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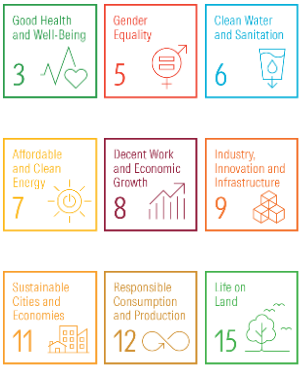
Sustainalytics Second Party Opinion
CIEL Sustainable Finance Framework

11 August 2025

Framework owner and location:
CIEL Ltd.
Quatre Bornes, Mauritius

Sector:
Conglomerates

Contribution to SDGs



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Overall Assessment

Use of Proceeds Sustainability Contribution

Sustainability Linked KPI & SPT Assessment

KPI 1	Strong	SPT 1A	Moderately Ambitious
		SPT 1B	Ambitious
		SPT 1C	Ambitious
KPI 2	Adequate	SPT 2A	Ambitious
		SPT 2B	Ambitious
		SPT 2C	Ambitious
KPI 3	Strong	SPT 3A	Moderately Ambitious
		SPT 3B	Moderately Ambitious
		SPT 3C	Moderately Ambitious

Principles Alignment

Aligned

Green Bond Principles 2025
Social Bond Principles 2025
Sustainability Bond Guidelines 2021
Green Loan Principles 2025
Social Loan Principles 2025
Sustainability-Linked Bonds Principles 2024
Sustainability Linked Loan Principles 2025

Assessment Summary

CIEL Limited has developed the CIEL Sustainable Finance Framework, dated August 2025, under which it intends to issue or obtain green, social and sustainability bonds and loans, sustainability-linked bonds and loans. The green, social and sustainability bonds and loans will finance projects in Uganda, Kenya, Madagascar, Mauritius, India and Bangladesh under six environmental and four social categories. The financial characteristics of the sustainability-linked bonds and loans, namely coupon or margin step-up or step-down and early redemption premium will be tied to the achievement of the sustainability performance targets (SPTs) for three key performance indicators (KPIs): i) Women Empowerment and Gender Equality; ii) Renewable Energy; and iii) Water Consumption.

Use of Proceeds:

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's ten use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

CIEL intends to finance environmental and social expenditures in Renewable Energy, Energy Efficiency, Green Buildings, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Natural Resources, Sustainable Forestry, Employment Generation and Programmes, Access to Essential Services, Preservation of Cultural Heritage and Gender Equality and Women Empowerment.

This Second Party Opinion provides our point-in-time independent opinion of the Framework as at the Evaluation Date above. Our assessments of Sustainability Contribution and Principles Alignment are based on our Assessment Frameworks for Use of Proceeds and Linked Instruments (also see Annex). Our opinion also considers additional information that the Framework owner provided up to the Evaluation Date, as well as public and non-public information.

Under Renewable Energy, CIEL will finance low-carbon energy generation along with associated battery energy storage systems, which are critical to achieving zero-emissions energy systems. Energy Efficiency investments will include replacing existing equipment and technologies with the best available alternatives in the market to lead to a minimum 20% reduction in energy consumption. It may also include switching from heavy fuel oil boilers to biogas boilers and installing waste heat recovery systems. These projects significantly support the low-carbon transition. Under the Green Buildings, CIEL will fund the construction and renovation of residential and non-residential buildings that meet global sustainability certifications or reduce energy and water use. Although new buildings constructed on and after 1 January 2024 may still rely on fossil fuels, these investments are expected to significantly advance sectoral decarbonization. Sustainable Water and Wastewater Management projects will reduce leakages and improve infrastructure for water collection, treatment, distribution and reuse, making a strong contribution to water resource efficiency. Investments in Pollution Prevention and Control focus on waste management practices and air quality improvement systems, which are expected to have a significant contribution to waste and pollutants reduction. Natural Resources and Sustainable Forestry investments support sustainable agriculture techniques in cropping agriculture, afforestation, reforestation and biodiversity restoration, strongly contributing to ecosystem resilience.

Additionally, CIEL will invest in Employment Generation through loans and financial services provided to women-led and underserved microenterprises and SMEs. The Group will also finance the provision of healthcare services in countries with limited infrastructure and the preservation of cultural heritage sites of historical significance in Mauritius. While these projects may not be universally affordable or provide clearly defined financial benefits, they address unmet needs and are expected to significantly contribute to expanding access to essential services and safeguarding cultural heritage. CIEL's financing towards gender equality and women empowerment will support leadership training, Equal-Salary certification and inclusive hiring, significantly helping to reduce workplace barriers and advance gender equity across its operations.

Sustainability Linked:

We have assessed the KPIs as follows: KPI 1 as **Strong** because it: i) represents a direct measure of a material social issue related to gender diversity across CIEL's operations; ii) reflects a high scope of applicability; iii) follows a clear and consistent methodology; and iv) there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players. KPI 2 as **Adequate** because it: i) represents an indirect measure of a material environmental issue related to GHG emissions across CIEL's operations; ii) reflects a sufficient scope of applicability; iii) follows a clear and consistent methodology that is externally defined; and iv) there are no applicable externally recognized benchmarks for this KPI. KPI 3 as **Strong** because it: i) represents a direct measure of a material environmental issue related to water consumption within CIEL's textile and hospitality operations; ii) reflects a high scope of applicability; iii) follows a clear and consistent methodology that is externally defined; and iv) there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

In addition, all SPTs align with the Group's sustainability strategy. We have assessed SPTs as follows: SPT 1.A as **Moderately Ambitious** given that it: i) is below past performance; ii) is above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets. SPT 1.B as **Ambitious** given that it: i) is aligned with past performance; ii) is above peer performance; and iii) cannot be compared

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against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets. SPT 1.C as **Ambitious** given that it: i) is above past performance; ii) is above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets. SPTs 2.A, 2.B and 2.C as **Ambitious** given that they: i) are aligned with past performance; ii) are above peer performance; and iii) cannot be compared against science-based decarbonization trajectories, as there are currently no relevant external benchmarks that cover the share of renewable energy in a company's total energy mix beyond electricity consumption. SPTs 3.A, 3.B and 3.C as **Moderately Ambitious** given that they: i) are below past performance; ii) are above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no relevant external benchmarks or pathways specific to water consumption reduction targets.

We have assessed the Framework as **Aligned** with the Green Bond Principles 2025, Social Bond Principles 2025, Sustainability Bond Guidelines 2021, Green Loan Principles 2025, Social Loan Principles 2025, Sustainability-Linked Bonds Principles 2024 and Sustainability Linked Loan Principles 2025.

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Use of Proceeds Breakdown

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Renewable Energy		10%
Energy Efficiency		10%
Green Buildings		10%
Sustainable Water and Wastewater Management		10%
Pollution Prevention and Control		10%
Natural Resources/Sustainable Forestry		10%
Employment Generation and Programs		10%
Access to Essential Services		10%
Preservation of Cultural Heritage		10%
Gender Equality and Women Empowerment		10%

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Sustainability-Linked Breakdown

We have assessed the strength of the KPIs and the ambitiousness of the respective SPTs, as shown below:

KPI	Baseline	KPI Strength	SPT	SPT Ambitiousness	
KPI 1: Women Empowerment and Gender Equality	2024	Strong	SPT 1: Increase the percentage of women at management level across the Group to:	SPT 1.A: 35% by 30 June 2028	Moderately Ambitious
				SPT 1.B: 40% by 30 June 2029	Ambitious
				SPT 1.C: 45% by 30 June 2030	Ambitious
KPI 2: Renewable Energy	2024	Adequate	SPT 2: Increase the percentage of renewable energy consumption over the total energy consumption across the Group to:	SPT 2.A: 60% by 30 June 2028	Ambitious
				SPT 2.B: 65% by 30 June 2029	Ambitious
				SPT 2.C: 80% by 30 June 2030	Ambitious
KPI 3: Water Consumption	2022	Strong	SPT 3: Reduce water consumption across the textile and hospitality clusters by:	SPT 3.A: 5% by 30 June 2028	Moderately Ambitious
				SPT 3.B: 6% by 30 June 2029	Moderately Ambitious
				SPT 3.C: 7% by 30 June 2030	Moderately Ambitious

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Issuer Overview & Sustainability Strategy

CIEL Limited is a diversified international investment holding company, headquartered in Mauritius, with operations across 11 countries in Africa and Asia. Through its investee companies, CIEL operates in six strategic clusters: textile, hotels and resorts, finance, healthcare, property and agriculture. Established in 1912, the Group employs 37,617 people as of June 2024.[1,2]

CIEL developed its Sustainability Strategy 2020–2030 in 2020 and updated it in March 2024. The strategy is structured around three key pillars: i) fostering a vibrant and inclusive workforce; ii) championing inclusive growth across value chains and communities; and iii) activating an environmental response. Under the first pillar, the Group focuses on creating an equitable, safe, and engaging workplace. It has set a target to increase women representation in management from 32% as of June 2024 to 45% by 2030, with an interim target of 35% by 2027. It also aims to achieve at least 35% women representation at the directorship level by 2030 compared to 24% as of June 2024. Additionally, the Group intends to enhance the recruitment of people with disabilities, maintain a minimum employee trust index of 65%,[3] and achieve zero lost time due to work-related injury by 2030. Furthermore, CIEL intends to resolve 100% grievances related to harassment, discrimination, corruption, bribery, and fraud. The second pillar addresses inclusive and resilient value chains. By 2025, CIEL expects each business cluster to offer at least one responsible product or service, such as those that promote local sourcing and support smallholder farmers, start-ups, and social enterprises. The Group also aims to allocate at least 50% of its community-related funding to long-term, high-impact programs such as education, health, and livelihoods by 2030. The third pillar centres on environmental stewardship and climate action, under which the Group commits to: i) reducing its scope 1 and 2 carbon intensity by 50% by 2030 compared to 2020 levels; ii) increasing its renewable energy use to 60% by 2028 and 80% by 2030 compared to 51% in 2024; and iii) phasing out coal in its operations. CIEL also aims to ensure that all its owned buildings meet green standards by 2030. Additionally, the Group plans to eliminate single-use plastics from its own operations, except where required for health and safety reasons and implement water efficiency measures by 2030.[4]

CIEL's Group Sustainability Committee, consisting of senior executives from across its business clusters, oversees the Group sustainability strategy. At the operational level, each cluster is responsible for implementing action plans aligned with the group-level strategy. CIEL's progress toward sustainability targets is monitored through a digital platform, which facilitates data consolidation and tracking across entities.[5]

CIEL reports annually on its sustainability performance through its Integrated Annual Report, which includes both qualitative and quantitative disclosures in line with its 2030 sustainability strategy. The report highlights key environmental and social metrics, the Group's progress toward stated targets, and actions taken by its business clusters.

