



Framework for Imagine Impact Bonds

As of March 2023

Version 1



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I. Introduction

This document is the general framework (the “**Framework**”) of the Imagine Impact Bonds (“**Imagine**”). The Framework has been drafted in accordance with the International Capital Market Association (“**ICMA**”) Green Bond Principles updated in 2021 (“**GBP**”), Social Bond Principles as published and updated by ICMA in June 2021 (“**SBP**”) and the Sustainability Bond Guidelines as published in June 2018 (“**SBG**”). The Framework provides Imagine with the ability to issue either Green Bonds, Social Bonds or Sustainability Bonds as defined by the ICMA principles and guidelines referred to above.

This general Framework aims to provide the over-arching framework for bonds issued by Imagine. Furthermore, the impact bonds will target specific areas of impact and development linked to Sustainable Development Goals (“**SDG**”), which may include, but are not limited to:

- Financial inclusion
- Diversity and gender equality
- Renewable energy
- Forest restoration
- Natural capital

Bonds issued under the Framework would either qualify for Green, Social or Sustainability Bonds, which will be confirmed in the final terms of the bond.

A. Company overview

Imagine offers fund managers, project developers, and impact advisors a unique opportunity to structure one or more impact projects into a bond issuance to one or more interested investors. Investing in an Imagine impact bond offers an attractive opportunity to investors to manage risk and keep good track of the use of proceeds.

The main objective of Imagine Impact Bonds platform is to facilitate the issuance of impact project bonds under the highest international financial and impact standards and create a reliable and cost-efficient link between investors and impact projects.

Imagine is a public company domiciled in Luxembourg, with the status of a securitization company within the meaning of the Luxembourg law of 22 March 2004 on securitization. It’s a joint venture between Inn pact S.A. (“**Innpact**”) and Opportunity Financial Services S.A. (“**Opportunity**”), who jointly manage the activities of the securitization vehicle.

Innpact is a leading global adviser for impact investment structures and funds that facilitate investments to drive social and environmental impact alongside financial returns. Since its establishment in 2007, Inn pact has supported sponsors, investors, and fund managers all over the world in developing more than 150 impact finance projects, including 30 fund projects, facilitating more than USD 8 bn into a great variety of impact themes. The Inn pact team includes over 50 members based in Luxembourg and in Mauritius who are expert in impact strategies and methodologies, fund evaluation, designing and structuring investment vehicles including blended finance structures, fund management, fund reporting and legal support.

Opportunity is a professional of the financial sector (PSF), offering fully integrated fund and corporate services dedicated to Luxembourg and foreign entities, with a particular focus on Private Equity, Real Estate, Venture Capital, and Debt. Opportunity is authorized by the CSSF (www.cssf.lu) to provide services as financial sector administrator, registrar, client communication agent, company start-up and management services, and company domiciliation agent. Opportunity has been managing an in-house securitization company since 2005, with more than EUR 2 billion in assets under management. The Opportunity team includes over 30 professionals, led by an entrepreneurial and tech-savvy management team.

B. ESG & Impact Management Policy

Imagine is targeting exclusively Originators that demonstrate a clear intent of making a positive impact by defining a sustainable objective, mitigating the principal adverse impacts on sustainability, and robustly monitoring and measuring such impact.

The ESG & Impact Management policy describes Imagine's vision and sets out the general principles for how ESG and impact factors shall be integrated in the strategies of the originator (the "**Originators**") to develop projects that will be financed through bonds issued on the Imagine platform.

Bonds issued by Imagine are subject to the Eligibility Criteria set up by Imagine, including with regards to impact and sustainability filters on both the Originator and the projects themselves, including the use of proceeds, as defined in the ESG & Impact Policy.

Such criteria may depend on which Eligible Category as outlined in annex 2 and 3 the issued bond would fall into and the targeted SDG objectives.

II. The Framework

The Framework is aligned with the GBP, SBP and SBG and allows Imagine to issue Green, Social and Sustainability Bonds.

