

TDB GROUP SUSTAINABILITY AND DEVELOPMENT IMPACT REPORT 2023

Fostering a sustainable, green, and inclusive future with a focus
on financial, energy and food security



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Abbreviations & Glossary

AUM	Assets Under Management
CNSS	Caisse Nationale de Sécurité Sociale
COMESA	Common Market for Eastern and Southern Africa
DFI	Development Finance Institution
EAC	East African Community
ESATAL	Eastern and Southern African Trade Advisers Limited fund management company
ESATF	Eastern and Southern African Trade Fund
ESMS	Environmental and Social Management System
FSC	Financial Services Commission
GBCI	Green Business Certification Inc.
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IGAD	Intergovernmental Authority on Development
MOU	Memorandum of Understanding
MS	Member States
MSMEs	Micro, Small and Medium Enterprises
MW	Megawatt
NDC	Nationally Determined Contributions
POD	People and Organisational Development
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SDIMS	Sustainable Development Impact Monitoring System
SMEs	Small and Medium Enterprises

TAM	TDB Asset Management
TCI	TDB Captive Insurance Company
TDB	Eastern and Southern African Trade and Development Bank
TDF	Trade and Development Fund
USD	United States Dollar

Impact Impact is defined by TDB Group’s measurable and qualitative effects on the environment, society, and economy through its operational practices, lending activities, community engagement, employee well-being initiatives, and adherence to responsible governance, all detailed with specific KPIs and case studies.

Sustainable development Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

TDB Group Refers to all subsidiaries and strategic business units of TDB Group, including Trade and Development Banking, Trade and Development Fund (TDF), TDB Asset Management (TAM), the ESATAL fund management company, TDB Captive Insurance Company (TCI) and TDB Academy.

SDG The Sustainable Development Goals are a series of 17 goals fixed by the United Nations and adopted by 193 countries in 2015. Through sustainable (economic, environmental and social) development, their overall objective is to create a better life and world for all by 2030.

African Union’s Agenda 2063 A strategic framework for the socio-economic transformation of the continent over a 50-year period.

Paris Agreement on Climate Change The Paris Agreement is an international treaty on climate change that was adopted in 2015. The Agreement includes commitments from all countries to reduce their emissions and work together to adapt to the impacts of climate change.



INTRODUCTION TO THE SUSTAINABILITY AND DEVELOPMENT IMPACT REPORT 2023



Photo Credits: Nonzéro Africa-Midjourney

INTRODUCTION TO TDB GROUP SUSTAINABILITY AND IMPACT REPORT

Through this Sustainability and Development Impact Report ("this Report"), the Eastern and Southern African Trade and Development Bank Group (TDB Group) aims to communicate TDB Group's impact on material sustainability issues. This Report, covering the period from 1 January 2023 to 31 December 2023, marks the fifth edition of such a publication.

The data provided in this report – both financial and non-financial – pertains to TDB Group as the reporting entity, which includes all subsidiaries and strategic business units, as entities over which it has control or significant influence. This includes reporting on Trade and Development Banking operations, the Trade and Development Fund (TDF), TDB Asset Management (TAM), the ESATAL fund management company, TDB Captive Insurance Company (TCI) and the TDB Academy.

Reporting context

This Report adheres to the applicable standards of transparency and accountability by making use of the TDB Sustainability Framework and referencing the GRI Standards to ensure proper reporting on TDB Group's economic, environmental, and social performance.

This commitment reflects TDB Group's dedication to responsible business practices and ensures that the Group's stakeholders have access to reliable and standardised information, facilitating a thorough understanding of the Group's sustainability efforts and performance.

As the nature of sustainability becomes increasingly important, frameworks, and reporting obligations continue to evolve, TDB Group will refine its reporting approach over time to ensure that it provides stakeholders with relevant, transparent and timely information on the Group's sustainability performance and impact. The list below highlights the standards, framework and approaches that

were used in this Report to successfully communicate the Group's sustainability and development impact efforts:

- Sustainable Development Impact Monitoring System (SDIMS)
- TDB Group's Theory of Change Approach
- Environmental and Social Management System (ESMS)

The 2023 Report's theme is "**Fostering a sustainable, green, and inclusive future with a focus on financial, energy and food security**". In a rapidly evolving world, TDB Group remains committed in its dedication to sustainability. The Group recognises the transformative power of finance in driving positive change. TDB Group is proud to present a view of the Group's journey of empowerment, showing how sustainable finance serves as a catalyst for societal progress, economic resilience, and environmental stewardship.



For any inquiries, please send an email to info@tdbgroup.org.



TDB GROUP'S OBLIGATION

As a development finance institution (DFI), TDB Group has an obligation towards its shareholders and stakeholders to generate healthy financial returns by meeting unmet market opportunities while avoiding environmental and social risks and maximizing environmental and social benefits.

Figure 1: Four main impact themes of TDB Group Sustainability and Development Impact Report

The Report theme encapsulates TDB Group’s forward-looking and proactive stance in integrating sustainability into its core operations. It embodies the Group’s commitment to being a leader in sustainable finance, recognizing the urgent need to address current and future socio-economic and environmental challenges. The Group’s strategic approach is to leverage financial tools and resources today to effectively address and mitigate the challenges of tomorrow, while addressing the most pressing needs, positioning itself as a pivotal force in the journey towards a sustainable and inclusive future.

The Report reflects TDB Group’s efforts through four main impact themes:



Championing climate action through green financing

TDB Group is on a continuous journey towards addressing climate challenges. This is done by implementing strategic actions in initiatives and projects to navigate the complexities of climate change.



Synergizing positive environmental outcomes

TDB Group is determined to drive meaningful and rapid advancements in environmental sustainability. The Group is committed to actively participating in and supporting initiatives that protect and enhance the natural world.



Fostering socio-economic impact through TDB Group-supported activities

TDB Group is committed to fostering socio-economic transformation and development on a large scale. Through its dedicated efforts, the Group aims to uplift and empower local communities by increasing employment opportunities and enhancing access to education and healthcare, among other vital services.



Enhancing resilience through partnerships

TDB Group recognises the power of collaboration in building resilience against economic, social, and environmental challenges. By forging strategic partnerships with governments, private sector entities, and international organizations, the Group amplifies its impact and creates sustainable solutions.



CURRENCY AND MEASUREMENT
All amounts in this report are in U.S. dollars (USD) unless otherwise specified. The measurement used in this Report is metric, except where otherwise stated.



LEADERSHIP SUPPORT FOR SUSTAINABILITY

Photo Credits: Nonzero Africa-Midjourney

STATEMENT BY CHAIRPERSON OF TDB GROUP'S BOARD OF DIRECTORS

It is with great pleasure that I introduce our latest Sustainability and Development Impact Report, providing a comprehensive overview of TDB Group's commitment to responsible practices and the pivotal role it plays in driving positive impact in the region it serves.



GERALD PAUL KASAATO

Chairperson of TDB Group
Board of Directors

Photo Credits: TDB

TDB Group is committed to ensuring that its impact on sustainability is not only felt but also visible and enduring. It understands that its actions today will shape the future for generations to come. This includes stringent environmental and social safeguards in its lending activities, which assist in actively promoting green financing initiatives, managing environmental and social risks and opportunities in sustainable financing, and fostering partnerships with stakeholders to drive sustainable development projects and transactions.

To this end, TDB Group has implemented robust sustainability frameworks and practices across all facets of its operations. TDB Group's Sustainability Framework is comprised of an Environmental and Social Management System (ESMS), a Sustainability and Development Impact Monitoring System (SDIMS) and a Corporate Social Responsibility Policy and is aligned to the global sustainable development agenda as guided by the Sustainable Development Goals (SDG's), Agenda 2063 and the Paris Agreement. TDB adopted its first ESMS Policy in 2005, later harmonizing it with all Bank policies in 2010. Since committing to the global sustainable development agenda in 2016, TDB has refined its ESG framework, incorporating the latest ESMS to measure specific socio-economic development outcomes.

Moreover, TDB Group prioritises transparency and accountability by regularly reporting on its sustainability performance and engaging with stakeholders to gather feedback and continuously improving its practices. Through

this, the Group embeds sustainability principles into its core operations and fosters a culture of responsible banking. The Group is also actively working to advance the economic development, integration, and prosperity of the African continent.

In the face of a challenging economic environment marked by fluctuating markets, regulatory changes, and global uncertainties, our Bank remains steadfast in its commitment to sustainability and impact. It remains imperative to highlight the pivotal role that regional multilateral development banks such as TDB Group play in navigating these challenging external conditions. TDB Group is entrusted with the vital mandate to act countercyclically, particularly during periods of economic turbulence, to ensure the stability and resilience of the economies it serves. In the African context, where international partners and commercial banks tend to adopt a more risk-averse stance, and exert pressure, it becomes even more critical for institutions like TDB Group to step in. At times, this may necessitate assuming the role of lenders of last resort, safeguarding the resources essential for preserving environments conducive to socio-economic development and effectively addressing climate imperatives.

TDB Group's interventions in Member States have a measurable development impact in financial, environmental, and social terms. The Group's interventions are focused endeavours in the following main impact areas:

- Promote scalable job-creating projects;
- Finance infrastructure to support growth;

- Secure strategic commodities for food and energy security;
- Provide pre-export financing to boost exports and reserves;
- Invest in transport and logistics for export efficiency;
- Support industrialization, value chains, technology transfer, and productivity;
- Improve access to health, education, and economic infrastructure;
- Strengthen financial institutions to support MSMEs;
- Promote local ownership and import substitution; and
- Enhance intra and inter-African trade and integration.

The award-winning TDB Group remains committed to its vision of sustainable development and, in the future, will continue to prioritise initiatives aimed at enhancing environmental stewardship, social responsibility, and governance practices while setting ambitious goals to further integrate sustainability into all aspects of our operations.

I warmly invite TDB Group's stakeholders to join hands with the Group in advancing its sustainability agenda, fostering partnerships, engaging in dialogue, and providing valuable feedback to collectively drive positive change.

I trust you will find value in reviewing this Report, which offers insight into the ways in which TDB Group contributes to the global and continental development agenda.

Gerald Paul Kasaato

STATEMENT BY TDB GROUP'S PRESIDENT AND MANAGING DIRECTOR

This Sustainability and Development Impact Report, which marks TDB Group's fifth iteration of the publication, offers comprehensive insight into TDB Group's systematic approach to measuring and managing sustainable development impact. As Group President and Managing Director, I reaffirm TDB Group's commitment to transparency and accountability in sustainability reporting. It is TDB Group's intention to continuously enhance its reporting practices in a pursuit to ensure greater transparency and alignment with global sustainability benchmarks.

The Report directs attention to key topics prioritised by TDB Group this year, considering the prevailing global economic conditions and persistent challenges, notably encompassing climate action, supply chains, food and energy security, infrastructure financing, and financial inclusion.

The report showcases the notable progress made across various thematic areas throughout the year, including our six TDB Group outcomes. The outcomes serve to showcase TDB Group's tangible contributions to three overarching international sustainability initiatives: the SDGs, Agenda 2063, and the Paris Agreement.

Our six outcomes include:

- Improved access to finance;
- Improved corporate performance;

- Increased employment;
- Increased access to social and economic infrastructure;
- Improved strategic sector performance; and
- Increased intra- and extra-regional trade.

Through its activities, the Group has generated USD 275 million in government revenue for its Member States, underscoring its substantial impact on Africa's economy.

Amidst our sustainability and impact journey, we've collected numerous success stories and exciting developments that showcase the impact of our work and dedication to our outcomes. These are collated in the report.

Building upon the foundation laid by the Climate Finance Strategy finalised in 2023, our efforts have been strategically aligned with international best practices, particularly through the development of a green taxonomy. This alignment will enable us to significantly bolster climate finance within our Member States, facilitating their progress towards fulfilling their Nationally Determined Contributions. One notable accomplishment highlighted in this report is the successful on-boarding of the USD 30 million in catalytic Class C Green+ shares investments in 2023. These investments not only signify a substantial financial commitment but also exemplify our dedication to fostering sustainable development and combating climate change.

We are proud to announce a series of significant achievements during the year that underscore our commitment to fostering economic growth, sustainability, and development across various sectors:

1. TDB Group clients with active loans have played a pivotal role in supporting 189,864 jobs across various sectors and facilitating the supply of vital commodities totalling USD 2.04 billion. These commodities include essential items such as fertilisers, energy commodities, and consumer goods like wheat and sugar, contributing to food and energy security, as well as economic stability and growth.
2. Total loans provided to clients by TDB Group, both independently and as part of syndicated deals, saw a notable increase of 10% to USD 19.1 billion. As a significant player in the syndicated loan market, TDB Group also assumed the role of a mandated lead arranger for loans amounting to USD 4.1 billion, further solidifying our position as a key financial partner in the region.
3. TDB's support extended to transactions benefiting over 532,724 households, including 217,055 farming households engaged in the agribusiness sector. Additionally, these transactions facilitated the provision of improved solar solutions to 165,111 households, renewable energy to 98,978 households, and non-renewable energy to 51,580 households, contributing to

sustainable development and energy access.

4. In alignment with our commitment to power infrastructure development, TDB Group played a pivotal role in supporting the generation of 147,493MWh during the year from the 827MW power generation capacity constructed through the Group's support, thereby enhancing energy access and driving economic growth across the region.

TDB Group was honored to receive numerous awards this year, a testament to the Group's exceptional performance and dedication to excellence in serving its stakeholders and advancing sustainable development in the region. The Group's continued efforts, innovation, impact, and longstanding commitment to drive sustainable development in its Member States were recognised through accolades in 2023 including Global Finance's awards for Outstanding Leadership in Sustainable Finance by a Multilateral Institution in Africa and Outstanding Leadership in Sustainable Project Finance in Africa, in addition to World's Best Bank for Trade Finance in Emerging Markets – a global level recognition. TDB Group was also celebrated alongside other institutions as a Top Treasury Partner Award by one of its strategic partners, the Islamic Trade Finance Corporation (ITFC).