[1] CIEL, "About us", at: https://www.cielgroup.com/en/about/the-group.
[2] CIEL, "Annual Integrated Report", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf.
[3] Great Place to Work, "Trust Model", at: https://greatplacetowork.me/trust-model/
[4] CIEL, "Annual Integrated Report", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf
[5] CIEL, "Annual Integrated Report", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf.

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Use of Proceeds

Principles Alignment

We have assessed the CIEL Go Beyond Sustainable Finance Framework as follows:

Green Bond Principles 2025 – **Aligned**

Social Bond Principles 2025 – **Aligned**

Sustainability Bond Guidelines 2021 – **Aligned**

Sustainability-Linked Bonds Principles 2024 – **Aligned**

Green Loan Principles 2025 – **Aligned**

Social Loan Principles 2025 – **Aligned**

Sustainability Linked Loan Principles 2025 – **Aligned**

CIEL Limited and its subsidiaries, joint ventures[6] and investee companies intend to issue or obtain the following financial instruments: i) green, social and sustainability bonds, including secured green, social and sustainability standard bonds; ii) sustainable working capital, including short-term facilities, revolving credit facilities and bridge loans; iii) quasi-equity instruments that are limited to debt-like securities, including mezzanine loans, subordinated debt and redeemable and non-perpetual preference shares; iv) commercial papers; and v) other trade finance facilities and money market instruments;[7] as well as vi) sustainability-linked bonds and loans under the Framework.

Secured bonds will include secured green, social, sustainability (GSS) standard bond, as defined by ICMA in the Green Bond Principles 2025 and the Social Bond Principles 2025. For any secured GSS standard bond, the net proceeds of the offering will be exclusively applied to finance or refinance eligible projects. CIEL has further confirmed that there will be no double counting of eligible projects under a secured standard GSS bond with any other types of outstanding green, social and sustainability labelled financing instruments.

CIEL Limited will ensure the alignment of all the issuances by its subsidiaries, affiliates and joint ventures with the core components of the Principles, as defined in the Framework.

Principles Alignment Detailed Evaluation

Use of Proceeds

Aligned

Alignment with core requirements

- The Framework describes eligibility criteria appropriately.
- The Framework identifies relevant target populations for social projects.
- All expenditures are expected to provide clear environmental or social benefits.

Additional considerations

- CIEL has committed to the following practices, which go beyond the core requirements:
  - CIEL has defined a look-back period of 36 months for refinancing activities.

[6] Joint Ventures are those where CIEL Limited control at least 50% of voting rights.
[7] CIEL confirmed that trade finance facilities and money market instruments will be limited to debt instruments, and it will follow the relevant Principles for issuing or obtaining such instruments. Sustainalytics' opinion is limited to instruments that are explicitly stated in the Framework or communicated by CIEL to Sustainalytics.

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Project Evaluation and Selection	**Aligned**

Alignment with core requirements

- The Framework describes a governance process for the evaluation and selection of eligible projects.
- The Framework communicates the environmental or social sustainability objectives of eligible projects.
- The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

Additional considerations

- The Group has committed to the following practices, which go beyond the core requirements:
  - CIEL describes how eligible projects support its overarching sustainability objectives and strategy.
  - The Group indicates the SDGs to which it expects to contribute through eligible projects
  - Framework excludes the financing of microenterprises and SMEs that are associated with the extraction, storage, transportation or manufacture of fossil fuels, and other activities prohibited under the EDFI Exclusion List.

Management of Proceeds	**Aligned**

Alignment with core requirements

- The Framework describes a governance structure for the management of proceeds.
- CIEL has processes and systems that will be used to track the proceeds.
- The Framework describes the intended temporary placement for the balance of unallocated proceeds.
- In the event of multi-tranching, CIEL will only label tranches that are exclusively allocated to green or social projects.

Additional considerations

- The Group has committed to the following practices, which go beyond the core requirements:
  - CIEL intends to allocate all proceeds to eligible projects within 36 months of issuance.
  - Pending full allocation, temporary proceeds will be held in cash or cash equivalents, invested in short-term securities or used as a part of the Group's treasury activities.
  - The Framework excludes investing the temporary proceeds in activities associated with controversies or carbon-intensive assets.
  - The Group will obtain a third-party verification report for its allocation of proceeds on an annual basis.

Reporting	**Aligned**

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Alignment with core requirements

- The Group will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.
- The Group will report allocation to revolving credit facilities until loan maturity.

Additional considerations

- CIEL has committed to the following practices, which go beyond the core requirements:
  - The Group will have a category-level allocation report.
  - The Group will report on the qualitative and quantitative impacts of projects using relevant metrics, where feasible.
  -
  - The Framework indicates at least one impact metric for each category.
  - The Group intends to adopt the ICMA Harmonized Framework for Impact Reporting.
  - The Group will obtain a third-party verification report for its impact reporting on an annual basis.
  - The Group will share the allocation and impact reports publicly on its website.

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Use of Proceeds
Sustainability Contribution

CIEL Limited intends to use the proceeds from instruments issued under the Framework to finance and refinance projects expected to lead to environmental and social benefits in Uganda, Kenya, Madagascar, Mauritius, India and Bangladesh.

We have assessed the overall Sustainability Contribution of the Framework as **Significant,** based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution per Use of Proceeds Category

Renewable Energy

We have assessed the Sustainability Contribution of the Renewable Energy category as **Strong**.

CIEL intends to finance the construction and operation of electricity generation facilities from solar, wind, bioenergy, geothermal and hydropower, and battery energy systems connected to these sources, which are critical to achieving zero emissions energy systems.

Category Expenditures

Expenditure	Description
Energy generation from solar power	► Construction and operation of solar photovoltaics (PV) facilities.
Energy generation from wind power	► Construction and operation of onshore wind power facilities.
Energy generation from bioenergy	► Construction and operation of facilities generating electricity from biogas, with life cycle emissions intensity below 100 g CO_2e/kWh. ► Feedstock will use waste biomass, including wood briquettes and wood chips that are certified by credible schemes such as the Forest Stewardship Council.[8] ► Excludes waste from aquaculture and fishery, palm oil production, animal manure, animal fats, oil and other animal processing by-products.
Energy storage systems and related technologies	► Construction and operation of battery energy storage systems connected to renewable energy sources.
Geothermal energy	► Construction and operation of geothermal facilities with direct emissions intensity below 100 g CO_2/kWh.
Hydropower	► Construction and operation of hydropower facilities that became operational after the end of 2019, meeting one of the following criteria: i) are run-of-river with low storage capacity; ii) have a power density greater than 5 W/m^2; or iii) have a life cycle GHG emissions intensity below 100 g CO_2e/kWh.

[8] Forest Stewardship Council, at: https://fsc.org/en

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	► Facilities will undergo an environmental and social impact assessment to ensure that there are no unresolved environmental or social impacts and will exclude facilities associated with controversies.

Analytical Commentary

Investment in renewable energy is critical for the global energy transition, as electricity and heat generation were responsible for approximately 44% of global CO_2 emissions from fuel combustion in 2022.[9] Meanwhile, unabated fossil fuels continue to supply over 60% of global electricity generation.[10] To limit global temperature rise to 1.5°C, the share of renewable energy must increase to 90% by 2050.[11]

Electricity generation facilities, including solar PV, wind, and geothermal and biogas that have an emissions intensity below the 100 g CO_2e/kWh threshold, are aligned with limiting global warming to 2°C.[12] Battery energy storage systems support the integration of intermittent renewable energy. Furthermore, investments may include hydropower projects with emissions below 100 g CO_2e/kWh or power density above 5 W/m^2. However, given the long lifespan of hydropower facilities, a 50 g CO_2e/kWh threshold is better aligned with global climate goals. Together, investments under this category are expected to contribute strongly to GHG emissions from power generation.

Energy Efficiency

We have assessed the Sustainability Contribution of the Energy Efficiency category as **Significant.**

Eligible expenditures include energy efficiency improvements through the replacement of products and technologies with more energy-efficient alternatives, installation of solar panels, replacement of heavy fuel oil (HFO) boilers with a biogas boiler, and installation of waste heat recovery systems. Altogether, these investments are expected to significantly contribute to advancing energy efficiency and accelerating the transition to a low-carbon economy.

Category Expenditures

Expenditure	Description
Upgrading products and technologies and installing renewable energy	► Replacement of products and technologies, including sewing machines, dyeing machines, printing equipment, automated machinery and HVAC systems, and installation of solar panels that lead to a minimum 20% reduction in energy consumption in industrial processes relative to initial consumption. ► Excludes financing toward sectors that are inherently carbon intensive, and products and technologies that are inherently carbon intensive, primarily driven or powered by fossil fuels.
Fuel switching to avoid or reduce the use of fossil fuels	► Replacement of HFO boilers with a biogas-based alternative.

[9] IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2024), at: https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer.
[10] IEA, "Electricity – Tracking", (2023), at: https://www.iea.org/energy-system/electricity.
[11] IEA, "Net Zero by 2050", (2021), at: https://www.iea.org/reports/net-zero-by-2050.
[12] IEA, "Energy Technology Perspective", (2017), at: https://iea.blob.core.windows.net/assets/a6587f9f-e56c-4b1d-96e4-5a4da78f12fa/Energy_Technology_Perspectives_2017-PDF.pdf.

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	► Excludes financing toward sectors that are inherently carbon intensive, and products and technologies that are inherently carbon intensive, primarily driven or powered by fossil fuels.
Waste heat recovery	► Installation of waste heat recovery systems. ► Excludes waste heat from fossil fuel production and inherently carbon-intensive industries and processes.

Analytical Commentary

Global energy efficiency improved by only 1% between 2023 and 2024. Accelerating energy efficiency improvements across various sectors can reduce CO_2 emissions by more than one-third by 2030, compared to 2024, and play a significant role in achieving net zero emissions (NZE) by 2050. The NZE scenario requires an average annual improvement of 4% in global energy intensity until 2030, which could potentially result in avoiding 10 gigatonnes of CO_2 emissions annually. Energy-efficient products and technologies, including waste heat recovery systems, are essential in improving the operational energy efficiency of existing processes.[13]

The Group intends to finance the replacement of equipment and technologies, including sewing machines, dyeing machines, printing equipment, automated machinery and HVAC systems, with the best available alternatives in the market. Eligible projects must lead to a minimum 20% reduction in energy consumption below a pre-retrofit baseline. Given the broad range of types of equipment and industrial process to be financed, as well as the lack of reference to external standards or benchmarks, this requirement reflects varying degrees of ambition and contribution to improvements in energy efficiency. While some projects may result in substantial energy savings, others may realize modest improvements, depending on initial performance. On this basis we expect these expenditures to make a moderate contribution to energy efficiency.

