



# Absa Bank Botswana Limited

Sustainable Finance  
Issuance Framework  
June 2023



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# 1 Introduction

## 1.1 Purpose of the framework

This document outlines the criteria under which Absa Bank Botswana Limited and its subsidiaries (Absa) intend to issue thematic liability instruments such as green, social and/or sustainable bonds and loans referred to as sustainable instruments in this framework (the framework). The proceeds of these issuances will be used to finance or refinance activities or assets, loans, project financing and project investments (“projects”) aligned to Absa’s purpose of - empowering Africa’s tomorrow, together, one story at a time – and its strategic priority to lead with purpose and deliver shared value to a broad range of stakeholders.

The framework is aligned to international best practice and guidance issued by the International Capital Markets Association (ICMA), Green Bond Principles (GBP), Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG), Green Loan Principles (GLP) and Social Loan Principles (SLP).

## 1.2 Absa Profile

Absa is a diversified financial services provider publicly listed on the Botswana Stock Exchange (BSE). Absa has an extensive offering of products and services across retail, business, corporate and investment banking, as well as insurance. Absa, headquartered at Plot 74358, Building 4 Prime Plaza, New Gaborone CBD, Gaborone, Botswana.

## 1.3 An active force for good in everything we do

Absa has a vested interest in creating inclusive growth and delivering financial products and services in a socially responsible manner. Opportunity and success can only be enabled through all people being treated equitably, having good health, and having access to housing, education, and income opportunities. This is where Absa sees its most significant impacts and noteworthy contribution to the Sustainable Development Goals.

Embedding Environmental Social Governance (ESG) aspiration in its core business strategy is vital for delivering true long-term value linked to its purpose of empowering Africa’s tomorrow, together, one story at a time. Absa aims to be an active force for good in everything it does, prioritizing business activities with the most positive ESG impact while mitigating negative effects. Absa’s strategic theme of *being “an active force for good in everything we do”* encapsulates this ambition. Absa’s ESG strategy includes the following pillars:

### Environmental

Managing climate change and biodiversity risks and opportunities, including:

- Becoming Botswana’s leader in sustainable finance
- Proactively incorporating climate change risk into the business

### Social

Contributing meaningfully to the societies in which we operate, including:

- Providing inclusive financial services to small and medium enterprises (SMEs), women and youth
- Supporting education and skills development, e.g., financial literacy, tertiary education, and vocational training
- Being there for communities, employees, and clients when they need Absa most
- Championing diversity and inclusion.



## Governance

Committed to the highest standards of governance and ethics, including:

- Committing to excellence in governance and risk management
- Ensuring fair outcomes and transparency with all stakeholders
- Enabling a resilient and robust control environment.

## Public policy and regulation

Active influence on public policy and regulation, including:

- Strengthening trust-based regulatory relationships
- Acting as a strategic thought leader in crucial regulatory debates and influencing national agendas
- Supporting government policies in the collective interest of societies.

### 1.4 Absa's priority Social Development Goals (SDGs)

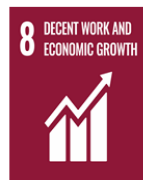
Absa has prioritized six SDGs representing the most relevant goals and targets to Absa's strategy, business model and operating context.



Achieve gender equality and empower all women and girls



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive economic growth, full and productive employment and decent work for all



Reduce inequality within and among countries



Take urgent action to combat climate change and its impacts



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

### 1.5 Absa's environmental and social risk management policies and systems

Absa actively manages current and emerging risks through the implementation and continued operating effectiveness of the Enterprise Management Risk Framework (ERMF) which has been approved by Absa's Board of Directors (Board), which includes sustainability risk as a principal risk (comprising environmental, climate change, premises environmental, indirect investment, and social risks). Within the ERMF, risks associated with customer loans that could be impacted by climate change through transition and/or physical risks fall under credit risk, Absa's most significant risk type. Absa measures and monitors its exposure to climate-sensitive industries. Where these exposures are material, Absa aims to manage the risk over the short and medium term, including using stress testing and scenario planning.

