



Afreximbank ESG Report 2024

Driving Sustainable Growth for Global Africa



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This is an interactive document

FOREWORD

PRESIDENT'S STATEMENT

I am delighted to introduce African Export-Import Bank's inaugural Environmental Social and Governance (ESG) Report. ESG considerations have become mainstream in the development discourse in recent years. Across the developing world, particularly Africa and the Caribbean, ESG issues have become topical considerations for an equitable, prosperous, and sustainable future.

For regions searching for sustainable development, adherence to the ESG principles is imperative to leveraging global development support and attracting global investments into productive sectors of these economies. This report, therefore, sets out the progress Afreximbank has made towards creating sustainable economies, taking cognisance of the Bank's mandate, Africa's sustainable development priorities as outlined in the African Union Agenda 2063, as well as the 2023 African Leaders' Nairobi Declaration on Climate Change as foundational elements. In this regard, the report outlines the initiatives the Bank has implemented to achieve its ESG goals in Africa and the Caribbean.

The report provides insights into some pressing challenges to Africa, the Caribbean, and globally, including the urgent need for robust and effective interventions and the steps the Bank is taking in this regard. The need for change cannot be overstated as the future existence of life on the planet comes under threat from environmental degradation and the increased frequency of climate-related emergencies. Across the continent of Africa and in the Caribbean, there is an increased prevalence of flooding, droughts, heatwaves, rising sea levels, landslides, desertification, etc., as evidence of the ecosystems' rapid destruction.

These environmental and climate-related emergencies are multidimensional in their impact, resulting in socioeconomic costs to communities and governments. For example, the drought and frequent flooding experienced in some parts of Africa, as well as the recent hurricane Beryl in the Caribbean, resulted in untold hardship for the local population, including

forced migration, shortage of essential supplies, and adverse impact on agricultural production with attendant implications on food security. This reality is exacerbated by other pre-existing developmental challenges confronting the continent of Africa, such as limited access to electricity supply for over 600 million inhabitants, debt sustainability issues, absence of adequate healthcare services and infrastructure, and most pertinent, limited fiscal space in terms of the flow of critical financing for climate adaptation and mitigation, environmental protection, and development programmes. Africa and the Caribbean economies are at a decisive moment where they must pursue the twin objectives of environmental protection and sustainable development. Both regions must pursue development strategies that recognise the role of their natural resources and productive capabilities in realising their sustainable development objectives.

The report suggests that African governments and their counterparts in the Caribbean and continental/regional development institutions must deploy interventions designed to improve the quality of life and well-being of Africans wherever they reside while at the same time prioritising the preservation of the ecosystem for the benefit of present and future generations.

In line with these considerations, Afreximbank's current Strategic Plan (i.e., Plan VI 2022- 2026) aims to strengthen its ESG framework by implementing relevant operational and institutional structures to mainstream sustainability considerations in its operations. For example, the Bank recently concluded the enhancement of its ESG framework to align with leading market practices and continues to invest in capacity building for its staff members, clients, and management team. In the same vein, working with its partners, the Bank has commenced developing its Climate Finance Strategy and Sustainable Finance Framework as part of ongoing initiatives to strengthen its sustainability capabilities to take advantage of opportunities and manage related risks.

At Afreximbank, we are committed to taking the appropriate steps to forge sustainability pathways that align with leading market practices to achieve our development mandate of providing sustainable financing solutions to our member states. The Bank intends to contribute to the continent's climate adaptation and resilience through its Climate Adaptation Facility, which is expected to help close the financing gap for climate interventions across Africa and the Caribbean Community (CARICOM).

Furthermore, the report highlights the ESG goals Afreximbank would prioritise in the short to medium term to strengthen further ESG considerations across the Bank's financing, lending, investments, and internal operations. Importantly, it shall progressively improve its institutional capabilities by implementing capacity-building initiatives designed to support its clients and other key stakeholders whilst exploring new opportunities for collaboration with the Bank's partners in sustainability and development.

I hope you find the report engaging and a valuable source of information on the Bank's ESG practices and interventions tailored towards creating better opportunities for the continent of Africa and the Caribbean.

Thank you.

**Professor
Benedict Oramah**

*President and
Chairman of the
Board of Directors
African Export-
Import Bank*



GLOBAL AFRICA: THE AFRICA CARIBBEAN CONTEXT

Africa and the Caribbean do not just share a common history, they also suffer from similar development challenges and represent the world's most vulnerable regions to environmental or natural disasters. It is also not a coincidence that Africa and the Caribbean contribute about 4.0 percent and 0.3 percent of global carbon emissions respectively. However, both regions bear a disproportionate share of the burden from climate-related disasters and other consequences of the destruction of the natural environment. The manifestations of environmental degradation in the Caribbean islands are evidenced by the increasing incidents of disasters such as stronger hurricanes, cyclones, storms, and variations in weather patterns contributing to a rise in sea levels, flash floods, mudslides, etc. In recent years, the countries in the Caribbean islands have been exposed to disasters such as Hurricane Sandy in 2012, Hurricane Maria in 2017, Hurricane Sandy 2019, Hurricane Ian in 2022, and Hurricane Beryl in 2024 which left enormous losses

in the form of human fatalities, and significant socio-economic costs. The African continent has had its share of natural disasters and continues to experience the prevalence of emergencies attributed to extreme weather events and climate change. For example, in 2023, tropical cyclone Freddie ravaged parts of Malawi leaving several people dead and many displaced from their homes, affecting countries like Madagascar, Mauritius, and Zimbabwe. In the same vein, some countries in the continent, especially the Sahel region and the Horn of Africa, continue to bear the brunt of the unrelenting and severe drought in Ethiopia, Somalia, Niger, Djibouti, Kenya, etc., translating to food insecurity, and other humanitarian concerns.

The assessment of the impacts of climate and environmental emergencies in Africa and the Caribbean also requires consideration of their social and developmental dimensions. The two regions are unique in this regard, given that they are equally grappling



with existential issues linked to climate resilience and mitigation as well as the pressure from the impacts of prevailing socio-economic challenges. The costs of climate mitigation and adaptation interventions are estimated to be around US\$ 250 billion in Africa and the Caribbean requires close to US\$ 175 billion annually by 2030. The reality is that the actual flow of funds is a far cry from the needs, exacerbated by fiscal gaps in terms of the flow of financing to address other socio-economic issues confronting both regions. Whether living on the continent, in the Caribbean, or in Latin America, no single member of the global African community can afford to ignore the impacts of climate change and the priorities of sustainable development. In this regard, Global Africa as a platform or movement seeks to catalyse actions by Africans wherever they reside to leverage their collective strength and resources to resolve the myriads of socio-economic challenges confronting Africa and the Caribbean including the urgent need to combat climate change.

Therefore, the reference to Global Africa in the report is intended to convey this sentiment and the need to capitalise on the age-long relationship between both regions to accelerate sustainable development. Given Afreximbank's mandate, it is only appropriate that it prioritises interventions working with key partners and national governments in the resolution of the obvious challenges of development and the improvement of the well-being of Africans. Global Africa as championed by Afreximbank is one which advocates for the utilisation of the productive capacity of countries and sound economic decision-making as instrumental variables to achieve the intended objectives of environmental protection and sustainable development. But this aspiration is neither parochial nor insular. Therefore, wherever the forces of history and economy have placed Africans, be it the continent, the Caribbean, the Americas, or Europe, Afreximbank is committed to supporting interventions that guarantees sustainable development.

01

Introduction





ABOUT THE REPORT

As a multilateral financial institution dedicated to driving intra-African trade and development, Afreximbank recognises the importance of aligning its activities with both international sustainability best practices and the standards of sustainable business that reflect and address Africa and the Caribbean's unique needs and potential.

This inaugural ESG Report is, therefore, a significant milestone as it highlights the critical actions, investments and moments in the Bank's pursuit of sustainable development across Africa and the Caribbean. The objectives of this report are to document the Bank's approach to ESG as a framework for risk management and value creation. Additionally, it serves as a baseline to measure performance and progress in future reporting periods. The report captures Afreximbank's approach to ESG, its ESG-related activities, and its principles for the management of ESG considerations within the business. It also charts the way forward for the Bank, recognising its ESG goals and their position in fostering climate resilience, environmental stewardship, and social equity throughout Africa and the Caribbean. In preparing this report, the Bank engaged extensively with its different stakeholders - from member countries and local communities to industry partners and clients to internal stakeholders - to understand their priorities and concerns.

The report is also intended to present key ESG and development related interventions in the continent of Africa and the Caribbean. To this end, the report outlines examples of these interventions presented as case studies covering environmental, social and governance factors. Importantly, the report provides useful information on the progress the Bank has made with regards to its ESG Framework implementation for the benefit of its stakeholders including clients, national governments, investors, lenders, financing partners, shareholders, service providers and others. Afreximbank is also developing several processes by which to quantitatively and qualitatively measure its performance across a range of metrics and will provide updates on these initiatives and other ESG achievements in future reports.

Scope and Boundary of Report

The report covers the ESG impact performance of Afreximbank Group. This includes both African Export Import Bank ("Afreximbank") and its legal operating entities and their portfolio investments. This report results from combined material input from across the Afreximbank Group, supported by the internal reporting of operational teams.

Unless indicated otherwise, this report refers to these entities collectively as "**Afreximbank Group**". The report is aimed at providing an overview of our sustainability strategy, progress to date, and future plans, and should be read in conjunction with the 2024 Afreximbank Annual Audited Statement which together outline our business strategy and performance.

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from those reflected or contemplated in such forward-looking statements.

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At the core of Afreximbank’s mandate is the promotion of sustainable development in Africa and the Caribbean. On this note, the Bank’s approach to ESG takes into account the need to implement sound practices in sustainability and the prioritisation of the socioeconomic development of its member states. As a testament to these imperatives, the Bank has mainstreamed ESG across its financing, funding, and internal operations. This is complemented by relevant operational and governance structures to mitigate attendant risks and optimise opportunities in line with its strategic objectives and mandate.”

Mr. Denys Denya
Senior Executive Vice President



AFREXIMBANK AT A GLANCE



VISION

To Transform Africa's Trade



MISSION

To stimulate the consistent expansion, diversification and development of African trade, while operating as a first-class, profit-oriented, socially responsible financial institution and a centre of excellence in African trade matters.

Afreximbank champions the economic development of Africa by supporting large corporates, SMEs, and creative industries with:

- > Trade & Project Financing
- > Export Development
- > Trade Information & Advisory
- > Guarantees

Our Clients



Large Corporates



Governments



Financial Institutions



Entities aligned with
Afreximbank's mandate

Ambitious Trade Development Objectives

01

Contribute towards an increase in Africa's share of global trade in goods and services.

02

Contribute towards an increase in the intra-African share of Africa's total trade in goods and services.

03

Contribute to an increase in Africa's share of global manufactured exports.

04

Contribute towards the narrowing of the trade finance gap in Africa.

Headquartered in Cairo with regional offices across Africa and the Caribbean



Operations

US\$ 37.3
BILLION

TOTAL ASSETS
& GUARANTEES

US\$ 104
BILLION

DISBURSED
2016-2023

US\$ 5.93
BILLION

MARKET CAP AS
OF SEPTEMBER 2024

53

AFRICAN MEMBER
STATES

433

AFREXIMBANK
EMPLOYEES

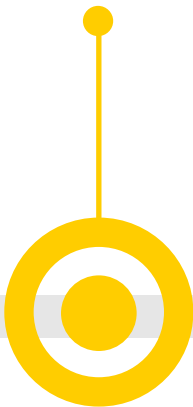
12 OUT OF 15

CARIBBEAN COMMUNITY
(CARICOM) COUNTRIES

OUR ESG JOURNEY

PRE 2018

- Environment and Social Risk Management Policy embedded as part of the Risk Management Policies and Procedures (RMPP) document.



2020

- In March 2020, the Board approved the enhanced E&S Risk Management Policy.
- The Bank constituted the ESG Committee to support the implementation of relevant E&S risk management safeguards.



2019

- The Bank set up a Project Management Team and appointed KPMG Professional Services to conduct a gap assessment on the Bank's ESG Framework and develop an enhanced ESG Framework and Operational Guidelines for the Bank.
- ESM Committee Terms of Reference and Operating Guidelines were developed, and implementation commenced.
- Signed Agreement with the Agence Française de Développement (AFD) and the Collaborate Centre for Climate at the Frankfurt School of Finance and Management for the implementation of the Bank's Climate Finance Strategy and related guidelines.

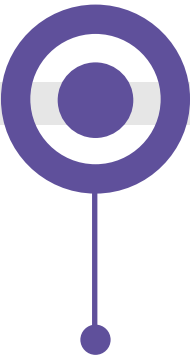


2022

- Completion of the EIB Technical Assistance Programme and related capacity-building activities.
- ESG Due Diligence Automation/ onboarding of RepRisk Tool to support ESG due diligence process.
- Participation in COP27 held in Sharm El Sheikh, Egypt.

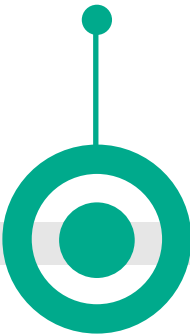
2024

- Implementation of ESG Reporting and Disclosure Framework.
- Capacity building for the Board, Executive Management, ESG Committee, ESG technical team, and staff.
- Participation in COP29 held in Baku, Azerbaijan.



2021

- The Bank commenced the implementation of ESG Technical Assistance Programmes supported by the European Investment Bank (EIB) to review the Bank’s ESG policy framework and support capacity building for staff.
- A Memorandum of Understanding was executed with Standard Chartered Bank on ESG and Sustainable Finance.



2023

- The Board approved the revised ESG Risk Management Policy and the Abridged ESG Policy Statement.
- Development and approval of the Bank’s ESG Reporting and Disclosure Framework.
- Commenced the development of the Bank’s Sustainable Finance Funding Framework in collaboration with Standard Chartered Bank.
- Participation in COP28 held in Dubai.



ESG HIGHLIGHTS 2024

In 2024, Afreximbank made significant progress in establishing its ESG priorities, embedding sustainability throughout its operations and partnerships.

Afreximbank's 2024 ESG highlights demonstrate a commitment to impactful, sustainable growth across Global Africa, underscoring its leadership in embedding ESG principles at the heart of its operations and partnerships.

Enhanced ESG Policy Documentation: Afreximbank upgraded its ESG Risk Management Policy documents, aligning them with international best practices. Approved by the Bank's Management Risk and Strategy Committee and the Board in December 2023, these updated policies were rolled out to all staff by early 2024, further embedding ESG standards across the Bank.

Launch of the ESG Disclosure Framework: The Bank developed a comprehensive ESG Disclosure and Reporting Framework, approved by the Bank's Executive Management in March 2024. This framework aligns with both continental and global standards, enhancing transparency and accountability in how Afreximbank communicates its ESG initiatives.

Strengthened ESG Due Diligence: Afreximbank introduced an automated ESG Due Diligence tool to streamline and enhance transaction screening and monitoring, ensuring a rigorous approach to risk management across all projects and investments.

Participation at COP29 in Baku, Azerbaijan: Afreximbank participated in the Conference of Parties in Baku, Azerbaijan in November 2024. The Bank's participation provided a platform to support the agenda of the African continent and interact with key stakeholders on matters related to climate and sustainable development.

Project Monitoring Upgrades: To ensure ongoing compliance with ESG standards, Afreximbank embedded enhanced on-site monitoring for all financed projects, reinforcing its commitment to sustainable development and environmental stewardship.

Extensive ESG Capacity Building: Afreximbank held a comprehensive series of ESG training sessions for staff, management, and the Board. Partnering with Standard Chartered Bank and the Frankfurt School-UNEP Collaborating Centre for Climate Sustainable Energy Finance, sessions covered key topics, including climate risk, renewable energy finance, and sustainable finance, covering 35 sessions and reaching out to staff at head office and regional branches in six countries. The ESG team also held specialised training across covering all six regional branches, culminating in a wide-reaching knowledge-sharing event attended by 141 staff members. For executive management and board members, specialised training covered ESG principles, climate-related financial risks, and opportunities, preparing leadership for deeper integration of ESG principles.

Celebrating Environment Day: Afreximbank proudly celebrated its first World Environment Day, at its Cairo headquarters on June 7, 2024. The event was commemorated with several sustainability initiatives including tree planting by members of staff. This symbolic act underscores the Bank's commitment to environmental stewardship, raising awareness across the Bank and within the community about the importance of sustainable practices.





ESG AWARDS 2024



AFRICAN BANKERS AWARD
DFI of the year

ESG CAPITAL MARKETS AWARDS 2024



**FINANCIAL INSTITUTIONS / BANK
BOND DEAL OF THE YEAR:**
Mauritius Commercial Bank
US\$ 300m Bond



**INFRASTRUCTURE FINANCE
DEAL OF THE YEAR:**
Government of the Republic
of Tanzania US\$ 1.76bn Loan



**ECA, DFI AND IFI
DEAL OF THE YEAR**
Afreximbank US\$ 640m
Samauri Loan



**RENEWABLE ENERGY FINANCE
DEAL OF THE YEAR:**
Government of Cameroon EUR 147m
Loan for construction of 200 solar power
generation stations in Cameroon.



**FINANCIAL
INSTITUTION DEBT
HOUSE OF THE YEAR**



SUSTAINABLE DEAL OF THE YEAR
For Pioneering the Liquidity and
Sustainability Facility (LSF) for Africa

RELEVANCE OF ESG REPORTING

Why is ESG Important to Afreximbank?

ESG reporting is instrumental in fostering trust and accountability, providing a structured approach to communicating institutional progress towards key environmental, social and governance objectives. By setting measurable goals, monitoring outcomes, and reporting transparently, ESG reporting helps track progress towards sustainable development goals across reporting periods.

For Afreximbank, ESG reporting is a strategic priority that reflects the Bank's commitment to 'leading by example' across Global Africa, inspiring its clients to integrate sustainability into their own operations. This journey strengthens relationships with different stakeholders, reinforces transparency, and emphasises the critical role of sustainability in the Bank's mission.

Furthermore, reporting enhances Afreximbank's ESG risk management capabilities. By systematically identifying potential sustainability-related risks, the Bank can proactively address challenges that may otherwise have gone unnoticed, supporting a more resilient and informed decision-making process. This commitment to rigorous ESG reporting reinforces the Bank's role in setting a benchmark for responsible growth and long-term value creation.

Alignment with International Standards on Sustainability

The global sustainability reporting landscape is rapidly evolving, marked by the emergence of several regulations and standards in response to heightened corporate commitments towards global sustainability objectives. This dynamic environment reflects a collective drive to enhance transparency and accountability in measuring progress towards key goals.

Afreximbank's inaugural ESG Report aligns with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures

(TCFD) frameworks, two internationally recognised frameworks that help the Bank to comprehensively report on its operations.

The SASB framework provides a rigorous industry-specific structure that spans five dimensions - Environment, Social Capital, Human Capital, Business Model and Innovation, and Leadership and Governance. This alignment ensures that Afreximbank's disclosures address the unique ESG considerations that are relevant to the financial services sector, enhancing the relevance of information that is critical for investors and stakeholders.

The TCFD framework supports Afreximbank's approach to ESG as well as climate-related disclosures, structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. By adopting these pillars, Afreximbank demonstrates its proactive management of climate-related risks and opportunities, underscoring the role of ESG considerations in fostering resilience and sustainable growth.

Aligning with the two frameworks reflects Afreximbank's dedication to standardised ESG disclosures that highlight its financial and environmental stewardship.

Meanwhile, as the Bank advances its ESG capabilities it aims to align its future sustainability reporting with the International Sustainability Standards Board (ISSB) requirements. The ISSB aims to streamline sustainability disclosures by harmonising multiple frameworks into a unified global baseline, enhancing both consistency and comparability across regions and sectors. The transition to the ISSB requirements in the medium to long term is considered important given the material similarity with the reporting pillars of the TCFD, i.e., Governance, Strategy, Risk Management, and Metrics and Targets. The adoption of the ISSB will further position Afreximbank as a leader in sustainable finance on the African continent and beyond.