CIEL may also finance projects that facilitate fuel switching to reduce or eliminate the use of fossil fuels. This may include replacing HFO boilers with biogas boilers. The Group has not fully clarified criteria for other fuel-switching projects, creating some uncertainty as to the sustainability contribution of these expenditures. As such, their environmental contribution is expected to be moderate.

In contrast, financing for solar panels and the implementation of waste heat recovery systems are expected to substantially improve energy performance. Taken together, investments under this category are expected to make a significant contribution to improving energy efficiency and accelerating the transition towards a low carbon future.

Green Buildings

We have assessed the Sustainability Contribution of the Green Buildings category as **Significant.**

New and existing residential and non-residential buildings are expected to achieve globally recognized certifications or attain reductions in energy and water consumption. These expenditures, along with the renovation of buildings targeting a 20% reduction in primary energy demand, will significantly contribute to the decarbonization of the buildings sector.

Category Expenditures

[13] IEA, "Energy Efficiency", (2024), at: https://iea.blob.core.windows.net/assets/f304f2ba-e9a2-4e6d-b529-fb67cd13f646/EnergyEfficiency2024.pdf.

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Expenditure	Description
Construction of green buildings	► New residential and non-residential buildings that have achieved or are expected to achieve the following minimum green building certification levels: EDGE Certified;[14] BREEAM[15] Good; or LEED[16] Silver in Uganda, Kenya, Madagascar, Mauritius and Bangladesh. ► New residential and non-residential buildings that have achieved or are expected to achieve LEED Gold in India. ► New residential and non-residential buildings that have achieved or are expected to achieve a reduction of at least 20% in energy consumption or GHG emissions, compared to a local or regional baseline or building code. In addition, if applicable a reduction of at least 20% in water consumption. ► Excludes buildings dedicated to storage, transportation and exploration of fossil fuels.
Renovation of existing green buildings	► Expenditures that result in a PED reduction of at least 20% within three years, compared to the pre-renovation level.

Analytical Commentary

Buildings operations accounted for 30% of global final energy consumption and 26% of energy-related GHG emissions in 2022.[17] While there has been notable improvement, such as outlining the actionable strategies for achieving net-zero carbon, resilient urban environments[18] and the expansion of green building councils[19] with respect to the green buildings market in the African region, challenges persist including limited access to financing, high construction costs and the need for stronger regulatory frameworks.[20] As of 2020, only 5% of new buildings globally were zero carbon-ready, while this share must increase to 100% by 2030 to keep pace with internationally agreed climate goals.[21] Investments in highly energy-efficient and zero emissions-ready buildings are critical to bridging this gap and decarbonizing the buildings sector.

Although BREEAM Good and LEED Silver-certified buildings do not mandate minimum energy efficiency performance standards, they are considered to provide moderate benefits, as the building sector in the targeted countries remains relatively underdeveloped. In contrast, buildings certified with EDGE or LEED Gold levels will position the eligible buildings among the most energy-efficient in their respective regions. The Framework does not mandate that new buildings constructed on and after 1 January 2024 be fossil fuel-free in their energy use, which exposes them to a risk of fossil fuel lock-in. In addition, buildings that achieve a 20% reduction in energy consumption or GHG emissions compared to the local baselines or building codes may not necessarily belong to the most efficient buildings in their respective regions and may, therefore, make a moderate contribution.

[14] EDGE: https://edge.gbci.org/.
[15] BREEAM: https://breeam.com/about/how-breeam-works.
[16] LEED: https://www.usgbc.org/leed.
[17] IEA, "Tracking Buildings", (2023), at: https://www.iea.org/energy-system/buildings.
[18] World Green Building Council, "Africa Manifesto for Sustainable Cities and the Built Environment", at: https://worldgbc.org/worldgbc-africa-manifesto/
[19] African Business, "Green Building Trends in Africa: Africa's urbanization provides the opportunity to embrace Green Building", at: https://african.business/2024/10/apo-newsfeed/green-building-trends-in-africa-africas-urbanization-provides-the-opportunity-to-embrace-green-building-by-julien-fouilliart
[20] Construction Review Online, "Green Building in Africa: A new era of sustainable construction", at: https://www.constructionreviewonline.com/knowhow/installations-materials/green-building-in-africa-a-new-era-of-sustainable-construction/.
[21] IEA, "Technology and Innovation Pathways for Zero-carbon-ready Buildings by 2030", (2022), at: https://www.iea.org/reports/technology-and-innovation-pathways-for-zero-carbon-ready-buildings-by-2030.

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Expenditures may also be allocated to building renovations that lead to energy savings of at least 20% within three years. Collectively, CIEL's investments are expected to make a significant contribution to the decarbonization of the building sector.

Sustainable Water and Wastewater Management

We have assessed the Sustainability Contribution of the Sustainable Water and Wastewater Management category as **Strong**.

Investments will be aimed at reducing water leakages, and support the collection, storage, treatment and distribution of water, as well as facilities and infrastructure for wastewater treatment and reuse. These investments are expected to substantially improve water and wastewater management.

Category Expenditures

Expenditure	Description
Water management	► Projects that reduce water leakages, improve water quality, collection, storage, treatment and distribution of water. This may include: i) the implementation of leak detection and repair systems; ii) installation of smart irrigation systems and rainwater harvesting for landscaping and yard maintenance in and around buildings; iii) installation of low-flow fixtures; iv) upgrading water management systems; v) greywater recycling; vi) deployment of digital water management software and monitoring systems; and vii) education, training and awareness campaigns associated with installing the above equipment and systems. ► Projects will undergo a water leakage level assessment to identify potential areas for improvement in water leakage reduction. ► Excludes projects that are dedicated to emission-intensive or controversial activities having harmful social or environmental impact.
Wastewater management	► Development of facilities and infrastructure for wastewater treatment and efficient reuse. ► All projects will undergo a water leakage level assessment to identify potential areas for improvement in water leakage reduction. ► All projects will have a management plan in place to monitor the discharge into receiving waters and adhere to local or national laws and regulations on pollutant levels to prevent adverse impact to the environment. ► Sewage sludge, the by-product of wastewater treatment, will be outsourced and further treated by certified sludge service providers.

Analytical Commentary

According to UNESCO, approximately 26% of the global population lacks access to safe drinking water, and around one-quarter experiences extremely high levels of water stress, consuming more than 80% of the annual renewable freshwater supply in their region.[22] Additionally, approximately 20% to 50% of distributed water is lost due to leakages and ageing infrastructure.[23] In 2022, an estimated 268 billion m^3 of household wastewater was generated globally, of which only 58% was safely collected, treated and discharged. The remaining wastewater was released untreated,

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contaminating water bodies and endangering human health,[24,25] highlighting the importance of investing in efficient and sustainable water and wastewater management systems, and infrastructure.

CIEL will finance projects that reduce water leakages and that improve water quality, collection, storage, treatment and distribution. Water leakage assessments are required for all eligible projects to identify and address water losses, which are expected to reduce the volume of water that must be extracted, treated and pumped.

Investments will also include the development of facilities and infrastructure for wastewater treatment and efficient reuse. All eligible facilities will have a management plan in place for monitoring discharges into receiving waters that comply with the national legislation on pollutant thresholds and treat sewage sludge. Overall, these investments are expected to strongly improve the efficient water supply and wastewater treatment.

Pollution Prevention and Control

We have assessed the Sustainability Contribution of the Pollution Prevention and Control category as **Significant**.

Expenditures focus on waste reduction, recycling and composting, which directly reduce landfill waste and support circular economy. Investments may also target air quality monitoring and control systems. While such systems help reduce harmful air pollutants, they are often mandated by regulations. Nevertheless, eligible systems will enable more frequent, real-time tracking than required by regulatory requirements. Overall, these investments are expected to significantly enhance waste management and reduce greenhouse gas emissions.

Category Expenditures

Expenditure	Description
Facilities, infrastructure and activities for waste reduction, sorting, recovery sorting, recycling and composting	► Waste reduction initiatives such as repurposing used glass bottles into art pieces and souvenirs. Financing will be limited to expenditures directly related to recycling and the glass bottles cannot be reused for their original purpose. ► Waste recovery supported by segregation at source. ► Recycling of non-hazardous waste. This excludes recycling of plastics and e-waste. ► Composting of bio-waste such as garden and park waste, food and kitchen waste. This includes the financing of a food waste processor.
Investment in emissions control systems	► Continuous Emissions Monitoring Systems (CEMS) to track and manage air pollutant levels in real time. ► Control systems to monitor the quality of air emissions. ► Excludes financing for projects dedicated to fossil fuel and other inherently carbon-intensive activities.

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Analytical Commentary

Investments in waste management systems and recycling facilities are critical in curbing GHG emissions and transitioning to a circular economy. In 2020, approximately 2.1 billion tonnes of municipal solid waste was generated globally, and this amount is projected to rise by 56%, reaching 3.8 billion tonnes by 2050, driven by population and economic growth.[26] Of the total waste generated, 30% is sent to landfills, 13% is processed in waste-to-energy facilities, 19% is directed to recycling centres, and the remaining is either dumped or openly burned. Improving waste management practices has the potential to reduce global GHG emissions by 15-25%, highlighting the importance of recycling measures.[27] Furthermore, investments in emission reduction and control systems are essential in preventing pollution as these systems minimize or eliminate the emission of toxic gases and particulate matter from vehicles, industrial processes, and other combustion sources.

Investments in material recovery from non-hazardous waste, waste recovery, sorting and recycling, composting of biowaste and waste reduction initiatives help in directly reducing waste disposed in landfills. These activities enhance overall resource efficiency and promote more sustainable waste management practices.

The Group may finance emissions monitoring and control projects including CEMS to track air pollutant levels and improve data collection. While reducing harmful emissions, such as NO_X, SO_X and other pollutants, is typically a regulatory requirement and part of a company's basic responsibilities, in regions where CIEL operates, regulatory permits often mandate only biannual or annual monitoring. By investing in CEMS and other monitoring systems, CIEL enables more frequent, real-time tracking that goes beyond regulatory requirements. These investments are expected to contribute moderately to pollution prevention.

Collectively, investments under this category are expected to significantly improve waste management practices, promote a circular economy and contribute to GHG emissions reduction.