The local Sustainability Policy requires that the business strategy considers appropriate climate mitigation strategies, as expressed in the Paris Climate Agreement, and prioritizes business activities that could generate the most significant positive environmental, social, and economic impacts while mitigating adverse effects. It also requires forward-looking, sustainability-related risk assessments at a portfolio and strategic level and the management and mitigation of significant risks identified. In addition, Absa is working with its customers to encourage sustainable practices and economic activities. Absa promotes and supports sustainable behavior and consumption choices, facilitates a responsible transition to a more sustainable economy, and, in its lending practices, considers customers' environmental and social impacts to drive positive outcomes.

As a steward of responsible banking, Absa has, and will continue to, incorporate industry best practice into:

- Policies with specific environmental and social components applied to business lines
- Procedures for assessing and screening environmental and social risks in business lines



- Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements or transactions
- Processes for improving employee competency to implement the environmental and social policies and procedures as applied to business lines
- Interactions regarding environmental and social risks and opportunities.

## **1.6 *Instruments to be issued and listed under this framework***

This framework aims to provide a foundation under which Absa can execute and, where applicable, list green, social and/or sustainable liabilities (sustainable instruments) including, but not limited to, bonds, loans, and deposits. Absa's sustainable instruments offer investors an opportunity to invest in assets that create positive environmental and social impact in Botswana.

Absa Bank Botswana Limited has a Domestic Medium-Term Note Programme listed on the BSE. Absa may utilize the programme in accordance with the principles set out in this framework to issue green, social and/or sustainable bonds.

## 2 Sustainable Finance Issuance Framework

### 2.1 Scope

This framework articulates how Absa's sustainable instruments align with the ICMA GBP, SBP, the SBG, GLP and SLP. Accordingly, this framework has four core pillars:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

The GBP, SBP, SBG, GLP and SLP are voluntary process guidelines that are internationally accepted by issuers/borrowers and investors/ lenders and provide a credible framework for issuing sustainable instruments.


However, as the sustainable finance market develops, these principles may be subject to change. As such, Absa will regularly review and update the framework in line with market developments.

### 2.2 Use of proceeds







The use of proceeds forms the cornerstone in classifying an instrument as green, social and/or sustainable. The proceeds of the sustainable instruments issued under this framework will be used to finance and/or refinance a portfolio of eligible loans/assets in whole or in part that aligns with the green and social categories detailed in the tables below. Absa is committed to ensuring appropriate due diligence is conducted to ensure compliance with internal standards on each project prior to allocating funding. Use of proceeds provisions will be included in the instrument's legal documentation.

Absa will ensure that the four environmental objectives being Climate Change, Natural resource depletion, Biodiversity, Air, water and soil pollution will form the focus of the ESG agenda in Absa, with initial focus on the categories listed below.




### Green categories

Green Bond/loan category	Alignment with Absa priority SDG	Impact area	Eligibility criteria
Renewable energy		<ul style="list-style-type: none"> <li>• Renewable energy generation</li> <li>• Manufacturing or importing of renewable energy technology (including inverters and storage batteries).</li> </ul>	<ul style="list-style-type: none"> <li>• Solar</li> <li>• Wind</li> <li>• Hydropower</li> <li>• Geothermal with direct emissions below 100gCO<sub>2</sub>/kWh</li> <li>• Biofuel</li> <li>• Green hydrogen projects</li> <li>• Schemes for renewable heat use and energy storage, including heat networks, heat pumps and hydrogen heating</li> <li>• Specific exclusions:               <ul style="list-style-type: none"> <li>○ Hydropower projects for which estimated reservoir emissions intensity is &gt;100gCO<sub>2</sub>/kWh or power density &lt;5W/m<sup>2</sup></li> <li>○ Geothermal projects with emission intensity over 100g CO<sub>2</sub>/kWh</li> <li>○ Biomass or biofuels of non-sustainable origin</li> <li>○ Hydrogen production through steam reforming processes</li> <li>○ using natural gas/oil or coal (grey/ black hydrogen).</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>• Construction/maintenance/expansion of transmission infrastructure and distribution networks.</li> </ul>	<ul style="list-style-type: none"> <li>• Grid expansion</li> <li>• Micro-grid infrastructure</li> <li>• Infrastructure directly connecting renewable energy or integrating renewable energy into existing transmission networks.</li> </ul>



