

National Bank of Kuwait S.A.K.P.

Second-Party Opinion – Sustainable Financing Framework

National Bank of Kuwait S.A.K.P. (NBK) is a public shareholding company in Kuwait, providing banking and asset management services. The bank published a sustainable financing framework that includes 15 use of proceeds (UoP) categories. The framework is aligned with the core pillars of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG).



Pillar	Alignment	Key Drivers
Use of Proceeds	Good	<ul style="list-style-type: none"> Sustainable Fitch views NBK’s framework and UoP categories as aligned with the ICMA GBP, SBP and SBG, and the LMA, LSTA and APLMA Green Loan Principles (GLP) and Social Loan Principles (SLP). The green and social UoP categories contribute to climate change mitigation, other environmental objectives and the UN Sustainable Development Goals (SDGs).
Use of Proceeds – Other Information	Good	<ul style="list-style-type: none"> The framework allows for financing both new and existing projects. NBK has not committed to a certain level of new projects, which would increase the instruments’ additionality. NBK’s framework is comprehensive and prohibits its instruments from financing environmentally and socially sensitive activities, such as defence and fossil fuels.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The clearly defined selection process is carried out by its sustainable finance working group (SFWG), which includes members from a range of departments. The process includes a multi-layered structure for assessing new and existing projects, providing checks and balances.
Management of Proceeds	Excellent	<ul style="list-style-type: none"> NBK intends to track actual spend on eligible assets using internal systems. We consider separation of funds using a dedicated bank account as market best practice, though we understand this may not always be feasible. We positively view temporarily investing unallocated proceeds in other ESG-labelled instruments; proceeds are held in cash until NBK identifies qualifying instruments.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> NBK committed to annually report allocation and impact until full allocation, meeting standard market practice and ICMA recommendations. NBK intends to align its impact reporting with the ICMA’s Harmonised Framework for Impact Reporting, which we view as best practice.

Relevant UN Sustainable Development Goals



Framework Type	Sustainability
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2025 (ICMA) ✓ Social Bond Principles 2025 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA) ✓ Green Loan Principles 2025 (LMA/LSTA/APLMA) ✓ Social Loan Principles 2025 (LMA/LSTA/APLMA)
Date assigned	4 June 2026
SPO Methodology	See Appendix B for definitions.

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Use of Proceeds Summary – ICMA Categories

Green	<ul style="list-style-type: none"> Renewable energy Energy efficiency Pollution prevention and control Environmentally sustainable management of living natural resources and land use Terrestrial and aquatic biodiversity conservation Clean transportation Sustainable water and wastewater management Climate change adaptation Certified eco-efficient and/or circular economy adapted products, production technologies and processes Green buildings
Social	<ul style="list-style-type: none"> Affordable basic infrastructure Access to essential services Affordable housing Employment generation (through SME financing and microfinancing) Food security Socioeconomic advancement and empowerment

Source: NBK sustainable financing framework 2026

Framework Highlights

We consider transactions under this sustainable financing framework to be aligned with the ICMA GBP, SBP and SBG, and the LMA, LSTA and APLMA GLP and SLP. Our opinion is that the framework’s alignment with these principles is ‘Excellent’.

NBK published its updated sustainable financing framework to issue green, social and sustainability instruments. Our assessment looks at the framework’s alignment with the ICMA GBP, SBP and SBG and the LMA, LSTA and APLMA GLP and SLP. Our assessment also takes into consideration the ICMA’s bonds to finance the sustainable blue economy practitioners guide, the International Finance Corporation’s (IFC) guidelines for blue finance, and the ICMA’s green enabling guidelines.

The framework incorporates the ICMA, LMA, LSTA and APLMA’s four core components: UoP, process for project evaluation and selection, management of proceeds and reporting. This framework is an update to NBK’s original sustainable finance framework, published in 2022. The framework’s objective is to support NBK’s ESG ambition and contribute to Kuwait’s national carbon-neutrality commitment.

The proceeds from the sustainable instruments will be used to finance or refinance, in part or in full, eligible projects with distinct environmental and social benefits. Additionally, the bank could provide general-purpose financing to companies that derive 90% or more revenue from assets that meet the green and social project eligibility criteria outlined in the framework.

The funds will support a range of projects. Green projects include low-carbon and renewable energy sources, clean transportation systems, sustainable water and wastewater management and the promotion of energy efficiency. Investments will also support green buildings, pollution prevention and control, environmentally responsible management of natural resources and land, products and processes that support the circular economy, and climate adaptation.

The projects contribute to climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

Social projects include access to essential services, affordable basic infrastructure, affordable housing, employment generation and socioeconomic advancement and empowerment, and food security. These projects can enhance quality of life and infrastructure both for targeted populations and the general population.

NBK incorporates ESG considerations into its risk management and credit processes, ensuring a comprehensive assessment of ESG risks during project evaluation and selection. Additionally,

the bank includes an exclusion list to preclude the financing of environmentally and socially sensitive projects and activities. The framework excludes financing of activities related to fossil fuels, such as exploration, extraction, generation, distribution and transportation; as well as defence projects.

The ICMA GBP, SBP and SBG, and the LMA, LSTA and APLMA GLP and SLP recommend that eligible projects are clearly described in the legal documentation for transactions. We have only reviewed the sustainable financing framework for this Second-Party Opinion and have not reviewed any transaction legal documents or marketing materials; however, the framework provides the description of projects.

We consider the other pillars in the framework, such as project evaluation and selection, management of proceeds, and reporting and transparency, to be aligned with the ICMA GBP, SBP and SBG, and the APLMA GLP and SLP.

Source: Sustainable Fitch, NBK sustainable financing framework 2026, NBK sustainability report 2024

Entity Highlights

NBK is a public shareholding company and financial institution in Kuwait, with total assets of about USD149 billion as of end-2025. NBK was established in 1952 and is listed on the Kuwait Stock Exchange. NBK operates across 13 countries and provides a variety of banking and financial services to its clients, including consumer banking, corporate banking, asset management services, international banking services, and Islamic banking through its subsidiary Boubyan Bank.

NBK's sustainability strategy is guided by Kuwait Vision 2035 and frameworks such as the UN Global Compact. It aligns with Kuwait's commitment to achieve carbon neutrality by 2060.

