



**BANK OF INDUSTRY**  
*...transforming Nigeria's industrial sector*



Bank of Industry

# **Sustainable Financing Framework**

May 2025

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# 1. Purpose of the Framework

This Sustainable Finance Framework (the Framework or SFF) outlines information on the Bank of Industry (BOI or the Bank) and establishes the guidelines under which BOI will issue/raise green, social or sustainable finance bonds, loans or other debt instruments (Sustainable Finance Instruments). Any such financing by BOI that is designated a Sustainable Finance Instrument shall incorporate by reference this Framework or any such future versions published by BOI.

This Framework is aligned to international best practices and guidance published by the International Capital Market Association (ICMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), including:

1. Green Bond Principles (GBP) (with June 2022 Appendix I) (ICMA, 2021) <sup>1</sup>
2. Social Bond Principles (SBP) (ICMA, 2023) <sup>2</sup>
3. Sustainability Bond Guidelines (SBG) (ICMA, 2021) <sup>3</sup>
4. Green Loan Principles (GLP) (LMA, LSTA 2025) <sup>4</sup>
5. Social Loan Principles (SLP) (LMA, LSTA 2025) <sup>5</sup>

BOI may review this Framework from time to time, including, but not limited to, to remain consistent with the strategy of BOI and the Framework's alignment to updated versions of the relevant ICMA, LMA and LSTA principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. Material updates will require approval from the Bank and will be subject to a revised or updated second party opinion (SPO), when necessary or ahead of a potential transaction. The updated Framework and SPO will be published on BOI's website. For the avoidance of doubt, any future amendments to the Framework may not necessarily apply to Sustainable Finance Instruments previously executed under this Framework.

Investors and lenders are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework and to make such other investigations considered necessary prior to entering into any sustainable finance transaction(s) under this Framework.

## 1.1 About BOI

BOI is Nigeria's oldest, largest, and most successful development finance institution committed to facilitating and transforming Nigeria's industrial sector. BOI operates across 33 states in Nigeria. BOI provides financial and advisory support for the establishment of large, medium and small projects and enterprises as well as the expansion, diversification, rehabilitation, and modernization of existing enterprises. BOI has a diverse focus across the agro-processing, food and beverages, creative and digital, engineering and technology, healthcare and pharmaceuticals, oil and gas, renewable energy, chemical and industrial minerals, hospitality and tourism, gender, infrastructure and mining and metals sectors. However, under its new strategy for 2025-2027, BOI will further deepen its footprint in key sectors critical to Nigeria's economic growth and industrial transformation. These include:

1. Agriculture and Food Processing
2. Manufacturing
3. Pharmaceuticals
4. Trade
5. Power and Electricity
6. Transport
7. ICT



<sup>1</sup> [ICMA Green Bond Principles \(GBP\) 2021 \(with June 2022 Appendix I\)](#)

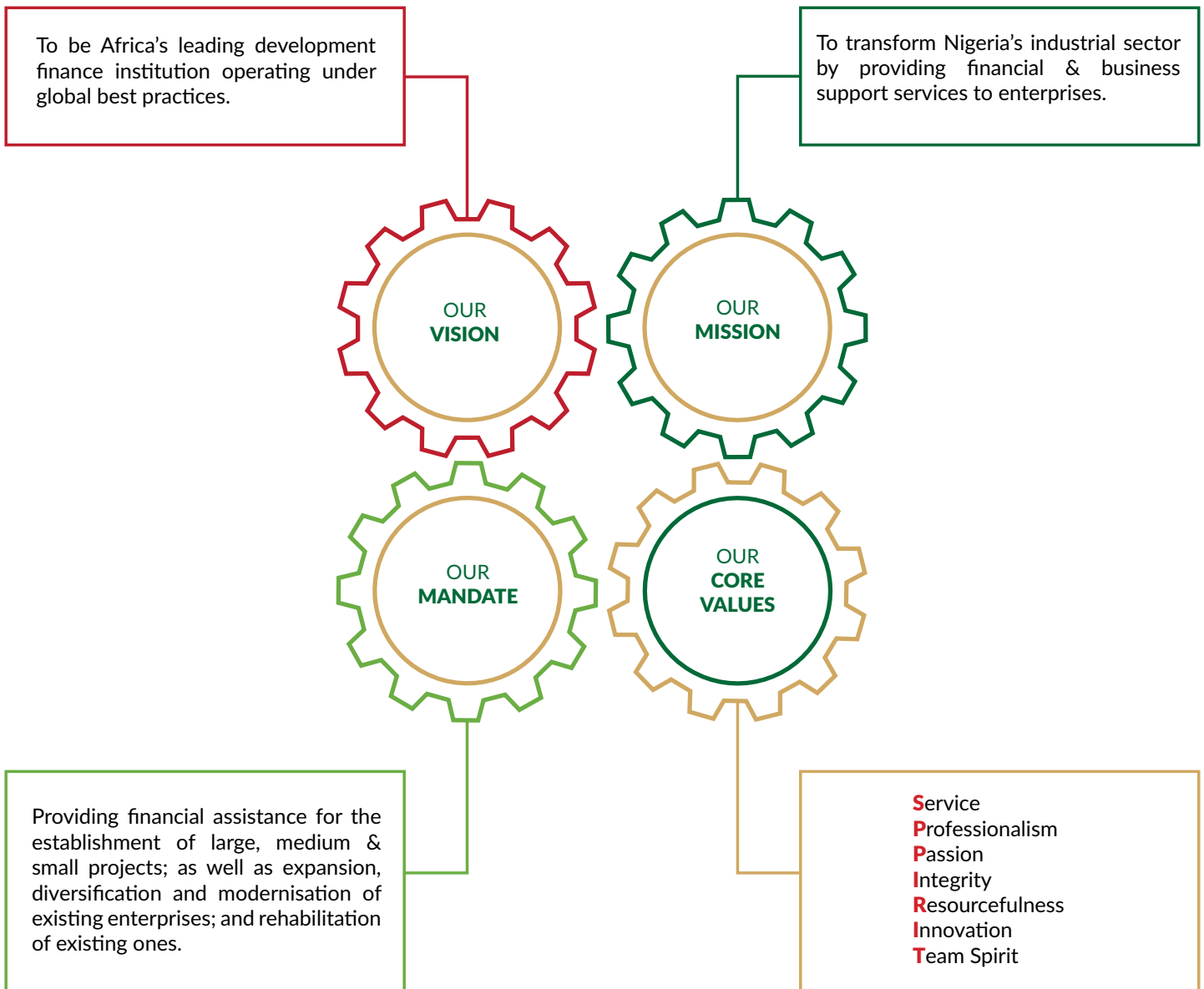
<sup>2</sup> [ICMA Social Bond Principles \(SBP\) 2023](#)

<sup>3</sup> [ICMA Sustainability Bond Guidelines \(June 2021\)](#)

<sup>4</sup> [LMA/LSTA Green Loan Principles 2025](#)

<sup>5</sup> [LMA/LSTA Social Loan Principles 2025](#)

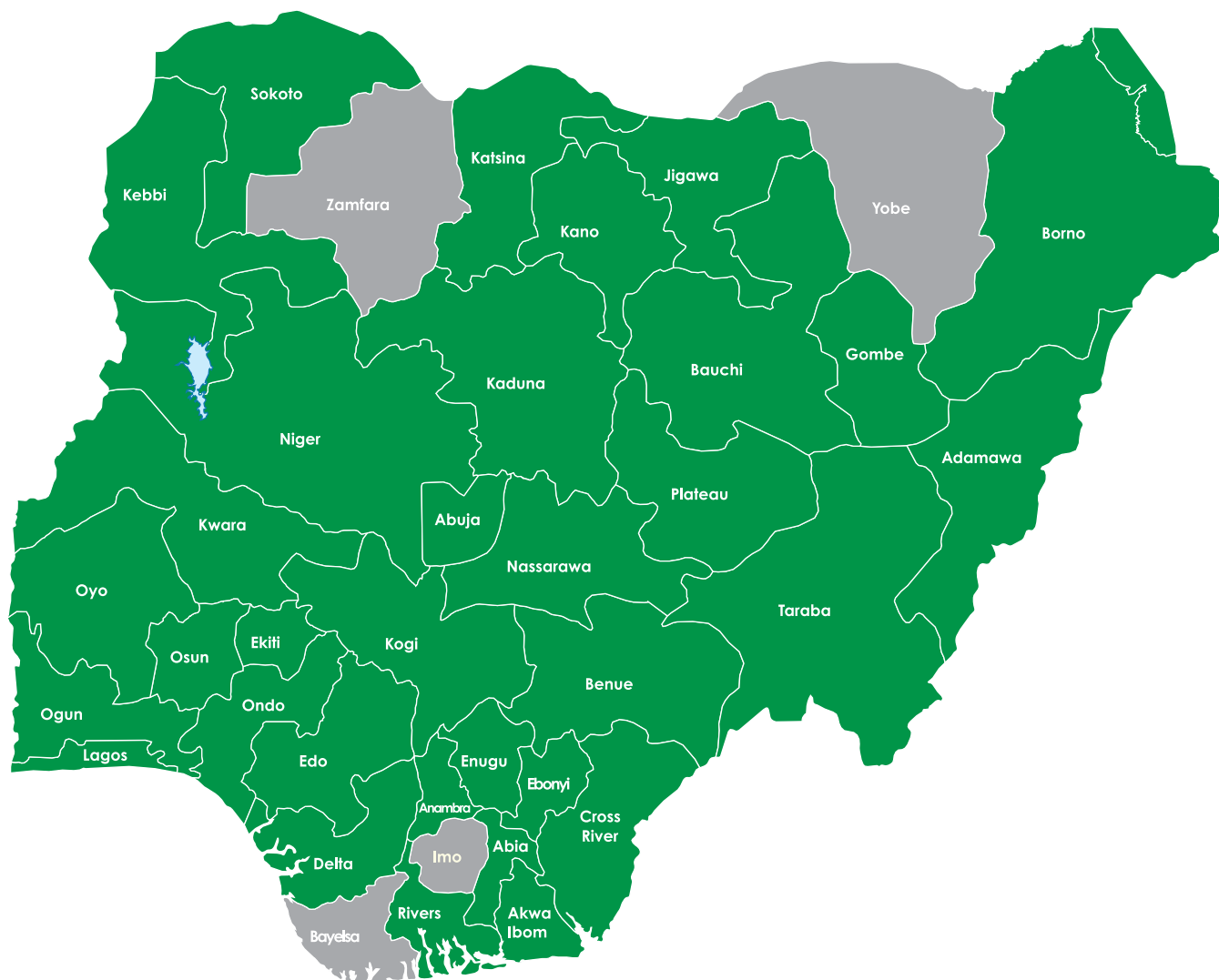
## BOI's Vision, Mission, Mandate and Core Values





Additionally, the Bank will continue to emphasize key thematic focus areas such as youth empowerment and upskilling, MSMEs, climate resilience and sustainability, women and gender, infrastructure, and digital economy. These priorities underscore the Bank's commitment to driving developmental impact, supporting government interventions and innovating solutions that propel the Nigerian economy towards growth in a sustainable manner.

