2024

Kijani Bond Allocation and Impact Report

July 2025

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Abbreviations

Abbrev.	Meaning
Bn	Billion
CO	Carbon monoxide
CO2	Carbon dioxide
E&S	Environmental and Social
EDGE	Excellence in Design for Greater Efficiencies
ESMS	Environmental and Social Management System
FY	Financial Year
GCF	Green Climate Fund
GHG	Greenhouse Gases
GSS	Green, Social and Sustainability
Ha	Hectares
ICMA	International Capital Markets Association
IFC	International Finance Corporation
IFI	International Financial Institution
IMM	Impact Measurement and Management
KPI	Key Performance Indicator
Kw	Kilowatt
Kwh	Kilowatt-hour
m3	Cubic metres
MAGC	Market Accelerator for Green Construction
Mn	Million
MSD	Medical Stores Department
MW	Megawatts
MWh	Megawatt-hour
NOx	Nitrogen Oxides
OM	Operating Margin
PCAF	Partnership for Carbon Accounting Financials
PV	Photovoltaic
SDG	Sustainable Development Goal
TANESCO	Tanzania Electric Supply Company Limited
TZS	Tanzanian Shilling
USD	United States Dollar

Executive Summary

This report details the initial allocation and environmental and social impacts of the Kijani Bond, issued by CRDB Bank Plc ("CRDB" or "the Bank") in October 2023. As the first tranche of CRDB's USD 300 Million Medium Term Note Programme, the Kijani Bond represents a significant milestone in the Bank's commitment to sustainable development in East and Central Africa. CRDB aims to operationalise its dedication to environmental and social sustainability through a robust Environmental and Social Management System (ESMS) and its Green, Social and Sustainability (GSS) Bond Framework, established in March 2023. The Framework ensures proceeds are exclusively channelled to projects with demonstrable environmental and/or social benefits, aligning with International Capital Market Association (ICMA) principles. A multi-disciplinary Sustainability Bond Committee oversees project selection and compliance.

The report provides initial insights into the environmental and social impacts achieved by the financed projects, based on available data for 1 January 2024 to 31 December 2024. Impact metrics are based on ex-ante estimates, representing expected results once projects are fully operational.

Kijani Bond Details and Allocation Highlights

The Kijani Bond successfully raised TZS 171.83 billion (USD 68.3 million) in net proceeds. As of December 31 2024, CRDB had allocated TZS 75.47 Bn (USD 30.45 Mn) , representing 44% of the net proceeds from the green bond issuance. The allocated funds primarily supported projects within two core eligible green categories: Sustainable Management of Living Natural Resources and Land Use and Renewable Energy.

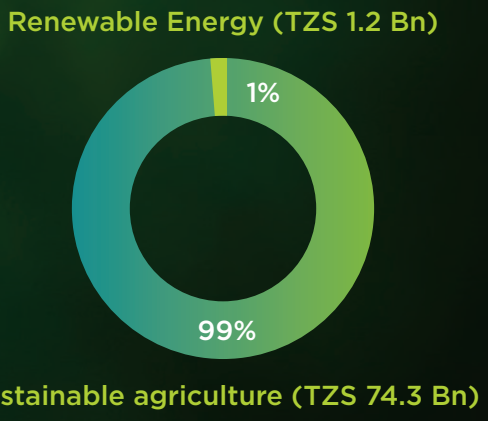

Figure 1: Allocation by Eligible Category (2024)

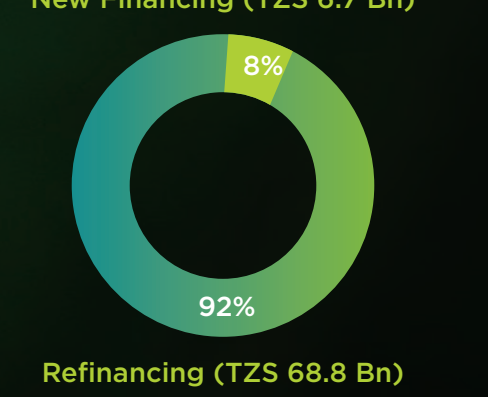

Figure 2: Use of Proceeds by Type (2024)

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Introduction

1.1 CRDB Bank's Commitment to Sustainable Development

CRDB Bank Plc ("CRDB"or "the Bank") is dedicated to transforming the lives of Africans by embedding environmental and social sustainability into our core business strategy and operations. Our revised five-year business strategy (2023-2027) is centred on evolving from a traditional business to an impact-and-value-based model that fosters socio-economic prosperity and improves livelihoods in our markets.

