



2021

**GREEN
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**ANNUAL IMPACT
REPORT**

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CEO'S MESSAGE

Welcome to Access Bank Green Bond Impact Report 2021. Over the past one year, the COVID-19 crisis has brought into sharp focus the important role of sustainable finance. The pandemic has revealed the imperative of innovative solutions to finance the transition to a low-carbon, sustainable economy. With the issuance of our green bond in 2019, Access Bank demonstrated to our stakeholders once again that we take environmental, social and governance (ESG) principles seriously and with utmost responsibility.

Since the outbreak of the pandemic, Access Bank has been focused on supporting our clients, including the government, to meet the challenges associated with the crisis. We have also provided relief to various communities across Nigeria to reduce the impacts of the socio-economic shocks.



This Green Bond Impact Report presents the details of the allocation of the proceeds from the N15 billion fixed rate senior unsecured green bond, maturing in 2024. It also provides the details of the green assets being funded with the bond's proceeds, and the impact of the projects that are helping to build resilience to climate change.



The green bond is a key aspect in our portfolio of innovative financial products and services developed in line with our sustainability strategy to mobilise funding for long-term societal, environmental and economic goals. Apart from the climate bond, we have also created subsidized green loans to increase financing for environmentally-friendly projects that support decarbonization. The climate challenge, coupled with COVID-19, have also provided a great opportunity to increase social investments, thereby achieving our ambitious sustainability targets.

Proceeds of the bond issuance have been allocated for financing a flood defence and renewable energy project that have long-term sustainable impacts. This current green bond impact report, is a key component of our 2020 Sustainability Report. Sustainability at Access Bank is nothing without transparency to our stakeholders. Part of our goal in making a positive impact in society is to strengthen our customer relations and continue to deliver value to all our stakeholders.

As an African bank, we understand the influential role we play in driving the adoption of sustainability best practices in the banking and finance community. After successfully implementing the sustainability standards under the Sustainability Standards and Certification Initiative (SSCI) administered by the European Organisation for Sustainable Development (EOSD), Access Bank became the first commercial bank in Africa to be sustainability certified in September 2020, scoring the highest possible points in the programme. This certification provides the practical tool for the Bank to transform its organisational culture, attain measurable high impact goals, become more profitable, among other benefits of implementing the standards.

With our membership of, or signatory to, various global sustainability-focused initiatives, such as the United Nations Environment Programme Finance Initiative (UNEP FI), Principles for Responsible Investments (PRI), among others, we are continually looking for ways to stay ahead of the curve in sustainable finance innovations. We hope to continue to leverage our sustainability leadership and innovation culture to play a catalytic role in promoting prosperity, economic resilience, and a brighter future in Africa and beyond.

Thank you.

Managing Director/Chief Executive Officer
Herbert Wigwe



The Access Bank green bond – the first-ever corporate green bond in Africa to be certified by the Climate Bonds Initiative – further validated the Bank's leading position in the African sustainable finance market.

This report, which is the second since the green bond issuance, affirms our strong commitment to sustainable economic development on the continent and underlines our conviction that sustainable finance must be part of the solutions to facilitate a strong recovery from COVID-19.



SUMMARY

The issuance of Access Bank's Green Bond is an integral part of the Bank's sustainability strategy. It is in accordance with our priority actions to address climate change.

This report gives an overview of the allocation of the proceeds to eligible green assets and describes the impact of the green bond at a portfolio level.

* The directors of Access Bank PLC are responsible for the preparation of this report and all supporting records, including selecting appropriate reporting criteria to form the Green Bond Policy and assessing the statement as to Use of Proceeds against that policy. The allocation and tracking of funds received is the responsibility of our Green Bond Committee as described on page 19 in this report. We confirm that the statement as to Use of Proceeds is properly prepared in accordance with the policy for the year ended 28 February, 2021.



WHO WE ARE & WHAT WE DO

Access Bank Plc. is a leading full-service commercial bank operating through a network of more than 600 branches and service outlets spanning three continents and 12 countries, including the United Kingdom and United Arab Emirates. We also have representative offices in China, Lebanon and India. Access Bank has over 42 million customers. In Nigeria alone, the Bank has 28,000 employees.

Listed on the Nigerian Stock Exchange since 1998, Access Bank is a diversified financial institution, which combines a strong retail customer franchise and digital platforms with deep corporate banking expertise and proven risk management and capital management capabilities. The Bank serves its various markets through four business segments: Retail, Business, Commercial and Corporate. The Bank has over

900,000 shareholders (including several Nigerian and international institutional investors) and has enjoyed what is arguably Africa's most successful banking growth trajectory in the last twelve years. Following its merger with Diamond Bank in March 2019, Access Bank became one of Africa's largest retail banks by customer base.