02

Our approach to ESG





OUR APPROACH TO ESG

Afreximbank's ESG Framework

Afreximbank is dedicated to managing ESG risks across all its transactions and investments, ensuring a balanced approach that safeguards the environment and promotes the economic development of its member states.

Under its sixth Strategic Plan (Plan VI), the Bank reaffirmed its commitment to embedding leading ESG practices across its financing, investing, funding, and internal operations. Consequently, the Bank integrates ESG risk management into every step of its credit and investment processes, while promoting climate adaptation and sustainable development aligned with its mandate. It also ensures compliance with international ESG standards and adapts to local requirements in all regions in which it operates. Additionally, it prioritises environmentally and socially compliant projects, while requiring its partners in co-financed deals to share its commitment to ESG principles. This approach ensures that the Bank not only meets its own governance and sustainability standards but also aligns its initiatives with Africa's broader development priorities.

The Bank's Enterprise Risk Management (ERM) Framework and ESG Policies further acknowledge that while most of its operations involve short-term trade finance with limited direct ESG risks, indirect risks may emerge from the activities of third parties such as Trade Finance Intermediaries (TFIs), corporate clients, and business partners. To mitigate these risks, Afreximbank has integrated ESG considerations into all aspects of its business, ensuring full compliance with its ERM and ESG framework.

As ESG considerations continue to grow in importance globally and within Africa, Afreximbank remains committed to implementing programmes and initiatives that align with Africa's unique economic and environmental realities. The Bank, for example, holds both adaptation and mitigation considerations, recognising the urgent need for Africa to transition to a low-carbon economy. However, the Bank notes that Africa needs to prioritise climate adaptation to ensure its resilience to the impact of climate change which is visible across the continent.

Afreximbank also acknowledges the significant financing gap required to address the physical risks posed by climate change and environmental challenges across the continent. To bridge this gap, the Bank continues to mobilise resources for promoting sustainable development, accelerating the transformation of Africa's trade, while supporting the continent's shift towards nature-positive and climate-resilient economic models.

Through the consistent application of leading ESG practices, Afreximbank aims to fulfil its mission of stimulating the expansion and diversification of African trade. The Bank remains committed to aligning with best-in-class standards in responsible business practices, ensuring that it continues to serve as a leader in Africa's sustainable economic development.

Building Blocks of Our ESG Framework

Afreximbank
Mandate

Afreximbank
Strategic Plan VI

African Union
Agenda 2063

African Leaders
Nairobi Declaration
on Climate Change
and Call to Action

United Nations
Sustainable
Development
Goals

Afreximbank’s ESG Framework is built on a strong foundation that aligns its operations with key international, regional, and organisational mandates focused on sustainable development. At its core, is the Bank’s mandate to drive Africa’s development while pursuing responsible and sustainable practices for the benefit of the continent and its people. This commitment is reflected in Afreximbank’s Strategic Plan VI, which balances Africa’s developmental aspirations with the urgent need to address climate change and other sustainability considerations.

The Bank’s ESG Framework also integrates the African Union’s Agenda 2063, which outlines a programme to achieve a prosperous, integrated, and peaceful Africa driven by its citizens and playing a dynamic role on the global stage. By supporting this ambitious framework, Afreximbank promotes sustainable development, inclusive growth, and unity across the continent, advancing key objectives such as poverty eradication, food security, infrastructure development, and governance.

Aligned with African Leaders Nairobi Declaration on Climate Change and Call to Action, Afreximbank is committed to ensuring that Africa never has to choose between development and climate action. The Bank continues to actively support and disclose initiatives aimed at implementing key action plans from the Declaration, ensuring that climate adaptation and mitigation are integral to its strategy.

Afreximbank also aligns its ESG Framework with the United Nations Sustainable Development Goals (SDGs), prioritising 10 of the 17 global goals that are most relevant to its mission. This ESG Report clearly communicates the Bank’s contributions to these priority SDGs, demonstrating the Bank’s commitment to ending poverty in Global Africa, protecting the planet, and promoting peace and prosperity for all. Through these building blocks, Afreximbank’s ESG Framework drives responsible growth while positioning Global Africa as a leader in sustainable development.

“

At Afreximbank, we promote the development priorities of our member states, while pursuing interventions that ensure the preservation of the environment. On that basis, the Bank supports climate interventions with a focus on adaptation, the enhancement of its support to the implementation of the AfCFTA as a key medium, and the advocacy for loss and damage compensation for member states adversely affected by the hazards of climate change.”

Dr. George Elombi
*Executive Vice President – Corporate
Governance and Legal Services*



Alignment with the UN SDGs

In alignment with its mission to drive sustainable development across Global Africa, Afreximbank’s ESG initiatives prioritise 10 of the United Nations Sustainable Development Goals (SDGs). These include SDG 1 (No Poverty), SDG 2 (Zero Hunger), and SDG 3 (Good Health and Well-being), underscoring the Bank’s commitment to basic human welfare and resilience. Additionally, the Bank supports SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), and SDG 8 (Decent Work and Economic Growth), fostering inclusivity and opportunity across all sectors. Further, Afreximbank’s initiatives advance SDG 9 (Industry, Innovation, and Infrastructure), SDG 10 (Reduced Inequality), and SDG 13 (Climate Action) to promote sustainable economic and environmental progress. Finally, its commitment to SDG 17 (Partnerships for the Goals) reflects the Bank’s belief in collaborative action for creating lasting positive impact across the continent.

To advance Africa’s sustainable growth aligned with key SDGs and ESG principles, the development of transformative projects, from concept to bankable stages, is driven by the Afreximbank Project Preparation Facility (APPF), established in 2018. The APPF targets vital sectors like trade infrastructure, agro-processing, health, and education, contributing to SDGs 2, 3, 7, 8, and 9, while promoting job creation, economic growth, sustainability, and climate resilience in line with SDGs 8, 11, 12, 13, and 14. Through strategic public-private partnerships, APPF mobilises financing to prepare impactful, investment-ready projects, underpinned by rigorous ESG standards and comprehensive Environmental and Social Impact Assessments (ESIAs). As of today, Afreximbank has committed to 16 projects across critical sectors—including energy, pharmaceuticals, transportation, and manufacturing—bringing forward US\$ 6.2 billion in investment assets and fostering innovation and technology transfer continent-wide to support intra-African trade.



Partnerships for the UN SDGs

Afreximbank’s dedication to advancing the Sustainable Development Goals (SDGs) is strengthened by strategic partnerships with leading institutions across Africa. These collaborations enable the Bank to support a range of initiatives focused on sustainable development, health security, trade integration, and economic resilience across the continent.

Afreximbank contributes to the attainment of the Sustainable Development Goals (SDGs) through several critical avenues, namely, implementing the African Continental Free Trade Agreement (AfCFTA), powering industrial development, investing in critical energy, establishing industrial and trade-enabling infrastructure, building viable creative industries that support youth and women, and facilitating improved access to quality health care.



Africa Centres for Disease Control and Prevention (Africa CDC):

As an autonomous health institution of the African Union, Africa CDC plays a vital role in strengthening Africa’s health systems to prevent and control high-burden diseases. Through its 2023-2027 Strategic Plan, Africa CDC promotes a “One Health” approach, coordinating continent-wide efforts to expand vaccine, diagnostic, and therapeutic manufacturing, bolster public health workforces, and establish a robust early warning system. Afreximbank collaborates with Africa CDC to drive the expansion of health products manufacturing and ensure emergency preparedness and resilience for public health crises.



African Airlines Association (AFRAA):

Founded under the Organisation of African Unity (OAU), now the African Union (AU), AFRAA works to enhance cooperation among African airlines and promote a safe, secure, and reliable air transport sector across the continent. Key areas of collaboration between Afreximbank and AFRAA include aviation safety and security, environmentally sustainable air transport systems, economic sustainability of air transport, human capital development and capacity building, trade facilitation, and strengthening connectivity throughout Africa. These efforts align with the Bank’s commitment to improving trade and mobility.



**African Union (AU) and
African Union Commission:**

The AU was founded to promote political and economic integration within Africa. Afreximbank’s partnership with the AU and the African Union Commission (its secretariat) is central to the Bank’s mission to support Africa’s integration into the global economy. Through these collaborations, Afreximbank contributes to initiatives that enhance intra-African trade, facilitate industrialisation, and address socio-economic challenges across the continent, in line with AU’s Agenda 2063.



**International Centre for Regional
Integration and Trade Research:**

This partnership allows Afreximbank to support research, capacity building, and consultancy efforts that strengthen intra-African trade and investment. The Centre also helps build a new generation of trade experts, supporting Afreximbank’s role in advancing trade under the African Continental Free Trade Area (AfCFTA) and fulfilling the goals of AU’s Agenda 2063.



**African Continental Free Trade
Area (AfCFTA) Secretariat:**

The AfCFTA is the world’s largest free trade area bringing together the 55 countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs). The overall mandate of the AfCFTA is to create a single continental market with a population of about 1.4 billion people and a combined GDP of approximately US\$ 3.4 trillion. The AfCFTA is one of the flagship projects of Agenda 2063: The Africa We Want, the African Union’s long-term development strategy for transforming the continent into a global powerhouse. Afreximbank in partnership with the AfCFTA Secretariat, has provided a mechanism for influencing the sustainable development goals outcomes in a very positive and impactful ways. Afreximbank supports the implementation of the AfCFTA by directly financing intra-African trade and investments as well as indirectly, through AfCFTA-facilitating initiatives. Working with the AfCFTA Secretariat and the African Union, Afreximbank is setting up a US\$10 billion Adjustment Fund to support countries effectively participating in the AfCFTA.



**World Food Programme
(WFP):**

The World Food Programme (WFP) is the world’s largest humanitarian organization saving lives in emergencies through delivering food assistance and changing lives by working with communities to improve nutrition and build resilience. Afreximbank has partnered with WFP and the AfCFTA to support agro-processors and commodity traders. This partnership underscores Afreximbank’s commitment to addressing food security across the continent.



African Solidarity Fund:

This multilateral financial institution provides guarantees that facilitate financing for investment projects, contributing to economic development and poverty reduction. Afreximbank works closely with the African Solidarity Fund to unlock funding for high-impact projects that drive sustainable growth across African member states.



**The African Guarantee Fund for Small
and Medium-Sized Enterprises (AGF):**

AGF works to assist financial institutions increase their financing to African SMEs through the provision of partial financial guarantees and capacity development assistance. Afreximbank collaborates with AGF to increase small and medium-sized enterprises financing across the continent. This partnership highlights Afreximbank’s commitment to fostering the growth and transformation of SMEs across Africa.



JVL Media PLC:

As a full-service media firm, JVL Media amplifies African voices through diverse and inclusive literature, cinema, and television. Afreximbank partners with JVL to support projects that celebrate African culture, heritage, and innovation, inspiring audiences worldwide and reinforcing Africa’s creative industries.

Through these key partnerships, Afreximbank actively contributes to sustainable development across Africa, leveraging its ESG framework to deliver impactful and inclusive growth in alignment with the SDGs.



Key Focus Areas / Our ESG Policy Scope

Afreximbank ensures that ESG is central to every facet of its activities, promoting responsible practices both internally and externally. ESG principles are embedded into Afreximbank's key focus areas-financing, investments, funding, and internal operations-ensuring that sustainability is integral to the Bank's overall approach.

In its lending activities, the Bank's ESG Policy sets clear guidelines for risk oversight, requiring thorough ESG screening, due diligence, and monitoring of transactions, including climate risks. This ensures that all lending activities meet minimum standards for addressing potential risks and safeguards. Similarly, the Bank's investment activities, such as equity and money market investments, are governed by ESG policies that enforce strict standards for risk oversight, screening, and reporting on potential ESG risks.

In terms of funding, the Bank adheres to ESG guidelines that ensure compliance with the conditions set by funding partners and external rating agencies, integrating sustainability into its capital-raising efforts.

Internally, Afreximbank actively manages ESG risks across its own operations, including facilities management, travel, energy consumption, and governance. This involves tracking and reducing the Bank's internal carbon footprint, alongside promoting occupational health and safety.

ESG Goal Ownership

To enhance the credibility of Afreximbank’s ESG commitments, increase the likelihood of achievement, and provide an opportunity to embed ESG into its activities, Afreximbank has designated officers for the priority material topics relevant to their business area. Responsibilities include:

- Embedding ESG considerations into the teams that report to them.
- Promoting Afreximbank’s ESG goals within their business area.
- Updating relevant committees/internal stakeholders on goal progress when appropriate.

Assigning a selection of related goals to each Goal Owner gives them clarity on their area of responsibility. For example, while one Goal Owner might focus on the internal aspects of the ‘Social’ material topics (Talent management and employee engagement), another might focus on external social topics such as Economic and Social Impact, Financial Inclusion and Capacity Building, and Customer and Stakeholder Experience.



Africa and the Caribbean are confronted by a myriad of socio-economic challenges compounded by existential issues related to the adverse impacts of climate change on the environment as well as the local population. Given these considerations, the Bank has implemented initiatives to support member countries in the realisation of their development aspirations while, at the same time, prioritising the implementation of sound sustainability practices in line with our mandate.”

Mrs. Kanayo Awani

Executive Vice-President, Intra-African
Trade & Export Development Bank



Foundational Tasks and Processes

Stakeholder Engagement

As part of Afreximbank’s inaugural ESG reporting process, the ESG Committee conducted a full review of the Bank’s stakeholder universe. This engagement ensured that the Bank, its clients, and partners maintain open lines of communication with those directly or indirectly affected by their activities, particularly around key ESG risks and impacts.

Meanwhile, Afreximbank requires third-party contractors and service providers involved in its internal operations to align with the Bank’s ESG standards. This commitment extends to ensuring stakeholders can report concerns or grievances related to ESG practices. A transparent, accessible grievance mechanism is maintained to address issues in a timely and effective manner.

Additionally, the Bank ensures that its stakeholders-whether internal teams, contractors, or external partners-are continuously engaged in discussions on ESG-related impacts and expectations, helping to prevent disruptions in business activities and meet stakeholder needs.

By integrating stakeholder engagement into its ESG framework, Afreximbank is managing both environmental and social risks responsibly, while contributing to the long-term sustainable development of the communities it serves.

Impact Communications

The Bank aims to communicate its impact through strategic, regular, accurate, and comprehensive external communications that highlight its developmental impact within the African continent and the Caribbean Community (CARICOM) from which it draws its membership (52 African countries and 12 CARICOM member states).

Its communication strategy leverages diverse platforms to consistently disseminate updates and reports. These platforms include Afreximbank’s website, press releases, social media, magazines, newsletters, and research and industry publications, among others. Additionally, Afreximbank leadership regularly participates in events such as exhibitions, roadshows, and presentations (both in-person and virtual).

This communication approach, which leverages the organisation’s diverse channels, ensures that all stakeholders are well-informed about the Bank’s initiatives, achievements, and contributions to the development in Africa and the Caribbean, while fostering transparency and accountability.

The continued sharing of insights and practices further positions Afreximbank as a thought leader on matters regarding intra- and extra-African Trade, contributing to the overall growth and development of Trade on the continent.



PRESIDENT SPEECH - ANNUAL GENERAL MEETING 2024

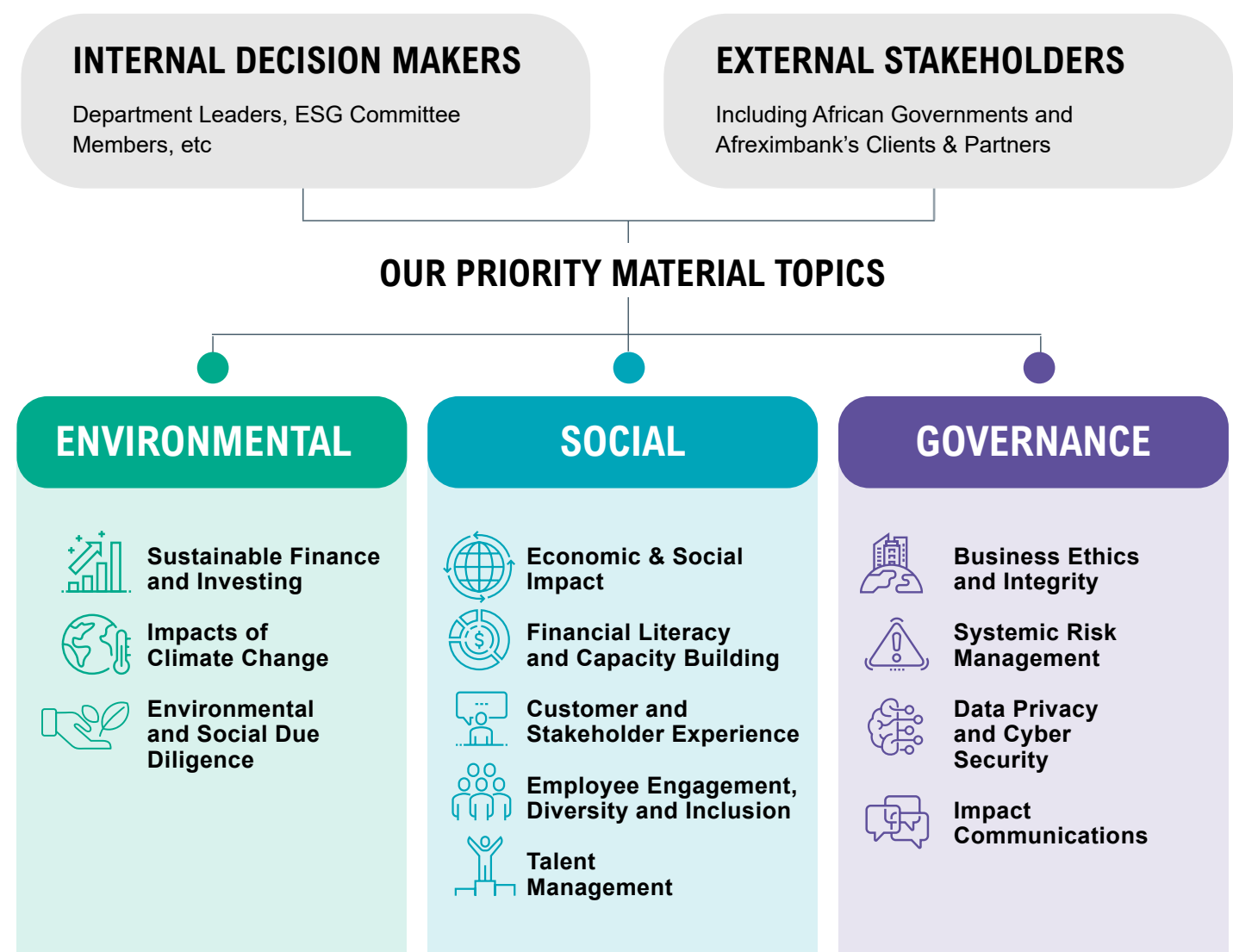
Materiality Assessment

Afreximbank recognises the value of engagement with both internal and external stakeholders to inform its ESG priorities. To this end, the Bank conducted a full materiality assessment in 2024, seeking input from strategic decision-makers inside the Bank and a wide array of external stakeholders, including but not limited to, Afreximbank’s clients, African governments and related institutions, investors, lenders, financing partners, service providers, and vendors.

The assessment utilised the concept of double materiality, which seeks to understand the external impact of an organisation on people and the environment, and, in turn, the impact of the people and environment on the organisation’s commercial ability to generate value. By combining these insights across

a wide range of ESG topics and themes, the Bank ascertained the ESG topics that are most relevant to it from the perspective of its key stakeholders.

With these vital insights, along with consideration of the Bank’s mandate, international best practices, and the perspectives of the Bank’s ESG Committee, the materiality assessment allowed the Bank to identify 12 Priority Material Topics. These topics will guide the Bank’s reporting of its ESG activities by informing its ESG goals and KPIs, ensuring its reporting is aligned with the economic development aspirations of Global Africa as well as the interests of communities and the planet.



