and infrastructure supporting climate smart production systems, including shade netting, wind shields, precision agriculture tools, data and geographic information systems and digital technologies (e.g. drones), as well as equipment supporting reduced tillage, soil recovery, improved carbon pools, productive use of agricultural residues/fodder conservation, and planted pastures integrated into crop rotations</li> </ul> <p><b>Livestock</b></p> <ul style="list-style-type: none"> <li>▪ Feed that reduces livestock methane emissions by at least 20%<sup>13</sup></li> </ul> <p><b>Certified sustainable production and forestry</b></p> <ul style="list-style-type: none"> <li>▪ Agricultural products, operations and projects certified under recognised sustainability standards including Rainforest Alliance, USDA Organic, Better Cotton Initiative (BCI), IFOAM's Organic Certifiers' Directory, Global G.A.P; Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC) certified projects</li> </ul> <p><b>Sustainable fishing and aquaculture</b></p> <ul style="list-style-type: none"> <li>▪ Products and operations certified by: <ul style="list-style-type: none"> <li>– Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC), including the trade or retail of seafood products,</li> <li>– Global Seafood Alliance Best Aquaculture Practice, Global G.A.P Aquaculture standard, Friends of the Sea, or Naturland Organic Aquaculture.</li> </ul> </li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Agricultural practices, resulting in depletion of natural resources, reduction of the land's long-term productivity and resilience, monocropping, over-irrigation, deforestation, overgrazing, soil degradation, excessive tillage, poor waste management</li> <li>▪ Pesticides and synthetic fertilisers</li> <li>▪ High density animal or livestock farming or management practices without environmental safeguards.</li> <li>▪ Genetically Modified Organisms</li> <li>▪ Areas with High Conservation Value (HCV) or HCV Forests (HCVF) that are converted into new plantations</li> <li>▪ Areas on UNESCO World Heritage Sites, wetlands on the Ramsar list</li> <li>▪ Bottom trawling and operations with high by-catch rates</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Climate smart agricultural practices (including equipment and infrastructure) must deliver a independently verified 20% improvement in GHG emissions</li> <li>▪ Livestock management must maintain stocking rates within the ecological carrying capacity of the land, and adhere to adequate standards with regards to animal welfare, space requirements, veterinary care, and ventilation. Transparency through third-party certifications (e.g. Global G.A.P) is encouraged.</li> <li>▪ ASC products must be certified with Chain of Custody to ensure traceability.</li> </ul>

<sup>13</sup> Additives must hold valid safety accreditation, be applied under monitored dosage protocols, and achieve ≥20% verified emissions reduction via third-party audit.

### 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Environmentally sustainable management of living natural resources and land use</b> <small>continued</small></p>  	<ul style="list-style-type: none"> <li>Ecotourism ventures, visitor centres, certificates and programmes showcasing the environment, biodiversity, and disseminating research and knowledge about terrestrial and aquatic ecosystems</li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Acceptable certifications include all GSTC accredited or GSTC recognised certification as well as the following African certifications:                             <ul style="list-style-type: none"> <li>Green Globe Standards for Sustainable Tourism</li> <li>Green Key</li> <li>Travelife (certified level only)</li> <li>Ecotourism Kenya Eco-rating Certification Scheme.</li> </ul> </li> </ul>
<p><b>Terrestrial and aquatic biodiversity restoration, conservation and enhancement</b>  <small>(including for coastal, marine and watershed environments as well as urban ecosystems)</small></p>  	<ul style="list-style-type: none"> <li>Projects involved in conservation through the preservation and/or restoration of biodiversity and valuable natural habitats, including no-take fishing zones, wetlands, coral reefs, mangroves, seagrass meadows, tidal marshes, wildlife, removal of invasive species, etc., and including new restoration techniques such as artificial reef restoration structures as well as natural hydrological and sediment flows and ongoing monitoring and surveillance.</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>Uncertified reforestation with non-indigenous or invasive species</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Eligible projects must demonstrate measurable positive impacts on ecosystem health (e.g. improved water quality, habitat restoration; biodiversity enhancement, climate resilience, etc.) and ensure compliance with national, regional or international environmental and social safeguards materially aligned with the IFC Performance Standards</li> <li>Beneficiary of proceeds did not cause the prior degradation of the project area being addressed.</li> </ul>

## 2.3.1 Green eligibility criteria continued



GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Clean Transportation</b> (such as electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions)</p> 	<ul style="list-style-type: none"> <li>▪ Transportation projects or initiatives that meet the following thresholds individually or at a portfolio level, including enabling infrastructure<sup>14</sup>:               <ul style="list-style-type: none"> <li>– Freight trucks and rail (maximum 25gCO<sub>2</sub>e/tonne-km) which have electric, hybrid, or hydrogen propulsion systems</li> <li>– Busses and passenger rail (maximum 25gCO<sub>2</sub>e/passenger-km) which have electric, hybrid, or hydrogen propulsion systems.</li> <li>– Fully electric, biofuel, wind or hydrogen-powered passenger/cargo ships</li> </ul> </li> <li>▪ Import, manufacture, development, acquisition, or construction of:               <ul style="list-style-type: none"> <li>– Electric vehicles (EVs) including e-bikes</li> <li>– Passenger and light commercial hybrid vehicles</li> <li>– Charging stations or supporting infrastructure for EVs and hybrid vehicles</li> </ul> </li> <li>▪ Shipping projects related to:               <ul style="list-style-type: none"> <li>– Retrofit of existing vessels involving fuel switching to low-carbon fuels</li> </ul> </li> <li>▪ Shipping infrastructure projects (including equipment) aimed at avoiding or reducing pollution of the marine environment which are<sup>15</sup>:               <ul style="list-style-type: none"> <li>– Ballast water treatment to comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to avoid the spread of alien invasive species</li> <li>– Non-chemical treatment for wastewater generated from ports and vessels, such as biological treatment, physical separation, UV disinfection</li> <li>– Bilge water treatment</li> <li>– Noise pollution measurement and reduction technology</li> <li>– Vessel recycling</li> <li>– Oil spill prevention, risks safeguard and recovery</li> </ul> </li> <li>▪ Transport infrastructure projects, in particular, the manufacturing, development, or purchase of specialised parts such as EV batteries, charging infrastructure or ICT systems such as microcontrollers and wireless communication infrastructure that aim to improve the general transport logistics to increase energy efficiency by at least 15%<sup>16</sup> per unit of service (e.g., BTU/passenger-km; gCO<sub>2</sub>e/km), as well as alternative routing practices to protect sensitive biodiversity including protecting life under water</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Freight trucks dedicated to the transportation of fossil fuels or fossil fuel blended with alternative fuels</li> <li>▪ Ships that run on conventional heavy fuel oil (HFO) or bunker fuel, low-sulphur heavy fuel oil (LSHFO), or marine diesel oil (MDO)</li> <li>▪ Financing of stand-alone vehicle parking facilities</li> <li>▪ Financing of vehicle ancillary parts such as vehicle frames and seats</li> <li>▪ Fossil fuel-based transport infrastructure</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Vessels, including passenger and cargo vessels, whether new build or retrofit, must achieve at least a 30% improvement against the EEDI baseline. Fossil fuels may not account for more than 50% of rail freight (by t-km)</li> <li>▪ Cargo ships with oil tankers or vessels may not transport more than 50% (by mass) fossil fuels</li> <li>▪ Note: ICT systems that remove barriers to modal shift to public transit, and/or incentivises the use of low-carbon vehicles and car-sharing schemes will be prioritised</li> <li>▪ Authorised recycling facilities as per the International Maritime Organization and compliance with the Hong Kong Convention is required for vessel recycling</li> <li>▪ Oil spill – beneficiary of proceeds did not cause the prior degradation of the project area being addressed.</li> </ul>

<sup>14</sup> Enabling infrastructure includes renewable electric charging points, storage and bunkering facilities for low emission fuels, etc., which is intended to contribute to climate mitigation.

<sup>15</sup> All financed infrastructure will be for ships that meet the eligibility criteria in this Framework.

<sup>16</sup> Methodology for assessing energy efficiency will consider baseline, pre and post project emissions or on a product specific basis.

## 2.3.1 Green eligibility criteria continued



GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Green Technologies</b> (such as energy storage systems, carbon capture and green Hydrogen)</p> 	<ul style="list-style-type: none"> <li>▪ Production of green hydrogen and associated green ammonia production and transportation</li> <li>▪ Carbon capture, utilisation and storage (CCUS), and carbon removal technologies, including associated infrastructure investments for CO<sub>2</sub>e transportation and storage.</li> </ul>	<p><b>Limitations:</b> For green hydrogen and associated green ammonia production and transportation:</p> <ul style="list-style-type: none"> <li>▪ Production must be limited to electrolysis powered by renewables that meet the eligibility criteria in this Framework</li> <li>▪ Green ammonia must be limited to that which will be re-converted to hydrogen for use as a fuel source</li> <li>▪ Transportation by ship must meet the clean transport criteria for shipping under this Framework</li> </ul> <p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ CCUS for companies engaged in primary fossil fuels sector activities</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ CCUS must facilitate long term/permanent storage</li> <li>▪ Projects must include enhanced CO<sub>2</sub>e leakage detection systems; and</li> <li>▪ Projects should adequately measure the net positive GHG emissions impact</li> <li>▪ For BECCS, the eligibility criteria in SBG's SFF in terms of emissions thresholds and sustainable sourcing of biomass and biogas must be met.</li> </ul>
<p><b>Sustainable Water and wastewater management</b> (including sustainable infrastructure for clean and/or drinking water, smart irrigation and wastewater treatment)</p> 	<ul style="list-style-type: none"> <li>▪ Activities that Improve Water Supply, Quality and/or Water-Use Efficiency <ul style="list-style-type: none"> <li>– Infrastructure for clean and/or potable water, including (new or repairing existing) pipelines, desalination plants and water treatment facilities; and projects that improve water quality or reliability of supply, including water extraction activities such as boreholes</li> <li>– Infrastructure for sanitation and wastewater, including (new or repairing existing) pipelines and wastewater treatment facilities, grey water management systems</li> <li>– Urban drainage infrastructure systems, including storm water management measures<sup>17</sup></li> <li>– Water/marine pollution prevention technologies, systems, infrastructure and equipment that prevent plastics, chemicals or other pollutants from reaching water runoff in areas close to water bodies</li> <li>– Water efficiency projects<sup>18</sup>, including water recycling, rainwater harvesting, and improvements of wastewater treatment, integrated wastewater management measures</li> <li>– Agricultural water management practices including irrigation systems (drip irrigation micro-sprinklers), improved drainage, hydroponics, and soil laser levelling<sup>19</sup></li> <li>– Leak detection, metering systems, sensor taps and similar technologies that form part of a water efficiency programme</li> </ul> </li> <li>▪ Activities that relate to water storage infrastructure <ul style="list-style-type: none"> <li>– Sustainable water storage solutions, including tanks, reservoirs and dams.</li> </ul> </li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Wastewater from primary fossil-fuel operations</li> <li>▪ Hydropower generation</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Desalination projects must: <ul style="list-style-type: none"> <li>– Have an environmental risk mitigation strategy that addresses the management of brine; and</li> <li>– Be primarily powered by renewables or low-carbon sources (with an average carbon intensity at or below 100g CO<sub>2</sub>e/kWh)</li> </ul> </li> <li>▪ Water extraction activities, including borehole drilling, must obtain a Water Use License in South Africa or equivalent licensing from public authorities in other jurisdictions -where sustainable water usage is evaluated as part of the approval process.</li> <li>▪ Dams must comply with local environmental and social legislation including dam safety requirements. Large dams must undergo environmental and social impact assessment</li> <li>▪ Water efficiency must result in at least 10% reduction in water consumption per unit of production</li> <li>▪ Water efficiency for agricultural water management practices must result in at least 15% reduction in water consumption per unit production.</li> </ul>

<sup>17</sup> Projects will be assessed to ensure climate related risks and vulnerabilities have been adequately considered, and to consider alignment with local, regional or national adaptation plans where relevant.