As part of its continued growth strategy, Access Bank is focused on mainstreaming sustainable business practices into its operations to drive positive change and maintain a purpose-driven competitive advantage. The Bank strives to deliver sustainable economic growth that is profitable, environmentally responsible, and socially relevant. We aim to continually help our customers to access more and achieve their individual dreams and corporate objectives.

Access Bank's Global network and scale

Large customer base



Superior service through four SBUs in 10 African countries, the UAE, UK, and 3 rep offices in China, India and Lebanon



Growing users on our digital channels



Strong financial performance



Significant gender diversity



HOW WE APPROACH SUSTAINABILITY

Our Sustainability Purpose

Our sustainability statement of purpose, "Impacting lives positively now and in the future," is a public declaration of our intent and commitment to building sustainable long-term value for our stakeholders, including our valued customers, dedicated employees, and esteemed shareholders. As a result, sustainability principles underpin our decisions and engagement with internal and external stakeholders to facilitate a brighter future for all.

At Access Bank, sustainability is strategically embedded into our business processes and organisational practices. Our corporate sustainability strategy has given us global recognition in the field and placed us as a leader in driving ESG investing in the Nigerian banking industry.

Our Sustainability Bond

Our sustainability bond recognizes the importance of creating shared value for our stakeholders -- without whom we will not exist -- and forging strong partnerships to scale up and communicate our positive impacts.



Our Customers

Our success depends on our customers. Our strength lies in working closely with them to create value and trust. Through our wide range of financial products and services, we are helping our customers to achieve growth.

Access Bank has a banking solution to cater to every customer's need. This is made possible based on our skillful management of client relationships. We continuously monitor and actively listen to the opinions of our customers and their experiences with the Bank.



Our People

We will not exist without our people. We have provided a work environment that is safe and satisfying, while also fostering optimal productivity. Everyone is treated with respect and we encourage a balance between work and family life.

Our Employee Volunteering Scheme (EVS) encourages our employees to add value to their communities. Since the commencement of the scheme, all Access Bank employees have collectively volunteered more than 2,735,011 hours, in over 300 strategic community initiatives across the six geo-political zones of Nigeria.



Our Shareholders

Access Bank is part and parcel of a greater socio-economic ecosystem. Over the years, we have woven robust and interdependent relationships with various categories of our stakeholders. We have leveraged the strength of our relationships with our shareholders to harness capital-raising opportunities and achieve innovation, transformation, and growth. We are committed to delivering long-term shared value to our shareholders.



Our Communities

Communities are the backbone of the vast network of our operations. Our products and services are designed to support the communities where we operate. We are also committed to protecting the environment for our communities, creating wealth, respecting local values, and encouraging engagement through various initiatives at the community level. Our priority areas of support include Health, Education, Sports, Arts, and Environment. In this regard, we have invested over N10.25 billion in various corporate social responsibility efforts since 2015. These activities have impacted 1,316 communities and reached 30,075,356 lives and 793 NGOs.



Our Suppliers

We maintain a healthy relationship with our vendors, thereby enhancing our service delivery capabilities. We aim to achieve cost-savings, improved turnaround time for service delivery, improved service levels for internal and external customers, and improved productivity of internal resources. Pursuing these objectives aligns with our wider sustainability goals and advocacy. For instance, our suppliers are required to embrace sustainability practices in their day-to-day operations.



Our Environment

At the core of Access Bank's sustainability strategy is our commitment to reduce the carbon footprint in all our operations and decarbonize development. We have implemented techniques and initiatives that have incrementally cut our carbon emissions. In 2020, we achieved significant energy efficiency in our buildings. Through remote working occasioned by COVID-19 lockdowns, and by reducing employee commuting even after the lockdowns, we also significantly reduced our emissions. Using new innovative techniques, we have improved our water and waste management practices.

Our Sustainability Strategy



As a leading financial institution, Access Bank recognizes its role in promoting responsible environmental stewardship, stimulating socially responsible development, and engaging in ethical practices. Our management approach to sustainability is predicated on best practices and covers the triple bottom line of people, planet, and profit. Access Bank's sustainability strategy has continued to evolve as we constantly seek to meet the demands of a dynamic and fast-changing world. We have kept our finger on the pulse of sustainability innovation, and we continue to improve performances in our core business, environmental footprint, and the social wellbeing of the communities where we operate. We do this while implementing innovative and optimal risk management strategies.

Our sustainability strategy is firmly aligned with our core business strategy. It underpins our internationally recognised leadership in sustainability in the financial services industry. Our value creation continues to strengthen the trust between the Bank and our stakeholders. Access Bank's sustainability initiatives have increased in scope as we deliver on greater environmental responsibility and social impact. We have continued to provide support for projects that are improving health and education outcomes, protecting the environment, supporting economic recovery from COVID-19 pandemic, and enhancing social development in Nigeria and across Africa.

