Sustainable Fitch
a FitchSolutions Company

Non-Bank Financial Institutions
Finance & Leasing Companies
India

IIFL Finance Limited

Second-Party Opinion — Social Financing Framework

Excellent | **Good** ✓ | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Good	• Sustainable Fitch views the use of proceeds (UoP) criteria as describing loans with clear social benefits that support access to formal financial services, through the provision of microfinance loans, gold loans and loans to micro-, small- and medium-sized enterprises (MSMEs). • The loans target under-served and underbanked borrowers, such as individuals who do not have credit history or a formal source of income.
Use of Proceeds – Other Information	Good	• The lookback period for refinanced loans is two years, which is in line with standard market practice. • The framework does not specify the expected share of new financing; specifying this is recommended by the ICMA, LMA, LSTA and APLMA. IIFL Finance Limited (IIFL Finance) has committed to providing this information in the allocation reporting after issuance, which is common market practice. • The framework sets out a clear list of excluded activities that have negative social and environmental impacts, including fossil fuels, weapons, gambling, polluting activities, and any activities with adverse human rights impact.
Evaluation and Selection	Good	• The issuer has a multi-layered evaluation and selection process, which supports accountability. • The social financing working committee (SFWC) comprises representatives from various functions, including ESG, finance and risk.
Management of Proceeds	Good	• The issuer will earmark proceeds and track them through an internal monitoring system. • Unallocated proceeds will be deployed temporarily in cash or cash equivalent instruments.
Reporting and Transparency	Good	• Allocation reporting will be provided at the UoP category level, on an annual basis until full allocation. • Impact reporting will be provided at the UoP category level, where feasible. Impact indicators include the number of MSMEs, female borrowers and new-to-credit borrowers, and the number of sanitation and water loans in rural areas. • Third-party verification on the allocation and impact of the use of the proceeds will be obtained.

Relevant UN Sustainable Development Goals

1 NO POVERTY
2 ZERO HUNGER
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Framework Type	Social	
Alignment	✓	Social Bond Principles 2023 (ICMA)
	✓	Social Loan Principles 2023 (LMA/LSTA/APLMA)
Date assigned		15 May 2025

See Appendix B for definitions.

Analysts

Ying Xuan Kong
+65 6576 5828
yingxuan.kong@sustainablefitch.com

Yuna Byun
+65 6576 0926
yuna.byun@sustainablefitch.com

Media Contact

Peter Hoflich
+65 6796 7229
peter.hoflich@thefitchgroup.com

Use of Proceeds Summary

Social	Access to essential services

Source: IIFL Finance social financing framework (March 2025)

Framework Highlights

Sustainable Fitch considers transactions under this social financing framework to be aligned with the ICMA Social Bond Principles (SBP), and the LMA, LSTA and APLMA Social Loan Principles (SLP). The framework of IIFL Finance sets out its standards for financing and refinancing eligible social loans through social bonds, loans and other debt financing instruments, and includes the four core pillars from the principles: UoP, process for project evaluation and selection, management of proceeds, and reporting.

Proceeds from instruments issued under this framework will be allocated to microfinance loans, gold loans, and secured and unsecured MSME financing, benefiting the under-served and underbanked, as well as female borrowers. In India, such borrowers may be part of the informal economy or lack creditworthiness and are financially under-served within the formal banking services for reasons such as being unable to provide documentation on income source or having no credit history.

Proceeds will also be allocated to business loans to MSMEs, including female-owned MSMEs, to promote job creation and economic productivity. MSMEs contribute to about 30% of India's national GDP and are an important vehicle for the development of emerging economies such as India.

MSME borrowers are defined by India's Micro, Small and Medium Enterprises Development Act 2006; and are included as one of the Reserve Bank of India's priority lending sectors. About 92% of IIFL Finance's MSME borrowers have an annual turnover of less than INR5 million (about USD60,000).

The ICMA, LMA, LSTA and APLMA principles recommend that eligible social projects are clearly described in the legal documentation for transactions. We have only reviewed IIFL Finance's social financing framework (March 2025) for this Second-Party Opinion and have not reviewed any other issuance documents or marketing materials.

Source: Sustainable Fitch, IIFL Finance social financing framework (March 2025), International Finance Corporation

Entity Highlights

IIFL Finance is a non-bank financial institution headquartered in Mumbai, India. The company offers financing products to retail and MSME customers. As of end-December 2024, the total amount of loan assets under management (AUM) was around INR714.1 billion (equivalent to USD8.57 billion). IIFL Finance operates over 4,800 branches and employs over 38,000 staff members across India, serving over 8 million domestic customers.