<sup>18</sup> Technologies and projects to reduce water consumption in water stressed locations and leisure facilities are included.

<sup>19</sup> Efficiency will be assessed using verified pre and post intervention water use metrics, field uniformity assessment, and equipment performance specifications.

## 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Climate Change Resilience and Adaptation</b> (including nature-based solutions, investments to make infrastructure, urban spaces and communities more resilient to impacts of climate change, as well as information support systems, such as climate observation and early warning systems, sustainable urban drainage systems and river draining and other forms of flooding mitigation)</p> 	<ul style="list-style-type: none"> <li>Infrastructure and activities that address physical climate risk and increase the resilience of ecosystems and agricultural systems such as expansion or maintenance of flood defence systems, wildfire mitigation and management, and biodiversity protection</li> <li>Monitoring technologies including climate observation and information support systems</li> <li>Urban ecosystems, including green roofs and walls, permeable surfaces for flood risk management, urban parks and forests, improved urban storm water management</li> <li>Nature-based projects that improve reliability of water supply during extended periods of droughts, in particular, protection from heat stress, reservoirs, etc</li> <li>Projects or activities that increase the resilience of agribusinesses against climate risks, such as: <ul style="list-style-type: none"> <li>Advanced climate monitoring systems: Integrated platforms for real-time climate observation, GHG emissions tracking, and early warning systems including probes, sensors, telemetry, imaging, soil-testing, precision mapping and remote sensing</li> <li>Information support systems and tools that provide timely, actionable data to agribusinesses, enabling them to anticipate and adapt to climate-related events</li> <li>Climate resilient livestock infrastructure (e.g. temperature regulation technologies, cooling sheds, emergency shelters)</li> <li>Crop insurance, climate change adaptation insurance (in line with technical screening criteria in the EU taxonomy for these activities).</li> </ul> </li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>High density animal or livestock farming or management practices without environmental safeguards</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Agricultural operations will be sustainability certified by Rainforest Alliance, Better Cotton Initiative (BCI), USDA Organic etc; or</li> <li>Projects will be assessed to ensure climate-related risks and vulnerabilities have been adequately considered, and to consider alignment with local, regional or national adaptation plans where relevant.</li> </ul>
<p><b>Circular economy adapted products, production technologies, processes and business models</b> (such as the design, production and introduction of reusable, recyclable and refurbished materials, components and products; circular business models, tools, services and practices; and/or certified eco-efficient products)</p> 	<ul style="list-style-type: none"> <li>Collection, sorting, cleaning of products for re-use or recycling</li> <li>Recycling products for re-use using mechanical processes</li> <li>Acquisition of or production of resource-efficient products (including packaging) using recycled waste and/or bio-based materials. The projects should have reasonable basis/evidence to support substantial reduction of lifecycle emissions (relative to comparable fossil product)</li> <li>Compositing activities</li> <li>Waste reduction activities including collection and sorting of recyclable, reusable materials, storage and bulking facilities dedicated to transfer waste to downstream waste reduction and repurposed or reuse assets</li> <li>Manufacturing of biodegradable packaging materials.</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>Refurbishment, reconditioning and/or repair of products specialised for use in the extraction of fossil fuels or that inherently rely on fossil fuels</li> <li>Primary food based biomass</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Projects must be able to demonstrate re-use through traceability or reporting</li> <li>Activities that result in products being put back to their original use must minimise energy intensive pre-processing</li> <li>For production of aluminium-based consumer/end product (such as beverage cans): projects are eligible if (i) &gt;90% of inputs are scrap/recycled aluminium or (ii) 75-90% of input is scrap/recycled aluminium and the remaining (primary) aluminium will align with the technical criteria in the EU Taxonomy (activity 3.8)</li> <li>Bio-based materials must be certified with RSB.</li> </ul>

## 2.3.1 Green eligibility criteria continued

GREEN BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Green Buildings</b> (that meet local, regional, national or internationally recognised standards or certifications for environmental performance)</p> 	<ul style="list-style-type: none"> <li>▪ Development, acquisition, retrofit and/or refurbishment of existing or new residential or commercial (including public sector) buildings achieving an acceptable certification and rating;</li> <li>▪ Minimum 20% reduction in energy use<sup>20</sup> and/or carbon emissions compared to the building's own pre-renovation levels or relative to an established industry benchmark<sup>21</sup> for comparable building types</li> <li>▪ Design, construction and operation of green data centres: <ul style="list-style-type: none"> <li>– Existing data centres must have a Power Use Effectiveness (PUE) below 1.5 (and below 1.3 from 2030)</li> <li>– New data centres must have a PUE below 1.3.</li> </ul> </li> </ul>	<p><b>Limitations:</b> Acceptable certifications are limited to:</p> <ul style="list-style-type: none"> <li>▪ Leadership in Energy and Environment Design (LEED) “Gold” certification,</li> <li>▪ Green Star 4 category or above,</li> <li>▪ BREEAM “Excellent” or above,</li> <li>▪ EDGE certified by the IFC’s EDGE partner or above</li> <li>▪ Energy Performance Certificate achieving a minimum 20% energy efficiency and or carbon emissions improvement relative to an established industry benchmark (Industry benchmarks would be relevant national or local building standards or codes such as ASHRAE 90.1-2010 and SANS 10400-XA),</li> <li>▪ Energy Star score of 85 and above,</li> <li>▪ WELL Building Standard</li> <li>▪ EWP certification Level 6 or above, or</li> <li>▪ Climate Bonds Initiative (CBI)</li> </ul> <p>For data centres, water use considerations will be addressed in the due diligence and monitored</p>
<p><b>Carbon Financing</b></p> 	<ul style="list-style-type: none"> <li>▪ Financing the scaling of the voluntary carbon credits market through projects that are otherwise eligible within this Framework, and are certified under at least one of the following standards: <ul style="list-style-type: none"> <li>– American Carbon Registry</li> <li>– Clean Development Mechanism (CDM)</li> <li>– Climate Action Reserve</li> <li>– The Gold Standard</li> <li>– Verified Carbon Standard (VCS)</li> <li>– Plan Vivo</li> <li>– Puro.earth</li> <li>– Standards eligible under the Regulations under Section 19 of the South African Carbon Tax Act</li> <li>– Standards for mitigation outcomes that are agreed by parties to cooperative approaches under Article 6 paragraph 2 of the Paris Agreement; and</li> <li>– Sustainable Development Mechanism under Article 6 paragraph 4 of the Paris Agreement<sup>22</sup></li> </ul> </li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Acquisition of carbon credits for offsetting should represent less than 10% of the total carbon reduction costs of the purchaser</li> <li>▪ Carbon credits should not be purchased to offset scope 1 emissions of the purchaser.</li> </ul>

<sup>20</sup> Energy efficiency may either be based on metered data or on calculated values based on verified energy interventions.




<sup>21</sup> Industry benchmarks would be relevant national or local building standards or codes such as ASHRAE 90.1-2010 and SANS 10400-XA.

<sup>22</sup> It is recommended that details of the methodology or the mechanisms considered for acquisition of carbon credits as per Paris Agreement criteria are provided as well as report on the impacts achieved.

### 2.3.2 Social Eligibility Criteria


The following social categories will be considered eligible where they benefit a target population, which may include the below. More specific definitions are provided in the table below where applicable:

- Under-served
- Rural
- Low income
- Previously disadvantaged
- Disabled
- Women
- Youth

SOCIAL BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Affordable Basic Infrastructure</b>                      (e.g. clean drinking water, sewers, sanitation, transport, energy, basic telecommunications)</p>   	<p>Financing the development, acquisition, maintenance, installation, material upgrades and/or improvement of the following infrastructure in countries included in the OECD DAC list, with the goal to improve connectivity or result in material improvements in areas where current infrastructure is considered inadequate and hinders a community's development.</p> <ul style="list-style-type: none"> <li>▪ Transportation and logistics: roads, rail, ports, and harbours, including associated bridges and tunnels</li> <li>▪ Telecommunications infrastructure and services (e.g. fibre networks, towers, etc.)</li> <li>▪ Water (including desalination plants) and sanitation</li> <li>▪ Energy storage, transmission and distribution infrastructure including underground cables, microgrids, and HVDC power transmission.</li> <li>▪ Clean cooking alternatives, including manufacture and/or distribution of energy efficient cookstoves<sup>23</sup></li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>▪ Infrastructure exclusively focused on transportation of fossil fuels</li> <li>▪ Construction of power plants</li> <li>▪ Purely commercial tolled infrastructure, with no socio-economic benefit</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Ports, harbour and road development projects must be in areas where connectivity does not exist or is inadequate (per a reasonable study) and would lead to improved economic activity</li> <li>▪ Road projects should ensure improved public access to basic services (e.g. schools, healthcare facilities)</li> <li>▪ Public transportation infrastructure including public (passenger) railway infrastructure must be intended for enhancing access to under-served communities in the region</li> <li>▪ Tolled transportation projects: i) must ensure affordability safeguards, including regulatory oversight (which will include price structure and escalation, differentiated tariffs), social impact assessment (which covers free or affordable access for residents/frequent users and public transport) and ii) must include an alternative free route assessment, where tolled project would eliminate free access</li> <li>▪ Energy projects are limited to the development, improvement, resilience and expansion of energy storage, transmission and distribution infrastructure in under-served communities</li> <li>▪ Desalination projects require reasonable assurance of an appropriate waste management plan for brine disposal. Target population will be communities/industries/regions in water-scarce areas as supported by credible external source-end-use of water must include residents and local communities. Feasibility analysis of clean energy sources must be included</li> <li>▪ For nature-based projects: All drought mitigation projects must undergo vulnerability assessment or diagnosis of realised climate impacts and potential climate risks and should have a management response plan that addresses the identified climate risks</li> <li>▪ Access to clean cooking will be limited to countries or regions based on the World Bank indicators for "access to clean fuels and technologies for cooking (% population)" found at <a href="https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS">https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS</a>. Where credible local data exists, initiatives focused on improving access to population groups that have limited/no access, will qualify</li> <li>▪ Projects enabling LPG for home use in areas that either meet the above World Bank indicators or where credible local data exists to confirm limited/no access will qualify.</li> </ul>

<sup>23</sup> Clean cookstoves that qualify under Green will not be double-counted under Social.