Access Bank's Commitment to Sustainability

Our Sustainability Vision

To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best-in-class operations.

Helps us in delivering sustainable long-term value to our stakeholders. This also guides our sense of moral responsibility and accountability to our stakeholders, the society at large and the planet.



Supporting progress towards the achievement of the United Nations Sustainable Development Goals (SDGs) is top among our sustainability targets. All our sustainability initiatives are designed to have impact across the SDGs, including reducing income inequality, achieving gender equality, boosting health and education outcomes, fighting climate change, and building partnerships to achieve the SDGs.

Sustainability is integrated across our business on four levels.

01 Running a responsible and profitable business

This is the foundation of our sustainability approach. We strive to innovate and deliver financial products/ services both in response to the needs of customers and to drive inclusive economic growth. Our business model is also designed to give the Bank a competitive advantage, maintain our market share and boost growth. In essence, we make sustainability profitable at Access Bank.

02 Helping to shape a more environmentally safe future

We provide products and services that people need and want to improve their lives and grow their businesses. Due to our innovative approach to product and service development, we ensure that our product and service offerings promote environmental and social responsibility. Our clients are encouraged to be environmental champions and socially responsible citizens.

03 Making a positive contribution to society

Access Bank is playing a positive role in communities where we operate and in the wider society. We are contributing to the development of local economies by creating jobs, boosting skills, sourcing from local suppliers, as well as paying taxes and royalties. We support community projects that are based on the needs of local people.

04 Support for international agreements

We are strong advocates of the SDGs, which seek to tackle the world's economic, social and environmental challenges. Through the SDGs, the international development and finance communities aim to address these challenges by 2030. Access Bank is playing our part in helping governments and society to achieve the 2030 Agenda for Sustainable Development.

We respect human rights as set out in the UN's Universal Declaration of Human Rights and the International Labour Organization's core conventions. We are a founding member of the Global Principles for Responsible Banking and also support a number of external voluntary codes that promote responsible business practices.

We fully support the Paris Agreement's goal to keep the rise in global average temperature this century to well below two degrees Celsius above pre-industrial levels and to pursue efforts to even further limit the temperature increase to 1.5 degrees Celsius.

For more information on Access Bank Sustainability, please visit:

<https://www.accessbankplc.com/pages/Sustainable-Banking.aspx>



Access Bank's ESG Framework

Access Bank is committed to incorporating strong environmental and social (E&S) risk management measures into our credit architecture and decision-making process. It is for this reason the Bank has instituted its Environmental and Social Risk Management (ESRM) manual.

The ESRM manual provides the framework, policies and procedures for identifying, assessing, managing and reporting E&S risk issues inherent in our business activities. Access Bank's ESRM framework has been expanded in line with its Green Bond Framework, and the green bond portfolio projects also undergo requisite E&S due diligence and monitoring in accordance with the ESRM procedures.

Access Bank's governance framework is guided by the Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria (the CBN Code), the Securities and Exchange Commission Code of Corporate Governance for Public Companies (the SEC Code), and the Post Listing Rules of the Nigerian Stock Exchange.

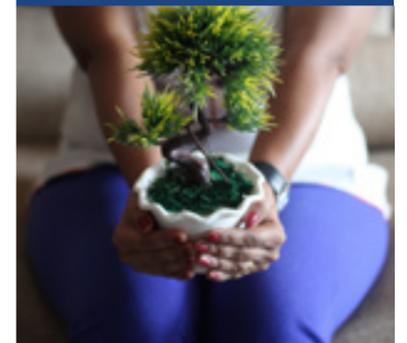
These, as well as the Board Charter and the Bank's Memorandum and Articles of Association, collectively provide the foundation for Access Bank's sound corporate governance, which earned us the 2019 Best Corporate Governance Company in Africa award from the Ethical Boardroom Corporate Governance Awards. The frameworks governing the Bank and its subsidiaries enable the Access Bank Board to perform its oversight functions, while also ensuring the Bank's regulatory compliance. Our subsidiaries also align their governance frameworks with that of the Bank, while also complying with the statutory and regulatory requirements of their host countries.

Access Bank's E&S Due Diligence Methodology

Access Bank's Environmental and Social Risk Management (ESRM) Manual sets out a detailed framework by which the Bank manages E&S risk issues inherent in our customers' business activities. The manual

is in line with the Bank's goal to set standards for sustainable business practices. Access Bank's processes are focused on supporting the much-needed transition to a low-carbon, sustainable economy. The manual stipulates compliance with applicable laws and regulations of Nigeria, and international best practices and protocols such as the Equator Principles, and IFC's Performance Standards.

The ESRM is integrated into the Bank's credit approval process and identifies five key steps in the risk management process – namely E&S screening; E&S risk assessment; decision and documentation; monitoring; and reporting.



