



---

# **Environmental, Social and Governance Management System (ESGMS) Manual**

**November 2024**

Approvals

Title	Date
Finance & General-Purpose Committee	February 2023
Audit, Risk and ESG Committee	November 2024

Title	Date
Full Board	February 2023
Full Board	November 2024

Reviewed by

Title	Name	Date

Version Control

Version No.	Author	Comment/Reason for Change	Date
1.0	EBS Advisory (Pty) Limited	New Policy	February 2023
2.0	Nana Maidugu	Revision	November 2024

## List of Abbreviations

AFDB	African Development Bank
BGFC	Board General-Purpose & Finance Committee
BIC	Board Investment Committee
ARM	Asset & Resource Management Holding Company Limited
CCTR	Commitment, Capacity and Track Record
CEO	Chief Executive Officer
CIO	Chief Investment Officer
COO	Chief Operating Officer
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
DEI	Diversity, Equity and Inclusion
DMOF	Debt Management Office Fund
EHS	Environmental Health and Safety
EPC	Engineering, procurement, and construction
ESAP	Environmental Social Action Plan
ESDD	Environmental Social Due Diligence
ESG	Environmental, Social and Governance
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESGMS	Environmental, Social and Governance Management System
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESIA	Environmental and Social Impact Assessment
EXCO	The Executive Committee
FCT	Federal Capital Territory
FGF	Future Generations Fund
FI	Financial Institution
GHG	Greenhouse Gas
GIIP	Good International Industry Practice
G7DFI	Group of Seven Development Finance Institutions
GRM	Grievance Redress Mechanism
HR	Human Resources
HSE	Health, Safety and Environment
IC	Investment Committee
ICT	Information Communication and Technology
IFC	International Finance Corporation
IFSWF	International Forum of Sovereign Wealth Funds
ILO	International Labour Organisations
IMA	Investment management agreements
IMF	International Monetary Fund
KPIs	Key Performance Indicators

LP	Limited Partner/Investor/other stakeholders
MD/CEO	Managing Director/Chief Executive Officer
NDA	Non-Disclosure Agreement
NFI	Non-Financial Institution
NIF	Nigeria Infrastructure Fund
NSIA	Nigeria Sovereign Investment Authority
OHS	Occupational Health and Safety
OPSWF	One Planet Sovereign Wealth Funds
PC	Portfolio Company
PIDF	Presidential Infrastructure Development Fund
PCBs	Polychlorinated Biphenyls
PPE	Personal Protective Equipment
RAP	Resettlement Action Plan
SDG	Sustainable Development Goals
SF	Stabilisation Fund
SWF	Sovereign Wealth Fund
TCFD	Task Force on Climate-related Financial Disclosure
TOR	Terms of Reference
TPF	Third-Party Funds
UN	United Nations
UNPRI	United Nations Principles for Responsible Investment
WB	World Bank

## Definitions

Action Plan	A plan of action acceptable to the NSIA and designed by a client to achieve compliance with NSIA's environmental and social standards
The African Development Bank (AfDB)	A regional multilateral development finance institution established to contribute to the economic development and social progress of African countries that are the institution's Regional Member Countries (RMCs).
Cultural Heritage	Tangible property or sites having archaeological (prehistoric), paleontological, historical, cultural, artistic and religious value, as well as unique environmental features that embody cultural values, such as sacred groves. Cultural Heritage also includes intangible forms of culture, such as cultural knowledge, innovations and practices of communities embodying traditional lifestyles.
Direct Emissions	Emissions from sources that are owned or controlled by a project, including stationary combustion emissions, mobile combustion emissions, process emissions and fugitive emissions.
Economic Displacement	Loss of assets or access to assets that leads to loss of income sources or means of livelihood due to project activities
EHS Guidelines	Technical reference documents issued by the World Bank Group (International Finance Corporation) with general and industry-specific performance levels and measures
Environmental and Social Permit	Any environmental and/or social permit, license, consent, approval or other authorisation required by any organisation to conduct its business.
Environmental and Social Requirements"	Refers to the stricter of (i) Environmental Law, (ii) Social Law, (iii) Environmental and Social Permits, (iv) Basic Terms and Conditions of Employment, (v) Core Labour Standards, (vi) IFC Performance Standards, including all applicable IFC Environmental Health and Safety Guidelines, and (vi) any other internal requirements set by the NSIA Environmental and Social Management System
ESGDD	An assessment and analysis of environmental, social and governance risks and opportunities associated with a project to ensure that the investment does not carry environmental, social and governance risks which could present a potential liability to the NSIA
ESGMS	The Environmental and Social Management System. The documented or implemented management elements that enable the company to meet the requirements of NSIA, including policy and procedure, E&S assessments and implementation, organisation structure, E&S Management programme, technical and management capacity, training, community relationships, financial resources, and E&S based on the project requirements.
ESIA	A comprehensive and technical study designed to evaluate the environmental and social impacts of major projects. The ESIA process includes identifying, predicting, evaluating and mitigating the biophysical, social, and other relevant

	effects of development proposals prior to major decisions being taken and commitments made.
ESAP	A systematic programme with proposed action plans to manage aspects identified in the ESGDD to acceptable levels in line with NSIA requirements. The ESAP provides an implementation schedule for measures that must be carried out as part of the project showing phasing and coordination with overall implementation plans and the capital and recurrent costs estimates and sources of funds for implementing the ESAP
Excluded Activity	Any business or activity listed on the Exclusion List of the ESGMS (Appendix)
External E&S Consultant	An independent social and environmental specialist engaged in undertaking social and environmental assessment and review of a proposed investment in collaboration with internal the project team or other specialist(s). The expert can also assist in E&S review, monitoring or supervision activities of the portfolio of investments
Good International Industry Practice (GIIP)	This describes the best or common practice that includes standards, practices, methods and procedures conforming to the contractual obligations and all applicable law and regulatory requirements in managing environment, social and governance risk throughout the life of a business
Greenhouse Gases	Gases which trap heat in the atmosphere and warm the planet. The main gases responsible for the greenhouse effect include carbon dioxide, methane, nitrous oxide, water vapour (which all occur naturally), and fluorinated gases (which are synthetic).
Human Rights	Those rights that are expressed in the International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
International Finance Corporation (IFC)	An affiliate of the World Bank Group that makes loans to and investments in, private sector projects in developing countries and emerging markets.
International Forum of Sovereign Wealth Funds (IFSWF)	A global network of sovereign wealth funds promoting good corporate governance committed to working together and strengthening the community through dialogue, research and self-assessment.
International Labour Organisation (ILO)	The tripartite United Nations agency brings together governments, employers and workers of its member states in common action to promote decent work throughout the world.
Indirect Emissions	Emitted greenhouse gases that result from an organisation's activities but are actually emitted from sources owned by other entities.
Labour Rights	Rights of Workers, as outlined in the Core Conventions of the International Labour Organisation, which includes: (i) the right of association; (ii) the right to organise and collective bargaining; (iii) prohibition on forced labour and the worst forms of child labour; (iv) a minimum age for the employment of children; (v) acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety; (vi) protection from discrimination with

	respect to employment and occupation on the basis of personal characteristics that are unrelated to inherent job requirements.
Mitigation Hierarchy	A system used to anticipate and avoid, or where avoidance is not possible, minimise, and, where residual impacts remain, compensate/offset risks and impacts to the environment.
One Planet Sovereign Wealth Funds (OPSWF)	A coalition of sovereign wealth funds committed to integrating financial opportunities related to green growth and climate risks into the management of their assets
Performance Standard	Technical reference documents issued by the International Finance Corporation with environmental and social risk management performance criteria.
Portfolio Company	An investee company that has received equity capital or debt directly from the NSIA
Physical Displacement	Loss of shelter or relocation of shelter due to project activities
Santiago Principles	They are 24 Generally Accepted Principles and Practices for sovereign wealth funds, and they are the cornerstone of the IFSWF. The Principles are designed to promote good governance, accountability, transparency and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of SWF activities.
Scope 1, 2 & 3 Emissions	A convention for categorising the different kinds of carbon (GHG) emissions a company creates in its own operations (direct emissions), and its wider value chain (indirect emissions). Scope 1 covers direct emissions from owned or controlled sources, Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company and Scope 3 includes all other indirect emissions that occur in a company's value chain (including from reporting company investments)
Sustainable Development Goals (SDGs)	The SDGs are also known as the Global Goals and they are a collection of 17 interlinked objectives designed to serve as a "shared blueprint for peace and prosperity for people and the planet, now and into the future
Task Force on Climate-related Financial Disclosures (TCFD)	A guidance framework that helps companies disclose climate-related financial risks to investors, lenders and insurers
United Nations Principles for Responsible Investment (UNPRI)	The United Nations-supported Principles for Responsible Investment (PRI) initiative is a network of international investors working together to put the six Principles for Responsible Investment into practice

# 1 INTRODUCTION

## 1.1 The Nigeria Sovereign Investment Authority

### 1.1.1 Background

The Nigeria Sovereign Investment Authority (“NSIA” or the “Authority”) is the statutory investment institution and fund manager of the Federal Republic of Nigeria. NSIA was established by an Act of the National Assembly (the “NSIA Act”) in May 2011 as a vehicle for actualising Nigeria’s Sovereign Wealth Fund (SWF) aspirations. The Authority is mandated to receive, manage, and invest fiscal savings on behalf of the three tiers of government - Federal, State and Local - in a diversified portfolio of medium and long-term assets.

The Authority’s share ownership structure consists of shareholding from the Federal Government (45.8%), State Governments (36.2%), Local Governments (17.8%) and the Federal Capital Territory (FCT) (0.16%). The governance structure includes a Governing Council (providing counsel to the Board), a Board of Directors (providing strategic direction and oversight through its three committees: (i) Finance & Investment Committee, (ii) Audit, Risk and ESG Committee, and (iii) Nominations, Compensations & Governance Committee) and an Executive Management Team (responsible for the day-to-day management and operation of the Authority).

The NSIA plays a leading role in driving sustained economic development for the benefit of all Nigerians through its investment activities across three core funds comprising the Stabilisation Fund (“SF”), Future Generations Fund (“FGF”) and Nigeria Infrastructure Fund (“NIF”). In addition to its core funds, the Authority manages other Third-Party Funds (“TPFs”) based on their specific mandates. Overall, the operations and investment activities of the Authority are anchored on a three-fold mandate as follows:

- a) Stabilisation Fund - Providing stabilisation support in times of economic stress;
- b) Future Generations Fund - Building a savings base for the Nigerian people; and
- c) Nigeria Infrastructure Fund - Enhancing the development of Nigeria’s infrastructure

Since commencing operations in 2013, the NSIA has received a total of US\$1.75 billion as contributions to its core funds (comprising US\$1 billion as initial seed capital and a further US\$750 million received in three tranches of contributions between 2016-2020) with US\$150 million withdrawn by the Government for stabilisation support during the 2020 Covid-19 pandemic crisis in line with the provisions of the NSIA Act 2011. Additionally, over US\$2 billion has been received as capital contribution into its Third-Party Funds. Notably, the seed capital received by the NSIA was allocated in the ratio of 20:40:40 (i.e., the SF, the FGF and the NIF, respectively). This ratio was used for all subsequent funds received until it was revised in 2020 to 20:30:50 for the SF, FGF and NIF respectively as NSIA’s focus shifted to tackling funding deficits in domestic infrastructure.

Presently, with total assets under management of approximately US\$3.7 billion, comprising US\$2.5 billion in core assets and US\$1.2 billion in third-party assets as of year-end 2023, the NSIA has ensured that through its ongoing investment activities, it has provided and functioned as a:



- i. tool to enhance fiscal responsibility;
- ii. vehicle for attracting foreign investment for infrastructure development;
- iii. system for managing the cost of capital;
- iv. a platform for the effective execution of projects;
- v. a mechanism for long-term savings; and
- vi. a platform for delivering impactful infrastructure with positive development outcomes, that are inclusive, sustainable and consistent with national socioeconomic priorities.

## 1.1.2 Investment Strategy

NSIA investments are aimed at catalysing development and stimulating economic growth on a national scale. However, the philosophy, principles, and investment execution approaches adopted in undertaking these investment activities are specific to the mandate and development objectives of its distinct funds. The Authority implements fund-specific investment policies which set out each fund's investment objectives, risk tolerance, and constraints and provide the required guidance for effective management of the fund.

