Sustainable Finance Framework

Version	Approval Date	Reviewing/ approving authority
V1 (earlier version – Green Finance Framework)	7 November, 2022	Board of Directors
V1.2 (revised version - Green Finance Framework)	9 February, 2023	Board of Directors
V1.3 (revised version - Green Finance Framework)	10 April 2024	Board of Directors
V2 (Updated version- Sustainable Finance Framework)	9May, 2024	Board of Directors
V3	2 September, 2024	Board of Directors
V3.1	6th November 2024	Board of Directors

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1. Introduction

Vivriti Capital Limited (VCL) is a public limited company registered under Companies Act, 2013. VCL is also registered with the Reserve Bank of India as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFCs-ND-SI) and its debt securities are listed with Bombay Stock Exchange.

Vivriti Asset Management Private Limited ("VAM"), a subsidiary of VCL, is an investment manager to fixed-income Alternative Investment Funds registered with Securities and Exchange Board of India (both VCL & VAM hereinafter together shall be referred as **"Vivriti"**).

2. Background

2.1 Vivriti's Sustainability Commitment

Vivriti's commitment to sustainability is fortified through its responsible business practices, amplified by its sustainable financial instruments & financial flows catered to financial inclusion, long-term impact and value creation. It has adopted a proactive approach to align its business strategy with its sustainability commitment and action. Policies, processes and initiatives/intervention measures that address environmental, social, governance issues have been developed and implemented at the Group Level. Vivriti believes in continuous improvement of its business and sustainability performance, and abiding by the spirit of "building a circle of sustainable champions" actively practices stakeholder engagement and stewardship measures to help its counterparts improve their sustainability performance.

2.1.1 Sustainable Financing at Vivriti

Vivriti has developed a strong ESG risk management framework (outlined in the ESG Policy) and a digital application 'Vivirti Sustainability Assessment Model (VSAM)' that measures and assesses the ESG performance of its borrowers/investees based on the inputs from ESG due diligences conducted (ESG health of portfolio companies is measured and monitored by integrating the ESG risk assessment process with pre and post due diligence and periodic risk monitoring).

Vivriti's ESG Policy and Energy Policy form a part of implementation of this framework.

2.1.2 ESG Risk Assessment

- Exclusion list - Mandatory compliance in ensuring not entering into transaction with any institution that is engaged in any of the prohibited list of activities outlined in the ESG policy
- ESG risk score - Every borrower and originator as the case may be undergoes evaluation of their ESG risks through Vivriti's ESG risk assessment measures (including Vivriti Sustainability Assessment Model) and graded on a scale of 1 to 5
- Stewardship - On-field due diligence and periodic risk monitoring have been designed to enhance our stewardship efforts and strengthen our portfolio engagement

3. Rationale for establishing Sustainable Financing Framework ("Framework")

This Sustainable Financing Framework lays out guidelines that have been adopted by Vivriti to design and implement sustainable financial solutions centered around social and environmental impact. In this process, Vivriti shall explore companies which directly or indirectly contribute to environmental and/or social objectives, including the ones outlined below:

Environmental Objectives

- Contribute towards clean and sustainable environment with respect to land, water and air (reduce direct air emissions and discharge of pollutants, improve water conservation and efficiency, wastewater management and treatment, etc)
- Conserve resources by following the 4 R's – reducing consumption, reusing, recycling, refurbishing or circular economy practices
- Initiate and support measures to adopt renewable energy, improve energy efficiency and reduce GHG emissions
- Support measures for biodiversity conservation by following the practices of protecting, conserving and restoring ecosystems
- Adoption of transparent, ethical and fair practices
- Generate awareness, share knowledge and support training programs on sustainable development among employees, neighbouring communities and the public

Social Objectives

- Enhance access of renewable energy for all
- Enhance inclusive access to basic amenities like public transport and services, etc.
- Enhance access to good healthcare services for all
- Enhance access to clean water and sanitation facilities for all
- Job creation
- Respect & support the rights of indigenous communities
- Cultural heritage conservation and protection
- Biodiversity conservation

4. Scope and purpose of the Framework

The Sustainable Financing Framework is consistent with Vivriti's sustainability strategy. The Framework will be applicable to all financial instruments including bonds, debentures, loans or any other Sustainable Financial Instruments which are used to finance /refinance eligible green and/or social projects (herein referred to as Instruments).

The Sustainable Financing Framework adheres to the guidelines of frameworks like the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Green Loan Principles 2023, Climate Bonds Standard, Climate Bonds Initiative, Social Bond Principles 2023, and Social Loan Principles 2023.

i. Four core components of the Green Bond Principles, 2021 ("2021 GBP"- June 2022 Appendix):
    a. Use of proceeds
    b. Process for Project Evaluation and Selection
    c. Management of proceeds
    d. Reporting
ii. International Capital Market Association ("ICMA") Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021

iii. The Green Loan Principles 2023, published by the Loan Markets Association "LMA" that build on and refer to the Green Bond Principles
iv. The Loan Markets Association "LMA" Social Loan Principles 2023
v. Climate Bonds Initiative standard 4.1

5. Use of Proceeds

5.1 Eligible Green Projects

The net proceeds from the Instruments will be applied to finance and/or refinance, in whole or in part, new or existing investments and/or acquisitions in the following categories of eligibility **("Eligible Green Projects")**:

Signposts interpretation

●	A green circle indicates assets or projects that automatically meet the applicable Mitigation and/or Adaptation and Resilience requirements of the Criteria
■	An orange square indicates that the eligibility of these assets or projects is conditional on meeting specific requirements per the Mitigation and/ or Adaptation and Resilience requirements of the Criteria

5.1.1 Energy

a. Criteria for Eligible Assets & Activities – Solar

Eligible solar assets and activities include establishment, acquisition, expansion, and/ or ongoing management of solar energy facilities:

Facilities	Eligibility Criteria
- Onshore solar electricity generation facilities - Wholly dedicated transmission infrastructure, grid connections and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems - Onshore solar thermal facilities such as solar hot water systems - Onshore solar heat/cool and power cogeneration facilities	■ A minimum of 85% of electricity generated from solar energy resources
- Dedicated operational production, manufacturing or distribution facilities for key components, such as solar panels, inverters etc.	●

- The solar sector criteria addresses climate change mitigation only

b. Criteria for Eligible Assets & Activities – Wind

Eligible wind assets and activities include establishment, acquisition, expansion, and/ or ongoing management of wind energy related facilities:

Facilities	Eligibility Criteria
- Onshore wind electricity generation facilities - Dedicated transmission infrastructure and support facilities (e.g. transformers, backbone, transmission terminus, grid connections, dedicated facilities for support vessels and vehicles, equipment storage, onshore assembly)	●
- Dedicated operational production, manufacturing or distribution facilities for key components, such as wind turbines, platforms etc.	●

- The wind sector criteria addresses climate change mitigation only

c. Criteria for Eligible Assets & Activities – Bioenergy

Eligible bioenergy assets and activities include establishment, acquisition, expansion, and/ or ongoing management of bioenergy related facilities:

Facilities	Mitigation Requirement	Adaptation & Resilience Requirement
Facilities producing biofuel/biomass using feedstock in scope		
Fuel preparation process facilities such as those for drying, size reduction, pelletisation or briquetting, and pyrolysis	■	■
Pre-treatment facilities such as those for thermochemical liquefaction, pyrolysis and gasification	■	■
Bio-refinery facilities which produce biomass-based products for energy purpose (power and heat). They may also co-produce bio-mass based products for non-energy use (such as food and feed ingredients, pharmaceuticals, chemicals, materials and minerals), with ≥ 50% biomass-based products produced for energy use	■	■
Energy production facilities using feedstock in scope		
Heating/cooling, and co-generation facilities using biofuel/biomass	■	■
Supporting infrastructure		
Dedicated transmission lines from an eligible bioenergy facility to the main grid	●	●
Dedicated bioenergy storage facilities	■	■

- **Eligible feedstock includes all feedstocks except** – wood (and all woody biomass), third generation biofuels (algae), Biodegradable Municipal Solid Waste (MSW), including sewage sludge and food waste
- **Eligibility Criteria -** The facilities listed in the table is not an exhaustive list, and should mandatorily meet both the **Mitigation and Adaptation & Resilience requirements of the Bioenergy Criteria** stipulated in **Annexure-1**
- All supporting infrastructure (e.g., storage infrastructure) demonstrated to be dedicated to bioenergy is eligible provided the bioenergy itself meet the overarching criteria in Appendix-1

d. Criteria for Eligible Assets & Activities – Electrical Grids & Storage

Eligible criteria applies to the to the construction, upgrade and operation of assets and projects related to Electrical Grids & Storage:

Asset or activity class	Eligible proceeds/ assets/ activities	Mitigation	Adaptation & resilience
Transmission and distribution networks (Grids)	Construction, upgrade and/or operation of general transmission and distribution infrastructure that is not a direct connection to an electricity generation facility. Infrastructure might include: • Overhead lines (conductors and insulators) and pylons • Towers and poles • Transformers, reactors and substations • Underground cables • Circuit breakers and switchgear	■	■

	Construction, upgrade and/or operation of: Wholly dedicated infrastructure directly connecting, or expanding an existing direct connection, between a power generation facility that meets the requirements of the relevant Climate Bonds Standard Sector Criteria, and a substation or network. At the time of writing this includes: • Wind energy; Solar energy; Marine Renewable energy (including offshore wind); Geothermal energy; Hydropower energy Infrastructure might include: • Overhead lines (conductors and insulators) and pylons • Transformers, reactors and substations • Underground cables • Circuit breakers and switchgear		
	Construction, upgrade and/or operation of: Wholly dedicated infrastructure directly connecting, or expanding an existing direct connection, between an electricity production plant not covered by Climate Bonds Standard Sector Criteria, and a substation or network. Infrastructure might include: • Overhead lines (conductors and insulators) and pylons • Transformers, reactors and substations • Underground cables • Circuit breakers and switchgear		
	Construction, upgrade and/or operation of interconnectors that establish electricity flow between separate AC networks, or to link synchronous grids across national borders, for example.		

	Manufacturing, installation, leasing and/or operation of equipment and infrastructure for which the main objective is an increase in generation or use of renewable energy. For example, the installation of technology that reduces the curtailment of renewable energy or increases its capacity factor in the energy system merit order.		
	Manufacturing, installation, leasing and/or operation of equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources. This might include: • Sensors and measurement tools (including meteorological sensors for forecasting renewable production) • Communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed)		
	Manufacturing, installation, upgrading, leasing and/or operation of equipment such as, but not limited to, advanced metering infrastructure which meet or correspond to the requirements of Article 20 of Directive (EU) 2019/944, able to carry two-way information to users for remotely acting on consumption, including customer data hubs. For example, two-way communication electric meters which allow consumers to monitor and reduce electricity consumption.		
	Manufacturing, installation, leasing and/or operation of equipment to allow for exchange of renewable electricity between users.		

Electricity Storage facilities	Construction, upgrade and/or operation of: Wholly dedicated battery facilities serving a power generation facility that meets the requirements of the relevant Climate Bonds Standard Sector Criteria. At the time of writing this includes: • Wind energy • Solar energy • Marine Renewable energy (including offshore wind) • Geothermal energy • Hydropower energy Type of batteries might include: • Lithium-ion • High temperature sodium-sulphur • Vanadium redox flow • Zinc-bromide hybrid flow • Lead-acid		
	Construction, upgrade and/or operation of: Wholly dedicated battery facilities directly serving an electricity production plant not covered by Climate Bonds Standard Sector Criteria. Type of batteries might include • Lithium-ion • High temperature sodium-sulphur • Vanadium redox flow • Zinc-bromide hybrid flow • Lead-acid		
	Construction, upgrade and/or operation of a battery facility that is not directly serving a single electricity generation facility. Type of batteries might include: • Lithium-ion • High temperature sodium-sulphur • Vanadium redox flow • Zinc-bromide hybrid flow • Lead-acid		
	Construction, upgrade or operation of utility- or small-scale compressed air storage facilities which meet the same criteria as battery storage.		
	Construction, upgrade or operation of utility- or small-scale flywheel or capacitor storage facilities which meet the same criteria as battery storage.		
Dedicated supporting infrastructure – any infrastructure which is demonstrated to be 100% dedicated to eligible T&D and Storage assets and activities	Operation of labour force and equipment for installing or maintaining upkeep and operation of eligible T&D and storage infrastructure		
	Manufacturing, operation and/or leasing of vehicles which monitor performance of the assets and allow maintenance work to be done		
	Construction, leasing and operation of buildings which house maintenance equipment, dedicated staff or vehicles		

- **Mandatory Eligibility Criteria -** The assets & activities should mandatorily meet the applicable **Mitigation and Adaptation & Resilience requirements** stipulated in **Annexure-2**
- Assets and activities that are wholly dedicated to supporting assets and activities eligible under the criteria specified in Annexure-2, by extension are automatically eligible without the need to meet further criteria. Note, in this case, "wholly dedicated" means they are exclusively used for that purpose and nothing else.