For each bond which is issued under this Framework, Imagine will declare such bond as either a Green, Social or Sustainability Bond (as applicable) and ensure that the relevant underlying loan(s) complies with the criteria as laid out in this framework by:

- Applying a use of proceeds provision in respect of the underlying loan(s), as further laid out in section (a) below.
- Requiring the Originator to apply its origination criteria and origination process for a Green, Social or Sustainability Bond (as applicable), as further laid out in section (b) below; and
- Requiring the Originator (in its capacity as the monitoring agent of the underlying loan) to gather impact reporting indicators on a best effort basis as further laid out in annexes 2 and 3.

Subject to compliance with the above, funding can be granted to SPVs, project finance structures or asset-backed financings and can be in the form of equity, term loans, revolving credit facilities, or other types of contracts. Further, participations in loans with reputable financial institutions or funds or other vehicles

managed by the Originator, whereby the participation satisfies the above criteria, is also permitted under this Framework.

A. Use of proceeds

Each underlying contract to which this Framework applies shall have a use of proceeds provision, whereby the proceeds of such funding is used by the Originator thereunder solely to finance or refinance **Eligible Projects**, as further laid out in this section.

A distinction is made between Eligible Green Projects and Eligible Social Projects (together defined as “**Eligible Projects**”).

Eligible Projects may include existing loans that have been outstanding for no more than 5 years as of the date of the specific bond issuance. Such existing loans should not account for more than [30%] of the total use of proceeds.

Eligible Green Projects: Projects in the following categories can be considered for inclusion as Eligible Green Projects:

- A. Renewable Energy – (EU Taxonomy Eligible)
- B. Energy Efficiency – (EU Taxonomy Eligible)
- C. Clean Transportation – (EU Taxonomy Eligible)
- D. Green Buildings – (EU Taxonomy Eligible)
- E. Sustainable water and wastewater management – (EU Taxonomy Eligible)
- F. Waste and pollution prevention and resource efficiency
- G. Biodiversity
- H. Climate Change adaptation – (EU Taxonomy Eligible)
- G. Circular economy and/or eco efficient projects
- I. Land use & marine resources

A detailed overview on Eligible Green Projects and Reporting is included in Annex 2.

Eligible Social Projects: Projects in the following categories can be considered for inclusion as Eligible Social Projects:

- Affordable Basic infrastructure
- B. Access to essential services
- C. Affordable housing
- D. Employment generation
- E. Socio-economic advancement and empowerment

A detailed overview on Eligible Social Projects and their reporting is included in Annex 3.

Imagine may impose restrictions on the Eligible Projects based on its own internal assessment which can be stricter compared to this Framework. Potential restrictions depend on the specific characteristics of each project and need to be approved by Imagine.

Imagine follows its standard exclusion list in this framework (which equals IFC’s exclusion list). This list includes but is not limited to the group of activities listed in Annex 1.

B. Criteria and Process for Project Evaluation and Selection

For each bond to which this Framework applies, Imagine will require the Originator to apply its criteria and process for the origination of a Green, Social and Sustainability Bond. These will need to be include, but not limited to:

- Definition and tracking of a clear use of proceeds for each project, as detailed in section (a) above, with defined impact objectives contributing to the United Nation's Sustainable Development Goals.
- On-side due diligence for all projects, with quantitative and qualitative assessment of each project's risk profile.
- Implementation of a detailed process for the evaluation of the projects and related impact objectives.
- Tracking of funds received from bond issuance to beneficiary projects, as detailed in section (c) below.
- Adequate processes for monitoring of the financial, environmental, and social performance of each project.
- Process for reporting in place, as detailed in section (d) below.

The minimum requirements, criteria and process will be further detailed in the Imagine Originators Guidelines and shall be reflected in the Originator's investment guidelines (or other internal procedures).

Imagine will have an Eligibility Committee which will be responsible for approving the selection of the Originator as well as Eligible Social or Green Projects for financing through any Green, Social or Sustainability Bond issuance.

The Eligibility Committee will be composed of at least 3 members with relevant experience in project screening and due diligence, ESG and impact management, fund management, and analysis.