### NSIA Investment Funds Features

The NSIA's three separate & ring-fenced investment funds are aligned with its established mandates as well as other special third-party managed funds with the following key features:

Core Funds																																	
	Stabilisation Fund	Future Generations Fund	Nigeria Infrastructure Fund																														
Objective	Provide stabilisation support to the Federation in times of economic stress.	Invest in a diversified portfolio of growth investments to provide future generations of Nigerians.	Enhance the development of infrastructure projects that meet targeted financial and social returns.																														
New % Allocation & Current Size**	20% allocation / US\$316 mn	30% allocation / US\$1.060 bn	50% allocation / US\$1.102 bn																														
Strategic Asset Allocation / Focus Sectors	<table><tr><th>Asset Class</th><th>Allocation</th></tr><tr><td>Growth Assets: Investment Grade Corporate Fixed Income</td><td>75%</td></tr><tr><td>Hedge Assets: US Treasuries &amp; Cash</td><td>25%</td></tr></table>	Asset Class	Allocation	Growth Assets: Investment Grade Corporate Fixed Income	75%	Hedge Assets: US Treasuries & Cash	25%	<table><tr><th>Asset Class</th><th>Allocation</th></tr><tr><td>Developed Equity</td><td>15%</td></tr><tr><td>Emerging and Frontier Equity</td><td>10%</td></tr><tr><td>PE &amp; VC Funds</td><td>25%</td></tr><tr><td>Hedge Fund</td><td>17.5%</td></tr><tr><td>Other Diversifiers</td><td>7.5%</td></tr><tr><td>Hedging Assets: Inflation</td><td>10%</td></tr><tr><td>Hedging Assets: Deflation</td><td>15%</td></tr></table>	Asset Class	Allocation	Developed Equity	15%	Emerging and Frontier Equity	10%	PE & VC Funds	25%	Hedge Fund	17.5%	Other Diversifiers	7.5%	Hedging Assets: Inflation	10%	Hedging Assets: Deflation	15%	<table><tr><th colspan="2">Thematic Areas</th></tr><tr><td>Services</td><td>Industrialization</td></tr><tr><td>Logistics</td><td>Technology &amp; Innovation</td></tr><tr><td>Climate &amp; Sustainability</td><td></td></tr></table>	Thematic Areas		Services	Industrialization	Logistics	Technology & Innovation	Climate & Sustainability	
Asset Class	Allocation																																
Growth Assets: Investment Grade Corporate Fixed Income	75%																																
Hedge Assets: US Treasuries & Cash	25%																																
Asset Class	Allocation																																
Developed Equity	15%																																
Emerging and Frontier Equity	10%																																
PE & VC Funds	25%																																
Hedge Fund	17.5%																																
Other Diversifiers	7.5%																																
Hedging Assets: Inflation	10%																																
Hedging Assets: Deflation	15%																																
Thematic Areas																																	
Services	Industrialization																																
Logistics	Technology & Innovation																																
Climate & Sustainability																																	
Mandate/Recent Investments	<p><b>Capital preservation and liquidity:</b> The Stabilisation Fund thus has a short-term investment horizon and invests in conservative fixed income mandates.</p>	<ul style="list-style-type: none"><li>• <b>Public Equity</b> is split 67% Developed markets and 33% Emerging Markets</li><li>• <b>Private Equity Commitment</b> is split roughly 20% secondary and 80% primary interest.</li><li>• <b>Absolute returns:</b> Four hedge fund strategies and two bespoke fund of funds mandates</li><li>• <b>Others include</b> Aircraft leasing, Healthcare royalty, commodity etc.</li></ul>	<ul style="list-style-type: none"><li>• <b>Direct Investment:</b> NIF invests directly in project companies via debt or equity</li><li>• <b>Co-investments:</b> NIF establishes a co-investment platform to finance projects</li><li>• <b>Creation of institutions:</b> NIF conceptualizes and establishes a company to address constraints to infrastructure development</li><li>• <b>Advisory and Fund Management:</b> NIF provides advisory services and manages third-party funds for government entities, leveraging NSIA's expertise</li></ul>																														
Investment Horizon	Short Term	Long Term >20 years	Long Term																														

Figure 1: NSIA three separate & ring-fenced investment funds

- a) **Stabilisation Fund (SF):** The SF is the smallest of the three core NSIA funds set up to help increase the credibility of the Federal Republic of Nigeria's macroeconomic framework.
- i. The SF objective is to provide a buffer against short-term macro-economic instability associated with considerable government revenues derived from hydrocarbon exports;
  - ii. Its primary investment objective is to preserve capital in nominal terms while generating income. Thus, a conservative risk and return philosophy is adopted, aimed at striking a balance between generating a modest positive return and preserving capital in nominal terms;
  - iii. The SF adopts a short-term investment horizon to ensure immediate liquidity and consequently, the fund in aggregate is restricted to an average investment duration of 3 years over any given 12-month period;
  - iv. The SF base currency is the US dollar, and the fund's short-term investment instruments are comprised of a combination of hedge assets (such as US government debt) and growth assets (such as corporate debt, cash and/or derivatives); and
  - v. The principal risk to the fund's objectives is loss of income in nominal terms due to being forced to sell assets at depressed prices. To minimise any related concentration risk, the SF adopts fund restrictions that prohibit investments of more than 40% of the portfolio in any one fund or manager and, investment in any particular fund should not constitute more than 5% of that particular fund's assets.
- b) **Future Generation Fund (FGF):** The FGF, holding a capital allocation of 30%, is the second largest of the three core NSIA funds and aims to help preserve and grow the value of its assets enabling future generations of Nigerians to benefit from the country's finite oil reserves. The fund is US dollar-based.
- i. The FGF's primary investment objective is to earn a return in excess of inflation in the longer term, consistent with reasonable expectations from a diversified portfolio. A long-term risk and return philosophy is adopted, with due consideration to market volatility;
  - ii. The FGF investment horizon is no more than 20 years;
  - iii. In line with its diversification outlook, the FGF adopts a multi-asset strategy in capital allocations and investments ranging from traditional assets, such as equities, to alternative assets including hedge funds and private equity; and
  - iv. The principal risk to the fund objective is the volatility and uncertainty inherent in substantial exposure to risk assets. To mitigate this risk, exposure to a single fund will be limited to 10% of fund assets, and exposure to a single investment management organisation will be limited to 20% of fund assets. Only explicit Board approval allows any alteration to these percentage allocations.
- c) **Nigeria Infrastructure Fund (NIF):** The NIF is the largest of the three core NSIA funds with a capital allocation of 50% and it focuses entirely on domestic investments in the base currency of both the Nigerian Naira and U.S. dollar.

- i. The NIF's objective is to enhance the development of Nigeria's infrastructure sector, primarily through investment in domestic infrastructure projects that meet targeted financial returns and contribute to the development of essential infrastructure that will stimulate the growth and diversification of the Nigerian economy, attract foreign direct investment and create jobs for Nigerians;
- ii. The NIF invests in domestic infrastructure that aligns with national priorities and meets targeted financial returns, creates positive social impacts, and environmental sustainability, and fosters co-investment opportunities;
- iii. The NIF adopts a diversified philosophy in its capital allocation to avoid a disproportionate impact on the fund's aggregate results by any project or manager, regional, political or economic events or circumstance. This approach also ensures an even spread of the benefits derivable from investment capital available to the fund within Nigeria;
- iv. The NIF invests for the long term, which translates to an investment horizon of more than 20 years, aligned to the long-term nature of infrastructure investments;
- v. Given the dual NIF objective of realizing a commercial return and investing in infrastructure which might otherwise not be financed and developed, the fund may pursue opportunities directly by itself, or through an external manager. In cases where the NSIA considers that it has the necessary resources available and fulfils the provisions set out in the NIF Investment Policy, it is permitted to take on the role of project sponsor and developer as well as an investor for the specific project;
- vi. Up to a maximum of 10% of the funds in NIF can be invested in social infrastructure projects, which promote economic development in underserved sectors or regions in the country;
- vii. The principal risk to the fund's objective is concentration risk. To mitigate this risk, the fund will not commit more than 25% of its total assets to any one project or manager and not commit more than 35% to any one sector in Nigeria;
- viii. The investment strategy adopted for the fund is anchored on three pillars; 1) direct investment into project companies via debt or equity, 2) the facilitation of co-investment platforms to finance projects and, 3) the creation of institutions/companies/associations directly mandated by the NIF investee to address constraints to infrastructure development; and
- ix. The NIF targets investment sectors that have the potential to deliver nationwide impact, attract local and foreign institutional capital, generate commercial and social returns and contribute to the establishment of conducive legal & regulatory frameworks. Current focus sectors are agriculture, healthcare, power, financial market infrastructure, technology, motorways and gas industrialisation.

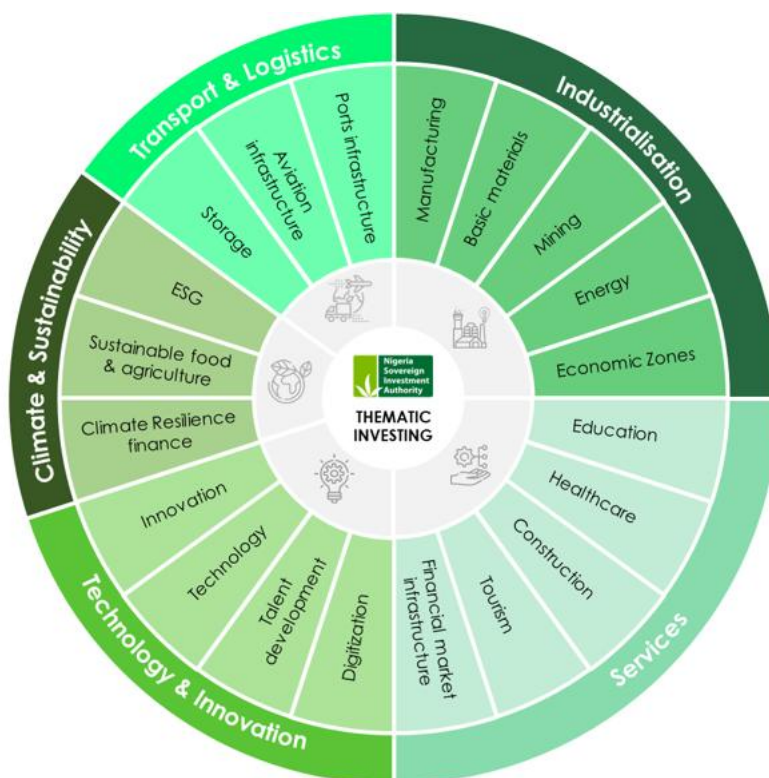


Figure 2: NIF Thematic Areas

- d) **Third-Party Funds (TPFs):** These are special funds and projects outside the NSIA's core mandates, typically owned by third-parties (e.g. governments, multi-lateral mandates etc) to which the NSIA provides fund management services based on the third-party fund objectives outlined in investment management agreements (IMAs) signed with the fund sponsor and may, in turn, generate a modest management fee for the services rendered.
- i. Notably, all TPFs are managed following the same approach of best practise and high standards in investment risk management that has been adopted for NSIA core assets, although the third-party (client) in some instances may request that the NSIA charge concessionary rates for some of the investments for social reasons. Presently, NSIA serves as a fund manager for some high-impact Nigeria government projects as well as high-priority funds, including:
    - The Presidential Infrastructure Development Fund (PIDF) focused on the acceleration of strategic road and bridge infrastructure projects;
    - The Presidential Fertilizer Initiative designed to deliver high-quality fertilizer to Nigerian farmers and revive the local blending industry;
    - Nigerian Electricity Supply Industry (NESI) Stabilisation Strategy;
    - The Debt Management Office Fund (DMOF) for gas-to-power infrastructure projects; and
    - The FGN Stabilisation Fund.

## **NSIA Investment Execution Approach/Channels**

Generally, in delivering risk-adjusted returns against defined benchmarks across its mandate funds, the NSIA rely on two channels or approaches to investment execution comprising directly managed and externally managed investments.

### **a) Directly Managed Investments**

This approach entails the use of an internal investment management programme for sourcing, selection and execution of investment opportunities i.e., the entire investment cycle of a given fund is managed by an in-house team of investment professionals tasked with identifying investment opportunities, facilitating project development and evaluation, recommending projects for investment to the NSIA Board Finance & Investment Committee for approval and monitoring of the execution of approved projects.

### **b) Externally Managed Investments**

This approach outsources investment activities to external fund managers who direct the entire investment process including the origination, selection, execution, and monitoring of investment opportunities.

Notably, fund manager selection forms a key component of this investment approach. The NSIA ensures that external fund managers meet fund-specified requirements, and they must be approved by the Finance & Investment Committee before being contracted. Additionally, external fund managers must agree to abide by NSIA's externally managed fund guidelines as prescribed in each fund Investment Policy.

## **1.2 Environmental, Social and Governance Management System**

### **1.2.1 Overview**

Responsible and sustainable investment requires robust ESG governance with a sustainable development impact-focused strategy and culture from the top down. The NSIA recognises that to meet its sustainability values and be able to deliver sustainable impactful focused investments in Nigeria, it must ensure that strong ESG governance runs across all its investment processes while being at the heart of all its operations and strategy. Thus, it has developed an Environmental, Social & Governance Policy ("ESG Policy") which sets out its group-wide commitments to embedding ESG considerations into its business and investment activities. The ESG Policy includes a framework appropriate for its activities and sufficiently aligned with the requirements of good international industry practice (GIIP) to support this integration of environmental and social risk management into the Authority's investment process.

Therefore, as committed to in the Authority's ESG Policy, this Environmental, Social & Governance Management System ("ESGMS") provides the framework outlining NSIA's approach to ESG integration and describes the roles and responsibilities for delivering the ESG Policy objectives as well as operationalising the policies, procedures, reporting and monitoring processes that are integrated into the Authority's investment cycle.