IIFL Finance primarily focuses on retail lending, with retail loans constituting nearly 99% of its total loan portfolio as of end-December 2024. The company offers a variety of retail loans to individuals and MSMEs. As a non-bank financial institution in India, the company provides retail loans to under-served populations, mainly those who do not have access to conventional banking services due to the lack of documented sources of income and who live in rural and semi-urban areas, as well as to low-income customers.

The company also provides other retail loans such as housing loans through its subsidiary IIFL Home Finance Limited (IIFL Home Finance), and secured and unsecured microfinance loans through its subsidiary IIFL Samasta Finance Limited (IIFL Samasta). IIFL Finance holds majority ownership in IIFL Home Loans (79.59%) and IIFL Samasta (99.56%). IIFL Finance's lending portfolio is reported on a consolidated basis in its annual report and in its quarterly investor presentations.

IIFL Finance provides housing loans as one of its main retail loan products, making up about 42% of the company's total loan AUM as of end-December 2024. The company has progressively focused on offering affordable housing loans to first-time homebuyers, in line with the government's credit-linked subsidy scheme under the Pradhan Mantri Awas Yojana housing initiative to provide affordable housing for the urban poor.

Gold loans comprised about 21% of the company's total loan AUM as of end-December 2024. They are a type of secured loan backed by gold assets, such as jewellery, and have cultural and financial importance in India. IIFL Finance provides these loans to individuals, including business owners and the self-employed. At end-December 2024, the portfolio's average ticket size for a gold loan was INR80,000 (equivalent to USD960).

The majority of the company's gold loan borrowers (94%) had an annual income of INR300,000 (equivalent to USD3,598) or less. Of these, 81% had an annual income below INR200,000 (equivalent to USD2,398), indicating that the majority of borrowers earned no more than the net national income level, which is around INR180,000 (equivalent to USD2,209) according to the India Economic Survey 2023–2024 by the India Ministry of Finance. 20% of borrowers earned less than INR100,000 (equivalent to USD1,199) a year, falling below the World Bank's international poverty line of USD3.65 a day (about INR110,000 annually).

Additionally, the company provides MSME loans (19% of its total loan AUM as of end-December 2024) and microfinance loans (14%).

IIFL Finance has integrated ESG considerations into its lending activities. The company has established financing exclusions to prohibit lending activities that do not comply with its ESG standards. Furthermore, IIFL Finance has set various ESG-related targets aimed at enhancing green and social financing and strengthening employee and community relationships. Despite these efforts, IIFL Finance currently lacks long-term ESG goals, indicating potential room for the development of sustained, strategic objectives in the future.

IIFL Finance has committed to reducing its environmental footprint by enhancing energy efficiency in its office buildings and using environmental resources more responsibly in its operations. However, it has not established specific and measurable targets to guide these initiatives.

Source: Sustainable Fitch; IIFL Finance annual report 2024; IIFL Finance sustainability report 2023; India National Statistics Office; India Ministry of Micro, Small and Medium Enterprises annual report 2024; International Finance Corporation; India Ministry of Finance; World Bank

Use of Proceeds – Eligible Projects	Alignment: Good
Company Material	**Sustainable Fitch's View**

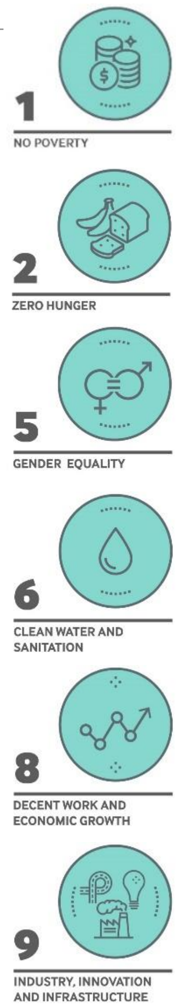
Access to essential services

Company Material

- This UoP covers lending to underbanked and under-served borrowers through microfinance loans and gold loans. Under-served customers can obtain such loans without documents proving source of income.
- It also covers loans to MSMEs. The definition of MSME follows the definition in India's Micro, Small and Medium Enterprises Development Act 2006, and refers to enterprises that have up to INR500 million (about USD6 million) of investments in plant and machinery or equipment, and turnover below INR2.5 billion (about USD30 million).
- The loans may be provided as unsecured MSME financing, which are processed using scorecard-based underwriting practices and feature automated disbursals.
- The UoP also aims to promote entrepreneurship among female borrowers.