TDB Group recognises the vital importance of its stakeholders and deeply values their pivotal role in shaping and driving its sustainability efforts. Through this Report, TDB Group would like to highlight to its shareholders, partners, clients and key stakeholders its transformative journey. Everyone's support has contributed to the Group's progress and inspired it to reach greater heights. The Group will continue to innovate, collaborate, and lead with purpose, knowing that its efforts today will shape a brighter tomorrow for all.

I look forward to continuing collaborating with the Group's strategic stakeholders to foster impactful initiatives and enhance resilience in the Member States that we serve.

Admassu Tadesse



ADMASU TADESSE
TDB Group President and
Managing Director

Photo Credits: TDB

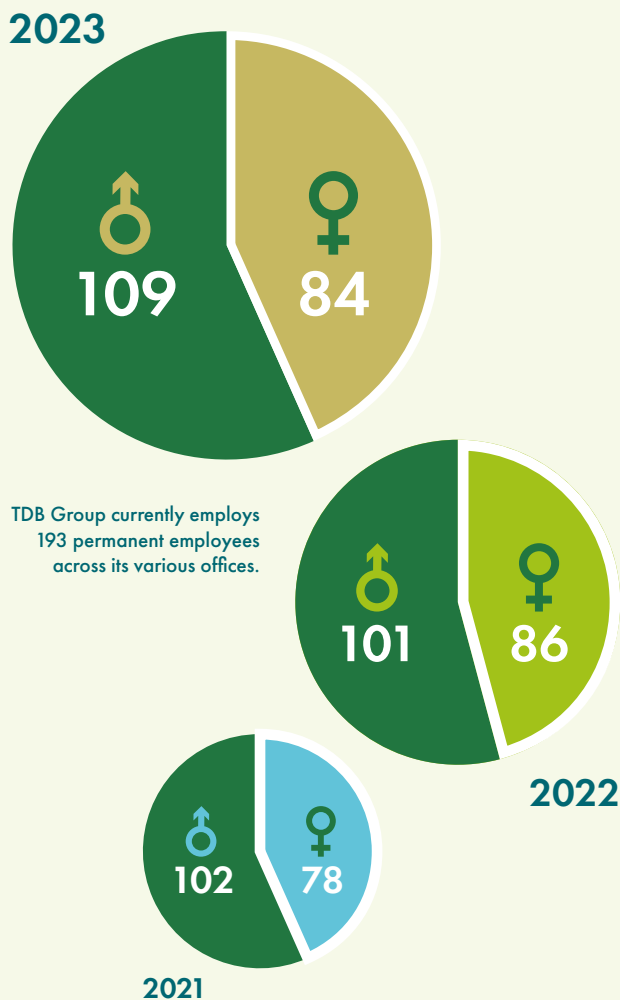


INTRODUCING TDB GROUP



Photo Credits: Nonzero Africa-Midjourney

Figure 2: TDB Group's employment statistics



TDB GROUP AS ORGANISATION

TDB Group is a regional development finance group that was founded in 1985. It is a multilateral, treaty-based, investment-grade development finance institution with 25 African Member States. Its diverse shareholder base also includes regional and non-regional Member States, and public institutional investors from Africa, Europe, and Asia.

TDB Group's mandate spans across 25 countries from across the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Southern African Development Community (SADC), the Intergovernmental Authority on Development (IGAD), and most recently, West Africa. With its assets totaling USD 10.11 billion, TDB Group's mandate is to finance and foster trade, regional economic integration and sustainable development through various financial services, including Trade Finance, Project and Infrastructure Finance, Asset Management, and Business Advisory support. The Group is dedicated to promoting development in line with the global sustainable development agenda.

As to its financial sustainability, TDB Group is reaping the fruits of years of prudent management, reforms and strategic expansion to ensure that it can remain steadfast in its commitments. Its own financial sustainability underpins all other areas of its sustainability. There have been uninterrupted growth and investment-grade ratings since 2017, affirmed in 2023. In 2023 (YOY), the Group's profits grew by 11% to USD 229.6 million, its total assets by 21%

to USD 10.11 billion, its equity by 13% to 2.2 billion and its portfolio by 10% to USD 7.1 billion. In 2023, despite volatility in the Group's operating environment, the Group's overall portfolio risk profile remained excellent, with non-performing loans at under 4% (NPL 3.6%).

In 2023, TDB Group shareholders continued to demonstrate their confidence in the institution and benefited from an overall return on equity of 11.01%. Djibouti's pension fund for instance, the Caisse Nationale de Sécurité Sociale (CNSS), increased its stake in Class B shares for the third time, and a record level of recapitalizations was recorded from Class B institutional investors. Also, despite prevailing fiscal challenges, Class A shareholders remained steadfast in honoring their commitments. Furthermore, the Group expanded its reach in green and sustainable finance by onboarding USD 30 million in catalytic Class C Green+ investment. This not only demonstrates the Group's commitment to green and SDG-aligned initiatives but also sets the stage for attracting further investment from impact-driven investors.

TDB GROUP'S COMMITMENT

Our vision

To be a world-class African development finance group, sustainably advancing regional economic growth, integration, and prosperity



Our mission

To be at the forefront of extending development capital and services to help promote sustainable regional growth, integration, and prosperity through customer-focused and innovative financing solutions



Our core values

- Adaptability
- Client Orientation
- Innovation
- Integrity
- Teamwork



Our strategic goals

To be a sound financial institution intermediating global and regional capital into the region



Figure 3: TDB Group's commitment

TDB'S FOOTPRINT IN AFRICA

East Africa

- Burundi
- Kenya
- Rwanda
- Tanzania
- Uganda

Indian Ocean-Lusophone Africa

- Comoros
- Madagascar
- Mauritius
- Mozambique
- Seychelles

Central and West Africa

- DRC
- Ghana
- Senegal

Southern Africa

- Botswana
- Eswatini
- Malawi
- Zambia
- Zimbabwe

North-East Africa

- Djibouti
- Egypt
- Eritrea
- Ethiopia
- Somalia
- South Sudan
- Sudan



Photo Credits: Nonzéro Africa-Midjourney

Figure 4: TDB's footprint in Africa

TDB'S FOOTPRINT IN AFRICA

Principal Offices

- Burundi
- Mauritius

Operations Hub

- Nairobi, Kenya

Regional Offices

- Harare, Zimbabwe
- Addis Ababa, Ethiopia
- Kinshasa, DRC



Photo Credits: Nonzero Africa-Midjourney

Figure 4: TDB's footprint in Africa

Figure 5: TDB Group's subsidiaries and strategic business units

TDB GROUP'S ORGANISATIONAL STRUCTURE

TDB Group encompasses Trade and Development Banking; the Trade and Development Fund (TDF); TDB Captive Insurance Company (TCI); TDB Asset Management (TAM); Eastern and Southern African Trade Advisors Limited (ESATAL fund management company); and the TDB Academy. This is a testament to the Group's continued agility to respond to the context it operates in via institutional innovation, with the ambition to expand the Group's reach, impact and sustainability. This year, almost 10% of the Group's profits came from entities other than our banking operations.

TDB Group's structure encompasses several subsidiaries and strategic business units, reflecting the Group's commitment to expanding its reach and deepening its impact through centres of strategic focus and operational excellence.

> **CLICK ON ONE OF THE SUBSIDIARIES OR SBUs FOR MORE INFORMATION**

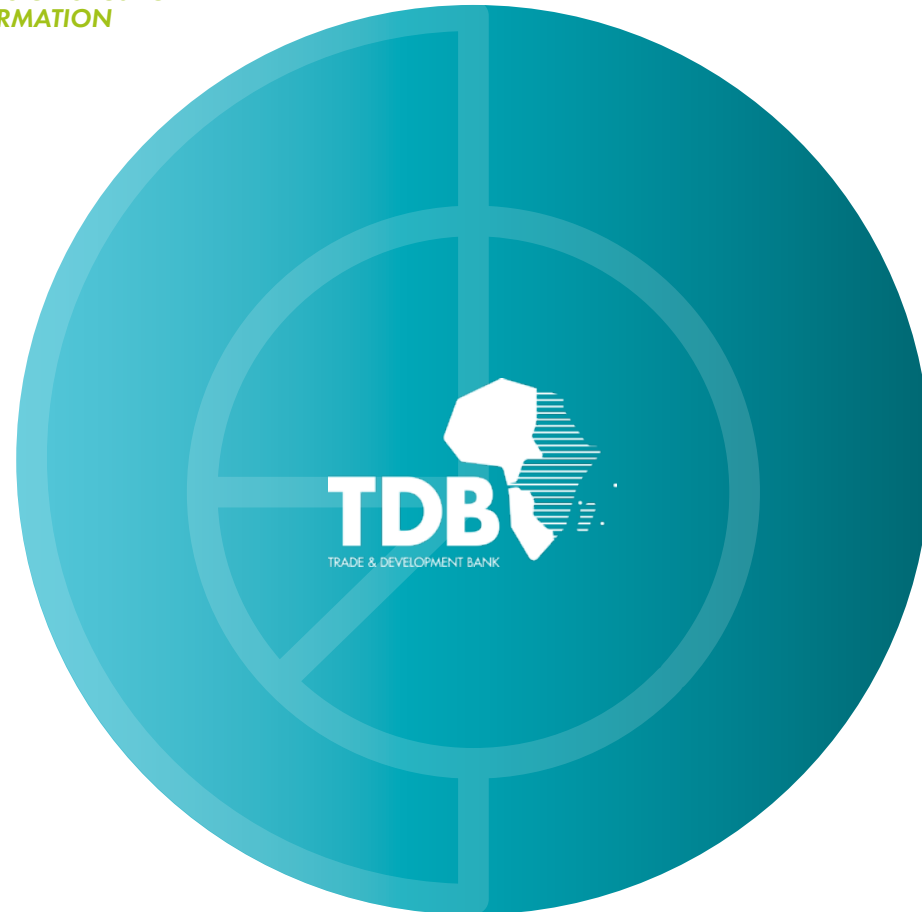


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TRADE AND DEVELOPMENT BANKING

TDB deploys short-term and long-term project financing and has contributed to bridging the trade finance gap, and alleviating the effect of ongoing supply chain disruptions, by providing liquidity to support inter and intra-African trade; food and energy security; the availability of pharmaceuticals; export sectors which can bring in foreign currency; regional connectivity; trade and market integration; human capital development; and overall, greater resilience.

Through its long-term project and infrastructure finance window more specifically, in 2023, TDB supported various transactions in the renewable energy, infrastructure and manufacturing sectors. Efforts were deployed particularly towards the region's need for clean, accessible and efficient energy, the promotion of trade and regional integration, innovative industrialization and infrastructure.

Notable achievements in 2023:

- TDB Group's Trade Finance portfolio grew by 10%.
- Project and Infrastructure Finance portfolio by 8%.
- TDB participated in and arranged several syndicated loans and co-financing initiatives to avail vital strategic commodities in the region, bolster investment in infrastructure, and boost clean and reliable energy access.

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TRADE AND DEVELOPMENT FUND (TDF)

TDF is TDB Group's concessional and grant window. Working with diverse partners, it provides innovative alternative financing solutions to clients in TDB Group Member States and for entrepreneurs including SMEs, this year with a focus on renewable energy and women-owned businesses in the mining sector., including term loans, lines of credit, guarantees and grants. Its facilities are often blended with non-repayable technical assistance grants to address specific institutional and enterprise challenges.

TDF's technical assistance initiatives include, among other things, business linkages and project advisory and project development support across key sectors for public and private sector clients, including MSMEs. In addition to financing and technical assistance, TDF offers programme management services.

Notable achievements in 2023:

- TDF's SME lending portfolio remained stable and well-performing.
- TDF made its first investment in the Zambian economy by extending a grant of USD 2 million to Pangaea ADD Capital Limited to support the growth of mining and agricultural SMEs in Zambia, and to finance groups traditionally excluded from mainstream economic activities.
- TDF set-up a green project preparation facility and deployed technical assistance (TA), particularly for entrepreneurs in the renewable energy sector, as well as capacity-building interventions which impacted over 300 participants from MS governments, commercial bankers, FIs from across the region.

Figure 5: TDB Group's subsidiaries and strategic business units

TDB GROUP'S ORGANISATIONAL STRUCTURE

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TDB CAPTIVE INSURANCE COMPANY (TCI)

This subsidiary provides risk insurance and reinsurance cover exclusively for TDB Group, and other related group entities, focusing primarily on insurance services for financial assets. The day-to-day management of TCI is entrusted to a captive manager in keeping with the typical management of a conventional captive.

Notable achievements in 2023:

- TCI achieved commendable financial results for the financial year ended 31 December 2023, headlined by a net insurance and investment result of USD 5.15 million and profits of USD 4.68 million.
- TCI provided insurance coverage of USD 315 million to TDB Group through 13 transactions. A total of 92% of the insurance coverage was provided for sovereign/ sub-sovereign counterparties and 8% was provided to non-sovereign counterparties.
- TCI's portfolio had a good geographical spread, covering Comoros, Djibouti, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe.

Figure 5: TDB Group's subsidiaries and strategic business units

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TDB Group's structure encompasses several subsidiaries and strategic business units, reflecting the Group's commitment to expanding its reach and deepening its impact through centres of strategic focus and operational excellence.

TDB ASSET MANAGEMENT (TAM)

TDB Group has an asset management arm that is focused on the design, origination, and growth of stand-alone investment vehicles for a wide range of investors and development partners.

Notable achievements in 2023:

- As of December 2023, the flagship trade finance fund, launched under Article 9 of the TDB Charter, the Eastern and Southern African Trade Fund (ESATF trade fund), achieved significant improvements in its portfolio and returns:
 - » Portfolio size: Reached a total of USD 146 million.
 - » Rolling 12-month return: Improved to 9.02%, surpassing the target return of 1-Month Term SOFR + 3% by 0.67%.
- TDB Group has an asset management strategy that leverages its understanding of the region and extensive stakeholder networks to advance the development objectives while building on a shared services model for operational efficiency.
- A funds management operational readiness review was approved for implementation in FY2024, to ensure TAM's successful transition and change management to a multi-fund management business.