In pursuit of its developmental goal, BOI aims to strengthen strategic business capabilities in core and emerging sectors to facilitate long-term growth. Since 2015, BOI has supported over 4.4 million enterprises and facilitated the creation of more than 11.8 million direct and indirect jobs.

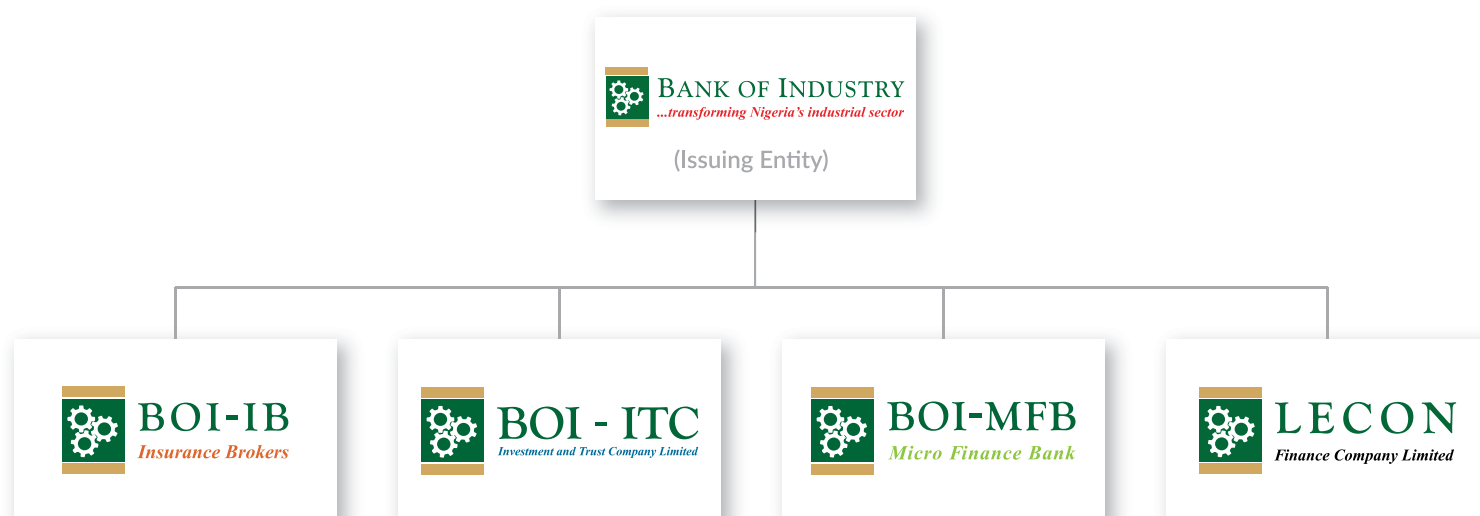
## BOI's Presence in Nigeria



-  States hosting BOI.
-  The Bank is in the process of establishing State Offices in Imo, Bayelsa, & Yobe.

## Organogram of Bank of Industry Group and Entities

### BOI Organogram Structure



#### 1. Bank of Industry (Issuing Entity)

- Primary entity responsible for issuing sustainable financing instruments.

#### 2. BOI Subsidiaries:

##### • BOI Microfinance Bank:

- BOI Microfinance Bank Nigeria, a subsidiary of BOI Nigeria, provides financial services to micro, small, and medium-sized enterprises (MSMEs) and low-income earners. The bank offers accessible loans, business advice, and various savings deposits to support and sustain long-term business growth. Incorporated under Nigeria's 2002 Companies and Allied Matters Act, it is regulated by the Central Bank of Nigeria. With strong financial backing from the Bank of Industry, BOI Microfinance Bank is dedicated to enhancing access to financial services across the country.

- **LECON Financial Services Limited:**

- Established in 1989 as a wholly-owned subsidiary of the Nigerian Industrial Development Bank (now Bank of Industry), LECON Finance Company Limited, formerly known as LECON Financial Services Limited and Leasing Company of Nigeria Limited (LECON), is a major non-bank financial institution specializing in lease financing of assets.
- As the oldest and foremost leasing company in Nigeria, LECON brings over 30 years of experience, expertise, and deep knowledge of the leasing market. Benefiting from BOI's strong relationships with foreign development financial institutions, LECON gains direct access to reasonably priced funds, enabling it to offer competitive lease pricing to its customers.

- **BOI Insurance Brokers Limited:**

- BOI Insurance Brokers Limited specializes in insurance placement and consultancy services. With extensive experience, the company analyzes the activities of organizations and individuals to identify risks that may disrupt operations. They provide advice on risk reduction and elimination, transferring residual risks to reputable underwriters.

- **BOI Investment and Trust Company Limited (BOI-ITC):**

- Established in 1987 as a subsidiary of the Nigerian Industrial Development Bank (now Bank of Industry), BOI Investment and Trust Company Limited (BOI-ITC) is a leading trust company in Nigeria. Registered with the Securities and Exchange Commission (SEC) as a Capital Market Operator and with the Central Bank of Nigeria (CBN) as a finance company, BOI-ITC offers trustee, registrar, and fund/portfolio management services.
- BOI-ITC provides specialized trust services including private and public trusts, employment retirement benefits, trust fund management, estate administration, and executorships. A founding member of the Association of Pension Fund Managers of Nigeria and the Association of Corporate Trustees, BOI-ITC is committed to delivering efficient and professional services through its skilled and experienced team.



## 2. BOI's Approach to Sustainability

### 2.1 Overview

#### **BOI's Commitment to Sustainability – Spearheading Nigeria's Sustainable & Inclusive Industrial Development**

As we navigate the complexities of a rapidly evolving global landscape, sustainability stands as an important beacon guiding the trajectory of responsible development. As a foundation of economic progress, its significance resonates not only in the context of environmental preservation but also in fostering social equity, financial resilience and supporting underserved and high impact areas of the economy. For Development Finance Institutions (DFIs), this ethos of sustainability encapsulates an inherent obligation to align financial endeavors with the broader imperatives of sustainable development.

Against the backdrop of Nigeria's intricate socio-economic tapestry, DFIs have a responsibility to catalyze economic growth while safeguarding the natural environment and uplifting marginalized communities. In recent years, the global landscape witnessed a palpable surge in sustainability consciousness within the development finance space. From integrating sustainable lending practices to pioneering innovative financial instruments aimed at climate resilience and social inclusivity, DFIs exemplified a profound shift towards a more sustainable and inclusive future.

BOI upholds a steadfast commitment to this transformative journey which drives its unwavering resolve to champion sustainability as pioneers of responsible development finance in Nigeria and beyond. The Bank has a robust strategy to integrate sustainability principles into its fundamental business practices, aligning with global frameworks for sustainable development. By embedding sustainability across BOI's operations, the Bank has not only enhanced operational efficiency but also expanded its capability to fulfil its mandate in line with Nigeria's Renewed Hope Agenda.

BOI's comprehensive sustainability strategy encompasses a holistic approach that generates both economic prosperity and positive environmental and social outcomes. Through strategic partnerships with sustainable development institutions locally and globally, as well as innovative responsible initiatives, the Bank aims to maximize value creation while minimizing environmental emissions. This commitment ensures the enduring success of the organization, fostering long-term resilience and prosperity for all stakeholders involved.

#### **BOI's Sustainability Approach, Strategy, Framework & Policies**

The Bank has consistently spearheaded impactful initiatives, products and services focused on environmental stewardship, economic empowerment, and societal well-being. By adopting an integrated triple-bottom-line strategy (of People, Profit and Planet), BOI prioritises the optimisation of environmental, social, and economic outcomes.

In BOI's quest for sustainability, the Bank prioritises alignment with global, regional, and local frameworks to address community needs and global challenges effectively. By integrating these frameworks into BOI's sustainability strategy, the Bank proactively mitigates negative impacts while enhancing positive social, economic, and environmental outcomes. This approach empowers BOI with the necessary tools and strategies to not only minimize harm but also maximize the beneficial effects of the Bank's service delivery.

In BOI's sustainability endeavors, the Bank adheres to prominent frameworks to ensure ongoing excellence, **including the Nigerian Sustainable Banking Principles (NSBP), the Paris Climate Agreement, the Principles for Responsible Banking and the UN Sustainable Development Goals (SDGs)**, among others. This strategic alignment enables the Bank to focus on SDGs most pertinent to the Bank's operational landscape, necessitating targeted efforts towards specific indicators and objectives.

These frameworks form the bedrock of BOI's sustainability-focused policies, such as the **Environmental, Social, and Governance (ESG) Policy and Corporate Social Responsibility (CSR) Policy**. The policies guide BOI's approach to managing ESG risks across the institution and the businesses that the Bank supports while also driving community-centric interventions aimed at enhancing BOI's social, economic, and environmental impact. Integrated into the Bank's business practices as evidenced by the 2025 – 2027 forward-looking strategy, these frameworks inform every aspect of BOI's operations, from strategic planning to decision-making processes.

Through collaborative partnerships and innovative solutions, BOI contributes to global sustainable development goals, laying the foundation for a resilient and inclusive future. BOI's concerted efforts and commitment to creating lasting value extends to the Bank's diverse stakeholders, including customers, shareholders, investors, and communities, fostering mutually beneficial relationships grounded in shared sustainability objectives.



### • Touching Lives and Society

The social aspect of sustainability is centered on mitigating disparities, particularly those stemming from income inequality, gender inequity, and racial, ethnic, and physical barriers. Social sustainability endeavours championing diversity, inclusivity, and equity, while upholding fundamental human rights and fostering robust community involvement.

