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Second Party Opinion

International Finance Corp. (IFC) Green Bond Framework

Jul. 1, 2026

Location: International **Sector:** Financial services

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Enabling Projects Guidance June 2024 (including June 2025 Annex on FAQ), ICMA, 2025

See Alignment Assessment for more detail.

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Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Strengths

IFC has comprehensive, robust, and internationally recognized project selection processes and safeguards. IFC has thorough and systematized procedures including the IFC Performance Standards, demonstrated track record in financing projects with clear environmental benefits, and explicit exclusions around fossil fuel use.

Project selection criteria are strong across the framework, adhering to recognized external taxonomies and guidelines. The projects' eligibility criteria include the MDB Common Nature Finance Taxonomy and IFC's Guidelines for Blue Finance, demonstrating IFC's commitment to transparent project evaluation and reporting.

Weaknesses

No weaknesses to report.

Areas to watch

The broad scope of the framework and its numerous eligible categories and projects create some uncertainty around the specific projects that will be financed. Some categories have relatively broad eligibility criteria or lack quantitative thresholds to determine eligibility, though IFC's strong governance and safeguards mitigate some of these risks.

Some eligible projects address outstanding sustainability aspects of high-impact activities, such as mining. These projects aim to remediate environmental damage and contribute to nature restoration in emerging and developing economies.

Shades of Green Projects Assessment Summary

The issuer does not have clarity on the potential allocation of proceeds for instruments issued under this framework, as we would expect for a multilateral development bank (MDB) with a global scope. Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in IFC's framework, we assess the framework as Medium green.

Renewable Energy	**Dark to Medium green**
Renewable energy generation projects to supply electricity, heating, mechanical energy or cooling, including those that use nature-based solutions to address the direct drivers of biodiversity loss or that use sustainably sourced biowaste.	
Production, transport, storage, or use of low-carbon hydrogen.	
Use of waste gas as a feedstock or fuel.	
Offshore wind energy facilities with biodiversity and natural resource conservation considerations.	
Skills development (e.g., upskilling or reskilling) for workers to support renewable energy projects.	

Energy Efficiency	**Medium to Light green**
Energy efficiency projects must achieve either: i) A relative reduction of at least 20% in comparison to an established baseline ii) An absolute reduction of at least 25,000 tCO_2e per year iii) Relative or absolute reductions that position the project as best-in-class emissions intensity per unit of product or service as compared to industry peers	

Pollution Prevention and Control	**Medium to Light green**
Recovery of waste heat.	
Collection, transport, storage, and transfer projects of source segregated waste.	
Product reuse and reconditioning projects.	
Material recovery from solid waste and recovery and valorization of bio-waste.	
Landfill gas capture, abatement or utilization projects.	
Energy efficiency improvements in waste management.	
Ocean-friendly products, technology and chemicals projects.	

Clean Transportation	**Medium to Light green**
Urban, rural, and low-carbon interurban transport project.	

Zero or low-carbon vehicles and associated infrastructure.
Low-carbon fuels for transport.
Sustainable shipping and port logistics projects.

Green Buildings	**Medium to Light green**
New buildings that obtain an eligible green building certification demonstrating at least 20% operational energy savings relative to a defined baseline.	
Existing buildings that obtain an eligible green building certification demonstrating at least 20% operational energy savings relative to defined baseline.	
Energy efficient appliances or equipment, or improving energy efficiency or reducing $C0_2e$ emission in existing appliances or equipment.	

Sustainable Water and Wastewater Management	**Medium to Light green**
Water supply projects.	
Wastewater management and treatment projects.	
Water extraction projects.	
Water efficiency technologies and equipment.	
Drainage systems, flood management systems, and other adaptation and resilience infrastructure.	
Sustainable desalination plants.	
Water conveyance and distribution systems projects.	

Environmentally sustainable management of living natural resources and land use	**Medium to Light green**
Agricultural projects that increase the carbon stock in the soil or avoid soil carbon loss, and forestry/agroforestry projects that sequester carbon through sustainable forest management, avoid deforestation, or avoid land degradation.	
Projects that reduce GHG emissions or CO_2e intensity in agriculture, forestry, marine/water ecosystems, or fisheries/aquaculture, including support to smallholder farmers, small fisheries, and forest-dependent communities to adopt climate-resilient and low-emission practices.	
Projects that reduce food losses or waste or that promote lower-carbon diets.	
Projects that contribute to GHG emission reductions through biomaterial production.	
Sustainable tourism projects including certified sustainable tourism and nature-based visitor centers.	

Fisheries, aquaculture, and seafood value chain projects, including sustainable cultivation, production, processing, storage, trade, retail, and waste management and reduction measures.
Traceability systems and technologies to ensure sustainability of operations, facilities, and supply chains in the fishing industry.

Climate Change Adaptation	**Dark to Medium green**
Resilient agri-food systems.	
Resilient cities and settlements.	
Resilient health systems.	
Resilient industry and commerce.	
Resilient infrastructure.	
Resilient natural systems.	

Terrestrial and Aquatic Biodiversity	**Medium green**
Restoration and conservation projects.	
Projects that reduce the direct drivers of biodiversity or ecosystem services loss.	
Projects that implement nature-based solutions.	
Design and implementation of technologies, tools, or other instruments that support nature and biodiversity activities.	

Circular economy adapted products, production technologies and processes	**Medium to Light green**
Circular design projects, including design of products/assets/services.	
Circular production projects, including the development or implementation of production processes.	
Circular use projects, including lifetime extension of products and assets such as through repair, refurbishment, reuse, retrofitting, and remanufacturing.	
Value recovery projects, including collection and sorting to support circularity of end-of-life products and materials, and material management, recycling, and recovery.	
Circularity support projects, including products, services, business models, platforms, and tools that support circularity.	

Green-enabling	Light green
Mining projects or production of metals or alloys that are prevalently used in or critical for renewable energy, technologies that increase energy efficiency, other low-carbon technologies, or materials and products with low embedded GHG emissions.	
Projects that are critical to the value chain--including those that support the production or maintenance of components, equipment, infrastructure or software--of other eligible green projects in this framework, not locking in high GHG emitting activities and with sufficient transparency on end-users or markets.	

See Analysis Of Eligible Projects for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

International Finance Corporation (IFC) is a global development finance institution focused on private sector investment in emerging and developing economies. Established in 1956 and a member of World Bank Group, IFC provides debt financing, equity investments, trade finance, advisory services and asset management solutions to businesses and financial institutions. The organization aims to promote sustainable economic development, improve access to capital and support job creation through private sector-led growth. IFC operates across more than 100 countries, with investment activities spanning infrastructure, financial services, manufacturing, agribusiness, healthcare, technology, and climate related projects.

