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Send Your Feedback

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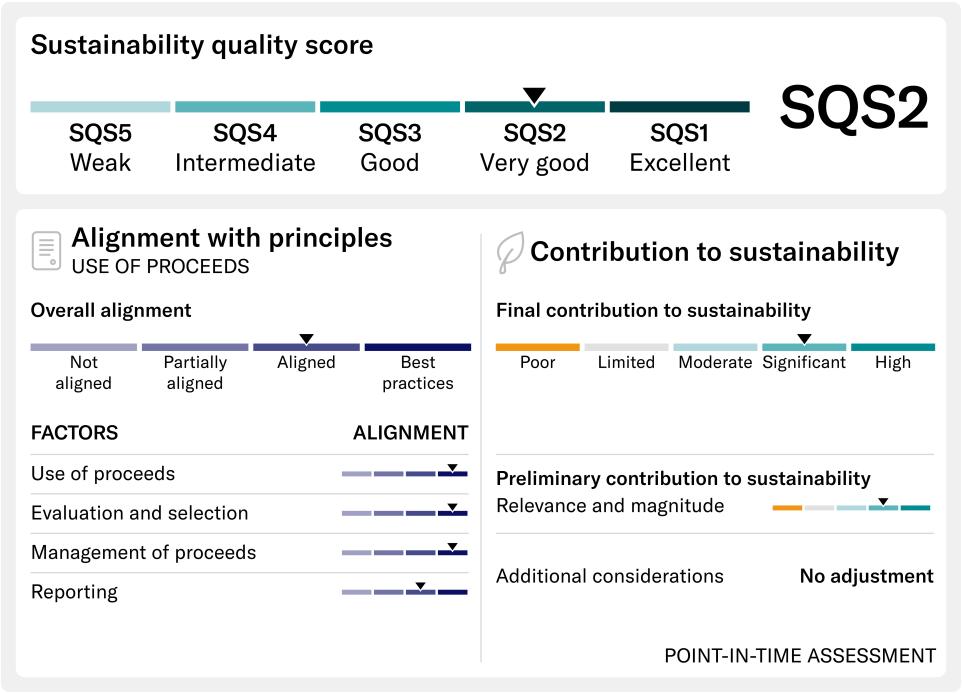
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KCB Group Plc

Second Party Opinion – Green, Blue, Social and Sustainability Bond Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (very good) to KCB Group Plc's ("KCB" or "the Group") green, blue, social and sustainability bond framework dated August 2026. KCB has established its use-of-proceeds framework to finance thirteen eligible green categories and six eligible social categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, and Sustainability Bond Guidelines (SBG) 2021, and the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2025 and Social Loan Principles (SLP) 2025. The framework demonstrates a significant contribution to sustainability. In addition, the framework is aligned with the International Finance Corporation's (IFC) Guidelines for Blue Finance Version 2.0, as detailed in Appendix 4 to this report.



Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of KCB's green, blue, social and sustainability bond framework, including the framework's alignment with the four core components of the ICMA's GBP 2025, SBP 2025 and SBG 2021, and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. Under its use-of-proceeds framework, the Group plans to issue sustainable financing instruments (SFIs) to finance projects in thirteen eligible green categories and six eligible social categories, as outlined in Appendix 3 of this report.

We have also provided a supplementary opinion on the framework's alignment with the IFC's Guidelines for Blue Finance Version 2.0 (v2.0), published in September 2025 (IFC's Blue Finance Guidelines). The assessment is solely based on information provided or confirmed by the issuer. Our supplementary opinion does not constitute a verification, certification, or audit; is distinct from the alignment with principles score; and has no influence on the expressed sustainability quality score.

Our assessment is based on the last updated version of the framework received on 05 August 2026, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the Group.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in October 2025.

Issuer profile

Since 2016, KCB Group Plc has been the holding company of KCB Bank Kenya Limited (KCB Bank). KCB Bank is Kenya's largest bank, with total assets of KES1,585 billion and a market share of around 18% by assets and deposits as of 30 June 2026. Most of its lending is concentrated in Kenya. As of 30 June 2026, the Kenyan government's ownership of KCB Group was just below 30%, through the National Treasury and the National Social Security Fund. By 30 June 2026, KCB Group held total assets of KES2,147.2 billion. KCB Group has the largest branch network in the region, with 460 branches, 1,247 ATMs and over 1.4 million merchants & agents offering banking services on a 24/7 basis in East Africa. This is complemented by mobile banking and internet banking services, as well as 24-hour contact center support for customers to get in touch with the bank.

KCB faces environmental risks, primarily because of its portfolio exposure to physical climate risks, for example via droughts which may have knock-on effects on borrowers' loan repayment capacity in the agricultural sector, power intensive industries, as well as on consumer lending because of lower disposable incomes. In line with peers, it is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. KCB faces high social risks related to regulatory risk, and socially driven policy agendas translating into regulations that affect banks' lending rates and revenue base. Risks related to societal and demographic trends are also lower than those for global peers, with the bank benefitting from Sub Saharan Africa's young population and an increase in digitalisation and financial inclusion.

Strengths

» The framework incorporates nearly all market best practices in relation to ICMA principles.

» The issuer will obtain limited assurance for avoided GHG emissions in the renewable energy and clean transportation categories, with coverage expanding over time.

Challenges

» Some subcategories lack sufficiently detailed eligibility criteria, limiting the overall expected positive impact.

» Tourism & Recreation projects are expected to deliver relatively limited sustainability benefits compared with other eligible blue categories.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Alignment with principles

KCB's green, blue, social and sustainability bond framework is aligned with the four core components of the ICMA's GBP 2025, SBP 2025, and SBG 2021, and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. For a summary alignment with principles scorecard, please see Appendix 1. Additionally, the framework is aligned with the IFC's Blue Finance Guidelines, as detailed in Appendix 4 to this report.

- ☑ Green Bond Principles (GBP)
- ☑ Green Loan Principles (GLP)
- ☑ Social Bond Principles (SBP)
- ☑ Social Loan Principles (SLP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds



Clarity of the eligible categories – BEST PRACTICES

KCB has clearly communicated the nature of expenditures, and the eligibility and exclusion criteria for the eligible categories. The eligibility criteria for all the project categories have been clearly defined. Eligible projects will be located across East Africa.

Clarity of the environmental or social objectives – BEST PRACTICES

KCB has clearly defined the relevant environmental and social (E&S) objectives associated with all the eligible categories. The Group has referenced the United Nations' (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories, and the objectives are coherent with these recognized international standards (See Appendix 2).

Clarity of expected benefits – BEST PRACTICES

The Group has identified relevant expected E&S benefits for all the eligible categories. The benefits identified are measurable and will be quantified in the impact reporting. KCB will disclose the estimated share of refinancing to investors prior to issuance and actual share of refinancing as part of its post-issuance reporting. KCB has defined a maximum look-back period of 24 months prior to issuance.

Process for project evaluation and selection



Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

KCB's decision-making process for the selection and evaluation of projects is clearly structured and outlined in its framework, which will be publicly available. The Group will establish a sustainable bond committee or equivalent internal governance forum to ensure that eligible projects are reviewed and selected in accordance with the criteria. The forum may include representatives from Group Treasury, Sustainability Finance, Risk, Credit, Finance, Legal, Compliance and relevant business units. The Group will monitor continued compliance of selected projects with both eligibility and exclusion criteria annually, throughout the life of the instruments. In the event a project no longer fulfills the eligibility criteria, proceeds will be reallocated to other eligible projects. Details of the Group's E&S risk management process are disclosed in the framework, which will be publicly available.

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The Group has defined a clear process for the management and allocation of proceeds in its framework. Net proceeds from the SFTs issued under the framework will be managed on a portfolio basis. The Group will maintain a sustainable bond register to track the allocation of proceeds to eligible green and social projects. The sustainable bond committee will oversee the allocation of proceeds to the eligible asset portfolio at least annually and ensure that the value of eligible assets equals or exceeds the outstanding sustainable bond proceeds over time. Proceeds will be allocated within 24 months from the date of issuance. Temporarily unallocated proceeds may be held in cash, cash equivalents, government securities, money market instruments or other high-quality liquid instruments in line with KCB's liquidity management policies, treasury policies and applicable regulatory requirements.

Reporting



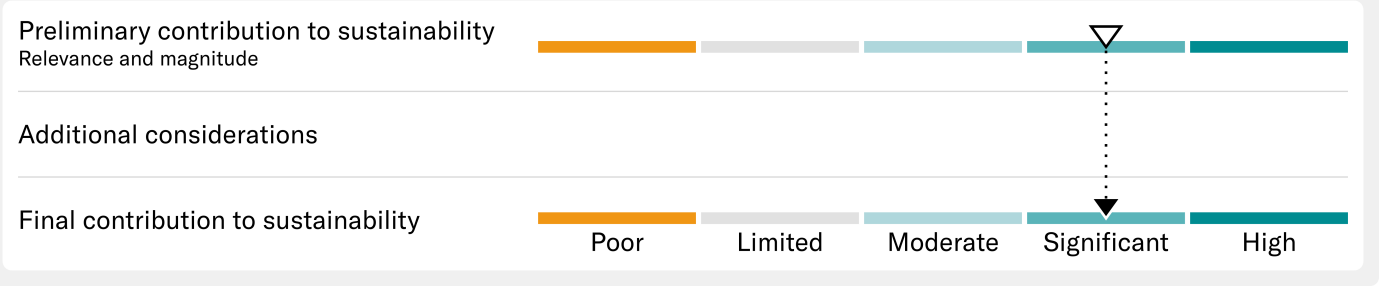
Reporting transparency – ALIGNED

KCB will publish on its website a sustainable bond report including allocation and impact reports annually. The allocation report will be provided until full allocation of proceeds and in the event of material developments, and the impact report will continue until the maturity of outstanding SFTs. The reporting will have exhaustive relevant information.

The Group has identified clear and relevant E&S impact indicators for all the eligible categories. The calculation methodologies and assumptions to be used to report on E&S impacts will be disclosed as part of the impact reporting. KCB will engage an independent third party to conduct post-issuance verification for allocation reporting. However, the Group does not commit to external verification of impact reporting to all eligible categories following the first issuance, although commits to expand coverage over time.

Contribution to sustainability

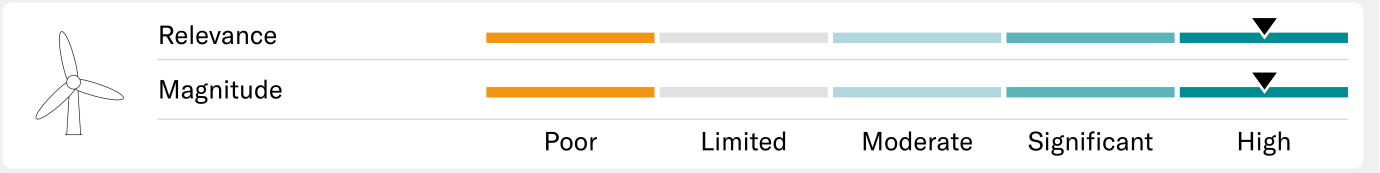
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the eligible project categories. Based on information provided by the issuer, we have assigned equal weight to each eligible category in our assessment of the framework's overall contribution to sustainability. A detailed assessment by eligible category has been provided below.