### **1.2.2 Scope of the ESGMS**

The ESGMS covers all investment activities undertaken across NSIA funds, from pre-investment to exit. However, the full extent of applicability rests on the specific investment execution approach for each fund (e.g. directly managed and externally managed investments). The ESGMS manual provides detailed procedural steps ingrained into the Authority's investment decision-making process from screening, appraising, investing, and monitoring the performance of projects favourably considered for investment. The ESGMS further details the roles and specific responsibilities of respective ESGMS implementation teams as well as approaches to be taken to ensure continuous capacity and competency building on environmental, social and governance risk management best practices.

Additionally, relevant forms, tools, templates, and checklists developed are used by the investment team to appropriately support the implementation of the management system.

The ESG Policy and its ESGMS framework supersede all previous ESG-related policies, and they are to be read in conjunction with other applicable key policies and fund documents. Notably, applicable ESGMS processes will occur in parallel with any technical, financial and/or legal due diligence, and other investment activities, and are equal in importance to these other processes in determining how investments are made and managed.

### **1.2.3 ESGMS Review and Continuous Improvement**

An effective ESG management system is dynamic, responsive to changing circumstances, and continuously improved through iteration and feedback.

NSIA commits to soliciting regular feedback from internal and advisory stakeholders, and external experts on its ESG performance. Similarly, NSIA will regularly survey investees, to understand areas of success and concerns that have not been addressed as well as undertake third-party E&S compliance audits of its ESG performance on an annual basis. Feedback from these sources will be reviewed and used to update/revise the ESGMS alongside its associated elements annually (and where required, more frequently) to reflect learnings from its dynamic business and regulatory landscape to assure its relevance to NSIA activities and improve future performance both for investees already part of the portfolio, and for future investees.

## **2 ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY**

### **2.1 Introduction**

The Nigeria Sovereign Investment Authority believes that a sound and holistic risk management system that incorporates both the traditional and non-traditional risk elements like the Environmental, Social and Governance (ESG) factors associated with its operations and investment activities, is foundational to building a vibrant and viable institution aimed at becoming a global market leader – creating innovative solutions, developing new services, and accessing new markets.

### **2.2 Fund Manager Undertakings**

Given the NSIA's unique position as a public sector enterprise with a private sector philosophy furthering national economic growth, it seeks to lead by example. The Authority considers the direct impacts of its business operations on the environment and society where it operates and commits to ensuring that its operations comply with the highest ESG standards, in its bid to deliver on its responsibility of promoting fiscal stability, enhancing the development of robust domestic infrastructure and building up a savings base for the Nigerian people.

To ensure that the negative impacts of its operational footprint are adequately managed and aligned with good international industry practices (GIIP), the NSIA has developed and implements a set of policies that set out its overarching commitment to sustainable business practices.

These policies cover a broad range of ESG issues including human rights and human capital management practices, drawing guidance from International Finance Corporation (IFC) Performance Standard 2, International Labour Organisations (ILO) Core Labour Standards and the United Nations (UN) Guiding Principles on Human Rights in all material respects, diversity, equity and inclusion (DEI), business ethics and governance, pollution prevention and climate change mitigation strategies, supply chain management as well as occupational health and safety (OHS) and emergency response measures.

### **2.3 Funds Undertakings**

As a responsible investor, NSIA understands that ESG factors associated with its investment and fund allocation activities present both risks and opportunities that have far-reaching implications for value creation over the long term. It has committed to integrating ESG into its investment decision-making processes in compliance with relevant requirements of local legislations and guided by international standards in order to:

- mitigate risks to the full extent possible, unlock sustainable investment opportunities by identifying and leveraging drivers of long-term growth; and
- advance investment outcomes beyond negative screening criteria by positioning its fund allocations to be economically viable, socially relevant and environmentally responsible as a driving force for good in society.

## 2.4 Scope

This policy applies to the Nigerian Sovereign Investment Authority (NSIA) duly established by an Act of the Nigerian National Assembly in May 2011 and all its affiliates and/or subsidiaries constituted through its investments across its three separate and ring-fenced investment funds; the Future Generations Fund (FGF), Stabilisation Fund (SF) and Nigeria Infrastructure Fund (NIF) as well as other associated third-party funds that it manages and/or directs.

It is acknowledged however that the NSIA's ability to influence ESG matters across its portfolios will vary depending on the asset class, investment structure and contractual rights. Thus, where the NSIA determines it has limited ability to exercise control over the integration of ESG considerations within any of its core funds, third-party funds, or the business of an Investee, as in cases where the NSIA owns a minority shareholding and has limited governance rights or other established circumstances, then, the NSIA will apply elements of the ESG policy and ESG Management System to such a degree that it determines to be practicable in light of the underlying facts and circumstances of the investment.

## 2.5 Purpose

This policy sets out the NSIA's approach to sustainable investing within the context of clear legislative mandates and formalizes its commitment to responsible and thoughtful management and integration of ESG considerations throughout its investment process and operations, to reduce risk and enhance value creation.

This policy is guided by relevant industry standards, best practices, and global initiatives, including those outlined below:

- a) International Monetary Fund (IMF)/International Forum of Sovereign Wealth Funds (IFSFWF):
  - Santiago Principles
- b) One Planet Sovereign Wealth Funds (OPSWF):
  - OPSWF Framework
- c) The International Finance Corporation (IFC):
  - Performance Standards on Environmental and Social Sustainability
- d) The World Bank:
  - General and Sector Specific EHS Guidelines; and
  - Environmental and Social Standard 9 (ESS 9) for financial institutions.
- e) African Development Bank (AfDB): Integrated Safeguards System (ISS 2023)
  - E&S Operational Safeguard 9 (OS9): Financial Intermediaries
- f) United Nations (UN):
  - International Bill of Human Rights;
  - Guiding Principles on Business and Human Rights;
  - Global Compact;



- Sustainable Development Goals (SDGs);
- UN Principles for Responsible Investment (UNPRI);
- United Nations Framework Convention on Climate Change (“UN Framework Convention”); and
- Paris Agreement.
- g) International Labour Organisation (ILO):
  - Core Labour Standards
- h) The Financial Stability Board (FSB):
  - Task Force on Climate-related Financial Disclosure (TCFD)
- i) G7 Development Finance Institutions (DFIs):
  - 2X Challenge
- j) The Voluntary Principles Initiative:
  - Voluntary Principles on Security and Human Rights
- k) Laws, Codes and Industry Guidelines of the Federal Republic of Nigeria:
  - Nigeria Sovereign Investment Authority (Establishment etc.) Act, 2011; and
  - Other Applicable Nigerian Laws, Codes and Industry Guidelines
- l) Internal Codes and Policies:
  - Stabilisation Fund Investment Policy Statement
  - Future Generation Fund Investment Policy Statement
  - Nigeria Infrastructure Fund Investment Policy Statement
  - Board Committees Charter
  - Credit Risk Management Policy
  - Infrastructure Risk Management Taxonomy Manual
  - Infrastructure Risk Management Policies and Procedure Manual
  - Risk Acceptance Criteria for the Nigerian Infrastructure Fund Investment Process
- m) All other best practice standards and guidelines may be included in this ESG and Impact Policy at subsequent revisions of the policy.

## 2.6 Principles

NSIA believes that responsible investment practices are critical to delivering long-term value consistent with its mandates and that, an inevitable first step in its quest to becoming a global yardstick for national fiscal discipline and investments is the full integration and operationalisation of ESG factors and sustainable business practices into its corporate value system. To this end, the NSIA commits to the full alignment of its operational and investment activities with the requirements of the ESG policy and other supporting policies and procedures of the NSIA.

As a signatory to the Santiago Principles of the International Forum of Sovereign Wealth Funds (IFSWF), NSIA will apply to the extent possible, provisions of the twenty-four Santiago Principles into its

governance and investment practices, and as a member of the One Planet Sovereign Wealth Fund (OPSWF) initiative, NSIA recognises that climate change stands out as a present-day defining issue with potential dire consequence if not adequately managed, and so, commits to integrating climate change considerations into its investment decision-making process and management of its assets guided and supported by the three principles of the OPSWF Framework:

- i. Alignment: Embed climate change factors in decision-making that are consistent with NSIA investment horizons;
- ii. Ownership: Address material climate change issues in NSIA's governance, business strategy and planning, risk management and public reporting to promote value creation; and
- iii. Integration: Integrate the consideration of climate change-related risks and opportunities into investment management to improve the resilience of NSIA's long-term investment portfolios

Additionally, across all environmental and social risk categories of investments undertaken by NSIA, it commits to the following set of principles:

- a) Investees' environmental and social risk level will be determined according to International Finance Corporation (IFC) and African Development Bank (AfDB) environmental and social categorisation frameworks;
- b) Investees will be evaluated primarily on basis of the ESG "Performance Standards" criteria established by the IFC (inclusive of the relevant EHS Guidelines), the African Development Bank (AfDB) Operational Safeguards (OS 1- OS 10), applicable national legal regulations and permitting requirements and the alignment of Investees' climate change action with NSIA requirements;
- c) Projects are financed only when they are expected to be designed, built, operated, and maintained in a manner consistent with the ESG Policy;
- d) Efforts are made to ensure that all projects are operated in compliance with all applicable national laws and standards, and guided by international laws and standards;
- e) NSIA commits to a process of continuous improvement in its ESG policy design and implementation;
- f) Requires its Investees to commit to adopting ESG standards, which are aligned with NSIA's ESG policy;
- g) Ensure all relevant stakeholders are provided with accurate, credible, and timely ESG performance information on NSIA projects of interest; and
- h) Ensure that the beneficiaries of NSIA financing through its Investees which are financial institutions (FIs) receive such funding in accordance with the above principles.

## 2.7 General ESG Objectives

All NSIA activities are subject to the ESG Policy and its management system, and their objectives will remain dynamic and refined congruently with the complexities of NSIA's business maturity. In support of this ESG policy, NSIA will endeavour to:

- a) Take a holistic and long-term approach towards ESG integration into its business and strive to achieve specific and measurable goals in priority ESG topics that are well articulated, internalised and supported by all stakeholders at NSIA including its highest level of decision-making;
- b) Identify ESG issues throughout its investment process, from origination to exit and incorporate mitigation hierarchy into its management approach (seeking to avoid, and where this is not possible, minimise, restore and offset adverse impacts and enhance positive outcomes) to ensure that the investments are environmentally and socially sustainable;
- c) Identify and refrain from investing in opportunities based on ESG non-compliances against NSIA's minimum criteria and non-alignment with NSIA's values and mandates;
- d) Navigate through climate change challenges and capture opportunities it presents by ensuring that NSIA Investee companies adopt decarbonization strategies that help them mitigate risks, and become more resilient to climate change;
- e) Influence the levers that NSIA's Investee companies can use to create value such as lowering costs with more efficient use of resources, improving productivity through more efficient and resilient supply chains and reducing the cost of capital by lowering market, balance-sheet, and operational risks;
- f) Substantially improve the potential for a successful exit from its Investee companies as investors pay increasing attention to ESG matters and increasingly, there are ESG requirements associated with initial public offerings (IPOs) in emerging markets;
- g) Seek to grow and improve ESG performance across NSIA business. To that end, NSIA will work with stakeholders on relevant environmental, health, safety, and social issues to improve performance and minimise adverse impacts across its business;
- h) Uphold the highest standards in E&S management. This entails being proactive about adhering to labour laws local to where its businesses are domiciled, supporting the payment of competitive wages and benefits to employees, providing a safe and healthy workplace in accordance with applicable laws, and respecting employees' rights to decide whether to form a union and engage in collective bargaining in accordance with applicable law;
- i) Respect the human rights of those affected by its activities and seek to confirm that its operations do not support companies that utilise child or forced labour or maintain discriminatory policies;
- j) Ensure that NSIA's procurement and employment policies promote localisation, skills development and corporate governance across the Group and its Investees;

- k) Encourage dialogue with its investors and other stakeholders regarding how ESG issues can be managed in a way that is consistent with their initiatives.
- l) Distribute this EGSMS and the ESG policy and related ESG information to the management teams across NSIA business, partners, and supply chain; and
- m) Keep its stakeholders appropriately engaged on relevant ESG issues and provide regular information to them on E&S performance and value created through its investment activities.

## **2.8 ESG Integration**

NSIA recognize its duty to act in the best interests of the Nigerian people in its prudent investment of the nation's sovereign wealth and ensure the delivery of consistent performance sustainably. Therefore, NSIA will incorporate ESG and impact considerations into its investment decision-making processes through the following measures:

### **a) Environment**

- i. Establish and implement this Environmental, Social and Governance Management System that outlines the approach to realizing the objectives outlined in the ESG policy;
- ii. Screen all investments for environmental impacts and approach investments with the principle of avoidance and minimalization of adverse impacts on the environment;
- iii. Encourage the effective use of natural resources, particularly energy utilization and associated climate change impacts;
- iv. Support the reduction of greenhouse gas emissions which contribute to climate change from the businesses in which NSIA capital is invested;
- v. Ensure that the environmental impact of NSIA and Investees' operations are assessed, and appropriate actions are taken to mitigate environmental risks, ameliorate environmental damage and enhance positive effects;
- vi. Use the best reasonable efforts to obtain the portfolio companies' commitment to adhering to local environmental laws (as an absolute minimum) and adopt international best practices in environmental management.