Figure 5: TDB Group's subsidiaries and strategic business units

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ESATAL FUND MANAGEMENT COMPANY

The ESATAL fund management company is one of TDB Group's subsidiaries. It is based in Mauritius and is appointed by funds to manage the investment and re-investment of its portfolio assets. It manages the ESATF trade fund, an open-ended collective investment scheme domiciled in Mauritius, with a base currency in USD. The ESATF trade fund is focused on advancing trade-led economic and social development via the financing of short- to medium-term trade transactions, including those of SMEs.

The ESATAL fund management company is wholly owned by TDB Group and supports funding initiatives. It is regulated by the Financial Services Commission (FSC) based in Mauritius.

Notable achievements in 2023

- The fund has delivered an absolute return of 25.68% in USD since its launch in August 2019.

Figure 5: TDB Group's subsidiaries and strategic business units

TDB GROUP'S ORGANISATIONAL STRUCTURE

TDB Group encompasses Trade and Development Banking; the Trade and Development Fund (TDF); TDB Captive Insurance Company (TCI); TDB Asset Management (TAM); Eastern and Southern African Trade Advisors Limited (ESATAL fund management company); and the TDB Academy. This is a testament to the Group's continued agility to respond to the context it operates in via institutional innovation, with the ambition to expand the Group's reach, impact and sustainability. This year, almost 10% of the Group's profits came from entities other than our banking operations.

TDB Group's structure encompasses several subsidiaries and strategic business units, reflecting the Group's commitment to expanding its reach and deepening its impact through centres of strategic focus and operational excellence.

TDB ACADEMY

TDB Group continues to demonstrate leadership through its capacity building arm, TDB Academy. The Academy offers training, seminars, conferences, study tours and other human and institutional capacity development interventions in the financial and investment segments of interest to TDB and its partner. The TDB Academy delivers capacity building to various stakeholders in the region, and through this launched the TDB Volunteer Programme.

In 2023, the TDB Academy worked with the People and Organizational Development (POD) Department to carry out professional development initiatives and to build TDB Group's human capital capacity.

Notable achievements in 2023

- TDB Academy organised risk management training for commercial banks in Ethiopia to enhance risk management skills in the region.
- TDB Academy signed a Memorandum of Understanding (MoU) with the African Legal Support Facility in 2022 to train its region's public sector lawyers. The training continued in 2023 and brought together 70 public sector lawyers from 23 African countries. The training was pertinent for legal advisors to support their governments to effectively negotiate and execute energy infrastructure projects that can bridge the energy gap.

KEY RISKS AND OPPORTUNITIES

TDB Group serves the African region by helping to ensure that Member States have access to the financial and infrastructural resources they need to foster economic growth. To help Member States overcome challenges, the Group follows an integrated approach to economic growth by driving regional integration through promoting economic, social, and environmental development. This approach led to the creation of all subsidiaries and strategic business units, the mobilisation of themed funding and the issuance of new classes of shares to facilitate targeted and thematic funding.

Risks

Socio-economic challenges

Poverty and inequality (gender)

Unemployment (youth)

Continent-wide economic slowdown

Climate change

Energy insecurity

Opportunities

In 2022, Africa accounted for only 3% of global trade. The African Trade Report highlights the remarkable growth of intra-African trade, reaching USD193.17 billion in 2022, reflecting an 18.6 percent increase year-on-year, but only 13.6 percent in terms of intra-Africa trade, its lowest level in over a decade (ITC, April 2024). By enhancing cooperation and integration through the AfCFTA, African countries are positioning themselves to redefine economic fortunes and reduce dependence on global value chains.”

This reaffirms the importance of TDB Group’s financial offering to member states, which empowers member states to increase their global and intra-regional trade footprint. Regional integration and intra-regional trade have been identified as drivers of economic growth in Africa and the Group seeks to be an enabler of these drivers.

TDB Group promotes regional integration and intra-regional trade through trade finance and project and infrastructure finance solutions. Through TDF, the Group facilitates the process of regional integration by providing the necessary forms of financial support to target under-served segments and to support key infrastructure projects and capacity building.

Considering the importance of climate financing and the need for greener economies, TDB Group developed a climate finance strategy to facilitate a more focused approach to mobilizing capital and providing financial solutions that are aligned to dealing with climate change and its negative impacts on the Group’s Member States.

Figure 6: TDB Group’s key risks and opportunities

TDB Group's primary stakeholders

Stakeholder engagement is a key feature of TDB Group's approach, fostering transparent and mutually beneficial relationships. The Group prioritises inclusive and ongoing interaction, championing transparency and accountability. Its formal stakeholder engagement framework ensures a two-way flow of information, recognizing stakeholders as vital partners in enhancing sustainability and managing risk. Tailored engagement strategies evolve with project life cycles, guided by the Group's Information Disclosure Policy. This commitment to transparency empowers stakeholders to actively participate in decision-making processes, building trust and driving successful project outcomes.

TDB Group's key principles of stakeholder engagement

- The Group's process of engagement is transparent, inclusive, and culturally appropriate.
- The Group's engagement activities are aligned to the project timelines and are proportionate to impacts and risks associated with a project.
- The Group's stakeholder engagement process starts at the earliest stage of a project.
- The Group's engagement activities are all documented. Information relevant to transactions

The Group distinguishes between two types of audiences:



Direct audiences

- TDB boards, executives and employees
- Sovereign and institutional shareholders
- Partners
- Clients
- Media

Indirect audiences

- Other stakeholders with an interest in and impact on the Group
- Communities
- Final beneficiaries



and their development is shared with stakeholders on a regular basis to ensure that all consultation is informed.

- Meaningful engagement for the Group requires that stakeholders be open to incorporating stakeholder feedback and suggestions into project design and various mitigation strategies.
- The Group prioritises engagement that is free from manipulation and coercion.
- The Group reports back to consulted stakeholder groups on the outcomes of engagement with them and on the next steps.

Engagement with key project stakeholders

In all TDB Group-related projects and initiatives, a rigorous process is employed to define the expected outcomes and impacts using the TDB Sustainability Development Impact Monitoring System and the Environmental and Social Management System. As part of the monitoring and evaluation procedures, the Group undertakes biannual monitoring visits to project sites and conducts interviews with stakeholders, documenting achievements. This engagement with stakeholders ensures a continuous feedback loop between them and the Group, facilitating the validation of progress and the sharing of lessons learned.

Yearly customer and partner satisfaction survey

TDB Group carries out a customer and partner satisfaction survey every year to gain insight into the Group's partners, clients and shareholders' views, attitudes, opinions, perceptions, and levels of satisfaction towards the Group's services it pertains to each stakeholder segment. The Group's 2023 Customer and Partner Satisfaction Survey, with a score of 4 out of 5, highlighted clients' appreciation for the Group's responsiveness to inquiries and level of service, business understanding, and sustainability, while partners expressed their appreciation for the Group's corporate governance and risk management, and shareholders, for its performance and returns, innovation and communications.

HIGH-LEVEL OVERVIEW OF SUSTAINABILITY AND IMPACT AT TDB GROUP



Photo Credits: Nonzero Africa-Midjourney

GOVERNING MATERIAL SUSTAINABILITY IMPACTS

Sustainability materiality assessment

In its materiality assessments, TDB Group considers the most important topics related to its business activities from an environmental, social, and corporate governance point of view. In 2024, the Group conducted an assessment based on relevant topics and their impact on the Group's operations and stakeholders and the environment. The materiality determination process consisted of the following steps:

The materiality process also included considering the sustainability impacts and outcomes of the projects for which the Group provides funding.

TDB Group understands the value of continuous improvement and, during the next report period, will aim to strengthen its methodology for materiality assessments, for example by involving more stakeholders through interviews and surveys.

The following material issues that TDB Group identified are disclosed in this report:

- Climate change
- Employment
- Occupational health and safety
- Training and education
- Cyber security privacy
- Anti-Corruption
- Corporate Social Investment (CSI)

Governance for sustainability

TDB Group's Board of Directors is committed to continuously improving corporate governance principles, policies and practices by implementing evolving regulatory and best practices and acting on regular feedback from stakeholders.

The Group's ESMS Policy is the guiding framework that is used to ensure that the correct environmental and social requirements and procedures are carried out for the Group's supported transactions.

The Group's SDIMS Policy is the guiding framework that commits the Group to: (i) timely collection and analysis of reliable data as guided by impact assessment system; (ii) working in partnership with shareholders, clients, partners, and beneficiaries to identify, analyse and report on Development Impact and (iii) publish annually, a Sustainability and Development Impact Report which highlights our sustainable development impact.

The Board and Executive Management provide overall leadership regarding the performance and implementation of the Group's Sustainability Framework (ESMS and SDIMS) thereby contributing to the oversight, accountability, transparency, strategic guidance and organizational leadership, and learning of the organization by ensuring proper alignment of the TDB Group's activities with these policies.

Photo Credits: Nonzero Africa-Midjourney

TDB GROUP'S ALIGNMENT TO GLOBAL GOALS

TDB Group remains steadfast in its commitment to contribute towards the SDGs and to align its operations with the transformative aspirations of the African Union's Agenda 2063 as well as the Paris Agreement on Climate Change.

Through strategic financing and a focus on impactful projects, TDB Group demonstrates its dedication to advancing sustainable development and achieving the "Africa We Want," as outlined in the African Union's Agenda 2063.



Explore TDB Group's Sustainability Framework and read more about its contributions to the SDGs and its alignment with Agenda 2063 and the Paris Agreement by

Photo Credits: Nonzero Africa-Midjourney

TDB Group promotes sustainable development across its Member States by closely aligning with the following sustainable development initiatives:



United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to alleviate poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 interconnected goals are designed to be a blueprint to achieve a better and more sustainable future for all.

DID YOU KNOW?

TDB Group designs its transactions and projects to support the highest level of impact possible. This ensures that, to the extent that it is feasible, a single intervention contributes to as many UN SDGs as possible.



African Union's Agenda 2063

Agenda 2063 is a strategic framework for the socio-economic transformation of the continent over a 50-year period. It builds on, and seeks to accelerate, the implementation of past and existing African initiatives for growth and sustainable development.



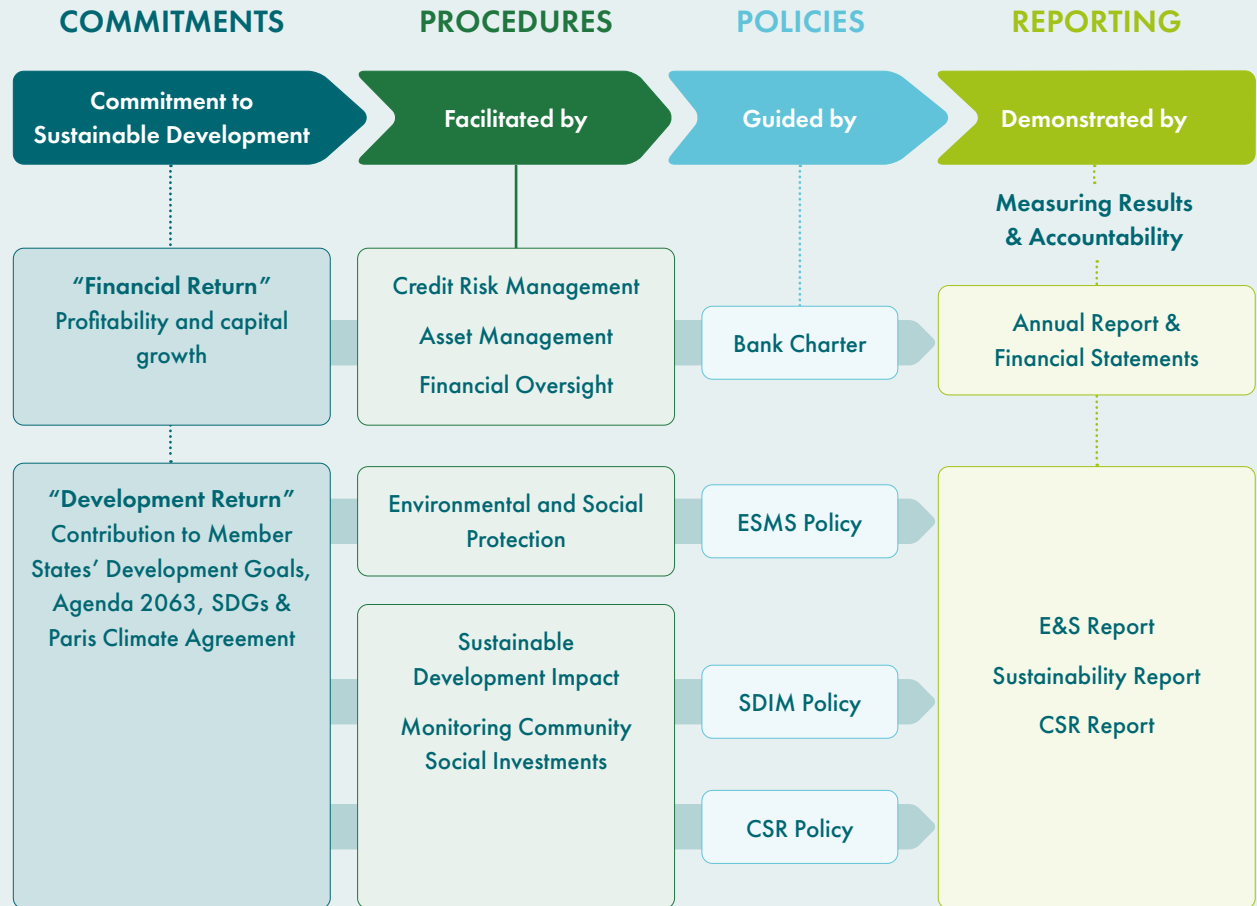
Paris Agreement on Climate Change

This agreement serves as a framework that includes commitments from all African countries to reduce their greenhouse gas (GHG) emissions and work together to adapt to the impact of climate change and to create a pathway for developed nations to assist developing nations in their climate mitigation and adaptation efforts.

