Private Infrastructure
Development Group

Sustainability and Impact Report

2024

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Mobilising finance, accelerating action

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure developer and investor which mobilises private investment in sustainable and inclusive infrastructure in Africa and south and south-east Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of Pioneering, Partnership, Safety, Inclusivity and Urgency.

Since 2002, PIDG has committed **USD 5.6b,** bringing **258 infrastructure projects** to financial close, which has **mobilised USD 29.8b** from the private sector and **USD 47.2b overall.** The projects supported by PIDG provide an estimated **232 million people** with access to new or improved infrastructure. Over half of PIDG projects are in least developed countries (LDCs) and almost half in fragile and conflict affected states (FCAS). PIDG is funded by six governments: the UK, the Netherlands, Switzerland, Australia, Sweden and Canada. As an early proponent of blended finance, PIDG makes it viable for private investors to participate in high-quality infrastructure deals using limited sums of public funds to crowd in many times that value in private capital.

UKaid from the British people | Ministry of Foreign Affairs of the Netherlands | Schweizerische Eidgenossenschaft Confédération suisse Confederazione Svizzera Confederaziun svizra | Australian Aid | Sweden Sverige | In partnership with Canada

Our purpose

We get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where it is most urgently needed.

For communities, new infrastructure means opportunities to improve life. We work with public and private partners to bridge financing gaps, directing capital and expertise into projects that promote climate resilience and sustainable growth. Working throughout the project lifecycle, we reduce financial risk, transform markets, and build local capacity.

The infrastructure we develop, and finance, enables job creation and higher living standards, unlocking opportunities for young and fast-growing populations, and helping to shape inclusive economies that reduce poverty.

It also helps to forge sustainable development pathways that are compatible with climate and nature imperatives, improving resilience to climate shocks for some of the most vulnerable populations, while protecting and restoring nature.

Message from the Chair

Yukiko Omura

It is with great pride and a strong sense of responsibility that I write this introduction to our annual Sustainability and Impact report as Chair of PIDG.

Being involved with the group for many years, I am inspired by the dedication, vision, and unwavering commitment of everyone within our organisation. It is a privilege and an honour to lead a group that stands at the forefront of sustainable infrastructure development in some of the world's most challenging, yet promising markets.

One of our greatest strengths lies in the collective power of the group composed of many innovative, dedicated and agile minds focussing on a broad definition of the infrastructure sector across the lifecycle of an asset. In 2024, we implemented the strategic decision to integrate PIDG project development offerings in Africa and Asia (InfraCo). This has laid the foundation for a faster route to impact – both through improved internal collaboration and greater external partnership abilities.

Working more closely together helps us unlock greater potential, mitigate risks more effectively, and ultimately deliver more transformative infrastructure solutions. The integration is not just an operational advantage; it is the very essence of our ability to deliver blended finance at scale.

Our role in blended finance was recognised in a recent industry report by Convergence, with PIDG having the greatest number of commitments in climate blended finance deals in 2023-24. We will continue to work with our partners (public and private) for mobilising private capital to bridge the infrastructure financing gap in emerging and developing economies.

2024 was an exceptionally successful year for PIDG. We navigated a complex global landscape, making bold and, at times, risky investment decisions that have proven to be unequivocally the right ones. These strategic choices have not only generated significant development impact but have also demonstrated our agility and commitment to pioneering new approaches where others might hesitate. Our portfolio has grown stronger, and our projects continue to lay the groundwork for resilient, inclusive, and sustainable economic growth.

As we look ahead, we remain committed to our 2023-2030 strategy. It is our compass, guiding our investments and ensuring that we continue to focus on climate-resilient, gender-smart, and nature-positive infrastructure. We will continue to innovate, to take calculated risks, and to push the boundaries of what is possible in blended finance, always with our core mission of climate action and sustainable development at the heart of everything we do.

Finally, I want to express my deepest gratitude to the PIDG team and our partners. It is their collective and joint effort that translates our strategic vision into tangible impact on the ground, improving lives and building a more sustainable future.

Message from the CEO

Philippe Valahu

2024 was marked by significant progress and strategic transformation for us at PIDG. It was the first full year since we launched our 2030 strategy and we took some fundamental steps forward in achieving our mission.

We welcomed a new Owner government, Global Affairs Canada and raised close to USD 300m in the Emerging Africa & Asia Infrastructure Fund (EAAIF) to finance its continued expansion. EAAIF's mandate expanded into Asia, which was a critical step for us to enhance our ability to reach vulnerable communities in the region and offer the full suite of our products as we do in Africa.

We achieved financial close on 25 projects, 15 of which were in least developed countries or fragile and conflict affected states, highlighting our focus on the most challenging environments.

We made significant strides in mobilising private sector investment, achieving a USD 5.5b total investment commitment, with USD4.1b from the private sector. These projects have provided 5.7 million people with access to improved infrastructure and created thousands of jobs. Furthermore, 64 per cent of commitments were classified as climate finance, with a focus on both mitigation and adaptation, and 72 per cent contributed to gender equality outcomes.

Whilst we aim to continue this growth trajectory, we are aware that there will be key geopolitical and economic risks and climate-related vulnerabilities to manage. The global dialogues at COP16, COP29, and the G20 underscored the critical role of infrastructure finance in driving climate action and sustainable development. At the same time, developed, western markets have also experienced volatility, giving investors an opportunity to rethink their risk management strategies.

Emerging markets and developing economies (EMDEs), on the other hand, have an abundance of overlooked opportunities and unrealised returns. They are expected to grow faster than other economies over the medium- to long-term and will account for an estimated 70 per cent of global real GDP growth by 2050. With their young demographics and high rates of urbanisation, there will be significant demand for climate-resilient infrastructure services.

Indeed, this new generation of infrastructure must be sustainable and climate-resilient by design.

If we collectively fail to invest, a 2024 study by the Potsdam Institute for Climate Impact Research estimates that global annual damages from warming temperatures and changes in weather patterns can be USD 38t in 2050[1].

As such, I am proud of our partnerships with governments and industry for concrete action on unlocking private investment for climate action in EMDEs. This includes our active role in the UK Government's recently convened investor taskforce on tackling climate change. Among other things, it reinforces the importance of our 2030 strategy.

In 2025 and beyond, we will intensify our focus on climate finance and gender equality. We aim to double our yearly commitments by 2030 and develop new investment platforms that combine philanthropy, development finance institutions, and the private sector. We recognise the importance of data-driven decision-making and collaborative approaches to overcome market failures and unlock the capital necessary for sustainable development. In fact, the opportunity for impactful investments that yield strong financial returns is greatest now with uncertain political winds forcing the industry to rethink its strategy.

Our vision is to build a thriving infrastructure ecosystem that delivers climate resilience and sustainable development for all. By fostering a culture of collaboration and innovation, we can transform markets and accelerate the flow of finance to where it is most urgently needed.

We are committed to building a future where infrastructure development drives inclusive growth and environmental sustainability.

1. https://www.pik-potsdam.de/en/news/latest-news/38-trillion-dollars-in-damages-each-year-world-economy-already-committed-to-income-reduction-of-19-due-to-climate-change

One group, multiple solutions

We are one group with a single mission – to get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where most urgently needed.

To achieve this, we work to increase the commercial viability of projects by reducing risk, which mobilises private sector finance for infrastructure projects.

In 2024, we made a commitment of

USD 611m

25 of our projects reached financial close* in the year with a total investment commitment of

USD 5.5b

of which

USD 4.1b

was from the private sector.

Commitment for the 25 projects that reached financial close was USD 585m.

We provide a range of solutions throughout the project lifecycle – including technical assistance, project development, debt, and guarantee solutions that bridge gaps in local capital markets.

Technical assistance
We deploy a toolkit of grants and concessional capital that unlocks progress at every stage of the project lifecycle. This includes concessional debt and equity, and viability gap funding that enables projects to reach financial close. We do this always with a commercial focus, aiming to maximise returns while minimising market distortions.

Project development
We originate, develop, structure and manage projects, reducing risk and supporting their progress from early stage through to operation. Our aim is to create a pipeline of bankable projects, ready to attract private capital and generate the sustainable impact that's needed. We also make equity and other forms of investment into operational businesses, as well as aggregated platforms that allow us to deploy capital and create impact at scale. Our project development solution is called **InfraCo.**

Debt solution
We raise, provide and deploy the stable, long-term commercial debt that projects need but private and public capital markets often struggle to provide – or provide in the right maturities, with the right risk profile. In doing so, we increase the viability and attractiveness of projects, helping them progress towards completion. Our debt fund is the **Emerging Africa & Asia Infrastructure Fund (EAAIF).**

Guarantee solutions
We offer guarantees that remove obstacles for investors and lenders, both international and domestic. Typically issued in local currency, our guarantees help unlock the loans and bonds that projects and businesses need. We also create credit enhancement facilities that help to mobilise local capital into projects and businesses. Our guarantee solutions include **GuarantCo and the credit enhancement facilities (CEFs): InfraCredit Nigeria, InfraZamin Pakistan, and Dhamana Guarantee Company in Kenya.**

Catalysing capital, delivering impact

Technical assistance

In 2024, 40 per cent of new signings were supported by technical assistance or concessional capital. More than the past five years, 48 per cent of PIDG projects reaching financial close benefited from funding in one of these two forms.

Some other highlights from 2024 include:

- 53 per cent of grants were deemed to support positive climate impacts and 39 per cent positive gender impacts.
- PIDG deployed its first concessional equity tranche of up to USD 10m alongside equity to PowerGen, a mini-grid developer who will expand its efforts to develop and construct a portfolio of power grids and commercial and industrial projects across Nigeria, Sierra Leone, and the Democratic Republic of Congo.
- PIDG committed a total of USD 26.5m concessional capital to five different projects. We also approved 31 technical assistance grants to a total of USD 7.5m.
- We approved our first nature enhancement grant, to assess green and blue solutions that would increase biodiversity and water reuse for a rooftop solar company in Sri Lanka.
- We continued to support credit enhancement facility (CEF) initiation and deployment, with workstreams on capacity building and feasibility occurring across multiple CEFs.

Project development

In 2024, in order to create faster routes to impact, we integrated our project development entities – InfraCo Africa and InfraCo Asia – into InfraCo, PIDG's project development offering.

In presenting a more unified face to the market, this will allow simpler, strategically aligned relationships with our partners. And it will offer investors a more singular, powerful proposition.

Some highlights included:

- **Cambodia:** We marked the opening of Cambodia's first cross-docking and cold storage facility providing approximately 6,000 cubic meters of temperature-controlled space in January.
- **India:** We formed a joint venture with Radiance Renewables to develop a portfolio of 110-150MWp solar and solar-wind hybrid projects for the commercial and industrial (C&I) sector in India.
- **Vietnam:** We invested USD 4m in the country's fastest-growing electric motorbike producer - Dat Bike, supporting them with increasing their production capacity by more than double through facility expansion, tool optimisation, and increased automation.
- **Zimbabwe:** We invested to develop Vungu Solar, Zimbabwe's first internationally project-financed solar IPP. The 30MWac plant will support efforts to meet growing demand for clean energy and will displace diesel back-up generation for homes and businesses.
- **Multi-country:** We supported the expansion of SunCulture, which delivers Internet-of-Things enabled solar-powered irrigation solutions, promoting climate resilient agriculture across Africa.

Debt

2024 was a transformative year for the Emerging Africa & Asia Infrastructure Fund (EAAIF), managed by Ninety One. We successfully expanded it into Asia, committed to 13 high-impact investments across continents, a record for the company, and had our A2 credit rating reaffirmed by Moody's.

EAAIF committed USD 346m to 13 transactions, including the first two investments in Asia in Pakistan and Vietnam.

Key highlights included:

- **Innovative finance:** EAAIF continues to lead with tailored capital solutions, anchoring pioneering bonds in critical sub-sectors such as solar PV and digital infrastructure.
- **Renewable energy:** We supported the deployment of new solar PV generation alongside storage capacity and hydropower infrastructure.
- **Future investments:** We aim to invest over USD 1b in debt capital for transformative infrastructure projects across Africa and Asia over the next four years.

Guarantee

GuarantCo, through the transactions it closed in 2024, mobilised more than USD 1.1b of private sector investment, provided 108,211 people with new or improved access to infrastructure and created 4,932 jobs. All transactions were classified as gender-empowering.

Some notable transactions include:

- Work with Africa GreenCo to add a new product to our payment default guarantees to energy aggregators where independent power producers (IPPs) are the beneficiaries. This was adapted for a landmark transaction with Etana in South Africa, in partnership with British International Investment (BII), marking PIDG's first contribution to the Just Energy Transition Partnership backed by the UK Government.
- Two pathfinding deals in Vietnam with IDI Sao Mai and AquaOne achieved industry firsts in aquaculture and water infrastructure, respectively, that have the potential to unlock new avenues for us in this important market.
- We also closed our first Indian agricultural transaction with Arya, in partnership with HSBC, to close the gap between farmers and the market and allow farmers to optimise the price of their produce.

Aligned with our **2030 strategy**

Our strategy for 2030 makes action on climate and nature, together with sustainable development, through new and improved access to infrastructure more than just part of our work. It is the central purpose of all we do.

Our strategic priorities:

1. **Elevating climate action together with sustainable development** as the main purpose of our infrastructure financing and capital market development efforts.

In 2024, **64 per cent** of our commitments classified as climate finance.

2. **Scaling our impact with new ambition and urgency –** measured as new and improved access to infrastructure and improved climate resilience – working more systematically in partnership with the private sector and development finance institutions.

In 2024, our projects provided **5.7 million people** with access to new or improved infrastructure.

3. **A more deliberate and coordinated origination and product strategy, which involves:**

   a. **Scaling up project development and early-stage work in partnership with others.**

PIDG committed USD 15m of equity and up to USD 10m of concessional capital to PowerGen to support a portfolio of greenfield and brownfield power grids and commercial and industrial projects across Nigeria, Sierra Leone and DRC. Refer to page 22 for further details.

   b. **Unlocking local currency domestic institutional capital for infrastructure investment, and accelerating the deployment and effectiveness of guarantees and local credit enhancement facilities.**

Dhamana Guarantee Company kick-started operations in Kenya. It aims to mobilise private sector finance to support the development of sustainable businesses by issuing guarantees to commercially viable projects, businesses, and institutions that tackle the climate crisis and make progress towards the SDGs. Refer to page 44 for details on our investment in Dhamana.

We also signed a Framework Agreement with the Credit Guarantee Corporation of Cambodia (CGCC) through GuarantCo to accelerate the development of domestic capital markets and enhance financial inclusion.

   c. **Attracting and deploying capital from commercial investors into climate resilience and just energy transitions through (1) EAAIF – growing the fund and further sharpening its climate focus, and (2) GuarantCo – through credit enhancement and risk mitigation.**

EAAIF expanded into Asia in Q4 and committed to two climate-focused projects – for sustainable aviation fuel in Pakistan and rooftop solar with CME Solar in Vietnam.

GuarantCo provided a USD 50m default guarantee finance for Etana Energy in South Africa's largest "energy wheeling framework" transaction to unlock new renewable energy capacity by providing independent power producers with the revenue certainty they need to break ground on new renewable energy projects.

4. **A more strategic focus on project origination. Deliberately targeting impact at scale through growth in selected combinations of geographies / sectors / products.**

In 2024, we increased our on-ground presence in Asia through a wider mandate for EAAIF, integrated our project development offerings, InfraCo Africa and InfraCo Asia into InfraCo, created a new Head of Coverage role for Asia, expanded our portfolio of credit enhancement facilities across Africa and Asia, and ventured into new sectors such as aquaculture and sustainable aviation fuel, among others.

5. **Growing the level of investment that we deliver while balancing financial sustainability with sustainable development impact at scale.**

We continued to refine our investment selection process under the new strategy to ensure that our projects produce acceptable returns for us, our private sector partners and for stakeholders in the markets in which we operate, and that they will continue to succeed and deliver sustainable development impact after we have exited.

6. **Nurturing a culture of radical collaboration – within the group and with partners as a solution provider and a bridge between development and private finance.**

Collaboration was a strong thread across our work in 2024. Some highlights include the integration of InfraCos; working with multiple partners to launch CLEAR, an Africa-focused climate fund; a London capital markets day for dialogue on steps to unlock significantly more private finance for the SDGs, including for climate in developing countries; and co-authoring the report on UK as a climate finance hub which led to the UK Government convening an investor taskforce to mobilise private capital for EMDEs.

Our track record
(2002-24)

2024

25 projects reached financial close

48% of these were in least developed countries and other low-income countries
36% of these were in fragile and conflict-affected countries
68% projects reached financial close in sub-Saharan Africa
28% projects reached financial close in South and South-East Asia and the Pacific

USD 5.5b total project investment committed

USD 4.1b total private-sector investment committed

These projects will provide **5.7 million** people with access to new or improved infrastructure

These projects will provide **4,920** short-term jobs **11,798** long-term jobs

9 projects became commercially operational

2002 – 2024

258 projects reached financial close

55% of these were in least developed countries and other low-income countries
50% of these were in fragile and conflict-affected countries
71% projects reached financial close in sub-Saharan Africa
24% projects reached financial close in South and South-East Asia and Pacific

USD 47.2b total project investment committed

USD 29.8b total private-sector investment committed

These projects provide approximately **232 million** people with access to new or improved infrastructure

These projects provide approximately **258,503** long-term jobs **85,101** short-term jobs

163 projects became commercially operational

Notes:
- *The cumulative numbers reported combine actual results for the projects that are already operational with predicted results for the projects that are not yet operational.*
- *At the end of 2024, 63 per cent of the projects financially closed by PIDG were operational.*
- *Where multiple PIDG companies are involved in the same projects, the project counts as one financial close.*

Our commitments to the **SDGs in 2024**

Measuring the contribution and relevance of our investments to the Sustainable Development Goals (SDGs).

We assess our expected contribution to the SDGs for each investment, identifying the main SDGs and the most relevant indicators.

We assess the progress towards those indicators in the country and the extent to which the investment is expected to contribute. This gives us a measure of the relevance of the investment to the country's SDG progress.

We use the latest available data in the Sustainable Development Report, which benchmarks both the progress achieved so far for each SDG indicator[1] (the current status) for which data is available, and the pace of progress.

Projects promoting gender equality outcomes

PIDG screens all projects for positive gender equality outcomes against five domains: company and project governance, workforce, supply chain, consumer market (products and services) and community (inspired by the 2x criteria). 18 projects were identified and evidenced to narrow gender gaps and barriers.

SDG achieved	On track
Challenges remain	Moderately increasing
Significant challenges remain	Stagnating
Major challenges remain	Decreasing

Measuring the relevance of our investments to the SDGs and interpreting the dots and arrows used in this section.

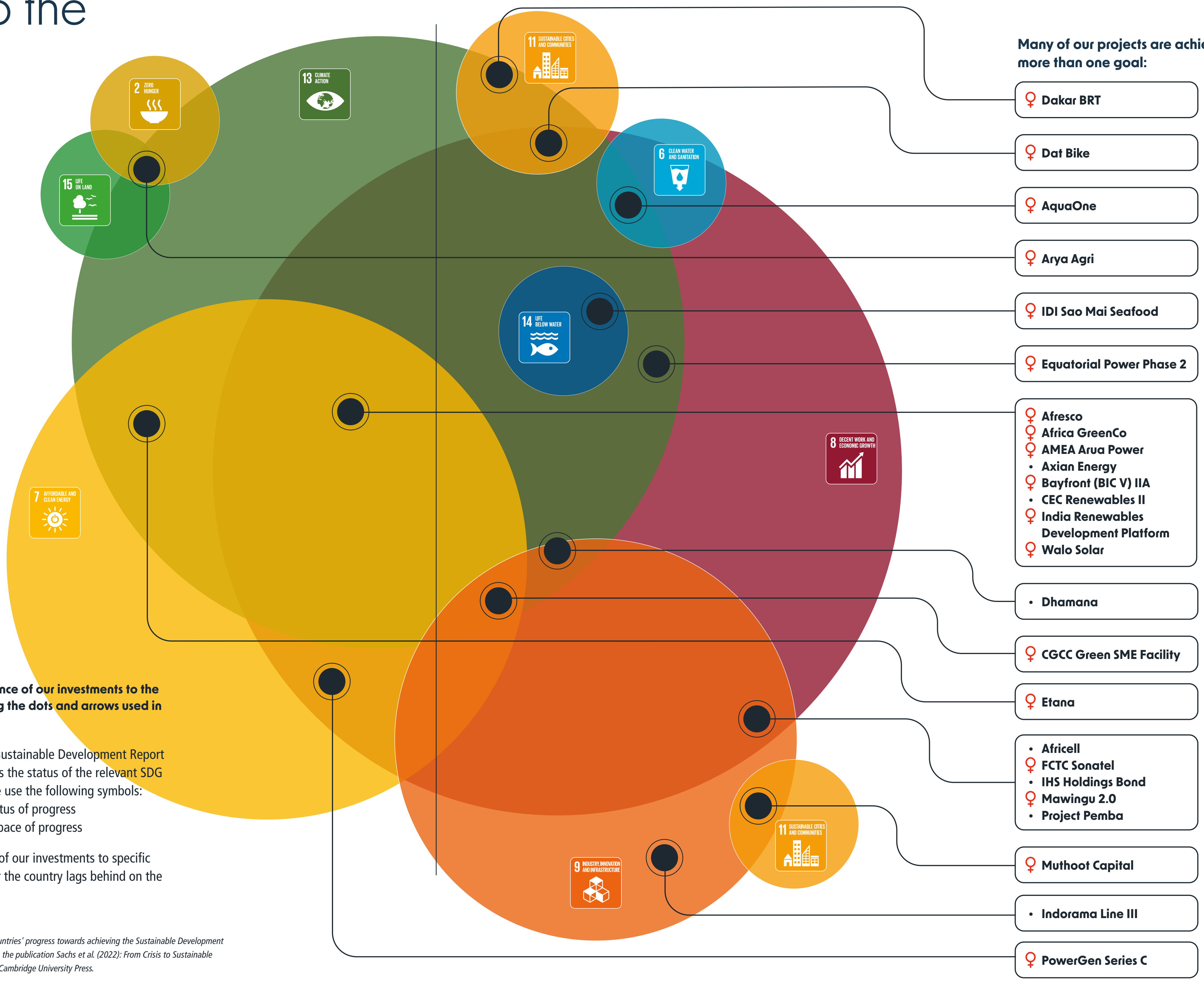
We use data from the Sustainable Development Report (sdgindex.org) to assess the status of the relevant SDG indicator in country. We use the following symbols:

- Dots indicate the status of progress
- Arrows indicate the pace of progress

We rank the relevance of our investments to specific SDGs based on how far the country lags behind on the relevant indicator.

Sustainable Development Goals

Many of our projects are achieving more than one goal:



1. The Sustainable Development Report (formerly the SDG Index and Dashboards) is a global assessment of countries' progress towards achieving the Sustainable Development Goals. It is a complement to the official SDG indicators and the voluntary national reviews. All data is based on the publication Sachs et al. (2022): From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022. Cambridge: Cambridge University Press.

Impact on people

– reaching the underserved

PowerGen

PIDG made a USD 15m equity investment and provided USD 10m of concessional equity to build a portfolio of mini-grids and commercial and industrial (C&I) solar projects in Nigeria (FCAS), Sierra Leone and the Democratic Republic of the Congo (DRC) (LDC and FCAS). This will increase access to reliable electricity for 115,000 consumers, increase productivity for 2,300 firms to create indirect jobs and avoid 28k tCO_2e per year for the planet.

People

SDG 7.1 + 7.2 – ● ➔
Access to affordable and reliable renewable energy.

115,000 rural, low-income end-users are expected to benefit. The largest impact is expected for users who consume the most power.

Planet

SDG 13 – Climate change mitigation.

Avoid 28k tCO_2e through the displacement of diesel generator sets and non-traditional fuels.

Wider economy

SDG 8.5 – ● ➔
Achieve full and productive employment.

2,300 businesses are expected to benefit, especially those that are highly dependent on electricity for business operations or suffer due to reliability issues.

Market transformation

Challenge: Lack of private sector appetite for mini-grids in Nigeria, Sierra Leone and the DRC.

Channel: Improve the overall commercial viability of mini-grids through a demonstration effect.

Outcome: Model replicated by other mini-grid companies, thereby attracting additional private sector capital into the sector.

Mobilisation

Mobilised USD 5m from the private sector.

Technical assistance

USD 10m of concessional equity was provided to PowerGen to achieve first close of its series C raise.

Climate risk

Climate risks will be assessed for all site locations as part of the Environmental and Social Action Plan (ESAP) requirements. Mini-grids are considered more resilient to the impacts of climate change than centralised power systems. Their decentralised nature means fewer people are affected by an outage, and their modular structure allows them to resume operations more quickly after an extreme weather event.

Gender lens

More than 30 per cent of the workforce are female.

HSES considerations

HSES risk category: B*

Key risks: Risk assessment framework, security management, portfolio monitoring.

Opportunities: Assistance in improving and operationalising risk assessment policies (QA/QC and technical support).

*HSES risk categories – check glossary and notes (p143)

Arya

PIDG provided two partial (75 per cent) local currency guarantees totalling USD 22.5m to Arya, a grain commerce platform in India, a low- and middle-income country (LMIC). Proceeds will be used to provide post-harvest liquidity to farmers, farmer producing organisations, and small agri-enterprises. This will unlock a formal banking channel which, in turn, will increase income generation for farmers.

People

SDG 2 + 13 – ● ➔
Double the agricultural productivity and incomes of small-scale food producers.

1,200 farmers are expected to benefit from an increase in income generation through unlocking greater value from their yields. 82 per cent of these farmers will be rural and 86 per cent will be accessing financial services for the first time.

Planet

SDG 15 – ● ➔
Action to reduce the degradation of natural habitats.

The Arya platform aims to reduce agricultural resource use (water, fertiliser, land) through a range of pre- and post-harvest solutions. Farming inputs are directly reduced through tailored app support and indirectly via a reduction in post-harvest losses.

Market transformation

Challenge: Farmers in India face post-harvest losses and seasonality of cashflows due to challenges in storage and a lack of financing options from banks.

Channel: Demonstrate an integrated business model to crowd in the long-term financing needed to support the addition of warehouses and access to finance for farmers.

Outcome: Greater private sector capital interest to address highlighted gaps and ultimately lead to greater income generation for farmers.

Mobilisation

Mobilised USD 30m of domestic capital from the private sector.

Technical assistance

PIDG provided USD 46,100 to co-finance transaction costs of the local currency loan.

Climate risk

Farmers benefit from improved resilience through income protection and enhancement, reducing post-harvest losses and tailored advice on farming practices to improve their resilience to climate change.

Gender lens

The company is engaging women across its workforce and the wider community, and has an active programme with UNDP to grow a pool of value chain liaisons. Discussions to work with the company on new initiatives to support women are ongoing.

HSES considerations

HSES risk category: FI-3*

Key risks: Occupational health and safety (OHS) risks in the warehouse, physical climate risks (e.g., heat stress and flooding), agriculture supply chain risks to nature.

Opportunities: Technical assistance grant provided to support women empowerment (training women as managers within the farmer producer organisations) and Arya initiatives to help farmers reduce water and fertiliser use, and improve soil quality (nature-based solution).

*HSES risk categories – check glossary and notes (p143)

Impact on the planet

Vietnam: Demonstrating how blended finance can help address climate change

2024 marked several significant developments in Vietnam's infrastructure finance landscape to unlock domestic capital for sustainable development. Through a series of transactions facilitated by PIDG, the market saw the emergence of innovative financing structures that could help address the country's substantial infrastructure needs while supporting its energy transition goals.

AquaOne

We provided a 100 per cent guarantee of USD 47m as part of a bond issuance to build and operate a greenfield water treatment project in northern Vietnam (LMIC). The project will produce 150k m³/ day and will distribute water through a pipeline network. This is the longest tenor project bond issuance in Vietnam and the first verified green project bond in the water sector in the country.

People

SDG 6.1 – Access to safe and affordable drinking water.

Expected impact: 53,000 consumers are expected to benefit from improved quality of water in Hanoi and Hoa Binh. This will enhance their quality of life and their resilience to current and future effects of climate change.

Market transformation

Challenge: Short tenors offered for infrastructure in the bond market in Vietnam, which has resulted in limited issuances for projects.

Channel: Demonstrate the first 20-year project bond in the market.

Outcome: Capital market development to support longer-dated infrastructure bond issuances in the future.

Mobilisation

Mobilised USD 112m from the private sector.

Technical assistance

PIDG provided USD 119,000 towards transaction cost support to enable financial close.

Climate risk

The project addresses both current and future climate vulnerabilities by providing a significant supply of clean water sourced from surface water reserves. By sourcing water from these surface water reserves instead of groundwater, the project reduces the pressure on overexploited aquifers, helping to prevent land subsidence and mitigate saline intrusion. The project design includes protection against a one in 100-year flood event and follows local standards for wind loading to mitigate cyclone risks.

Gender lens

More than 30 per cent of the workforce are female and 24 per cent are in senior leadership positions.

HSES

HSES risk category: A*

Key risks: Physical climate risk (flooding), water availability, impacts to ecosystems services, indigenous peoples.

Opportunities: Provided technical support for the physical climate risk assessment and critical habitat screening.

**HSES risk categories – check glossary and notes (p143)*

Dat Bike

PIDG provided a USD 4m mezzanine loan to Dat Bike to manufacture 94,000 electric motorbikes in Vietnam (LMIC). This will double the production capacity of the country's second largest manufacturer, contributing to the growth of the domestic e-mobility ecosystem in the country.

Planet

SDG 11.6 + SDG 13 –

Reduce the adverse per capita environmental impact of cities and climate change mitigation.

Expected impact: Avoid 64k tCO_2e and local air pollutants, particularly NOx that would come from ICE bicycles through the introduction of electric motorbikes. Urban communities will benefit from reduced air pollution as the model scales up.

Wider economy

SDG 8.5 –

Sustain productive employment.

Expected impact: 94,000 consumers will utilise the electric motorbikes which is expected to lead to an increase in income generation.

Market transformation

Challenge: The government is working towards a target for all motorised vehicles to be fully electric by 2050.

Channel: Scale up of domestic operations for local electric bike manufacturers.

Outcome: Enable an increase in the number of electric bikes and an increase in the number of EV competitors relying on local sourcing.