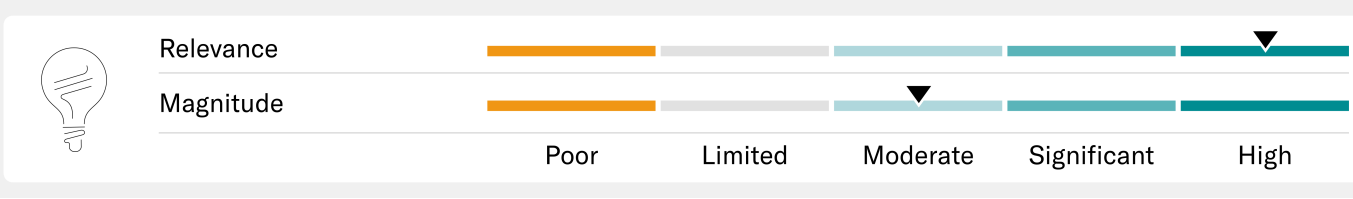
Renewable energy



Investments in renewable energy address climate change mitigation, which is highly relevant for KCB Group, the banking sector and the East African context. Financing renewable energy projects represents one of the most direct avenues through which the Group can reduce financed emissions and support the decarbonization of the economies in which it operates. The category is also aligned with the Group's sustainability objectives and supports opportunities to expand green financial products while mitigating climate-related reputational risks.[2] As the largest bank in East Africa, KCB's active lending portfolio has the capacity to shape regional energy transition outcomes, reinforcing the strategic importance of this category. Renewable energy accounts for approximately 69% of installed power capacity in East Africa[3], and Kenya generated around 91% of its electricity from renewable sources in 2024, primarily geothermal (43.2%), hydropower (28.3%), and wind (14.0%)[4]. Kenya's target of achieving 100% renewable electricity generation by 2035 highlights the continued need for investment in renewable energy infrastructure to improve affordability, enhance system efficiency, expand electrification, and support national decarbonization objectives.[5]

Projects financed under this category are expected to contribute highly to climate change mitigation through long-term reductions in greenhouse gas emissions. Solar PV systems, battery storage and onshore wind technologies are widely established renewable energy solutions with strong decarbonization potential, while renewable heat technologies such as solar thermal and geothermal heat support the displacement of higher-emitting energy sources. The category includes ground source heat pumps with fossil fuel being displaced and in case enhanced geothermal projects will be financed the issuer commits to conduct environmental impact. Biofuels production must follow stringent criteria, excluding first-generation food-crop and woody biomass feedstocks and requiring projects to demonstrate at least an 80% reduction in greenhouse gas emissions compared with fossil fuel alternatives.

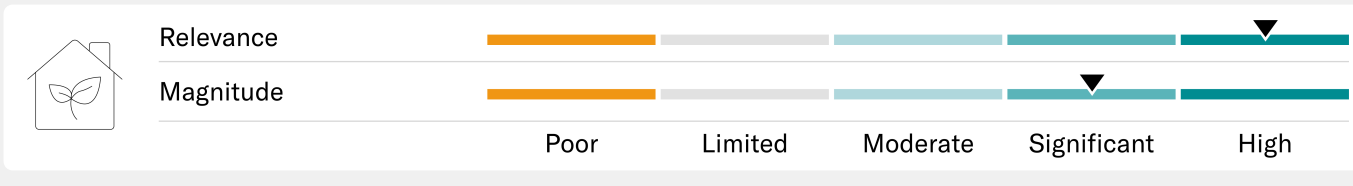
Energy efficiency



Expenditures under the energy efficiency category address climate change mitigation, which is highly relevant for KCB Group, the banking sector and the regional context. Financing energy efficiency projects represents one of the most direct avenues through which the Group can reduce financed emissions and support the decarbonization of the economies in which it operates. The category is also aligned with the Group's sustainability objectives and supports opportunities to expand green financial products while mitigating climate-related reputational risks.[6] The category also responds to a significant regional need, as Kenya continues to face high electricity costs and substantial untapped energy efficiency potential across buildings, appliances, clean cooking and electricity networks, creating opportunities to simultaneously improve affordability, energy security and emissions performance.[7]

Projects financed under this category are expected to generate moderate long-term environmental benefits through energy savings and associated reductions in greenhouse gas emissions. The framework incorporates minimum performance thresholds of at least 20% energy savings for energy-efficient equipment and systems for buildings, which supports measurable efficiency improvements but more stringent criteria exist in the market. The inclusion of ISO 50001 certification and independent energy audit verification as alternative qualification pathways strengthens the credibility of expected energy savings. However, the magnitude assessment is constrained by limited visibility into long-term decarbonization outcomes for hard to abate sectors' certain industrial process optimization projects because baseline requirements are not specified. Similarly, eligibility for cogeneration systems although excludes boiler replacements and fossil fuel, but is not supported by minimum total system efficiency requirements. Waste heat recovery projects include recovering heat from kilns, furnaces, industrial exhaust gases and therefore carry some risk of extending the lifespan of carbon-intensive activities. These considerations, together with the potential for carbon lock-in in the absence of clearly defined transition pathways for hard-to-abate sectors, temper the expected long-term environmental benefits of the category.

Green Buildings

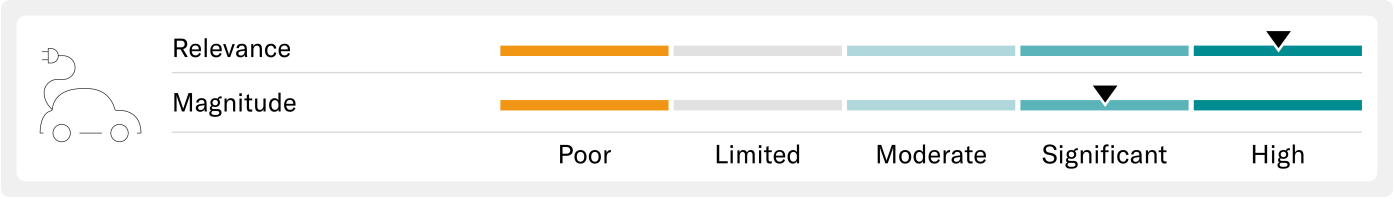


Expenditures on green buildings address climate change mitigation, which is highly relevant for KCB, the banking sector and the regional context. Green buildings represent a growing area of sustainable financing activity for KCB. The category is also particularly relevant in the local context because Kenya's building and construction sector is a significant source of greenhouse gas emissions. The built environment accounts for approximately 32% of the country's CO_2 emissions, while buildings and construction contribute 10.7% to energy-related emissions through operational energy use, carbon-intensive construction materials and inefficient building practices.[8] The importance of improving building performance is further reinforced by Kenya's rapidly growing urban population and increasing demand for new buildings.[9] Although the National Building Code 2024 introduced mandatory energy-efficiency requirements[10], green building certification remains largely voluntary, increasing the relevance of financing mechanisms that support higher environmental performance standards.

Projects financed under this category are anticipated to contribute significantly to climate change mitigation. EDGE-certified buildings account for more than 95% of the issuer's green building portfolio and are expected to represent a similarly high proportion of allocated proceeds. These assets are viewed favorably in the local context, as EDGE requires resource-efficiency improvements and incorporates a minimum 20% reduction in embodied energy or carbon, helping address emissions associated with construction materials. However, the buildings performing within the top 15% of building stock, NZEB-10% standards criterion in the East African context is not clearly defined. While the criteria are generally robust for the market and no material lock-in effects have been

identified, the absence of allocation estimates and greater specificity around the application of certain thresholds constrains the overall contribution assessment to a significant level.

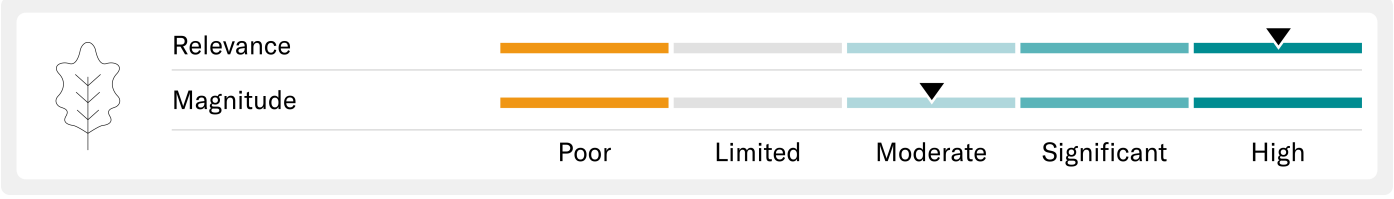
Clean transportation



The financing of clean transport addresses climate change mitigation, which is highly relevant for the issuer, the banking sector, and the regional context. The sector requires significant upfront investment in public transportation infrastructure and alternative propulsion technologies, creating a key role for bank financing. Transport is a major source of emissions across KCB's markets (approximately 44% to 61% of total emissions in Kenya, Tanzania, South Sudan, Uganda, and Rwanda) [11]and a priority area for decarbonization. Several countries in the region, including Kenya, Rwanda and Burundi, are promoting electric mobility and public transportation through national climate strategies.[12]

We consider the overall magnitude of this category to be significant, reflecting the strong focus on transport solutions that can support long-term emissions reductions across KCB's markets. Most eligible projects target the deployment of electric vehicles, electric buses and associated charging infrastructure, which represent established low-carbon transport technologies and are generally aligned with best available practices. The framework also supports digital solutions that improve transport efficiency and reduce energy consumption as well as investments that facilitate modal shifts away from more carbon-intensive transport modes. The eligibility criteria exclude infrastructure dedicated to internal combustion engine vehicles. However, some investments, particularly broader transport infrastructure and alternative fuel infrastructure, may involve residual emissions, environmental externalities or uncertainty regarding their environmental performance, restricting the overall positive impact.

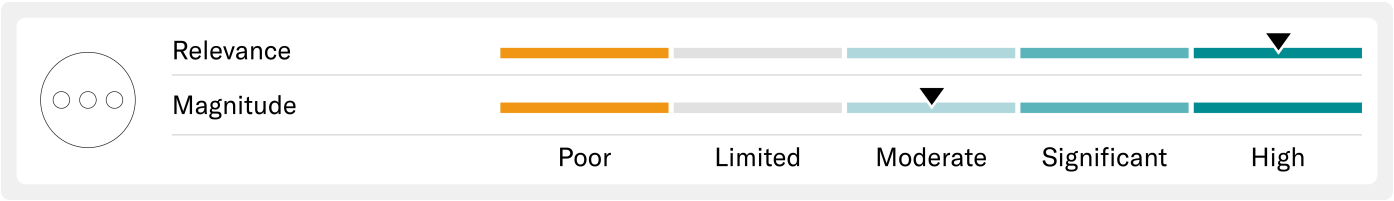
Waste management



Addressing pollution prevention and control through waste management activities is highly relevant for the issuer, the banking sector and the regional context. Financing is needed to expand waste management and circular economy infrastructure, particularly in Kenya, where over 24,000 tonnes of waste are generated daily and more than 75% is estimated to be mismanaged.[13] The category's relevance is further supported by ongoing policy developments aimed at improving waste collection, recovery and recycling in the region.