Natural Resources/Sustainable Forestry

We have assessed the Sustainability Contribution of the Natural Resources/Sustainable Forestry category as **Strong**.

Expenditures include the implementation of sustainable agriculture techniques in crop production, afforestation, reforestation and other activities focused on the preservation and restoration of biodiversity and habitats. Expenditures under this category are expected to contribute strongly to ecosystem resilience, biodiversity conservation and sustainable agriculture.

Category Expenditures

Expenditure	Description
Implementation of environmentally sustainable	► Financing will be limited to individual agricultural techniques for cropping activities, including: i) push-pull method for pest management that use repellent and attractant plants to protect crops without chemicals; ii)

[26] United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: https://wedocs.unep.org/handle/20.500.11822/44939.
[27] United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: https://wedocs.unep.org/handle/20.500.11822/44939.

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agriculture techniques and climate smart farm inputs	vermicompost produced by earthworms to enhance soil fertility; iii) land rehabilitation that convert abandoned cane fields into productive, chemical-free plots cultivating medicinal and culinary plants; iv) application of agroecological methods to avoid using synthetic inputs; v) regenerative agriculture that promote soil regeneration, carbon sequestration and biodiversity through chemical-free, low carbon farming approaches; and vi) drip irrigation and rainwater harvesting. ► Farms implementing the above techniques will be supported by sustainability management measures, which are continuously updated and cover aspects such as soil health, minimization of chemicals and resources use, and monitoring of carbon intensity. ► Exclude agriculture techniques implemented in high conservation areas. ► Exclude fertilizers that are banned in relevant international conventions.
Environmentally sustainable forestry	► Afforestation and reforestation projects will be supported by a sustainable management plan, which is continuously updated and covers aspects such as soil health, biodiversity management, pest management, plant coverage and species selection. ► Projects will use tree species that are well adapted to site conditions. ► Projects will not result in the degradation of land with high carbon stock or involve conversion of habitats that are sensitive to biodiversity loss, are of high conservation value, or are designated for restoration under national law. ► Application of herbicides, which will be applied through a drill and fill technique and will only affect the tree on which it is applied. ► Exclude hunting, trapping and poisoning of vertebrate pests.
Preservation or restoration of natural landscapes	► Projects may include: i) removal of invasive species; ii) wildlife habitat protection and species reintroduction; iii) installation of habitat protection infrastructure such as fencing and signage; iv) bird releases subject to authorization by the National Parks and Conservation Service, and installation of artificial nest boxes to support breeding and prevent predation by macaque monkeys; v) environmental monitoring of flora and fauna and habitat recovery; vi) scientific research and collaboration with academic institutions; vii) provision of ecological monitoring tools and equipment; viii) GIS mapping and biodiversity tracking software; ix) community engagement and education to raise conservation awareness; and x) training and capacity-building for community groups. ► Monitoring equipment and control measures through in-situ measurements, photography and use of drones, as well as in-situ accounting of plant stocks. Appropriate data handling and privacy measures will be implemented in areas where individuals may be indirectly monitored. ► Projects will not result in the degradation of land with high carbon stock or involve conversion of habitats that are sensitive to biodiversity loss, are of high conservation value, or are located in areas designated for restoration under national law. ► The application of herbicides, which will be applied through a drill and fill technique and will only affect the area on which it is applied. ► Exclude hunting, trapping and poisoning of vertebrate pests.

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Analytical Commentary

Global biodiversity is rapidly declining due to land-use change, pollution, overexploitation of natural resources, invasive species and climate change. Wildlife populations decreased by 69% between 1970 and 2018, and approximately one million species are threatened with extinction.[28,29] Deforestation persists at a rate of 10 million hectares annually, largely due to the conversion of forests for agricultural land and unsustainable logging.[30] The loss of nature poses growing financial risks, as more than half of the global GDP is reliant on ecosystem services.[31] With food production projected to increase by over 50% by 2050 compared to 2010, pressures on land, resources and ecosystems are expected to further intensify.[32] Achieving the 2030 targets to protect 30% of land and sea, and restore 30% of degraded ecosystems, while meeting the demands of a growing global population, will require increased investments in nature protection, sustainable forestry and conservation agriculture.[33,34]

CIEL intends to finance sustainable agriculture techniques, which will be implemented on farms with established sustainability management measures. The Group may also finance afforestation and reforestation projects, which will be accompanied by a sustainable management plan to ensure that forest resources are managed responsibly to maintain biodiversity, productivity and regeneration capacity. In addition, the use of tree species that are well adapted to local conditions in afforestation and reforestation projects will improve the stability and resilience of forest ecosystems. These investments are expected to strongly support the development of resilient forestry systems and promote sustainable agriculture practices

In addition, CIEL's broader biodiversity and ecosystem restoration efforts may target habitats that are particularly sensitive to biodiversity loss, possess high conservation value, or are classified as ecologically vulnerable. These projects will be conducted in partnership with the Mauritian government and will contribute to the National Biodiversity Strategy and Action Plan and Protected Area Network Expansion Strategy of the Mauritian government. These expenditures are expected to contribute substantially to the protection of biodiversity and restoration of degraded ecosystems.

Collectively, investments under this category are expected to make a strong contribution in enhancing ecosystem resilience, supporting global biodiversity conservation and advancing sustainable agricultural practices.

Employment Generation and Programs

[28] IPBES, "2019 Global Assessment Report on Biodiversity and Ecosystem Services", (2019) at: https://files.ipbes.net/ipbes-web-prod-public-files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf.
[29] WWF, "WWF's Living Planet Report: Devastating 69% drop in wildlife populations since 1970", (2022), at: https://www.wwf.eu/?7780966/WWF-Living-Planet-Report-Devastating-69-drop-in-wildlife-populations-since-1970.
[30] FAO, "The state of the World's Forest", (2020), at: https://www.fao.org/state-of-forests/en/.
[31] World Economic Forum, "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy", (2020), at: https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf.
[32] World Resources Institute, "Executive Summary (Synthesis)", at: https://research.wri.org/wrr-food/executive-summary-synthesis.
[33] Convention on Biological Diversity, "Kunming-Montreal Global Biodiversity Framework: 2030 Targets (with Guidance Notes), at: https://www.cbd.int/gbf/targets.
[34] FAO, "Conservation Agriculture", at: http://www.fao.org/conservation-agriculture/en/.

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We have assessed the Sustainability Contribution of the Employment Generation and Programmes category as **Significant**.

CIEL intends to provide loans and financial services to microenterprises and SMEs owned by women and underrepresented groups; and individuals with low- and middle-income. Financing in the target countries will be associated with benefits such as concessional rates, reduced fees and financial literacy programmes to lower the financial barriers. These expenditures are expected to significantly enhance financial inclusion and generate positive social impacts in emerging economies.

Category Expenditures

Expenditure	Description

Financing micro-enterprises and SMEs	► Provision of loans and financial services to microenterprises and SMEs (MSMEs), as defined by local laws or guidelines, that are owned by women and underrepresented groups in Uganda, Kenya, Madagascar, Mauritius, India and Bangladesh.
	► The Group will follow the IFC definition[35] for women-owned MSMEs.
	► Underrepresented groups are defined as:
	  ► Populations with limited or no access to affordable and appropriate financial services. such as credit, savings, insurance or payment systems.
	  ► Populations whose participation in social, economic and governance systems is disproportionately low relative to their demographic share.
	► Financing will be accompanied by at least two of the following: i) concessional or discounted rates; ii) lenient or supportive conditions; and iii) access to free education or financial literacy training.
	► Responsible lending practices are in place based on the Group's Credit Risk Policy.

Financing low- and middle-income populations to promote financial inclusion	► Financing to individuals in the low- and middle-income groups, as per the national definition, and that also lack quality access to essential goods and services in Uganda, Kenya, Madagascar, Mauritius, India and Bangladesh. ► In addition, financing will be accompanied by two of the following: i) concessional or discounted rates; ii) lenient or supportive conditions; and iii) access to free education or financial literacy training. ► Responsible lending practices are in place based on the Group's Credit Risk's Policy.

Analytical Commentary

Microenterprises and SMEs are the main drivers of employment generation and are a significant contributor to economic development in emerging economies. SMEs represent approximately 90% of businesses and more than 50% of global employment, contributing up to 40% of GDP in emerging economies.[36] However, access to finance remains a key constraint in the growth of microenterprises and SMEs due to their lack of collateral or insufficient credit history. Addressing

[35] IFC defines a woman-owned enterprise as meeting the following criteria: "(A) ≥ 51% owned by woman/women; OR (B) ≥ 20% owned by woman/women; AND (i) has ≥ 1 woman as CEO/COO/President/Vice President; AND (ii) has ≥ 30% of the board of directors composed of women, where a board exists." International Finance Corporation, "IFC's Definitions of Targeted Sectors", at: https://www.ifc.org/en/what-we-do/sector-expertise/financialinstitutions/definitions-of-targeted-sectors.
[36] World Bank, "Small and Medium Enterprises (SMEs) Finance", at: https://www.worldbank.org/en/topic/smefinance.

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these financial barriers can allow SMEs to contribute more robustly to economic development and job creation in developing economies.[37]

CIEL will adopt local criteria in the target countries for defining eligible microenterprises and SMEs, which is broad and lacks specificity, except for women-owned SMEs, which will be identified using the IFC definitions. For financing provided to individuals, the Group's targeting extends beyond the low-income segment, which generally faces the greatest financing challenges. Finally, while the loans will be offered with a number of affordability mechanisms, including the possibility of concessional interest rates, the degree of affordability provided by these measures remains unclear. Nonetheless, we expect these expenditures to contribute significantly to increasing access to financial services and bank credit to MSMEs in Uganda, Kenya, Madagascar, Mauritius, India and Bangladesh.

Access to Essential Services

We have assessed the Sustainability Contribution of the Access to Essential Services category as **Significant**.

Investments will support the expansion of healthcare services, including associated healthcare equipment, medicine supplies and workforce enhancement in Uganda, Kenya, Madagascar, India, Mauritius and Bangladesh – countries facing varying degrees of healthcare access and infrastructure challenges. Programmes like mobile clinics, health camps and hospital infrastructure aim to bridge public healthcare gaps and make private services affordable for over 90% of the population. Overall, these expenditures are expected to significantly improve access to essential, low-cost healthcare for populations with unmet needs.

Category Expenditures

Expenditure	Description
Provision of healthcare services	► Constructing, equipping and the operation of hospitals, clinics and healthcare centres for the provision of public, free and subsidized health services. ► Free training and development for healthcare staff in CIEL's healthcare facilities. ► Healthcare equipment and medicines used in hospitals, clinics and healthcare centres. ► Healthcare services, equipment and medicine will be affordable for more than 90% of the population.