## 2.3.2 Social Eligibility Criteria continued

SOCIAL BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Access To Essential Services</b>                      (e.g. education and vocational training, security and public safety, health/healthcare, public health emergency response energy (including electricity), financing and financial services, other governmental offices servicing select populations (and/or in low /low-middle income countries))</p> 	<p><b>Education<sup>24</sup></b></p> <ul style="list-style-type: none"> <li>Financing or re-financing of any new, or improvements to existing education facilities or programmes that would improve the efficiency, quality and capacity of the facility or programme (child-care, pre-primary, primary, secondary, tertiary)</li> <li>Financing or re-financing of any project that aims to provide increased access to tertiary education or vocational and technical skills training, including educational loans, and access to campus infrastructure</li> </ul>	<p><b>Limitation:</b></p> <ul style="list-style-type: none"> <li>Education facilities must target previously disadvantaged<sup>25</sup> and or low-income groups</li> </ul>
	<p><b>Safety and Security</b></p> <ul style="list-style-type: none"> <li>Financing or re-financing of infrastructure, services and systems that enhance public and/or private safety, such as emergency services, disaster response systems, surveillance infrastructure, and general community safety.</li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Where country level security challenges are justified, the target population equals the population of the country. Where this is not the case, target population criteria to be met</li> <li>Privacy safeguards requirement for surveillance infrastructure</li> <li>Community safety services are limited to vulnerable areas or specific target population</li> <li>Access for under-served groups required</li> </ul>
	<p><b>Financial inclusion</b></p> <ul style="list-style-type: none"> <li>Financial services (including microfinance, personal finance, banking services, financing, insurance, savings) to individuals<sup>26</sup> in the following target populations:                             <ul style="list-style-type: none"> <li>Women</li> <li>Youth<sup>27</sup></li> <li>Low-income individuals</li> <li>Previously disadvantaged persons</li> <li>Under-served individuals<sup>28</sup></li> </ul> </li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Financial services to individuals should, where feasible, incorporate a financial advantage to the target population beyond improved access<sup>29</sup> (e.g. reduced fees, flexible payment terms, etc.).</li> </ul>

<sup>24</sup> All education facilities and programmes must be accessible and affordable to all segments of the population regardless of their ability to pay.

<sup>25</sup> Previously disadvantaged: Individuals/groups who suffered systemic discrimination, exclusion, or marginalisation under past political, economic, or social systems. In South Africa, where this is well established, such individuals are recognised in law as groups disadvantaged under colonialism and apartheid. Other examples include ethnic minorities across Africa.



<sup>26</sup> The Group may finance these expenditures in promoting financial inclusion through financial intermediaries where the Group does not have control on deciding the detailed criteria regarding affordability mechanisms

<sup>27</sup> Youth is defined as persons aged 15 to 35 years in line with the African Union definition and SA National Youth Policy definition. This would include student loans

<sup>28</sup> Under-served populations refer to groups that face barriers in accessing services and opportunities

<sup>29</sup> The Group intends to: i) offer a moratorium period on education loans to students qualifying as low-income as per the Group's criteria; ii) increase its risk appetite for its loan programme, and iii) extend its banking services at a reduced fee for borrowers. SBG also intends to provide a financial advantage to the target population beyond improved access, where feasible.



## 2.3.2 Social Eligibility Criteria continued

SOCIAL BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Access To Essential Services:</b> e.g. education and vocational training, security and public safety, health/healthcare, public health emergency response energy (including electricity), financing and financial services, other governmental offices servicing select populations (and/or in low/low-middle income countries) continued</p> 	<p><b>Public health, healthcare and public health emergency response</b></p> <ul style="list-style-type: none"> <li>▪ Financing or refinancing of any project that aims to develop, expand or acquire buildings or facilities, including research and development to support access to healthcare<sup>30</sup> and the roll out of essential medicines and vaccines at any non-profit, public, public university-affiliated hospital, clinic, mental health facility or healthcare facility</li> <li>▪ Financing or refinancing of any project that aims to improve or expand access to health care products and services, including research and development to support access to healthcare<sup>32</sup> and the roll out of essential medicines and vaccines at any for-profit hospital, clinic, mental health facility or healthcare facility <ul style="list-style-type: none"> <li>– Examples include mobile clinics (for regular screening, basic healthcare or response to specific health-related events), community health worker programmes (training local residents to deliver basic primary care), essential medicines (e.g. for maternal health, TB, HIV, etc.), affordable screening programmes (e.g. diabetes, vaccinations, HIV, TB), emergency care transportation services for rural areas</li> </ul> </li> <li>▪ Provision of community health care services</li> <li>▪ Financing or refinancing of: <ul style="list-style-type: none"> <li>– The development of critical medical equipment or provision of diagnostic services in public and private hospitals</li> <li>– The provision of affordably priced or subsidised medicines on the World Health Organisation (WHO) essential medicines list to target populations or in target areas</li> <li>– Affordable health insurance solutions for target populations (under-served, rural, low income, previously disadvantaged, disabled, women).</li> </ul> </li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ For-profit healthcare facilities must guarantee access and affordability to target populations</li> <li>▪ Where the offtake of the essential medication and/or R&amp;D and/or vaccines is for both private and non-private/public, the majority (&gt;75%) of the offtake should be allocated to public/non-profit/government entities such as national medical schemes or development agencies where the medication is typically provided on a concessional or complimentary basis to the end user. Medical equipment should be affordable.</li> </ul>
<p><b>Affordable, social or supported housing</b></p> 	<ul style="list-style-type: none"> <li>▪ Financing or re-financing of any project that involves the construction of and refurbishment and conversion to affordable, low income<sup>31</sup>, community or social housing projects</li> <li>▪ Home loans in the affordable, low-income, community or social housing segment</li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>▪ Housing projects should have a well-defined target population (e.g., historically marginalised or low-income groups) as per a recognised national benchmark or external standard</li> <li>▪ Social Housing requires built-in reasonable assurance of affordability through mechanisms such as rent capping or rent controls</li> <li>▪ Home loans - primary residences only</li> </ul>

<sup>30</sup> In the event of global pandemics or other emergency public healthcare crises.




<sup>31</sup> Low income defined as: "Households/individuals earning below national wage median income or below average national wage where credible median income data is not available", or as defined by a credible national regulation or association for Affordable or Social housing projects. (e.g. FSC Affordable Housing Standards published annually by the Banking Association of South Africa).

### 2.3.2 Social Eligibility Criteria continued

SOCIAL BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS																									
<p><b>Employment generation, and programmes designed to prevent and/or alleviate unemployment</b> (stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance)</p> <div style="display: flex; justify-content: space-around;"> <div style="background-color: #c00000; color: white; padding: 5px; text-align: center;"> <b>8</b> DECENT WORK AND ECONOMIC GROWTH   </div> <div style="background-color: #c00000; color: white; padding: 5px; text-align: center;"> <b>1</b> NO POVERTY   </div> </div>	<p><b>MSME Finance</b></p> <ul style="list-style-type: none"> <li>Financial services (including banking services, financing, refinancing, insurance, savings) to MSMEs in countries with developing economies as categorised in the UN WESP report</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #004a99; color: white;"> <th colspan="3">IFC MSME DEFINITION</th> <th colspan="2">MSME LOAN SIZE PROXY</th> </tr> <tr> <th>Indicator</th> <th>Employees</th> <th>Total Assets US\$</th> <th>Annual Sales US\$</th> <th>Loan Size</th> </tr> </thead> <tbody> <tr> <td>Micro Enterprise</td> <td>&lt;10</td> <td>&lt; \$100,000</td> <td>&lt; \$100,000</td> <td>&lt; \$10,000</td> </tr> <tr> <td>Small Enterprise</td> <td>10-49</td> <td>\$100,000 &lt; \$3 million</td> <td>\$100,000 &lt; \$3 million</td> <td>&lt;\$100,000</td> </tr> <tr> <td>Medium Enterprise</td> <td>50-300</td> <td>\$3 million – \$15 million</td> <td>\$3 million – \$15 million</td> <td>&lt;\$1 or \$2 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Financing of employment creation projects/programmes and training and development programmes aimed at increasing access to opportunities for well-defined target populations as per a recognized external standard (e.g., historically marginalised or low-income groups)</li> <li>Projects and/or programmes for a “just transition”, such as through dedicated procurement programmes, re-skilling programmes, including Just Energy Transition<sup>32</sup> aligned projects in South Africa.</li> </ul>	IFC MSME DEFINITION			MSME LOAN SIZE PROXY		Indicator	Employees	Total Assets US\$	Annual Sales US\$	Loan Size	Micro Enterprise	<10	< \$100,000	< \$100,000	< \$10,000	Small Enterprise	10-49	\$100,000 < \$3 million	\$100,000 < \$3 million	<\$100,000	Medium Enterprise	50-300	\$3 million – \$15 million	\$3 million – \$15 million	<\$1 or \$2 million	
IFC MSME DEFINITION			MSME LOAN SIZE PROXY																								
Indicator	Employees	Total Assets US\$	Annual Sales US\$	Loan Size																							
Micro Enterprise	<10	< \$100,000	< \$100,000	< \$10,000																							
Small Enterprise	10-49	\$100,000 < \$3 million	\$100,000 < \$3 million	<\$100,000																							
Medium Enterprise	50-300	\$3 million – \$15 million	\$3 million – \$15 million	<\$1 or \$2 million																							

<sup>32</sup> <https://justenergytransition.co.za/wp-content/uploads/2024/10/JET-Implementation-Plan-2023-2027-1.pdf>.