➢ Alignment with other sector criteria

Where use-of-proceeds from multiple sectors are bundled into one bond, proof of compliance with multiple sector criteria is required across the portfolio as below:

Potential use-of-proceeds	Sector Criteria
Electric batteries and charging infrastructure for the electric vehicles	Transport
Vehicles (and vessels) used to exclusively support eligible assets and activities under the Grids and Storage Criteria	Grids and Storage
Vehicles that cannot be demonstrated to exclusively support eligible grid infrastructure	Transport
Energy generation including Solar, Wind, Marine Renewable, Hydropower and Geothermal energy	Relevant corresponding sector criteria
Pumped Hydropower Storage	Hydropower

5.1.2 Low Carbon Transport – Land Transport

a. Criteria for Eligible Proceeds / Assets / Activities – Passenger cars and commercial vehicles

Sub-sector within Land Transport	Eligible proceeds/ assets/ activities	Mitigation Criteria
Passenger cars and commercial vehicles - private and light commercial vehicles which transport private passengers along with key components for such vehicles	Manufacture and upgrade, purchase, and/or operation of zero direct emissions passenger or light commercial vehicles, for example: • Electric vehicle manufacturing • Banks leasing electric vehicles • Taxi firms operating electric vehicle fleets	🟢
	Manufacture and upgrade and/or purchase, of key components to be used in eligible vehicles, for example: • Manufacturing of high-density lithium-ion batteries • Leasing of high-density lithium-ion batteries	🟢
	Manufacture and upgrade, purchase, and/or operation of other passenger and light commercial vehicles, for example: • Hybrid vehicle manufacturing • Banks leasing hybrid vehicles • Taxi firms operating hybrid vehicle fleets	🟧

b. Criteria for Eligible Proceeds / Assets / Activities – Public passenger transport by road and rail

Sub-sector within Land Transport	Eligible proceeds/ assets/ activities	Mitigation Criteria
Public passenger transport by road - buses (urban) and coaches (interurban) transporting public passengers along with key components for such vehicles	Manufacture and upgrade, purchase and/or operation of zero direct emissions buses or coaches, for example: • Electric bus manufacturing • Entities leasing electric buses • Private coach companies operating electric coach fleets	🟢
	Manufacture and upgrade and/or purchase, of key components to be used in eligible vehicles, for example: • Manufacturing of high-density lithium-ion batteries • Leasing of high-density lithium-ion batteries	🟢
	Manufacture and upgrade, purchase, and/or operation of other buses and coaches, for example: Public bus manufacturing; Banks leasing hybrid vehicles; Private coach companies operating hybrid vehicle fleets	🟧
Passenger rail transport rolling stock - rolling stock for the purpose of transporting public passengers	Manufacture and upgrade, purchase, and/or operation of zero direct emissions urban rail transit rolling stock, for example: • Manufacturing of electrified metro rolling stock • Leasing of tramway carriages • Entities operating electrified metro rolling stock	🟢
	Manufacture and upgrade, purchase, and/or operation of zero direct emissions rolling stock, for example: • Manufacturing of electrified passenger rail rolling stock • Leasing of passenger rail carriages • Train companies operating electrified passenger rail rolling stock	🟧
	Manufacture and upgrade, purchase, and/or operation of other rolling stock, for example: • Manufacturing of diesel passenger rail rolling stock • Leasing of passenger rail diesel carriages Train companies operating diesel passenger rail rolling stock	🟧

c. Criteria for Eligible Proceeds / Assets / Activities – Freight transport by road and rail

Sub-sector within Land Transport	Eligible proceeds/ assets/ activities	Mitigation Criteria
Freight transport by road - heavy-duty vehicles used for the purpose of moving goods along with key components of such vehicles	Manufacture and upgrade, purchase, and/or operation of zero direct emissions heavy duty vehicles, for example: • Electric truck manufacturing • Banks leasing electric trucks • Logistics companies operating electric truck fleets	🟧
	Manufacture and upgrade and/or purchase, of key components to be used in eligible vehicles, for example: • Manufacturing of high-density lithium-ion batteries • Leasing of high-density lithium-ion batteries	🟢

Freight rail transport rolling stock - rolling stock for the purpose of transporting goods	Manufacture and upgrade, purchase, and/or operation of zero direct emissions rolling stock, for example: • Manufacturing of electrified freight rail rolling stock • Leasing of freight rail carriages • Train companies operating electrified freight rail rolling stock	
	Manufacture and upgrade, purchase, and/or operation of other freight rail rolling stock, for example: • Manufacturing of diesel passenger rail rolling stock • Leasing of diesel passenger rail carriages • Train companies operating freight rail rolling stock	

d. Criteria for Eligible Proceeds / Assets / Activities – Rail transport networks

Sub-sector within Land Transport	Eligible proceeds/ assets/ activities	Mitigation Criteria
Rail transport networks - rail networks and lines and supporting infrastructure for the purpose of transporting passengers, goods, or a mixture of both	Construction and development, purchase, and/or operation of zero direct emissions urban rail transit lines, for example: Construction of metro or tramway lines; Leasing of metro or subway lines; Network operators operating an urban rail transit network	
	Construction and development, purchase, and/or operation of exclusively zero direct emissions railway lines, for example: • Construction of electrified interurban railway lines • Leasing of railway contracts • Network operators operating a regional electrified railway network Construction and development, purchase, and/or operation of railway lines not used exclusively by zero direct emissions rolling stock, for example: • Construction of interurban railway lines • Leasing of railway contracts • Network operators operating a regional railway network	

e. Criteria for Eligible Proceeds / Assets / Activities – Others

Sub-sector within Land Transport	Eligible proceeds/ assets/ activities	Mitigation Criteria
Miscellaneous vehicles for other sectors - mobile vehicles that serve purposes other than transporting passengers or freight along with key components for such vehicles	• Manufacture, operation and leasing of zero direct emissions waste collection vehicles	
	Manufacture of zero direct emissions miscellaneous vehicles used in other sectors, for example: • Mobile stairways or buggies • Off-road excavators or concrete trucks used in construction	

	Manufacture of key components to be used in eligible vehicles, for example: • Manufacturing of high-density lithium-ion batteries • Leasing of high-density lithium-ion batteries	●
Infrastructure for low carbon transport - other supporting infrastructure and logistics that link directly to one or more mode of transport, or physical asset or activity.	Construction of dedicated infrastructure for other types of emissions-free travel such as public walking and cycle lanes	●
	Dedicated charging and alternative fuel infrastructure (when separable from fossil fuel filling stations and garages)	●
	Construction and development, purchase, and/or operation of dedicated infrastructure for eligible rolling stock, railway lines and networks, for example: • Train and bus stations • Inspection depots for freight rail rolling stock • Traction maintenance depots/ Motive power depots for rolling stock • Backup electricity generators • Signalling infrastructure including buildings	● (automatically eligible if 100% dedicated to eligible lines and vehicles)

These activity types might concern system operations, or facilities that improve the performance of such supporting systems. Construction and running of facilities may still be included in these activities.	The implementation and integration of Information and Communication Technology (ICT) systems that improve asset utilisation, flow and modal shift, regardless of transport mode (for example public transport information, car-sharing schemes, smart cards, road charging systems, etc.)	■ (Eligible on a case-by-case basis)
	Construction of facilities for intermodal freight and development of smart freight logistics	■ (Eligible on a case-by-case basis)
	Development and integration of transport and urban development planning systems - for example, improvements to terminals to improve journey times	■ (Eligible on a case- by-case basis)
Research and Development	Relevant research and development, training and program implementation costs and expenditures, where there is a definable future asset, product and/or process that can be linked to climate benefits under the Transport Criteria.	●

- The land transport sector criteria addresses climate change mitigation only
- **Eligibility Criteria -** The assets & activities should mandatorily meet only applicable **Mitigation requirements** stipulated in **Annexure-3**
- The manufacture of miscellaneous vehicles used in other sectors that are zero direct emissions, e.g. off-road diggers, are automatically eligible
- In addition to their manufacture, the operation and leasing of waste collection vehicles that are zero direct emissions is also eligible
- The following other illustrative infrastructure types are automatically eligible and therefore certifiable:
  - Dedicated charging and alternative fuel infrastructure (when separable from fossil fuel filling stations and garages)
  - Retrofits for public transport infrastructure

- Public walking and cycling infrastructure; cycling schemes
- Construction and development, purchase, and/or operation of dedicated infrastructure for eligible rolling stock, railway lines and networks, for example: train and bus stations, inspection depots for freight rail rolling stock, traction maintenance depots/ motive power depots for rolling stock, backup electricity generators, signalling infrastructure including buildings

➢ **Alignment with other sector criteria**

Assets or Activity	Applicable Sector Criteria
Bus Rapid Transit	To certify such systems in developing countries (as defined by the OECD) should use the BRT Criteria.
Vehicles for use in forestry projects	Vehicles used within a forest concession up to the forest gate are applicable for Certification under the Forestry Criteria, rather than the Transport Criteria. Vehicles used beyond a forest concession and past the forest gate must comply with the Transport Criteria.
Forest Roads	Roads constructed through forest concessions can be Climate Bonds certified under the Forestry Criteria so long as they meet all the necessary requirements Note: regular, non-forest roads are not currently eligible for certification under the Transport Criteria.
Vehicles for use in agriculture projects	Vehicles used within a farm up to the farm gate are applicable for Certification under the Agriculture Criteria, rather than the Transport Criteria. Vehicles used beyond a farm and past the farm gate must comply with the Transport Criteria.
Transport sector infrastructure - Buildings	Buildings constructed that are not used solely for the purposes of supporting transport assets and activities (for example an office building partially operating an ICT support system for a public transport network), must also meet the requirements of the Buildings Criteria. Any buildings to be constructed for the purposes of acting as dedicated supporting infrastructure for transport activities and projects (for example a freight train depot), need only meet the Transport Criteria. This means that the assets or activities it supports must meet the criteria.
Renewable energy production for powering electrified transport	Any use of proceeds marked for financing projects and assets pertaining to renewable energy production to generate electricity for transport assets listed in these Criteria will be dealt with its appropriate Energy Criteria (for example, electricity generated through solar power must meet the Solar Criteria).
Shipping vessels	Assets relating to water transport, be it passenger or freight, such as vessels, will be applicable for certification under the Shipping Criteria.

5.1.3 Waste Management

Criteria for Eligible Projects & Assets – Waste Management

Eligible activity types	Eligible proceeds/ assets/ activities	Mitigation	Adaptation & resilience
Material Reuse	Facility repairing and/or reusing products or components for same purpose for which they were conceived	●	■
Material Recycling	Facilities producing recycled glass, metal, paper, and plastic from post-consumer waste	●	■
Collection Infrastructure	Containers provided for waste	■	■

Composting	Facility producing compost via green waste such as food, garden or yard wastes	■	■
Anaerobic Digestion	Facility processing food, garden or yard, or other organic materials to produce biogas and digestate for e.g. electricity generation	■	■
Pre-sorting	Facilities for segregating mixed recyclables into separate, saleable streams, e.g. material recovery facilities (MRFs)	●	■
Waste Incineration or Gasification & Energy Recovery	Facility producing electric and/or heat via the combustion of municipal solid waste OR mixed residual waste	■	■
	Facility producing electric and/or heat via gasification of residual municipal solid waste	■	■
Decommissioned Landfill only, with Gas Capture & Energy Generation	*Project* to capture biogas from non- operational landfill (ceased receiving waste except inert restoration materials)	■	■

- **Mandatory Eligibility Criteria -** The assets & activities should mandatorily meet only the applicable **Mitigation and Adaptation & Resilience requirements** stipulated in **Annexure-4**

5.1.4 Agriculture

a. Criteria for Eligible Projects & Assets – Crops and livestock

Eligible activity types	Eligible proceeds/ assets/ activities	Mitigation	Adaptation & Resilience
Crops, Whole Production Unit	Establishment, expansion, or ongoing operation of the production unit as a whole, e.g., conversion of degraded land for agricultural production, or maintenance of climate-friendly farming practices Examples of use of proceeds: • Land acquisition and/or conversion costs • Acquisition of inputs • Planting and management costs • Acquisition or operation of facilities, e.g., storage or drying facilities on the production unit • Acquisition or operation of machinery on the production unit • Training in climate-friendly practices • Costs of advisory services • Performance monitoring costs, such as cost of monitoring GHG emissions or developing farm management plans	■	■
Crops, Intervention aimed at addressing GHG emissions/carbon sequestration	Specific interventions within the production unit to implement GHG emission reduction or carbon storage activities, e.g., • Agroforestry practices • New fertiliser application systems • New low-till agricultural systems Examples of uses of proceeds: • Land acquisition and/or conversion costs • Acquisition of inputs • Planting and management costs • Acquisition or operation of facilities, e.g., storage or drying facilities on the production unit • Acquisition or operation of machinery on the production unit • Training in climate-friendly practices • Costs of advisory services • Performance monitoring costs, such as cost of monitoring GHG emissions or developing farm management plans	■	■

Crops, Intervention aimed at enhancing adaptation and resilience	Specific interventions within the production unit to enhance the adaptation and resilience of the production unit are limited to: • Use of microorganisms to substitute for or to reduce use of mineral N fertiliser or pesticides or to promote crop growth • Precision agriculture (PA) • Satellite farming or site-specific crop management (SSCM) • Use of species and breeds adapted to changes in CO_2 and climate, e.g., temperature, water regimes, extreme events • Ecological buffering of climate impacts such as water or microclimate management, e.g., irrigation; water storage; increased soil water holding capacity; agroforestry to buffer extreme temperatures or enhanced soil organic carbon; ecological diversification, including shifting land use from monoculture to polyculture or other diversified production; riparian buffer strips; soil and water conservation; mangrove management; habitat restoration • Physical relocation of vulnerable assets or activities	N/A	■

Eligible activity types	Eligible proceeds/ assets/ activities	Mitigation	Adaptation & Resilience
Crops, Supporting Activities which reduce GHG emissions/increase sequestration	Only the following activities which reduce GHG emissions/increase sequestration are eligible: • Activities that enable the measurement, monitoring, reporting and verification of emissions reductions • Research and development of ruminant feed that reduces methane emissions • Research into alternative meat and dairy products that might substitute for meat and dairy consumption • Provision of capacity building or education services relating to low carbon agricultural practices • Training in one of the approved best practices (see Tables 3 and 4)	N/A	■
Crops, Supporting Activities which increase climate adaptation and resilience	Only the following activities which increase climate adaptation and resilience are eligible: • Development and distribution of public-release seeds for crops that are more resistant to the impacts of climate change using conventional breeding or CRISPR[11] technology. Eligible traits include drought tolerance, flood tolerance and pest resistance. • Information technology and information services, e.g., climate information services, monitoring and evaluation (M&E) imagery systems, soil analysis tools and weather monitoring services • Training in climate adapted and resilient agricultural techniques	N/A	■