This commitment is operationalised through a robust Environmental and Social Management System (ESMS), which guides our financing activities in alignment with Tanzania environmental law and international best practices, including the IFC Performance Standards. A key milestone in our journey was becoming the first commercial bank in East and Central Africa to be accredited by the Green Climate Fund (GCF) in 2019, positioning us to mobilise finance for high-impact, climate-resilient projects.

1.2 The Green, Social and Sustainability (GSS) Bond Framework

To further advance our sustainability agenda and provide a transparent mechanism for financing targeted projects, CRDB established a comprehensive CRDB's Green, Social and Sustainability Bond Framework in March 2023. The Framework enables the issuance of GSS Bonds ensuring that the proceeds are channelled exclusively to projects with demonstrable environmental and/or social benefits. The GSS Bond Framework is fully aligned with the principles and guidelines published by the International Capital Market Association (ICMA), including the Green Bond Principles, Social Bond Principles and Sustainbility Bond Guidelines.

A critical component of the Framework is its robust governance structure. A multi-disciplinary Sustainability Bond Committee, comprising experts in sustainability finance, credit and risk, oversees the entire process. This committee is responsible for evaluating and selecting eligible projects against the criteria defined in the Framework, ensuring every finance project aligns with our strategic sustainability objectives and complies with our ESMS. All proceeds are meticulously tracked via a dedicated Sustainable Bond Register to ensure transparency and compliance.

1.3 The Kijani Bond: Allocation and Impact

Under this GSS Bond Framework, CRDB successfully issued the first tranche of its Medium Term Note Programme, the Kijani Bond, in October 2023. The net proceeds of the Kijani Bond are dedicated exclusively to financing and refinancing new and existing eligible green projects, with this report having a primary focus on the **Renewable Energy** and **Sustainable Management of Living Natural Resources and Land Use** categories

Table 1: Kijani Bond Details

Feature	Details
Programme	CRDB Bank Plc
Tranche	Tranche 1
ISIN	CRDB-FXD/T01/2023/05
Issue Date	23rd October 2023
Maturity Date	23rd October 2028
Net Proceeds	TZS 171.83 billion (USD 68.3 million)
Annual Coupon	10.25%
Listing	Dar es Salaam Stock Exchange, Luxembourg Stock Exchange
Second Party Opinion	Sustainalytics

CRDB is committed to transparent, annual reporting on the allocation and impact of all GSS bonds until their maturity. This report presents the initial allocation of proceeds and the corresponding environmental and social impacts based on currently available data for the period between **1 January 2024 to 31 December 2024.** We are actively enhancing our data capture and analysis systems to ensure our impact reporting grows in depth and comprehensiveness in future cycles.

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Allocation Report

As of December 31, 2024, the following allocations have been made to eligible projects:

Eligible Project Category	Project Sub-Category	Number of Eligible Projects	New/ Refinanced	Amount Allocated (TZS)	Amount Allocated (USD)
Sustainable Management of Living Natural Resources and Land Use	Agriculture (Crop Production)	8	Refinanced	68,800,000,000	27,974,276
	Agriculture (Crop Production)	2	New Disbursed	5,500,000,000	2,043,107
Renewable Energy	Renewable Energy	1	New Disbursed	1,174,098,979	431,258
Total Allocated				**75,474,098,979**	**30,448,641**
Unallocated Proceeds				96,351,901,021	34,551,359
Total Net Proceeds				**171,826,000,000**	**65,000,000**

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Impact Report

3.1 Overview of Financed Projects

During the 2024 reporting period, the net proceeds of the Kijani Bond were allocated to projects across two core Eligible Green Categories: **Sustainable Management of Living Natural Resources and Renewable Energy.** The primary focus within the Sustainable Management of Living Natural Resources was on agriculture (crop production) projects while the project under the Renewable Energy category supported the generation of clean energy from solar.