BOI's approach to social responsibility extends far beyond philanthropy; it embodies a steadfast dedication to enhancing livelihoods and fostering resilient communities. BOI is deeply committed to tackling multifaceted challenges facing our society, environment, and economy through strategic investments and targeted interventions.

In line with this commitment, the Bank is in the process of developing a Sustainability Strategy document. BOI have already developed the Terms of Reference (TOR) and initiated the evaluation and contracting process for the sustainability strategy, which will be finalized and implemented by the end of 2025.

By strategically executing initiatives within this focus area, BOI proactively propels advancements toward pivotal Sustainable Development Goals (SDGs) including: **Good health and well-being (SDG 3), Quality education (SDG 4), Gender equality (SDG 5), Clean water and sanitation (SDG 6), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Peace, justice, and strong institutions (SDG 16), and Partnerships for the goals (SDG 17).**

### • Protecting the Planet

BOI is unwavering in its dedication to mitigating climate risks and capitalizing on emerging opportunities for a sustainable future. BOI's steadfast commitment to environmental stewardship underscores the Bank's strategic imperative to foster resilient ecosystems and pursue sustainable growth pathways.

Aligned with BOI's sustainability ethos, the Bank prioritises environmentally responsible practices to curtail greenhouse gas emissions, minimize waste generation, and safeguard precious natural resources such as water. BOI continuously enhances its operational efficiency and resilience against climate-induced disruptions. Through the initiatives implemented under this pillar, the Bank is able to contribute to the achievement of the following SDGs including: **Clean water and sanitation (SDG 6), Affordable and clean energy (SDG 7), Industry, innovation and infrastructure (SDG 9), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Life below water (SDG 14), and Life on land (SDG 15).**

### • Promoting Economic Growth

BOI's business blueprint is intricately designed with sustainability at its core, positioning the Bank as an agent of positive socio-economic change through its operations, products, and services. Leveraging targeted investment in local ventures, the Bank stimulates job creation, facilitates community resilience, and champions poverty eradication efforts, thereby advancing the SDGs along the economic pillar of the triple bottom-line. BOI's pioneering design of products and services not only combats hunger and inequality but also propels inclusive economic growth and innovation, driving Nigeria towards a greener, more equitable future.

Through the strategic implementation of initiatives within BOI's sustainability strategy, the Bank actively advances progress toward key SDGs including: **No poverty (SDG 1), Zero hunger (SDG 2), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), and Sustainable cities and communities (SDG 11).**

### • Partnerships for Change

BOI recognizes that sustainability is a collective effort that requires collaboration across sectors, geographies, and stakeholders. By fostering strategic partnerships with local and international organizations, BOI amplifies the impact of its initiatives, mobilizes resources, and enhances knowledge sharing to achieve shared sustainability goals.

The Bank actively collaborates with multilateral agencies, development finance institutions, private sector stakeholders and community organizations like United Nations Global Compact, United Nations Environment Programme Finance Initiative (UNEPFI), etc. to address complex challenges. These partnerships enable the Bank to unlock new opportunities for economic growth, environmental sustainability, and societal well-being.

Notable areas of collaboration include co-financing of climate-resilient infrastructure, capacity-building programs for SMEs, and initiatives to promote financial inclusion and gender equity. These partnerships directly contribute to achieving SDG 17 (Partnerships for the Goals) while supporting complementary goals across other pillars of sustainability.

Through **Partnerships for Change**, BOI underscores its commitment to creating an ecosystem that leverages collective expertise, innovation, and resources to deliver lasting positive impacts for communities and the environment.



#### **Touching** Lives & Society

- Creating a diverse and inclusive workforce
- Women empowerment and gender equality
- Improving good health and wellbeing
- Making strategic investments in communities
- Bridging the digital divide by promoting access to digital tools and resources



#### **Protecting** the Planet

- Climate change and greenhouse gas emissions reduction
- Alternative energy
- Resource efficiency and management
- Water efficiency and management
- Waste management
- Managing Environmental, Social and Governance risks



#### **Promoting** Economic Growth

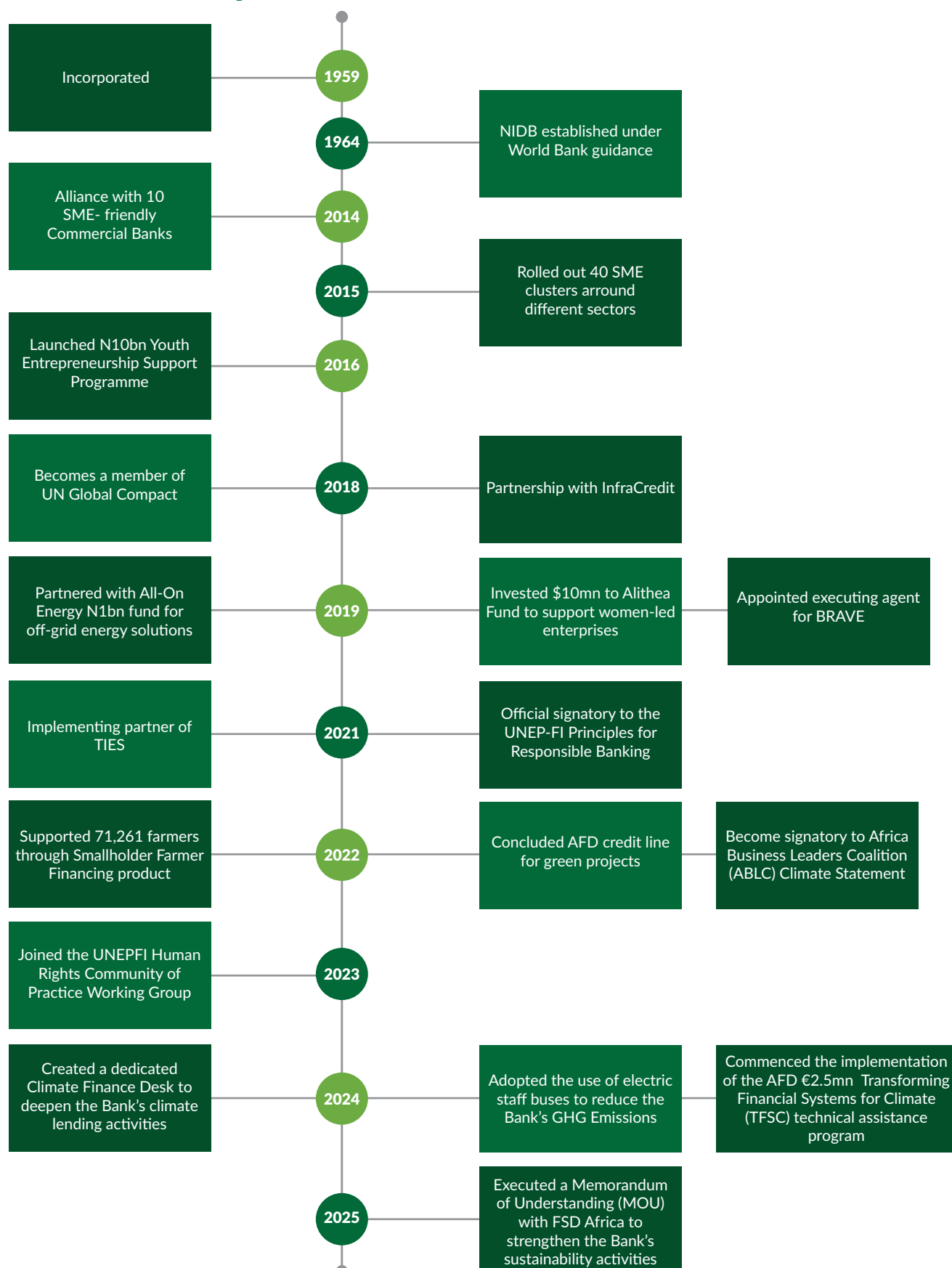
- Enhancing financial inclusion and financial health
- Driving responsible performance within the bank's supply chain
- Sustainability in BOL's business operations



#### **Partnerships** for Change

- United Nations Global Compact
- Human Rights
- Labour Practices
- United Nations Environment Programme Finance Initiative (UNEPFI)

## BOI's Sustainability Milestones



## 2.2 BOI ESG Governance Structures

To strengthen the Bank's commitment to sustainability and ESG (Environmental, Social, and Governance) principles, BOI operates a **two-tier governance structure**.

### Sustainability Committee

The Sustainability Committee will provide strategic oversight, guide the Bank's sustainability agenda and ensure the integration of sustainable practices into every aspect of the Bank's operations. Its terms of reference include:

- **Define the Bank's sustainability goals and objectives**, ensuring their integration into the overall business strategy and alignment with the Sustainable Development Goals (SDGs).
- **Review and monitor the implementation of the Bank's sustainability strategy** in alignment with the SFF and broader business goals, ensuring contributions to the SDGs.
- **Oversee all sustainable initiatives** including ESG, Climate Finance and Investments as well as any other Sustainability Groups within the Bank to ensure that the Bank is effectively identifying, mitigating and managing sustainability-related risks and opportunities across its operations, including biodiversity, ecosystem preservation and supply chain sustainability and climate impact.
- **Assess projects proposed for financing** under the SFF to ensure they meet the Bank's sustainability and ESG criteria and align with the approved framework prioritizing climate resilience and resource efficiency.
- **Review and approve allocation and impact reports** in relation to any Sustainable Finance Instruments executed under the SFF.
- **Oversee any future updates to the SFF** to ensure BOI remains aligned to market best practices, evolving regulations and stakeholder expectation.
- **Guide the implementation of the Environmental & Social Management System (ESMS)** ensuring its full alignment with international best practices and continued improvements, particularly in areas such as waste management and emissions control.
- **Monitor compliance with local and international sustainability regulations** including the Paris Agreement and other climate goals and other standards.
- **Provide recommendations on sustainability-related initiatives**, products and partnerships such as green bonds and sustainability linked loans.
- **Coordinate internal and external sustainability communications** to ensure alignment with the Bank's sustainability commitments and broader stakeholder expectations.
- **Promote a culture of sustainability** across the Bank including employee engagement and capacity-building initiatives such as sustainability training and the creation of sustainability champions in various departments.

### Board of Directors (Owners/Shareholders)

Provide oversight by appointing the Board of Directors to oversee the management of the company, approving major transactions (greater than NGN 7.5 billion), and endorsing significant policy changes.

