SUSTAINABLE FINANCE FRAMEWORK

Bank of Ceylon

2025

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About Bank of Ceylon

Bank of Ceylon maintains its position as Sri Lanka's locally incorporated largest bank, determined by its significant assets, deposits and loans and advances. With an extensive footprint comprising of a network of over 2,300 direct customer touchpoints, including fully equipped mobile branches, SME centers, ATMs, CDMs and CRMs island-wide, the Bank promotes financial inclusion across all provinces of the country. The Bank also operates overseas with three branches in India, Maldives, and Seychelles, a limited services branch in Hulhumale and a fully owned subsidiary in London, United Kingdom.

BOC is amongst Sri Lanka's most economically and socially impactful entities and an integral component of the country's financial system. The Group serves a large and diverse customer base across the country. The clients of the bank are individuals, micro enterprises, small and medium sized businesses, corporate entities and government. The products and services of the bank include retail banking, corporate and offshore banking, International, Treasury and Investment Banking

Bank of Ceylon's Commitment to Sustainability

The Bank of Ceylon remains steadfast in its commitment to fostering long-term economic growth and stability, recognizing sustainability as a foundational pillar in delivering value to its stakeholders. In light of evolving Environmental, Social, and Governance (ESG) dynamics, the Bank has proactively embedded sustainability within its operational framework and strategic decision-making processes. Through the alignment of its financial offerings and investment activities with ethical and responsible practices, BOC aims to drive positive social and environmental impact, reinforced by concrete policies and initiatives.

Contribution to SME Sector

Bank of Ceylon (BOC) demonstrates a strong commitment to empowering entrepreneurs and supporting SMEs, recognizing their vital role in economic diversification, job creation, and innovation. Through its Enterprise Banking team, the Bank has expanded its SME lending portfolio, introducing tailored loan schemes to support MSMEs, women, youth, and rural communities. BOC's customer-centric approach extends beyond financial products, focusing on understanding and meeting the unique needs of a diverse clientele—from urban entrepreneurs to rural farmers and large enterprises. With an extensive network of touchpoints, the Bank ensures wide-reaching financial inclusion. Initiatives such as BOC Mithuru and BOC Ranliya Loans particularly uplift women-led businesses, reinforcing BOC's mission of inclusive economic growth.

Supporting Financial Inclusion and Accessibility

Bank of Ceylon's retail banking services have advanced significantly in recent years, particularly in digital transformation and expanding financial inclusion. Targeted efforts to engage under-served segments, including SMEs and women entrepreneurs, have driven demand for value-added loan products.

The Bank is also strengthening its Islamic Banking Division to provide Shari'ah-compliant financial services nationwide. By decentralizing operations and broadening its product portfolio, BOC is improving financial access while ensuring transparency and compliance under the guidance of a dedicated Shari'ah Supervisory Board.

Additionally, the formation of new Mithuru groups (BOC Mithuru Groups is a community driven, group lending model that promotes entrepreneurship, savings, and economic self-reliance among underserved and rural populations in the country), which aims to improve the livelihoods of 'BOC Mithuru' members by promoting self-employment, enhancing income, encouraging savings, and providing sustainable financial services using local village resources, contributing to greater stability and diversification in its funding structure.

Diversity and Inclusion

Bank of Ceylon (BOC) prioritizes diversity, inclusion, and employee development as key pillars of its operational and strategic agenda. The Bank fosters a culture that values diverse perspectives, recognizing their role in driving innovation, collaboration, and sustainable growth. Key focus areas include enhancing HR governance, promoting employee welfare, supporting career development, and advancing digitalization and sustainability.

BOC has implemented comprehensive policies, such as its Gender Policy, Grievance Handling Policy, and a Disciplinary Code to ensure a fair, respectful, and transparent workplace. These policies are actively enforced across all branches, reinforcing a culture of equity and accountability.

In support of inclusivity, the Bank also upholds policies for hiring 'differently abled' individuals, with 14 such employees currently on staff. While no new hires were made in this category during the year, BOC introduced targeted initiatives to improve workplace accessibility and offer career development support, reflecting its continued commitment to equal opportunity and inclusive growth.

Key Sustainability Initiatives and Commitments

ESG Integration

BOC has institutionalized ESG considerations as an organization-wide priority, governed by a

comprehensive Sustainability Policy that ensures responsible business conduct across all levels of the institution.

Sustainability Policy

The Bank's Sustainability Policy outlines its overarching sustainability goals, governance structure, and reporting mechanisms, providing a structured and consistent approach to sustainable practices.

Market Leadership

As the leading state bank with the widest footprint across the island, BOC aspires to lead the market in sustainable finance and promote inclusive access to financial services.

Transition to Carbon Neutrality

BOC is actively pursuing carbon neutrality by embedding sustainable practices across all areas of operations, including energy management, resource optimization, and emission reduction.

Alignment with UN Sustainable Development Goals (SDGs)

The Bank is firmly committed to aligning its operations and initiatives with the United Nations Sustainable Development Goals, further reinforcing its global sustainability vision.

Global Responsibility

BOC continues to undertake proactive and comprehensive measures in addressing global sustainability challenges, positioning itself as a responsible corporate citizen.