3.2 Impact Summary

Table 3: Sustainable Management of Living Natural Resources - Crop Production

Sustainable Management of Living Natural Resources										
		Allocation Information					Impact Indicators (KPIs)			
Project Type	Project Name	Signed amount	Bond Share of Project Financing (%)	Eligibility for Green Bonds (% of signed amount)	Allocated amount (TZS)	Project or Average Portfolio Lifetime (years)	Area under certified sustainable manage-ment (Ha)	Volume of certified sustainable coffee/ green leaf purchased (tonnes)	Number of certified smallhold-er farmers supported	SDG alignment
Agriculture (Crop Production)	Purchase of certified organic coffee	7,040,000,000	100	100	7,040,000,000	2	8,000	192	4,200	
	Purchase of certified organic tea	5,179,920,000	100	100	5,179,920,000	3	3,026	22,085	11,963	
	Purchase of certified organic tea	3,350,000,000	100	100	3,350,000,000	2	3,064	25,782	12,292	
	Purchase of certified organic coffee	25,000,000,000	100	100	25,000,000,000	1	1,998	2,821	1,971	
	Purchase of certified organic coffee & tea	4,120,853,036	100	100	4,120,853, 036	1	38,269	1,074	3,041	
	Purchase of certified organic coffee	3,186,000,000	100	100	3,186,000, 000	1	[ ]	[ ]	[ ]	
	Purchase of certified organic tea	33,518,063,018	100	60	20,223,226,964	6	[ ]	[ ]	[ ]	
	Purchase of certified organic coffee	4,500,000,000	100	100	4,500,000,000	1	[ ]	[ ]	[ ]	
	Purchase of certified organic coffee	700,000,000	100	100	700,000,000	2	[ ]	[ ]	[ ]	

*Note: Impact indicators for some coffee/tea procurement financing were unavailable at the time of reporting. Future reporting cycles will include more comprehensive data as we continue to train our beneficiaries on appropriate data collection methods.

Table 4: Sustainable Management of Living Natural Resources - Crop Production (Irrigation)

Sustainable Management of Living Natural Resources										
		Allocation Information					Impact Indicators (KPIs)			
Project Type	Project Name	Signed amount	Bond Share of Project Financ-ing (%)	Eligibility for Green Bonds (% of signed amount)	Allocated amount (TZS)	Project or Average Portfolio Lifetime (years)	Annual water savings (m3/year)	Area covered by efficient irrigation (Ha)	SDG alignment
Agricul-ture (Crop Produc-tion)	Drip Irrigation	1,000,000,000	100	100	1,000,000,000	5	15,489	202	

Table 5: Renewable Energy

Renewable Energy										
		Allocation Information					Impact Indicators (KPIs)			
Project Type	Project Name	Signed amount	Bond Share of Project Financing (%)	Eligibility for Green Bonds (% of signed amount)	Allocated amount (TZS)	Project or Average Portfolio Lifetime (years)	Annual renewable energy generation (MWh/-year)	Additional capacity of renewable energy plant constructed or rehabili-tated (MW)	Annual GHG emissions reduced/ avoided (tCO_2e/year)	SDG alignment
Renewable Energy	Solar PV	1,174,098,979	100	100	1,174,098,979	5	173.22	0.15	107,400	

3.2 Sampled Project Descriptions

Solar PV

Serengeti National Park

Through the Kijani Bond, CRDB financed the acquisition and installation of solar PV systems with battery storage for three tourist camping sites within the Serengeti National Park, Arusha. As these camps are not connected to the national power grid, the project is critical in providing a clean and reliable alternative to fossil-fuel-based diesel generators.