Livestock, Whole Production Unit	Establishment, expansion, or ongoing operation of the production unit as a whole, e.g., conversion of degraded land for agricultural production, herd expansion or maintenance of climate-friendly farming practices Examples of use of proceeds: • Acquisition and management of livestock • Land acquisition and/or conversion costs • Acquisition of inputs • Planting and management costs • Acquisition or operation of facilities, e.g., storage or drying facilities on the production unit • Acquisition or operation of machinery on the production unit • Training in climate-friendly practices • Costs of advisory services • Performance monitoring costs, such as cost of monitoring GHG emissions or developing farm management plans	■	■
Livestock, Intervention aimed at addressing GHG emissions/carbon sequestration	Specific interventions within the production unit to implement low GHG practices, e.g., • New manure management or treatment system • New feed regimes for ruminant livestock Examples of use of proceeds: • Acquisition and management of livestock • Land acquisition and/or conversion costs • Acquisition of inputs • Planting and management costs • Acquisition or operation of facilities, e.g., storage or drying facilities on the production unit • Acquisition or operation of machinery on the production unit • Training in climate-friendly practices • Costs of advisory services • Performance monitoring costs, such as cost of monitoring GHG emissions or developing farm management plans	■	■
Livestock, Intervention aimed at enhancing adaptation and resilience	Specific interventions within the production unit to enhance the adaptation or resilience of the production unit are limited to: • Use of microorganisms to substitute for or to reduce use of mineral N fertiliser or pesticides or to promote crop growth • Precision agriculture (PA) • Satellite farming or site-specific crop management (SSCM) • Use of species and breeds adapted to changes in CO_2 and climate, e.g., temperature, water regimes, extreme events • Ecological buffering of climate impacts such as water or microclimate management, e.g., irrigation; water storage; increased soil water holding capacity; agroforestry to	N/A	■

	buffer extreme temperatures or enhanced soil organic carbon; ecological diversification, including shifting land use from monoculture to polyculture or other diversified production; riparian buffer strips; soil and water conservation; mangrove management; habitat restoration • Physical relocation of vulnerable assets or activities		
Livestock, Supporting Activities which reduce GHG emissions/increase sequestration	Only the following activities which reduce GHG emissions/increase sequestration are eligible: • Activities that enable the measurement, monitoring, reporting and verification of emissions reductions • Research and development of ruminant feed that reduces methane emissions • Research into alternative meat and dairy products that might substitute for meat and dairy consumption • Provision of capacity building or education services relating to low carbon agricultural practices • Training in one of the approved best practices	N/A	
Livestock, Supporting Activities which increase climate adaptation and resilience	Only the following activities which increase climate adaptation and resilience are eligible: • Development and distribution of public-release seeds for crops that are more resistant to the impacts of climate change using conventional breeding or CRISPR[12] technology. Eligible traits include drought tolerance, flood tolerance and pest resistance. • Information technology and information services, e.g., climate information services, monitoring and evaluation (M&E) imagery systems, soil analysis tools and weather monitoring services • Training in climate adapted and resilient agricultural techniques	N/A	

- **Mandatory Eligibility Criteria -** The assets & activities should mandatorily meet only the applicable **Mitigation and Adaptation & Resilience requirements** stipulated in **Annexure-5**

➢ Alignment with other sector criteria

Potential use of proceeds	Sector criteria
Agricultural waste management associated with the agricultural production unit	Agriculture Criteria
Food waste collected through municipal waste management services	Waste Management
Facilities not associated with the agricultural production unit dedicated to the processing of biomaterials for the production of biofuels or generation of electricity, heating, or cooling	Bioenergy
Production of timber or forest restoration or conservation	Forestry
Pesticide or fertilizer production	Manufacturing (not yet in development)

Within Mexico: Protected agriculture, horticultural greenhouses and shade-houses that operate or are under construction to operate, including PVC film or glass greenhouses and shade houses	Protected Agriculture in Mexico
Vehicles on a production unit	Transport
Solar panels or wind turbines on agricultural land/buildings to either power the farm or sell to the grid	Solar/Wind, respectively
Irrigation systems, water treatment, distribution, or storage on a production unit. Flood and drought defences and storm water management. Ecological restoration for watershed management. Wetlands management	Water infrastructure
Conservation areas (forested and not forested)	Forestry
Conservation areas associated with agriculture production systems, such as cropland set aside or riparian buffer zones. A link to a specific agricultural production system should be strongly justified, for example if the area is managed and used by the same producer or if the area plays a functional role in agricultural production (e.g., flood control, attracting pollinators).	Agriculture

5.1.5 Buildings

➢ **Criteria for Eligible Assets & Activities**

Buildings sub-sector	Mitigation Criteria
Residential Buildings A building or portfolio of buildings where more than half of the floor area is used or suitable for use for dwelling purposes, including but not limited to the follow sub-categories of residential buildings: • Single family • Multi-family • Rentals	
Commercial Buildings A building or portfolio of buildings where more than half of the floor area is used for commercial purposes and are intended to generate a profit, either from capital gain or rental income. There are sub-categories of Commercial Buildings, including but not limited to: • Offices • Schools & Campuses • Shopping centres & retail • Hotels	
Built environment Projects or activities that are not specifically buildings related, but are part of the wider built environment, such as street lighting upgrade projects refer to projects that achieve energy performance improvements through the application of energy efficiency measures and components that relate to the built environment	

- **Eligibility Criteria -** The assets & activities should mandatorily meet only applicable **Mitigation requirements** stipulated in **Annexure-6**

➢ **Alignment with other Sector Criteria**

Potential Use-of-Proceeds	Sector Criteria
Energy infrastructure buildings	Building supporting the generation, distribution, and/or transmission of electricity and heat are subject to the corresponding Energy Criteria
Transport infrastructure buildings	Buildings supporting the manufacturing of low carbon transport modalities or infrastructure (i.e. bus stations, rail stations) are subject to the corresponding Low Carbon Transport Criteria.
Water infrastructure buildings	Buildings supporting the processing and distribution of water or otherwise support water-based infrastructure are subject to the corresponding Water Criteria.
ICT infrastructure buildings	Buildings supporting the ICT are subject to the corresponding ICT Criteria.
Waste Management infrastructure buildings	Buildings supporting the collection, handling, or processing of municipal solid waste are subject to the corresponding Waste Management Criteria.
Land Use infrastructure buildings	Buildings supporting the management of agriculture, forestry, ecosystem conservation & restoration, fisheries, or associated supply chains are subject to the corresponding Agriculture, Forestry, Fisheries, and Land Use Criteria
Industry infrastructure buildings	Building supporting the manufacturing, production, or processing of products/goods are subject to Industrial Criteria (under development)
Steel	Buildings, commercial and/or residential, that are not solely dedicated to a steel production facility. For example, office buildings for staff
Cement	Buildings, commercial and/or residential, that are not solely dedicated to a cement production facility. For example, office buildings for staff.

5.2 Eligible Social Projects

The net proceeds from the Instruments will be applied to finance and/or refinance in whole or in part, in whole or in part, new or existing investments and/or acquisitions in the following social project categories:

a. Criteria for Eligible Projects & Assets

Assets Covered	Eligibility Criteria
Micro, Small and Medium Enterprise Lending	Loans to MSME's as per RBI's definition on MSME
	Definition of MSMEs is in accordance with the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, wherein for a micro enterprise, the investment in plant and machinery or equipment does not exceed INR 10 million (USD 121,000) and turnover does not exceed INR 50 million (USD 605,000); for a small enterprise, the investment in plant and machinery or equipment does not exceed INR 100 million(USD 1.2 million) and turnover does not exceed INR 500 million (USD 6 million); and for a medium enterprise, the investment in plant and machinery or equipment does not exceed INR 500 million (USD 6 million) and turnover does not exceed INR 2.5 billion (USD 30.2 million)
Affordable Basic Infrastructure – Water	Construction, maintenance and equipment for water supply infrastructure

	Water, Sanitation and Hygiene (WaSH) projects will be limited to providing potable water and not industrial water
Affordable Basic Infrastructure – Access to Electricity	Development of transmission and distribution infrastructure aimed at improving access to electricity to areas where there is no access or access is substantially inadequate (e.g. projects under the National Energy Policy addressing access to electricity for all households, including in rural areas)
Affordable Basic Infrastructure – Access to Transportation	Development of roads (including road infrastructure in areas that lack connectivity, or in areas lacking infrastructure in underdeveloped regions
Access to Essential Services -Healthcare Financing	Financing related to the construction, equipment or operation of activities that expand access to healthcare
	R&D, manufacture, logistics and distribution of medical products and supplies (including masks, respirators, medicines, etc) essential to emergency medical response, support for natural disaster (including pandemic) and vaccinations
	Healthcare facilities
Access to Essential Services – Education Financing	Education loans to individuals including vocational courses
	Loans for building social infrastructure (e.g.: construction of Schools)
Access to Essential Services - Housing Finance	Loans to individuals for purchase or construction of their houses
	Loans to individuals for renovation of an existing house
	Loans for construction and development of affordable housing projects
Food Security	Investments or projects related to Investment in infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation or improve connectivity in the food chain to avoid food losses
Impact Financing	Loans to NBFCs for on-lending to MSMEs as per RBI's definition
	Loans to housing finance companies as per affordable housing criteria mentioned in "Access to essentials" category
	Loans to registered NBFC-MFIs [33]and other MFIs (Societies, trusts etc.) which are members of RBI recognised Self-Regulatory Organisation for the sector, for on-lending to low-income individuals and households and also to members of Self-help groups (SHGs) and Joint liability groups (JLGs). primarily comprising of women

6. Process for Project Evaluation and Selection

At the inception of every Eligible Green and/or Social Project, Vivriti will ensure that the project fully complies with relevant environmental, social and governance regulations and standards. Proceeds from the Sustainable Financing Instruments will be used exclusively for Eligible Green and/or Social Projects which are intended to deliver long-term positive environmental and social impact.

The projects shall be evaluated and selected for financing and/or refinancing based on:

a. Vivriti Group's ESG Framework
b. Qualification of the project as Eligible Green and/or Social Project

c. Approval of the Credit and/or Investment committee and ESG Committee, as may be applicable

a. Vivriti Group's ESG Framework

Vivriti has integrated ESG risks into its existing risk management framework by establishing a comprehensive structure to identify, evaluate, monitor and manage these risks through exclusion list, risk assessment structure and Vivriti's Sustainability assessment model.

i. ESG Committee that has an oversight of all our ESG engagements and activities

ii. Exclusion List: Vivriti will not enter arrangements/transactions with any institutions or persons that are engaged in any of the activities set out in Annexure I of the ESG policy ("Prohibited Activities"). This list is updated from time to time based on guidance provided by the Board and Vivriti's senior management.

iii. ESG Risk Assessment:

- Preliminary diligence of prospective and existing enterprise borrower/investee of VCL or VAM shall be carried out by the ESG/Credit analyst basis sector
- In the case of a new enterprise borrower/investee to which VCL/VAM proposes to lend/invest any money or on-balance sheet financing, the client's ESG risk/ opportunity is assessed on the Vivriti Sustainability Assessment model (VSAM)
- Over a period of time, this allows us to understand the trend of the ESG practices of the borrower
- VCL has developed its own ESG methodology through the Vivriti Sustainability Assessment Model (VSAM) to determine the ESG risks/opportunities of the borrower. Each borrower basis the due diligence and understanding of their E, S & G practices, policies and processes receives a proprietary overall ESG score (Vivriti SA1-SA5)

b. Qualification of the project as Eligible Green and/or Social Project

The Eligible Green and Social Projects criteria outlined in this Sustainable Finance Framework will determine the selection of projects for financing/refinancing, using the proceeds from the Sustainable Financing Instruments.

c. Final project financing/refinancing approval

The final decision-making for the financing/refinancing of Eligible Green and/or Social Projects falls in the purview of the Credit and/or Investment committee and ESG Committee. The decision-making is based on the ESG assessment reports and the initial screening reports that screen projects according to the Exclusion List and eligibility criteria applied for each project as outlined in this Framework.

Exclusion List

The Exclusion List or 'List of Prohibited Activities' is based on IFC's Exclusion List.

Vivriti will not enter in arrangements/transactions with any institutions/persons that are engaged in any of the activities set out below:

- Any production or trade of illegal products or activities

- Any activity related to weaponry & ammunition
- Manufacturing & trading of alcoholic beverages (except for wine & beer)
- Manufacturing & trading of tobacco
- Any forms of gambling (including casinos & others)
- Trading of wildlife or wildlife products
- Manufacturing & trading of radioactive materials
- Manufacturing, trading & use of unbonded asbestos fibers
- Any logging activity or purchase of logging machinery
- Manufacturing & trading of banned pharmaceuticals
- Manufacturing & trading of banned pesticides/herbicides
- Manufacturing & trading of products containing PCBs
- Manufacturing & trading of ozone depleting substances
- Manufacturing & trading of radioactive materials
- Large-scale drift net fishing activities
- Any activity that involves labour exploitation
- Any activity that includes large volumes of hazardous chemicals
- Any activity involving violation of the rights of indigenous groups

7. Management of Proceeds

- All projects/accounts earmarked under Green, Social or Sustainable portfolio will have the use of proceeds and other necessary information identified, recorded and reported separately.
- Unallocated proceeds, if any, shall be invested or allocated in liquid money market instruments, government securities and Cash & Cash Equivalents. as deemed fit with strict exclusion to sectors or activities identified in the Exclusion Criteria.
- On the allocation of proceeds of entire ESG portfolio will include –
    i. Project briefing of various Eligible Green Projects and/or Eligible Social Projects allocated
    ii. Amounts allocated to the various Eligible Green Projects and/or Eligible Social Projects
    iii. Amount of unallocated proceeds
    iv. Use of unallocated proceeds

8. Monitoring of Proceeds

The overall portfolio position under Sustainable Finance Framework shall be monitored quarterly by the S&I Team. Any changes to the overall portfolio considered under the Green, Social or Sustainable categorisation and/or removal and addition of individual projects from the Green, Social or Sustainable portfolio shall be done according to the Eligible Criteria set forth in the Framework, that shall require approval from the S&I Team. The Nominated Projects and assets will be monitored for their ongoing demonstration of eligibility with the relevant eligibility criteria.

9. Reporting & Verification

S&I team shall report & update the use of proceeds for each instrument issued under this Framework to the ESG Risk Assessment Committee and thereafter as a part of their annual reporting to CBI (during the tenure in which the debt instrument remains outstanding).

When the need arises, an Approved Verifier will be engaged on a period basis to undertake further verification of the maintenance of conformance with Post-Issuance requirements of the Climate Bonds Standard.

9.1 Impact Indicators

9.1.1 Green Eligible assets

Sl. No.	Category	Impact Indicators
1	Renewable Energy	▪ Annual Green House Gas (GHG) emissions reduced/avoided (tCO2eq p.a.) ▪ Annual renewable energy generation ▪ Capacity of renewable energy plant(s) constructed or rehabilitated in MW
2	Energy Efficiency	▪ Annual energy savings ▪ Annual GHG emissions reduced/avoided (tCO2eq p.a.) ▪ Number of people who benefitted
3	Sustainable Water & Wastewater Management	▪ Annual water uses before and after the project, reduction in water use in % ▪ Annual amount of wastewater treated, reused or avoided before and after the project ▪ Number of people with access to clean drinking water, improved sanitation facilities under the project
4	Clean Transportation	▪ Annual GHG emissions reduced/avoided (tCO2eq p.a.) ▪ Reduction of air pollutants ▪ Number of clean vehicles deployed ▪ Estimated reduction in fuel consumption
5	Climate Adaptation	▪ Increase in grid resilience, energy generation, transmission/distribution and storage in MWh
6	Circular Economy	▪ % of Single use products replaced by reusable products. ▪ % increase in reusable, recyclable, and/or certified compostable materials, components & products ▪ Increased proportion of circular materials produced as a % of the total material production of the project ▪ Waste that is prevented, minimised, reused or recycled before and after the project
7.	Green Buildings	▪ Energy use reduced; Renewable energy generated on site ▪ Annual GHG emissions reduced/avoided in tonnes of CO2 equiv.