The Bank of Ceylon is committed to integrating environmental & social sustainability and climate responsibility across all its operations, lending, and investment activities. Aligned with national and global sustainability goals, the Bank's overarching strategy focuses on mitigating climate change, conserving natural resources, preventing pollution, protecting biodiversity, and strengthening climate resilience.

1. Climate Mitigation

The Bank integrates climate considerations into its operations, lending, and investment decisions to support the transition toward a low-carbon economy. It measures and reports GHG emissions, sets internal reduction targets, and encourages clients in carbon-intensive sectors to adopt cleaner

technologies. Within its operations, the Bank promotes energy efficiency, renewable energy use, and credible carbon offset initiatives.

2. Natural Resource Conservation

The Bank promotes responsible sourcing and efficient resource management across its operations and supply chain. Environmental and social factors are integrated into procurement and operational practices, with emphasis on minimizing resource use, promoting sustainable materials, and advancing digitalization to reduce paper consumption.

3. Pollution Prevention and Control

The Bank implements effective water and waste management systems, focusing on reducing consumption, recycling, and ensuring responsible wastewater treatment. Paperless initiatives, proper waste segregation, and employee awareness programs further support pollution prevention efforts.

4. Biodiversity Conservation

The Bank ensures that its financing activities do not harm ecologically sensitive areas and avoids projects linked to deforestation or habitat loss. It supports ecosystem restoration and conservation initiatives, reinforcing its commitment to environmental protection.

5. Climate Change Adaptation

The Bank integrates climate risk and adaptation considerations into its decision-making processes to enhance resilience. It monitors energy use, promotes renewable energy solutions, and adopts strategies such as digitization, sustainable procurement, and low-carbon commuting. Where unavoidable emissions occur, credible carbon offset measures are pursued.

The Bank upholds strong social commitments by promoting financial inclusion, equitable access to banking services and community development. It supports SMEs, women entrepreneurs and underserved population through targeted financial solutions. The Bank also ensure safe, inclusive and fair work places, respect human rights across its operations, and supply chain, and engages in employee development and wellbeing initiatives. In line with its Diversity, Equity and Inclusion (DEI) principles, the bank fosters a culture that values equal opportunity, gender balance and respect individual differences, ensuring that all employees and stakeholders are treated fairly and without discrimination.

This Sustainable Finance Framework also fulfills the requirement to support ongoing sustainable initiatives through the sustainability bond, ensuring continuity and consistency in financing projects that contribute to long-term environmental and social impact.

The Bank of Ceylon offers a range of Green Products designed to promote environmentally sustainable practices and support socially inclusive development. These products are aligned with the Bank's commitment to sustainable finance and responsible banking.

Green Products

Green Loans

- **E Friends – II**

A credit scheme under the Environmentally Friendly Solution Fund, supporting eco- friendly initiatives.

- **Solar Power Financing**

Special credit scheme for the purchase and installation of solar power systems, encouraging the use of renewable energy.

- **Sustainable Energy & Eco-Friendly Products**

Loan facilities for the purchase and implementation of sustainable energy solutions and environmentally friendly products.

Other Sustainable Development Loans

- **Siriliya Saviya**

A credit scheme aimed at financing income-generating projects for women, promoting gender inclusion and economic empowerment.

- **E-Friends**

Credit facility under the Environmentally Friendly Solution Fund to finance green business and personal initiatives.