The decisions of the Eligibility Committee will be made based on:

- processes implemented by the Originator and fit with the Imagine framework,
- inherent risks of the projects to be financed, including ESG and impact risks (PAI),
- expected impact of such projects.

Prior to issuance, the Eligibility Committee will provide the following assessment:

- High/Medium/Low probability to positively contribute the achievement of impact goals.
- High/Medium/Low risk of having negative environmental or social impacts

This assessment considers a number of quantitative and qualitative measures applied by Imagine, which will be based on detailed assessment form/scorecard.

The functioning of the Eligibility Committee including selection of members, frequency of meetings, and criteria for assessment and selection is further detailed in the Imagine Eligibility Committee Procedures.

C. Management of proceeds

The net proceeds of the Green, Social or Sustainability Bond will be used to fund Eligible Projects by Imagine in accordance with the terms of an underlying contract. The proceeds of the issuance will be credited on a specific account linked to the compartment of the issuance, and the Originator will then request disbursement of funds for Eligible Projects, either individually or pooled. Allocation of proceeds to Eligible Projects should be done without 6 months of issuance of the financing instrument.

Each financing instrument made available can have one or more Eligible Projects that the Green, Social or Sustainability Bond finances, to be grouped in a pool of Eligible Projects. In order to avoid double-counting of Eligible Projects, representation will be made that each Eligible Project is not funded by more than one financing instrument.

If one underlying Eligible Project is prepaid or no longer qualifies as an Eligible Project, such project could be replaced by the Originator within the pool by another Eligible Project. If the project is not replaced within 6 months, then either (i) the part of the loan that is not covered by the Eligible Project should be repaid, or (ii) such failure would constitute an event of default under the terms of the loan.

Pending allocation or reallocation to eligible projects, net proceeds will be held in accordance with Imagine's prudent liquidity management policy. Such proceeds could be either kept in cash or cash-equivalent instruments or invested in money market instruments with good credit rating and market liquidity until they are allocated to eligible projects.

The audit on the allocation of funds within each compartment will be performed at the cost of the bond platform, which will then be imbedded into the Originator cost subsequently.

D. Reporting

On a quarterly and annual basis, the Originators will need to produce an allocation & impact report ("**Report**") per bond issuance. This Report will provide details on a bond-by-bond basis of the use of proceeds and tracking of impact targets and will meet specific investors requirements both with regards to frequency of reporting and information to be included. It will be possible to produce such Report and communicate to investors through the Imagine platform.

This Report will contain details of:

- Allocation of funds by Eligible Project category and optionally for each bond issue some examples of loans financed
- The amount of unallocated cash or cash equivalents
- If available, a breakdown of the countries where the funds have been deployed
- Tracking of impact indicators
- Report on new financing vs refinancing of existing loans
- The report will also have a country breakdown of where the funds have been deployed
- The report will also include SGDs contribution, and ex-ante and ex-post impact measurement which will confirm initial objectives

The Report will follow the recommendations outlined in the 'Harmonized Frameworks for Impact Reporting' for Green and Social Bonds published by the Green and Social Bond Principles respectively. This may include selected KPIs as outlined in Annex 2 and 3.

Imagine will endeavour to ensure that the Originator provides ex-ante impact estimates on a project-by-project basis as well as ex-post impact measurements, whether quantitative or qualitative.

The report will be imbedded in the overall framework, and reports will be available at the end of the financial year after external auditors' review.

III. External review

A. Second party opinion

Imagine has commissioned a Second Party Opinion for its Framework from Ethifinance who has confirmed that the Framework complies with the GBP, SBP and SBG. This Second Party Opinion as well as the Framework will be made available to the Investors on the website of Imagine and on the Luxembourg Green Exchange if and as applicable.

B. External verification

Imagine may request on an annual basis an external verification on each or a specific bond issued under its Framework. In such case the verification may be provided starting one year after the issuance of the bond or after the full amount has been allocated to Eligible Projects. Such external verification may be provided by an auditor or an external expert. Such external verification will be required for listing on the Luxembourg Green Exchange.