Material Sustainability Factors

Climate Transition Risk

Financial institutions are highly exposed to climate transition risk through their financing of economic activities, which impact the environment. Their direct environmental impact is small compared to financed emissions and stems mainly from power consumption (e.g. data centers). Policies and rules to reduce emissions could raise credit, legal, and reputational risks for financial institutions with large exposures to high-emitting sectors, such as oil and gas, metals and mining, real estate, or transportation. These medium- to long-term risks are significant and will be proportional to the impact of climate change on the economy. Positively, financing the climate transition offers a growth avenue through lending, debt structuring, and other capital markets activities.

Physical Climate Risk

Financial institutions finance a wide array of business sectors that are exposed to physical climate risk. However, although climate change is a global issue, weather-related events are typically localized, so the magnitude of their exposure is linked to the geographic location of the activities and assets they finance. Similarly, financial institutions' physical footprints may also be exposed to physical risks that might disrupt their ability to service clients in the event of a natural catastrophe. Financial institutions could help mitigate the effects of physical climate risks by financing adaptation projects and climate-resilient infrastructure, as well as by investing in solutions that support business continuity in exposed geographies.

Biodiversity and Resource Use

Financial institutions contribute to significant resource use and biodiversity impacts through the activities they fund or invest in. For example, the construction sector--which is a major recipient of bank financing--is a large consumer of raw materials such as steel and cement. Similarly, bank-financed agricultural and aquaculture activities can have material biodiversity impacts.

Access and Affordability

Financial institutions have a significant impact on society and the economy because they enable access to financial services for individuals and businesses, and they ensure the correct functioning of payment systems. These are cornerstones of economic development and stability. In most countries, unbanked and underserved population segments are still meaningful, although the access gap is most acute in emerging economies. Market issues, such as low competition, incomplete information, and lack of financial literacy, often result in costly alternatives for small businesses and low-income people. As a result, ensuring affordable access to financial services, especially to the most vulnerable population, remains a challenge for the banking industry. New technologies will, however, increasingly enable financial institutions to close this gap through cost efficiencies and product innovation. While structural issues such as poverty, informality, and lack of financial literacy partly limit access to financial services, financial institutions have large opportunities to support economic development through financial inclusion.

Issuer And Context Analysis

The eligible project categories address material sustainability factors related to climate transition, physical climate risks, and environmental resilience. We expect IFC-financed projects to contribute to both climate mitigation and adaptation objectives through investments in renewable energy, energy efficiency, clean transportation, green buildings, adaptation, and sustainable water and wastewater management. Additional investments target pollution prevention and control, biodiversity conservation, circular economy initiatives, and the sustainable management of natural resources and land use, addressing environmental pressures associated with resource consumption, waste generation, and ecosystem degradation. Some of the financed projects relate to physical climate risk and environmental resilience, including investments that strengthen the resilience of agricultural systems, critical infrastructure, industrial operations, and natural ecosystems to climate related hazard such as floods, droughts, heat stress, and water scarcity.

Climate transition risk is a key consideration for IFC given its role in financing private sector activities across emerging and developing markets. The institution has incorporated climate considerations into its strategic priorities and has committed to aligning its operations with the goals of the Paris Agreement. IFC assesses greenhouse gas emissions associated with investment projects and requires clients in higher-emitting sectors to quantify and report emissions in accordance with its performance standards. IFC also applies the Joint MDB Paris Alignment methodology as part of its investment appraisal process and continues to scale climate finance toward low-carbon and climate-resilient activities. In FY2025, projects with climate co-benefits represented approximately 45% of IFC's own-account long-term financing commitments. We view IFC's integration of climate-related considerations into its investment processes, client engagement, and capital allocation decisions as supportive of the transition toward a low-carbon economy.

Biodiversity loss and ecosystem degradation are material sustainability considerations for IFC given its investment exposure across sectors that depend on natural capital and ecosystem services. The institution has integrated biodiversity and natural resource management considerations into its sustainability framework and project selection process, requiring clients to identify, assess, and manage environmental risks and impacts associated with financed activities. IFC's performance standards include specific requirements related to resource efficiency, pollution prevention, biodiversity conservation, and the sustainable management of living natural resources. We view IFC's application of these standards, together with its financing

of projects supporting biodiversity conservation, sustainable land and water management, and circular economy solutions, as supportive of the preservation of natural capital and long-term environmental resilience.

Physical climate risks are a material sustainability consideration for IFC given its investment exposure across regions and sectors that are increasingly vulnerable to climate-related hazards such as floods, droughts, heat stress, and water scarcity. The institution incorporates climate risk and resilience considerations into its project selection process and supports projects that strengthen adaptive capacity across agriculture, infrastructure, industry, water systems, and natural ecosystems. At the entity level, IFC uses dedicated Paris Alignment assessment procedures that cover physical risks. In addition, the wider World Bank Group has developed the Climate Change Knowledge Portal to support clients' climate resilience and provides advisory services to clients to help strengthen their ability to identify, assess, and manage physical climate risks. We view IFC's integration of physical climate risk considerations into its investment activities, together with its financing of climate adaptation and resilience-focused projects, as supportive of long-term environmental resilience and adaptive capacity across emerging and developing markets.

Access and affordability are material sustainability considerations for IFC given its mandate to expand inclusive economic opportunities and address financing gaps in emerging and developing markets. Through its investments and advisory activities, IFC supports projects that improve access to essential financial services, infrastructure, healthcare, education, digital connectivity, and other critical services for underserved populations and small businesses. In 2025, IFC-supported projects enabled 72.3 million individuals. The institution incorporates inclusion objectives into its investment strategy and prioritizes projects that seek to reduce affordability barriers and expand service availability in low-income and vulnerable communities.

Alignment Assessment

This section provides an analysis of the framework's alignment to Green Bond principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Enabling Projects Guidance June 2024 (including June 2025 Annex on FAQ), ICMA, 2025

✓ Use of proceeds

We assess all of the framework's green projects as having a green shade and the issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green projects, contributing to specific Sustainable Development Goal (SDG) targets. IFC's framework also allows for indirect investments such as third-party green bonds where the framework complies with the Green Bond Principles, has a Second-party Opinion, and commits to public reporting. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds.

✓ Process for project evaluation and selection

IFC has established a robust process for project evaluation and selection that incorporates environmental, social, climate, and governance considerations throughout the investment lifecycle. Eligible projects are assessed against IFC's sustainability framework, performance standards, exclusion criteria, Paris Alignment requirements, and corporate governance due diligence procedures. The institution also applies its Anticipated Impact Measurement and Monitoring (AIMM) framework to evaluate anticipated development and climate-related outcomes, supporting the integration of sustainability considerations into investment decisions. Ongoing project supervision, specialist oversight, independent evaluation, and accountability mechanisms further strengthen the framework's governance. The framework also has an exclusion list, covering topics such as weapons and munitions, alcoholic beverages, tobacco, and gambling.