Green Deposits

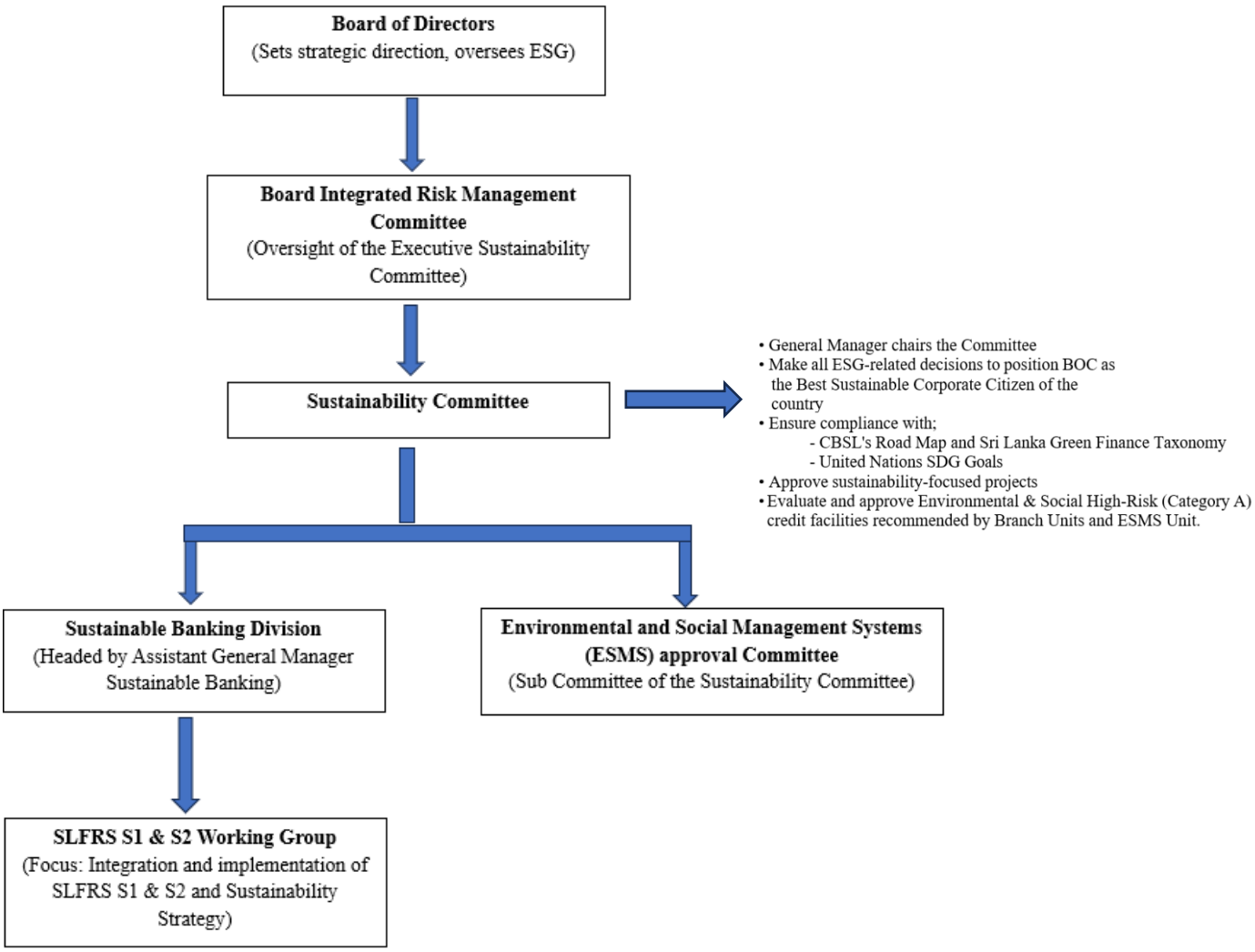
- **BOC eThuru**

The Bank of Ceylon's Sustainable Deposit Scheme allows individuals and institutions to support eco-friendly initiatives while maximizing savings benefits

- **Haritha Kekulu**

A savings scheme for children aged 6-18, aimed at fostering eco-friendly values in the next generation.

Sustainability Governance Structure



Bank of Ceylon Sustainable Finance Framework

Bank of Ceylon's Sustainable Finance Framework aligns with the Nationally Determined Contributions (NDCs) under the Paris Agreement, supporting climate mitigation and adaptation. Built on the Bank's Sustainability Policy, it also complies with the International Capital Market Association (ICMA) Green Bond Principles 2025 (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (SBG) (June 2021), and the Sri Lanka Green Finance Taxonomy (May 2022) issued by CBSL, to ensure environmentally sound and impactful investments.

The Bank's Sustainable Finance Framework ensures that the Bank has robust systems and procedures in place to identify, evaluate, and classify eligible green and social projects. As the Bank aims to raise funds through the issuance of Green/ Social or Sustainability Bonds (as the Sustainable Finance Instrument), the Framework promotes transparent management of proceeds, clear reporting on environmental and social impacts, and alignment with recognized standards. It also serves as a safeguard against greenwashing and social washing, helping to maintain investor confidence and protect the Bank's reputation.

The Bank of Ceylon's approach for Sustainability Bonds will be aligned with the following key components.

1. Use of Proceeds
2. Process for Project Evaluation & Selection
3. Management of Proceeds
4. Reporting

For heightened transparency: - External Review

Use of Proceeds

The proceeds from the Sustainability Bond will be allocated to finance or refinance eligible green and social projects that align with the Bank's Sustainable Finance Framework.

According to the International Capital Market Association (ICMA), a Green Bond is a bond whose proceeds are exclusively used to finance or refinance projects with clear environmental benefits. These include initiatives such as renewable energy, energy efficiency, green buildings, sustainable water and wastewater management, clean transportation, and environmentally sustainable agriculture. Green Bonds are aligned with the ICMA Green Bond Principles (GBP**)** (June 2025), which provide transparency and accountability through project selection, fund management, and reporting.

A Social Bond, as defined by ICMA, is a bond where the proceeds are applied solely to projects that generate positive social outcomes or address specific social issues. Such projects typically focus on improving access to essential services affordable housing, access to essential services

such as healthcare and education, affordable basic infrastructure, and support for employment generation and SME financing. Social Bonds follow the Social Bond Principles (SBP), ensuring that funds are used in a socially responsible and impactful manner.

A Sustainability Bond combines the objectives of both Green and Social Bonds, financing a mix of environmentally sustainable and socially beneficial projects. These bonds align with the Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), and Sustainability Bond Guidelines (SBG) (June 2021) promoting a balanced approach to sustainable development. By addressing environmental and social priorities simultaneously, Sustainability Bonds support an issuer's broader sustainability strategy and long-term commitment to responsible growth.