THE NIGERIAN GREEN BOND MARKET

The Nigerian Capital Market Master Plan '2015-2025' was launched in 2015 by the Securities and Exchange Commission, as a 10-year road map for developing Nigeria's capital market into a global financial centre. The Masterplan aims to encourage the inflow of capital from all the corners of the world's financial centres to fund national economic priorities such as power, agriculture, solid minerals, and infrastructure.

Green bonds can play a vital role in deepening the Nigerian debt capital market (DCM) by providing diversified product portfolios, improving the allocation of funding, and increasing access to credit markets. Green bonds can also attract the inflow of foreign direct investment into Nigeria from green investors or those that are seeking to take advantage of the country's vast growth opportunities.

Some of the challenges faced by the green bond market in Nigeria include insufficient pipeline of bankable green assets, poor compliance with sustainability requirements, knowledge gap on the concept of green bonds among key stakeholders, as well as poor media reporting of green bonds.



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THE ACCESS BANK GREEN BOND



One of the key achievements of Access Bank in 2019 was the issuance of its N15 billion green bond, being the first African bank to issue a certified corporate climate bond¹. This certification is provided by the Climate Bonds Initiative (CBI) for assets and projects that meet the requirements of the Climate Bonds Standard. The debt instrument, initially listed on the FMDQ OTC Securities Exchange and the Nigerian Stock Exchange (NSE), was subsequently cross-listed on the Luxembourg Green Exchange (LGX).

Issuer Name:	Access Bank Nigeria
Green Bond ISIN:	NGAGB2024S08
Issue Date:	March 2019
Issued Amount:	NGN 15,000,000,000.00
Tenor:	5 years

¹ The bond was the first-ever Climate Bonds Initiative (CBI)-certified corporate green bond in Africa.

The climate bond issuance solidified Access Bank's position as a leader in sustainable finance in Nigeria and Africa. It has helped in enabling environmentally-friendly investors to meet their investment objectives whilst simultaneously facilitating the growth of the sustainable finance market in Nigeria and supporting the transition to a low-carbon economy.

The NGN 15 billion bond issue is in line with Access Bank's strategic commitment to create shared value and its strides towards becoming "The world's most respected African Bank". The bond is in compliance with the Climate Bonds Initiative and Taxonomy, the Green Bond Principles (GBP) of the International Capital Market Association (ICMA) and Access Bank's commitment to sustainable development. The Bank has produced this Green Bond Impact Report for its stakeholders, highlighting the use of the proceeds and projected impacts of its first green bond.

The use of the proceeds of the bond is in line with the environmental objectives and the stated eligible activities included in Access Bank's Green Bond Framework. Eligible assets have been reviewed and approved by the Green Bond Committee (GBC) of Access Bank. The selected eligible activities have been classified and assessed in line with the eligibility requirements specified in part B of the CBI standards.

The impact reporting of the selected activities uses indicators consistent with those recommended by the Handbook and Framework for Harmonized Impact Report published² by ICMA in June 2019.

² <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-222-Framework-for-Impact-Reporting-WEB-100619.pdf>

³ Exact amount NGN 13,141,250,957.99

⁴ According to IEA data, the average consumption per capita is 0.15 MWh/year and the average household size in Nigeria is 5 persons, thus the assumption of 0.75 MWh/y consumption per household.

⁵ Average emission of passenger car estimated at 4.63 tCO₂eq/y <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references>

⁶ The estimate football field size is approximately 0.714 hectares

A total amount of NGN 13.141 billion³ has been allocated against two eligible green assets: a flood defence system for the Victoria Island axis of Lagos and one solar photovoltaic asset. The annual impact of the use of proceeds is estimated at:

- Greenhouse (GHG) emission reductions of 730 tCO₂eq/y
- Installed renewable energy capacity of 0.92 MW
- Renewable energy generation of 1,531 MWh/y
- 900 hectares of land protected from flooding
- 400,000 residents protected against flooding.

Access Bank has engaged PwC LLP as an independent verifier to provide limited assurance over the selected information as shown in the full assurance report available at <https://www.accessbankplc.com/>. This report has been prepared in accordance with Access Bank's Green Bond Policy.

The renewable energy generated from the projects can power over 1,800 Nigerian households.⁴

The amount of GHG emissions prevented by the projects is the equivalent of taking approximately 154 passenger cars off the road.⁵

The protected hectareage from the flood defence system is equivalent to the size of 1,400 football fields.⁶

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Access Bank Green Bond Committee

The Access Bank Green Bond Committee (GBC) encompasses various functions within the Bank, including Risk Management, Sustainability, Corporate Finance, Financial Control, Treasury, Legal, Conduct and Compliance, and the Strategic Business Units. The Committee is led by the Executive Director, Risk Management, with the support of the Executive Director, African Subsidiaries.