Gender lens

More than 50 per cent of the workforce are female and more than 30 per cent are in senior leadership positions.

HSES

HSES risk category: B*

Key risks: Battery fire safety of e-bikes and management of hazardous materials.

Opportunities: Built capacity through PIDG directors' training, which included ESG and HSES basics, as well as provided guidelines on battery safety upon establishment.

**HSES risk categories – check glossary and notes (p143)*

IDI Sao Mai

We provided a 100 per cent local currency guarantee for up to USD 40m as part of a green bond issuance to IDI Sao Mai, a leading sustainable fish export company in Vietnam (LMIC). The bond was externally verified, and proceeds will be used to develop a fish processing facility and a seeding and hatching facility.

Planet

SDG 14.C + SDG 13 –

Restore fish stocks and provide access to market for small-scale artisanal fishers.

Expected impact: 45 households will benefit from contracts to cultivate the fish. This will lead to enhanced income generation for farmers and improve climate resilience as they shift away from agricultural production which is more susceptible to climate change impacts.

Wider economy

SDG 8.5 –

Achieve full and productive employment.

Expected impact:

1,600 jobs are expected to be created during the operation and maintenance of the processing plant and fish hatching facility.

Increased production in fish exports leading to FX earnings of USD 273m for the economy.

Market transformation

Challenge: While Vietnam has issued over USD 200m in green bonds, this is behind neighbouring countries in south Asia. More issuances are required to meet the green infrastructure financing gap.

Channel: Issue the first local currency, internationally verified green bond.

Outcome: Capital market development by demonstrating more internationally certified green bonds.

Mobilisation

Mobilised USD 40m of domestic capital from the private sector.

Technical assistance

PIDG provided USD 31,000 to support the development of the financial model and USD 60,000 to support HSES capacity building activities.

Climate risk

IDI will provide technical expertise and specification to farmers, including provision of seeding fish/hatchings and fish feed on credit terms. IDI will have a contractual commitment to purchase the fish at harvesting time at market price, and the payment will be paid off, setting the advance expenses to farmers. The Environmental and Social Action Plan (ESAP) includes a supply chain management plan and further action on the consideration of physical climate risks.

Gender lens

More than 50 per cent of the workforce is female and 25 per cent are in senior leadership positions.

HSES

HSES risk category: B+*

Key risks: Aquaculture supply chain risks to nature, gender-based violence and harassment (GBVH) risk for factory workers, labour and working conditions (direct and indirect).

Opportunities: Technical assistance provided to support development of IDI's HSES management system and HSES capacity building.

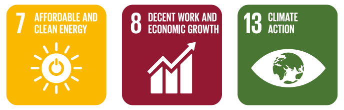
**HSES risk categories – check glossary and notes (p143)*

Impact on the wider economy

Senegal: Investing to increase productivity and support economic growth

PIDG is investing in a variety of infrastructure projects across Senegal – from innovative renewable technology to expanding connectivity – that have the potential for a far-reaching impact on the country's economy. Millions of people are expected to gain directly or indirectly, whether as first-time internet users or from improved traffic conditions when commuting during rush hour.

Walo Solar



We made a USD 12m debt commitment to build a 16MW solar plant and associated 10MW/20MWh battery storage system in Senegal (LDC). This will increase access to reliable electricity for 58,000 consumers, increase productivity for firms to create indirect jobs, and avoid 28k tCO_2e per year for the planet.

People

SDG 7.1 + 7.2 –
Access to affordable and reliable renewable energy.

Expected impact: 58,000 consumers are expected to benefit. The largest impact will be felt by users that consume the most power.

Planet

SDG 13 – Climate change mitigation.

Expected impact: Avoid 28k tCO_2e per year.

Wider economy

SDG 8.5 –
Achieve full and productive employment.

Expected impact: Large number of businesses are expected to benefit which will, in turn, create indirect jobs in the economy.

Market transformation

Challenge: Senegal has experienced rapid development and integration of new renewables in its energy mix, which has created grid stability challenges.

Channel: Demonstrate the first storage and power purchase agreement where battery technology is incorporated into the financing agreement.

Outcome: Replication of the power purchase agreement to scale up the use of batteries alongside renewable projects to improve grid stability in Senegal.

Mobilisation

Mobilised USD 8.5m from the private sector.

Technical assistance

PIDG provided a USD 1.5m capital grant to fill a financing gap.

Gender lens

The project is engaged in meaningful community activities that significantly benefit female-led businesses through a dedicated microfinancing initiative.

HSES

HSES risk category: B*

Key risks: HSES management system, potential human rights risks in the solar and battery supply chain, biodiversity impact assessment and management.

Opportunities: The potential opportunity to develop sustainable development programmes that will benefit affected communities (considering women and marginalised/vulnerable groups). Capacity building on human rights risks and opportunities associated with the supply chain.

**HSES risk categories – check glossary and notes (p143)*

Sonatel

PIDG has invested USD 39.2m (XOF 24b) to anchor a receivables securitisation of USD 125m (XOF 75b) to fund capital expenditure for Sonatel, a west African telecommunications carrier based in Senegal (LDC). Proceeds will be utilised to enable 5G across 200 towers and 110,000 new household fixed broadband connections.

**HSES risk categories – check glossary and notes (p143)*

People

SDG 9.C – ● ↗

Significantly increase access to information communication technology (ICT) and provide universal and affordable access to the internet.

Expected impact: 1.4m consumers are expected to benefit from improved access to mobile and internet services. The largest impact will be felt by first time users of the internet and those who suffer from unreliable network coverage.

Wider economy

Expected impact: A large number of firms are expected to benefit from improved access to mobile and internet services. The largest impact will be felt by those that are highly dependent on the internet for business operations and / or suffer from connectivity issues.

Market transformation

Challenge: No long-term securitisations focused on unlocking greenfield development of infrastructure in Senegal.

Channel: Demonstrate further issuances in Senegal on the West African Economic and Monetary Union (WAEMU) regional securities exchange, focusing on unlocking proceeds for greenfield infrastructure development.

Outcome: Higher proportion of private sector subscriptions for securitisations for domestic infrastructure companies.

Mobilisation

Mobilised USD 44m of domestic private sector investment.

Climate risk

The company assessed the potential risks and impacts resulting from climate change and has developed mitigants, including hazard mapping, climate resilient infrastructure, emergency response plans and disaster recovery plans.
The Environmental and Social Action Plan (ESAP) includes an action to review this process in collaboration with Sonatel, which will be strengthened if there are areas for improvement.

HSES

HSES risk category: B*

Key risks: Road safety; security and contractor management of OHS risks.

Opportunities: Provided focused training to Sonatel to support on high-risk activities with learnings shared from the PIDG portfolio.

Dakar BRT

PIDG provided USD 50m of debt and a USD 10m viability gap funding (VGF) grant to launch Africa's first fully electric public bus network in the city of Dakar in Senegal (LDC). The project will include a fleet of 121 buses operating across 13 municipalities, which will initially carry 250,000 passengers (rising to 300,000) daily between the suburbs and city, supporting economic growth and job creation.

**HSES risk categories – check glossary and notes (p143)*

Planet

SDG 11.6 + 13 – ● →

Reduce the adverse per capita environmental impact of cities and climate change mitigation.

Expected impact: Through the introduction of electric buses, the project will avoid emissions and local air pollutants, particularly NOx from ICE buses. Urban communities will benefit from reduced air pollution as the model scales up.

Wider economy

SDG 8.5 – ● ↗

Sustain productive employment.

Expected impact: The bus system will reduce rush hour commuting time by 50 minutes each day for 250,000-300,000 passengers leading to significant life improvements and greater economic productivity.

Market transformation

Challenge: No prior private public partnership (PPP) in the mass urban transport sector in Senegal and high congestion in the city due to population growth and urbanisation.

Channel: Demonstrate a template for private sector investment within a PPP structure for an electric mass transit bus solution.

Outcome: A greater number of buses rolled out within the current PPP; expansion to other cities in Senegal; more PPPs in the transport sector funded by private sector investment.

Mobilisation

Mobilised USD 17m of private sector investment.

Technical assistance

PIDG provided a VGF grant of USD 10m to fill a financing gap in the project, which was partly arising from the electric bus fleet being more expensive than conventional diesel buses.

Climate risk

Lenders have included specific financing for the development of a drainage system as part of the BRT infrastructure which will be adapted to account for changing flood risks. The company will also develop and implement a climate adaptation action plan covering construction, maintenance and operation phases and considering weather and climate risks in Dakar.

Gender lens

Women will represent 35 per cent of the workforce, with a focus on recruiting women bus operators. Disability and inclusion have also been incorporated in the design of the buses. Each vehicle will include an area for one passenger in a wheelchair and spaces reserved for disabled, elderly, pregnant women, and women with children. The safety of female passengers has also been integrated into the infrastructure design, for example by ensuring sufficient lighting at bus stations to enable women to travel safely in the evenings.

HSES

HSES risk category: B*

Key risks: Labour and working conditions; traffic safety; generation and management hazardous waste.

Opportunities: The potential to explore how climate risk early warning systems can be integrated into the service.

Transforming markets

Supporting intermediary off takers to scale up renewable capacity in southern Africa

PIDG, through GuarantCo, provided guarantees to two companies in southern Africa who act as intermediaries between new independent power producers (IPPs) and power consumers, which could be utilities or private sector off takers. This is expected to address the lack of commercial appetite for project development and increase the attractiveness of the renewable energy sector the region.

We have provided a USD 50m payment default guarantee to Etana, a local South African energy trader that will purchase power from renewable IPPs in Africa and sell that electricity to commercial and industrial off takers. GuarantCo will issue guarantees directly to four underlying projects totalling 389MW. This will provide lenders with the additional comfort to lend to IPPs. This transaction qualifies under the International Partner Group countries (IPG) as part of their Just Energy Transition Partnerships (JETP) commitment to South Africa.

Planet

SDG 13 – Climate change mitigation.

Expected impact: Avoid 1.2m tCO_2e per year.

Wider economy

SDG 8.5 – ● ↗

Achieve full and productive.

Expected impact: Large number of businesses are expected to benefit which will, in turn, create indirect jobs in the economy. This will also create 1,100 new jobs during construction.

Market transformation

Challenge: Limited appetite of commercial financing for renewable IPPs in South Africa which has limited project development.

Channel: Provide an additional layer of comfort to those lending to IPPs, thereby increasing the attractiveness of the renewable energy sector.

Outcome: Improve the power sector's resilience in South Africa by increasing the number of renewable energy projects.

Mobilisation

Underlying projects are expected to attract over USD 510m of private sector investment.

Climate risk

Etana will build internal capacity to assess physical climate risks and undertake assessments for all projects.

Gender lens

We expect 30 per cent of short-term and long-term roles to be taken up by women and the shareholders have committed to 30 per cent female representation on the company's board.

HSES

HSES risk category: FI-2*

Key risks: Etana's HSES risk management framework, and risk of purchasing power from poor HSES performing independent power projects.

Opportunities: Leveraging good international industry practices via flow down of HSES requirements from Etana to the independent power projects via the power purchasing agreements.

**HSES risk categories – check glossary and notes (p143)*

PIDG agreed to provide a USD 27m payment default guarantee to Africa GreenCo, an intermediary off taker that will purchase power from renewable IPPs regionally across southern Africa and sell that electricity to a portfolio of utilities, private sector off takers and competitive markets of the Southern Africa Power Pool (SAPP). GuarantCo will initially provide guarantees directly to four IPPs totalling 235MW, with a broader pipeline under development. This will provide lenders with the additional comfort to lend to IPPs. PIDG first made a USD 5m equity investment in Africa GreenCo in 2022 through InfraCo to establish the platform.

People

SDG 7.1 + 7.2 – ● ➜

Access to affordable and reliable renewable energy.

Expected impact: 43,000 consumers are expected to benefit. Users who consume the most power will feel the largest impact.

Planet

SDG 13 – Climate change mitigation.

Expected impact: Avoid 341k tCO_2e per year.

Wider economy

SDG 8.5 – Achieve full and productive employment.

Expected impact: Large number of businesses are expected to benefit which will, in turn, create indirect jobs in the economy. This will also create 940 new jobs during construction.

Market transformation

Challenge: Limited appetite of commercial financing for renewable IPPs in southern Africa which has limited project development.

Channel: Provide an additional layer of comfort to those lending to IPPs, thereby increasing the attractiveness of the renewable energy sector.

Outcome: Improve the power sector's resilience in southern Africa by increasing the number of renewable energy projects.

Mobilisation

Underlying projects are expected to attract over USD 273m of private sector investment.

Climate risk

Climate risk assessments will be undertaken by Africa GreenCo at the client and project level.

Gender Lens

The company has committed to achieving more than 30 per cent female participation in the workforce and collecting sex-disaggregated employment data. 40 per cent of the senior leadership positions are occupied by women.

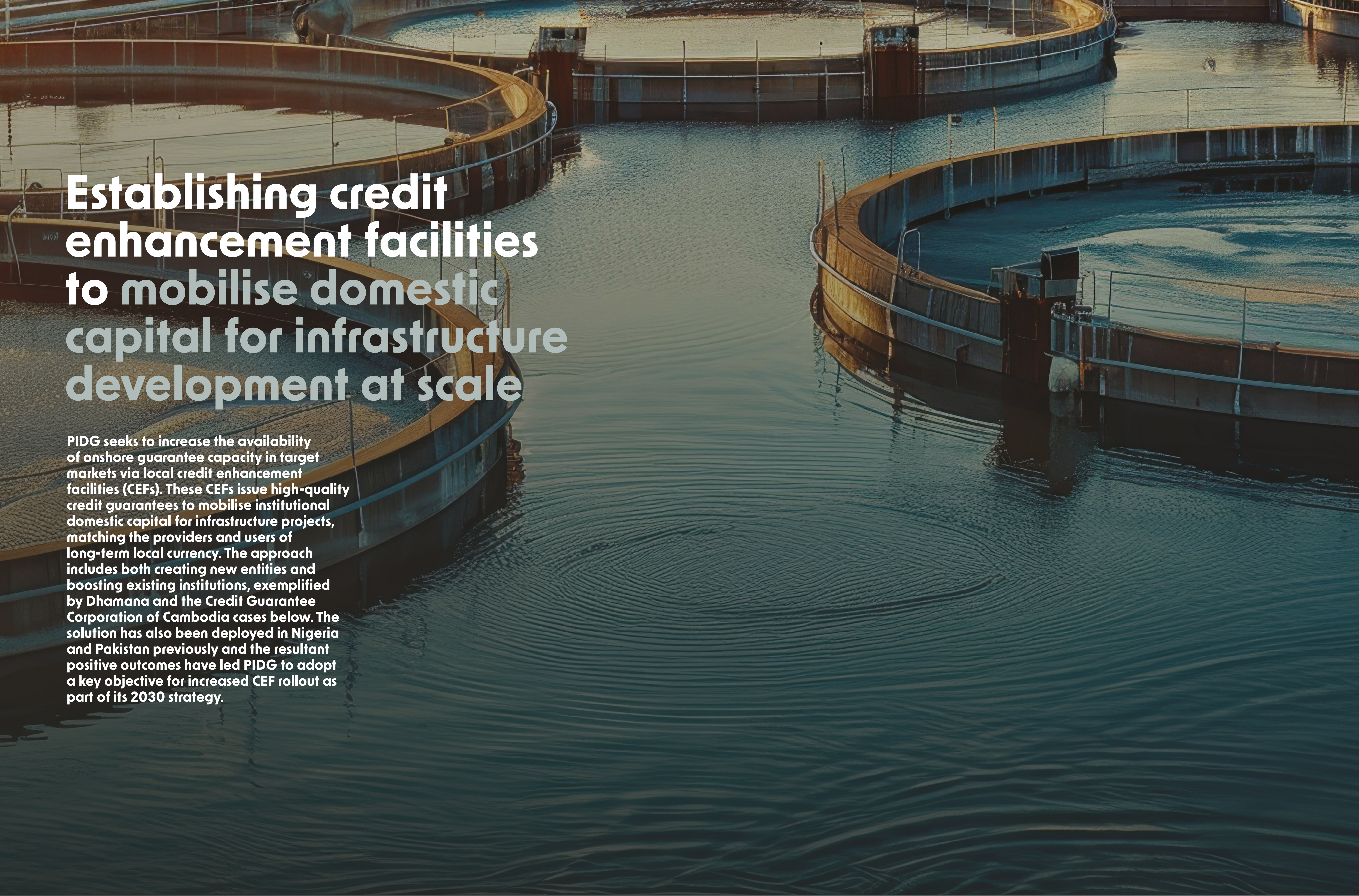
HSES

HSES risk category: FI-2*

Key risks: Africa GreenCo's HSES management framework, and risk of purchasing power from poor HSES performing independent power projects.

Opportunities: Leveraging good international industry practices via flow down of HSES requirements from Africa GreenCo to the independent power projects entering into power purchasing agreements.

**HSES risk categories – check glossary and notes (p143)*



Establishing credit enhancement facilities to mobilise domestic capital for infrastructure development at scale

PIDG seeks to increase the availability of onshore guarantee capacity in target markets via local credit enhancement facilities (CEFs). These CEFs issue high-quality credit guarantees to mobilise institutional domestic capital for infrastructure projects, matching the providers and users of long-term local currency. The approach includes both creating new entities and boosting existing institutions, exemplified by Dhamana and the Credit Guarantee Corporation of Cambodia cases below. The solution has also been deployed in Nigeria and Pakistan previously and the resultant positive outcomes have led PIDG to adopt a key objective for increased CEF rollout as part of its 2030 strategy.

Dhamana

As lead sponsor, we provided development, financial and human capital as well as USD 20m of equity to launch Dhamana, a new CEF in Kenya (FCAS) to address a gap in the east African infrastructure financing market through increased use of credit guarantees.

People
SDG 9 + 7 – ● ↗
Access to affordable, reliable infrastructure.

Planet
SDG 13 – Avoid and reduce greenhouse gas emissions.

Wider economy
SDG 8.5 – ● →
Achieve full and productive employment.

Expected impact: Expected impact will be monitored as the business provides guarantees. Largest impact expected for consumers and businesses that are highly dependent on infrastructure for their operations.

Market transformation
Challenge: A significant unmet demand for long-term local currency financing for infrastructure projects in Kenya.

Channel: Establishing a local CEF to issue local credit guarantees for infrastructure-related debt instruments.

Outcome: Improved capital market efficiency through significantly increased flow of local currency investment in infrastructure projects in Kenya.

Mobilisation
Expected to mobilise more than USD 100m of domestic capital into infrastructure in Kenya.

Technical assistance
PIDG provided USD 60,000 to cover transaction and legal costs, a returnable grant of USD 100,000 to fund early start operational costs and USD 28,000 for capacity building with Dhamana.

Climate risk
Dhamana will only pursue Paris-aligned projects and will conduct climate resilience assessments for all new transactions.

HSES
HSES risk category: FI-2*

Key risks: HSES governance and capacity, HSES processes for risk assessment and management, portfolio HSES performance monitoring.

Opportunities: PIDG support in HSES Management System development and operationalisation.

*HSES risk categories – check glossary and notes (p143)

Credit Guarantee Corporation of Cambodia (CGCC) SME green facility

PIDG, through GuarantCo, agreed to provide a 10-year, USD 7m portfolio guarantee to CGCC as part of a wider capacity enhancement framework under the PIDG CEF initiative. The portfolio guarantee will allow CGCC to mobilise further bank lending towards small and medium-sized enterprises (SMEs) in Cambodia (LDC), with a focus on businesses supporting the green transition. The wider capacity enhancement framework will increase CGCC's technical and financial capacity (via technical assistance and GuarantCo facilities) to issue larger infrastructure and corporate focused credit guarantees, helping to mobilise more long-term institutional and bank financing.

People
SDG 9 + 7 – ● →
Access to affordable, reliable infrastructure.

Planet
SDG 13 – Avoid and reduce greenhouse gas emissions.

Wider economy
SDG 8.5 – ● ↗
Achieve full and productive employment.

Expected impact: Loans will be provided to SMEs focused on energy efficiency, renewable energy and e-mobility, and they will be monitored closely. The largest impact is expected for consumers and businesses that are highly dependent on access to finance for their operations.

Market transformation
Challenge: Lack of access to formal banking services for SMEs working in green sectors.

Channel: Providing more green loans to SME businesses, enabling them to grow and scale up.

Outcome: Demonstrating SME financing in climate positive sectors as a viable business segment for financial institutions to target.

Mobilisation
Expected to mobilise USD 10m from partner financial institutions.

Technical assistance
PIDG has provided two grants (USD 250,000 and USD 28,000) that have supported capacity building with CGCC. This includes various workstreams to help CGCC enter new areas of work, i.e., credit guarantees for debt transactions to support infrastructure projects and companies, and which can be adapted for capital market instruments (e.g., bonds).

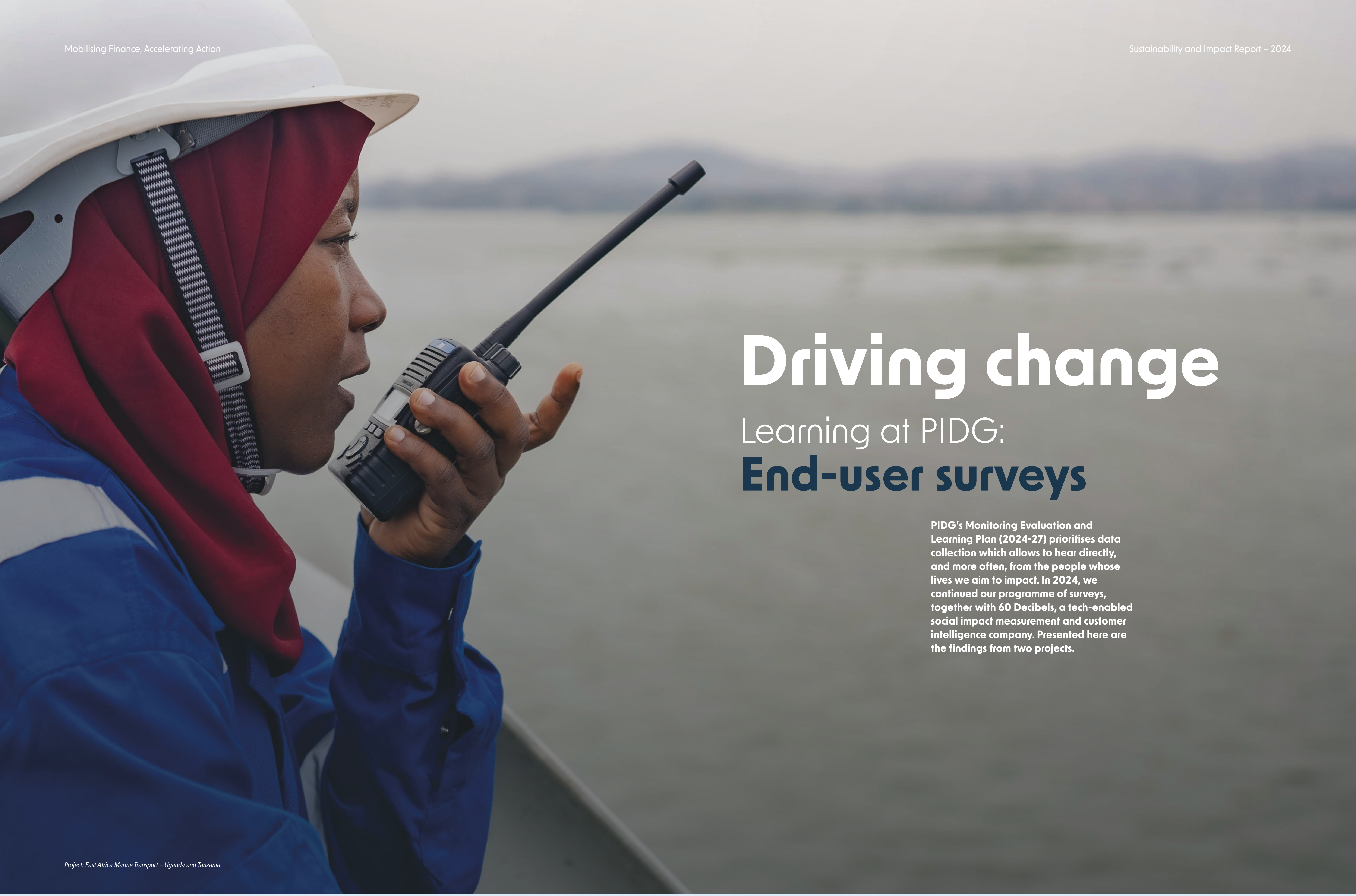
Gender lens
More than 40 per cent of the workforce are women and more than 30 per cent are in senior leadership positions.

HSES
HSES risk category: FI-3*

Key risks: CGCC's HSES risk assessment and portfolio monitoring framework, tools and templates.

Opportunities: Delivered in-person capacity building and support to develop CGCC's HSES risk assessment and portfolio monitoring framework, tools and templates.

*HSES risk categories – check glossary and notes (p143)



Driving change

Learning at PIDG:
End-user surveys

PIDG's Monitoring Evaluation and Learning Plan (2024-27) prioritises data collection which allows to hear directly, and more often, from the people whose lives we aim to impact. In 2024, we continued our programme of surveys, together with 60 Decibels, a tech-enabled social impact measurement and customer intelligence company. Presented here are the findings from two projects.

Project: East Africa Marine Transport – Uganda and Tanzania

Equatorial Power

7 AFFORDABLE AND CLEAN ENERGY

- **Total PIDG commitment: USD 1.71m across two phases by InfraCo; with additional financing through a capital grant of USD 1.35m.**
- **Project aims: Support Equatorial Power (EP) to develop, construct and operate five hybrid mini-grids and four productive hubs (covering water purification, cold storage, fish drying and maise milling) in Democratic Republic of the Congo (DRC). Overall, 6,000 connections to households and businesses in DRC are expected.**

Survey details

The survey included 249 phone interviews with clients who had been connected to the mini-grid service (12 per cent of the respondents were female). Equatorial Power (EP) is at the start of implementation across the projects, with the lessons and feedback from the survey to be used to improve the roll out of future connections and the second phase of the project. The survey was also used to gauge customer interest in additional impact and revenue streams from this transaction (i.e., appliance financing support, business startup support, community wi-fi services, and briquettes for clean cooking).

Who is our project impacting?

- EP's target population is primarily rural communities (97 per cent of those surveyed) who are not connected to the grid. Therefore, their alternatives include off-grid solutions powered by non-traditional fuels (diesel gensets, biomass, kerosene lamps or other mini-grid services).
- The disability prevalence rate of EP customers was 5.6 per cent which was in the top 40 per cent of the 60 Decibels disability benchmarks. The main impairment type reported was sight-related.

What did we learn?

- Since being connected to the mini-grids, 90 per cent of end-users have reported improvements in quality of life, with 21 per cent noting significant enhancements.
- Key benefits stated by end-users include the provision of permanent lighting (62 per cent); better study conditions (33 per cent); and device charging convenience (26 per cent).
- ~50 per cent of respondents with a disabled household member said that the mini-grid had improved their ability to care for said members. This could be due to the improved lighting reported by customers, particularly as the most common impairment type reported was sight-related.
- The mini-grids have allowed 32 per cent of end-users more time for paid work.
- Mini-grid customers who reported an increase in their time spent on paid work were more likely to also report an increase in the time spent on domestic activities compared to those who reported no change or a decrease in time spent on paid work (69 per cent vs 15 per cent).
- Some clients (13 per cent) are using the mini-grid for income generation, with 70 per cent of them starting new ventures. 46 per cent of them have also stated the money that they earn has increased due to the mini-grid.
- Female customers are more likely to be satisfied with their mini-grid compared to their male counterparts.
- 30 per cent of customers now make more joint household decisions, and the same proportion contribute to more decisions than before using the mini-grid.

What are customers saying?

- "I'm happy that I can charge my phone whenever I want, and my children can study at any time day or night, thanks to the reliable light provided by Equatorial Power." – Female, 38
- "We don't have to worry about theft like we used to. When we spent nights in the dark, we were regularly visited by thieves, but that's no longer the case thanks to Equatorial Power's mini-energy network." – Female , 28
- "I can handle several tasks as a teacher at home, such as correcting homework and preparing lessons, all without any challenges, even at night." – Male, 26
- There was a high proportion of end-users reporting challenges in using the mini-grid, including their inability to monitor electricity consumption. This allows the company to pivot their offering for future installations.

Next steps

- In-depth interviews of customers are being conducted in 2025 to further understand the project's inclusion impact.

Cellcard

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- **Total PIDG commitment: USD 70m, with USD 20m syndicated to Swedish International Development Cooperation Agency (Sida).**
- **Project aims: Support Cellcard to expand their 4G and 5G capacity (including 490 new towers and 10 refurbished towers) across Cambodia.**

Survey details

The survey conducted 206 phone interviews with clients who had purchased a Cellcard SIM for personal use (91 per cent), and postpaid customers (9 per cent – primarily micro, small and medium-sized enterprises and small business owners) who purchased it for business use). 49 per cent of respondents were female.

Who is our project impacting?

- The customers had typically been with Cellcard for six years.
- 70 per cent had at least one other operational SIM card.
- 5 per cent of customers live under USD 5.50 per day, compared to 14 per cent nationally (2011 purchasing power parity).
- 1.9 per cent of surveyed respondents had a disabled individual in their household, with cognition impairments most frequently reported at the household level.

What did we learn?