Analytical Commentary

Although global healthcare service coverage has improved overall since 2000, progress towards the provision of affordable and accessible healthcare has slowed since 2015. Between 2003 and 2023, less than a third of countries globally improved their health service coverage and reduced out-of-pocket health spending.[38] There is a growing need for investment in healthcare in Africa and Asia due to ongoing challenges in health systems and increasing health demands. In Africa, there is a high burden of infectious diseases like malaria, severe shortages of skilled workers and

[37] IMF, "Financing Barriers and Performance of Micro, Small, and Medium Enterprises (MSMES)", (2024), at: https://www.elibrary.imf.org/view/journals/002/2024/271/article-A002-en.xml.

[38] World Health Organization, "Billions left behind on the path to universal health coverage", (2023), at: https://www.who.int/news/item/18-09-2023-billions-left-behind-on-the-path-to-universal-health-coverage.

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infrastructure, rapid population growth, and increasing demand for care related to non-communicable diseases. Many countries spend well below recommended health budgets, making private sector investment critical to fill gaps, improve access and support local pharmaceutical manufacturing, with an estimated USD 1 billion needed by 2030.[39] In Southeast Asia, aging populations and growing chronic diseases are driving increased demand for quality healthcare amid financial and systemic pressures on governments.[40] This highlights the need for systemic improvements.

The target countries fall in the bottom and middle quintile of Universal Healthcare Coverage,[41] which is reflective of varying degrees of barriers to access to essential health services combined with financial constraints, inadequate health infrastructure and shortage of healthcare workers. In addition, challenges remain with respect to equitable access and quality across different regions.

While the financed facilities and services will be affordable to 90% of the population in targeted countries, the most vulnerable and low-income population at the bottom of the socioeconomic spectrum with the greatest unmet need may still be unable to access these services. Nonetheless, investments under this category are expected to contribute significantly to bridging gaps in public and private healthcare and ensure broader, low-cost access to essential medical services.

Preservation of Cultural Heritage

We have assessed the Sustainability Contribution of the Preservation of Cultural Heritage category as **Significant**.

CIEL intends to finance the conservation, restoration and maintenance of nationally recognized historical sites, including buildings, monuments and museums, and supporting products and technologies. Investments in this category are expected to significantly contribute to enhancing cultural awareness and public access to such sites.

Category Expenditures

Expenditure	Description
Preservation and maintenance of cultural and biodiversity heritage sites and supporting products and technologies	► Conservation, restoration and maintenance of nationally recognized historical sites, such as Vieux Grand Port and La Vallée de Ferney in Mauritius.[42,43] ► Products and technologies that facilitate education regarding cultural heritage sites, such as virtual reality installations, educational exhibits on local biodiversity, guided tours, museography and mobile apps for heritage trails. ► Where relevant, representatives from cultural or heritage groups will be consulted during the development and operation of the facilities. ► Access will be free or subsidized for students, offered at discounted rates for senior citizens and infants, with regular programmes, events and open days to ensure broad public access.

[39] Invest Africa, "Rising Demand, Growing Interest: Investing in Africa's Healthcare Sector", at: https://www.investafrica.com/insights-/rising-demand-growing-interest-investing-in-africas-healthcare-sectornbsp.
[40] World Health Organization, "Non-Communicable Diseases in South East Asia", at: https://www.who.int/southeastasia/health-topics/noncommunicable-diseases.
[41] World Health Organization, " Global Health Observatory", at: https://www.who.int/data/gho/data/indicators/indicator-details/GHO/uhc-index-of-service-coverage.
[42] Vieux Grand Port, located in the Grand Port District of Mauritius, is recognized as the site of the island's first human settlement and the location of the initial Dutch landing in the 17th century.
[43] Adjacent to the Vieux Grand Port site is La Vallée de Ferney, a protected conservation area and eco-tourism destination. The valley is home to a rich diversity of endemic flora and fauna.

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	► CCTVs will be installed as a safety measure where required, and the data will be managed in compliance with the prevailing Data Protection Act of Mauritius.[44]

Analytical Commentary

The preservation of cultural heritage sites remains constrained globally due to inadequate management planning, insufficient financial resources, and the impacts of urban development and mass tourism. Between 1979 and 2013, 65% of UNESCO-listed cultural properties experienced issues related to management and institutional factors, while 79% were affected by building and development activities, including tourism infrastructure and housing. Additionally, 59% of the sites reported adverse effects from social and cultural events, such as erosion of traditional practices and excessive visitor use. Despite these concerns, global financing for heritage protection remains insufficient, leaving assets vulnerable to physical deterioration and cultural disengagement, particularly in regions with limited institutional capacity and rapid development.[45] In Mauritius, heritage sites are increasingly impacted by housing developments, tourism-related infrastructure and management capacity constraints, which pose recurring and systemic risks to these sites.[46]

Though access to the facilities and services will not be free or subsidized for the general population, CIEL will conduct benchmarking against similar sites and local pricing standards to ensure affordability for all. Although universal free access would maximize the inclusion and accessibility of cultural heritage sites, investments in this category will nevertheless significantly contribute to enhancing the cultural awareness and the preservation of historical heritage assets.

Gender Equality and Women Empowerment

We have assessed the Sustainability Contribution of the Women's Empowerment and Gender Equality category as **Significant**.

Eligible expenditures include initiatives that promote gender equality by closing pay gaps and increasing women's representation in leadership in Mauritius, India, Madagascar and Uganda. This includes funding Equal-Salary certification, leadership training, expert consultancy and gender-neutral recruitment practices. All programmes will be offered free of charge and are expected to significantly contribute to reducing workplace barriers, empowering women and advancing gender equality across CIEL's operations.

Category Expenditures

Expenditure	Description
Investment in projects that aim to empower women and girls and promote gender equality	► Women empowerment and gender equality projects with a focus on: i) women's health and education; ii) women entrepreneurship; and iii) leadership and participation. Example projects include: ► Pay parity assessment in Mauritius, India, Madagascar and Uganda. ► Evaluation of the impact of Go Beyond Program.

[44] Data Protection Office Mauritius, "Data Protection Act", (2017), at: https://dataprotection.govmu.org/Pages/The%20Law/Data-Protection-Act-2017.aspx.
[45] UNESCO State of Conservation Information System, "Statistical Analysis 1979-2013", at: https://whc.unesco.org/document/134872.
[46] UNESCO State of Conservation Information System, "Le Morne Cultural Landscape Mauritius", at: https://whc.unesco.org/en/soc/3322/?utm.

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	► Regular evaluation and monitoring with clusters on gender parity in new recruitment at management-and-above levels. ► Extension of the Women in Leadership programme in Madagascar, Uganda and India. ► Development of internal training materials on inclusive leadership for team leaders at all levels.

Analytical Commentary

Gender inequality in developing countries significantly restrains economic growth and prosperity by lowering human capital quality, underusing female labour, perpetuating poverty and inequality, and limiting inclusive governance. Addressing these disparities is vital for unlocking economic potential, reducing poverty and fostering sustainable development. Closing the gender gap could raise GDP in emerging markets and developing countries by around 8%, with even larger gains possible if full equality is achieved.[47] The gender gap in economic participation globally stands at 61%.[48] In Asia alone, an estimated USD 89 billion is lost annually due to limits in women's workforce participation.[49] In Africa, while female participation remains high, it is often limited to informal, lower-paid sectors with limited access to leadership roles.[50]

CIEL intends to finance programmes and initiatives aimed at closing pay parity gaps. This includes obtaining Equal-Salary certification,[51] promoting women's representation in leadership roles through targeted training and leadership programmes in Mauritius, India, Madagascar and Uganda. The Group may also invest in expert consultancy services, customized training programmes, and the implementation of gender-neutral recruitment practices across all its operating regions. The Group's women employees will benefit from such programmes free of charge. While internal programmes that address gender inequality within a company's own operations are seen as a baseline expectation for socially responsible businesses, their impact can be particularly meaningful when implemented in regions with pronounced gender disparities[52] and tied to clear, measurable outcomes. CIEL's investments, although limited to its own operational boundaries, are expected to contribute significantly to fostering gender parity across CIEL's operations.

[47] European Investment Bank Group, "The Economic Power of Gender Equality ", at: https://www.eib.org/en/stories/gender-equality-power.
[48] World Economic Forum, "Global Gender Gap Report 2025", at: https://reports.weforum.org/docs/WEF_GGGR_2025.pdf.
[49] UN Women Asia and the Pacific, "Fact and Figures", at: https://asiapacific.unwomen.org/en/countries/india/economic-empowerment/fact-and-figures.
[50] IMF eLibrary, "Chapter 7 The Close Relationship between Informality and Gender Gaps in Sub-Saharan Africa", at: https://www.elibrary.imf.org/display/book/9781513575919/ch008.xml.
[51] Equal Salary, "Equal Salary Certification", at: https://www.equalsalary.org/equal-salary-certification/.
[52] World Population Review, "Gender Equality by Country 2025", at: https://worldpopulationreview.com/country-rankings/gender-equality-by-country.

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Sustainability-Linked Instruments Assessment

CIEL intends to link the financial considerations of the sustainability-linked bonds and loans to the achievement of the SPTs for three KPIs: i) Women Empowerment and Gender Equality; ii) Renewable Energy; and iii) Water Consumption. KPIs 1, 2 and 3 will always be used jointly in all sustainability-linked issuances and hence, we have assessed the combination of these KPIs collectively given the nature of the Group as a conglomerate.