03

Climate & Environment





CLIMATE & ENVIRONMENT



The Impact of Climate Change on Global Africa

Africa stands poised for an era of unprecedented economic transformation and growth. A rising generation of Africans are asserting their determination for the continent to adopt its rightful place at the centre of global trade, as an engine of global industrial growth and as a unified market that integrates Africa and its global diaspora, reconciling all its people in cultural and economic terms. The continent’s economic and demographic fundamentals point to a future of unparalleled prosperity.

These aspirations are wholly reasonable and entirely legitimate. Moreover, they cannot be either denied or deferred any longer. On its part, Afreximbank is dedicated to not confining another generation of Africans to economic underdevelopment and trade isolation.

Part of this commitment includes the determination to protect Africans and Africa from the adverse effects of climate change. Climate change represents a

significant threat to global economic ambitions, and risks slowing down the pace of development in Global Africa. If unaddressed, climate change could exert an unacceptable pressure on the continent’s resources, costing as much as 20% of Africa’s collective GDP by 2050 and 64% by 2100¹. Conversely, GDP per capita across almost all African countries is projected to be at least 5% higher by 2050 and 10-20% higher by 2100 should global warming be limited to 1.5°C compared to 2°C².

Meanwhile, climate change continues to pose immediate dangers to Africans, with the frequency of extreme weather events increasing and weather patterns becoming more erratic. According to the World Meteorological Organization, more than 110 million people in Africa were directly impacted by weather, climate, and water-related hazards in 2022, resulting in more than US\$ 8.5 billion in economic damage. Climate change is further suppressing Africa’s productive



At Afreximbank, we are committed to operating as a first-class, socially, and environmentally responsible financial institution. This commitment underscores the approach to the Bank’s activities as well as those of our customers and third parties whilst enforcing the requirement that they adequately address sustainability issues that could be associated with their operations.”

Mr. Haytham El Maayergi
Executive Vice-President, Global Trade Bank





capacity, with research indicating a 34% decline in the continent's agricultural productivity growth since 1961, attributable to changes in climactic conditions³.

The Caribbean like some parts of Africa, is prone to natural as well as climate related disasters. By their geographical location, countries in the Caribbean islands are located in close proximity to the coastal zones leaving them exposed to natural disasters such as category 4 and 5 hurricanes, storms, mudslides, etc. The region is also exposed to climate events such as rise in sea level, temperature changes all of which adversely impact the local ecosystem, biodiversity, human population and disrupts economic activities including the tourism industry. The occurrence of these extreme weather events increases the need for the prioritisation of adaptation measures to enhance the region's resilience to climate change. The reality is that financing climate intervention requires huge financial investments, which are in limited supply and where they exist, it would often mean sacrificing other development priorities to free up funds for climate projects.

From the Bank's perspective, extreme climate weather poses direct and indirect risks through physical damage or disruptions to the operations of its clients with loan exposures consequently affecting their ability to repay. In addition, the occurrence of extreme climate events at locations where the Bank has operations or vendor operations could result in business disruptions.

Moreover, the occurrence of extreme weather events also increases the urgency for increased financial

support to affected countries. Over the last few years, there has been an increase in such events, including flooding in Libya, Burundi, Ethiopia, Kenya, Somalia and Uganda. Tropical cyclones Freddy affecting Madagascar, Malawi, Mauritius, Mozambique, Rwanda and Zimbabwe and droughts in Egypt and Morocco have also caused great damage. Worsening storms and hurricanes have severely impacted Grenada, St. Vincent and the Grenadines, St. Lucia, the Dominican Republic, the Bahamas, and Barbados lately.

To avert further damage, the Bank is deliberate in pioneering interventions that support the continent's resilience and accelerate its sustainable energy transition, as well as convening continental decision makers to devise collective strategies on climate and, crucially, by advocating for Global Africa in climate discussions on the world stage.

Indeed, the Bank has been influential in drawing attention to the fact that Global Africa must not be made to suffer in the present and the future for global greenhouse emissions generated elsewhere – requirements that are both morally indefensible and bad economics.

Africa generates less than 4% of global greenhouse gas emissions, but often suffers adverse consequences through an impact wrought by other economies, frequently in previous centuries. Afreximbank, together with its member states and peer institutions, continue to work ceaselessly, imaginatively, and inventively to drive a transition away from this state of affairs.

Climate Change Adaptation and Mitigation

Overview

Afreximbank is resolute that Africa’s path towards climate neutrality and security must not endanger its economic growth trajectory or the opportunities available to its expanding population.

In this regard, the Bank has been strident in its support of a “just energy transition”, and low-carbon, sustainable energy options for the continent. However, it has also been firm in its defence of African economies recognising that, while a transition to low-carbon, renewable energy system is the long-term goal, it cannot be achieved overnight and must not be pursued to the detriment of energy security for Africans.

Affirming its leadership, the Bank has been involved in multiple interventions promoting the industrial and energy sovereignty of Africa. These include the expansion of its energy base and the foundation of an African Energy Transition Bank as well as the mobilisation of capital for the diversification of the continent’s energy generation mix, and facilities underwriting the development of the continent’s burgeoning electric vehicles (EV) sector and other industries.

Critical to the long-term development and expansion of Africa’s sustainable energy infrastructure, and vital for the continent’s ongoing adaptation and mitigation efforts, Afreximbank has been influential in bridging Africa’s US\$ 250 billion climate finance gap. This is notably through the context of the African Continent

Free Trade Area (AfCFTA), whose establishment the Bank championed, and which also supports climate mitigation efforts by localising trade value chains in the continent, thereby lowering shipping distances and the associated carbon emissions.

Afreximbank has additionally played a leading role – as convenor, financier and advocate for sound economic policies – in creating a unified, African response to the climate crisis. The Bank has been involved in pioneering events such as the inaugural Africa Climate Summit – organised by the African Union and the government of Kenya – and has been a globally prominent advocate for a new climate finance architecture that effectively channels capital to geographies and sectors in Global Africa where it is most needed.

Looking ahead, and in view of the global transition to a low-carbon economy, the Bank foresees a generational opportunity for Global Africa to establish itself as a powerhouse that drives world-leading industries, including electric vehicle manufacture and renewable power generation.

Afreximbank is committed to supporting this growth into the middle part of this century through financing for strategic projects and sectors that enhance a low-carbon, low-cost energy generation base for the continent.



CLIMATE & ENVIRONMENT

OUR PRIORITY MATERIAL TOPICS

To define priority material topics, Afreximbank employed a materiality assessment (page 29), reflecting its commitment to aligning its operations with global sustainability goals, addressing pressing environmental challenges, and integrating responsible practices into its strategic agenda. Three priority material topics related to climate and the environment, were identified:



Sustainable Finance and Investing

Sustainable finance and investing involves responsible lending and investing and aims to mobilise finance for sustainable development in Africa as well as climate adaptation and mitigation strategies to generate significant environmental and social benefits.



Impacts of Climate Change

The impacts of climate change on Afreximbank’s operations are two-fold. Physical impacts of climate change result in acute and chronic weather events, which can impact the people of Africa and the economic development of the continent, while transition impacts relate to the risks arising from actions taken to mitigate climate change and transition to a lower-carbon economy, particularly legislative and regulatory action.



Environmental and Social Due Diligence

Environmental and social due diligence establishes a process for identifying, assessing, mitigating, and reporting environmental and social risks relating to transactions and intermediaries. In line with this, Afreximbank has fully mainstreamed ESG risk management considerations into the assessment of transactions and financial intermediaries. This ensures that the Bank’s financing, lending and investing activities are structured in a way that allow it to identify and proactively mitigate any additional risks that may impact the vitality of an investment.

Adaptation Interventions and Initiatives to Mitigate Climate Change

Afreximbank has launched the Climate Change Adaptation Finance Facility to support African countries in effectively responding to the challenges of climate change and build resilient structures including climate disaster response capabilities to ameliorate the impacts of climate change on the continent. These interventions are tailored to support countries in the implementation of initiatives for the promotion of food security, optimisation of nature-based solutions, climate disaster risk management and capacity building. The Bank also intends to roll out innovative financing structures such as blended finance, and green and sustainable bonds, as part of its financing programmes.

CASE STUDY

Afreximbank Concessional Finance Window/Africa Trade Transformation Fund (CFW/ATT Fund)

Afreximbank Concessional Finance Window/Africa Trade Transformation Fund (CFW/ATT Fund) is a targeted initiative designed to address the critical development challenges facing countries in Africa and the Caribbean. With a continent-wide funding gap of over US\$ 1.6 trillion required to meet the Sustainable Development Goals (SDGs) by 2030⁴, Africa’s progress is hindered by multiple crises, including climate disasters, the COVID-19 pandemic, geopolitical tensions, conflicts, and debt sustainability issues. The CFW/ATT Fund provides economically constrained member countries with concessional financing to drive transformative development projects that promote resilience, reduce inequalities, and foster economic growth.

The Need for Concessional Financing

Despite recent advancements, Global Africa continues to grapple with significant structural and socio-economic challenges including environmental degradation, climate change, income disparities, inadequate infrastructure, limited access to healthcare and education remain barriers to sustainable development. These issues are compounded by emerging global crises, making the need for concessional financing more urgent. Afreximbank’s CFW/ATT Fund aims to fill this gap by delivering affordable, strategic funding to address these systemic challenges and support initiatives that align with Africa’s development goals.

Strategic Focus Areas



Enhancing Trade-Enabling Infrastructure and AfCFTA Implementation

Infrastructure development is vital for advancing intra-African trade and fulfilling the objectives of the African Continental Free Trade Area (AfCFTA). The CFW/ATT Fund prioritises investments in transportation, logistics, energy, industrial infrastructure, utilities, healthcare, education, and digital infrastructure. These projects aim to improve connectivity and reduce trade barriers, serving as a catalyst for industrialisation and economic integration across the continent.



SME and Youth Empowerment

Small and Medium Enterprises (SMEs) are the backbone of African economies, driving innovation, employment, and cross-border trade. The CFW/ATT Fund supports SMEs by providing resources to scale operations, enhance competitiveness, and contribute to export diversification. Simultaneously, the initiative emphasises youth empowerment through targeted programmes aimed at skill development, job creation, and entrepreneurship, addressing Africa’s demographic challenges and advancing industrialisation efforts.



Crisis Preparedness and Response

In a region increasingly vulnerable to health, climate, and economic emergencies, the CFW/ATT Fund focuses on building long-term resilience. This includes funding for climate adaptation projects, the development of climate-resilient infrastructures, and healthcare systems. By prioritising preparedness, the CFW/ATT Fund aims to save lives, reduce socio-economic disruptions, and ensure continuity in trade and development.



The Concessional Finance Window exemplifies Afreximbank's commitment to advancing Africa's development through strategic, impactful investments. By addressing critical funding gaps and focusing on sustainable solutions, the CFW/ATT Fund not only accelerates the achievement of the SDGs but also lays the groundwork for a thriving, resilient, and integrated Africa. Through its targeted focus areas, the initiative fosters inclusive growth, strengthens intra-African trade, and equips the continent to navigate future challenges with greater preparedness and confidence.

To complement its climate adaptation programmes, Afreximbank also implements renewable energy initiatives contributing towards its climate mitigation efforts and aligning with the continent's just energy transition plans. The Bank contributes to the financing of renewable energy projects and the development of efficient energy sources to address the huge energy deficiency and the limited access to electricity supply in Africa. The Bank's portfolio now encompasses various projects spanning solar power generation, efficient gas-fired utilities, sustainable transportation, and electric vehicle manufacturing.

In Nigeria, for example, Afreximbank supported the Aba Integrated Power Project, an innovative gas-fired electricity utility that features a 27km gas pipeline and a 141MW power generation plant. This vertically integrated project serves a designated 1,910 km² area within Abia State, specifically targeting the energy needs of SMEs and industrial enterprises in the Aba Metropolis.

Furthermore, through a US\$ 50 million debt facility supporting Spiro, Africa's largest electric vehicle company with 14,000 electric bikes in service in five countries, the Bank has committed significant resources to sustainable transportation on the continent.

Similarly, the Bank has worked to promote African electric vehicle manufacturing through a Framework Agreement signed in 2023 with the United Nations Economic Commission for Africa (ECA), the Democratic Republic of Congo, and Zambia. Pre-visibility studies have been completed and validated by both countries. This collaborative effort aims to establish Special Economic Zones dedicated to Battery Electric Vehicle (BEV) production and related services. The project, which involves the creation of an operating company comprising both public and private investors, positions Afreximbank at the forefront of Africa's transition to green energy and rapid decarbonisation efforts.

These interventions – particularly those in renewable energy and EV manufacturing – are designed to promote Africa's ability to capitalise on the "New Green Revolution" and the "Green Transition", ensuring the continent is well-placed to leverage emerging industries to compete in high-growth sectors of the global economy.

Meanwhile, Afreximbank continues to implement multi-layered intervention mechanisms to support African countries in the implementation of their climate adaptation and mitigation programmes. To this end, the Bank has deployed financial and non-financial instruments to achieve its development mandate and climate objectives for the continent. Some of these interventions include the use of financial instruments such as lines of credit, guarantee programmes and risk-bearing instruments, project-related financing, project preparation facilities, loan facilitation, asset-based lending, and grants. Additionally, the Bank continues to prioritise collaboration with its development partners, including Africa's specialised development agencies like the AfCFTA, to support climate related interventions in the continent.

CASE STUDY

Supporting Renewable Energy

Afreximbank has invested US\$ 3.5 million in the development and operation of a reservoir-based hydroelectric power plant with a 166-megawatt capacity on the Lufira River in the Democratic Republic of Congo (DRC). This hydropower project aims to increase energy access and affordability for the responsible mining community of Fungurume in the DRC. The plant will be connected to the captive market via an access road and a 220-kilometre transmission line, facilitating energy distribution to the region.

Aligned with the UN SDGs, this investment is expected to unlock US\$ 420 million in additional funding once the project reaches bankability, creating substantial development and investment opportunities. The project’s contributions to the SDGs include:



Affordable and Clean Energy
The project adds 166 MW of renewable energy capacity, expanding clean energy generation in the region.



Climate Action
By increasing renewable energy sources, the project reduces reliance on fossil fuels, supporting climate action.



Decent Work and Economic Growth
The plant’s construction and operation will create over 2,000 direct jobs and nearly 1,000 indirect jobs, stimulating economic growth.



Partnerships for the Goals
This new energy source supports sustainable growth and responsible operations in the mining sector.



Industry, Innovation, and Infrastructure
Significant infrastructure investments will enhance energy access and support industrial growth.

**US\$ 3.5
MILLION**

in the development and operation of a reservoir-based hydroelectric power plant with a 166-megawatt capacity.



Environmental Stewardship

Mainstreaming Environmental Protection in Investment Criteria

Afreximbank’s commitment to Environment Stewardship is showcased not just in our operations but also in the incorporation of ESG in our investment criteria with a focus on environmental protection. We will be highlighting our efforts across both pillars in this section including case studies and our significant environmental partnerships and certifications.



Screening Investments Against Afreximbank's Exclusion List

Afreximbank's ESG policy mandates that all potential investments are screened against the Afreximbank Exclusion List, which details activities the Bank will not support due to their negative environmental or social impact. Any proposed investment that falls within this exclusion list is automatically disqualified from receiving financing, ensuring that environmentally harmful activities are not supported by the Bank.

Categorisation of Investment Transactions

Once investments have been screened, each transaction is categorised based on its potential environmental, social, and governance risks. Transactions are classified as: Category A (High Risk), Category B (Medium Risk), or Category C (Low Risk). This classification determines the extent of the ESG due diligence required, with higher-risk investments undergoing more rigorous scrutiny to ensure alignment with the Bank's sustainability principles.

ESG Due Diligence

The Bank conducts ESG due diligence as a vital component of the risk management process. This assessment, performed by the ESG Team or appointed consultants, aims at identifying any potential environmental and social risks associated with the

business activities of the investee. This step is crucial in ensuring that investments do not pose any significant environmental and social risk to the Bank. Due diligence is conducted both prior to and during each investment's appraisal process.

ESG Monitoring

Following investment, Afreximbank implements a rigorous monitoring programme to track the environmental and social performance of its investees. This monitoring, carried out by the Bank's ESG team or independent consultants, ensures that investees continue to identify, assess, and mitigate any emerging ESG risks. The process also ensures compliance with ESG covenants embedded in investment agreements, maintaining alignment with the Bank's environmental standards throughout the investment lifecycle.

Incorporation of ESG Covenants

The Bank enforces mandatory ESG covenants into all its investment agreements designed to align with internationally recognised market standards and best practices. These covenants, which apply regardless of the risk category (A, B or C) adhere to specific legal and regulatory requirements unique to each jurisdiction, ensuring compliance with applicable environmental and social (E&S) laws while promoting sustainable and responsible business practices.

“

Sustainability is a journey, not a destination, and it requires commitment across all levels in an organisation. Afreximbank is dedicated to forging its own ESG path, guided by Africa's development priorities, and its mandate, while ensuring alignment with leading ESG practices. In implementing its ESG Framework, the Bank is keen to strengthen Africa's mitigation and adaptation capability to withstand the adverse impact of a myriad of physical risks arising from the pervasive environment and climate events.”

Dr. Elias Kagumya

Chairman of ESG Committee



CASE STUDY

Supporting Agriculture & Agro-Processing: Advancing Food Security & Rural Transformation

Afreximbank’s commitment to agriculture and agro-processing is evident in its flagship initiative, the Export Agriculture for Food Security (ExAFS), underpinned by US\$ 2 billion in financing. ExAFS seeks to enhance food security across Africa, reduce reliance on imports, and improve market access for African farmers by boosting agricultural production, expanding agro-processing capabilities, and promoting intra-African trade.

At the 2023 Intra-African Trade Fair in Cairo, Egypt, Afreximbank, Arise Integrated Industrial Platforms (ARISE IIP), and the governments of Malawi, Chad, and Zimbabwe signed the framework agreement to pilot the ExAFS initiative in these regions. ExAFS directly supports the United Nations Sustainable Development Goals (SDGs), particularly:



No Poverty
ExAFS empowers African farmers and agribusinesses to increase their incomes and profitability through larger market access and higher product demand. By improving sales and prices within the African market, this initiative supports rural poverty reduction and economic development.



Industry, Innovation, and Infrastructure
ExAFS and RRT prioritise agro-processing, market intelligence, and logistics solutions, which help develop agricultural infrastructure, expand local industry, and promote innovation in Africa’s agribusiness sector.



Zero Hunger
By advancing food production and intra-African trade, ExAFS directly addresses food security, aiming to make Africa more self-reliant and resilient to global food supply shocks. This ensures that nutritious food is more readily available within the continent.



Climate Action
The RRT project promotes sustainable farming practices that align with climate adaptation goals. Solar-powered irrigation and portable energy solutions help reduce carbon emissions while enhancing resilience in smallholder farming communities.



Decent Work and Economic Growth
Through ExAFS and Afreximbank’s Rapid Rural Transformation RRT project, agriculture becomes a more viable and rewarding sector, creating jobs and economic opportunities across rural and agricultural communities.



The initiative is being implemented through strategic partnerships, such as the tripartite Memorandum of Understanding (MoU) signed with the World Food Programme (WFP) and the AfCFTA Secretariat. This MoU commits Afreximbank to provide up to US\$ 2 billion in blended finance for the import or purchase of farm inputs and credit lines for agro-processors and commodity traders by 2025. Priority areas under this agreement include the support of smallholder farmers, development of value chains, and efforts to improve resilience to climate impacts.

Aligned with the MoU, Afreximbank and WFP also launched the Rapid Rural Transformation (RRT) project, a climate adaptation initiative providing solar-powered, off-grid systems to provide energy for irrigation, healthcare, education, and ICT in rural areas. RRT offers direct climate adaptation benefits through its solar-based irrigation solutions while also enhancing access to clean water, healthcare services, and education by connecting them to renewable power sources (SDG 6 – Clean Water and Sanitation, SDG 3 – Good Health and Well-being, and SDG 4 – Quality Education).