		▪ % of carbon emissions reduced/avoided
8.	Agriculture sustainability	▪ Increase in Productivity w/o inc in GHG ▪ Reduction in post-harvest losses ▪ GHG Emission reduced

9.1.2 Social Eligible Assets

Sl. No.	Category	Impact Indicators
1.	Micro Small and Medium Enterprises lending	Number of SMEs financed/supported Number of women owned businesses supported Total value of loans disbursed
2.	MFI	Number of women borrowers New to Credit/ Thin line credit holders Number of Rural borrowers

Annexure-1

Eligibility Criteria – Bioenergy

Mitigation and Adaptation & Resilience Requirements

1. Mitigation Requirement

Eligible assets and projects to mandatorily meet the mitigation requirements below:

i. Meet the established GHG emissions thresholds

- **GHG emissions thresholds for different asset types**

Facilities	Eligibility Criteria
Facilities producing liquid biofuel, solid and gaseous biomass for heating and co-generation	Thresholds for biofuel/biomass produced/used (primary energy) 16.0 gCO2e/MJ
Facilities producing biofuel for transport	Thresholds for biofuel/biomass produced/used (primary energy) 18.8 gCO2e/MJ
Heating/cooling and co-generation facilities using biofuel/biomass	Thresholds for biofuel/biomass produced/used (primary energy) 16 gCO2e/MJ Energy efficiency threshold 80%

- **Life-cycle assessment (LCA)**

To demonstrate that the bioenergy assets and projects meet the required eligibility thresholds, a life-cycle assessment (LCA) will be conducted to calculate the GHG emissions. Applicable GHG Calculation Tools endorsed by CBI will be used. The scope of the LCA will include:

- Feedstock production; Feedstock processing; Biofuel/bioenergy production; Biofuel storage and blending; Intermediate and final transport steps: transportation of feedstock to processing facilities to fuel production facilities, and transportation of fuel to the point of consumption

ii. Reduce the risk of indirect land use impact (iLUC)

Bioenergy facilities must either:

- Be certified under the RSB low indirect land use change (iLUC) optional module to demonstrate that they have low indirect land use impact; or,
- Provide evidence and documentation to demonstrate that they meet low iLUC risk biomass criteria and compliance indicators under the RSB optional module, i.e.:

  Yield increase: To demonstrate that source feedstock for the facility is produced through an increase in yield compared to a reference date, without any additional land conversion. The biomass that is produced above the baseline scenario is eligible

  - Unused/degraded land: To demonstrate that source feedstock for the facility is produced from land that was not previously cultivated or was not considered arable land

  - Use of waste / residues: To demonstrate that the raw material used is derived from existing supply chains and does not require dedicated production out of arable land

2. Adaptation & Resilience Requirement

Eligible assets and projects to undergo the climate adaptation & resilience requirements below:

- Conduct a climate risk assessment and have an adaptation plan where high risks are identified – assessed via the Adaptation and Resilience Checklist
- Demonstrate that their source feedstocks are compliant with established and approved best practice standards for the industry to make sure feedstock production is environmentally sustainable and climate resilient; and
- Identify food security risk, if any; and have a plan to address it when the risk is significant

➢ Requirement 1: Adaptation & Resilience Checklist

Item	Proof given	Overall assessment
Section 1: To identify the climate related risks and vulnerabilities to the asset/ site		
Processes are in place (as part of both the asset design and ongoing management) to assess key risks to the assets from a changing climate. These key risks should include the following, plus any others felt to be of concern for the operation of these assets. The risks should be identified and interpreted in terms of the impact on the asset and the related effects for the business – e.g. impact on operating feasibility and schedules and potential system outages, impact on maintenance requirements etc. N.B. This list taken from World Banks Climate and Disaster Risk Assessment Tool ● Temperature changes, and extremes in temperature ● Extreme precipitation and flooding ● Drought ● Sea level rise and storm surge ● Strong winds How these affect the asset or site in question will be highly variable and to be identified with relation to the operations. These assessments should use climate information, modelling and scenarios from a peer reviewed source. This assessment should be done regularly. The frequency of the assessment will depend on the nature of the climate related risks and vulnerabilities, and should be and reporting against in subsequent annual reporting.		

Section 2: The issuer identifies the impacts in larger context (spatially and temporally) beyond the asset/site (i.e. the impacts of the linked assets and projects on the broader ecosystem and stakeholders in that ecosystem)		
Processes are in place (as part of both the asset design and ongoing management) to assess the impact of the bioenergy asset on the climate resilience of other stakeholders in the social, economic and environmental system in which it operates and how to mitigate or reduce any negative impacts These assessments address: ● Any ways in which bioenergy facilities might affect the climate resilience of other users/stakeholders? ● Any ways in which bioenergy facilities improve the adaptation capacity of other users/stakeholders? For example, they may include: ● Impact on water quality and quantity for other users in the basin ● Waste and pollution emitted ● Fire hazards		
Section 3: The issuer has designed and implemented strategies to mitigate and adapt to these climate risks and vulnerabilities to the underlying assets and projects and the broader ecosystem and its stakeholders.		
An adaptation plan has been designed and is being implemented to address the risks identified in assessments above Designed or amended investment and maintenance plans for the assets or projects and the broader ecosystem and its stakeholders. This is to ensure that the asset and its scheduled maintenance is sufficient to cope with the ongoing impacts of climate change and a plan has been established to govern how they approach emergency maintenance needs arising from sudden climate change impacts (e.g. extreme storms) To have training, capacity and governance arrangements in place for how the organization will deal with the impacts of exception events (e.g. droughts, floods, severe pollution events, extreme storms, winds etc.) To have monitoring and reporting systems and processes to identify high risk scenarios To have contingency plans to address disruption to operations or loss of the asset and any resulting broader environmental or social damage To have processes for feeding risk assessment back into decision making. To have budget allocated to implementing the adaptation plan and has a named member of staff responsible for its implementation. To comply with any existing broader or higher-level adaption plans, such as NAPAs.		

- **Requirement 2: Feedstocks certified under approved best practice standards**

  - To demonstrate that the sourced feedstock is produced in an environmentally sustainable way and therefore promotes climate resilience through two options:
    - Option A – Feedstocks used are certified under one of the following, pre-approved best practice standards: RSB, RTRS, FSC, ISCC Plus, CBI Agriculture Criteria
    - Option B – Feedstocks are certified under a standard or a similar scheme where issuer can prove the standard has sufficient requirements and thus is robust

  *Certification must be maintained for the full term of the bond

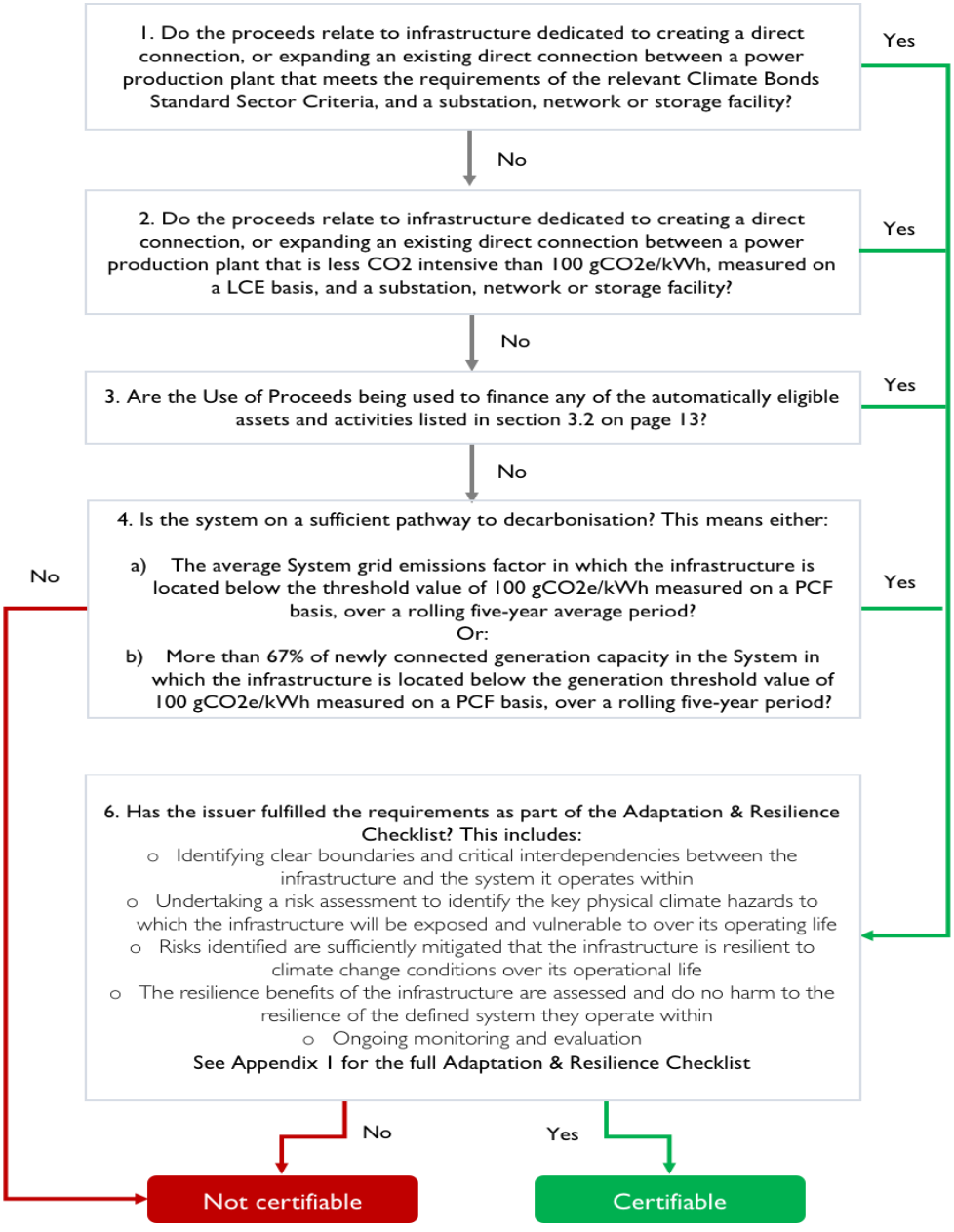
- **Requirement 3: Addressing food security risk**

  - To first evaluate food security at national level by checking latest International Food Policy and Research Institute's Global Hunger Index (GHI)16 to see whether their sourcing feedstock are produced in food insecure nations. If the feedstock production is located in a country with low or moderate ranking on the GHI, there is no further requirement
  - To assess whether the production of the sourcing feedstock is likely to have impacts on food security, and to establish corresponding mitigation and enhancement measures if the impacts are significant
  - To follow guidelines such as RSB Food Security Assessment Guidelines and FAO's Bioenergy and Food Security Assessment17, or any other robust and publicly available guidance

Annexure-2

Eligibility Criteria – Electrical Grids & Storage
Mitigation and Adaptation & Resilience Requirements

- **The Grids & Storage Criteria diagram (given below) from CBI will be followed to assess the mitigation & adaptation eligibility criteria of electrical grids & storage facilities:**



➢ **Assets and activities which automatically meet the mitigation component**

- Installation of T&D transformers that correspond to or comply with the Tier 2 (2021) requirements from EU Regulation 548/2014 on the eco-design of small, medium and large power transformers and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588- 1, or equivalent
- Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation
- Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources. This includes:
- Sensors and measurement tools (including meteorological sensors for forecasting renewable production)
- Communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed)
- Equipment to carry information to users for remotely acting on consumption such as, but not limited to, advanced (also known as smart) metering infrastructure, including customer data hubs. See methodological note 6 for guidance on eligibility
- Interconnectors between transmission systems are eligible, provided that one of the systems is on a sufficient decarbonisation trajectory
- Equipment to allow for exchange of renewable electricity between users

*These assets and activities must still meet the requirements for Adaptation & Resilience

➢ **Adaptation & resilience requirements**

To address the physical climate risks associated with the investment over the operational lifetime of the asset by taking appropriate measures to identify and mitigate those risks in the face of the uncertain impacts of climate change and undertaking an assessment of the resilience benefits that the investment can provide to the wider system. Furthermore, to demonstrate that the investment will do no significant harm to the climate resilience of the wider system itself.

➢ **Adaptation & Resilience Checklist**

Adaptation and resilience checklist for grid and storage infrastructure		Submitted
1. Clear boundaries and critical interdependencies between the infrastructure and the system it operates within are identified.		
1.1	Boundaries of the infrastructure are defined using (1) a listing of all infrastructure and assets and activities associated with the use of the bond proceeds, (2) a map of their location, and (3) identification of the expected operational life of the activity, asset or project.	
1.2	Critical interdependencies between the infrastructure and the system within which it operates are identified. Identification of these interdependencies should consider the potential for adverse impacts arising from, but not limited to: (1) the effects of supply disruption or interruption on dependent electricity users or populations; (2) exacerbation of wildfires (3) relationships of the asset/project to nearby flood zones (4) reduction in pollinating insects and birds (5) reduction in biodiversity or High Conservation Value habitat	

*High Conservation Value (HCV) habitat criteria in accordance with https://www.hcvnetwork.org

	(6) damage or reduction in value of neighbouring property due to boundary structures at risk of falling during storm events; (7) fire and other practices that affect air quality; (8) appropriation of land or economic assets from nearby vulnerable groups (According to IFC Performance Standards)	
2. An assessment has been undertaken to identify the key physical climate hazards to which the infrastructure will be exposed and vulnerable to over its operating life.		
2.1	Key physical climate risks and indicators of these risks are identified in line with the following guidelines. • Risks are identified based on (a) a range of climate hazards, and (b) information about risks in the current local context, including reference to any previously identified relevant hazard zones, e.g., flood zones In order to be confident that assets and activities are robust and flexible in the face of climate change uncertainties, it is essential that the climate risks being assessed and addressed cover those that are of greatest relevance to T&D grids and electrical energy storage. The physical characteristics of climate change that must be considered in the risk assessment include: • Temperature rise ○ High temperatures can impact on the electrical rating of assets, reducing transmission capacity and potentially reducing the ability of the network to meet demand ○ Increasing temperatures can also result in extension of overhead lines, which reduces the clearance above trees ○ Increased temperatures may also result in changes to the load on assets, due to increased cooling demands (higher summer peak demands) and less winter heating (reduced winter peak) • Increased heavy rainfall ○ Heavy rainfall can result in flash pluvial flooding, which could significantly impact electrical assets, particularly ground mounted assets • Sea-level rises ○ Potential for flooding of coastal infrastructure and assets at risk from storm surge events • Increased lightning ○ Lightning strikes have potential to cause transient outages due to power surges • Increased winds / gales ○ Strong winds can cause damage to overhead transmission and distribution lines and supporting infrastructure (pylons and poles) ○ Up-rooting of trees and vegetation can also have an impact on power lines • Increased snow, sleet, ice, freezing fog ○ Ice and snow accretion can make overhead power lines vulnerable to high-winds ○ Snow and ice can also impede access to sites for repairs in the event of a fault • Increased coastal / river erosion ○ Risk to assets in coastal or riverbank locations • Wildfires ○ Wildfires present a risk to electricity infrastructure in affected areas and can significantly inhibit access to repair damaged infrastructure ○ Electricity infrastructure can also be a cause of wildfires. For example, contact between transmission lines and dry vegetation has potential to start fires • Landslides / ground movement ○ Potential to risk to both underground and above ground infrastructure from ground movement. ○ Potential for access to be impeded for repairs.	