The proceeds allocated to green projects will be used to finance or refinance activities that contribute to environmental sustainability and climate change mitigation. These include projects promoting renewable energy, energy efficiency, green construction, sustainable water and wastewater management, clean transportation, and pollution prevent and control. By directing bond proceeds toward such initiatives, the Bank supports the transition to a low-carbon and resource-efficient economy while ensuring alignment with recognized green finance standards and taxonomies.

The portion of proceeds dedicated to social projects will be utilized to finance or refinance activities that promote inclusive growth and improved quality of life for underserved communities. Eligible projects include employment generation and programmes designed to prevent and alleviate unemployment stemming from socio economic crises, Food security and Sustainable food systems, access to essential services such as healthcare and education, affordable basic infrastructure. Through these investments, the Bank aims to enhance social well-being, reduce inequalities, and contribute to broader sustainable development objectives in Sri Lanka.

Bank of Ceylon will allocate net proceeds from the Sustainable Financing Instruments issued under this Framework to finance and/or refinance, in whole or in part, sustainable projects that meet the eligibility criteria defined below, under the following Eligible Sustainable Project Categories ("Eligible Sustainable Projects").

Eligible Sustainable Projects Categories

Green Project Categories				
Eligible Categories	**Eligibility Criteria**	**Contribution to SDGs**	**Eligible Project Types**	**Mapping To CBSL Green Finance Taxonomy**
Renewable Energy	Financing or refinancing projects related to renewable energy generation (solar, wind, hydro, geothermal, biogas, biomass with minimal lifecycle emssion)		Solar Energy Generation	M3.6, M4.2
			Wind Energy Generation	M3.5
			Hydro Energy Generation	M4.4
			Geothermal Energy Generation	M4.7
			Biogass	M4.8
			Biomass	M4.8
Energy Efficiency	Financing or refinancing projects aimed at installing systems or products that enhance energy efficiency in buildings and Factories		Construction of new buildings	M6.3
Green Construction	Development or renovation of buildings certified under recognized green building standards Eg : Green Building Council of Sri Lanka		Renovation of existing buildings	M6.1
			Acquisition and ownership of buildings	M6.2
			Construction of new buildings	M6.3
			Infrastructure enabling low-carbon road transport	M6.4
			Infrastructure enabling low carbon water transport	M6.5
			Low carbon airport infrastructure	M6.6
			Infrastructure for electric rail transport	M6.7
Sustainable Water, Water Supply &Wastewater Management	Financing or refinancing projects for water treatment, clean/ drinking water infrastructure, wastewater recycling, rainwater harvesting systems, desalination with renewable energy, and improved water-use efficiency		Sewage sludge treatment – anaerobic digestion	M5.1
			Collection and transport of non-hazardous waste in source segregated fractions	M5.2
			Recycling non-hazardous waste	M5.3
			Composting of domestic and agricultural bio-waste	M5.4

			Utilization/ treatment of domestic waste – anaerobic digestion	M5.5
			Recycling of agricultural waste	M5.6
Clean Transportation	Financing or leasing related to acquisition, operation and maintenance of low carbon vehicles for passenger and freight transport.		Construction and operation of public transportation system in urban and rural areas	M7.1
			Construction and operation of rail freight transport and upgrade of existing railways	M7.2
			Construction and operation of facilities for shared transport, including motorbikes, passenger cars and light commercial vehicles	M7.3
			Passenger interurban rail transport	M7.4
			Construction and operation of shared personal mobility devices, cycle logistics	M7.5
Pollution Prevention and Control	Financing or refinancing, construction, upgrade, or renovation of facilities for;waste collection and storage, sorting, separation, and material recovery, recycling and reuse of materials, biological treatment (e.g., composting, anaerobic digestion) and waste-to-energy generation (biogas)		Sewage sludge treatment – anaerobic digestion	M5.
			Collection and transport of non-hazardous waste in source segregated fractions	M5.2
			Recycling non-hazardous waste	M5.3
			Composting of domestic and agricultural bio-waste	M5.4
			Utilization/ treatment of domestic waste – anaerobic digestion	M5.5
			Recycling of agricultural waste	M5.6

Social Project Categories		
Eligible Categories	**Eligibility Criteria**	**Contribution to SDGs**
Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises	Finance or refinance loans to Micro, Small, and Medium Enterprises (MSMEs) and microfinance clients whose operations have been negatively impacted by external events such as natural disasters or health emergencies, including the COVID-19 pandemic. This includes support for employment retention and recovery. **Target group: focus on affected MSMEs and those that are female-owned or female-led businesses.**	
Food Security and Sustainable Food Systems	Finance or refinance the projects that enhance physical, social, and economic access to sufficient, safe, and nutritious food. Eligible activities include improving food storage and conservation infrastructure (e.g., warehouses), enhancing connectivity within the food supply chain to reduce losses, and supporting agricultural productivity and climate-resilient practices, particularly benefiting smallholder farmers. **Target group: Farmers and food producers, market and supply chain actors**	
Access to Essential Services (Healthcare & Education)	finance or refinance projects that expand access to public, not-for- profit, free, or subsidized healthcare and education. This includes the construction, maintenance, or refurbishment of hospitals, clinics, emergency medical infrastructure, and disease control services, as well as schools, universities, kindergartens, vocational training facilities, and related educational programs. **Target group: the general public, particularly communities lacking quality access to essential services.**	
Affordable Basic Infrastructure	Financing of development, construction, and operation of affordable basic infrastructure that improves access to clean drinking water and sanitation services, including sewerage systems. These projects aim to address both rural and urban needs, benefiting the general population. **Target group: The general Public**	

Details of the lending products are presented in Annexure I for reference. Furthermore, the proceeds raised under this framework shall not be utilized to finance or refinance any projects identified in "Exclusion List", which is provided in Annexure II.