C. Self-declaration

For any bond that may slightly differ from this Framework, the Originator will have the possibility to work with Inn pact to adapt the Eligible Projects to one of the frameworks, or to include additional specificities into the relevant framework. Otherwise, the Originator will have the possibility, with Inn pact's support, to provide a self-declaration relating to its own use of proceeds framework.

Annex 1 – Exclusion List

- Production of or trade in any product or activity deemed illegal under applicable laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs¹, wildlife or products regulated under CITES².
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine);
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Pornography and/or prostitution.
- Activities involving or relating to racist and/or anti-democratic media.
- Activities leading to the destruction of High Conservation Value Areas³.
- Production or trade in radioactive materials; this does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Symbiotics considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbounded asbestos fibres; this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or activities involving harmful or exploitative forms of forced labour⁴/harmful child labour⁵ or any form of human trafficking.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals; "hazardous chemicals" include gasoline, kerosene, and other petroleum products.
- Production or activities and leading to cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations; and
- Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.

¹ Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985

² Convention on International Trade in Endangered Species of Wild Fauna and Flora

³ An area designated on the basis of High Conservation Values (HCVs) which are biological, ecological, social or cultural values considered outstandingly significant at the national, regional or global level

⁴ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

⁵ Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development

Annex 2 - Green bonds

The Green Eligibility and Reporting is applicable to standard Green Projects. Given the local differences in regulation, an alternative reporting standard may apply as decided upon on a project-by-project basis. The selection of eligible projects would include confirmation of SDG alignment as well as baseline and targets for reporting indicators.

Table 1 below provides a definition of eligible green projects and table 2 provides indicators that will be monitored for such projects.

Table 1. Green projects eligibility criteria

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory (including but not limited to)	SDG alignment
Renewable Energy	Investments in the development, construction, operation and maintenance of renewable energy projects	Positive contribution to climate change mitigation by reducing greenhouse gas emission	<ul style="list-style-type: none"> • Wind power • Geothermal power • Solar power (concentrated solar power, photovoltaic power) • Biomass or biogas power • Ocean power (e.g. wave, tidal, ocean currents, salt gradient) • Hydropower plants (>25MW plants are assessed on a case-by-case basis) 	<ul style="list-style-type: none"> • SDG 7 – Affordable and Clean Energy
Energy Efficiency	Investments in the development, construction, operation and maintenance of energy efficiency projects		<ul style="list-style-type: none"> • New refurbished buildings (resulting in a 30% energy efficiency improvement) • Energy storage¹ • District heating (that uses a system using at least 50% renewable energy, 50% waste heat, 75% co- 	

¹ As per the criteria of the Climate Bonds Initiative, a. Is a dedicated connection to a power production plant eligible under one of the Climate Bonds sector criteria (e.g. Solar) b. Is a dedicated connection to a power production plant operating under the low carbon power threshold (100g CO2/kWh), c. The infrastructure is located on a system with a grid factor at or below 100g CO2/kWh, or d. The infrastructure is located on a system for which at least 67% of its added generation capacity in the last 5 years falls below the low carbon power threshold.