Afreximbank has made significant progress in mainstreaming ESG considerations in its operations by implementing the relevant institutional and governance structures over the years. The Bank’s approach to ESG is guided by its mandate, strategic objectives, and the development priorities of member states while ensuring that it stays aligned with leading market practices.”

Edmund Bala-gbogbo
Director ESG



Own Operations

Resource Efficiency

Afreximbank has implemented a number of initiatives aimed at enhancing resource efficiency and minimising the institution’s environmental footprint across its operational reach.

The Bank has achieved notable success in energy efficiency optimisation through the strategic retrofitting of cooling and lighting systems at its Headquarters, completed in 2021. This initiative has yielded measurable reductions in both electricity consumption and carbon emissions. Moreover, the Bank has pursued concurrent water conservation strategies using advanced technologies like sensor-equipped water taps and refurbished HVAC cooling towers.

Regarding waste management, Afreximbank has devised a sophisticated approach which encompasses everything from digital transformation to quota-based printing protocols. The Bank has further established partnerships with authorised service providers for systematic waste collection and recycling, which have been complemented by the strategic placement of recycling infrastructure throughout its facilities. Additionally, the introduction of refillable water vessels and centralised water distribution points, has secured a significant reduction in the Bank’s plastic waste.



We are committed to actively manage ESG risks within our operations, with a focus on reducing our internal carbon footprint and enhancing occupational health and safety.”

Dr. Robert Tomusange
Director & Global Head, Real Estate and Administration

Moreover, in keeping up with Afreximbank’s belief that climate-sensitive strategies do not need to be “anti-growth”, the Bank’s African Trade Centres (AATCs) – strategically positioned in key commercial capitals across Africa – exemplify environmental excellence in architectural design and operational efficiency. While the Abuja, Nigeria AATC is pursuing Leadership in Energy and Environmental Design (LEED) Gold Certification, the Harare, Zimbabwe AATC is aligned with Green Star South Africa certification standards. More AATCs to be built in Cairo, Egypt and Kampala, Uganda, are also being designed in accordance with LEED specifications, aligning with the Bank’s focus on sustainable infrastructure.

As Africa’s leading development institution, Afreximbank recognises that its environmental obligations are not limited to its own operations and infrastructure; it also closely monitors, guided by its ESG policy, the environmental implications and character of investments it makes.

All these initiatives have contributed to Afreximbank’s securing of the ISO14001:2015 Certification, which serves as external validation of its environmental management system, and confirms the Bank’s consistent adherence to globally recognised standards of environmental excellence. This certification underscores, moreover, the Bank’s systematic approach to environmental impact mitigation and sustainable operational practices.



CASE STUDY

Integration of Environmental Considerations into Afreximbank’s Corporate Culture

To effectively embed environmental and broader ESG considerations into the Bank’s operations and corporate culture, they must be actively promoted internally. This requires providing staff with targeted training and mentorship across various disciplines. Throughout 2024, the Bank has led multiple initiatives aimed at placing sustainability at the core of staff awareness and professional practices.



ESG Knowledge Sharing Session for all Afreximbank’s Employees

In May 2024, Afreximbank’s ESG Team held a company-wide training on ESG. The training provided an overview of Afreximbank’s revised ESG Risk Management Policy and related requirements.



Sustainability Reporting Training

In July 2024, Afreximbank’s Risk Management and Finance Departments participated in a three-day Sustainability Reporting Workshop conducted by Deloitte’s Professional Services team from Ghana. The workshop covered ESG reporting requirements and guided staff through the preparatory process for publishing sustainability and ESG reports.



World Environmental Day

Afreximbank held its inaugural World Environment Day event on June 7, 2024 to showcase the Bank’s commitment to environmental sustainability. Activities on the day included environmental awareness training and tree planting.



Training of the Board and Executive Management

Afreximbank organised an ESG/Sustainability and Climate Finance Capacity Building Workshop for Board Members and the Executive Management in September 2024. The session was facilitated by consultants, Frankfurt School-UNEP Collaborating Centre for Climate & Sustainable Energy Finance Germany, with support from the Bank’s ESG team.



Significant Environmental Partnerships and Initiatives

Afreximbank is the product of collaboration and cooperation amongst African and Caribbean countries, and its ethos enshrines a spirit of partnership and openness to coalition-building. The Bank has forged various alliances, partnerships and co-operative understandings to advance its core mandate of promoting intra-African trade and the long-term prosperity of all Africans.

Prominent among these partnerships was one between **Afreximbank and the United Nations Economic Commission for Africa (ECA) through a Framework Agreement with the Democratic Republic of Congo and the Republic of Zambia.** This pioneering collaboration as mentioned previously aims to establish Special Economic Zones (SEZ) dedicated to Battery Electric Vehicle (BEV) production and related services. The initiative responds to the growing global demand for electric vehicles and battery-powered storage systems, while positioning Afreximbank as a leading financier in energy transition projects.

Also, under sustainable transport and industrialisation, Afreximbank in 2024 established a **significant financial partnership with Spiro, Africa's largest electric vehicle company**, as previously mentioned **through a US\$ 50 million debt facility agreement executed in Kigali, Rwanda.** This collaboration supports Spiro's mission to enhance urban mobility across Africa while helping curb the environmental impact emerging from vehicular emissions. Spiro

currently has operations in five countries and over 14,000 electric bikes in service.

Afreximbank is also supporting The Government of Tanzania in constructing a Standard Gauge Railway ("SGR") to replace the old meter-gauge railway system with energy efficient transport infrastructure. The SGR uses electric locomotives and can transport passengers and cargo shipments at high speeds. The SGR will link Tanzania to neighbouring countries and consists of a network of about 2,000 km developed in seven phases. The Bank has contributed US\$ 442.25 million to the Project which aims to address transportation issues, promote economic prosperity and regional development in Tanzania. This project will provide a significant link allowing improved connectivity of passengers and freight amongst the northern, central, and eastern regions of Tanzania.

Afreximbank has partnered with the government of Cameroon to support a 130-million-euro solar project in Cameroon by financing the construction of 200 solar power generation stations in 200 localities in Cameroon. The total installed capacity is no less than 15MW and their annual generation capacity is about 25.2 million KWH. The implementation of this project should help diversify the Government of Cameroon's energy mix, which is still largely dominated by hydroelectricity as currently, solar, wind and biomass represent less than 1% of the energy mix. Accordingly, the Ministry of Economy, Planning and Land Planning (MINEPAT) in Cameroon



will undertake to apply the proceeds of the facility to finance a commercial contract between the Ministry of Water Resources and Energy of the Republic of Cameroon (MINEE) and Huawei Technologies Co, Ltd, China (Huawei).

Meanwhile, in addition to mobilising finance for Africa's economic development and diversification, Afreximbank plays a convening role in the continent's economic affairs. It is in this spirit that **the Bank created a strategic partnership with the Sterling One Foundation, a charity dedicated to poverty reduction and the provision of educational opportunities for women and young people**, to host the third edition of the Africa Social Impact Summit (ASIS) in Lagos, Nigeria from July 25 – 26, 2024. The summit sought to accelerate the achievement of the Sustainable Development Goals (SDGs) in Africa by bringing together cross-sector leaders to share insights and strategies for continental development through trade enhancement.

Separately, **the partnership between Afreximbank and the Forum for Agricultural Research in Africa (FARA) resulted in the launch of the inaugural Afreximbank-FARA Research, Innovation and Competence in Agriculture (AFRICA) Awards.** These awards recognise outstanding contributions to food security, nutritional improvement, income generation, and natural resource management through research, innovation, agripreneurship, and policy advocacy.

The geographical location of the Caribbean islands makes it prone to several natural disasters such as the Hurricane Beryl in September 2024. In response to the natural disaster, Afreximbank extended support to Caribbean nations – donating more than half a million US dollars for disaster relief and rebuilding efforts, with support directed especially towards the Grenadian islands of Carriacou and Petite Martinique, as well as several islands in Saint Vincent and the Grenadines.

Afreximbank demonstrated its commitment to climate action through participation in the inaugural Africa Climate Summit in September 2023. Led by the President of Afreximbank Prof. Benedict Oramah, the Bank's delegation contributed to high-level discussions on climate finance and initiatives supporting African states in developing green industries.

Perhaps most significant of all Afreximbank's recent partnership activities is **the Bank's prominent role in the formation of the Alliance of African Multilateral Financial Institutions (AAMFI).**

Launched in February 2024 in Addis Ababa, AAMFI was established under the auspices of the African Union to support the implementation of Agenda-2063, and marks an historical milestone in Africa's economic development and independence. As a founding member of the Alliance, Afreximbank is contributing to the development of tailored financial solutions catering to Africa's specific developmental needs, including environmental and sustainable development initiatives.

Afreximbank’s Environmental and Climate-Related Recognitions and Certifications

Afreximbank’s commitment to environmental sustainability and climate-focused financial initiatives has attracted widespread and high-profile recognition in 2024, as evidenced by the Bank’s receipt of two major awards underscoring the institution’s leadership in Africa’s sustainable finance landscape.

The 2024 Bonds, Loans and ESG Capital Markets Africa Awards delivered the Bank its first accolade of the year - the Renewable Energy Finance Deal of the Year Award. This was an acknowledgement of Afreximbank’s innovative €146.6 million financing package, which was structured as a dual-tranche, seven-year amortising sovereign Term Loan facility for the Government of Cameroon. The award-winning transaction specifically supported a transformative solar energy project executed through the Ministry of Water Resources and Energy in partnership with Huawei Technologies Co, Ltd, China. The initiative included the implementation of 200 solar photovoltaic power generation stations, delivering a total installed capacity of 15 Megawatts and an annual generation potential of approximately 25.2 million Kilowatt hours. The project’s significance extends beyond its immediate power generation capabilities, as it will increase Cameroon’s renewable energy portfolio from 0.01% to 1.06% of total energy generation, while enhancing the nation’s total installed electricity capacity from 1,402MW to 1,417MW.

The award was issued to Afreximbank in the context of the Bonds, Loans and ESG Capital Markets Africa Conference, which is widely recognised as Africa’s premier corporate and investment banking event. With 1,060 senior stakeholders representing 383 companies across 46 countries participating, participants and attendees represent borrowers, issuers, regulators, bankers, investors, advisors, as well as government officials.

Further cementing its profile in sustainable finance in Africa and globally, Afreximbank won the Sustainable Deal of the Year award issued by Uxolo Global 2023: Development and Impact Finance, in conjunction with TXF, for its ground-breaking work on the Liquidity and Sustainability Facility (LSF). This innovative vehicle

was designed to enhance liquidity and stimulate demand for African Sovereign-issued Eurobonds. The LSF’s strategic importance lies in its potential to develop a more robust repurchase agreement (“repo”) market across Africa, which is currently in a state of underdevelopment as compared to mature markets. By fostering deeper repo markets, the LSF aims to reduce borrowing costs and enhance debt sustainability for sovereign bond issuers, following successful models observed in developed economies.



Certifications

Afreximbank has secured various certifications attesting to its capacity to uphold and proliferate best-practice in its operations.



ISO 1400:201

Afreximbank’s Head Quarters received the ISO14001:2015 certification valid from Nov 2023 to Nov 2026. The ISO 14001:2015 is an internationally recognised standard that specifies the requirements for an effective environmental management system (EMS). It helps organisations improve their environmental performance by

The certification demonstrates an organisation’s commitment to sustainability and environmental stewardship.



REDUCING
WASTE



MINIMISING
ENVIRONMENTAL
IMPACTS



COMPLYING
WITH LEGAL &
REGULATORY
REQUIREMENTS



ISO/IEC 17025

Afreximbank’s first African Quality Assurance Centre (AQAC), implemented in Ogun State, Nigeria, in partnership with Bureau Veritas (BV), was awarded the ISO/IEC 17025:2017 accreditation by the South African National Accreditation System (SANAS). ISO/IEC 17025 is the recognised international standard for testing and calibration laboratories and sets out requirements for the competence, impartiality and consistent operation of laboratories. The standard enhances the credibility of testing and calibration work by laboratories, by fostering trust among clients and regulatory authorities. Compliance with ISO/IEC 17025 demonstrates a laboratory’s commitment to quality, technical proficiency and scientific rigour.

The Bank's ESG Ambitions and Pathways

Pathway to the Climate Finance Strategy

Afreximbank is currently developing its Climate Finance Strategy (CFS), which aims to set the course for its involvement in addressing climate challenges while supporting Africa's economic transformation and industrialisation for the benefit of its people.

The CFS is designed to guide the Bank's approach to climate resilience, industrialisation, and green growth, helping African nations mitigate and adapt to the effects of climate change. It seeks to create a climate-aligned portfolio and the implementation of innovative financing models to support the continent's climate and development objectives. Recognising the need to assess climate-related risks and opportunities, the Bank is currently evaluating the appropriate metrics to use. The strategy is expected to be fully approved by 2026.



Key Focus Areas

The Climate Finance Strategy focuses on several foundational pillars that will shape the Bank's future climate finance activities:



BRIDGING THE CLIMATE FINANCE GAP

Opportunities to finance climate adaptation projects, closing the climate finance gap in Africa.



DEVELOPING CLIMATE FINANCE EXPERTISE

Internal technical capacity to originate and execute climate finance deals, integrating climate-related risks into the due diligence process.



STRIKING A BALANCE FOR CLIMATE-ALIGNED GROWTH

Balancing low-carbon growth initiatives with Africa's need for industrialisation, which may still involve conventional energy sources.



CREATING CLIMATE-ALIGNED PARTNERSHIPS

Collaboration with local, regional, and international climate finance players to mobilise funding, primarily concessional, and expertise to scale up investments in trade-enabling infrastructure and industrial development.



Objectives of the Climate Finance Strategy

The proposed strategy aims to:



Expand a climate-aligned portfolio by targeting investments in renewable energy, energy efficiency, and climate-resilient infrastructure that addresses Africa’s critical environmental challenges.



Structure innovative financing models, such as the issuing of green bonds to finance sustainable projects and assets.



Support African countries by providing direct funding for climate adaptation projects or lending to member nations for onward lending to climate initiatives.



Develop renewable energy capacity through investments that contribute to Africa’s industrialization and reduce carbon emissions.



Promote sustainable practices by advocating for climate finance opportunities in both the public and private sectors across Africa.



Strengthen sustainable industrial production via investments in efficient power generation, electrification, and energy efficiency to support the Bank’s Industrialisation and Export Development pillar.

Governance and Oversight

Several internal bodies will have oversight of the Climate Finance Strategy, including the Board of Directors, the Board Strategy and Risk Committee (STRIC: a sub-committee of the Board), the Management Risk and Strategy Committee (RISTRAC) and the ESG Committee.

Once the CFS is in place, it will be possible for the Bank to develop targets and KPIs to monitor its progress against the above focus areas. To develop these targets for climate finance, the Bank plans to conduct a comprehensive scenario analysis to strategically evaluate the business implications of its key climate-related risks and opportunities under different climate-related scenarios.

Stakeholder Engagement and Development Process

The development of Afreximbank’s Climate Finance Strategy is led by an internal Climate Finance Strategy Task Force (CFTF). This group, headed by the Projects and Asset-Based Finance (PABF) department, in close collaboration with ESG Team/Risk Management (RIMA) division and Guarantees and Specialised Finance (GUSF) department, is responsible for drafting the strategy, policies, and guidelines. Input from other departments, including Strategy and Innovation (STIN), Credit Assessment (CRAS), and Communication and Events (COEV) departments, has been integrated into the development process, ensuring broad internal collaboration.



Afreximbank’s Journey with COP

Afreximbank first attended the Conference of Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) in 2022, in Cairo, Egypt. An African nation hosting the 27th COP signified an opportunity to foreground the continent’s unique climate situation: a small contributor to humanity’s carbon footprint that suffers disproportionately from the effects of climate change.

Afreximbank’s participation in COP27 revolved around three core elements:

- An accelerated implementation of the African Continental Free Trade Agreement (AfCFTA), which can reduce the continent’s reliance on carbon-intensive imports;
- The fostering of partnerships to promote an energy transition model that is more globally inclusive, and
- The maintenance of a pan-African position for a balanced, environmentally sustainable economic development strategy.

Afreximbank promoted the continent’s position by advancing Africa’s perspective into the global climate change agenda.

At COP28 in Dubai, Afreximbank built upon the foundations laid at COP27, addressing the broader issues on financing climate interventions for climate adaptation and mitigation. These included loss and damage compensation for African states affected by climate-related hazards, and the potential challenges that African states face as they try to access the Loss and Damage Fund announced during the COP28. Among the proposed solutions for these challenges was coordinated support from key stakeholders, including Afreximbank, to ensure that Africa’s most vulnerable countries benefit from the Fund.

To mobilise climate finance, the Bank supported the New Collective Quantified Goal (NCQG) on Climate Finance, pushing for accessible funding mechanisms tailored to Africa’s needs. In support of the Loss and Damage Fund, Afreximbank actively campaigned for

the operationalisation of this instrument of intervention, aiding African nations that face climate-related damages in building on progress made at COP28. The Bank continued to champion the role of trade in achieving low-carbon industrialisation through the AfCFTA.

At COP29 in Baku, Azerbaijan, Afreximbank amplified Africa’s position on climate change, aligning with the outcomes of the Africa Climate Summit including the core elements of the Nairobi Declaration. The Bank’s participation aligned with the core principles enshrined in African Union’s Nairobi Declaration and the AU Agenda 2063: The Africa We Want. During COP29, the Bank promoted Africa’s narrative as it relates to a Just Transition for the Continent, the role of AfCFTA in climate action, and the urgent need for the mobilisation of the financial resources to ensure the full take off of the Loss and Damage Fund so that Africa and other countries in the Global South can take full advantage of the fund. Additionally, the Bank sought to promote the

prioritisation of Nature Based Solutions by unlocking the potential inherent in Africa’s Carbon Market, the role of innovative finance in empowering green growth in Africa, and increased investments to increase the continent’s capabilities in renewable energy projects and industrial development. The Bank leveraged on the platform of the COP29 to showcase the opportunities inherent in Africa’s battery minerals as a critical requirement for the emergence of the Continent’s battery or electronic vehicles manufacturing sector. The Bank also advanced the need for responsive policies and interventions that will foster equality and inclusivity through the involvement of youths and women in climate action and development. In the same vein, to combat the impact of climate change on agriculture production, the Bank highlighted the need for more investments in agricultural production to address the existential challenges related to food security in Africa.







CASE STUDY

Supporting the Energy Transition

To advance the Just Energy Transition, Afreximbank has invested US\$ 2 million Project Preparation Facility to support the development of a floating liquefied natural gas (FLNG) facility with a production capacity of 2.88 million metric tons per annum, located 60 kilometers off the shore of Akwa Ibom State in Nigeria. This facility, led by UTM Offshore Limited, will incorporate a cargo containment system within the hull of the floating vessel, as well as a gas treatment component. The project is expected to play a vital role in sustainable development across Africa, aligning with the UN Sustainable Development Goals (SDGs) by contributing to climate action, enhancing access to cleaner energy, and driving infrastructural growth. The project also supports other SDGs, as outlined below as well:



Gender Equality

This investment promotes gender equality, with UTM Offshore Limited's governance structure prioritising gender balance at all levels, including the board. The organisation has policies on gender discrimination and sexual harassment, with gender equality embedded in its HR Manual for the upcoming LNG facility.



Affordable and Clean Energy

By expanding cleaner energy exports, the project is projected to support over US\$ 11 billion in Liquefied Natural Gas exports throughout its operational lifetime, contributing to affordable and sustainable energy access.



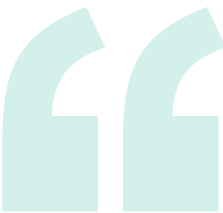
Industry, Innovation, and Infrastructure

The project fosters industrial innovation through new liquefaction infrastructure and technology transfer, enabling the large-scale monetisation of natural gas resources.



Partnership for the Goals

The project is structured as a joint public-private partnership with government equity participation, promoting shared prosperity through collaborative investment.