Kuwait Vision 2035 is the nation's comprehensive long-term strategy to transform Kuwait into a regional financial and commercial hub. The plan emphasises economic diversification beyond oil, sustainable development and enhanced social inclusion. Objectives include expanding renewable energy use, supporting innovation and entrepreneurship, and empowering youth and women to participate more actively in the economy and society. It also seeks to improve infrastructure, strengthen governance, elevate Kuwait's global competitiveness, and promote responsible growth and environmental stewardship.

NBK's ESG strategy focuses on four key pillars: responsible banking, governance for resilience, capitalising on capabilities, and investing in communities. It recently placed an increasing emphasis on sustainable finance initiatives.

The bank has a series of clear sustainability targets, including achieving carbon neutrality by 2060; growing its sustainable financing portfolio to USD10 billion by 2030; and establishing science-based targets covering Scopes 1, 2 and 3 emissions. NBK also embedded ESG considerations into its procurement policy and supplier code of conduct. It already met its interim target to reduce operational emissions by 25% by 2025.

The bank issued a USD500 million green bond in 2024 under a previous framework, the first by a Kuwaiti bank, and developed an environmental and social risk management framework to support the integration of ESG factors into its credit and investment decisions. NBK's carbon neutrality target is aligned with Kuwait's national objective of achieving carbon neutrality by 2060.

NBK established a board-level sustainability committee that holds ultimate responsibility for ESG and climate-related matters. The board sustainability committee is supported by the existing executive-level sustainability and climate change committee, which is the management-level body responsible for overseeing the implementation of the ESG strategy, coordinating across business units, monitoring ESG and climate risks, and integrating ESG considerations into business operations.

The bank publishes a sustainability report in alignment with international standards such as the Global Reporting Initiative, Sustainability Accounting Standards Board and the UN Global Compact. It also publishes a Task Force on Climate-related Financial Disclosures report and is a member of the Partnership for Carbon Accounting Financials. Aligning with the Partnership for

Carbon Accounting Financials methodology will allow the bank to establish baseline operational and financed emissions and increase transparency on climate-related exposures.

NBK seeks to generate positive social impact through financial inclusion, SME support, financial literacy and community investment. Initiatives such as the “Bankee” financial literacy programme, alongside community development spending, align with the UN SDGs and Kuwait Vision 2035, and support broader socioeconomic development in Kuwait.

The bank has a dedicated sustainability department that acts as the custodian of its ESG strategy. This department also coordinates the implementation of this strategy and other projects and initiatives.

NBK integrates ESG considerations into its risk management by aligning with global and local regulatory standards, and embedding climate and ESG risks into its governance, credit and procurement frameworks. The bank also developed an environmental and social risk management framework.

Source: Sustainable Fitch, NBK sustainable financing framework 2026, NBK sustainability report 2024

Use of Proceeds – Eligible Projects

Alignment: Good

Company Material

Sustainable Fitch's View

Renewable energy

- Eligible generation of energy from renewable sources include the following:
 - onshore and offshore wind energy (offshore is eligible for blue bonds);
 - geothermal energy with direct emissions of less than 100gCO₂e/kWh;
 - solar energy, including solar PV, concentrated solar power and solar thermal;
 - bioenergy and biogas production facilities that use biomass, biogas or biofuel from sustainable sources with emissions intensity of less than 100gCO₂e/kWh;
 - green hydrogen produced via electrolysis from 100% renewable energy or with a life-cycle GHG emissions threshold of under 3tCO₂e/tH₂;
 - green ammonia produced by isolating green hydrogen via an electrolysis process.
 - Hydropower generation is eligible if it adheres to at least one of the following:
 - the facility is a run-of-river plant with no artificial reservoir;
 - facilities in operation before 2020 have a power density greater than 5W/sqm or life-cycle GHG emissions less than 50gCO₂e/kWh; or
 - facilities in operation in 2020 or after have a power density greater than 10W/sqm or life-cycle GHG emissions less than 100gCO₂e/kWh.
 - Eligible ocean power projects include tidal range and stream, wave, ocean current, water-thermal energy production system and ocean thermal energy conversion facilities.
 - Other low-carbon energy sources with life-cycle emissions lower than 100gCO₂e/kWh are eligible for financing, including small-scale hydropower projects (less than 25MW).
 - Procurement of renewable energy certifications is eligible if the certifications are one of the following: power purchase agreements (PPAs), virtual PPAs or bundled renewable energy certificates.
 - Components for renewable energy generation are eligible, such as those for wind turbines; solar panels; and vessels fully dedicated to the construction or other services of marine renewables, including offshore wind (vessels and services for marine renewables).
 - Energy storage facilities are eligible, such as battery storage, thermal storage and pumped hydro storage that store renewable energy and return it at a later time in the form of electricity, given the categories highlighted above.
 - Infrastructure to support renewable energy is eligible, covering transmission of renewable electricity from its production site to the electricity grid, including increasing grid capacity and connections.
 - Transmission and distribution systems are also eligible, if the following applies:
 - the full financing is eligible if the system carries more than 90% electricity from renewable sources; or
 - a pro-rata approach will be adopted for allocation if the system carries less than 90% renewable energy, but the percentage of renewables is expected to increase.
 - The framework excludes renewable energy projects utilised in the fossil industry; hydropower projects larger than 25MW; bioenergy produced from non-sustainably produced crops,
- We expect the UoP to align with the renewable energy category of the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.
 - The International Energy Agency (IEA) reported that Kuwait was almost wholly reliant on fossil fuels for energy supply as of 2023. This UoP will contribute towards Kuwait achieving its target of increasing its share of renewable generation to 30% by 2030 as part of Kuwait Vision 2035. Renewable energy projects will help diversify energy sources and reduce reliance on carbon-intensive power generation.
 - NBK's wind, solar, hydropower and geothermal energy projects (including components for renewable energy) substantially contribute to climate change mitigation, as the framework's eligibility criteria align with international science-based taxonomies.
 - We positively view its inclusion of green hydrogen produced via electrolysis from 100% renewable energy, and of green ammonia as an extension of this process. Hydrogen and ammonia production via this process is the least carbon-intensive method, contributing to climate change mitigation. We consider green hydrogen and ammonia as environmentally positive.
 - The criteria partially align with international science-based taxonomies such as the EU taxonomy substantial contribution criteria for a GHG emissions intensity of less than 3tCO₂/tH₂.
 - We positively view the life-cycle GHG emissions threshold for biogas and bioenergy production. Feedstocks also need to achieve internationally recognised sustainability certifications, such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) and other relevant standards. It would exclude feedstocks from sources of high biodiversity, that deplete terrestrial carbon pools or that compete with food production.
 - The development of bioenergy in Kuwait is still in its early stages due to its reliance on fossil fuel energy generation and the climate that leads to low agricultural outputs.
 - We view the procurement of renewable energy certifications such as PPAs, virtual PPAs and bundled renewable energy certificates positively as it can provide stable financial support for renewable energy developers and facilitate investment in new renewable energy projects.
 - We consider offshore wind vessels and services for marine renewable projects as green enabling projects; these have a positive environmental impact. NBK confirmed that it will consider the ICMA's green enabling projects guidance.
 - Energy storage facilities contribute to climate change mitigation by supporting the expanded use of renewable sources by reducing their intermittency and enabling a more constant deployment. These facilities provide long-term grid stability and reliability and increase efficiency in renewable energy transmission and distribution.
 - The financing of infrastructure, including transmission and distribution infrastructure dedicated to renewable energy, is environmentally beneficial as it can enable increased renewable utilisation by enabling connectivity. Renewable energy storage and smart grids enable flexible dispatch of electricity and better management of resources.
 - We expect the offshore wind and tidal energy to align with the IFC's guidelines for blue finance and the ICMA's bonds to finance the sustainable blue economy practitioners guide.