The new installation, which has a generation capacity of 0.15 MW and battery storage of 0.44 MWh, will significantly reduce greenhouse gas emissions and local air pollutants. Beyond its environmental benefits, the project enhances energy access for the tourist facilities, which serve approximately 200 visitors at a time. Furthermore, the project has delivered significant social co-benefits by creating 40 direct and indirect jobs for civil and technical personnel across the construction, operation, and ongoing maintenance phases.

Crop Production

Drip Irrigation Project, Kilimanjaro

CRDB financed a project on a coffee plantation in the Kilimanjaro region to transition from an inefficient, fuel-powered irrigation method to a modern, water- conserving drip irrigation system. This investment directly contributes to sustainable water management and enhances the farm's climate resilience.

The project, which implements a mixed-cropping system of coffee alongside maize and beans for food security, achieves significant environmental benefits. By covering 202 hectares with this efficient technology, the farm is projected to save 15,489 cubic meters of water annually. Reinforcing its commitment to sustainable practices, the project is certified by the Rainforest Alliance for the production and processing of green coffee.

Crop Production

Purchase of Organic Coffee/Green Leaf from Smallholder Farmers

This financing facilitated the purchase of organic coffee and green leaf from smallholder farmers in key agricultural zones, including the Lake, Central, Highland, and Southern Zones, thereby enhancing livelihoods and promoting sustainable agricultural practices.

The coffee and tea procured align with leading organic and fair-trade standards (Ecocert Organic, Rainforest Alliance, Fairtrade), prioritizing reduced pesticide use. This contributes to broader environmental objectives, including improved soil health, biodiversity conservation, and the adoption of eco-friendly farming methods. Consequently, the financing provides farmers with the necessary resources to improve their farming, harvesting, and post-harvest handling, enabling them to access new markets, attract more buyers, and achieve better prices for their certified produce.

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Next Steps

4.1 Continued Enhancements

This 2024 report details CRDB Bank's progress in deploying green financing. We have successfully allocated TZS 75.47 Bn (USD 30.45 Mn) to 11 projects that advance sustainable management of natural and living resources and increase access to renewable energy in Tanzania.

CRDB is committed to enhancing its Impact Measurement and Management (IMM) capabilities. The impact information presented includes a combination of available quantitative metrics and qualitative metrics and qualitative descriptions. We are actively developing systems to improve data capture for future reporting cycles. Key steps currently underway or planned to strengthen our IMM capabilities include:

- Integrating specific E&S data points into our core loan monitoring systems.
- Developing standardised impact Key Performance Indicators (KPIs) for key-sectors like sustainable agriculture and green buildings within the Tanzanian context.
- Providing targeted training for loan officers and portfolio managers on E&S data collection requirements.
- Exploring partnerships or technological solutions to improve data aggregation and reporting efficiency.
- Setting internal targets for improving impact data coverage and granularity over the next three reporting cycles.

We expect the comprehensiveness and depth of our impact reporting to grow in subsequent annual reports as these enhancements are implemented.

4.2 Outlook: Projects for the FY 2025 Reporting Cycle

As we look ahead, the first half of FY2025 (January-June) has seen significant disbursements for projects aligned with the GSS Bond Framework. These projects are poised to deliver substantial environmental and social impact, and investors should note the following key initiatives that will feature prominently in our next reporting cycle. **The total disbursed loans for this period amount to TZS 61,340,428,555, across various project categories including renewable energy, energy efficiency, green buildings and sustainable agriculture.**

Key Project Categories and Highlights

Renewable Energy (Solar PV)

This category continues to be a major focus, supporting the transition to clean energy and reducing reliance on fossil fuels:

- One notable TZS 11.3 billion project involves the installation of a 5MW power mini-grid in the Lake Zone. This project, designed to be implemented in phases, will generate 13,863 MWh of electricity per year and sell power to TANESCO under a 20-year Power Purchase Contract.