Together, we can create a sustainable and prosperous future for Africa, addressing both current challenges and future needs. Afreximbank is committed to responsible lending and investing and aims to mobilise finance for sustainable development in Africa.”

Chandi Mwenebundu

Managing Director, Treasury & Markets



04

Social: Building opportunities for all





SOCIAL BUILDING OPPORTUNITIES FOR ALL

Creating Inclusive Opportunities for Everyone

Afreximbank’s ESG strategy is grounded on its commitment to harness opportunities for all through engagement with communities across Africa. It encompasses the foundational investments needed to empower communities, build resilience, and create inclusive growth across the continent. These factors are key to transforming Africa’s global economic standing, reducing its reliance on external aid, and creating robust, locally driven growth.

Guided by the mandate to drive positive, lasting economic and social impacts, Afreximbank’s recent social and community engagement efforts have prioritised immediate relief in the wake of natural disasters and long-term investments in health, entrepreneurship, and cultural growth—each strategically aligned to support communities and bolster Global Africa’s path to economic success.

The Bank also developed ESG Goals that cover these topics (page 100) and appointed designated officers to promote them within the Bank while assuming responsibility for their management and the reporting of progress to the Board.

As it actively pursues responsible ESG management, the Bank’s commitment to social equity is achieved through targeted actions that empower people and strengthen the continent’s as well as the Caribbean economic and social fabric.



We must aim to build a future where Africa’s economic emancipation is seamlessly integrated with the well-being of our communities, the optimisation and conservation of our natural resources. By prioritising inclusive development and sustainable practices that are commensurate to our economic capacities, we can ensure that Africa’s progress benefits everyone and safeguards the environment for future generations.”

Eric Intong Monchu
Acting Group Managing Director, Client Relations



SOCIAL

OUR PRIORITY MATERIAL TOPICS

Through its inaugural materiality assessment (page 29), Afreximbank has identified five priority material topics related to the social pillar of ESG.



Social and Economic Impact - Through its capability to direct capital flows, Afreximbank generates positive economic and social impact on Africans and members of the diaspora.



Financial Inclusion and Capacity Building - Financial inclusion aims at developing financial products and services (such as banking, credit and insurance) that enable SMEs to participate in intra-African trade, expand and realise the opportunities afforded by the African Continental Free Trade Area (AfCFTA). Capacity building is the process of improving financial literacy by empowering people with the knowledge, tools, and confidence needed to use financial products in an effective and responsible way.



Customer and Stakeholder Experience - Enabling seamless transactions and efficient and timely problem/complaints resolution helps in enhancing customer and wider stakeholder experience.



Employee Engagement, Diversity and Inclusion – Diversity and Inclusion initiatives aim at promoting diversity, ensuring equal opportunities and addressing any disparities in pay between genders and nationalities across the Bank.



Talent Management - Talent management covers activities such as employee development and training, career progression and employee retention strategies.



Engaging with Communities

The year 2024 saw Afreximbank undertake an ambitious schedule of community engagement activities. Notable achievements in this regard included **interventions to support the work of the Africa Centres for Disease Control and Prevention (Africa CDC)**. In June 2024, the two institutions entered into a Cooperation Agreement aimed at strengthening health systems across Africa and enhancing the continent’s medical infrastructure and industrial base. The agreement spells out the roles of the organisations in the collaboration, especially in the newly-integrated environment established by the AfCFTA to advance the African Union’s ‘New Public Health Order’. The Health Order sets ambitious targets for the establishment of Africa’s vaccine autonomy and self-sufficiency, with the goal of producing 60% of Africa’s vaccine needs within the continent by 2040. Given the status quo, in which less than 1% of vaccines used in Africa are produced within the continent, the interim targets – producing 10% of Africa’s vaccines locally by 2025 and 30% by 2030 – require significant investment and financing commitments.

It is in this context, and to accelerate progress towards these goals, that **Afreximbank created a US\$ 2 billion facility – the Africa Health Security Investment Plan – which backs health product manufacturing on the continent**. The plan has a dual focus spanning both production and procurement, while promoting twin vehicles: the African Pooled Procurement Mechanism (APPM); and the Platform for Harmonized African Health Products Manufacturing (PHAHM).

This initiative, ratified on the sidelines of the Global Forum for Vaccine Sovereignty and Innovation in Paris,

France, in June 2024, is pivotal in addressing Africa’s health investment challenges, promoting economic development and strengthening the continent’s health security. Additionally, this long-term initiative has been designed to complement the work of the African Vaccine Manufacturing Accelerator (AVMA), a US\$ 2 billion facility founded in 2000 by GAVI, The Vaccine Alliance, to finance African manufacturers of health and pharmaceutical products over the next 10 years. The AVMA is foundationally an innovative financing mechanism aimed at increasing the continent’s access to new and underused vaccines for children.

Meanwhile, although much of Afreximbank’s community engagement is carefully planned and developed over several years, other activities have been responsive to shocks, including natural catastrophes. The past year, for example, has seen the Bank reach out to communities in North Africa and the Caribbean helping them recover from the effects of natural disasters. Following the destruction caused by Hurricane Beryl in July 2024, **Afreximbank donated more than US\$ 500,000 to aid disaster relief and rebuilding efforts across the worst-hit Caribbean countries**. Afreximbank’s donation had material effects on the recovery of the Grenadian Islands of Carriacou and Petite Martinique, as well as several islands in Saint Vincent and the Grenadines, including the Union Island and Mayreau, not to mention Saint Lucia and Barbados. The support provided significant resources for recovery and reconstruction, while fulfilling the “Global Africa” ethos that Afreximbank espouses.

Separately, but not an explicit response to Hurricane Beryl, in July 2024, **local charities in Nassau, Bahamas, received a US\$ 100,000 donation from**



the **Afreximbank Spouse Network (AfSNET)**, in collaboration with the office of the First Lady of The Commonwealth of The Bahamas. Announced on the sidelines of the Bank's 31st Annual Meetings, the funds were directed to two local charities: The Salvation Army and the Bahamas Children's Emergency Fund.

Afreximbank's support for Caribbean nations in the wake of Hurricane Beryl honours a precedent of support for its members during natural disasters. For example, the Bank promptly supported the Kingdom of Morocco following the devastation caused by a massive 6.8 magnitude earthquake in September 2023. The donation – directed to the provision of urgent humanitarian relief – was focused on the most affected regions of the country, including Al Haouz, Chichaoua, Taroudant, Amizmiz and Marrakesh.

The aforementioned interventions, especially those undertaken in response to natural disasters, offer short-term resources and support. However, Afreximbank's mandate and vision are intrinsically linked to Africa's long-term prosperity, realising generational transformation in the continent's economic, cultural and social life. Many of the Bank's community engagement activities are specifically oriented to longer-term timelines, with a prominent focus on education, entrepreneurialism and job-creation. **To buttress the Bank's efforts in education, Afreximbank is currently supporting 12 projects designed to enhance financial literacy.**

Realising that SMEs constitute the lifeblood of Africa's economic life, the Bank has been keen to implement projects such as the **Export SME Development Programme (ESDP)**, which provides essential financial and non-financial support to African SMEs

and high-growth enterprises with an emphasis on strategically important sectors such as agriculture, manufacturing, logistics, and health. The programme works to reduce poverty in a sustainable way by driving intra-African trade, export development and broader industrialisation. **With disbursements exceeding US\$ 140 million to date, the ESDP has supported hundreds of SMEs in Egypt, Nigeria and Zimbabwe.** Moreover, there are plans to expand the scheme across Africa, with Angola and Djibouti being key target markets, as well as the Caribbean.

But just as export development requires investment in the SMEs producing goods and services, so too does it demand mechanisms for standardisation and quality control. Conformity assessment infrastructure enables African exporters to comply with international standards and technical regulations, thereby enabling them to access vast intra- and extra-African markets, in turn growing their businesses' profitability and size. However, African exporters are currently hindered by a lack of high-quality infrastructure such as testing laboratories and conformity assessment centres for testing, inspection, and certification. To bridge this gap **Afreximbank designed the African Quality Assurance Centers (AQACs) initiative, through which it is mobilising financial and technical resources, in collaboration with governments, the private sector, and development partners, to develop world-class and internationally accredited laboratories offering conformity assessment services.** The AQACs are also instrumental in advocating for African countries to adopt appropriate National Quality Infrastructure to meet international trade standards and improve market access for "Made-in-Africa" products.

CASE STUDY

African Medical Centre of Excellence (AMCE)



Afreximbank, in partnership with King's College Hospital London, is investing in the development of the African Medical Centre of Excellence (AMCE) in Abuja, Nigeria. This quaternary-level, multi-specialty medical institution aims to bridge critical healthcare gaps in Africa by delivering world-class medical care through innovative research and education. The centre will provide comprehensive services in oncology, haematology, cardiovascular care, and general healthcare, with plans to expand into a 500-bed facility over six years. The AMCE is a vital component of Afreximbank's

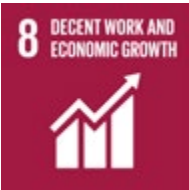
network of healthcare initiatives, designed to create job opportunities, address the brain drain in Africa's healthcare sector, and significantly reduce medical tourism by offering advanced treatments, including cutting-edge procedures such as stem cell transplants. Following the ground-breaking ceremony in December 2021, officiated by former President Muhammadu Buhari, the AMCE is set to begin operations in early 2025. The facility will provide care to over 5,000 patients annually, including free or subsidised medical services for uninsured or underprivileged individuals.



Good Health and Well-being
The AMCE promotes healthy lives and well-being for all ages by providing access to quality healthcare services and advanced medical treatments.



Industry, Innovation and Infrastructure
The AMCE contributes to building resilient healthcare infrastructure, fostering innovation, and supporting sustainable industrialisation in Africa.



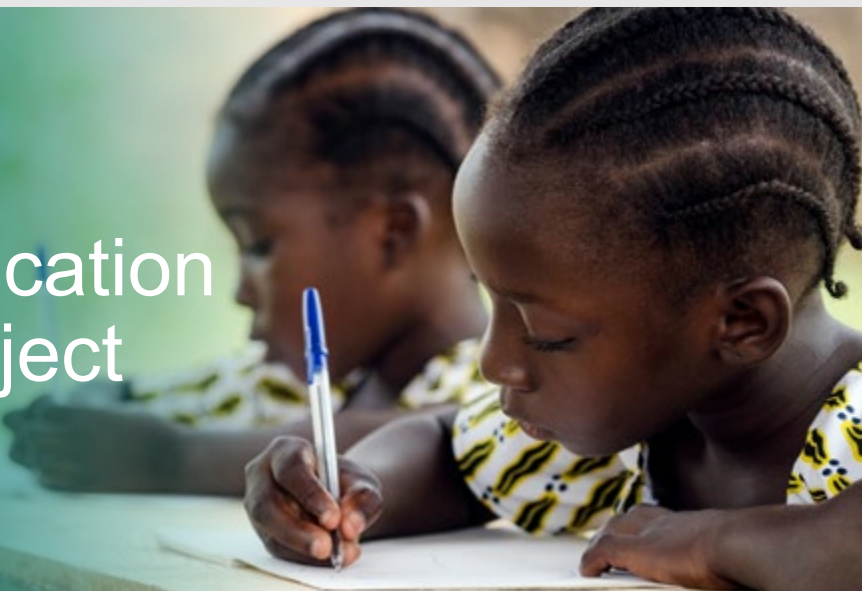
Decent Work and Economic Growth
The project supports sustained, inclusive, and sustainable economic growth by creating productive employment and decent work opportunities in the healthcare sector.



Sustainable Cities and Communities
By improving access to essential healthcare services, the AMCE enhances the inclusivity, resilience, and sustainability of urban and rural communities.

CASE STUDY

US\$ 6 million Education Rehabilitation Project in St. Lucia



In September 2023, Afreximbank disbursed a US\$ 6 million Education Rehabilitation Climate-linked Sovereign Term Loan to the government of St. Lucia through its Ministry of Finance, Economic Development, and Youth Economy.

This first disbursement from Afreximbank’s new Caribbean Office in Bridgetown, Barbados was aimed at addressing the extensive damage caused by Tropical Storm Bret in June 2023, through the repair and rebuilding of school infrastructure.

Afreximbank supported in addressing the immediate impact of the storm by preventing further disruption to students’ learning and building resilience against crises. By integrating climate resilience into the rebuilding process, it ensures that educational facilities can withstand future environmental challenges.

The initiative has enhanced the capacity of St. Lucia’s education system, promoting inclusivity and equitable access to education supporting broader socio-economic development and reinforcing Afreximbank’s commitment to quality education and sustainable development.

**Quality Education**

The US\$ 6 million education rehabilitation project in St. Lucia was pivotal in restoring and enhancing educational infrastructure damaged by Tropical Storm Bret therefore aligning with SDG #4 (Quality Education).

The project ensured that students returned to improved, safe and conducive learning infrastructure and environment, directly supporting the goal of providing quality education facilities.



The future of Africa relies on a balanced approach that safeguards the environment and fosters economic development. By integrating sustainable practices with economic growth strategies, we can ensure long-term prosperity and environmental health for the continent.”

Helen Brume

*Director and Global Head,
Project & Asset Based Finance*



Engaging with Communities

The AQAC initiative is also expected to compound the trade-accelerating impact of the AfCFTA, ensuring that products meet standards and regulations at export destinations within the continent. Beyond product conformity and synchronised regulation, the opportunity presented to African businesses by the AfCFTA demands knowledge of the new system and confidence in its mechanisms. This general capacity building is addressed by the Afreximbank Academy (AFRACAD). Through extensive training, AFRACAD, in association with the AfCFTA Secretariat, is supporting a new generation of African corporate leaders that are equipped with the skills and information necessary to thrive in a new era of intra-African trade. This reinforces the fact that success in Africa’s long-term future requires leaders that have the skill and confidence to spearhead the businesses and start-ups of tomorrow. Cognisant of this, in March 2024, **Afreximbank announced its collaborative effort with the Grand Africa Initiative (GAIN) in the award of a grant to facilitate the training of 300 young African entrepreneurs.** The GAIN-Afreximbank Masterclass on Entrepreneurship and Intra-African Trade has been designed to equip young African entrepreneurs with an explicitly pan-African perspective on trade, emphasising the opportunity provided by the newly implemented AfCFTA.

Meanwhile, the Bank has identified the film industry – and the creative industries more broadly – as a key opportunity with significant economic and trade implications. The creative industries offer the chance to materialise Afreximbank’s “Global Africa” strategy, connecting value chains across Africa and its diaspora in the Caribbean, Europe and the Americas. In June 2024, through its investment impact subsidiary, the Fund for Export Development of Africa (FEDA), and JVL Media, LLC, Afreximbank signed a Memorandum of Intent (Mol) to collaborate in developing Africa’s nascent film value chain, promoting the Global African experience in cinemas around the world. And while this Mol focuses specifically on the film industry, **the Bank has championed the creative and cultural industries more broadly through its Creative Africa Nexus (CANEX) programme, which spans sectors such as music, sport, arts, literature, fashion, gastronomy and culinary arts.**



AFRICA-TRADE KNOWLEDGE HUB



ANNUAL GENERAL MEETING 2024

And just as Africa has produced successive generations of cultural visionaries, so too does it educate and train some of the most promising and valuable medical professionals in the world. However, historically, the continent has not benefited from the medical flair of its young doctors and nurses, many of whom are lured elsewhere to build their careers – in Europe and North America primarily. To address this medical “brain-drain” and stem the flow of capital that leaves the continent when people travel elsewhere for expensive medical treatment, Afreximbank has championed the development of the African Medical Centre of Excellence (AMCE) initiative across the continent. The first AMCE based in Abuja, Nigeria, is a quaternary-level multi-specialty medical institution developed by the Afreximbank in partnership with King’s College Hospital, London. The project has been years in the making, but it was during its 2024 African Health Forum that it gained major traction by convening industry leaders, healthcare professionals, and stakeholders from across Africa and beyond to discuss critical issues facing the healthcare sector and explore avenues for collaboration and progress. The landmark event held in Abuja, Nigeria in February 2024– unprecedented in scale or scope in

the African context – represented a significant milestone for healthcare collaboration and innovation across the continent.

In all the Bank’s community engagement efforts, the need to be well-resourced and financed has stood out. It is this access to finance that Afreximbank champions for institutions and markets across its member states. A prominent example of this fundraising capability is its 2024 work with the Arab Bank for Economic Development in Africa (BADEA). **In January 2024, Afreximbank successfully acted as the Joint Global Coordinator on the inaugural €500 million RegS-only senior unsecured social bond issuance by BADEA under its newly established Euro Medium Term Note (EMTN) programme listed on the London Stock Exchange.** Importantly, the proceeds of this bond issuance will fund eligible projects under BADEA’s newly established Sustainable Finance Framework (independently verified by Second Party Opinion service provider ISS-Corporate), focusing on essential services such as healthcare, education, MSME financing, food security, employment generation and affordable housing.

“

Collaboration across sectors is vital for developing sustainable solutions that benefit the whole of the Global Africa. By fostering partnerships across governments, corporates, non-governmental organisations, and communities, we can leverage diverse expertise and resources to address complex challenges effectively, ensuring inclusive and far-reaching sustainable development for a resilient and prosperous Global Africa.”

Joy Albright

Director, Legal



CASE STUDY

The Creative Africa Nexus Programme (CANEX)

Afreximbank’s Creative Africa Nexus (CANEX) programme is designed to champion Africa’s thriving creative and cultural industries, recognising their immense potential to fuel economic growth, strengthen trade, and support Africa’s path to the UN SDGs, particularly SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 17 (Partnerships for the Goals).



Empowering African Creatives for Socioeconomic Impact

CANEX offers a US\$ 2 billion fund that directly supports African creatives across sectors like digital innovation, music, film, fashion, sports, and literature. It aims to unlock new revenue streams and expand Africa’s creative exports by facilitating access to global markets, building digital marketplaces, and offering technical training and support. Through these measures, CANEX not only fosters a supportive ecosystem for Africa’s creative sector but also positions African creative enterprises as appealing assets for global investors, advancing SDG 8 by creating job opportunities and fostering sustainable economic growth across the continent.



Global Market Access and Industry Recognition

To promote Africa’s creative industry on a global scale, Afreximbank’s CANEX programme organised ‘CANEX Presents Africa’, a fashion initiative that brought 20 African fashion designers to the prestigious Tokyo trade show and Paris Fashion Week in September 2024. These prestigious platforms allowed designers from nine African countries to engage with global buyers, wholesalers, and media, leading to high-value orders from Japan, the U.S., Europe, and beyond. The programme elevated Africa’s profile in the global fashion industry, aligning with SDG 9 by supporting infrastructure and innovation in fashion and establishing Africa as a global sourcing destination.



Music, Masterclasses, and Market Expansion

CANEX also extends its reach into music, jewellery, and publishing through several innovative initiatives. The CANEX Music Factory, for example, helped over 500 aspiring musicians produce a 12-track album now available on major streaming platforms. Similarly, the CANEX Jewellery Masterclass, launched in 2022, provided more than 4,000 creatives with access to skill-building resources on the TRACE Academia app. The CANEX Book Factory, in collaboration with award-winning author Chimamanda Ngozi Adichie, aims to elevate Africa’s literary talent, while the newly launched CANEX Prize for Publishing in Africa celebrates African publishers and authors, supporting SDG 9 by fostering an innovative, sustainable African publishing industry.



Celebrating African Culinary and Literary Arts

In October 2024, CANEX held a major event during the Algerian Company of fairs and Exhibitions (SAFEX) in Algiers, where it explored multiple creative verticals, including African Gastronomy and Culinary Arts. This culinary program, featuring renowned chefs from Africa and the Caribbean, emphasised the importance of Africa’s food value chain, from production to consumption, advancing SDG 2 (Zero Hunger) by promoting sustainable food practices. The CANEX Book Factory champions the African publishing industry with a prestigious annual prize and workshops designed to foster a pan-African literary community.