Figure 7: TDB Group's Sustainability Framework

TDB GROUP'S SUSTAINABILITY FRAMEWORK

TDB Group is committed to sustainability principles with a strategy anchored in a robust Environmental, Social and Governance (ESG) Framework (the Framework) (also called the Sustainability Framework). The Framework is a collection of procedures and policies including the ESMS, the SDIMS and the Corporate Social Responsibility Policy. The Framework is aligned to the global sustainable development agenda as guided by the SDGs, Agenda 2063 and the Paris Agreement. Other TDB documents informing the Framework include the Energy Policy, the Climate Finance Strategy, Gender Mainstreaming in Projects and Off-Grid E&S Risk Management Procedures.



TDB GROUP'S PATHWAY TO SUSTAINABLE IMPACT

Guided by ESG-specific conditionalities, TDB Group:



Promotes scalable projects that create jobs across various sectors



Finances government infrastructure plans to support growth



Sources strategic commodities and essential agricultural inputs to improve food and energy security



Provides pre-export financing to encourage high-value and diversified exports to enhance Forex earnings and boost reserves



Supports higher export efficiency and Forex generation via transport and logistics investments



Supports industrialisation, the strengthening of regional and local value chains, technology transfer, and imports of equipment to promote productivity



Improves health, education, and poverty-alleviation outcomes via access to social and economic infrastructure



Shores up the capacity of regional and national FIs that support MSMEs



Supports local ownership and import substitution



Facilitates greater intra- and inter-African trade and regional integration

TDB Group's first ESMS Policy was adopted in 2005 and harmonised with all the Group's policies and procedures in 2010. After committing itself to the global sustainable development agenda in 2016, the Group refined its ESG Framework to include the latest ESMS (to be updated in 2024). Specific socio-economic development outcomes are now also measured. By being integrated, end to end, in the Group's credit cycle process, from deal origination through to the final loan repayment, the ESMS reinforces the Group's commitment to continuously improving the management of Environmental and Social (E&S) risks and opportunities in sustainable financing.

To aid with the execution of the Framework TDB Group started implementing the Theory of Change (TOC) analytical framework during 2019. The TOC focuses on an impact pathway. The impact pathway demonstrates how the Group's inputs of financial capital and human resources contribute to sustainable development. The TOC summarises the logical connection between what the Group does, why it does it, and how it contributes to defined development outcomes.

TDB Group's Sustainability Framework fosters transparency, accountability, and stakeholder engagement, promoting responsible practices that safeguard resources for future generations. Additionally, it empowers the Group to recognise the interconnectedness of global challenges and to mobilise collective action towards a more sustainable future. Its Sustainability Framework not only guides its decisions but also shapes the trajectory of progress, laying the groundwork for a thriving and equitable society.

Figure 8: TDB Group's pathway to sustainable impact



TDB Group's Sustainability Framework reflects how the Group aims to deliver impact. It serves as a vital compass in navigating the complexities of modern decision-making and in understanding the broader impact of TDB Group's actions. It ensures that the Group prioritises long-term viability over short-term gains, and by integrating sustainability principles, the Group mitigates risks, enhances resilience, and fosters innovation.

Framework element

How it was operationalised



Figure 9: TDB Group's Sustainability Framework operationalised

TDB GROUP'S SUSTAINABILITY OUTCOMES AND IMPACT

Following the guidelines outlined in the Sustainability Framework, TDB Group has pinpointed six key developmental outcomes. These outcomes serve to showcase TDB Group's tangible contributions to three overarching international sustainability initiatives: the SDGs, Agenda 2063, and the Paris Agreement. Ultimately, the purpose of this exercise is to illustrate the strategic trajectory of the Group's impact in 2023.



INPUTS

ACTIVITIES

OUTPUT

OUTCOMES

IMPACT

> CLICK ON ONE OF THE OUTCOMES FOR MORE INFORMATION

Figure 10: TDB Group's sustainability outcomes and impact

Photo Credits: Adobe Stock

TDB Group's commitment and intent

- The Group offers unique financing to corporations that commercial banks may not provide, tailored to their specific needs.
- The Group's loan guarantees boost financial institutions in Member States, enabling them to finance companies with higher risk profiles, expanding access to finance for SME borrowers.
- As lead arranger or syndicated loan member, the Group aids in structuring and financing large loans, facilitating major infrastructure projects, and attracting African and global capital.

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- Through the banking and finance sector, a total of USD 1.9 billion was disbursed by supported financial institutions as loans indirectly to about 51 SMEs.
- Under its Trade Finance portfolio, the Group supported the purchase and supply of commodities worth USD 2.5 billion (USD 1.98 billion through the banking and finance sector, 476.4 million in the agribusiness sector, and 35 million on oil and gas sector). These commodities included fertiliser, oil, fuel, and consumer goods, among other things.
- The total loans to clients financed by TDB Group as part of a syndicate was up by 10% to USD 19.1 billion in 2023 from USD 17.3 billion in 2022.
- Included in the USD 19.1 billion stated above, the Group acted as a mandated lead arranger of loans worth USD 4.1 billion, 0.12% higher than the USD 4 billion recorded in 2022.

TDB Group's alignment to Agenda 2063 priority areas

- Agricultural productivity and production
- African capital markets
- Fiscal systems and public sector revenue
- Development assistance partnerships

Alignment to the Paris Agreement

TDB aims to integrate considerations of the Paris Agreement goals into the overarching strategies and operational frameworks and procedures for decision making and investment, as well as during the process of identifying potential transactions

TDB Group's commitment and intent

- Loans provided to large corporations and support for SMEs facilitate improvements in productivity, sales, exports, and profits, ultimately enabling the creation of quality jobs by new and expanding businesses.
- Investment in green technology, particularly in sectors such as energy efficiency, waste reduction, recycling, and GHG reduction, enhances enterprises' environmental performance.
- Enhanced performance of the private sector can also drive increased growth in gross domestic product (GDP).

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- The total revenues attributable to the Group reported by the supported projects that were active in 2023 was about USD 3 billion.
- The EBIDTA attributable to the Group reported by supported projects that were active in 2023 was about USD 1.4 billion.
- The Group has invested in projects with up to 14 firms focusing on energy efficiency initiatives.
- In 2023, the energy consumption efficiency for the supported energy projects was at 97%.
- The actual manufacturing capacity for the supported projects in the manufacturing industry was at 47%.
- The hospitality occupation capacity was at 67%.

TDB Group's alignment to Agenda 2063 priority areas

- Incomes, jobs, and decent work
- Education and science, technology, and innovation (STI)-driven skills revolution, STI-driven manufacturing, industrialization, and value addition
- Biodiversity, conservation, and sustainable resource management
- Water security, climate resilience, and natural disaster preparedness

Alignment to the Paris Agreement

TDB is increasingly committing to align its activities with the long-term goals of the Paris Agreement.

TDB Group's commitment and intent

- Financing infrastructure projects and corporations, including export market development, creates temporary jobs through construction, which can lead to permanent job creation.
- Financing SMEs and sectors with broad value chains positively contributes to employment figures and small producers' livelihoods.
- The more jobs that can be created through financing, the lower poverty rates will be, and the larger the boost to the local GDP and payroll tax revenues.

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- A total of 1,146,238 jobs have been created by TDB Group. 614,070 female positions and 532,168 male positions.
- In 2023, TDB Group clients with active loans supported 189,864 jobs (146,139 full-time jobs and 43,724 temporary or commission-based jobs).
- Many jobs were created in various sectors, including 86,509 in banking and finance, 45,209 in agribusiness, 26,653 in transport, 19,174 in energy, and 12,319 in sectors such as health, hospitality, ICT, manufacturing, oil and gas.

TDB Group's alignment to Agenda 2063 priority areas

- Incomes, jobs, and decent work
- Education and STI-driven skills revolution
- African capital markets
- Fiscal systems and public sector revenue

Alignment to the Paris Agreement

Through transactions aligned with the Paris agreement goals, more jobs could be created.

TDB Group's commitment and intent

- Infrastructure financing enhances infrastructure expansion and lowers transportation costs, thereby boosting private sector productivity, energy security, ease of movement, and regional integration.
- Investing in health and education projects improves outcomes in these sectors, thereby aiding in poverty alleviation.
- Through financing diverse projects, the Group has expanded its outreach to farmers in supply chains.

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- In 2023, the Group supported transactions benefited over 532,724 households, including 217,055 farming households in the agribusiness sector. These transactions further provided 165,111 households with improved solar solutions, 98,978 households with renewable energy and 51,580 households with non-renewable energy.
- More than 7.7 million individuals were reached through different projects, including 1.76 million in the banking and finance sector, 2.48 million in the energy sector, 1.57 million in the transport sector, 0.8 million in the ICT sector, 1.09 million in the agribusiness sector, 4,345 in the health sector and 9,311 in the hospitality sector.
- TDB Group supported the generation of 147,493MWh during the year from the 827MW power generation capacity constructed through the Group's support.
- In the ICT sector, out of 9.45 million subscribers reached in 2023, 816,343 subscribers were attributed to TDB Group support.
- In the transport sector, out of the 7.1 million passengers reported, 1.57 million were attributed to TDB Group support.

TDB Group's alignment to Agenda 2063 priority areas

- Incomes, jobs, and decent work
- Poverty, inequality, and hunger
- Social security and protection, including for persons with disabilities
- STI-driven manufacturing, industrialization, and value addition
- Fiscal systems and public sector revenue

TDB Group's commitment and intent

- Trade finance plays a crucial role in ensuring that strategic sectors of the economy receive the necessary and dependable inputs to enhance their efficiency and productivity.
- Significant contributions to economic growth and foreign exchange reserves can be made through high-value exports.
- Strategic financing in sectors such as transportation, energy, tourism, agriculture, and construction can generate ripple effects throughout the economy by supplying essential input, fostering value chain development, and indirectly creating jobs.
- Supporting food imports and investing in domestic agriculture through trade facilities can bolster food security and reduce hunger.
- Financing energy projects, especially ones focused on clean energy, not only enhances national energy security but also mitigates GHG emissions.

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- A total of 2 million MT of agricultural products (valued at USD 251 million) were sold through the supported activities in the agribusiness sector.
- Up to 248,000 hectares were cultivated by out-growers who were linked to supported projects in the agribusiness sector.
- 159,000 MT of cement (valued at USD 34 million) was manufactured during the year 2023.
- To improve food security, the Group, through Trade Finance, supported the purchase of fertiliser valued at USD 124 million.
- Through renewable energy sources, the Group contributed to preventing 156,108 tons of CO₂ emissions in 2023.
- By the end of the lifespan of the Group-supported renewable energy projects, TDB Group would've assisted in preventing about 4 million tons of CO₂ emissions, including 3.9 million from renewable energy and 224,000 tons from improved solar solutions.

TDB Group's alignment to Agenda 2063 priority areas

- Incomes, jobs, and decent work
- Education and STI-driven skills revolution
- Health and nutrition
- STI-driven manufacturing, industrialization, and value addition preparedness

Alignment to the Paris Agreement

TDB seeks to directly or indirectly support low-GHG climate resilient development across all business areas and transactions – and take into account impacts on broader systems and value chains. This goes beyond measuring investment in activities supporting mitigation or adaptation outcomes; rather, it implies that activities are carried out in a manner consistent with the long-term goals of the Paris Agreement.

TDB Group's commitment and intent

- Trade finance enhances global trade, regional trade, and integration, leading to growth in employment and Africa's GDP.
- Trade finance facilitates better access to new markets for exporters.
- Transport infrastructure development increases the competitiveness of intra-regional trade.

TDB Group's alignment to SDGs



TDB Group's results and impact for 2023

- About USD 748 million worth of goods, equipment, inputs and services were traded within Africa (intra-regional trade) with exports to other African countries accounting for about USD 132 million and imports from other African countries USD 616 million.
- The goods, equipment, inputs and services that were traded to or from non-African countries (extra-regional trade) were valued at USD 1.7 billion. The exports were USD 265 million, and imports were USD 1.45 billion.

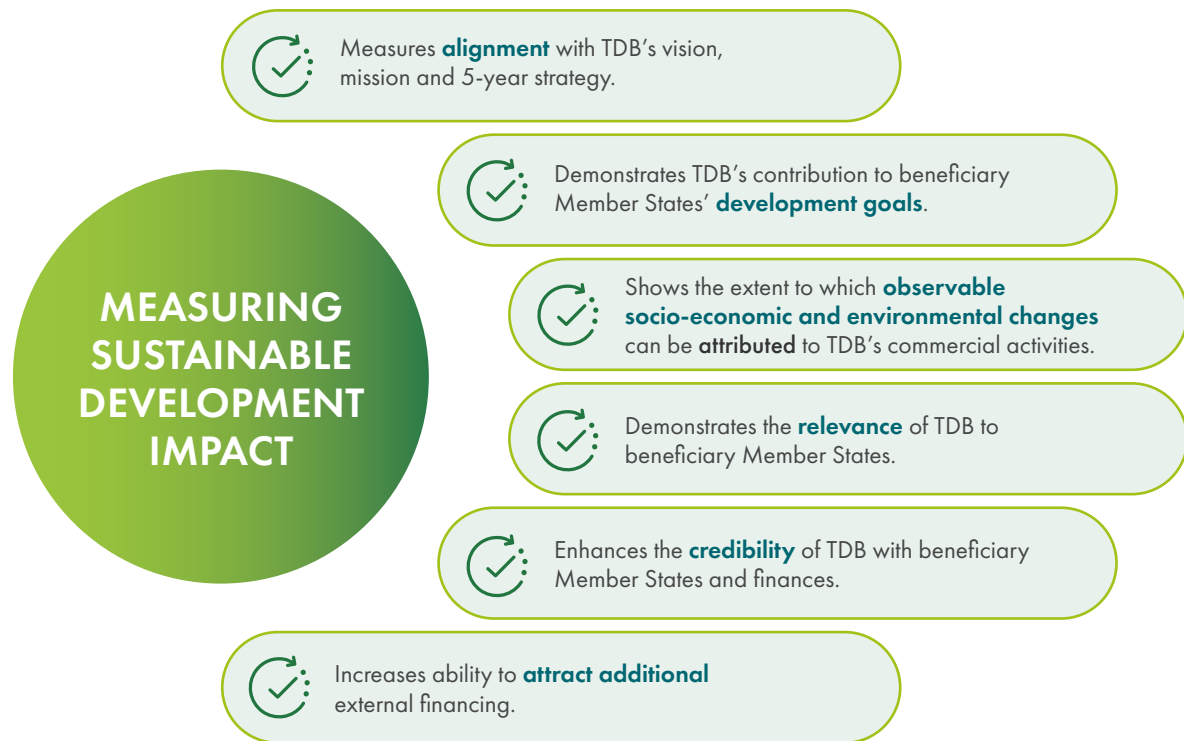
TDB Group's alignment to Agenda 2063 priority areas

- Prosperity
- Integration
- Global partnerships

MONITORING OF SUSTAINABILITY OUTCOMES OF TDB GROUP-FUNDED TRANSACTIONS

TDB Group has created and implements a rigorous SDIMS on each of its funded projects. This monitoring system keeps the Group accountable to its shareholders, ensuring that the Group can provide progress reports on the initiatives' financial performance and development impacts. Impact monitoring is an essential management function that provides a clear basis for strategic planning and decision-making. By doing so, the Group will ensure that sustainable development impact considerations are at the forefront of its decision-making.

