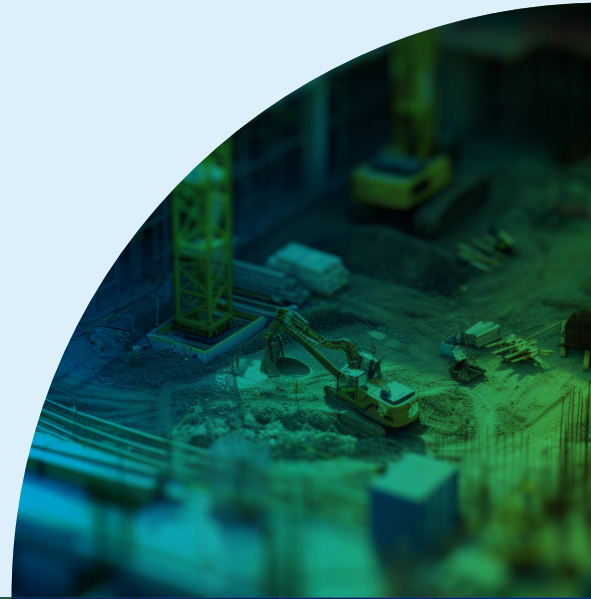




# 2023

## SUSTAINABILITY & IMPACT REPORT



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# Introduction

## About this Report

Welcome to InfraCredit's 2023 Sustainability and Impact Report. This report underscores our dedication to sustainability and responsible business practices, serving as a clear demonstration of our commitment to environmental stewardship, social responsibility, and economic growth.

In this report, we have disclosed information referencing the Global Reporting Initiative (GRI) Standards. Additionally, we have reported our performance in line with the United Nations Sustainable Development Goals (UN SDGs), the Impact Principles and the United Nations Principles for Responsible Investment (PRI). This ensures that our sustainability practices align with globally recognized frameworks, reinforcing our dedication to impactful and responsible investment.

## Reporting Period

The information in this report covers the reporting period from January 1, 2023, to December 31, 2023, highlighting our commitment to sustainable development and our efforts to generate long-term value for our stakeholders.

## Reporting Boundary

This report aims to offer our stakeholders transparent and detailed insights into our sustainability performance. We present key performance metrics and material information relevant to our organization. The report also highlights the impacts from guarantees we have provided to a number of our portfolio companies such as:

- ACOB Lighting Technology Limited
- Modern Shelter
- Hotspot Network Limited
- Coleman Technical Industries Limited
- Abuja Steel Mills Limited
- Elektron Energy
- Me Cure Industries Plc (ME CURE)
- Falcon Corporation Limited
- Green Fuels Limited (GFL)
- Asiko Power Limited

# Chairman's Statement



**Sanjeev Gupta**

Non-Executive  
Chairman

Dear Stakeholders,

**I am proud to present our sustainability and impact report for the past year, which illustrates our unwavering commitment to fostering sustainable infrastructure development in Nigeria.**

Our mission to unlock long-term local currency financing for infrastructure projects has not only been instrumental in addressing the country's infrastructural deficits but also in catalyzing broader economic growth and development.

Over the past year, we have made significant strides in expanding our geographic footprints and market presence. We have successfully facilitated N145 billion in local currency financing, impacting 14 infrastructure projects and extending financial tenors up to 20 years. In the process of our business expansion, we have integrated environmental and social due diligence to ensure that our portfolio companies are committed to sustainable operations. As a testament to our innovative approach and steadfast dedication to improving Nigeria's sustainable infrastructure landscape, our commitment to excellence in our operations has been recognized through numerous awards and accolades, including a 'AAA' rating from GCR and Agosto, a first for a local currency guarantor in Sub-Saharan Africa. These recognitions validate our efforts and inspire us to continue pushing the boundaries of what is possible in infrastructure financing.

Our success is built on strong partnerships and strategic collaborations with industry leaders, government entities, and international organizations. These alliances are critical to our strategy, ensuring that we remain at the forefront of industry developments while driving sustainable growth.

Sustainability is at the core of our operations. Our report details the efforts that we are making to ensure that the projects we guarantee are designed not only to meet the immediate infrastructure needs of Nigeria but also to ensure long-term environmental, social, and economic benefits. We believe that sustainable practices are essential for building resilient infrastructure that will serve future generations.

As we look to the future, InfraCredit remains dedicated to its vision of being a catalyst and the most trusted partner in attracting long-term capital into Nigeria's infrastructure sector. We will continue to innovate and expand our services, ensuring that we provide the best possible support for sustainable infrastructure projects across the country.

Our focus will be on enhancing our market presence, our product offerings, and forging new partnerships that align with our mission and values. We are confident that by maintaining our commitment to sustainability, integrity, and collaboration, we will continue to drive significant, positive impact and contribute to the sustainable development of Nigeria.

# CEO's Statement



**Chinua Azubike**  
CEO, InfraCredit

**The growing impact of climate change on our environment, society, and economy compels responsible businesses and institutions to adopt leading sustainability practices.**

There have been more technological innovations and regulatory evolvments which are promoting sustainability focused business practices. At InfaCredit, these developments reinforce our dedication to sustainability, driven by our conviction in the pivotal role sustainable infrastructure plays in fostering economic growth, social development, and environmental stewardship.

This year, we have made significant strides in our sustainability journey reflecting our dedication to responsible business practices. We achieved key milestones in sustainable infrastructure, including securing NGN3 billion in initial debt financing for 1,200 EDGE-certified housing units and launching our Distributed Renewable Energy (DRE) initiative to meet growing energy needs through renewable solutions for communities and businesses.

We are committed to the transition towards net zero emissions by 2050 and have conducted a strategic assessment of how our portfolio can become more aligned with the Paris Agreement. This has resulted in the development of our Clean Energy Transition Strategy and Roadmap (CETSR) which endeavors to align our ESG and sustainability priorities with Nigeria's commitments under the Paris Agreement and other frameworks and standards that are material to our business operations.

Our success is fundamentally anchored on the commitment and expertise of our employees. We have taken significant strides this year by introducing innovative training programs and wellness initiatives aimed at fostering the professional development and personal health of our employees.

We coordinated learnings and development programs in collaboration with our development partners. These initiatives support the competences of our people, boost investors' confidence and enhance private sector involvement in infrastructure development. Our learning programs also catalyze our analytical capacity, data reliability, and enhance our perspectives in investment dynamics. From program inception to the end of December 2023, 43 training sessions were implemented, including 10 investor roundtable workshops, 24 investors' training sessions, and 9 co-due diligence exercises targeted at participants at different levels of executive management, as well as investment and risk teams of the participating institutional investors.

Looking ahead, our focus remains on driving sustainable growth through strategic partnerships and innovative financial solutions. We are committed to expanding our market presence in Nigeria and exploring opportunities in other African markets that will foster economic development and improve the quality of life for millions of Nigerians and Africans.

Thank you to our employees, customers, and shareholders for the unwavering support and dedication. Together, we will achieve even greater success in the coming year.

# Highlights from 2023

We achieved notable milestones in our mission to foster sustainable development and enhance environmental stewardship. This year marked a significant advancement in our operational and strategic initiatives reflecting our ongoing commitment to excellence and innovation.

- InfraCredit, through its guarantees, facilitated first-time access to local currency finance for up to 20-year period from the domestic bond market for ten infrastructure companies totaling N145 billion.
- Our Anti-Bribery Management System was certified as ISO 37001 compliant by Lloyd's Register.
- We guaranteed the first ever blended local currency green certified debt issue for a solar powered rural telephony project.
- InfraCredit signed an innovative risk sharing facility of £10m in FSD Africa investment to support sustainable climate-aligned infrastructure development in Nigeria.
- In 2023, we attained several milestones in the guarantee of sustainable infrastructures such as the guarantee of the NGN3 billion initial debt financing under a NGN12.5 billion debt to develop 1,200 EDGE- certified housing units in a Nigerian State
- Launched our new renewable energy initiative; Distributed Renewable Energy (DRE).

# InfraCredit at a Glance

## About InfraCredit

Infrastructure Credit Guarantee Company Limited (InfraCredit) is a specialized institution established by the Nigeria Sovereign Investment Authority (NSIA) and GuarantCo to provide local currency guarantees.

We offer local currency guarantees to improve the credit quality of debt instruments used to fund eligible infrastructure projects in Nigeria. This is crucial because the long-term capital needed for the success of these projects is not available from the domestic banking sector. We draw investment interests from pension funds, insurance companies, and other long-term investors, contributing to the growth of Nigeria's debt capital markets. With a commercial focus and strong private sector governance, we align with its investors' goal of promoting private investment in infrastructure to drive sustainable economic growth in Nigeria.

Since inception, we have successfully enhanced several infrastructure bonds, boosted investor confidence, and contributed to the development of the local debt capital market. Through our guarantees, we facilitated first-time access to local currency finance for up to 20-year period from the domestic bond market for ten infrastructure companies totalling N145 billion. The issues were oversubscribed by up to 60%.

We plan to expand our operations to cover a broader range of projects, develop innovative financing solutions, and build the capacity of local financial institutions, thus continuing to play a crucial role in unlocking the potential of infrastructure projects and driving sustainable economic growth in Nigeria.

## Our Mission

Our mission is to successfully unlock the potential for long-term local currency infrastructure finance in Nigeria. We are dedicated to creating value for our stakeholders and excelling in all we do. This mission drives us to innovate and lead in the infrastructure finance sector, ensuring sustainable and inclusive growth for the nation's economy.

## Our Vision

Our vision is to be a catalyst and the most trusted partner in attracting long-term capital into infrastructure finance in Nigeria. We aim to bridge the gap between investors and infrastructure projects, fostering a robust and resilient financial ecosystem that supports the country's development goals. By becoming a reliable partner in this space, we strive to enhance the quality and reach of infrastructure across Nigeria.

# Our Products

InfraCredit provides local currency guarantees to enhance the credit quality of debt instruments issued to finance creditworthy infrastructure assets in Nigeria that conform with our eligibility criteria. Our establishment was necessary because long-term capital e.g., 10–20-year tenor) required by infrastructure entities/projects to be commercially successful is not available from the domestic banking market.

Indicative Subjects/ Modules	Status
Annuity PPP Guarantee Product	InfraCredit's Annuity PPP Guarantee Product will enable the sustainable financing of new infrastructure across several states in Nigeria, using technical assistance and catalytic capital to accelerate state-supported and private sector led development of bankable, revenue-generating infrastructure projects under a design, build, finance, operate and maintain ("DBFOM") structure arrangement with the private partner
Contingent Refinance Guarantee (CRG) Product	InfraCredit's CRG product was developed to enable eligible developers of greenfield infrastructure projects in Nigeria access construction funding by providing a clear exit path for the initial project lenders through a conditional undertaking to guarantee a bond issuance with the proceeds utilized to refinance the existing debt facility provided by the initial project lenders, subject to the project developer fulfilling agreed pre-conditions post-COD.
Multi-Issuer Private Debt Issuance Programme for SMEs	Eligible SME infrastructure enterprises will be aggregated to issue private debt securities from time to time under the FMDQ-registered NGN200billion multi-issuer debt issuance programme, which is expected to deepen financial inclusion and micro-pension penetration in Nigeria through the end users of the services provided by the participating SME infrastructure companies.
Blended Finance - Collaboration with the Bank of Industry	BOI provides Concessionary Finance to projects guaranteed by InfraCredit.
Clean Energy Funding Programme	Under the programme, DFIs and donor organizations are currently being engaged to provide cheaper funding which when blended with commercial funding will result in a lower financing cost for the project developers. Recently signed a funding agreement with FCDO which committed to investing up to £10million of concessional financing to support the eligible off-grid energy projects under a risk-sharing arrangement with InfraCredit.
Affordable Housing Funding Programme	InfraCredit is collaborating with the Housing Solution Fund to help address the offtake risks. The Fund is a REIT that will enable potential home buyers access home loans that can be used to purchase homes constructed by the developers, thereby reducing offtake risk and enabling more individuals and households to get on the housing ladder.



# Governance Structure

At InfraCredit, we are committed to maintaining the highest standards of corporate governance. Our governance framework ensures that we operate with integrity, transparency, and accountability, which are essential for achieving our mission and vision. Our governance structure is designed to provide an effective oversight and strategic direction. It comprises the Board of Directors, various board committees, and a robust management team assigned to oversee aspects of our business operation.

## Our Board of Directors



**Sanjeev Gupta**

Non-Executive Chairman

- Executive Director and Head of AFC's Financial Services division.
- Former Lead Partner, Emerging Markets at EY
- 25+ years' experience across emerging markets



**Chinua Azubike**

Chief Executive Officer

- Pioneer CEO, InfraCredit
- 20+ years' experience in corporate /structured finance and debt capital market
- MSc. from University of London and LL.B from University of Lagos



**Vivien Shobo**

Independent Non-Executive Director

- Former CEO, Augusto & Co
- 20+ years' experience in Credit rating and other financial Services
- B.sc (Hons) from the University of Benin, & MBA (Finance) from the Manchester Business School, UK.

## Our Board of Directors



**Hamda Abimbola Ambah**

Independent Non-Executive Director

- Former MD/CEO FSDH Merchant Bank
- 20+ years' experience in Banking and other Financial Services.
- B.sc from University of Lagos and MSc. from Imperial College



**Chris Vermont**

Non-Executive Director

- Former CEO, GuarantCo
- Chairman, BPL Holdings
- 20+ years' experience in financing infrastructure projects in emerging markets.