Green Bond/loan category	Alignment with Absa priority SDG	Impact area	Eligibility criteria
<b>Energy efficiency</b>		<ul style="list-style-type: none"> <li>Upgrade and retrofit infrastructure and assets to increase energy and resource efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Refurbishment of residential or commercial buildings that increase energy efficiency by at least 20%</li> <li>Replacement or upgrade of lighting, appliances, production machinery, industrial processes or products to increase energy efficiency by at least 20%</li> <li>Fuel-switching investments to avoid/reduce the use of fossil fuels such as coal, oil, kerosene and diesel</li> <li>Other measures dedicated to improving the efficient use of energy and preventing system losses, such as smart grid technologies</li> <li>Energy-efficient data centres and equipment.</li> </ul>
<b>Pollution prevention and control</b>		<ul style="list-style-type: none"> <li>Improved waste management.</li> </ul>	<ul style="list-style-type: none"> <li>Recycling or composting activities</li> <li>Activities that divert waste from landfill and/or reduce pollution of rivers and oceans</li> <li>Activities that reduce waste from source</li> <li>Activities to capture methane gas</li> <li>Landfill gas capture and utilisation in permanently closed landfills</li> <li>Waste-to-energy projects where the majority of recyclables are separated before incineration</li> <li>Anaerobic digestion facilities for the production of biogas and digestate from bio-waste</li> <li>Circular economy projects</li> <li>Specific exclusion: Waste-to-energy activities where removal of recyclables prior to incineration cannot be ensured.</li> </ul>
		<ul style="list-style-type: none"> <li>Reduced air emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of refrigerants with high global warming potential with solutions that lower global warming potential.</li> </ul>
<b>Sustainable water and waste-water management</b>	 	<ul style="list-style-type: none"> <li>Activities that expand public access to safe and affordable drinking water</li> <li>Activities that provide access to adequate sanitation facilities</li> <li>Activities that improve water quality</li> <li>Activities that enhance water use efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Construction, maintenance and equipment for water supply and treatment infrastructure (i.e., pipework)</li> <li>Water treatment facilities</li> <li>Wastewater discharge infrastructure</li> <li>Water-saving systems and technologies (e.g., smart meters)</li> <li>Desalination projects</li> <li>Sustainable urban drainage systems</li> <li>Removal of invasive species to improve water catchments</li> <li>Specific exclusion: Desalination projects that do not have an environmental risk mitigation strategy to address brine management.</li> </ul>
<b>Green buildings</b>	 	<ul style="list-style-type: none"> <li>Green buildings that meet regional, national or internationally recognised standards or certifications.</li> </ul>	<ul style="list-style-type: none"> <li>Certified green commercial or residential buildings: Minimum Green Star 4 category, Energy Water Performance (EWP) Level 6, Leadership in Energy and Environment Design "Gold" Certification or International Finance Corporation's Excellence in Design for Greater Efficiencies (EDGE) certification</li> <li>Replacement of existing heating/cooling systems in buildings with more efficient, non-fossil fuel powered systems, or installation of new cogeneration/ trigeneration/combined heat and power plants that generate electricity in addition to providing heating/cooling</li> <li>Waste heat recovery improvements.</li> </ul>