#### Board Credit, Investment, Governance & Committee

Assist the Board in reviewing the Company's corporate governance framework, credit and investment strategies and decisions, and sustainability strategy, policies, programs, targets, and performance.

#### Board Audit & Risk Committee

Assist the Board in discharging its responsibilities with regards to financial reporting, external and internal audits, internal controls and risk management.

#### Board Strategy & Compliance Committee

Assist the Board in overseeing the development and implementation of the company's strategic initiatives, ensuring compliance with regulatory requirements.

**Incorporates sustainability principles relevant to its mandate**

### Managing Director / CEO

#### Executive Management Committee

Primarily responsible for the day to day management of BOI's operations and strategic policy implementations such as policies being established and approved by the Board.

#### Sustainability Committee

Primarily responsible for providing strategic oversight of the Bank's sustainability strategy, ensuring its alignment with the overall business strategy, governing and implementing initiatives outlined in the Bank's SFF, and identifying and managing ESG risks and opportunities.

## GOVERNANCE AND REPORTING RELATIONSHIPS

The Sustainability Committee will operate as a sub-committee reporting to the Executive Management Committee. The Committee will support all Board Committees by coordinating the Bank's sustainable initiatives and ensuring comprehensive reporting on relevant activities across the Bank's strategic objectives. The Chief Sustainability Officer (CSO) will serve as the secretariat for the Sub-Committee, ensuring comprehensive documentation and follow-up actions and liaising between the committees and management.

### Committee Composition and Meeting Frequency

- **Sustainability Committee**

- **Chairperson:** Executive Director (appointed by the MD/CEO).
- **Members:** Divisional Heads, CSO, and key representatives from related divisions.
- **Frequency:** Quarterly on a statutory basis for Strategic and Non-Credit Matters, monthly or as needed to assess projects proposed for financing under the SFF.

This governance framework ensures streamlined decision-making and comprehensive integration of sustainability into BOI's operations, positioning the Bank to lead in sustainable finance and ESG management.

## 2.3 BOI's ESG Risk Management Process

As a responsible DFI transforming the Nigerian industrial sector through sustainable finance, BOI is committed to embedding sustainability in its business practices to ensure sound ESG risk management and drive strategic social, economic and environmental impact in the communities that the Bank serves and the world at large.

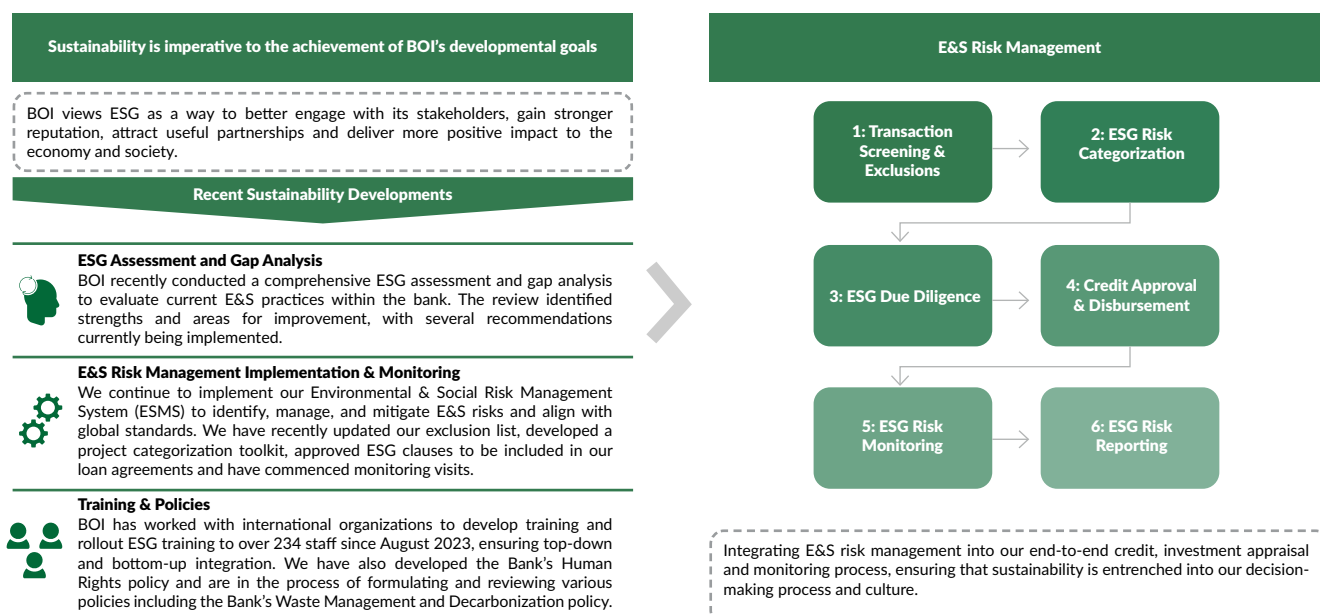
As part of this commitment, the Bank has begun to incorporate well accepted ESG practices and standards into its business and operational activities. This includes setting up its ESG Group in March 2020, under the Risk Management Directorate (RMD) to oversee the process of integrating ESG risk management into its end-to-end credit and investment appraisal and monitoring.

The overall objective for BOI's ESG risk management process, as set out in the BOI ESG Policy (June 2020), is to identify and mitigate avoidable risks and impacts (e.g. regulatory, reputational, liability and legal issues, credit risk and low return on investment, as well as financial losses) arising from ESG risks facing the Bank and also optimizing ESG opportunities. Other key objectives outlined in the Bank's ESG policy include:

1. Integrating ESG risk management into its end-to-end credit and investment appraisal and monitoring process.
2. Ensure compliance with leading international standards while taking cognisance of specific local requirements on ESG risk management in all sectors in which its resources are to be committed.
3. Ensure that its partners (in co-financed deals) share a common commitment to managing ESG risks.
4. Ensure the effective management of ESG risks in the bank's portfolio by appropriately categorizing transactions based on their potential ESG impact.
5. Ensure that there is the appropriate internal capacity to handle ESG issues, which will be supplemented by external expertise, as the need arises.

To give effect to the ESG Policy, the Bank has developed a robust Environmental, Social and Governance Management System ("ESGMS"), which includes sound objectives, which states its commitment to managing ESG risks and opportunities, and includes well-defined policies, procedures and responsibilities for implementation. The ESGMS provides a consistent and practical framework to integrate and manage ESG considerations throughout the BOI funding lifecycle (as per Figure 1 below) and to manage internal operations (including its environmental footprint, labour and working conditions, etc.). This has been designed in line with applicable national (e.g. the NSBP, etc.) and international (e.g. the IFC Performance Standards, etc.) standards for ESG performance. Where there are shortcomings, appropriate mitigants are put in place to ensure compliance with ESG standards.

FIGURE 1 ESG RISK MANAGEMENT PROCESS



The ownership of BOI's ESG Framework (including its ESG Policy Manual and ESGMS) rests with the Board of Directors, who shall be responsible for ensuring the effective implementation of the Framework across the Bank, with support from the Board Audit and Risk Committee (BARC) and the Executive Management Committee (EMC).

These Policies are communicated to all employees and relevant stakeholders of the Bank.

### BOI ESG Categorisation

<b>Category A</b>	Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible or unprecedented that could lead to closure of the business or that might affect its going concern status. These impacts cannot be mitigated or remedied or can only be mitigated or remedied at significant costs.
<b>High-Risk Category B</b>	Business activities with generally limited potential adverse social or environmental impacts that are site-specific and readily addressed through mitigation measures but have specific features which can have potential significantly more adverse social or environmental impacts, including category B transactions within higher risk sectors including mining, oil and gas and pharmaceuticals and where identified during the initial ES risk categorisation process.
<b>Category B</b>	Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, that may not threaten loan repayment, are generally site-specific, largely reversible, and readily addressed through mitigation measures.
<b>Category C</b>	Business activities with no adverse environmental or social risks and/or impacts.
<b>Category FIs</b>	Business activities involving investments in financial intermediaries or through delivery mechanisms involving financial intermediation.



### 3. Rationale for Sustainable Finance Framework

This Framework will enable the Bank to programmatically issue/raise Sustainable Finance Instruments aligned with market best practices and expectations.

By aligning BOI's Framework with various internationally recognised standards, principles, and guidelines, the Bank is able to ensure transparency and meet investors' growing interest in greener and socially inclusive assets. Through this Framework, BOI is aligning its funding strategy with its sustainability strategy and objectives, highlighting the Bank's commitment to and focus on the role it plays in Nigeria.

### 4. Sustainable Finance Framework

This section of the Framework establishes the guidelines under which BOI will issue/raise the following Sustainable Finance Instruments:

- Green instruments (Green Instruments) where proceeds are used to finance/refinance projects or assets aligned with the eligibility criteria under Section 4.1.1 Eligible Green projects or assets (Green Assets)
- Social instruments (Social Instruments) where proceeds are used to finance/refinance projects or assets aligned with the eligibility criteria under Section 4.1.2 Eligible Social projects or assets (Social Assets)
- Sustainability instruments (Sustainability Instruments) where proceeds are used to finance/refinance Green or Social Assets.

Any such financing by BOI that is designated a Sustainable Finance Instrument shall incorporate by reference this Framework or any such future versions published by BOI.

#### 4.1 Use of Proceeds

An amount equivalent to the net proceeds of Sustainable Finance Instruments issued/raised by BOI under this Framework will be used to finance or refinance, in whole or in part, eligible Green or Social Assets (collectively, Eligible Assets) as defined in section 4.1.1 and 4.1.2 below. Eligible Assets may be originated by BOI and/or BOI Subsidiaries.

This section of the framework has been developed in line with the ICMA, LMA and LSTA principles, as described in the introduction. These principles require alignment with four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The principles also recommend external review, details of which are provided in Section 5 below.

#### Financing and/or refinancing

The net proceeds from the Sustainable Finance Instruments issued/raised under this Framework can be used to finance or refinance, in part or in full, new and/or existing Eligible Assets. Where the proceeds are used for refinancing, BOI will clarify the expected look-back period in the relevant financing documents. Eligible Assets which are previously financed by other multilateral financial institutions will not be eligible for refinancing to avoid double counting of environmental or social impact.