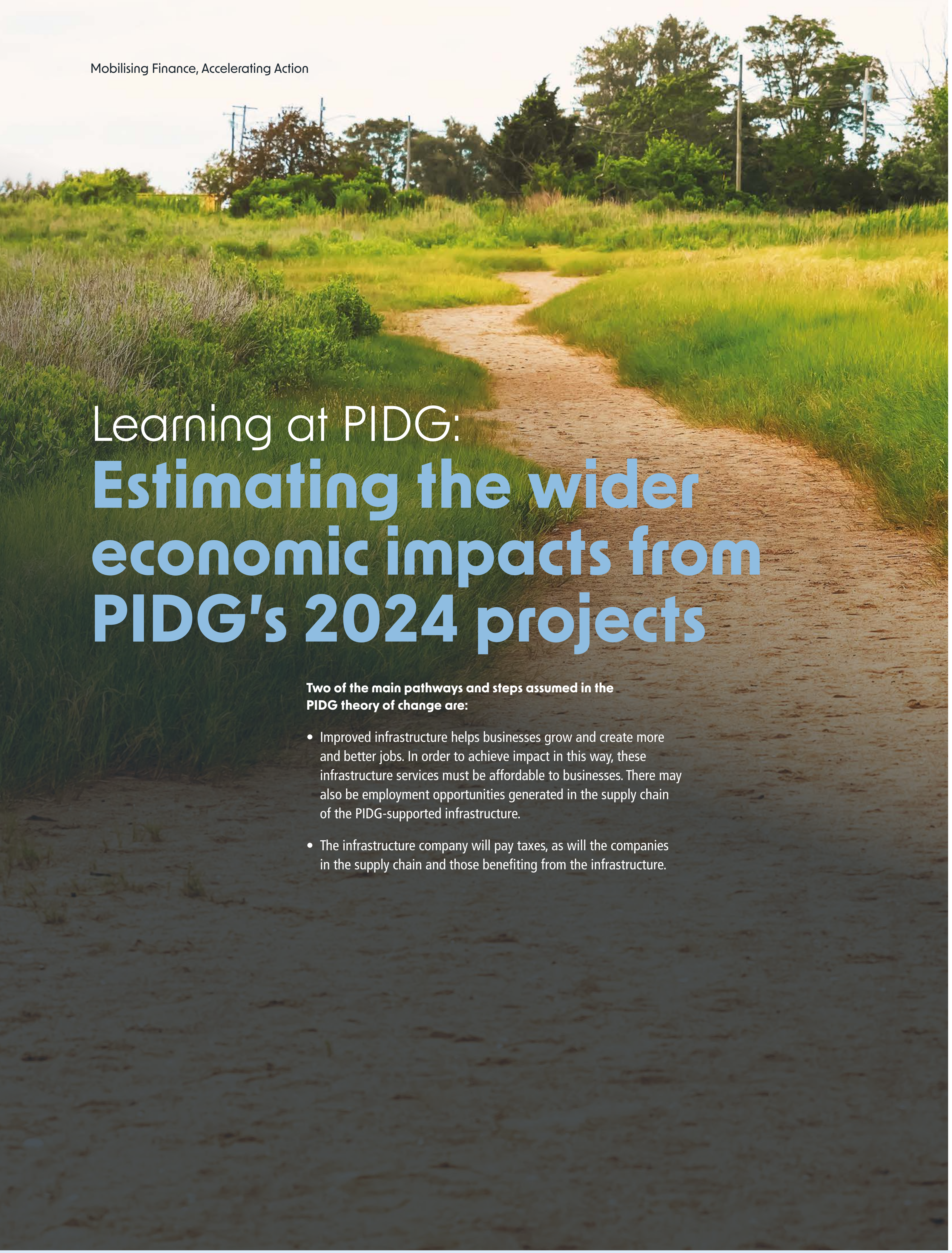
- 60 per cent of customers mentioned they were motivated to use the service due to Cellcard's high speed internet; 25 per cent for its good signal strength.
- 45 per cent of customers reported increased confidence in themselves and their abilities because of access to Cellcard services.
- 55 per cent of customers reported additional comfort in using digital tools because of Cellcard services, with male customers more likely to report this compared to their female counterparts (64 per cent vs 45 per cent).
- Male customers are more likely to use a Cellcard SIM for income-generating activities compared to their female peers (19 per cent vs 7 per cent). This could be partially explained by the previous finding.
- Female customers are more likely to be present in rural areas compared to male customers (46 per cent vs 33 per cent). They are less likely to make the final purchase decisions for the SIM card compared to male customers (78 per cent vs 87 per cent) but are more likely to be motivated by 'good signal strength' to purchase the Cellcard SIM compared to their male peers (63 per cent vs 51 per cent).
- 13 per cent of customers use Cellcard for income generation. Nearly 50 per cent of income-generating customers said that the money they had earned from their business increased because of Cellcard.

What are customers saying?

- "I enjoy using Cellcard for its reliable, high-speed internet and strong service. It's convenient and dependable, allowing me to make clear, uninterrupted calls to my family and meet my daily needs without any issues." – Female, 25
- "Cellcard Mobile's internet is fast, and I never face any issues while using Facebook, YouTube, or other platforms." - Male, 22
- "Cellcard offers fast internet at a low cost, allowing me to stay connected all week with a single top-up. I've never had any issues making calls." - Male, 41

Next steps

- PIDG is working with Cellcard on these findings to further improve the service for customers, with attention to the distinct usage patterns reported by male vs female customers.



Learning at PIDG: Estimating the wider economic impacts from PIDG's 2024 projects

Two of the main pathways and steps assumed in the PIDG theory of change are:

- Improved infrastructure helps businesses grow and create more and better jobs. In order to achieve impact in this way, these infrastructure services must be affordable to businesses. There may also be employment opportunities generated in the supply chain of the PIDG-supported infrastructure.
- The infrastructure company will pay taxes, as will the companies in the supply chain and those benefiting from the infrastructure.

The indirect economic impacts resulting from PIDG-supported infrastructure can often be higher than what is captured by project-level reporting. Thus, PIDG has had a long-standing interest in estimating and learning about these indirect impacts for which observed data is not readily available.

We have been using the Joint Impact Model (JIM) since 2020 to help us estimate these indirect economic impacts from our projects. The JIM is a web-based tool which enables the use of input data such as revenue and power production from investment portfolios, to estimate financial flows through the economy and its resulting economic (value added), social (employment) and environmental (greenhouse gas emissions) impact. It is a tool used by investors to model impact beyond the direct reporting from client reports. Based on JIM estimates,[1] the 25 PIDG-supported projects reaching financial close in 2024 are expected to support:

- An additional 242,000 indirect jobs (through the supply chain, induced effects and power-enabling activities);
- Nearly USD 2.9b of expected value addition to the economies covered by the projects (through additional salaries, taxes, and profits).

Jobs supported	Total jobs
Direct jobs	19,383
Supply chain	128,354
Induced	93,323
Power enabling	19,138
Total	**260,198**

Value added	Total (USD)
Wages	1,660,756,681
Savings	411,743,711
Taxes	796,128,419
Total	**2,868,628,812**

Like any model, the JIM integrates high-level assumptions about the wider economic impact of investing in various sectors and regions. It is not a predictive tool, but it does provide a consistent methodology for assessing economic, social, and environmental impacts. As an ex-ante assessment tool of impact in construction, it has a lower predictability than when compared to actual financing and results. It thereby supports PIDG in taking a broader lens on a project's wider economic impact when comparing the relative impact of transactions.

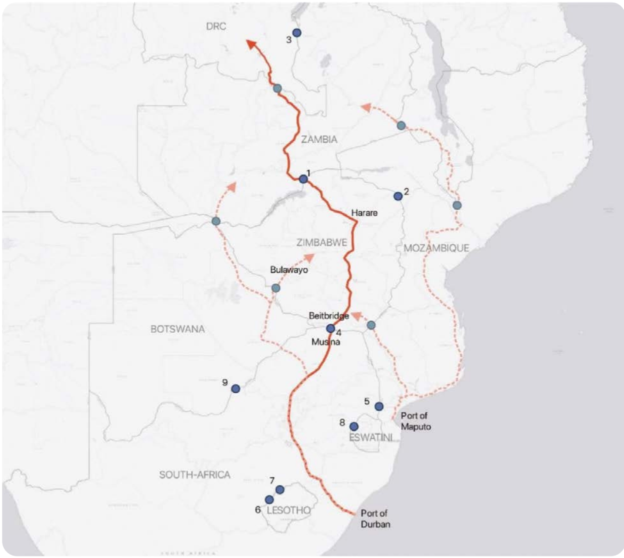
Additionally, PIDG was an original member of the JIM Development Panel along with several of our development partners (AfDB, BII, BIO, CIF, FinDev Canada, FMO, KFW, OeeB, and Proparco), working towards harmonising our impact modelling methodologies, with PIDG particularly focusing on:

- Integrating modelled estimates, where appropriate, into our broader ex-ante investment assessments and decision-making process as described above, by using the estimates of the likely future effects of an investment or portfolio.
- Contributing to enhancement of JIM with respect to estimating the potential enabling effects of infrastructure projects in the energy sector.
- Contributing to further alignment with international standards, including the Partnership for Carbon Accounting Financials (PCAF) global standard.

1. Joint Impact Model v. 2024.3.1.8

Learning at PIDG: Evaluation of the impact of Zimbabwe Beitbridge Border Post upgrade

In 2020, PIDG invested USD 44m of senior and junior debt to fund the Beitbridge Border Post to stimulate trade in the Southern African Development Community. The border post, which is a major point of entry and exit between Zimbabwe and South Africa, had inadequate infrastructure and facilities leading to significant congestion delays in the movement of people and goods. The outdated systems and ageing infrastructure were unable to cope with the huge rise in traffic numbers and increase in cross-border trade. Beitbridge is one of Africa's busiest border crossings, seeing more than 13,000 travellers and more than 400 buses and 750 trucks crossing daily.



The project was the first public private partnership (PPP) investment in this asset type in the region, with a total investment commitment of USD 296m. In 2024, PIDG commissioned an independent evaluation by Steward Redqueen, a consultancy firm, to provide insights into the developmental impacts of the project after its first year of operations.

The study found multiple positive effects, including:

- **Zimborders has created a blueprint for PPP border infrastructure.** While traditionally border crossings are typically run by governments, this PPP project has demonstrated that they can be successfully run by private entities, relieving pressure from constrained public finances. Since the approval of this project as the region's first PPP investment in this asset type, nine other PPPs of border crossings have been announced on the borders of Botswana, Eswatini, Lesotho, Mozambique, South Africa and Zimbabwe. Knowledge gained and capacity built from the project will likely stay in the region, as key management staff have tendered on subsequent projects.
- **Reduced processing times and congestion for drivers.** Non-commercial drivers now cross the border in an average of three hours. Commercial drivers now face a median crossing time of 14 hours – this is a significant reduction compared to an average of 35-65 hours previously spent crossing the border.

> **"Before the upgrade, I used to cross illegally without a passport, and the conditions were dangerous for us. Now I have a passport and can move across the border safely and without problems with the authorities."**

- **Improved end-user experience, particularly for women.** End-users have expressed satisfaction with the border services, highlighting the availability of sanitation services and purpose-built health facilities. The evaluation also noted improvements in safety for women, from inclusive design features such as lighting to adequate gender segregated toilets. Estimates are that 95 per cent of people utilising the pedestrian terminal are women day trippers. The improvements have positively impacted their livelihood and financial independence and also led to safety improvements compared to prior illegal crossings. The border crossing has also broadly improved the experience for those living with disabilities. One survey respondent said:

> **"I crossed the border recently, and I felt that we are seen and looked after. For example, there are dedicated toilets with washing sinks adjusted for height suitable for someone on a wheelchair and friendly infrastructure for a wheelchair to move around easily. The modernisation project has upheld our dignity as human beings."**

- **Disproportionate impact on women.** An unintended consequence of increased crossing fees for cars has been enhanced economic opportunities for informal women group traders moving their product across the border, at the expense of typically male drivers with smaller vehicles transporting goods.
- **Large impacts on the local economy.** The project's construction phase brought USD 56m of private foreign capital into Zimbabwe's economy through direct project spend and value added through the upstream supply chain. Throughout the construction phase, the project company employed an average of 990 people monthly, with 14 per cent of these jobs held by women. During operations, the project is estimated to make a total annualised contribution of USD 17m to Zimbabwe's economy (direct operation spend and indirect value added), creating sustained surplus value. 315 jobs are supported directly in operation, and the majority of those supported are women (53 per cent).
- **Substantial increase in government revenues.** The reduction in illegal cross border trade has supported Zimbabwe's need for foreign currency reserves with a 5 per cent revenue share allocated to the Government of Zimbabwe.

> **"The business is so lucrative; I know a woman who used to stay at a [women's] shelter. She left her office job and went to carry goods because she made more money compared to her formal employment."**

- **Improvements in the local community's climate resilience.** Through the PPP structure, the project has also provided infrastructure improvements for the town of Beitbridge (non-core works). Structures supported include a water reservoir, oxidation ponds, a fire station, a staff village and an animal and quarantine building, some of which were in place prior to the completion of the project and help improve emergency preparedness for stresses related to extreme weather. In recent years, extreme weather events have intensified and increased in frequency, including torrential downpours and flooding, storms and droughts.

In summary, the independent evaluation found that the Zimborders project demonstrates the feasibility of PPP investments in this asset type, has strengthened the regional trade system, and has had significant positive impacts on the local community, the Zimbabwe economy and the experience of end-users of the crossing.

Gender spotlight

Promoting inclusion through our investments is core to PIDG's mandate, and the group has a high level of ambition to advance gender equality through the empowerment of women and girls, which goes beyond complying with international norms and standards. The drive to create gender equitable access to, and control over, the benefits generated from infrastructure are embedded into the fabric of everything that we do. As an investor with a strong development focus, working in the poorest and most fragile countries, many of which have very poor social and economic outcomes for women and girls, we seek to advance innovative pathways for gender equality in infrastructure, to influence the way that investors think about allocating capital in the infrastructure sector, and the way in which infrastructure is developed and managed.

PIDG puts its gender equality ambition into practice by identifying evidence-based constraints that women and girls experience in accessing resources and opportunities for improved livelihoods, and then by removing these where possible, by ensuring that an infrastructure project addresses this either through technical assistance or through the design of the underlying project. The intended impact is for women and girls to overcome discriminatory social norms and barriers so that they can enjoy greater financial and social autonomy and take greater control of their lives.

PIDG is a member of the 2X Global Community, an industry-wide platform comprised of fund managers, DFIs, pensions funds, philanthropic organisations, intermediaries and others operating with a strong gender lens in their businesses. This originated from the 2X Challenge, which was initially designed to mobilise DFI and private sector capital to advance opportunities for women as business leaders, employees and consumers and now spans across the capital spectrum, in both developed and emerging markets. Being part of this wider conversation enables us to benchmark our work against others and helps us to demonstrate value to the wider investment industry in moving the gender equality agenda forward.

Project: Arya – India

Muthoot Capital

Muthoot Capital ("Muthoot") is a non-banking financial institution in India. In 2024, PIDG, through GuarantCo, provided a partial credit guarantee for a USD 12m loan for Muthoot to on-lend to customers purchasing electric vehicles. The transaction is supporting the roll-out of electric vehicles in India, with a focus on rural and generally underserved, lower income populations. This transaction was classified as 'Empowering Women' under the workforce and governance domains of PIDG's empowering criteria.

At the time of financial close, 18 per cent of Muthoot's workforce were female, and 21 per cent of senior leadership positions were held by women, which is over that of the country average (women make up 12.7 per cent of senior and middle management positions in India, 2023).[1] The primary reason for the classification of 'Empowering Women' is that Muthoot is committed to increasing the number of women in their workforce and in senior leadership and, with our support, are on track to meet ambitious targets over the next few years. In fact, 33 per cent of senior leadership positions at Muthoot are now held by women.

Muthoot embodies the belief that companies are strengthened by diversity and have many policies that encourage this and help to overcome barriers that women may disproportionately face. Examples include targeted hiring through tailored job adverts, flexible working, and the provision of childcare. Additionally, noting that in India, 38.5 per cent of working-age women have advanced education, compared to 85.4 per cent of working-age men[2], Muthoot have a training and development programme to help with women's career progression.

PIDG puts its gender equality ambition into practice by identifying evidence-based constraints. As such, we undertook a Gender Equality Assessment and found that, in India, there is a gender disparity in labour force participation,[3] pay equality[4] and representation of women in management roles[5] indicating that women are overrepresented in lower paid, less valued positions. These disparities arise from a combination of factors, such as entrenched social norms, the high burden of unpaid care work[6] that falls on women, unequal access to education[7] and the gender-based violence risk which women face, which highlight deep rooted structure inequalities.[8] However, these social norms are not sentiments that Muthoot hold. Muthoot have actively taken steps to remove the barriers to women's advancement, foster an inclusive workplace and are committed to continuous improvements in promoting gender equality at all levels of the organisation. Given Muthoot's values, and PIDG's support, the focus of our transaction will be on reducing the gap of women employed in the formal sector; with access to quality, well-paid jobs where their needs are accounted for.

1. Female share of employment in senior and middle management (%): https://genderdata.worldbank.org/indicators/sl-emp-smgt-fe-zs/
2. Labour force with advanced education (% of total working-age population work advanced education): https://data.worldbank.org/indicator/SL.TLF.ADVN.zs
3. https://data.worldbank.org/indicator/SL.TLF.ACTI.ZS?locations=IN
4. Gender Pay Parity for India's Diverse Landscape: https://indialeadersforsocialsector.com/gender-pay-parity-india-diverse-landscape/#:~:text=Ranked%20135%20out%20of%20146,World%20Inequality%20.Report%2C%202022)
5. https://genderdata.worldbank.org/indicators/sl-emp-smgt-fe-zs/
6. https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_721348/lang--en/index.htm
7. https://data.worldbank.org/indicator/SL.TLF.ADVN.FE.ZS?view=map
8. https://app.equilo.io/#/gbv-risk/IN/country/home

AMEA Arua

In November 2024, PIDG, through EAAIF, financially closed a 20 MW solar photovoltaic (PV) plant in north-western Uganda, investing c. USD 18m in the project. The investment will support AMEA Power to develop critical infrastructure which will bring affordable energy to one of the most remote and underserved areas of the country.

From the outset, AMEA Power expressed plans to support a community-based initiative near the project that could empower women in particular, as they have done for a number of their renewable energy projects as part of a commitment to economic and social development. PIDG worked with AMEA Power to conduct a gender equality assessment (GEA) to evidence and assess which community-based initiatives could be appropriate to address gender gaps in the project's context.

The sponsor decided to go one step further and engage Atacama Consulting to carry out a detailed feasibility study to identify viable community projects with a focus on socially excluded groups (i.e., girls and disabled people). Four potential interventions were identified: a girls' education programme, a female internship and training programme, inclusive social infrastructure upgrades and an educational outreach programme. This exercise involved document reviews, site visits, community consultations and analysis of primary data collected to assess the viability of each intervention, including the required resources for implementation.

Of the four interventions, upgrade of existing educational infrastructure was identified as the most suitable for implementation. This initiative aims to upgrade the existing educational infrastructure in three villages to create child-, disability-, and gender-sensitive learning environments. The study recommended that all forms of disability (visible and invisible) are considered in the programme, with blindness/shortsightedness among others.

By providing gender-sensitive and disability-inclusive facilities, including in classrooms and toilets, schools are expected to improve the enrolment, retention and completion rates of children, with female and disabled students benefiting greatly. This is within the national context of Ugandan girls initially having higher completion rates than boys in primary school, which then reverses in secondary school, and results in more girls than boys not being enrolled in secondary school or receiving any other form of education. The World Bank estimates that about 16 per cent of Ugandan children are disabled, with only 9 per cent enrolled in primary school. The project will provide annual monitoring updates on the implementation of this programme.

In 2002, only 29 per cent of the Cambodian population had access to safely managed drinking water. In 2020, PIDG, through InfraCo, signed a USD 2.3m loan with Khmer Water Supply Holding Co. Ltd (KWSH), a private water operator in Cambodia, to fund the expansion of KWSH's existing water supply network (SDG 6).

The loan covered the following scope:

- Installation of 70km of main pipeline and greater than 430km of secondary pipeline across five operating stations in the licensed areas of Tram Khnar, Chhlong, Kampong Traback, Sosor Sdom, and Pouk.
- Upgrade of pumping and electrical equipment at one selected water treatment plant.

In 2024, PIDG supported a dedicated gender analysis component of an end-user survey of 277 customers (49 per cent of which were female). The gender-focused analysis evidenced that 79 per cent of female survey respondents had received first time access to clean water through the project, with most people previously relying on ground water, which has greater risk of contamination.

Overall, 92 per cent of female respondents experienced quality of life improvements as a result of the piped water service. The top impact areas reported by female customers experiencing an improved quality of life from KWSH's services were time savings, access to good quality water, convenience improvements, and energy savings. Similarly, 92 per cent of female respondents reported that the amount of time collecting water had fallen, allowing more time for engaging in activities including leisure, household chores, and working on their businesses.

Over three quarters of women reported that household health has improved as a result of the service. It is also worth noting that female account owners reported a higher satisfaction with the pressure and clarity of the water supply compared to men, and they were also more likely to find KWSH's water supply more reliable during times of drought compared to men.

"The water supply service has a unique quality in that it provides enough water to meet customer needs, has staff that is friendly and helpful, and the water I receive is clear and clean, allowing me to use it with confidence." – Female, Sosor Sdo, Cambodia

Key sustainable development impact metrics

At PIDG, we report on the number of people with access to infrastructure, direct job creation and capital mobilised when projects reach financial close, which we adjust as part of our annual update of projects.

The cumulative numbers reported in the following pages combine actual results for the projects that are already operational with predicted results for the projects that are not yet operational.

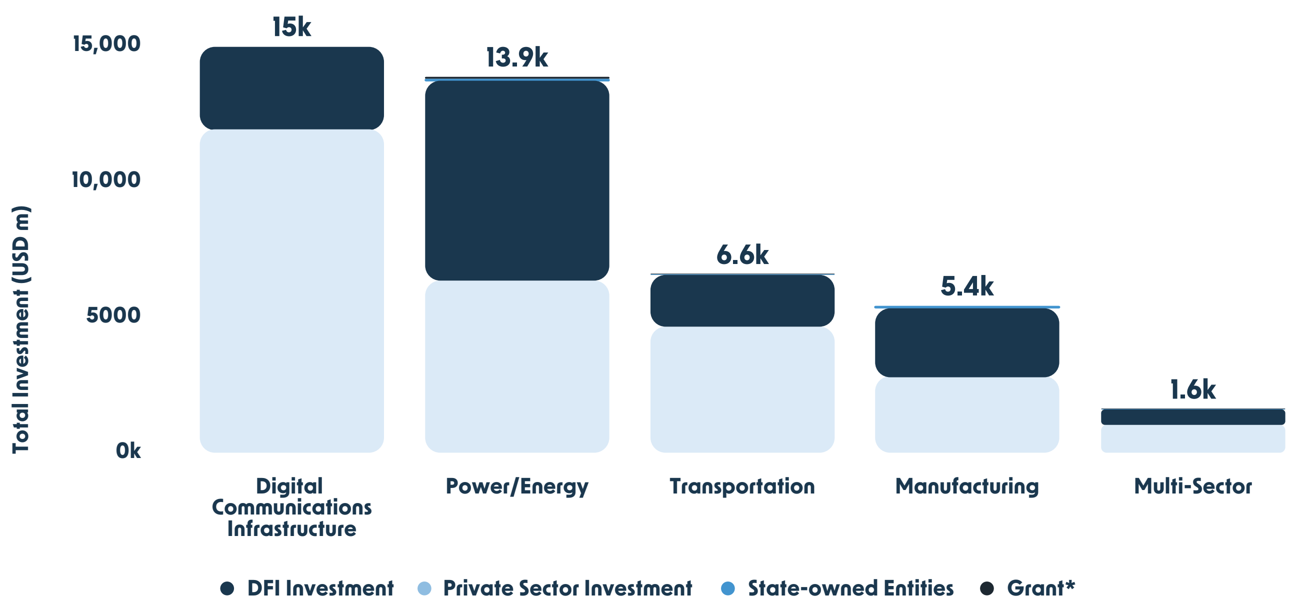
At the end of 2024, 63 per cent of the projects financially closed by PIDG were operational.

Mobilisation of funding
from private sector and development finance sources

Since 2002, PIDG-supported projects have mobilised USD 47.2b in total, including USD 29.8b from the private sector.

The OECD has been developing a methodology for private capital mobilisation since 2014, taking into account the different ways in which funding is mobilised. In 2018, the OECD refined its approach to take account of the funding mobilised via project finance, including via equity investments. This, for the first time, has enabled the inclusion of the mobilisation of private sector investment by the developer-investor businesses. The methodology has been applied by OECD to all results since 2012. PIDG has taken part in OECD reporting and monitors its PSI mobilised according to the OECD methodology alongside its traditional approach. When more than one development finance institution (DFI) or international finance institution (IFI) is involved in one transaction, the OECD methodology attributes the private sector investments mobilised to each DFI or IFI according to the position taken in the deal capital structure, considering PIDG's frontier role, often mobilising private capital in deals where no other DFI is involved. PIDG's traditional methodology considers the overall private sector investment mobilised in the project rather than attempting attribution to individual institutions involved. We present in the following table both, the overall private sector mobilisation in PIDG projects and the OECD attribution, where relevant.

Total investment commitments (TIC) mobilised by PIDG activities, by sector: 2002-24 (USDm)



*Grants are included in TICs for projects funded by InfraCo Africa and InfraCo Asia.

	Total project investment	Private sector investment	DFI investment	State-owned entities	Grant *
Digital Communications Infrastructure	14,983.0	11,910.0	3,073.1	-	0.6
Power/Energy	13,852.2	6,353.9	7,378.5	77.5	60.3
Transportation	6,577.2	4,653.5	1,910.6	10.9	11.8
Manufacturing	5,424.1	2,824.0	2,507.7	92.4	0.4
Multi-Sector	1,617.3	1,028.4	570.3	7.0	11.1
Bulk Storage / Logistics Facilities	1,210.7	801.9	407.3	-	1.3
Gas Transportation, Distribution and Storage	835.1	564.5	270.6	-	0.0
Mining and Upstream Gas and Oil (legacy)	760.0	524.7	235.3	-	-
Oil Transportation, Distribution and Storage (legacy)	715.0	429.0	286.0	-	-
Agriculture-Supporting Infrastructure	574.8	276.2	281.7	3.5	7.7
Water, Sewerage and Sanitation	413.2	239.3	170.4	-	9.9
Social Infrastructure	267.8	211.2	56.6	-	0.6
Total	**47,230.4**	**29,816.4**	**17,148.0**	**191.4**	**103.6**

The table below shows the amount of private sector investment (PSI) mobilised:

- A comparison for the years 2012-24 between the mobilisation in accordance with the OECD published results and PIDG's standard methodology.
- A comparison of PIDG's standard approach for mobilisation from projects reaching financial close in 2024 with the figures calculated according to OECD's methodology.

As the table shows, during 2012-24 PIDG-supported projects mobilised USD 16.7b, with USD 8.1b attributed per OECD methodology. For 2024, PIDG-supported projects mobilised USD 4.1b in private sector financing, the OECD approach would allocate USD 2.0b of this to PIDG*.

Comparison of PSI mobilised by PIDG-supported projects to PIDG's share of PSI attributed by the OECD:

2024 financially closed projects	USDm
PSI mobilised by projects supported by PIDG	4,116.6
Estimated PSI mobilised as per OECD methodology	1,966.6

Projects reaching financial close in 2012-23	USDm
PIDG: Reported PSI mobilisation by projects for 2012-23	16,701.0
Share of PSI attributed by OECD 2012-23	8,158.9

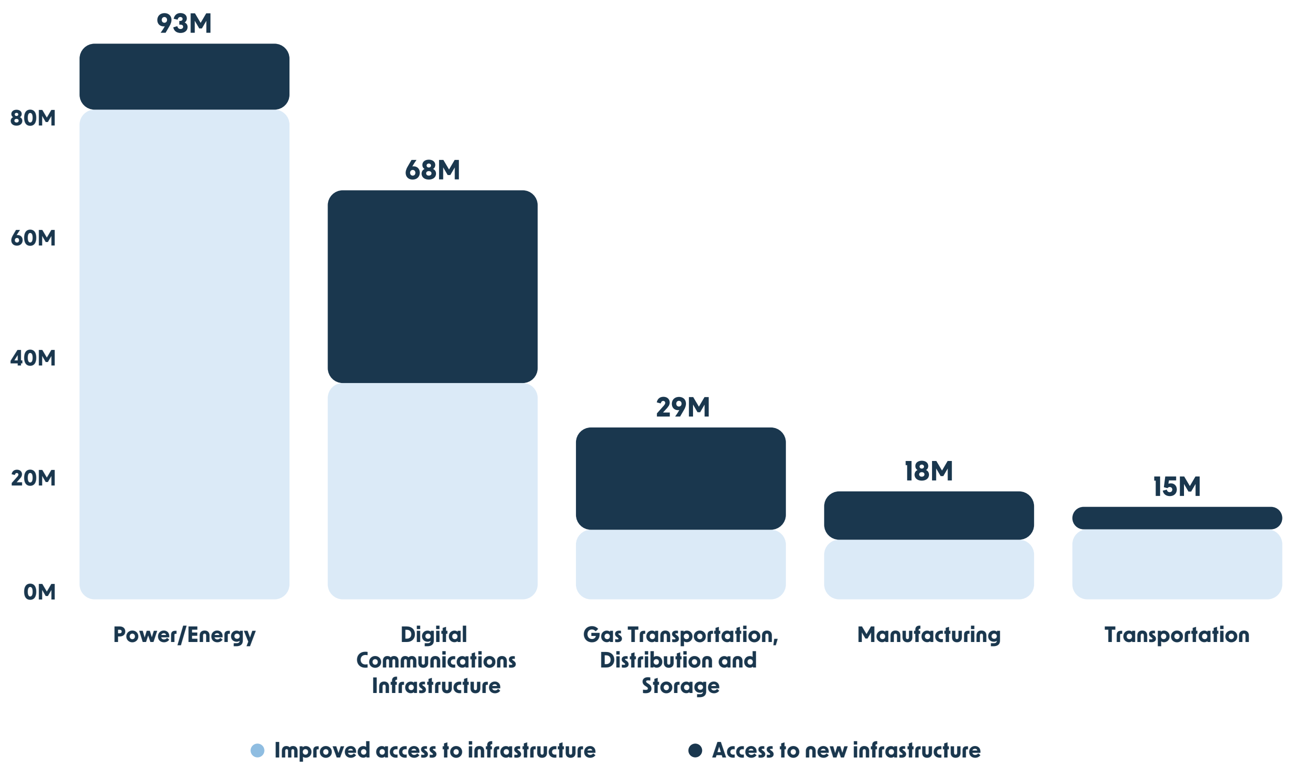
*This excludes the Emerging Africa & Asia Infrastructure Fund capital raise. The value is also pending verification.

Access
by sector (2002–24)

Providing access to essential services like power, water and safe transport is essential to progress towards the Sustainable Development Goals. PIDG collects data on the expected number of people gaining access to new or improved infrastructure.