	Might consider the climate risks posed through specific interdependencies which might include, for example: • Availability of telecommunications for control systems and operational / field staff communications when dealing with extreme weather events, where the telecommunications rely on third party providers and infrastructure. • Flood risk and resilience will likely have interdependencies with local and national agencies, for example related to local flood defences, coastal flood risk management, shoreline management plans etc. Optional guidance for carrying out risk assessments: • Users should apply climate scenarios based on representative concentration pathway (RCP) 4.5 and 8.5 or similar / equivalent to ensure consideration for worst case scenario • A broad range of models can be used to generate climate scenarios • Time horizons for assessing climate risk in agriculture can be based on annual seasonal forecasts and every ten years for the lifetime of the assets and projects. Where accurate assessments of climate variability for specific locations are not possible, use worst-case scenarios • Risks can be characterized by the associated annual probability of failure or annual costs of loss or damage • For risk assessment, the TCFD The Use of Scenario Analysis in Disclosure of Climate- Related Risks and Opportunities is recommended.	
3. The measures that have or will be taken to address those risks, mitigate them to a level such that the infrastructure is suitable to climate change conditions over its operational life.		
3.1	The following are examples of risk management activities to consider, or that might be adopted as part of regulations (e.g. codes and standards). This list is not exhaustive and to fully assess the mitigation measures that are relevant to the climate risks and impacts identified in the risk assessment. Temperature - Design standards that maintain equipment rating over its lifetime performance in the face of all potential ranges of temperature rise - Manage vegetation under power lines to ensure adequate clearance is maintained - Assess changing demand profile (milder winters, increased summer cooling) over equipment lifetime Rainfall: - Design for resilience to pluvial flooding - Assessment of site drainage requirements - Impact of restricted access to sites / lines due to flooding Increased lightning - Design of electrical equipment to withstand lightning impulses, including shielding and surge suppression devices - Redundancy Increased winds / gales - Design to withstand extreme winds - Cut vegetation regularly to safe distance to reduce risk from up-rooting - Invest in storm and hurricane forecasting tools - Consider placing cables underground - Redundancy Increased snow, sleet, ice, freezing fog - Design equipment for ice loading - Suitable vehicles for access to sites in heavy snow / icy conditions Increased flooding - Flood risk assessment and planning. - Site ground installations outside of potentially affected zones - Ensure flood defence systems and coastal management plans are adequate	

	- Consideration of site access during flooding events Increased coastal / river erosion - Shoreline management plans / coastal erosion assessment Wildfires - Management of vegetation around electricity infrastructure to ensure adequate clearance Landslides / ground movement - The potential for ground movement and landslides should be taken into account when assessing sites for installing grid infrastructure. General risk mitigation measures: - Business continuity plans; System restoration plans; Black start; Islanded operation / microgrids; System security standards	
3.2	Risk reduction measures must be tolerant to a range of climate hazards and not lock-in conditions that could result in maladaptation.	
4. The infrastructure enhances the climate resilience of the defined system it operates within, as indicated by the boundaries of and critical interdependencies with that system as identified in item 1 in this checklist.		
4.1	To assess the climate resilience benefits of system focused assets and activities and demonstrate they are 'fit for purpose', in the sense that they enhance climate resilience at a systemic level, with the flexibility to take into account the uncertainty around future climate change impacts. The assessment is conducted according to the principle of best available evidence during the investment period taking into account the infrastructure's boundaries and critical interdependencies as defined in Criteria 1. 'Fit for purpose' is defined as measures that mitigate the following effects: (1) the effects of supply disruption or interruption on dependent electricity users or populations; (2) exacerbation of wildfires; (3) relationships of the asset/project to nearby flood zones; (4) reduction in pollinating insects and birds; (5) reduction in biodiversity or High Conservation Value habitat (6) damage or reduction in value of neighbouring property due to boundary structures at risk of falling during storm events; (7) fire and other practices that affect air quality; (8) appropriation of land or economic assets from nearby vulnerable groups	
5. The issuance is required to demonstrate that there will be ongoing monitoring and evaluation of the relevance of the risks and resilience measures and related adjustments to those measures will be taken as needed.		
5.1	Indicators for risks identified under item 2 in this checklist are provided.	
5.2	Indicators for risk mitigation measures identified under item 3 in this checklist are provided.	
5.3	Indicators for "fit for purpose" resilience benefit measures identified under item 4 in this checklist are provided.	
5.4	To have a viable plan to annually monitor (a) climate risks linked to the infrastructure, (b) climate resilience performance, (c) appropriateness of climate resilience measure(s) and to adjust as necessary to address evolving climate risks.	
5.5	Where electricity supply has been interrupted, the number of customer interruptions and customer minutes lost (i.e. aggregate duration of supply interruptions) should be measured and reported, together with the cause of the interruption. Any actions taken to reduce the risk of further impacts should also be recorded.	

Annexure-3

Eligibility Criteria – Low Carbon Transport (Land Transport)
Mitigation and Adaptation & Resilience Requirements

Only Mitigation Requirement

- **Automatic eligibility:** All zero direct emissions transport along with key components and dedicated supporting infrastructure are automatically eligible.

- **Emission Thresholds**

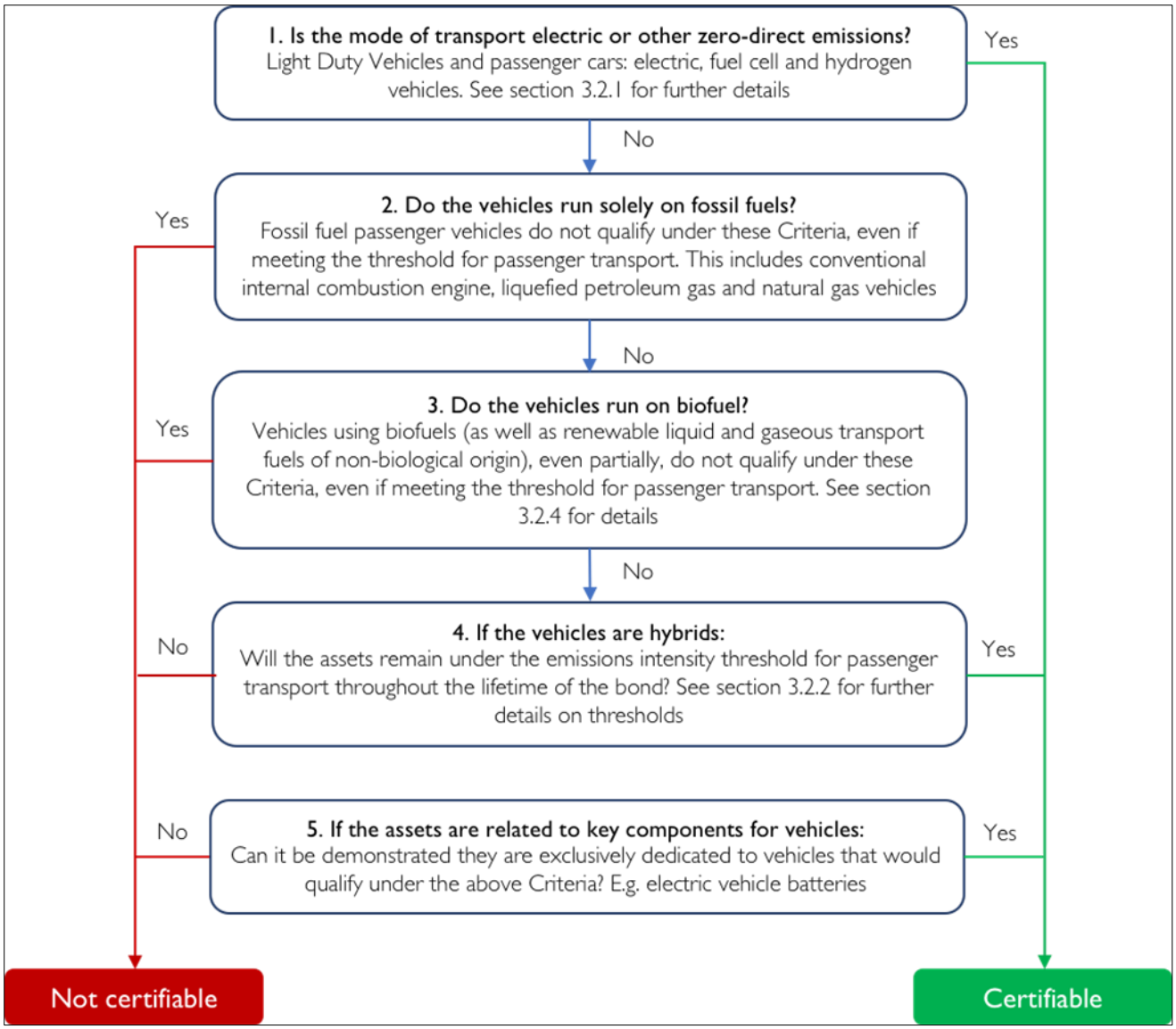
  - Universal emissions thresholds for passenger and freight activity

Direct Emissions	Emissions thresholds per year of issuance			
	2020	2026	2030	2050
Passenger Activity Threshold (g CO2eq per p-km)	50	0	0	0
Freight Activity Threshold (g CO2eq per t-km)	25		21	18

  - For new interurban rail projects (including high-speed rail and dedicated freight lines):

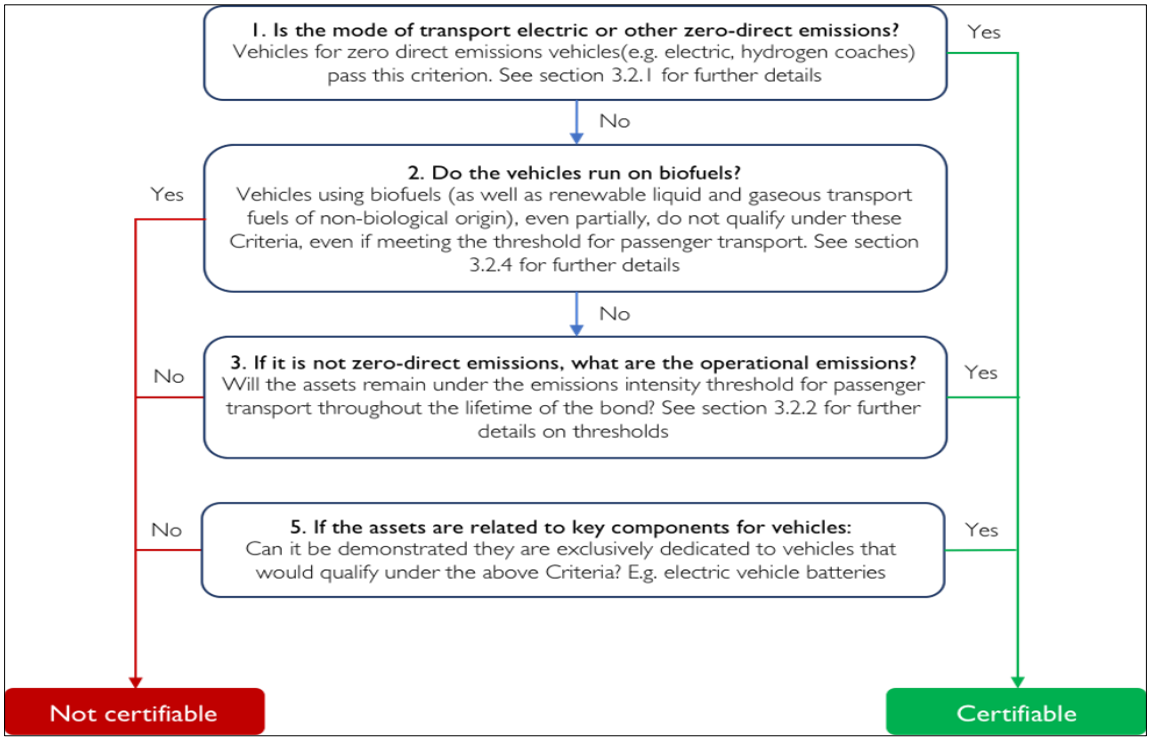
    A project only qualifies if an independent project appraisal demonstrates that the investment will reduce total transport related greenhouse gas emissions (per p-km or per t-km) in the affected transport corridor by at least 25%.

- **Requirements for passenger cars and commercial vehicles**

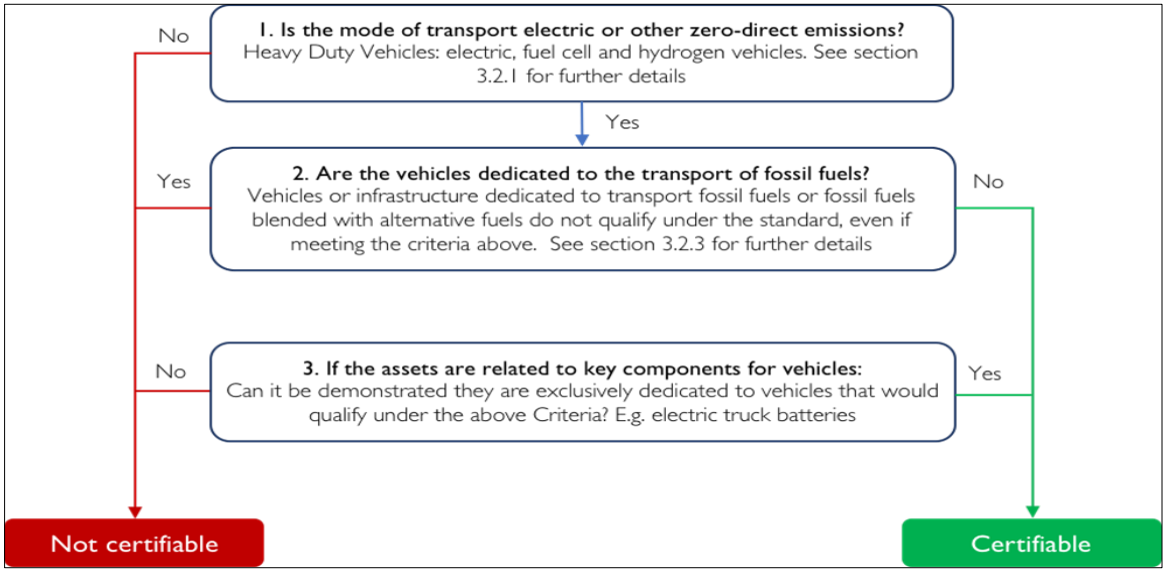


Note: for passenger cars and commercial vehicles, the load factor used in meeting the thresholds (if relevant) should always be one passenger. As such, the metric can be gCO2/km in practice.