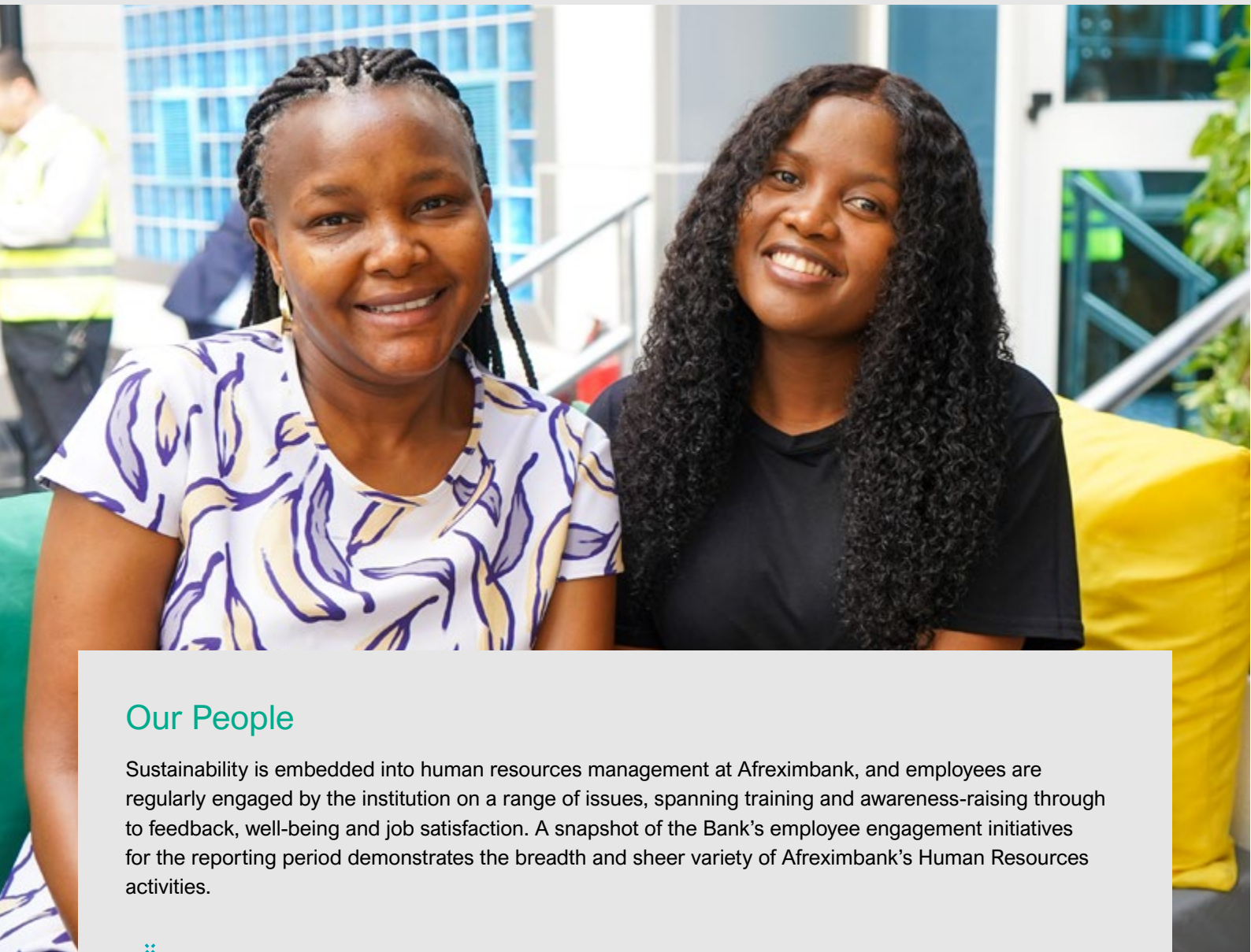
Unifying Efforts through Partnerships

Afreximbank leverages a collaborative approach to supporting the objectives of the CANEX In 2024, working in partnership with organisations like the African Union Commission, the African Continental Free Trade Area (AfCFTA) Secretariat, and the Government of the People’s Democratic Republic of Algeria, the CANEX Weekend (WKND) resumed in Algeria, bringing together over 108 exhibitors and over 4,000 attendees from 81 countries on a common platform for knowledge exchange, skill-building, and network expansion. These collaborations embody SDG 17 by forming meaningful partnerships and facilitating synergies that drive Africa’s creative sector forward.



The Creative Africa Nexus Program (CANEX)

CANEX embodies Afreximbank’s dedication to building a vibrant, sustainable creative industry in Africa, reinforcing the continent’s cultural influence globally and laying a foundation for economic growth that aligns with the United Nations SDGs. Through CANEX, Afreximbank is not only investing in Africa’s creative industries but also contributing to a stronger, more resilient African economy that harnesses the transformative power of culture, creativity, and innovation.



Our People

Sustainability is embedded into human resources management at Afreximbank, and employees are regularly engaged by the institution on a range of issues, spanning training and awareness-raising through to feedback, well-being and job satisfaction. A snapshot of the Bank’s employee engagement initiatives for the reporting period demonstrates the breadth and sheer variety of Afreximbank’s Human Resources activities.



TRAINING

- Leadership Development Programmes



RECOGNITION & REWARD

- The Banks Recognition Scheme known as the Peer-to-Peer Recognition Programme



EMPLOYEE WELLBEING & FEEDBACK

- Employee Experience Survey
- Internal Satisfaction survey
- Staff Communication Forum
- Self-Care Day and Package



AWARENESS RAISING & CELEBRATION DAYS

- International Women’s Day Celebrations
- World Mental Health Day
- Breast Cancer Awareness Talk
- International Men’s Day
- World Environment Day
- Founders Day
- End of Year Party
- Africa Day
- Values Campaign and Employee campaigns

Diversity and Inclusivity

Afreximbank has demonstrated commitment to ensure it upholds the principles of diversity and inclusivity in line with its mandate, human resource policies, and the nuances of the African continent. The Bank's commitment to ensuring it remains a diverse and inclusive institution is unwavering, and its processes, policies and recent initiatives address diversity and inclusion in their various dimensions. For example, the Afreximbank Spouses Network provides support for employees' partners, with provisions catering to social, psychological, and physical care. Notable publicity on core inclusion agenda is also made during global campaigns including on International Women's Day (March 8), International Men's Day (November 19), and Environment Day (June 7).

Crucial to encouraging diversity and promoting inclusion is training and upskilling: only when people feel confident in their ability to contribute are they able to confidently do so. It is this reasoning that prompts the Bank to run various training activities, including the Coaching for Leaders, Internship Programme, Junior Professionals, and The Afreximbank Leadership Development programmes – all designed to nurture from diverse backgrounds and cultures. Among the Bank's flagship learning and development initiatives are:

The Afreximbank Academy (AFRACAD)

The Bank launched the Afreximbank Academy (AFRACAD) to facilitate the seamless deployment of capacity-building programmes to all internal and external stakeholders. With the engagement of a learning design firm, the Bank anticipates the development and delivery of more customised learning content through the AFRACAD platform.

The 2024 Certificate of Trade Finance in Africa (COTFIA)

The rollout of the 2024 Certificate of Trade Finance in Africa (COTFIA) marked another significant milestone for the Bank. With 23 new participants enrolled, over 200 individuals have now participated in this comprehensive programme since its inception in 2016, enhancing the expertise of Africans in international trade best practices.

The Afreximbank Transition to Leadership Programme (ATLP) and Advanced Module (AATLP)

The Bank ran five staff cohorts in 2024 for the Afreximbank Transition to Leadership Programme (ATLP) and its Advanced Module (AATLP). These programmes play a critical role in strengthening leadership skills across the organisation, thereby improving the Bank's management effectiveness and long-term productivity.

The 2024 Afreximbank Trade Finance Seminar (ATFS)

In November 2024, the Bank organised the Afreximbank Trade Finance Seminar (ATFS), a flagship programme aimed at enhancing trade finance skills and knowledge across the African continent and its diaspora, contributing to the transformation of Global Africa through trade.

The 2024 Compliance Forum

To improve global trade in Africa and align with international regulatory and compliance standards, Afreximbank in partnership with the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), hosted a high-profile Compliance Forum in Dakar, Senegal, from 4 to 6 September 2024. The Forum was attended by more than 300 participants, including compliance professionals, traders, regulatory bodies in Africa, with subject matter experts from international organisations participating as speakers and panellists. The 2024 theme focused on the importance of identifying ultimate beneficial ownership in due diligence processes to mitigate against financial crime risks and regulatory breaches e.g. sanctions.

Together in Times of Crisis

In the period under reporting, some of the Bank's member states experienced acutely challenging environmental events, with Caribbean Member States Grenada and St. Vincent and The Grenadines severely impacted by Hurricane Beryl. As well as causing fatalities, the storm left many more displaced. The Afreximbank was quick to assist populations in their recovery and rebuilding, while ensuring that affected staff members and their families were able to access trauma support and counselling. A voluntary staff donations campaign – alongside institutional donations from the Bank – raised contributions to the critical relief effort.

Approach to Human Resources Management

Just as important as human resources policies are, so are practitioners equipped to implement them and cultivate a diverse and inclusive atmosphere. To maintain the skills and capabilities of its Human Resources (HR) staff, Afreximbank undertakes regular Balanced Scorecard Certification as well as qualifications from, and courses at, the Society for Human Resource Management (SHRM) and Chartered Institute of Personnel and Development (CIPD). Moreover, its HR team has completed various courses aimed at enhancing the employee management skillset.



ONBOARDING/EMPLOYMENT DOCUMENTS

- Afreximbank Staff Handbook
- Afreximbank Values Assessment
- Staff Biodata, Oath of Secrecy Form
- Afreximbank Conflict of Interest Disclosure Form
- Retirement Scheme Employee Declaration
- Job Offer Letter, Employee Contract
- Job Description Signed Form

HR LETTERS

- Staff personal loan agreement,
- New Retirement Scheme Additional Voluntary Contribution (AVC) Form
- Invitation Letters
- Education support letters
- Visa letters.

OFFBOARDING/DOCUMENTS

- Exit Clearance form
- Exit Interview form
- Resignation form.



WOMEN IN LEADERSHIP AT AFREXIMBANK

Afreximbank’s Commitment to its People: Development and Evolution

Afreximbank is constantly reviewing its internal processes around, and its approach to talent acquisition, retention, management and growth, as well as the efficacy of its policies and practices guiding employee engagement, culture and well-being, workforce planning, learning and development.

The Bank attracts and recruits talent from its member states across the Africa and the Caribbean. Its existing staff database has representation from 40 African states and the Caribbean, with a single spine salary structure applied in all locations ensures internal equity.

The Bank also has a Talent Development Framework which caters for the internal movement of staff at horizontal, diagonal and vertical levels on an annual basis. This framework ensures that staff are given a chance to grow their careers by ensuring that growth and change happens in the managerial and directorship levels opening up new opportunities for existing staff,

supported by the Bank’s Talent Management process. The Critical Roles Analysis (CRA) process is part of the annual talent review process, which is carried out every year in the third quarter. During this process, Heads of Departments are asked to identify critical roles within their functions and advise on the capacity of the team. Where critical roles are identified as vacant, they are flagged for recruitment in the workforce plan process, which begins at the end of the third quarter.

Meanwhile, various talent development programmes exist to enhance the Bank’s talent base. These include: Junior Professional Programmes and the Internship Programme, the Coaching for Leaders Programme and the Leadership Development Programme, which all support teams and leaders to excel within diverse environments and cultures.



Looking ahead, the Bank has recently devised major reforms to its talent acquisition approach, by both revamping its recruitment process and restructuring the interview process for prospective employees. The two propositions are in their initiation phase. To enhance efficiency, recruitment will be largely transferred to an automated system, with stages such as sourcing, screening, and selection significantly streamlined. This automation – and consequent resource-saving – will allow the Human Resources team to focus on the attraction of high-quality recruits within tighter timeframes. Additionally, and just as important, the HR team intends to restructure the interview process into multiple phases, an approach which will ensure adequate time for thorough candidate assessment, enabling a better evaluation of skill and cultural fit.



As well as major reforms to its recruitment functions, the Bank in 2024 launched the Afreximbank Talent Development Framework (ATDF), which is designed to foster employee growth and engagement.

Among the ATDF's key objectives is the promotion of purpose and meaning for employees, such that employees' roles within the organisation align with its broader, overarching mission. Thereby enhancing job satisfaction and increasing motivation. Another important facet of the framework pertains to career planning, ensuring that employees are provided with structured career development plans that allow them visibility around their growth and trajectory in the organisation. Closely linked to this, the ATDF emphasises the development of internal talent as a means of bolstering the organisation's access to

quality employees in the longer-term. Finally, and connected to its other provisions, the framework emphasises the need for employees to have access to opportunities for mobility and pathways to explore different roles within the organisation, thereby increasing retention and engagement.

And just as automation will revolutionise recruitment at the Bank, so will the successful implementation of the HR system 'MySuccess Employee Central' – a cloud-based Human Resources Information System (HRIS) – which has resulted in the standardisation of the Bank's HR processes by providing staff with a single platform for all HR transactions, MySuccess Employee Central has enabled them to benefit from a seamless, user friendly and easily accessible system with Employee Self-service (ESS) and Manager Self Service (MSS).



INTERNATIONAL WOMEN'S DAY 2024



MEN'S DAY CELEBRATION



LONG SERVICE AWARD TO STAFF 2024



MEN'S DAY CELEBRATION - FOOTBALL TEAM



MEN'S DAY CELEBRATION - GOLF



AFREXIMBANK HEAD OF DEPARTMENT WORKSHOP



WORLD ENVIRONMENT DAY 2024



MEN'S DAY CELEBRATION - BASKETBALL TEAM



MEN'S DAY CELEBRATION



WORLD ENVIRONMENT DAY 2024



MID-TERM STRATEGIC REVIEW RETREAT



INTERNATIONAL WOMEN'S DAY



Health and Safety

The health, security and safety of Afreximbank’s employees ranks as the organisation’s top priority. For this reason, employees can access a rich and varied set of medical and well-being measures, with every colleague entitled to an Annual Medical Check-up and a Medical Health Personal Declaration towards follow up treatment.

In addition, the Bank’s Resilience Programme integrates within it a comprehensive and structured well-being programme. The emphasis Afreximbank places on employee well-being is illustrated by its annual Well-being Day, during which Bank staff undergo a detailed and well-structured programme of talks and activities.

Moreover, Afreximbank has expanded the network of hospitals/medical centres at all its locations to ensure quality healthcare services for all staff and dependents.

As part of the Bank’s Emergency preparedness activities to ensure the organisation has the capacity and skills to handle emergencies, employees and those associated with the Bank receive vital training, including:

- **First Aid.**
- **Floor Warden and Fire Egress:** A staff member assigned to each floor within a building to support evacuations during an emergency.
- **Afreximbank Spouses Network (ASNET) Emergency Preparedness Workshop:** Training of staff spouses to prepare for home emergency.



Mental Health Talk with Consultant Psychiatrist



Nutrition Talk with Clinical Nutritionist



Healthy Lunch Pack



Physical Well-being: Relaxing yoga lesson



Physical Spot Checks: BMI, Blood Pressure



Health Advisories and webinars



RESILIENCE WEEK 2024

05

Governance

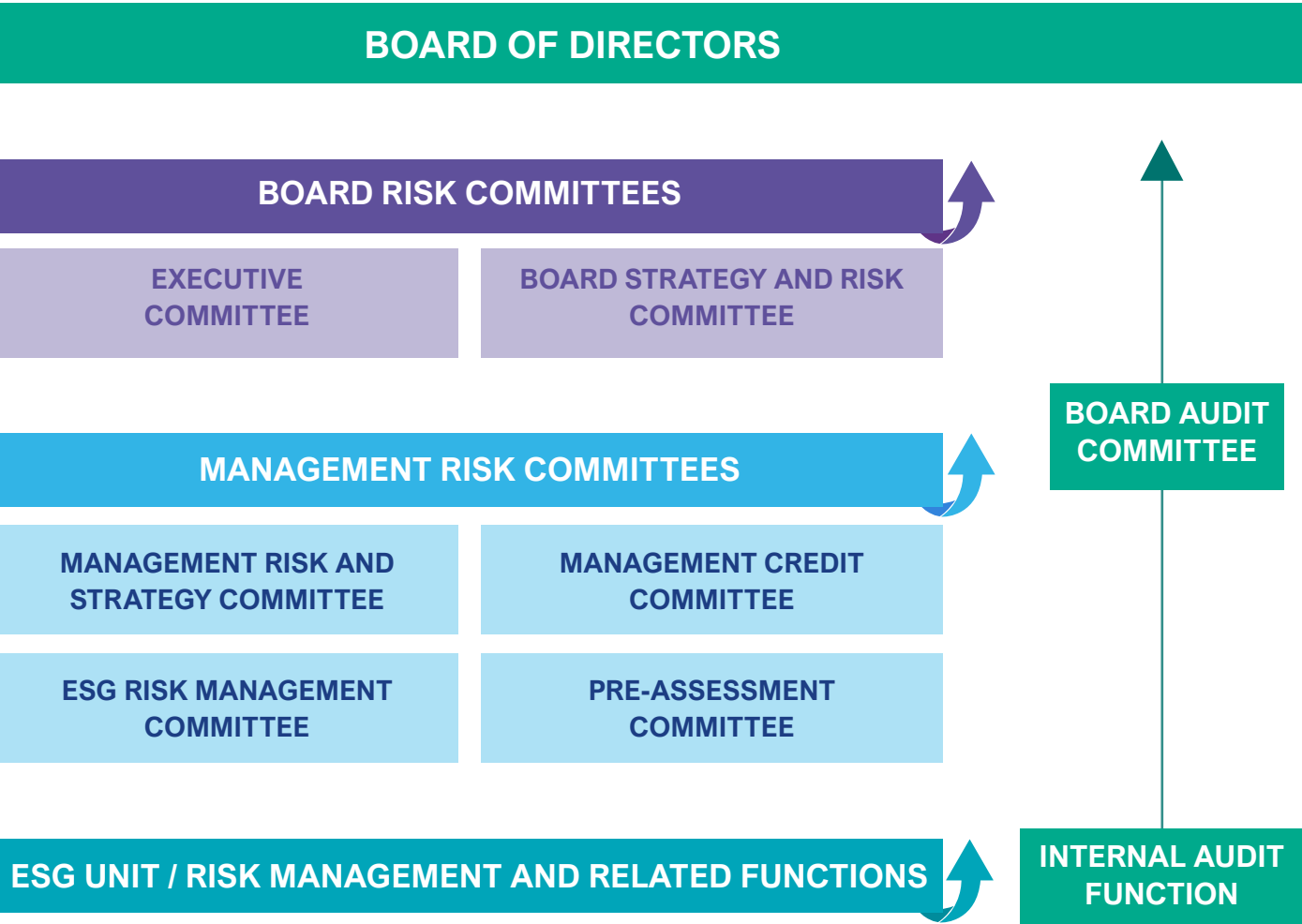




GOVERNANCE

Afreximbank’s robust approach to governance – and ESG governance in particular – reflects its commitment to encouraging and supporting sustainable, ethical, and inclusive economic growth across Africa. Through comprehensive policies, dedicated oversight committees, and rigorous risk management, the Bank aligns its operations with established ESG principles. The Bank’s Sixth Strategic Plan (Plan VI) is designed to deliver sustainable impact through responsible trade and investment, underpinning Afreximbank as a driver in Africa’s future economic development and societal resilience.

Corporate Governance



ESG COMMITTEE MEETING



Afreximbank's governance model is built on a structured board and committee framework that supports its development-focused mission and ensures alignment with ESG priorities. The Bank's governance structure on climate-related risks consists of the Board, the Board Strategy and Risk Committee (STRIC), the Executive Committee (EXCO), the Management Risk and Strategy Committee (RISTRAC), Management Credit Committee (CRECO), Pre-Assessment Committee (PAC), the Environmental, Social and Governance (ESG) Committee and the Risk Management - ESG function.