**Aminu Umar-Sadiq**

Non-Executive Director

- Managing Director, Nsia
- 20+ Years Experience In Financial Services, Public Finance Management, M & A, Private Equity, And Asset Management Sectors
- B.Sc & Msc. From University Of Oxford



**Banji Fehintola**

Non-Executive Director

- Senior Director, Head of Treasury & Financial Institutions AFC
- Board Member, CFA Institute
- B.sc from University of Ibadan & Mphil from University of Glasgow



**Claire Jarratt**

Non-Executive Director

- Chief Investment Officer, InfraCo Africa
- 20+ years' experience in financing infrastructure projects in emerging markets.
- BA Hons and MA from the University of Oxford

## Our Board of Directors



**Gilles Vaes**  
Non-Executive Director

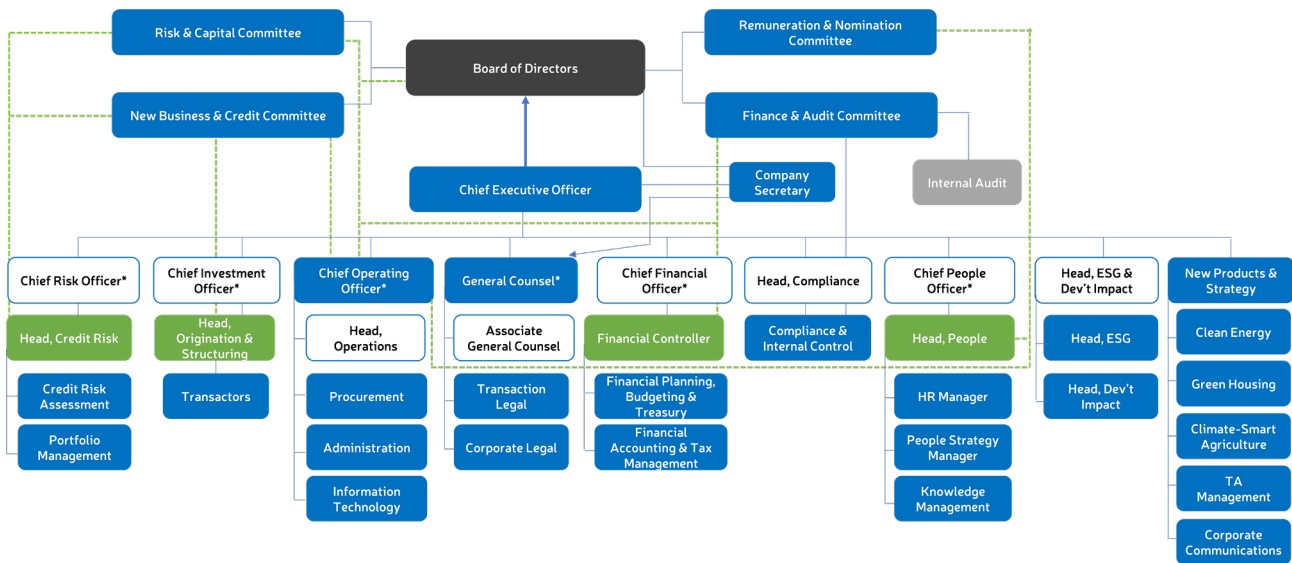
- Chief Executive Officer, InfraCo Africa
- 20+ years' experience in the private sector
- MBA from the George Washington University in Washington D.C.



**Reginald Ihebuzor**  
Non-Executive Director

- Project Director, NDDC
- 20+ years' experience in Financial Services.
- MSc. and MBA from the University of Lagos and Enugu State University of Science & Technology.

## Our Governance Framework



The ESG team is responsible for conducting thorough assessments of the environmental and social impacts of projects, ensuring that they align with our stringent risk management procedures. The Head, ESG & Development Impact oversees the team tasked with upholding sustainable practices across all aspects of our business operations. The team's mandate is to champion sustainable development by systematically integrating ESG ethics and principles into our operational framework.

# Our Focus Areas

At InfraCredit, our strategic focus areas guide our efforts to achieve our mission and vision. They underline where we concentrate our resources and expertise to make significant impact. Our commitment to sustainability, innovation, and stakeholder value drives us to prioritize initiatives that align with our core values and business strategy. By concentrating on these key areas, we aim to foster sustainable development, support economic growth, and enhance the quality of infrastructure in Nigeria.

Eligible sectors for our infrastructure development projects include:



## Power:

The generation, transmission and/or distribution of electricity, including off-grid embedded power electrification.



## Renewable Energy:

Alternative energy and renewable energy, technologies ranging from solar power, wind power and hydroelectricity.



## Water Distribution:

Urban/rural freshwater production and treatment, bulk water supply and distribution (water reservoirs, transfer schemes).



## Agriculture:

Infrastructure component of agro-industrial projects e.g., investments in agro-food processing or storage for agribusiness.



## Gas Distribution:

Gas pipelines and bulk storage/logistical facilities and downstream gas processing and development.



## ICT/Telecoms:

Local telephone services and IT network, internet solutions, voice, data center and cloud services to providers.



## Inputs to Infrastructure:

Manufacture, construction of goods, equipment, or other basic materials or services used in the provision of infrastructure.



## Social Infrastructure:

The provision of economic and social infrastructure (e.g., housing, healthcare, education) including industrial parks, within towns and cities.



### Transportation:

Fixed transportation infrastructure e.g., toll roads, bridges, rail, airports, ports and bulk storage/handling facilities.



### Waste Management:

Solid waste disposal/collection, transportation and waste treatment, including waste recycling facilities.

## Geographic Footprint and Market Presence

Our strategic focus on infrastructure finance has allowed us to establish a significant presence across Nigeria, impacting various regions through our projects and investments. Our geographic footprint underscores our commitment to fostering sustainable development and economic growth across different region in Nigeria.

Our projects span multiple sectors, including energy, transportation, housing, and agriculture, demonstrating our versatile approach to infrastructure development. We prioritize sectors that are critical to Nigeria’s economic development, ensuring that our efforts align with national development goals.

## Industry Memberships and Partnerships

We understand that collaboration is the cornerstone of sustainable progress. Our strategic alliances foster innovation, best practices, and amplify our impact in the infrastructure finance sector. These partnerships and memberships enable us to leverage collective expertise and synergies and remain at the forefront of industry advancements. By engaging with a diverse network of stakeholders, we not only enhance our operational capabilities but also contribute to the sustainable development and economic resilience of Nigeria. Through these collaborative efforts, InfraCredit is better positioned to fulfill its mission and uphold its commitment to excellence and leading practices.

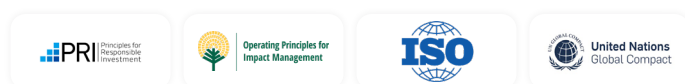
### Capital Providers



### Development Partners



### We are proud signatories of:



## Awards and Recognitions

Our commitment to excellence, innovation, and sustainable development has been acknowledged through numerous awards and recognitions in the past years. These accolades serve as a testament to our dedication to enhancing infrastructure finance in Nigeria, fostering long-term economic growth, and upholding the highest standards of corporate governance. Each award and recognition we have received not only highlights our achievements but also reinforces our resolve to continue to drive impactful change and deliver value to our stakeholders. Through these honors, we are reminded of the significant progress we have made and are inspired to pursue even greater milestones in our journey towards sustainable development.

In 2023, we got featured as a case study solution on “Mobilizing Investments for Clean Energy in Nigeria”, a community paper by the World Economic Forum in partnership with the Renewable Energy & Energy Efficiency Associations Alliance (REEEA-A) and Marsh.



MOBILIZING INVESTMENTS FOR  
CLEAN ENERGY IN NIGERIA  
COMMUNITY PAPER, MAY 2023

## Our Ratings

Our rating is based on our strong capitalization and leverage position, solid liquidity profile, and sound asset quality. The rating is reinforced by our strong competitive position, being the only provider of infrastructure credit guarantees in Nigeria, which reflects our mandate and operational effectiveness.

For the last rating periods, we have been accorded ‘AAA’ and ‘Aaa’ rating with stable outlook from both Augusto & Co and FitchRatings, two top credit rating agencies. This is a first for a local currency guarantor in sub-Saharan Africa.

Rating	Rating / Classification	Rating Received
<p>Agusto &amp; Co Ratings as of 28 July 2022 Expires 30 June 2023</p>	Long Term Issuer Financial Rating Strength	AAA
	Outlook	Stable
<p>Fitch Ratings as of 28 April 2023</p>	Local Long-Term Issuer Financial Rating Strength	AAA
	Global Long-Term Issuer Financial Rating Strength	B+
	Local Outlook	Stable
	Global Outlook	Stable

InfraCredit's Rating Classification by Rating Agencies

# InfraCredit's Business Process



Our business operations require us to guarantee several infrastructure projects through our portfolio companies. These projects have the potential to affect the environment and society in both beneficial and adverse ways. Hence, to ensure our guaranteed projects meet the required purpose, which is to bridge the infrastructural gap sustainably, we have developed our business processes to incorporate ESG risk management, and sustainable financing principles that guide our operations and enable us to effectively oversee the projects of our portfolio companies.

## Risk Management

To manage our risks, we have developed eligibility criteria for transactions, infrastructure activities and entities we can provide guarantees while putting into consideration the impact of the infrastructure project, the portfolio lower potential default frequency and loss severity characteristics.

We conduct environmental and social due diligence (ESDD) on our portfolio projects to assess possible material risks which are designed in line with the IFC performance standards, AFDB operational safeguards, World Bank environmental, health & safety sector specific guidelines and consider applicable national environmental & social legislations.

Our ESDD process is at the heart of our commitment to sustainable and ethical business practices. The purpose of the ESDD is to review and verify the submissions made by the sponsor, assess the transaction's compliance with applicable environmental and social laws and regulations and highlight key environmental and social risks. The scope and content of each ESDD we carry out on our portfolio company is determined by, and commensurate to the Environmental and Social Risks associated with the specific transaction. This assessment helps us to categorize the projects that have high (A), medium (B) or low (C) risks, whereby the identified risk level determines the appropriate level of oversight, resource allocation, and frequency of monitoring required to effectively manage and mitigate potential issues throughout the project lifecycle.

In line with this we have developed a project exclusion list that highlights projects that are not eligible for our guarantees and categorized projects. In the reporting year, we conducted 15 ESDD for pipeline guarantee projects, which is 40% higher than 2022.

We also require our portfolio companies to undergo quarterly monitoring of environmental, social, and health and safety criteria throughout the project's development, construction, and operational phases.

## Supply Chain Assessment

Our risk management process is not only comprehensive in its approach to financial and operational risks but also extends to the intricate network of supply chain activities as we understand the impact that supply chain can have on projects that we guarantee if not managed adequately.

In the year under review, we developed a framework to manage and assess supply chain players that are crucial to the production, manufacturing, and distribution of solar panels, from original equipment manufacturers (OEMs) to secondary manufacturers, modifiers of the equipment, distributors, and project developers. We are aware that disruptions or issues within the supply chain such as abuse of human rights, child labor and poor working conditions can have far-reaching consequences, potentially impacting operations, tarnishing reputation, and affecting financial outcomes. Using our designed due diligence assessment procedure, we assessed seven (7) solar panel OEMs in the reporting year on their compliance with human rights standards.



# Our Sustainability Approach

## Our Commitment to Sustainability

At InfraCredit, we believe that sustainable development should be an underlying aim of infrastructure financing and that management of Environmental and Social (E&S) issues is a critical pathway to assuring success in this regard. Along with our commitment to creating value for our investors and stakeholders, we insist on satisfactory environmental and social performance in all projects/transactions that we guarantee, in line with, or superior to international best practices.

Our Environmental & Social (E&S) policy is designed to ensure that project eligibility depends on the ability to achieve comprehensive outcomes. This means that, beyond revenue generation, projects must demonstrate environmentally responsible practices and a business model that fosters inclusive social and economic impact.

The policy has been structured to clearly communicate our commitments, guiding standards, review and management processes, and provide implementation guidance. It also provides a list of important laws, regulations and standards that are relevant to the Policy. InfraCredit's policies are driven by core commitments to global environmental and social issues that are relevant to our local business activities. The core factors that guide our sustainability commitments are outlined below.

## Regulatory Compliance

We are dedicated to upholding the highest standards of ethical conduct and regulatory compliance within the legal framework of Nigeria. We recognize the importance of aligning our business practices with the relevant Nigerian legislation, ensuring that every aspect of our operations is conducted in full compliance with the law.

We take a proactive stance in our compliance efforts, continuously reviewing and updating our internal policies and procedures to keep pace with the dynamic regulatory environment. Our operations and transactions are aligned with internationally recognized best practices, adhering to both Nigerian laws and global safeguards requirements.

We always require that all prospective guaranteed projects/transactions are compliant with applicable laws and regulations. Health, safety, environment, social and security (HSESS) related legal and permit registers of prospective portfolio companies are reviewed during pre-guarantee environmental and social due diligence and post guarantee environmental and social monitoring. Legal non-compliances are captured as actions to be taken in the environmental and social action plans.



This approach safeguards our reputation and positions us as a model in the credit guarantee industry, advocating for ethical business practices and a strong commitment to environmental and social governance.

## Climate Change

We recognize that climate change is a serious global challenge, with impact that may impede economic, social well-being and development efforts, particularly in infrastructure related projects. Our aim is to ensure that the transactions we guarantee do not contribute to increased greenhouse gas (GHG) emissions in the atmosphere, but rather foster low carbon technologies. We have started the implementation of our 10 to 20-year roadmap which supports our strategic transition across targeted areas of opportunities. Our 10 to 20-year energy transition roadmap prioritizes the following key areas of opportunity:

- Energy supply
- Urban, Semi Urban and Rural infrastructure
- Transportation

Our focus will be to support increased investment in renewable energy, cleaner energy, energy efficiency and other low carbon technologies in these areas. We will pay particular attention to energy transition projects that need additional support to realize their goals. We have also developed a green transition strategy and roadmap framework that highlights our decision process for aligning our investments with the Paris agreement goals. We will now categorize our new investments across eligible sectors as:

- **Aligned projects** – close to zero GHG emissions or potential to be close to zero emissions (e.g. Renewable energy projects: solar, wind, small hydro, wave, tidal; Renewable energy-based off-grid projects: ‘Smart grid’ and energy storage projects).
- **Misaligned projects** – projects that are GHG emission intensive and are not aligned with the Paris Agreement (e.g., new coal-fired power plants or upstream investment in coal infrastructure; new oil-fired power plants or upstream investment in oil infrastructure (e.g., oil extraction and processing); upstream investment in new gas extraction and production).
- **Conditional projects** – projects that, depending on project-specific factors, may be aligned or misaligned.
- **Transitional projects** – projects that emit some GHG during operation but are deemed necessary for the electrification and economic development of the country and are part of a transition to a zero-carbon electricity system, and so are considered aligned with the Paris Agreement.

## Biodiversity Conservation

We believe that the earth’s biological diversity, which comprises its ecosystems, species and genetic materials, is an integral part of human existence. Biodiversity provides substantial economic, cultural, recreational, nutritional and ecological benefits to humanity. The rapid loss of biodiversity worldwide remains one of the major global environmental challenges particularly in developing countries. We are committed to ensuring that the transactions we guarantee do not reduce biodiversity value in the environment. We will continue to ensure that transactions that have a potential to create biodiversity loss account for biodiversity conservation as part of their project management plans.

## Human Rights and Labour

Our business operations and activities are guided by the International Bill of Human Rights and the conventions of the International Labour Organization which includes freedom from forced labour, freedom from child labour, freedom from discrimination at work and freedom to form and join a union, and to bargain collectively. We also support the voluntary principles on security and human rights. Accordingly, we recognize the responsibility of businesses, governments and organizations to respect and protect human rights.

In line with our commitment, we have developed an effective grievance mechanism for our employees and portfolio projects, which support the prompt redress of human rights grievances and, ensure project related grievances are adequately collected and resolved. This ensures that our operations and activities pertaining to the transactions that we guarantee do not violate human rights, a parameter we pay keen attention to during our guaranteed project assessment and OEM supplier assessment.

## Stakeholder Engagement

In an ever-evolving business landscape, the engagement of stakeholders is paramount to the fostering of resilience and sustainable growth. At InfraCredit, we recognize that the success of our sustainability initiatives hinges on the active participation and feedback of our diverse network of partners, clients, and other stakeholders. A cornerstone of our ethos is a commitment to continuous improvement. We actively seek feedback from our diverse network of stakeholders, leveraging their insights to refine our practices and enhance our impact. Through collaboration and innovation, we strive to drive excellence in ESG and impact management, aligning with our vision for a more sustainable future.