✓ Management of proceeds

IFC has established a process to manage proceeds that provides transparency on the allocation of green bond proceeds to eligible projects. Proceeds are tracked through a dedicated sub-account and allocated to a portfolio of eligible green bond investments. The balance is monitored against the outstanding amount of green bonds and adjusted as project disbursements occur. Pending allocation, proceeds are managed within IFC's liquidity portfolio in accordance with internal investment policies and ESG risk-screening procedures.

✓ Reporting

IFC commits to report annually on the allocation of green bond proceeds and the impact of financed projects through its Green and Social Bond Impact Report. Allocation reporting includes green bond issuance volumes, allocation of proceeds to eligible projects, and a breakdown of eligible projects by environmental objective, region, and project category. The institution will also report on the environmental impacts of financed projects through indicators aligned with the Green Bond Principles' Harmonized Framework for Impact Reporting.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in IFCs' framework, we assess the framework Medium green.

Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Green project categories

Renewable Energy

Assessment

Dark to Medium green

Description

- Renewable energy generation projects to supply electricity, heating, mechanical energy, or cooling, including those that use nature-based solutions to address the direct drivers of biodiversity loss or that use sustainably sourced biowaste.
- Production, transport, storage, or use of low-carbon hydrogen.
- Use of waste gas as a feedstock or fuel.
- Offshore wind energy facilities with biodiversity and natural resource conservation considerations.
- Skills development (e.g., upskilling or reskilling) for workers to support renewable energy projects.

Analytical considerations

- Renewable energy is key to limiting global warming to well below 2 C. While solar, wind, and geothermal projects are considered Dark green, the category overall is shaded Dark to Medium green due to the inherent resource use and biodiversity risks associated with bioenergy.
- All renewable energy projects must be below 100 gCO_2e/kWh on an operational basis, but lifecycle emissions are calculated only in limited cases, where feasible. The issuer confirmed that most power generation projects will also be below a threshold 50 gCO_2e/kWh, though this lower threshold is not mentioned specifically in the framework. While we view both thresholds positively, there remain lifecycle impacts to be considered such as renewable energy infrastructure or feedstock lifecycle emissions, construction processes, and end of life where possible. During project design and construction, we also remain alert for resilience concerns, land use and biodiversity impacts, and local pollution. Some of these aspects are covered by IFC's Performance Standards.

- Only green hydrogen (i.e., produced from water and renewable electricity) and not blue hydrogen (based on natural gas) is eligible under the framework. Green hydrogen is part of a 2050 solution due to applications in industrial processes, transportation, and energy storage.
- Skills development for renewable energy technologies is key to ensuring that clean energy can continue to grow. This is especially relevant in emerging and developing economies, where the technical pipelines for these skills may not be as well-developed.

Energy efficiency

Assessment	Description
Medium to Light green	To be considered as a green bond eligible project, an energy efficiency project must achieve either: • A relative reduction of at least 20% in comparison to an equivalent baseline that delivers an output equivalent as the proposed project. • An absolute reduction of at least 25,000 tCO_2e/year. • Relative or absolute reductions that position the project as best-in-class emissions intensity per unit of product or service as compared to its industry peers. Eligible activities include Activity Group C (*Integration of nature-based solutions across economic sectors*) in the MDB Common Nature Finance Taxonomy.

Analytical considerations

- Energy efficiency measures are necessary to transition to a low-carbon economy, but their climate benefits and risks vary depending on the asset or processes to which they are applied. Exposure to climate risk arises, for example, when these activities take place in high-emitting sectors or lock-in high-energy processes or fossil fuel use.
- Projects listed in this category will be aimed at reducing energy consumption of assets, systems, or processes by requiring that they achieve ambitious quantifiable improvements. Projects will need to demonstrate either a 20% improvement over a baseline, absolute reduction in emissions of at least 25,000 tCO2e/year, or to make the project in line with best-in-class levels compared to industry peers. The category includes a broad set of technologies and processes to which eligible energy efficiency measures can be applied, each with varying degrees of climate and environmental exposures. As such, and because there is no indication of the allocation of proceeds between the projects, we assign the category an interval shade of Medium to Light green.
- We consider projects that will improve efficiency in systems that are not directly powered by fossil fuels to be Medium green to reflect the reduction in emissions resulting from lower energy demand by systems. That said, the framework does not specify the lower carbon sources that the systems could be connected to. These could include national grids with fossil fuel exposures, as well as energy produced from feedstocks that have higher environmental risks such as bioenergy. Examples of such projects include the replacement of fossil-powered equipment and efficiency improvements in telecommunication networks. The category includes financing projects related to efficiency improvements, the sourcing of renewable energy, or emissions reductions to decrease the average carbon intensity of energy consumption of data centers to below 100 gCO_2e/kWh. We consider such projects to be Medium green because they will contribute to decreasing the consumption of assets that are energy intensive.
- We assign Light green to projects that will be aimed at improving efficiency but where there is uncertainty regarding the system or process to which they will be applied as they could include ones that have greater climate and environmental impacts. That said, it is positive that the framework excludes projects powered exclusively by fossil fuels or where the carbon intensity exceeds 100 gCO2e/kWh, because it may lower the potential for projects to extend the use of emissions-intensive systems and processes.
- There are also Dark green elements in the category related to projects focused solely on renewable energy or the use of nature-based solutions to achieve efficiency gains. As they represent a smaller share within the category, they do not have a material impact on the overall shade.
- Eligible projects include activities related to the “integration of nature-based solutions across economic sectors” listed in the MDB Common Nature Finance Taxonomy. As these projects are broadly defined, it is challenging to quantify the exact

environmental benefits associated with each eligible project. That said, we consider IFC's strong due diligence process and environmental and social safeguards to be sufficient to address potential negative impacts.

- Projects may be implemented on systems, processes, or activities that may result in environmental and social impacts, including land use change, biodiversity risks, and pollution. They may also be exposed to physical climate risks, in particular if the assets are fixed in nature. All financed projects undergo a stringent due diligence process, including assessing them against the IFC's performance standards, its Exclusion List, and checking that it meets its commitments related to the Paris Agreement. The latter regards its objective to align its financing to the objectives in the MDB Common Principles for Climate Mitigation Finance Tracking as of July 1, 2025. In addition, eligible projects that use biomass for bioenergy may be exposed to risks such as biodiversity and land use change. To address this, IFC will require evidence that there is no risk of deforestation through, for example, the Rainforest Alliance certification.