Projects financed under this category are expected to moderately contribute to pollution prevention and control. The category covers waste collection, recycling, material recovery, reuse and biological waste treatment activities that can divert waste from disposal and support more circular resource use. Positive features include the exclusion of landfill financing and the requirement that circular economy projects prioritize prevention, reuse and recycling in line with the waste hierarchy. Eligible biological treatment activities, including anaerobic digestion and composting, are also expected to support resource recovery. However, the framework does not include quantitative performance thresholds for anaerobic digestion, such as requirements to measure or limit methane leakage, reducing certainty regarding environmental benefits. In addition, financing may be provided for waste collection vehicles using internal combustion engines without applying maximum emissions thresholds, which may limit the overall environmental benefits of the category.

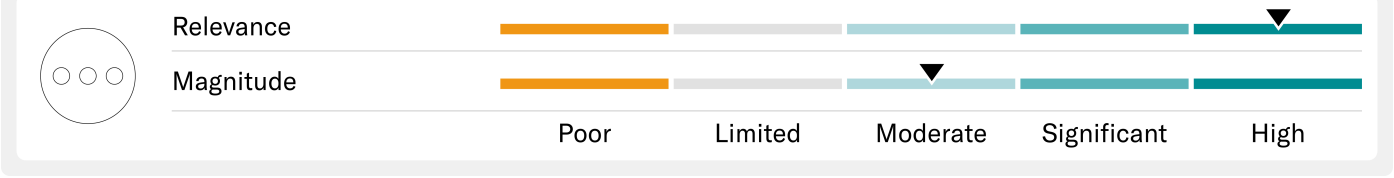
Climate smart agriculture



Climate-smart agriculture projects address climate change adaptation and mitigation, two highly relevant objectives for the issuer, the banking sector, and the regional context. Agriculture is a key sector in Kenya's economy and one of KCB's largest lending segments, making the issuer materially exposed to climate-related risks. The category is particularly relevant in Kenya, where agriculture contributes 23% of GDP and supports approximately 40% of employment, rising to around 70% in rural areas. Food security remains a significant challenge, with around 15 million people facing food insecurity and substantial food losses occurring between production and consumption[14]. Kenya's Nationally Determined Contribution identifies agriculture as a priority sector for both climate mitigation and adaptation, while recurring droughts continue to affect agricultural livelihoods across the country.

Projects financed under this category are anticipated to contribute moderately to climate change adaptation and mitigation in the agricultural sector. The framework establishes clear eligibility criteria requiring measurable improvements, which is viewed favorably. This includes at least a 20% increase in productivity without increasing greenhouse gas emissions intensity, a 20% reduction in emissions intensity, or a 20% reduction in post-harvest losses. Eligible activities encompass a broad range of sustainable farming practices, irrigation, crop resilience, livestock emissions reduction, and cold storage, supporting both climate resilience and emissions reductions over the long term. The score is constrained by the inclusion of animal-based agriculture, with limited visibility on allocation and thresholds governing potential livestock intensification. The lack of visibility on this creates a degree of uncertainty regarding the management of associated emissions and other environmental impacts, such as water pollution. The exclusion of land-use change and the inclusion of practices that reduce methane and other non-CO_2 emissions, such as improved feeding practices, manure management, and biodigesters, may help mitigate these concerns, although there are no thresholds in place for methane reduction. The category also incorporates safeguards that mitigate key environmental and social risks, including the exclusion of pesticide financing and development in protected or high-biodiversity areas, as well as land-use and biodiversity screening and supply-chain traceability requirements. The inclusion of recognized certifications such as RTRS, Global G.A.P., and RSB further supports the management of environmental externalities.

Sustainable forestry, afforestation & reforestation

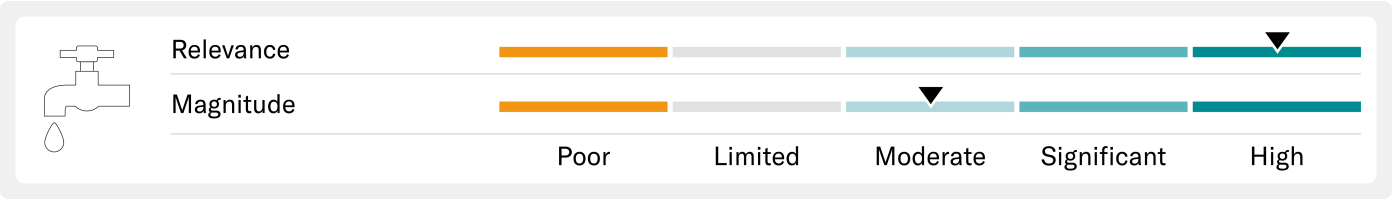


Sustainable forestry, afforestation and reforestation projects support biodiversity conservation, ecosystem restoration and climate change mitigation, which are highly relevant objectives for the issuer, the banking sector and the regional context. Financing under this category can help address the issuer's impact on biodiversity while supporting broader efforts to reduce the nature financing gap, an area in which financial institutions play an important role. The category is also aligned with national priorities, as Kenya's forest cover remains below the constitutional target of 10%, and the government's 15 Billion Trees Programme demonstrates a strong commitment to increasing tree cover and restoring degraded landscapes.[15]

Projects financed under this category are anticipated to moderately contribute to climate change mitigation and biodiversity outcomes through activities that increase forest cover and enhance carbon sequestration capacity. The eligibility criteria are generally robust in the local context, requiring projects to demonstrate measurable environmental benefits such as increased forest cover or improvements in biodiversity and ecosystem health. Impact reporting is supported by metrics including the number of trees planted and ecosystem regeneration through agroforestry. Although biodiversity and ecosystem health assessments are identified as impact metrics, their application appears optional rather than systematic. While commercial forestry projects involving timber harvesting are

expected to hold certification under an internationally recognised sustainable forest management standard, the framework does not specify which certifications are eligible. This creates uncertainty regarding the management of potential adverse externalities, including invasive species, pest control and resilience to climate-related risks, constraining the assessment.

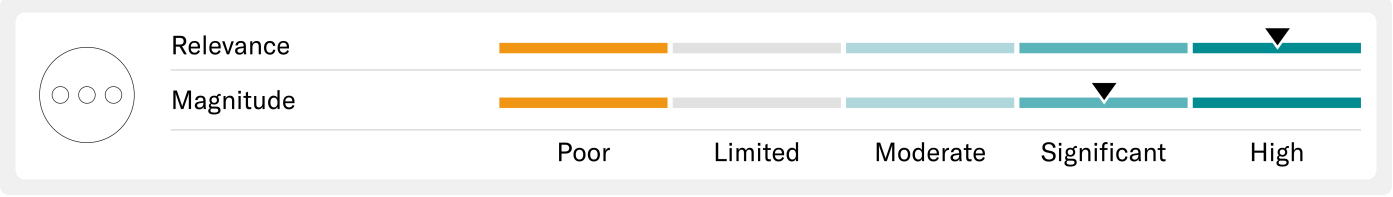
Sustainable water & wastewater



Sustainable water and wastewater management is highly relevant to the environmental objective of protecting water resources and improving water quality, given its material importance for KCB's portfolio and the significant water and sanitation challenges across its core markets. Water availability and quality directly affect borrowers in sectors such as agriculture, real estate and municipal infrastructure, making water-related risks a cross-cutting consideration for the bank. The local context further strengthens the category's relevance, as Kenya is classified as a water-scarce country with renewable water availability of around 647 m^3 per capita per year, well below the 1,000 m^3 scarcity threshold.[16] In addition, around one-third of the population remains underserved by basic drinking water services[17], while only 11% of domestic wastewater is safely treated[18], highlighting substantial investment needs in water supply, wastewater treatment and pollution prevention infrastructure. These challenges extend across East Africa, where untreated wastewater and industrial effluents continue to put pressure on critical water bodies such as Lake Victoria, which supports more than 47 million people.[19]

Projects financed under this category are anticipated to contribute moderately to sustainable water and wastewater management. The category encompasses a broad range of water supply, treatment, wastewater, reuse and flood protection infrastructure activities that are expected to deliver positive long-term environmental benefits, although the absence of extensive quantitative performance criteria and limited technology-specific requirements reduces visibility into the scale of impact across the portfolio. Several activities, including drip irrigation, rainwater harvesting, water recycling and smart metering systems, are associated with highly water-efficiency outcomes where treated wastewater may be used for irrigation, industrial processes, cooling, landscaping, sanitation and other safe non-potable uses, and limited environmental externalities where biosolids disposal will depend on source and industry. Rehabilitation of water distribution networks must achieve at least a 10% reduction in physical water losses compared with baseline levels evidenced by metered flow data or engineering assessment, following ambitious threshold but more stringent thresholds exist in the market. In addition, wastewater reuse projects are only eligible where they demonstrate water savings, and performance is expected to be reported in m^3 per year. Desalination is excluded, and large dams would only be considered where primarily intended for flood protection or water security and subject to robust E&S safeguards, which is seen positively. However, water supply infrastructure, wastewater treatment plants and collection systems are not subject to specified energy-efficiency requirements, which limits the overall positive impact.

Ocean-friendly products

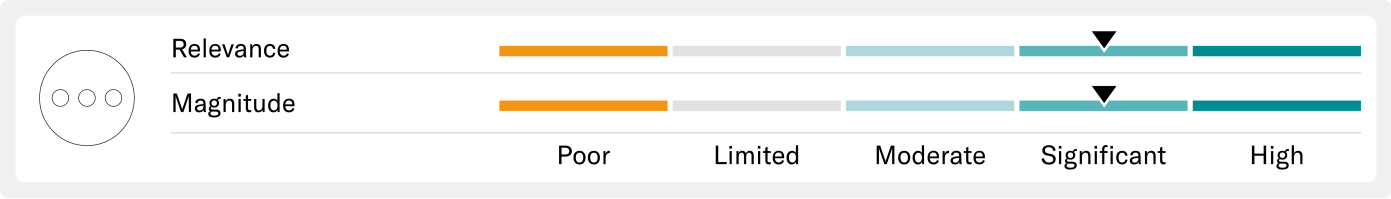


Ocean-friendly products support the protection of biodiversity and natural resources, which is a highly relevant objective for the banking sector, the issuer and the regional context. The category addresses substantial financing needs related to sustainable materials, biodegradable alternatives, nutrient pollution reduction, recycling infrastructure and blue circular economy solutions, which remain underfunded despite the significant investment required to support sustainable ocean outcomes. The estimated annual financing requirement of approximately US$550 billion[20] to secure long-term ocean health, while current levels fall far short of this requirement. The category is also relevant for the issuer given its role in addressing financing gaps and supporting activities that may

mitigate negative financing impacts on biodiversity. In Kenya and the broader East African region, the category responds to material environmental challenges associated with plastic pollution, inadequate waste management and nutrient runoff affecting coastal and freshwater ecosystems.