Our Stakeholder Management Process			
Stakeholders	How We Engaged	Frequency of Engagement	Issues Discussed
Shareholders	Annual General Meeting	Annually	<ul style="list-style-type: none"> <li>Shareholder record update</li> <li>Business profitability</li> </ul>
	Annual reports		
	Shareholder Forums	As required	
	Website	Frequently	
Suppliers	Satisfaction Survey	Annually	<ul style="list-style-type: none"> <li>Product pricing</li> <li>E&amp;S risks considerations</li> <li>Price review</li> </ul>
	Annual meeting		
	Emails	As required	
Portfolio Companies	Publications/Reports	Frequently as required	<ul style="list-style-type: none"> <li>Risk assessment</li> <li>Project progress and impact</li> </ul>
	Website	Quarterly	
	Trainings		
Employees	Team meetings	Quarterly	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Employee work-life balance</li> <li>Training and development</li> <li>Portfolio Risk Management</li> <li>Employee compensation and benefits</li> </ul>
	Town hall meetings		
	Newsletters	Frequently as required	
	Focus group discussions		
Communities	Publications/Reports	Frequently as required	<ul style="list-style-type: none"> <li>Project impacts</li> <li>Community needs</li> <li>Corporate social responsibility</li> </ul>
	Website	Quarterly	
Financial institutions/ project sponsors	Reports	Quarterly	<ul style="list-style-type: none"> <li>Investor relations</li> <li>Transaction risk</li> <li>Investment performance</li> </ul>

Our Stakeholder Management Process			
Stakeholders	How We Engaged	Frequency of Engagement	Issues Discussed
Development Partners	Reports	Quarterly	<ul style="list-style-type: none"> <li>• Financed project update</li> <li>• Transaction risk</li> <li>• Financial performance</li> </ul>
	Email	Frequently, as required	

## Materiality Assessment

Our Materiality assessment focuses on identifying and prioritizing key environmental, social, and governance (ESG) factors pertinent to our operations and to our stakeholders. It encompasses stakeholder engagement, analysis of industry trends, and evaluation of regulatory changes.

In the year under review, we conducted our materiality assessment through an analysis of the provisions of major sustainability standards and frameworks and leveraging the use of questionnaires. This process enabled us to engage consistently with internal and external stakeholders to identify and prioritize the ESG issues that are most critical to InfraCredit, shaping our sustainability initiatives and reporting.

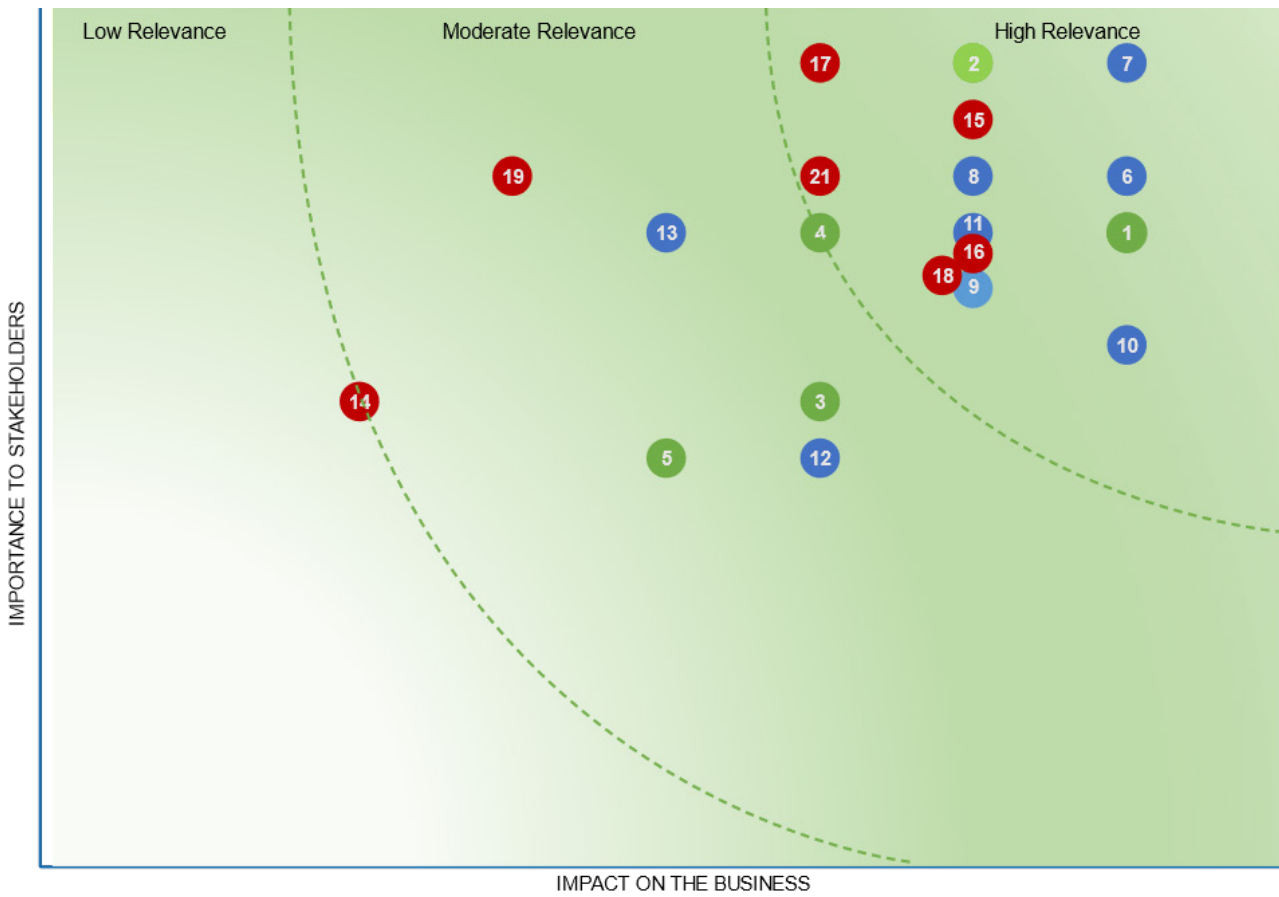
The results of the materiality assessment inform our reporting practices, guiding both standalone sustainability reports and the integration of material topics into our corporate strategy.

### Criteria for Materiality

The assessment was based on the criteria of significance, impact, and stakeholder expectations. We evaluated issues based on their potential impact, as well as their relevance to our core business activities.

### Materiality Matrix

Following the feedback and evaluation from the stakeholder survey, our materiality matrix graphically displays the importance of various sustainability topics to both our stakeholders and our business. Positioning each issue according to its relevance to our stakeholders and its effect on our business operations, the matrix reflects key areas that require attention and guides us in our communication and action strategies.



**LEGEND**

- Environmental
- Social
- Governance

Environmental	Social	Governance
1 - Resource Efficiency	6 - Training and Education	14 - Tax
2 - Energy Efficiency & Renewable Energy	7 - Health and Safety	15 - Anti-corruption
3 - Waste Management	8 - Employment Practices	16 - Data Protection
4 - Climate Change	9 - Human Rights	17 - Risk Management
5 - Biodiversity Impacts	10 - Access to Infrastructure	18 - Corporate Governance & Ethical Business Practice
	11 - Economic Performance	19 - Stakeholder Engagement
	12 - Indirect Economic Impacts	20 - Regulatory Compliance
	13 - Diversity, Inclusion & Equal Opportunities	21 - Responsible Investments

InfraCredit's Material Topics

# Sustainability Performance

## Environmental Management Performance

### Resource Efficiency

Resource efficiency is the cornerstone of our sustainability strategy, reflecting our commitment to using materials and energy in the most effective and efficient way possible. By optimizing our use of resources, we aim to minimize wastes, reduce costs, and lessen our negative environmental impact. Our approach involves a comprehensive evaluation of our resource consumption patterns and the implementation of practices that promote efficiency across board. We focus on sourcing sustainable materials, maximizing the lifespan of our assets, and recycling or repurposing whenever feasible.

In our pursuit of resource efficiency and sustainability, we are taking decisive actions to significantly reduce our paper consumption on an annual basis. Recognizing the environmental impact of paper production and waste, we have set goals to reduce the amount of paper consumed within our organization each year. We will achieve this by:

- Expanding our use of recycled paper.
- Promoting a “think before you print or copy” attitude, which encourages workers to carefully consider whether they need to make a physical copy or print a document.
- Operating a policy to print on both sides of papers and provide office tools that support this policy.
- Encourage reuse of envelopes.
- As much as possible, use electronic tools such as e-mail to replace forms, Bank statements and other printed documents.

We evaluate the resource efficiency strategies of our portfolio company projects to ensure compliance with IFC Performance Standard 3. Our goal is to promote sustainable resource utilization throughout the project lifecycle while maintaining environmentally responsible operations that support sustainable development.

## Energy Efficiency and Renewable Energy Integration

We have made significant progress in advancing energy efficiency through our portfolio companies, underscoring our commitment to sustainability and environmental stewardship. Our portfolio impact on energy efficiency is both impressive and substantial, showcasing our dedication to sustainable energy solutions.

For example, our portfolio companies are making contributions to the nation’s energy matrix through

renewable sources. Notably, North South Power (NSP) has established a 600MW hydroelectric facility, leveraging aquatic force to generate eco-friendly power. Additionally, Darway Coast and ACOB have implemented 861.1KWp solar microgrids, which not only support Nigeria’s sustainable energy sources but also connect remote communities with dependable electricity.


These companies are significantly reducing dependency on carbon-intensive fossil fuels by ensuring the availability of infrastructure that bolster the adoption of liquefied petroleum gas (LPG), which improves air quality and reduce greenhouse gas emissions. Among these infrastructures are Falcon Gas Terminalling’s 15,000 MT LPG Storage Facility and the 121.5MW of high-efficiency gas-fired power plants by VI Power, GEL, and Viathan, offering a more environmentally friendly alternative to conventional coal-powered stations.

## Highlighting our Distributed Renewable Energy (DRE) Portfolio Projects

Distributed Renewable Energy (DRE) systems offer innovative solutions to meet growing energy needs in a sustainable manner. From off-grid mini grids to integrated commercial and residential solutions, DRE empowers communities and businesses to harness the advantage of renewable resources. We have classified DRE projects currently in our portfolio and pipeline into 8 categories, as tabulated below.

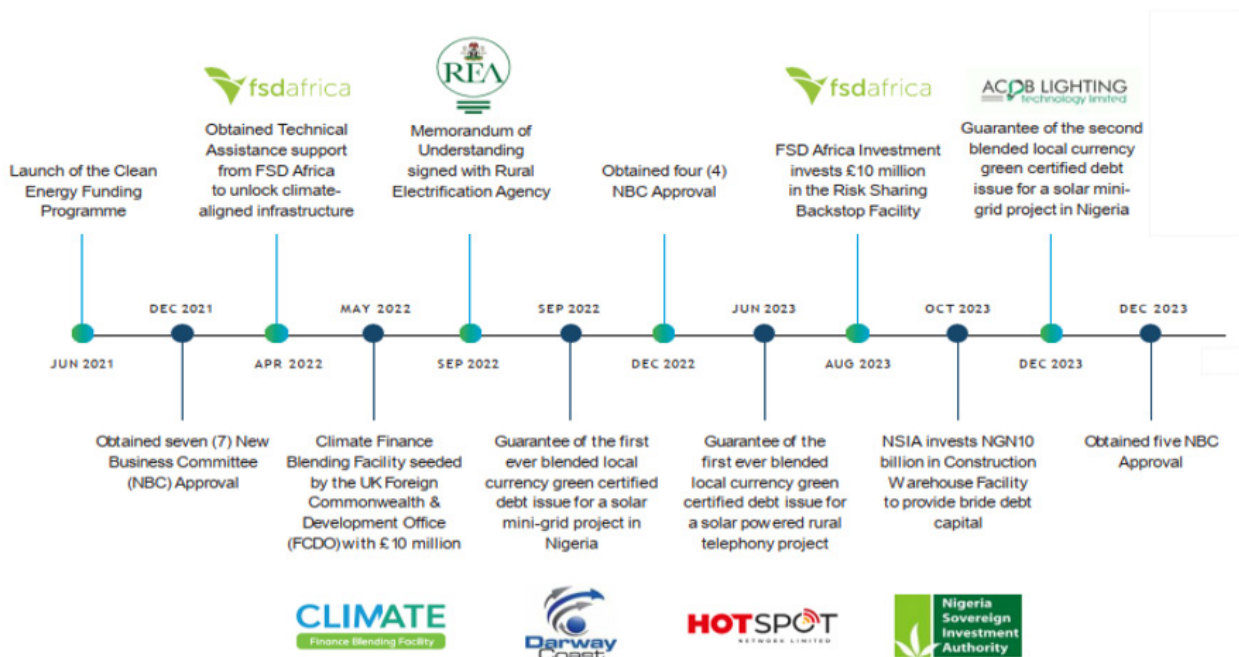
DRE Categorization	Description	Our Portfolio Project
Isolated Mini Grids	It generates electricity locally using solar, wind, hydro, biomass, hybridized (a combination of sources) etc. Energy is stored in batteries or other systems, then distributed to nearby communities through a local grid. Isolated mini grids function independently, not connected to a central national grid, providing reliable power to remote areas. This system is prominent in rural and some peri-urban settlements	  
Interconnected Mini Grids	Generates electricity locally using solar, wind, hydro, biomass and hybridized system. Interconnected mini grids are connected to the central grid for additional reliability and efficiency. This system is prominent in urban and some peri-urban settlements.	Projects still in pipeline awaiting approval
Commercial and Industrial (C&I) or Commercial and Enterprise (C&E) Systems	C&I/C&E systems generate renewable energy directly on the premises of commercial or industrial facilities. This usually involves factories, businesses, warehouses etc., utilizing roof tops, car ports, etc as solar farms for energy generation supported by battery storage and backup generators	Projects still in pipeline awaiting approval
Stand-Alone-Solar for Households and Businesses	These are modular solar and storage setups that target homes and small businesses. It comprises solar panels on roof tops and inverter systems with battery storage which is useful for businesses and homes in remote unserved areas as well as those in underserved areas to remain in operation during power outages	Projects still in pipeline awaiting approval



DRE Categorization	Description	Our Portfolio Project
Stand-Alone-Solar for Telecommunication Towers/Base Stations	Usually operates at relatively constant power with slight variations due to traffic (volume of calls and data transmission on the network at a time). For base stations located in remote areas where access is limited, standalone solar and storage has increasingly become quite useful. This involves the use of inverter and battery in a cabinet with ground mount solar photovoltaic (PV) modules to power telecommunication sites.	
Solar Home Systems (SHS)	These are smaller systems for low energy demand customers where mini grids and standalone systems might not be cost efficient. It is usually consisting of solar panels, charge controllers and battery. Mostly without inverter as the energy is generated and consumed in the Direct Current (DC) form without the need for transformation.	Projects still in pipeline awaiting approval
Mesh Grid System	It is an interconnection of solar home systems or mini grids to bring in additional efficiency by making it possible for power generated from one end to be utilized at another end because they are interconnected	Projects still in pipeline awaiting approval
Battery as a Service	In this case batteries are charged for the community to rent for their use. Upon discharge, the batteries are returned and swapped with fully charged batteries	Projects still in pipeline awaiting approval

We are setting up a strategic approach to scale and improve access to funding for DRE pipeline projects across this categorization. This strategy will include establishing a project development facility to address potential challenges and provide support to improve ways of converting pipeline projects into actual guaranteed projects. The DRE pipeline projects are expected to connect 27.4million unserved communities and businesses with a total capacity of 428.4MegaWatts over a 36-month Horizon.