## 2.3.2 Social Eligibility Criteria continued

SOCIAL BOND/LOAN PRINCIPLE CATEGORY	ELIGIBILITY CRITERIA	EXCLUSIONS AND LIMITATIONS
<p><b>Food Security and Sustainable Food Systems<sup>33</sup></b> (e.g. physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers)</p> 	<ul style="list-style-type: none"> <li>Financing the development and provision of nutrition programmes that address food security by not-for-profit organisations and MSMEs, including the development of digital platforms that facilitate the exchange of agricultural products between farmers and buyers</li> <li>Financing projects contributing to climate smart farming practices, including infrastructure and community-based subsistence farming contributing to food security for smallholder farmers</li> <li>Measures that reduce food loss, including cold chain and storage, post-harvest storage facilities and food drying facilities for agricultural products</li> <li>Infrastructure such as warehouses, silos, or climate-controlled atmosphere rooms aimed at providing adequate storage, improved food conservation or connectivity in the food chain for reducing food loss</li> <li>Financing of agricultural produce stock (through warrants, inventory finance, working capital) to enable procurement, preservation, storage and/or processing of agricultural produce during harvest season to enable gradual supply to offtakers.</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>High density animal or livestock farming or management practices without environmental safeguard</li> <li>Agriculture produce that is imported</li> <li>Sourcing from producers that already have access to adequate storage and processing infrastructure</li> <li>Agricultural produce that does not contribute to food nutrition or food security such as tobacco, cotton, flowers, rubber, hemp (for industrial use), palm oil, timber/wood, fibre (for textiles, such as flax, jute, kenaf and sisal), crops for biofuel production, turf grass, decorative shrubs and trees</li> <li>Platforms that: (i) sell or monetise identifiable farmer/beneficiary data; (ii) require exclusivity or apply punitive penalties.</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Projects are limited to farms 10 hectares or less</li> <li>Financing of agricultural stock is limited to regions or countries where food storage and processing infrastructure is limited, underdeveloped or inadequate according to the Global Food Security Index<sup>34</sup></li> <li>Financing of agricultural stock is limited to aggregators and processors that source produce from small-scale or emerging producers that meet the MSME criteria.</li> </ul>
<p><b>Socioeconomic advancement and empowerment</b></p>  	<ul style="list-style-type: none"> <li>Capital raising for and lending to regional and national development banks, NGOs, and supranational organisations, including but not limited to AfDB, DBSA, IDC, Landbank, TDB etc. where the purpose of the funding is for investments that are aligned with the eligible activities under this Framework and are clearly communicated in the legal documentation.</li> <li>2x Challenge<sup>35</sup> financing for women criteria<sup>36</sup>:             <ol style="list-style-type: none"> <li><b>Direct:</b> <ol style="list-style-type: none"> <li>Entrepreneurship (&gt;51% share of women ownership or founded by a woman); or</li> <li>Leadership (30% share of women in senior management or 30% of women on Board or Investment Committee); or</li> <li>Employment (30-50% share of women in the workforce and one 'quality' indicator beyond compliance, subject to sector specific thresholds in line with criteria set out in the 2X Challenge website); or</li> </ol> </li> <li><b>Indirect:</b> <ol style="list-style-type: none"> <li>Investments through Financial Intermediaries (FI) (i) on lending facilities – 30% of proceeds or portfolio that meet the Direct criteria above</li> </ol> </li> </ol> </li> </ul>	<p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>For companies and financial intermediaries, MSME criteria must be met.</li> <li>If Indirect criteria is met, the pro-rata portion of the transaction value can be recognised.</li> </ul>

<sup>33</sup> SBG will ensure that the relevant technical and due diligence reports include an analysis of the foreseen impact to reduce food waste and improve food security.

<sup>34</sup> <https://www.unccd.int/resources/knowledge-sharing-system/global-food-security-index> and <https://impact.economist.com/sustainability/project/food-security-index/>.

<sup>35</sup> The 2X Challenge is an initiative that was launched at the G7 Summit in 2018 as a commitment to inspire DFIs and private investors globally to invest in projects and businesses that mobilise gender equality by providing women in emerging economies with access to leadership opportunities, quality employment, and products and services that enhance their economic participation and overall financial inclusion.

<sup>36</sup> A threshold of 50% may be used where there are one to two founders or a small number of founders of a company. Country and sector thresholds should be considered, which are available on the 2X Challenge criteria page: [2X Challenge Criteria](#).

## 2.4 Process of Selection and Evaluation of Eligible Assets

### 2.4.1 Screening and Selection of Eligible Assets

Due diligence is undertaken and documented by asset originating teams and the sustainable finance team to ensure alignment with the eligibility criteria set out in this Framework. The detailed due diligence requirements are set out in internal sustainable finance governance processes, which includes recommended use of due diligence templates. There is an escalation process for any transactions that include higher risk components (which may include, for example, transactions in high emitting sectors) and such escalations will be reviewed by the relevant business unit sustainability forum. The Group is establishing a Sustainable Finance Governance Framework (SFG Framework) which documents the process for the selection and evaluation of Eligible GSS. Assets across all business units, as well as review and maintenance of the Eligible Asset Portfolio.

Eligible assets will be subject to the (ESMS) screening process in the ordinary course of origination, as described in Section 1.3. Once assets are determined to be eligible for categorisation as Green, Social, they will be tagged as Eligible Assets and included in an Eligible Asset Portfolio. The Eligible Asset Portfolio is subject to an annual review by Group Sustainability, Head of E&S Risk, Head Sustainable Finance, and business unit sustainability representatives. This annual review includes a review of potential declassifications (including where legal undertakings may not have been met) and a review of the Pure Play portfolio to ensure the required pure play thresholds are still met.

Declassified assets will be removed from the Eligible Asset Portfolio and typically will not result in an adjustment to mobilisation in prior years. Declassification will typically lead to a restriction of marketing or labelling as Sustainable Finance. Where pure play clients are declassified, new assets will not be classified, and existing assets will be declassified without an adjustment for the purposes of reporting on mobilisation in prior years.

### 2.4.2 Approval of Eligible Assets for Transactions under this SFF

For each transaction contemplated under this SFF, the Sustainable Finance and Strategic Funding teams will propose Eligible Assets for approval by the relevant borrower/issuer ALCO. Approved and allocated Eligible Assets will be recorded in an Allocation Register maintained by the Sustainable Finance team in relation to instruments issued under this SFF (the relevant "Allocation Register").

## 2.5 Management and Tracking of Proceeds

SBG intends to allocate the proceeds of instruments executed under this SFF on a portfolio basis, unless specific project/ asset allocation is required by the terms of the transaction (e.g. DFI lines of credit). Allocated Eligible Assets will be recorded in the Allocation Register. Where a loan takes the form of more than one tranche, proceeds of each labelled tranche will be tracked appropriately. Assets allocated to green or social labelled instruments will not be used as collateral in repurchase agreements and securitisation instruments. Proceeds from GSS instruments are tracked notionally on the allocation register.

SBG will seek to ensure a level of allocation that at least matches or exceeds the value of net proceeds raised from transactions executed under this SFF. Each SBG issuer/ borrower will hold and/or invest any unallocated proceeds, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments. SBG expects proceeds to be fully allocated to Eligible Assets within two years from the date the relevant instrument is executed.

Eligible Assets will be added to or removed from the Allocation Register to the extent required.

SBG will ensure that, where required by the terms of the transaction, management and allocation of proceeds of Sustainable Financing raised is externally verified by an independent verification provider annually and reported in its Sustainability Disclosures Report which will be made available on its website at: [sustainability-reporting-centre](https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf). In this regard, the independent verification provider will provide limited assurance that the management and allocation of proceeds is in accordance with this SFF.

## 2.6 Allocation and Impact Reporting

Where required by ICMA or the relevant regulator, SBG will publish annual allocation and impact reporting with respect to debt capital markets transactions executed under this SFF, until full allocation is achieved.

SBG's allocation and impact report for debt capital markets transactions, will be contained in its annual Sustainability Disclosures Report which will be made available on its website at: [sustainability-reporting-centre](https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf). In this regard, SBG intends to show the allocation and impact of transaction proceeds at least at category level and on an aggregated basis aligned with the portfolio approach described in the ICMA's "Handbook – Harmonised Framework for Impact Reporting (June 2023) and Harmonised Framework for Impact Reporting for Social Bonds"<sup>37</sup>.

For private market transactions (such as loans), allocation and impact reporting requirements will be documented in the relevant legal documentation and will align with the relevant Principles.

### 2.6.1 Allocation Reporting

The allocation report will detail the following information:

- The total amount of proceeds allocated to Eligible Assets, including the amount allocated to each relevant Eligible Asset category
- The number of Eligible Assets in each category
- The balance of unallocated proceeds.

<sup>37</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf> and [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf)

## 2.6.2 Indicative Impact Indicators

On an annual basis, the Group intends to report on the impact of the Eligible Assets allocated to debt capital markets instruments issued under this SFF by category, in line with the indicators suggested in the ICMA Harmonised Framework for Impact Reporting, subject to the availability of information and baseline data and subject to permitted disclosure in accordance with relevant confidentiality agreements and privacy, competition, or other relevant regulation.