Sustainable Fitch's View

- We expect this UoP to be aligned with the access to essential services category in the ICMA SBP and the LMA, LSTA and APLMA SLP.
- The type of loans financed under this UoP can be broadly distributed into three categories of microfinance loans, non-microfinance loans and gold loans.
- Microfinance loans for individuals promote access to credit and financial inclusion for under-served groups that lack access to traditional banking, supporting UN Sustainable Development Goal (SDG) 8 (decent work and economic growth).
- Eligible microfinance loans are products offered by IIFL Samasta, all of which are joint liability group loans (Samriddhi, Samriddhi Plus, Samvardhana, Sajal and Suvidha). Under the Reserve Bank of India regulations, microfinance loans are collateral-free loans given to households with annual income of less than INR300,000 (about USD3,600).
- We view positively that IIFL Finance has a fair practice code and interest rate policy in line with the Reserve Bank of India's guidelines on Fair Practices Code for Non-Banking Financial Companies; companies are required to disclose internal principles on determining interest rates to ensure that excessive interest rates and other charges are not applied.
- We understand from internal engagement that the fair practice code is an organisational-level policy that applies to all products offered by the company.
- The company's code adequately addresses key consumer risks associated with microfinancing, such as avoiding harsh debt collection practices, transparent communication of loan terms, and maintaining a publicly accessible grievance redressal mechanism.
- Almost all of IIFL Samasta's microfinance loans were provided to female borrowers or co-borrowers, which indicates the loan products' contribution to SDG 5 (gender equality) by supporting women's access to finance.
- The joint liability model operates on the principle of collective responsibility for repaying loans, where individual credit risks are pooled and assumed by a larger group. The group usually comprises four to 10 members who are part of the same social network or involved in similar economic activities.
- IIFL Samasta only requires self-declaration of income from borrowers, allowing the self-employed or those living in rural or semi-urban areas to have easier access to credit.
- In particular, Sajal finances the construction of household water supply and sanitation infrastructure, contributing to SDG 6 (clean water and sanitation) by supporting households' ability to finance water and sanitation facilities, as well as potentially promote environmental benefits such as the sustainable use of water resources.
- The joint liability model presents both opportunities and risks for gender equality, according to microfinance research by the International Labour Organization.
- Such financial products can empower women through group-based access to credit and knowledge-sharing, supporting SDG 5. However, there are social risks of exacerbating tensions within households where gender norms are already restrictive, or further marginalising more disadvantaged women if they become excluded from these networks.



- The issuer confirmed that IIFL Samasta conducts compulsory financial literacy programmes and promotes collaborative decision-making at the household level throughout the entire loan process from decision to repayment, which helps to mitigate some of the aforementioned risks.
- This UoP also finances non-microfinance loans offered by IIFL Samasta. These are business loans to MSMEs (Pragati, Sampark products and Swabhiman) and retail loans for consumer durables (Sudiksha), cattle loans (Surabhi products), and two-wheeler loans and loans for other purposes (Saral and Sambhav).
- Providing loans to MSMEs promotes economic growth in emerging economies, supporting SDGs 8 and 9 (industry, innovation and infrastructure). In India, MSMEs often face difficulties obtaining formal credit and risk capital due to their small-scale operations, despite contributing to about 30% of the national GDP.
- 92% of IIFL Finance's MSME customer base have an annual turnover below INR5 million (about USD60,000), which is a much lower than the threshold for microenterprises in India of INR50 million. The specialised products targeted at MSMEs that are offered by IIFL Finance and IIFL Samasta facilitate access to mortgage and general-purpose capital, promoting business continuity and growth.
- Two-wheeler loans enable borrowers to obtain formal financing for motorcycle assets, which we consider to be a productive asset that supports access to economic and educational opportunities. The loan amount ranges from INR25,000 to INR150,000, which we estimate to cover up to the full cost of two-wheelers in India.
- Dairy farming is an important source of income for about 70 million farmers in India. It also offers crop farmers an opportunity to diversify their income sources, thereby reducing financial risks. Cattle loans provide additional capital for households to expand dairy farming activities. By promoting income generation and enhancing food security, such loans support SDGs 2 (zero hunger) and 8.
- Other retail loans (Saral and Sambhav) provide individuals access to credit for diverse personal needs. These loans are predominantly offered to IIFL Samasta's existing borrowers with a proven track record of loan repayment and need additional support for business expansion.
- Such borrowers have crossed the income threshold for microfinance loans but still need support to obtain consistent access to credit. Providing loans that cater to these evolving needs helps to provide capital for personal investments to improve quality of living.
- Gold loans promote access to formal credit for the underbanked and under-served, as IIFL Finance does not require borrowers to provide proof of credit history or income. This is particularly important for new-to-credit customers, as timely repayments on a gold loan can help build the individual's credit score.
- Gold loan borrowers are also likely to be from rural areas and have limited access to traditional banking services; these areas account for about two-third of the demand for gold in India.
- The majority of IIFL Finance's gold loan borrowers (94% as of 31 December 2024) have an annual income below INR300,000 (about USD3,600). Of these, 81% have an annual income below INR200,000 (about USD2,400) and 20% below INR100,000 (about USD1,200).
- This indicates the majority of borrowers earn no more than the net national income level, which was about INR180,000 (equivalent to USD2,209), according to the India Economic