#### Pure Play

If the use of proceeds is not specified or dedicated to a certain activity i.e. general corporate purposes, eligibility of a transaction or asset for classification as a Sustainable Finance Instrument under this Framework will be assessed based on company profile. Transactions are eligible where a company derives greater than or equal to 90% of its revenue or earnings before interest, taxes, depreciation and amortisation (EBITDA) (or other such applicable measures) from eligible activities under section 4.1. General purpose financing will not apply to entities which themselves have raised Sustainable Finance Instruments and companies which generate revenue from any activities falling under the exclusion list of the Framework.



#### Qualifying on-lending

Where BOI provides lending to regional, national or microfinance banks, financial institutions regulated by the CBN, non-government organizations (NGOs), cooperative societies, leasing companies, supranational organisations or other eligible entities involved in financial intermediation and the purpose of the funding is for investments that are aligned with the eligible activities under this Framework, the financial solution provided by BOI will be classified as green, social or sustainable per the eligible activities under section 4.1.1 & 4.1.2 below.

### 4.1.1 Eligible Green Assets

This section sets out eligible green activities including any specific exclusions applicable to a particular activity which would mean it is not eligible as a green activity. The green eligibility criteria identified below will enable the Bank to achieve one or more of the following green objectives:







- Climate change mitigation;
- Climate change adaptation;
- Natural resource conservation;
- Biodiversity conservation; and/or
- Pollution prevention and control.

Green Bond / Loan Principle	Sector	Eligibility Criteria	Exclusions and Limitations
Renewable Energy    	Solar	Solar Photovoltaics (PV), including floating, Concentrated Solar Power (CSP) and solar thermal facilities	
	Wind Energy	On-shore and off-shore wind energy projects	
	Hydropower	Run of river plant without an artificial reservoir that include: <ul style="list-style-type: none"> <li>• Small-scale hydropower <math>\leq 25</math> MW</li> <li>• Larger hydropower, exceeding 25 MW: lifecycle carbon intensity <math>\leq 100\text{gCO}_2\text{e/kWh}</math> or power density of electricity generation <math>\geq 5\text{W/m}^2</math></li> </ul>	<b>Limitations</b> <ul style="list-style-type: none"> <li>• Any new hydropower project will need to conduct an environmental and social risk assessment</li> </ul>
	Biogas or Biomass	Biogas or biomass of which the feedstock must be separated before use into recyclable and non-recyclable <ul style="list-style-type: none"> <li>• Waste and non-waste feedstock will be utilised</li> <li>• Waste feedstock includes but is not limited to livestock and crop residues, food waste, algae sludge, waste paper and bagasse</li> </ul>	<b>Limitations</b> <ul style="list-style-type: none"> <li>• Non-waste feedstock will need to be from fully certified sustainable sources or sustainable crops<sup>6</sup>, and have a carbon intensity of lower than <math>100\text{gCO}_2\text{e/kWh}</math> (average over five years)</li> </ul>
	Geothermal	Geothermal projects with direct or lifecycle carbon intensity $\leq 100\text{gCO}_2\text{e/kWh}$	
	Green Hydrogen	Production or research & development of green hydrogen powered with 100% renewable energy or hydrogen with life-cycle emissions lower than $3\text{tCO}_2\text{e/tH}_2$ and associated green products <sup>7</sup> , associated infrastructure and transportation	
	Off-grid access to renewable energy	Projects that support off-grid electricity access and displace fuel consumption (e.g. the replacement of kerosene lamps or diesel generators through electrification) or reduce the need for wood, coal or liquid fuel as a source of energy in the community, thereby reducing emissions	

<sup>6</sup>Sustainable non-food crops are defined as, among others, crops certified under the Roundtable on Sustainable Biomaterials or ISCC Plus, soy certified under the Round Table on Responsible Soy, sugar cane certified under Bonsucro and wood certified under the Forest Stewardship Council or Programme for the Endorsement of Forest Certification. Additional certification schemes may be considered but should be as or more credible than those listed here.

<sup>7</sup>Green ammonia, sustainable aviation fuel, green methanol and electricity

Green Bond / Loan Principle	Sector	Eligibility Criteria	Exclusions and Limitations
<b>Renewable Energy</b>    	Construction, maintenance or expansion of associated electricity transmission and distribution networks, and storage facilities	<ul style="list-style-type: none"> <li>Measures to facilitate the integration of renewable energies into the grid networks including transmission, distribution, and storage</li> <li>Development, improvement, maintenance, resilience, and expansion of transmission and distribution infrastructure</li> </ul>	<b>Limitations</b> <ul style="list-style-type: none"> <li>Project(s) must increase renewable energy penetration</li> </ul>
	Financing of the manufacturing of renewable energy components	<ul style="list-style-type: none"> <li>Manufacture or import of components of renewable energy technology, including but not limited to wind turbines, solar panels, inverters and Energy storage system</li> <li>Manufacturing and supply chain / distribution solely dedicated to renewable energy equipment and components</li> </ul>	
<b>Energy Efficiency</b>  	Energy Efficiency	<ul style="list-style-type: none"> <li>Manufacture and/or installation of components or technologies that enable energy efficiencies, e.g. smart grid technology, energy-efficient lighting</li> <li>Industrial or manufacturing energy-efficiency improvements (minimum 20% against a baseline) through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery</li> <li>Modernisation geared at retrofitting transmission lines or substations to reduce transmission losses</li> </ul>	<b>Exclusions:</b> <ul style="list-style-type: none"> <li>Projects related to coal, oil or gas-related technologies are excluded</li> </ul>
<b>Climate Change Adaptation</b>    	Climate Change Adaptation	<ul style="list-style-type: none"> <li>Infrastructure and activities that address physical climate risk and/or increase the resilience of eco-systems, including but not limited to expansion or maintenance of flood defence systems, wildfire mitigation and management and biodiversity protection</li> <li>Monitoring technologies including climate observation and information support system</li> <li>Projects or activities that increase the resilience of agribusinesses against climate risks, including but not limited to sub-surface drip irrigation, crop netting, soil rehabilitation and climate resilient infrastructure</li> <li>Nature-based projects that improve reliability of water supply during extended periods of drought including but not limited to afforestation / reforestation, removal / control of alien species and sustainable watershed management</li> </ul>	<b>Limitations:</b> <ul style="list-style-type: none"> <li>Projects related to climate resilience must undergo demonstrate an understanding of potential climate risks and should have flexible management plans that account for uncertainties</li> <li>Large-scale agricultural operations will be sustainability certified by a credible sustainable agriculture certification body e.g. Rainforest Alliance, Round Table on Responsible Soy</li> </ul>

Green Bond / Loan Principle	Sector	Eligibility Criteria	Exclusions and Limitations
<p>Green Buildings</p>  	Green Buildings	<ul style="list-style-type: none"> <li>Development, acquisition, retrofit and/ or refurbishment of existing or new residential or commercial (including public sector) buildings achieving acceptable certifications and ratings; or</li> <li>Minimum 20% improvement in energy use and / or carbon emissions compared to a baseline (as outlined in fairly recent jurisdictionally relevant building codes such as the National Building Code (NBC), the Energy Efficiency Building Code (EEBC) or more recent codes</li> </ul>	<p><b>Limitations</b></p> <p>Acceptable certifications include:</p> <ul style="list-style-type: none"> <li>Leadership in Energy and Environment Design ('LEED') "Gold" certification;</li> <li>Green Star 4 category or above;</li> <li>EWP Level 6 or above rating;</li> <li>BREEAM "Very good" or above,</li> <li>EDGE certified by the International Finance Corporation's ("IFC") EDGE partner or above, or</li> <li>Other equivalent recognised certifications that may be applicable to Nigeria</li> </ul>
<p>Pollution Prevention and Control</p>  	<p>Reduced Air Emissions</p> <p>Improved Waste Management &amp; Circular Economies</p>	<ul style="list-style-type: none"> <li>Replacement of heating / cooling systems in existing industrial, commercial, or residential infrastructure with electric powered systems with lower global warming potential</li> <li>Development of projects that reduce air emissions beyond compliance requirements</li> <li>Finance of nature-based carbon capture and storage technologies and projects with carbon capture and storage benefits such as afforestation, marine, wetland and peatland conservation</li> </ul> <p>Development, construction or acquisition of projects that:</p> <ul style="list-style-type: none"> <li>Convert waste to-energy</li> <li>Prevent waste generation and facilitate recycling (waste reduction)</li> <li>Reduce the amount of waste produced or sent to landfill</li> <li>Support recycling and/or sorting</li> <li>Storage and bulking facilities dedicated to transfer waste to downstream waste recycling/reuse assets</li> <li>Research and development ("R&amp;D") focused on renewable and resource-efficient/low-carbon products (including packaging), processes, and technologies</li> <li>The procurement of recycled / waste / resource-efficient materials as an input</li> <li>Collection, sorting, cleaning, refurbishment, reconditioning and/or repair of products for re-use</li> <li>Acquisition of or production of resource-efficient products (including packaging) using recycled waste and/or bio-based materials.</li> </ul>	<p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>Projects related to operations in oil and gas, coal powered plants and coal mining</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>Feedstocks must be separated into recyclable, non-combustible and hazardous materials before incineration</li> <li>The repair, refurbishment and/or reuse of products that are fossil fuel intensive, or used for the extraction of fossil fuel, will not be eligible</li> <li>Resource-efficient products should have a reasonable basis / evidence to support substantial reduction of lifecycle emissions (relative to comparable fossil product)</li> </ul>
<p>Clean and Sustainable Transportation</p>  	Sustainable Transportation	<ul style="list-style-type: none"> <li>Import, manufacture, development, acquisition or construction of: <ul style="list-style-type: none"> <li>Electric vehicles (EVs),</li> <li>Charging stations or supporting infrastructure for EVs and hybrid vehicles</li> </ul> </li> <li>Fully electric, biofuel or hydrogen-powered passenger/cargo ships; or</li> <li>Private or light commercial hybrid vehicles with carbon intensity that is less than 95gCO<sub>2</sub>e/km</li> </ul>	<p><b>Exclusions</b></p> <ul style="list-style-type: none"> <li>Transportation dedicated to fossil fuels or fossil fuel blended with alternative fuels</li> </ul>