Example impact indicators may include those below:

ELIGIBLE	INDICATIVE INDICATORS
<b>Green</b>	
Nuclear Energy	<ul style="list-style-type: none"> <li>Additional capacity of nuclear energy plants constructed or rehabilitated in megawatts</li> <li>Annual nuclear energy generation in MWh or GWh</li> <li>Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub>e per annum</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>Additional capacity of renewable energy constructed or rehabilitated in megawatts or kilowatts</li> <li>Annual renewable energy generation in MWh or GWh or mega joules or giga joules</li> <li>Estimated annual GHG emissions reduced/ avoided, in tonnes CO<sub>2</sub>e equivalent per annum</li> <li>Improvement/increase in energy efficiency or avoidance of energy losses (e.g. MWh/year)</li> <li>Decrease in carbon intensity factor in tonnes of CO<sub>2</sub>e/MWh</li> <li>Number of households served with clean energy</li> <li>Number of households served with energy efficiency solutions</li> <li>Number of jobs created by renewable energy projects</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>Annual energy savings in MWh or mega joules per annum</li> <li>Improvement/increase in energy efficiency (for example MWh/year)</li> <li>Estimated annual GHG emissions reduced/ avoided, in tonnes CO<sub>2</sub>e equivalent per annum</li> <li>Reduction in electricity/fuel usage</li> <li>Number of households served with energy efficiency solutions</li> <li>Number of jobs created by energy efficiency projects</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Green</b>	
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>Reduction in air emissions</li> <li>Reduction in waste volumes (% waste or absolute tonnes per year)</li> <li>Increase in volumes of waste re-used/recycled</li> <li>Number of jobs created by pollution prevention and control projects</li> </ul>
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> <li>Increase in area under certified or sustainable agriculture (hectares, % of farmed area)</li> <li>Water savings from improved irrigation and other sustainable practices (e.g. m<sup>3</sup>/year)</li> <li>Reduced/avoided loss of livestock and/or crops</li> <li>Number of jobs created by sustainable agriculture and land use projects</li> <li>Area of land cultivated for which use has improved in square kilometres</li> <li>Number of people benefitting from agricultural projects and using improved farming technology</li> <li>Number of farmers/workers trained in sustainable farming practice</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Green</b>	
Terrestrial and aquatic biodiversity restoration, conservation and enhancement	<ul style="list-style-type: none"> <li>Value of eligible projects financed</li> <li>Qualitative description of the biodiversity, habitat or ecosystems that benefit from eligible projects, including where possible the indigenous species, flora or fauna restored</li> <li>Maintenance, safeguarding or increase in natural landscape areas (including forest) in square kilometres or % for increase thereof</li> <li>Increase of area under certified land management or in bufferzones of protected areas in square kilometres or in %</li> <li>Number of nurseries created or number of seedlings produced per year</li> <li>Number of individual trees planted per year</li> <li>Annual GHG emissions reduced or sequestered in tonnes CO<sub>2</sub>e</li> <li>Number of jobs created by biodiversity projects</li> <li>Number of conservation workers trained in biodiversity conservation</li> <li>Number of verified carbon credits produced per annum</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>Number of eligible vehicles financed</li> <li>Estimated annual GHG emissions reduced/ avoided, in tonnes CO<sub>2</sub>e where possible</li> <li>Reduction of air pollutants ( particulate matter (PM), sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)</li> <li>Number of jobs created by clean transportation projects</li> <li>Estimated reduction in fuel consumption in mega joules</li> </ul>
Green Technologies	<ul style="list-style-type: none"> <li>Additional capacity of green hydrogen plants constructed or rehabilitated in mega joules or giga joules</li> <li>Additional capacity of green ammonia plants constructed or rehabilitated in mega joules or giga joules</li> <li>Number of jobs created by green hydrogen and green ammonia projects</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Green</b>	
Sustainable Water and wastewater management	<ul style="list-style-type: none"> <li>Annual water savings in cubic metres per annum</li> <li>Volumes of water supplied in cubic metres</li> <li>Improvement/increase in water efficiency (% or m<sup>3</sup>/year)</li> <li>Reduction in water usage as a % of pre-project water usage</li> <li>Annual amount of wastewater/sewage treated in cubic metres</li> <li>Number of people with access to clean drinking water</li> <li>Annual volume of clean drinking water supplied for human consumption in cubic metres</li> <li>Number of people with access to improved sanitation facilities</li> <li>Number of jobs created by water related projects</li> </ul>
Climate Change Resilience and Adaptation	<ul style="list-style-type: none"> <li>Value of eligible infrastructure financed</li> <li>Qualitative description of the climate risks addressed, and resilience created</li> <li>Reduction in areas damaged by wildfire in square kilometres</li> <li>Reduction in repair costs due to storms</li> <li>Reduction in number of people suffering loss from disrupted services, floods, wildfire, heat stress, etc.</li> <li>Reduction in number of operating days lost due to climate related disasters</li> <li>Number of vulnerable people benefitting from climate adaptation and resilience measures</li> <li>Number of jobs created by climate adaptation and resilience projects</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Green</b>	
Circular Economy adapted products, production technologies, process and business models	<ul style="list-style-type: none"> <li>Volumes of waste re-used, repurposed, or refurbished for re-use (% or absolute tonnes/year)</li> <li>Description of eligible projects</li> <li>Annual GHG emissions avoided or reduced by circular economy projects</li> <li>Number of jobs created by circular economy projects</li> </ul>
Green Buildings	<ul style="list-style-type: none"> <li>Number of green buildings financed</li> <li>Number of green housing units financed</li> <li>Total square metres of green building financed</li> <li>Estimated annual GHG emissions reduced/avoided in tonnes CO<sub>2</sub>e</li> <li>Percentage of water usage reduced or avoided</li> <li>Percentage of waste reduced or avoided</li> <li>Number of jobs created by green building projects</li> </ul>
Carbon Financing	<ul style="list-style-type: none"> <li>Number/value of carbon credits financed</li> <li>Number/value of carbon credits created by projects financed</li> <li>Carbon emissions removed from the atmosphere in tonnes of CO<sub>2</sub>e</li> </ul>
Affordable Basic Infrastructure	<ul style="list-style-type: none"> <li>Value of eligible projects financed, and number of people provided with access to affordable basic infrastructure</li> <li>Description of the infrastructure and social benefits provided by eligible projects</li> <li>Number of kms of road, rail or other infrastructure constructed</li> <li>Number of first-time internet connections</li> <li>Number of people benefitting from basic infrastructure which is otherwise not accessible</li> <li>Number of people with access to clean drinking water</li> <li>Annual volume of clean drinking water supplied for human consumption in cubic metres</li> <li>Number of people with access to improved sanitation facilities</li> <li>Number of new household power connections</li> <li>Number of people provided access to affordable energy</li> <li>Number of jobs created by infrastructure projects</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Social</b>	
Access to Essential Services	<ul style="list-style-type: none"> <li>Value of eligible projects financed, and number of people provided with access to essential services</li> <li>Description of the social services provided by eligible projects</li> <li>Number of health care facilities constructed or rehabilitated</li> <li>Number of people with access to preventive care and early detection tests</li> <li>Number of hospital beds provided</li> <li>Number of children benefitting from paediatric care</li> <li>Number of women provided with access to affordable maternal and reproductive healthcare services and products</li> <li>Reduction in communicable diseases through vaccination programmes</li> <li>Number of education related facilities constructed or rehabilitated</li> <li>Number of student accommodation facilities constructed or rehabilitated</li> <li>Increase in school enrolment rate</li> <li>Increased percentage of students with special education needs with access to appropriate educational services and facilities</li> <li>Improvement in teacher-student ratios</li> <li>Number of people provided with skills development and/or vocational training in demand subjects (with gender breakdown where possible)</li> <li>Increase in literacy rate</li> <li>Decrease in youth unemployment rate</li> <li>Number of people provided with access to healthcare/education/financial and financial literacy services</li> <li>Number of vulnerable students with access to education</li> <li>Number of people accessing non-financial supportive services</li> <li>Number of jobs created by essential services projects</li> <li>Number of eligible individuals provided with financial services</li> <li>Number of women provided access to financial services</li> </ul>

ELIGIBLE	INDICATIVE INDICATORS
<b>Social</b>	
Affordable, Social or Supported Housing	<ul style="list-style-type: none"> <li>▪ Number of affordable housing home loans financed</li> <li>▪ Number of individuals/households benefitting from loans from affordable housing</li> <li>▪ Number of additional affordable housing units developed</li> <li>▪ Number of households with rent lower than the local/national average</li> <li>▪ Number of jobs created with new affordable housing projects</li> <li>▪ Number of disabled persons with access to well-equipped dwellings</li> </ul>
Employment Generation, and Programmes Designed to Prevent and/or Alleviate Unemployment	<ul style="list-style-type: none"> <li>▪ Number of micro, small and medium enterprises financed</li> <li>▪ Number of 2X Challenge aligned businesses provided with financial services</li> <li>▪ Number of loans to SMEs in low income areas</li> <li>▪ Estimated number of jobs created</li> </ul>
Food Security and Sustainable Food Systems	<ul style="list-style-type: none"> <li>▪ Value of eligible projects financed</li> <li>▪ Description of the food security benefits and beneficiaries associated with eligible projects</li> <li>▪ Number of people provided with access to affordable, safe, nutritious and sufficient food</li> <li>▪ Number of jobs created by food security and sustainable food projects</li> <li>▪ Number of small holder and subsistence farmers supported</li> </ul>
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> <li>▪ Number of eligible loans to development institutions</li> <li>▪ Number of 2X Challenge loans provided</li> <li>▪ Value of eligible loans to identified target populations</li> </ul>

## 2.7 General Purpose Instruments

### 2.7.1 Pure Play

If the use of proceeds is not specified or dedicated to facilitating a certain activity (general corporate purposes), eligibility of a transaction or asset for classification as sustainable finance under this Framework will be assessed based on the company profile.

Transactions are eligible if the company derives  $\geq 90\%$  of revenue, EBITDA, operating expenses or assets from or related to activities eligible under Section 2.3.

Where companies derive between 50% and 90% of its revenue, EBITDA, operating expenses or assets from or related to 'eligible activities' listed under the green or social eligibility criteria in Section 2.3, a pro-rata portion of the transaction will be eligible.

In exceptional cases, when revenue, EBITDA, operating expenses or assets is not a possible or meaningful indicator, e.g. for nonprofit organizations, a reasonable substitute can be considered by the Head: Sustainable Finance.

### 2.7.2 Sustainability Linked

Sustainability-linked instruments are financial instruments where sustainability key performance indicators (KPIs) and sustainability performance targets (SPTs) are embedded within the financial instrument. Where SBG or its subsidiaries raise financing in sustainability linked format, these transactions will align with the relevant Principles (The LMA's Sustainability-Linked Loan Principles). Should the relevant Principles require an independent Second Party Opinion in respect of these sustainability linked instruments, or independent verification in respect of progress reported against SPTs, SBG will procure this to ensure alignment with the relevant Principles.

## 2.8 External Review

### 2.8.1 Second Party Opinion

This SFF documented in Section 2 of this document has been reviewed by ISS, an institution with appropriate environmental, social and sustainability expertise and experience that is independent from SBG and with a track record in issuing Second Party Opinions (SPO). This SPO on Section 2 and any future SPOs issued in respect of the Framework will be made available (together with this Framework) on SBG's website at: [debt-investors](#) and aligns with the ICMA External Review Guidelines<sup>38</sup>.

### 2.8.2 Verification

In respect of each debt capital markets use of proceeds transaction executed under this SFF on an annual portfolio basis until full allocation, SBG will obtain an annual limited assurance report on the compliance of the management and allocation of the proceeds with this SFF from an external assurance provider. The report will be included in SBG's Sustainability Disclosures Report which will be made available on its website at: <https://www.standardbank.com/sbg/standard-bank-group/why-we-matter/reporting-to-society> and will be based on the ICMA External Review Guidelines.