### **b) Social**

- i. Foster safe working conditions for employees and adhere to local country health and safety laws (as an absolute minimum) at NSIA and investee levels;
- ii. NSIA and its investees will foster value-driven ethical behaviour and good governance practices that ensure the business is conducted in a manner that respects the rights and dignity of all people by striving to prevent, mitigate and remedy adverse human rights impacts within the workplace and in the communities of operations;

- iii. NSIA and its investees will treat employees equally in terms of hiring, promotion, pay and benefits, and employee representation, without regard to gender, race, colour, disability, political belief, age, religion, social or cultural background, or medical conditions e.g., HIV status;
- iv. NSIA and its investees will strive for equal opportunity, equitable economic empowerment, and diversity at all stakeholder levels;
- v. NSIA and its investees will promote an inclusive, respectful, and safe working environment, deter undesirable behaviour including zero tolerance for gender-based violence and harassment (GBVH) and will provide a clear process for complaint management within its workforce;
- vi. NSIA and its investees will prevent and manage the risk of modern slavery and all other forms of exploitation, abuse or harm of personnel within its workforce and will ensure that workers engaged to meet the minimum age for employment and conditions for engagement of young people;
- vii. Ensure wages are paid that meet or exceed industry or legal national minima for each job category at NSIA and investee levels;
- viii. NSIA and its investees will allow consultative workplace structures and associations which provide employees with an opportunity to present their views to management;
- ix. NSIA and its investees will establish an appropriate institutional framework for transparent, fair and effective management of complaints and conflicts/disputes; and
- x. NSIA and its investees will provide training and skills development opportunities to employees.
- xi. NSIA and its investees will ensure that its safety and security setups and practices uphold the highest level of human rights and are such that they are aligned with the Voluntary Principles on Security and Human Rights (VPSHR); and
- xii. NSIA and its investees will maintain sustainable labour practices across its supply chain by extending its high standards to the supply chain and committing to working with suppliers who share its values and operate in a manner that is consistent and aligned with international best practice standards.

#### **c) Governance**

- i. Allocate resources (including training, monitoring, staffing etc.) necessary for the implementation of the ESG policy, the ESG Management System and monitoring procedures to track ESG and impact performance at NSIA and portfolio Investee levels;
- ii. NSIA will undertake investment due diligence exercises in line with applicable international standards and industry best practices;
- iii. NSIA will actively screen each potential acquisition opportunity against its ESG policy, ESG Management System and commitments including its sanctions, exclusions and policies as well as the commitments of its own investors;

- iv. Meet the requirements of applicable legislations guiding its operation and investment and deal with regulators openly and co-operatively;
- v. Promote transparency and accountability grounded in sound business ethics in the investment process;
- vi. NSIA and its portfolio companies will hold high standards of business integrity ensuring fair and honest dealings in its operations and promoting fair competition among its potential suppliers, contractors, and subcontractors;
- vii. Prohibit all employees from making or receiving gifts of undue substance according to the local custom during business and develop a strong system against bribery, fraud, embezzlement, extortion, or similar unfair or deceptive acts or practices;
- viii. Operate in a manner that is consistent with applicable data protection/privacy laws and aligned with local and industry standards for the protection and security of all information including personal information and information received from partners;
- ix. Prohibit Investee contributions to political parties or political candidates, where these could constitute a conflict of interest;
- x. Properly record, report, and review financial and tax information;
- xi. Clearly define responsibilities, procedures and controls with appropriate checks and balances in the portfolio companies' management structure;
- xii. Use effective systems of internal control and risk management covering all significant issues, including environmental social and ethical issues;
- xiii. Take reasonable care to ensure that NSIA and/or its portfolio is not involved in financing any criminal activity, including terrorist financing, money laundering and anti-competitive behaviour such as bribery;
- xiv. Take reasonable care to ensure that NSIA and/or its portfolio does not engage in, authorise, or permit any of its businesses to engage in any sanctionable practice;
- xv. NSIA and its Investees will maintain a whistleblowing mechanism to facilitate the reporting of any criminal activities that come to its attention during business to relevant authorities; and
- xvi. NSIA and its Investees will develop mechanisms to monitor performance on ESG matters and progress towards relevant action plans and targets for improvements and reporting in a transparent, credible and timely manner to all relevant stakeholders.

## 2.9 Active Ownership and Engagement

The NSIA practice active ownership and engagement throughout its footprint, through the following measures:

- a) Adoption of the ESG Policy, ESG Management System and supporting procedures across its business; the NSIA will assess, mitigate, and manage ESG risks across its business, on an ongoing

basis;

- b) Tracking and monitoring Investee compliance with ESG requirements and entering into active dialogue with portfolio companies on material ESG issues, either directly or collectively with other shareholders to ensure implementation of identified action/management items;
- c) Where applicable, NSIA shall exercise its voting rights in issues related to the management of the material ESG risks and opportunities of its portfolio companies in an informed manner, to enhance long-term value creation and promote best practice ESG policies, disclosure and performance by portfolio companies;
- d) Ensuring that portfolio companies' personnel receive adequate training on ESG policies and procedures, and other resources required to implement its ESG Management System;
- e) Ensuring that portfolio companies report on ESG metrics, at their highest decision-making levels;
- f) Enhance industry awareness of responsible investment by working towards NSIA industry leadership status in ESG performance; and
- g) Engage and encourage portfolio companies to collabourate widely with their critical stakeholders and industry players to share knowledge and improvement of the management of ESG risks and opportunities.

## **2.10 Public Disclosure and Transparency**

Through the following actions, NSIA fosters transparency and disclosure of its approaches to responsible investing and ESG integration within its operations as well as its commitment to maintaining policies, procedures, and activities in line with applicable legislation and reporting standards.

- a) Every year, compile an ESG report to provide updates on its ESG programme including its responsible investment activities, progress and outcomes of all stakeholder engagement, ESG regulatory compliance and E&S performance of portfolio companies etc;
- b) Ensure robust public dissemination of NSIA ESG commitments and practices by publishing the ESG Policy on relevant communication channels including corporate statements and reports etc; and
- c) Ensure frequent engagement with its stakeholders on ESG matters and report on performance in each relevant stakeholder focus area according to applicable disclosure requirements.

## **2.11 Policy Management**

To support the implementation of this ESG Policy, NSIA will:

- a) Ensure that the NSIA Board of Directors hold the responsibility for ESG Policy approval while overall accountability for its implementation lies with the Chief Executive Officer and the responsibility for day-to-day operationalisation of the policy is placed on a suitably qualified ESG Manager with the right level of authority and competence to drive improvement in ESG

performance at NSIA and Investee level;

- b) Create and allocate sufficient resources (including financial, material, human and technical, resources) necessary for the implementation of this ESG Policy and the other policies, procedures and practices which support the ESG Policy;
- c) Distribute and discuss the ESG Policy's importance, compliance requirements, and those of other related policies, processes, and practices with its employees and other pertinent third parties in order to establish the ESG Policy's legitimacy within NSIA's operating limits;
- d) Discuss the significance and compliance requirements of the ESG Policy with its portfolio and associated affiliates constituted through its investment activities. Encourage, support, and demand that they operate in a manner that complies with this ESG Policy and the pertinent industry standards, best practices, and global initiatives with which the NSIA is aligned; and
- e) Ensure that the policy and its associated management system are reviewed at least once every two-year cycle for improvement in response to changes in internal processes and in alignment with national and international best practice requirements.

## **2.12 Policy ESG Monitoring and Maintenance**

To continually improve the ESG Policy and performance, the NSIA will:

- a) Integrate ESG throughout its operations and practices and into its daily business processes; and
- b) Ensure that management commitment is demonstrated in the adequacy of resources devoted to active ownership and engagement management and training.

## **2.13 Applicable Requirements and Guidelines to the ESG Policy**

The ESG Policy is supported by several other policies and procedures implemented by the NSIA which provide additional guidance on aspects relating to ESG management namely:

- Environmental and Social Management System Manual;
- Exclusion List;
- ESG Risk Categorisation;
- The Fund Investment Policies;
- NSIA Risk Management Policies;
- Human Resources Manual;
- Human Rights Policy;
- Gender Equality and Inclusion Policy;
- Climate Change Action Policy;
- Sustainable Procurement Policy;
- Business Continuity Plan;



- Anti-Bribery and Corruption Policy;
- Anti-Money Laundering, Countering the Financing of Terrorism Policy;
- Whistleblowing Policy;
- Conflict of Interest Policy;
- Cyber Security and Data Protection Policy;
- Operational Standards; and
- Anti-Competitive Behaviour.

#### **2.14 Policy Assurance Check**

To ensure the adequacy and effectiveness of the ESG Policy including its other associated policies and procedures, the NSIA will adopt a monitoring framework for key ESG metrics which it will leverage as a basis for annual review and revision of the policy and its management system. These metrics will be informed by the various ESG standards mentioned previously.

### 3 IDENTIFICATION OF ESG RISKS

The NSIA Risk Acceptance Criteria (which includes a list of sector coverage and excluded projects that will not be funded under any circumstances), ESG Assessment Checklist (providing a checklist of specific risks expected under each IFC performance standard), Project Category Evaluation Criteria (outlining the required reference frameworks of ESG evaluation under each category of the project) and the actual ESG Due Diligence exercise are core tools to be used by the Authority to identify, evaluate and categorise the potential risks posed by its investment activities.

#### 3.1 NSIA ESG Risk Profile

NSIA achieves its investment objectives through **directly-managed investments** where it makes a direct capital allocation to projects as sponsors (or co-sponsors) and to partner institutions (including non-financial corporates and financial institutions) that are developing or implementing projects in the Authority's focus sectors as well as through its **externally-managed investments** where it invests entirely through financial institutions (e.g. fund managers) who independently manage the investment appraisal processes and assets within their portfolios.

Therefore, the ESG risk level of the Authority's investment will typically reflect the degree of control exercised by NSIA in each of the investment execution approaches adopted. Notably, through the directly-managed investments, the Authority may target projects across all risk levels; Category A-C investments in its own projects, and partner institutions including financial institutions with high to low risks (FI:1-3). However, the Authority will exclusively target category FI:1-3 investments i.e., financial institutions with high to low risks through its externally-managed investments by its outsourced fund managers as highlighted in section 3.2..

Thus, the NSIA generally maintains a low to high ESG risk profile across its investment and the typical ESG risks to be expected for the investment categories set out in NSIA funds are detailed in Table 1. Specific risks identified within each IFC Performance Standard and for the respective investment focus sectors and risks relevant to financial institutions are drawn from many sources. References include the IFC General Environmental, Health, and Safety (EHS) Guidelines, IFC Industry Sector Guidelines (e.g., Agribusiness, Infrastructure, Power, Chemicals, Oil & Gas), the IFC's Interpretation Note on Financial Intermediaries (2012), and the One Planet Sovereign Wealth Fund Framework (2018).