Our significant steps since the launch of the Clean Energy Funding Programme:



## Circular Economy

At InfraCredit, we are committed to adopting and promoting circular economy principles across our operations and portfolio projects. The circular economy model emphasizes the re-designing of our wastes into useful materials, keeping products and materials in use, and regenerating natural systems. This approach not only fosters environmental sustainability but also creates economic opportunities and enhances resource efficiency.

Our commitment to a circular economy model starts within our operations. We actively seek to minimize waste generation and maximize resource efficiency. We prioritize products and materials that are durable, easy to maintain, and can be reused or repurposed at the end of their life cycle, while also choosing suppliers and products that adhere to sustainable practices to reduce environmental impact and enhance material recovery. Additionally, we monitor and manage our resource consumption to reduce waste and improve efficiency in our office operations.

We extend our circular economy principles to the projects that we support, ensuring that infrastructure developments contribute to a sustainable and resilient future. Our approach includes:

**Waste Management** - we implement comprehensive waste management strategies that prioritize reduction, reuse, recycling, and recovery of materials. For example, we assess how our portfolio companies handle the recycling of hazardous wastes such as electronic waste, oil, and other materials to prevent environmental contamination.

**Resource Efficiency** - we encourage the adoption of technologies and practices that enhance resource efficiency in project design and implementation. This includes promoting energy-efficient systems, water conservation techniques, and sustainable building materials.

**Lifecycle Assessment** - we conduct lifecycle assessments to understand the environmental impact of projects from inception to completion. This helps in identifying opportunities to reduce waste, optimize resource use, and improve sustainability outcomes.

## Liquid Discharges & Land Contamination

We are committed to managing liquid discharges and preventing land contamination through comprehensive strategies and rigorous monitoring to mitigate adverse effects on terrestrial and aquatic environments. Our approach includes regular on-site water quality assessments at portfolio companies, where we measure physicochemical and microbiological characteristics of waste samples. These analyses are crucial for evaluating the environmental impact and ensuring compliance with relevant local and national standards.

Additionally, we oversee the production of hazardous liquid waste within our portfolio companies, expecting them to establish processes that minimize hazardous waste in their operations and enhance methods for treating wastes prior to discharge.

# Climate Change

## Greenhouse Gas Emissions & Air Quality

We are dedicated to minimizing air emissions and enhancing air quality as part of our broader commitment to environmental stewardship. Recognizing the critical impact of air quality on public health and the environment, we implement stringent measures to monitor, manage, and reduce air emissions across both our operations and those of our portfolio companies.

We employ various strategies to reduce air emissions, including:

**Green Technologies** - promoting the use of clean and renewable energy sources in our projects and within our portfolio companies to decrease reliance on fossil fuels and reduce greenhouse gas emissions.

**Energy Efficiency** - we adopt energy-saving practices and technologies in our operations, including carpooling and hosting virtual meetings to cut down on travel-related emissions. We also advocate for our portfolio companies to follow suit, thereby contributing to a collective reduction in overall emissions.

## Our Carbon footprint

InfraCredit is steadfast in its pursuit of leading sustainability practices, taking significant strides to mitigate our carbon footprint as an integral part of our environmental stewardship. Our dedication to this cause is evident in our achievements: we have avoided over 451,000 tCO<sub>2</sub>eq of greenhouse gas (GHG) emissions through our support of renewable energy infrastructures. Additionally, our initiatives have led to estimated forest savings of 16.64 hectares by replacing the use of fuelwood for cooking with LPG, thereby reducing deforestation and carbon emissions.

We are resolute in ensuring that the transactions we guarantee are environmentally conscious and do not exacerbate the already high levels of GHG emissions in the atmosphere. We are committed to supporting projects that employ sustainable alternatives to diminish the impact of GHG emissions. Our approach is in strict adherence to the International Finance Corporation (IFC) Performance Standards (PS), which mandates that portfolio companies do not produce more than 25,000 tonnes of CO<sub>2</sub> equivalent annually and must quantify both direct emissions from owned or controlled facilities and indirect emissions from off-site energy production.

This rigorous quantification of GHG emissions is conducted annually by our clients, utilizing internationally recognized methodologies as outlined by the International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting (2015). By enforcing these standards, InfraCredit not only contributes to the global effort to combat climate change but also ensures the sustainability

and resilience of the infrastructure financing sector. Our commitment to reducing our carbon footprint is a testament to our dedication to fostering a cleaner, greener future and to the well-being of the communities that we serve.

### Decarbonizing our portfolio

We are unwavering in our commitment to fostering a sustainable future, as evidenced by our ambitious 10 to 20-year roadmap aimed at strategically transitioning to a portfolio of investments that are aligned with the Paris Agreement. Our Clean Energy Transition Strategy and Roadmap outlines seven pivotal milestones to be achieved within this timeframe, propelling us towards the creation of an environmentally sustainable, low-carbon economy. This aligns with Nigeria's Nationally Determined Contributions (NDC) and the broader objectives of the Paris Agreement.

Our Environmental, Social, and Governance (ESG) team, in collaboration with the Clean Energy Team, diligently monitors and drives these targets, ensuring that we not only meet but exceed our climate ambitions. This entails spearheading the deployment of additional Renewable Energy (Solar) Projects to underserved and unserved communities across Nigeria through our specialized Climate Finance Blended Facilities (CFBF).

In our pursuit of responsible business practices, our Green Housing program is actively promoting the adoption of EDGE-certified buildings to encourage climate-smart and resilient infrastructure through low-carbon housing. With the support of our internal Green Housing team, we have committed over 80% of our building pipeline, which includes 3,000 housing units, to obtaining EDGE certification. This initiative is a crucial component of our roadmap, as it supports our transition to a portfolio of investments that are aligned with the Paris Agreement, targeting key areas of opportunity such as urban, semi-urban, and rural infrastructure. Through these concerted efforts, we are not just contributing to a healthier planet but also ensuring sustainable value creation for all our stakeholders.

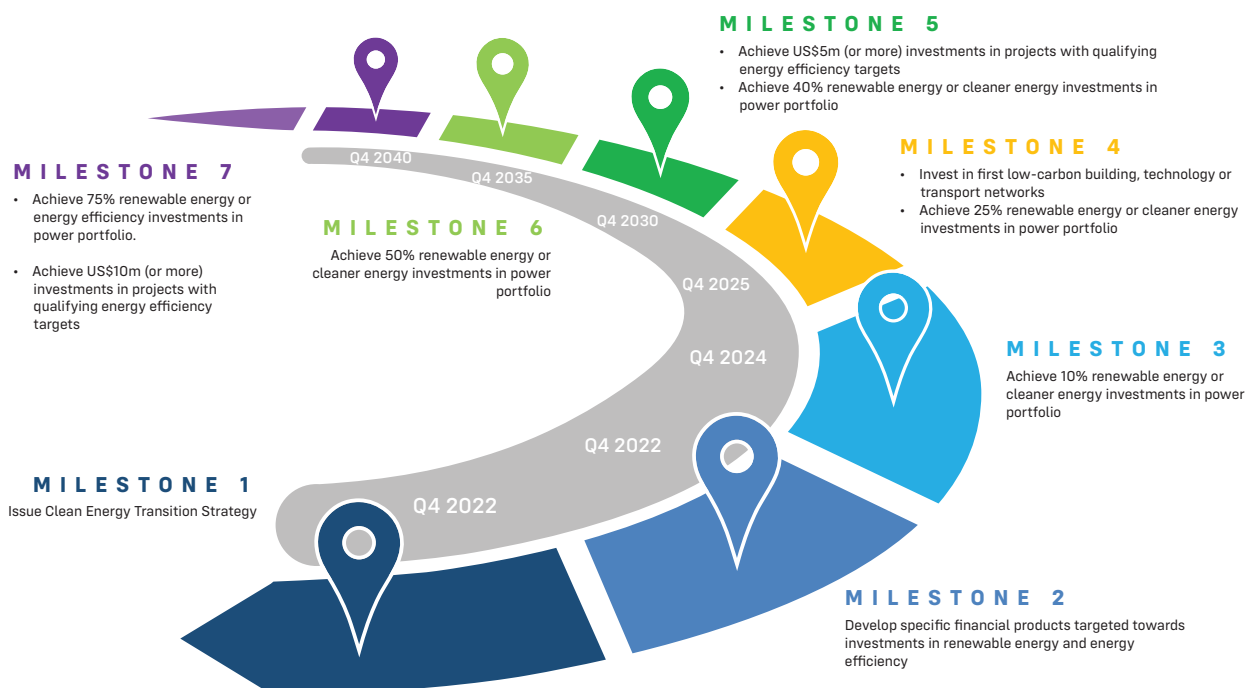
# InfraCredit Clean Energy Transition Strategy and Roadmap

InfraCredit is pursuing a 10 to 20-year roadmap that supports a strategic transition to a portfolio of investments that is aligned with the Paris Agreement across targeted areas of opportunities. To achieve this, InfraCredit recognizes the need to take a transitional approach to achieving our long-term clean energy targets. We understand the necessity to support energy sources that act as a cleaner alternative (such as natural gas) for a limited period, as we pursue our commitment to net zero emissions by 2050. The strategy and roadmap cover the following key areas of opportunities: Energy supply, transportation and urban, semi-urban, and rural infrastructure.

Our Clean Energy Transition Strategy and Roadmap sets out 7 key milestones to be achieved within a 10-20 year-period, to help build an environmentally sustainable, low carbon economy with the aim of supporting the actualization of Nigeria’s NDC and the Paris Agreement.

## 10 to 20-year Energy Transition Strategy and Roadmap

Helping build and environmentally sustainable, low-carbon economy by achieving seven milestones



Overview of the 10 to 20-year Energy Transition Strategy and Roadmap

The ESG team working collaboratively with the Clean Energy Team tracks these targets alongside their outcomes. Our goal is to achieve and possibly exceed our climate ambitions by driving the deployment of more Renewable Energy (Solar) Projects to underserved/unserved communities across Nigeria through its specialized Climate finance blended facilities (CFBF).

## Biodiversity Impact

Our dedication to sustainability is deeply rooted in our pledge to safeguard biodiversity. We are committed to ensuring that the transactions we guarantee do not diminish biodiversity value within the natural environment. This commitment is reflected in our stringent evaluation process, where transactions with the potential to negatively impact biodiversity are required to incorporate conservation strategies within their management plans. In line with this ethos, we have taken measurable steps to mitigate biodiversity loss, such as promoting the use of Liquefied Petroleum Gas (LPG), which has led to significant forest savings. This initiative not only exemplifies our proactive approach to biodiversity protection but also highlights the company's innovative strategies in integrating environmental stewardship into its core business operations. Through these concerted efforts, we are setting a standard for responsible infrastructure financing that prioritizes ecological integrity alongside economic development.

## Social Management Performance

Our management of social sustainability performance through transparent disclosures is part of our efforts to monitor and mitigate the potential negative impact of InfraCredit's operations. This approach places a high priority on addressing the needs and well-being of both our employees and local communities, who are the stakeholders most immediately impacted by our activities. In the reporting year, our attention has been centered on key material topics including training and education, diversity, inclusion and equal opportunities, and human rights, all in alignment with our core values and objectives.

### Training and Education

*"Learning is the only thing the mind never exhausts, never fears, and never regrets – Leonardo da Vinci"*

This quote serves as a constant reminder of the transformative power that comes with learning opportunities. We are committed to fostering a culture of learning that extends beyond our workforce to encompass our stakeholders, such as development partners, portfolio entities, and financial supporters. By providing valuable insights on crucial subjects pertinent to our business and industry, we aim to elevate industry standards and achieve better outcomes.

Throughout 2023, we implemented a comprehensive training program for our employees, encompassing both in-house sessions and e-learning platforms. These initiatives were aimed at bolstering our team's knowledge, skills, and capabilities to adeptly navigate the dynamic landscape of the infrastructure finance sector. Our curriculum included a wide range of topics, such as health, safety & environment, data analytics, risk management, green bond issuance, sustainable investing, and department-specific role training, ensuring a well-rounded development for all our employees.

#### 2023 Employee Learning Hours

Total Training Hours	845
Average Learning Hours Per Employee	14.8

We also facilitated learning sessions for investors through our knowledge exchange for institutional investors which is aimed at helping investors develop in-depth practical insights and understanding of infrastructure asset classes, enhance their analytical skills for evaluating and pricing credit risk in infrastructure projects, develop risk-sharing appetite for infrastructure and enhancing capacity to invest in bankable infrastructure assets.

Through the knowledge exchange we held six training programs, including one co-due diligence exercise, two investor roundtable workshops, and three investors' training sessions. These programs engaged over 398 participants from 90 institutions, solidifying our role as a leader in knowledge exchange and investor education. From the program inception till December 2023, we have implemented 43 trainings attracting 1787 participants and 103 institutions.



In October 2023, we had a roundtable session on mobilizing domestic institutional investment for climate finance in collaboration with the Foreign, Commonwealth and Development Office, Nigeria Office (FCDO). This session was designed for Investment Officers, Portfolio Managers, CROs and CIOs of Pension Fund Administrators, Insurance Companies and other Institutional Investors.



In November 2023, we held a round table session for chief risk officers of pension funds on the evolving role of risk management in unlocking infrastructure opportunities. The session facilitated extensive dialogue and knowledge sharing on infrastructure development opportunities, perceptions of risk versus actual risk, peculiar risk factors, and structural approaches to managing defaults, as well as mitigating losses that could inhibit investments in greenfield and brownfield infrastructure projects in Nigeria.



In December 2023, we held a two-day training session designed exclusively for law and Trustee firms on Documenting Credit Guarantees for Long Term Local Currency Infrastructure Financing Transactions. This exercise was geared towards deepening market knowledge and inclusiveness by familiarizing participants with our bond and guarantee documentation process.

Additionally, we completed the third cohort of our STAR Academy, a specialized program aimed at developing future professionals in infrastructure financing. The program is an intensive eight-month training that includes work rotations, providing hands-on experience among other competencies building. Through this academy, we continue to nurture the next generation of experts, further strengthening our human capital to support long-term business sustainability.





2023 STAR Academy Participants

Our focus remains on fostering a collaborative, skills-centric environment where continuous learning is a priority. By investing in the professional growth and well-being of our team, we are better positioned to drive innovation, enhance business performance, and maintain our competitive edge in the market.