Pollution prevention and control

Assessment	Description
Medium to Light green	• Recovery of waste heat. • Collection, transport, storage, and transfer projects of source-segregated waste (only electric, green hydrogen, or biofuel-powered transport are eligible). • Product reuse and reconditioning projects. • Material recovery from solid waste, including mechanical and other processes. • Recovery and valorization of bio-waste, including anaerobic digestion, composting, and other types of recovery and valorization. • Mechanical, chemical, or biological treatment of mixed residual waste. • Landfill gas capture, abatement, or utilization projects. • Energy efficiency improvements in waste management facilities. Ocean-friendly products, technology, and chemicals projects to manage, reduce, recycle, and treat plastic, pollution, or chemical waste to avoid water or ocean pollution (IFC's Guidelines for Blue Finance Version 2.0: ocean-friendly products, marine biotechnology, and chemicals #1-7)

Analytical considerations

- Waste management is an important pollution prevention measure that can prevent harm to human health and local ecosystems from waste streams. Waste prevention and reuse solutions are the preferred solutions under the waste management hierarchy because they have the lowest negative environmental impact among waste management options, followed by recycling, energy recovery, and finally disposal. An additional benefit of reuse and recycling is the avoided use of raw materials and the impacts associated with their extractions. Waste collection and sorting projects can increase recycling and reuse rates, thus diverting waste from less environmentally beneficial disposal solutions.
- Projects in this category will be aimed at supporting the implementation of waste management practices based on the circular use of materials and energy sources. The category contains a wide range of projects that can have varying degrees of climate and environmental impacts depending on their nature or the waste being processed. We therefore assign an interval shade of Medium to Light green to the overall category.
- We assess projects aimed at the circular recovery of materials, mechanical recycling, and the use of lower carbon or nature-based alternatives for ocean-friendly products, marine biotechnology, and chemicals a Medium green shade. This is because their implementation will reduce the volume of waste that needs to be disposed of or treated, thereby reducing the associated carbon footprint and potential for pollution.
- We consider projects that could improve the circular use of products or materials and the efficiency of waste infrastructure to be Light green. This is because while they will improve energy and resource use, the framework does not provide indicators that would enable us to quantify the resulting climate savings and efficient use of materials. We also assign a Light green shade to projects that could have higher climate and environmental impacts. This includes chemical recycling, which can be

energy intensive, the capture, abatement and use of landfill gas, and the use of lower-carbon materials that could be exposed to value chain risks such as biodiversity and pollution.

- There are also Dark green projects included in this category, which relate to activities that are low carbon in nature because of the feedstock they use. These include the recovery of waste heat and the collection, transport, and storage of segregated waste using electric and green hydrogen powered vehicles. The criteria also allow for biofuel powered vehicles that could be in line with Medium or Light green depending on the biomass used.
- Eligible projects include activities related to waste management and sanitation listed in the MDB Common Nature Finance Taxonomy. These projects are aimed at establishing and advancing waste management and sanitation infrastructure to reduce the risk of waste and pollution from entering the environment, as well as clean-up measures for polluted sites. As these projects are broadly defined, it is challenging to quantify the exact environmental benefits associated with each eligible project. That said, we consider the IFC's strong due diligence process and environmental and social safeguards to be sufficient to address potential negative impacts.
- The projects in this category may be exposed to value chain environmental and social impacts, as well as physical climate risk. All financed projects undergo a stringent due diligence process, including assessing them against the IFC's Performance Standards, its Exclusion List, and checking that it meets its requirements on Paris Alignment.

Clean transportation

Assessment	Description
Medium to Light green	• Urban, rural, and low-carbon interurban transport projects, including public transport, nonmotorized transport, electric personal mobility, railway, bus, and activities that support uptake and usage especially among underserved populations. • Zero or low-carbon vehicles and associated infrastructure, including land-based, airborne, or waterborne vehicles. • Low-carbon fuels for transport (sustainable biofuels or synthetic fuels with low lifecycle GHG emissions). • Sustainable shipping and port logistics projects, including research, design, development, or implementation of water and waste management and reduction measures in shipping vessels, shipping yards, ports, and associated infrastructure.

Analytical considerations

- Mitigating greenhouse gas emissions from transportation will be crucial to meet global decarbonization goals, as the transport sector accounts for 23% of global energy-related greenhouse gas emissions, according to the Intergovernmental Panel on Climate Change (IPCC). Fossil fuel-powered vehicles and vessels also create air pollution, such as nitrogen oxides and sulfur oxides.
- The project category includes different types of investments in several types of transportation and projects. Due to the wide variety of projects and the different environmental impacts and risks, we assign the category a shade of Medium to Light green.
- Electric road and rail transport are key to decarbonizing land transportation, and we view these technologies as in line with a Dark green shade. The use of biofuels and synthetic fuels may also contribute to lower emissions, as long as climate and environmental risks such as feedstock sourcing, direct and indirect land use change, and energy intensity of production are effectively mitigated. The framework considers vessels, buses, and other vehicles if they are electric, or fueled by green hydrogen or biofuels. We view positively that the framework includes an exclusion for passenger cars and light commercial vehicles with a tailpipe carbon intensity above 50 gCO_2e/km.
- The framework considers the criteria of the Common Principles for Climate Mitigation Finance Tracking to define biofuel criteria which includes the exclusion of first-generation biofuels unless they are sourced by waste, as well as considerations food security and requirements to disclose any land-use changes. This is in line with a Medium green shade.

- The decarbonization of aviation and shipping will likely be slower than that of land transport. Because electrification at scale is challenging, the use of low-carbon fuels and energy efficiency measures have a role to play in achieving lower emissions. Eligible projects for shipping are in line with IFC's Guidelines for Blue Finance. Upgrading vessels, yards, and ports to support cleaner propulsion systems and advanced waste treatment technologies helps reduce greenhouse gas emissions and prevent the discharge of harmful substances into marine environments. Effective management of bilge and ballast water safeguards ecosystems from contamination and invasive species, while addressing noise pollution protects marine life and enhances community well-being. We view these projects in line with a Light green shade.
- The decarbonization of all modes of transport will require a significant expansion of low-carbon transport infrastructure. In infrastructure projects, value chain emissions and environmental impacts can be significant and should be carefully managed--for example, by choosing low-carbon construction materials. Physical climate risks also are a material consideration for all infrastructure projects. The framework includes projects for investments in electric vessels, wind-powered vessels, and others using low-emission hydrogen-based (including fuel cells) vessels and their necessary infrastructure based on IFC's Guidance for financing the Blue Economy, which are in line with a Dark green shade. We also view positively that the entity will not finance planes.