<sup>38</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines_June-2022-280622.pdf)





# 3

## SUSTAINABLE FINANCE PRODUCT FRAMEWORK



Purpose of this Framework | Users of the Framework | General Principles | Use of the Proceeds Instruments  
General Purpose | Product Scope and Reporting Basis | External Review

## 3. Sustainable Finance Product Framework

### 3.1 Purpose of this Framework

This Sustainable Finance Product Framework (SFPF) sets out SBG's methodology for classifying asset origination as Sustainable Finance for the purposes of tracking and disclosing our performance against our sustainable finance targets.

For the avoidance of doubt, financial instruments raised by SBG or its subsidiaries, under Section 2 (SFF), will not be eligible to count towards our sustainable finance mobilisation targets. Publication of this SFPF aligns with our commitment to transparency in relation to sustainable finance reporting. The SFPF covers a wide range of products and services, with a sustainable focus, across geographies and sectors, specifically covering the following eligible sustainable finance instrument classification:

#### Use of Proceeds instruments:

- Green;
- Social;
- Sustainability (collectively GSS);
- Transition<sup>39</sup>

#### General Purpose instruments:

- Pure Play
- Sustainability Linked
- Debt for Development Swaps

The Group's Sustainable Finance Mobilisation Targets are set out in our public sustainability reporting suite and in the Group's Climate Policy. Current Sustainable Finance Mobilisation targets and sub-targets for Green and Social Finance Mobilisation are as follows, and may be updated from time to time:

- Sustainable Finance Mobilisation 2022 – 2028 >R450 billion
- Green Finance Mobilisation 2025 – 2028 >R100 billion
- Social Finance Mobilisation 2025 – 2028 >R100 billion

We achieve our sustainable finance targets by actively collaborating with our clients and partnering with our product and coverage teams. This enables us to gain a deep understanding of our clients' sustainability goals, ESG risks and key focus areas. By aligning our financing solutions with our clients' sustainability strategies, we help drive progress on their sustainability ambitions while contributing to the broader goals of the Group. We continue to integrate sustainability across our business, with a primary focus on lending activities in both loan markets and debt capital markets (including securitisation). We provide sustainable advisory services through engaging our clients to understand their sustainability strategy and advise on appropriate sustainable finance solutions, including advising on development of sustainable finance frameworks.

On an annual basis, the Group commits to report publicly on its progress against sustainable finance targets and sub-targets in the Sustainability Disclosures Report and this performance is subject to external limited assurance. This disclosure includes the Group's performance under key categories in this SFPF (such as general purpose, green, social etc).

<sup>39</sup> Transition eligible transactions will be assessed individually and subject to enhanced due diligence while eligibility criteria are being developed.

### 3.2 Users of the Framework

This Framework applies to all business divisions across Standard Bank Group Limited and its subsidiaries to facilitate the tracking of sustainable finance asset origination against the Group's public Sustainable Finance Mobilisation Targets, and sub-targets focused on Green Finance and Social Finance Mobilisation specifically.

### 3.3 General Principles

#### 3.3.1 Guidelines and Principles

The guidelines and principles in Section 2 are applicable. The SFPF does not specifically seek to align with national or regional taxonomies however, we will continually assess and consider regional taxonomies as they develop and may seek to achieve alignment in future iterations of this SFPF, where we are required to do so.

#### 3.3.2 Review

The Group continues to assess market developments and continues to integrate sustainable finance across its operations and will therefore seek to review the SFPF and the sustainable finance targets periodically.

#### 3.3.3 Product Scope

The SFPF sets out the scope of financing and investing products covered by this framework in Section 3.6, this will be reviewed from time to time as product innovation and markets continue to develop. We do not include advisory services in the scope of this SFPF.

### 3.4 Use of Proceeds Instruments

When the financing is identified as being for a dedicated purpose, we determine whether the financing is directed towards a project(s) that falls under the eligible green or social criteria set out in Section 2.3 and is thus eligible for inclusion as a sustainable finance asset.

We would consider dedicated purpose or use of proceeds financing to be eligible for sustainable finance classification if 100% of the proceeds is directed towards eligible green or social activities and the instrument complies with the relevant Principles and this Product Framework.

In instances where less than 100% of the proceeds are directed towards eligible activities and there is a clear distinction through tranching of the sustainable finance portion, the relevant sustainable finance tranche will be eligible for inclusion as Sustainable Finance Mobilisation.

## 3.5 General Purpose

### 3.5.1 Pure Play

If the use of proceeds is not dedicated to facilitating a specific eligible activity or projects/assets (i.e. general corporate purposes), eligibility of a transaction or asset for classification as sustainable finance under this SFPF may be assessed based on the company profile.

If the recipient of financing derives at least 90% of its revenue, EBITDA, operating expenses or assets from or related to 'eligible activities' listed under green or social eligibility criteria in section 2.3., 100% of the financing is eligible for inclusion.

For example, financing for an organisation which derives 95% of its revenue from eligible green activities would be qualified as 100% green financing. By contrast, financing for an organisation which derives 85% of its revenue from eligible green activities would fall under the scope of the pro-rata approach below.

**Pro Rata Approach:** SBG acknowledges that it is best practice to focus pure play financing to companies that meet the 90% threshold. However, we may provide financing to entities with substantial, and often growing, eligible green or social activities, that are below the 90% threshold. In these instances, we treat a pro-rated part of this funding as eligible for inclusion in proportion to the share of eligible activities within the recipient organisation's business mix. In order for financing to be treated as eligible for inclusion under this approach, recipient entities must derive between 50% and 90% of its revenue, EBITDA, operating expenses or assets from or related to 'eligible activities' listed under the green or social eligibility criteria in Section 2.3.

For example, financing for an organisation which derives 85% of its revenue from eligible green activities would qualify for 85% of the financing to be recognised as green financing. By contrast, financing for an organisation which derives 49% of its revenue from eligible green activities would not fall under the scope of the pro-rata approach and would not be eligible.

The Group will undertake an annual review of all Pure Play transactions to ensure the thresholds are met on an ongoing basis. This will be done either through a review of the Annual Financial Statements or via client reporting. We will seek to align with any future voluntary guidelines that may be released in relation to Pure Play transactions.

Any pure play bonds seeking a sustainable finance label would require external verification aligned with ICMA's SBP/GBP.

### 3.5.2 Sustainability Linked

Sustainability-linked instruments are general purpose financial instruments including bonds, loans, working capital or contingent facilities where sustainability key performance indicators (KPIs) and sustainability performance targets (SPTs) are embedded within the financial instrument.

Sustainability-linked instruments differ from use of proceeds instruments in that the funds can be used for general corporate purposes and are not dedicated to finance eligible projects or assets outlined in Section 2.3.

Sustainability-linked instruments are eligible SF transactions if they meet the criteria of the relevant Principles (LMA's Sustainability-Linked Loan Principles and the ICMA's Sustainability-Linked Bond Principles). Sustainability-linked instruments are reported on as a separate SF category, distinct from use of proceeds instruments.

For sustainability-linked transactions in high emission sectors, selected KPIs and SPTs should contribute to the client's broader decarbonisation strategy. Sustainability-linked bonds will be subject to external verification aligned with ICMA's SLBP.

### 3.5.3 Debt for Development Swaps

Debt for development swaps apply to sovereign or public sector entities, and refer to instruments where existing debt is replaced with an instrument that embeds a spending commitment towards specific sustainability objectives aligning with the eligible activities outlined in Section 2.3. While ICMA and LMA have not published voluntary guidelines for debt for development swaps, we will seek to align with the following eligibility that draws from the IMF's Debt for Development Swaps: An Approach Framework.

#### Eligibility criteria includes:

- Evidence that the debt instrument will result in an improved fiscal position for the issuer/ borrower, while ensuring continued debt sustainability
- Legally binding commitment for spend towards sustainability objectives (aligning with eligible activities in Section 2.3 of this framework) – commitments should be clear, time-bound and aligned with national strategies
- Sufficient governance and controls in terms of the spend commitment (e.g. ring-fenced account, dedicated fund, independent committees to track disbursements)
- Additionality to be demonstrated (e.g. incremental spend, above budget spend)
- Transparency – reporting framework to include baselines, methodology, progress reporting against sustainability milestones and independent verification.

Classification will align with the primary sustainability objective of the committed spend – this may include the following labels:

- Debt for climate (e.g. climate mitigation projects such as renewable energy)
- Debt for nature (e.g. biodiversity conservation, marine protected areas)
- Debt for development (e.g. education, nutrition)

## 3.6 Product Scope and Reporting Basis

The below products are included within the scope of this SFPF and will count towards the SBG Sustainable Finance Mobilisation Targets.

We include both new facilities and refinancing of existing facilities, subject to internal guidance on refinances. SBG will seek to limit lookback to 36 months. SBG will ensure that there is no double counting in instances where a subsidiary may participate or invest in an asset facilitated by another SBG subsidiary. It is noted that additional products may be considered and added to the product scope as the market develops and as we develop new sustainable finance offerings.