palm and peat; or bioenergy that competes with food production or decreases forestation, biodiversity or carbon pools.

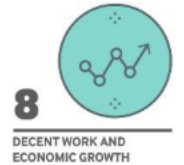
Low-carbon energy

- This category covers nuclear energy to produce electricity or process heat for industrial applications... We expect the UoP to align with the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.



Energy efficiency

- This segment covers the improvement of energy efficiency in various sectors, such as building refurbishments to include energy-saving equipment... We expect the UoP to align with the energy efficiency category of the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.





guidelines, such as the latest European Code of Conduct for Data Centre Energy Efficiency, providing assurance on its energy efficiency.

Clean transportation

- Zero-carbon transport covers investments in passenger and freight vehicles with zero tailpipe emissions, such as electric cars, hydrogen cars, trains, aircraft etc.
- This category also includes investments in transportation infrastructure for mass transportation, such as projects related to capacity improvement and station upgrades.
- Development or improvement of railway transport to facilitate a modal shift from road to rail is also eligible.
- Investments also include infrastructure to support the use of zero-carbon and low-carbon vehicles, including charging stations, networks for electric vehicles and hydrogen refuelling stations.
- Facilities dedicated to the development or production of zero-emission vehicles, including hydrogen fuel cell systems for vehicles, are also eligible.
- Green ships are eligible under this category, namely vessels with zero direct emissions, fully electric or designed to operate with green hydrogen or hydrogen-derived synthetic fuels (green methanol, green ammonia).
- This also covers infrastructure for active mobility for pedestrians and bicycles, including sidewalks and cycling lanes.
- The framework excludes transport dedicated to the transport or storage of fossil fuels.

- We expect the UoP to align with the clean transportation category of the ICMA GBP and SBG and the LMA, LSTA and APLMA GLP.
- This UoP has a positive environmental impact by promoting low-carbon mobility solutions. Low-carbon transport and infrastructure enable the energy transition and the decarbonisation of the transport sector.
- The IEA reported that the transport sector accounted for 22.5% of Kuwait's total final energy consumption in 2023, making it the second-largest source of energy demand in the country and a key sector to decarbonise.
- We view infrastructure to support the use of zero- and low-carbon vehicles positively. Such infrastructure is important to facilitate the uptake of zero- and low-carbon transport options and the transport sector's transition.
- We positively view electrified rail and railway infrastructure due to its clear GHG emissions reductions compared to combustion-engine trains, and it reduces the use of private vehicles. The bank confirmed that railway infrastructure will not be used for storage or transport of fossil fuels.
- Kuwait relies heavily on cars and other motor vehicles for transportation, with near universal use of personal passenger cars. We view the financing of zero- and low-carbon alternatives positively, as it could contribute to lower GHG emissions produced in the sector.
- We view facilities dedicated to the production of zero-emissions vehicles positively. The bank confirmed that vehicle production will include both passenger and freight and it will exclude vehicles that would be used for the bulk transport of fossil fuels.
- We view zero-direct-emission shipping vessels positively. The eligibility criteria align with international science-based taxonomies. However, shipping is a hard-to-abate sector with no commercially viable zero-emissions solutions currently available at scale.
- Infrastructure projects for active mobility such as sidewalks and cycling lanes can promote a shift to low-carbon forms of transport and reduce reliance on passenger vehicles. These projects align with international science-based taxonomies.
- The eligibility criteria exclude the transportation of fossil fuels, in line with international science-based taxonomies.
- We expect green shipping projects to align with the IFC's guidelines for blue finance and the ICMA's bonds to finance the sustainable blue economy practitioners guide.



Sustainable water and wastewater management

- This category includes investments in technologies to reduce overall water demand in water-stressed areas (eg investments that increase water-use efficiency by at least 25%, water recycling and reuse, water saving systems and water metering).
- These also include sustainable infrastructure for clean water, wastewater and sewage water treatment.
- Desalination plants are also eligible, powered by renewable or low-carbon energy sources such as reverse osmosis. The average carbon intensity of the electricity that is used for desalination must be at or below 100gCO₂e/kWh.
- The framework excludes projects with applications to the fossil fuel industry and new fossil fuelled powered water treatment or desalination plants.

- We expect the UoP to align with the sustainable water and wastewater management category of the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.
- This UoP has a positive environmental impact. Water and wastewater treatment plants enhance ambient water quality and safeguard ecosystems and human health, as improper treatment of wastewater and effluents from production processes can pollute nearby water sources, posing a risk to wildlife and local communities that rely on these sources.
- Kuwait's arid climate means that the country faces extremely high levels of water stress. These activities contribute positively to sustainable water supply and water use optimisation by lowering overall withdrawals, improving efficiency and enhancing system resilience to drought.