When the impact of our projects can be directly traced to a specific group of individuals, we are able to source the number of people we reach from our investees – for example, for decentralised energy companies.

This approach is not always possible in infrastructure investment. In cases where our investments do not hold a direct relationship with end-users, as it is often the case for many power and transportation projects, we utilise methodologies to estimate the number of people benefiting, drawing on best practice. A key conversion methodology is for grid-tied energy generation, which makes up over half of PIDG's cumulative access figures. The number of people served is currently calculated by dividing the energy generated by the per capita electricity consumption for the relevant country. PIDG's calculation methodologies are in line with relevant sector best practice or take a more cautious approach and are published in the PIDG Results Monitoring Handbook.



Number of people with access to new and improved infrastructure by sector (2002-24)

	Total access	Access to improved infrastructure	Access to new infrastructure
Agriculture-Supporting Infrastructure	331,181	190,340	140,841
Bulk Storage / Logistics Facilities	3,352,615	3,280,000	72,615
Digital Communications Infrastructure	68,218,810	36,072,989	32,145,821
Gas Transportation, Distribution and Storage	28,664,195	11,606,587	17,057,608
Manufacturing	18,006,188	9,942,188	8,064,000
Mining and Upstream Gas and Oil	27,500	27,500	-
Multi-Sector	1,059,618	1,049,697	9,921
Oil Transportation, Distribution and Storage	3,280,842	2,464,000	816,842
Power/Energy	92,669,923	81,667,191	11,002,732
Social Infrastructure	64,204	-	64,204
Transportation	15,425,233	11,675,701	3,749,532
Water, Sewerage and Sanitation	656,169	565,337	90,832
Total	**231,756,478**	**158,541,530**	**73,214,948**

Projected employment (2002–24)

PIDG contributes to the improvement of people's lives through the role that infrastructure plays in underpinning sustainable economic growth and job creation.

Sustainable and inclusive economic growth and job creation are essential to alleviating poverty and improving lives. More reliable, accessible and affordable infrastructure helps businesses grow and create more and better jobs. Inadequate infrastructure can also place additional costs on developing economies, making it more expensive to access essential goods and services.

Providing access to cheaper or more efficient power supplies, better routes to market, improved communications, or enhanced irrigation, storage or processing facilities should enable businesses to become more productive and enable them to grow and employ more people.

Where PIDG's investments improve the availability and cost of infrastructure, this can increase the opportunities for full and productive employment and decent work.

This will create opportunities for local employment, meaning people do not have to always migrate from their countries, cities or towns in pursuit of economic opportunities.

Employment directly generated by PIDG-supported projects

	Short-term employment	Long-term employment
Agri-infrastructure	3,026	9,058
Bulk Storage / Logistics	6,590	3,948
Digital Communications Infrastructure	7,686	10,916
Gas Transportation, Distribution & Storage	2,787	409
Manufacturing	11,055	4,922
Mining and upstream oil & gas (legacy)	1,000	800
Multi-sector	486	439
Oil Transportation-Distribution & Storage	4,544	2,821
Power/Energy	30,847	3,835
Social Infrastructure	3,772	428
Transportation	11,986	220,713
Water, Sewage and Sanitation	1,322	214
Total	**85,101**	**258,503**

**This high number is linked to drivers being counted as long term jobs in investment that enable vehicle leasing.*

PIDG commitments by geographies

Least developed countries and fragile states

Commitments made in 2024

By number of projects	– 34.6% were in Fragile States – 30.8% were in Least Developed or Other Low-income countries (DAC I/II)
By value	– 28.5% were to projects in Fragile States – 31.3% were to projects in Least Developed or Other Low-income countries (DAC I/II)

Cumulative commitments 2002-24

By number of projects	– 49.2% were in Fragile States – 56.0% were in Least Developed or Other Low-income countries (DAC I/II)
By value	– 47.0% were to projects in Fragile States – 47.1% were to projects in Least Developed or Other Low-income countries (DAC I/II)

Commitments by region

Commitments made in 2024

By number of projects	– 57.7% were in Africa – 34.6% were in south and south-east Asia and Pacific – 7.7% were in other or multiple regions
By value	– 60.8% were to projects in Africa – 29.1% were to projects in south and south-east Asia and Pacific – 10.1% were to projects in other or multiple regions

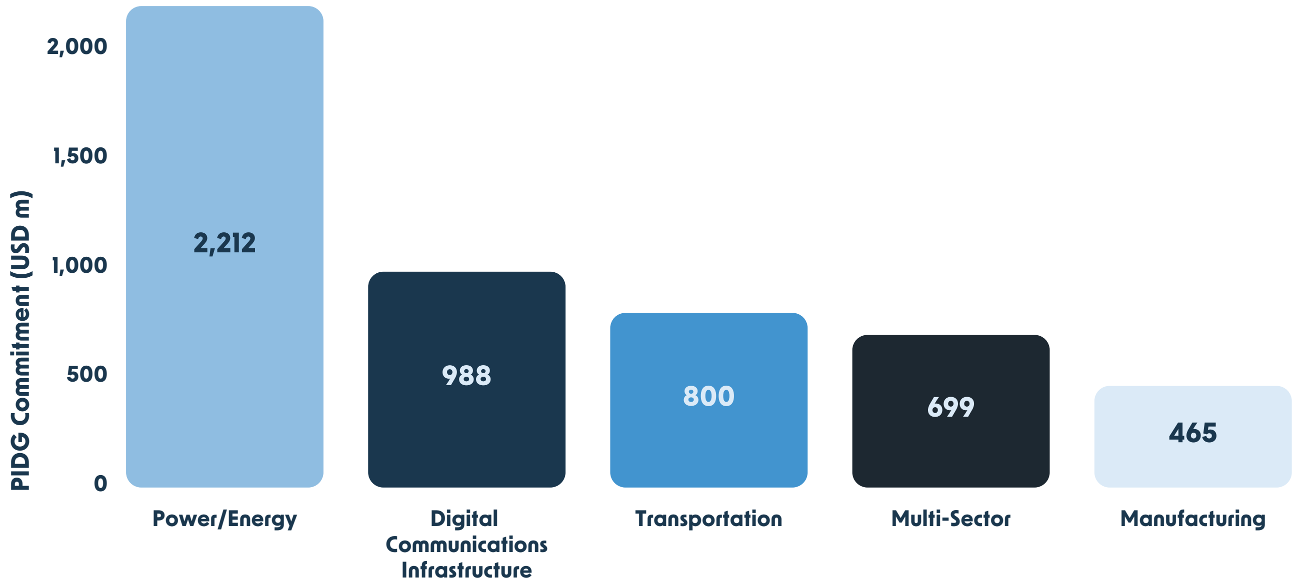
Cumulative commitments 2002-24

By number of projects	– 70.6% were in Africa – 24.7% were in south and south-east Asia and Pacific – 4.7% were in other or multiple regions
By value	– 68.3% were to projects in Africa – 23.6% were to projects in south and south-east Asia and Pacific – 8.1% were to projects in other or multiple regions

Commitments*
by infrastructure sector

In 2024, PIDG committed more than

USD 618m to 26 projects of which **USD 10.62m** in PIDG Technical Assistance grants



*Commitments pertains to projects that have reached the signing stage. Technical Assistance Grants are associated with 2024 signings.

At the end of 2024, **63%** of the projects financially closed by PIDG were operational

PIDG commitments by sector: 2024 (USDm)

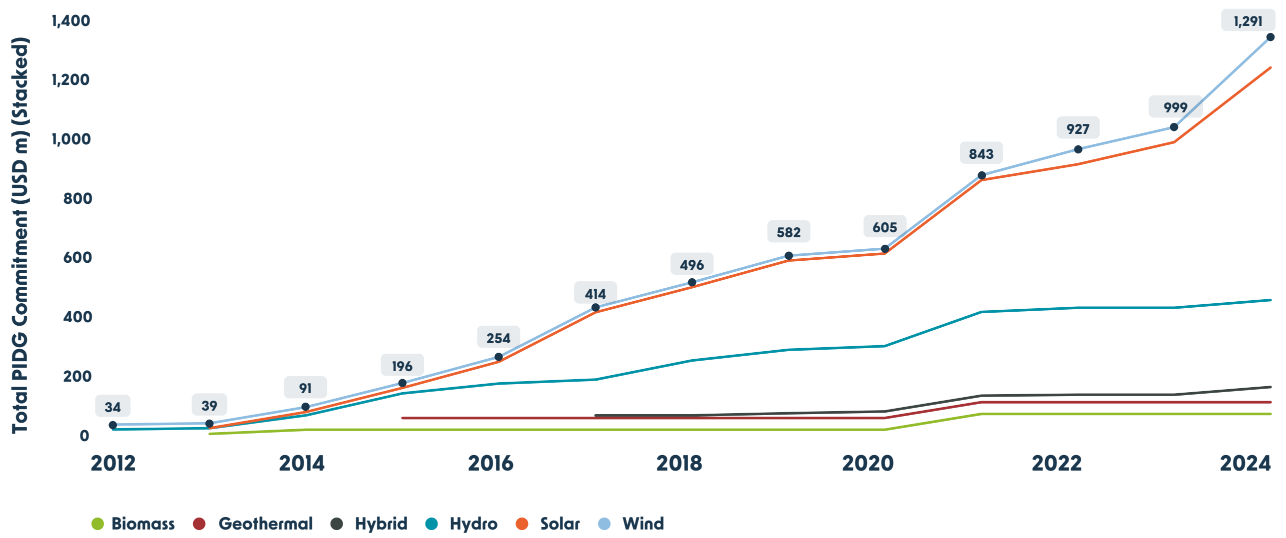
	PIDG commitments	%
Power/Energy	292.0	47.2%
Digital Communications Infrastructure	124.2	20.1%
Agriculture-Supporting Infrastructure	62.6	10.1%
Manufacturing	50.0	8.1%
Water, Sewerage and Sanitation	48.6	7.9%
Multi-Sector	29.5	4.8%
Transportation	11.8	1.9%
Total	**618.6**	**100.0%**

PIDG commitments by sector: Cumulative 2002-24 (USDm)

	PIDG commitments (USDm)	%
Power/Energy	2212.5	35.8%
Digital Communications Infrastructure	988.1	16.0%
Transportation	799.5	12.9%
Multi-Sector	698.8	11.3%
Manufacturing	465.3	7.5%
Social Infrastructure	199.7	3.2%
Bulk Storage / Logistics Facilities	198.9	3.2%
Agriculture-Supporting Infrastructure	176.3	2.9%
Gas Transportation, Distribution and Storage	168.5	2.7%
Water, Sewerage and Sanitation	131.4	2.1%
Oil Transportation, Distribution and Storage	96.0	1.6%
Mining and Upstream Gas and Oil	46.2	0.8%
Other	3.5	0.1%
Total	**6184.6**	**100.0%**

Commitments in **energy projects**

In 2024, 100% of PIDG commitments to energy generation projects were to renewables



PIDG commitments to renewable and non-renewable energy projects 2002-24

	PIDG commitments (USDm)		Generation capacity (MW)	
Renewable	**1390.8**	**73.8%**	**5575.9**	**61.7%**
Biomass	94.4	6.8%	78.0	1.4%
Geothermal	53.0	3.8%	98.0	1.8%
Hybrid	49.2	3.5%	62.5	1.1%
Hydro	330.9	23.8%	1382.0	24.8%
Solar	756.2	54.4%	3326.5	59.7%
Wind	107.1	7.7%	629.0	11.3%
Non-renewable	**494.6**	**26.2%**	**3459.8**	**38.3%**
Coal	1.8	0.4%	-	-
Gas	344.4	69.6%	3028.0	87.5%
Hybrid	15.5	3.1%	11.8	0.3%
Oil	133.0	26.9%	420.0	12.1%

Commitments by year (USDm)

	2002-2008	2009-14	2015-24	Total (2002-24)
Renewable	**58.9**	**132.1**	**1,199.8**	**1,390.8**
(% of total commitments)	41.7%	42.6%	83.6%	73.8%
Biomass	-	43.1	51.2	94.4
Geothermal	-	15.0	38.0	53.0
Hybrid	0.0	-	49.2	49.2
Hydro	48.4	47.2	235.3	330.9
Solar	2.2	10.9	743.1	756.2
Wind	8.4	15.8	83.0	107.1
Non-renewables	**82.3**	**177.9**	**234.5**	**494.6**
(% of total commitments)	58.3%	57.4%	16.4%	26.2%
Coal	1.8	-	-	1.8
Gas	11.8	125.9	206.8	344.4
Hybrid	0.5	-	15.0	15.5
Oil	68.3	52.0	12.8	133.0

Governance

The PIDG governance structure, established in 2018, enables the PIDG Ltd. board and executive team to provide effective direction, guidance and control across the group, with a clearer and more unified approach.

PIDG Owners

The members of PIDG, which fund the PIDG Trust and therefore PIDG.

PIDG Trust

A trust established in 2002 under the laws of Mauritius by the PIDG Owners to fund the PIDG companies (including PIDG Ltd.) and to further the activities of PIDG.

PIDG Ltd.

Established in 2018, PIDG Ltd. acts as the parent company, controlling management and operation of the group of companies and ensuring the group achieves its Owners' objectives.

PIDG Ltd. Board

PIDG Ltd. Board Committees

- Nomination, governance and remuneration
- Audit
- Risk
- Impact
- Investment

The PIDG Ltd board

The board is comprised of seven non-executive directors who collectively bring a broad range of business and development skills and experience essential to the effective running of PIDG. As part of PIDG's succession planning activities, the board Chair and a further director resigned during the year and three new directors were appointed at the start of 2025. The PIDG board continues to meet the independence criteria of the UK Corporate Governance Code.

The board is ultimately responsible for and accountable to the Owners of PIDG and to the Trust, not just for its own activities, but for the activities of the group as a whole. Certain PIDG Ltd. and company matters are reserved for board approval and there is a clear delegation of authority to the Chief Executive Officer (CEO).

Certain matters also require the approval of the PIDG Owners. As part of the ongoing evolution of PIDG's governance arrangements, the new governance model agreed between the board and the Owners in 2023 continued to be implemented and enables both the board and Owners to become more strategic in their oversight of PIDG.

Exercising its independent judgement, the board is responsible for overseeing the management of the business and for ensuring that high standards of corporate governance and health and safety, as well as environmental and social standards are maintained throughout the group. The board is also responsible for ensuring that the resources of PIDG are used to generate a high development impact.

Board committees

The board has established five committees to assist it in fulfilling its responsibilities and it continues to keep these arrangements under active review.

During the year, the Credit Committee and Investment Committee were unified into a single Investment Committee. This change ensures there is a single board level committee with oversight of PIDG's entire portfolio, enabling it to better understand how PIDG is delivering on its strategic objectives and manage PIDG's portfolio risks.

The HSES Committee also formally became the Impact Committee during the year. This change in responsibilities is intended to provide a single point of board-level oversight on the development of PIDG's impact management systems and strategy as a whole.

The terms of reference of the committees are available online at www.pidg.org.

PIDG company boards

The PIDG company boards' are now primarily made up of directors selected from senior executives across the group; with local non-executive directors being retained, where required. This creates a clearer division of responsibilities between PIDG board-level governance and executive responsibilities, and enables the PIDG board and its committees to focus on strategic and policy matters, and senior management to be clearly responsible for the management of PIDG's operations.

Governance effectiveness

The board undertakes regular comprehensive evaluations of its effectiveness and the effectiveness of its committees, with an external evaluation undertaken every three years. The performance of the Chair, directors and committee members is evaluated as part of the process. The findings and implementation of the recommended actions arising from the reviews are overseen by the Nomination, Governance and Remuneration Committee. The next external evaluation will be undertaken during 2025.

Stakeholder engagement

The board understands the importance of effective engagement and participation from its stakeholders. Both the Chair and the CEO provide updates to PIDG Owners through regular informal and formal quarterly meetings and at an annual Owners' meeting. Additionally, members of the executive team provide the Trust with a monthly update on activities and ensure that matters requiring escalation to or approval by the trustees are promptly actioned and managed.

Executive committee

The company has an Executive Committee made up of the Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Financial Officer (CFO), Chief Sustainable Impact Officer (CSIO), Global General Counsel (GC), Chief of Staff and Global Head of Communications (CoS) and the heads of the business areas. The ExCo provides oversight of day-to-day running of PIDG and reviews the PIDG companies' performance against their key performance indicators, including sustainable development impact, financial performance, risk management, staff and communications developments.

Financial overview

Our sources of finance must be robust, diversified, and catalytic to successfully deliver on PIDG's strategy and meet the ambitious financial and development goals we have set. This means not only securing funding from Owners but also actively mobilising non-Owner capital. Blending these sources effectively, at both the company and project levels, is essential to amplifying our impact and ensuring financial resilience across the Group.

Equally important is ensuring long-term financial sustainability. PIDG must be positioned to continue to operate and invest in impactful projects, even in scenarios where Owner funding becomes limited or uncertain.

As a beneficiary of public funds, PIDG also carries a responsibility to deliver value for money. This means not only ensuring efficient use of resources but also upholding our commitment to being responsible taxpayers, both at the Group level and across the projects we support.

Owner funding

PIDG members and other funders

Donor/Company (USDm)	FCDO[1]	DGIS	SECO	DFAT	Sida	KFW	GAC	WB-IFC	Norway MFA	FMO	Other[2]	Total
PIDG Group (2024)	130.3	20.0	22.0	12.1	2.7	-	26.5	-	-	-	4.1	**217.8**
Cumulative 2002-23												
TA	120.7	37.7	45.5	4.9	2.9	-	0.7	7.9	-	-	3.5	**223.8**
TA - IPEF[3]	-	-	-	1.4	-	-	-	-	-	-	4.1	**5.5**
InfraCo Africa Development	248.2	90.5	47.6	-	-	-	-	-	-	-	6.4	**392.7**
InfraCo Africa Investment	187.4	11.9	1.0	-	-	-	-	-	-	-	-	**200.3**
InfraCo Asia Development	109.0	49.5	35.6	35.6	-	-	-	-	-	-	-	**229.7**
InfraCo Asia Investments	128.5	4.0	7.0	4.6	-	-	-	-	-	-	-	**144.2**
EAAIF	322.9	30.0	23.0	-	20.0	-	-	-	-	-	-	**395.9**
GuarantCo	252.7	17.1	50.9	12.1	15.0	-	-	-	-	34.0	-	**381.7**
ICF Debt Pool	-	-	-	-	-	10.0[4]	-	-	-	-	-	**10.0**
GAP	6.4	-	-	-	-	-	-	-	6.1	-	-	**12.5[5]**
DevCo	63.5	5.5	-	-	3.3	-	-	11.7	-	-	7.0	**91.1**
AgDevCo[6]	67.0	-	-	-	-	-	-	-	-	-	-	**67.0**
Project Development	2.6	0.1	0.3	-	0.1	-	-	0.3	0.5	-	-	**4.0**
Vietnam Window[7]	-	-	-	11.7	-	-	-	-	-	-	-	**11.7**
Global Affairs Canada[8]	-	-	-	-	-	-	25.7	-	-	-	-	**25.7**
Total excluding admin	**1,509.1**	**246.3**	**210.8**	**70.2**	**41.3**	**10.0**	**26.5**	**19.9**	**6.6**	**34.0**	**21.0**	**2,195.8**
General admin	30.3	9.9	9.9	6.1	7.8	2.0	-	7.6	2.1	-	3.3	**79.1**
Totals	**1,539.4**	**256.2**	**220.8**	**76.4**	**49.1**	**12.0**	**26.5**	**27.5**	**8.7**	**34.0**	**24.3**	**2,274.9[9]**

Note:

1. *FCDO includes disbursements from BEIS to Green Africa Power (GAP), now liquidated.*
2. *Includes Irish Aid, ABD, AECID, ADA-BMF, MFA, the Japanese Ministry of Economy, Trade and Industry (METI) and the Ministry of Foreign Affairs of Japan (MOFAJ). In 2024 MOFAJ provided TA with USD0.7m of funding directly to PIDG Ltd not via PIDG Trust.*
3. *TA - IPEF funds are technical assistance grants ringfenced for the Indo-Pacific Economic Framework for Posterity (IPEF).*
4. *KFW's original investment was USD10m. This was previously shown as PIDG Trust's carrying value of ICF Dept Pool at year end.*
5. *The original amount received into GAP was USD44.7m. Following repayments to Owners, the net amount invested is USD12.5m.*
6. *PIDG Owners are no longer funding AgDevCo through PIDG.*
7. *DFAT have provided funding to be used across PIDG for projects in Vietnam. The balance represents funds which have been received by PIDG Trust but have not yet been disbursed to any company, pending finalisation of projects.*
8. *Global Affairs Canada(GAC) joined PIDG as a member (Owner) in 2024. The balance represents funds which had been received by PIDG Trust but not disbursed to any company as 31 December 2024, pending confirmation from GAC that these funds can be utilised.*
9. *Total 2024 contributions include all net cash disbursements received by the PIDG Trust from the Owners as at 31 December 2024. As a result, there are some timing variances between cash being disbursed from the PIDG Trust to the PIDG companies and thus the subsequent PIDG company shares being issued in relation to Owner disbursements made in and around the year-end.*

Other sources

of funding (USD m)

as at 31 December 2024

In addition to the net USD 2.3b of cumulative Owner disbursements made to date, PIDG companies draw on a range of other sources of capital to deliver their strategies and targets. PIDG and its companies also have access to other funding sources, such as debt financing, contingent capital and UK Government-backed promissory notes, which cumulatively totals USD 1.5b.
The total of all funding disbursed or committed is now cumulatively USD 4.7b[1]. Throughout PIDG's years of operations, its Owners have benefitted from the flexibility to allocate funding across all of PIDG's activities, or to particular PIDG companies or geographies enabling them to fund their priority areas as required. PIDG's agile structure also enables it to access other sources of funding, including private sector funds at the PIDG company level, supporting its drive to mobilise greater amounts of funding. PIDG is focused on broadening and deepening its funding, working with new public and private sector partners, across the capital structure.

Other sources of funding (USDm*)	FCDO	AFD	FMO	DFAT	KFW	AfDB	Allianz	GAC	Sida	Standard Bank	Total
TA	27.2	-	-	-	-	-	-	-	-	-	**27.2**
InfraCo Africa Development	40.5	-	-	-	-	-	-	-	-	-	**40.5**
InfraCo Asia Development	59.3	-	-	-	-	-	-	-	-	-	**59.3**
EAAIF	-	-	50.0	-	378.2	75.0	333.8	-	-	150.0	**987.0**
ICF-Debt Pool	-	-	-	-	57.2	-	-	-	-	-	**57.2**
GuarantCo	162.8	77.9	-	-	-	-	-	31.8	100.0	-	**372.5**
USD Totals	**289.7**	**77.9**	**50.0**	**-**	**435.4**	**75.0**	**333.8**	**31.8**	**100.0**	**150.0**	**1,543.6[2]**

Notes:

1. *USD4.7b includes amounts provided by KfW to ICF-Debt Pool and future Owner funding committed as at the reporting date.*
2. *Of the USD1,543.6m of other sources of funding, USD696.5m is outstanding and currently available for use. This includes promissory notes issued but not yet encashed, as well as debt facilities and guarantee agreements. See the following notes for more details.*

EAAIF

Access to comitted loans as at 31 December 2024 of:

a. *USD 50m (maturing in 2028) from FMO.*
b. *USD 135m (maturing 2028-2030) and €235m (maturing 2024-2036) from KfW.*
c. *USD 75m (maturing 2028) from African Development Bank (AfDB).*
d. *USD 75m and €250m from Allianz.*
f. *USD 125m (revolving credit facility available in USD and EUR, maturing in 2025) and a USD 25m term loan (maturing 2030) from Standard Bank South Africa.*

GuarantCo

a. *Access to £130m callable capital arrangement with UK aid allowing GuarantCo under certain circumstances, to draw further capital.*
b. *Access to €75m stand-by facility with AFD which can be triggered as a debt instrument after the callable capital with UK aid is fully drawn.*
c. *Access to a USD 32m repayable contribution agreement with the Canadian Department of Foreign Affairs, Trade and Development (Global Affairs Canada or GAC).*
d. *Access to a $100m guarantee agreement with Swedish International Development Association (Sida).*

ICF Debt Pool

As at 31 December 2024, €55m was disbursed net of repayment from an original commitment of €500m.

Promissory note:

In addition to the funding disbursed by FCDO, UK Government promissory notes are lodged with the Bank of England to the PIDG Trust for the PIDG Companies. These instruments allow companies to draw down cash disbursements on demand. As at 31 December 2024, the amount of undisbursed cash under issued promissory notes stood at USD 126.9m (£101.4m).

Unaudited consolidated results for PIDG

As noted overleaf, the group is not required to produce audited consolidated accounts, but we have chosen to present the unaudited consolidated results below (which are based on the audited results of our group entities).

The group reported a net loss of USD 13.8m for 2024, as compared to a USD 12.2m net profit in 2023. This adverse movement was primarily driven by fair value adjustments (in accordance with International Private Equity and Venture Capital Valuation (IPEV) guidelines) and interest provisions on a handful of InfraCo Africa and InfraCo Africa Investment projects of USD 36m, resulting in an overall 95 per cent reduction in combined profitability. The results also incorporate expected credit losses for both GuarantCo and EAAIF.

Group-wide expenditure increased by approximately USD 13m (around 15 per cent) over the year, due in part to increased headcount, consulting costs and project operating expenditure, to support implementation of the PIDG strategy.

This cost increase was also due to a reduction in grants from the PIDG Trust to each PIDG company, as these funds have now been repurposed for TA, resulting in an approximate USD 8m reduction to the group's 2024 profitability, as these transfers are no longer included within the consolidated results.

These unfavourable movements were partially offset by the continued strong performance of EAAIF on the back of 15 per cent asset growth and higher profits in GuarantCo, aided by recoveries of approximately USD 12m from prior years' guarantee calls, a robust performance of its bond portfolio, and no new guarantee calls in the year.

In addition, EAAIF paid a maiden USD 5m dividend to PIDG Trust during the year, which helped support TA activities.

Unaudited consolidated income statement

USDm	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Guarantee fees and net interest income	77.7	74.3
Profit/loss on disposal of projects	-	-
Other income	40.8	41.1
Total income	**118.5**	**115.4**
Fund manager fees	(41.5)	(38.6)
Project development expenditure	(12.2)	(13.2)
Administrative and other costs	(47.8)	(36.8)
Total expenditure	**(101.5)**	**(88.6)**
Income less expenditure	**17.0**	**26.8**
Fair value movements and impairments	(30.6)	(12.3)
Profit/loss before tax	**(13.6)**	**14.5**
Tax	(2.1)	(1.8)
Profit/loss after tax	**(15.7)**	**12.7**
Attributable to:		
Owners of the companies	(16.1)	12.7
Non-controlling interests	0.4	-
Profit/loss after tax	**(15.7)**	**12.7**
Other comprehensive income (OCI)	**1.9**	**(0.5)**
Total comprehensive profit/loss for the year	**(13.8)**	**12.2**
Attributable to:		
Owners of the companies	(14.2)	12.1
Non-controlling interests	0.4	0.1
Total comprehensive profit/loss for the year	**(13.8)**	**12.2**

Unaudited consolidated statement of financial position

USDm	Year Ended 31 Dec 2024	Year Ended 31 Dec 2023
Investments in subsidiaries, JVs and associates	216.0	199.1
Loans and advances and related instruments	1,137.6	1,000.3
Guarantee and financial instruments at FVTPL	185.9	124.1
Money market funds	79.4	102.5
Other assets	97.5	76.4
Cash at bank	336.0	291.9
Total assets	**2,052.4**	**1,794.3**
Loans and Borrowings and related instruments	(556.7)	(439.4)
Guarantee and financial instruments at FVTPL	(14.6)	(9.9)
Other liabilities	(116.7)	(112.7)
Total liabilities	**(688.0)**	**(562.0)**
Total equity	**1,364.4**	**1,232.3**
Attributable to:		
Owners of the Companies	1,339.1	1,208.1
Non-controlling interests	25.3	24.2
	1,364.4	**1,232.3**

The group's total equity increased by **11% to USD 1,364m from the previous year**

The unaudited consolidated income statement and the unaudited consolidated statement of financial position have been prepared from the following audited statutory accounts for the year ended 31 December 2024:

- The Emerging Africa & Asia Infrastructure Fund Limited (EAAIF);
- GuarantCo Ltd (GuarantCo);
- InfraCo Africa Limited (InfraCo Africa);
- InfraCo Africa Investment Limited (InfraCo Africa Investments);
- InfraCo Asia Development Pte. Ltd (InfraCo Asia Development);
- InfraCo Asia Investments Pte. Ltd (InfraCo Asia Investments) and
- The Private Infrastructure Development Group Ltd (PIDG Ltd.)

All of these statutory accounts received unqualified external audit opinions.

The General Administration element of the PIDG Trust (PIDG Trust GA) has also been included based on its management accounts for the year ended 31 December 2024.

Basis of unaudited consolidation

The income statements and the statements of financial position for the aforementioned audited statutory accounts have been summed on a line-by-line basis. PIDG Ltd., InfraCo Africa Limited, InfraCo Africa Investments and PIDG Trust General Administration have been translated (at year end rate for the statement of financial position and period average rate for the income statement) from their presentational currency of GBP to USD for the purposes of this consolidation and the foreign exchange on translation recognised in Other Comprehensive Income. The results that have been consolidated for InfraCo Africa Limited and InfraCo Africa Investments, whose audited statutory accounts are reported in GBP, include a further adjustment, to reverse the material foreign exchange gains recognised in their statutory accounts that result from converting from USD values to GBP.

As the group consolidated reporting currency is in USD, these translation gains would not occur in USD terms.

General Administration (GA) relates to the running costs incurred by the Private Infrastructure Development Group Limited (PIDG Ltd.) statutory entity for the year ended 31 December 2024 along with the expenditure (actual and accrued) that has passed through two general administrative bank accounts held in the PIDG Trust for the year ended 31 December 2024.

Technical Assistance (TA) has been excluded, as PIDG's objective is to achieve ongoing sustainability without the consideration of such TA. The results of the PIDG Trust subsidiary 'ICF-Debt Pool' have also been excluded as this reflects that PIDG does not have any portfolio management responsibility for this fund now that it is in run-off. Intra-group balances, where they relate to GA expenses and grants, have been reviewed for this year's consolidation and eliminated. Other intra-group balances are deemed non-significant for presentation in these statements and therefore remain un-eliminated.