The Board provides general oversight on the management and monitoring of the ESG risks. The Board also sets the tone and outlines realistic expectations in managing ESG risks, ensuring the development of an ESG strategy that aligns with the

Bank's risk appetite and overall strategic objectives. Another critical function of the board is ensuring adequate expertise and resources are available for effective ESG risk management, based on the recommendations of the President.

The Board Strategy and Risk Committee (STRIC) provides oversight across all key risk and ESG policies, guiding the Bank's investment and financing decisions to support African trade, industrialisation, and sustainable development. As part of this mandate, the STRIC take an active role in overseeing the assessment and monitoring of the Bank's ESG risks. Reporting directly to STRIC, the ESG Committee has become an essential body for integrating ESG considerations into the Bank's strategic activities.

The Executive Committee (EXCO) reviews and approves credit within its approval limit, having confirmed that the potential ESG risks associated to the transactions have been adequately mitigated. It only recommends credit above its limits for Board approval upon satisfaction that the potential ESG risks have been adequately mitigated. This function takes place while RISTRAC reviews the reports and activities of the ESG Committee, continuously assessing the ESG Risk Management operational framework.

The Management Credit Committee (CRECO), considers and approves transactions with potential adverse ESG risks only upon satisfaction of relevant environmental and social risk due diligence requirements. Meanwhile, the PAC ensures that transactions submitted for consideration have been screened for conformity with the Bank’s Exclusion list and have been appropriately categorised in line with the policy.

Pre-Assessment Committee (The “PAC”) ensures that transactions submitted for consideration have been screened to ensure that they align with the Bank’s strategic objectives, are not on the Bank’s Exclusion list and have been appropriately categorised in line with the policy.

The ESG Committee’s Terms of Reference was revised in August 2022 and was tasked with overseeing the Bank’s ESG framework implementation including risk management and related reporting activities. This Committee plays a critical role in evaluating ESG risks in lending, investment portfolios and internal operations, ensuring compliance with ESG policies, and upholding the Bank’s commitment to sustainable practices. The Committee meets quarterly to review ESG risks and reports directly to the STRIC, providing updates on progress and ensuring accountability. By implementing ESG due diligence, the committee contributes to a systematic assessment of environmental and social risks across all projects, partnerships, and internal operations.

Risk Management (ESG Function) - The ESG function is responsible for managing the ESG policies and strategies of the Bank including operational and institutional safeguards. The ESG function also coordinates the identification, evaluation, and monitoring of all ESG risks associated with the activities of the Bank.



GOVERNANCE

OUR PRIORITY MATERIAL TOPICS

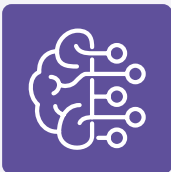
Details of the double materiality assessment process that Afreximbank undertook, along with the priority material topics that process revealed, are covered in page 29 of this report. Of the 12 priority topics, the four related directly to governance, ethics, organisational controls and transparency include:



Business ethics and integrity
Business Ethics and Integrity ensures ethical conduct of Afreximbank’s business while managing the risks surrounding issues such as money laundering and corrupt practices.



Systemic risk management
The impacts of systemic risks and shocks resulting from the large-scale weakening or collapse of the interconnected global financial system could be minimised through Afreximbank’s use of management systems and scenario planning.



Data privacy and cyber security
Minimising incidents such as data breaches and cyberattacks and managing the risks associated with data collection, retention, and use of sensitive and confidential data and business information is required.



Impact communications
Regular, accurate and comprehensive external communications on the Bank’s developmental impact raises awareness among its stakeholders and shares the Bank’s practices with the wider industry.

To ensure the continued prioritisation of these material topics, Afreximbank has established four long-term governance goals to drive measurable progress against these issues. A Goal Owner is assigned to each goal, ensuring clear responsibility for implementation as well as further developing an ESG-committed culture within the organisation.



ESG Committee

Afreximbank's ESG Committee plays a critical role in overseeing the implementation and management of the Bank's ESG policies and practices. Established in 2019, the Committee was designed to strengthen the Bank's risk management framework by ensuring the uptake and implementation of robust ESG safeguards. The Committee's Terms of Reference (ToR) was reviewed in August 2022 to align with the Bank's Strategic Plan VI and to meet statutory review requirements. This updated scope expanded the Committee's responsibilities, reinforcing its role in monitoring the ESG components of the Bank's financing, funding, and investment activities, as well as its internal operations.

The ESG Committee is chaired by the Chief Risk Officer and its membership includes the Director of Compliance, Director of Legal, Director of Projects & Asset Based Finance, Director of Communication & Events, Director of Real Estate and Administration, Managing Director of Treasury & Markets and Managing Director of Client Relations. The Committee operates as a tactical body, providing comprehensive oversight of key ESG performance indicators, such as the Bank's internal carbon footprint, health and safety standards, and the ESG aspects of its funding programmes. It is responsible for ensuring that all ESG risks related to both internal and external activities are managed effectively. Additionally, the Committee convenes to review ESG due diligence reports for high-risk transactions, including Category A and B investments, ensuring that the Bank's decision-making processes are aligned with its ESG commitments.

In supporting the Bank's sustainable finance initiatives, the ESG Committee also oversees the implementation of its Sustainable Finance Framework and ensures compliance with ESG covenants in its transactions. It provides input into the Bank's internal and external rating processes, particularly the ESG components, and serves as the Bank's Climate Finance Management Advisory body. Furthermore, the Committee reviews and recommends for Executive Management approval ESG-related technical assistance and capacity-building initiatives that strengthen the Bank's ability to drive sustainable development in Global Africa.

The ESG Committee at Afreximbank operates with a multi-tiered mandate designed to comprehensively integrate ESG into the Bank's core activities. The Committee's mandate covers several strategic functions including establishing minimum standards for environmental and social due diligence and overseeing compliance with these standards across project financing and investment transactions. In addition, the ESG Committee has a strategic advisory function, providing guidance to management on critical ESG risks and ensuring that ESG considerations are central to strategic planning.

The Committee also has a leadership role in educating and guiding internal teams on ESG matters, promoting a consistent ESG-oriented culture throughout the organisation. This includes training on the bank's ESG policies, due diligence standards, and monitoring processes to ensure that employees and executives understand and align with Afreximbank's ESG objectives.

ESG Committee’s Responsibilities



ESG Due Diligence

The Committee mandates strict due diligence procedures across all transactions to evaluate environmental and social risks, with particular attention to high-impact sectors. These procedures incorporate international standards, like the International Finance Corporation’s (IFC) performance guidelines, and adapt them to meet the unique needs of African markets.



Transaction Screening & Monitoring

The ESG Committee oversees a thorough transaction screening process that categorises and monitors projects based on risk levels. For projects identified as high risk, the committee requires additional review and monitoring to ensure alignment with ESG principles and prevent potential adverse impacts.



Compliance & Reporting:

ESG compliance is an ongoing priority for the committee, which oversees quarterly reports submitted to the STRIC. These reports highlight compliance status, identify ESG risk exposures, and recommend adjustments where necessary. It periodically reports to the President, RISTRAC and STRIC regarding the effective management of the Bank’s climate and ESG risks. By enforcing compliance with ESG policies, the committee ensures that Afreximbank remains accountable to stakeholders and upholds its commitments to sustainable development.

Proxy Voting and Investee Engagement Policies and Procedures

The Bank’s proxy voting and investee engagement policies, alongside its day-to-day operations, are key components of its Charter, which is disclosed on the Afreximbank website. The Bank has four categories of shareholders, namely:

CLASS

A

African governments, central banks, African regional and sub-regional institutions

CLASS

C

Non-African financial institutions, export credit agencies and private investors

CLASS

B

African private investors and financial institutions

CLASS

D

Created in December 2012, under this class, any person or entity can be allotted shares. Class D shareholding is accessed through the acquisition of the Bank’s depository receipts listed on the Mauritius Stock Exchange

Ethics and Compliance

Afreximbank’s governance approach is grounded in a culture of integrity and compliance, with a comprehensive Ethics Framework that incorporates standards and process in mitigating against business conduct and financial crimes risks, including, but not limited to; anti-bribery, anti-corruption, and anti-money laundering standards. Afreximbank conduct policies, guidelines and procedures are premised on best practices and are aligned to internationally accepted standards, including the Financial Action Task Force (FATF) Recommendations, Wolfsberg Group Principles, etc.

The Bank’s Anti-money Laundering, Counter Financing of Terrorism and Counter Proliferation Financing Policy mandates Customer Due Diligence (CDD) protocols and Know Your Customer’s Customer (KYCC) procedures on all relationships established by Afreximbank Group, on a risk-based approach. Afreximbank promotes ethical practices across its supply chain by requiring contractors and suppliers to align their delivery with its ethical standards, thus extending compliance beyond the organisation itself. All vendors are expected to comply with the Afreximbank Code of Conduct for third parties.

While Afreximbank is an international organisation with diplomatic privileges, and as such is not subject to jurisdictional laws or regulations, it has a comprehensive complaints handling mechanism anchored on its Customer Complaints Handling Policy.

This policy sets out the principles for managing complaints received by the Bank and contains the requirements of the complaint handling procedure, including processes for communication, reporting, and retaining complaints records. The policy defines a complaint as all feedback (i.e. regardless of who reports it) made by any person or entities to whom Afreximbank delivers services, or who is affected by the services of Afreximbank, an organisation with which the Bank works, or a member of the public. Any external party can submit a complaint through the Afreximbank website: www.afreximbank.com

Ethics training is also an integral component of Afreximbank’s compliance programme, with all employees undergoing periodic and targeted training to stay informed on the latest compliance protocols and risk identification practices. This commitment to ethical standards not only supports regulatory adherence but also fosters a culture of integrity across all levels of the organisation.

ESG Risk Management and Oversight

Afreximbank's approach to ESG risk management is driven by a commitment to identify and mitigate potential impacts, such as reputational, legal, and financial risks, while also optimising opportunities related to environmental, social, and governance factors. The Bank's ESG Risk Management Policy ensures ESG requirements are included as core elements of its operations, including its credit assessment process. This ensures not only that all potential commercial risks are effectively managed, but also assists the Bank in meaningfully contributing to Africa's sustainable development.

The Bank recognises that its internal operations do not generate significant ESG risks when compared to its financing activities. It is the business of third parties such as financial intermediaries, corporate clients and business partners that comprise the most significant portion of the ESG risk to the Bank. The sources of ESG risk to the Bank are categorised as follows:

- Credit Risk and Low Return on Investment due to:
 - *Suspension of a business' operations following non-compliance with ESG requirements;*
 - *Costs relating to legal liabilities such as fines and penalties for environmental damage or damage to the health of local communities, or*
 - *Devaluation or obsolescence of collaterals or critical assets associated with a transaction due to the impacts of climate change or other ESG risks.*
- Legal Risk arising from the transfer of liabilities from a client or an investee to the Bank

- Funding Risk arising from increased cost of funding due to non-compliance with ESG regulations or failure to meet stakeholders' expectations regarding ESG risk management
- Reputational Risk arising from the Bank's association with an entity that presents adverse ESG risks to the public.

With the understanding of the Bank's risk profile, the key objectives of Afreximbank's ESG risk management activities are to:



Identify and manage ESG risks across both lending and non-lending activities.



Enhance the Bank's capacity to contribute to sustainable growth in Africa while ensuring excellent commercial performance.



Maintain an effective Environmental and Social Management System (ESMS) that adapts to the Bank's evolving needs and challenges across industries and sectors.



Foster an ESG-aware culture, encouraging all employees to actively manage ESG risks in their daily operations.

Afreximbank has carefully delineated its process of managing ESG risk to encompass short-, medium-, and long-term transactions. Each of the Bank's wide array of commercial transactions and business relationships carries with it certain degrees of risk, and through its ESG Risk Management process, the Bank can make informed decisions on the relative risk levels of its current and potential activities.



Our mandate is to accelerate Africa's development by responsibly harnessing its resources and promoting sustainable practices, ensuring lasting benefits for the continent and its people."

Idrissa Diop

Director-Compliance



The structure of the ESG risk management process is as follows:

Transaction
Screening

The Bank uses an exclusion list to filter out business activities it will not support. Every transaction is screened by the Client Relations Department against this list, and any falling within the excluded categories are not considered for financing. This ensures the Bank’s base tolerance level for activities running counter to principles of strong ESG governance is never exceeded.

Environmental
and Social
Categorisation
of Transactions
and Financial
Intermediaries

After passing the Exclusion List, transactions are classified based on potential ESG risks and impacts. This categorisation helps determine the level of due diligence, stakeholder engagement, and monitoring required. The Bank follows the International Finance Corporation’s categorisation process, which also applies to financial intermediaries based on the ESG exposure of their clients, as outlined below:

- Category A: Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.
- Category B: Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.
- Category C: Business activities with minimal or no adverse environmental or social risks and/or impacts.
- Category FI: Business activities involving investments in financial institutions (FIs) or through delivery mechanisms involving financial intermediation.

Environmental
and Social
Due Diligence

Conducting ESG due diligence is a critical step in assessing both transactions and financial intermediaries. It helps identify any ESG risks that could impact the Bank negatively. If due diligence reveals high ESG risk exposure that cannot be mitigated within acceptable levels, the Bank will not support the transaction or financial intermediary.

Environmental Social and Risk Monitoring

Once credit facilities are disbursed or investments made, the Bank implements a comprehensive monitoring programme tailored to the ESG risk category identified in the Environmental and Social Categorisation step. This ensures that clients and investees:

- Effectively identify and address emerging ESG risks associated with their businesses.
- Comply with ESG covenants incorporated in loan and investment agreements.
- Implement corrective action plans to prevent and mitigate ESG risks identified during the due diligence process within set timelines.
- Adhere to local regulatory requirements as well as the requirements of the Bank's ESG Risk Management Policy.
- Allocate adequate resources to support the implementation of the business' Environmental and Social Management Systems (ESMS).
- Take appropriate action to resolve complaints, grievances, orders, directives, claims, or notices from any relevant authority in accordance with applicable laws and national or local requirements.
- Maintain ongoing stakeholder engagement processes including a grievance mechanism for stakeholders directly impacted by the operations of the business.

Environmental and Social Risk Reporting

To ensure proper oversight of the ESG Risk management process, reports are regularly presented to the ESG Committee, explaining the Bank's performance and activities regarding its ESG Risk Management process. These reports also include client and investee compliance with ESG clauses included in loan and investment agreements as well as the Bank's internal ESG footprint.

To track progress, the Bank is developing key performance indicators and measurable targets for managing ESG risks within its internal processes. Performance will be reviewed by the ESG team and reported to governance bodies, ensuring the Bank's risk management process reflects best practices and remains embedded in its credit and investment assessments. The risk management process of the Bank has already been embedded in the ESG risk process cycle.



Cyber Security

Recognising the growing threat of cyber risks in financial services, Afreximbank has implemented a robust cybersecurity framework to safeguard its information assets and ensure operational continuity. The Bank's Protection of Information Assets Policies (PIAP) – Data Breach Policy provide comprehensive guidelines for managing data breaches, focusing on threat detection, regular audits, and an effective incident response strategy.

In October 2024, Afreximbank received ISO 27001, which is the world's best-known standard for information security management systems (ISMS). This certification means that Afreximbank has put in place a system to manage risks related to the security of data owned or handled by the company, and that this system respects all the best practices and principles enshrined in this International Standard. The Bank's commitment to information security risk management practices and cybersecurity is integral to building stakeholder trust, ensuring that all sensitive data is protected and that the Bank is well-prepared to respond to potential cyber threats.

Due Diligence

Afreximbank's due diligence processes are central to its commitment to responsible financing and sustainable supply chain management. The Bank's Revised ESG Guidelines and Terms of Reference outline stringent due diligence requirements across all transactions, supply chains, and customer engagements. These standards ensure that all projects, investments, and partnerships align with the Bank's ethical, environmental, and social expectations.

Supply Chain Management: Afreximbank mandates ESG compliance throughout its supply chain, requiring suppliers, contractors, and other third parties to meet strict ethical standards. The due diligence framework includes regular assessments to ensure that each supplier aligns with the United Nations Sustainable Development Goals (SDGs) and Afreximbank's own ESG policies. Suppliers found to be in breach of these standards are subject to corrective actions, ensuring that Afreximbank's operations remain responsible and sustainable.

Transaction Screening: All potential transactions undergo a rigorous screening process to assess ESG risks see page 90.

Customer Due Diligence: Afreximbank enforces robust CDD procedures, including KYC protocols, to evaluate customer backgrounds and assess the risks associated with each engagement. Enhanced due diligence is applied to high-risk clients, such as politically exposed persons (PEPs) and clients in high-risk sectors to prevent illicit activities, ensuring the Bank's systems and processes are not used to facilitate processing of proceeds of crime and that all customer engagements are aligned with the bank's ethical and regulatory standards. The Bank conducts thorough risk assessments of all counterparties to ensure all relationships established are within its risk appetite.

This comprehensive due diligence approach enables Afreximbank to mitigate ESG risks effectively, ensuring that every aspect of its operations, from supply chain interactions to customer relationships, adheres to its commitment to sustainability and responsibility.



06

Performance Metrics





PERFORMANCE METRICS



Key Performance Indicators and Metrics for Environmental, Social, and Governance Aspects

In today’s global environment, it is increasingly essential for organisations to not only address but transparently report on their Environmental, Social, and Governance (ESG) performance. A critical component of ESG reporting is the establishment of KPIs that provide a clear framework for monitoring and evaluating progress toward sustainability goals. These KPIs enable organisations to capture and report measurable data on ESG performance, ensuring alignment with defined objectives and enhancing transparency.

Establishing KPIs allows organisations to demonstrate accountability to stakeholders, building trust by evidencing a commitment to responsible practices that prioritise people, communities, and the environment. Furthermore, the systematic tracking of these KPIs strengthens risk management by highlighting areas requiring improvement and enabling timely corrective measures. By monitoring ESG progress, the Bank identifies instances where it may be deviating from its sustainability goals and intensifies its efforts to realign.

Analysing ESG performance metrics also empowers leadership to make data-driven decisions that support the integration of sustainability goals into the Bank’s overall business strategy. Effective ESG KPIs help organisations like Afreximbank to embed sustainability within their broader strategic frameworks, guiding impactful decisions aligned with long-term objectives.

The relevance of ESG KPIs extends to investors, who increasingly view sustainability performance as a critical factor in investment decisions. KPIs such as greenhouse gas (GHG) emissions, which the Bank currently measures across scope 1 and 2, energy consumption, and waste management would reflect the environmental impact of the organisation’s activities. Similarly, KPIs

on diversity, equity, and inclusion, along with labour practices, provide insights into the Bank’s commitment to positive stakeholder relations. Governance-related KPIs including risk management, ethics, and compliance help demonstrate the robustness of an organisation’s governance framework, offering investors a comprehensive view of corporate resilience.

As part of Afreximbank’s Strategic Plan VI, which aims to bolster its capacity and take a leadership role in global trade banking across Africa and beyond, the Bank is developing tailored ESG Performance Indicators aligned with both its operational goals and Africa’s development objectives. By implementing these KPIs, Afreximbank can further monitor progress across its various development initiatives and effectively demonstrate its contributions to sustainable growth.

The Bank will adopt a broad spectrum of metrics across the Environmental, Social, and Governance pillars to best capture and reflect its achievements and ongoing efforts. Through these commitments, Afreximbank aims to set a standard in sustainable trade finance, contributing positively to Global Africa’s economic and social advancement.

ESG Performance Monitoring

In a world where numerous pressing issues demand the Bank’s attention, it is critical to ensure that its efforts and resources are deployed effectively. ESG performance monitoring is an avenue to achieve this by not only allowing for informed decision-making but also ensuring that corrective actions are taken when needed and resources are directed towards the most impactful projects.



Afreximbank is further committed to comprehensively understanding its impact across its four strategic pillars: Intra-African Trade (IAT) and AfCFTA Implementation, Industrialisation and Export Development, Leadership in Global Trade Banking in Africa, and Financial Sustainability. Under Strategic Plan VI, the Bank aims to ensure that all material ESG risks are systematically identified, evaluated and mitigated, with the development of a robust ESG reporting framework and the establishment of KPIs tailored to the Bank's operations.