Green Bond / Loan Principle	Sector	Eligibility Criteria	Exclusions and Limitations
<p>Clean and Sustainable Transportation</p>  	Sustainable Transportation	<ul style="list-style-type: none"> <li>Shipping projects related to: <ul style="list-style-type: none"> <li>Retrofit of existing ships involving fuel switching (to low-carbon fuels).</li> <li>Shipping infrastructure including bunkering facilities for biofuels, green hydrogen, green ammonia, and green methanol</li> </ul> </li> <li>Rail or freight transportation projects for public use, rail transportation of goods and train infrastructure upgrades <ul style="list-style-type: none"> <li>For all public mass passenger transportation that are not electrified, the carbon intensity should be less than 95gCO<sub>2</sub>e/km</li> <li>For non-electrified freight transport, the threshold is 25gCO<sub>2</sub>/km</li> </ul> </li> <li>Transport infrastructure projects, in particular, the manufacturing, development, or purchase of specialised parts such as EV batteries or Information and Communication (ICT) systems such as microcontrollers and wireless communication infrastructure that aim to improve the general transport logistics to increase energy efficiency</li> </ul>	<p><b>Exclusions</b></p> <ul style="list-style-type: none"> <li>Transportation dedicated to fossil fuels or fossil fuel blended with alternative fuels</li> </ul>
<p>Sustainable Management of Natural Resources</p> 	<p>Climate Smart Agriculture</p>	<p>Projects that contribute to environmentally sustainable agriculture through:</p> <ul style="list-style-type: none"> <li>Sustainable agricultural techniques such as adoption of sustainable regenerative agriculture, soil management practices, low-carbon agricultural technologies, precision and data-driven agriculture management or techniques or equipment which reduces inputs such as pesticides or fertilisers</li> <li>Agricultural projects that improve existing soil carbon (e.g., rangeland management; collection and use of bagasse, rice husks, or other agricultural waste; reduced tillage techniques that increase carbon contents of soil; soil recovery and restoration of degraded pastures; peatland restoration)</li> <li>Eligible assets to support smallholder farmers for Agriculture Resilience and Adaptation technology and practices including rainwater harvesting, solar pumps, land restoration, net shading and organic farming practices</li> </ul>	<p><b>Exclusions</b></p> <ul style="list-style-type: none"> <li>Inorganic or synthetic fertilisers, pesticides or herbicides will be excluded</li> <li>Large scale industrial farming, livestock or poultry production are excluded</li> </ul>
	<p>Environmentally sustainable management of living natural resources and land use</p>	<ul style="list-style-type: none"> <li>Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC) certified projects that involve reforestation, afforestation, rehabilitation of degraded land, preservation, or restoration of natural landscape</li> <li>Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems</li> <li>Financing activity either contributing to conserving/increasing biodiversity, or the core business/aim of the project is to conserve or increase biodiversity</li> </ul>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>Reforestation/afforestation projects must utilize tree species that are well-adapted to the site conditions</li> </ul>

Green Bond / Loan Principle	Sector	Eligibility Criteria	Exclusions and Limitations
Terrestrial and Aquatic <sup>8</sup>  	Biodiversity Conservation	<ul style="list-style-type: none"> <li>Projects involved in conservation through the preservation and/or restoration of aquatic biodiversity and valuable aquatic habitats</li> <li>Projects related to the ongoing monitoring and surveillance of marine protected areas</li> <li>Projects related to the sustainable supply of raw materials that can displace existing harmful products or reduce the nitrogen and phosphorus loads on the aquatic environment</li> <li>Pollution prevention infrastructure in areas connected to rivers or coast water basins</li> <li>Water, waste or pollution management and reduction measures in shipping vessels, shipping yards or ports</li> </ul>	<b>Limitation</b> <ul style="list-style-type: none"> <li>Shipping vessels must follow the clean transportation criteria in this Framework to be considered eligible</li> </ul>
Sustainable Water 	Sustainable Water & Wastewater Management	Projects related to sustainable infrastructure for the supply of clean and/or potable water, water capture and/or storage, water efficiency improvement, water recycling, rainwater harvesting, wastewater treatment, desalination and sustainable urban drainage systems	<b>Exclusion:</b> <ul style="list-style-type: none"> <li>Treatment of wastewater from fossil fuel operations</li> </ul> <b>Limitation:</b> <ul style="list-style-type: none"> <li>Projects involving desalination activities must have an environmental risk mitigation strategy in place that addresses the management of brine and must be powered primarily by renewable energy or low-carbon sources (with an average carbon intensity at or below 100gCO<sub>2</sub>e/kWh)</li> </ul>
Pollution Prevention and Control 	Carbon Financing	Financing the scaling of the voluntary and compliance carbon credits market through projects that are otherwise eligible within this Framework and are certified under at least one of the following standards: <ul style="list-style-type: none"> <li>Clean Development Mechanism (CDM)</li> <li>Climate Action Reserve</li> <li>The Gold Standard</li> <li>Verified Carbon Standard (VCS)</li> <li>Plan Vivo</li> <li>Eligible as per the relevant Nigerian Carbon Regulations<sup>9</sup></li> <li>Eligible under the standards for mitigation outcomes that are agreed by parties to cooperative approaches under Article 6 paragraph 2 of the Paris Agreement; and Eligible under the Sustainable Development Mechanism, Article 6 paragraph 4 of the Paris Agreement</li> <li>Accredited under the International Carbon Reduction and Offset Alliance (ICROA), The Integrity Council for the Voluntary Carbon Market (ICVCM) or the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)</li> </ul>	

<sup>8</sup> Note that certain criteria may qualify to be labelled as blue if they meet the following requirements: green activities that are located in areas that have at least 50% of their surface within 10 km from the coastline, rivers, lakes or wetlands. Double counting of impacts will be avoided.

<sup>9</sup> Currently there is no carbon tax nor emissions trading system in Nigeria. Section 19 & 20 of the Climate Change Act, "Carbon Budget and National Climate Change Action Plan" has been referenced to the extent it can be utilized for locally accredited carbon projects, in the event that it is updated.

### 4.1.2 Eligible Social Projects or Assets

This section sets out eligible social activities, including any specific exclusions applicable to a particular activity which would mean it is not eligible as a social activity. The social eligibility criteria identified below will enable the Bank to achieve one or more of the following social objectives:

- Drive economic growth and inclusion;
- Improve financial inclusion;
- Support economic development and job creation; and/or
- Support food security and agriculture.



#### Definition of Target Populations and Target Areas

Social financing directly aims to address or mitigate specific social issues and/or seeks to achieve positive social outcomes especially but not exclusively for a target population. Target population thresholds will vary by region or by project within Nigeria.

The primary target populations BOI anticipates will benefit have been included for reference, however, further disclosure on the specific target populations will be aligned to independent sources including, but not limited to, government definitions, UN standards, World Bank criteria, national authorities and other relevant sources, and will be included in the relevant post transaction reporting. Examples of target populations include, but are not limited to, those that are:

- Migrants and/or displaced persons
- Undereducated
- Underserved, owing to a lack of quality access to essential goods and services
- Low-income populations being those who earn less than NGN 70 000 per month (or NGN 840 000 per year)
- Women and/or sexual and gender minorities
- Marginalised Populations being women, youth (15 – 29 years old), older persons and/or people with disabilities. Other vulnerable groups, including as a result of natural disasters
- Smallholder (managing areas up to 10 hectares<sup>10</sup>) and/or rural farmers (farmers who operate in local government areas outside the Metropolitan areas)

It should be noted that as per the ICMA SBP and LMA SLP a target population may also be served by addressing the general public.




Social Bond/Loan Principle Category	Sector	Eligibility Criteria	Exclusions and Target Populations																				
<p>Access to Essential Services</p> <p>Employment Generation and improvement through the potential effect of SME financing and Microfinance</p> <p>Socio-economic advancement and empowerment of disadvantaged groups</p>  	Financial Inclusion	<p><b>Personal Consumer Finance</b></p> <ul style="list-style-type: none"> <li>• Financial services that aim to increase access to affordable microfinance, personal finance, banking services, affordable credit, insurance and savings accounts <sup>11</sup></li> </ul> <p><b>MSME</b></p> <ul style="list-style-type: none"> <li>• Projects that promote the formalisation, growth and access to financial services for MSMEs via activities including but not limited to banking services, affordable credit, insurance and saving and/or technical support. MSMEs are defined as <sup>12</sup>:</li> </ul> <p>An enterprise qualifies as a micro, small or medium enterprise if it meets two out of three criteria of the SMEDAN MSME Definition (employees, assets and sales), OR if the loan to it falls within the relevant MSME loan size proxy:</p> <table border="1"> <thead> <tr> <th colspan="3">SMEDAN MSME Definition</th><th>MSME Loan Size Proxy</th></tr> <tr> <th>Indicator</th><th>Employees</th><th>Total Assets (excluding land &amp; building) / Turnover</th><th>Loan Size</th></tr> </thead> <tbody> <tr> <td>Micro Enterprise</td><td>&lt;10</td><td>&lt;N50mn</td><td>&lt;N10mn</td></tr> <tr> <td>Small Enterprise</td><td>10-49</td><td>N50mn – N1bn</td><td>N10mn – N500mn</td></tr> <tr> <td>Medium-Sized Enterprise</td><td>50-200</td><td>N1bn – N5bn</td><td>N500mn – N5bn</td></tr> </tbody> </table>	SMEDAN MSME Definition			MSME Loan Size Proxy	Indicator	Employees	Total Assets (excluding land & building) / Turnover	Loan Size	Micro Enterprise	<10	<N50mn	<N10mn	Small Enterprise	10-49	N50mn – N1bn	N10mn – N500mn	Medium-Sized Enterprise	50-200	N1bn – N5bn	N500mn – N5bn	<ul style="list-style-type: none"> <li>• MSMEs, as defined in the eligibility criteria</li> <li>• Youth</li> <li>• Low-income individuals</li> <li>• Individuals in underserved areas</li> </ul>
SMEDAN MSME Definition			MSME Loan Size Proxy																				
Indicator	Employees	Total Assets (excluding land & building) / Turnover	Loan Size																				
Micro Enterprise	<10	<N50mn	<N10mn																				
Small Enterprise	10-49	N50mn – N1bn	N10mn – N500mn																				
Medium-Sized Enterprise	50-200	N1bn – N5bn	N500mn – N5bn																				

<sup>10</sup> As per Food and Agricultural Organisation definition of Smallholder and Family Farmers. Source: [Smallholder and Family Farmers factsheet](#).

<sup>11</sup> While BOI's financing activities do not directly include Personal Consumer Finance, activities may include on-lending to entities with a focus on financial inclusion to individuals.