In keeping with TDB Group's commitment to aligning its financing strategy to the SDGs, Agenda 2063, and the Paris Agreement, the Group is committed to incorporating development impact assessment monitoring into its operations. It ensures that its processes and procedures support and are guided by the SDIMS.



TDB Group measures development impact as follows:

- Identify the specific outputs for each business line and expected development outcomes, as described in the Theory of Change.
- Identify specific indicators to measure performance at all levels of the results chain, corresponding to outputs, outcomes and impact.
- These indicators must be measured and monitored to track the effects of the Group's practices on clients, sectors, and Member States.
- Show the reporting frequency, source, and methodology for collecting data to measure results.



SUSTAINABILITY IMPACT OF TDB GROUP OPERATIONS

Photo Credits: Nonzéro Africa-Midjourney

ESG RISK MANAGEMENT INITIATIVES

In recent years, TDB Group has effectively integrated environmental, social and governance (ESG) risk management initiatives into its governance structure and business model, thereby enhancing its capability to deliver impact. This achievement stems from the development of a sustainability framework derived directly from the Group's overarching risk management strategy.

DID YOU KNOW?

The TDB Nairobi Regional Office Tower:

- Is expected to save 50.03 ton 'CO'_2' emissions annually.
- Reduces energy consumption by 21%.
- Is constructed of materials with lower energy consumption.
- Is constructed of materials that required 32% less energy to manufacture.
- Uses 36% less water than a comparable structure.

TDB Group is committed to balancing the challenges posed by climate change and the need to support access to reliable energy that supports economic growth and poverty alleviation. This commitment is in line with SDG 7 (ensure access to affordable, reliable, sustainable, and modern energy for all) and SDG 13 (take urgent action to combat climate change and its impacts whilst incorporating the Paris Agreement too).

TDB Group is consistently looking for opportunities to improve its contribution to sustainable practices. Steps taken to date include building green office buildings, ensuring that recycling processes are in place, launching various strategies, and implementing policies and procedures that commit the Group's beneficiaries to sustainable practices.

From innovative energy-saving initiatives to responsible waste management strategies, TDB Group's efforts to minimise its environmental footprint, while maximizing its efficiency across all facets of its operations, remain a priority.

Energy and emissions

TDB Group's dedication to sustainability is exemplified by the green building that hosts the Group's Operations Hub in Nairobi, serving as a testament to the Group's core values. The new building incorporates resource-efficient design features and technologies. The Group also included waste management and sustainable material procurement in its development and received a preliminary EDGE certificate from Green Business Certification Inc. (GBCI).

Water consumption

TDB Group is committed to water conservation, recognizing the vital importance of this resource in sustaining life and supporting ecosystems. By implementing innovative water-saving practices and technologies (especially in its Nairobi Regional Office Tower), the Group aims to further minimise its water footprint.

Waste management: Paper use

TDB Group has a 'clean desk' policy and an electronic data and records management policy, and uses electronic signature technology, to reduce the internal consumption of printing paper, as more and more information is processed and shared among colleagues digitally, and internal approvals are signed off electronically. Additional initiatives under consideration for future roll-out include purchasing certified sustainably sourced paper and utilizing an Electronic Document and Records Management System (EDRMS) to further embed recycling efforts.

Photo Credits: Jadedaccount - Tiktok

Blockchain technology

TDB Group is a market leader in Africa in the use of blockchain technology in its trade finance transactions, reducing the Group's carbon footprint and paper use.

TDB Group is a market leader in Africa in the use of blockchain technology in its trade finance transactions, reducing the Group's carbon footprint and paper use.

Cross-border trade is a vast and complex industry that involves numerous parties and multiple jurisdictions. To drive productivity, increase access to working capital for its clients, and create a competitive advantage, TDB Group uses blockchain technology to execute some of its trade finance transactions.

Trade finance transactions executed via blockchain technology present the following advantages:

- Trade finance transactions further allow TDB Group and its clients to overcome logistical challenges triggered by supply chain disruptions, which have become more frequent since the COVID pandemic and as a result of global geopolitical crises. Eliminating the physical movement of papers among stakeholders makes it possible to complete transactions in under two hours while it used to take weeks.

- The slowdown in global logistics had a negative impact on the processing of letters of credit (a process that relies heavily on paper movement): it took up to six weeks to move documents from suppliers, through the banking system, to final delivery to the buyer. In that context, courier companies had to route cargo through multiple airports. In one instance, documents were routed through six different airports before they reached their destination.

Blockchain technology enables TDB Group to collaborate more quickly, efficiently, securely, and transparently. Because paperwork is no longer a requirement for traveling from country to country, the carbon footprint of transactions is also diminished. The time efficiency gains achieved by using blockchain technology have continued to improve, with the total transaction volume executed via blockchain technology surpassing USD 1.8 billion since its inception in 2019.

Occupational health and safety (OHS)

TDB Group is dedicated to safeguarding the health and safety of its employees and key stakeholders who are affected by its operations and thus ensuring a safe environment in which the Group can meet its overall objectives. A healthy and safe working environment is also a target of SDG 8 (decent work and economic growth).

TDB Group aspires to:

- Reduce health and safety risks associated with conducting business;
- Prevent accidents and work-related illnesses to Group stakeholders; and
- Develop a culture of health and safety and awareness of personal responsibility through engagement with all Group employees and stakeholders.

Proactive health and safety management is a core theme in TDB Group's health and safety policy, which means that it encourages hazard identification, risk assessments, and incident investigations, and supports them by presenting in-house training sessions, seminars, and workshops.

The health and safety management team also creates frameworks for capacity building that distinctly define the essential information that all employees require to uphold a safe working environment. The Group's occupational health and safety management system includes:

- Policy statements;
- A health and safety implementation team;
- Clear roles and responsibilities (for the implementation team); and

- Policy enforcement and sanction guidelines and processes.

OHS implementation and communication

TDB Group drives a strong communication and awareness approach to ensure strong employee participation.

The People and Organization Development (POD) function, supported by senior management, develops employee awareness campaigns to keep employees updated on the Group's health and safety agenda.

TDB Group also monitors and evaluates overall health and safety performance as it relates to health and safety awareness, prevention, and management objectives, and prepares periodic reports to ensure continuous improvement.

With regard to risk reduction, prevention, and resource management, TDB Group has relevant measures in place to cover building functions, control of third-party service providers, people, business functions, and emergency preparedness and response programmes. The Group's emergency response programmes include fire-risk assessments, the installation of emergency equipment, and competent first-aiders and fire wardens.

TDB Group ensures that all its employees receive the information and training they need so they can maintain their own safety and the well-being of their colleagues during work activities. The Group records OHS incidents that occur and follows through with investigations to identify the root causes and mitigate future re-occurrence.

OHS initiatives in 2023

Annual wellness day

- This yearly event involves medical checkups, wellness chats, and healthy food stations to promote nutritious and balanced lifestyles.

TDB Group walkathons

- TDB Group introduced walkathons in October 2023, offering distance categories of 20 km, 50 km, 100 km, and 200 km, with certificates and prizes for participants.

Participation in Standard Chartered Marathon

- TDB Group sponsored staff entries into the Standard Chartered Yearly Marathon in Nairobi to encourage fitness and team spirit.

Wellness expense coverage

- TDB Group provided cover of up to USD 900 in wellness-related expenses per staff member to help ensure staff's personal health and well-being.

Education and training

TDB Group's Sustainability Framework outlines how input and activities translate into outcomes and impact. In this section of the report, the Group presents the inputs in terms of human capital, outlining how the Group aids in facilitating the corresponding activities and outputs.

TDB Group's staff are crucial in enabling and supporting all activities conducted for the purpose of servicing the Group's clients. The Group's ongoing investment in its staff increases its impact potential and creates opportunities in its communities. To facilitate such investment, the Group has put incentive programmes in place to attract top talent. The programmes include retirement contributions, schooling subsidies for dependents, medical aid subsidies, training, and reward and recognition schemes.



Read about TDB Academy's notable achievements in 2023 by

TDB Group's Academy inputs and impact

- > **INPUT:** TDB Group invested in its staff through TDB Academy, which offers research and knowledge building on topics that are relevant to the region.
IMPACT: In 2023, TDB Academy worked with the People and Organizational Development (POD) department to carry out professional development initiatives and to build TDB Group's human capital capacity.

Success story: Regional Workshop on Loan Negotiation and FX Risk Management

The TDB Academy organised a workshop that brought together 50 Debt Management Officers from 26 countries across eastern and southern Africa, with 66% of the participants being women. The training focused on practical aspects of loan negotiation, currency risk management, and mitigation strategies for risks such as interest rate risk, credit risk, and liquidity risk. Partners such as ALSF, MEFMI, and TCX played a crucial role. The workshop successfully enhanced the capabilities of debt management offices, contributing to the sustainable development of the continent.

- > **INPUT:** TDB Group is an equal opportunity employer. To secure this, the Group's internal human resources policies are aligned to diversity and inclusion, gender sensitivity, staff wellness, and health and safety
IMPACT: TDB Group's staff completed refresher training exercises to ensure that they are continuously sensitised to the Group's policies. The Group has also put in place mechanisms that allow staff to report behaviour that is contrary to the policy.

Diversity and inclusion

TDB Group recognises that it operates in a globalised, interconnected and multi-cultural environment with diverse employees from all Member States and that its employees all have their own unique skill sets and capabilities, which, when brought together and aligned to the Group's shared goals, will create greater value than the sum of the Group's and its employees' individual contributions.

TDB Group incorporates the human element into its human resource management practices. It does so by adopting inclusive talent management structures and practices that allow people to draw on their unique experiences, perspectives, and backgrounds to advance business goals. This invariably results in a more engaged workforce, greater innovation within the Group, higher productivity, and enhanced business performance, among other things.

Figure 12: TDB Group's diversity and inclusion pillars



The senior management team is responsible for driving diversity and inclusion through setting specific objectives aligned with the Group's goals, fostering a supportive culture, implementing relevant policies, and ensuring daily operational integration. They are tasked with overseeing communication strategies, enhancing awareness and learning opportunities related to diversity, and maintaining accountability by addressing inappropriate conduct in accordance with the Group's governance protocols.

Anti-corruption measures

TDB Group is committed to upholding ethical standards in all its business practices. The Group acknowledges the heightened risk of bribery and corruption. It also maintains a rigorous policy framework and fosters a culture of zero tolerance toward activities that compromise its integrity and reputation, including fraud and irregularities, whether committed by its employees or by those acting on its behalf.

To help ensure that its practices remain ethical, TDB Group has implemented several key policies:

TDB Group recognises the importance of collaborating with its business partners to mitigate corruption risks. Through ongoing scrutiny and dialogue, it aims to continuously improve its practices and reduce its exposure to corrupt activities. By upholding these principles and policies, it remains committed to ensuring ethical conduct, promoting sustainable development, and ensuring its own prosperity.

Anti-bribery and -corruption (ABC) policy

This policy, in conjunction with the Fraud Policy, ensures that TDB Group can identify and combat bribery and corruption effectively.

Anti-money laundering (AML)/combating the financing of terrorism (CFT) policies

TDB Group is dedicated to preventing its institution from being exploited for money laundering or terrorist financing activities. This policy outlines the Group's commitment to reducing these risks through internal controls, due diligence procedures, and cooperation with relevant authorities and organizations.

Sanctions policy

In compliance with international sanctions and export control regulations, TDB Group strives to prevent crime and terrorism while safeguarding its reputation. This policy guides the Group's approach in conducting business with countries or entities subject to sanctions, helping it navigate complex situations where its mandate to serve sanctioned Member States may conflict with regulatory requirements.

Cyber security

Information is an asset that, like other important business assets, is essential to an organization's business and consequently needs to be suitably protected. This is especially important in an increasingly interconnected business environment. As a result of increasing interconnectivity, information is exposed to a growing number and a wider variety of threats and vulnerabilities. Information security is important to TDB Group and will function as an enabler for its business to provide assurance to management that business requirements will be met and that risks will be prevented or mitigated. The interconnection of public and private networks and sharing of information resources have made it more difficult to ensure information security. The trend of shifting towards distributed computing has also weakened the effectiveness of controls.

TDB Group has a strong cyber security policy that includes a minimum control set (baseline) for information security measures taken from ISO/IEC 27001 and ISO 27002:2013 for the objectives and code of practice.



To help ensure information security, TDB Group has implemented a suitable set of controls, including policies, processes, procedures, organizational structures (administrative controls), and software and hardware (technical controls).