The Bank's approach to ESG performance monitoring will focus on critical topics relevant to Global Africa's sustainable development, including the energy transition, the growth of the electric vehicle industry on the continent, and support for member countries experiencing the adverse effects of climate change or facing food insecurity. By prioritising these areas, Afreximbank is dedicated to aligning its actions with Global Africa's developmental needs while positioning itself as a leader in sustainable trade finance.

Metrics and Methodologies Used to Measure the ESG Performance of the Bank's Funding and Projects

Understanding the impacts of Afreximbank's funding decisions and the projects it supports is crucial to capturing the full scope of the Bank's ESG performance. As a financier of major corporations across diverse sectors, governments, and financial institutions, Afreximbank's ESG contributions are far reaching. It is essential to evaluate the Bank's contributions across the ESG pillars in supporting sustainable development, particularly given Afreximbank's mandate to drive the growth, diversification, and development of African trade.

Following a materiality assessment to identify the most relevant ESG topics, the development of clear ESG metrics is fundamental to performance monitoring as it enables the tracking of progress toward the Bank's sustainability objectives. For instance, with respect to energy, it is essential to measure not only the Bank's internal energy consumption and sources but also the funds allocated towards clean energy projects within its portfolio.

Metrics such as Carbon Intensity within the loan portfolio reveal the Bank's carbon footprint by tracking GHG emissions associated with funded projects. Other environmental considerations, such as Sustainable Agriculture Financing, which includes support for biodiversity and water conservation, also provide insight into the Bank's role in advancing environmental stewardship. Financing for affordable housing, job creation, and promoting financial inclusion are also essential in assessing Afreximbank's broader ESG contributions.

Comprehensive data collection on these metrics allows the Bank to measure and assess its ESG performance, ensuring alignment with its sustainability objectives and providing transparent insights into its contributions toward sustainable development in Africa.

To accurately assess Afreximbank's ESG performance across these KPIs, it is crucial to anchor assessments in recognised frameworks, such as the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), the Partnership for Carbon Accounting Financials (PCAF), and the International Sustainability Standards Board (ISSB).

07

Future Vision & Commitments





FUTURE VISION & COMMITMENTS

ESG Goals and ESG KPIs Setting Process

Following an extensive materiality assessment process, the Bank identified 12 material topics highlighted earlier in the report. Building on these material topics, the Bank has developed ESG goals across the Environment, Social and Governance aligned with its strategic priorities and mandate. The core pillars in the Bank's ESG reporting and disclosure framework which include the African Union Agenda 2063, Nairobi Declaration on Climate Change, United Nations Sustainable Development Goals and the Bank's Strategic Plan VI were also considered to develop holistic ESG goals for the Bank.

Afreximbank has developed 4 environmental goals, 5 social goals and 4 governance goals highlighted below. To show its continued commitment to sustainability, the Bank intends to take further steps in its ESG journey by identifying KPIs aligned with its ESG goals. This would facilitate monitoring and tracking progress towards achieving these goals and would become a core element of the Bank ESG Reporting.

Environmental Goals:



ENVIRONMENTAL GOAL 1

Increase sustainable investment / lending portfolio

In line with its mandate, Afreximbank remains committed to the sustainable development of the African continent and the Caribbean. To this end, the Bank shall continue to increase the quantum of investments and financing interventions to member countries to address their pressing development challenges. The Bank shall continue to implement sound ESG practices and develop its climate finance strategy with focus on climate adaptation and mitigation efforts by increasing the proportion of clean or renewable energy investments in its portfolio.



ENVIRONMENTAL GOAL 2

Integrate ESG into lending practices

The Bank has mainstreamed ESG as a key component of its lending practices / decisions. The Bank shall continue to enhance its ESG safeguards for its lending and financing decisions to ensure alignment with leading regional and international practices / standards.



ENVIRONMENTAL GOAL 3

Diversify funding sources to include sustainable financing instruments

The Bank is committed to finance investments in member countries through sustainable financing debt instruments. Therefore, the Bank shall continue to prioritise ESG engagements with its broad-spectrum stakeholders including lenders, investors and investee entities.



ENVIRONMENTAL GOAL 4

Reduce carbon footprint

The Bank is taking appropriate steps to reduce the proportion of carbon emissions attributed to its internal operations and financing activities. On this note, the Bank shall continue to implement initiatives to reduce its carbon footprint from internal and indirect sources. In the same regard, the Bank will prioritise initiatives that reduce the proportion of carbon intense investments in its portfolio through the financing of clean energy projects.



Social Goals:



SOCIAL GOAL 1
Consistently improve the economic and social impact of investments

In line with its mandate, the Bank has deployed innovative structures to deliver financing solutions that support the transformation of Africa’s trade (Intra- and Extra-African Trade) and accelerate Industrialisation, thereby boosting the economic and social well-being of Africa’s population. The Bank shall continue to evaluate its social and economic impact as well as increase its interventions across the continent and the Caribbean.



SOCIAL GOAL 2
Expanding access to financing for SMEs

In 2022, the Bank launched its Export SME Development Programme (ESDP) to support Small and Medium Enterprises (SMEs) as critical agents in the economic and social development of the African continent. The Bank shall continue to provide both financial and non-financial support to export-oriented SMEs under the Bank’s Intra African Trade and Industrialisation & Export Development strategic pillars.



SOCIAL GOAL 3
Improving customer and stakeholder experiences

The Bank recognises the role of its customers and stakeholders in the realisation of its strategic objectives and development mandate. Therefore, the Bank shall continue to prioritise and implement initiatives that ensure effective engagement with its stakeholders and customers, through continuous feedback designed to improve the quality of its services or interventions across the continent.



SOCIAL GOAL 4
Improve employee engagement and satisfaction

Employee engagement is critical – it helps Afreximbank understand what its employees need to develop their careers and to feel proud of the organisation they work for. The Bank has employee engagement processes in place including staff forums and annual Employee Experience surveys. The Bank will look to increase the ways that its employees can communicate and have a hand in the development of their careers and the Bank.



SOCIAL GOAL 5
Attract and retain top talent within the organisation

Afreximbank is committed to helping employees reach their full potential, both personally and professionally. It is implementing a structured process for opportunities across all levels, guided by the Talent Development Framework and Career Progression Model, launched in October 2024. The Bank also aims to continue to attract top talent through a strong employer-employee value proposition that emphasises empowerment, challenge, and reward in an inclusive environment.



GOVERNANCE GOALS:



GOVERNANCE GOAL 1
To maintain exceptional standards of business integrity

Afreximbank will continue to operate and conduct business in a manner that ensures accountability, transparency, integrity and high ethical standards. The Bank will also continue to implement sound and prudent risk management practices across all its operations to ensure both stakeholder confidence and the delivery of its mandate and commercial objectives.



GOVERNANCE GOAL 2
To manage systemic risk responsibly and transparently

Through its history, the Bank has implemented measures to ensure that both its own operations and member countries are shielded from the adverse impact of systemic risks or cyclical events. To support member countries, the Bank will continue to implement counter-cyclical measures and ensure its operations remain resilient to the potential impact of systemic risks. The Bank will also continue to deploy appropriate risk management tools and incorporate ESG and climate considerations in its strategic planning and risk management.



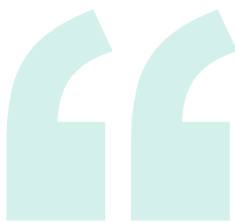
GOVERNANCE GOAL 3
Maintain high standards of data privacy and cyber security

The Bank has implemented relevant institutional and operational safeguards to mitigate its exposure to risks relating to data privacy and cyber security. It will continue to develop and apply security initiatives and controls that reflect best practice and ensure its operations, data and information are secure.



GOVERNANCE GOAL 4
Enhance communication of the Bank's social and environmental impacts

The Bank will increase the frequency of stakeholder engagement activities including – but not limited to – impact communications. It will also publish more ESG data and information on its website and through all other communication channels.



In Africa, embracing ESG principles is not just a path to sustainability; it is a blueprint for resilience and growth in our communities. By embedding environmental, social, and governance practices into our development strategies, we can create stronger, more adaptable communities.”

Anne Ezech
Director, Communications & Events (COEV)

08

Appendices





APPENDICES

Detailed Methodologies for Data Collection

The data collection process for Afreximbank’s inaugural ESG report was carefully structured to align with internationally recognised frameworks, notably the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). By adhering to these guidelines, the Bank aimed to ensure that data gathered would not only reflect its adherence to best practices but would also provide a reliable and thorough foundation for its public ESG reporting.

The SASB-aligned data collection focused on capturing ESG metrics that are essential to the financial services sector, such as risk management, governance, and social responsibility. Data included both quantitative and qualitative insights, covering critical areas that shape Afreximbank’s long-term value and reputation. Collecting data under these standards provided an opportunity to enhance transparency on material ESG aspects and comply with internationally recognised reporting standards, ensuring that the Bank’s disclosures are comprehensive and actionable.

In parallel, data collection under TCFD focused on identifying and assessing climate-related risks and opportunities. Given that the Bank’s Climate Finance strategy is still in its early stages, a high-level approach was adopted to frame these disclosures. The objective was to integrate climate considerations into Afreximbank’s governance, strategy, and risk management processes, while offering a foundational perspective on how climate impacts could influence the Bank’s financial performance.

To effectively report on Priority Material Topics, the project team developed a streamlined data collection approach that included ESG information across all pertinent operational areas. Data was organised into three main categories: SASB-aligned metrics, TCFD-

focused data, and general ESG metrics and programme information, especially regarding Afreximbank’s alignment with the United Nations Sustainable Development Goals (SDGs).

The project team created custom spreadsheets reflecting the SASB standards and TCFD framework structure, which were then shared with data custodians across relevant business units. These data collection sheets emphasised seven of the twelve priority topics identified for SASB reporting:

- Environmental and social due diligence
- Financial inclusion and capacity building
- Employee engagement, diversity, and inclusion
- Business ethics and integrity
- Systemic risk management
- Data privacy and cybersecurity
- Impact communications

For the TCFD framework, data collection focused on the following areas within Afreximbank’s ESG strategy:

- ESG Governance
- ESG Strategy
- ESG Risk Management
- ESG Metrics and Targets

The Bank acknowledges that data for some areas may be limited or is still under development. Commencing this process and delivering on the Bank’s inaugural report underscores its commitment to building a clear, transparent, and accountable approach to sustainability reporting from the ground up, providing stakeholders with meaningful insights into its ESG journey.

TCFD Appendix

TCFD Disclosures	Location of disclosure
Governance	
a) Describe the organisation's governance around climate-related risks and opportunities.	PG.49
b) Describe management's role in assessing and managing climate-related risks and opportunities.	PG..49
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	The Bank does not disclose risks over short, medium and long term
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	PG.22-23 PG 35
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Bank does not currently disclose
Risk Management	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	PG.53-55
b) Describe the organisation's processes for managing climate-related risks.	PG.53-55
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	PG.53-55
Metrics and Targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	PG. 59-60 PG. 35
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	PG. 58
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	PG. 33

SASB Appendix

TOPIC	CODE	METRIC	RESPONSE	LOCATION OF DISCLOSURE (IF APPLICABLE)
Financial Inclusion and Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	Afreximbank has 4 loans outstanding that qualify for programmes designed to promote small business and community development to the sum \$136,386,364	
Financial Inclusion and Capacity Building	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	0	
Financial Inclusion and Capacity Building	FN-CB-240a.3.	Number of funded projects aimed at providing access to essential financial services such as banking, credit and insurance	Afreximbank has 12 funded projects aimed at providing access to essential financial services such as banking, credit and insurance (amended to reflect Afreximbank's business)	
Financial Inclusion and Capacity Building	FN-CB-240a.4.	Number of funded projects aimed at increasing financial literacy	Afreximbank has 12 funded projects aimed at increasing financial literacy	PG.39
Impact Communication	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with inaccurate communication	The Bank has not recorded any incidents or legal proceedings related to misleading or inaccurate communications.	

TOPIC	CODE	METRIC	RESPONSE	LOCATION OF DISCLOSURE (IF APPLICABLE)																														
Impact Communication	FN-IN-270a.4.	Description of approach to impact communication		PG.20																														
Employee Engagement	FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	<table><thead><tr><th></th><th>Women</th><th>Men</th></tr></thead><tbody><tr><td>Executive Management</td><td>2</td><td>4</td></tr><tr><td>Non-Executive Management</td><td>10</td><td>27</td></tr><tr><td>Professionals</td><td>140</td><td>219</td></tr><tr><td>All Other employees</td><td>11</td><td>20</td></tr></tbody></table> <table><thead><tr><th></th><th>No. Staff</th><th>Region</th></tr></thead><tbody><tr><td>Executive Management</td><td>6</td><td>Southern Africa, West Africa, Central Africa & North Africa</td></tr><tr><td>Non-Executive Management</td><td>37</td><td>All African regions represented</td></tr><tr><td>Professionals</td><td>359</td><td>All African regions represented including the Caribbean</td></tr><tr><td>All other employees</td><td>31</td><td>All African regions represented</td></tr></tbody></table>		Women	Men	Executive Management	2	4	Non-Executive Management	10	27	Professionals	140	219	All Other employees	11	20		No. Staff	Region	Executive Management	6	Southern Africa, West Africa, Central Africa & North Africa	Non-Executive Management	37	All African regions represented	Professionals	359	All African regions represented including the Caribbean	All other employees	31	All African regions represented	
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Professionals	359	All African regions represented including the Caribbean																																
All other employees	31	All African regions represented																																
Environmental and Social Due Diligence	FN-AC-410a.1.	Amount of investment/ financing, by asset class, that employs environmental and social due diligence	The Bank does not currently disclose this information, but is working on a Sustainable Funding Framework which will facilitate the disclosure of more information on this topic																															

TOPIC	CODE	METRIC	RESPONSE	LOCATION OF DISCLOSURE (IF APPLICABLE)
Environmental and Social Due Diligence	FN-CB-410a.2.	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Incorporating ESG factors when estimating credit losses over the contractual term of the entity's financial assets	
			The Bank currently does not include ESG factors when estimating credit losses over the contractual term of its financial assets. However, efforts are underway to integrate ESG ratings/scores into the credit assessment models.	
			Significant concentrations of credit exposure to ESG factors, which may include carbon related assets, water-stressed regions and cybersecurity risks	
Environmental and Social Due Diligence	FN-AC-410a.2.	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment processes and strategies	Afreximbank currently does not have a formalised process to specifically identify and quantify credit exposure to carbon-related assets, water-stressed regions, and cybersecurity risks. Currently the Bank's risk assessment process includes a qualitative assessment of environmental and social factors that may impact borrowers.	
				PG.16
				PG.26-27
Environmental and Social Due Diligence	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures		PG.56-57
				PG.52

TOPIC	CODE	METRIC	RESPONSE	LOCATION OF DISCLOSURE (IF APPLICABLE)
Business Ethics & Integrity	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	The Bank does not have any report of judgements made against it by law courts in the jurisdiction of its operations, there have been no reports of judgements issued against the Bank in the year 2023 / 2024 in respect of fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations.	
Business Ethics & Integrity	FN-CB-510a.2	Description of whistleblower policies and procedures.		PG.53
Systemic Risk Management	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	<p>The Bank is not a regulated financial institution and is therefore not subject to prudential regulatory requirements. However, the Bank has adopted certain standards including Basel 3. The Bank operates on a five-year strategic plan which sets out the financial objectives including the target capital amount and the minimum capital adequacy ratio over the duration of the Strategic Plan. The Strategic Plan's financial objectives are delivered through an annual budget, and the capital planning cycle is aligned to the budgeting cycle.</p> <p>The Bank conducts periodic stress tests and quarterly scenario analysis. and the outcome is recommended management action which are used to build potential response measures that management can implement in the event of the scenario materialising. However, ESG is currently not incorporated in the existing stress testing methodologies and the Bank does not disclose its stress testing results.</p>	PG.53

Glossary

ABBREVIATION	MEANING
AAMFI	Alliance of African Multilateral Financial Institutions
AATC	Afreximbank African Trade Centre
AATLP	Advanced Afreximbank Transition to Leadership Programme
AfCFTA	African Continental Free Trade Area
AFD	Agence Française de Développement
AFRAA	African Airlines Association
AFRACAD	Afreximbank Academy
AFRICA Award	Afreximbank FARA Research, Innovation and Competence in Agriculture Award
Africa CDC	Africa Centres for Disease Control
AfSNET	Afreximbank Spouse Network
AMCE	African Medical Centre of Excellence
APPF	Afreximbank Project Preparation Facility
APPM	Africa Pooled Procurement Mechanism
AQACs	African Quality Assurance Centres
ASIS	Africa Social Impact Summit
ATFS	Afreximbank Trade Finance Seminar
ATLP	Afreximbank Transition to Leadership Programme
AU	African Union
AVMA	African Vaccine Manufacturing Accelerator
BADEA	Arab Bank for Economic Development in Africa
BEV	Battery Electric Vehicle
CANEX	Creative Africa Nexus
CARICOM	Caribbean Community
CDD	Customer Due Diligence
CFS	Climate Finance Strategy
CFTF	Climate Finance Strategy Task Force
CFW/ATT Fund	Concessional Finance Window Africa Trade Transformation Fund
CIPD	Chartered Institute of Personnel Development
COEV	Communication and Events
COP	Conference of the Parties (annual climate change conference)
COTFIA	Certificate of Trade Finance in Africa
CRAS	Credit Assessment
CRECO	Managment Credit Committee
DFI	Development Finance Institution
E&S	Environmental & Social
ECA	Economic Commission for Africa
EIB	European Investment Bank
EMTN	Euro Medium Term Note
ERM	Enterprise Risk Management
ESDP	Export SME Development Programme
ESG	Environment, Social and Governance
ESIA	Environmental and Social Impact Assessments
ESMS	Environmental and Social Management Systems
EV	Electronic Vehicle
ExAFS	Export Agriculture for Food Security
EXCO	Executive Committee
FARA	Forum for Agricultural Research in Africa

ABBREVIATION	MEANING
FATF	Financial Action Task Force
FEDA	Fund for Export Development of Africa
FI	Finance Institution
FLNG	Floating Liquefied Natural Gas
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIABA	Action Group against Money Laundering in West Africa
GRI	Global Reporting Initiative
GUSF	Guarantees and Specialised Finance
IAT	Intra-African Trade
IFC	International Finance Corporation
ISMS	Information Security Management System
ISSB	International Sustainability Standards Board
KPI	Key Performance Indicator
KYCC	Know Your Customer's Customer
LEED	Leadership in Energy and Environmental Design
LSF	Liquidity and Sustainability Facility
MINEE	Ministry of Water Resources and Energy of the Republic of Cameroon
MoI	Memorandum of Intent
MoU	Memorandum of Understanding
MSME	Micro, Medium, and Small-sized Enterprise
NCQG	New Collective Quantified Goal
OAU	Organisation of African Unity
PABF	Projects and Asset-Based Finance
PAC	Pre-Assessment Committee
PCAF	Partnership for Carbon Accounting Financials
PEP	Politically Exposed Persons
PHAHM	Platform for Harmonized African Health Product Manufacturing
PIAP	Protection of Information Assets Policies
RIMA	Risk Management
RISTRAC	Management Risk & Strategy Committee
RMPP	Risk Management Policies & Procedures
RRT	Rapid Rural Transformation
SANAS	South African National Accreditation System
SASB	Sustainability Accounting Standards Board
SDGs (UN)	Sustainable Development Goals (United Nations)
SEZ	Special Economic Zones
SGR	Standard Gauge Railway
SHRM	Society for Human Resource Management
SMEs	Small and Medium-sized Enterprises
STIN	Strategy and Innovation
STRIC	Board Strategy and Risk Committee
TCFD	Task Force on Climate-Related Financial Disclosures
TFIs	Trade Finance Intermediaries
ToR	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change
WFP	World Food Programme



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