Green Bond/loan category	Alignment with Absa priority SDG	Impact area	Eligibility criteria
<b>Clean transportation</b>		<ul style="list-style-type: none"> <li>Projects that increase access to clean transportation.</li> </ul>	<ul style="list-style-type: none"> <li>Projects to finance the manufacture, retrofit or purchase of low-carbon transportation technology (e.g., electric, hybrid and hydrogen), including vehicles, buses, tractors, trains and ships</li> <li>Electric vehicle charging stations and electric infrastructure for public transport</li> <li>Rail transportation projects for public use</li> <li>Train infrastructure upgrades</li> <li>Schemes and incentives to support the purchase of zero-emission transportation, walking, cycling, and expenditures for related infrastructure</li> <li>Mass transit infrastructure, including fossil-fuel-related projects with less than 50g CO2 per passenger km and freight and water projects with less than 25kg of CO2 per tonne</li> <li>Specific exclusions: <ul style="list-style-type: none"> <li>Fossil-fuel-based transportation, supporting infrastructure and transportation dedicated to fossil fuel transport</li> <li>Systems and infrastructure dedicated to the transportation of fossil fuels.</li> </ul> </li> </ul>
<b>Climate change adaptation</b>		<ul style="list-style-type: none"> <li>Investments that address physical climate risks, including floods, fires, storms, droughts, plague defence systems and related infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk raw water infrastructure projects that document an improvement in drought resilience</li> <li>Grey and blue/green infrastructure that improves stormwater run-off</li> <li>Land or aerial vehicles used to combat locust plagues</li> <li>Investments to support early warning systems, for example, climate observation or data collection.</li> </ul>
<b>Environmentally sustainable management of living natural resources and land use</b>		<ul style="list-style-type: none"> <li>Sustainable and climate-smart agriculture.</li> </ul>	<p>Projects that demonstrate:</p> <ul style="list-style-type: none"> <li>Reduction in food and/or crop losses of at least 20% (improved storage, cold chain or improved packaging)</li> <li>Increased crop productivity of at least 20% without increasing greenhouse gas (GHG) emissions</li> <li>Reduction in at least 20% of energy use in agricultural traction (low or efficient tillage and other agricultural processes)</li> <li>Reduction in water consumption of at least 20% per unit of product (drip irrigation, switching to less water-intensive crops, water harvest and storage facilities)</li> <li>Improvement in existing carbon pools (reduced tillage, no-till farming, use of agricultural waste, rehabilitation of degraded land)</li> <li>Biological nitrogen fixation – reduction in at least 20% (per unit of product) of non-carbon dioxide GHG emissions from agricultural processes (e.g., N2O from fertiliser use)</li> <li>Soil recovery and restoration of degraded pastureland</li> <li>Integrated cropland-livestock-forestry systems</li> <li>Animal waste treatment</li> <li>Improving energy efficiency of aquaculture farming and processing facilities</li> <li>Improving the energy efficiency of irrigation and other agriculture and livestock management processes, as well as tractor or equipment efficiency through fuel switching to low-carbon options</li> </ul>

## Social categories






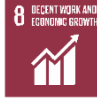



In categorising social projects/assets, Absa will consider and formalise the target populations positively impacted by financed social projects.

This consideration will include the reasoning for selecting the target population and mechanisms for addressing the target population through the social project. Target populations will be of a disadvantaged or vulnerable group, or if no target population is applicable to the types of activities/ use of proceeds, the New Business Committee will consider whether the activity has the potential to exclude some vulnerable or disadvantaged





populations.