*Table 1: Descriptive and Non-Exhaustive Categories of Potential E&S risks for NSIA Investment Based on the IFC Performance Standards and AFDB's Operational Safeguards*

Performance Standard	Potential Risks
<b>PS 1 and OS1: Assessment and Management of Environmental and Social Risks and Impacts</b>	<p>Lack of/inadequate ESGMS to manage ESG risks and impacts; unclear or poorly structured ESG policy; limitations on organisational capacity and competency to implement ESGMS.</p> <p>Mitigation includes adopting policies and management systems that meet international best practices and that adhere to international standards such as the IFC Performance Standards in addressing relevant ESG issues and integrating climate change mitigation and adaptation considerations in line with the requirements of the OPSWF Framework.</p>
<b>PS 2 and OS2: Labour and Working Conditions</b>	<p>Poor and unfair labour practices as well as potentially unsafe operating conditions from the investee may result in increased on-site accidents thus disrupting/delaying project delivery and investee operations. These might not only cause financial stress on the portfolio in the case of delayed repayments but cause reputational repercussions for the fund.</p> <p>Risk mitigation might include ensuring the investee's commitment to the fund's conduct codes and social standards such as ILO and IFC.</p>
<b>PS 3 and OS3: Resource Efficiency and Pollution Prevention</b>	<p>Poor material and waste management and non-sustainable utilisation of resources lead to increased levels of pollution in the air, water, and land during investee project development and operations. Including risks of resultant environmental damage claims or government sanctions which can threaten project viability.</p> <p>Risk mitigation mechanisms include sustainable project design that incorporates the best available technology in pollution prevention and resource use that protects the environment, rigorous equipment maintenance regimes, implementation of robust waste management practices (including waste reuse and recycle schemes), energy efficiency and greenhouse gas (GHG) management.</p>
<b>PS 4 and OS4: Community Health, Safety and Security</b>	<p>Community exposure to risks and impacts resulting from installed infrastructure and other project related-activities such as equipment use, and the use of security personnel assigned to the project for asset and personnel protection.</p> <p>Mitigating these risks includes incorporating community safety considerations into project infrastructure design and equipment selection as well as ensuring the project's structural elements or components are constructed, operated, and decommissioned in accordance with EHS Guidelines. Make reasonable measures to avoid or minimise the potential for community exposure to hazardous releases and vector-borne and communicable diseases that could result from project activities. Additionally, project security arrangements concerning hiring, rules of conduct, training, equipping, and monitoring security personnel service should be guided by human rights principles and aligned with applicable laws and good international practice.</p>

Performance Standard	Potential Risks
<b>PS 5 and OS5: Land Acquisition and Involuntary Resettlement</b>	<p>Physical and economic displacement of persons and communities as a result of project-related land acquisition and/or restrictions on land use. The additional risk of claims for damages, civil unrest or reputational damage as a result of land use disputes.</p> <p>Risk mitigation includes following a government-mandated, transparent and well-documented process; payment of fair prices and extensive stakeholder engagement and baseline assessment in project land acquisition practice. Additionally, considerations for feasible alternative project designs to avoid or minimise person displacement and when displacements cannot be avoided, reasonable compensations should be paid.</p>
<b>PS 6 and OS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	<p>Destruction of biodiversity or the ecosystem during the development of large greenfield projects necessitates the clearing of managed forests with exotic tree species on land that was previously “degraded,” “dryland,” or previously used for occasional food production.</p> <p>Risk mitigation includes the engagement of biodiversity experts to limit a project’s impact on the environment (e.g. avoidance of removal of trees).</p>
<b>PS 7 and OS7: Indigenous Peoples</b>	<p>Adverse impact on indigenous people who may be more vulnerable to adverse impacts associated with project development through, e.g., loss of identity, culture and natural resource-based livelihoods.</p> <p>Risk mitigation includes engaging local stakeholders to seek free, prior and informed consent for indigenous people where land in the traditional ownership structure or customary use is involved.</p>
<b>PS 8 and OS8: Cultural Heritage</b>	<p>Destruction of sites that hold significant importance to the cultural heritage of communities in the project development area.</p> <p>Risk mitigation includes assessing all sites against local public records and conducting robust stakeholder engagements, to ensure the project site does not encroach on sites of cultural heritage.</p>
<b>OS9: Financial Intermediaries</b>	<p>Environmental and social (E&amp;S) requirements associated with intermediated financing through financial and non-financial institutions.</p> <p>Risk mitigation includes ensuring financial intermediaries have the right systems, procedures, capacity, and resources to effectively manage E&amp;E risks and opportunities.</p>
<b>OS10: Stakeholder Engagement and Information Disclosure</b>	<p>Open and transparent engagement between projects project financiers, developers and key stakeholders.</p> <p>Risk mitigation includes early identification of stakeholder concerns and expectations, timely disclosure of project information, and establishment of grievance redress mechanisms to address complaints promptly.</p>

### 3.2 ESG Risk Categorisation

Potential investments will all be evaluated for environmental and social risks and impacts in accordance with the IFC performance standards and subsequently categorised into one of four levels of risk, which then inform subsequent investment and mitigation actions (Table 2). FIs will be assessed on the basis of the scope of their investment/lending activities, ESG risks on the level of investments and the capacity of the FI to manage these risks adequately. In addition, the NSIA will require its FI investees to apply the same process of ESG risk categorisation in their investment/credit process appraisal.

Based on the guidance notes for the IFC Performance Standards, the following analytical framework shall be applied when assessing ESG risk among investees. Primarily, for the Authority's Non-Financial Institution (NFIs) investees, Performance Standard 1 requires an assessment of the level of ESG risks and impacts across the project's lifecycle; For FIs, it requires an assessment of the level of ESG risk in the portfolio (through disclosure or investment/lending strategy and the portfolio composition) followed by an assessment of the quality/ adequacy of the FI's ESG Management System (ESGMS).

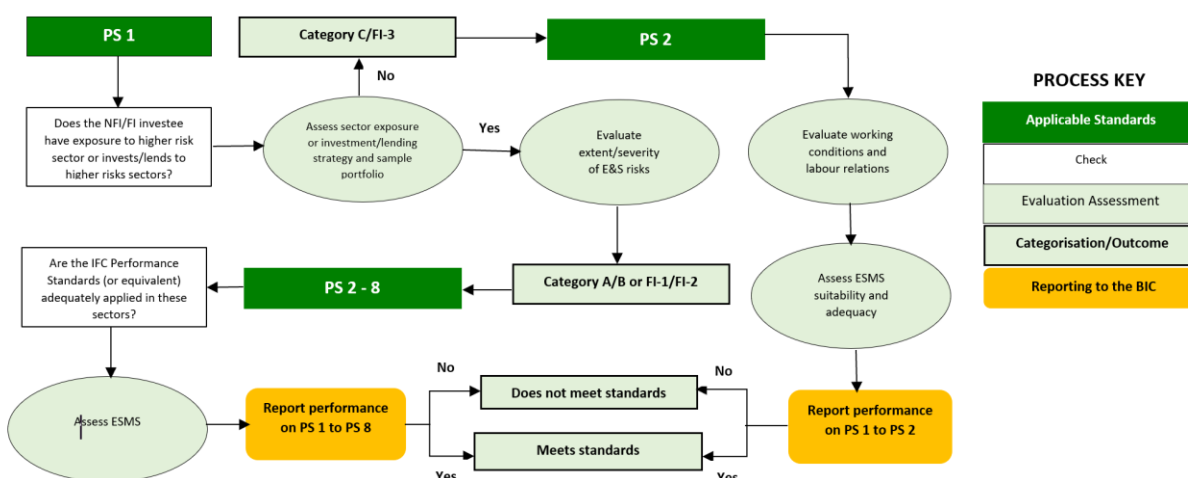


Figure 3: Descriptive Chart of NSIA ESG Categorisation Process

Table 2: NSIA E&S Risks Categorisation Aligned with the IFC's E&S Categorisation process

Risk Category	Likely Risks Imposed by the Proposed investment
A	Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.
B	Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.
C	Business activities with minimal or no adverse environmental or social risks and/or impacts.
<b>FI</b>	<b>Business activities involve investments in financial institutions (FIs) or through delivery mechanisms involving financial intermediation. This category is further divided into:</b>

Risk Category	Likely Risks Imposed by the Proposed investment
FI-1	when an FI's existing or proposed portfolio includes or is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
FI-2	when an FI's existing or proposed portfolio is comprised of or is expected to be comprised of, business activities that have potentially limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
FI-3	when an FI's existing or proposed portfolio includes financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.

**Table 3: Illustration of due diligence requirements for each investment risk category.**

Category A – High Risk	Category B – Medium Risk	Category C – Low Risk
<p>Compliance with:</p> <ul style="list-style-type: none"> <li>Exclusion List</li> <li>Local environmental, health, safety and labour laws, and public disclosure requirements engendered therein</li> <li>ILO fundamental conventions</li> <li>Relevant IFC PS (ESG Checklist)</li> <li>Resettlement requirements in line with AfDB's OS2</li> <li>General and sector-specific EHS guidelines of the World Bank Group</li> <li>OPSWF Framework climate change mitigation and adaptation requirements</li> </ul>	<p>Compliance with:</p> <ul style="list-style-type: none"> <li>Exclusion List</li> <li>Local environmental, health, safety and labour laws, and public disclosure requirements engendered therein</li> <li>ILO fundamental conventions</li> <li>Relevant IFC PS (ESG Checklist)</li> <li>Resettlement requirements in line with AfDB's OS2</li> <li>General and sector-specific EHS guidelines of the World Bank Group</li> <li>OPSWF Framework climate change mitigation and adaptation requirements</li> </ul>	<p>Compliance with:</p> <ul style="list-style-type: none"> <li>Exclusion List</li> <li>Local environmental, health, safety and labour laws, and public disclosure requirements engendered therein</li> <li>ILO fundamental conventions</li> <li>IFC PS 1 and 2 (ESG Checklist)</li> <li>Resettlement requirements in line with AfDB's OS2</li> </ul>
<p><b>Focus on:</b> investee capacity and willingness to manage ESG risks and mitigate potential ESG impacts</p>	<p><b>Focus on:</b> investee capacity and willingness to manage ESG risks and mitigate potential ESG impacts</p>	<p><b>Focus on:</b> identifying investee non-compliance, and ensuring the investee has the plan to remedy the non-compliance in a reasonable time frame</p>
<p>Required due diligence:</p> <ul style="list-style-type: none"> <li>ESG appraisal is commensurate with the severity of potential impacts and risks, focusing on key risks and gaps to relevant international standards and action plans to close them as detailed in the Environmental and Social Action Plan (ESAP)</li> <li>Gender impacts and inclusivity</li> </ul>	<p>Required due diligence:</p> <ul style="list-style-type: none"> <li>ESG appraisal is commensurate with the severity of potential impacts and risks, focusing on key risks and gaps to relevant international standards and action plan to close them as detailed in the Environmental and Social Action Plan (ESAP)</li> </ul>	<p>Required due diligence:</p> <ul style="list-style-type: none"> <li>Simplified ESG appraisal (working conditions, grievance mechanism, if relevant)</li> <li>Gender impacts and inclusivity</li> </ul>

<ul style="list-style-type: none"> <li>• Taking action to address climate change and reporting in alignment with the Greenhouse Gas Protocol and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and ESAP to close out gaps</li> </ul>	<ul style="list-style-type: none"> <li>• Gender impacts and inclusivity</li> <li>• Taking action to address climate change and reporting in alignment with the Greenhouse Gas Protocol and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and ESAP to close out gaps</li> </ul>	
<p>Required outputs:</p> <ul style="list-style-type: none"> <li>• Environmental and Social Impact Assessment (ESIA),</li> <li>• Environmental and Social Management Plan (ESMP), and if relevant,</li> <li>• Resettlement Action Plan (RAP)</li> <li>• Completed ESDD</li> <li>• ESAP</li> <li>• Environmental, Safety, Health and Security (ESHS) clauses in the legal agreement</li> <li>• Where gaps are identified, explore the option of Technical Assistance support</li> <li>• Public disclosure of E&amp;S documents on NSIA's website as well as the potential investee's website</li> </ul>	<p>Required outputs:</p> <ul style="list-style-type: none"> <li>• ESIA,</li> <li>• ESMP, and if relevant,</li> <li>• Abbreviated Resettlement Action Plan (ARAP)</li> <li>• Completed ESDD</li> <li>• ESAP</li> <li>• ESHS clauses in the legal agreement</li> <li>• Where gaps are identified, explore the option of Technical Assistance support</li> </ul>	<p>Required outputs:</p> <ul style="list-style-type: none"> <li>• Policies such as Health, Safety and Environment (HSE), Code of Conduct, Grievance Redress Mechanism (GRM) etc.</li> <li>• ESAP</li> <li>• ESHS clauses in the legal documents</li> <li>• Where gaps are identified, explore the option of Technical Assistance support</li> </ul>

**Risk Category A:** The first category represents investments in which operations are likely to cause high adverse environmental and social risks/impacts. More specifically, the potential investment is “likely to induce significant and/or irreversible adverse environmental and/or social impacts, or to significantly affect environmental or social components that the fund’s investors or the borrowing country consider sensitive.” If classified as Category A (high risk), the investee must then conduct a full assessment in the form of an Environmental and Social Impact Assessment (ESIA), which leads to the preparation of an Environmental and Social Management Plan (ESMP). If resettlement is expected, the investee must also prepare the social assessments necessary to write the Full - Resettlement Action Plan (RAP).

**Risk Category B:** The second category represents fund investments in which operations are likely to cause limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures or incorporating internationally recognized design criteria and standards. Projects in this category, require an ESIA and an ESMP, as well as an Abbreviated - Resettlement Action Plan (RAP) when applicable.

**Risk Category C:** The third category represents fund investments in which operations will likely have negligible adverse environmental and social risks. Potential investments in this category do not directly or indirectly affect the environment adversely and are unlikely to induce adverse social impacts. They do not require an intensive environmental and social assessment; they only require ESG risk categorisation and simplified review, focusing on working conditions.

**Risk Category FI:** Finally, the fourth category represents the Authority's investments channelled through other financial intermediaries (fund managers). Performance Standard 1 requires an assessment of the level of ESG risk in the portfolio (through disclosure or investment/lending strategy and portfolio composition) followed by an assessment of the quality/ adequacy of the FI's ESG Management System (ESGMS). If relevant, financial intermediary operations would be further classified as FI-1, FI-2, and FI-3 to reflect the potential environmental and social impacts and risks of the financial intermediary's existing or proposed portfolio of projects, in accordance with IFC's Environmental and Social Categorisation framework.