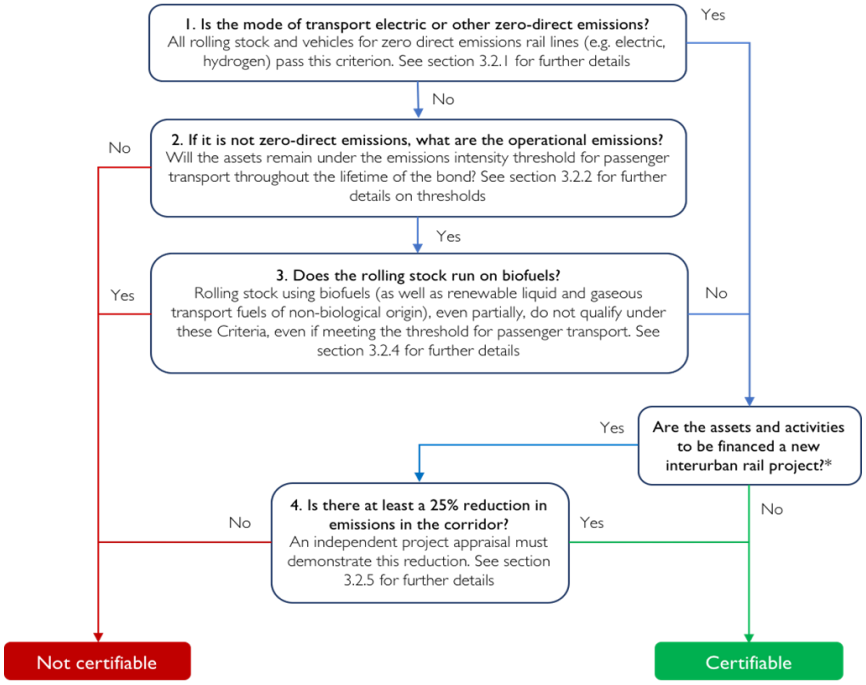
- **Requirements for public passenger transport by road**



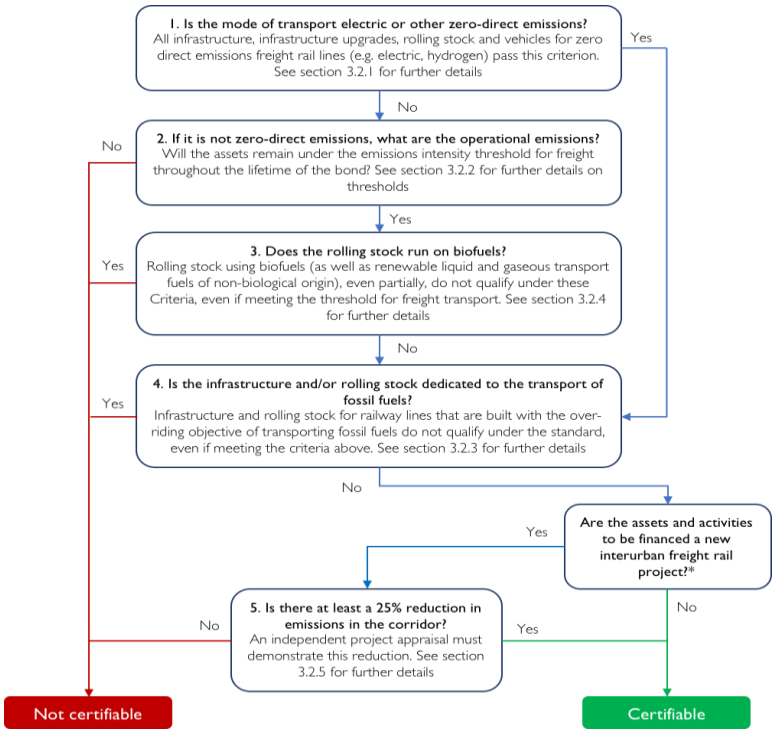
- **Requirements for freight transport by road**



- **Requirements for passenger rail rolling stock**



- **Requirements for railway networks and freight rail rolling stock**



*This requirement does not need to be met for bonds refinancing existing interurban rail lines, only for new ones.

Annexure-4

Eligibility Criteria – Waste Management

Mitigation and Adaptation & Resilience Requirements

1. Mitigation Requirements

Waste Management Category	Assets covered	Eligibility Criteria
Waste Collection	ISO containers, recycling bins, wheeled bins, green/ garden waste containers	Made from 100% recycled and recyclable materials. Containers for residual waste will not be eligible unless part of an investment that also includes an equivalent number of separate containers for material recycling. Support source segregation of waste.
	Collection vehicles	Must meet Transport Criteria
Waste Storage	Storage and bulking facilities	Dedicated to eligible waste processing asset(s) downstream. Those downstream assets do not need to be certified but do need to meet the criteria for that asset type. All waste stored must be transferred to those assets.
	Collection vehicles	Must meet Transport Criteria
Waste Sorting, Separation and MRFs	Sorting facilities (Includes material recovery facilities (MRFs) and some MBT plant.	Facilities sorting mixed recyclables into separate glass, metal, plastic, paper, etc. are eligible for certification where the outputs are demonstrated via invoices or weighbridge tickets to go to facilities that are or would be certifiable under the recycling criteria.
		Facilities processing mixed residual waste to produce feedstock for EfW are eligible where they separate waste components for recycling and both the recycling and residual outputs are demonstrated via evidence to go to facilities that are or would be certifiable under the Climate Bonds Waste Management criteria.
Recycling and Reuse	Facilities processing recyclable waste fractions into secondary raw materials	The secondary raw materials (such as steel, aluminum, glass, plastics) cease to be waste and are sold to be used as secondary raw materials.
	Facilities collecting, sort, clean, refurbish, recondition and/ or repair products	The products are put back to their original use without any further pre-processing required. For waste electrical and electronic equipment (WEEE) specifically, the product is covered by an ecolabelling scheme and only those products meeting the three lowest energy use categories are eligible

Waste Management Category	Assets covered	Eligibility Criteria
Composting	Facilities processing food and/ or green/ garden/ yard waste to produce compost for agricultural, municipal or consumer applications	• Zero measurable methane emissions • Monitoring, sampling and control of the following is carried out in accordance with PAS100 guidance or equivalent national or state standard or guidance: - Waste inputs (to ensure only source separated, uncontaminated garden/yard and other appropriate waste is received) - The process (for example, to ensure temperature, moisture and emissions are aligned with correct process operation) - Product quality (properly sampled and analysed for parameters that would affect its use: for example, heavy metals and other biocidal substances, particle size, contamination, stability) • The resulting product is not landfilled and replaces non-waste material in the market
Anaerobic Digestion	Facilities which produce power and/ or heat using food and/ or green/ yard waste	• Total methane emissions <= 1285g CH4/ tonne of waste input (this is approximately equivalent to 100g CO2e/ kWh) • Woody waste must be segregated before or after processing and sent to an eligible EfW or composting plant • Monitoring, sampling and control of the following is carried out in accordance with PAS110 guidance or equivalent national or state standard or guidance - Waste inputs (to ensure only source separated, uncontaminated food and other appropriate waste is received). - The process (for example, to ensure temperature and emissions are aligned with correct process operation). And - Product quality (properly sampled and analysed for parameters that would affect its use: for example, heavy metals and other biocidal substances, nutrients and contamination). • The solid and liquid products are not landfilled and replace non-waste materials in the market.
Energy from Waste	Facilities which produce power and/ or heat/ cooling by the thermal processing of residual waste, including rejects from recycling/ composting/ AD	For EfW facilities outside the EU only: • Plant efficiency >= 25%; AND • Bottom ash recovery; AND • >= 90% recovery of metal from ash; AND • Average carbon intensity of electricity and/ or heat over the life of the plant <= waste management allowance (see Box 1 for how to determine this); AND • The capacity of the plant does not exceed the calculated residual waste at any time in the plant's life. N.B. EfW facilities within the EU are not eligible for

		certification.
Landfill Gas Recovery	Projects to capture biogas from closed landfill facilities	• Gas capture >= 75%; AND • Gas used to generate electricity and input to the natural gas grid or used as vehicle fuel; AND • The landfill is not accepting further waste (with the exception of restoration materials)

2. Adaptation & Resiliency Requirements

Item	Proof given	Overall assessment
Section 1: To identify the climate related risks and vulnerabilities to the asset/site		
Processes are in place (as part of both the asset design and ongoing management) to assess key risks to the assets from a changing climate. These key risks should include the following, plus any others felt to be of concern for the operation of these assets. The risks should be identified and interpreted in terms of the impact on the asset and the related effects for the business – e.g. impact on operating feasibility and schedules, and potential system outages, impact on maintenance requirements etc. N.B. This list taken from World Banks Climate and Disaster Risk Assessment Tool: Temperature changes, and extremes in temperature; Extreme precipitation and flooding; Drought; Sea level rise and storm surge; Strong winds How these affect the asset or site in question will be highly variable and will be for the issuer to identify and relate to their operations. These assessments should use climate information, modelling and scenarios from a peer-reviewed source. This assessment should be done regularly. The frequency of the assessment will depend on the nature of the climate related risks and vulnerabilities, and should be specified and reported against in subsequent annual reporting		
Section 2: To identify the impacts in larger context (spatially and temporally) beyond the asset/site (i.e. the impacts of the underlying assets and projects on the broader ecosystem and stakeholders in that ecosystem)	**Proof given**	**Overall assessment**

Processes should be in place (as part of both the asset design and ongoing management) to assess the impact of the waste management asset on the climate resilience of other stakeholders in the social, economic and environmental system in which it operates and how to mitigate or reduce any negative impacts These assessments address: ● Any ways in which waste management facilities might affect the climate resilience of other users/stakeholders? ● Any ways in which waste management facilities improve the adaptation capacity of other users/stakeholders? ● For example, they may include: ● Impact on water quality and quantity for other users in the basin ● Waste and pollution emitted ● Fire hazards		
Section 3: To design and implement strategies to mitigate and adapt to these climate risks and vulnerabilities	**Proof given**	**Overall assessment**
An adaptation plan has been designed and is being implemented to address the risks identified in the assessments above To design or amend asset maintenance plans to ensure that scheduled maintenance is sufficient to cope with the ongoing impacts of climate change; and a plan has been established to govern how to approach emergency maintenance needs arising from sudden climate change impacts (e.g. extreme storms) To have training, capacity and governance arrangements in place for how the organisation will deal with the impacts of exceptional events (e.g. droughts, floods, severe pollution events, extreme storms, winds etc.) To have monitoring and reporting systems and processes to identify high risk scenarios To have contingency plans to address disruption to operations or loss of the asset and any resulting environmental or social damage To have processes for feeding risk assessment back into decision-making To have a budget allocated to implementing the adaptation plan and has a named member of staff responsible for its implementation The issuer complies with any existing broader or higher-level adaptation plans, such as NAPAs		

Annexure-5

Eligibility Criteria – Agriculture

Mitigation and Adaptation & Resilience Requirements

1. Mitigation Requirements

- **CROPS: Requirements for whole Agricultural Production Units**

Requirement	Demonstration of Compliance	
M1: No conversion of high carbon stock lands AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning, for example. Forest inventory surveys or other formal government data can also be used.	For Highly Dispersed Bonds: Aggregated data may be used if there are too many production units to submit individual maps, photographs, or satellite imagery (sampling is allowed if the sample is randomly selected and representative of the population).
M2: Land use status AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning, for example. Vegetation inventory surveys or other formal government data can also be used.	As above
M3: Low-emission crop and animal management Demonstrate via one of two options:		
Option M3.1: Climate-aligned % reduction in GHG emissions (tCO_2e) over the investment period compared to emissions at the start of that period OR	Verified GHG assessment	For Highly Dispersed Bonds: Targets may be met in aggregate across all production units to which proceeds have been allocated, rather than by every production unit individually
Option M3.2: Evidence of following low-emission agricultural best practices	Verified farm management plan	For Highly Dispersed Bonds: 80% of aggregate production units' land holdings must meet best practices by the maturity of the bond

- **CROPS: Requirements for specific interventions within Agricultural Production Units aimed at addressing GHG emissions or carbon sequestration within the production unit**

Requirement	**Demonstration of Compliance**	
M1: No conversion of high carbon stock lands AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning, for example. Forest inventory surveys or other formal government data can also be used.	For Highly Dispersed Bonds: Aggregated data may be used if there are too many production units to submit individual maps, photographs, or satellite imagery (sampling is allowed if the sample is randomly selected and representative of the population).
M2: The intervention must enable or support the relevant low GHG best practices Demonstrate via one of two options:		
Option M2.1: Climate-aligned % reduction in GHG emissions (tCO_2e) over the investment period compared to emissions at the start of that period *Or,*	Verified GHG assessment	For Highly Dispersed Bonds: Targets may be met in aggregate across all production units to which proceeds have been allocated, rather than by every production unit individually
Option M2.2: Evidence that the intervention supports low-emission agricultural best practices	Verified farm management plan	For Highly Dispersed Bonds: 80% of aggregate production units' land holdings must meet best practices by the maturity of the bond

- **CROPS: : Requirements for specific interventions within Agricultural Production Units aimed at addressing climate adaptation and resilience within the production unit**

Interventions aimed at addressing climate change adaptation and resilience within the production unit do not need to meet mitigation criteria, but eligible activities are limited to the following:

- Use of microorganisms to substitute for or to reduce use of mineral N fertilizer or pesticides or to promote crop growth; Precision agriculture (PA); Satellite farming or site-specific crop management (SSCM); Use of species and breeds adapted to changes in CO2 and climate, e.g., temperature, water regimes, extreme events; Ecological buffering of climate impacts such as water or microclimate management, e.g., irrigation, water storage, increased soil water holding capacity, agroforestry to buffer extreme temperatures or enhanced soil organic carbon; ecological diversification, including shifting land use from monoculture to polyculture or other diversified production; riparian buffer strips; soil and water conservation; mangrove management; habitat restoration; Physical relocation of vulnerable assets or activities