KPI	Baseline	KPI Strength		SPT	SPT Ambitiousness
KPI 1: Women Empowerment and Gender Equality	2024	Strong	SPT 1: Increase the percentage of women at management level across the Group to:	SPT 1.A: 35% by 30 June 2028	Moderately Ambitious
				SPT 1.B: 40% by 30 June 2029	Ambitious
				SPT 1.C: 45% by 30 June 2030	Ambitious
KPI 2: Renewable Energy	2024	Adequate	SPT 2: Increase the percentage of renewable energy consumption over the total energy consumption across the Group to:	SPT 2.A: 60% by 30 June 2028	Ambitious
				SPT 2.B: 65% by 30 June 2029	Ambitious
				SPT 2.C: 80% by 30 June 2030	Ambitious
KPI 3: Water Consumption	2022	Strong	SPT 3: Reduce water consumption across the textile and hospitality clusters by:	SPT 3.A: 5% by 30 June 2028	Moderately Ambitious
				SPT 3.B: 6% by 30 June 2029	Moderately Ambitious
				SPT 3.C: 7% by 30 June 2030	Moderately Ambitious

Selection of Key Performance Indicators

Overall KPI Assessment

KPI	KPI Strength			
KPI 1: Women Empowerment and Gender Equality	Not Aligned	Adequate	Strong	Very Strong
KPI 2: Renewable Energy	Not Aligned	Adequate	Strong	Very Strong
KPI 3: Water Consumption	Not Aligned	Adequate	Strong	Very Strong

KPI Definitions

CIEL defines the KPIs as follows:

Table 1: KPI Definitions

KPI	Description
KPI 1: Women Empowerment and Gender Equality	The KPI measures the percentage of women at management level across the Group. Management level refers to: i) L roles: Group CEO, CEO, General Manager; ii) L-1 roles: Executives, Head of Department (HoD); and iii) Managers or Supervisors reporting directly to the HoD. The KPI is calculated as the ratio of the number of women at management level to the total number of employees at management level across the Group.
KPI 2: Renewable Energy	The KPI measures the percentage of renewable energy in the Group's total energy consumption. It is calculated as the ratio of renewable energy consumption to total energy consumption across the Group.

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		CIEL defines renewable energy in line with GRI 302: Energy 2016.[53]
	KPI 3: Water Consumption	The KPI measures the total volume of water consumed in litres across CIEL's textile and hospitality clusters. CIEL defines water consumption in line with GRI 303: Water and Effluents (2018)[54] as the annual volume of water consumed, measured in cubic metres (m^3).

KPI 1: Women Empowerment and Gender Equality

We have assessed KPI 1 as **Strong** because it: i) represents a direct measure of a material social issue related to gender diversity across CIEL's operations; ii) reflects a high scope of applicability; iii) follows a clear and consistent methodology; and iv) there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

Materiality and Relevance

KPI 1 addresses the issue of gender diversity. We determined it to be material and relevant and have a high scope of applicability.

Globally, women held only 32.2% of managerial positions as of 2024, and at the current rate, achieving gender parity will take 131 years. In Sub-Saharan Africa, women occupy just 29.8% of leadership roles, while in Mauritius, women hold only 27.4% of management positions and 21.5% of board seats in listed companies, underscoring the persistence of gender imbalances in leadership.[55] For CIEL, a diversified conglomerate operating across 10 countries in Africa and Asia, gender diversity at the management level is particularly material given its exposure to sectors such as textiles, hospitality, healthcare and financial services. These sectors, especially textiles, hospitality and healthcare, often have a strong female workforce base, yet globally, women hold less than 20% of leadership roles in textiles[56] and remain underrepresented in senior positions across hospitality,[57] finance and healthcare.[58,59]

In terms of applicability, the KPI targets gender diversity at the management level, which represents approximately 4% of CIEL's total workforce. In 2024, about 48% of CIEL's employees were women.[60] Increasing the participation of women in leadership roles can help create more opportunities for women and support efforts to close the gender gap. Enhancing gender representation in leadership is also likely to generate positive social outcomes across CIEL's operations, and, therefore, the KPI has a high scope of applicability.

Methodology and Comparability with Benchmark

CIEL's methodology to calculate the KPI performance is clear and consistent with historical reporting on the percentage of women in management positions since 2023. In addition, KPI 1 follows an internal methodology that is based on the principles of GRI Standard 405-1 on Diversity and Equal Opportunity, but is not formally aligned with the standard. The KPI is directly linked to CIEL's performance regarding material impact, given that the KPI measures gender diversity across the Group's operations. There are no external benchmarks for assessing progress on the KPI, but it enables comparison with industry peers.

[53] GRI, "GRI 302: Energy 2016", at: https://www.transparencylab.org/Documentation/Advocacy,%20Monitoring,%20Sustainable%20-%20Responsible%20Initiatives/Global%20Reporting%20Initiative/GRI%20302%20Energy_2016.pdf.
[54] GRI, "GRI 303: Water and Effluents 2018", at: https://www.globalreporting.org/media/ihlp51iq/gri-303-water-and-effluents-2018-standard-presentation.pdf.
[55] World Economic Forum, "Global Gender Gap Report 2025" (2025), at: https://www.weforum.org/publications/global-gender-gap-report-2025/.
[56] Gitnux, "Diversity, Equity, And Inclusion In The Textile Industry Statistics"(2025), at: https://gitnux.org/diversity-equity-and-inclusion-in-the-textile-industry-statistics/
[57] UNWTO and WTTC, "Global Report on Women in Tourism – Second Edition" (2019), at: https://www.unwto.org/publication/global-report-women-tourism-2-edition.
[58] World Bank, "Women in Finance: Breaking Down Barriers to Leadership" (2019), at: https://openknowledge.worldbank.org/handle/10986/32558.
[59] World Health Organization, "5elivered by Women, Led by Men: A Gender and Equity Analysis of the Global Health Workforce" (2020), at: https://www.who.int/publications/i/item/9789241515467#:~:text=The%20report%2C%20produced%20by%20the%20WHO%20Global%20Health,gap%3B%20and%20occupational%20segregation%20across%20the%20entire%20workforce.
[60] CIEL, "Annual Integrated Report 2024", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf.

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KPI 2: Renewable Energy

We have assessed KPI 2 as **Adequate** because it: i) represents an indirect measure of a material environmental issue related to GHG emissions across CIEL's operations; ii) reflects a sufficient scope of applicability; iii) follows a clear and consistent methodology that is externally defined; and iv) The KPI is not directly comparable to external science-based decarbonization pathways, such as the SBTi's renewable electricity criteria aligned with RE100 recommendations, as it addresses the overall share of renewable energy in the Group's total energy mix, not solely renewable electricity.

Materiality and Relevance

KPI 2 addresses the issue of GHG emissions. We determined it to be material and relevant and have a sufficient scope of applicability.

CIEL operates in regions where grid electricity is significantly more carbon-intensive than the global average of 445 g CO_2/kWh in 2024.[61] For instance, Mauritius recorded approximately 1,010 g CO_2/kWh[62] and India around 713 g CO_2/kWh.[63] In this context, the Sustainable Accounting Standards Board (SASB) identifies energy management as a material disclosure topic for companies operating in the Hotels & Lodging[64] and Healthcare Delivery[65] sectors, given their reliance on high energy loads for cooling, lighting and continuous operations. Additionally, textile manufacturing involves several energy-intensive processes, such as dyeing, finishing and steaming. The elevated grid emission intensities across CIEL's key geographies, combined with the energy demands of its core business segments, underscore the importance of transitioning to renewable energy across its operations.

In terms of applicability, KPI 2 addresses scope 1 (where renewables could substitute fossil fuel usage such as fuel oil and LPG) and scope 2 emissions from purchased electricity across the Group. As of 2024, CIEL reported scope 1 emissions of approximately 44,000 tCO_2e and scope 2 emissions of around 19,000 tCO_2e. CIEL has not reported its scope 3 emissions across its entire value chain in 2024, making it challenging to calculate the exact share of scope 1 and 2 emissions addressed by the KPI relative to CIEL's overall emissions. Nearly 70% of the Group's revenue and an estimated 87% of its scope 1 and 2 emissions are concentrated in the textile and hospitality clusters of the CIEL conglomerate, both of which are operationally energy-intensive and rely significantly on fossil fuels and carbon-intensive grids. In particular, the hospitality cluster, which accounts for approximately 25% of the Group's revenue, is globally recognized for high scope 1 and 2 emissions (30–50% of a hotel operator's total emissions footprint) due to continuous operations, significant cooling and water heating needs, and reliance on diesel or LPG.[66] The importance of addressing scope 1 and 2 emissions is further amplified in India and Mauritius, where the electricity grids are fossil fuel-dominated and significantly exceeds global average intensities. Hence, based on the sectoral and regional considerations, we assess the KPI to have sufficient scope of applicability in addressing the Group's overall emissions footprint.[67] Nevertheless, a comprehensive and meaningful decarbonization of CIEL's operations will require parallel progress on scope 3 emissions reduction across its clusters. As part of its overarching initiatives related to reducing its emissions, CIEL initiated a comprehensive carbon footprint assessment in 2022 and has committed to

[61] IEA, "Electricity 2025 – Emissions", (2025), at: https://www.iea.org/reports/electricity-2025/emissions.
[62] UN Office for South-South Cooperation, "Accelerating the Transformational Shift to a Low-Carbon Economy in Mauritius", (2025), at: https://southsouth-galaxy.org/solutions/detail/accelerating-the-transformational-shift-to-a-low-carbon-economy-in-mauritius/.
[63] IEA, "Electricity 2025 – Emissions", (2025), at: https://www.iea.org/reports/electricity-2025/emissions.
[64] SASB, "Hotels & Lodging Standard" (2023), at: https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=SV-HL.
[65] SASB, "Health Care Delivery Standard" (2023), at: https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=HC-DY.
[66] Persefoni, "Hospitality Carbon Footprint: Emissions Profile Insights", (2025), at: https://www.persefoni.com/blog/emissions-profile-hospitality
[67] We consider a minimum of 30% to be sufficient scope of applicability for an indirect KPI such as renewable energy usage.

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expanding scope 3 assessments across all clusters. The textile and hospitality clusters are expected to begin annual scope 3 accounting from July 2026. Additionally, CIEL has submitted emissions reduction targets for its textile cluster (largest contributor to CIEL's scope 1 and 2 emissions) for validation by Science Based Targets Initiative (SBTi), which includes a 52% reduction in scope 3 emissions per product by 2030.

Methodology and Comparability with Benchmark

CIEL's methodology to calculate the KPI performance is clear and consistent with historical reporting on the percentage of renewable energy use since 2023. In addition, KPI 2 follows an externally recognized methodology, namely GRI Standard 302 – Energy 2016, to define renewable energy. The KPI is indirectly linked to CIEL's environmental performance because it measures the percentage of renewable energy consumed over total energy, which is an indirect measure of the underlying environmental issue of scope 1 and 2 GHG emissions. The KPI is not directly comparable to external science-based decarbonization pathways, such as the SBTi's renewable electricity criteria aligned with RE100 recommendations, as it addresses the overall share of renewable energy in the Group's total energy mix, not solely renewable electricity.[68,69]

KPI 3: Water Consumption

We have assessed KPI 3 as **Strong** because it: i) represents a direct measure of a material environmental issue related to water consumption across CIEL's operations; ii) reflects a high scope of applicability; iii) follows a clear and consistent methodology that is externally defined; and iv) there are no available externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

Materiality and Relevance

KPI 3 addresses the issue of water consumption. We determined it to be material and relevant and have a high scope of applicability.