Based on the guidance notes for the IFC Performance Standards in relation to financial institutions, the following requirements shall be applied to FIs based on the level of ESG risk categorisation:

**Table 4: Illustration of the differing requirements for indirect FI risk categories**

Category FI-1 High Risk	Category FI-2 Medium Risk	Category FI-3 Low Risk
<p><i>Compliance of the FI with:</i></p> <ul style="list-style-type: none"> <li>• National environmental, occupational health &amp; safety and social laws and regulations,</li> <li>• IFC PS 1 and WBB ESS9 for the ESGMS (incl. publicly accessible grievance mechanism)</li> <li>• IFC PS 2 for the internal working operation of FI</li> <li>• International best practices on management of the environmental, social, health and safety aspects of its business and operations to the satisfaction of NSIA</li> <li>• Compliance with ESG checklist requirements</li> <li>• Compliance of operations supported by the FI under NSIA funding</li> <li>• NSIA Exclusion List</li> <li>• Local environmental, health, safety and labour laws, and public disclosure requirements engendered therein</li> <li>• ILO fundamental conventions</li> <li>• General and sector-specific EHS guidelines of the World Bank Group</li> <li>• NSIA shall ensure and shall oblige each FI to ensure that all investments under the fund comply with the ESG requirements.</li> </ul>		
<p><i>Compliance of operations supported by the FI under NSIA funding:</i> All relevant IFC Performance Standards,</p>		<p><i>Compliance of operations supported by the FI under NSIA funding:</i></p> <p>IFC Performance Standards 1 and 2</p>



Category FI-1 High Risk	Category FI-2 Medium Risk	Category FI-3 Low Risk
<i>Focus on:</i> conclusions of independent assessments and the level of implementation of the ESGMS, capacity to manage category A risk operations	<i>Focus on:</i> developing and maintaining ESGMS and level of implementation, ensuring investee/borrower compliance	<i>Focus on:</i> the capacity to identify investee/borrower non-compliance, ensuring the grantee/investee has the plan to remedy the non-compliance in a reasonable time frame
<i>Required due diligence:</i>  <i>ESG appraisal of the ESGMS and working conditions (prepared with the assistance of outside experts) commensurate with the severity of potential impacts and risks</i>	<i>Required due diligence:</i>  <i>ESG appraisal of the ESGMS and working conditions commensurate with the severity of potential impacts and risks</i>	<i>Required due diligence:</i>  Simplified ESG appraisal of the management structures to steer existing ESG risks and potential impacts on clients
<i>Required outputs:</i> <ul style="list-style-type: none"> <li>- ESGMS and GRM as defined in the ESG Policy, in line with the above-mentioned standards, are to be implemented in a reasonable time frame</li> <li>- Terms of Reference (ToR) for TA developing/strengthening the ESGMS (if needed)</li> <li>- ESAP (if needed)</li> <li>- ESHS clauses in legal documents</li> </ul>		

### 3.3 NSIA ESG Risk Mitigation Procedures

The direct physical operational risks and indirect business transition risks can be mitigated through good governance (sound management practices, adequate management of employees and remuneration of the staff, respect for human rights, anti-corruption and anti-bribery matters) and effective risk management. The Authority periodically reviews its “target country” risk profiles and reporting tools, and encourages its investees to perform a similar exercise in the regions or sectors they are active or considering becoming active.

Additionally, an overarching principle of managing ESG risks is ensuring that investees maintain strong corporate governance including established procedures that enable them to assess, monitor and address those risks. Weak governance structures amplify ESG risks. It is, therefore, a key focus of the NSIA to assess the governance structures of investees and potential investment opportunities to ensure weaknesses are identified and addressed as part of an overall investment appraisal and management.

The Authority’s ESG due diligence requirements, as well as adherence to its ESG requirements, such as the Exclusion List, are designed to mitigate the risks of reputational or other damages arising from the fund’s investment activities.

The Authority's ESG risk assessment will lead to the development of an Environmental and Social Action Plan, describing the environmental & social mitigation and monitoring measures, and the organisational measures to be implemented by the project. The fund manager will refer to the mitigation measures set out in the international best practice standards including the IFC Performance Standards, AfDB Operational Safeguards (OS 1- OS 10), The World Bank EHS Guidelines, and ILO Core Labour Standards. IFSWF Santiago Principles, OPSWF Framework.

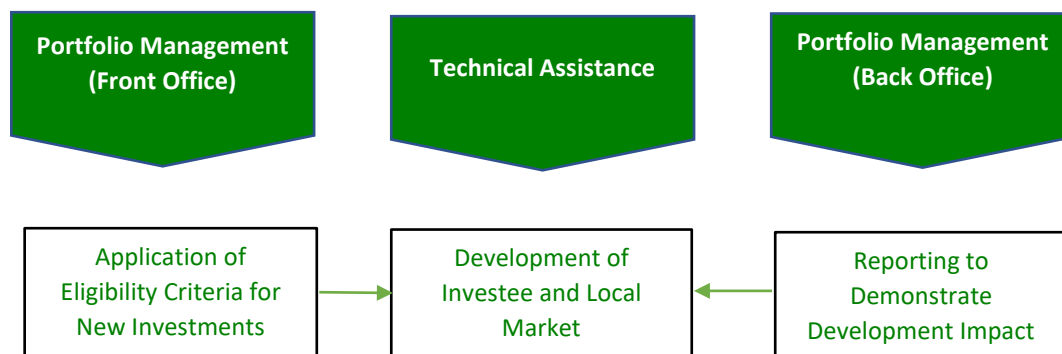
## 4 NSIA ESG INVESTMENT PROCEDURES

### 4.1 Implementation and Oversight

The structure of the ESGMS is suitably aligned with the Authority's commitment and capacity to addressing E&S issues relevant to its investment and operational activities and it has a cascade of roles and responsibilities across its multi-faceted teams to ensure adequate oversight and effective implementation of its ESG objectives. Below is a summary of the relevant roles and responsibilities:

Role	Responsibility(ies)
The Board and Executive Management	<b>Provide overall strategic direction for ESG and sustainability, and oversight</b> of the ESG framework (ESG Policy and management system), investment decision-making and waivers
Managing Director & Chief Executive Officer (MD&CEO)	Ensure <b>accountability</b> and senior management oversight on the group-wide implementation of the ESG framework
Head, Sustainability and ESG	Overall responsibility for the <b>driving the Authority's ESG strategy</b> and <b>operationalisation of the ESG framework</b> through the Authority's cascade roles and responsibilities
Investment Team and Legal	Ensure the day-to-day implementation of ESG procedures across the <b>investment cycle</b>
Risk, Internal Control and Compliance	Ensure <b>operational control, compliance with ESG-related regulatory requirements</b> and integration of ESG considerations into the Authority's enterprise risk management framework
Internal Audit	Ensure <b>effectiveness and enterprise-wide adherence</b> to the requirements of the ESG framework
Human Resources	Ensure <b>ESG capacity development</b> , awareness, and internal grievance management
Communications	Ensure ongoing <b>engagement and reporting</b> to external stakeholders and management of grievances
Operations (Administration, IT Support, Digitization, etc)	Ensure integration of ESG best practices in <b>internal business operations</b> (including sustainable procurement, data protection, etc) and group-wide emergency preparedness

The NSIA shall apply its ESG policy and the ESGMS through its investment screening and due diligence process; this will include the application of portfolio management and technical assistance and the subsequent reporting to its stakeholders. This is shown through the different internal functions below.



Defined roles and responsibilities have been established to ensure adequate and effective application of ESG procedures throughout the Authority's investment process. The Authority will also ensure that this structure is adhered to during the whole investment cycle:

- i. The Authority's Chief Executive Officer (who also sits on the Board Committees) provides direct oversight and accountability for adherence to the ESG Policy and this ESGMS;
- ii. A suitably ranked ESG Lead with a direct reporting line to the Chief Executive Officer is responsible for driving the day-to-day integration of the ESGMS into the Authority's investment process and the coordination of the management of the environmental and social aspects of the Authority operations;
- iii. The ESG Policy and management systems are kept up to date;
- iv. Relevant tools and adequate E&S risk management training are provided on an ongoing basis to the various team responsible for the implementation of ESG procedures across the investment cycle; and
- v. The Authority has set up an external communication mechanism in line with best practices (including measures for continuously raising awareness about the Authority's commitments and approach to integrating ESG such as via annual reports, presentations, disclosures on the Authority's website, social media, etc.).

Additionally, external consultants may be engaged at specific points in the investment process to provide independent, expert perspectives on ESG risk evaluation and performance. Specifically, the NSIA may engage consultants to assist in carrying out pre-investment due diligence and annual E&S risk monitoring of potential investees categorised under Category A/FI:1. Such engagements of external consultants will provide an independent baseline, midterm, and final evaluations for the Authority to measure ESG performance for each investee. External consultants may be required to support the creation of annual independent portfolio reports that measure performance across all investees, and for independent auditing of ESG metrics as may be necessary.

## **4.2 Procedures Across the Investment Cycle**

The Authority will apply a thorough and streamlined ESG appraisal procedure to its investment processes to originate, screen, approve and implement investment deals across its funds (FGF, SF, NIF and TPFs). The elements of this procedure are harmonised to be applicable to each core fund investment execution approach (i.e. directly or externally managed investments). The six main steps are outlined in the flowchart below:



General NSIA activities	<ul style="list-style-type: none"> <li>• Sourcing of deals</li> <li>• Screen deal against NSIA mandate and Exclusion List</li> <li>• Initial discussions with prospective investees about the investee's and the Authority's ESG commitments</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of ESG screening checklist</li> <li>• Deal screening and categorisation using the ESG assessment checklist</li> <li>• KYC and desktop review of sponsor materials</li> <li>• Risk Assessment</li> <li>• High-level negotiation of deal terms and structure</li> <li>• Prepare a preliminary investment memo.</li> </ul>	<ul style="list-style-type: none"> <li>• EXCO review and finalisation of a preliminary investment memo</li> <li>• Submission of the preliminary investment memo for review and initial approval by the appropriate Committee</li> <li>• Approval to proceed with the right level of due diligence</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive due diligence across all potential risk types</li> <li>• Subject to the due diligence outcome from the ESG risks appraisals, a detailed investment memo for final IC approval is compiled</li> </ul>	<ul style="list-style-type: none"> <li>• EXCO review and finalisation of the Final ESDD Report and the investment memo</li> <li>• Submission of Final investment memo to the relevant Board committee</li> <li>• Approval from the Board to proceed with investment</li> <li>• Sign-off on deal terms and structure</li> </ul>	<ul style="list-style-type: none"> <li>• Issuing of drawdown notice, including all ESG-related clauses and conditions</li> <li>• Fund investment in target investee</li> <li>• Active monitoring of portfolio investments</li> </ul>
ESG-specific measures	<ul style="list-style-type: none"> <li>• Assessing new investment's eligibility against NSIA fund investment policy and ESG Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminary identification of ESG risks and initial E&amp;S risk categorisation of the investment.</li> <li>• Documentation of categorisation rationale</li> <li>• Assessment of the viability of investee operations to be brought in line with the NSIA ESG Policy and thus, whether to proceed to due diligence or not.</li> </ul>		<ul style="list-style-type: none"> <li>• Drafting of likely risks and mitigation measures</li> <li>• Conduct ESG appraisal commensurate with the investment E&amp;S risk category (the severity of potential impacts and risks as well as evaluation of compliance with all local laws and regulations and opportunities)</li> <li>• For all category A/FI:1 project, the ESG due diligence will be performed internally or</li> </ul>	<ul style="list-style-type: none"> <li>• If ESG issues require significant mitigation, re-evaluation of investment proposal with revised economics</li> <li>• Board approval on investment / ESG management of high-risk investments</li> <li>• The ESAP for necessary improvements is discussed with the investee and</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly monitoring of ESG status, periodic reporting.</li> <li>• Issuance of regular ESG performance, updates to the relevant board committee</li> <li>• Management of grievances and issues as they occur</li> <li>• Continuous updating of ESGMS</li> </ul>

				by external expert consultants. • For all category B-C/ FI:2-3 projects, the ESG due diligence will be conducted internally by the Authority's ESG team, with the support of the Investment and/or Risk teams	an agreement must be reached on the completion of the item(s) contained in the action plan.	
<b>Tools/templates</b>	<ul style="list-style-type: none"> <li>• NSIA Fund Sector Coverage and Exclusion List</li> <li>• Fund Deal Register</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Screening Checklist</li> <li>• ESG Risk Categorisation Framework (Section 3.2)</li> </ul>		<ul style="list-style-type: none"> <li>• ESGDD template</li> <li>• ESG action plan template</li> <li>• ESGDD terms of reference</li> </ul>	<ul style="list-style-type: none"> <li>• Sample ESG Clauses</li> </ul>	
<b>ESG risk outputs</b>	<ul style="list-style-type: none"> <li>• Identification and exclusion of investment “no-go” (fatal flaw)</li> <li>• Accepted deals updated to the Fund Deal Register</li> <li>• Signed Non-Disclosure Agreement (NDA) with the client</li> </ul>	<ul style="list-style-type: none"> <li>• Rating of ESG risks identified</li> <li>• Identification of opportunities for improvement of ESG performance</li> <li>• Contribution to preliminary investment memo outlining findings initial assessment of ESG risks and investment alignment with Fund Mandate</li> </ul>	<ul style="list-style-type: none"> <li>• Approved level and scale of due diligence</li> <li>• Indicative term sheet</li> </ul>	<ul style="list-style-type: none"> <li>• For Category A-B/FI:1-2 investments, an ESDD, ESAP, ESIA reports, as well as ESMP and Resettlement Action Plan (RAP) as applicable, depending on the severity of the risks identified</li> <li>• For Category C/FI-3 investments, a completed ESDD template</li> <li>• Final investment memo</li> </ul>	<ul style="list-style-type: none"> <li>• ESG clauses for insertion into investment agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly reports on ESG risks and mitigation measures implemented</li> <li>• Selected impact indicators</li> <li>• Grievances</li> <li>• Incident reporting and progress to date</li> </ul>
<b>Responsibility</b>	<ul style="list-style-type: none"> <li>• ESG team</li> <li>• Investment team</li> <li>• Risk Team</li> </ul>	<ul style="list-style-type: none"> <li>• ESG team</li> <li>• Investment team</li> <li>• Risk Team</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Team</li> </ul>	<ul style="list-style-type: none"> <li>• ESG team</li> <li>• Investment team</li> <li>• Risk Team</li> <li>• Legal Team</li> <li>• External Consultant</li> </ul>	<ul style="list-style-type: none"> <li>• ESG team</li> <li>• Investment team</li> <li>• Legal Team</li> </ul>	<ul style="list-style-type: none"> <li>• ESG team</li> <li>• Investment team</li> <li>• Risk Team</li> </ul>