GREG JOBOME
Executive Director,
Risk Management



SEYI KUMAPAYI
Executive Director,
African Subsidiaries



PATTISON BOLEIGHA
Chief Conduct and
Compliance Officer



SUMBO OLATUNJI
Group Head, Treasury



RALPH OPARA
Group Head,
Commercial Banking



**OMOBOLANLE VICTOR-
LANIYAN**
Head, Sustainability



SEUN OLUFEKO
Group Head
Corporate Finance



VICTOR OKAFOR
Group Head,
Financial Institution



GBENGA ADELEKE
Head, Group
Environmental & Social
Risk Management

About Access Bank's Green Bond Framework

The Access Bank Green Bond Framework was developed to provide a progressive structure for climate-friendly investments.



The framework lists eligible projects and assets that meet the Bank's overall objective to promote the transition to a low-carbon and climate-resilient economy.



It is supported by a strong governance structure. The framework – which has been certified by the CBI – outlines the Bank's strategy for managing its green bond assets in accordance with the CBI's Taxonomy and the GBP.

Access Bank's Green Bond Framework Core Pillars

The Access Bank GBC has the responsibility to govern the Green Bond Framework. The Committee is also responsible for approving the allocation of the green bond proceeds and the environmental impact reporting of the green bond portfolio.

In line with the CBI's taxonomy, the Bank's Green Bond Framework stands on four core pillars:

01 Use of Proceeds:

The proceeds of green bond issuances will be used to finance or refinance projects with clear environmental benefits.

Eligible sectors include:

- Renewable energy
- Energy efficiency
- Efficient green buildings
- Sustainable waste management
- Sustainable land use
- Clean transportation
- Non-energy GHG emissions reduction
- Sustainable water management
- Climate change adaptation
- Green trade (trade finance activities that support renewable energy and energy efficiency product supply chains)
- Climate-smart agriculture.

03 Management and tracking:

The proceeds of the green bond are earmarked and tracked using an internal monitoring system, followed by periodic due diligence audits carried out on the assets. Unallocated proceeds will be placed in short-term investment instruments that do not increase GHG emissions.

02 Approval for use of proceeds:

Access Bank has instituted a governance process for selecting and appraising assets that meet the requirements for green bond financing. Under this pillar, verification of potential assets is performed by the GBC before inclusion in the Green Bond Register. The assets to be financed are also screened and assessed for environmental and social risks as applicable in the business sector. This assessment is guided by the Bank's robust ESRM policy, IFC Performance Standards, Equator Principles, and applicable national laws.

04 Reporting:

During the tenor of the green bond, Access Bank will provide an annual Green Bond Impact Report that includes information on the aggregate amount of proceeds allocated to each eligible sector together with a description of the types of business and assets financed, the remaining balance of unallocated proceeds, and a confirmation that the use of proceeds conforms to the Bank's Green Bond Framework.

About Green Bonds and the Green Bond Taxonomy

A green bond is a debt instrument used to raise funds solely for the financing or refinancing of eligible green projects. A green project has clearly defined positive environmental and/or climate benefits.

The Climate Bond Taxonomy is a guide for green assets and projects. It is a tool for issuers, investors, governments, and municipalities to help them understand the key investments that will deliver a low-carbon economy.

The Taxonomy is grounded in the latest climate science and has been developed through an extensive multi-stakeholder approach, leveraging the work of CBI's Technical and Industry Working Groups.

The taxonomy aims to encourage and be an important resource for common green definitions across global markets, in a way that supports the growth of a cohesive bond market that delivers a low-carbon economy.

Process for Project Evaluation and Selection

Access Bank is committed to completing the process shown below when selecting and evaluating assets that qualify to be included in the Green Bond Asset Portfolio.

A confirmation process is undertaken by a Green Bond Committee (GBC) within the Bank. This process follows an assessment made by other staff (Project Relationship Management, ESRM & Sustainability Teams) in relation to the Green Bond Asset Categories. The GBC also reviews the Green Bond Asset Portfolio and confirms the allocation of financing to the green assets. The Committee further confirms any replacement of green assets with assets from the Green Bond Asset Portfolio.

- Access Bank chooses potential green assets as originated by relevant business units in accordance with the Bank's financing criteria.

- Access Bank removes assets that do not qualify (or where the clients of such assets do not qualify) as green assets.
- Access Bank further removes assets that are deemed ineligible (or where the clients of such assets are deemed ineligible) following the Bank's ESG assessment.
- The remaining assets are evaluated by the ESRM and Sustainability Teams within Access Bank, after which the qualifying assets are deemed as potential green assets.
- Verification of the potential green assets is then performed by the GBC. The qualifying assets are included in the Green Bond Register and constitute the Green Bond Asset Portfolio.