These unaudited consolidated results have been reviewed by our external auditor under the provisions of International Standard of Related Services (ISRS) 4400 (Revised) 'Agreed-Upon Procedures Engagements', to provide comfort that the statements have been accurately prepared.

Audited consolidated group accounts are not required as:

- Whilst PIDG Ltd. controls the other PIDG companies, as a fellow subsidiary of the PIDG Trust it does not have the rights to the variable returns of these companies, e.g., dividends, so is not entitled to consolidate the group under IFRS 10.
- The primary shareholder of the PIDG companies, the PIDG Trust, accounts for the PIDG companies on a non-consolidated basis as the subsidiary activities carry on activities distinct from the PIDG Trust and the trustees consider that the consolidation of these special purpose entities would not be appropriate and therefore consolidated accounts are not prepared by the trustees.

Unaudited consolidated income statement

The higher expenditure reflects an increase in headcount, consulting costs and project operating spend, to implement the PIDG strategy, which was partially offset by the marginal increase in income resulting from higher interest and investment income received.

Fund manager fees relate to the fees paid to GuarantCo Management Company and Ninety One for running GuarantCo and EAAIF respectively.

Fair value movements and impairments includes fair value adjustments in the Developer-Investor businesses and IFRS 9 related expected credit losses and provisions in the credit solutions business. The movement between the periods mainly related to a higher loss recognised on investments within InfraCo Africa Limited and InfraCo Africa Investments Limited, partially offset by lower impairments / recoveries in the credit solution businesses.

Non-controlling interests represent FMO's direct shareholding in GuarantCo and minority shareholdings in InfraCo Asia's projects, where consolidated.

Cash balances

Cash balances in 2024 include USD 16.0m disbursed by DGIS and USD 26.8m disbursed by FCDO just prior to the year-end. Cash balances (and UK Government-backed promissory notes) are required in the Developer-Investor businesses in order to meet project commitments as and when they fall due and to enable them to build a pipeline of bankable projects.

Cash balances in the credit solutions business are required for loan disbursements planned or to meet liabilities for guarantees as and when called.

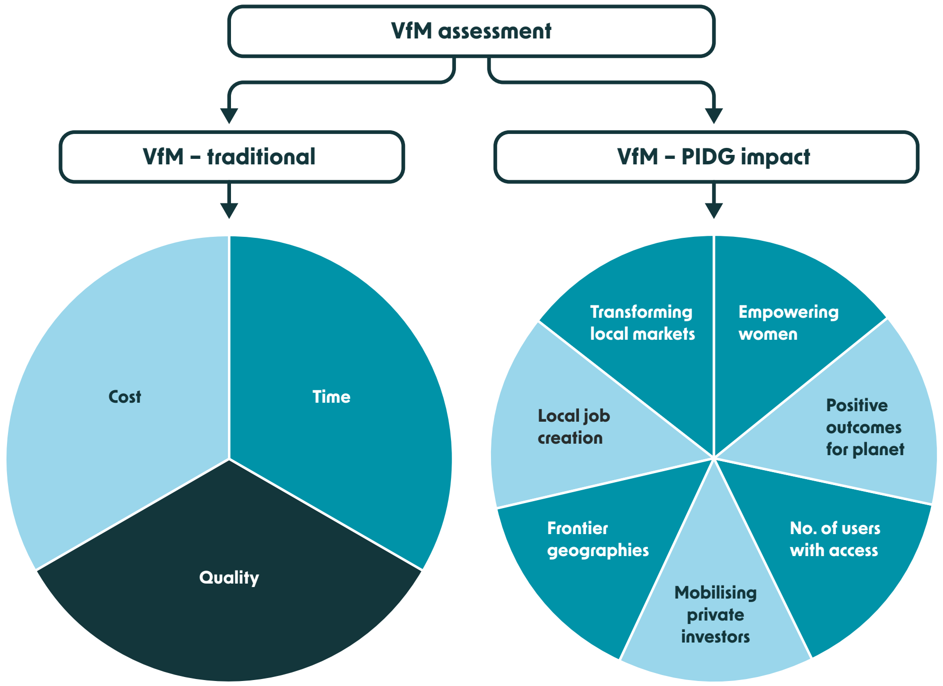
Value for money

In the context of PIDG's mission, value for money (VfM) involves ensuring that every dollar spent achieves the greatest possible impact on our key objectives. This includes strategically allocating resources to deliver critical infrastructure where it is most needed, thereby significantly contributing to sustainable development, climate change mitigation and adaptation, and improving gender outcomes. By focusing on VfM, PIDG aims to enhance the efficiency and effectiveness of our investments, ensuring that we not only meet immediate needs but also create long-term, sustainable benefits for the communities we serve. This approach underscores our commitment to prudent financial stewardship and maximising developmental outcomes.

PIDG's approach to VfM

Infrastructure projects are often large and complex, necessitating substantial investments of time, money, and resources over a period of years. Therefore, it is essential that PIDG's investments in these projects deliver value for money (VfM) to stakeholders and users of the infrastructure. Traditionally, a VfM approach focuses on costs incurred, time spent, and the quality of outputs. These three factors are crucial in ensuring that resources are well-utilised and efficiently deployed while delivering the intended results.

However, PIDG views VfM through a broader lense. Beyond the traditional metrics, we consider the long-term developmental impact and sustainability of our projects as well as the financial return expected, so that we can continue investing in low- and middle- income countries. This means evaluating how our investments contribute to economic growth, social well-being, and environmental sustainability. We aim to ensure that our projects not only provide immediate benefits but also create lasting improvements in the communities we serve, as highlighted in the following figure:

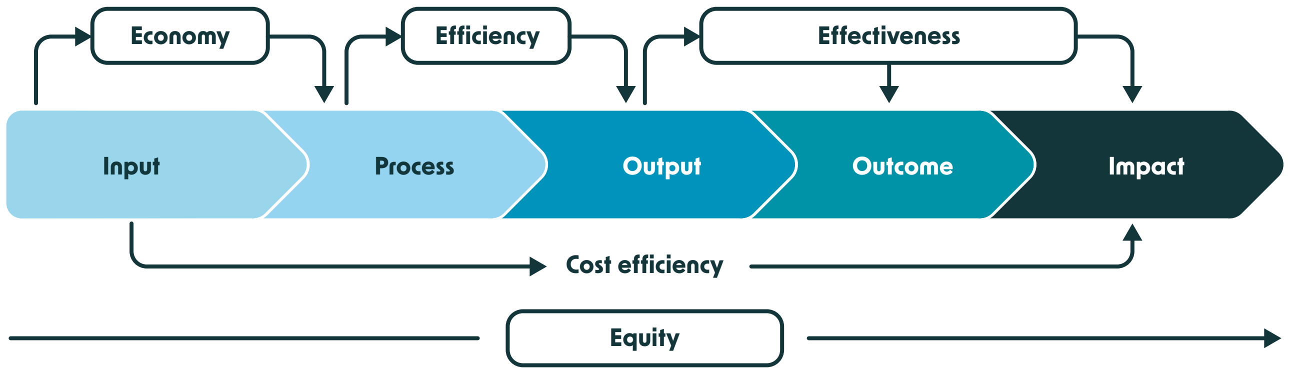


PIDG seeks to maximise the impact of resources deployed by investing in projects located in least developed and fragile, conflict-affected countries. Our initiatives empower women, create both short-term and long-term jobs in local markets, and generate positive environmental outcomes. We aim to expand access to infrastructure for the maximum number of users, mobilise private investors, and stimulate broader economic impacts. Focusing on early-stage development, PIDG builds capacity and mobilises resources in regions where few organisations are making a comparable impact.

A framework for understanding VfM – the 4Es:

The 4Es framework is commonly used for evaluating public policy and project outcomes. The 4Es consist of economy, efficiency, effectiveness, and equity.

This framework, when applied to PIDG, can help conceptualise and assess how PIDG is making the best use of every dollar of funding received and deployed throughout the lifecycle of a project or investment.



- Economy – in conversion of costs to inputs.
- Efficiency – in the processes for conversion of inputs to outputs.
- Effectiveness – in conversion of outputs to outcomes that have positive impact.
- Equity – the degree to which the results of the intervention are equitably distributed.

Ensuring VfM – economy and efficiency

To deliver economy and efficiency, PIDG aims to ensure its projects and investments are economically viable and optimise resource usage (i.e., the 4Es – converting resources into outputs). Additionally, PIDG focuses on proficiently executing these projects (i.e., the 4Es – how activities deliver outputs).

PIDG looks to ensure economy and efficiency through a variety of means:

Good governance:
New project proposals must pass two layers of approvals. Initially, they must be approved by the company management team. For larger projects, an additional approval is required from the Group Investment Committee, which includes independent non-executive directors. Only after clearing both these stages can the projects proceed.

Financial viability:
Investment proposal papers provide comprehensive details on project financials and costs, including budgets, deal economics, and financial due diligence. These financial aspects are thoroughly scrutinized before a project receives approval.

Procurement is optimised:
Robust embedded procurement processes, to ensure fair tender processes, with good quality delivered and achieved at a good price. Contracts are disclosed.

Anti-corruption controls:
PIDG has an anti-corruption and integrity policy. Policy standards include screening, safeguards, vetting, monitoring suspicious activity, training, due diligence, etc.

Robust risk management:
By understanding and mitigating potential risks, we can reduce the likelihood of cost overruns, delays, and other negative impacts on a project's value.

Ongoing monitoring of projects:
Carried out throughout the entire project lifecycle.

Improved project selection:
An increasing focus on reducing impairments or attrition, and credit losses, while maximising returns.

Efficient outsourcing:
The outsourced management of credit companies' (EAAIF and GuarantCo) service providers to PIDG were best bid.

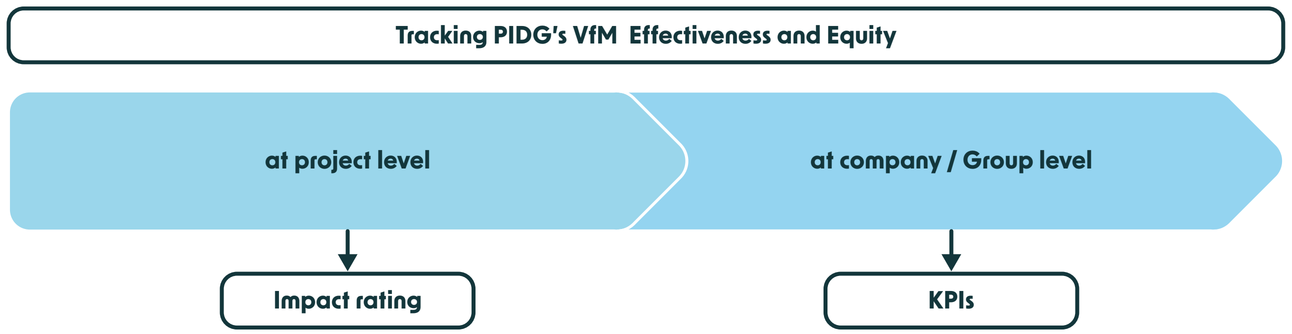
Prudent cost management:
Group staff costs – ongoing compliance with Owner-approved remuneration framework (benchmarked at lower quartile of the financial services industry).

Benchmarking of group expenses:
PIDG Group and companies' operating expenses are internally benchmarked against data available on private market institutions.

Financial sustainability:
Aiming to generate sufficient returns to meet future financial obligations of the group. The sale of projects can be recycled and reinvested into new projects.

Delivering VfM impact – effectiveness and equity

PIDG operationalises and monitors the effectiveness and equity of its projects using the 4E framework, assessing how outputs are converted into outcomes and impact, and how evenly those results are distributed. In practice, PIDG achieves this through (i) key performance indicators (KPIs), which are tracked for each PIDG company and for the group, and (ii) the proprietary Sustainable Development Impact (SDI) rating, which is assessed for each individual project. A proposed project must achieve a sufficiently strong SDI rating to gain approval.



- Impact on users: assessing number of users, significance of impact, and impact on poor/vulnerable, including women.
- Impact on workers: looking at good/higher wages.
- Job duration, number of workers impacted, and women hired.
- Impact on planet: assessing carbon intensity.
- Evaluating forward linkages within the local economy.
- Transforming markets: self-assessment of expected market change and clear plan to track progress.
- Private sector mobilisation in % and USD terms, also looking at domestic investor and local currency.

- Mobilising investment: Tracking the private sector mobilisation ratio on all projects reaching financial close.
- Percentage of projects in least developed countries and other low-income countries.
- Percentage of projects in fragile and conflict affected states (FCAS).
- Carbon intensity: tCO_2e / USDm invested.
- Total number of projects that empower women.
- PIDG's blended proprietary Sustainable Development Impact rating.

Financial sustainability:

VfM is closely aligned to, and a subset of, PIDG's wider financial sustainability initiatives, where PIDG seeks to generate sufficient returns to meet future financial obligations of the group. This can aid PIDG to become self-sustaining and continue to operate, even at a reduced scale, if additional external funding is absent or scarce. By ensuring better VfM outcomes across the group, such initiatives can contribute towards an improvement of the group's overall financial sustainability trajectory.

The importance of technical assistance:

Technical assistance (TA) is critical in delivering VfM because it helps ensure that project design, implementation, and management are efficient, effective, and sustainable.

This can include:

Project design:

Ensuring that projects are designed to meet the needs of beneficiaries and are appropriate for the local context. This can involve conducting feasibility studies, appropriate due diligence, developing project plans, and identifying the most appropriate technologies and materials.

Project implementation:

TA can help ensure that infrastructure projects are implemented efficiently and effectively. This can involve providing training and support to project staff.

Project management:

With TA, we can help ensure that projects are managed effectively and efficiently throughout their lifecycle. This can involve providing guidance on monitoring and evaluation, which can include ensuring health, safety, environment and social (HSES) standards are adhered to, and that gender impact is delivered.

Taken together, these TA initiatives ultimately lead to better outcomes for the intended beneficiaries.

Efficiency of PIDG companies: Expense ratios[1]

We monitor the company and group expenses, aiming to ensure that they are fair and reasonable, and that they do not exceed 3%, while correspondingly recognising the additionality of the work that PIDG performs, particularly around SDI and HSES.

A summary of expense ratios is as follows:

Company	VFM metric	2022	2023	2024
EAAIF	Total costs[2]/total commitments[3]	1.7%	1.5%	1.4%
GuarantCo	Total costs[2]/total commitments[4]	1.5%	1.3%	1.5%
InfraCo	Total costs[5]/total commitments[6]	1.9%	2.3%	2.4%
PIDG Ltd – Gen Admin	Total costs/total Group commitments[7]	0.2%	0.2%	0.2%
Group	Total costs[8]/total Group commitments	1.9%	1.9%	2.0%

Notes:

1. *The ratios calculated are indicative and for informational and comparative purposes. These calculations are derived from PIDG's current methodology, as outlined in these notes, which PIDG believes is aligned to wider market comparators. The calculation methodologies employed are believed to be reasonable, but alternative methodologies could be employed that would result in higher or lower ratios, depending on the approach employed. PIDG does not make any representation or warranty as to the accuracy and completeness of the information or calculations. Up until 2023 (inclusive), each PIDG company received a grant from PIDG Trust to pay towards General Administration costs, which reduced the total costs figures shown above. These grants ceased from 2024, and so 2022 and 2023 have been restated to exclude the grant income, and make the prior years comparable to 2024. GuarantCo is continuing to receive a grant, at a lower level, however for consistency and comparability the grant income has been removed from GuarantCo's calculations, for all years.*
2. *Excludes performance fees (which are additional but irregular costs, and therefore not useful for benchmarking). Excludes borrowing/leverage costs, and project fees, which are investment expenses, not operating expenses.*
3. *Includes equity, retained profits, and drawn and undrawn debt.*
4. *Includes shareholders equity and callable capital multiplied by the leverage ratio, in addition to committed funding.*
5. *Includes internal project development costs. Excludes third-party project development costs, success fees, and third-party developer services, all of which a private fund would ordinarily be expected to capitalise as a cost to the underlying project.*
6. *Includes share capital, commitments callable, and estimated rolling future commitments for the following three years [where 3-year future commitment figures are unavailable, estimates are kept flat rather than assumed to be zero (i.e., assumed funding will not dry up)].*
7. *Sum of the commitments of the group companies (taking account of methodologies detailed above in points 3, 4, and 6).*
8. *Sum of PIDG Ltd Gen Admin costs, plus the combined expenses of the other group companies.*

Responsible **tax disclosure**

PIDG focuses on collaboration, sharing learnings openly and demonstrating that we can achieve much more together. As such, although not a member of the European Development Finance Institutions (EDFI), PIDG is dedicated to a high level of ethical standards and has adopted the EDFI's Principles for Responsible Tax in Developing Countries.

As private companies rather than international organisations, our group entities[1] remain subject to corporation (and other) taxes in the jurisdictions in which we operate (with the exception of the PIDG Trust[2]) and we require our group and the entities in which we invest to respect local tax laws and to pay taxes where their economic activity is based.

In 2024, PIDG entities reported USD 2.1m in corporation tax. Additionally, the projects funded or guaranteed by our businesses contributed over USD 360m in corporation tax. While our involvement in these projects varies by funding type, proportion, and amount, our support has significantly contributed to generating tax revenue for the governments of the countries we aim to assist[3].

This USD 360m represents the corporation (and similar) taxes reported within each entity's financial statements. As it does not include, for example, sales taxes or payroll taxes, the total tax – and thus the financial support to host governments facilitated by our investments –will be higher. Owing to its nature, deferred tax has been excluded from this number, where possible. Where taxes are reported in currencies other than USD, we have used the 2024 year-end exchange rate to convert them to USD.

1. *The PIDG entities included in this disclosure are: The Emerging Africa & Asia Infrastructure Fund Limited, GuarantCo Limited, InfraCo Africa Limited and its operating subsidiaries, InfraCo Asia Development Pte. Ltd and InfraCo Asia Investments Pte. Ltd, InfraCo Africa Investment Limited, and The Private Infrastructure Development Group Limited.*
2. *For taxation purposes, the PIDG Trust is treated as resident in the UK. HMRC has agreed that the PIDG Trust has Crown and Sovereign immunity for the purposes of income tax and is therefore exempt from UK tax on any income and gains arising.*
3. *To quantify the tax reported by our projects, we have used the most recently available set of financial statements for each company (or group) receiving our support. We have excluded the portfolio guarantees provided by GuarantCo Limited, as the tax of these counterparties is not reflective of PIDG's involvement. To ensure consistency of data, we have used the corporation tax figure reported in the accounts rather than the actual cash paid in the year, which was not available for all projects.*

Sustainability disclosures

Sustainability disclosure

At PIDG, our investment decisions centre on impact: creating tangible positive changes for people and the planet. To achieve this, we prioritise strong Health, Safety, Environmental, and Social (HSES) risk management and governance.

Our comprehensive impact management system assesses and monitors impact, manages negative effects, evaluates positive outcomes, and helps us learn. More details are available in our latest annual disclosure statement to the Operating Principles on Impact Management[1].

PIDG enables sustainable infrastructure projects in low-income markets, delivering tangible positive outcomes for people, planet, wider economy and market transformation, as well as contributing to the Sustainable Development Goals (SDGs). We specifically use climate and nature, together with gender and inclusion, as investment lenses to maximise our impact.

Our approach to impact is two-fold:

- Identify, mitigate and manage HSES risks and adverse impacts through our HSES management system.
- Drive and demonstrate tangible, positive impact on people, the planet, the wider economy and infrastructure capital markets through our wider impact management system.

In essence, the PIDG impact management system covers both the identification and management of HSES risks and negative impacts, and our strategic capital allocation for positive sustainable development impact.

These definitions align with the sustainability-linked risks and opportunities highlighted in the International Financial Reporting Standards Sustainability Standard 1 (IFRS S1) – General Requirements for Disclosure of Sustainability-related Financial Information.

PIDG strives to be at the forefront of sustainability and impact disclosure, contributing to advancing market development in this area. As such, we provide our second voluntary disclosure of sustainability related risks and opportunities that attempts to align with IFRS S1, recognising the limitation that the standard is new and there are no, or very few, examples of its application in the market at this stage.

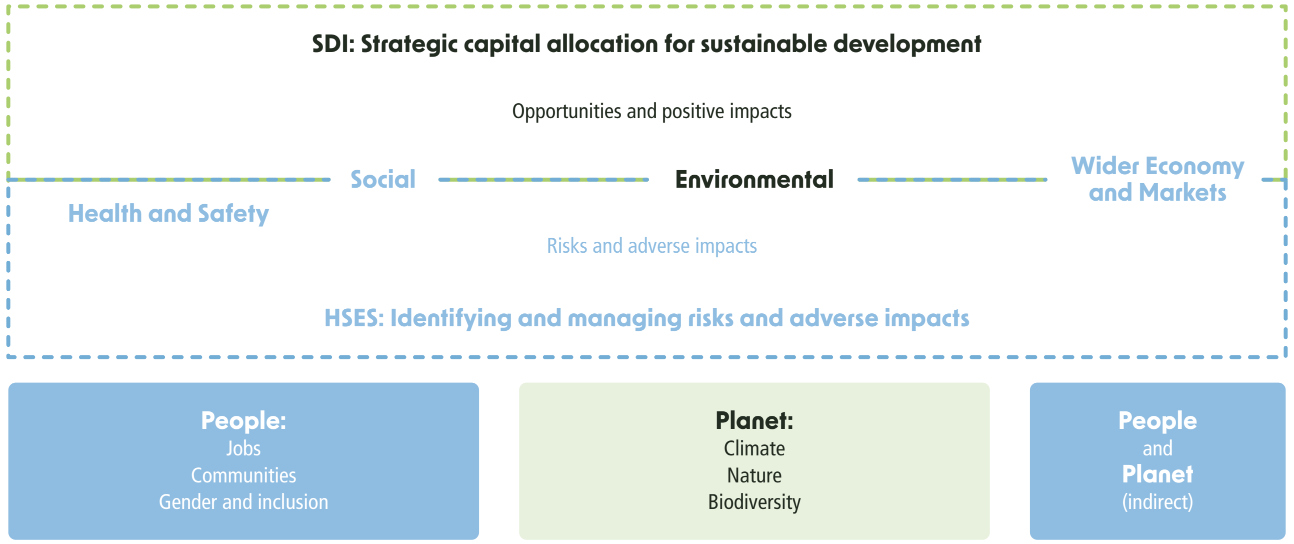
A dedicated Climate and Nature Disclosure, which responds to the recommendations of, and attempts to align with, IFRS S2 (formally the Task Force on Climate-related Financial Disclosure (TCFD)) and the Taskforce on Nature-related Financial Disclosures (TNFD). Alignment with IFRS S2 and TNFD is voluntary and partial, and the extent of our alignment is set out on page 136.

Marco Serena
Chief Sustainable Impact Officer
9 June 2025

Scope of PIDG's financial year 2024 disclosure.
This disclosure applies to several PIDG entities across InfraCo, EAAIF and GuarantCo.

PIDG Impact Management system =

Health Safety Environmental Social risk management + Sustainable Development Impact management

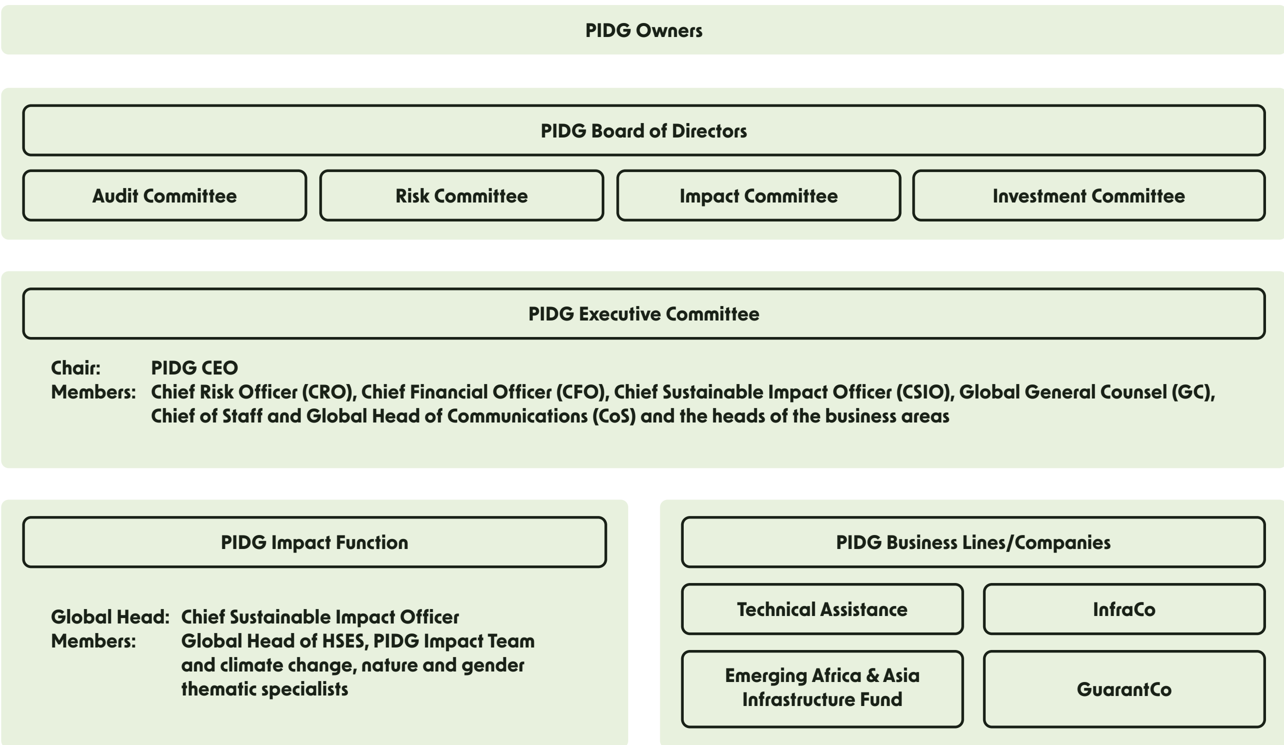


1. https://pidg.org/wp-content/uploads/PIDG-Disclosure-Statement-Operating-Principles-for-Impact-Management-2024-Final.pdf

Sustainability disclosure – **governance**

At PIDG, we recognise that to meet our mission, vision, and values, we must seek to ensure that there is strong governance of sustainability risks and opportunities across the group, including in InfraCo, GuarantCo and EAAIF, and use reasonable endeavours for strong governance in our investments and projects too.

Figure 1: PIDG's oversight and management of impact (HSES and Sustainable Development Impact) and of sustainability-related risks and opportunities.



Owner and Board Oversight

PIDG is funded by six governments, including the UK, Netherlands, Switzerland, Australia, Sweden, Germany and Canada (our Owners), who delegate the exercise of most authority to PIDG Ltd.'s board of directors (the board). Updates on impact (sustainability risks and opportunities) are provided on a quarterly basis to PIDG Owners, or more frequently, as required; serious HSES incidents are reported on a monthly basis to Owners and the board.

The PIDG Ltd. board oversees all sustainability risks and opportunities. These are a regular topic at quarterly board meetings, presented in the Chief Sustainable Impact Officer's report, with a dedicated section from the Global Head of Health, Safety, Environment, and Social (HSES). The Chief Risk Officer's report also covers climate and HSES risks. The board receives quarterly updates on relevant activities in the last quarter and those planned for the next.

Sustainability risks and opportunities are also considered as appropriate by PIDG Ltd board committees, primarily the Impact Committee (which also covers HSES), Audit, Risk, Investment and Investment Committee.

- **Impact Committee:** Oversees PIDG's impact management systems and strategy as a whole covering both HSES performance and broader sustainable development impact performance. It provides guidance on developing and implementing the Impact Management Framework. This includes technical advice on managing HSES, gender and inclusion, and climate and nature risks. The committee also reviews HSES monitoring, portfolio assurance, incident reporting, capacity building, and HSES audit outcomes.
- **Audit Committee:** Monitors the integrity of PIDG's impact reporting including both quantitative and qualitative information to be provided to the board, PIDG Owners and other stakeholders on sustainability risks and opportunities. This includes information contained in annual reports, key performance indicators (KPIs) and PIDG's external reporting documents including this Annual Sustainability and Impact Report which includes our Climate and Nature Disclosure.
- **Risk Committee:** Oversees all risk-related activities and reporting, including overall risk appetite, tolerance and management.
- **Investment Committee[1]:** Routinely consider sustainability risks and opportunities as part of investment selection and quarterly review portfolio performance on impact and sustainability risks and opportunities as part of their regular portfolio review.

The PIDG board as well as the Impact and Audit Committees include non-executive directors and members who are globally-recognised sustainability and impact management experts, including Rachel Kyte who is the UK Special Representative for Climate.

Executive management-level committee

The PIDG Executive Committee (ExCo) comprises a subset of PIDG Ltd.'s Executive Team and PIDG company CEOs or Heads. The ExCo-level sponsor is the Chief Sustainable Impact Officer, who advises the CEO on strategic group-wide issues related to sustainability and impact. The Global Head of HSES is the responsible executive for HSES standards and performance. A report on HSES performance is a standing item at the fortnightly ExCo meeting and broader impact performance is routinely discussed. PIDG ExCo reviews issues related to sustainability risks and opportunities and makes recommendations to the board, as required.

1. During 2024 the Investment and Credit Committees combined to become the Investment Committee

Management and supervisory bodies

The Impact function is led by the Chief Sustainable Impact Officer and the Global Head of HSES is responsible for HSES performance. The function includes HSES specialists, impact management specialists, a climate change manager, a dedicated biodiversity and nature specialist, a dedicated gender and inclusion manager, an impact data specialist and monitoring and evaluation and learning specialists.

The PIDG Impact function is responsible for the following: Screen investments early to ensure they meet PIDG's sustainability and impact investment criteria and policies, and to inform on key areas of investigation during due diligence.

Undertake due diligence (with support from external specialists, as required) to identify potential material sustainability and impact risks and/or opportunities and flag any gaps against PIDG standards. This includes exploring gender and inclusion, nature-positive outcomes, and climate adaptation and resilience.