Information technology: a strategic enabler

The Information Technology (IT) function at TDB Group plays a pivotal role in driving the organization towards its business and developmental objectives. As a strategic unit within the organization, the IT department is dedicated to implementing IT solutions that enhance operational efficiency, promote sustainability, and facilitate growth. This seamless integration of IT within TDB Group optimises processes and positions the organization as a key player in advancing the attainment of SDGs.

Automation initiatives

The IT department continues to spearhead automation initiatives across various operational areas such as loan origination, finance product processing, and agency financing. These efforts extend to critical support functions like records management, data analytics, and reporting, providing valuable insights for steering TDB Group towards its SDG targets.

IT infrastructure

Ensuring reliable connectivity across TDB Group's offices in Mauritius and Burundi and regional hubs in Kenya, Ethiopia, Zimbabwe and the Democratic Republic of the Congo is a core focus of the IT department. Continuous upgrades to communication infrastructure and equipment enhancements bolster performance and capacity, underpinning seamless operations.

Since 2019, TDB Group has strategically integrated blockchain technology into its operations, significantly enhancing the security of transactions. The Group was in fact the first African DFI to conclude an end-to-end trade finance transaction using blockchain technology, and the very first bank in Africa to conduct intra-African trade using this technology.

The Group is still the only bank in Africa that executes live trade finance transactions using a blockchain platform at this scale.

Information security

The IT department places a strong emphasis on maintaining robust information security practices to mitigate risks effectively. By benchmarking against international standards like the ISO information security framework, TDB Group enhances its cyber security maturity to safeguard critical data assets.

IT governance

Adhering to established IT architecture principles and robust governance mechanisms ensures that IT investments align strategically with TDB Group's business goals. The IT oversight committee plays a pivotal role in ensuring accountability and alignment between IT initiatives and organizational objectives.

Corporate Social Responsibility

TDB Group recognises that it operates in a globalised, interconnected and multi-cultural environment with diverse employees from all Member States and that its employees all have their own unique skill sets and capabilities, which, when brought together and aligned to the Group's shared goals, will create greater value than the sum of the Group's and its employees' individual contributions.

TDB Group incorporates the human element into its human resource management practices. It does so by adopting inclusive talent management structures and practices that allow people to draw on their unique experiences, perspectives, and backgrounds to advance business goals. This invariably results in a more engaged workforce, greater innovation within the Group, higher productivity, and enhanced business performance, among other things.

(A) Credibility
i.e. data collection methods and policies clearly set out and ideally verified independently

(B) Completeness
i.e. covering all aspects of the business

(C) Significance
i.e. report on enough quantitative and qualitative indicators

(D) Appropriate Form
i.e. clear and not too brief

Figure 13: TDB Group's CSR reporting criteria



TDB GROUP'S SUSTAINABILITY IMPACTS THROUGH TRANSACTIONS

Photo Credits: Nonzero Africa-Midjourney

Selection of sustainable projects for funding

As a regional multilateral development finance institution (DFI), TDB Group is trusted with the responsibility to catalyze impactful change through trade finance, project and infrastructure finance, asset management, advisory, and other solutions. The Group's holistic approach extends beyond financial solutions to encompass environmental and social considerations, ensuring that its investments align with the principles of sustainability and resilience.

At the core of TDB Group's operations lies a commitment to inclusive growth and empowerment. By providing tailored financial products to sovereigns, financial institutions, and corporations, including SMEs, the Group strives to unlock the full economic potential of its Member States while promoting environmental stewardship and social progress.

Through its involvement as the primary arranger or as part of a syndicate in major sovereign loans, TDB Group facilitates the financing of impactful projects across several vital sectors. These projects play a crucial role in generating employment, boosting tax revenues, and reaching a wide base of users or customers, thereby contributing significantly to the overall development of the regions the Group serves.

TDB Group's project selection process is focused on ensuring sustainability:

Projects are screened for sustainability at New Deal Forum ("NDF") stage. Some of the tools that are used to screen the projects include the ESG scoring tool and the developmental impact measurement tool.

The business teams of TDB Group submit a credit paper and the supporting due diligence reports to the relevant committees for review and approval.

The portfolio management department monitors and tracks the performance, ongoing sustainability, and impact of projects over the life of the loan.



Photo Credits: RTH Drones

Figure 14: TDB Group's sustainable project selection process

Climate finance approach

TDB Group embraces the global imperative set out in the Paris Agreement to help address climate change and has adopted an ambitious and comprehensive climate finance strategy (2023) that supports its Member States' transition to a low-carbon and climate-resilient future as defined in their Nationally Determined Contributions (NDCs) and national adaptation programmes of action (NAPAs). Integrated within the Group's ESG framework, the climate finance strategy (2023) ensures a holistic approach to sustainable development along with a green taxonomy aligned to international best practices, to strategically boost climate finance in its Member States and to help them achieve their Nationally Determined Contributions NDCs.

TDB Group's climate finance approach is guided by the key themes on the right:



TDB Group's Climate Finance Strategy (2023) forms the roadmap for the Group's journey to pivot its business towards supporting a low-carbon and climate-resilient future for all its Member States. It sets out the Group's commitment, action plan, and requirements to become a climate finance leader across its region. The Group also confirms its commitment to work towards the Paris Agreement and to achieve net zero by 2050 across its business lines and in its own operations.



TDB Group's commitment to the Paris Alignment and net zero

TDB Group commits to supporting its Member States in achieving their climate action commitments as defined in their NDCs and NAPAs, following a just transition on the journey to achieving net-zero by 2050. The Group commits to the following outcomes in the coming years:

1. Develop a Paris Agreement implementation plan, including:
 - a. A methodology for assessing Paris Alignment for all new transactions;
 - b. Treatment of existing assets; and
 - c. Resource requirements (people, processes, systems, and finances).
2. Work towards no new investments in coal projects.
3. Work towards setting 2030 decarbonisation targets for the most carbon-intensive sectors the Group finances.
4. Review the Group's exposure to fossil fuels with a view to reducing their use.
5. Develop an agreed roadmap for the Group to achieve net zero by 2050.
6. Review commitments and targets annually and adjust them for new ambition levels.

Figure 15: TDB Group's key themes

Crowding-in and leveraging of funds

By operating as lead arranger or as a party to a syndicated loan, TDB Group contributes to the structuring and financing of large loans, facilitating the execution of large-scale infrastructure projects and crowding-in of African and global capital.

The development impact of large projects in sectors such as ICT, energy, and transportation can be significant in terms of employment generated, tax revenues received, and the number of users or customers reached.

Total loans provided to clients by TDB, both independently and as part of syndicated deals, saw a notable increase of 10% to USD 19.1 billion. As a significant player in the syndicated loan market, TDB Group also assumed the role of a mandated lead arranger for loans amounting to USD 4.1 billion, further solidifying our position as a key financial partner in the region.

SECTOR IMPACTS AND CASE STUDIES

Reflecting on TDB Group's impact outcomes and its core mission to promote economic growth, regional integration, and prosperity in its areas of operation, sustainability efforts are strategically channeled into one of the following key focus areas:

Financial inclusion and empowerment

TDB Group is focused on helping to ensure economic growth in Africa, which includes job creation, the empowerment of youth and women, and access to financial services.

Agriculture and food security

Africa's economy is inherently dependent on agriculture, which is a significant contributor to most countries' GDP. A vibrant, sustainable, and resilient agriculture sector is vital for sub-Saharan Africa's economic future. TDB Group has identified agriculture as key in sustainable growth in the region and in economic transformation across the value chain, which includes food production, value addition through agribusiness, sustainable agriculture, and food security.

Environmental and social improvement

Promoting a good environment is not only an issue of compliance but is also good for business sustainability. TDB Group is committed to fostering environmental

conservation and reducing negative environmental effects. Through its ESMS policy, the Group can track its investments' environmental and social impact.

This section is focused on TDB Group's impact through case studies and project success stories in the following sectors:



Banking and finance



Agriculture



Healthcare



Infrastructure



Energy



Manufacturing industry



Oil and gas



Information and communication technology



Transport

TDB Group's impact in the financial sector

TDB GROUP'S GOAL: TO PROMOTE FINANCIAL INCLUSION AND ACCESS TO FINANCIAL RESOURCES TOWARD GREATER SUSTAINABILITY.

TDB Group has been working on and promoting financial flows toward greater sustainability in the region and in the Group's Member States. Through various partnerships with supranational, international DFIs such as the World Bank, KfW, the African Development Bank and various national DFIs, the Group has been facilitating the flow of capital to the region and to its Member States to:

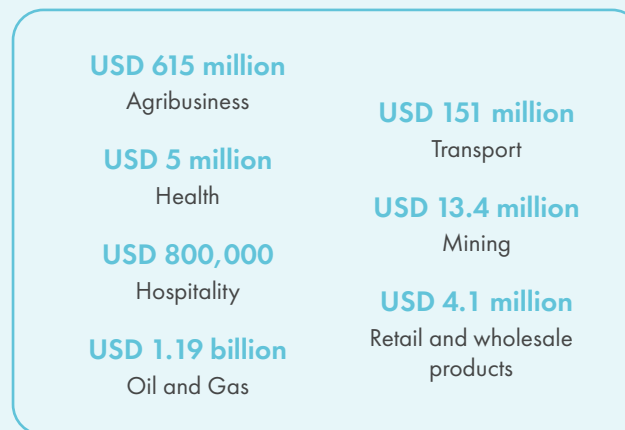
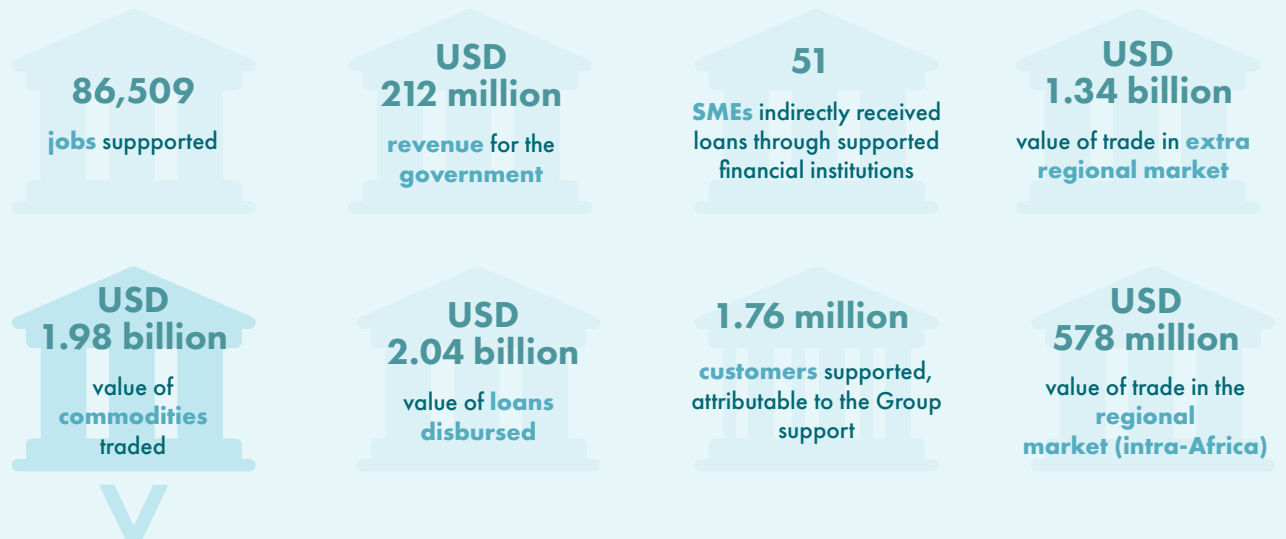
- support financial inclusion
- reduce global inequalities
- promote socio-economic well-being

TDB Group supports the growth of the financial sector in its Member States through the following:

- Facilitating capital flow to the region by working with supranational financial institutions
- Direct financial intermediary role in Member States
- Working with local Member States' financial institutions

Key impacts in the financial sector

Figure 16: Key impacts financial sector



TDB Group financing to financial sector over past 5 years in USD billion

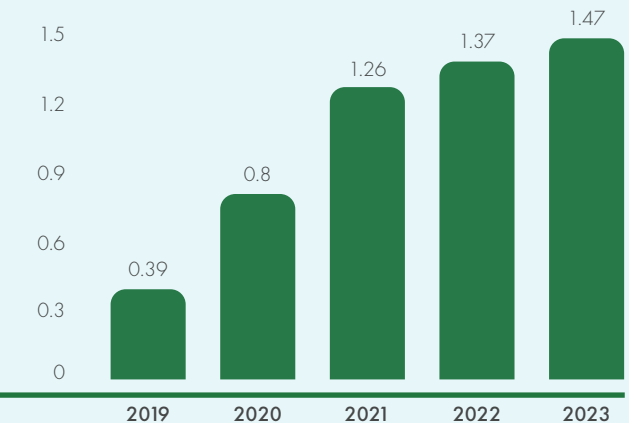


Figure 17: TDB Group financing to financial sector

TDB Group's sustainability in action in the financial sector

TDF Financing PADD Capital To Support Zambian SMES Supplying Agribusiness and Mining Sectors



Pangaea ADD Capital, in partnership with the Trade and Development Fund (TDF), launched the Pangaea ADD Capital project in 2023. This initiative aimed to empower traditionally excluded Zambian Small and Medium-sized Enterprises (SMEs) by providing a USD 2 million revolving trade finance line of credit and a USD 30,000 non-repayable technical assistance grant. This initiative specifically targets SMEs in the Zambian Copperbelt, agribusiness, and manufacturing sectors, aiming to increase their participation in the country's economic activity. This collaboration leverages their expertise to provide vital working capital and accelerate cash flow for these traditionally excluded businesses. The project enhances economic participation, improves access to finance, and fosters job creation.

This project promotes gender equality by supporting women-owned businesses and emphasises responsible sourcing in mining-related industries to minimise environmental impact. Its Sustainability Framework not only guides its decisions but also shapes the trajectory of progress, laying the groundwork for a thriving and equitable society.