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory (including but not limited to)	SDG alignment
			<ul style="list-style-type: none"> generated heat or 50% of a combination of such energy and heat) • Smart grids • Appliances and products (which improve energy efficiency) 	
Clean Transportation	Investments for clean transport vehicles, equipment and infrastructure, including public and private transportation projects		<ul style="list-style-type: none"> • Electric, hydrogen, public, rail and non- motorized transportation • Infrastructure for low-carbon transport (e.g. clean energy vehicles and reduction of harmful emissions) 	<ul style="list-style-type: none"> • SDG 11 – Sustainable Cities and communities
Green buildings	Investments for the construction and retrofit of new, existing and refurbished green buildings		<ul style="list-style-type: none"> • Certified buildings (EDGE, BREEAM Excellent and outstanding, LEED Platinum or Gold or equivalent, etc) 	
Sustainable water and wastewater management	Investments in the development, construction, operation and maintenance of sustainable water management projects		<ul style="list-style-type: none"> • Sustainable infrastructure for clean drinking water • Wastewater treatment • Sustainable urban drainage systems • River Training • Flooding mitigation mechanisms 	<ul style="list-style-type: none"> • SDG 6 – Clean water and sanitation • SDG 11 – Sustainable Cities and communities
Waste and pollution control & resource efficiency	Investments in the development, construction, operation and maintenance of projects linked to waste and pollution control	Preservation of resources & pollution prevention and control	<ul style="list-style-type: none"> • Reduction of air emissions • Greenhouse gas control • Soil remediation • Waste prevention, reduction or recycling • Energy/emission-efficient waste to energy 	<ul style="list-style-type: none"> • SDG 11 – Sustainable Cities and communities • SDG 12 – Responsible Consumption and Production • SDG 14 – Life below water

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory (including but not limited to)	SDG alignment
				<ul style="list-style-type: none"> SDG 15 – Life on land
Biodiversity	Investments in the development, construction, operation and maintenance of biodiversity conservation projects	Conservation of Biodiversity and improve & preserve quality of Life	<ul style="list-style-type: none"> Financed activity is either contributing to conserving/increasing biodiversity or the core business/ aim of the project is to conserve or increase biodiversity The transition to or maintenance of silvo-pastoral systems, if no conversion of natural land is involved 	<ul style="list-style-type: none"> SDG 14 – Life Below Water SDG 15 – Life on Land
Climate Change adaptation	Investments in the development, construction, operation and maintenance of climate change adaptation projects	Make infrastructure more resilient to impacts of climate change, as well as information support systems, such as climate observation and early warning systems	<ul style="list-style-type: none"> Projects with the aim to adapt to (local) changing environmental conditions due to climate change (including but not limited to): <ul style="list-style-type: none"> › Infrastructure projects to adapt to extreme weather › Infrastructure projects to adapt to rising sea levels › Alleviation of ocean acidification › Alleviation of soil erosion 	<ul style="list-style-type: none"> SDG 13 – Climate Action
Circular Economy and/or Eco efficient projects	Investments in the development, construction, operation and maintenance of projects contributing to the circular economy and/or to projects	Think about the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services; and/or certified eco-efficient products	<p>Companies active within the:</p> <ul style="list-style-type: none"> Renewable energy value chain Agricultural value chain (resulting into companies active in increasing efficiency, lower crop loss and/or improvement in biodiversity) Production value chain (investments enabling circular/eco efficient economy) Natural resources value chain (investments in circular economy, recycling, etc.) Research and development for improvements into the above-mentioned value chains 	<ul style="list-style-type: none"> SDG 12 – Responsible Consumption and Production
Land use & marine resources	Investments in the development and operation projects	Conservation of life above and below water	<ul style="list-style-type: none"> Sustainable agriculture and sustainable animal husbandry (e.g. reduction in energy, water, fertilizer) 	<ul style="list-style-type: none"> SDG 14 – Life below water

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory (including but not limited to)	SDG alignment
	contributing to the sustainable use of land (agriculture, animal husbandry, forestry) and marine (fishery, aquaculture) resources, and in the preservation or restoration of natural landscapes, both on land or in water		etc. usage; investments in crop selection, improve existing carbon pools etc.) • Climate-smart farm inputs (e.g. biological crop protection, drip irrigation) • Sustainable fishery and aquaculture • Sustainable forestry (afforestation, reforestation, forest rehabilitation/ restoration, existing forest management) • Preservation or restoration of natural landscapes	• SDG 15 – Life on Land