Projects financed under this category are anticipated to significantly contribute to the protection of biodiversity and natural resources. The framework incorporates eligibility criteria derived from the IFC Blue Bond guidance and applies quantitative thresholds, including a requirement for at least a 20% reduction in nutrient pollution per unit of product or the substitution of phosphate-based or nitrogen-based synthetic fertilizers with biodegradable alternatives. In addition, eligible activities support long-term environmental outcomes through the use of recycled and reused plastics, biodegradable materials, nutrient pollution reduction and the sustainable conversion of excess natural biomass into value-added products. We favorably view the inclusion of traceability requirements, legal permitting and ecological assessments for biomass collection which helps mitigate potential adverse environmental impacts associated with resource extraction. The sustainable utilization of excess biomass, including seaweed and sargassum, is also viewed positively because it can support the production of bio-based products and alternative fuels without competing for land, freshwater resources or food production. Whilst the measures in place are robust, the framework does not require biodiversity net gain outcomes, treating certain impact indicators, including nutrient pollution reductions and plastic leaching reductions, as optional or subject to feasibility considerations rather than mandatory performance measures, which constrains the score.

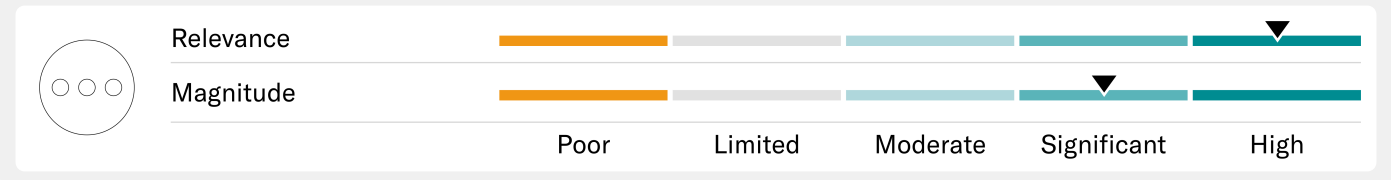
Transport & shipping



Transport and shipping projects address climate change mitigation and support the protection of ecosystems, which are significantly relevant objectives for the issuer, the financial sector and the regional context. Maritime transport is a key enabler of trade and economic connectivity in East Africa, while the transition to lower-emission shipping can help reduce environmental pressures on sensitive coastal ecosystems, including the East African coral coast.[21] Giving that international shipping contributes to around 2%-3% of global greenhouse gas emissions, and does not appear to be a strategic focus are for KCB, the category is considered less material than other eligible categories within the framework.

Projects financed under this category are expected to significantly contribute to climate change mitigation and marine environmental protection. Financing exclusively electric and wind-powered vessels is considered highly impactful, as these technologies provide zero-emission transport solutions with substantial long-term environmental benefits. The category is further strengthened by the exclusion of vessels transporting fossil fuels. Additional eligible investments support emissions reductions, pollution prevention and biodiversity protection through measures such as clean maritime infrastructure, waste and wastewater management systems, and technologies that reduce impacts on marine ecosystems. While the framework prioritises the replacement, refitting and repurposing of existing vessels and requires reporting on the allocation between replacement and expansion activities, proceeds may also finance fleet expansion, which limits the overall contribution to significant.

Fisheries & aquaculture

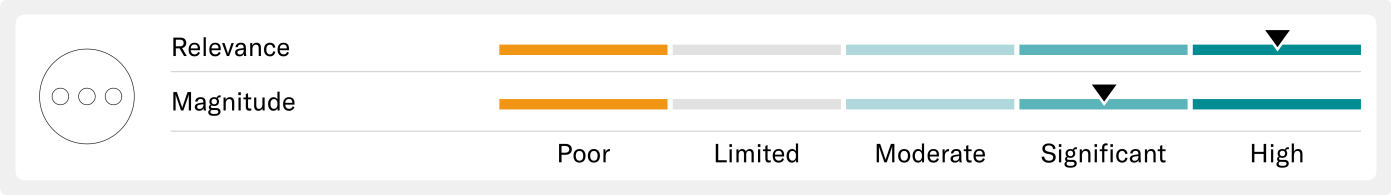


Fisheries and aquaculture projects support biodiversity conservation and are highly relevant for the issuer, the financial sector and the local context. Financing in this category can help address biodiversity-related pressures associated with aquatic resource use while supporting sustainable food systems and blue economy development. In addition, the economic cost of unsustainable fisheries management is significant, globally costing between $53 billion – $83 billion per year in foregone profits[22]. Investments in sustainable

fisheries infrastructure can promote responsible resource management, reduce food losses and support livelihoods. The category is also relevant in Kenya and the broader East African region, where fisheries and aquaculture contribute to food security, employment and income generation, including in communities surrounding Lake Victoria and along the Indian Ocean coastline. Kenya's National Aquaculture Policy 2025 and National Blue Economy Strategy identify fisheries and aquaculture as priority sectors for sustainable food production, employment creation and blue economy development, highlighting their importance.

Projects financed under this category are anticipated to significantly contribute to biodiversity conservation through requirements that support more sustainable fisheries and aquaculture practices. The framework requires recognized sustainability certifications, including Aquaculture Stewardship Council (ASC) certification for aquaculture activities, which represents a positive market practice, while eligible fisheries activities may also include Fishery Improvement Projects registered with the International Seafood Sustainability Foundation (ISSF) and cold-chain and storage infrastructure for small and medium-scale fisheries operating under documented and enforced quotas. The exclusion of bottom trawling and large and medium-scale fisheries further reduces exposure to some of the sector's most material environmental risks. However, measurable long-term sustainability benefits remain subject to certain limitations. Marine Stewardship Council (MSC) certification reflects an established market standard, but concerns remain regarding the rigor, assessment process and traceability of certified catches. In addition, some eligible activities are required only to be pursuing certification rather than already holding it, which introduces uncertainty regarding the achievement of sustainability outcomes. While the issuer has established verification measures, including the use of independent evidence of quota enforcement and ISSF registration, environmental and social externalities are only partially mitigated in a sector characterized by significant sustainability challenges.

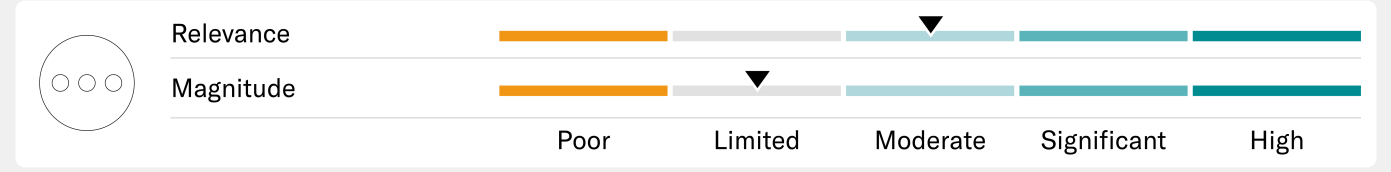
Habitat restoration & protection



Projects supporting habitat restoration and protection address biodiversity conservation and ecosystem resilience, which is highly relevant for the issuer, the banking sector and the local context. Financing biodiversity conservation and ecosystem restoration is increasingly important for financial institutions given the growing recognition of nature-related risks and dependencies, as well as the substantial nature financing gap. Wetlands, coral reefs, mangroves, seagrasses, marine ecosystems and protected areas, provide critical ecosystem services including biodiversity preservation, coastal protection, carbon sequestration and support for fisheries. The category is particularly relevant in Kenya and East Africa, where coastal, freshwater and marine ecosystems underpin biodiversity, fisheries productivity, tourism and local livelihoods.

Projects financed under this category are anticipated to significantly contribute to biodiversity conservation and ecosystem restoration. The category covers the conservation, restoration and protection of freshwater, marine and coastal ecosystems, including wetlands, coral reefs, mangroves, seagrass meadows and tidal marshes, as well as Marine Protected Areas. The framework includes restoration projects with a minimum target of one hectare per project, or a portfolio-level commitment of at least 10 hectares restored per issuance, supported by documented baseline ecological assessments, which enhances accountability and supports the long-term durability of environmental outcomes. The focus on the protection and restoration of coastal blue carbon ecosystems is viewed positively in the local context. However, information provided does not specify the ecosystem health indicators that will be used to measure outcomes, and while proxy indicators may be applied where feasible, this limits visibility into the full extent of environmental benefits, although no major environmental or social externalities have been identified.

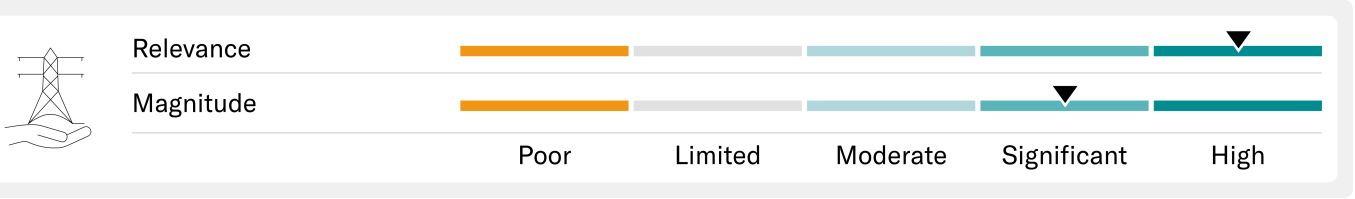
Tourism & recreation



Addressing biodiversity conservation and sustainable tourism development is moderately relevant for the issuer, the banking sector and the regional context. While tourism does not appear to be a major focus of KCB's lending activities, the sector has meaningful sustainability implications given its interaction with sensitive terrestrial and marine ecosystems. In Kenya, tourism contributes approximately 4.4% of GDP, indicating a relevant, albeit not dominant, role in the economy, while its importance is generally lower across several of KCB's other core markets.[23] At the same time, tourism-related activities can exert pressures on biodiversity and natural resources, supporting the relevance of financing sustainable tourism infrastructure and conservation-oriented projects.[24]

Projects financed under this category are anticipated to limitedly contribute to biodiversity conservation and sustainable tourism development. While eligible projects are required to hold, or actively pursue, recognised sustainability certifications such as GSTC or Travelife, operators pursuing certification remain eligible without specified requirements regarding certification progress or timelines, limiting visibility on the sustainability performance ultimately achieved. The issuer assesses real-estate investments for carbon and environmental lock-in risks and prioritises refurbishment, renovation and adaptive reuse of existing assets, which provides some mitigation of environmental impacts. However, new tourism developments remain eligible and may still be associated with environmental externalities related to construction, land-use change, habitat disturbance and resource consumption. In addition, projects such as mass-market tourism or luxury resorts may remain eligible where community benefit programmes are present, creating uncertainty regarding their overall environmental footprint. These considerations are compounded by broader tourism-related impacts, including real-estate development and travel-related emissions, which are only partially addressed through the framework's eligibility criteria.