Green buildings

Assessment	Description
Medium to Light green	• New buildings that obtain an eligible green building certification demonstrating at least 20% operational energy savings relative to a defined baseline. All construction costs are eligible (excluding actual land and unrelated costs). This criterion can be met by: (i) achieving EDGE Basic or higher; or (ii) obtaining another eligible green building certification that demonstrates at least 20% operational energy savings. • Existing buildings that obtain an eligible green building certification (for example, EDGE Basic or equivalent) demonstrating at least 20% operational energy savings relative to a defined baseline. All retrofit costs are eligible (excluding land, acquisition, and unrelated costs). • Energy efficient appliances or equipment, or improving the energy efficiency or reducing CO_2e emission in existing appliances or equipment.

Analytical considerations

- The IEA emphasizes that reaching net-zero emissions in buildings demands major energy efficiency strides and fossil fuel abandonment. All properties must achieve high energy performance. New properties should additionally cut emissions from building materials and construction. Additionally, addressing physical climate risks is crucial for strengthening climate resilience across all buildings.
- We assign a Medium to Light green shade to this project category, reflecting our view that the framework criteria, combined with the issuer's process for project selection, seek to ensure financed buildings have strong energy performance and are screened for exposure to physical climate. The issuer has not indicated the expected breakdown between new construction, renovation, and existing buildings. The framework's criteria include considerations of green building certifications as well as internal processes, which include a climate risk assessment where they evaluate the assets exposure to physical climate risk.
- Although green building certifications cover a broad set of environmental issues, they differ considerably in their requirements for energy efficiency, embodied emissions of construction materials, and climate resilience. Typically, their point-based systems do not guarantee low carbon new construction nor highly energy efficient existing buildings. Their robustness depends on a variety of factors, such as levels achieved and type of certification. For example, design phase certifications are generally more robust than "in-use" certifications. The latter can be a solid way of enabling a continued improvement in energy performance through proper management but seldom include specific energy-efficiency thresholds. IFC has implemented internal assessment processes for efficiency across its eligible certification through point equivalences as well as internal assessments, which we view positively.

- We believe the entity's criteria help mitigate most of existing buildings' main environmental factors, in line with a Medium green shade. For new buildings, the framework does not include thresholds on embodied emissions, and the issuer does not yet have policies in place to seek to reduce such emissions, which we view as significant environmental risks. Furthermore, projects without fossil fuel heating would be in line with a Medium green shade. Still, given the wide range of jurisdictions where the entity might invest, there is limited visibility on potential fossil fuel heating, limiting our overall assessment to Light green.
- Energy efficiency measures are necessary to transition to a low-carbon economy, but their climate benefits and risks vary. Exposure to climate risk arises, for example, when these activities take place in high emitting sectors or lock in high-energy processes or fossil fuel use. Eligible projects under the category aim to fund appliances and equipment for buildings. As with other projects, IFC will apply its internal processes for energy efficiency.

Sustainable Water and Wastewater Management

Assessment	Description
Medium to Light green	• Water supply projects--including brownfield energy efficiency improvements; greenfield projects that meet high efficiency standards or use demand management; projects that promote improved operation and maintenance to reduce water loss and promote energy savings; and lower-carbon greenfield projects that replace tankers or local coping mechanisms with a piped utility. • Wastewater management and treatment projects--including projects that cut greenhouse gas emissions and other pollutants by improving operations and energy efficiency or that reduce methane and nitrous oxide emissions; projects that improve latrines or wastewater, sludge, and sewage collection; and wastewater reuse projects including those that reduce strain on conventional aquifer resources. • Water extraction projects that are conducted based on a comprehensive assessment of freshwater availability and seek to ensure a balance between discharge and recharge. • Water efficiency technologies and equipment, and water management that reduce water footprint. • Drainage systems, flood management systems, and other adaptation and resilience infrastructure. • Sustainable desalination plants that do not create carbon lock-in and are not high emitters, apply efficient and low-impact technologies to help protect groundwater depletion and wetlands, promote reduction of abstraction from nonsustainable water sources, and avoid hypersaline pollution of the environment. • Water conveyance and distribution systems projects.

Analytical considerations

- Water supply, wastewater, and water efficiency systems are critical components of a low-carbon, climate-resilient (LCCR) future, as they support economic activity, public health, and thriving ecosystems. While water supply systems are essential for securing reliable access to quality water, and wastewater systems provide vital benefits such as pollution reduction, resource recovery, and improved watershed quality, both are inherently energy intensive. If not sufficiently managed, these systems can generate significant waste, produce methane emissions, exacerbate water stress for other stakeholders, and disrupt hydrology and aquatic ecosystems. Consequently, prioritizing water efficiency is vital to reducing demands on natural capital and lowering the greenhouse gas emissions associated with water treatment and conveyance.
- We assess this project category as Medium to Light green to reflect the different types of projects and associated criteria within the category. The category's focus is to enhance water supply and wastewater management, which provide significant environmental benefits.

- Water projects that use energy below 100 gCO2e/kwh, have a quantified water loss rate better than national averages, and include energy efficiency improvements are considered Medium green. Meanwhile, projects that fail to integrate the above criteria but are improving water supply and abstraction, focusing on ensuring the continuity, safety, and regulatory compliance of existing water services are assigned a Light green shade. Wastewater projects that incorporate circular resource management, energy-efficient system upgrades, and the use of low-carbon or renewable electricity are assessed as Medium green. Light green projects are those that are focused on ensuring the continuity, safety, and regulatory compliance of existing or new wastewater services without additional quantified environmental outcomes. Desalination plants that use low-carbon energy and where brine environmental risks are managed, in accordance with the IFC's Guidelines for Blue Finance Version 2.0, receive a Medium green shade. Both water and wastewater projects that are nature-based solutions receive a Dark green shade.
- Overall, the category supports projects that reduce energy use and greenhouse gas emissions or enable low-carbon operations across water systems. Typical project types include upgrading or constructing highly efficient water treatment and wastewater treatment facilities, reducing leakage in distribution networks, installing energy-efficient pumping systems, recovering biogas from sludge, and integrating renewable energy technologies into water infrastructure. The achievements targeted through such financing include lowering electricity consumption across treatment and distribution processes, reducing methane emissions from wastewater handling, improving resource recovery (such as biogas or nutrient reuse), and enabling more resilient, low-carbon water services that align with long-term climate mitigation pathways.
- Project eligibility is based on the Common Principles for Climate Mitigation Finance Tracking: Activities 6.1-6.8 and the IFC's Guidelines for Blue Finance Version 2.0, sustainable water and wastewater category. Both guidelines include criteria that strengthen the environmental benefit of the projects. The Principles for Climate Mitigation include criteria requiring that the equipment is highly energy-efficient, either by significantly surpassing existing efficiency standards, using the best technology available when no standards exist, or operating as a zero-emission system such as gravity-fed pipelines. Meanwhile, the Guidelines for Blue Finance require certain projects to meet specific numerical thresholds. For example, water efficiency projects must achieve at least a 10% reduction from a documented baseline, while distribution systems must document at least a 10% reduction in physical losses compared to a documented baseline.
- While projects under the category, when feasible, will operate with renewable energy, some cases will be grid-connected and depending on location might exceed 100 gCO_2e/kwh.
- Given the nature of the framework, projects will be financed across regions with varying exposures to water depletion and physical climate risks. Such risks are screened and mitigated through IFC E&S Standards.