- Seawater desalination plants meet nearly 100% of Kuwait's freshwater needs and around 90% of its drinking water needs. Seawater desalination plants positively contribute to climate change adaptation and are important in water-scarce countries such as Kuwait.
- We generally consider desalination plants to be energy intensive; therefore, we view it positively that the bank limits the financing to plants with carbon intensity below 100gCO₂e/kWh using reverse osmosis technology, as these reduce GHG emissions and enable clean water production.
- Desalination projects play a vital role in adapting to the impacts of climate change, such as increased water scarcity.
- We view solutions that improve water usage efficiency as environmentally positive, particularly in Kuwait, which has one of the highest per capita levels of water consumption in the world.
- Projects within this UoP are aligned with the IFC's guidelines for blue finance, though the ICMA's bonds to finance the sustainable blue economy practitioners guide expects projects to be ocean related.

Green buildings

- This category includes buildings that have reached at least energy performance certificate level A or are within the top 15% of most energy-efficient buildings of the national or regional building stock, as determined by NBK through a specialist methodology.
- It also includes buildings that are pre-certified or certified with a minimum external green building certification, such as:
 - BREEAM Excellent;
 - LEED Gold;
 - HQE Very Good;
 - EDGE Certified;
 - DGNB Gold;
 - DPE B;
 - Building and Construction Authority of Singapore Gold Plus; or
 - other equivalent internationally recognised green building certifications.
- Buildings that have been refurbished and renovated reaching at least 30% improvement in energy use or carbon emissions are also eligible.
- The framework excludes buildings directly related to fossil fuel energy generation.

- We expect the UoP to align with the green building category of the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.
- The IEA reported that the residential sector in Kuwait accounted for 13.4% of its total final energy consumption in 2023, making it the country's fourth-largest sector for energy consumption.
- We view it positively that the UoP will finance buildings that belong to the top 15% in terms of energy efficiency in Kuwait. Providing information on how the top 15% of the most energy-efficient buildings are determined would provide transparency and allow external parties to fully assess the UoP's environmental impact.
- Projects include various international and nationally recognised certifications. These require meeting criteria on environmental metrics such as energy performance, waste management, water consumption and pollution control. The certifications can provide a level of assurance that the certified buildings have better environmental performance than conventional buildings.
- The framework allows for financing renovations and refurbishments of buildings that achieve at least a 30% improvement in energy use or carbon emissions, which we view positively. The criteria align with those established by international standards and science-based taxonomies.
- This UoP supports long-term resilience and adaptive capacity, which we view as environmentally positive.



Environmentally sustainable management of living natural resources and land use

- This UoP covers afforestation, reforestation, rehabilitation, forest management and conservation certified by the FSC, PEFC or equivalent.
- It also includes sustainable agriculture practices and climate-smart farming methods that demonstrate significant avoidance or reduction of GHG emissions, pollutants and resources without degrading national capital or ecosystems. These include:
 - crop sensors, vertical farming and hydroponics, solar irrigation pumps and geospatial data tools;
 - regenerative agriculture; and
 - agricultural and food products and production processes throughout the value chain that comply with sustainable certification schemes.

- We expect the UoP to align with the environmentally sustainable management of living natural resources and land use category of the ICMA GBP and SBG, and the LMA, LSTA and APLMA GLP.
- This UoP has a positive environmental impact by promoting sustainable practices in agriculture, forestry and aquaculture.
- The framework's requirement for independent certifications helps ensure the projects' sustainability. For example, forestry certifications such as FSC or PEFC provide assurance that the forests are managed responsibly.
- NBK clarified that the certified forest projects intend to encompass a broad range of forest-related activities, provided the forest area is certified under a credible scheme.





- It also covers environmentally sustainable fishery and aquaculture certified by a reputable third-party organisation, such as Marine Stewardship Council, Best Aquaculture Practices (at least 2 star) and Aquaculture Stewardship Council.
- Conservation and rehabilitation of wetlands, mangroves and coral reefs are eligible, such as projects to reduce flooding and soil erosion while increasing coastal resilience. These projects must restore at least two hectares of wetlands or coastal areas and reduce erosion or flood risk by at least 15% in the project area. Projects will further aim to develop protected areas and systems, including terrestrial and marine regions, preserving terrestrial and marine natural habitats.
- The framework excludes industrial scale livestock farming.

- Afforestation and reforestation can enhance carbon sinks and contribute to climate change mitigation.
- Kuwait has a harsh desert climate, limited freshwater resources and scarce arable land. These conditions pose significant challenges to traditional farming methods. Climate-smart agricultural practices such as vertical farming, hydroponics, solar-irrigation pumps and geospatial tools can help address these challenges by conserving resources and enabling climate change adaptation.
- The global food system is a major source of global GHG emissions, making it a significant contributor to climate change.
- Regenerative agriculture and agricultural food products that comply with sustainable certification schemes are environmentally positive. Sustainable practices can reduce the environmental impact of agriculture and support the sector transition. These activities are recognised under the Singapore-Asia Taxonomy for Sustainable Finance.
- NBK confirmed to us that livestock farming is not included in the UoP's list of eligible projects.
- The requirement for sustainable fisheries and aquaculture certifications generates a positive environmental impact. Such certifications indicate adherence to responsible fishing practices and can help minimise harm to ecosystems. However, such activities are not currently recognised by international taxonomies.
- We view the conservation and restoration of wetlands, mangroves, and coral reefs as environmentally positive. These projects can improve coastal resilience by protecting shorelines against erosion and storms.
- We expect the fisheries and specific conservation project subcategories to align with the IFC's guidelines for blue finance, though we could not confirm alignment with the ICMA's bonds to finance the sustainable blue economy practitioners guide.