Social Bond/loan category	Alignment with Absa priority SDG	Impact area	Eligibility criteria
<b>Affordable housing</b>	 	<ul style="list-style-type: none"> <li>Affordable and/or social housing.</li> </ul>	<ul style="list-style-type: none"> <li>Construction or investment in affordable and/or social housing deemed as such in the applicable jurisdiction</li> <li>Investment in improving the quality of existing social and affordable housing facilities.</li> </ul>
<b>Access to essential services</b>	  	<ul style="list-style-type: none"> <li>Activities that expand access to education for previously disadvantaged or low-income groups.</li> </ul>	<ul style="list-style-type: none"> <li>Construction and renovation of education facilities that improve the quality and capacity of the facility</li> <li>Projects that improve technological access within the education sector</li> <li>Student and low income housing/ Self Help Housing Agency (SHHA).</li> </ul>
		<ul style="list-style-type: none"> <li>Activities that expand access to healthcare for previously disadvantaged or low-income groups.</li> </ul>	<ul style="list-style-type: none"> <li>Construction and renovation of health facilities that improve the quality and capacity of the facility</li> <li>Projects that improve technological access within the education and healthcare sector.</li> </ul>
		<ul style="list-style-type: none"> <li>Activities that improve access to education.</li> </ul>	<ul style="list-style-type: none"> <li>Financing or re-financing of any project that aims to provide individuals with access to tertiary education or vocational and technical training.</li> </ul>
<b>Employment Generation</b>		<ul style="list-style-type: none"> <li>Activities that generate employment through the potential effect of SME financing and microfinance</li> </ul>	<ul style="list-style-type: none"> <li>Funding SMEs</li> <li>Funding projects that promote growth for SMEs</li> <li>Small, medium and micro enterprises are categorised as per the Government of Botswana</li> <li>Specific exclusion: SMEs whose business activities could be considered harmful to the environment or are in contravention of any of the other criteria outlined above.</li> </ul>
<b>Socioeconomic advancement and empowerment</b>	  	<ul style="list-style-type: none"> <li>Activities that promote gender equality and equal opportunities.</li> <li>Activities aimed at poverty eradication</li> </ul>	<ul style="list-style-type: none"> <li>Women-owned enterprises. (enterprises that are at least 50% owned by women or enterprises that are at least 20% owned by women and have more than one woman in leadership positions, such as CEO, COO, President or Vice President) or 30% of the board of directors is composed of women where a board exists</li> <li>Projects that aim to provide women and female-owned enterprises with access to financial services, including affordable credit, payment and saving accounts and non-financial services such as financial and business training</li> <li>Projects and services that create job opportunities for women.</li> </ul>

Exclusions: Projects with high environmental or social risks or that cause material harm to achieving the Absa's priority SDGs.

## Sustainable categories

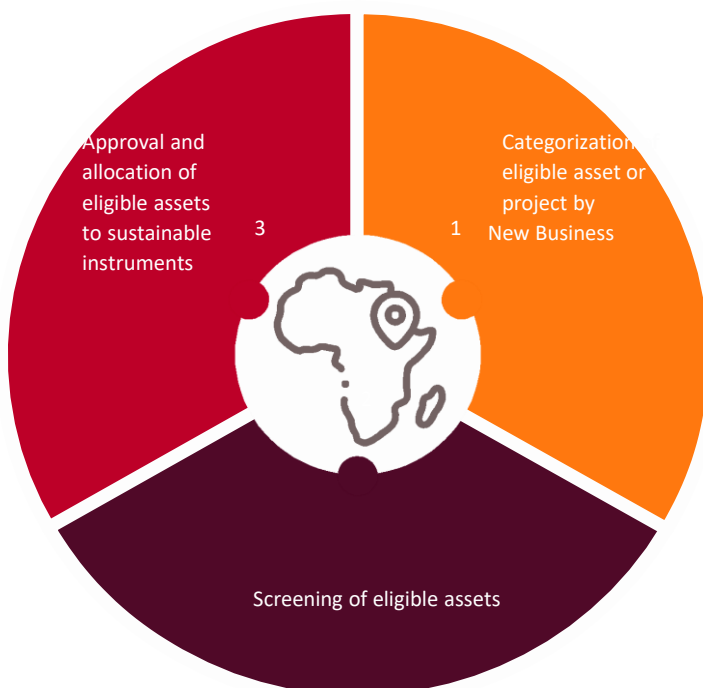
Sustainability instruments are to be aligned with the four core components of both the GBP and SBP. The use of proceeds of sustainability instrument will clearly demonstrate both environmental and social benefits.