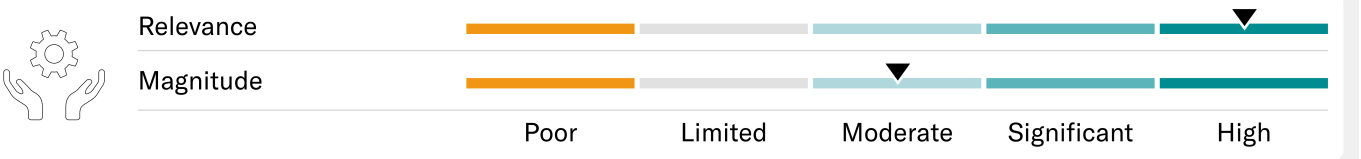
Affordable basic infrastructure



Targeting increased access to affordable basic infrastructure, notably in essential services such as electricity and water is highly relevant for the issuer, the banking sector and the regional context. The category is particularly relevant across African markets, where infrastructure gaps remain significant, especially in access to electricity and safe drinking water, while rapid population growth and urbanization continue to increase demand for infrastructure investment. In Kenya, although progress has been made in expanding access to basic services, challenges remain, including low access to safely managed sanitation and persistent infrastructure deficits in underserved areas. The continued reliance on off-grid electrification solutions, together with the fact that only 68% of the population in Sub-Saharan Africa[25] has access to at least basic water services, underscores the ongoing need for investment in affordable basic infrastructure.

Projects financed under this category are anticipated to significantly contribute to access to affordable basic infrastructure. The category supports off-grid solar and mini-grid electrification, battery storage, renewable-powered facilities in schools and healthcare facilities, as well as water supply, treatment and sanitation infrastructure in underserved areas, which are expected to generate long-term social benefits by improving access to essential services for populations with limited infrastructure coverage. Geographic targeting enhances the potential impact, particularly in arid and semi-arid lands (ASAL) counties, which exhibit poverty rates significantly above the national average, as well as in counties where safe water access is below 50% of the population. However, the framework does not define explicit affordability criteria for end-user tariffs and pricing, which limits visibility into the extent to which the projects will specifically benefit the most vulnerable households.

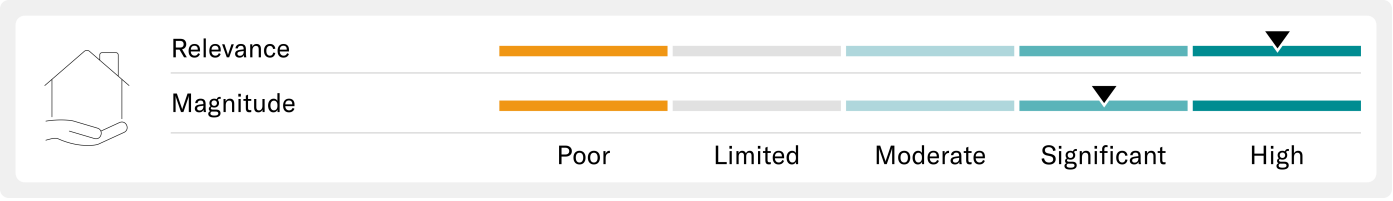
Access to essential services



Improving access to essential services addresses social inclusion and socioeconomic development, which is highly relevant for the issuer, the banking sector and the regional context. The category targets sectors facing significant service gaps, particularly healthcare, education, digital literacy infrastructure and financial inclusion. In healthcare, access remains constrained, with the majority of Kenya's population residing in rural areas with limited healthcare services, while broader shortages of health workers across Africa continue to hinder service delivery and access. Educational disparities persist between urban and rural areas and among lower-income populations, reflected in a tertiary education gross enrolment rate of 10% in 2024.[26] Digital inclusion is also challenged by high connectivity costs, geographic disparities, limited infrastructure and insufficient electricity access in schools and rural communities. While financial inclusion in Kenya increased from 27% in 2016 to 85% in 2024[27], remaining inclusion gaps and low levels of financial literacy indicate a continued need for investment in accessible financial services.

Eligible access to essential services projects is anticipated to moderately contribute to improving access to essential services. Eligible activities, including Level 2-3 health facilities and mid-tier private hospitals accredited by the Social Health Authority in counties with physician ratios below 1:10,000, education infrastructure, digital literacy infrastructure and financial inclusion infrastructure, are expected to generate positive long-term benefits by expanding the availability of essential services. The category targets underserved populations, including women, youth aged 18-35, refugees, persons with disabilities and residents of arid and semi-arid lands, which supports outreach to groups that often face barriers to accessing services. However, the framework provides limited evidence that financed projects are systematically tailored to those most excluded from access. There are no explicit affordability metrics defined, such as limits on out-of-pocket expenditures, and the inclusion of both public and private health and education providers may result in affordability challenges for certain groups, particularly the most vulnerable. Quality is supported by KCB's pre-financing due diligence process and ongoing monitoring of financed projects, including compliance reviews, corrective action requirements and remedies where concerns are identified.

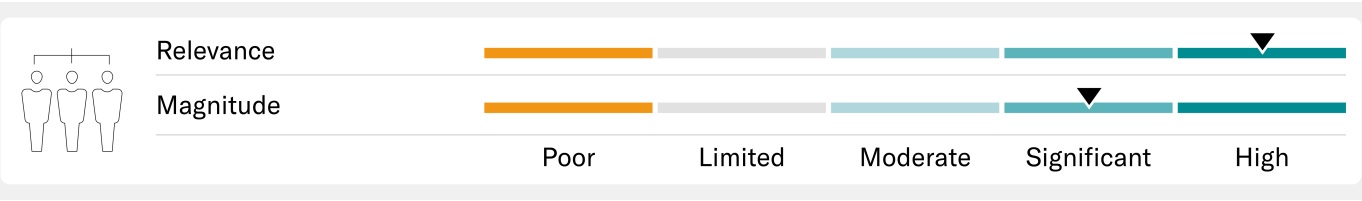
Affordable housing



Improving access to affordable housing is highly relevant for the issuer, the financial sector and the regional context. The category is particularly pertinent in Kenya, where rapid population growth, urbanization and migration inflows have intensified pressure on housing availability. The country faces a significant housing shortage, resulting in a substantial supply gap that is particularly acute for low-income households. This structural imbalance has contributed to the expansion of informal settlements, which account for around 1,100 settlements and house an estimated seven million residents.[28] Government initiatives, including tax incentives, public-private partnerships and land allocation schemes further highlights the strategic importance of expanding affordable housing supply in the local market.

Projects financed under the affordable housing category are anticipated to significantly contribute to improving access to housing for underserved populations. Eligible financing targets well defined target populations, namely low-income households, women, and youth, through income thresholds defined under the Affordable Housing Act No. 4 of 2024. The expected impact is mainly lowered by the allocation profile, with 52% of proceeds expected to be directed to market loans and 48% to affordable housing, while no allocation is expected for social housing. Although the category includes pathways for lower-income households through social housing, it also covers affordable and market-based housing for middle- and higher-income borrowers. Housing prices are market-based, affordability is assessed under the issuer's credit policy, and housing quality is supported by EDGE certification and applicable statutory requirements. However, the absence of explicit affordability thresholds tempers the category's overall social impact.

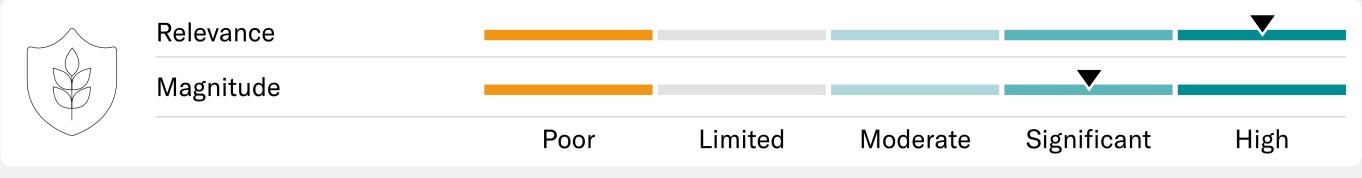
Employment generation



Employment generation is highly relevant for the issuer, the banking sector and the regional context. The category is particularly relevant in Kenya, where youth unemployment remains a significant challenge, with nearly 75% of the population under the age of 35 facing constrained access to employment opportunities.[29] Although Kenya's unemployment rate stood at 5.4% of the total labor force in 2025[30], broader labor market challenges persist across the region. Africa's average unemployment rate was around 7% in 2024[31], while these figures do not fully capture individuals who have stopped seeking employment or those engaged in low-paying informal work. In addition, only around 57% of youth in Africa were employed in 2025[32], underscoring the continued need for initiatives that support job creation and economic inclusion.

Projects financed under this category are expected to significantly contribute to employment generation. The category is focused on financing Micro, Small and Medium Enterprises (MSMEs) with annual turnover below KES 1 billion, a segment that is generally more constrained in accessing finance than larger corporates, while additional prioritization of women-owned enterprises and young entrepreneurs without prior credit history increases support for populations that are often among the most underserved. Eligible business sectors, including agribusiness, healthcare, education and transport-emobility, support economic activities with the potential to generate sustained employment and broader social and environmental benefits. Accessibility is supported by lending rates that are generally below market averages and accompanied by lower non-performing loan levels relative to the broader market, although the framework does not establish specific affordability thresholds or lending rate caps for MSMEs. The contribution is further strengthened by the provision of non-financial services, including financial literacy, record-keeping, accounting and market-linkage support through capacity-building programs, which can enhance the long-term sustainability of financed businesses. Quality is supported by alignment with relevant national frameworks, exclusion of speculative financial activities, and reporting requirements on employment-related metrics, loan volumes and business growth indicators, which help strengthen accountability and impact monitoring. However, the category does not prioritize smaller enterprises within the MSME segment, which may limit its overall positive impact in the local context, given that smaller businesses typically face greater financing constraints and barriers to accessing credit.

Food security and sustainable food systems

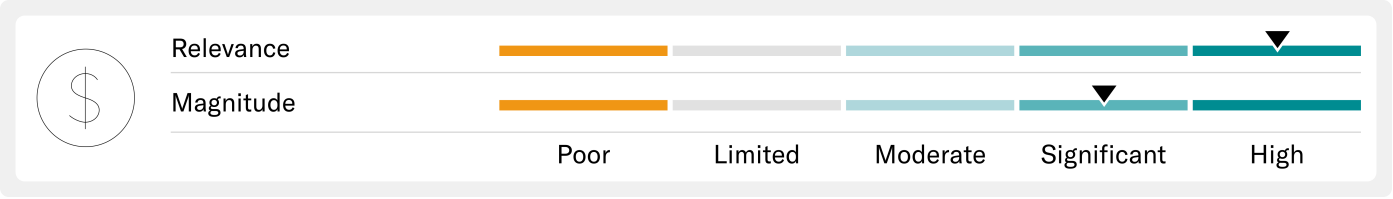


Financing activities supporting food security and sustainable food systems is highly relevant for KCB, the banking sector and the regional context. In Kenya, more than 25% of children under the age of five, equivalent to around two million children, experience stunted growth[33], while in Turkana County approximately 70% of residents lack access to adequate nutritious food[34]. The relevance of the category is further reinforced by ongoing nutritional challenges linked to limited access to nutritious foods, as well as the growing threat of climate change, which is expected to disproportionately affect food security in less developed countries.