Pollution prevention and control

- This category includes eliminating or significantly mitigating environmental pollutants in air, and soil remediation using biological, physical and chemical methods.
- Waste management projects are eligible, such as waste prevention; waste reduction; waste collection; and waste recycling, including sorting, separation and material recovery.
- Waste to energy from municipal solid waste is eligible where the majority of recyclables are segregated before incineration, and it meets the following criteria:
 - the plant efficiency is greater than or equal to 25%;
 - it conducts bottom ash recovery;
 - it has greater than or equal to 90% recovery of metal from ash;
 - the average carbon intensity of electricity and/or heat over the life of the plant is less than or equal to the waste management allowance; and
 - the capacity of the plant does not exceed the calculated residual waste at any time in the plant's life.
- Anaerobic digestion projects are eligible if it processes sewage sludge, food waste or other organic materials limited to feedstock with life-cycle emissions intensity below 100gCO₂e/kWh.
- This UoP also covers carbon capture or direct air capture of CO₂ from the atmosphere, utilisation and permanent sequestration of underground storage with monitoring of leakage. This includes transport of eligible captured CO₂ with appropriate leakage-detection systems. Threshold: 90%

- We expect the UoP to align with the pollution prevention and control category of the ICMA GBP and SBG and the LMA, LSTA and APLMA GLP.
- This UoP considers projects to improve the efficiency of waste management systems. Projects will help reduce environmental pollution.
- We view environmental remediation projects positively, as such projects can help restore habitats; improve air, soil and water quality; and reduce GHG emissions.
- Almost half of the generated waste in Kuwait was disposed in un-engineered landfills as of 2022. The Kuwaiti Environment Public Authority developed the Kuwait National Waste Management Strategy 2040, which sets strategic objectives for waste management in Kuwait.
- We consider it positive that this UoP can contribute to reducing waste pollution, which is harmful to the environment and human health. The framework specifies that waste management projects will exclude projects related to hazardous waste and waste to landfill.
- We positively view material recovery facilities, as they recycle and reuse waste materials by converting them into usable products and new materials, contributing to the transition to a circular economy.
- We positively view the specification that waste management treatment facilities must achieve at least a 50% recycling rate.
- Anaerobic digestion facilities are environmentally beneficial as they prevent uncontrolled biological decomposition and





capture with permanent storage and high monitoring, reporting and verification.

- The framework excludes carbon capture, utilisation and storage projects such as enhanced oil recovery and activities that are not aligned with recognised decarbonisation thresholds. It also excludes landfilling waste and hazardous waste projects.

associated methane emissions. They can also stabilise organic waste, reduce water and soil pollution, and improve overall waste management outcomes.

- We positively view direct air carbon capture, as it can reduce atmospheric carbon levels and support emissions-reduction strategies. We also positively consider the requirement for monitoring, reporting and verification of projects.
- We consider the inclusion of a 90% threshold for captured carbon positive, however, internationally recognised taxonomies such as the Climate Bonds Taxonomy recommend a 100% capture rate.
- NBK confirmed that it excludes carbon capture, utilisation and storage projects associated with fossil-fuel-based power generation or activities that do not align with recognised decarbonisation pathways. Only projects that demonstrate high and meaningful CO₂ capture rates are eligible. NBK confirmed to us that enhanced oil recovery projects would also be excluded from carbon capture projects.
- Waste-to-energy projects can contribute to environmental objectives; however, we consider other methods of waste management, such as prevention, reuse and recycling, to be more sustainable and resource efficient, as they reduce the need for new materials. These activities can contribute to environmental sustainability by reducing methane emissions from landfills and preventing leachate pollution.
- We expect the waste projects flagged as “blue” to align with the ICMA’s bonds to finance the sustainable blue economy practitioners guide. However, we could not confirm alignment with the IFC’s guidelines for blue finance, which only include waste projects at port or terminal facilities.

Circular economy

- Sustainable packaging solutions are eligible, including implementation of returnable or reusable packaging solutions.
- Product life-cycle extension covers remanufacturing and refurbishment centres and R&D into designing products for longer durability and modular repairability.
- Eco-certified products are also eligible.
- Plastic product manufacturing is eligible, covering manufacturing of eco-labelled plastics using at least 90% recycled input, limited to mechanical recycling, ensuring 90% of products are not for single-use and are recyclable.
- The framework excludes the chemical recycling of plastic, single use plastics, as well as repair of products specifically for use in the extraction of fossil fuels.

- We expect the UoP to align with the circular economy category of the ICMA GBP and SBG and the LMA, LSTA and APLMA GLP.
- Promoting circular economy production methods can reduce strain on a waste management system with low rates of recycling and encourage the diversion of waste from landfill, thereby contributing to the transition to a circular economy.
- Kuwait developed its National Waste Management Strategy 2040, which outlines its intention to develop an effective waste management system that minimises the adverse effects of waste generation. Kuwait intends to introduce a five-step waste hierarchy with a focus on waste prevention as part of this plan.
- Reusable packaging can reduce the need for single-use materials, lower overall packaging waste generation and reduce pressure on waste management systems.
- Product life-cycle extension is environmentally positive as it can promote durable design and consumption patterns. These projects will contribute positively, though there is limited information related to thresholds of certain subcategories and the sectors it applies to.
- Certified eco-efficient products are aligned with the ICMA GBP. Obtaining an eco-certification provides greater assurance that the product has been produced in line with sustainable practices.
- We positively view the inclusion of eco-labelled plastic products that can be recycled and where the input feedstock is derived from majority recycled material. This can reduce reliance on virgin materials and demonstrates sustainable resource use.
- We expect the plastic product manufacturing projects subcategory to align with the IFC’s guidelines for blue finance



and the ICMA's bonds to finance the sustainable blue economy practitioners guide.

Climate change adaptation

- This category covers climate change adaptation infrastructure and technology with applicable vulnerability assessments and adaptation plans. These include:
 - adaptation infrastructure, including flood mitigation and other projects designed to provide protection against extreme weather events; and
 - technology and solutions for risk reduction or management of environmental disasters and extreme weather events, such as early warning systems.

- We expect the UoP to align with the climate change adaptation category of the ICMA GBP and SBG and the LMA, LSTA and APLMA GLP.
- Kuwait's National Adaptation Plan 2019–2030 lists extreme climatic events such as heatwaves, sandstorms, flash floods and sea level rise as key physical climate risk challenges.
- We view flood mitigation infrastructure positively, as these projects reflect the increased risk posed by flooding events. Kuwait is a low-lying coastal country that could be affected by rising sea levels.
- Information support systems, such as climate observation and early warning systems, can provide the data needed to recognise emerging risks, protect public health, inform infrastructure and policy decisions, and ensure that adaptation efforts are effective in the context of changing environmental conditions.
- We view early warning systems for extreme weather events positively. Kuwait's National Adaptation Plan 2019–2030 identified insufficient early warning systems that provide alerts before extreme weather events, such as dust storms, as a major gap in the human health sector.
- We expect the UoP to align with the IFC's guidelines for blue finance and the ICMA's bonds to finance the sustainable blue economy practitioners guide.