## Refinancing

The proceeds from the green, social and/or sustainability bond issuance can be used to finance new loans/assets and refinance existing loans/assets. New loans are those where disbursements have been made up to one year prior to the issue of the bond and at any time from the date of the issuance. Existing loans are those which have reached financial close, up to 60 months prior to the issuance, or where the assets are not yet fully operational.

## 2.3 Process for project evaluation and selection

Absa will follow a three-step approach to align green, social, and/or sustainable asset origination and liability raising efforts to this framework's use of proceeds criterion.



The Corporate and Investment Banking (CIB) and the Retail and Business Bank (RBB) under New Business Committee will categorize potential eligible green and social assets or projects against the use of proceeds criteria outlined in this framework and present eligible assets or projects to the Credit Committee for screening. The Credit Committee will maintain a Sustainable Asset Register (SAR), including the details of approved eligible assets or projects and eligible assets or projects already assigned to be financed through the proceeds of sustainable instruments. The SAR is presented to the Asset Liability Committee (ALCO) for review periodically.

The ALCO owns the final selection of eligible assets or projects for sustainable instruments throughout the life of all sustainable instruments. The eligible list of assets or projects submitted to ALCO will have already been evaluated for adherence to Absa's internal environmental and social risk management policies and systems and screened against the use of proceeds criteria. For each sustainable instrument, ALCO will select eligible assets from the SAR that will be financed or refinanced, in whole or in part, with the net proceeds as specified in the final terms or pricing supplement of the sustainable instrument.

The ALCO is responsible for governing the framework to ensure consistency of approach and oversight and will manage any future updates to the framework, including amendments to the use of proceeds criteria. Any proposed amendments to the use of proceeds criteria will be recommended by the New Business team through the Credit Committee, reviewed and approved by ALCO. In performing its responsibility, ALCO may also make use of external consultants and their data sources, as required. ALCO will govern any future updates to this framework, including expanding the list of eligible categories and overseeing its implementation. ALCO is also responsible for the final approval of the selection and evaluation of eligible assets.

Eligible assets may have green, social and/or sustainable benefits, thus qualifying for more than one type of sustainable issuance. In this regard, ALCO will ultimately determine allocation as green, social or sustainable. In select cases when a project may use proceeds from more than one type, the proceeds split will be determined and documented to avoid double counting.



## 2.4 Management of proceeds

Absa intends to utilise the proceeds from sustainable instruments for eligible assets or projects, as presented in the SAR, which will be selected in accordance with the use of proceeds criteria and process for project evaluation and selection presented above. The SAR will be used to track the receipt and allocation of proceeds, ensuring assets and projects financed by sustainable instruments are appropriately managed for internal and external monitoring and reporting purposes. Absa may add or remove eligible assets or projects from the SAR to the extent required.

The proceeds of a green, social or sustainable instrument or loan will be credited to an escrow account and tracked appropriately. Where a green, social or sustainable loan or instrument takes the form of one or more tranches, each tranche applicable to the green, social or sustainable project will be clearly labelled. Proceeds of such tranche(s) will be credited to an escrow account and tracked appropriately.

Absa aims to maintain the SAR at a level that at least matches or exceeds the balance of net proceeds from its outstanding sustainable instruments. If any sustainable instrument proceeds remain unallocated, Absa will temporarily hold and/or invest the unallocated proceeds, at its discretion in its treasury liquidity portfolio, in cash or other short-term and liquid instruments, until such time it can be appropriately allocated. These proceeds will be managed in a manner deemed acceptable to ensure the funds are applied as intended. As long as the green, social or sustainable instrument or loan is outstanding, the balance of the net proceeds shall be periodically adjusted to match allocations to eligible projects during the period. Absa will disclose all temporary placements of unallocated net proceeds to investors. Absa's management of proceeds will be audited annually to verify the internal tracking method and the allocation of funds from the proceeds of the sustainability bonds.