Product Area	Product Description	Frameworks/Standard/guideline (in addition to SFPF)	Accounting basis for inclusion towards SBG SF mobilisation target
<b>Corporate and Investment Banking</b>			
Debt Capital Markets	<ul style="list-style-type: none"> <li>Corporate, supranational<sup>40</sup>, sovereign green/social/sustainability/sustainability-linked bonds</li> <li>Sovereign/public sector debt for development bonds or loans</li> </ul>	<ul style="list-style-type: none"> <li>ICMA Green, Social and Sustainability Bond Principles and Guidelines, Sustainability Linked Bond Principles</li> <li>IMF's Debt for Development Swaps: An Approach Framework</li> </ul>	<p>Where there is a Sustainability Co-ordinator appointed and this role is awarded to SBG or its subsidiary, the proportionate share of SF facilitated through this role</p> <p>Where there is a Sustainability Co-ordinator appointed and this role is awarded to another party or where there is no Sustainability Co-ordinator appointed, the greater of i) the proportionate bookrunner or arranger share or ii) any participation in the instrument</p>
Debt Solutions (Debt Financing Solutions, Energy & Infrastructure, Real Estate Finance) and Structured Capital (Equity Finance and Investments, Leverage Finance)	<ul style="list-style-type: none"> <li>Sustainability-Linked Loans (SLLs), Revolving Credit Facilities, Preference Share Facilities</li> <li>Green, Social, Sustainability Project Finance and ancillary facilities, Loans, Revolving Credit Facilities, Preference Share Facilities, Investments</li> <li>Pure Play: Project Finance, Loans, Revolving Credit Facilities, Preference Share Facilities, Investments</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green, Social and Sustainability Linked Loan Principles</li> </ul>	<p>Facility commitment for bilateral transactions</p> <p>For syndicated or club transactions:</p> <ul style="list-style-type: none"> <li>Where there is a Sustainability Co-ordinator appointed and this role is awarded to SBG or its subsidiary, the proportionate share of SF facilitated through this role</li> </ul> <p>Where there is a Sustainability Co-ordinator appointed and this role is awarded to another party or where there is no Sustainability Co-ordinator appointed, the greater of i) the proportionate bookrunner or arranger share<sup>41</sup> or ii) any participation in the instrument</p> <p>For investments, the investment commitment</p>
Transaction Banking	<p>Sustainability-Linked, Green, Social, Sustainability, or Pure Play:</p> <ul style="list-style-type: none"> <li>Supply Chain Finance</li> <li>Guarantees</li> <li>Working capital facility</li> <li>Short term loans</li> <li>Import letters of credit</li> <li>Invoice/supplier finance</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green, Social and Sustainability Linked Loan Principles</li> <li>International Chamber of Commerce Principles for Sustainable Trade Finance: Principles for Green Trade Finance, Principles for Social Trade Finance, Principles for Sustainability-Linked Trade Finance and Principles for Sustainability-Linked Supply Chain Finance</li> </ul>	<p>Financing – Committed facility limit</p> <p>Guarantees –eligible guarantee issuance quantum or facility limit where full facility is restricted to eligible issuances</p>
Transaction Banking (Deposits)	<ul style="list-style-type: none"> <li>Sustainability-Linked Deposits</li> </ul>	<ul style="list-style-type: none"> <li>LMA Sustainability Linked Loan Principles</li> </ul>	<p>Deposits and liability transactions will not count towards SF Mobilisation targets but will be tracked separately</p>
Global Markets	<ul style="list-style-type: none"> <li>Sustainability Linked Derivatives</li> </ul>	<ul style="list-style-type: none"> <li>LMA Sustainability Linked Loan Principles</li> </ul>	<p>Not counted towards SF Mobilisation targets</p>

<sup>40</sup> Ensure the adoption of internal processes to track the deployment of funds towards eligible activities only.

<sup>41</sup> For syndicated/club transactions where more than one MLA is appointed the proportionate share would count towards SF mobilisation e.g. if Standard Bank is co-mandated as MLA, 50% of the total quantum would count towards SF mobilisation.

Product Area	Product Description	Frameworks/Standard/guideline (In addition to SFPF)	Accounting basis for inclusion towards SBG SF mobilisation target
<b>Business and Commercial Banking (BCB)</b>			
Term loans Short term loans Revolving credit facilities Equipment finance/ VAF Trade and Working Capital Facilities	<ul style="list-style-type: none"> <li>Solar Vehicle and Asset Finance (VAF)</li> <li>Green, social, and sustainability loans</li> <li>Loans to businesses that meet the MSME criteria</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green and Social Loan Principles</li> </ul>	<ul style="list-style-type: none"> <li>Committed facility limit</li> <li>Guarantees – eligible guarantee issuance quantum or facility limit where full facility is restricted to eligible issuances</li> </ul>
<b>Personal and Private Banking (PPB)</b>			
Home loans	<ul style="list-style-type: none"> <li>Affordable housing home loans</li> <li>Green home loans (eligible green building certified developments)</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green and Social Loan Principles</li> </ul>	Committed facility limit
Lending	<ul style="list-style-type: none"> <li>Term Loans</li> <li>Revolving credit facilities</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green and Social Loan Principles</li> </ul>	Committed facility limit
VAF	<ul style="list-style-type: none"> <li>Equipment (e.g. solar)</li> <li>Vehicles (e.g. EVs and hybrids)</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green Loan Principles</li> </ul>	Committed facility limit
Student Loans	<ul style="list-style-type: none"> <li>Student Loans</li> </ul>	<ul style="list-style-type: none"> <li>LMA Social Loan Principles</li> </ul>	Committed facility limit
<b>Insurance and Asset Management (IAM)</b>			
Liberty Group Ltd (LibFin)	<ul style="list-style-type: none"> <li>Green, social, sustainability or sustainability-linked: <ul style="list-style-type: none"> <li>Term loans</li> <li>Subordinated debt instruments</li> <li>Preference share facilities</li> <li>Listed bonds</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>LMA Green, Social and Sustainability Linked Loan Principles</li> <li>ICMA Green, Social and Sustainability Bond Principles and Guidelines, Sustainability Linked Bond Principles</li> </ul>	Committed facility limit
Fixed Income (Private and Public markets)	<ul style="list-style-type: none"> <li>Green, social sustainability or sustainability-linked public or private bonds</li> </ul>	<ul style="list-style-type: none"> <li>ICMA Green, Social and Sustainability Bond Principles and Guidelines, Sustainability Linked Bond Principles</li> </ul>	Committed facility limit (on behalf of 3rd party external investments/funds)
Private Equity Funds	<ul style="list-style-type: none"> <li>Green, social, sustainability eligible investments</li> </ul>	<ul style="list-style-type: none"> <li>LMA Green, Social and Sustainability Linked Loan Principles</li> </ul>	Committed facility limit or total facilitated quantum invested (on behalf of 3rd party external investments/funds)

## 3.7 External review

This SFPF has been subject to an External Review by ISS, such external review is publicly available on [Programmes for Debt investors | Standard Bank](#).



# 4

## ANNEXURE 1 ADAPTATION AND RESILIENCE



Annexure 1 – Adaptation and Resilience | Acronyms, abbreviations and terms | Definitions | Disclaimer

# Annexure 1

## Adaptation and Resilience

**Purpose:** This Annexure provides a starting point for SBG to incorporate adaptation and resilience considerations in our sustainable financing activities. We acknowledge that this is a developing part of the market and as such, will seek to refine and integrate related guidelines in future iterations of our framework in line with market development.

**Strategic importance of Adaptation and Resilience:** In an era marked by accelerating climate volatility, geopolitical shifts, and socioeconomic transformation, the imperative for adaptation and resilience has become central to Africa's development agenda. For financial institutions operating across the continent, these dynamics present both systemic risks and strategic opportunities.

Globally, every region of the world faces natural hazard impacts and risks, but these impacts and response challenges are particularly acute in emerging markets and developing economies. Africa, rich in natural resources and cultural diversity, is one of the most vulnerable regions to environmental shocks, economic volatility and geopolitical instability. Moreover, Africa's rapidly growing population, urbanisation, and evolving economic landscape present both opportunities and challenges. These dynamics require economies that are not only responsive but also resilient. Adaptation is no longer a choice, it is a necessity for survival and sustainable development.

### Definitions<sup>42</sup>

**Adaptation:** the process of adjusting practices, systems and structures to moderate potential damage and cope with the consequences of natural and climate-related hazards. This includes socioeconomic and environmental practices to limit damage.

**Resilience:** the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including the preservation and restoration of its essential basic structures and functions through risk management.

**Adaptation and Resilience Finance:** any financial service which is provided to an entity to enable adaptation and enhance resilience within that entity's assets, operations, customers, supply chain, the communities in which they operate, or within the equivalent of the end user of the product/ service they provide.

### Investment Criteria

SBG has aligned with the seven adaptation and resilience themes outlined in the UNDRR-Climate Bonds Initiative Climate Resilience Classification Framework<sup>43</sup>. The investment should contribute to adaptation and resilience outcomes in one or more of the following themes:

**Resilient Agrifood Systems** – Systems for the production and provision of food and other related products, encompassing primary production, processing, logistics, storage, wholesaling and retail, including the capacities and knowledge of policymakers, service providers (public and private) and populations.

**Resilient Cities and Settlements** – Human settlements whether large (e.g. cities) or small (e.g. villages), urban or rural, encompassing buildings (residential, commercial and public), planning, development and management of urban areas and settlements, and cultural heritage.

**Resilient Health Systems** – Systems, facilities, services and capacities for protecting and improving human health and for preempting and responding to new health challenges and health-related emergencies, including the capacities and knowledge of policymakers, service providers (public and private) and populations.

**Resilient Industry and Commerce** – Industrial and commercial operations encompassing extractive industries, manufacturing and service-based industries (e.g. professional services, financial services, tourism, leisure, etc.)

**Resilient Infrastructure** – Infrastructure that provides essential services on which populations and wider economic activity depend, e.g. water and wastewater, transportation, information and communication technology (ICT) and electricity.

**Resilient Natural Systems** – Terrestrial, freshwater, coastal or marine ecosystems and the biodiversity they support and the natural capital and ecosystem services (e.g. freshwater provision, flood management, oxygen replenishment, etc.) that they provide.

**Resilient Social Systems** – Systems and services for ensuring social well-being, safety and the creation/protection of social capital across populations, covering social protection, education, financial inclusion, digital inclusion, disaster risk (Disaster Risk Reduction (DRR) and emergency services), and including the capacities and knowledge of policymakers, service providers (public and private) and populations.

Nature-based solutions (NbS) contribute to the achievement of outcomes across all seven themes. Specifically, NbS can play an important role in protecting the resilience of natural systems via the restoration, conservation or sustainable management of ecosystems (i.e. working with nature for positive nature outcomes).

### Indicative Eligible Investments (Use of Proceeds)

We have mapped the seven adaptation and resilience themes to our Green and Social Eligibility Categories to ensure consistency with broader market practice on aligning sustainable debt capital raising with ICMA and LMA. The table below allows SBG to collate and report on adaptation and resilience finance enabled through its sustainable finance activities.

To align with prevailing market standard for entities issuing or borrowing adaptation and resilience focused financial instruments (such as bonds, loans or structured products), SBG applies the below list to determine eligible uses of proceeds that contribute to enhanced adaptation and resilience outcomes.