Access to essential services: health care and education

- This segment covers financing related to projects, facilities and equipment that enhance access to public, not-for-profit, free or subsidised essential services including healthcare and education.
- These include activities involving the development, expansion, refurbishment or acquisition of buildings, facilities or equipment relating to:
 - infrastructure for hospitals, laboratories, clinics, healthcare, childcare and elder care centres, including essential equipment; and
 - infrastructure for the provision of child, youth or adult education and vocational training services.
- The target population is the general population or low-income individuals and households as determined by local regulation in the country where the project resides.

- We expect this UoP to be aligned with the access to essential services category of the ICMA SBP and SBG and the LMA, LSTA and APLMA SLP.
- This UoP has a positive social impact. The provision of access to healthcare services and infrastructure enables more people to access these facilities and can help improve the target populations' quality of life and life expectancy.
- Healthcare is a key component of Kuwait Vision 2035, with an aim to reduce adult mortality and morbidity in a country where noncommunicable diseases are the leading cause of death at 76.5% and disability-adjusted life (79.3% of disability-adjusted life years).
- Public education accounts for around 13% of Kuwait's total government expenditure. World Bank data shows that Kuwaitis attend school for an average of 12.4 years, but learning outcomes are equivalent to 7.6 years, indicating a scope to improve efficiency and effectiveness of education spending.
- The Kuwait National Development Plan aims to develop a world-class education system, with a focus on science, technology, engineering and mathematics disciplines and closer alignment between educational outcomes and labour-market needs.
- This UoP contributes to SDG 3 (good health and well-being), especially target 3.8 (achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all).
- It also contributes to SDG 4 (quality education), particularly the following targets:
 - 4.2 (by 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education);



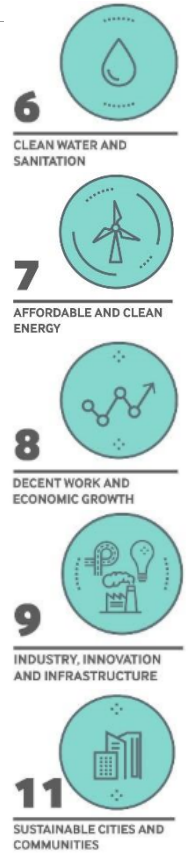


	<ul style="list-style-type: none"> – 4.3 (by 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university); and – 4.4 (by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship). <ul style="list-style-type: none"> • NBK identified low-income individuals and households as determined by local regulation in the country where the project resides, which further enhances the social impact.
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Affordable basic infrastructure

<ul style="list-style-type: none"> • This category covers financing related to the development, construction and operation of affordable basic infrastructure that provides or expands access to rural and urban needs for: <ul style="list-style-type: none"> – clean drinking water; – sanitation, including infrastructure related to sewerage systems; – sustainable transportation, including expanding ports, rail and road infrastructure to enable transport for public use and goods; – telecommunication infrastructure to offer communities in rural areas internet and telecommunications coverage that falls below the national average; and – electricity supply (focusing on transmission and distribution networks rather power generation) to rural areas without reliable electricity infrastructure. • The target population is the general population or under-served communities (eg rural areas).

<ul style="list-style-type: none"> • We expect the UoP to align with the affordable basic infrastructure category of the ICMA SBP and SBG and the LMA, LSTA and APLMA SLP. • We view clean drinking water and sanitation projects positively. This activity contributes to the provision of clean water by constructing, extending or maintaining water collection, treatment and supply systems, which ensures that communities have access to clean and safe drinking water. • The development of sustainable transportation infrastructure can contribute to inclusive economic development and improved quality of life. • Developing sustainable transport infrastructure can improve the connectivity of under-served regions, reducing the travelling time and cost for under-served and general populations. It can help economic diversification and regional connectivity. • The development of electricity transmission and distribution networks can support economic inclusion by enabling income-generating activities and enhance living standards and social development through increased access. • Kuwait has good infrastructure in urban centres, but there may be variations in service quality and access in rural areas. Specifically targeting these under-served communities would improve the bond's impact by ensuring it is focusing on those most in need. • This UoP contributes to SDGs 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure) and 11 (sustainable cities and communities).
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Affordable housing

<ul style="list-style-type: none"> • This category covers financing related to the construction, development, refurbishment or preservation of: <ul style="list-style-type: none"> – quality affordable housing and subsidised financing for residential mortgages for low- and middle-income populations in Egypt; and – quality affordable housing and subsidised financing for residential mortgages aimed at low-income populations in other countries. • The target population is low- and middle-income individuals and households in Egypt, individuals and/or households as determined by local regulations or standards in the country where the project resides.

<ul style="list-style-type: none"> • We expect the UoP to align with the affordable housing category of the ICMA SBP and SBG, and the LMA, LSTA and APLMA SLP. • Affordable housing projects have a good social impact. Financing affordable housing could contribute to improving living conditions for its citizens, especially populations who might otherwise not have access to securing housing. • NBK identified low- and middle-income individuals and households in Egypt and individuals and/or households as determined by local regulations or standards in the country where the project resides. • This UoP contributes to SDG 11 as it creates inclusive and sustainable communities by enabling affordable property ownership and access to affordable rental housing that can significantly improve the quality of life.