ASSET PORTFOLIO IMPACT



The impact reporting on the selected activities uses impact indicators consistent with those recommended by the Handbook and Framework for Harmonized Impact Report published⁷ by ICMA in June 2019.

The impact reported is based on ex-ante estimates of expected annual results for a representative year once the eligible project is completed and operating at normal capacity. The reporting is thus not intended to provide actual results achieved in a specific year or reporting period. The method of estimating the impacts is included in Appendix A.

A total amount of NGN 13.141 billion has been allocated in two eligible activities: one flood defence system in Victoria Island, Lagos, and one solar project. The annual impact of the use of the proceeds is estimated at GHG Emission Reductions of 730 tCO₂eq/y, installed renewable energy capacity of 0.92 MW, renewable energy generation of 1,531 MWh/y, 900 hectares of land protected from flooding, 400,000 residents protected against flooding.

⁷<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>



Number of projects in Green Bond Portfolio:

= 2



Total amount of proceeds allocated to projects:

= NGN 13,141,250,957.99



Total number of renewable energy project:

= 1



Total number of climate change adaptation project:

= 1



Total installed capacity for renewable energy:

= 0.92MW



Annual renewable energy generation:

= 1,531 MWh/y



Annual GHG emission reductions:

= 730 tCO₂eq/y



Total land area resilient against flooding:

= 900 hectares



Total number of people benefitting from improved resilience against flooding:

= 400,000

GREEN BOND ASSET PORTFOLIO

The Green Bond Asset Portfolio covers investments within a twelve-month period (March 2020 – February 2021)

FLOOD DEFENCE (PROJECT A)

The flood defence project is an 8km protective sea wall around the coastline of Victoria Island, a business and financial centre in Lagos. When completed, the sea revetment, consisting of x-bloc armour units, will provide a protective barrier for the Victoria Island shoreline. The green bond proceeds have been applied towards the installation of water infrastructure, including surge barriers, pumping stations, levees, and gates.



CLIMATE RISK

Coastal protection schemes have been put in place over time in a bid to reduce the erosion threat to Victoria Island. These schemes, including several nourishment schemes, could not withstand the coastal erosion. Without further action to contain the erosion, the highly valued areas of residential and commercial properties in Victoria Island would continue to be threatened by intrusion of sea water, causing destruction of properties and loss of income and lives.

VULNERABILITY TO CLIMATE CHANGE

Lagos is encompassed by lagoons, islands, and the Atlantic Ocean. The projected rise in sea levels due to climate change further intensifies the risks of the city being inundated by water. According to the Maplecroft Climate Change Vulnerability Index⁸, Lagos has an "extreme" vulnerability⁹ to the impacts of climate extremes. The index assesses the city's adaptive capacity to extreme climate events.

⁸<https://www.maplecroft.com/risk-indices/climate-change-vulnerability-index/>

⁹The Climate Change Vulnerability Index evaluates the susceptibility of human populations to the impacts of climate extremes and changes in climate over the next three decades. It combines exposure to climate extremes and change with the current human sensitivity to those climate stressors and the capacity of the country to adapt to the impacts of climate change. Lagos has a rating score of 0.81, with 0 score representing the highest risk and 10 representing the lowest risk.

ADAPTATION MEASURE

The project will ensure climate resilience of the main reclaimed area of approximately 7.5km long, with a width of 2.3km on the western end and tapering at 0.5km on the eastern end. The outer edge of the reclaimed area will be protected from the sea by a long rock revetment of approximately 8km long to provide shoreline protection to the new land and to Victoria Island itself. This formation has also been modeled to accommodate expected sea level rises and greater annual tidal surges under future climate scenarios.



Project Name	Signed amount (in NGN)	Eligibility for green bonds	Allocated amount (in NGN)	Area protected against flooding	Number of people benefitting
Flood defence project in Lagos State. Location: Victoria Island, Lagos	13,037,527,975.14	100%	13,037,527,975.14	900 hectares	400,000

SOLAR ENERGY PROJECT (PROJECT C)

Access to energy for all Nigerians remains the aim of Nigeria's Nationally Determined Contribution (NDC) as submitted to the United Nations Framework Convention on Climate Change (UNFCCC)¹⁰. Nigeria's solar photovoltaic (PV) industry, although still nascent, continues to gain traction with an increasing penetration of off-grid, distributed, and privately owned solar installations.

As the second-largest market for commercial and industrial solar in sub-Saharan Africa, Nigeria has over 200 MW of installed solar PV capacity as of year-end 2020. This sector is set to play a significant role in terms of achieving GHG emission reduction targets pledged in the country's NDC. It will also help in meeting the ambitious targets for energy efficiency and increasing overall power generation capacity.