## Health and Safety

### Community Health, Safety & Security

At InfraCredit, we prioritize the health, safety, and security of the communities where we operate. Our commitment to community well-being is evident in our comprehensive health and safety programs and efforts to mitigate potential risks associated with our activities.

To maintain a secure environment, we conduct regular risk assessments, implement mitigation strategies, collaborate with local law enforcement agencies, and assess security protocols in project sites of our portfolio companies.

We ensure our portfolio companies are actively invested in communities where they operate by providing access to essential health services and initiatives for the residents. These initiatives include health education campaigns, free medical check-ups, vaccination drives, and support for local health infrastructure.

## Employee Health & Safety

InfraCredit is committed to ensuring the health and safety of our employees. We believe that a safe work environment is fundamental to the well-being and productivity of our workforce. To this end, we have developed an Occupational Health and Safety (OHS) Management Plan to ensure best practices in managing the health and safety of all our employees, partners and visitors who come to our premises to conduct business activities. In addition, all our employees undergo annual health and safety awareness trainings, reinforcing our commitment to a safe and healthy workplace.

We foster a culture of open feedback, actively encouraging our employees to provide suggestions and share their concerns on health and safety matters. This collaborative approach aims to continually enhance the performance of our organizational health and safety management system. When issues are identified within our operations and facilities, we promptly implement relevant action plans to address them. These activities may include internal inspections and procedures to investigate incidents thoroughly.

We ensure that our portfolio companies take responsibility for upholding health and safety standards in their workplaces, as this is a key performance metric that we monitor closely. We make certain that they establish effective safety measures to avert accidents and injuries, provide ongoing safety education, and rigorously comply with safety regulations. These initiatives have led to favorable outcomes, including a decrease in workplace incidents, heightened employee engagement in health initiatives, and a decline in lost-time injuries among our portfolio companies.

## Emergency Preparedness & Response

We take emergency preparedness and response seriously, ensuring our readiness to handle unforeseen events. We have established comprehensive emergency preparedness initiatives, including detailed response plans, regular drills and simulations, and training for employees on emergency procedures.

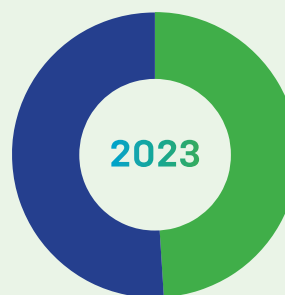
Our response capabilities ensure quick and effective action during emergencies, with dedicated response teams, collaboration with local emergency services, and access to emergency supplies and equipment. These efforts have enhanced our ability to manage emergencies, resulting in faster response times, reduced impact on operations, and increased employee confidence in our preparedness.

## Employment Practices

As of December 31, 2023, our employee headcount totaled 57 people, including 25 consultants. Throughout the year, there has been a strong demand for talent, with a growing emphasis on flexible working options and employee well-being.

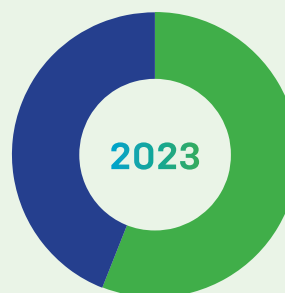
In line with our People Strategy, we offer a comprehensive benefits package to all full-time employees, including health insurance, pensions, and other essential perks that support both personal and professional wellbeing. Parental leave is also provided, allowing employees the flexibility to balance family responsibilities without compromising their careers.

TOTAL	57	100%
<span style="color: green;">■</span> FEMALE	28	49.12%
<span style="color: blue;">■</span> MALE	29	50.88%



### All employees by Workforce Demography

WORKFORCE DEMOGRAPHY 2023	57	100%
<span style="color: green;">■</span> FULL TERM EMPLOYEES (FTE)	32	56.14%
<span style="color: blue;">■</span> CONSULTANTS	25	43.86%



### Total number and percentage of Executive management and other employees

	Gender				Age Group					
	Male		Female		Over 50 years		30-50years		Under 30 years	
	No.	%	No.	%	No.	%	No.	%	No.	%
Executive management	6	85.71%	1	14.29%	0	0	7	100%	0	0
Other Employees	23	46%	27	54%	0	0	31	62%	19	38%

## Human Rights and Labor

Respect for human rights is a core value governing all our interactions with employees, suppliers, and other stakeholders. Our dedication to protecting, respecting, and promoting human rights is informed by the Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). We are steadfast in our commitment to upholding leading human rights principles and ensuring that they are integral to our business operations and throughout our value chain.

As part of our ongoing efforts to uphold human rights, we proactively identify and evaluate potential impacts, and risks related to human rights within our operations. This proactive approach ensures that our business practices are aligned with the highest standards of human dignity, fairness, and respect. We are dedicated to embedding human rights considerations into our corporate policies and daily practices.

We foster a speak-up culture that encourages the reporting of suspected irregularities, human rights violations, and workplace misconduct through established grievance and whistleblowing channels. These channels include a dedicated email address and lines for calls and messages, providing accessible and confidential means for raising concerns.

To sustain an environment of trust and transparency, we have transparent and objective disciplinary procedures and policies for addressing misconduct. These procedures ensure that fair, non-discriminatory, and consistent methods are used when taking disciplinary actions. We guarantee that employees can raise concerns confidentially and without fear of retaliation, as we do not tolerate any form of retribution against whistleblowers.

Our commitment to human rights also encompasses the fair treatment of the businesses and entities to whom we extend credit guarantees. We ensure that our portfolio companies operate responsibly, in alignment with our values, and adhere to our ethics. This is monitored during our due diligence and quarterly monitoring assessments.

We are committed to maintaining fair and safe labor practices and working conditions. We believe in treating all employees with respect and ensuring a supportive work environment. Our labor practices are guided by the principles of fairness and equality, in compliance with leading practices in labor laws, equal opportunity employment, diversity and inclusion, and fair wages and benefits for all employees. We strive to provide excellent working conditions, including safe and healthy environments, opportunities for professional development, and work-life balance initiatives.

## Sexual Exploitation, Abuse and Harassment/Gender Based Violence

We are dedicated to maintaining a safe, respectful, and inclusive environment for all employees, stakeholders, and community members. We enforce a zero-tolerance policy for sexual exploitation, abuse, harassment, and gender-based violence. We conduct regular training sessions to raise awareness about these issues and ensure that our work environments are safe and secure. This includes

implementing safety measures, promoting a culture of respect, and providing resources for support.

We recognize the importance of engaging with the broader community and stakeholders to address and prevent sexual exploitation, abuse, harassment, and gender-based violence. We extensively assess our portfolio companies before onboarding and during the projects quarterly assessments to ensure that the projects do not facilitate sexual exploitation, abuse and harassment for all genders.

We also ensure that our portfolio companies work closely with local communities to raise awareness, provide education for their workers, and build a supportive environment that guarantees the safety of all individuals involved in their operations and within the communities that they serve.

During the reporting year, we recorded zero instances of sexual exploitation, abuse, and harassment across our portfolio companies. Through ongoing monitoring and the implementation of recommended initiatives, we are committed to achieving a substantial decrease in these numbers by the next reporting period.

## Access to Infrastructure

Access to essential infrastructure is a cornerstone of sustainable development, directly impacting economic growth, social inclusion, and environmental stewardship. Our mission to enhance infrastructure accessibility is critical in supporting the sustainable development goals (SDGs), by providing credit guarantees that mobilize long-term private investment for infrastructure projects.

Our Theory of Change assumes that access to infrastructure will improve people's livelihoods. There are three main types of access to consider here.

- I. Number of persons benefitting:** This refers to the number of persons that have benefitted from the project, ex-post compared to the baseline situation. This is tracked through sub-indicators, which differ across types of infrastructure.
- II. Number of businesses benefitting:** Infrastructure is a known enabler of productive endeavor and so increased stock of infrastructure is expected to support the establishment of new businesses and the sustainable growth of existing enterprises.
- III. Improved Productivity:** This sub-indicator applies to businesses whose productivity was hampered by the lack of, or poor infrastructure such as power, telecommunications, accessible roads, and others.

Our theory of change guides the projects within our portfolio companies, and our financing has expanded infrastructure access for over 1,047 small and medium-sized businesses. Furthermore, more than 10 million households now have access to grid electricity, and 1 million people now benefit from improved infrastructure since our inception.

## Economic Performance

As of the end of the reporting period, our capitalization stood at \$209 million. This substantial capital base underscores our core capital of \$113 million, subordinated capital of \$71 million and callable capital of \$25 million USD.

Over the past 5 years of its initial operations, we have facilitated first time access to local currency finance of up to 20-year tenor from the domestic bond market for fourteen infrastructure focused companies. Total value was NGN145 billion (\$315 million), and which was oversubscribed by local pension fund investors, signifying strong investor appetite and confidence in its credit standing.

At the close of the reporting year, our business experienced a significant rise in profits compared to prior years. This uptick in earnings mirrors the beneficial effects that our services have on our customers, leading to growth and a heightened demand for our product offerings. For a detailed comparison of our income over the past years, our financial statements offer a comprehensive breakdown.

## Indirect Economic Impacts

### Corporate Social Responsibility

We believe that sustainable growth is achieved by integrating leading economic, environmental, and social dimensions into our business strategy and decision making. Our Corporate Social Responsibility (CSR) initiatives are pivotal in fostering a positive impact on society and the environment while ensuring long-term value for our stakeholders.

Our unwavering commitment to fostering societal and environmental well-being is reflected in the tangible benefits our portfolio companies deliver to communities across rural and urban areas through the transactions we guarantee.

Our strategic financing aims to empower individuals, communities, and small to medium-sized enterprises through our portfolio companies, thereby improving access to essential services such as reliable electricity and affordable housing. This access is a cornerstone for economic development, enabling businesses to thrive, creating jobs, and fostering innovation. By prioritizing projects that have a direct positive impact on society, we are fulfilling our commitment to building resilient communities that can sustain and advance despite the challenges they may face.

## Financial Inclusion

We are committed to advancing financial inclusion by facilitating access to the domestic bond market for first-time issuers. Our efforts are focused on empowering entities that may have previously faced barriers to market entry, thereby promoting broader participation in the financial system.

By bringing first-time issuers to the domestic bond market, we enable these entities to access much-needed capital for growth and development. This not only supports their financial stability but also contributes to the overall economic development of Nigeria. Our guaranteed mechanisms reduce perceived risks for investors, making it easier for new issuers to raise funds at competitive rates.

Indicator Type	Indicators	Data
Access to finance	Total value of bonds issued till date:	NGN 1.588 trillion
	Corporate infrastructure Bonds	
	InfraCredit Guaranteed Bonds	NGN 159 billion
	Number of first-time bond issuers	11
	The Number of infrastructure projects enabled	15 Projects
	Value of additional capital mobilized by investees	NGN 6.25 billion
Capital market efficiency	Average tenor of bond issuance	6.71 years
	Corporate Infrastructure Bonds	12.58 years
	InfraCredit Guaranteed Bonds	
	The total value of Technical Assistance (TA) Funding mobilized	EUR 2.31 million GBP 250,000 US 2.70 million
	Longest tenor of bond issuance	15years
	Corporate infrastructure Bonds	
	InfraCredit Guaranteed Bonds	20 years
Financial Deepening	Value of green bond issuance	NGN 10.2 billion
	Number of participating institutional investors (Pension Funds)	19
	Number of participating institutional investors (Insurance)	5
	Number of participating institutional investors (Others)	17

Our commitment to financial inclusion also involves providing technical assistance and capacity-building support to first-time issuers. This ensures that they are well-prepared to meet market requirements and sustain their participation in the bond market over the long term.

## Diversity, Inclusion & Equal Opportunities

### Gender Equality

We recognize and value diversity in the workplace for its role in promoting tolerance, open-mindedness, and the acceptance of different opinions. Diversity, equality, and inclusion (DEI) are key in creating high-performing teams and driving our organization to succeed, both now and in the future. A core aspect of DEI is gender parity, which for us means empowering women to contribute to their own growth and development, their careers, their families, and the economy. This also enhances their opportunities to gain new skills and self-reliance. We are committed to achieving balanced gender representation and fostering a culture of equality and diversity in our workplace.

Our Gender Policy provides guidelines for adopting organization-wide gender-equitable policies and practices. This ensures a culture where women and men are duly represented, valued, rewarded, and given equal responsibilities and opportunities to fulfill their potential. In 2023, we expanded our efforts towards promoting gender equality and empowering women by focusing on improving employment practices, creating more training opportunities, and enhancing the fair distribution of contracts.

Inclusion is a key part of our people strategy. Through a well-defined approach, we aim to promote female representation across our workforce, setting a target to be gender-balanced by 2030. In 2023, we increased our female representation by 15%, achieving a male-to-female ratio of 51:49, up from a ratio of 62:38 in the previous year.

Our strategy adopts a bottom-up approach through our STAR Academy, aiming to promote the organic growth of females in the workforce and the infrastructure finance sector. The program has a minimum of 60% female admission in its annual intake. This will, in a few years, lead to females being more represented across the workforce, in middle management, and eventually in succession planning, where we deputize females in all teams, grooming them for the next cycle of leadership.

We ensure that our projects enhance women's economic empowerment by aligning with the 2X Challenge, a global initiative of Development Finance Institutions (DFIs) committed to catalyzing capital for investments with a gender lens. For the infrastructure sector, the 2X Challenge sets a threshold of 30% for women's participation. By aligning with this strategy, we support projects where women hold 30-50% ownership, are in senior management or on the board, are a significant part of the workforce, or where the product/service disproportionately benefits women.

We have incorporated specific gender indicators into our Monitoring, Learning & Evaluation (MEL) Framework to track these requirements on our portfolio company's projects on a quarterly basis. By doing so, we ensure ongoing commitment to gender equality and the empowerment of women within our operations and the broader community.



## Sustainability Governance

We understand that sustainable business practices are not only a matter of corporate responsibility but also a critical strategic priority. Our dedication to sustainability is deeply woven into the fabric of our operations, reflecting its importance as a core element of our overall business strategy. This section of our sustainability report highlights our performance across key material governance topics relevant to our business activities.

Moreover, we extend this commitment by encouraging our portfolio companies to integrate these governance topics into their own practices and operations, ensuring a unified approach to sustainability across our broader ecosystem.

## Tax

We are dedicated to responsible tax practices, recognizing their importance in supporting economic and social development. Our tax policy emphasizes compliance, transparency, ethical practices, and continuous stakeholder engagement. In the reporting period, we made a total tax payment of N599,649,000 (includes minimum tax, current income taxes and payroll taxes) which is appropriated by the government to support public service and infrastructure development.

We provide clear disclosures on our tax practices in our financial statements, including tax rate reconciliation and information on deferred taxes. Our engagement with tax authorities ensures compliance and constructive dialogue in compliance with applicable tax regulations in Nigeria.

Moving forward, we commit to maintaining high standards of tax compliance, enhancing transparency, and participating in discussions on tax policy and reform to promote a fair and sustainable tax system. This approach is integral to our overall sustainability strategy and reflects our commitment to being a responsible corporate citizen.