Employment generation and socioeconomic advancement and empowerment

<ul style="list-style-type: none"> • This category covers financing programmes to promote employment creation and prevent and/or alleviate unemployment stemming from socioeconomic crises, including:

<ul style="list-style-type: none"> • We expect the UoP to align with the employment generation category of the ICMA SBP and SBG, and the LMA, LSTA and APLMA SLP.
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<ul style="list-style-type: none"> - SMEs and micro-SMEs financing in specific economically underperforming regions; - subsidised lending to specific economically underperforming sectors as determined by local regulations or standards, for example set by central banks; - lending to women-led SMEs and micro-SMEs; and - lending to smallholder farmers as determined by local regulations. <ul style="list-style-type: none"> • The target population is under-served populations such as economically unperforming regions, sectors and women. 	<ul style="list-style-type: none"> • SME financing can have a significant social impact by creating jobs and stimulating local economies, reducing poverty and inequality. • World Bank data from 2024 indicates that 48.6% of women in Kuwait participated in the labour market. Providing finance for women-owned SMEs can enable female participation in the labour market, which we view positively. • This UoP supports New Kuwait Vision 2035, which aims to promote SME growth as well as economic diversification, development and social advancement in Kuwait. • We view the expansion of financial services to this under-served population as socially positive. It directly contributes to SDG 8, particularly the following targets: <ul style="list-style-type: none"> - 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); and - 8.5 (by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value). 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
<p>Food security</p> <ul style="list-style-type: none"> • This category covers financing related to programmes to promote and enhance food security. These include the following: <ul style="list-style-type: none"> - lending to individual smallholder farmers and farmer cooperatives primarily consistent of smallholder farmers including provisions of credit, equipment and facilities that help prevent food loss and waste, improve productivity and increase market access to smallholder producers; - technology and infrastructure that improves agricultural productivity, and enhances livelihoods and food security and nutrition in poor rural communities; and - facilities such as warehouses to provide adequate storage, improve food conservation or improve connectivity in the food chain to avoid food losses and to enable the availability of food that contributes towards a healthy diet. • The target population is smallholder farmers and rural communities. 	<ul style="list-style-type: none"> • We expect this UoP to be aligned with the food security and sustainable food systems category of the ICMA SBP and the LMA, LSTA and APLMA SLP. • Kuwait imports the majority of its food due to arid climate conditions, water scarcity and limited arable land. • Lending to individual smallholder farmers can enable capacity building and can equip them with the expertise and skills to improve their productivity and implement sustainable practices. This can lead to improved working and living conditions for individuals and their communities. • Enabling sustainable agriculture and aquaculture practices means food producers can increase the quantity and quality of their products. This can help ensure a more reliable food supply for local communities and can reduce the risk of food security and scarcity. • We consider it positive that the target population includes smallholder farmers and rural communities as it can help address social inequalities, reduce poverty, improve livelihoods and strengthen food security. • This UoP has a positive social impact. Projects contribute to SDGs 2 (zero hunger) and 13 (climate action), as they can improve smallholder farmers' productivity and promote more resilient and efficient agricultural systems. 	 <p>2 ZERO HUNGER</p>  <p>13 CLIMATE ACTION</p>
<p>Source: NBK sustainable financing framework 2026</p>	<p>Source: Sustainable Fitch</p>	

Use of Proceeds – Other Information

Company Material

- NBK will allocate an amount at least equivalent to the net proceeds from sustainable finance instruments will be used to finance or refinance, in part or in full, providing environmental and/or social benefits as outlined the eligibility criteria of its sustainable financing framework.
- NBK intends to achieve a level of allocation to the eligible asset portfolio that matches or exceeds the balance of net proceeds of its outstanding sustainable financing instruments within three years of issuance of each sustainable financing instrument.
- NBK states that a business that derives at least 90% of revenue from eligible criteria will qualify for financing from the bank's sustainable financing instrument, provided it does not fund expansion into activities outside the eligible asset categories.
- In such cases, proceeds may be used for general corporate purposes, provided they do not fund expansion into non-eligible activities.
- NBK has a list of excluded project types in the framework, restricting it from allocating proceeds from any sustainable debt issuance to fossil-fuel-related activities such as exploration, extraction, generation, distribution and transportation; as well as all defence-related projects.

Source: NBK sustainable financing framework 2026

Alignment: Good

Sustainable Fitch's View

- Financing new projects is generally associated with increased impact and additionality compared to refinancing existing projects. The framework does not commit to a preset ratio of new versus refinanced projects, which limits our assessment.
- The framework allows for financing or refinancing entities that derive 90% of its revenue from activities that meet one or more of the framework's eligibility criteria (pure-play companies). Pure-play companies have a positive green and social impact; the framework defines the purpose of financing pure-play companies.
- NBK specified the types of expenditures that can be financed with the proceeds in its framework. We understand that financing pure-play companies will align with all the ICMA's core components, similar to other UoP categories.
- NBK confirmed that a lookback period of three years applies for operating expenditures, in line with standard market practice.
- The framework has an exclusion list which we consider as comprehensive and well defined. This exclusion list provides assurance to stakeholders that funds will not finance environmentally or socially negative projects.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- NBK established a SFWG who will be responsible for the following:
 - carrying out annual screening and assessing eligible assets put forward by business teams against the eligibility and exclusion criteria outlined in its sustainable financing framework;
 - ensuring that eligible assets are aligned with the banks sustainability policies and procedures;
 - reviewing eligible assets, removing assets that have matured or no longer meet the eligibility criteria, and replacing with them with a new eligible asset if allocated to a sustainable finance instrument; and
 - preparing and approving allocation and impact reports.
- The SFWG will be chaired by a member of NBK's executive management team and consist of members from its finance, treasury, corporate sustainability, risk management and investor relations teams.
- NBK's environmental and social risk management framework integrates environmental, social and climate-related factors into credit assessment, portfolio monitoring and enterprise risk management.

Source: NBK sustainable financing framework 2026

Alignment: Excellent

Sustainable Fitch's View

- The evaluation and selection process and eligibility criteria are defined in NBK's sustainable financing framework and are aligned with the ICMA GBP, SBP and SBG and the LMA, LSTA and APLMA GLP and SLP.
- The SFWG includes representatives from various departments, ensuring a broad representation of stakeholders from within the bank. The presence of the bank's ESG unit ensures that relevant skills are present to assess the environmental and social impacts of projects.
- The presence of a multi-layered project selection and evaluation process is positive. Incorporating multiple departments and levels of review ensures cross-functional oversight and multiple checkpoints, and provides greater assurance on the effectiveness of internal controls and balances.
- We view it positively that the bank developed an environmental, social and climate risks management framework. The bank can ensure that ESG-related risks are identified and assessed before financing or investment is approved.