Process for Project Evaluation & Selection

Bank of Ceylon has established a robust evaluation and selection process to ensure that the proceeds from the Sustainability Bond are allocated to projects that meet the defined environmental and/or social objectives outlined in the Sustainable Financing Framework.

Every business unit that receives the credit facility requests from the customers will initially evaluate against the credit criteria and then against the sustainable finance framework to identify the projects that are eligible for obtaining financing from bonds issued under this framework. Subsequent to such evaluation, the business units will request for fund allocation for the project from Sustainable Banking Division (SBD). After funds are allocated, business unit must submit the fund disbursement request to the SBD after following the line management approval process within 3 months from the date of fund allocation. In between fund allocation and approval process ESDD screening will be done based on the ESMS Policy of Bank of Ceylon.

Under this framework, a maximum look-back period of 24 months will apply to refinanced projects. The Bank expects each issuance under this Framework to be fully allocated within 24 months from the date of allotment.

A portion up to 70% of the sustainability bond proceeds may be used to refinance existing eligible green and social projects that continue to deliver measurable environmental and social benefits. Refinancing such projects ensures the efficient use of funds while maintaining alignment with the Bank's sustainability objectives and the eligibility criteria outlined in the framework.

This approach also fulfills the requirement to support ongoing sustainable initiatives through the sustainability bond, ensuring continuity and consistency in financing projects that contribute to long-term environmental and social impact.

ESMS Unit (Environmental and Social Management System Unit)

Bank of Ceylon has implemented a comprehensive Environmental and Social Management System (ESMS) to ensure that all lending decisions align with principles of sustainability and responsible growth. Guided by the National Environment Act, Directions of Central Bank of Sri Lanka and international standards from ADB and AIIB, the ESMS rigorously screens projects for environmental and social impact. This system plays a vital role in embedding sustainability into Sri Lanka's financial ecosystem, reinforcing BOC's commitment to environmental stewardship and sustainable economic development.

The ESMS will:

- Ensure projects align with BOC's sustainability policy.
- Conduct environmental and social risk assessments according to BOC's Environmental and Social Management System (ESMS).

- Sustainability Committee of Bank of Ceylon is responsible for Approving the eligible projects and maintain compliance with Green Bond Principles (GBP) (June 2025), Social Bond Principals (SBP) (June 2025) and Sustainability Bond Guidelines (June 2021) published by the International Capital Markets Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka (CBSL)

Loan Selection Process

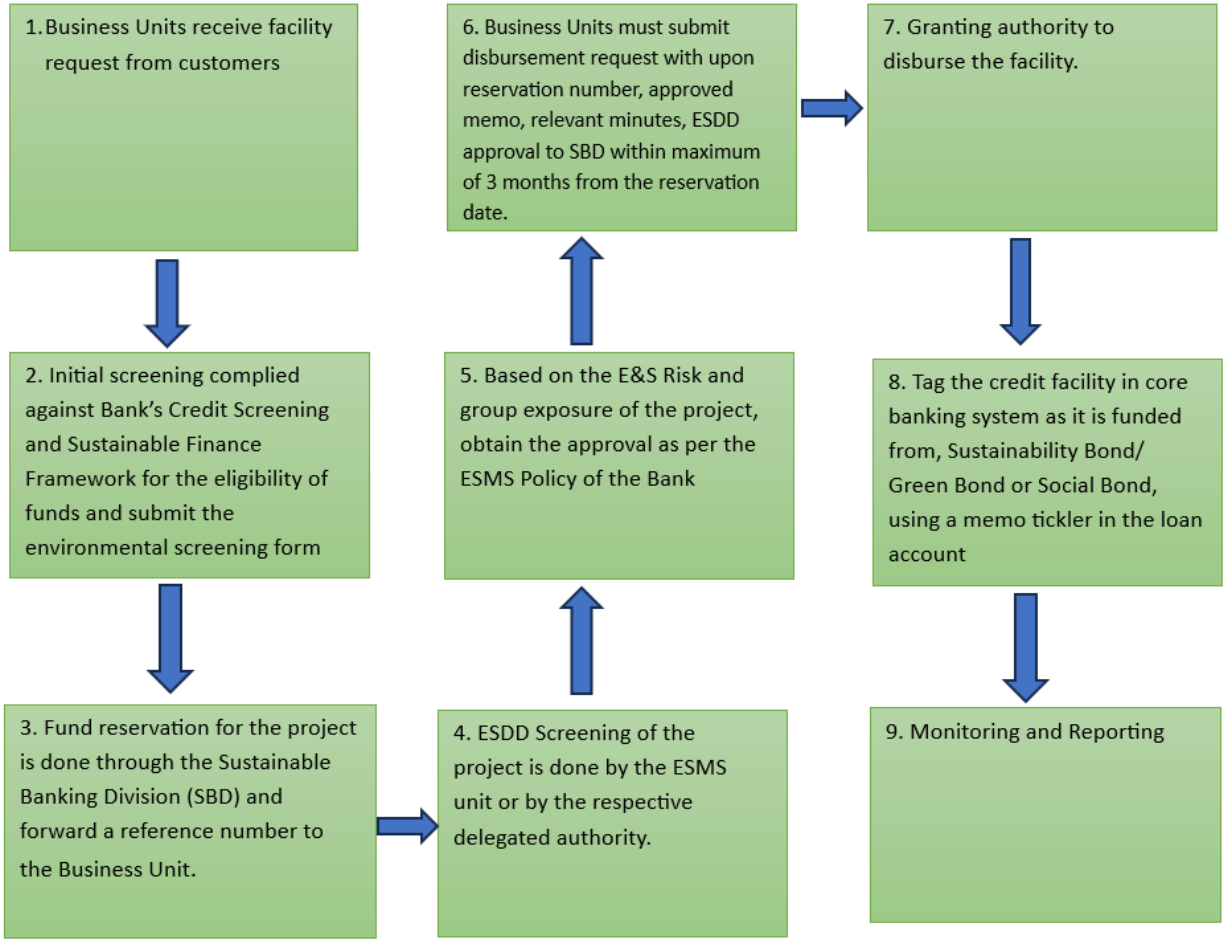
Eligible projects for the Sustainability Bond program will go through all the evaluation stages and due diligence procedures, as established by the Bank of Ceylon for the approval of each credit operation. Once operational risk and ESG risk have been satisfied, first disbursements are approved to finally become part of the Bank's Portfolio. With the technical assistance of ESMS Unit and Sustainable Banking Division eligible sustainable projects are assessed for inclusion in the Bank's portfolio.