Environmentally sustainable management of living natural resources and land use

Assessment	Description
Medium to Light green	• Agricultural projects that increase the carbon stock in the soil or avoid soil carbon loss, and forestry/agroforestry projects that sequester carbon through sustainable forest management, avoid deforestation, or avoid land degradation. • Projects that reduce GHG emissions or CO_2e intensity in agriculture, forestry, marine/water ecosystems, or fisheries/aquaculture, including support to smallholder farmers, small fisheries, and forest-dependent communities to adopt climate-resilient and low-emission practices. • Projects that reduce food losses or waste or that promote lower-carbon diets. • Projects that contribute to GHG emission reductions through biomaterial production • Sustainable tourism projects including certified sustainable tourism and nature-based visitor centers. • Fisheries, aquaculture, and seafood value chain projects, including sustainable cultivation, production, processing, storage, trade, retail, and waste management and reduction measures

- Traceability systems and technologies to ensure sustainability of operations, facilities, and supply chains in the fishing industry.

Analytical considerations

- Agricultural practices increase carbon stock and reduce climate emissions and forestry projects that sequester carbon are central to a low-carbon and climate resilient future. We assign a shade of Medium to Light green to reflect the wide variety of eligible projects with varying environmental risks and benefits.
- For agriculture, only activities consistent with the IFC's Performance Standards are eligible. These projects avoid deforestation or other environmentally harmful land use. In addition, the framework's exclusionary list prohibits livestock and activities introducing new fossil fuel-based technologies such as fossil-based agricultural machinery. We assign eligible agriculture projects a shade of Light green.
- For forestry projects, the issuer informs us that certifications such as FSC or PEFC are required for eligibility. Sustainability certifications for forest management can cover many important environmental topics, though we note that certification systems vary significantly in stringency, can contain loopholes, and in many cases cannot adequately address larger systemic issues. We assign these projects a shade of Medium green.
- Projects related to reducing food losses or waste and promoting lower-carbon diets include food waste utilization, policy interventions, and investments in avoided food losses across the value chain. According to the issuer, eligible projects also include promoting lower carbon aquaculture feed, such as non-soy alternatives without potential deforestation. The environmental benefit of these projects will depend on the effectiveness of collection systems, recycling processes, and the management of byproducts. As a result, we assign a shade of Medium green to these projects.
- We view positively that sustainable tourism projects will only include biodiversity conservation-specific expenditures that directly support nature and ecosystems. We note, however, that developments of new ecotourism projects have the potential to cause additional environmental impacts from developments of supporting infrastructure. For these reasons, we assign tourism projects a shade of Light green.
- Sustainable fishing and aquaculture have the potential to produce sources of protein with a lower carbon and environmental footprint than meat. Nonetheless, fishing practices based on over-exploitation and that have the potential to contribute to plastic pollution may exacerbate existing environmental damage. The IFC has clarified that only aquaculture projects that meet, keep, or exceed Marine Stewardship Council certification standards or equivalents will be approved and eligible under this category. For this reason, we assign these projects a shade of Light green.

Climate Change Adaptation

Assessment	Description
Dark to Medium green	• Resilient agri-food systems, including projects that aim to strengthen the climate resilience of primary agricultural production such as stress-resilient seeds or water-efficient irrigation and value chains. • Resilient cities and settlements, including projects aimed at strengthening the climate resilience of the built environment leveraging relevant building certifications such as the Building Resilience Index, LEED (v5) or BREEAM. • Resilient health systems, including projects aimed at strengthening the climate resilience of healthcare facilities or of people such as through sustainable cooling technologies to manage extreme heat conditions. • Resilient industry and commerce, including projects aimed at reducing the vulnerability of businesses and their value chains to climate-related events such as

floods or cyclones, as well as projects aimed at improving the water use efficiency of manufacturing processes in water-scarce or drought-prone contexts.

- Resilient infrastructure, including projects aimed at strengthening the climate resilience of critical infrastructure systems such as energy, water, and transport.
- Resilient natural systems, including projects aimed at strengthening the climate resilience of natural assets such as reforestation or agroforestry prevention of soil erosion through biochar or biofertilizers.