<sup>12</sup> Definitions are aligned to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) definitions, as updated or amended from time to time or other reputable independent definitions, which will be specified in the post-transaction reporting.









Social Bond/Loan Principle Category	Sector	Eligibility Criteria	Exclusions and Target Populations
	Employment Generation and Job Creation	<ul style="list-style-type: none"> <li>Financing of employment creation projects/programs, training and/or development programs aimed at increasing access to opportunities for vocational skills, employment, decent jobs and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>Youth</li> <li>Vulnerable and/or low-income groups</li> </ul>
Socioeconomic advancement and empowerment   	Women in the economy	<ul style="list-style-type: none"> <li>Projects that aim to provide women and woman-owned/managed enterprises with access to financial services, including but not limited to banking services, affordable credit, insurance, payment services, saving accounts, and non-financial services, including financial literacy and business skill training</li> </ul> <p>An enterprise qualifies as a woman-owned/managed enterprise if it meets the following criteria:</p> <ol style="list-style-type: none"> <li><b>Entrepreneurship</b> (&gt;51% share of women ownership or founded by a woman); or</li> <li><b>Leadership</b> (30% share of women in senior management or 30% of women on Board or Investment Committee); or</li> <li><b>Employment</b> (30-50% share of women in the workforce); or</li> <li><b>Consumption</b> (product or service should disproportionately i.e., &gt;50%, benefit women)</li> </ol>	<ul style="list-style-type: none"> <li>Women</li> <li>Women-owned/managed enterprises (including Women-owned/managed MSMEs)</li> </ul>
	Creative economy <sup>13</sup>	<ul style="list-style-type: none"> <li>Projects that aim to provide enterprises in the Creative Industries ("CI Enterprises") with access to financial services, including but not limited to banking services, affordable credit, insurance, payment services, savings accounts, and non-financial services, including financial literacy and business skill training, as well as fintech solutions that enable the Creative Industries</li> <li>Projects that enable the physical or digital production, distribution and/or merchandising of Creative Industries products</li> <li>Projects involving improvements to existing or development of new facilities, infrastructure or programs, to enable the Creative Industries through improved efficiency, quality and/or capacity</li> <li>The Creative Industries include<sup>14</sup> audiovisual, multimedia, photography, music, performing and visual arts, media and publishing, recreational centres and integrated parks, entertainment arenas, fashion and accessories, tourism (cultural and experiential) and talent agencies</li> </ul>	<ul style="list-style-type: none"> <li>CI Enterprises <sup>15</sup>, as defined in the eligibility criteria</li> <li>People working in CI Enterprises to maintain jobs and create capacity for new jobs</li> </ul>

<sup>13</sup> The creative economy is rapidly growing, especially in developing countries, and contributes to economic development and job creation. In 2019, Nigeria's creative industries employed roughly 3.2 million people or 6% of total employment. Source: Broadly aligned to the UNCTAD [Creative Economy Outlook 2024](#). Additionally, Nigeria's National Development Plan (2021 – 2025) (NDP) has identified the Culture, Creative, Hospitality and Tourism sector's potential in job creation and driving Nigeria's economic growth.




<sup>14</sup> The classification of relevant sub-sectors within the Culture and Creative Industries is in line with UNCTAD Report: [Advancing the measurement of the creative economy](#).

<sup>15</sup> Nigeria's NDP has listed various challenges faced by the Culture, Creative, Hospitality and Tourism sector including "limited implementation of enabling policies, especially for copyright protection, limited public and private funding, even with the present support through initiatives from the Nigerian government, poor infrastructure, weak market linkages, inability to provide traditional collateral for loans, thereby limiting financing opportunities, and inadequate skills and training"

<sup>16</sup> Relates to the infrastructure and services which allow for the transmission of information to enable accessibility

Social Bond/Loan Principle Category	Sector	Eligibility Criteria	Exclusions and Target Populations
<b>Affordable Basic Infrastructure</b>   	Transportation	<ul style="list-style-type: none"> <li>The development and/or material upgrades to improve access, reliability, and/or quality of roads and public transportation infrastructure</li> <li>Development of rural/feeder roads and the equipment associated therewith</li> </ul>	<ul style="list-style-type: none"> <li>Underserved populations including but not limited to rural areas that lack connectivity or access to key social infrastructure</li> </ul>
	Telecommunications	<ul style="list-style-type: none"> <li>The provision of telecommunications networks and related infrastructure, equipment and services in order to create, expand or improve mobile coverage and/or provide internet access <sup>16</sup></li> </ul>	<ul style="list-style-type: none"> <li>Unconnected, low-income or underserved populations, due to lack of basic infrastructure</li> </ul>
	Energy	<ul style="list-style-type: none"> <li>Development, maintenance or improvement of transmission and distribution infrastructure for a target population in areas with no or limited access to energy</li> </ul>	<ul style="list-style-type: none"> <li>Marginalised or low-income populations</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Projects to develop or improve water supply infrastructure</li> <li>Projects expanding the access to adequate sanitation</li> <li>Expansion of public access to safe and affordable drinking water, including construction of bulk infrastructure</li> <li>Infrastructure or upgrade related to water treatment</li> </ul>	<ul style="list-style-type: none"> <li>Marginalised or low-income populations</li> </ul> <p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>Water treatment infrastructure related to fossil fuel operations are excluded</li> </ul>
<b>Food Security and Sustainable Food Systems</b>  	Nutrition & Farming	<ul style="list-style-type: none"> <li>Projects that address food security or food loss to enable access to affordable food which looks to increase the nutritional status of the ultimate beneficiary</li> <li>Projects that support smallholder and/or rural farmers to enable increased productivity, market access, food security or adaptive and/or resilient agricultural practices such as irrigation infrastructure, agri inputs and community-based subsistence farming</li> <li>Cold chain and storage for agricultural products</li> <li>Input finance agriculture value chain development enabling access to finance and/or productivity of small-scale producers</li> </ul>	<ul style="list-style-type: none"> <li>Marginalised populations or communities</li> <li>Vulnerable and/or low-income groups</li> <li>Smallholder and/or rural farmers</li> </ul>
<b>Affordable Housing</b> 	Affordable Housing	<ul style="list-style-type: none"> <li>Any project that involves the construction, development, purchase, operation, maintenance and/or investment in registered/recognized affordable or social housing</li> <li>Financing or re-financing of any project that involves the construction of and/or refurbishment and conversion to affordable, low income, community or social housing projects</li> <li>Home loans in the affordable, low-income, community or social housing segment</li> </ul>	<ul style="list-style-type: none"> <li>Low-income populations</li> <li>Underserved populations</li> </ul>

<sup>16</sup> Relates to the infrastructure and services which allow for the transmission of information to enable accessibility

Social Bond/Loan Principle Category	Sector	Eligibility Criteria	Exclusions and Target Populations
Access to Essential Services    	Education	<ul style="list-style-type: none"> <li>Projects involving improvements to existing or development of new education facilities, infrastructure or programs that would improve the efficiency, quality and/or capacity of the facility or program (including but not limited to child-care, pre-primary, primary, secondary, tertiary or other vocational and technical skills training)</li> <li>Projects that aim to provide increased access to tertiary education or vocational and technical skills training, as well as access to campus infrastructure, student housing or activities which would improve individuals' access to employment/self-employment</li> <li>Any projects that improve technological access within the education sector</li> </ul>	<ul style="list-style-type: none"> <li>Underserved due to lack of access to essential services</li> <li>Marginalised or low-income populations</li> </ul>
	Health	<ul style="list-style-type: none"> <li>Projects related to the construction, operation, maintenance, improvement and/or purchase of infrastructure, equipment and/or services for hospitals and other healthcare institutions that enables efficiency, quality, access and/or capacity of the facility (including but not limited to basic health care programs, laboratories, health centres, clinics, ambulances, health equipment and supplies)</li> <li>Projects that aim to improve healthcare services, research and development to support access to healthcare and/or the roll out of essential medicines and vaccines</li> <li>Projects that aim to increase the standards or access to technology which promotes greater efficiency, quality, access and/or capacity of healthcare</li> </ul>	<ul style="list-style-type: none"> <li>Underserved populations, owing to the lack of quality access to essential goods and services</li> <li>Sick, elderly or vulnerable people</li> </ul>
	Digital Inclusion	<ul style="list-style-type: none"> <li>Projects, technology, infrastructure and services that increase access to information and communication technologies <sup>17</sup></li> </ul>	<ul style="list-style-type: none"> <li>Unconnected, low-income or underserved populations, due to lack of essential services</li> </ul>

### Exclusion List

1. Production or trade in any product deemed illegal under the local laws or regulations or international conventions and agreements.
2. Politically sensitive projects due to positions held by the client/guarantor and nature of the project. (Instances where the politically exposed projects will be secured with bank guarantees are allowed.
3. Production of or trade in armaments, weapons and ammunitions.
4. Gambling, casinos and equivalent enterprises.
5. Guarantees/Bonds in respect of criminal cases with courts or tribunals and other illegal activities.
6. Smuggling.
7. Projects promoted wholly for terrorism, drug trafficking, money laundering, arson or other serious crimes.
8. Production of beverages and drinks with more than 10% alcoholic content.
9. Production or activities that will lead to environmental degradation, social injustices and illegal exploitation of labor.
10. Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
11. Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
12. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.
13. Production of or trade in radioactive materials, with the exception of medical materials and quality-control equipment for which the radioactive source is trivial and adequately shielded.
14. Production of or trade in or use of unbonded asbestos fibres or other products with bonded asbestos as dominant material.
15. Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora; Purchase of logging equipment for use in unmanaged primary tropical rainforests.

<sup>17</sup> Represents a diverse range of technological tools and resources necessary to create, communicate, store and/or access information.

## 4.2 Process for Project Evaluation and Selection

All projects/assets will be subject to the Bank's ESMS screening process in the ordinary course of origination. The Bank's origination teams and the ESG Group (project categorisation team) are jointly responsible for the initial screening of all projects/assets, identifying those with strong environmental and/or social outcomes and impacts. Once projects/assets are determined to be eligible for categorization as Green or Social Assets based on the categories and eligibility criteria outlined in section 4.1 above, they will be evaluated on a transaction-by-transaction basis. Each Eligible Asset will be presented to the Sustainability Committee for review and approval, ensuring alignment with the Bank's SFF.