In instances where a funding request does not align with the eligibility criteria set out in the Sustainable Finance Framework, the proceeds from the Sustainable Finance Instrument will not be allocated to such projects. Instead, the Bank may consider supporting the request through a conventional credit facility, subject to the standard credit assessment process.

If there is the need to replace any project on the list of potential projects funded through proceeds of bonds issued under this framework, BOC will either substitute another project that meet the requirements or fund such project from another funding source.

If a project is to be replaced by another project that would have similar environmental and social benefits, the Bank should ensure that the new project continues to align with the objectives and eligibility criteria outlined in the Sustainable Finance Framework. The responsible department, such as the Sustainable Banking Division & ESMS Unit of the Bank established under the Independent Integrated Risk Management Division should evaluate and confirm that the replacement project delivers comparable environmental and social outcomes and maintains consistency with the Bank's overall sustainability goals. In such cases, the replacement and justification will be disclosed and explained in the allocation report.

The following diagram describes the process,



Management of Proceeds

The net proceeds from the issuance of the Sustainability Bond will be managed by Bank of Ceylon in accordance with the ICMA's Sustainability bond Guidelines (SBG) (June 2021), Social Bond Principles (SBP) (June 2025), Green Bond Principles (GBP) (June 2025), Sri Lanka Green Finance Taxonomy (May 2022) issued by CBSL and the Bank's internal procedures.

Proceeds from the Sustainability Bond issuance will be managed by BOC's Investment Banking Division. They will:

- Track the allocation of funds through a dedicated internal system to ensure funds are directed only for approved projects.
- Hold any unallocated proceeds temporarily in cash or government securities until suitable projects are identified.
- Ensure the disbursement of funds within 24 months from the date of allotment.

Reporting

Where possible, the Bank will disclose to investors the proportion of financing versus refinancing for each Sustainable Financing Instrument and BOC commits to transparent reporting on the allocation of proceeds and environmental impact. The reports will include:

- **Allocation Reporting**:

Bank of Ceylon intends to report the allocation of the Sustainability Bond proceeds on an aggregate basis and will publish an Allocation Report on a quarterly basis until the full allocation of Sustainability Bond proceeds is completed, and thereafter on an annual basis until maturity of the instrument/s issued. The Allocation Report will provide detailed information on how the proceeds have been allocated across eligible projects and categories.

The allocation report will include the following

- Total proceeds raised from Sustainable Finance Instrument issuance under this framework.
- Total amount allocated to eligible projects.
- Total unallocated balance (if any) and treatment of unallocated funds.
- Percentage of financing vs. refinancing.
- When possible, descriptions of the Eligible Sustainable Projects financed, including project locations, amount allocated.
- Year of disbursement for refinanced projects.

- **Impact Reporting**

Apart from disclosing the detailed allocation of the proceeds, BOC will also assess and report on the impact of the proceeds in terms of, where possible, both qualitative and quantitative parameters outlining key performance indicators. To the extent available, the impact indicators presented in the table below will be reported on an annual basis.

The impact reporting will be aligned to Harmonized Framework for Impact Reporting (as amended) of ICMA.