<sup>42</sup> Adopted from the Guide for Adaptation and Resilience Finance (April 2024) (Guide for Adaptation and Resilience Finance)

<sup>43</sup> [https://www.climatebonds.net/files/documents/Climate-Bonds\\_Resilience-Methodology\\_2024.pdf](https://www.climatebonds.net/files/documents/Climate-Bonds_Resilience-Methodology_2024.pdf)

		Climate Resilient Themes						
		Resilient agrifood systems	Resilient Cities & Settlements	Resilient Health Systems	Resilient Industry & Commerce	Resilient Infrastructure	Resilient Natural Systems	Resilient Social Systems
Green Bond/ Loan Category	Nuclear & Renewable Energy + Energy Efficiency					X		
	Pollution prevention & Control		X		X			
	Sustainable Agriculture	X						
	Biodiversity Conservation						X	
	Clean Transportation		X					
	Sustainable Water & Waste Management					X	X	
	Climate change resilience & adaptation	X	X			X	X	X
	Circular Economy					X		
	Green Buildings		X					
Social Bond/ Loan Category	Affordable basic infrastructure		X			X		
	Access to essential services		X	X				X
	Affordable housing		X					X
	Employment generation				X			X
	Food Security	X			X			X
	Socioeconomic advancement and empowerment					X		X

## Acronyms, abbreviations and terms

<b>AfDB</b>	African Development Bank	<b>FSC</b>	Forest Stewardship Council	<b>LNG</b>	Liquefied Natural Gas	<b>SLBP</b>	Sustainability-Linked Bond Principles published by the ICMA
<b>ALCO</b>	Asset and Liability Committee	<b>FSIA</b>	Food Security Impact Assessment	<b>LPG</b>	Liquefied Petroleum Gas	<b>SLP</b>	Social Loan Principles published by APLMA, LMA and LSTA
<b>APLMA</b>	Asia Pacific Loan Market Association	<b>FY</b>	Financial Year	<b>LSHFO</b>	Low Sulphur Heavy Fuel Oil	<b>SFFPF</b>	Sustainable Finance Fundraising and Product Framework (this document)
<b>ASC</b>	Aquaculture Stewardship Council	<b>GBCSA</b>	Green Building Council South Africa	<b>LSTA</b>	Loan Syndications and Trading Association	<b>SLL</b>	Sustainability-Linked Loans (SLLs)
<b>BCB</b>	Business and Commercial Banking	<b>GBP</b>	Green Bond Principles published by ICMA	<b>MDO</b>	Marine Diesel Oil	<b>SLLP</b>	Sustainability-Linked Loan Principles published by the APLMA, LMA and LSTA
<b>BCI</b>	Better Cotton Initiative	<b>GHG</b>	Greenhouse Gas	<b>MLA</b>	Mandated Lead Arranger	<b>SMME/MSME</b>	Small, Medium and Micro Enterprise
<b>BECCS</b>	Bioenergy with Carbon Capture and Storage	<b>GLC</b>	Group Leadership Council	<b>MSC</b>	Marine Stewardship Council	<b>SPO</b>	Second Party Opinion
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method	<b>GLP</b>	Green Loan Principles published by APLMA, LMA and LSTA	<b>MW</b>	Megawatt	<b>SPT</b>	Sustainability Performance Target
<b>BU</b>	Business Unit	<b>GM</b>	Global Markets	<b>MWh</b>	Megawatt Hour	<b>TDB</b>	Trade and Development Bank
<b>CBI</b>	Climate Bonds Initiative	<b>GSS</b>	Green, Social and Sustainable	<b>NGO</b>	Non-governmental Organisation	<b>UNDP</b>	United Nations Development Programme
<b>CCUS</b>	Carbon Capture Utilisation and Storage	<b>HFO</b>	Heavy Fuel Oil	<b>PEFC</b>	Programme for the Endorsement of Forest Certification	<b>UN PRB</b>	United Nations Principles for Responsible Banking
<b>CDM</b>	Clean Development Mechanism	<b>ICMA</b>	International Capital Markets Association	<b>PPB</b>	Personal and Private Banking	<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>CIB</b>	Corporate and Investment Banking	<b>IDC</b>	Industrial Development Corporation	<b>PUE</b>	Power Usage Effectiveness	<b>UOP</b>	Use of Proceeds
<b>CNG</b>	Compressed Natural Gas	<b>IFC</b>	International Finance Corporation	<b>PV</b>	Photovoltaic	<b>VAF</b>	Vehicle and Asset Finance
<b>CO<sub>2</sub></b>	Carbon Dioxide	<b>IFC EDGE</b>	International Finance Corporation Excellence in Design for Greater Efficiencies	<b>R&amp;D</b>	Research and Development	<b>VCS</b>	Verified Carbon Standard
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent	<b>IFC</b>	International Finance Corporation	<b>REC</b>	Renewable Energy Certificate	<b>VPS</b>	Vacuum Pump System
<b>CoC</b>	Chain of Custody	<b>ISCC</b>	International Sustainability and Carbon Certification	<b>RSB</b>	Roundtable for Sustainable Biomaterials	<b>VSD</b>	Variable Speed Drive
<b>CSP</b>	Concentrated Solar Power	<b>IWPP</b>	Integrated Water and Power Plant	<b>RSPO</b>	Roundtable on Sustainable Palm Oil	<b>VSP</b>	Vertical Sump Pump
<b>DBSA</b>	Development Bank of Southern Africa	<b>KPI</b>	Key Performance Indicator	<b>RTRS</b>	Roundtable on Responsible Soy	<b>W/m<sup>2</sup></b>	Watts per square metre
<b>E&amp;S</b>	Environmental and Social	<b>KWh</b>	Kilowatt Hour	<b>SBG</b>	Standard Bank Group	<b>WESSA</b>	Wildlife and Environment Society of South Africa
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation, and Amortisation	<b>KYC</b>	Know Your Client	<b>SBP</b>	Social Bond Principles published by ICMA	<b>WIP</b>	Work in Progress
<b>EP</b>	Equator Principles	<b>LEED</b>	Leadership in Energy and Environment Design	<b>SBSA</b>	Standard Bank of South Africa		
<b>ESG</b>	Environmental, Social and Governance	<b>LMA</b>	Loan Markets Association	<b>SF</b>	Sustainable Finance		
<b>EU</b>	European Union			<b>SFF</b>	Sustainable Finance Framework (Section 2 of this document)		
<b>EV</b>	Electric Vehicle			<b>SFGF</b>	Sustainable Finance Governance Framework		
<b>EWP</b>	Energy Water Performance			<b>SFPF</b>	Sustainable Finance Product Framework (Section 3 of this document)		

## Definitions

<b>Annual Reporting Suite</b>	Standard Bank Group's annual reporting suite is accessible on the Group's Investor Relations website. Our annual sustainability reports include, inter alia: the Group Sustainability Disclosures Report, the Group Report to Society and the Group Climate-related Financial Disclosures Report.	<b>Sustainable Finance Framework</b>	The Sustainable Finance Framework (SFF) allows SBG and its subsidiaries to execute Green, Social, and Sustainable (GSS) instruments as detailed in Section 2 of this document.
<b>Blue Hydrogen</b>	Hydrogen produced using natural gas, using a process that captures and stores carbon emissions.	<b>Sustainable Finance Fundraising and Product Framework</b>	The combined framework, incorporating the SFF in Section 2 and the SFPF in Section 3.
<b>Carbon Intensive Sectors</b>	Carbon intensive industries include, Steel, Aluminium, Cement, Conventional shipping (including LNG ships) and its infrastructure, Airport & Aviation, Mining and mineral extractive sectors, Fossil Fuels, and blue hydrogen production	<b>Sustainable Finance Product Framework</b>	The Sustainable Finance Product Framework (SFPF) sets out SBG's methodology for classifying asset origination as Sustainable Finance for the purposes of tracking and disclosing our performance against our sustainable finance targets, as detailed in Section 3 of this document.
<b>Fossil Fuels</b>	Fossil fuels are carbon-containing fuels formed from the geological past and typically consists of coal, oil and natural gas.	<b>Social Finance Mobilisation</b>	Mobilisation of Finance aligning with the Use of Proceeds social eligibility criteria in Section 2.3.2 of this Framework and the Pure Play (Social) eligibility criteria in Section 3.5.1 of this Framework.
<b>Green Finance Mobilisation</b>	Mobilisation of Finance aligning with the Use of Proceeds green eligibility criteria in Section 2.3.1 of the Framework and the Pure Play (Green) eligibility criteria in Section 3.5.1 of the Framework.	<b>Sustainable Finance Mobilisation</b>	Lending, arranging, underwriting and investing activities (excluding treasury/ liability side transactions) (Mobilisation of Finance) in relation to eligible sustainable finance transactions for products described in Section 3.6 of this Framework including the following sustainable finance categories of instruments: <ul style="list-style-type: none"> <li>▪ Use of proceeds: <ul style="list-style-type: none"> <li>– Green</li> <li>– Social</li> <li>– Sustainability (both green and social)</li> </ul> </li> <li>▪ General Purpose: <ul style="list-style-type: none"> <li>– Pure Play</li> <li>– Sustainability Linked</li> <li>– Debt for Development Swaps</li> </ul> </li> </ul>
<b>Green Hydrogen</b>	Hydrogen produced using renewable electricity	<b>Sustainability-Linked Finance Mobilisation</b>	General Purpose Funding where sustainability KPIs and SPTs are embedded within the financial instrument in alignment with the SLBP and SLLP.
<b>General Purpose Funding</b>	Financing instruments where there is no restriction on the use of proceeds.	<b>Use of Proceeds</b>	Financing instruments where the funds are used for a specific purpose, not general corporate purposes.
<b>Just Transition<sup>44</sup></b>	Ensures the move to net-zero emissions and climate resilience is orderly, inclusive and just and creates decent work opportunities, leaving no one behind.		
<b>Low Carbon Fuels</b>	Low-emission fuels comprise solid, liquid and gaseous biofuels, green hydrogen and green hydrogen-derived fuels (ammonia and synthetic hydrocarbon fuels produced from hydrogen and carbon dioxide) produced from plants, which absorb carbon dioxide from the atmosphere as they grow, or through industrial processes powered by renewables or other low-emission energy sources		
<b>Pure Play</b>	General Purpose Funding where at least 90% of revenue, EBITDA, operating expenses or assets is derived from or related to activities eligible under SBG's SFPF Green and Social eligibility criteria.		
<b>Renewable gas</b>	Renewable gas includes biogas derived from biomass, green hydrogen or synthetic methane.		

<sup>44</sup> UN Global Compact (<https://unglobalcompact.org/library/6093>)

## Disclaimer

SBG will on an ongoing basis review the Sustainable Finance Framework and update it where improvements are deemed necessary or desirable or where SBG wishes to extend the reach to further Eligible Projects. Where the Sustainable Finance Framework is updated (such updates limited to Section 2), SBG shall ensure that a new second party opinion is obtained to cover the updates made (no new SPO will be required if only Section 3 is updated). The new and updated second party opinion will also be made publicly available on SBG's website at:

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