Water availability and its sustainable usage are highly material for CIEL's operations in the textile and hospitality sectors, particularly given their geographic context. The hospitality sector also involves substantial water usage for guest services, laundry and landscaping. Mauritius, one of CIEL's key operating regions for hospitality, is a small island developing state facing increasing water stress due to climate variability, rising tourism demand and limited freshwater resources. Mauritius is classified as "high water stress" by the World Resources Institute.[70] The textile sector is noted for its high-water intensity, particularly in wet processing stages like dyeing, steaming and finishing.[71] CIEL's textile operations in India and Bangladesh, countries identified by WRI as experiencing "high" to "extremely high" water stress, also face growing water-related risks,

[68] Science Based Targets initiative, "SBTi Criteria and Recommendations for Near-Term Targets", (202), at: https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf
[69] RE100, "Frequently Asked Questions (FAQs): Technical", (2024), at: https://www.there100.org/sites/re100/files/2025-01/RE100%20FAQs%20-%20Feb%202024%20-%20V2.pdf
[70] World Resources Institute, "Aqueduct Water Risk Atlas" (2023), at: https://www.wri.org/applications/aqueduct/water-risk-atlas/
[71] Ellen MacArthur Foundation, "A New Textiles Economy: Redesigning Fashion's Future" (2017), at: https://ellenmacarthurfoundation.org/a-new-textiles-economy

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particularly in industrial clusters where water-intensive processing is concentrated. SASB identifies "Water Management" as a disclosure topic for the Hotels & Lodging industry, requiring companies to disclose usage and strategies in water-scarce regions.[72] Similarly, SASB identifies "Environmental Impacts in the Supply Chain" as a disclosure topic for Apparel, Accessories & Footwear industry, which includes water consumption and pollution in supply chains such as fabric processing.[73]

In terms of applicability, the KPI addresses water consumption reduction at CIEL's textiles and hospitality clusters, which together represented about 72.6% of the Group's total water consumption in 2024. Hence, the KPI has a high scope of applicability.

Methodology and Comparability with Benchmark

CIEL's methodology to calculate the KPI performance is clear and consistent with historical reporting on water consumption. In addition, KPI 3 follows an external recognized methodology, namely GRI 303: Water and Effluents (2018). The KPI is directly linked to the CIEL's performance regarding material impact, given that the KPI measures water consumption across the Group's operations. There are no available external benchmarks for assessing progress on the KPI, but it enables comparison with industry peers.

Calibration of Sustainability Performance Targets

Overall SPT Assessment

SPT		SPT Ambitiousness			
SPT 1: Increase the percentage of women at management level across the Group to:	SPT 1.A: 35% by 30 June 2028	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 2.A: 40% by 30 June 2029	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 3.A: 45% by 30 June 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Increase the percentage of renewable energy consumption over the total energy consumption across the Group to:	SPT 1.B: 60% by 30 June 2028	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 2.B: 65% by 30 June 2029	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 3.B: 80% by 30 June 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 3: Reduce water consumption across the textile and hospitality clusters by:	SPT 1.C: 5% by 30 June 2028	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 2.C: 6% by 30 June 2029	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
	SPT 3.C: 7% by 30 June 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious

[72] SASB, "Hotels & Lodging Standard" (2023), at: https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=CN-PR
[73] SASB, "Apparel, Accessories & Footwear Standard" (2023), at: https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=CG-AA

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Past Performance and SPTs

CIEL's past performance and SPTs are as follows:

Table 2: Past Performance and SPTs

KPI	2022	2023	2024	SPT 2028	SPT 2029	SPT 2030
KPI 1: Women Empowerment and Gender Equality	-	30%	32% (baseline)	35%	40%	45%
KPI 2: Renewable Energy	-	32%	51% (baseline)	60%	65%	80%
KPI 3: Water Consumption (m^3)	2,365,409 (baseline)	2,244,760	1,498,990	2,247,138 (-5%)	2,223,484 (-6%)	2,199,830 (-7%)

Alignment with Issuer Sustainability Strategy

We have assessed the SPTs to be aligned with the CIEL's overall sustainability strategy. CIEL has established the following group-level targets as part of its overall sustainability commitments[74]: i) reach 60% renewable energy consumption by 2028, progress to 80% by 2030; ii) achieve water efficiency levels comparable to leading industry benchmarks by 2030; and iii) achieve 35% women in management roles (Levels L, L–1 and L-2) by 2027 and 45% by 2030, along with 35% female representation on boards by 2030. Please refer to the Issuer Overview and Strategy Section for more details.

SPT 1: Increase the percentage of women at management level across the Group to:
SPT 1.A: 35% by 30 June 2028
SPT 1.B: 40% by 30 June 2029
SPT 1.C: 45% by 30 June 2030

We have assessed:

- SPT 1.A as **Moderately Ambitious** given that it: i) is below past performance; ii) is above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets.
- SPT 1.B as **Ambitious** given that it: i) is aligned with past performance; ii) is above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets.
- SPT 1.C as **Ambitious** given that it: i) is above past performance; ii) is above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets.

Baseline

32% of women at management level across the Group as at 30 June 2024.

Strategy to Achieve the SPT1

CIEL intends to achieve SPT 1 through the following strategies:

- Pay parity assessment to identify and address potential gender-based compensation gaps.
- Regular evaluation of its Go Beyond Gender programme's impact, including a repeat diagnostic exercise in FY 2025/26 to assess progress and recalibrate the programme.[75]
- Ongoing monitoring and evaluation of gender parity in new recruitments at management level and above, in collaboration with business clusters.

[74] CIEL, "Annual Integrated Report 2024", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf
[75] CIEL, "Annual Integrated Report 2024", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL_%20Annual%20Integrated%20Report%20_2024.pdf

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- Expansion of the Women in Leadership programme to Madagascar, Uganda, and India in partnership with local institutions.[76]
- Development and rollout of internal training on inclusive leadership for all team leaders, which will be mandatory and implemented by each cluster within 1 to 3 years, depending on workforce size.

Ambitiousness

We assessed the SPT's ambitiousness using the following criteria: i) past performance, ii) peer performance, iii) science alignment.

CIEL's gender diversity at the management level improved from 30% in 2022 to 32% in 2024, reflecting an average annual increase of 1 percentage point. Compared to a 2024 baseline, the SPTs - 35% by 2028 (SPT 1.A), 40% by 2029 (SPT 1.B), and 45% by 2030 (SPT 1.C) - correspond to required annual increases of approximately 0.75, 1.60, and 2.17 percentage points, respectively. Accordingly, SPT 1.A is assessed as below past performance, SPT 1.B as aligned with past performance and SPT 1.C as above past performance.

CIEL's targets were compared against six peer conglomerates operating in similar geographies and sectors. While a few peers identify gender diversity as a strategic priority, most have not disclosed quantified targets to improve gender representation. Hence, the SPTs are assessed to be above peer performance.

SPT 1 cannot be compared against science-based trajectories, as there are currently no external benchmarks or pathways specific to gender diversity targets.

SPT 2: Increase the percentage of renewable energy consumption over the total energy consumption across the Group to:
SPT 2.A: 60% by 30 June 2028
SPT 2.B: 65% by 30 June 2029
SPT 2.C: 80% by 30 June 2030

We have assessed SPTs 2.A, 2.B and 2.C as **Ambitious** given that it: i) is aligned with past performance; ii) is above peer performance; and iii) cannot be compared against science-based decarbonization trajectories, as there are currently no relevant external benchmarks that cover the share of renewable energy in a company's total energy mix beyond electricity consumption.

Baseline

51% of renewable energy consumption across the Group as at 30 June 2024.

Strategy to Achieve the SPT 2

CIEL intends to achieve SPT 2 through the following strategies:

- Increase on-site renewable energy generation through phased solar panel installations across textile operations in Mauritius, Madagascar, and India.
- Expand renewable energy adoption to healthcare, hospitality and properties operations in Mauritius through large-scale solar panel projects.
- Integrate energy storage systems in select locations (e.g., Madagascar) to improve renewable energy reliability and efficiency.
- Phase out the use of fuel oil in textile operations and liquefied petroleum gas in hospitality operations using biomass and solar energy.

Ambitiousness

We assessed the SPT's ambitiousness using the following criteria: i) past performance; ii) peer performance; and iii) science alignment.

[76] CIEL, "Annual Integrated Report 2024", (2024), at: https://www.cielgroup.com/sites/default/files/2024-11/CIEL %20Annual%20Integrated%20Report%20 2024.pdf

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CIEL's share of renewable energy in its overall energy mix increased from 32% in 2023 to 51% in 2024, reflecting a 19-percentage point rise in one year. Compared to a 2024 baseline, the SPTs - 60% by 2028 (SPT 2.A), 65% by 2029 (SPT 2.B), and 80% by 2030 (SPT 2.C) - correspond to required average annual increases of approximately 2.25, 2.80, and 4.83 percentage points, respectively. While achieving the SPT requires an annual growth rate that falls below past performance, the percentage growth achieved in 2024 was mainly influenced by the significant use of biomass in textile operations. Thus, SPT 2 is assessed to be aligned with CIEL's past performance.

CIEL's targets were compared against six peer conglomerates operating in similar geographies and sectors. While some peers identify renewable energy use as a strategic priority, most peers either lack specific usage targets or operate at a lower renewable energy share. Hence, SPT 2 is assessed to be above peer performance.

SPT 2 cannot be compared against science-based decarbonization trajectories, as there are currently no relevant external benchmarks that cover the share of renewable energy in a company's total energy mix beyond electricity consumption.

SPT 3: Reduce water consumption across the textile and hospitality clusters by:
SPT 3.A: 5% by 30 June 2028
SPT 3.B: 6% by 30 June 2029
SPT 3.C: 7% by 30 June 2030

We have assessed SPTs 3.A, 3.B and 3.C as **Moderately Ambitious** given that they: i) are below past performance; ii) are above peer performance; and iii) cannot be compared against science-based trajectories, as there are currently no relevant external benchmarks or pathways specific to water consumption reduction targets.

Baseline

2,365,409 m^3 of water consumed by CIEL's textile and hospitality clusters as at 30 June 2022. CIEL has chosen this baseline SPT 3 to ensure consistency with the baseline of water reduction roadmaps for these clusters.