Green Project Categories	
Eligible Categories	**Impact Indicators**
Renewable Energy	• Renewable energy capacity installed (MW) • Annual renewable energy generation (MWh/year) • Estimated annual GHG emissions avoided (tCO_2e/year)
Energy Efficiency	• Annual Energy Saving in GJ/TJ (Electricity and other energy savings)

Sustainable Water, Water Supply & Wastewater Management	• Volume of water supplied or treated, reused or recycled (m^3/year) • Percentage reduction in water losses (%)
Clean Transportation	• Number of low carbon vehicles financed or leased • Annual GHG emissions reduction (tCO_2e/year)
Green Construction	• Number of buildings certified under green building standards • Total floor area of certified green buildings (m^2) • Estimated annual energy savings (MWh/year)
Pollution Prevention and Control	• Waste Reduced/ Avoided (tons) • Annual GHG emission reduced/ avoided (tCo2e)

Social Project Categories	
Eligible Categories	**Impact Indicators**
Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises	• Number and amount of loans to SMEs • Number and amount of loans to microfinance entities • Number and amount of loans to women-led businesses
Food Security and Sustainable Food Systems	• Farmers provided with access to agricultural inputs • Improved yield • Reduced wastage • Reduced Pesticide use • Increased production with organic/ sustainability standards
Access to Essential Services (Healthcare & Education)	• Number of healthcare facilities built or upgraded • Increase in healthcare capacity (number of hospital beds, patient intake capacity) • Number of educational institutions built or upgraded (e.g., schools, vocational training centers)

	• Number of students enrolled or benefited (disaggregated by gender where possible) • Number of teachers hired or trained
Affordable Basic Infrastructure	• Number of infrastructure projects developed or upgraded (e.g., roads, water systems, electricity grids) • Number of sanitation facilities constructed or improved • Number of households or facilities connected to electricity • Installed energy capacity for new infrastructure (kW/MW) • Length of roads built or rehabilitated (km)

Allocation and Impact Reports will be published in the quarterly and annual reports submitted to CSE, and also made available on BOC's website.

The Impact Reporting Data Collection Templates for Green Projects and Social Projects are provided as Annexures III and IV, respectively

External Review

The external reviews will assess compliance with the framework's environmental objectives, as well as adherence to industry standards such as the **Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (SBG) (June 2021)** issued by the International Capital Market Association (ICMA) and where applicable **Sri Lanka Green Finance Taxonomy** issued by the Central Bank of Sri Lanka.

Pre Issuance Assurance

BOC will obtain a pre-issuance assurance from a reputable independent external reviewer to assess the alignment of the Sustainable Finance Framework with Green Bond Principles (June 2025), Social Bond Principles (June 2025), Sustainability Bond Principles (June 2021) issued by the ICMA and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable.

The Independent External Reviewer will review the Framework's alignment with the core components of the ICMA principles including the use of proceeds, project evaluation and selection, management of proceeds, and reporting practices.

The independent pre-issuance assurance report for Bank of Ceylon's Sustainable Finance Framework will be published on the BOC website, www.boc.lk under the "Sustainability" section and in the CSE website, www.cse.lk Sustainability Bond Issue of Bank of Ceylon.

Post-Issuance Assurance

An independent assurance provider will verify the allocation of proceeds to eligible projects and confirm that the projects meet the defined eligibility criteria; funds allocated, and management of unallocated proceeds.

Ongoing Reporting & External Assurance

All external review reports, including the Pre issuance assurance report on the Sustainable Finance Framework and the post-issuance assurance reports, will be made publicly available on BOC's website to ensure full transparency for investors and stakeholders.

Updating the Framework

BOC will periodically review and update this framework to reflect any changes in sustainable finance standards and practices. Updated versions will be made available publicly to ensure alignment with the latest industry standards and stakeholder expectations.

Annexure I

No.	Active Loan Scheme	Product Code	Renewable Energy	Energy Efficiency	Green Construction	Sustainable Water, Water Supply & Wastewater Management	Clean Transportation	Pollution Prevention and Control	Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises	Food Security and Sustainable Food Systems	Access to Essential Services (Healthcare & Education)	Affordable Basic Infrastructure
1	SME Energizer	368	√	√	√	√	√	√	√	√	√	
2	BOC Youth	372	√	√	√	√	√	√	√	√		
3	Financial Assistance for Development of Priority Sectors - Micro, Small and Medium Enterprises (MSME), Agriculture, Fisheries and Animal Husbandry	331, 334, 335, 336	√	√	√	√	√	√	√	√	√	
4	New Working Capital and Refurbishment Loan Scheme for Tourism Sector	360							√			
5	Purchasing of Solar Power System, Electric Bicycles/ Motor Bikes and Installation of Bio Gas	363	√	√	√				√		√ (Solar installation)	
6	E Friends - II - Credit Scheme under Environmentally Friendly Solution Fund	70	√	√	√	√		√	√	√	√ (Solar installation)	√ (Water purification Projects)
7	Small & Micro Industries Leader and Entrepreneur Promotion Project Revolving Fund "SMILE III - RF"	169	√	√	√	√	√	√	√	√		
8	Special Loan Scheme for Pensioners to install Solar Power Systems	379	√	√	√				√			
9	Credit Scheme for BOC Mithuru	198							√	√		
10	BOC Ranaviru Pranama	375	√	√	√	√	√	√	√	√		
11	Siriliya Saviya	137	√	√	√	√	√	√	√	√		
12	BOC Ranliya Loan Scheme	378	√	√	√	√	√	√	√	√		
13	Kapruka Aryojana Naya - Coconut Development Loan Scheme	15							√	√		
14	NCRCS - New Comprehensive Rural Credit Scheme	145							√	√		
15	Stimulating Package for Re-Energizing the MSME Sector in Sri Lanka - Investment Category	374	√	√	√	√	√	√	√	√	√	
16	Loan Scheme for Re-Engineering the MSME Sector in Sri Lanka - NPL Category	374	√	√	√	√	√	√	√	√	√	
17	National Credit Guarantee Loan Scheme (NCGLS)	382	√	√	√	√	√	√	√	√	√	
18	Interest Subsidized Pledge Loan Scheme for Small and Medium (SME) Scale paddy Millers and Corporative Societies to purchase paddy in Yala Season 2025	369							√	√		
19	Pledge Facilities for Purchasing of Harvesting Commodities	66							√	√		
20	BOC Green Loan	385	√	√	√	√	√	√	√	√		
21	SEPI Loan Scheme	219							√			
22	Development of Youth Entrepreneurs in Agriculture and Industry Sector Loan Scheme	386							√	√		