Source: Sustainable Fitch

Management of Proceeds

Company Material

- NBK will deposit the proceeds from each sustainable financing instrument into its general funding account, with the finance and treasury team earmarking and tracking an amount equivalent to the net proceeds allocated to eligible assets using a portfolio approach.
- NBK states that unallocated funds will be temporarily utilised as investments in ESG-labelled instruments (ie sustainable financing instruments by other issuers); and held in cash, cash equivalents and/or other liquid marketable investments, in line with NBK's liquidity policy, until such ESG-labelled investments are available.
- NBK expects that each issuance under this framework will be fully allocated within three years from the date of issuance.
- The SFWG will follow up with respective departments to track actual spend on the eligible assets using internal systems.

Alignment: Excellent

Sustainable Fitch's View

- Net proceeds will be earmarked to eligible assets under NBK's general funding accounts. The virtual segregation approach is aligned with the ICMA's requirements and ensures traceability of funds. We consider separation of funds using a dedicated bank account as market best practice.
- The bank expects proceeds to be fully allocated within three years from the date of issuance, in line with standard market practice.
- We view positively that NBK intends to hold temporarily unallocated funds in other ESG-labelled instruments, as this approach can increase the environmental and social impact of the financing.
- We consider holding proceeds in cash or cash equivalents, until eligible ESG-labelled instruments are identified, as aligned with market practice.

Management of Proceeds

Alignment: Excellent

Company Material

Sustainable Fitch's View

- NBK's SFWG reviews eligible assets and can remove assets that have matured or if they no longer meet eligibility criteria.

Source: NBK sustainable financing framework 2026

Source: Sustainable Fitch

Reporting and Transparency

Alignment: Excellent

Company Material








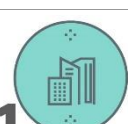
Sustainable Fitch's View

- NBK is committed to publishing an allocation and impact report annually until full allocation of the proceeds, and in the event of any material changes until the relevant maturity date.
- NBK's allocation reporting will include the following:
 - net proceeds of outstanding sustainable financing instruments;
 - amount of net proceeds allocated to eligible asset categories;
 - examples of eligible assets financed through NBK's sustainable financing instruments, including descriptions and allocated amounts;
 - share of refinancing versus new financing; and
 - remaining balance of unallocated proceeds.
- NBK will request a third-party reviewer to provide an assurance report on the alignment of the allocation of funds with the framework's criteria.
- Where feasible, NBK will align the reporting with the portfolio approach described in the ICMA Harmonised Framework for Impact Reporting Handbook as of June 2024.
- NBK's commitment to allocation and impact reporting until full allocation and in the event of material changes until the maturity date is in line with the ICMA GBP, SBP and SBG, and the LMA, LSTA and APLMA GLP and SLP.
- The ICMA, LMA, LSTA and APLMA guidance also requires issuers to provide brief descriptions of the projects financed, which may be included in the bank's allocation report.
- Disclosure of proceeds provided to each UoP and the proportion of financing versus refinancing can also provide greater transparency to investors. We view it positively that NBK will provide this information in its allocation reporting.
- NBK intends to align its impact reporting with the ICMA's Harmonised Framework for Impact Reporting. The bank is committed to annually provide information on the impact metrics for the allocated proceeds. We consider this positively in our assessment, as using standardised impact metrics helps investors make clear comparisons and informed decisions about the performance of their investments.
- The bank's intention to have a third-party review on the alignment of the allocation of funds is appropriate and in line with best practice. However, it has not made a similar commitment for impact reporting. Best practice is to have an independent third party verify that impact KPIs are achieved to provide assurance to investors on the quality of reporting. Engaging a qualified sustainability expert for its impact assessment would be best practice and ensure the reporting's accuracy and reliability.

Source: NBK sustainable financing framework 2026

Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

<ul style="list-style-type: none"> 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. 	 <p>2 ZERO HUNGER</p>
<ul style="list-style-type: none"> 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 	 <p>3 GOOD HEALTH AND WELL-BEING</p>
<ul style="list-style-type: none"> 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 	 <p>4 QUALITY EDUCATION</p>
<ul style="list-style-type: none"> 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. 	 <p>6 CLEAN WATER AND SANITATION</p>
<ul style="list-style-type: none"> 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3: By 2030, double the global rate of improvement in energy efficiency. 	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>
<ul style="list-style-type: none"> 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead. 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all. 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
<ul style="list-style-type: none"> 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. 	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<ul style="list-style-type: none"> 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. 	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>



Relevant UN Sustainable Development Goals

- **12.2:** By 2030, achieve the sustainable management and efficient use of natural resources.
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



- **14.4:** By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.



- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- **15.2:** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Sustainability

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 Green Bond Principles (GBP)

Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.

UoP as per Social Bond Principles (SBP)

Affordable basic infrastructure	Yes
Access to essential services	Yes
Affordable housing	Yes
Employment generation (through SME financing and microfinancing)	Yes
Food security	Yes
Socioeconomic advancement and empowerment	Yes
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.

Target Populations

Living below poverty line	No
Excluded and/or marginalised populations and /or communities	No
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	No
Women and/or sexual and gender minorities	Yes
Ageing populations and vulnerable youth	No

Type of Instrument: Sustainability

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	General population; low-income individuals and households as determined by local regulation in the country where the project resides; low- and middle-income individuals and households in Egypt; smallholder farmers; rural communities.

2) Project Evaluation and Selection

Evaluation and Selection

Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument 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.

Evaluation and Selection, Responsibility and Accountability

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

3) Management of Proceeds

Tracking of Proceeds

Sustainability instrument 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 instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported

Allocated amounts	Yes
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Type of Instrument: Sustainability

Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	No

Impact Reporting

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

Impact Reporting/Information Reported (exp. ex-post)

GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes

Other ESG indicators

Capacity of renewable energy plant(s) constructed or rehabilitated (MW); reduction of air pollutants; number of zero-emission vehicles; green building certifications; area under certified organic or sustainable agriculture (ha and % of acreage farmed); number of water infrastructure projects built and upgraded; number of low-income individuals and households benefiting from subsidised housing; number of jobs supported, created and retained; number of people provided with access to affordable, safe, nutritious and sufficient food; others listed in the framework.

Impact Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure

Information published in financial report	No
Information published in ad hoc documents	Yes



Type of Instrument: Sustainability

Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.

Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

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 created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

SOLICITATION STATUS

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

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