- **CROPS: Requirements for supporting activities (and resulting products or services) outside of the Agricultural Production Units aimed at enabling GHG emission reductions or carbon sequestration in third-party Agricultural Production Units:** Supporting activities (and resulting products and services) aimed at enabling GHG emissions reductions or carbon sequestration in third-party Agricultural Production Units do not need to meet mitigation criteria, but eligible activities are limited to the following:

- Activities that enable the measurement, monitoring, reporting and verification of emissions reductions; Research and development of ruminant feed that reduces methane emissions; Research into alternative meat and dairy products that might substitute for meat and dairy consumption; Provision of capacity building or education services relating to low carbon agricultural practices; Training in one of the approved best practices

- **CROPS: Requirements for supporting activities (and resulting products or services) outside of the Agricultural Production Units aimed at enabling climate adaptation and resilience in third-party Agricultural Production Units**

  Supporting activities (and resulting products or services) aimed at enabling climate adaptation and resilience on third-party production units do not need to meet mitigation criteria, but eligible activities are limited to the following:

  - Development and distribution of public-release seeds for crops that are more resistant to the impacts of climate change using conventional breeding or CRISPR13 technology. Eligible traits include drought tolerance, flood tolerance and pest resistance.
  - Information technology and information services, e.g., climate information services, monitoring and evaluation (M&E) imagery systems, soil analysis tools and weather monitoring services
  - Training in climate adapted and resilient agricultural techniques

- **LIVESTOCK: Requirements for whole Agricultural Production Units**

Requirement	Demonstration of Compliance	
M1: No conversion of high carbon stock lands AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning, for example. Forest inventory surveys or other formal government data can also be used.	For Highly Dispersed Bonds: Aggregated data may be used if there are too many production units to submit individual maps, photographs, or satellite imagery (sampling is allowed if the sample is randomly selected and representative of the population).
M2: Land use status AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning. Vegetation inventory surveys or other formal government data can be used.	As above
M3: Low-emission crop and animal management Demonstrate via one of two options:		
Option M3.1: Climate-aligned % reduction in GHG emissions (tCO_2e) over the investment period compared to emissions at the start of that period	Verified GHG assessment	For Highly Dispersed Bonds: Targets may be met in aggregate across all production units to which proceeds have been allocated, rather than by every production unit individually
OR Option M3.2: Evidence of following low-emission agricultural best practices	Verified farm management plan	For Highly Dispersed Bonds: 80% of aggregate production units' land holdings must meet best practices by the maturity of the bond.

- **LIVESTOCK: Requirements for specific interventions within Agricultural Production Units aimed at addressing GHG emissions or carbon sequestration within the production unit**

Requirement	Demonstration of Compliance	
M1: No conversion of high carbon stock lands AND	Submission of maps (see Global Forest Watch maps), georeferenced photographs or satellite imagery of land use change and burning, for example. Forest inventory surveys or other formal government data can also be used.	For Highly Dispersed Bonds: Aggregated data may be used if there are too many production units to submit individual maps, photographs, or satellite imagery (sampling is allowed if the sample is randomly selected and representative of the population).
M2: The intervention must enable or support the relevant low GHG best practices Demonstrate via one of two options:		
Option M2.1: Climate-aligned % reduction in GHG emissions (tCO_2e) over the investment period compared to emissions at the start of that period OR	Verified GHG assessment	For Highly Dispersed Bonds: Targets may be met in aggregate across all production units to which proceeds have been allocated, rather than by every production unit individually.
Option M2.2: Evidence that the intervention supports low-emission agricultural best practices	Verified farm management plan	For Highly Dispersed Bonds: 80% of aggregate production units' land holdings must meet best practices by the maturity of the bond.

- **LIVESTOCK: Requirements for specific interventions within Agricultural Production Units aimed at addressing climate adaptation and resilience within the production unit**

  Interventions aimed at addressing climate change adaptation or resilience within the production unit do not need to meet mitigation criteria, but eligible activities are limited to the following:

  - Use of microorganisms to substitute for or to reduce use of mineral N fertilizer or pesticides or to promote crop growth
  - Precision agriculture (PA)
  - Satellite farming or site-specific crop management (SSCM)
  - Use of species and breeds adapted to changes in CO_2 and climate, e.g., temperature, water regimes, extreme events
  - Ecological buffering of climate impacts such as water or microclimate management, e.g., irrigation, water storage, increased soil water holding capacity, agroforestry to buffer extreme temperatures or enhanced soil organic carbon; ecological diversification, including shifting land use from monoculture to polyculture or other diversified production; riparian buffer strips; soil and water conservation; mangrove management; habitat restoration
  - Physical relocation of vulnerable assets or activities

- **LIVESTOCK: Requirements for supporting activities (and resulting products or services) outside of the Agricultural Production Units aimed at enabling GHG emission reductions or carbon sequestration in third-party Agricultural Production Units**

  Supporting activities (and resulting products or services) aimed at enabling GHG emissions reductions or carbon sequestration on third-party production units do not need to meet mitigation criteria, but eligible activities are limited to the following:

- Activities that enable the measurement, monitoring, reporting and verification of emissions reductions
- Research and development of ruminant feed that reduces methane emissions
- Research into alternative meat and dairy products that might substitute for meat and dairy consumption
- Provision of capacity building or education services relating to low carbon agricultural practices
- Training in one of the approved best practices

➢ **LIVESTOCK: Requirements for supporting activities (and resulting products or services) outside of the Agricultural Production Units aimed at enabling climate adaptation and resilience in third- party Agricultural Production Units**

Supporting activities (and resulting products or services) aimed at enabling climate adaptation and resilience on third-party production units do not need to meet mitigation criteria, but eligible activities are limited to the following:

- Development and distribution of public-release seeds for crops that are more resistant to the impacts of climate change using conventional breeding or CRISPR[14] technology. Eligible traits include drought tolerance, flood tolerance and pest resistance.
- Information technology and information services, e.g., climate information services, monitoring and evaluation (M&E) imagery systems, soil analysis tools and weather monitoring services
- Training in climate adapted and resilient agricultural techniques

Requirement across all the above: Animal Welfare/Feed Sourcing

Requirement	Demonstration of Compliance
For livestock in intensive production systems, standards of animal welfare are met Feedlot/stall-fed and in-house livestock use feed that is sustainably sourced and from areas not recently converted from natural habitats	Provide evidence of certification with the animal welfare and feed schemes

2. Adaptation & Resilience Requirements

Adaptation and resilience checklist for the whole Agricultural Production Unit		Submitted
1. Clear boundaries and critical interdependencies between the agricultural production unit and the system it operates within are identified.		
1.1	Boundaries of the production unit are defined using (1) a listing of all farm holdings and associated assets and activities associated with the use of the bond proceeds, (2) a map of their location, and (3) identification of the expected operational life of the activity, asset, or project.	
1.2	Critical interdependencies between the production unit and the system within which it operates are identified. Identification of these interdependencies should consider the potential for adverse impacts arising from the items.	
2. An assessment has been undertaken to identify the key physical climate hazards to which the production unit will be exposed and vulnerable over its operating life.		
2.1	Key physical climate risks and indicators of these risks are identified in line with the following guidelines: • Risks are identified based on (a) a range of climate hazards, and (b) information about risks in the current local context, including reference to any previously identified relevant hazard zones, e.g., flood zones.	

3. The measures that have been or will be taken to address those risks mitigate them to a level so that the production unit is able to manage changing climatic conditions over its operational life.		
3.1	Risk reduction measures are implemented for all key risks to the production unit. These should enable the production unit to meet an average annual productivity threshold under a range of expected climate hazards for the duration of the investment period. The minimum productivity threshold is determined by the average level of yield loss, compared to average production over five years, for at least three comparable holdings with five years or more of production. Where comparable holdings are not available, the minimum productivity threshold will be calculated as 10% less than the mean annual productivity over five previous years where no extreme climate events occurred.	
3.2	Risk reduction measures must be tolerant to a range of climate hazards and not lock-in conditions that could result in maladaptation.	
4. The measures that have been or will be taken do no harm to the resilience of the defined system they operate within, as indicated by the boundaries of and critical interdependencies with that system		
4.1	An assessment is conducted to demonstrate that the production unit does not pose significant risk of harm to others' natural, social, or financial assets according to the principle of best available evidence during the investment period taking into account the production unit's boundaries and critical interdependencies. Harm is defined as an adverse effect on any of the items.	

5. The issuance is required to demonstrate that there will be ongoing monitoring and evaluation of the relevance of the risks and resilience measures, and related adjustments to those measures will be taken as needed.		
5.1	Indicators for risks identified under item 2 in this checklist are provided	
5.2	Indicators for resilience measures identified under item 3 in this checklist are provided.	
5.3	Indicators for "no harm" to relevant system assets identified under item 4 in this checklist are provided.	
5.4	To have a viable plan to annually monitor (a) climate risks linked to the production unit, (b) climate resilience performance, and (c) appropriateness of climate resilience intervention(s), and to adjust as necessary to address evolving climate risks.	
5.5	To have have a process for monitoring and evaluation, and this is done annually.	
5.6	A grievance redress mechanism is in place to enable stakeholders to identify unanticipated adverse impacts, including biases of investments away from high-risk locations and assets.	

Adaptation and resilience checklist for interventions addressing GHG emissions/carbon sequestration within the Agricultural Production Unit		**Submitted**
1. Clear boundaries and critical interdependencies between the intervention and the agricultural production unit and wider system it operates within are identified.		
1.1	Boundaries of the farm holding(s) where the resilience measures are being undertaken are defined using (1) a listing of all farm holdings and associated assets and activities associated with the use of the bond proceeds, (2) a map of their location, and (3) identification of the project life timeframe.	
1.2	Critical interdependencies between the intervention, the production unit, and the system within which it operates are identified. Identification of these interdependencies should consider the potential for adverse impacts arising from the items in Item 4 in Appendix 6.	
2. An assessment has been undertaken to identify the key physical climate hazards to which the production unit will be exposed and vulnerable over its operating life.		
2.1	Key physical climate risks and indicators of these risks are identified in line with the following guidelines: • Risks are identified based on (a) a range of climate hazards, and (b) information about risks in the current local context, including reference to any previously identified relevant hazard zones, e.g., flood zones. • A full list of potential physical climate risks that may be considered is given in Item 7 of Appendix 6. At a minimum, risks in each of the categories in Item 5 of Appendix 6 must be considered.	
3. The intervention does no harm to the resilience of the production unit (taking into account the physical climate change hazards it is exposed to as identified in item 2 of this checklist) nor the wider system it operates within (as indicated by the boundaries of and critical interdependencies with that system as identified in item 1 in this checklist).		
3.1	The intervention itself does not pose significant risk of harm to the production unit it is located within or others' natural, social, or financial assets according to the principle of best available evidence during the investment period taking into account the boundaries and critical interdependencies as defined in item 1 in this checklist. Harm is defined as an adverse effect on any of the items in Item 6 of Appendix 6.	
4. If the intervention relates to hard infrastructure, the infrastructure is suitable to climate change conditions over its operational life.		
4.1	The infrastructure must be tolerant to the range of climate hazards identified in item 2 of this checklist and not lock-in conditions that could result in maladaptation.	

Adaptation and resilience checklist for interventions addressing climate adaptation and resilience within the Agricultural Production Unit		**Submitted**
1. Clear boundaries and critical interdependencies between the intervention and the agricultural production unit and the wider system it operates within are identified.		
1.1	Boundaries of the farm holding(s) where the resilience measures are being undertaken are defined using (1) a listing of all farm holdings and associated assets and activities associated with the use of the bond proceeds, (2) a map of their location, and (3) identification of the project life timeframe.	

1.2	Critical interdependencies between the intervention and the production unit and the wider system within which it operates are identified. Identification of these interdependencies should consider the potential for adverse impacts arising from the items	
2. An assessment has been undertaken to identify the key physical climate hazards to which the production unit will be exposed and vulnerable over its operating life.		
2.1	Key physical climate risks and indicators of these risks are identified in line with the following guidelines: • Risks are identified based on (a) a range of climate hazards, and (b) information about risks in the current local context, including reference to any previously identified relevant hazard zones, e.g., flood zones.	
3. The intervention(s) being financed form part of a package of measures that will mitigate the physical climate risks (identified in item 2 in this checklist) to a level that will support the production unit in being 'fit for purpose' in the face of coming climate change over its operational life.		
3.1	Risk reduction measures are implemented for all key risks to the production unit within the next five years. These should enable the production unit to meet an average annual productivity threshold under a range of expected climate hazards for the duration of the investment period. The minimum productivity threshold is determined by the average level of yield loss, compared to average production over five years, for at least three comparable holdings with five years or more of production. Where comparable holdings are not available, the minimum productivity threshold will be calculated as 10% less than the mean annual productivity over five previous years where no extreme climate events occurred. The intervention(s) being financed form part of that package of risk reduction measures.	
4. The intervention(s) do no harm to the resilience of the defined system it operates within, as indicated by the boundaries of and critical interdependencies with that system as identified in item 1 of this checklist.		
4.1	The intervention(s) do not pose significant risk of harm to others' natural, social, or financial assets according to the principle of best available evidence during the investment period taking into account the farm's boundaries and critical interdependencies as defined in item 1 of this checklist. Harm is defined as an adverse effect on any of the items	
5. If the intervention relates to hard infrastructure, the infrastructure is suitable to climate change conditions over its operational life		
5.1	The infrastructure must be tolerant to the range of climate hazards identified in item 2 of this checklist and not lock-in conditions that could result in maladaptation.	

Adaptation and resilience checklist for activities (and resulting products or services) aimed at enabling GHG emissions reductions or carbon sequestration in third-party Agricultural Production Units		**Submitted**
1. The product(s) or service(s) should not substantially increase the impacts of material physical climate risk when applied on-farm.		
1.1	The potential impact on risk should consider the climate risks that particularly affect on-farm production systems.	
1.2	Risk impact assessments should consider (a) a range of climate conditions, and (b) information about likely risks in contexts in which those measures might be applied.	

2. The product(s) or service(s) do not/will not cause significant harm to the resilience of the defined system or the wider ecosystems in which they might be deployed.		
2.1	The risk reduction measure(s) do not pose significant risk of harm to natural, social, or financial assets according to the principle of best available evidence during the investment period. Harm is defined as an adverse effect on any of the items.	