Annexures

Annexure II

Exclusionary List

Proceeds from the Green Bond will **not** be allocated to the following activities:

- Fossil fuel-based energy generation, including oil, natural gas, and coal (extraction, production, transportation, refining, or combustion).
- Nuclear power generation and associated facilities.
- Infrastructure dedicated to the transportation or storage of fossil fuels (e.g., oil pipelines, LNG terminals).
- Projects primarily improving the efficiency of fossil fuel infrastructure (e.g., oil refineries, gas-fired power plants).
- Manufacturing or distribution of weapons, firearms, or military-related products.
- Production of alcoholic beverages, tobacco products, or recreational cannabis.
- Gambling, casinos, and equivalent enterprises.
- Deforestation or conversion of high conservation value ecosystems for agriculture, industrial, or infrastructure development.
- Projects violating human rights, or involving child labor, forced labor, or exploitation.
- Projects involving hazardous chemicals or substances banned under international conventions (e.g., Stockholm Convention on Persistent Organic Pollutants).
- Landfill operations (unless dedicated exclusively to landfill gas capture and utilization).
- Waste incineration (unless projects meet strict environmental criteria and demonstrate net greenhouse gas benefits).

Annexure III

Green Projects

Project Category			Alloaction Information						Indicators			
Eligible Green project category	**Sub Category**	**Project or Portfolio name**	**Signed amount**	**Share of total project or portfolio financing**	**Eligibility for Green Bonds**	**Green project category component**	**Allocated amount**	**Project or Average Portfolio Lifetime**	**Core Indicator #1**	**Core Indicator #2**	**Core Indicator #3**	**Other Sustainability Indicators**
Renewable Energy									Estimated annual GHG emissions avoided (tCO_2e/year)	Annual renewable energy generation (MWh/year)	Renewable energy capacity installed (MW)	
Energy Efficiency									Annual Energy Saving in GJ/TJ (Electricity and other energy savings)			
Sustainable Water, Water Supply & Wastewater Management									Volume of water supplied or treated, reused or recycled (m^3/year)	Percentage reduction in water losses (%)		
Green Construction									Estimated annual energy savings (MWh/year)	Total floor area of certified green buildings (m^2)	Number of buildings certified under green building standards	
Pollution Prevention and Control									Waste Reduced/ Avoided (tons)	Annual GHG emission reduced/ avoided (tCO_2e)		

Annexure IV

Social Projects

Project Category					Target Population	Allocation information -					Social Indicators				
Project Name	Project Category	Eligible Social project category	Sub Category	SDG addressed	Target Population	Signed amount	Share of total project financing	Eligibility for Social Bond	Allocated amount	Project Lifetime	Core Indicator #1	Core Indicator #2	Core Indicator #3	Core Indicator #4	Core Indicator #5
	Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment	Employment Generation & Unemployment Alleviation			affected MSMEs and those that are female-owned or female-led businesses.						Number and amount of loans to SMEs	Number and amount of loans to microfinance entities	Number and amount of loans to women-led businesses		
	Food Security and Sustainable Food Systems	Food Security			Farmers and food producers, market and supply chain actors						Farmers provided with access to agricultural inputs	Improved yield	Reduced wastage	Reduced Pesticide use	Increased production with organic/ sustainability standards
	Access to Essential Services (Healthcare & Education)	Access to Essential Services			: the general public, particularly communities lacking quality access to essential services.						Number of healthcare facilities built or upgraded	Increase in healthcare capacity (beds, patient intake)	Number of educational institutions built or upgraded	Number of students enrolled or benefited	Number of teachers hired or trained
	Affordable Basic Infrastructure	Affordable Basic Infrastructure			The general Public						Number of infrastructure projects developed or upgraded	Number of sanitation facilities constructed or improved	Number of households or facilities connected to electricity	Installed energy capacity for new infrastructure	Length of roads built or rehabilitated (km)