	Survey 2023–2024 by India's Ministry of Finance. A small share falls below the World Bank's international poverty line of USD3.65 a day (about INR110,000 annually). • Local regulations stipulate a maximum loan-to-value ratio of 75%, which allows borrowers to obtain a significant portion of their gold's worth as a loan. Borrowers also have the right to receive any surplus received by IIFL Finance in the event of a default when the pledged gold is auctioned. • We also view positively that the pledged collateral is gold rather than a productive asset, as it limits the negative impacts on the borrower in the event of a default, compared to the impacts of losing a productive asset such as agricultural equipment. • We understand from IIFL Finance that the gold loans offered under the framework are consistent with its standard gold loan offerings and do not have any preferential interest rates for specific target populations. IIFL Finance monitors the number of female borrowers in its gold loan business; the share of women out of active customers was 27% at end-December 2024.
Source: IIFL Finance social financing framework (March 2025)	Source: Sustainable Fitch; India Ministry of Micro, Small and Medium Enterprises annual report 2024; International Finance Corporation; World Bank; India Ministry of Finance; India National Statistical Office; Journal of Asian Economics (February 2022); World Bank

Use of Proceeds – Other Information	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The proceeds will be used to finance or refinance new or existing eligible social loans according to IIFL Finance's social financing framework. • A two-year lookback period will be applied for refinanced loans. • IIFL Finance and IIFL Samasta will allocate the proceeds from eligible social loans to an eligible social loans portfolio within two years of fundraising. • The framework includes a financing prohibitions list that covers environmentally and socially harmful activities that include weapons, drugs, gambling, tobacco, polluting activities and activities causing adverse human rights impacts.	• The framework does not provide details regarding the proportion of funds to be allocated for new financing versus the refinancing of loans; however, the company has committed to disclose this information in its allocation reporting. This will support transparency on the additionality of the issuances under the framework in terms of the number of new loans. • The two-year lookback period is aligned with standard market practice. We consider a shorter lookback period to enhance the additionality of the social instruments. • The exclusion list is in line with IIFL Finance's credit policies and excludes proceeds under the framework from financing controversial activities such as fossil fuels, gambling, tobacco, weapons and activities that may adversely impact human rights.
Source: IIFL Finance social financing framework (March 2025)	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The SFWC evaluates, selects and confirms the eligible social loans portfolio according to the company's social financing framework. • The SFWC comprises representatives from multiple of the company's functions: ESG, treasury, secretarial, business, risk, audit, compliance and finance. IIFL Finance and IIFL Samasta will each have a separate SFWC comprising representatives from each of the mentioned functions. • The SFWC will propose shortlisted loans to the board-level ESG committee for approval.	• The company has adequately described its process for selecting eligible loans, in line with the ICMA SBP and the LMA, LSTA and APLMA SLP. • We regard it positively that the SFWC is composed of representatives from multiple departments, including representatives with sustainability and finance expertise, as it will provide a range of expertise to the loan selection discussion. • We view positively the multi-layered evaluation and selection process. The SFWC proposes potential eligible loans, which the board-level ESG committee then assesses and approves. This separation of proposal and approval responsibilities provides checks and balances.
Source: IIFL Finance social financing framework (March 2025)	Source: Sustainable Fitch