Proceeds from Access Bank's green bond have been used to finance one renewable energy asset that will support solar PV in the following geo-political zones of Nigeria: South-East (Enugu), South-West (Lagos), South-South (Port Harcourt) and the Federal Capital Territory (FCT).

Nigeria's Renewable Energy Master Plan (REMP) aims to increase the share of renewable energy from 13% of electricity generation – mainly met by large hydro in 2015, to 23% in 2025 and 36% by 2030^{11a}. Solar energy is set to play an integral role in achieving the intended diversification of Nigeria's energy mix and bridging the energy gap in rural areas. Nigeria's solar irradiance (the sun's radiant energy) is bountiful, with peak sun hours averaging 6.25 hours a day, making solar PVs a viable energy solution for the country.

The opportunities in energy access in the country can create over \$9 billion annually in market opportunities for mini-grids and solar systems¹¹. While there are still barriers to private investments in the sector, the regulatory environment is responding to investors' concerns, and there have been progressive reforms to encourage private financing of solar energy.

In total, NGN 0.103 billion of the green bond proceeds have gone towards financing of 0.92 MW of renewable energy installed capacity.



¹¹ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Nigeria%20First/Approved%20Nigeria%27s%20INDC_271115.pdf

^{11a} Renewable Energy Masterplan (REMP) – Policies - IEA Rural Electrification Agency (REA) and Rocky Mountain Institute

GREENHOUSE GAS (GHG) EMISSION REDUCTION

Shortage of electricity supply from the grid has led to an extensive reliance on diesel and petrol generators. The high cost of self-generated electricity from diesel-powered generators alone ranges between \$0.25/kWh and \$0.30/kWh, depending on the generator capacity.

Solar PVs offer a pragmatic on-site option for addressing the unreliable energy supply situation in the country.

The expected installed capacity of the Access Bank-funded solar PV project will lead to total GHG emission reductions of 730 tCO₂eq/y.

ACCESS TO ENERGY

Nigeria's dearth of energy is costing the country over \$25 billion in economic losses annually¹². Generating energy with diesel or petrol generators is both expensive and dirty. The exorbitant cost of generating energy is cited as the most significant challenge to doing business in Nigeria.

The expected installed capacity from the solar energy project will lead to a total annual renewable energy generation of 1,531 MWh/y. The total installed capacity of the project will contribute towards Nigeria's renewable energy targets.



Project Name	Signed amount (in NGN)	Eligibility for green bonds (%)	Allocated amount (NGN)	Renewable energy installed capacity (in MW)	Renewable energy generation (in MWh/y)	Annual GHG emissions reduced (in tons CO ₂ equivalent tCO ₂ eq/y)
Solar Energy Project C. Location: Enugu, Jos, Port Harcourt, Lagos, and Abuja	103,722,982.85	100%	103,722,982.85	0.92	1,531	730

¹² Federal Republic of Nigeria, Power Recovery Programme: 2017 – 2020 report. Jan 2018

UNALLOCATED GREEN BOND PROCEEDS

NGN 1,674,600,042.00 has been invested in money market instrument as an interest-bearing asset by the Trustee i.e. Coronation Trustees Limited.



ALIGNMENT OF GREEN BOND PORTFOLIO WITH SDGs

The projects funded by Access Bank's green bond have positively impacted the following SDGs:

USE OF PROCEEDS	SDG	SDG IMPACT
Flood Defence Project	Goal 11: Sustainable cities and communities Goal 13: Climate action	11.b: Increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters. 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
Solar Energy Project	Goal 7: Affordable and clean energy Goal 13: Climate action	7.2: Increase substantially the share of renewable energy in the global energy mix. 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.