Projects financed under this category are anticipated to significantly contribute to food security and sustainable food systems by supporting activities across the agricultural value chain that can strengthen agricultural productivity, market access and resilience over the long term. The target population is well defined and includes smallholders, farmer producer organizations (FPOs), cooperatives, SACCOs, women- and youth-owned agribusinesses, and MSMEs operating within agricultural value chains. However, there are no explicit affordability thresholds or lending rate requirements specified for end users, and the inclusion of export-oriented production means that benefits may not be directed primarily toward local food security outcomes. While the exclusion of land conversion

projects is a positive feature, the framework does not require specific agricultural quality standards or certifications, and certain eligible activities, including livestock, dairy and fisheries, may be associated with negative environmental externalities.

Socioeconomic advancement and empowerment



Socioeconomic advancement and empowerment is highly relevant for the issuer, the banking sector and the regional context in which the bank operates. Financing programs targeting systematically underserved populations address a highly important social issue for the banking sector, particularly in developing economies where access to finance remains uneven. The objective is also highly relevant in the local context, where women continue to face barriers to economic participation and access to financing despite representing a significant share of entrepreneurial and self-employed activity. In Kenya, firms with female participation in ownership represent 36.5% of businesses[35] and 93% of women are considering starting or running their own business[36]., underscoring persistent financing gaps despite the entrepreneurial potential. The category also addresses challenges faced by other underserved groups, including youth, with around 80% of Kenyans under the age of 35 engaged in informal and low-quality employment[37], as well as refugees and asylum seekers, whose numbers reached more than 800,000 in 2026 and who are concentrated in regions facing fragile labor markets and limited infrastructure.[38] In addition, persons with disabilities, who represent 2.2% of Kenya's population and include a higher proportion of women, continue to face barriers to economic inclusion[39], further supporting the relevance of this category.

Projects financed under this category are anticipated to contribute significantly to socioeconomic advancement and empowerment. The eligible projects are expected to generate long-term positive social outcomes by expanding access to finance for women, youth, refugees, host communities, persons with disabilities (PWD)-led enterprises and other underserved populations that often face limited access to formal financial services. The financing strategy targets sectors including agricultural value chains, healthcare, education and transport, supporting economic activities with substantial positive social or environmental benefits. The target population is primarily composed of well-defined vulnerable groups, including women-owned or women-led enterprises, youth aged 18-35, UNHCR-registered refugees, PWD-led enterprises, SMEs and community-based organizations, all of which typically face structural barriers to accessing financing and economic opportunities. Affordability is supported by lending rates that are somewhat below market averages. However, the broad scope of eligible projects and the lack of detailed eligibility criteria tempers the category's overall positive impact.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

KCB applies a robust Environmental and Social Risk Management (ESRM) framework that is integrated into its enterprise risk management, lending, credit appraisal, portfolio monitoring and decision-making processes. Through its Environmental and Social Management System (ESMS) and Environmental and Social Due Diligence (ESDD) procedures, the bank screens transactions for environmental and social regulatory compliance, occupational health and safety, labour and working conditions, community impacts, biodiversity considerations, land acquisition and resettlement risks, climate-related risks, stakeholder engagement and governance systems. Transactions are risk-categorized, assessed against exclusion criteria, and reviewed through sector-based screening, regulatory compliance checks, site inspections where applicable, and the development of mitigation measures and corrective action plans. High-risk transactions are subject to enhanced due diligence, specialist review, escalation procedures and ongoing monitoring, with implementation supported by Relationship Management, Credit, Risk, Sustainability and Compliance functions.

The eligible projects to be financed under the framework are coherent with KCB Group's broader sustainability strategy, which is embedded within its 2024-2026 strategy, Transforming Today Together, and implemented through the strategic enabler of Sustainable Citizen. The Group has established measurable sustainability targets, including increasing green and climate-smart lending to 25% of total loans by 2025 from a 2024 baseline of 15%, achieving sustainability training for all employees, expanding financial inclusion, and environment outcomes by 2026. Overall, this approach reflects KCB's commitment to supporting a low-carbon, climate-resilient and inclusive economy across East Africa while generating positive environmental and social outcomes through its financing activities.

Appendix 1 - Alignment with principles scorecard for KCB's green, blue, social and sustainability bond framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	**Best practices**
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	**Best practices**
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	**Best practices**
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	**Aligned**
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
				Overall alignment with principles score:	**Aligned**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The nineteen eligible categories included in KCB's framework are likely to contribute to fifteen of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 1: No Poverty	*Access to Essential Services; Affordable Housing; Employment Generation; Socioeconomic Advancement and Empowerment*	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 2: Zero Hunger	*Climate Smart Agriculture; Food Security and Sustainable Food Systems*	2.3: Double agricultural productivity and incomes of small-scale farmers through equal access to resources and opportunities
		2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
GOAL 3: Good Health and Well-being	*Access to Essential Services*	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 4: Quality Education	*Access to Essential Services*	4.1: Ensure that all children complete quality primary and secondary education leading to relevant and effective outcomes
		4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education
		4.A: Build and upgrade education facilities that provide safe and effective learning environments for all
GOAL 5: Gender Equality	*Socioeconomic Advancement and Empowerment*	5.5: Ensure women's full participation and equal opportunities for leadership at all levels of political and economic life
	Affordable Housing	5.A: Establish women's equal rights to economic resources, access to ownership and control over property and financial services
GOAL 6: Clean Water and Sanitation	*Sustainable Water & Wastewater; Affordable Basic Infrastructure*	6.1: Achieve universal and equitable access to safe and affordable drinking water for all
	Affordable Basic Infrastructure	6.2: Achieve access to adequate sanitation and hygiene for all and end open defecation
	Sustainable Water & Wastewater	6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing hazardous chemicals and materials
		6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
GOAL 7: Affordable and Clean Energy	*Renewable Energy; Transport & Shipping; Affordable Basic Infrastructure*	7.2: Increase substantially the share of renewable energy in the global energy mix
	Energy Efficiency; Green Buildings	7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth	*Employment Generation*	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 8: Decent Work and Economic Growth	*Tourism & Recreation*	8.9: Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
GOAL 9: Industry, Innovation and Infrastructure	*Affordable Basic Infrastructure*	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
	Employment Generation	9.3: Increase SMEs' access to finance, and their integration into value chains and markets, particularly in emerging markets
	Energy Efficiency	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
GOAL 10: Reduced Inequality	*Access to Essential Services; Employment Generation*	10.2: Empower and promote the social, economic and political inclusion of all
	Socioeconomic Advancement and Empowerment	10.3: Ensure equal opportunity and reduce inequalities, including by promoting legislation, policies and action
GOAL 11: Sustainable Cities and Communities	*Affordable Housing*	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Clean Transportation	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	Tourism & Recreation	11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage
	Waste Management	11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management
	Green Buildings	11.C: Support least developed countries, including through financial and technical assistance, in building sustainable buildings using local materials
GOAL 12: Responsible Consumption and Production	*Climate Smart Agriculture*	12.3: Halve global food waste at the retail and consumer levels and reduce food losses along production and supply chains
	Waste Management	12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
	Waste Management; Ocean-friendly products	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action	*Green Buildings; Sustainable Water & Wastewater*	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 14: Life Below Water	*Ocean-friendly products; Transport & Shipping; Fisheries & Aquaculture; Habitat restoration & protection*	14.1: Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities
		14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts
	Fisheries & Aquaculture	14.7 By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism
		14.A: Increase R&D to improve ocean health and enhance the contribution of marine biodiversity to the development of emerging markets

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 15: Life on Land	*Sustainable Forestry, Afforestation & Reforestation; Habitat restoration & protection*	15.1: Ensure the conservation and sustainable use of terrestrial and inland freshwater ecosystems and their services
	Sustainable Forestry, Afforestation & Reforestation	15.2: Promote the implementation of sustainable management of all types of forests
	Habitat restoration & protection	15.A: Mobilize and increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
	Sustainable Forestry, Afforestation & Reforestation	15.B: Mobilize resources to finance sustainable forest management and provide adequate incentives to emerging markets to advance such management