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The company will establish and maintain internal monitoring systems to track and record how the net proceeds are allocated. IIFL Finance and IIFL Samasta will be using an escrow arrangement for funds raised through social bonds. • The SFWCs of IIFL Finance and IIFL Samasta will ensure that the level of allocation for the eligible social loans portfolio matches the balance of net proceeds from their outstanding social financing after adjustments for intervening circumstances, including, but not limited to, repayments and disbursements. • Any unallocated proceeds may be deployed temporarily at the company's discretion in cash or cash-equivalent instruments, in accordance with the company's investments and treasury policy in the normal course of business.	• The use of an escrow arrangement to segregate the proceeds from general-purpose funds provides assurance that proceeds will not be commingled with other general funds. This method of managing proceeds is aligned with the ICMA SBP and the LMA, LSTA and APLMA SLP. • The framework outlines how unallocated proceeds will be invested, which is in line with the ICMA SBP and the LMA, LSTA and APLMA SLP requirements. Investing any unallocated funds in investments consistent with the social goals of the framework would support further positive social impact.
Source: IIFL Finance social financing framework (March 2025)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Good
Company Material	**Sustainable Fitch's View**
• IIFL Finance and IIFL Samasta will provide a report on the allocation of net proceeds, associated outputs and impact indicators resulting from the funds. This report will be updated annually until the proceeds are fully allocated. If any material updates occur, the company will provide additional reporting on the allocation and impact information. • The allocation reporting will provide:	• We positively view that the company has committed to publishing information on the allocation and impact of net proceeds annually until full allocation for all debt instruments issued under the framework, which is in line with the ICMA SBP and the LMA, LSTA and APLMA SLP. • Allocation and impact reporting will be done on an annual basis at the category level for the different loan types. The company will provide examples of loans with consideration of the need to protect

– the amount or percentage of allocation to the eligible social loans portfolio; – percentage of net proceeds allocated to new and existing loans; – examples of the loans being financed (subject to confidentiality considerations); and – the balance of unallocated proceeds. • IIFL Finance and IIFL Samasta intend to provide information on social impact indicators related to the eligible social loans portfolio on a category level when possible. This may include: – the number of enterprises benefiting from MSME financing and the total MSME financing provided; – the number of female borrowers; – the number of new-to-credit customers; – the number of customers in rural and semi-urban areas; – the number of sanitation and water loans in rural areas; – the number of toilets constructed; and – the number of families provided with access to tap water. • IIFL Finance will engage with a third-party verifier to issue a limited assurance report on the allocation and impact of the UoP of the eligible social loans.	confidential information. We deem providing granularity at the bond level would increase transparency on individual issuances for investors. • We view positively that the company has committed to align the reporting of its impact indicators, on a best-efforts basis, with reporting guidelines in the ICMA Handbook – Harmonised Framework for Impact Reporting. • Impact indicators in the framework provide transparency on the social benefits of how issuances under the framework will improve access to formal financial services and generate employment, although reporting on the number of jobs created will provide a more direct measurement of contribution of the issuances towards employment generation. • The framework has committed to conducting annual third-party verification on allocation and impact of the proceeds; which is in line with recommendations by the ICMA SBP and the LMA, LSTA and APLMA SLP to provide assurance on the allocation of proceeds and social impact of the issuances under the framework.
Source: IIFL Finance social financing framework (March 2025)	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

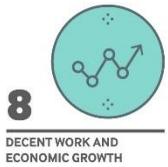
- **1.4:** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

- **2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

- **5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.2:** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.

- **8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- **8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.



- **9.3:** Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Social

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)

UoP as per Social Bond Principles (SBP)	
Affordable basic infrastructure	No
Access to essential services	Yes
Affordable housing	No
Employment generation/programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, climate transition projects and/or other considerations for a "just transition"	No
Food security and sustainable food systems	No
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with social bonds principles (SBP) categories, or other eligible areas not yet stated in SBP	No
Other	n.a.

Target Populations	
Living below the poverty line	Yes
Excluded and/or marginalised populations and/or communities	Yes
People with disabilities	No
Migrants and/or displaced persons	No
Undereducated	No
Under-served, owing to a lack of quality access to essential goods and services	Yes
Unemployed and/or workers affected by climate transition	Yes
Women and/or sexual and gender minorities	Yes
Aging populations and vulnerable youth	No
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	No
Other	MSMEs

2) Project Evaluation and Selection

Evaluation and Selection	
Credentials on the issuer's social objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for social bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Type of Instrument: Social

Evaluation and Selection, Responsibility and Accountability	
Evaluation/selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds	
Tracking of Proceeds	
Social bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting	
UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Social bond-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)	
Number of beneficiaries	Yes
Target populations	Yes
Other ESG indicators	No

Type of Instrument: Social

Impact Reporting/Frequency	
Annual	No
Semi-annual	No
Other	Where feasible

Means of Disclosure	
Information published in financial report	Yes
Information published in ad hoc documents	Yes
Information published in sustainability report	Yes
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix C: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer's green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, "alignment" should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (eg the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

	ESG Framework
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.