#### 4.2.1 Deal Sourcing and Screening

The Authority has established a strong network and reputation across the investment landscape which it leverages to identify and attract deals, and this enables it to maintain a pipeline of new investment opportunities across its mandate funds. On an ongoing basis, the funds' investment teams shall be sensitised to the Authority's ESG requirements through appropriate training. This training will focus on the use of the NSIA's sector exclusion list, as well as the principles defined in the ESG policy whose knowledge is essential to ensuring the assessment of new investment eligibility against fund requirements.

This deal origination phase provides the Authority's first contact with potential investees through the investment team during which a fatal flaw<sup>1</sup> analysis of the investment opportunity is carried out to screen for its alignment with the fund mandate, investment policy and ESG commitments. This analysis is undertaken against the following three main elements as part of the fund's eligibility check:

- a) Screening of proposed investment for fund exclusion as per NSIA Sector Coverage and Exclusion List (**see APPENDIX 1**)
- b) The potential that the project E&S impacts cannot be mitigated, or which poses a risk of significant reputational risk in international, national, or local media; and
- c) The project's history of serious negligence and non-conformance with E&S regulatory requirements in the host country.
- d) The Authority will not finance any project/potential investee related to specific listed activities in its Exclusion List that are against its mandates as well as investment values. Thus, every new investment "no-go" (fatal flaw) identified will be excluded from funding by the Authority. The prospective client will be so informed, and further consideration of financing for the project will be terminated. In the case where the investment has no fatal flaws, the new investment will be submitted to the "Fund Deal Register" and assigned to the appropriate portfolio manager for further consideration.

#### 4.2.2 Deal Analysis

Proposed investments shall be screened to provide information on the nature and extent of the E&S risks and the impact associated with the investment. For all accepted deals, the Authority will sign a non-disclosure agreement (NDA) with the potential investee client to facilitate the sourcing of additional information required for the development of the preliminary investment memo.

The ESG screening checklist is utilised by the ESG and investment teams to collect information about the ESG performance of the potential investee. The process of this preliminary review of ESG risks includes an assessment of general information about the potential investee/project through a desktop of publicly available information and it is enhanced further by any additional information or documentation provided by the investee (e.g., policies, management plans, licenses, permits, ESIA's and audit reports, etc.) that are relevant to its ESG performance.

Overall, the purpose of this initial assessment by the investment and ESG teams is to identify ESG risks and impacts associated with the investment in order to initially classify the investment into the

---

<sup>1</sup> Fatal flaws include those material issues that can jeopardise the investment transaction such as evidence of labour rights contraventions, lack of required authorizations/permits, history of negative press coverage of the project sponsors etc

appropriate risk categorisation based on the ESG risk categorisation framework, and develop initial sets of action for mitigation of the identified issues and assess whether the operations of the potential investee could be brought in line with NSIA ESG requirements over a reasonable timeframe and also make a recommendation on the next steps in the investment process including thus whether to proceed to due diligence or not. The investment team with the support of the ESG team, will summarise the key ESG features of the prospective investment in the preliminary investment memo including the result of the fatal flaws analysis, the initially identified ESG risks, project category as well as recommended next steps (including the level of proposed due diligence) submitted to the relevant board committee(s) for initial approval.

#### **4.2.3 Initial Approval**

At this stage, the EXCO first reviews the preliminary investment memo before seeking initial approval from the relevant board committee(s). The preliminary investment memo of deals adjudged suitable by the EXCO is submitted to the relevant board committee(s) for approval whilst opportunities considered unsuitable can either be rejected or amended in line with the EXCO's recommendations.

The relevant board committee(s) will deliberate on the preliminary investment memo including considering findings of the initial ESG review and recommendations, deal terms and structure, due diligence plan etc. (level, costs, time frame etc), and if the deal is given the go-ahead, the investment process is advanced to the next stage where an environmental, social and governance due diligence (ESGDD) is commissioned following recommendations of the relevant board committee(s). The scale of this due diligence will be closely related to the committee-approved ESG risk category of the project. However, for all category A-B/F-1 investments, the ESGDD should be conducted at the same time as the commercial due diligence, as the findings from the ESGDD are likely to influence the final term sheet developed for the project.

#### **4.2.4 ESG Due Diligence**

Following the board (committee) approval of the preliminary investment memo and the potential investee/project sponsor's acceptance of the indicative term sheet, a detailed ESGDD shall be conducted. This comprehensive review of the prospective investment is undertaken to get an overview of the investee's commitment and capacity to managing ESG risks, to screen out opportunities that indicate a heightened risk of ESG non-compliance and generally provide relevant information that will enable the board finance & investment committee to make an informed decision on the proposed investment.

The scope of the ESGDD shall be commensurate with the identified risks and respective risk categorisation described and approved in the preliminary investment memo. For Category A/F-1 investments, the ESGDD with specified terms of reference may be conducted internally or by an external ESG expert, to provide a stronger technical and independent appraisal of the investment while for Category C-B/F:2-3 investments, the ESGDD may be conducted internally by the NSIA's ESG risk and investment teams with the ESGDD template provided in for guidance on the relevant aspects of the required assessment. Additionally, the foregoing guiding topics should be noted when discussing ESG issues during the due diligence to gain a better understanding of the prospective investee's social and environmental policies and management in place:

**Involvement of Other Institutional Funders:** In situations where the investment opportunity is being pursued in partnership with other notable national and international institutional investors with binding



ESG guidelines and information requirements as applicable to the NSIA, close cooperation with such funders (i.e. debt or equity financiers) will reveal that the prospective investee already underwent some form of ESG screening and possibly implementation of measures to strengthen their approach. The Authority shall be required to analyse and document as part of its own due diligence such prior activities completed by the investee and highlighted in the final investment memo for board approval

- **Proactive ESG Communication Management:** Communication of ESG guidelines within the organisation, in particular; publication of environmental and social impact assessments (ESIAs) or, for FIs, how ESG may already be implemented in investment/lending practices or, for infrastructure-related companies.
- **Environmental and Social Activities and Conflicts:** The investee's past and current activities relating to ESG issues and any impacts/effects on the organisation's reputation should be analysed and monitored on an ongoing basis
- **Portfolio Analysis:** Analysis of the FI investee's operations to detect ESG risks as an outcome of its operations, particularly for potential FI investments.

Overall, the most important element of the ESGDD is to determine the gaps between the current ESG performance and the benchmark performance (including relevant E&S regulations and international E&S standards like the IFC Performance Standards). However, the specific due diligence review methodology applied may vary based on the nature of the investee and its activities as well as the Authority's investment execution approach.

- a) **Directly-Managed Investments:** For the Authority's directly-managed investments, the Authority shall review, investigate and ensure that each investee undertakes to: (i) implement and operate projects in compliance with relevant environmental laws and other applicable legislation; (ii) confirm, upon request, that they have obtained all relevant authorizations, permits, assessments, studies, and/or management plans (both for construction and operation) to comply with national laws on environment and competition; (iii) ensure that the fund exclusion list is always applied; (iv) and have assessed and mitigated against any adverse impact on local communities or the environment or adverse environmental or social performance associated with that proposed Investment. Based on the project risk categorisation, the Authority shall carry out a gap analysis against the relevant standards, considering the following:
  - (i) In case the fund invests in **Category A&B activities**, these shall meet the requirements of the IFC Performance Standards 1 to 8, as applicable. These require an environmental and social impact assessment (ESIA) and Environmental and Social Management System or other adequate ESG Instruments to be developed proportionately to the potential risks and impacts of the financed activity.
  - (ii) For investments that require an ESIA, at least an easy-to-understand summary of the main environmental and social findings and mitigation measures including the stakeholder engagement process must be made publicly available in the project area in an accessible and culturally appropriate manner, for an adequate time to allow project affected people to voice concerns and suggestions.

(iii) In cases where the Fund invests in **Category C activities** (no or only minor adverse environmental and social impacts or risks) Performance Standards, 1 and 2 shall be applicable.

- b) **Externally Managed Investments:** For the Authority's externally managed investments that consist of outsourced investments through fund managers (FIs), the Authority shall review and assess the FI's ESG policy/framework/procedures with regards to their conformance with NSIA's ESG policy and application of the defined ESG requirements.

In case gaps are identified, an ESG Action Plan will be developed by the Authority and agreed upon with the FI to close these gaps (at least for the financing provided by the fund, preferably for the entire portfolio of the FI). The Authority will require the FI to establish and maintain an organisational capacity and competency for implementing and maintaining the ESGMS with clearly defined roles and responsibilities. Furthermore, based on the ESG risk categorisation (i.e., FI-1/ FI-2/ FI-3), the scope of the Authority's gap analysis against the relevant standards on the FI will include IFC Performance Standards 1-2, plus Performance Standard 3 for asset financing financial institutions.

Notably, for all potential investees across applicable ESG risk categories (i.e., A-C/FI:1-3), the Authority as part of its due diligence may carry out a carbon footprint review which will cover Scope 1 and 2 emissions. The Authority will conduct a Scope 1,2 and Scope 3 emissions analysis at its funds level while investees will be required to make an assessment of their climate change mitigation, adaptation and transitional activities during the life of NSIA's investments and develop an environmental and social action plan (ESAP) clearly defining how they intend to adapt or mitigate against the impacts of climate changes and report on their Scope 1 and 2 emissions (and scope 3, where the Authority maintain significant influence over an investor operating in an energy-intensive industry such as oil & gas, power etc.) in alignment with national and best practice reporting standards such as GHG Protocol and TCFD, where practicable.

At the completion of the ESGDD, findings shall be incorporated into an ESGDD report detailing any identified gap between actual or expected project performance and the E&S requirements and make the recommendations (for addressing such gaps in a timely and effective manner) are formulated into a draft environmental and social action plan ("Action Plan") that sets out the measures to be taken, the responsible authority and the timescale for implementation.

Notably, the summary of findings from ESGDD provides the required input for the final investment memo sent to EXCO and Board Committee (s), this investment paper should bring out all of the relevant E&S elements of the investment including an assessment of the quality of the potential investee company's management systems in relation to the identified ESG risks and include an action plan for necessary improvements over the investment duration with associated time frame and costs.

#### **4.2.5 Internal Review, Final Approval and Financial Close**

At this stage, findings from the due diligence are summarised into the final investment memo that is presented to the respective EXCO and Board Committee(s) for review and subsequent approval.

The Board Committee(s) evaluates the: (i) environmental and social risk category, (ii) the findings of the environmental and social due diligence and, (iii) any recommendations for corrective actions to mitigate potential environmental and social risk. The result of this identification, documentation and evaluation of risks and opportunities is to determine whether to proceed with the investment. This will also include the overall strategy for E&S, particularly considering its potential impact on the investment thesis, value creation plan and exit plans.

If fatal flaws are revealed from the due diligence, the potential investee may either fail to be considered for investment or be subject to recommendations to be decided on a case-by-case basis. However, where a decision to invest is made, investees are required to use the proceeds of the investment in accordance with the Authority's ESG and fund investment policies and the Authority will only invest in a proposed investment if:

- all material issues identified have been resolved in accordance with the Authority's ESG requirements (including, in respect of any follow-on investment in an existing investment, by way of implementation of any remediation measures approved); or
- in respect of any new investment, the proposed project has agreed to an ESG action plan to resolve the identified adverse impacts or performance within a reasonable timeframe and the investment documentation includes appropriate remedies if the proposed investment fails to implement the ESG action plan.