## 2.5 Reporting

Absa will prepare and publish details with respect to sustainable instruments issued under this framework in its integrated reports. This report will include allocation and impact reporting, where available, and will be made available on Absa's website. The report will provide an overview of the portfolio of eligible projects/assets that have been allocated, including their impact. Absa will use qualitative performance indicators and, where feasible, quantitative performance measures, disclosing the key underlying methodology and/or assumptions used in the quantitative determination. Absa will refer to and adopt, where possible, allocation and impact reporting best practice. The integrated report will contain a verification and confirmation of the information by the independent verifier.

### Allocation reporting includes the following:

- Total proceeds allocated to eligible assets or projects
- Number of eligible assets or projects
- Balance of unallocated proceeds
- Amount or the percentage of new financing and refinancing.

### Impact reporting:

A summary of the impacts of the allocated portfolio for a sustainable instrument may include the metrics set out below, as well as relevant project narratives, to the extent that the data is available from clients and subject to permitted disclosure in accordance with relevant confidentiality agreements and privacy, competition or other relevant regulation.

	Impact indicator
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Total installed capacity (MW)</li> <li>• Generated power (GWh)</li> <li>• Estimated annual CO2 equivalent emission reduction (tonnes CO2eq/year).</li> </ul>
<b>Energy efficiency</b>	<ul style="list-style-type: none"> <li>• Estimated annual CO2 equivalent emissions reduction/avoidance (tonnes CO2eq/year)</li> <li>• Annual energy savings (MWh/year).</li> </ul>
<b>Pollution prevention and control</b>	<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 GHG emission reductions (tonnes CO2eq/year)</li> <li>• Annual waste used for energy (tonnes/year)</li> <li>• Annual waste reused or recycled before and after the project</li> <li>• Percentage emission improvements.</li> </ul>
<b>Climate change adaption</b>	<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>
<b>Environmentally sustainable management of living natural resources and land use</b>	<ul style="list-style-type: none"> <li>• For agriculture projects: <ul style="list-style-type: none"> <li>○ Annual non-GHG emission reduction (e.g., reduction of N2O fertiliser emissions)</li> <li>○ Productivity gains due to climate-smart agriculture (tonnes of product type/ha year)</li> </ul> </li> <li>• Reduction in post-harvest losses (tonnes of product type/year) Area (ha/year) of biodiversity conserved</li> <li>• Area (ha/year) of forestation or reforestation</li> <li>• Amount/size (ha/year) of sustainable agriculture, animal husbandry, fisheries.</li> </ul>
<b>Sustainable water and wastewater management</b>	<ul style="list-style-type: none"> <li>• Annual volume of water saved/recycled (m3/year)</li> <li>• Annual volume of wastewater treated for reuse (m3/year) Additional number of people with access to safe drinking water.</li> </ul>