## Anti-Corruption

We are unwavering in our commitment to integrity and transparency, which is exemplified by our comprehensive “Anti-Corruption” policy. This policy is a testament to our dedication to preventing, detecting, and addressing corruption, bribery, and unethical conduct within our operations and in our dealings with partners and stakeholders. In a significant stride towards international recognition, Our Anti-Bribery Management System has been certified as ISO 37001 compliant by Lloyd’s Register. This certification is a testament to the robustness of our Compliance and Anti-bribery Program and underscores our commitment to maintaining the highest international anti-bribery standards, particularly in the challenging frontier market where we operate.

Our anti-corruption efforts are further reinforced by proactive educational initiatives, such as the Anti-Money Laundering and Anti-Bribery Training Session held in August 2023. This session was attended by a total of 53 staff members, reflecting our resolve to ensure that every member of our team is equipped

with the knowledge and tools to uphold our ethical standards. The zero-tolerance stance on corruption is ingrained in our corporate culture, promoting honesty and accountability at all levels.

This proactive approach to anti-corruption reinforces our reputation as a leader in sustainability and underscores our long-term commitment to fostering a culture of accountability and ethical excellence.

## Data Protection and Cyber Security

At InfraCredit, our commitment to sustainability extends beyond environmental stewardship to encompass robust data protection practices, ensuring the security and integrity of all stakeholders' information. We are a Nigeria Data Protection Regulation (NDPR) compliant organization, and our privacy policy, available on our website, discloses the extent to which we use the information we receive from our service users, and how we ensure the protection of data from all our stakeholders.

Recognizing the critical importance of data in today's digital landscape, we have implemented comprehensive measures to safeguard personal and sensitive data from unauthorized access, breaches, and cyber threats. Our data protection framework is built on industry best practices, incorporating advanced encryption technologies, regular security audits, and stringent access controls.

Additionally, we conducted Quarterly Cybersecurity Training for all staff in March 2023 and September 2023, with a total of 42 and 43 participants, respectively. By prioritizing data protection, InfraCredit not only complies with global regulatory standards but also fosters trust and transparency with its clients, partners, and the broader community, reinforcing our dedication to sustainable and responsible business operations.

## Corporate Governance & Ethical Business Practices

We prioritize ethical conduct and are dedicated to creating a workplace that embodies dignity, respect, and fairness for all. We champion fair wages and reasonable working hours, ensuring that our employees are valued, and their rights are protected.

Our ethical responsibility extends to our network of partners and portfolio companies. We hold them to the same high standards, expecting them to respect and advocate for the rights we deem essential. Our collective commitment to labor rights guarantees a work environment across our ecosystem that is not only safe and inclusive but also free from discrimination and harassment.

By nurturing these principles, InfraCredit strengthens its business relationships and enhances the robustness of its credit guarantee services. Our unwavering commitment to ethical practices is key to delivering sustainable value and achieving our goal of long-term compliance.

## Whistleblowing

We are committed to cultivating a culture where speaking up is not just encouraged but entrenched. We recognize the importance of providing secure and reliable channels for our employees to report any suspected irregularities, human rights violations, and workplace misconduct. To facilitate this, we have established a 24/7 reporting system, including a dedicated email address and specific lines for calls and messages, ensuring that our employees can communicate their concerns with ease and confidence.

Our approach to handling misconduct is governed by clear disciplinary procedures and policies, which are designed to ensure that all disciplinary actions are conducted with fairness, impartiality, and consistency. We prioritize the confidentiality of our employees, making every effort to guarantee that they can raise issues without fear of retaliation. We maintain a strict policy against any form of retaliation towards whistleblowers, underscoring our commitment to their protection. We also guarantee the anonymity of whistleblowers and those that come forward to provide information that would help us curtail all forms of malpractices.

## Grievance Redress Mechanism.

We have established a public grievance mechanism to manage complaints and mitigate business risks from our portfolio companies. Our grievance procedure is aimed at:

- Addressing grievances of external shareholders relating to our activities and those of our portfolio companies
- Proactively reviewing and addressing grievance issues before they result in conflicts.
- Providing a practical and visible process for resolving grievances
- Eliminating or minimizing the occurrence of similar grievances

Our grievance procedure has the following core elements:

- Accessibility
- Fairness and transparency.
- Mediation
- Timely Resolution
- Two-way communication
- Monitoring, Auditing and Reporting

The steps involved in our public grievance procedure are guided by the IFC's Good Practice Note for Addressing Grievances in Project-affected Communities. The key steps are:



## Procurement Practices

We have identified the integral role that supply chain plays in our operations and in the overall success of our business. We also acknowledge that supply chain activities present potential risks that, if not properly managed, could disrupt our operations, damage our reputation, or negatively impact our financial performance. As such, we are committed to implementing comprehensive and proactive Supply Chain Risk Management (SCRM) practices.

In the reporting year, we developed a supply chain risk assessment framework for solar panel manufacturers, as we had realized the risks posed by the supply chain which includes original manufacturers, secondary manufacturers, modifiers of the equipment, distributors and Project Developers on the solar projects of our portfolio companies.



Supply chain risk management is a critical aspect of maintaining the integrity of our supply chain, especially when it comes to labor practices issues. When dealing with Solar Original Equipment Manufacturers (OEMs), we work towards ensuring that ethical labor practices are adhered to throughout the OEM supply chain. This is crucial for maintaining corporate social responsibility, complying with regulations, and protecting our brand's reputational capital.

We ensure transparency throughout the supply chain by meticulously tracing the origin of all materials and components used. This comprehensive tracking enables us to identify and address high-risk areas, fostering greater accountability and ethical practices among our suppliers. By maintaining a clear and detailed view of the supply chain, we can mitigate risks, uphold our standards, and promote sustainable and responsible sourcing.

## Alignment with Sustainable Development Goals (SDGs)

At InfraCredit, our sustainability efforts are deeply aligned with the provisions of the United Nations Sustainable Development Goals (SDGs). The United Nations' 17 Sustainable Development Goals provide a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Our portfolio activities directly align with seven of the SDGs, as outlined in the table.

How our portfolio companies' projects impact and align with the SDGs		
Sustainable Development Goal	Indicators	Outcome Data
Project Infrastructure		
	MW of Renewable Energy Installed	601.1
	Number of solar-powered telecommunications tower (PAT)	111
	KWp of Solar Mini-grids (Darway Coast, ACOB)	861.1KWp
	MT of LPG Storage Facility (Falcon, Gas Terminalling	15,000
	MW of installed gas-fired power plants	121.5MW
	Number of telecommunication towers (PAT, Hotspot)	884
	Total number of Logistics trucks (GPC and TSL data)	1017
Jobs supported		
	Total Direct jobs enabled or/ supported	4458
	Of which permanent	2690
	Of which temporary	1768
	Total temporary unskilled jobs enabled	264
	Total temporary skilled jobs enabled	345
	Total permanent unskilled jobs enabled	105
	Total permanent skilled jobs enabled	2585
Total Number of Youth Jobs (18-34) years	1293	
Gender		
	Total Number of female jobs supported	342
	Number of female jobs at the managerial level	41
	Percentage of female jobs at the managerial level	18%
	Number of female truck drivers (TSL only)	13

How our portfolio companies' projects impact and align with the SDGs		
Climate		
	GHG emissions avoided from Renewable Energy infrastructure	Over 451,000tCO <sub>2</sub> eq
Economy		
	Number of businesses with improved access to Infrastructure	Over 1047 SMEs
	Number of newly registered businesses with access to infrastructure in the Free Zone Area (LFZC data)	34
End-User Level Impact		
	Number of people with improved access to infrastructure	Over 1,000,000
	Number of households with improved access to grid electricity (NSP data)	Over 10,000,000

## United Nations Principles for Responsible Investment (UNPRI)

As signatories to the United Nations Principles for Responsible Investment (PRI), we are committed to integrating material environmental, social, and governance (ESG) factors into our investment processes. This framework guides us in assessing and managing ESG risks and opportunities, ensuring that our projects and partnerships align with sustainable and responsible investment principles.

We employ the PRI framework to systematically incorporate ESG considerations into our screening process for pipeline projects. By evaluating these factors, we aim to identify and mitigate potential risks early, thereby enhancing the resilience and sustainability of our investments.

We strive to align our processes with the requirements of the principles in our portfolio transactions. The tables below reflect how we have aligned with the principles in the reporting year.

Principles	Summary of Activities
<p><b>Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.</b></p>	<p>InfraCredit, in alignment with UN PRI Principle 1, is committed to integrating environmental, social, and governance (ESG) factors into our investment analysis and decision-making processes. InfraCredit recognizes that sustainable business practices are vital for long-term financial success and the well-being of the communities where it operates. In line with our E&amp;S Policy, InfraCredit conducts thorough due diligence, assessing not only the financial or technical aspects of potential investments but also considering the impact on the environment, society, and governance structures.</p> <p>When evaluating infrastructure projects, we assess the environmental and social implications of the project on local communities and proffer mitigants that need to be in place to reduce or avoid such risks from crystalizing. We seek investments that not only offer financial returns but also contribute positively to the sustainable development goals (SDGs). Incorporating ESG factors into our investment analysis helps us ensure that our portfolio aligns with responsible and ethical business practices.</p>
<p><b>Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.</b></p>	<p>We adhere to the UN PRI Principle 2 by incorporating ESG issues into our policies and practices.</p> <p>We recognize that our influence extends beyond the initial investment decision to ongoing ownership, which entails monitoring and reporting on the progress of our investments.</p> <p>We engage with potential portfolio companies prior to financial close, encouraging them to adopt sustainable business practices, improve corporate governance, and address social and environmental challenges.</p> <p>Through active participation in the decision-making processes of these companies, InfraCredit promotes the integration of ESG considerations. This involvement ensures that the companies we invest in are not only financially sound but also align with principles of responsible and sustainable business practices which in the long term will significantly contribute to the SDGs.</p>
<p><b>Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.</b></p>	<p>We actively seek appropriate disclosure on ESG issues from the entities in which we invest. We understand that transparency is key to responsible investing. InfraCredit engages with its investee companies to encourage comprehensive reporting on their ESG performance, ensuring that stakeholders have access to relevant information to make informed decisions.</p> <p>By promoting transparency and disclosure, we foster a culture of accountability that encourages portfolio companies to continually improve their ESG practices. This commitment to seeking appropriate disclosure contributes to the overall development of sustainable business practices within our investment portfolio.</p>

Principles	Summary of Activities
<p><b>Principle 4: We will promote acceptance and implementation of the principles within the investment industry.</b></p>	<p>InfraCredit collaborates with industry stakeholders, hosting and participating in forums, conferences, and initiatives both locally and internationally that advocate for responsible investing. InfraCredit shares its experiences and best practices with its ecosystem such as the Local Pensions Funds, Insurance companies, Project Developers, Development Partners (FCDO, KfW, AfDB, GuarantCo), encouraging other financial institutions to adopt similar approaches.</p> <p>Through these efforts, we play a role in shaping industry norms and standards, contributing to the widespread acceptance of responsible investment practices. By fostering a broader commitment to the UN PRI Principles, we seek to create a positive impact on the industry and drive collective efforts towards sustainable and responsible business practices</p>
<p><b>Principle 5: We will work together to enhance our effectiveness in implementing the principles.</b></p>	<p>We actively engage with other financial institutions, industry associations, and non-governmental organizations to share insights, challenges, and climate solutions related to ESG integration.</p> <p>Through collaborative initiatives, such as industry working groups and partnerships, InfraCredit contributes to the development of best practices, frameworks, and tools that enhance the effectiveness of implementing the UN PRI Principles. By working together with stakeholders, we aim to create a more robust and sustainable investment ecosystem.</p>
<p><b>Principle 6: We will report on our activities and progress towards implementing the principles.</b></p>	<p>We fulfill our commitment to UN PRI Principle 6 by regularly reporting on its activities and progress towards implementing the principles. We provide our stakeholders with transparent and detailed reports showcasing our efforts in integrating ESG factors into investment decisions, engaging with investee companies, and promoting responsible business practices within the industry.</p> <p>Our Sustainability and Impact reports demonstrate accountability and transparency, allowing stakeholders to assess our commitment to sustainable and responsible investing. The reports also serve as a tool for continuous improvement, as they provide insights that inform future strategies and initiatives in alignment with the UN PRI Principles</p>

## Impact Principles

InfraCredit is proud to be a signatory to the Impact Principles, a framework that guides us in designing, implementing, and managing our development impact at multiple levels—market, project, and end-user. This commitment ensures that impact considerations are embedded throughout our project guarantee lifecycle, enhancing the credibility of the Nigerian capital market and mitigating the risk of impact washing.



We ensure that our processes align with the principles' requirements in all our portfolio transactions.

The table below illustrates our alignment with these principle during the period under review.

Principles	Summary of Activities
<p><b>Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.</b></p>	<p>InfraCredit is dedicated to facilitating long-term infrastructure financing in Nigeria by offering local currency guarantees to boost the issuance of corporate infrastructure debt instruments. Acting as a catalyst, InfraCredit aims to attract investment interest from pension funds, insurance firms, and other long-term investors, thereby contributing to the deepening of the Nigerian debt capital markets.</p> <p>InfraCredit applies the Impact Principles through our strategic Theory of Change (ToC) which articulates a bold ambition to “transform the debt capital market and increase infrastructure development in Nigeria to drive economic growth and improve quality of life in an environmentally sustainable manner”.</p> <p>Our Theory of Change is hinged on three pillars, delineating a logical pathway through which its activities address constraints at the market, project, and end user levels to accomplish its strategic mission.</p> <p><b>Market level:</b> We will grow the debt capital market, investor base, and new sources of funding for infrastructure financing. We will also support to create an enabling environment with beneficial regulations and incentives, as well as connected networks of actors, to encourage infrastructure development.</p> <p><b>Project level:</b> We will allow infrastructure project developers access to longer-term funding at competitive rates. This strategic approach is designed to enable the more frequent, successful, and sustainable execution of high-impact and feasible projects, ultimately contributing to job creation.</p> <p><b>End User:</b> Our initiatives are anticipated to result in enhanced infrastructure access, reliability, and resilience, thereby contributing to improved livelihoods. The positive outcomes of these efforts are expected to facilitate increased business productivity, subsequently fostering economic growth and contributing to overall social development.</p> <ul style="list-style-type: none"> <li>• Through our ToC, we aim to: <ul style="list-style-type: none"> <li>o Transform the debt capital market and increase infrastructure development in Nigeria; Catalyze the unlocking of long-term local currency capital for infrastructure financing in Nigeria.</li> </ul> </li> <li>• Actively identify and support viable investments in all eligible transaction sectors.</li> <li>• Intervene in two ways: alleviate financing bottlenecks (through guarantees and other innovations) and build investor understanding to increase their appetite for infrastructure financing.</li> <li>• Improve intermediation capacity and mobilize additional sources of financing to infrastructure projects; and</li> <li>• Ultimately, drive economic growth, and improve the quality of people’s lives in an environmentally sustainable manner.</li> </ul> <p>To quantify these outcomes and track our efforts, we have implemented a set of indicators (and sub-indicators) that combines the UN Sustainable Development Goals (SDGs) and our internal metrics. These indicators bring an SDG perspective to the assessment and reporting of our activities, with the ultimate goal of assisting in the achievement of the SDGs. The InfraCredit development impact assessment tool supports in the incorporation of data and tracking progress towards our impact goals.</p>