Analytical considerations

- Climate scientists have been clear that some degree of climate change will take place, even in the most-optimistic scenarios. This makes it crucial to plan for and mitigate potential risks to reduce the financial and environmental effects. Implementing adaptation solutions can also reduce resources and emissions linked to rebuilding damaged assets.
- The Dark to Medium green assessment reflects the nature of eligible projects and differentiated environmental benefits. Nature-based solutions (NBS) typically have the strongest impact due to their biodiversity co-benefits, and we therefore assign them a Dark green shade. They avoid significant carbon emissions, unlike projects that may require large-scale construction, which can have sizable embodied emissions. Accordingly, we assign eligible projects requiring adaptive construction a Medium green shade.
- The financing includes adaptation and resilience measures that require construction, which may in some cases lead to substantial emissions during the construction phase (e.g. use of fossil fuels-powered equipment) and heavy materials use (cement in particular). In such contexts, IFC explores viable options to limit GHG emissions (e.g., by promoting greater reliance from renewable energy). IFC only considers adaptation and resilience measures eligible for green financing, rather than entire large-scale infrastructure projects or buildings.
- Project eligibility includes activities under the Common Principles for Climate Change Adaptation Finance Tracking, which define three types of adaptation activities, each with distinct objectives. Type 1 covers projects that are specifically designed to withstand climate risks, such as climate-proofed infrastructure, with the primary goal of reducing direct vulnerability. Type 2 includes projects that pursue both development and adaptation objectives simultaneously, for example, irrigation systems that improve agricultural productivity while reducing drought risk. Finally, type 3 refers to enabling activities that strengthen systemic resilience, such as climate insurance, or climate risk analytics, which indirectly support adaptation by creating the conditions for long-term climate resilience.
- Eligibility of agri-food system projects focused on sustainable water management is based on IFC's Guidelines for Blue Finance Version 2.0, sustainable water and wastewater category. Therefore, such water efficiency projects will seek to achieve at least 10% reductions from a documented baseline.
- IFC will measure and quantify improvements in resilience by applying IFC's Anticipated Impact Measurement and Monitoring framework to assess project effectiveness, climate vulnerability, adaptation capacity, and exposure to hazards. IFC will use building resilience ratings (such as BRI), track climate-related indicators against defined baselines and targets throughout implementation, and monitor progress to support corrective actions and maximize impact delivery. IFC will also measure resilience outcomes through indicators such as the "number of beneficiaries with enhanced resilience to climate risks" using the World Bank Group scorecard methodology.
- It is important to identify and manage the potential risk of maladaptation--that is, unintended shifting vulnerability to other parties of climate-related events, and eligible projects' impacts on local biodiversity. In the IDFC–MDB Common Principles for Climate Change Adaptation Finance Tracking, maladaptation is managed and mitigated through a set of safeguards that seek to ensure projects do not unintentionally increase vulnerability or undermine resilience. The principles require that all adaptation finance activities be grounded in a climate vulnerability analysis, with an explicit intent to reduce risks and a direct link between project actions and resilience outcomes. To prevent maladaptation, projects must align with national adaptation strategies and the Paris Agreement, ensuring they do not compromise ecosystems or communities' ability to cope with future climate impacts and minimize GHG emissions. Key drivers of maladaptation are evaluated through the implementation of IFC's environmental and social risk assessment approach and process, as outlined in IFC's Sustainability Policy. Finally, maladaptation risks are mitigated through monitoring and evaluation, which track outcomes over time and allow for corrective measures if unintended negative impacts emerge.
- IFC identifies, assesses, and manages physical climate risks as part of its Paris Alignment assessment. IFC's approach is risk-based, proportionate to investment-specific circumstances, and grounded in the methodological principles for assessing

projects that were jointly developed by a group of multilateral development banks. This assessment is conducted during the new business project cycle, and forms part of the investment considerations as follows: i) the findings form due diligence that informs the identification and design of potential climate risk mitigation measures, which are reflected in a form of action plan; ii) the outcome of the assessment and action plans (if any) are included in the investment proposal submitted for decision-making; and iii) the action plans are formalized in the legal agreements.

Terrestrial and Aquatic Biodiversity

Assessment	Description
Medium green	• Projects that restore and conserve biodiversity or ecosystem services, restore habitats, and protect coastal, marine, and watershed environments • Projects that reduce the direct drivers of biodiversity or ecosystem services loss (which are land and sea use change, overexploitation of natural resources, pollution, alien invasive species, and climate change). • Projects that implement nature-based solutions, such as mangrove conservation to reduce flooding, planting native vegetation to reduce erosion, or green infrastructure that treats runoff from irrigation or stormwater. • Design and implementation of technologies, tools, or other instruments that support nature and biodiversity activities, such as water conservation products, technology to recycle single-use plastics, or traceability mechanism to monitor biodiversity.

Analytical considerations

- Healthy ecosystems and biodiversity are an important part of a low-carbon, climate-resilient future, providing natural resources, water and soil management, and pollination services. Protecting or restoring biodiversity also often creates climate co-benefits, such as carbon sequestration or adaptation solutions. Well-designed projects can reduce threats such as unsustainable resource extraction, climate change risks, land use change, pollution, and invasive species.
- We assess this project category as Medium green to reflect the different types of projects and associated criteria within the category. The category's focus is to enhance both terrestrial and marine ecosystems through restoration and conservation activities. Certain restoration and conservation activities are assessed as Dark green. Meanwhile, depending on the related environmental impacts, other restoration and conservation activities receive a Medium or Light green shade. The framework excludes activities linked to serious environmental degradation, coal mining, or other harmful practices.
- Restoration activities that include a clear co-benefit such as carbon capture and climate adaptation and resilience are assessed as Dark green. Similarly, projects that implement nature-based solutions and technologies that promote restoration and conservation are assessed as Dark green. Restoration and conservation of areas that will be used going forward with sustainable use of natural resources such as agroforestry and fishing are considered Light green to account for related environmental risks not fully mitigated by such activities.
- Mining carries a range of environmental risks. Environmentally, it can cause pollution of water, air, and soil through the release of toxic substances and heavy metals, as well as land degradation and biodiversity loss. The financing includes activities to mitigate mining sector impact, such as restoring biodiversity following mine closure, nature-based remediation technologies to reduce pollution, among others. These activities are assessed as Light green. Financing traditional mining activities, rather activities that mitigate environmental impacts from the sector is excluded. Similarly, restoration and conservation projects will not be dedicated to mining activities afterwards.
- We view as positive that eligible projects were selected on the eligibility basis of internationally recognized frameworks such as MDB Common Nature Finance Taxonomy, Common Principles for Climate Change Adaptation Finance Tracking, and IFC's Guidelines for Blue Finance Version 2.0. Such frameworks seek to ensure activities follow risk mitigation safeguards. For example, projects may entail construction or physical infrastructure, but only when such activities are designed to support biodiversity outcomes and comply with strict safeguards. Construction cannot lead to deforestation, wetland drainage, or habitat destruction. Traditional "gray" infrastructure (like highways or dams) would not qualify unless explicitly designed to halt or reverse biodiversity loss.
- Similarly, all qualifying activities must halt or reverse biodiversity loss. While active management is permitted, it is only acceptable when it demonstrably enhances ecosystem health and promotes social equity. Such management must adhere

to recognized certification standards (for example, FSC in forestry) and must exclude harmful practices such as monocultures or the introduction of invasive species. To further reduce risks, frameworks also introduce risk mitigation governance such as regular compliance checks, biodiversity monitoring, and early-warning systems for illegal activities.

- Projects encompass a wide range of activities across various sectors. In forestry, projects must avoid the conversion of natural habitats, prioritize native species, and exclude exotic monocultures unless they are proven to deliver ecological benefits. In agriculture, the focus is on promoting sustainable intensification without expanding the agricultural frontier, with irrigation systems designed to reduce water abstraction. For mining and energy, projects are eligible only if they demonstrate localized biodiversity benefits, while renewable energy projects must demonstrate benefits beyond climate mitigation. Finally, in waste and water management, restoration activities must actively prevent pollution and prioritize ecosystem health, ensuring that infrastructure and interventions contribute positively to ecological resilience.
- Environmental risks and physical climate risks for this project category are managed through IFC's policies. These are also partially mitigated by eligibility criteria and exclusions, where applicable.
- MDB Common Nature Finance Taxonomy cross-cutting considerations reinforce the safeguards in the Common Principles for Climate Mitigation Finance Tracking by ensuring that climate-aligned activities do not unintentionally harm ecosystems or undermine other environmental goals. By requiring that projects avoid driving nature loss, rely on credible, audited sustainability certifications, and use native species in restoration, they reduce key risks such as biodiversity degradation, greenwashing, and long-term ecological damage. These safeguards also function as an exclusion mechanism, since activities linked to serious environmental degradation, coal mining, or other harmful practices cannot meet the "do-no-harm" requirements and therefore cannot qualify as climate-mitigation finance. Together, these measures prevent unintended negative impacts and seek to ensure that climate action aligns with broader nature-positive outcomes.