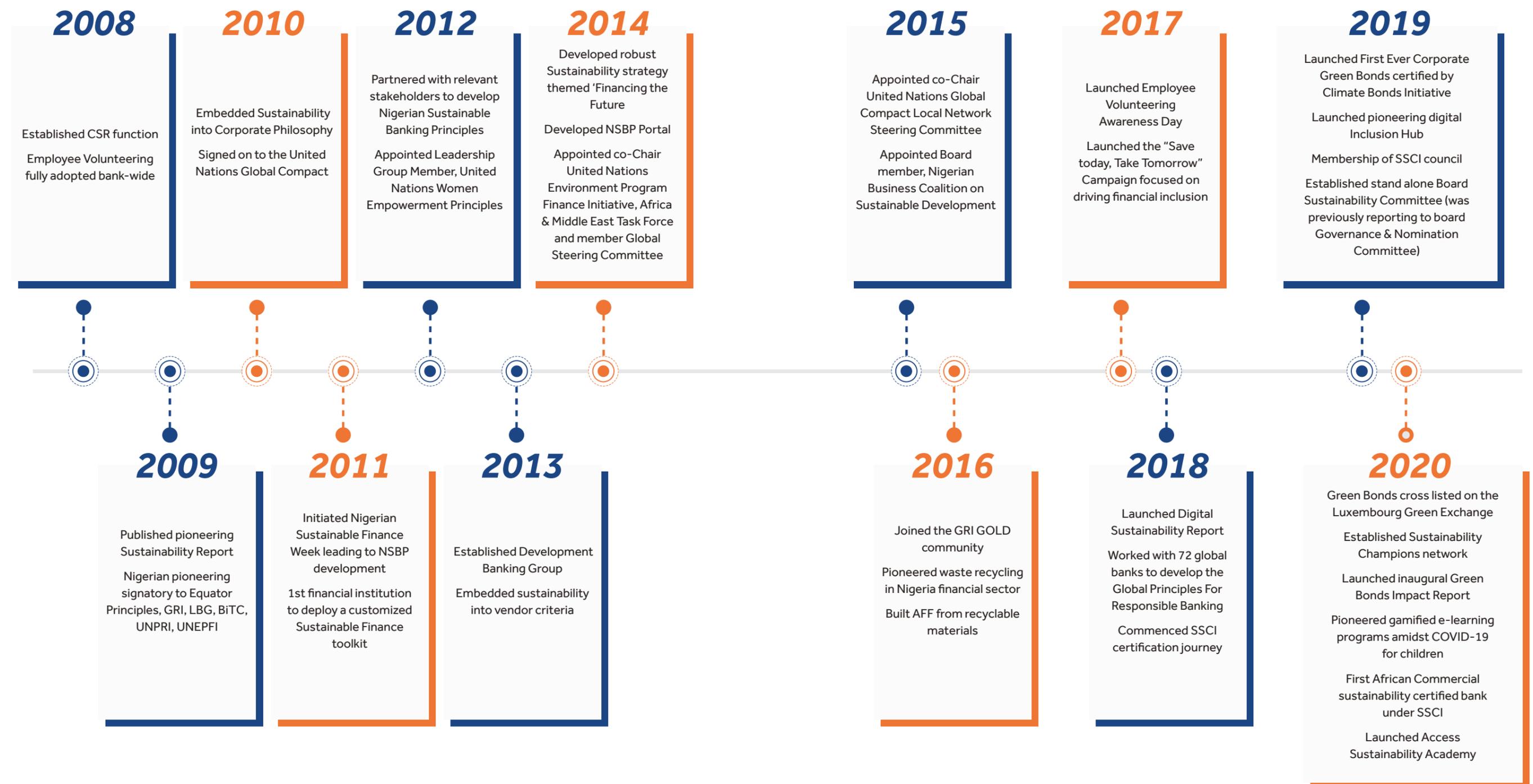
ANNUAL ALLOCATION PER CATEGORY

	Climate Change Adaptation	Renewable Energy	Total
As of February 28, 2021	NGN 13,037,527,975.14	NGN 103,722,982.85	NGN 13,141,250,957.99
As of February 29, 2020	NGN 12,845,114,325.79	NGN 1,778,323,024.85	NGN 14,623,437,350.64



ACCESS BANK SUSTAINABILITY MILESTONES

ACCESS BANK HAS BEEN HELPING TO DRIVE SUSTAINABILITY IN THE FINANCIAL SERVICES SECTOR FOR OVER 12 YEARS.



Annex I: About the methodology used for impact calculation

GHG emission reductions have been calculated for renewable energy projects that received proceeds from AccessBank green bond. The calculations have followed the harmonized approach for assessing the mitigation benefits, or net greenhouse gas (GHG) emissions, of renewable energy (RE) projects in accordance with the International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting.

For the purpose of promoting greater harmonization, the IFI GHG Accounting TWG (IFI TWG) maintains a common dataset containing Default Emissions Factors (DEFs) for countries and interconnected grids where applicable. The default emissions factor for the Nigerian power grid recommended by the DEF has been applied in the calculation of GHG emission reductions.

To be on the very conservative side, the calculations take the following assumptions:

- Average of 19.2% capacity factor .
- Although the solar projects may be displacing diesel power generators, for the sake of conservativeness we assume that in the long-term, the renewable energy equipment will be displacing grid power (which has a lower GHG intensity compared to diesel power). From the DEF referred above, the forward looking GHG intensity of the grid power is 0.477 tCO₂eq/MWh.

The following are the details of the calculations:

Project C:

- Annual renewable electricity generated:
 $0.92\text{MW} \times 365\text{d/y} \times 24\text{h/d} \times 0.19 = 1,531\text{ MWh/y}$
- GHG emission reduction = $1,531\text{ MWh/y} \times 0.477\text{ tCO}_2\text{eq/y} = 730\text{ tCO}_2\text{eq/y}$ (rounding)

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