Monitor and assure PIDG portfolio investments against our standards to assess the HSES risk management, Impact performance, governance, and continual improvement. This includes providing technical support, capacity raising, and collecting/analysing HSES and SDI data (including gender, including, climate and nature) for all reporting and presentations.

Provide technical guidance and advisory on integrating good practice assessment and mitigation measures into project design and development and propose actions to strengthen how we determine climate and nature issues for the group.

The Impact function is central to PIDG and its operations. It assesses all new investment opportunities before they progress to other parts of the organisation. Critically, the function holds a veto power on potential investments where they are seen to be outside of PIDG investment policy, if they do not meet our impact quantitative thresholds, or deviate from our HSES requirements and our sustainability and impact strategies. For example, an investment that is not aligned with the objectives of the Paris Agreement on climate change, or one that does not meet with our gender equality standard would be blocked from progressing. Further details are provided in the 'Risk and opportunity management' section.

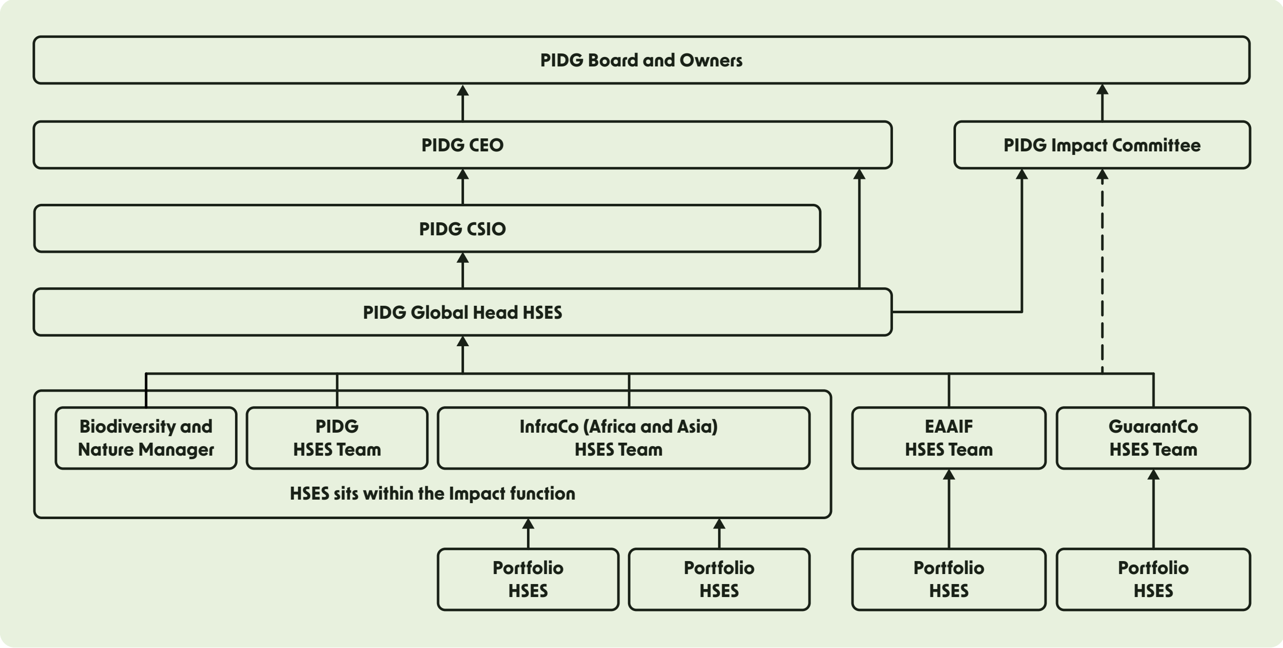
Dedicated HSES governance

Safety is a core value at PIDG. We take a risk-based approach to HSES management, which is aligned to the IFC Performance Standards on environmental and social sustainability (IFC PSs). PIDG has developed HSES policies which seek to ensure the projects in which we invest align with the requirements of the IFC PSs and the PIDG focus areas (HSES requirements). We integrate HSES into our investment decisions and contractually require HSES standards in all investments. Our robust HSES governance ensures these standards are met and performance improves across our portfolio. We only invest where we can influence positive HSES outcomes.

The PIDG HSES governance structure is shown in Figure 2. The team is led by the Global Head of HSES who reports directly to the Chief Sustainable Impact Officer and also the Impact Committee on a quarterly basis. This role also contributes to the Risk Committee, the PIDG ExCo and the PIDG board.

PIDG's HSES commitments are set out in the HSES policies and implemented through a comprehensive HSES risk management framework. This framework, embedded in our wider impact management system, includes HSES standards, procedures and guidelines, along with the PIDG companies' HSES management systems. This enables systematic identification and management of HSES risks and impacts for each investment, through a central HSES risk register and an internal HSES watch list for high-risk projects. Targeted HSES interventions based on the risk profile of each investment are then made, including monitoring and assurance, HSES support, training and capacity raising. HSES risk management oversight is provided to each investment and reported monthly by each PIDG company to the Global Head of HSES. The level of oversight varies by type and stage of investment and may be direct or through a Lender's Technical Advisor or Consultant. HSES metrics are collected on an annual basis across all projects. All projects are required to report serious HSES incidents to PIDG which are then investigated, and lessons learnt are shared across the portfolio.

Figure 2: PIDG HSES governance structure



PIDG Gender Equity Diversity and Inclusion Network

Improving outcomes for women and girls is fundamental to having a positive and tangible impact on people's lives. Particularly in the countries that PIDG operates in, a variety of barriers prevent women and girls from participating in and benefitting from infrastructure equitably, and women are also disproportionately affected by gender-based violence and harassment (GBVH). Yet addressing these risks, deliberately addressing women's needs and perspectives, and utilising women's skills across the project lifecycle creates tangible benefits for individuals, businesses, the environment and the wider community.

At PIDG, we are deliberate about adopting a gender and inclusion lens in our investments and applying that lens to our operations. This furthers our mandate on impact and makes PIDG a better place to work. To be intentional, we set up a Gender Equity, Diversity and Inclusion (GEDI) network (previously termed as taskforce) with the ambition of representing the group. Building on previous Gender Action Plans in 2020-22, in 2023 we published our first GEDI action plan which reported on the commitments and progress of the network, and we now move into our third iteration for 2025.

The action plan is comprised of three pillars:

- **Pillar 1 – Safeguarding women and girls from GBVH**
  How we safeguard women and girls from GBVH on PIDG investments, on disability-related risks, and the overlap of gender and disability from a risk perspective.
- **Pillar 2 – Empowering women through gender lens investing**
  How we empower women and girls through gender lens investing on PIDG projects. This includes promoting inclusivity and addressing the intersection of gender and disability for greater impact.
- **Pillar 3 – Leading by example: Gender equity at PIDG**
  Fostering a culture of equity, diversity and inclusion in the workplace, in line with PIDG values and mirroring the work we do at the investment level across the group.

The GEDI action plan makes us both intentional and accountable across our portfolio and our own organisation.

Group-level key performance indicators

PIDG's board and management acknowledge that progress against our strategic objectives requires a unified portfolio approach and clear strategic KPIs. The KPIs (and metrics[1]) track performance against sustainability and impact, climate and financial objectives.

The KPIs that relate to the group's sustainability and impact objectives include:

- Percentage of new commitments classified as climate finance.
- Carbon intensity of new commitments (tCO_2 equivalent per USD million invested).
- Impact rating based on our impact scorecard, which includes scoring criteria for climate and nature.
- Metrics including MW of renewable energy installed, avoided emissions, attributed emissions, people (M/F) or projects with improved climate resilience.
- Percentage of new projects in least developed countries or fragile and conflict affected states.
- Percentage of projects reaching financial close promoting gender equality, i.e., enabling women to rebalance control of resources and economic opportunities, as evidenced by Gender Equality Assessments.

KPIs and metrics are developed as part of each business plan period and signed off by the Owners and the board. Once agreed, they are reported on a quarterly basis. KPI achievement is linked to the performance appraisal and related payments for PIDG companies and employees.

1. *KPIs without a defined target are classified as metrics. These are reported to our Board and Owners to show progress against specific strategy objectives.*

Sustainability disclosure – **strategy**

At PIDG, our core proposition is to:

- Increase the pipeline of projects built to internationally investable standards.
- Unlock domestic institutional capital for infrastructure investment.
- Deploy commercial and institutional capital in developing and emerging markets through our blended finance structures.

Materiality

Impact and sustainability objectives are at the very core of our mandate. We operate in countries with the largest infrastructure gaps, rapidly growing and climate-vulnerable populations, and diminishing biodiversity. In assessing the materiality of sustainability-related risks and opportunities, we consider the following:

A. Financial results: As an infrastructure investor, we take a long-term view. Commercial viability of the projects we finance is inextricably linked to the well-being of their users, workers, communities, and the natural environment impacted. An intentional risk mitigation and opportunity maximisation strategy is therefore essential to protect our capital investments.

B. Impact results: As an impact investor, we strive for both financial and sustainable development impact results. Maximising sustainability opportunities generates value for us and our capital providers. Our HSES systems are fundamental to identifying and managing sustainability risks, which allow us to achieve positive impact and minimise the risk of adverse impact.

C. Sources of capital: Our Owners and investors prioritise sustainability and impact, seeking positive sustainable development outcomes while having low tolerance for adverse impacts, combined with an acceptance for sub-commercial financial returns. An intentional risk mitigation and opportunity maximisation strategy is therefore essential for our ability to continue to raise capital.

Considering these factors, alongside our strategic objectives and the priorities of our Owners and capital providers, we deem the following sustainability risks and opportunities to be material. Table 1 clusters the material sustainability risks and opportunities in the broad categories of people and planet, in line with our overarching objectives of sustainable development and climate and nature action.

Table 1: Risk and opportunity materiality assessment

People		Planet	
Risks	**Opportunities**	**Risks**	**Opportunities**
Workers (Health and Safety, labour, security, human rights)	Job creation	Physical climate risks Transition climate risks	Climate mitigation, adaptation and resilience
Communities (displacement, Health and Safety, security and human rights)	New and improved access to Infrastructure	Nature and biodiversity	Nature positive capital allocation
Gender-based violence and harassment	Gender equality outcomes	Environment (water, land, air, waste)	Circular economy

Strategic intent

PIDG has been a signatory to the Operating Principles on Impact Management since 2020. Our latest disclosure in line with the principles (November 2024) is published online[1]. In November 2023 an independent verification of PIDG impact management systems and their alignment to the principles assessed PIDG as Advanced (highest classification) for 7 out of 8 principles and above median of our peer group and other impact investors assessed.

Our strategy and investment policy clearly articulate our impact mandate on people, planet and the wider economy in. We manage our portfolio for impact through dedicated KPIs and a portfolio construction that balances financial returns, sustainable development impacts and risks. We allocate capital to maximise sustainability opportunities through a formal, systematic two-step impact assessment of prospective investments. We have a well-developed monitoring evaluation and learning approach that allows us to track and demonstrate impact performance and learn from data insights and users' feedback.

Through our Strategy and investment policy we have a public commitment to:

- Prioritise countries with the largest infrastructure access gaps – with a focus on least developed countries and fragile and conflict affected states.
- Mobilise private capital in sustainable infrastructure in our markets.
- Generate new or improved access to infrastructure through our investments.
- Adopt a gender and inclusion lens in infrastructure investment and maximise gender equality outcomes through infrastructure investments.
- Contribute to climate mitigation, adaptation or both through our investments.
- Demonstrate how sustainable infrastructure can make a positive contribution to biodiversity and nature.
- Build a culture of strong HSES performance across PIDG.

Our group KPIs are aligned to our strategic intent and we have a dedicated Gender Equality Diversity and Inclusion (GEDI) action plan through which we state and monitor PIDG GEDI commitments both as an organisation and in our investments.

A comprehensive set of HSES policies, standards and guidance notes guide our exclusion and risk mitigation in investment selection and portfolio management.

1. *https://pidg.org/wp-content/uploads/PIDG-Disclosure-Statement-Operating-Principles-for-Impact-Management-2024-Final.pdf*

Sustainability disclosure – **risk and opportunity management**

PIDG's approach to impact is two-fold:

i. Identify, mitigate and manage HSES risks and adverse impacts through our HSES management system.
ii. Drive and demonstrate tangible, positive impact on people, the planet, the wider economy and infrastructure capital markets through our wider impact management system.

Managing risks

PIDG has developed comprehensive HSES policies which, aligned to the IFC Performance Standards, set out PIDG's requirements for the management of HSES risks and impacts across our portfolio. The PIDG HSES policies are implemented and managed through the PIDG Group Health, Safety, Environment and Social (HSES) Management System, set out in the HSES Framework, HSES Standards, HSES procedures and HSES guidelines. HSES considerations are fully embedded in PIDG's two stage approval process for each new proposed investment, described in PIDG Disclosure to the operating principles on impact management (Principle 4).

Each new investment is screened for HSES risks and impacts. Targeted due diligence then assesses the potential for the project to align with PIDG HSES policies. Where gaps are identified, these are included in an Environmental and Social Action Plan which forms part of the contractual conditions of the investment. When an investment enters the portfolio, it is tracked using the PIDG HSES risk register. Scheduled monitoring and assurance occurs across the life of the project. High risk projects receive targeted monitoring and assurance. Projects reporting HSES incidents are put on an internal watch list, and incidents investigated and lessons learnt reports are shared across the portfolio to reduce the likelihood of reoccurrence.

PIDG has life-saving rules and safeguarding rules which set out the minimum requirements on health and safety and human rights safeguarding across our portfolio. These rules are translated into 12 languages, made accessible through our website, and have training animations to support projects train their people in their intent.

The PIDG HSES team continually engages with projects, through dissemination of good practice notes and capacity building events. Through the PIDG Institute, our capacity-building platform, the team builds HSES capacity for clients across Africa and Asia.

We report on HSES performance on a quarterly basis to the Impact and Risk Committees. PIDG annually produces an internal monitoring report of its projects' HSES performance and a separate annual incident and lessons learnt report of the HSES incidents and trend analysis across the portfolio.

Pursuing opportunities

PIDG has established a systematic approach to assessing the impact potential of prospective investments. This is part of our end-to-end system to drive and demonstrate impact across the entire investment cycle. We use impact scorecards to:

- Ensure that the expected pathways to sustainable development impact are clearly articulated for each investment.
- Aim to get a balance of development impacts across the portfolio.
- Identify areas of impact that could be enhanced through focused learning, engagement or technical assistance.

The scorecards are a vehicle for impact and investment teams to strengthen and deepen the analysis of sustainable development impact ex ante on every deal. The impact scorecard is built on the Impact Management Project's norms, reflecting PIDG's goals across the five dimensions of impact and investor contribution strategies. They cover direct impacts on people and planet as well as indirect, systemic impacts on local markets and the economy. Systematic application of the scorecard allows us to benchmark prospective investments and track the impact performance of the portfolio, allowing a portfolio construction that considers risk and balances impact and financial performance.

The scorecards have thresholds so that only investments that demonstrate a minimum acceptable level of positive impact are selected. The scores are live, so deals are improved on impact from the moment they are introduced into the pipeline, with sign-off required periodically to proceed to investment.

The two main tools for a systematic and documented process to measure and manage our investments' impacts on people and the planet are the Impact Clearance in Principle and the Impact Endorsement Note. The risks that positive impacts will not materialise or cannot be evidenced are considered and documented and feed into the wider risk management framework.

Sustainability disclosure – **metrics and targets**

For our disclosure, we report on metrics that we currently track and for which we provide data assurance (Tables 2 and 3). As our approach and systems evolve, we may look to expand the sustainability metrics that we report on, including greater coverage of sustainability risk related metrics. Many of these are already tracked internally and transitioning to a web-based solution allowing for assurance and reporting in future years. Climate- and nature-related metrics are reported in their dedicated disclosure chapter.

In 2023, PIDG's first Gender, Equity, Diversity and Inclusion (GEDI) action plan was produced, which was an integration of our Gender Equity Action Plan, and PIDG's Diversity and Inclusion Taskforce work. Table 3 provides an update of progress against PIDG's 2024 commitments across three pillars.

Table 2: Sustainability metrics

Year	Projects reaching financial close	People with new and improved access to infrastructure (male/female)	Jobs created (male/female)[1]
2021	19	8.1m (M=5.1m/F=3m)	5k (N/A)
2022	21	2.8m (M=1.73m/F=1.06m)	2k (M=1.5K/F=0.4K)
2023	22	6.6m (M=4.1m/F=2.5m)	12k (M=10K/F=2K)
2024	25	5.7m (M=3.5m/F=2.2m)	12k (M=6k/F=2k)

Table 3: Gender equality and inclusion highlights (from 2024 GEDI action plan)

Pillar 1 – Safeguarding Women and Disabled People	Pillar 2 – Promoting Gender Equality and Inclusion through PIDG Investment	Pillar 3 – Leading by Example: Gender Equity at PIDG
HSES GBVH and disability due diligence guidance finalised and being implemented.	100 per cent of newly closed transactions reporting on gender targets or produced gender disaggregated reporting. Conducted a review of PIDG's Gender Lens Investing tools and processes.	GEDI reviewed the gender and inclusion questions in the PIDG engagement survey (2024) and responded to the output from these questions via the engagement survey working group.
Five monitoring and assurance (M&A) visits were undertaken to portfolio projects with GBVH as a focus area[2]. One M&A visit was undertaken considering disability as a focus area[3].	72 per cent of financial closes were classified as empowering women in 2024; the highest proportion ever recorded since the establishment of the gender KPI at the group level in 2021.	Cultural days have been reintroduced across PIDG offices. We celebrated the South African, Italian, French, Hungarian and Welsh national days and celebrated the Lunar New Year.
Provided PIDG Impact team GBVH awareness training.	39 per cent of TA grants (14/36) contributed to significant and / or improved gender outcomes in PIDG projects against its 30 per cent 2024 target.	International Women's Day was marked with a PIDG Pulse podcast showcasing some of our empowering projects empowering women.
GBVH is included in the mandatory training delivery to all new PIDG employees.	PIDG attended the 2025 Global Disability Summit for the first time and had its proposed commitments approved by the Global Disability Secretariat in May 2025.	A wellbeing room has been provided in the PIDG London, Singapore and Nairobi offices.
All new project partners are made aware of and provided with a link to the PIDG HSES safeguarding rules.	The 2025 annual update process allowed PIDG to take stock of its disability inclusive portfolio for the first time. Six projects as of 2024 year-end classify as disability inclusive.[4]	Throughout 2024, we showed a consistent commitment to enable women in the group to engage with external speaking events. The group also continued to be conscious of producing diverse and representative content for external and internal use, including imagery and other visuals.

1. Where the sum of male and female jobs does not equal the total, this reflects investments that only provide an ex-ante total jobs estimate without gender disaggregation.
2. Acorn, KWASH, Pran, Runner Auto and Spiro.
3. Acorn.
4. Acorn Holdings (EAAIF & GtCo transactions), Acorn Holdings – Expansion (GuarantCo), Royal Railway Cambodia (GuarantCo), Cambodia Water Portfolio (InfraCo Asia) and Zimborders (EAAIF) following gender and disability inclusive findings from externally commissioned evaluation.

Climate and nature disclosure

This section presents our voluntary climate and nature disclosure, which responds to the recommendations of, and attempts to align with, IFRS S2 (formally TCFD) and the TNFD. Alignment with IFRS S2 and TNFD is voluntary and partial, and the extent of our alignment is set out on page 136.

This disclosure follows three previous climate-related disclosures presented in line with the TCFD recommendations, which PIDG became a supporter of in January 2020, and last year's integrated climate and nature disclosure. The decision to present a combined disclosure covering both climate and nature-related issues supports our continual integration of action on climate and nature into our business activities, in response to the interlinked climate and nature crises which require equal consideration and a coordinated response on action.

In 2023 we became an early adopter of the TNFD, committing to make disclosures in line with the TNFD recommendations by the financial year 2025. This followed a successful pilot trialling the TNFD approach to identify and assess nature-related issues on our investment portfolio in Asia. In this disclosure, we have expanded our nature-related disclosures and outline our intentions to further evolve our approach through time.

The four sections of this disclosure – Governance, Strategy, Risk and Opportunity Management, and Metrics and Targets – provide a summary of information relevant and material to our Owners, investors and stakeholders.

Selecting and designing investments that strengthen system resilience, support climate adaptation, and protect and restore nature in the process, will be a strategic driver of our work over the coming years.

There is much work to be done – and we look forward to engaging with all our partners and stakeholders as we work on implementing our strategy through to 2030.

Marco Serena
Chief Sustainable Impact Officer

9 June 2025

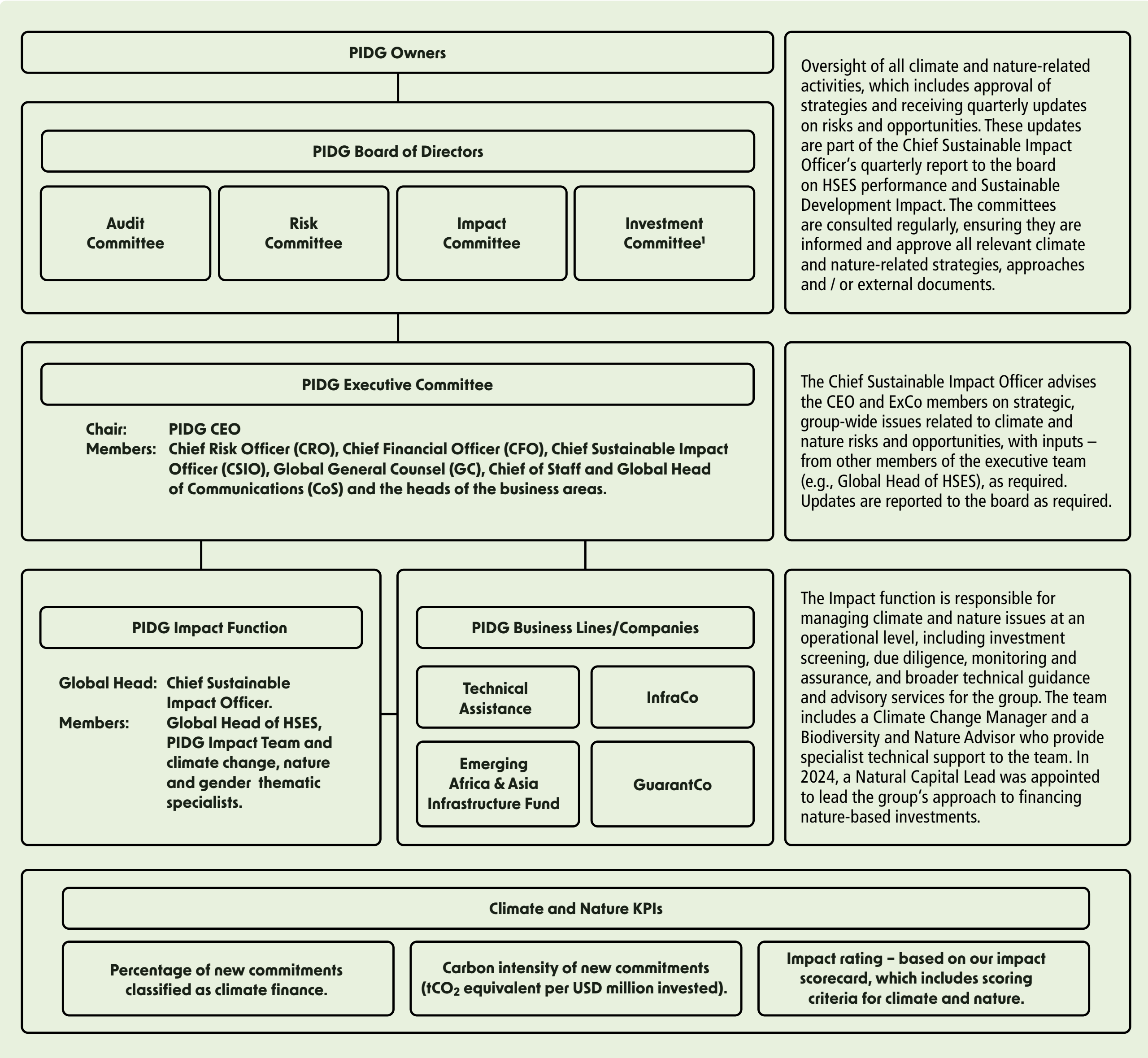
Scope of PIDG's financial year 2024 disclosure.
This disclosure applies to several PIDG entities across InfraCo, EAAIF and GuarantCo.

1. A progress assessment against the recommendations of each disclosure is provided the appendices.

Climate and nature – **governance**

Our approach to governing climate and nature issues is aligned with the broader sustainability risks and opportunities governance outlined earlier in this disclosure. This section focuses on specific climate nature governance features, as shown in Figure 3. Both governance sections of this Sustainability Disclosure should be read together.

Figure 3: Governance of climate and nature issues



1. During 2024 the Investment and Credit Committees combined to become the Investment Committee

Our impact management system

For climate and nature-related issues, the processes to manage risk and identify and maximise opportunities is aligned and integrated into our wider impact management system (see Sustainability Disclosure). Biodiversity and nature risks, along with physical climate risks, are managed under our HSES risk framework. We identify and incentivise climate and nature opportunities through PIDG's wider Impact Management Framework, where strategic capital allocation is driven by impact scores that reward investments for lower GHG emission impact, the protection and enhancement of nature, the integration of innovative climate solutions, achievement of large-scale emission reductions, embedding circular economy principles, or by enabling improved climate resilience outcomes. PIDG is a signatory to the Operating Principles for Impact Management. PIDG HSES policies aim for alignment with the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (IFC PSs), and PIDG makes a disclosure against the TCFD, IFRS S1 and S2, and TNFD recommendations (this document)[1].

Engaging our stakeholders

PIDG commitments to stakeholder engagement are set out in our HSES policies which seek to ensure alignment to the IFC Performance Standards. The PIDG Stakeholder Engagement Standard mandates open and constructive relationships between our projects and their external stakeholders (inclusive of local communities, indigenous peoples, women and other vulnerable groups, regulatory authorities, non-governmental organisations and other relevant groups). This engagement supports our assessment and management of nature and climate-related issues.

For nature-related issues, this includes:

- Identify any sensitive and important biodiversity features, their status and how other stakeholders might value them.
- Determine any priority ecosystem services that could be impacted by the project.
- Mitigate and manage impacts to biodiversity and ecosystem services.
- Support the creation of (i) opportunities that contribute to nature protection and restoration, whilst seeking to ensure that the local people benefit from such initiatives, and (ii) nature-based solutions that bring about biodiversity, climate, and social benefits.

Local communities' adaptation and resilience needs are fundamental to effective, climate resilience investments. Many countries where PIDG invests do not have National Adaptation Plans (NAPs), and where they do exist, they are often too high-level to assess the alignment of investments with country adaptation strategies. Therefore, engaging with local stakeholders is critical for implementing investments that deliver on their intended resilience-building aims.

All PIDG projects are required to have an external grievance mechanism which forms an integral part of stakeholder management, and an internal one for project workers, as set out in the PIDG Grievance Mechanism Standard.

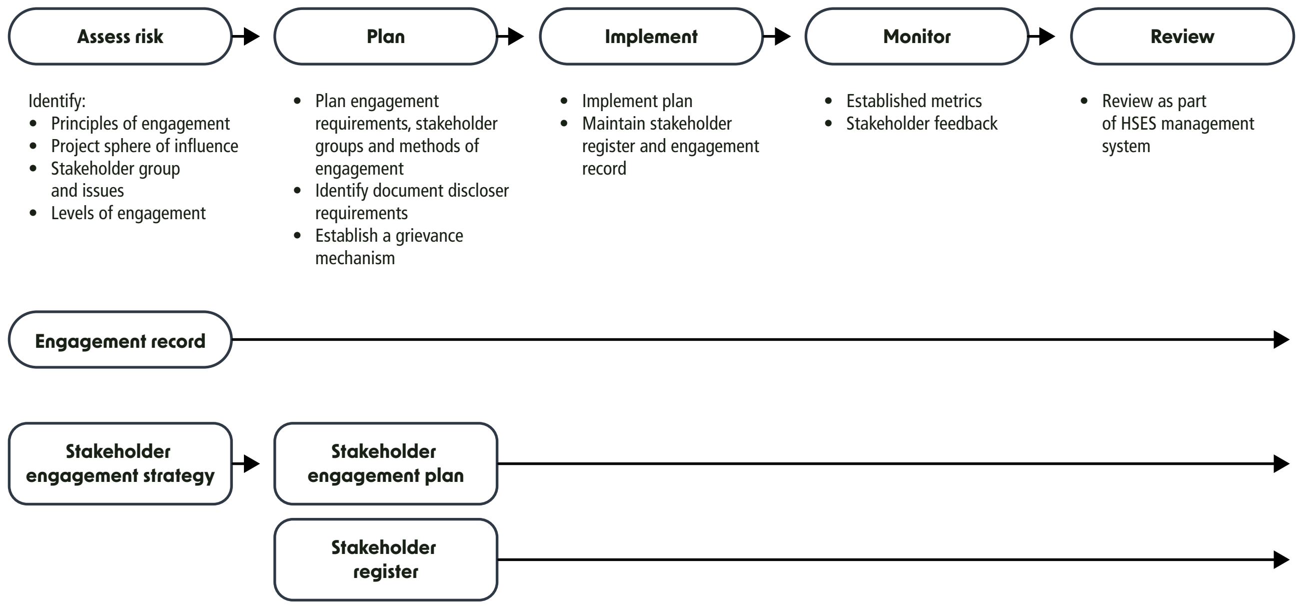
Governed by our principles of engagement (Table 4), we will use our existing framework and process (Figure 4) to better engage external project stakeholders in our assessment and management of, and response to, nature-related impacts, dependencies, risks, and opportunities across the group.

1. Our disclosure attempts to align with, IFRS S2 (formally TCFD) and the TNFD. Alignment with IFRS S2 and TNFD is voluntary and partial, and the extent of our alignment is set out on page 136.