Principles	Summary of Activities
<p><b>Principle 2: Manage strategic impact on a portfolio basis.</b></p>	<p>Our Monitoring, Evaluation, and Learning (MEL) Framework which was revised in 2023 was developed to promote a culture of accountability and impact-driven decision-making, which mandates significant improvements to our operations, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Routine monitoring and data collection to build a knowledge-base for impact assessment and reporting;</li> <li>• Aggregation and analyses of data from all relevant partners and sources by an inhouse development impact team to identify bottlenecks and best practices.</li> <li>• Periodic evaluation studies to understand the wider ecosystem shifts attributable to our operations.</li> <li>• Application of an impact lens across our investment cycle.</li> <li>• Making our DI monitoring central to our end-to-end investment process and approach.</li> <li>• Leveraging measurement and evaluation to provide actionable recommendations to inform senior decision-makers.</li> </ul> <p>Our designed Impact Assessment Checklist assigns impact scores to each transaction in various categories such as job creation, gender and youth inclusion, climate change, economic contributions at the individual, household, and corporate levels, and quality of access to infrastructure services.</p> <p>Our DI Lead is responsible for ensuring that the portfolio is on track to achieve its strategic DI mandate by collecting impact data from portfolio companies on a regular basis and facilitate training and capacity building sessions for designated DI data officers.</p> <p>A company-specific MEL Plan (which defines important SDG-aligned project impact indicators, guidelines on data collecting methodology, and reporting frequency) is developed for each transaction to support DI monitoring on a quarterly basis. As binding obligations from portfolio companies, the DI monitoring requirements are embedded into the legal paperwork as Environmental and Social (E&amp;S) and DI Covenants. The DI Database Tool is used to track impact across the three pillars (market, project, and end-user).</p> <p>Development impact data is published yearly in the Development Impact report, presenting each portfolio area's financial and development impact results.</p> <p>We have integrated staff incentive systems with impact accomplishment across all staff levels as best practices to the extent that was attainable within our People Strategy and compensation policy.</p>

Principles	Summary of Activities
<p><b>Principle 3: Establish the Manager’s contribution to the achievement of impact.</b></p>	<p>We are statutorily obliged to ensure that its financing activities are financially “additional” to private sector infrastructure businesses by mobilizing private funding from domestic institutional investors that would otherwise not be utilized without its assistance.</p> <p>We gather information from prospective clients about why our guarantee is crucial to obtaining local currency funding from the debt capital market. Typically, at the time of our intervention, all existing portfolio companies had not accessed capital markets funding and were first-time issuers who could only secure financing from domestic institutional investors based on our guarantee.</p> <p>Our New Business Committee (NBC) Paper points out preliminary impact assessments of transactions, and the Credit Committee (CC) Paper features sections on ESG and DI assessments, highlighting the probable impacts connected with the transaction to facilitate decision-making. The DI Assessment report includes baseline impact data acquired by appointed third party independent experts, as well as a MEL Plan for tracking impact post financial close.</p> <p>Our Development Impact Framework (the DI Framework), incorporates an Impact Additionality Framework which outlines the method for assessing the anticipated additional positive impact of its interventions, considering both financial and non-financial aspects. The evaluation is conducted across five categories, which include finance, design innovation, adherence to ESG standards, regulatory and policy improvements, and social and economic development. Each impact additionality category is assigned a score based on specific measures tailored to quantify a project’s additional value.</p> <p>We utilized Technical Assistance Fund to support the achievement of development impact of select transactions. Furthermore, we are actively exploring other climate aligned financial solutions like its blended finance mechanisms to stimulate and amplify financing for climate-aligned infrastructure, aiming for substantial positive environmental and social development outcomes.</p> <p>We consistently release development impact reports to its development partners, including KfW, GuarantCo, InfraCo Africa, and AfDB. Additionally, the organization is intensifying engagements with domestic institutional investors, with specific emphasis on providing impact reports that highlight the economic, social, and environmental outcomes resulting from their investments.</p>

Principles	Summary of Activities
<p><b>Principle 4: Assess the expected impact of each investment, based on a systematic approach.</b></p>	<p>We have incorporated an impact perspective into its transaction evaluation and assessment procedures. The DI Framework delineates crucial stages for integrating this impact perspective throughout the deal cycle, spanning from the initial assessment phase, through due diligence and structuring, to the portfolio management phase.</p> <p>During the Preliminary Phase, a DI screening is carried out to comprehend the scope and depth of impact associated with the transaction. The identified impact scope encompasses two categories of indicators: Core and Ancillary Indicators. Core Indicators refer to overarching and priority areas outlined in the Theory of Change, which are indicators that we track for all our transactions. Ancillary Indicators, on the other hand, address additional areas that impact the Sustainable Development Goals (SDGs) but are specific to the sector or project. The preliminary impact screening process guides decision-making for advancing to the due diligence phase, pending approval from the New Business Committee (NBC).</p> <p>We engage third party external consultants to conduct Impact Due Diligence on transactions, estimate the ex-ante impact, establish baseline and projected figures for anticipated impact. The Joint Impact Model is used to investigate the impact of infrastructure projects using indicators such as the installed megawatts of renewable energy, GHG emissions avoided from low-carbon or renewable energy initiatives, GHG emissions avoided through the implementation of energy-efficient designs, equipment, or processes, and the megawatts of installed capacity. A set of indicators for impact assessment align with the Harmonized Indicators for Private Sector Operations (HIPSO) and the Global Impact Investing Network’s (GIIN) “IRIS+” catalog of metrics.</p> <p>The DI Assessment Template incorporates SDG-aligned indicators, reflecting various impact themes (infrastructure stock, climate change, gender, job creation, and quality); impact beneficiaries (households, businesses, women, and youth); and impact depth (number of businesses with improved access to infrastructure and the number of women-owned or women-led businesses with enhanced access to infrastructure, number of skilled and unskilled workers etc.)</p> <p>Our ESG and Impact Team collaborate with Transaction Teams to ascertain the Impact Evaluation Score for transactions. They document the baseline and expected impact resulting from the due diligence process in the Credit Paper, seeking approval from the Credit Committee. Following due diligence findings, a Monitoring, Evaluation, and Learning (MEL) Plan is formulated and shared with the client before being incorporated into the Recourse Deed.</p> <p>Our DI Framework offers flexibility in exploring strategies to enhance the development impact of projects guaranteed by us throughout their life cycle. The implementation of this framework is continuously evolving as we leverage lessons learned to refine our processes and practices, aligning them with international best practices.</p>

Principles	Summary of Activities
<p><b>Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment.</b></p>	<p>Our recently revised Environmental and Social Policy underscores our dedication to supporting sustainable and climate-resilient infrastructure development. We achieve this by employing the mitigation hierarchy to identify, assess, and manage environmental and social (E&amp;S) risks and impacts associated with infrastructure projects. Our approach to evaluating and managing E&amp;S risks aligns with leading principles and standards, including but not limited to the International Finance Corporation Performance (IFC) Standards on Environmental and Social Sustainability (2012), AfDB Operational Safeguards, World Bank Environment, Health and Social (EHS) Guidelines, Equator Principles, International Labour Organization’s Conventions, Voluntary Principles on Security and Human Rights, and the United Nations Principles for Responsible Investment (UN PRI).</p> <p>In every transaction, we utilize the Exclusion List to exclude projects that do not meet the criteria outlined in our Environmental and Social (E&amp;S) Policy. We also conduct an Initial E&amp;S Screening to identify significant issues and categorize the transaction as either A (High Risk), B (Medium Risk), or C (Low Risk). This categorization guides the level of scrutiny applied during the subsequent due diligence phase.</p> <p>We engaged independent Environmental and Social (E&amp;S) consultants to conduct a thorough due diligence assessment of clients’ operations. This process involves benchmarking their activities and performance against the criteria outlined in the IFC Performance Standards and AfDB Operational Safeguards. The results of the E&amp;S Due Diligence are integrated into the Credit Paper for approval by the Committee. The Environmental and Social Action Plan (ESAP) is collaboratively discussed with the client to ensure their commitment to implementing the recommendations within specified timelines by applicable guidelines.</p> <p>In the case of a Category A project, we share project details with pertinent Development Partners and develops an Environmental and Social Review Summary (ESRS). This summary outlines crucial information regarding potential environmental and social (E&amp;S) risks and impacts associated with the project. The ESRS is made publicly available on our website for a duration of 60 days before Credit Committee approval.</p> <p>Our ESG Team may propose adjustments to the systems, processes, and standards of the portfolio company, aligning them with Good International Industry Practices (GIIP). These stipulated changes are formalized as Environmental and Social (E&amp;S) Covenants within the legal agreement between us and the client. Additionally, the ESG Team may utilize technical assistance funds to address any identified gaps.</p> <p>To comprehensively evaluate the development potential of each project, the DI Framework includes the measurement of the completion of the E&amp;S Action Plan, which addresses risks and impacts, and explores key ESG opportunities. Additionally, we are exploring the implementation of a Performance-linked Incentive System designed to encourage clients to achieve and realize development impact goals.</p> <p>In 2023, we developed a Gender Policy, adopted the 2x Challenge Screening criteria for our project assessment towards improving gender outcomes in projects financed.</p>

Principles	Summary of Activities
<p><b>Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.</b></p>	<p>Our DI Framework describes the procedures for data gathering from portfolio projects. A set of Data Collection Templates, including the Preliminary Information Checklist, Portfolio Data Template, and Climate Data Template, has been designed to collect data from portfolio companies every quarter.</p> <p>The DI Framework provides extensive guidance on the impact measurement process at three levels: market, project (sector-specific), and end-user. The table of indicators within the framework offers guidance on relevant indicators (main and sub-indicators) including the unit of measurement, data source, methodology for projection, monitoring responsibility, monitoring frequency, and the monitoring stage within the transaction process.</p> <p>Our ESG and Impact Team gathers development impact data according to the Monitoring, Evaluation, and Learning (MEL) Plan established during the transaction phase. Portfolio companies are required to submit impact data quarterly beginning from project initiation.</p> <p>In addition to the quarterly reporting, we have recently initiated an annual impact monitoring process for portfolio projects conducted by an independent ESG consultant to evaluate the impact generated through guaranteed portfolios. This approach complements the regular data collection system, providing valuable insights and lessons learned for process improvement as the implementation of the DI Framework develops.</p> <p>We are set to carry out end-user surveys as a supplementary measure to enhance impact reporting from portfolio companies. This survey aims to gather both quantitative and qualitative data on the outcomes and impact resulting from our interventions. As part of the Recourse Deed, portfolio clients have committed to facilitating the collection of evidence-based impact data, either through physical site visits to their operational sites and related entities or through electronic platforms.</p> <p>We reserve the right to revise project Impact Score under certain circumstances, such as when the original objectives become unrealistic or when a project seeks additional financing for the ongoing development of infrastructure.</p>
<p><b>Principle 7: Conduct exits considering the effect on sustained impact.</b></p>	<p>We provide support to projects either through direct guarantees or via a blended finance approach. Throughout the bond's tenor, any alterations in project ownership or significant involvement of initial participants typically necessitate our consent.</p> <p>Our Theory of Change sets the foundation on which the infrastructure projects it supports will be developed, ensuring an environmentally sustainable and socially acceptable practices, fostering economic prosperity and improving the quality of life.</p> <p>Through ongoing capacity building, we aim to instill an impact-oriented perspective in portfolio operations and is actively exploring mechanisms to incentivize the adoption of an impact mindset among portfolio companies. The long-term strategy remains engraining a culture of environmental and social sustainability in companies' operations, ensuring the continuation of positive development outcomes even after the bond's tenor concludes. However, there is no legally binding commitment for portfolio companies to maintain this level of commitment after exit.</p> <p>Following our DI Framework, periodic Impact Evaluations will be carried out to assess whether and how our intervention has led to a measurable impact. This initial impact evaluation was carried out this year 2023.</p>

Principles	Summary of Activities
<p><b>Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.</b></p>	<p>Our DI Framework implementation is in a state of constant advancement, drawing insights from lessons learned over the past year. Concurrently, efforts are underway to fortify the ESG and Impact Team, augmenting internal capacity to consistently measure project impacts, guided by leading practices.</p> <p>We are placing a specific emphasis on enhancing its ability to evaluate the core impacts of each project and demonstrate its progress toward achieving development objectives. We are deliberately incorporating lessons learned from previous experiences to refine existing processes and bolster institutional capacity for the effective implementation of a robust DI Framework.</p> <p>We scheduled Impact Performance Evaluations for specific projects, is aimed at deriving valuable insights that will guide the design of future projects and enhance the implementation of the DI Framework. We are in the process of developing a DI Management Information System, intended to improve the effectiveness and efficiency of impact tracking, monitoring, and reporting.</p>
<p><b>Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.</b></p>	<p>We officially initiated the pilot implementation of its DI Framework in 2021. Numerous critical impact components, including processes, systems, strategies, metrics, and policies, are undergoing thorough review and updates. This is part of the ongoing efforts to enhance internal processes and ensure alignment with industry best practices.</p> <p>As part of the ongoing efforts to enhance the Framework, we would conduct a 3rd party verification of our alignment with the Impact Principles in Q1 2024. The results of this verification will be publicly available on our website.</p> <p>We would publish the impact report disclosure statement on our website.</p>

# InfraCredit's Impact on Portfolio Company's

We take immense pride in the transformative impact that our portfolio companies have achieved in fostering sustainable development across Nigeria. Our commitment to bridging the infrastructure gap is realized through empowering visionary companies that champion sustainability, innovation, and community upliftment. Here, we share inspiring stories and testimonials from our portfolio companies that got their first financing in 2023, highlighting the far-reaching benefits of our solutions and initiatives.

## Modern Shelter

Modern Shelter was established in 2015 as a real estate development, brokerage, and marketing company and has developed over 400 housing units and sold over 800 housing units (as brokers), while facilitating over 300 mortgages. Modern Shelter evolved into a core housing development company for EDGE certifiable projects, competing against market leaders and acquiring large areas of land across the Northern region of Nigeria.

The Modern Shelter Project became the pilot transaction under InfraCredit's Affordable Housing Funding Programme (AFHP). AFHP seeks to scale up private sector financing of affordable local currency capital for eligible affordable housing infrastructure for eligible homebuyers in Nigeria by co-financing debt capital alongside local currency guarantees from InfraCredit.

With InfraCredit's guarantee, in December 2023, Modern Shelter was able to secure a NGN3 billion 4-year, 15% Shelter Afrique Loan Facility, with a 12-month moratorium on the principal amount, as the first tranche of the approved debt programme of NGN12.5 billion for up to 10 years.