Strategy to Achieve the SPT 3

CIEL intends to achieve SPT 3 through the following strategies:

- Install rainwater harvesting, greywater reuse, and zero liquid discharge systems across key textile facilities.
- Implement smart metering, leak detection, and real-time water monitoring systems to improve efficiency across both textile and hospitality clusters.
- Integrate closed-loop systems in wet processing units, with pilot projects underway and plans to scale successful models.
- Align water management practices with global standards and practices, including Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero Programme,[77] Higg Facility Environmental Module (FEM),[78] GRI 303: Water and Effluents[79] and UN CEO Water Mandate.[80]
- Drive awareness and accountability by engaging staff, guests, and local stakeholders, supported by sustainability certifications such as EarthCheck[81] and Travelife.[82]

[77] ZDHC, "The Roadmap to Zero Programme", (2019), at: https://uploads-ssl.webflow.com/5c4065f2d6b53e08a1b03de7/5db703cd1465cba8dcd7cf7e_ZDHC_Info_Booklet_Mar_2019_compressed.pdf
[78] Higg Index, "Higg FEM", at: https://howtohigg.cascale.org/higg-index-tools/higg-fem/higg-fem-user-selection/verifiers/an-introduction-to-higg-fem/
[79] GRI, "GRI 303: Water and Effluents 2018", at: https://www.globalreporting.org/media/ihlp51iq/gri-303-water-and-effluents-2018-standard-presentation.pdf
[80] UNGC, "CEO Water Mandate", at: https://ceowatermandate.org/
[81] EarthCheck, "EarthCheck Certified", at: https://earthcheck.org/what-we-do/certification/earthcheck-certified/
[82] Travelife, at: https://travelifesustainability.com/

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Ambitiousness

We assessed the SPT's ambitiousness using the following criteria: i) past performance; ii) peer performance; and iii) science alignment.

CIEL's total water consumption across its Textile and Hospitality clusters declined significantly from 2.36 million m^3 in 2022 to 1.49 million m^3 in 2024, marking an average annual reduction of 19.2%. Compared to a 2022 baseline, the SPTs - 5% by 2028 (SPT 1.C), 6% by 2029 (SPT 2.C), and 7% by 2030 (SPT 3.C) - correspond to average annual reductions in water consumption of 0.83%, 0.86% and 0.87% respectively. Relative to 2024 (latest reporting year), the targets imply average annual increases in water consumption of 12.48%, 9.67%, and 7.79%, reflecting the significant progress already achieved in reducing water use since the 2022 baseline. Thus, SPT 3 is assessed to be below CIEL's past performance.

CIEL's targets were compared against eight peer groups, comprising conglomerates and companies operating in the textile and hospitality sectors in similar geographies. While some peers have adopted water management initiatives, most have not disclosed specific, quantified targets for reducing water consumption. Thus, SPT 3 is assessed to be above peer performance.

SPT 3 cannot be compared against science-based trajectories, as there are currently no relevant external benchmarks or pathways specific to water consumption reduction targets.

Financial Characteristics

The financial characteristics of the sustainability-linked instruments issued under the Framework will be tied to the achievement of the defined SPTs. These characteristics may include but not limited to coupon or margin step-up or step-down and early redemption premium if i) any one of the SPT is not met by the specified observation date; ii) the sustainability performance report has not been made available by CIEL and communicated by the notification deadline relating to the relevant target observation date; and iii) the verification assurance report has not been made available by CIEL and communicated by the notification deadline relating to the relevant target observation date. Details of these financial adjustments will be outlined in the specific documentation for each issuance, along with KPI definitions, KPI calculation methodologies, SPTs and related trigger events. All three KPIs and their associated SPTs will be included in all issuances under the Framework. The financial characteristics of the sustainability-linked bonds are aligned with the SLBP and SLLP, but we do not opine on the adequacy of the magnitude and structure of the financial penalty.

Reporting

CIEL commits to report on an annual basis on its progress on the KPIs and expects to include the relevant figures in the Integrated Annual Report, Sustainability Report, or its website, which is aligned with the SLBP and SLLP. The reporting commitments are aligned with the SLBP and SLLP.

Verification

CIEL commits to having an external verifier provide limited assurance against each SPT for each KPI at least once a year, which is aligned with the SLBP and SLLP.

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Environmental and Social Risk Management

We have identified the following areas of environmental and social risks that are i) related to the activities to which the KPIs and SPTs defined in the Framework and ii) associated with the expenditures eligible under the Framework: land use and biodiversity; waste, effluents and emissions; occupational health and safety; community relations; business ethics, predatory lending and human and labour rights. CIEL has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Land use and biodiversity, waste, effluents and emissions	► CIEL complies with all relevant local, national, and international laws, regulations, and standards across its operational sites. The Group adopts the IFC's General EHS Guidelines and sector specific EHS Guidelines[83] for Textile Manufacturing, Sugar Manufacturing, Tourism and Hospitality Development, Health Care Facilities and other applicable EHS Guidelines as minimum requirements for all sites through the CIEL Corporate Sustainability Framework. ► The Group's Sustainability Policy outlines its commitment to reducing its environmental impact through actions that promote biodiversity, resource efficiency, waste reduction and pollution control. All operations are required to have emergency plans for environmental incidents. ► CIEL also evaluates the environmental responsibility of its suppliers and addresses issues as needed.
Occupational Health and Safety	► The Group's Health and Safety Policy and Sustainability Policy focus on creating a safe workplace through shared responsibility between management and employees. The Group emphasizes continuous improvement by monitoring injury rates and enhancing safety practices, while ensuring compliance with relevant laws and regulations.
Community Relations and Stakeholder Management	► CIEL's Sustainability Policy outlines its commitment to minimizing its social impact. The Group achieves this through proactive stakeholder engagement, and has implemented a structured grievance mechanism to address stakeholder concerns and provide practical and timely solutions. The grievance mechanism is in alignment with responsible business practices and community engagement principles.
Business Ethics	► CIEL's Code of Ethics[84] outlines the Group's commitment to ethical and sustainable business practices across its global operations. The code guides employees and stakeholders on integrity, compliance with laws, anti-bribery, fair competition, data protection, and asset security. ► CIEL's Whistleblowing Policy provides a structured and confidential mechanism for employees and external stakeholders, including suppliers, partners, and the general public, to report suspected wrongdoing in good faith without fear of retaliation. The policy promotes accountability by clearly defining reportable concerns, which include fraud, corruption, regulatory breaches, unethical conduct, and health, safety or environmental violations.
Predatory Lending	► CIEL Finance does not have a standalone policy to govern responsible lending but integrates responsible lending principles within its Credit Risk Policy, and segmental credit policies for microenterprises, SMEs and individuals. Lending decisions are guided by character, capacity, capital, collateral, conditions, and credit score to ensure borrowers are assessed holistically for their ability and willingness to repay, while aligning with the Bank's risk appetite and eligibility criteria.

[83] IFC, "Environmental, Health and Safety Guidelines", at: https://www.ifc.org/content/dam/ifc/doc/2023/ifc-general-ehs-guidelines.pdf
[84] CIEL Group, " CIEL Limited Code of Ethics " , at : https://www.cielgroup.com/sites/default/files/ciel_%20company_documents/ciel_code-of-ethics_1.pdf

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	► The Group promotes financial literacy and informed decision-making through active client engagement led by its Coverage Team. As part of the service delivery process, clients are systematically guided through the terms and conditions of each banking product or facility. Acknowledgement of understanding is obtained to ensure full transparency. To further enhance accessibility and client comprehension, these terms and conditions have also been translated into Malagasy, enabling end-users to fully grasp the obligations and requirements before entering into any contractual agreement.
Human and Labour Rights	► The financing may take place in countries with heightened human rights risks. To sufficiently mitigate risks related to human rights, CIEL's Sustainability Policy outlines the Group's alignment with internationally recognized standards, including the ILO Core Conventions and the UN Guiding Principles on Business and Human Rights. The Group is committed to mitigating risks related to child labour, forced labour, discrimination and harassment. ► In 2023, an investigation by a non-profit organization – Transparentem, uncovered labour rights violations in Mauritius' garment factories. These include issues related to exploitative recruitment, poor living conditions for workers, and intimidation and retaliation.[85] To mitigate similar risks in its textile cluster, CIEL established a recruitment policy which prohibits employees from bearing any recruitment-related costs. Additionally, CIEL Textile conducts regular internal and third-party audits and leverages a digital platform to monitor fair working conditions related practices. ► The Group also outlines clear measures to enhance employee wellbeing, including fair remuneration, health and safety, privacy protection, flexible working conditions, and access to social benefits.

[85] Business & Human Rights Resource Centre, "I Came Here with So Many Dreams": Labor Rights Abuses & the Need for Change in Mauritius' Apparel Factories", at: https://www.business-humanrights.org/en/latest-news/i-came-here-with-so-many-dreams-labor-rights-abuses-the-need-for-change-in-mauritius-apparel-factories/

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Annex 1:
Use of Proceeds
Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.

Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.[86] This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- **Aligned:** Meets all requirements across the four components.
- **Partially Aligned:** Meets requirements on two or three of the four components.
- **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

[86] These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

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Annex 2: Sustainability-Linked Instruments Assessment Framework Overview

The following is a brief overview of the methodology that we use to assess sustainability-linked instruments and the frameworks that support them. Using this methodology, we assess the strength of the Key Performance Indicators (KPIs) and the ambitiousness of the Sustainability Performance Targets (SPTs) identified in a sustainability-linked instrument framework.

Key Performance Indicators (KPIs)

Central to our assessment of KPIs are a consideration of their Relevance and Materiality. Here we assess: i) whether the indicator relates to an area of environmental or social impact that is material to the issuer's activities; and ii) to what extent the KPI is applicable.

In addition, we assess certain other KPI characteristics, including: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;[87] and iv) whether performance on the KPI can be compared against an external contextual benchmark.[88]

The strength of each KPI is assessed as Very Strong, Strong, Adequate or Not Aligned.

Sustainability Performance Targets (SPTs)

To determine the ambitiousness of an SPT, we consider: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.[89] Additionally, we assess the strategies outlined to achieve the SPT and how the SPT is aligned with the issuer's overall sustainability strategy.

The strength of an SPT is assessed as Highly Ambitious, Ambitious, Moderately Ambitious, or Not Aligned.

[87] A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the material ESG issue.
[88] External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.
[89] Where possible we assess targets in relation to science-based benchmarks that correspond to ecosystem boundaries.

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Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities. Furthermore, Sustainalytics' Second Party Opinion addresses the anticipated SPTs but does not measure progress on the KPIs. This Second Party Opinion is valid for issuances aligned with the Framework until one of the following occurs: i) a material change to the external benchmarks against which targets were set; ii) a material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs. Measuring and reporting on KPIs and SPTs is the responsibility of the Framework owner.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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