- Another significant initiative in the Northern Zone includes a loan of TZS 672 million for the installation of a solar power system at a camping site in Serengeti National Park. This system, comprising 78.2 Kw solar panels, a 100 Kw Hybrid Inverter/Charger, and a 188.16 Kwh Lithium-ion Battery Bank, aims to reduce operational costs by decreasing reliance on diesel generators and mitigating environmental pollution.

Energy Efficiency

Our portfolio reflects a strong commitment to enhancing efficiency and reducing waste across various sectors through recycling, post-harvest and fuel optimisation projects:

- In Dar es Salaam, a borrower received two loan facilities totaling TZS 1 billion for **plastic waste recycling.** These funds will be used to purchase raw material (plastic waste) for processing Medical Stores Department (MSD) package bags and to cover daily operating expenses. This falls under the Pollution Prevention and Control sub-category, contributing to waste recovery and re-use.

- A loan of TZS 141.5 million in the Northern Zone is financing the **purchase of two refrigerated trucks** to improve supply chain efficiency for perishable goods. This project is expected to reduce post-harvest losses and ensure high-quality produce for international markets, aligning with both Energy Efficiency and Sustainable Agriculture project categories due to its direct link to increased food productivity.

- Another energy efficiency project in the Coastal Zone, with a TZS 233 million loan, focuses on the purchase of the Supertech Fuel Combustion Optimiser. This device, intended for large fuel-intensive trucks and buses, enhances fuel combustion, leading to reduced fuel consumption and significantly lower emissions of harmful pollutants such as carbon monoxide (CO), nitrogen oxides (NOx), unburned hydrocarbons, particulate matter and carbon dioxide (CO2). This investment directly supports improved air quality, climate change mitigation and reduced maintenance- related waste.

Green Buildings

Our commitment to sustainable infrastructure is exemplified by projects pursuing global green building standards:

- In the Central Zone, a disbursed tranche of TZS 436 million from a larger requested loan (TZS 1.67 billion) is financing the **completion of an ongoing hotel construction project.** The hotel will feature energy-efficient equipment, water efficient fixtures and renewable energy systems. Upon obtaining EDGE certification, the borrower will also be eligible for the Market Accelerator for Green Construction (MAGC) incentive, funded by the IFC and administered through CRDB Bank, further promoting certified green buildings.

These disbursed projects for FY2025 underscore CRDB's continued dedication to fostering a sustainable economy through targeted green investments. Investors can anticipate detailed reporting on the allocation of proceeds and the environmental and social impacts achieved by these diverse and impactful projects in the upcoming reporting cycles.

5 Appendices

5.1 Notes on Calculation Methodologies

The impact metrics presented in this report are calculated in alignment with the commitments made in the CRDB GSS Bond Framework and international best practices,such as ICMA's Harmonised Framework for Impact Reporting. Where feasible, impacts are quantified; however, qualitative descriptions are also provided to give essential context to the projects financed.

Impacts are generally based on ex-ante estimates, representing the expected results for a typical year once a project is fully operational. The following provides an overview of the methodologies applied for the key metrics in this report:

GHG Emissions Reduced/Avoided (tCO2e/year)

- CRDB follows the PCAF GHG methodology for calculating financed emissions.
- For Renewable Energy projects, avoided emissions are estimated by applying the latest available International Financial Institution (IFI) Operating Margin (OM) emission factor for the national grid where the asset is located. This factor represents the GHG intensity of the grid electricity that is displaced by the new renewable energy generation.

Renewable Energy Generation (MWh/year) & Capacity (MW)

- Annual energy generation figures are based on actual production data reported by the project promoters. Where actual data is not yet available, the figure is based on ex-ante P50/P90 engineering assessments of expected annual production.
- Additional capacity is reported as the name plate capacity of the installed renewable energy technology.

Water Savings (m3/year) & Area Covered (Ha)

- Water savings are calculated by comparing the baseline water consumption of the previ ous technology (e.g. fuel-based irrigation) with the projected consumption of the new, more efficient system (e.g. drip irrigation)
- These estimates are provided by the project developers based on technical specifications and hydrological assessments for the specific project site.

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