Adaptation and resilience checklist for activities (and resulting products or services) aimed at enabling climate adaptation and resilience in third-party Agricultural Production Units		Submitted
1. The product(s) or service(s) substantially reduces material physical climate risk when applied on-farm.		
1.1	The reduction of risk should relate to the climate risks that particularly affect on-farm production systems	
1.2	The risk reduction enabled by the product(s) or service(s) is to be tolerant to a range of climate conditions and does not lock-in conditions that could result in maladaptation.	
1.3	Risk reduction assessments should consider (a) a range of climate conditions, and (b) information about likely risks in contexts in which those measures might be applied.	
2. The product(s) or service(s) do not/will not cause significant harm to the ecosystem.		
2.1	The risk reduction measure(s) do not pose significant risk of harm to others' natural, social, or financial assets according to the principle of best available evidence during the investment period taking into account the farm's boundaries and critical interdependencies as defined in item 1 of this checklist. Harm is defined as an adverse effect on any of the items	

Annexure-6

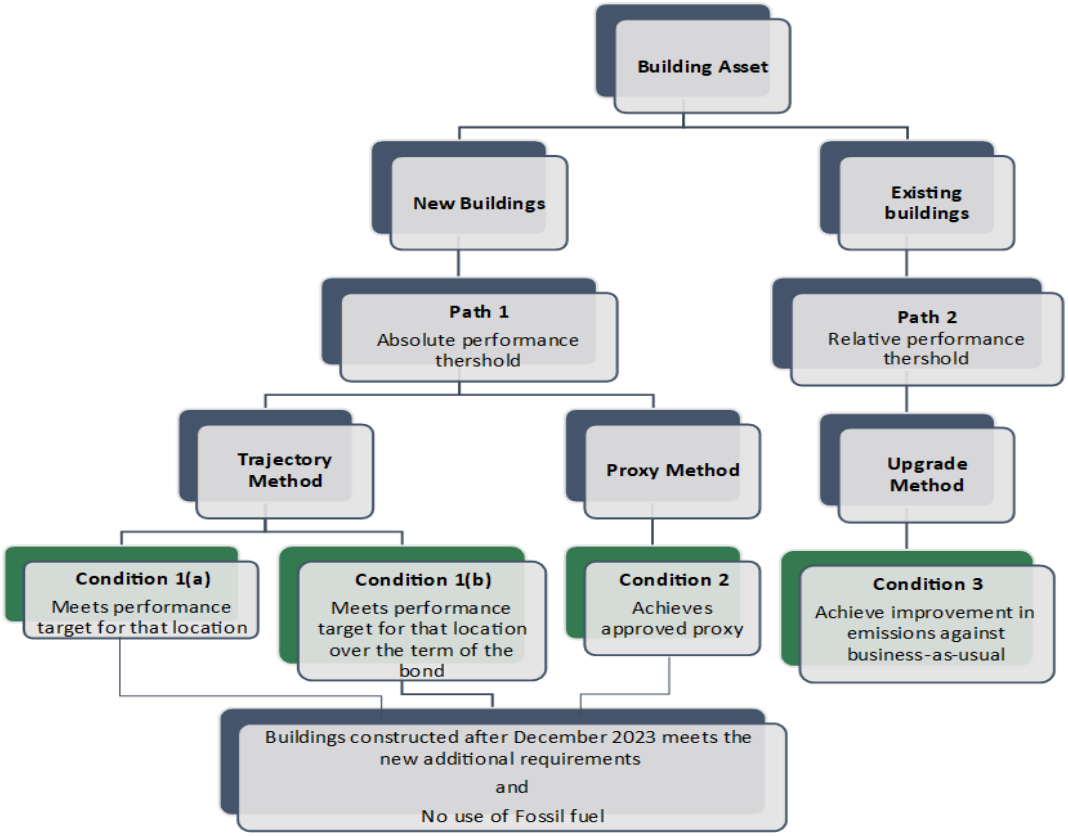
Eligibility Criteria – Buildings

Mitigation and Adaptation & Resilience Requirements

1. Mitigation Requirements

Two routes for eligibility:

- Absolute Performance Improvement Pathway , OR
- Relative Performance Improvement Pathway



- Absolute Performance Improvement Pathway

Condition 1(a): Meets performance target sets by low carbon trajectory for asset in that location.

Requirement: Mitigation Component			
Component	Requirement	Demonstration of compliance	
Mitigation	The asset or portfolio of assets shall meet the emissions performance target calibrated to the specific city or region.	For portfolios The issuer certifying a portfolio of assets shall: • report the bond term • report the emissions intensity target for the bond established by the low carbon trajectory and bond term; • report the emissions intensity of the portfolio of assets	For individual buildings The issuer certifying an individual asset shall: • report the bond term • report the emissions intensity target for the bond established by the low carbon trajectory and bond term • report the emissions intensity of the portfolio assets

Condition 1(b): Will achieve equivalent performance over the bond term

Requirement: Mitigation Component			
Component	Requirement	Demonstration of compliance	
Mitigation	*Condition 1(b)* requires that buildings achieve a certain level of emission intensity reductions over the life of the bond to be eligible for certification. It allows for bind financing of building retrofits where planned reductions in emissions intensity may take place over time.	For portfolios The issuer certifying a portfolio of assets shall: • have a contract or agreement with a certified energy auditor demonstrating the assets emissions intensity shall be improved over the term of the bond such that its end performance is equivalent to the performance requirements under *Condition 1(a)*.	For individual buildings The issuer certifying an individual asset shall: • have a contract or agreement with a certified energy auditor demonstrating the assets emissions intensity shall be improved over the term of the bond such that its end performance is equivalent to the performance requirements under *Condition 1(a)*.

- Relative Performance Improvement Pathway

Requirement: Mitigation Component			
Component	Requirement	Demonstration of compliance	
Mitigation	The asset must achieve a post retrofit upgrade of 30-50% dependent on the term of the bond. It allows for bond financing of building retrofits where planned reductions in emissions intensity may take place over time.	For portfolios The issuer certifying a portfolio of assets shall: • Have a contract or agreement with a certified energy auditor demonstrating the assts emissions intensity shall be improved over the term of the bond such that its end performance is equivalent to the upgrade performance requirements determined by the term of the bond • Report pre-retrofit emissions intensity • Report post-retrofit emission intensity • Report percent improvement achieved	For individual buildings The issuer certifying an individual asset shall: • Have a contract or agreement with a certified energy auditor demonstrating the assets emissions intensity shall be improved over the term of the bond such that its end performance is equivalent to the upgrade performance requirements determined by the term of the bond • Report pre-retrofit emission intensity • Report post-retrofit emissions intensity • Report percent improvement achieved

ANNEXURE 7
Rapid Environmental Assessment (REA) Checklist

Location:

Sub-project Title:

Preparer/Date:

SCREENING QUESTIONS	Yes	No	REMARKS
A. Subproject Siting Is the Subproject area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural heritage site	☐	☐	
• Legally protected area (core zone or buffer zone)	☐	☐	
• Wetland	☐	☐	
• Mangrove	☐	☐	
• Estuarine	☐	☐	
• Special area for protecting biodiversity	☐	☐	
B. Potential Environmental Impacts Will the Subproject cause…			
• impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?	☐	☐	
• disturbance to precious ecology (e.g. sensitive or protected areas)?	☐	☐	

SCREENING QUESTIONS	Yes	No	REMARKS
• alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?	☐	☐	
• deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?	☐	☐	
• increased air pollution due to subproject construction and operation?	☐	☐	
• noise and vibration due to subproject construction or operation?	☐	☐	
• involuntary resettlement of people? (physical displacement and/or economic displacement)	☐	☐	
• disproportionate impacts on the poor, women and children, Indigenous People, or other vulnerable groups?	☐	☐	
• poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?	☐	☐	
• creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?	☐	☐	
• social conflicts if workers from other regions or countries are hired?	☐	☐	
• large population influx during subproject construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?	☐	☐	
• risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during subproject construction and operation?	☐	☐	
• risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?	☐	☐	

SCREENING QUESTIONS	Yes	No	REMARKS
• community safety risks due to both accidental and natural causes, especially where the structural elements or components of the subproject are accessible to members of the affected community or where their failure could result in injury to the community throughout subproject construction, operation, and decommissioning?	☐	☐	
• generation of solid waste and/or hazardous waste?	☐	☐	
• use of chemicals or hazardous materials?	☐	☐	
• generation of wastewater during construction or operation?	☐	☐	

Overall conclusion on Environment Category (circle one):

A **B** **C**

Reason for conclusion:

ANNEXURE 8

Involuntary Resettlement Screening Questions

Involuntary Resettlement Screening Questions	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land and/or building purchase or lease?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land and/or building purchase or lease?				
9. Will there be loss of income sources and means of livelihoods due to land and/or building purchase or lease?				
10. Are there any pending court cases, claims or grievances related to the land to be acquired or leased?				
11. Are there unsettled compensation to previous landowners, informal land users and affected persons?				
12. Will people lose access to natural resources, communal facilities and services?				
13. If land use is changed, will it have an adverse impact on social and economic activities?				
14. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? [ ] No [ ] Yes If yes, approximately how many? _____				

Are any of them poor, female-heads of households, or vulnerable to poverty risks?	[ ] No [ ] Yes
Are any displaced persons from indigenous or ethnic minority groups?	[ ] No [ ] Yes

Indigenous People Screening Questions	Yes	No	Not Known	Remarks
A. Indigenous People Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal People), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal People, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous People" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous People?				
10. Will the project directly or indirectly affect Indigenous People' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				

Indigenous People Screening Questions	Yes	No	Not Known	Remarks
11. Will the project affect the livelihood systems of Indigenous People? (e.g., food production system, natural resource management, crafts and trade, employment status)				
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous People, and/or claimed as ancestral domain?				
C. Identification of Special Requirements *Will the project activities include:*				
13. Commercial development of the cultural resources and knowledge of Indigenous People?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous People?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous People?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous People?				

ANNEXURE 9

Supply Chain Due Diligence

Aspect	Question
Policy and Legal Knowledge	Does the Company have a Procurement Policy, and does it clearly define E&S commitments/standards? Does this include commitments related to child and forced labor etc.
	Do you have a code of conduct for suppliers covering supply chain risks (CL, FL, harm to workers)? Does this the CoC form part of vendors contractual obligations?
	Do procurement policies define any of the following for suppliers (please provide details): • What is the minimum age for employment in suppliers? • What is the age for hazardous work? • A list of hazardous tasks for underage workers you share with suppliers?
Capacity	Please describe the human resources responsible for administering the supply chain management at a corporate level.
	Please describe the human resources responsible for administering the supply chain management at a Project level.
	Who is involved in vendor/supplier evaluations? Are E&S staff involved? If so, what is their role?
Quality of Supplier Mapping	What are the most important product lines, and who are the main suppliers? Have there been any significant changes in key suppliers in the last 12 months?
	What proportion of goods and materials comes from second-tier suppliers or agents? Do you know who these second-tier suppliers are?
	Do you have the same policies and same level of due diligence undertaken for tier one and two suppliers? If not, what is the difference?
	Please detail the company's material traceability & sourcing processes. Has your supply chain been mapped and how are risks related to suppliers evaluated? How many tiers of suppliers does this process cover?
	Does your supplier pre-qualification / bidding process include E&S and considerations with respect to child and forced labor?
Communication	How do you communicate to primary suppliers your requirements on child and forced labor, and health and safety?
	Do you place any contractual obligations on suppliers to cascade these requirements down the supply chain, and if so, how?
Monitoring and Due Diligence	How do you go about assessing suppliers' processes and policies for avoiding child and forced labor? Do you look at any suppliers' age records, or recruitment processes? Do you look at third party workers or workers contracted via an employment agency as well? At what point in the process of supplier engagement is this assessment undertaken?
	Who is responsible for undertaking the assessment process (e.g., own resources, auditors etc.) and what training and qualification do they have on these issues?
	How and at what frequency do you monitor supplier's performance against your requirements on child and forced labor and health and safety?
	Who is responsible for undertaking the monitoring process (e.g., auditors)? What training and qualification do they have on these issues?

	How is information compiled and recorded e.g., paper records, database, shared platform?
	Has the due diligence or monitoring process uncovered any risks of child labor or forced labor in particular countries or products?
	How did you address issues of non-compliance with corporate E&S policies, child labor and forced labor that was uncovered during the audit? Have you ever changed suppliers because of repeated non-compliances?
	Do you collaborate with government labor inspections with regard to suppliers?
	Do you collaborate with any other retailers in terms of sharing information about risks or addressing labor standards challenges in your supply chain?
	Do you require your suppliers to undertake monitoring of their supply chain and if so, through which mechanism?
	How are the results of such monitoring reported to you?
	Do you carry out any verification of such activities and if so, how?
	Do any suppliers retain identification documents for their workers? Do suppliers use recruitment agencies and charge recruit fees to recruit non-national workers?
Documentation for Review	Please provide your procurement policy and plan
	Please provide client policy / Code of Conduct on child / forced labor and health and safety for suppliers
	Please provide standard supplier contract for clauses addressing child / forced labor and health and safety
	Please provide any database or supplier records that might include level of risk or results of monitoring

Solar Power Specific Supply Chain Management

Please provide specific information on the primary and secondary supply chain extending to raw material supply for the project for ADB to understand and mitigate potential risk with regard to forced labor.

Initial Questions:

2. Please describe the procurement approach for the solar panels for this Project e.g., direct, open procurement; single source, use of long-term frameworks to directly select the supplier etc? Please specify a contractual arrangement for procurement and maintenance of solar modules (i.e., direct or via EPC and O&M contractor etc.)?

3. Please confirm if a solar module supplier is yet to be selected or has already been selected?

4. Please confirm that the solar power supply chain management process follows the above-described corporate supply chain management system?

5. Please provide a description of any specific aspects of the system which apply to the solar power supply chain only.

When Becomes Available, please provide the Bill of Materials.

6. For each supplier where there is a risk of child or forced labor, has the client mapped further stages of the solar panel supply chain and if so to which level?

Module Supplier Name	**Secondary supply chain mapping**		
	Cell	Wafer	Please add as appropriate

Supplier Name	**Country (of origin of the products supplied) and Location of production sites**	**Products Supplied**	**Monetary Value or Volume of Goods Supplied**	**Duration of Trading Relationship**	**No. of workers (Male/Female)**	**Child Labor Risk Identified and Explanation?**		**Forced Labor risk Identified and Explanation?**		**Occupational Safety and Health Risk Identified?**
						In the primary supplier	In secondary (lower tiers) of the supply chain	In the primary supplier	In secondary (lower tiers) of the supply chain	
			(*Use whichever measure is most appropriate*)							