When identifying Eligible Assets and their non-financial impacts, the Bank may rely on external consultants and their data sources. This will be dealt with on a case-by-case basis. The Bank may (where clarification is necessary) request and require clients to sign a clarification letter confirming the use of proceeds and/or that it may provide project/asset information to investors/lenders.

Furthermore, an Eligible Asset may have both green and social benefits, thus qualifying for more than one type of use of proceeds bond/loan. The Bank's Sustainability Committee will ultimately decide whether the Eligible Asset will use proceeds from a Green, Social or Sustainability Instrument. In select cases a Eligible Asset may use proceeds from more than one Sustainable Finance Instrument, but the proceeds split will be determined and documented to avoid double counting.

The Sustainability Committee is responsible for overseeing and implementing the initiatives defined in the Framework. The Sustainability Committee comprises senior management from various divisions, including Risk Management, Internal Control and Compliance, Strategy and Research, Corporate Finance & Advisory, Finance, Treasury and Financial Institutions, as well as representatives from each Directorate.

In relation to this Framework, the Sustainability Committee will:

- Convene monthly or as needed to assess projects proposed for financing under the SFF.
- Ensuring that Eligible Assets are aligned with the categories and eligibility criteria as specified in section 4.1 above, thereby adding them to the Eligible Asset Portfolio.
- Ensure all Eligible Assets are assessed for environmental and social risk management.
- Regularly monitor the Eligible Assets to confirm eligibility, replacing any ineligible assets with new eligible ones.
- Facilitate regular reporting on sustainable issuances in line with the Bank's reporting commitments, including reviewing and approving allocation and impact reports.
- Manage updates to this Framework as needed to ensure BOI remains aligned to best market practices, evolving regulations, and stakeholder expectation.
- Ensure that the approval of Eligible Assets adheres to the Bank's existing approval processes.

## 4.3 Management of Proceeds

BOI will allocate an amount equivalent to the net proceeds from the Sustainable Finance Instruments to Eligible Assets, selected in accordance with the Eligibility Criteria set out in the Use of Proceeds and Process for Project Evaluation and Selection above and marked against the Eligible Asset Portfolio. The Sustainability Committee will be responsible for the tracking and management of the allocation of proceeds to the Eligible Assets.

Pending allocation, an amount equal to the net proceeds from any Sustainable Finance Instrument may be held in accordance with BOI's internal investment policy and/or temporarily invested in cash. The unallocated proceeds shall not be invested in activities included on BOI's exclusion list.<sup>18</sup>

BOI will strive to achieve a level of allocation for the Eligible Assets that equals or exceeds the balance of the net proceeds from outstanding Sustainable Finance Instruments. While the aim is to meet this allocation target within 24 months from the date of each issue/raise, the timeline maybe adjusted to reflect practical considerations based on prior disbursement experiences. Eligible Assets will be added to, or removed, to the extent required. The Eligible Assets will be updated and monitored periodically.

<sup>18</sup> For avoidance of doubt, unallocated proceeds shall be invested in accordance with the guidelines/regulations of the relevant listing exchange/commission and will be specified as necessary, in the relevant financial documentation.

## 4.4 Reporting and Impact Measurement

BOI will publish an annual impact and allocation report with respect to the Sustainable Finance Instruments executed under this Framework, until full allocation is achieved. BOI may choose to integrate the report within its annual report, publish it as a standalone document or issue it as a supplement. This report will be made available on its website at: [www.boi.ng/sustainability](http://www.boi.ng/sustainability).

The report will provide:

- The total amount of net proceeds allocated to Eligible Assets and breakdown across project categories
- A brief description of the Eligible Assets, amounts allocated and their expected impact
- The balance of unallocated proceeds
- Share of refinancing vs. new financing

A summary of the impacts of the Eligible Asset Portfolio may include the metrics set out below as well as relevant narratives, where data is available from clients and subject to permitted disclosure in accordance with relevant confidentiality agreements and privacy, competition, or other relevant regulations. Furthermore, the impact of the use of proceeds may be reported using impact indicators recommended by ICMA's Handbook – *Harmonized Framework for Impact Reporting for Green Bonds*<sup>19</sup> and its *Harmonized Framework for Impact Reporting for Social Bonds*<sup>20</sup>.

Eligible Green Bond / Loan Principle Category	Indicative Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> <li>• Total installed capacity (MW)</li> <li>• Annual generated renewable power (MWh/year)</li> <li>• Estimated annual CO<sub>2</sub> equivalent emission reductions (tCO<sub>2</sub>e/year)</li> <li>• Number of people with access to clean energy services</li> <li>• Kilometres of distribution network installed</li> <li>• Estimated number of jobs created</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>• Estimated annual CO<sub>2</sub> equivalent emissions reduction/avoidance (tCO<sub>2</sub>e/year)</li> <li>• Annual energy savings (MWh/year)</li> </ul>
Climate Change Adaptation	<ul style="list-style-type: none"> <li>• Description of the specific climate risk being addressed by the investment and how the project improves resilience to climate change</li> </ul>
Green Buildings	<ul style="list-style-type: none"> <li>• Number of green buildings funded with eligible certification (e.g. EDGE)</li> <li>• Total m<sup>2</sup> of green buildings funded</li> <li>• Total m<sup>2</sup> of energy-efficient property funded</li> <li>• Estimated annual CO<sub>2</sub> equivalent emissions reduction/avoidance (tons CO<sub>2</sub>eq/year)</li> <li>• Number of people benefited</li> </ul>
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>• Total installed capacity MW from waste to energy</li> <li>• Annual generated waste to energy power (MWh/year)</li> <li>• Annual greenhouse gas (GHG) emission reductions (tCO<sub>2</sub>e/year)</li> <li>• Annual waste used for energy (tons/year)</li> <li>• Annual waste reused or recycled before and after the project</li> <li>• Percentage emission improvements</li> <li>• Annual carbon captured and/or stored (tCO<sub>2</sub>e/year)</li> </ul>
Clean and Sustainable Transport	<ul style="list-style-type: none"> <li>• Number of eligible vehicles financed</li> <li>• Number of eligible vehicle charging points installed</li> <li>• Number of people with access to eligible vehicles</li> <li>• Number of people with access to sustainable transport systems</li> </ul>

<sup>19</sup> [Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf](https://www.icmagroup.org/assets/documents/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf) ([icmagroup.org](https://www.icmagroup.org))

<sup>20</sup> [icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf)

Eligible Green Bond / Loan Principle Category	Indicative Impact Indicators
Climate Smart Agriculture	<ul style="list-style-type: none"> <li>• Annual volume of water saved/recycled (m<sup>3</sup>/year)</li> <li>• Estimated annual CO<sub>2</sub>e emission reduction (tCO<sub>2</sub>e/year)</li> <li>• Annual non-GHG emission reduction (e.g. reduction of N<sub>2</sub>O fertiliser emissions)</li> <li>• Productivity gains due to climate smart agriculture (tons of product type/ha year)</li> </ul>
Sustainable Management of Natural Resources & Sustainable Water	<ul style="list-style-type: none"> <li>• Area (ha/year) of terrestrial and/or biodiversity conserved</li> <li>• Annual capacity of water captured (kl/year)</li> <li>• Annual volume of water saved/recycled (m<sup>3</sup>/year)</li> <li>• Annual volume of wastewater treated for reuse (m<sup>3</sup>/year)</li> <li>• Additional number of people with access to safe drinking water</li> </ul>
Carbon Financing	<ul style="list-style-type: none"> <li>• Number/value of carbon credits financed</li> <li>• Number/value of carbon credits created by projects financed</li> <li>• Annual GHG emission reductions (tCO<sub>2</sub>e/year)</li> </ul>
Eligible Social Bond / Loan Principle Category	Indicative Impact Indicators
Improvement of funding access for SMEs and micro businesses, as well as for the low-income population	<ul style="list-style-type: none"> <li>• Number of people with increased access to affordable credit and savings accounts</li> <li>• Number of MSMEs financed as well as value of MSME loans</li> <li>• Estimated number of jobs created</li> </ul>
Women in the Economy	<ul style="list-style-type: none"> <li>• Number of women with increased access to affordable credit, payment services or savings account</li> <li>• Number of women-owned/led enterprises funded</li> <li>• Estimated number of jobs created for women</li> </ul>
Affordable Basic Infrastructure	<ul style="list-style-type: none"> <li>• Annual volume of water treated (m<sup>3</sup>/year)</li> <li>• Additional number of people with access to safe drinking water</li> <li>• Additional number of people with access to adequate sanitation facilities</li> <li>• Number of roads financed</li> <li>• Kilometres of roads financed</li> <li>• Additional number of people with access to energy</li> <li>• Additional number of people with access to the internet</li> </ul>
Creative economy	<ul style="list-style-type: none"> <li>• Number of CI enterprises funded as well as value of CI loans</li> <li>• Estimated number of jobs created</li> <li>• Estimated number of jobs created for women</li> <li>• Estimated number of jobs created for youth</li> </ul>
Food Security and Sustainable Food Systems	<ul style="list-style-type: none"> <li>• Amount/size (ha/year) of sustainable agriculture</li> <li>• Number of rural/smallholder farmers supported</li> </ul>
Affordable Housing	<ul style="list-style-type: none"> <li>• Number of people with access to safe, affordable and sustainable housing</li> <li>• Number of affordable and sustainable housing units built</li> </ul>
Access to Essential Services	<ul style="list-style-type: none"> <li>• Number of healthcare facilities financed</li> <li>• Number of new or existing healthcare facilities that have experienced increases in capacity as a result of financing i.e. additional hospital beds</li> <li>• Number of people with access to health care</li> <li>• Number of people with access to safe, effective, quality and affordable essential medicines and vaccines</li> <li>• Number of people with access to education facilities or courses</li> <li>• Number of education facilities financed</li> <li>• Number of people with access to information and communications technology</li> </ul>



## 5. External Verification

### 5.1 Second-Party Opinion

This Framework has been reviewed by S&P Global Ratings ("S&P"), an independent party with experience and a track record in issuing second-party opinions (SPOs). S&P confirms the Framework's alignment with the relevant ICMA, LMA and LSTA standards and therefore, by inference, instruments executed under this Framework.

The Second Party Opinion document will be made available on [BOI's website](#), together with this Framework.

### 5.2 Post-Issuance Verification

BOI will engage an external auditor or an independent third party, on an annual basis, until full allocation to provide limited assurance on the allocation of eligible assets to applicable instruments executed under this Framework.







# BANK OF INDUSTRY

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