Table 2: Green projects indicators

Eligible Category	Key indicators
Renewable Energy	• Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent; • Annual renewable energy generation in MWh/GWh; • Annual absolute gross GHG emissions from the project in tonnes of CO2 equivalent
Energy Efficiency	• Annual energy savings in MWh/GWh; • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent;
Clean Transportation	• Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre) and/or tonnes • Annual GHG emissions reduced/avoided in tCO ₂ -e p.a • Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO _x), nitrogen oxides (NO _x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)
Green buildings	• kWh/m ² of GBA p.a.; and % of energy use reduced/avoided vs local baseline/building code; and, if relevant % of renewable energy (RE) generated on site (specifying the relevant RE form) kgCO ₂ /m ² of GBA p.a; and • Annual GHG emissions reduced/avoided in tonnes of CO2 equiv. vs local baseline/baseline certification level; and/or • % of carbon emissions reduced/avoided vs local baseline/baseline certification level

Sustainable water and wastewater management	<ul style="list-style-type: none"> • Annual water savings • Annual volume of wastewater treated or avoided or reused before and after the project in m³/a; • Annual absolute amount of raw/untreated sewage sludge that is treated and disposed of
Waste and pollution control & resource efficiency	<ul style="list-style-type: none"> • Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a • GHG emissions from waste management before and after the project in tCO₂-e p.a. • Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh (electricity) and GJ/TJ (other energy) • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a. and in % of total waste) • Number of people or % of population with access to waste collection under the project
Biodiversity	<ul style="list-style-type: none"> • Maintenance/safeguarding/increase of protected area/other effective area-based conservation measure (OECM)/habitat/natural landscape area in km² and in % for increase • Increase of area under certified land management in km² or m² and in % (in bufferzones of protected areas) • Absolute number of predefined target organisms and species per km² (bigger fauna) or m² (smaller fauna and flora) before and after the project • Absolute number of protected and/or priority species that are deemed sensitive in protected/conserved area before and after the project
Climate Change adaptation	<ul style="list-style-type: none"> • Increase in grid resilience, energy generation, transmission/distribution and storage in MWh • Reduction in the number of wildfires, and/or in the area damaged by wildfires in km² • Reduction in emergency and unplanned rail and tarmac replacement in km • Reduction in repair costs due to natural disasters • Reduction in the number of operating days lost to disrupted transport networks or other infrastructure • Number of kms of road, rail or other infrastructure adapted
Circular Economy and/or Eco efficient projects	<ul style="list-style-type: none"> • % increase in materials, components and products that are reusable, recyclable, and/or certified compostable as a result of the project and/or in absolute amount in tonnes p.a. • Increased proportion of circular materials produced as a % of the total material production of the project • Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or as absolute amount in tonnes p.a.
Land use & marine resources	<ul style="list-style-type: none"> • Reduction in net GHG emissions, GHG intensity (e.g. tCO₂e/unit of output) or energy intensity (e.g. GJ/ unit of output) • Water savings from improved irrigation, stormwater and rainwater capture, groundwater recharge and/ or the reuse of highly treated wastewater (e.g. m³/year)

	<ul style="list-style-type: none">• Farmland covered by new, or rehabilitated efficient irrigation, water efficient crops and/or resource conserving crop rotation (ha or km²)• Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed)
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Annex 3 – Social Bonds

The Social Eligibility and Reporting is applicable to standard Social Projects. Given the local differences in regulation an alternative reporting standard may apply as decided upon on a project-by-project basis.

The selection of eligible projects would include confirmation of SDG alignment as well as baseline and targets for reporting indicators.

Table 3 below provides a definition of eligible social projects and table 4 provides indicators that will be monitored for such projects.

Table 3. Social projects eligibility criteria

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory	SDG alignment
Affordable Basic infrastructure	Investments in projects aiming at improving community infrastructures	Improved access to basic infrastructure varying from water, transport to electricity	<ul style="list-style-type: none"> • Water sanitation projects • Public transport • Basic transport infrastructure • Electricity grid access 	<ul style="list-style-type: none"> • SDG 6 – Clean water and Sanitation • SDG 9: Industry, Innovation, and infrastructure • SDG 11 – Sustainable cities and communities • SDG 7: Affordable and Clean Energy • SDG 13 – Climate Action
Access to essential services	Investments in projects aiming at developing and/or improving access to essential services such as health or education	Improved quality of life in terms of health, education, and finances	<ul style="list-style-type: none"> • Healthcare projects • Education projects • Services linked to improvement of financial services 	<ul style="list-style-type: none"> • SDG 4 - Quality Education • SDG 5 – Gender Equality • SDG 8 – Decent work and economic growth • SDG 10 – Reduced inequalities