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in KCB's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable Energy	Financing or refinancing of projects supporting energy derived from naturally replenished resources, including solar, wind, hydro, and sustainable bioenergy. Includes: • Solar PV systems and solar home systems (including battery storage) • Renewable heat production (solar thermal, geothermal heat, • Wind-driven pumping systems or similar applications Exclusions: • Projects using second-generation biomass exclusively. First-generation food-crop biofuels are excluded. • Feedstocks related to Wood excluded and only subject to applicable certifications	Climate change mitigation	• No. of projects/loans financed (by sub-type: solar PV / SHS / renewable heat / wind pumping / bioenergy • Installed capacity (kW/MW) financed where applicable • No. of solar home systems installed (units) • Estimated annual renewable energy generated (MWh/year • Estimated GHG emissions avoided (tCO_2e/year) • No. of beneficiaries with improved energy access (households / SMEs)
Energy Efficiency	Financing of projects that reduce energy consumption or improve resource efficiency, including: • Installation of energy-efficient equipment and building systems • Industrial process optimization and cleaner production • Cogeneration (combined heat and power) systems • Waste heat recovery systems • Efficient lighting and equipment in utilities and services Minimum Threshold (required): Projects must demonstrate a minimum 20% improvement in energy use intensity against a documented baseline, or achieve ISO 50001 energy management certification, or demonstrate equivalent GHG emissions reduction verified by an independent energy audit. Exclusions: • Fossil fuel based, boiler replacements • Hard to abate sectors excluded unless availability of credible and documented baseline data on Emissions	Climate change mitigation Pollution prevention and control	• No. of projects/loans financed under EE • Type of measure technology financed (equipment / process / co-gen / heat recovery / lighting) • Estimated annual energy savings (MWh/GWh) • Estimated GHG emissions reduced/avoided (tCO_2e/year)
Green Buildings	Construction of/Financing of/Acquisition of buildings which respects at least one of the following criteria: • within the top 15% in terms of primary energy demand (e.g., having an EPC label A in a specific country, or having a third-party study that clarifies it) or that respect NZEB -10%, • Buildings must achieve equal to or more than 20% emissions/ energy performance improvements (or primary energy demand) over baseline. • Alternatively, buildings must at least: – have Leadership in Energy and Environment Design "Gold" certification; – be in the Green Star 4 category or above; – be at Energy Water Performance (EWP) Level 6 or above; or – be Excellence in Design for Greater Efficiencies (EDGE) certified by the International Finance Corporation's EDGE partners. Verification method: energy performance certificates, third-party certifications, or engineering assessments submitted at origination or within 12 months of loan drawdown	Climate change mitigation, Sustainable Resource Use	• No. of buildings financed (new / retrofit / acquisition) • Floor area (m^2) financed (where available) • No. of certified buildings by certification type (EDGE/LEED/Green Star • % improvement in energy performance vs baseline (where evidenced) • % water savings vs baseline (where evidenced) • Estimated Annual GHG emissions reduced/avoided (tCO_2e/year) equiv vs local baseline
Clean Transportation	Financing or refinancing of projects and assets supporting sustainable transportation systems, aimed at reducing greenhouse gas emissions, improving air quality, and enhancing energy efficiency. Eligible activities include: **Low-emission and zero-emission transport solutions** • Electric vehicles (EVs) and electric two- and three wheelers; • Electric or low-emission public transport systems; **Supporting transport infrastructure** • Charging stations and related infrastructure for electric mobility; **Modal shift and urban transport integration** • Bus transport or mobility systems enabling a shift from higher-carbon transport modes; • Integration of transport and urban development planning (e.g. dense development, mixed land-use, transit connectivity) that reduces reliance on private vehicles; **Digital and system optimization solutions** • Digital solutions and programmes dedicated to reducing transport-related GHG emissions Exclusion: Conventional internal combustion engine (ICE) vehicles (petrol/diesel) are not eligible. ICE-only bus fleets are excluded even if they enable modal shift.	Climate change mitigation Pollution prevention and control	• No. of EVs financed; • No. of electric two/three-wheelers financed • No. of charging points / charging assets financed • No. of public transport assets supported (where applicable) • Estimated GHG emissions reduced/avoided (tCO_2e/year) where evidenced • Passenger-km / tonne-km supported (where applicable) • Digital fleet management and route optimization systems demonstrated to achieve a minimum 15% reduction in transport-related GHG emissions versus baseline
Waste Management	Financing or refinancing of projects supporting environmentally sound waste management, resource efficiency, and circular economy practices, aimed at reducing pollution, improving resource recovery, and minimizing environmental impact. Eligible activities include: **Waste collection and logistics** • Collection and transport of source-segregated waste fractions; • Temporary storage, bulking, or transfer of separately collected waste streams; **Reuse and circular economy activities** • Repair and reconditioning of products or components to enable reuse; • Preparation for reuse and extension of product lifecycle; **Recycling and material recovery** • Material recovery from separately collected or pre-sorted waste (including non-mechanical processes); • Recycling and processing of waste into secondary raw materials; **Biological treatment of waste** • Anaerobic digestion of separately collected bio-waste; • Composting of organic waste streams; **Waste-to-energy and emissions reduction** • Energy recovery from non-recyclable waste (where environmentally efficient and subject to internationally recognised regulations for Waste-to-Energy (WtE) activities Exclusion • Landfill gas capture, abatement, or utilization, particularly for legacy landfill sites are excluded	Pollution prevention and control Transition to circular economy	• Tonnes of waste collected / treated (where available) • Tonnes or % waste recycled/reused/material recovered • No. of waste facilities or systems financed (collection/transfer/recycling/composting) • Estimated GHG emissions reduced/avoided from waste (tCO_2e/year) • Energy recovered from waste / landfill gas (MWh/year) • Organic products generated from waste / landfill (in Metric tonnes) (where evidenced)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Climate Smart Agriculture	Financing or refinancing of agricultural activities that support climate change mitigation, adaptation, and resilience, while improving productivity and resource efficiency. Eligible activities include: **Sustainable agricultural practices** • Adoption of climate-smart and resource-efficient farming techniques; • Reduction in energy use in agricultural operations (e.g. efficient irrigation, reduced tillage); **Water and input efficiency** • Drip irrigation systems and water-efficient technologies • Production of organic fertilizers from locally available materials **Crop and climate resilience** • Drought-resilient crops and improved crop resilience practices subject to acceptable certifications such as RTRS, Global G.A.P and RSB • Soil and land management practices improving carbon sequestration (e.g. rangeland management, reduced tillage and precision farming); **Livestock and emissions reduction** • Practices reducing methane or non-CO_2 emissions (e.g. improved feeding, manure management, biodigesters); **Post-harvest and food loss reduction** • Cold storage, warehouses, and other infrastructure reducing post-harvest losses; • Food loss prevention and supply chain efficiency improvements; Eligible projects must demonstrate at least one of the following measurable outcomes: • ≥20% increase in productivity without increasing GHG emissions per unit of output; or • ≥20% reduction in GHG emissions per unit of product (emission intensity); or • ≥20% reduction in post-harvest losses against documented baseline; or • Demonstrable improvement in resilience to climate risks (evidenced by technology adoption, climate-resilient variety deployment, or insurance uptake.	Climate change mitigation Climate change adaptation	• No. of CSA loans/projects financed and amounts • No. of farmers adopting climate smart technologies • No. of farmers, smallholders or agribusinesses supported, • No. of irrigation systems financed (e.g., drip) and/or storage/cold chain/solar water pumps units financed (where available) • % reduction in post-harvest losses (where measured)
Sustainable Forestry, Afforestation & Reforestation	Financing or refinancing of projects supporting sustainable forest management, restoration of degraded land, and expansion of forest cover, contributing to climate mitigation, biodiversity conservation, and ecosystem resilience. Eligible activities include: **Sustainable forestry management** • Sustainable management of existing forests and , forest rehabilitation; • Activities improving forest health, biodiversity protection, and ecosystem services; **Afforestation** • Establishment of forests on previously non-forested land; • Rehabilitation of degraded or marginal land through tree planting; **Reforestation** • Restoration of deforested or degraded forest areas; • Ecosystem regeneration following natural or human-induced degradation; **Sustainable biomass and carbon sequestration practices** • Projects enhancing carbon sinks through sustainable forest or land management; Eligible projects must demonstrate at least one of the following outcomes: • increase in forest cover or restored ecosystem area; or • improvement in biodiversity or ecosystem health; or • enhancement of carbon sequestration capacity; • sustainable forestry or agriculture certification where applicable	Climate change mitigation Protection and restoration of biodiversity and ecosystems	• Number of trees and fruit trees planted • Ecosystem regeneration including agroforestry systems . Minimum Threshold (required) of Measurable increase in forest cover (area, hectares) against a documented baseline • Estimated carbon sequestration (tCO_2e/year) where feasible • Improvement in biodiversity or ecosystem health supported by a biodiversity baseline assessment
Sustainable Water & Wastewater	Financing or refinancing of projects supporting sustainable water resource management, water efficiency, and water resilience Eligible activities include: • Water supply and treatment infrastructure enabling a reduction in water abstraction relative to demand • Drip irrigation, rainwater harvesting, water recycling, and smart metering systems • Rehabilitation of water distribution networks achieving at least 10% reduction in physical water losses compared to baseline (evidenced by metered flow data or engineering assessment) • Wastewater treatment plants and collection systems • Wastewater reuse projects demonstrably reducing freshwater abstraction • Drainage systems and flood protection infrastructure preventing pollutant entry into water bodies	Sustainable water and wastewater management Pollution prevention and control	• No. of projects financed (water supply/treatment; distribution; wastewater; reuse; drainage/flood) • Volume of water treated/supplied/saved (m^3/year, where available) • Length of pipelines/distribution rehabilitated or built (km, where applicable) • Volume of wastewater treated or reused (m^3/year) • % reduction in physical water losses vs baseline (where applicable) • Reduction in freshwater abstraction (m^3) (where feasible) • Beneficiaries with improved access to water/sanitation (proxy)
Ocean-friendly products	Financing or refinancing of projects supporting the development and use of sustainable materials, circular economy practices, and pollution reduction solutions. Eligible activities include: • Sustainable collection of excess natural organic (plant, aquatic, or marine origin) materials (e.g. seaweed) and conversion into sustainable products without disrupting ecosystems; • Projects demonstrating at least 20% reduction per unit of product in nutrient pollution or substitution of phosphate-based or nitrogen-based synthetic fertilizers with biodegradable alternatives; • Production of biodegradable or compostable plastics and packaging (where appropriate facilities exist); • Use of recycled or reused plastics in manufacturing processes in areas connected to rivers or coastal water basins; • Plastics collection and recycling facilities, substitution of plastics packaging with sustainable and biodegradable materials, and reusing or repurposing of plastics in areas close to a water body.	Climate change mitigation Protection and restoration of biodiversity and ecosystems Transition to circular economy Sustainable Marine Resource Management	• No. of projects/loans financed by sub-type (seaweed; fertilizers; fibers; packaging; recycled plastics; recycling facilities) • Tonnes/units of sustainable materials/products produced (where available) • Tonnes of plastics collected/recycled/reused (where available) • Reduction in nutrient pollution intensity (, where evidenced) • Proxy reduction in plastic leakage (tonnes) (where feasible)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Transport & Shipping	Financing of projects supporting the transition towards low-emission maritime and inland waterway transport: • Electric vessels, wind-powered vessels, and vessels using renewable hydrogen-based fuels (green hydrogen only grey and blue hydrogen are excluded) • Renewable electric shore power and offshore charging infrastructure • Technology-based marine mammal collision avoidance systems • Non-chemical water treatment equipment for blackwater and greywater • Maritime noise pollution reduction technologies • Oil spill prevention and recovery systems • Solid waste reception facilities at ports and terminals	Climate change mitigation Protection and restoration of biodiversity and ecosystems Pollution prevention and control	• No. of vessels financed/retrofitted by type (electric/wind/hydrogen) • Estimated GHG emissions reduced/avoided (tCO_2e/year) where feasible
Fisheries & Aquaculture	Financing or refinancing of projects supporting sustainable fisheries, aquaculture, marine biotechnology, and ecosystem management, including: • Sustainable land-based aquaculture production meeting or pursuing Aquaculture Stewardship Council (ASC) • Sustainable cultivation of bivalves for algae and nutrient removal • Sustainable production of algae and marine micro/macroorganisms for food, feed, or biobased products • Cold chain and storage for small and medium-scale fishing in areas with documented and enforced sustainable fishing quotas (quota enforcement evidenced by national fisheries authority certification or ISSF registration) • Fisheries meeting, maintaining, or pursuing Marine Stewardship Council (MSC) certification • Traceability systems ensuring sustainability across operations, including compliance with MSC chain of custody • Fishery Improvement Projects registered with the International Seafood Sustainability Foundation (ISSF) • Monitoring, tracking, and reporting technologies for water body indicators	Climate change mitigation Protection and restoration of biodiversity and ecosystems	• No. of projects financed by sub-type (aquaculture; cold chain; processing; biorefineries; traceability; monitoring tech) • Cold storage capacity financed (m^3/tonnes where available) • Proxy improvements in traceability coverage (share of supply chain traced)
Habitat restoration & protection	Financing of projects supporting the conservation, restoration, and sustainable management of marine, freshwater, and coastal ecosystems: • Conservation, improvement, and restoration of freshwater, marine, and coastal ecosystems including wetlands, coral reefs, mangroves, seagrass meadows, and tidal marshes • Restoration projects with a minimum area target of 1 hectare per project, or a portfolio-level commitment of at least 10 hectares restored per issuance, against a documented baseline ecological assessment • Marine Protected Areas (MPAs) and Other Effective Area-Based Conservation Measures (OECMs) • Coastal blue carbon ecosystem protection and restoration (aligned with Kunming-Montreal Global Biodiversity Framework targets)	Climate change mitigation Protection and restoration of biodiversity and ecosystems	• No. of restoration/protection projects financed • Hectares/km^2 of habitat restored/protected (where available) • Proxy biodiversity/ecosystem health indicators (where feasible)
Tourism & Recreation	Financing of nature-based tourism and visitor infrastructure that meets all of the following criteria: • The tourism operator or facility holds, or is actively pursuing, certification under a recognised sustainable tourism standard — Global Sustainable Tourism Council (GSTC), Rainforest Alliance, Travelife, or national equivalent endorsed by GSTC • The project or financed operator demonstrates a minimum 25% of revenues or employment generated from local or community-owned operators, suppliers, or guides • Nature-based freshwater and marine visitor centres showcasing aquatic or marine ecosystems • Infrastructure located in or adjacent to a designated conservation area, national park, marine protected area, or recognized blue economy zone Exclusion: • Luxury resort developments without community benefit programs, and facilities in areas not meeting the conservation area proximity or GSTC certification criteria.	Protection and restoration of biodiversity and ecosystems	• Number of tourism/visitor center projects financed • Number of certified sustainable tourism operators supported (where applicable) • Proxy indicators: jobs supported / local livelihood participation (where feasible)
Affordable Basic Infrastructure	Financing of infrastructure improving access to essential services in underserved regions: • Off-grid solar and mini-grid electrification in the 14 KOSAP counties (updated to current government KOSAP implementation list) • Battery storage systems for off-grid and mini-grid applications • Renewable-powered facilities in schools and health facilities in counties with electricity access below 50% • Water supply and treatment networks in counties with safe water access below 50% of population (WHO/UNICEF Joint Monitoring Programme baseline) • Sanitation infrastructure under Kenya WASH programme • KOSAP **Exclusions** - Fossil-fuel generation assets - Luxury real estate infrastructure - Projects with no underserved community link **Target Population** **TP-1:** Low-Income Households **TP-2:** ASAL Residents Priority geographic targeting: the 23 ASAL counties (89% of national land area; ~38% of population), which record poverty rates of 64.7%–82.7% vs. national average of 39.8%.	Affordable basic infrastructure	• Number and amount of loans granted for basic infrastructure projects • Number of people benefiting from new or improved infrastructure (e.g., electricity, water)
Access to Essential Services	Financing of essential services (healthcare, education, financial inclusion) with explicit affordability and inclusion objectives: • Level 2–3 health facilities financing of solar energy, clean cooking and efficient medical equipment); counties with physician ratio below 1:10,000 where medical care is highly subsidized by the government through Social Health Authority (SHA) • Education infrastructure including Solar power, clean cooking to replace firewood use (Basic education ECD, Primary schools, Junior schools and secondary schools, Universities, private schools, Special Needs Schools, TVET, CBC facilities) a • Digital literacy infrastructure • Financial inclusion infrastructure (agency banking, mobile money platforms) **Exclusions** - Hospitals in affluent areas without SHA accreditation - Elite private schools - International high-end schools - Pure commercial fintech without inclusion mandate **Target Population** **TP-3** Women **TP-4** Youth 18-35 **TP-6** Refugees **TP-7** PWDs **TP-2** ASAL Residents	Access to essential services	• Number of healthcare facilities financed • Number of medical equipment and solar systems /assets installed • Number of hospital and health care accounts opened • Number of education infrastructure facilities financed • Number of solar systems & clean cooling systems installed in schools • Number of digital literacy infrastructure financed • Number of individuals (youth, women, SMES, Micro) accessing the digital loans and services and value • > Projected additional student intake (where available