Circular economy adapted products, production technologies, and processes

Assessment	Description
Medium to Light green	• Circular design projects, including design of products/assets/services that incorporate circular economy strategies or principles, including the reduction of material inputs and use of regenerative inputs, and increased ease of reuse, repair, or recycling. • Circular production projects, including the development or implementation of production processes that reduce virgin raw material usage and increase production effectiveness. • Circular use projects, including lifetime extension of products and assets such as through repair, refurbishment, reuse, retrofitting, and remanufacturing. • Value recovery projects, including collection and sorting to support circularity of end-of-life products and materials, and material management, recycling, and recovery. • Circularity support projects, including products, services, business models, platforms, and tools that support circularity across different segments of the materials life cycle, including increased intensity of use.

Analytical considerations

- The sourcing of materials and energy use related to the production of goods, and their final disposal, is estimated to account for two-thirds of global greenhouse gas emissions, in addition to having other negative environmental impacts, such as land and water pollution. Goods produced in energy-efficient ways that also seek to limit resource use, including through repair, reuse, remanufacturing, refurbishment, and recycling, can contribute to significant emissions savings. Given the wide variety of projects and the sectors included in the category, we assign a Medium to Light green shade.
- The company's investments in the design, production, and use of circular products and services contribute to meeting consumer demand in a more energy and resource efficient manner. Eligible projects include those contemplated under IFC's Harmonized Circular Economy Finance Guidelines and IFC's Guidelines for Blue Finance, including projects on a wide number

of sectors aimed at reusing, using recycled materials, increasing reparability, regenerative agriculture and aquaculture, and refurbishment and retrofitting of products.

- Products that replace raw materials with sustainable alternatives play a crucial role in addressing environmental challenges associated with phosphate-based or nitrogen-based synthetic fertilizers, plastics, and packaging. By utilizing renewable, biodegradable, or recycled materials, these products help reduce reliance on finite resources, lower greenhouse gas emissions, and mitigate pollution. Sustainable alternatives can also promote healthier ecosystems by minimizing chemical runoff and plastic waste, supporting a transition toward a circular economy.

Green enabling

Assessment	Description
Light green	• Mining projects or production of metals or alloys that are prevalently used in or critical for renewable energy, technologies that increase energy efficiency, other low-carbon technologies, or materials and products with low embedded GHG emissions • Projects that are critical to the value chain--including those that support the production or maintenance of components, equipment, infrastructure, or software--of other eligible green projects in this framework, not locking in high GHG emitting activities and with sufficient transparency on end users or markets

Analytical considerations

- Green enabling projects are upstream and midstream activities that support green infrastructure and are a critical aspect of the transition to a low-carbon and climate-resilient (LCCR) future. While enabling activities themselves may not be green and may have adverse social externalities, we view them as necessary to accelerate the global transition to lower-carbon energy, infrastructure, and other economic activities to limit global temperature increase and climate impacts.
- The enabling products may be tied to the mining sector, which have a range of potential environmental risks, including GHG emissions, waste and pollution, and harmful land use impacts. Given that the IFC does not currently provide specific emissions intensity thresholds for green enabling projects, there exists a risk of unintended environmental impacts. However, we view positively that IFC's green enabling projects will primarily support renewable energy and energy efficiency projects. As a result, we assign a shade of Light green.
- This project category supports downstream renewable energy, energy efficiency, and other low-carbon technologies. Though we note that the issuer does not currently have transparency on the exact end use, IFC clarifies that green enabling projects will only support eligible projects listed in this framework.
- We view positively that IFC's projects adhere to the ICMA Green Enabling Projects Guidance, which states that projects must have demonstrated support for downstream green activities, no lock-in of high GHG activities, quantifiable and attributable environmental benefits, and environmental and social risk mitigation. Such principles are key to mitigating adverse externalities associated with potentially harmful activities. We note that the IFC will not have direct involvement with green enabling activities as a consequence of its role as a financial institution, but we believe the issuer's strong governance and safeguards mitigate risks of unintended environmental damage and potential adverse social externalities.

S&P Global Ratings' Shades of Green

Assessments	**Dark green**	**Medium green**	**Light green**	**Yellow**	**Orange**	**Red**
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Wind power	Certified forestry	New energy efficient buildings	Fossil fuel buses	Conventional steel production	Oil and gas exploration

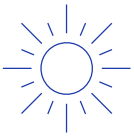
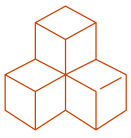
Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

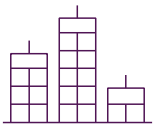
LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Renewable energy	**6. Clean water and sanitation** **7. Affordable and clean energy*** **13. Climate action** **14. Life below water**
Energy efficiency	 **7. Affordable and clean energy*** **12. Responsible consumption and production** **13. Climate action**
Pollution Prevention and Control	**6. Clean water and sanitation** **12. Responsible consumption and production*** **13. Climate action** **14. Life below water**
Clean Transportation	**1. No poverty**  **9. Industry, innovation and infrastructure** **11. Sustainable cities and communities*** **13. Climate action**

Green Buildings	**7. Affordable and clean energy**	**12. Responsible consumption and production**	**13. Climate action**		
Sustainable Water and Wastewater Management	**6. Clean water and sanitation***	**13. Climate action**	**14. Life below water**		
Environmentally Sustainable Management of Living Natural Resources and Land Use	**2. Zero hunger***	**6. Clean water and sanitation**	**13. Climate action**	**14. Life below water***	**15. Life on land***
Climate Change Adaptation	**2. Zero hunger***	**6. Clean water and sanitation**	 **11. Sustainable cities and communities**	**13. Climate action***	**15. Life on land**
Terrestrial and Aquatic Biodiversity	**13. Climate action**	**14. Life below water***	**15. Life on land***		

Circular Economy Adapted Products, Production Technologies and Processes	**8. Decent work and economic growth***	**9. Industry, innovation and infrastructure**	**12. Responsible consumption and production***

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Analytical Approach: Second Party Opinions, Mar. 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, Mar. 6, 2025
- Analytical Approach: Shades Of Green Assessments, Jul. 27, 2023

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