TDB Group's impact in the energy sector

For the energy intervention to be effective, TDB Group worked through strategic partnerships to increase the support. The Group provided seed funding of USD 337 million, which grew to USD 1.5 billion invested to improve access to electricity in the Group's Member States.

TDB GROUP'S GOAL: TO IMPROVE ACCESS TO ELECTRICITY IN TDB GROUP'S MEMBER STATES THROUGH RENEWABLE ENERGY SOURCES AND NON-RENEWABLE SOURCES.

Key impacts in the energy sector

COUNTRY IMPACT

827 MW

of power plants
were constructed

79.5%

of power plants
are generated
through renewable
energy sources

HOUSEHOLD IMPACT

315,669

households
benefited from the
energy intervention

More than **2.48 million** individuals were provided with new or improved energy electricity service, including **1.58 million** as members of benefiting households and **0.9 million** individually purchasing solar lanterns

- **Renewable = 98,978**
- **Solar = 165,111**
- **Non-renewable = 51,580**

EMPLOYMENT IMPACT

19,174

jobs were
created

4,940 full-time and
14,234 commission-based

- **Renewable = 3,062**
- **Solar = 15,211**
- **Non-renewable = 901**

Key impacts in the energy sector (cont'd)

TDB Group's sustainability in action in the energy sector

GOVERNMENT IMPACT

USD 6.2 million
tax revenue was generated in the energy sector

Tax revenue of **USD 2.4 million** from solar solution

- **Renewable = USD 3.2 million**
- **Non-renewable = USD 0.5 million**

FINANCIAL IMPACT

USD 24 million
generated through sales

SOCIO-ECONOMIC IMPACT

USD 8 million
savings for households through the use of solar systems

CLIMATE CHANGE IMPACT

156,108 tons
of CO₂ emissions prevented in 2023 through contribution of TDB Group through renewable energy sources

By the end of the lifespan of the Group-supported renewable energy projects, TDB Group would've assisted in preventing about **4 million tons** of CO₂ emissions, including **3.9 million** from renewable energy and **224,000 tons** from improved solar solutions

Lighting up lives: The Sunspot Energy Initiative



TDB Group facilitated an investment of USD 4.2 million in Sunspot Energy Kenya Limited, revolutionizing access to electricity through off-grid solar solutions. This project has illuminated over 10,000 households, enhancing economic and social development, and is on track to benefit up to 50,000 individuals. It showcases significant strides in green energy adoption, job creation, and economic diversification, emphasizing women's participation and supporting SDG 7. With a substantial reduction in CO₂ emissions, Sunspot Energy is a blueprint for sustainable, community-focused energy solutions in rural Kenya and beyond.

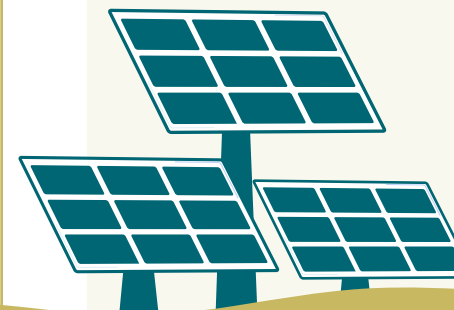


Figure 18: Key impacts energy sector

TDB Group's sustainability in action in the energy sector (cont'd)

KCB's sustainable financing for fuel procurement



In June 2023, TDB Group approved a USD 300 million revolving trade finance multi-product loan for KCB aimed at facilitating fuel procurement for Kenya through a G-G agreement. In October 2023, the facility was temporarily increased to USD 332.62 million for a period of 210 days. The loan supports economic growth and regional integration, including sectors like agriculture and transportation.

KCB's commitment to sustainability encompasses social and environmental stability, financial inclusion, and green finance. They leverage technology for inclusive banking, support youth and communities, and promote responsible consumption, green finance and lowering their carbon footprint to protect and enhance the environment. Accredited by the Green Climate Fund in 2020, KCB's efforts align with TDB Group's mandate to foster economic growth and intra-regional trade.



TDB's Partnership with d.Light Designed Limited in Catalysing Solar Access in Nigeria and Beyond

As co-lead arranger, TDB Group granted d.Light Designed Limited a facility of up to USD 50 million,

with TDB Group financing of USD 20 million. The funds will support d.Light's launch of up to 15 million solar devices and financing of solar inverters in Nigeria, along with refinancing existing debt of up to USD 35 million.

Over the last 12 years, d.Light has positively impacted over 140 million lives globally and offset 27 million tons of CO₂ emissions. In East Africa, d.Light has served 154,000 households, including 20% women, in Kenya, Tanzania, and Uganda, providing access to energy for economic and social development. The project promotes green energy, reduces reliance on diesel generators, and targets the off-grid market, crucial for achieving SDG 7 by 2030. By the end of 2023, more than 1.3 million individuals had been given access to energy through TDB Group support.

Rwanda's REDL hydroelectric power project in Nyabihu



In 2020, RMT Energy Development Limited (REDL) secured a USD 20.8 million debt facility from TDB Group to finance a 7.2 MW hydroelectric power plant along Rwanda's Giciye River in the Nyabihu district. The purpose of the project, which employs 35 full-time workers, was to generate power from a non-polluting renewable source of energy to help improve the quality and reliability of the power system especially in the Nyabihu district and its surrounding areas.

The development involved key components such as a dam site intake sand trap, forebay, penstock, powerhouse, and canal. Under a 25-year power purchase agreement (PPA) with the Energy Utility Corporation Limited (EUCL), the electricity generated is sold. REDL aims to enhance the reliability of the power system in Nyabihu while promoting the adoption of renewable energy.

The project contributed to job creation across various sectors and diminished Rwanda's dependency on imported power, thereby conserving foreign currency.

Rwanda's connection to the East African power pool enabled it to export excess power to the region. By supporting Rwanda's power grid, RMT Energy is reducing the need for imported power, thereby saving foreign currency. The project's reliance on renewable energy sources, as opposed to diesel power plants, leads to a significant reduction in greenhouse gas emissions. It is estimated that the project displaces approximately 144,654 tons of CO₂ emissions per year, totalling 1,301,886 tons of CO₂ emissions over the loan's lifespan, thus contributing to climate change mitigation efforts.

Photo Credits: Nonzéro Africa-Midjourney

TDB Group's impact in the agricultural sector

TDB GROUP'S GOAL: TO IMPROVE THE PRODUCTION OF AGRICULTURAL PRODUCTS IN AFRICAN COUNTRIES.

DID YOU KNOW?

6,000 of these farming households were engaged in producing groundnuts – a strategy to replace tobacco with groundnuts.

Photo Credits: Nonzero Africa-Midjourney

Key impacts in the agricultural sector

Figure 19: Key impacts agricultural sector

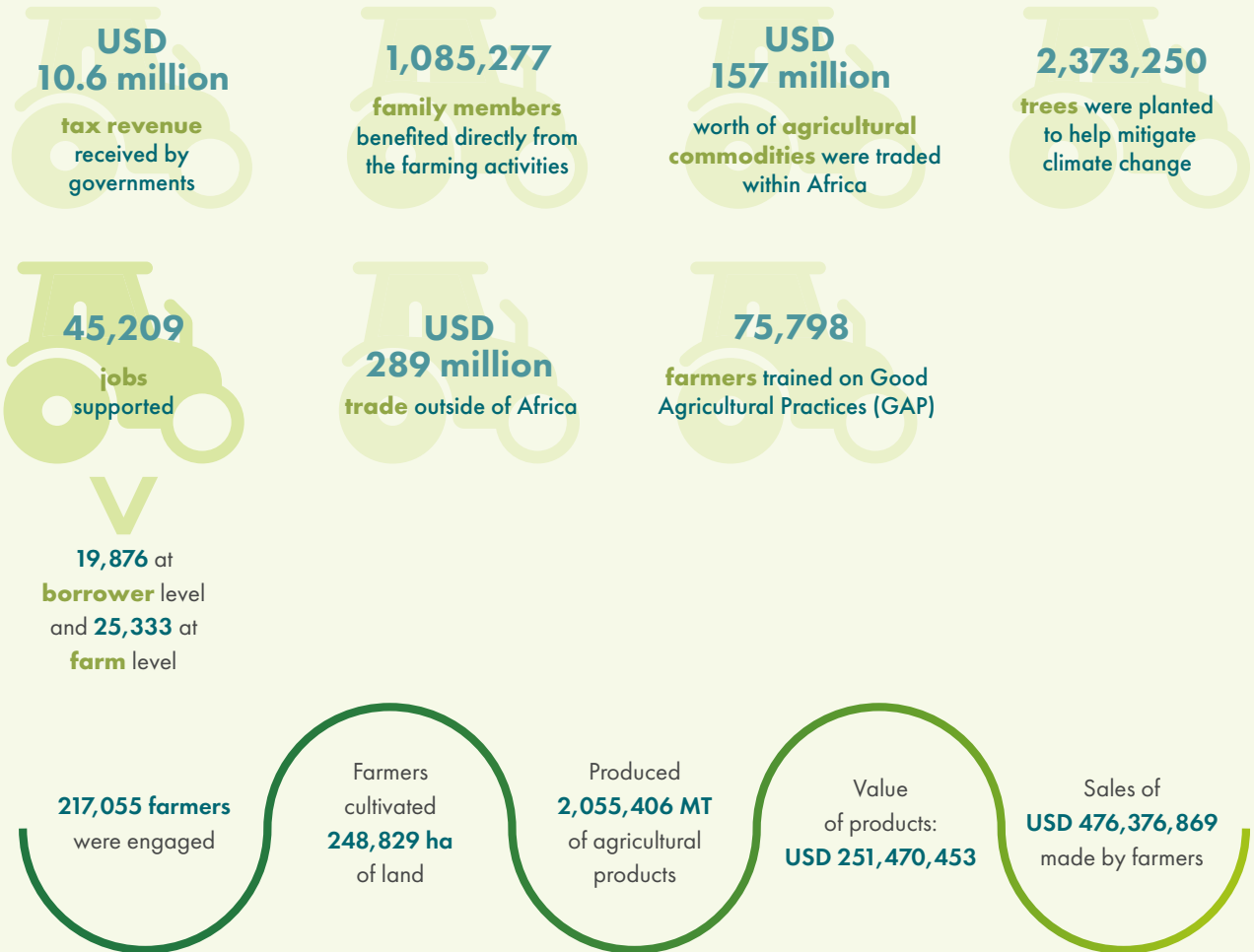


Figure 20: Impact on groundnut farming

TDB Group's sustainability in action in the agricultural sector

Sustaining eSwatini's Sugar Association through a revolving Finance Facility Journey



In October 2019, TDB Group approved a USD 50 million revolving finance facility for the eSwatini Sugar Association (ESA) to facilitate payments to local sugar millers against delivered sugar. Established by the Sugar Act in 1967, ESA regulates and markets sugar for eSwatini's sugar industry. ESA is a non-profit organization representing both growers and millers. With eSwatini being a major sugar exporter, changes in the world market have put pressure on prices in markets such as the EU, prompting a shift to other markets.

TDB Group's USD financing has enabled ESA to expand into international markets, contributing to the country's forex reserves. ESA's operations include sugar and molasses sales, with CSR projects focusing on health care, environmental protection and the provision of shelter for underprivileged Emaswati.

Strengthening Ghana's Cocoa Sector



In May 2023, TDB Group showcased its commitment to sustainable development and economic resilience by joining a pivotal financing consortium for the Ghana Cocoa

Board (COCOBOD). By participating with a USD 20 million investment in the USD 600 million pre-export receivables backed term loan facility originally arranged by Credit Suisse in November 2019, TDB Group contributed to a landmark deal designed to bolster Ghana's cocoa industry.

This collaboration, also involving the African Development Bank and the Industrial and Commercial Bank of China, underscores TDB Group's strategic role in enhancing agricultural productivity and socio-economic growth in Ghana. The initiative is aimed at increasing cocoa yields, modernising farms, and supporting more than 800,000 farmers, reinforcing TDB Group's impact.

Thome Water Project in Laikipia County

TDB Group's CSR vision is focused on enhancing social and economic well-being in the Group's operational regions. The Group recently supported the Thome Water Project in Laikipia County, Kenya, addressing drought and poor irrigation infrastructure. This climate adaptation initiative included providing dam liners and tree seedlings to improve water conservation and food security for local farmers. The project was aimed at increasing food security and household income and empowering women and youth.