Table 4: Principles of stakeholder engagement

Early and continuous	Stakeholder engagement shall start at project planning and continue throughout the project-to-project closure.
Inclusive	Engagement shall be inclusive, recognising potentially disadvantaged groups (e.g., women, politically under-represented, disabled people, young and older people, ethnic minorities and indigenous peoples).
Recognise gender equity	Engagement shall recognise gender equity and consider focused engagement with women. Consideration shall be given to different social and economic representation; and ensuring women participate equitably to men.
Culturally appropriate	Engagement shall be culturally appropriate, respecting local customs and using local languages.
Timely and informed	Stakeholders shall be provided with sufficient notice of meetings. Relevant information shall be provided in a timely manner to enable meaningful consultation. Information shall be provided in an appropriate language and format.
Transparent	All engagement shall be documented to ensure transparency and to enable follow up on agreed actions.
Informs decision-making	Engagement shall be timed and planned in such a way that it can be used to inform the companies' decision-making processes throughout the project life cycle.
Adaptable	Stakeholder engagement is a continuous process which will change as stakeholders and perceptions change and the project progresses. The engagement approach shall therefore be adaptable to change.
Informed consultation and participation (ICP) process	Where significant risks have been identified to project-affected communities, stakeholder engagement processes shall include the principles of ICP. This requires a more in-depth exchange of views and information, which must capture both men's and women's views, and shall incorporate their views for matters that affect them directly, into the decision-making process.
Free prior and informed consent (FPIC)	Where significant risks have been identified to indigenous people, the stakeholder engagement processes shall include the principles of informed consultation and participation (ICP), and in certain circumstances the principles of free, prior, and informed consent (FPIC). FPIC builds on and expands the process of ICP and will be established through good-faith negotiation between the project and the affected communities of indigenous people. The project will document: (a) the mutually accepted process of engagement and (b) evidence of agreement between the parties as to the outcome of the negotiations.
Safeguarding	All engagement shall be considerate of potential gender-based violence and harassment (GBVH) risks to all engaging parties. Employees and contractors should work in pairs and observers, or community representatives should attend all meetings.

Figure 4: Stakeholder engagement framework process[1]



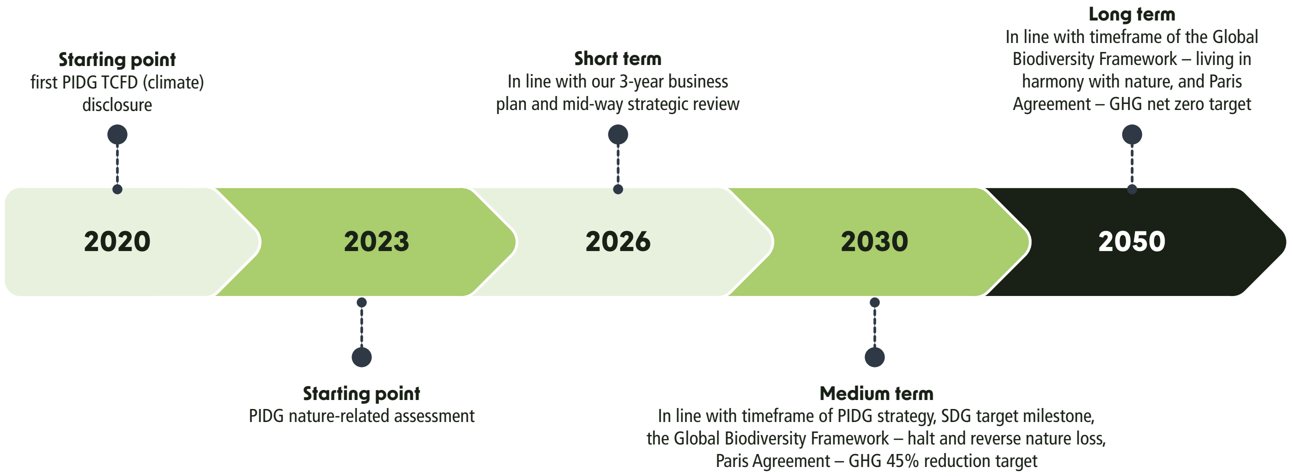
1. *This represents a broad framework that should be tailored according to the nature, location, and scale of the project, the phase of its development, and the interests of the stakeholders themselves.*

Climate and nature – **strategy**

In 2023, we published our new strategy for 2023-30 which makes action on climate and nature, together with sustainable development through new and improved access to infrastructure, more than just part of our work, but the central purpose of everything we do.

Realising our ambition over the short, medium and long term

To realise our strategic priorities on climate and nature, we have set the following time horizons over which actions are being undertaken to identify and assess our climate and nature-related issues:



Climate and nature related risks and opportunities

Climate change and nature are intrinsically linked. Climate change has an adverse effect on nature, and nature degradation increases the pace of climate change. To break the cycle, we need to tackle the drivers of both climate change and nature degradation. Infrastructure that supports climate mitigation or adaptation and resilience needs to consider the effects on the natural environment, and opportunities for investing in nature that mitigate climate-related risks, ensuring long-term sustainability. Infrastructure development that contributes to preventing further emissions, is adaptable to future climate conditions, protects biodiversity and minimises pollution, presents real opportunities to ensure that both people and the environment thrive.

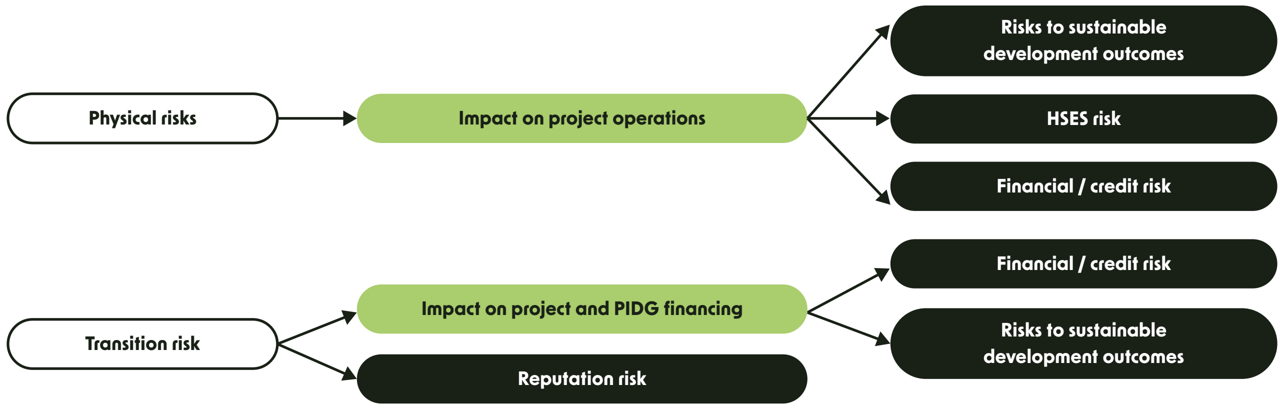
At PIDG, we aim to improve livelihoods by increasing access to infrastructure services with long-lasting positive impacts. Our climate and nature approach considers how exposure to climate and nature risks could lead to fiscal implications, reduced revenues, diminished HSES performance, create unsafe environments, and/or halt and reverse development impacts during and after our involvement in an investment.

We define, assess, and manage climate and nature risks under two broad categories – physical risk and transition risk:

Physical risk relates to the potential for physical damage or a reduction in operational performance across PIDG investments as a result of climate change-induced shocks or stresses and/or nature degradation which affects the supply of ecosystem services required by the project. This also includes physical risks to people's health and safety (workers, communities, and end-users of PIDG investments).

Transition risk relates to risks stemming from changes in policy and regulation, consumer trends, and technology that reduce the viability of high-emission and/or nature loss and degradation-related products and services. These have the potential to reduce the financial performance of PIDG investments or introduce reputational risk to PIDG due to misalignment of investments with PIDG's strategy.

Figure 5: Physical and transition risk mapping to impacts and project risks



PIDG's interface with nature

This year's disclosure presents the portfolio's interface with nature across Africa and Asia, using the TNFD Locate assessment approach. This disclosure builds on our pilot of the TNFD assessment approach, in which we assessed the Asian portfolio's interaction with sensitive locations. This year we have expanded the assessment to cover our Africa and Asia portfolio's interactions with sensitive locations, updated the methodology to align with the updated TNFD recommendations (previously beta recommendations), and undertaken a sector-level analysis of our material impacts and dependencies on nature.

Interaction with sensitive locations

To better understand the portfolio's interaction with ecologically sensitive areas, the location of each selected asset was screened using a suite of biodiversity indicators to identify sites likely to meet the TNFD criteria for sensitive locations.

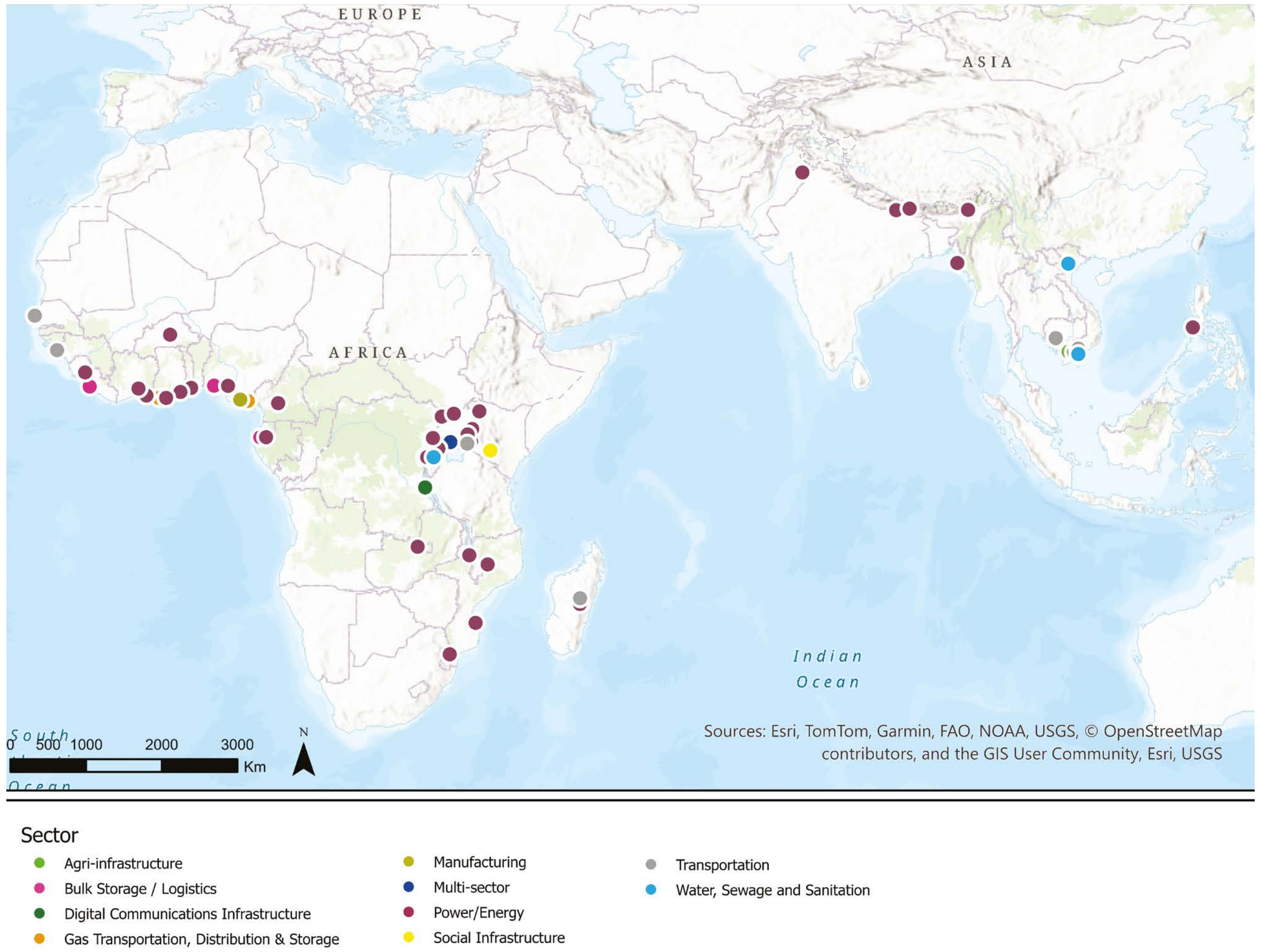
The screening included all investments that had reached financial close, for which there is an identifiable physical footprint and where we have a degree of leverage to influence the business activities of the investee. As a result, the assets selected for screening include 89 direct project finance-related investments. Indirect investments – where we are one or more steps removed from the asset – are not included in the assessment. These investments are still assessed for nature-related impacts through the Impact investment screening and monitoring process (see section on Risk and Opportunity Management) and are required to align with the IFC Performance Standard 3 and 6 requirements. As we develop our TNFD approach, we will explore methodologies to include indirect investments in future.

The criteria, datasets and thresholds that were used to identify assets located in ecologically sensitive geographic areas - specifically, areas of high biodiversity importance or ecosystem integrity, are shown in Figure 6. Water stress is assessed separately (see the section on Targets and Metrics). The analysis used the best available global environmental datasets and asset-related data. Thresholds were established to determine the relevance of each criterion, based on the global distribution of values within each dataset. Sites that met at least one criterion and its corresponding threshold were classified as sensitive locations, indicating a potential impact on, or dependency upon, nature.

Figure 6: Criteria, datasets, and thresholds used to identify sensitive locations within the portfolio.

Criteria	Datasets	Threshold
Areas of biodiversity importance	• World Database of Protected Areas (WDPA) • World Database of Key Biodiversity Areas (KBAs) • World Database on Other Effective Area-based Conversation Measures (OECMs)	Proximity
Threatened species	• IUCN red list of threatened species	Potential presence
Species extinction risk	• Species Threat Abatement and Restoration (STAR) metric	Very High (>1)
Vulnerable marine ecosystems	• Extent if coral reefs (tropical and cold-water), seagrass beds, mangroves, tidal wetlands, and seamounts. • Important Marine Mammal Areas (IMMAs) • Ecologically or biologically significant marine areas (EBSAs)	Proximity
Ecosystem connectivity	• Functional connectivity of the world's protected areas	Critical connectivity area (in top 10%)
Ecosystem integrity – high integrity locations	• Ecoregion Intactness Index • Forest Landscape Integrity Index (FLII)	Either input is High or Very High
Ecosystem integrity – areas of rapid decline	• Forest loss • Cropland expansion	High (Forest Loss >2% or cropland expansion >30%)

Figure 7: PIDG sites in sensitive locations and with 'very high' impacts or dependencies on nature



Impacts and dependencies on nature

Building on our understanding of the portfolio's interaction with sensitive locations, we have assessed the impacts and dependencies of the sectors applicable to PIDG using the ENCORE database[1]. The impact and dependency ratings for each infrastructure sector were determined by mapping the sector's associated economic activities to the ENCORE database. For certain sectors, multiple economic activities were mapped to one sector, and where ratings differed across impact and dependency indicators, the highest rating was selected.

The impact heatmap shown in Table 5 illustrates our exposure to potential impacts on nature across each sector, based on data from the ENCORE dataset. Impacts are categorised by their effect on ecosystems, including direct land use, water use, and pollution (air, noise, light, soil, and water), as well as solid waste generation and the introduction of invasive species. These core impact categories were selected from the broader set of ENCORE indicators, filtered to reflect the most material pressures relevant to PIDG's infrastructure sectors.

The dependency heatmap shown in Table 6 illustrates the most material nature-related dependencies across PIDG sectors, based on data from the ENCORE dataset. It prioritises services with high or very high dependency ratings and subject to data availability. The heatmap focuses on key ecosystem services, including biomass provisioning, solid waste remediation, soil and sediment retention, water purification, flood control, global climate regulation, water supply, storm mitigation, water flow regulation, and rainfall pattern regulation. This assessment highlights the strong interconnection between climate and nature, with multiple sectors reliant on services regulated by a stable climate. Further analysis is provided on the portfolio's exposure to physical climate-related risks in Targets and Metrics.

Table 5: Sector level nature dependency summary

	Biomass provision	Solid waste remedia-tion	Soil and sediment retention	Water purifica-tion	Flood control	Global climate regula-tion	Water supply	Storm mitiga-tion	Water flow reg-ulation	Rainfall pattern regula-tion
Agri infra	M	VL	M	VH	M	M	H	M	H	M
Bulk storage	N/A	ND	H	M	H	M	M	H	M	VH
Digital comms	N/A	N/A	L	N/A	M	VL	VL	M	L	VL
Gas T&D	N/A	L	H	M	M	VL	L	L	M	M
Manufac-turing	N/A	M	M	M	M	VL	H	M	H	M
Power / energy – biomass	H	L	L	M	VL	VL	L	VL	L	M
Power / energy – gas / HFO	N/A	M	M	M	M	M	H	L	H	N/A
Power / energy – solar	N/A	N/A	M	N/A	M	VH	M	M	M	N/A
Power / energy – hydro	N/A	L	VH	L	VH	M	VH	M	VH	N/A
Social infra	N/A	ND	H	M	H	M	M	H	M	VH
Transpor-tation	N/A	ND	H	M	H	M	M	H	M	VH
Water	VL	VH	M	VH	M	VL	M	L	M	VH

Indicator rating key: VH – very high, H – high, M – medium, L – low, VL – very low and Non applicable and or no data

1. Power and energy – Solar, also includes hybrid (typically off grid) projects which have back up diesel generators for power requirements when the sun is not shining. These project often include BESS systems to maximise PV useability and require generator use for 5-15% of the year.

Table 6: Sector level nature impact summary

Sector	Risk			Resource	Pollution					
	Land	Fresh-water	Seabed	Water	Air	Noise and light	Soil and water		Solid waste	Invasive species
							Toxic	Nutrient		
Agri infra	H	N/A	N/A	VH	H	M	M	VH	H	M
Bulk storage	L	VH	M	L	L	VH	H	N/A	M	L
Digital comms	VL	L	M	VL	VL	L	L	N/A	VL	N/A
Gas T&D	M	M	M	M	M	M	VH	VL	M	N/A
Manufacturing	L	M	N/A	M	H	VH	VH	VH	M	N/A
Power / energy – biomass	H	ND	N/A	M	H	H	M	M	H	N/A
Power / energy – gas / HFO	M	M	ND	M	VH	VH	VH	N/A	H	N/A
Power / energy – solar[1]	L	N/A	N/A	L	N/A	VL	VL	N/A	VL	N/A
Power / energy – hydro	M	H	N/A	L	N/A	H	ND	N/A	L	N/A
Social infra	L	VH	M	L	L	VH	H	N/A	M	L
Transportation	L	M	M	L	L	VH	H	N/A	M	L
Water	H	H	ND	L	M	M	M	N/A	L	N/A

Indicator rating key: VH – very high, H – high, M – medium, L – low, VL – very low and Non applicable and or no data

Future evolution

By combining the sensitive location analysis with impact and dependency assessments, we identified 61 assets with very high nature-related impacts and dependencies, and each triggering at least one sensitive location threshold. In line with TNFD guidance, these assets have been designated as priority assets and will be the focus of the TNFD Evaluate phase.

During 2024, we piloted steps E1–E3 of the Evaluate phase on a sample of 20 assets. These were selected based on a high or very high risk categorisation under Performance Standards 3 and 6, as per our Impact Management Framework. In 2025 we plan to expand this list to the identified priority assets. This will support the validation of identified impacts and dependencies, the assets' interaction with sensitive locations and provide a comparison between the TNFD approach and our Impact Management Framework. In turn, that will allow us to better understand our nature-related risk exposure across the portfolio, and to optimise our future screening and assessment processes.

Our objective is to make year-on-year progress towards broader and more robust nature-related disclosures, in alignment with the TNFD recommendations. This includes continuing to expand both the breadth of the portfolio disclosed and the alignment with the full set of TNFD recommended disclosures. We are developing a roadmap for 2025, which will include enhancements to our Locate and Evaluate phases, an expanded in-scope portfolio, and a pilot of the Assess and Prepare phases on a selected subset of assets.

We continue to prioritise strong standards of environmental protection and enhancement across our screening, due diligence, and monitoring processes. This includes:

- Ensuring each project is screened and assessed as per our Impact Management Framework.
- Collecting the geographic coordinates of assets with a known footprint.
- Systematically reviewing and strengthening our screening and assessment processes to better reflect the material or sensitive location criteria, particularly in areas of high physical water risk or areas important for ecosystem service provision.
- Improving the integration of insights from project-level assessment documentation (such as Environmental and Social Impact Assessments (ESIAs)) into our reporting and assessment framework.

PIDG's climate related risks

Physical climate risks

For the assessment of climate hazard exposure across direct investments, approximately 46 per cent of the portfolio by capital exposure is at high or very high risk of flooding. While this assessment includes an initial screening of asset-level vulnerability, we are prioritising a more detailed, bottom-up risk assessments for a sample of these assets. This will include further engagement with sponsor companies to understand what asset-level mitigation measures are being pursued and where we may be able to provide additional support.

In addition, 21 per cent of the portfolio is at high risk of water stress, 14 per cent is at high or very high risk of wildfires, and 1 per cent is in locations projected to face high heat stress risk by the 2030s[1] (see Metrics and Targets for more detail). Our priorities include strengthening the consideration of asset-level vulnerability, particularly for hazards such as water stress and wildfires and expanding the survey work undertaken below, for greater coverage. We are also considering heat stress as evidence[2] suggests heat exposure is affecting 70 per cent of the global workforce and is extremely detrimental to workers health and safety, sustainability of a project, and its projected increase in PIDG's operating markets post-2030. Alongside the asset and hazard focused analyses, we aim to enhance our ability to translate asset-level risks into a clearer understanding of portfolio-level exposure.

As an impact investor, our long-term viability depends on managing climate-related risks to our reported 'impact'. To assess this, we consider both financial and development impact risk exposure. For development impact risk, we consider how new or improved access to infrastructure (for people) and long-term job creation could be disrupted or impeded by climate risks (see Metrics and Targets for more detail). The work completed provides a different perspective to help prioritise engagement with sponsor companies to better understand how climate-related risks may materialise differently when considering exposure in terms of financial or development impact risk. We continue to strengthen our understanding and integration of climate risk across all parts of the group. The risk that physical climate events – and the increasing frequency and severity of such events – could erode portfolio quality, project value, and impact is reflected in our group-wide strategic risk map. In addition, our portfolio stress testing includes an extreme climate event scenario, which assesses the potential impact of concurrent climate-related tail events across high-risk exposures, resulting in multiple investment defaults.

As part of strengthening our understanding of climate risks, we surveyed 21 sponsor companies from our equity and guarantee portfolios. The survey aimed to capture risk perceptions across different sectors and geographies, identify any climate-related impacts already being experienced, and explore current approaches to risk assessment and adaptation.

40% **of companies report experiencing climate shocks,**

including flooding, high temperatures affecting sensitive equipment, increased electricity demand during heatwaves, and drought or low water levels impacting water supply and irrigation projects.

40% **are conducting climate risk assessments,**

with good practices including integration into company-wide risk management systems, oversight by Risk Committees, location-specific hazard assessments, incorporation of climate risks into environmental impact assessments, and the use of satellite data to analyse climatic patterns within areas of operation.

Many are investing in adaptation.

These include implementing heat stress management plans and employee training to build climate risk management capacity; conducting periodic maintenance and inspections; using resilient materials and construction techniques; and upgrading or expanding coastal defense systems such as seawalls. Other measures reported include elevating critical infrastructure, deploying modular or mobile equipment that can be relocated in response to flooding, adopting battery technologies that are better able to tolerate temperature fluctuations, and implementing water conservation, storage, and desalination practices.

1. The risk of heat stress and wildfires increases from the 2050s onwards, this goes beyond on the tenor of our transaction. However, we still support sponsor companies to understand and mitigate these risks.
2. Newly-launched global campaign tackles the impact of heat stress on workers worldwide.

Transition climate risks

We have assessed our exposure to transition risks within our operational portfolio over the past six years (2019–24); the operational portfolio only includes investments that have reached full operations following the completion of their construction phase i.e., post COD. This assessment is based on a sector-level analysis, accounting for our exposure to sectors with high, moderate, or low levels of transition risk. It also includes sectors that present transition-related opportunities, such as climate-aligned investments.

Over this six-year period, we have increased the share of investments in low-risk or opportunity sectors while reducing our exposure to high-risk sectors. This year, we have included an assessment of climate-aligned investments, which represent 54 per cent of the operational portfolio and would be classified as climate finance under our climate finance framework. This metric provides a way to track the evolution of the operational portfolio regarding its contribution to climate positive outcomes. This differs from the climate finance KPI which is a measure of new commitments, in year, that are expected to support the same outcomes once those projects become operational.

Our high transition risk investments are primarily associated with legacy assets in the oil and gas, transport, and manufacturing sectors that reached financial close before we made a number of climate-related commitments. Since 2021, we have not closed any oil and/or gas power generation investments.

At the same time, the share of investments in the renewable energy sector – and in sectors that support the global transition to a net zero economy – has increased significantly. The impact of this strategic shift, along with our future plans, will take time to be reflected in the composition and risk exposure of our operational portfolio. Our credit facilities often support or provide capital over long tenures, meaning we will continue to be exposed to certain investments in our operational portfolio for an extended period.

Climate risks impacting PIDG operations

We has considered the impact of physical climate risks on our own operations. Our operational risk matrix includes climate-related risk, such as disruptions to commuting and work-related travel, data or systems issues, or injury to a PIDG employee resulting from a climate-related event. To manage these risks, all PIDG staff are able to work remotely should extreme weather events mean that staff are unable to travel to, or work in, PIDG offices. We have an international extreme weather alert system linked to our corporate travel procedure to stay informed of any climate-related events, and IT systems have built-in redundancy to ensure continued operation even if a particular system is affected. We therefore consider the climate-related risk to operations to be low.

Our **climate and nature** approach

In 2024, we developed the PIDG Climate and Nature Approach, building on our 2030 strategy and informed by our assessment of climate- and nature-related risks and opportunities. This approach outlines how we will deliver on our existing commitments while strengthening key areas to scale our impact – accelerating a just transition in the markets where we operate, investing in climate resilience, and preserving and restoring the natural environment.

We invest in countries with the most severe lack of access to basic infrastructure like energy, transport, telecommunications, and water, where people have the highest vulnerabilities to climate shocks and changes and have the fewest tools to adapt. These are also the countries that historically contributed the least to the climate crisis, with the youngest and fastest growing populations, and with some of the richest biodiversity and most important carbon sinks in the world that are fast being depleted. In this context, climate resilient development is an enormous opportunity, and new and improved access to infrastructure can drive action on climate and nature, while accelerating sustainable development.

Our commitment is that the infrastructure that we develop, and finance, will enable:

- Rising living standards and inclusive job creation (direct and mostly indirect), unlocking opportunities for young and fast-growing populations, and helping to shape inclusive, climate-resilient economies that reduce poverty.
- Sustainable development pathways that are compatible with climate and nature imperatives, improving resilience to climate shocks for some of the most vulnerable populations, while protecting and restoring nature.

A three-pillared approach

Our Climate and Nature Approach is structured around three pillars, each with a distinct focus and set of aims. Pillar 1 applies to all PIDG investments; Pillar 2 encompasses a growing subset of the portfolio, focused on investments that deliver measurable positive impacts for climate and nature; and Pillar 3 is a specialised subset of Pillar 2, dedicated exclusively to nature-focused investments.

1. **Apply a deliberate climate and nature lens to PIDG's traditional infrastructure business.**
2. **Prioritise allocation of capital for climate mitigation / adaptation and resilience / nature positive outcomes.**
3. **Investing in nature as an infrastructure asset class in its own right.**

Strategic objectives

In support of these commitments, our Climate and Nature Approach outlines four key objectives that guide its implementation, ensuring that climate and nature action remains central to our business.

These objectives are:

1. **Scale our contribution and mobilise private capital as climate and nature finance:** We are targeting 50-70 per cent of new commitments over the business plan period to be classified as climate finance and we aim to showcase 2-3 high-quality examples of investments that demonstrate how infrastructure can contribute to the conservation, restoration, and regeneration of nature.
2. **Improve climate resilience through our investments:** We are assessing and monitoring the number of people supported to adapt to climate shocks and change, as well as the number of projects that introduce specific measures to improve climate adaptation and resilience.
3. **Accelerate an equitable and just transition to low-carbon economies in PIDG countries:** Since 2019, we have reduced the emission intensity of our operational investments, driven by strategic shifts and the replacement of high-carbon legacy assets with renewable energy projects. However, the anticipated commissioning of legacy gas power and cement facilities is expected to cause a temporary peak in portfolio carbon intensity before our strategy drives a sustained decline. Our focus remains on supporting the global transition and unlocking economic opportunities in developing economies – progress is tracked using a climate-aligned portfolio metric, ensuring we effectively support the clean energy transition.
4. **Accelerate gender equality and wider inclusion outcomes through our action on climate and nature:** We place climate, nature, gender and inclusion considerations at the core of our investment approach, with tools for screening risks and opportunities to women and girls and, disabled persons embedded alongside our climate and nature screening process. We intend to strengthen this approach to directly link climate and nature to gender equality and wider inclusion outcomes, in consideration of the differing vulnerabilities and opportunities facing equity-deserving groups.

Climate and nature principles

We develop and invest in infrastructure that has a transformative impact on both people and the planet. This commitment is guided by four climate and nature principles. These principles cut through each pillar, supporting our strategic objectives and shape our project development processes, capital allocation decisions, and the origination of new investments. They guide our approach in safeguarding against negative impacts while promoting investments that provide new opportunities for both climate and nature outcomes. Together, these principles form the foundation of our Climate and Nature Approach aiming to achieve meaningful, long-lasting environmental and social impact in the regions where we operate.

1. **Do no harm:** Infrastructure development should do no harm to people or the planet. This means eliminating or reducing the HSES risks and adverse impacts from our activities to as low as reasonably practicable.
2. **Infrastructure assets and services should be resilient to climate change:** Integrating nature-based solutions to support this aim, while maximising other additional environmental and social co-benefits that nature enhancement can deliver.
3. **Infrastructure assets and services should increase the resilience of communities and ecosystems:** Infrastructure should contribute positively to (i) the communities and those that are the most vulnerable to the impacts of climate change, and (ii) the health and resilience of nature and its ability to provide ecosystem services, within the landscape they are developed in.
4. **Infrastructure and investment approaches should create an outsized (transformative) impact on climate and nature goals:** Initiating cascading benefits of development to improve climate resilience, nature protection and/or restoration, gender equality and inclusion outcomes, and economic outcomes, which reinforce one another, through sparking or strengthening processes of positive change.