Eligible Category	Use of proceeds	Goals & Benefits	Eligible subcategory	• SDG alignment
Affordable housing	Investments in the development, construction, operation and maintenance affordable housing	Improved safety and shelter	<ul style="list-style-type: none"> • Social housing • Safe housing • Equitable housing 	<ul style="list-style-type: none"> • SDG 11- Sustainable cities and communities • SDG 1 – No poverty
Employment generation	Investments in projects that contribute to employment conservation and creation, in particular in high unemployment and/or low-income area	Reduced unemployment and increase in GDP	<ul style="list-style-type: none"> • Services to increase employment generation • Equitable job opportunities 	<ul style="list-style-type: none"> • SDG 8 – Decent work and economic growth
Food security	Financing to individuals and companies which contributes to improvement in food security or investments in projects that contribute to improvements in food security	Improved access to food with the aim to reduce malnutrition and improve agricultural activity	<ul style="list-style-type: none"> • Financial services for smallholder farmers • Decrease food loss, increase local production (decrease imports), • Shorten value chains, decrease waste within/by: <ul style="list-style-type: none"> – Food production – Food packing /manufacturing – Food technology 	<ul style="list-style-type: none"> • SDG 1 – No Poverty • SDG 2 – Zero hunger • SDG 12 – Responsible consumption and production • SDG 13 – Climate action
Socio-economic advancement and empowerment	Financing to individuals and companies which contributes to improvement in socio-economic advancement and empowerment and in reduction of inequality	Improvement in equality in the communities	Participation and/or improvement of: <ul style="list-style-type: none"> › Women and/or sexual and gender minorities › Aging population and vulnerable youth › Vulnerable groups, (including as a result of natural disasters) in access and/or control over assets, services, resources and opportunities and/or participation and integration into the market and society, including reduction of income inequality	<ul style="list-style-type: none"> • SDG 1 – No poverty • SDG 5 – Gender Equality • SDG 10 – Reduced inequalities

Table 4: Social projects indicators

Eligible Category	Key potential indicators
Affordable Basic infrastructure	<ul style="list-style-type: none"> Increased access to clean, affordable water and sanitation More equitable and/or affordable mobility Enhanced resilience of the power grid
Access to essential services	<ul style="list-style-type: none"> Number of patients benefitting from healthcare or medical treatment Students reached (breakdown by gender) Number of loans to SMEs in low-income areas and/or microenterprises Number of people provided with access to financial services
Affordable housing	<ul style="list-style-type: none"> Number of dwellings Number of individuals/families benefitting from subsidised housing Disabled people with access to well-equipped dwellings Rental costs compared to the national/regional rent index Improved access to affordable housing or housing loans
Employment generation	<ul style="list-style-type: none"> Reduced unemployment Number of people benefiting from improved employment Number of people with upskilled employment resulting from training Rate of employment of people with disabilities Number of loans to SMEs and/or microenterprises Jobs created, supported and/or retained
Food security	<ul style="list-style-type: none"> Number of people provided with access to affordable, safe nutritious and sufficient food Hectares of land cultivated which use has improved, i.e. replanted, reforested, landscaped Number of people benefitting from agricultural projects and using improved farming technology
Socio- economic advancement and empowerment	<ul style="list-style-type: none"> Number of low-income, rural or minority women provided with access to micro-savings and micro-insurance products Number of low-income, rural or minority women provided with access to affordable credit Number of women provided with access to technology Number of women provided with access to information or financial services through digital products/services Number of loans made to SMEs with majority women in senior management or ownership positions Number/Value of loans made to SMEs with majority women in workforce or supply chain Number of women integrated into formal workforce or provided with sustainable livelihood opportunities