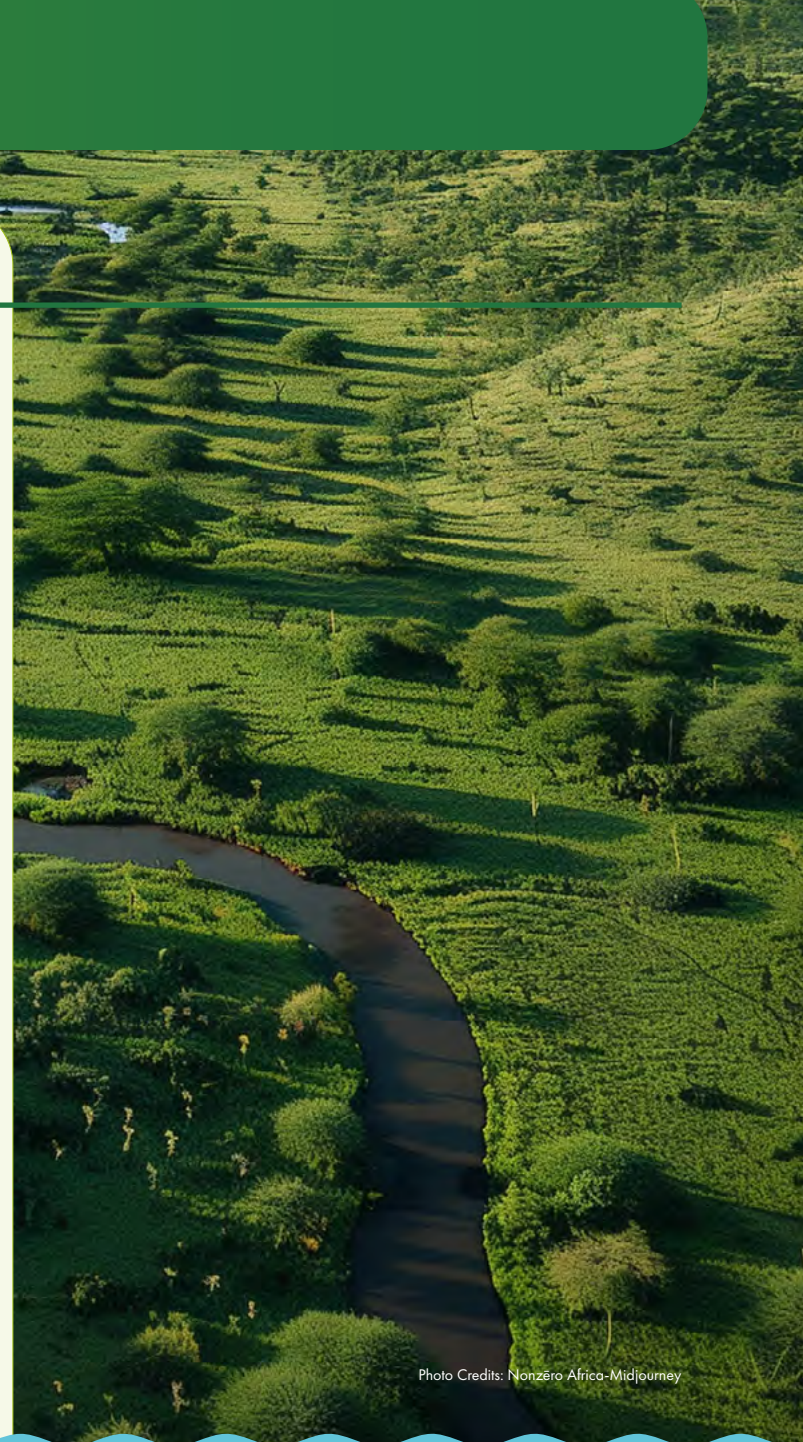


Photo Credits: Nonzero Africa-Midjourney

TDB Group's impact in the infrastructure sector

TDB GROUP'S GOAL: TO SUPPORT MEMBER STATES WITH INFRASTRUCTURE PROJECTS THROUGH DIRECT FINANCE AND CO-FINANCE SOLUTIONS.

As of December 2023, TDB Group has cumulatively extended a total of USD 3.6 billion to finance development of infrastructure in various sectors*:

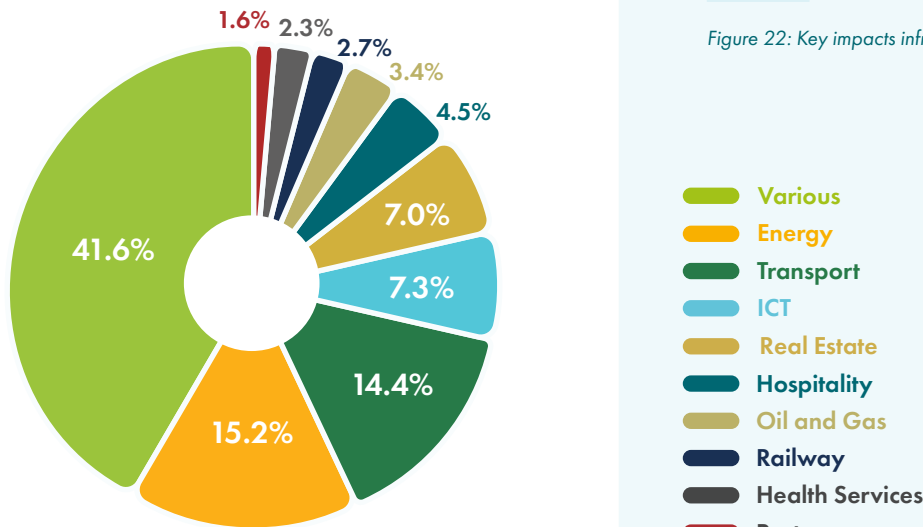


Figure 21: Finance development of infrastructure per sector

Key impacts in the infrastructure sector

Reduces the cost of moving goods across borders and improves competitiveness in intra-regional trade, thus improving the GDP.

147,285
decent jobs have been created,
53,543 of them for women.

The availability of quality jobs has increased social and economic well-being due to an increase in disposable income.

Figure 22: Key impacts infrastructure sector

- Various
- Energy
- Transport
- ICT
- Real Estate
- Hospitality
- Oil and Gas
- Railway
- Health Services
- Ports

*Various includes roads and public water infrastructure

TDB Group's sustainability in action in the infrastructure sector

Seychelles reparation efforts

TDB Group's commitment to Corporate Social Responsibility is centred on elevating social and economic well-being in the areas the Group operates in. In December 2023, following a catastrophic industrial zone explosion in Seychelles, TDB Group stepped in to aid in the recovery process by offering substantial support towards repair and reconstruction efforts.

DID YOU KNOW?

In Africa, infrastructural development fails to meet international standards. It is estimated that Africa's infrastructural needs amount to between USD 130 and USD 170 billion per year with a financing gap in the range of USD 68 to 108 billion.

TDB Group's impact in the information and communication technology sector



Photo Credits: Nonzéro Africa-Midjourney

Key impacts in the ICT sector

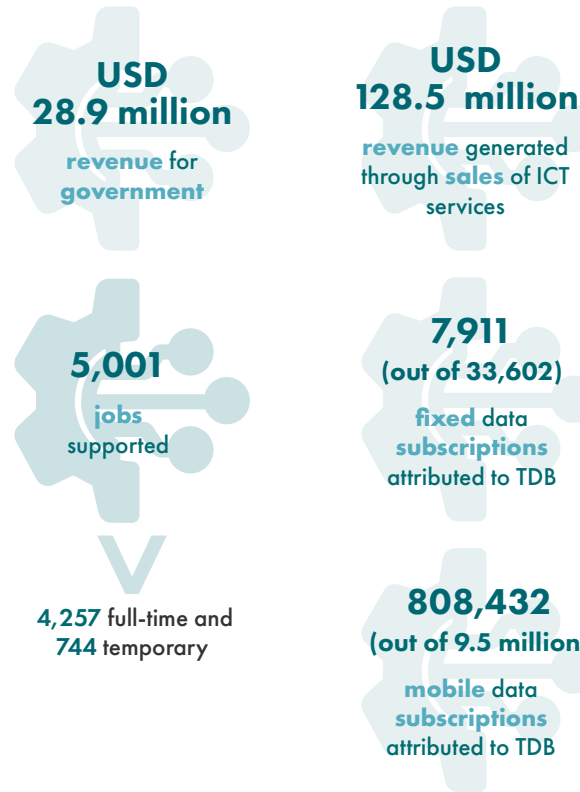


Figure 23: Key impacts ICT sector

TDB Group's sustainability in action in the ICT sector

Increasing financial growth and regional impact of Cable & Wireless Seychelles Limited



TDB Group and Nouvobanq have collaborated to enhance the financial stability and regional influence of Cable & Wireless (Seychelles) Limited (CWS). This partnership offers a USD 50 million funding package, including bridging and term loan facilities, a convertible note, and a term loan in Seychelles Rupees, aimed at refinancing USD 48.1 million in debt.

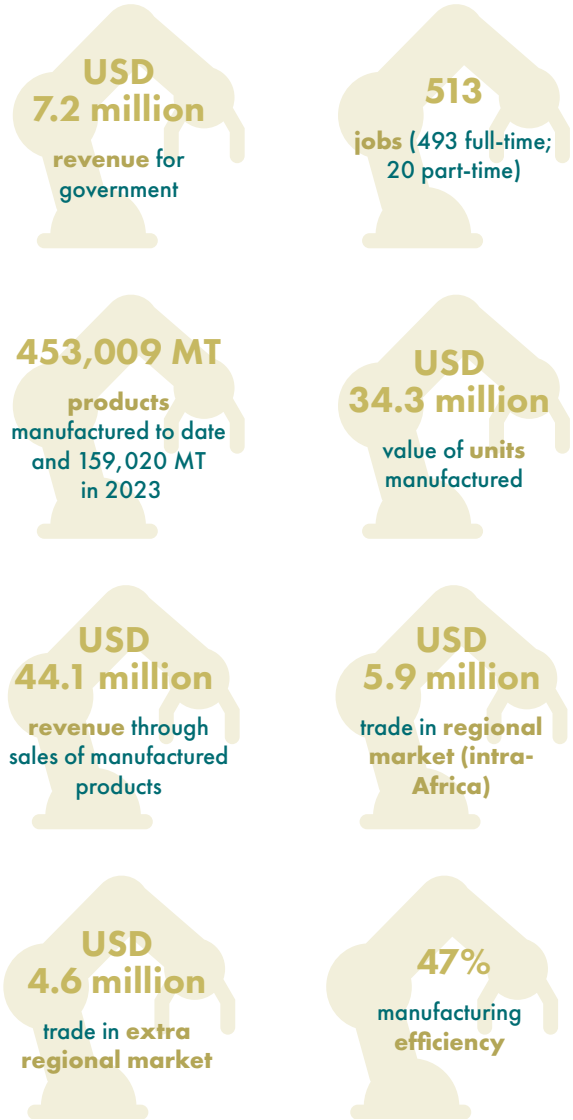
This project fosters regional trade, generates foreign exchange through interconnection charges, and promotes local employment with a headcount that is expected to increase as operations grow, and supports environmental initiatives. CWS is dedicated to community support through various CSR projects and sponsorships. The company has embraced digital transformation with eBill and self-care platforms, online registrations, and bill payments, giving users more control and autonomy. Additionally, CWS is exploring innovations in fintech through its collaboration with Nebula Fintech Limited, contributing to Seychelles' economic growth and technological advancement. As a listed company, this collaboration not only strengthens the company's financial position but also amplifies its positive community impact and drives technological innovation in the region.



TDB Group's impact in the manufacturing sector

Photo Credits: Nonzero Africa-Midjourney

Key impacts in the manufacturing sector



TDB Group's sustainability in action in the manufacturing sector

Positive impact of TDB Group corporate loan: Sotrafer's expansion and community development



In December 2019, TDB Group approved a USD 10 million corporate loan for Sotrafer's expansion project and an additional USD 3 million in 2023 for back power. Sotrafer successfully utilised the loans, enhancing its production capacity and job creation both direct and indirect, mostly for youth. The project also positively impacted regional trade, foreign exchange generation, and import substitution. Additionally, it contributed considerable amount in corporate tax payments to the government.

Sotrafer actively manages environmental and social responsibilities, including tree planting and sanitation efforts. Sotrafer's social impact parent foundation, VinMart Foundation, engages in community development initiatives in healthcare, education, infrastructure, and entrepreneurship promotion.

Figure 24: Key impacts manufacturing sector

TDB Group's impact in the oil and gas sector

Key impacts in the oil and gas sector



Figure 25: Key impacts oil and gas sector

TDB Group's sustainability in action in the oil and gas sector

Lake Group's regional expansion and financial strategies



In November 2017, Lake Group received a USD 30 million facility from TDB Group and used it to import fuel products and base oil. The facility continues to be serviced promptly as and when maturities fall due. Lake Group provides safe, efficient, and cost-effective products without damaging the environment and serves as a key player in regional petroleum trading, facilitating cross-border transactions and engaging with more than 200 dealers.

The facility aids in importing petroleum products into Tanzania, supporting domestic sales and foreign currency earnings through exports. Lake Group is a growing energy trading conglomerate expanding into various sectors across East Africa. With operations in Tanzania and neighbouring countries, it employs approximately 4,600 staff of various nationalities.

TDB Group's impact in the transport sector

Key impacts in the transport sector



Figure 26: Key impacts transport sector

TDB Group's sustainability in action in the transport sector



TDB Group extends USD 100 million loan for Tanzania's Standard Gauge Railway Project

TDB Group provided a USD 100 million loan for Tanzania's Light Railway Project, part of the larger Standard Gauge Railway (SGR) initiative, totaling USD 1.46 billion. Managed by Tanzania Railways Corporation (TRC), the SGR connects Dar es Salaam to Muwanza via Isaka, enhancing transport efficiency and linking Tanzania to neighboring countries.

The project is aimed at modernizing the rail sector, reducing travel time between Dar es Salaam and Rwanda by 50% and creating 6,800 job opportunities (1,020 of them for women). Additionally, it will support the mining sector and improve access to water, sanitation, and power generation infrastructure.

TDB Group and Banco Comercial e de Investimentos, SA (BCI) provide USD 27 million loan for Companhia Do Pipeline Moçambique-Zimbabwe pipeline upgrades



TDB Group and Banco Comercial e de Investimentos, SA(BCI) provided a USD 27 million loan to Companhia Do Pipeline Moçambique-Zimbabwe (CPMZ) for pipeline

upgrades, increasing capacity from 2.2 to 2.92 million m³ annually. CPMZ employs 192 staff, 50 of whom are technical staff, facilitating 95% to 97% of Zimbabwe's fuel supply. The pipeline connects Beira to Harare via Mutare, contributing to a USD 40 million annual increase in export receipts.

The funding provided by TDB Group is aimed at increasing the dependable and available capacity of the pipeline. The funding from TDB Group and BCI was utilised to upgrade and replace two pumping stations along the pipeline in Beira and Maforga. The new pumps replaced obsolete pumps with new technology that will increase the pipelines' pumping capacity from 2.2 million m³ to 2.92 million m³ annually.

The pipeline subscribes to government-approved environmental and energy certifications, which are updated periodically. CPMZ also has its own internal E&S policy. Cost savings are significant, with pipeline transport at USD 25 per m³ compared to USD 70 per m³ by road. Additionally, the pipeline reduces environmental impact by minimising truck traffic between Beira and Harare, adhering to government-approved environmental and energy certifications.