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Affordable Housing	Financing aligned with Kenya's Affordable Housing Program and Act (2024) under below income categories • <KES 20,000, Social housing offered under Tenant Purchase Scheme (rent to own model) • >KES 20,000<KES 149,000 under affordable housing offered under Tenant Purchase Scheme (rent to own model) • >KES 149,000 under Market loan category offered in partnership with KMRC (Kenya Mortgage Refinance Company Ltd) • In line with devolved government support to County Governments and Housing SACCOs to build affordable housing in respective counties Developer loans requiring minimum EDGE or-equivalent green building certification to support affordable housing supply • Concessional refinancing via Kenya Mortgage Refinance Company Limited at below-market rates for qualifying borrowers **Exclusions** - Units > KES 10.5Million for Loan limits and property value not exceeding KES 15Million - Speculative land banking - Commercial real estate - Buy-to-let investment (no owner-occupation) **Target Population** **TP-1** Low-Income Household **TP-3** • Women **TP-4** • Youth ≤35 Income thresholds as defined in the Affordable Housing Act No. 4 of 2024: - Social Housing band — gross household income ≤ KES 20,000/month; - Affordable Housing band — gross household income KES 20,001–149,000/month; - Affordable Market Housing — income above KES 150,000/month (NOT eligible).	Affordable housing	• Number of loan applications and value under affordable housing criteria • %of the affordable housing under Women and youth • No. of individual households under social housing in the rent to own model
Employment Generation	Financing of MSMEs and enterprises generating employment, • MSME lending (Micro <500K; Small 0.5–50M; Medium 10–250M) • Working capital and growth financing to SMEs • Digital MSME lending platforms • Manufacturing SMEs and SEZ/EPZ-linked enterprises • Capacity building bundled with finance (financial literacy, market linkage) under Biashara Club for non-financial services **Exclusions** • Large corporates > KES 1Bn turnover • Speculative financial activity • Businesses without employment metric reporting **Target Population** Micro, Small and Medium Enterprises with annual turnover below KES 1 billion as defined under the Micro and Small Enterprises Act No. 55 of 2012 (Micro: <KES 500K; Small: KES 500K–10M; Medium: KES 10M–1 billion M). Sub-priority: women-owned enterprises (≥51% female ownership, per WE Finance Code — CBK NFIS 2025–2028), youth ≤35 with no prior credit history (TP-4), and digital platform businesses under Bank digital finance services and program.	Employment generation	• Number of MSMEs financed as well as value of MSME loans • Level of growth % in turnover of MSMES businesses financed • Estimated number of new jobs created, sustained, and improved (where available)
Food Security and Sustainable Food Systems	• Financing and banking services to players with activities across agricultural value chains. that enhance food security, increase productivity, improve farmer incomes, strengthen climate resilience, and promote sustainable livelihoods. • The activity enables access to markets, inputs, or infrastructure for smallholders who lack access to formal financial services (financial inclusion additionality) • Eligible value chain activities include: crop production, livestock, dairy, fisheries, horticulture, agro-processing, storage, irrigation, aggregation, mechanisation, input financing, and agricultural infrastructure. **Exclusions** • Activities involving deforestation or conversion of protected ecosystems, • Unsustainable fishing practices, • financing of prohibited agrochemicals, • large-scale projects resulting in involuntary displacement. • Any activities that violate national environmental or social regulations. **Target Population** **TP-1** • Smallholders – with acreage not exceeding 10 acres and subject to the farming/crop type in production. **TP-2** • Farmer producer Organizations(FPOs), cooperatives and SACCOs as defined by respective formations **TP-3** • Women And youth-owned agribusinesses (≥51% ownership as defined in Section under Socioeconomic Advancement) **TP-4:** MSMEs operating within agricultural value chains and as defined under section under employment generation.	Food security and sustainable food systems	• Number of beneficiaries and smallholder farmers supported • Number jobs created, • Food production or storage capacity financed • Reductions in post-harvest losses
Socioeconomic Advancement and Empowerment	Financing programs targeting systematically underserved populations, with explicit inclusion outcomes: • 100% female ownership. KCB has adopted the IFC definition of Women Owned or Women led enterprises i.e. • At least 51% female shareholding. • A minimum of 20% female shareholding, and at least 1 woman active participation in the day-to-day management of the business (e.g., serving as CEO, COO or CFO • Youth enterprise finance (18–34years, first-time and repeat borrowers) in business and formal employment • 2jiajiri loans for first time youth borrowers up to a maximum of KES 200,000 • Refugee and host community finance (e.g., Kakuma / Dadaab corridor) under refugee manifest registration and alien ID • Individuals above or business serving refugee ecosystems • PWD-led enterprises (aligned with this specific focused group under 2jiariri program) • Financial literacy, mentorship, and capacity building through business development service training of youth entrepreneurs • Targeted social lending addressing structural exclusion including rural youth, youth in informal settlement and minority groups and young mothers **Exclusions** General consumer lending without targeted impact • Consumer credit >30% APR on social segments • Financing of activities that harm the environment (deforestation, coal mining, hazardous waste dumping) • Projects that exploit labor or violate human rights • Entities with a record of non-compliance with national or international sustainability standards • Activities that undermine biodiversity or contribute to climate change without mitigation measures. • >35 years applicants • Refugees with no identification **Target Population** **TP-3** • Women **TP-4** • Youth 18–35 years **TP-6** • Refugees **TP-7** • PWDs **TP-3** • Women **TP 1.** Small and medium enterprises (SMEs) adopting green technologies. **TP2.** Community – based organizations promoting sustainable livelihoods (Chamas). **TP 4.** Vulnerable and underserved populations benefit from inclusive financial products that support sustainable development. I.e. Nano customers and Micros (DiGiFLME) **TP-4** Youth 18–34 no prior or prior formal credit history; **TP-6** Refugees UNHCR-registered persons under Refugees Act No. 13 of 2006; **TP-7** PWDs disability defined under Persons with Disabilities Act No. 14 of 2003 and CRPD; enterprises with ≥51% PWD ownership.	Socioeconomic advancement and empowerment	• Number of loans advanced to women led and made enterprises • Number of accounts for women led and made enterprises • Number of women accessing non financials services including capacity building, networking session and training • Number of loans to PWD-led enterprises and individuals and the value in KES • Number of loans to Youth enterprises and individuals and the value in KES • Number of loans to refugees, refugee led enterprise and the value in KES • Number of youth enterprises surviving beyond 1 year of operation. • Number of additional product offerings to women led and made enterprises (where available)

Appendix 4 - Alignment with the IFC's Blue Finance Guidelines

Aligned

We have provided a supplementary opinion on the framework's alignment with the IFC's Blue Finance Guidelines, as defined in the Scope section of this report. This Appendix covers requirements in IFC's Blue Finance Guidelines that extend beyond the requirements in the ICMA's GBP, SBP and SBG (the "Requirements"). Commensurate requirements that exist in both have been assessed in the alignment with principles section of this report.

As detailed below, we consider the framework to be aligned with the IFC's Blue Finance Guidelines.

Use of proceeds

» In line with the Requirements, the proceeds of the bond or loan will be exclusively earmarked for ocean-related projects and critical clean water resources protection under the blue categories.

» In its framework, the issuer has identified and defined clear eligibility criteria for blue eligible projects, contributing to SDG 6 and SDG 14 across six eligible categories.

» We note that the framework incorporates minimum thresholds within certain blue categories. For example, projects involving rehabilitation of water distribution networks are required to demonstrate at least a 10% reduction in physical water losses relative to a documented baseline, consistent with recommendations under the IFC Blue Finance Guidelines.

Exclusion criteria

» In line with the Requirements, the proceeds of blue bonds or loans will not be allocated to projects that meet the illustrative exclusionary criteria referenced in the IFC Blue Finance Guidelines. The issuer has confirmed that all eligible projects will be screened against the applicable laws and the framework's exclusion criteria and that non-compliant or environmentally harmful projects will not qualify.

» Eligible blue projects are not expected to affect environmental or social progress, including alignment with the Paris Agreement, as outlined in the IFC Blue Finance Guidelines.

Identification and management of material ESG risks

» In line with the Requirements, the issuer has adequate measures in place to identify, manage and monitor the material environmental and social (E&S) risks associated with the selected projects.

» As mentioned in the E&S risk management analysis, the issuer has a formal risk management process that includes project screening, risk categorisation, due diligence, mitigation measures, contractual conditions and ongoing monitoring, including projects in blue eligible categories.

Endnotes

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Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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