	Impact Indicator
<b>Green buildings</b>	<ul style="list-style-type: none"> <li>• Number of green buildings funded by eligible certification (e.g., EDGE, Green Building Council South Africa Green Star, etc.)</li> <li>• Total m2 of green buildings funded</li> <li>• Total m2 of energy-efficient properties funded</li> <li>• Estimated annual CO2 equivalent emissions reduction/avoidance (tonnes CO2eq/year)</li> <li>• Number of mortgages provided to green-certified houses/residential projects</li> <li>• Number of people who benefitted.</li> </ul>
<b>Clean transportation</b>	<ul style="list-style-type: none"> <li>• Annual GHG emission reductions (tCO2eq/year) of rail/water/conveyor route in comparison to road transport</li> <li>• Number of people with access to sustainable transport systems</li> <li>• Level of service (passenger km/year)</li> <li>• Number of low-carbon vehicles financed.</li> </ul>
<b>Affordable housing</b>	<ul style="list-style-type: none"> <li>• Number of people with access to safe, affordable and/or sustainable housing</li> <li>• Number of affordable and/or sustainable housing units built</li> <li>• Size of affordable mortgage book (BWP bn) and value of new business in a particular year (BWP bn).</li> </ul>
<b>Access to essential services</b>	<ul style="list-style-type: none"> <li>• Number of education facilities financed</li> <li>• Spend on education (BWP m)</li> <li>• Number of people provided with financial literacy training</li> <li>• Number of people with access to education facilities or courses</li> <li>• Additional student projected intake</li> <li>• Number of healthcare facilities financed</li> <li>• Number of new or existing healthcare facilities that have experienced increases in capacity from financing, i.e., additional hospital beds</li> <li>• Number of people with access to healthcare</li> <li>• Number of households with access to childcare facilities.</li> </ul>
<b>Socioeconomic advancement and empowerment</b>	<ul style="list-style-type: none"> <li>• Number of females with increased access to affordable credit, payment services, saving accounts or non-financial services</li> <li>• Number of female-owned enterprises funded</li> <li>• Estimated number of jobs created</li> <li>• Value of personal loans book and new business (BWP bn)</li> <li>• Procurement from women-owned companies (BWP bn).</li> </ul>
<b>Employment generation</b>	<ul style="list-style-type: none"> <li>• Number of SMEs financed and value of SME loans (BWP bn)</li> <li>• Estimated number of jobs created.</li> </ul>

Note: For some assets or projects, qualitative measures such as GHG emissions reduction might not be feasible to measure due to the complexity of methodologies. In such cases, the impact report will include qualitative information or other proxy quantitative data. Where required, Absa will seek technical expert guidance on impact reporting for such projects on a case-by-case basis.

### 3 External review

This framework and/or issuances under this framework will be reviewed by an experienced Independent Verifier (also called second-party opinion provider or External Reviewer) approved by the Botswana Stock Exchange. The second-party opinion or independent verification will be made available along with this framework to investors on Absa's website. Absa will request, on an annual basis, starting one year after issuance and until maturity (or full allocation), a limited assurance report of the allocation of the green, social and/or sustainability bond/loan proceeds to eligible loans/assets, to be provided by an external auditor. For issuances that will be listed on the BSE and/or other international stock exchanges, these independent reports will serve as confirmation of the instrument's green, social and/or sustainable status, in accordance with the BSE Debt Listings Requirements and/or the listing requirements of other exchanges.



## 4 Abbreviations

AGM	Annual general meeting
ALCO	Asset Liability Committee
BSE	Botswana Stock Exchange
CIB	Corporate and Investment Bank
EDGE	Excellence in Design for Greater Efficiencies
ERMF	Enterprise Risk Management Framework
ESG	Environmental, social and governance
GBP	Green Bond Principles
GLP	Green Loan Principles
ICMA	International Capital Markets Association
MSC	Marine Stewardship Council
PRB	Principles for Responsible Banking
RBB	Retail and Business Bank
REIPPP	Renewable Independent Power Producer Programme
SAR	Sustainable Asset Register
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SDG	Sustainable Development Goals
SLP	Social Loan Principles
SME	Small and medium enterprises
TCFD	Task Force on Climate-Related Financial Disclosures



## 5 Disclaimer

This document has been prepared by Treasury division of Absa Bank Botswana Limited – a registered bank in the Republic of Botswana with company registration number BW00001237900 with its registered office at Prime Plaza, Building 4, Central Business District, Gaborone, Republic of Botswana (ABBL).

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[www.absa.co.bw](http://www.absa.co.bw)

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