Typically, the Authority during the investment negotiations, the action plan for necessary improvements should be discussed with the investee and agreed upon between NSIA and the management of the potential investee company. The action plan in addition to other E&S requirements and commitments shall be captured in the investment agreements in form of ESG clauses. The ESG clauses shall include as deemed applicable:

- Representations and warranties for ESGDD confirmations *e.g.* *"The Investee complies with all applicable ESG laws and with the requirements set out in paragraph (x) of Part of Schedule (z)";*
- Compliance with E&S requirements: The target investee must agree to comply with the NSIA's Exclusion List, applicable national ESG legislation and applicable international ESG standards. Compliance shall be sought through any of the following routes:
  - Covenants;
  - Conditions precedent;
  - Conditions subsequent; and
  - Board/committee/veto rights
- Effective monitoring can be incorporated through legal agreement information rights and inspection rights.
- Addressing non-compliance. There shall be provisions in case of a material breach of the ESG requirements, whereby corrective actions shall be implemented within a certain timeframe and should these not occur, financial penalties are incurred until they are resolved.

Particularly, where disbursement is conditional on specific actions, the Authority will ensure that such actions have been implemented to its satisfaction before financial close/disbursement. This may necessitate further due diligence activities. However, the Authority may be willing to consider waivers or

extensions where the investee demonstrates that such actions have been agreed with its key stakeholders, including any other financing parties, and where such actions will not compromise the realisation of the agreed ESG performance of the project.

This process will be recorded and documented via a disbursement memo indicating the state of compliance, additional corrective actions, or waiver justification as may be applicable.

#### **4.2.6 Implementation, Portfolio Management and Exits**

The Authority will monitor the implementation of its ESG policy by its investee on an ongoing basis during the life of its investment with the sole objective of ensuring timely implementation of the E&S action plans and building capacity within the portfolio companies for continuous assessment and management of their ESG risks, impacts, and opportunities. However, where an investee fails to comply with its ESG commitments, as expressed in the investment agreement, the fund can rely on the enforcement and mitigation measures highlighted in **Section 5.1**.

Additionally, at the beginning of the investment, it is important to incorporate exit considerations in the post-investment monitoring procedure as these will guide the decisions on ESG matters throughout the investment period and towards the end of the investment cycle, the Authority shall ensure that the investee's ESG management system is self-sustaining, thus, maximising the contribution of ESG to make a return on investment.

Therefore, at investment exit, the Authority shall undertake the review of all outstanding material ESG issues to ensure there is sufficient time to close out the gaps before exiting and all relevant ESG data showing the target's improvements shall be collated and presented to the potential bidders to enhance exit valuations.

## 5 MONITORING AND REPORTING

### 5.1 Monitoring

The Authority commits to monitoring all active investments for their ESG performance on an ongoing basis, including using its expertise and insights from previous experiences to identify opportunities for proactive risk mitigation and achievement of positive impacts beyond those already planned. The core ESG Team together with the investment team will work with the investees to collect data on the ESG status of an investment every quarter and will update the Authority's senior management and the respective board committees on the ESG statuses of all investments on a quarterly basis and, in the aggregate, on an annual basis.

Information to be included in this ESG status report shall include the ESG performance, compliance with ESG requirements, received grievances and incidents and ESG action plans of the investments in a frequency adequate to the investee's specific risk classification. In the case of severe ESG incidents and breaches of conduct, the investee must inform the NSIA within twenty-four hours of occurrence.

The extent of monitoring will correspond to an investee's risks, likely impacts, and compliance requirements, and will also be adjusted over time according to performance and feedback from the investees and their beneficiaries. For investment activities with significant, diverse, irreversible, or unprecedented impacts, the NSIA will retain qualified and experienced external experts to verify its monitoring information for medium-high categorised investments.

Upon documenting and analysing monitoring results, the NSIA will identify any necessary corrective or preventive measures to the investee/project ESGMS(s)/ESMPs as well as to the Authority's own ESG policies and procedures to ensure continued relevance and effectiveness. In case the investment presents a higher impact/risk the Authority must ensure that the investee develops adequate ESG instruments to meet the ESG requirements. If the risk classification of any investment deteriorates, the Authority will inform the investors immediately if the higher risk classification of the investment results in an objectively significant EHS or reputational risk. The fund will require its FI investees to apply the same or similar monitoring approach to its underlying investments.

In addition to regular monitoring, each investment will likely be subject to several evaluations to measure strategic fund-defined indicators, and other progress over time: a baseline evaluation, an annual evaluation versus the baseline, A midterm evaluation, and a final evaluation. All evaluations must include greenhouse gas accounting, up to and including tertiary climate impacts from the investment. Evaluations must be independently produced, and the costs to produce these evaluations must be borne by the investee; however, the Authority may provide funding for evaluations in certain cases.

## 5.2 Enforcement and Mitigation

In the event that the ESG Policy or agreed ESAP item is found to have not been upheld by an investee, an investigation team consisting of the Head, Sustainability and ESG and relevant senior management personnel will be informed. The team will then determine appropriate disciplinary measures in proportion to the severity of the transgression and the degree of premeditation on the part of the investee, ranging from fines to abortion of the investment in the case of severe breaches.

Notably, all agreements for directly managed infrastructure investments must include relevant ESHS clauses regardless of the risk category. For Category A&B investments, mitigation actions will be included in the Environmental and Social Management Plan (ESMP). In cases where resettlement will be likely, mitigation actions will also be outlined in the investment's resettlement action plan (RAP). Investees commit to proactively mitigating against ESG risks based on their ESMPs and in accordance with the NSIA ESGMS.

ESMP and RAP documents must collectively outline all mitigation actions to be taken once the potential investee becomes an active NSIA investee and must be in place by the time investment by the fund is concluded. The documents will identify specific mitigation actions necessary for compliance with national and local regulations, the NSIA ESG Policy, and IFC and other relevant safeguards. The action plans outlined in each ESMP should be technically feasible and cost-effective, should prioritize specific actions to be taken and the timeline for their implementation, and should reflect prior and continued consultation with affected communities. The plans should also describe the schedule and mechanisms for reporting on mitigation progress to the NSIA.

ESG shortcomings identified during ongoing project evaluation may give rise to additional remedial action that must be spelt out and accompanied by defined milestones. Projects classified as Category C/FI:2-3 will aim to fully mitigate against potential ESG risks prior to beginning activities; otherwise, they may be reclassified as Category A-B/FI:1 and required to create ESMPs.

## 5.3 Reporting

The NSIA commits to a reporting schedule that is set out in the Authority's ESGMS and includes regular reporting on ESG performance to relevant stakeholders. In addition, the Authority is responsible for annual reporting to comply with internal or any external stakeholder requirements. In addition, reports will be made available for major incidents, and each investment's baseline, midterm, final and annual evaluations, as stated earlier.

The Head, Sustainability and ESG will be responsible for coordinating reporting to the board and senior management and other relevant external stakeholders.

Below is a summary of the fund's ESG reporting requirements:

Report	Timing
<p>Annual ESG/Sustainability Report which may include: updates on the development and compliance of the ESGMS of the fund, conformance and compliance and updates to the ESAP (as applicable), the status of organisational capacity and competency for implementing and maintaining the fund ESGMS;; the ESG performance of investments; report on received and managed grievances and incidents in a format and content that is aligned with best practice requirements.</p>	<p>Within 150 days after the end of each financial year</p>
<p>Notify respective fund board IC and other relevant stakeholders of any major environmental, social, labour or health and safety incident, accident or circumstance with respect to any existing or proposed investment that:</p> <ul style="list-style-type: none"> <li>a) has or could reasonably be expected to have, a material adverse effect or impact on the fund, the investment, the environment, communities or the workforce, or</li> <li>b) involves or causes, or is reasonably likely to involve or cause, a critical material breach of the NSIA ESG requirements.</li> </ul> <p>This report should specify the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event, and keep the fund's investors informed of the ongoing implementation of those measures.</p>	<p>The incident was reported at the next board meeting</p>

## 6 EXTERNAL RELATIONS: GRIEVANCE AND REDRESS MECHANISMS

### 6.1 NSIA Level

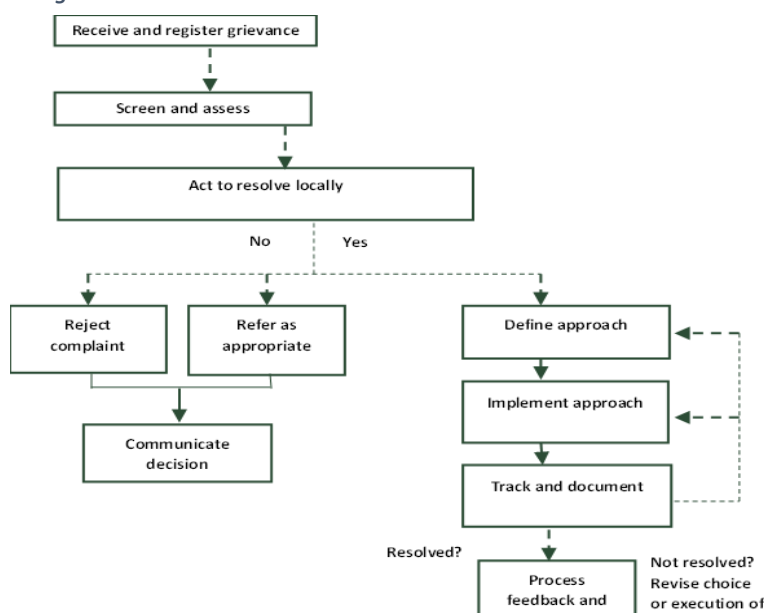
The Authority has a grievance procedure (whistle blowing portal and hotline) to address grievances from its employees. The Authority will update its employee grievance channels to include a separate route for gender-based violence and harassment (GBVH) claims and employees will be able to make a choice about the person they speak to when reporting sexual harassment. In addition, the Authority will ensure that members of the public have a channel to easily provide comments or express grievances.

The Authority seeks to provide a clear grievance and redress mechanism (GRM) that ensures grievances are appropriately addressed and are used to prevent similar complaints in the future. The methods of doing so are highlighted in the table below:

Consideration	Method
Provide the public with the means to easily communicate grievances, including anonymous ones.	Make publicly available and easily accessible channels (phone number, website, e-mail address) that members of the public may use to file complaints confidentially.
Implementation of a clear process that includes the assignment of responsibility and monitoring of outcomes	Maintain a logbook to monitor progress towards the resolution of all grievances. The ESG Team working with the HR Team (for internal grievances) and communications team (for external grievances) is responsible for reviewing and recording any complaints received. They are also responsible for working with any relevant staff or stakeholders to investigate the complaints, determine the necessary response, report on the outcome and proactively prevent future grievances.
Ensure grievances are used as a source of continual learning	

A summary of the GRM process is highlighted in the figure below:

*Figure 4: Flow chart outlining NSIA GRM resolution*





## 6.2 Portfolio Level

As per the IFC Performance Standards, all investees are required to create a GRM before receiving investment for NSIA-funded projects if they do not already have such mechanisms in place. Specifically, the GRM must be credible, culturally appropriate, independent, accessible to stakeholders at all times during the project's lifetime, and can receive, process, and resolve affected individuals' or communities' grievances regarding the environmental or social performance of an investee project or activities. Investee will ensure that potentially affected stakeholders understand what the GRM is for, the different options that they have for communicating their grievances, and where they can get assistance and advice about whether and how to communicate a grievance. All responses to grievances must be recorded and included in investee and NSIA ESG reports.

To establish a GRM, the investee must allocate staff, financial resources, and equipment, with Category A & B activities expected to have much larger GRMs than Category C or FI:1-3 activities due to higher expected severity and the likelihood of negatively impacting communities. GRMs typically include a team of lawyers, anthropologists and other social scientists, and communication specialists. GRMs are generally designed during an ESMP/ESGMS for Category A & B projects, and as such should be in place as soon as the investment is finalised.

## **APPENDIX 1 NSIA Sector Exclusion List**

The Authority maintains defined sector focus areas and areas of interest for its infrastructure mandate fund; the Nigeria Infrastructure Fund (NIF) and ensures that investments in the fund are limited to the specified sectors and interests. The Authority also maintains an NSIA sector exclusion list of activities it does not invest in across its funds. The NSIA exclusion list draws guidance from IFC's and AfDB's exclusions list to ensure robustness and shall apply this as its minimum exclusion list for screening investments to all funds under management.

Therefore, the NSIA will not finance any activity, production, use of, trade in, distribution of or involvement:

- Weapons and Ammunitions
- Uranium mining and radioactive materials for weaponry
- Unbonded asbestos fibres or other products with bonded asbestos as dominant material
- Tobacco
- Narcotics
- Destruction of High Conservation value area
- Production or activities involving the use of harmful or exploitative forms of forced labour extracted under threat of force or penalty
- Production or activities involving the use of harmful child labour (which means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health)
- Production or activities involving the use of Racist Media
- Drift net fishing in the marine environment
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements

A reasonableness test will be applied when the activities of the project investee would have a significant development impact, but the circumstances of the country require adjustment to the Exclusion List.