Modern Shelter Housing Units

## Hotspot Network Limited

Hotspot is a telecommunication infrastructure, rural telephony network, renewable energy, and ICT company founded in 2008 with operations across Nigeria. Hotspot provides rural telephony services and manages and rents tower infrastructure sites to MNOs and internet service providers (ISPs) alike, to host their antennas, base stations, and their transmission equipment. Hotspot has built and leased over 100 base stations to major MNOs like Airtel and 9Mobile.

Under the Project, Hotspot established the special purpose vehicle, Micropolitan Mobile Connectivity Limited to raise local currency finance from the debt capital markets, to build, own, and operate 120 solar-powered mobile network base stations in select rural communities in collaboration with MNOs in Nigeria.



The Project involves the deployment of telecoms voice and data networks in partnership with MTN and other Mobile Network Operators (MNOs) in the country. Under a partnership with the largest Mobile Network Company, the Company targets up to 500 base stations within 1 year with an intention to scale to up to 2,000 sites over a three (3) to seven (7) year period, under which it will build, own, and operate mobile network base stations in select rural communities in Nigeria.

On June 3, 2023, Hotspot Network Limited issued an NGN 955 million 7-Year Series 1 Fixed Rate Guaranteed Senior Green Infrastructure Bonds Due in 2030 (“the Hotspot Series 1 Bond”) under a NGN50 billion Debt Issuance Program. The bond is blended with NGN 955 million in first loss subordinated concessionary loan capital from the Foreign, Commonwealth, and Development Office (FCDO).



### Coleman Technical Industries Limited

Coleman is a market leader in the wires & cables sub-sector in Nigeria, providing critical resources utilized in infrastructure projects. The Company adopts a business to business (B2B) strategy, with customers spanning diverse sectors including power, oil & gas, fast moving consumer goods, real estate and telecoms, offering low, medium, and high voltage cables. We note that Coleman’s products

are key inputs intrinsically linked to infrastructure growth and development of the Nigerian economy, owing to the significant importance of cables and wires which accounts for 15% of infrastructure projects in Nigeria. Coleman is the first indigenous wire & cable company to establish a fibre optic manufacturing facility in Nigeria.



On July 14, 2023, InfraCredit guaranteed a 7-Year NGN 10 billion Bank of Industry loan facility to Coleman Technical Industries Limited (“Coleman”). The proceeds of the debt facility were utilized to finance the completion of a fibre optic cable factory in Arepo, Ogun State, completion of the fibre optics cable factory in Arepo, completion of the Sagamu IV high-capacity distribution and power cables construction.

### Abuja Steel Mills Limited

Incorporated in 2004, Abuja Steel Mills Limited commenced production in 2013, manufacturing high strength reinforcement bars (“rebars”) from its factory located in Sabon Wuse, Niger State (North Central, Nigeria). The Company is owned by African Steel Holdings Limited, a subsidiary of African Industries Group (“AIG”), a conglomerate with diverse business operations in Nigeria ranging from the manufacturing of steel, glass, plastic, lead, plywood, aluminium products, and chemicals as well as the generation of power (with an installed capacity of 110MW). The Group commenced operations in 1971 and controls a significant share (about 60 percent) of the steel industry in Nigeria.



The Project involves the modification and expansion of Abuja Steel’s existing melting and rolling mills, the acquisition of Direct Reduced Iron (“DRI”) Storage System and Gasifier plant to generate gas used for the reheating furnace, and the installation of a 132KV Double Circuit Transmission Line.

With InfraCredit’s guarantee, Abuja Steel was able to access a 7-year concessionary funding of NGN10 Billion from the Bank of Industry (BOI).

### Elektron Energy

Elektron Energy is an energy infrastructure development company focused on developing and operating sustainable energy infrastructure projects in Nigeria and currently supplies power to Lagos State Government (LASG) in the Alausa Secretariat through its wholly owned subsidiary Alausa Power Limited (APL). APL commenced operations in 2013 and operates a 10.6MW IPP under a 10-year PPA with LASG.

The Project relates to the construction of a 30MW gas-fired reciprocating engine power plant, a modular power plant comprising three generating units of 10MW each which will evacuate power to commercial and residential customers in Victoria Island on a willing buyer and willing seller basis. The Project is expected to result in increased availability, quality, and reliability of power and cost reduction of up to 20% by migrating quality

customers from the grid to the power plant as the primary source of power.



Project launch of the Victoria Island Power Limited (VI Power) 30MW natural gas fired embedded generation plant.

In 2023, VI Power a special project vehicle of Elektron Energy secured a NGN9.2 billion, 7-year Bank of Industry Loan Facility with an 18-month moratorium on the principal amount. It also secured a NGN3.8 billion 3-year bridge-to-bond facility from NSIA Construction Finance Warehouse Facility. In the last quarter of the year, it secured a NGN3 billion 18-month bridge-to-bond facility from the Stanbic IBTC Infrastructure Fund. The net proceeds will be used to finance the capital expenditure related to the construction of the 30MW gas-fired reciprocating engine power plant.

### ME CURE INDUSTRIES PLC (“ME CURE”)

Me Cure is a leading manufacturer of medicines in Nigeria, having almost two decades of operational experience in medicine manufacturing in Nigeria. The Company produces primarily branded generic and over-the-counter medicines from its pharmaceutical facility in Lagos state. The Company has 142 medicine formulations in oral solid and oral liquid form across four product segments including acute medications i.e.,

antibiotics, analgesics, antihistamines, antacids, and expectorants), chronic medications (i.e., antiulcer), multivitamins and nutraceuticals.



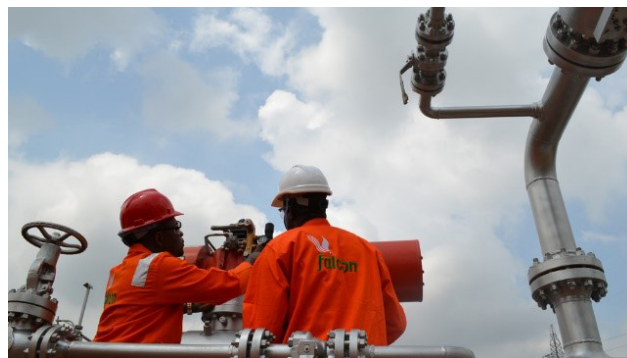
As part of the Company's plans to expand its operations through new product development, the Company intends to add two new pharmaceutical plants to produce Amoxyclav and Corticosteroid, which is used in the treatment of bacterial infections. The projected capacity for the Amoxyclav and Corticosteroid plants is set at 2.85 billion tablets and 337 million tablets per annum, respectively.

With InfraCredit's guarantee, Me Cure was able to secure a NGN4 billion 12-month 15% bridge-to-bond facility from the NSIA Construction Warehouse Finance Facility and a NGN2.5 billion 12 – month 16.75% bridge loan facility from Stanbic IBTC Infrastructure fund.

### Falcon Corporation Limited

Falcon Corporation Limited is a leading indigenous Midstream and Downstream Gas Company incorporated in 1994. Falcon is the strategic partner of the Nigerian Gas Marketing Company Limited (NGMC), a subsidiary of the Nigerian National Petroleum Company (NNPC), under a Build, Operate and Transfer (BOT) arrangement for the Ikorodu Gas Distribution Zone. The Company is currently diversifying its business operations, expanding into LPG distribution to bulk offtakers. The loan proceeds are being deployed to part-finance the development and construction of a 10,000MT capacity LPG storage facility and dedicated jetty in Rumuolumeni, Port Harcourt as

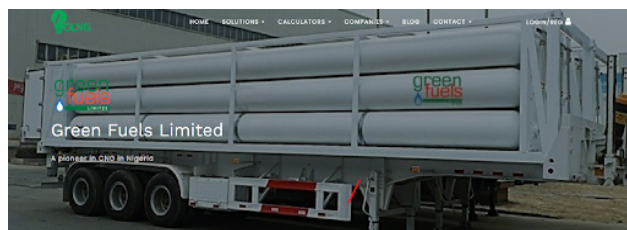
phase one of the Company's diversification plan.



In June 2023, Falcon obtained a NGN3.0 billion 7-year Series Bank of Industry Loan Facility, with a 24-month moratorium on the principal amount. The net proceeds will be utilized to part-finance the development and construction of a 10,000MT capacity liquified petroleum gas (LPG) storage facility and dedicated jetty in Port Harcourt, Rivers State as phase one of the Company's diversification plan.

### Green Fuels Limited (GFL)

Green Fuels Limited (GFL) was incorporated in 2007 to operate a CNG processing and distribution business with diverse industrial customers in locations without access to piped gas infrastructure in Southwest, Nigeria.



In July 2018, Green Liquefied Natural Gas (GLNG) was established by green fuel limited ("GFL") and it uses virtual pipeline systems to process and deliver liquified natural gas solutions to industrial users in off-pipeline areas while providing captive gas solutions to them. This decision was driven by the increasing demand for natural gas by industrial users, including some of GFL's existing compressed natural gas customers.

The bonds proceed is to fund the development of a 200,000 standard cubic meter per day Liquefied Natural Gas (LNG) liquefaction facility, the installation of five regasification systems for customers, the procurement and installation of storage tanks with a total capacity of 2,150 cubic meters at both the liquefaction and regasification plants, and the acquisition of 16 LNG transport trucks with a capacity of 21.6 tonnes for logistics purposes.

On 14 June 2023, InfraCredit announced its guarantee of GLNG Funding SPV PLC's NGN5.0 billion 10-Year Series I Senior Guaranteed Fixed Rate Infrastructure Bonds Due 2033 (the "GLNG Series I Bonds" or "Bonds") under the N50 billion Debt Issuance Programme. GLNG Funding SPV PLC is a special purpose funding vehicle established by the promoters of Green Liquefied Natural Gas Limited ("GLNG") and Green Fuels Limited ("GFL") as part of GLNG Group's capital-raising plan.

### Asiko Power Limited



Asiko Power Limited was incorporated in November 2008 to engage in the trading and distribution of LPG (Propane) for households, commercial and industrial, and the provision of Gas-to-Power (GTP) solutions, utilizing Propane as a cleaner and cheaper fuel source. The Company maintains

strategic partnerships with original equipment manufacturers (OEMs), enabling Asiko to offer GTP solutions to customers from as low as 20 KVA to as large as 10,000 KVA. Asiko also deploys Gas-to-Heating and Gas-to-Cooling systems which can be integrated with its power plants to achieve thermal efficiency of up to 80%. The Company operates an efficient logistics business with a fleet of trucks, pick up vans and other vehicles, through which it delivers gas to its customers.

The bonds proceed is deployed to finance the purchase of dual fuel (propane/natural gas) engines (to power fourteen (14) Union Bank of Nigeria Plc ("Union Bank" or "UBN") branches under a PPA); and finance the purchase of propane logistics equipment and accessories.

### Gas Terminalling

Gas Terminalling Storage Company Limited ("GTSL") is a wholly indigenous midstream and downstream gas company that engages in the provision of gas terminalling, storage and throughput services to sister companies within the group as well as third party customers. The Group operates across the country and serves thousands of customers with a total LPG storage capacity of 1,300 MT spread out across several commercial hubs such as Lagos, Abuja, Kano, Ilorin, Suleja etc. The Group also owns 28 LPG delivery trucks with a capacity of 560 MT, which enables the Group to move over 7,000 MT of product monthly.

In December 2023, the Company accessed an NGN8.5 billion bridge-to-bond facility guaranteed by InfraCredit, with proceeds deployed towards the completion of a 3,000MT (the initial phase of the planned 5,000MT) propane rated LPG terminal facility in Lagos, Nigeria.

# Adapting to new developments

## Our journey to adopting the IFRS S1 & S2 Standard

As a company at the forefront of financial transparency and sustainability, InfraCredit is actively navigating the complex landscape of adopting the IFRS S1 and S2 standards. Recognizing the increasing importance of these standards in the global market, we have initiated a comprehensive strategy to integrate the principles of sustainability reporting into our financial framework.

The journey began with an analysis of InfraCredit's current reporting practices, identifying gaps and opportunities for enhancement in line with the requirements of the new standards. To facilitate this transition, we have established a dedicated task force comprising cross-functional teams with expertise in finance, sustainability, and compliance. This taskforce is charged with the responsibility of ensuring that our reporting mechanisms are robust, transparent, and capable of capturing the relevant sustainability information.

In parallel, we are investing in training and development programs to upskill our workforce, ensuring that employees at all levels understand the significance of these standards and are equipped to contribute to our sustainability objectives. We are also engaging with stakeholders, including investors, customers, and regulatory bodies, to communicate our commitment to sustainability reporting and to seek feedback that will enhance our approach.

While the full adoption of the IFRS S1 and S2 standards is a complex and ongoing process, InfraCredit is making significant strides. By laying a solid foundation and demonstrating a clear commitment to sustainability reporting, we are not only preparing to meet the future demands of the financial reporting landscape but also positioning ourselves as a leader in corporate responsibility and performance disclosures.

## Opportunities for Innovation and Strategic Priorities

In today's rapidly changing environmental and regulatory landscape, InfraCredit is uniquely positioned to enhance its sustainability efforts and strengthen its competitive edge through innovation. Our focus on sustainable infrastructure financing presents numerous opportunities for strategic growth. As the global financial system shifts towards prioritizing sustainability, we can lead by pioneering green finance solutions such as green bonds and sustainability-linked loans, driving investment in projects with significant environmental and social benefits.

Additionally, the sustainability movement offers us the chance to support innovative infrastructure development. By prioritizing the financing of projects involving renewable energy, energy efficiency, and use of sustainable materials, we can establish ourselves as a key player in advancing low-carbon infrastructure. Collaborating with technology providers and research institutions will further enable the creation of cutting-edge solutions that align with evolving sustainability standards and regulations.



## Looking Ahead

As we forge ahead on our path to building a sustainable business, we have gathered invaluable insights and refined our approach to match evolving responsibilities. First and foremost, the importance of integrating sustainability into our core business strategy cannot be overstated. By aligning our environmental, social, and governance (ESG) goals with our overall mission, we have achieved more cohesive and impactful outcomes.

Engagement with stakeholders is another key lesson. Regular dialogue with clients, employees, investors, and community members has provided invaluable insights and fostered a culture of transparency and accountability. This engagement has been instrumental in identifying areas for improvement and innovation.

Data Protection and Cyber Security-driven decision-making has also proven essential. By leveraging robust data analytics, we have been able to track our progress, measure our impact, and make informed adjustments to our strategies. This approach ensures that our efforts are both efficient, effective and secured.

In terms of best practices, setting clear, measurable goals has been vital. These goals provide a roadmap for our sustainability efforts and allow us to monitor and report on our achievements systematically. Additionally, continuous education and training for our staff on sustainability issues have empowered them to contribute meaningfully to our initiatives.

Lastly, Partnership with other organizations and participation in industry-wide sustainability efforts have amplified our impact. By sharing knowledge and resources, we are better equipped to tackle the complex challenges of sustainability and foster meaningful change.

# GRI Reporting Index

<b>Statement of Use</b>	InfraCredit has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards
<b>Full Term Employees</b>	GRI 1: Foundation 2021

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2-5	External Assurance	Not Available	
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