Pillar 1 –
Applying a deliberate climate and nature lens to PIDG's traditional infrastructure business

Climate and nature considerations are at the core of any investment that we make. We therefore have a strong focus on managing climate and nature risks and impacts, and screening for such opportunities.

All our investments will:

1. **Align with the goals of the Paris Agreement and minimise their contribution to global greenhouse gas emissions:** All investments will support the transition to a low-carbon global economy, helping to keep global temperature rise well below 2°C whilst aiming for 1.5°C. Beyond Paris alignment, we strive to reduce the carbon footprint of all projects by incentivising low emission investments and those that deliver emission reduction or avoidance at scale. Our commitment to minimise greenhouse gas emissions is integrated into our investment screening and review process, and we annually report on the operational emissions in our portfolio.
2. **Be resilient to climate change:** We rigorously assess climate risks for each project, from the early screening phase through to operation. This means integrating adaptive measures, so that our investments can withstand increasing climate risks such as flooding, drought, and extreme heat. Where possible, we aim to incorporate nature-based solutions to strengthen resilience and support local ecosystems.
3. **Minimise adverse impacts to nature and other environmental objectives:** We are committed to avoiding and minimising potential adverse impacts to biodiversity and to the services provided by healthy ecosystems wherever we invest and operate, in alignment with the IFC Performance Standards, especially PS 3 and 6. We have in place HSES policies and processes that comprehensively consider environmental safeguards. We aim to avoid impacting ecologically sensitive locations[1], and require projects to demonstrate no net loss and/or net gain of biodiversity. We will only consider biodiversity offsets after the mitigation hierarchy has been applied.
4. **Ensure that the rights of different stakeholders are respected through an inclusive, transparent, and empowering consultation process:** We are committed to open and constructive relationships between our projects and their external stakeholders who are directly or indirectly affected by them (inclusive of local communities, indigenous peoples, women and other vulnerable groups, regulatory authorities, non-governmental organisations and other relevant groups). All our projects are required to have stakeholder engagement plans setting out the process of engagement and to have an external grievance mechanism which forms an integral part of stakeholder management, and an internal grievance mechanism for project workers. This engagement helps to support our assessment and management of nature and climate-related issues, ensuring that the rights, usage of, and access to land and resources, and/or adaptation and resilience needs, of local communities are acknowledged and respected.
5. **Maximise their potential for climate and nature opportunities:** In addition to managing risks, all investments will be actively screened for climate and nature opportunities. These may include scaling emission reductions, integrating nature-based solutions, enhancing climate resilience, and embedding circular economy principles. We prioritise investments that deliver multiple co-benefits.

Over the strategy period to 2030, a substantial portion of our investment will focus on financing and developing infrastructure that contributes towards climate mitigation, adaptation and resilience objectives. We will also demonstrate the full potential of infrastructure to deliver measurable positive outcome(s) for biodiversity, ecosystems or the services they provide. As part of this commitment, we will:

1. **Allocate 50–70 per cent of new commitments to climate finance:** We are targeting that 50-70 per cent of all new investment commitments will be channeled towards climate finance, accelerating global goals for decarbonisation and climate adaptation and resilience. This capital will support projects that reduce emissions, enhance adaptive capacity, and strengthen resilience to climate impacts.
2. **Demonstrate the role of infrastructure in nature conservation and restoration:** In our investments we will explore and implement actions to support nature-positive outcomes. This broadly encompasses the following activity groups: (A) restoration and conservation of biodiversity and/or ecosystem services; (B) reduction of the direct drivers of biodiversity and/or ecosystem services loss; (C) integration of nature-based solutions across economic sectors; and (D) policy, tools, or other sectoral instruments enabling activity groups (A) to (C)[1].

A Restoration and conservations of biodiversity or ecosystem services	Direct financing of conservation, restoration, and related services as the primary of investments.
B Reduction of the direct drivers of biodiversity or ecosystem services loss	Activities that reduce the direct drivers of biodiversity or ecosystem services loss – land use change, overexploitation, climate change, pollution, and invasive species.
C Integration of nature-based solutions across economic sectors	Activities that provide infrastructure-type and other services that are material to project operations and can displace or complement engineered structures.
D Policy, tools, or other sectoral instruments enabling (A) to (C)	Encompasses a variety of measures that enable A-C.

3. **Mobilise private capital for climate and nature-positive investments:** We will continue to play a catalytic role in de-risking investments in sustainable infrastructure, using blended finance tools to crowd in private investors. Our focus will be on making climate and nature-positive projects more attractive through early-stage equity investment in nascent technologies, offering guarantees, and concessional funding where required.

1. Our framework aligns with the MDBs Common Principles for tracking nature-positive finance, and the World Bank's Note on Nature Finance Tracking Methodology.

What do we count as **climate and nature finance?**

1. What counts as climate finance?

To track our climate finance commitments, we have established clear guidance on what qualifies as climate finance. Our approach aligns with industry best practices and internationally recognised methodologies. The figure below illustrates some of the project sectors that are considered for eligibility.

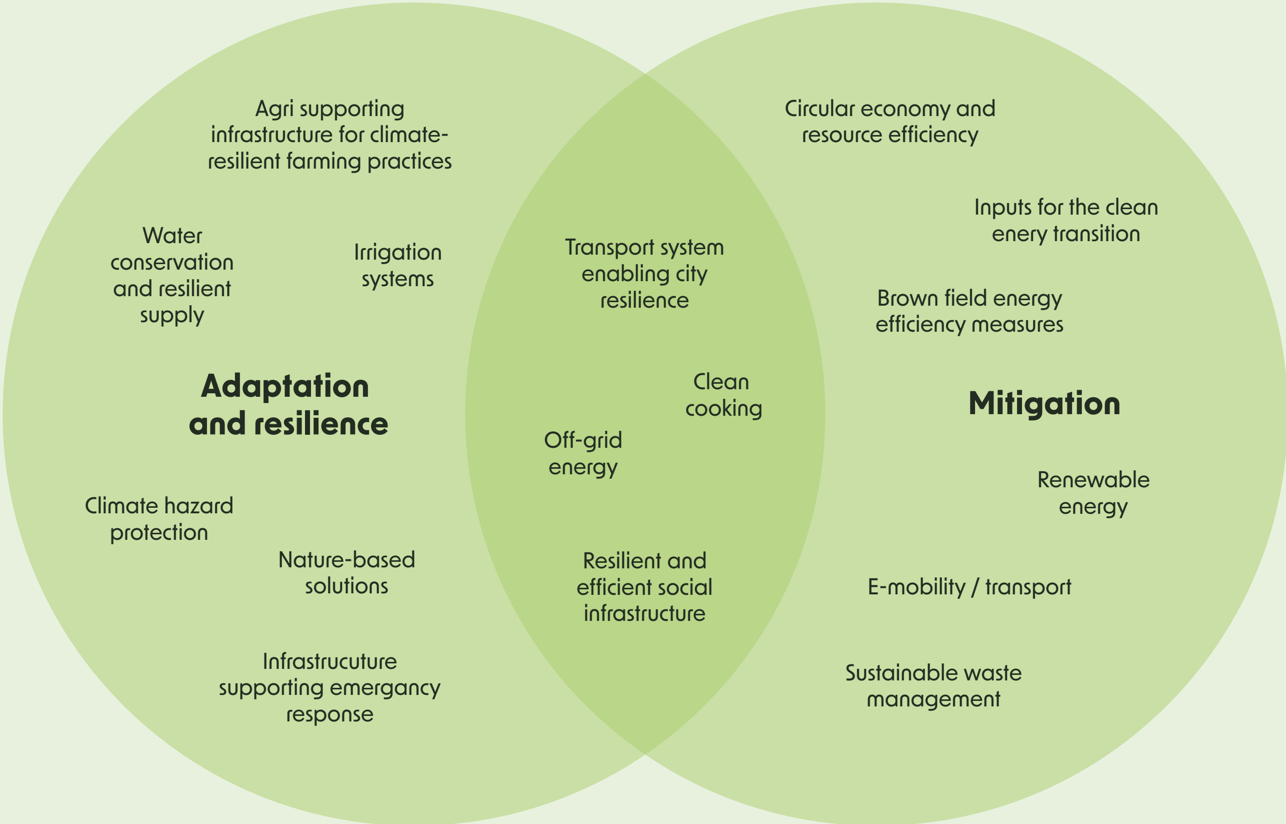


Figure 8: Examples of investments that could be counted as climate finance

What counts as climate mitigation finance?

The Intergovernmental Panel on Climate Change (IPCC) defines climate mitigation as actions to limit or reduce greenhouse gas (GHG) emissions. PIDG applies the three broad categories for climate mitigation, as defined by the multilateral development banks' (MDBs) methodology for tracking climate mitigation finance:

- Low emission investment: investments with minimal or negligible emissions.
- Transition investment: investments reducing or avoiding emissions in carbon intensive sectors that support the transition to a low-carbon economy.
- Enabling investments: investments fostering the broader shift to a low-carbon economy, such as infrastructure supporting the manufacture of renewable energy components or other inputs into the clean energy transition.

What counts as climate adaptation and resilience finance?

Our focus is on enhancing climate resilience for urban, rural, and coastal communities, prioritising investments that directly strengthen people's resilience to climate change. There are two categories of investment that support climate adaptation and resilience benefits[1]:

- Adapted investments: are themselves resilient to climate impacts through effective management and mitigation of physical climate risks.
- Enabling investments: these investments are both resilient to climate change and contribute to substantial improvements to the climate resilience of other people, businesses, or economic activities.

We strive for all our investments to be resilient to climate change. As such, we target and incentivise enabling investments that substantially improve the climate resilience of people, businesses, and the wider economy. We apply the following four-step criteria to identify investments that qualify as climate adaptation and resilience finance:

1. The current or future climate vulnerabilities of the beneficiaries shall be clearly identified.
2. It must be demonstrated that the investment's output will reduce these vulnerabilities.
3. There must be a clear link between specific project activities and the resilience-building outcomes.
4. Resilience-building outcomes need to be measurable and monitoring indicator(s) and/or evaluative end-user surveys are required to enable tracking and validation.

2. What counts as nature finance?

We are committed to demonstrating the role of infrastructure in nature conservation and restoration, and evidence through examples on our investments (Pillar 2). We are also committed to investing in nature as infrastructure (Pillar 3).

We acknowledge that tracking nature finance is an evolving field. PIDG is an early adopter of the recommendations of the Taskforce for Nature Related Financial Disclosures (TNFD). Through our engagement with leading initiatives and coalitions, we continue to explore the application of suitable frameworks to track nature finance and aim to stay aligned with emerging approaches to systematically measure the alignment of our investment portfolio with nature positive goals. We apply three steps to assess nature finance alignment:

1. Apply a taxonomy to identify eligible activities in each infrastructure sector that PIDG invests in.
2. Investigate the potential adverse risks and impacts on nature to ensure no significant harm is associated with the activities under consideration. Where a project requires offsets as part of the mitigation hierarchy (aligned with IFC PS6 requirements), they will be disqualified from further consideration, and we will track these as nature mainstreaming finance – recognising that they might be supporting a broader transition toward practices aligned with delivering the nature-positive goal.
3. Assess whether activities are expected to meaningfully support improving the state of biodiversity or ecosystem services compared with the business-as-usual scenario. Where such activities have documented a clear pathway to how they will make a substantial contribution to nature, we will track these as nature-positive finance.

1. Adaptation and Resilience Impact A measurement framework for investors

Pillar 3 –
Investing in nature as infrastructure

For over two decades, PIDG has focused on 'grey'[1] infrastructure projects to deliver sustainable development outcomes for people, the planet, and economies. However, we recognise that similar outcomes can also be achieved by investing in nature. Natural ecosystems can address infrastructure needs traditionally met by engineered solutions—for example, wetlands can manage flood control more sustainably than concrete barriers, while regenerative agriculture offers an alternative to carbon-intensive fertiliser production.

By incorporating nature as an infrastructure asset class, PIDG can extend its impact, leveraging existing expertise to deliver sustainable development outcomes in low-income countries. While grey or hybrid infrastructure[2] will remain a core focus, there is now a renewed emphasis on preserving and regenerating nature within and around our projects.

We will be exploring a range of different nature project typologies to align with the following aims:

- **Measurable improvement for biodiversity and nature:** We aim to create tangible, measurable benefits for biodiversity and the natural environment.
- **Familiar project lifecycle:** Our goal is to leverage our experience from traditional infrastructure financing models, where possible. For example, afforestation, reforestation, and revegetation (ARR) projects align well with a lifecycle that mirrors renewable energy projects – comprising distinct phases such as development (impact assessments, feasibility studies, permitting), construction (nursery establishment, planting, water management), and operations (long-term asset maintenance).
- **Direct capital investment:** We will prioritise projects that require asset-level capital, ensuring PIDG's additionality is stronger compared to fund-based strategies.
- **Private sector mobilisation:** Notwithstanding the uncertainty in compliance and voluntary carbon markets, which we monitor closely, we see carbon credits as integral for the economic viability of nature-based projects in most cases. PIDG will seek to support North-South capital flows emanating from significant unmet demand arising from corporate net-zero strategies for nature-based carbon credits. We see strong potential for high-integrity carbon projects to generate tangible co-benefits for local communities, such as creating jobs and non-carbon livelihood opportunities through sustainable forestry products like timber, fruit or nuts. This diversification of revenue streams strengthens project viability and enhances long-term development impact, reducing reliance on volatile carbon markets. These projects also address broader environmental and social goals, such as combating deforestation, restoring degraded lands, protecting biodiversity, and promoting sustainable land use.

By scaling investments in nature alongside grey and hybrid infrastructure, PIDG aims to contribute to resilient ecosystems, climate mitigation, and sustainable development in the countries where we operate.

1. Grey infrastructure engineered infrastructure that utilises concrete, steel, and other human made materials.
2. Hybrid infrastructure refers to systems that combine grey and green / nature-based infrastructure

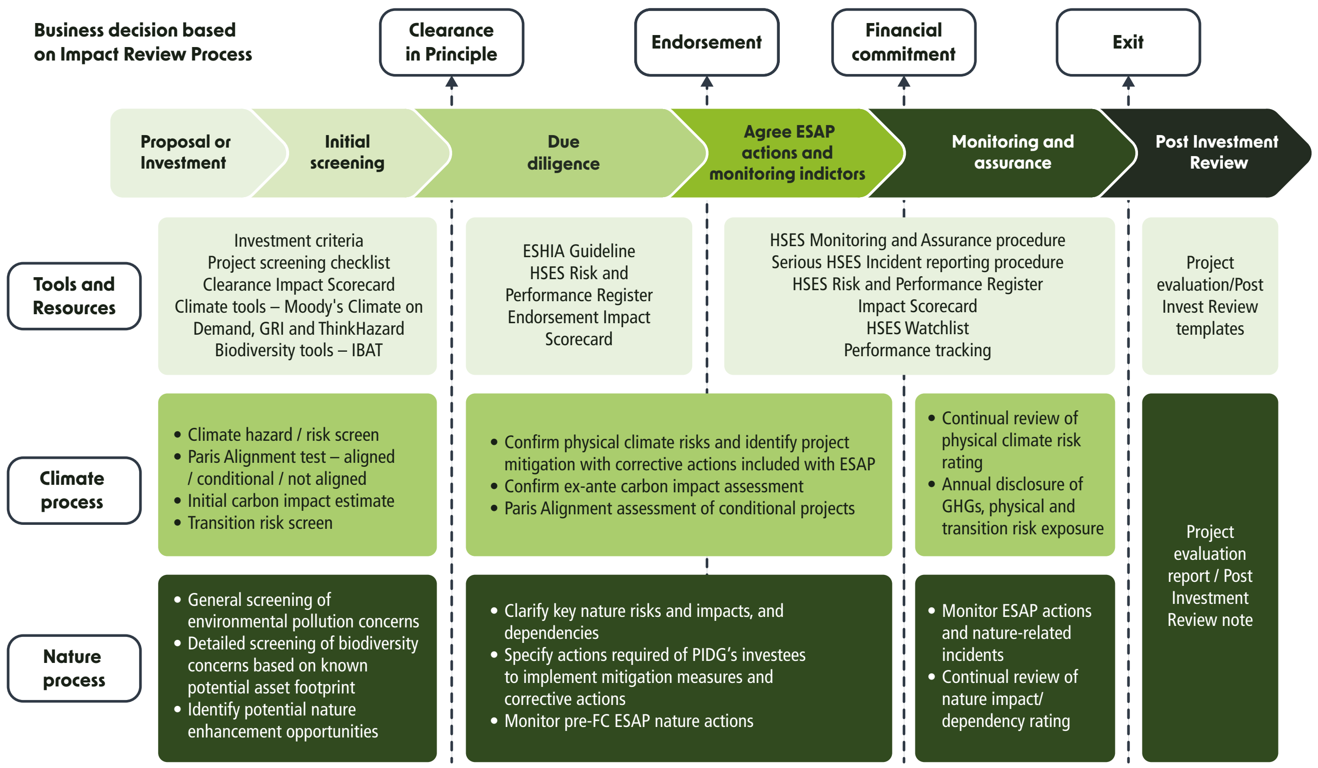
Climate and nature – **risk and opportunity management**

The implementation of our climate and nature approach is reliant on a well-established process and governance; climate- and nature-related issues are assessed and managed throughout an investment's lifecycle. Each new proposed investment undergoes a two-stage approval process: (i) clearance in principle and (ii) endorsement, before reaching financial close and transitioning to the portfolio, where it is actively monitored, assured, and evaluated before exiting the portfolio.

During the clearance in principle process, potential investments first undergo initial screening of their potential climate and/or nature-related issues, to identify red flags and focus areas for due diligence. Investments only progress to due diligence once clearance in principle has been received. Due diligence involves assessing the potential for the investment to align with the PIDG Climate Change Standard and HSES policies. It also involves evaluating whether key climate and/or nature risks and opportunities have been identified to ensure that the risks are manageable and/or acceptable and that opportunities have been recognised before submission for endorsement.

Once an investment enters the portfolio, it is tracked using the impact tracking tools and the HSES risk register. Climate and nature risks are categorised using this register. This enables high climate and nature risk areas to be prioritised and monitored accordingly. The PIDG Impact team monitor the project over the life of the investment, with the HSES team providing targeted monitoring and assurance to high-risk projects. The Impact team then undertakes a post investment review to provide the opportunity for consolidating Impact information and learning lessons for improvement.

Figure 9: Climate and nature, risk and opportunity management process



Initial screening and clearance in principle - understanding the key characteristics of the project/ investment to inform the screening scope

Climate and nature-related risks and opportunities that are associated with the proposed investment are identified following an understanding of the use of proceeds, asset type, asset development/lifecycle stage, and the company's control over their asset(s). The identification of the risks and opportunities will then primarily depend on information known of: (i) the investment sector, business activities and the physical environmental footprint of the project and associated facilities; (ii) the company/client's capacity and commitment to manage risks and opportunities in accordance with the IFC PSs, and/or; (iii) risks inherent to PIDG-approved investment sectors and the expected future environmental setting or location of the investment activities, when the physical footprint is unknown.

Thematic focus areas, reviewed during screening, relating to climate and nature issues include:

1. Greenhouse gas emissions, transition risk and Paris alignment.
2. Physical climate hazard and risk screening, including water stress and resource dependency.
3. Biodiversity impacts and ecosystem service dependencies

Risk and opportunity screening process for known asset location(s)

Where the physical footprint of the proposed project and associated activities is (largely) known, a screening is undertaken to understand:

Greenhouse gas emissions, transition risk and Paris alignment – At the screening stage, an initial assessment of Paris alignment is completed, which determines the alignment of an investment based on its sector or sub-sector classification. If an investment is classified as conditional or transitional, key assumptions and data points are identified for further review through due diligence to support a more detailed assessment completed at endorsement. This is complimented by a transition risk which is conducted based on the best available information, with due diligence actions and conditions included against assumptions that impact the overall rating. This assessment evaluates transition risk using four indicators, considering international, national, and sector decarbonisation policies and regulations (both planned and implemented):

- Direct impact of policy to reduce GHG emissions.
- Indirect impact of policy to reduce GHG emissions.
- Potential impact on revenue due to availability of lower carbon alternatives.
- Level of investment needed to compete in a lower carbon economy.

Each indicator is assigned a high, medium, or low risk rating, which contributes to an overall rating for the investment based on the highest rating across the indicators. Both the transition risk assessment and Paris alignment approach are supported by an estimate of an investment's carbon impact. This involves an assessment of absolute emissions associated with the total investment commitment, the PIDG-attributed carbon intensity in tCO_2e/mUSD invested, and any avoided emissions where relevant.

Physical climate risks – During the screening stage, an initial evaluation of potential climate hazards is conducted, with an assessment made of potential physical climate risks as a result of these hazards. The hazards considered include flooding, heat stress, tropical storms, sea level rise, water stress, wildfires, and earthquakes. The assessment will examine the impact of climate risks over the investment tenure (development and financial impacts), as well as the operating life of the asset (development impacts). The specific data sources used vary depending on factors such as the asset class, investment type, number of sites, and geographic scope with the data sources and tools used to assess risks including the GRI Risk Viewer, Moody's Climate on Demand, Think Hazard and WRI Aqueduct.

Specifically, the assessment of water-related risks considers water use, dependency, and impacts on other water users, particularly in areas of high water stress and/or extreme competition for water resources. The initial screening assessment will identify key actions for due diligence, highlighting where mitigation is required or where further, more detailed studies are needed to validate identified risks. At a minimum, any risks categorised as high or very high will undergo a detailed review, with appropriate mitigation measures required to reduce the risk to an acceptable level.

Biodiversity risk and nature-related dependencies – A preliminary identification of the sensitive biodiversity areas and features that a project or investment may be interacting with, is undertaken based on information obtained from the Integrated Biodiversity Assessment Tool (IBAT), International Union for Conservation of Nature (IUCN), satellite imagery, and other publicly available literature (as needed). This includes identifying the proximity of the proposed asset(s) to sensitive biodiversity areas (legally protected, and/or internationally recognised areas), and any potential critical habitat, and/or natural habitat triggers, with reference to IFC PS6. Projects that impact Alliance for Zero Extinction sites and UNESCO World Heritage sites are not acceptable for financing. Biodiversity-related concerns identified from the screening are subsequently prioritised for further investigation during the due diligence. The screening process also considers nature-related dependencies (i.e., ecosystem services) which could pose a risk to the project and/or communities living within and surrounding the project.

Climate and nature opportunities – In parallel to the risk screening process, investments are screened for climate and nature enhancement opportunities. This includes identifying opportunities for activities that contribute to improving the state of nature through biodiversity and/or water conservation, restoration and/ or sustainable natural resource management. This also includes screening for opportunities for investments to support climate objectives for both mitigation, and adaptation and resilience. We are also actively exploring investment enhancements that integrate nature-based solutions with traditional infrastructure systems to improve the climate resilience of the infrastructure and its users, enhance functionality, and support nature recovery and preservation.

Due diligence – understand and close gaps identified during screening

Due diligence assesses the potential for the project to align with PIDG policies and standards. Based on the information collected during due diligence, the key climate and nature-related risks and impacts from the screening stage are clarified, and gaps associated with PIDG policies and standards and each applicable IFC PSs are identified. Actions needed to address the identified gaps are documented in the ESAP which forms part of the contractual conditions of the investment.

For investments where the associated physical footprint is known, the scope of review focuses on information regarding the project footprint, its facilities and components, and any associated facilities. Existing environmental assessments and design documentation are reviewed where available. Depending on the nature and scale of risk, a site visit may be undertaken to further assess the project location and/or operating facilities and gather additional information through interviews with the company and contractor staff, members of the affected community, and/or other key stakeholders.

Depending on the findings from the initial screening, due diligence may involve a more detailed physical climate risk and vulnerability assessment, as well as specialised studies to assess specific risks, such as flood risk assessment, with the aim of validating any preliminary risks identified at screening. This may also include specialist biodiversity and nature-related assessments, such as a critical habitat assessment. Mitigation measures, contingent upon the risk, may include specific adaptive features or changes to the design to mitigate risks and/or time-bound actions captured in the ESAP.

Endorsement – endorsing the project with a clear picture of risk and opportunity

Following due diligence, the proposed investment undergoes the second stage of approval – endorsement. A review of the climate and nature related-risks and opportunities assessment, and how this will be mitigated and managed is undertaken. Sufficient information should be gathered and presented at this stage to seek to ensure that there is comfort that risks and opportunities are mitigatable, manageable, and/or acceptable. Climate and nature-related monitoring indicators are specified at this stage.

The due diligence process is finalised with an investment achieving endorsement from the Impact function, enabling the investment to progress to financial close. Each investment is also awarded an overarching risk rating, covering physical climate and nature risk, which is a summarised, dynamic rating based on the current position of the investment factoring in currently implemented mitigation measures. These ratings are continually reviewed through the monitoring and assurance phase. An important aspect of the endorsement process is agreeing upon and signing off on ESAP actions and monitoring indicators, encompassing both impact and HSES considerations. This includes a requirement that any events attributed to or exacerbated by climate change are reported separately, with the incident report assessing how well the design and operation of the asset mitigated the significance of the event.

The process to manage transition risks through due diligence and at endorsement follows the three-part approach initiated during screening – transition risk assessment, Paris alignment approach, and carbon impact review – with a focus on refining any assumptions made during screening. At endorsement, we confirm an investment's ex ante estimate of greenhouse gas emissions, with monitoring indicators provided to validate this assessment throughout operation. Any project with high transition risks requires clear mitigation steps, which also involve finalising a Paris alignment assessment for conditional or transitional sectors.

Monitoring and assurance

The monitoring process commences at financial close and continues throughout the lifespan of the investment until exit. This encompasses monitoring the implementation of ESAP actions, HSES incident reporting – including incidents attributable to extreme weather events linked to climate change and incidents impacting nature – and continual review of each investment's physical climate and nature risk rating.

Targeted climate and nature-related interventions based on the risk profile of each investment are undertaken through monitoring and assurance visits and reviews, and in the event that the risk profile of the investment increases, corrective action and support may be provided.

If a serious nature-related incident occurs, for example, incidents related to a major spill or vegetation clearance outside the designated physical footprint, or fauna mortalities due to project activities, investments are placed on an internal watchlist and incidents investigated, corrective actions undertaken (if needed), and lessons learnt shared across the portfolio to reduce the likelihood of reoccurrence. The same process is followed if a serious climate-related incident occurs, for example, significant asset damage due to high winds.

Throughout the monitoring phase, we conduct annual assessments of physical climate risk exposure across our operational investments. As part of this assessment, we engage with each sponsor company to gather climate-related data points.

This also includes the collection of nature-related indicators associated with land, freshwater, ocean use change, natural resource use (including water), and pollution.

An annual assessment of GHGs associated with PIDG investments is completed in line with the Platform for Carbon Accounting Financials Standard (refer to Metrics and Targets for the 2024 assessment). This includes a review of progress against any decarbonisation commitments made by investments at the endorsement stage. This is particularly important for projects with Paris alignment conditions or high transition risks.

Investment screening and due diligence where the footprint of the asset is unknown

Where some or all of the proceeds are directed toward unidentified or future asset location(s), the screening is based on identifying the risks and impacts inherent to the sector and/or what is reasonably known about the environmental characteristics of the business activity and its likely geographical setting, based on the track record of the client or our existing portfolio. For indirect investments, the screening process aims to scope key points for due diligence based on the company's business plans and investment strategy, which may indicate a strong likelihood of high climate (physical and transition) and biodiversity risks to the project or business. Where relevant, it also identifies opportunities to support climate mitigation, adaptation, and resilience, as well as conservation, restoration, and nature-based solutions. Following screening, the proposed investment undergoes our clearance in principle approval phase.

For investments involving unidentified or future asset location(s), the due diligence focuses on a review of the company's internal capabilities relating to their (i) policies, processes and HSES management system to identify, assess and manage climate and nature risks, (ii) capacity to implement their policies and processes, and (iii) ability to monitor and report against these processes. Where gaps are identified, support and capacity-building may be provided and ESAP actions are included where necessary.

Climate and nature – **metrics and targets**

Climate metrics and targets

In line with the IFRS S2 recommendations we have a range of targets and metrics to help assess our climate-related risks and opportunities[1]. These are presented in Table 7 and can be broadly categorised into as a forward-looking metric which track investment performance of financially closed investments based on current strategies and policies (investment performance) or a measure of actual performance based on the operational portfolio which is a reflection of historical strategies and policies (operational portfolio). We track performance through both lenses aiming to reduce exposure to climate-related risks through active engagement with sponsor companies and through changes to investment strategies which deliver longer term improvements to risk exposure as new investments financially close, are constructed and become operational.

Table 7: Summary of climate related metrics

KPI / Metric	Type of metric	Objective
50-70 per cent of new commitments to be classified as climate finance	Investment performance	To increase the amount capital deployed that supports climate mitigation, adaptation, and resilience or both
Carbon intensity of new commitments to remain below a 'cap' of 800 tCO_2e/USDm invested	Investment performance	To limit the GHG emissions associated with new investments helping mange transition risk
Number of people supported to adapt to climate shocks and change	Investment performance	To estimate and track the impact of new investments in terms of improvements to the climate resilience of end-users
Number of projects that introduce specific measures to improve climate adaptation and resilience	Investment performance	To track how many projects have included a specific measure that aims to increase climate adaptation and resilience properties at an asset level
Financed emissions (absolute)	Operational[2] portfolio	A measure of absolute GHGs emitted during the reporting period
Financed emissions (attributed)	Operational portfolio	A measure of attributed GHGs emitted during the reporting period
Percentage of assets exposed to climate-related transition risks and opportunities	Operational portfolio	A measure of operational portfolio exposure to climate-related risks and opportunities; with an aim of tracking progress to reduce risk exposure
Percentage of assets vulnerable to climate-related physical risks	Operational portfolio	A measure of operational portfolio exposure to climate-related physical risks as a way of prioritising support in mitigating risks
Operational – scope 1, 2 and 3 emissions	Business operations	A measure of the GHGs associated with business operations

1. Our disclosure attempts to align with, IFRS S2 (formally TCFD) and the TNFD. Alignment with IFRS S2 and TNFD is voluntary and partial, and the extent of our alignment is set out on page 136.
2. The operational portfolio comprises all projects that have reached full operations following the completion of their construction phase i.e., post COD. This means construction phase emissions are excluded from annual reporting.

Investment performance

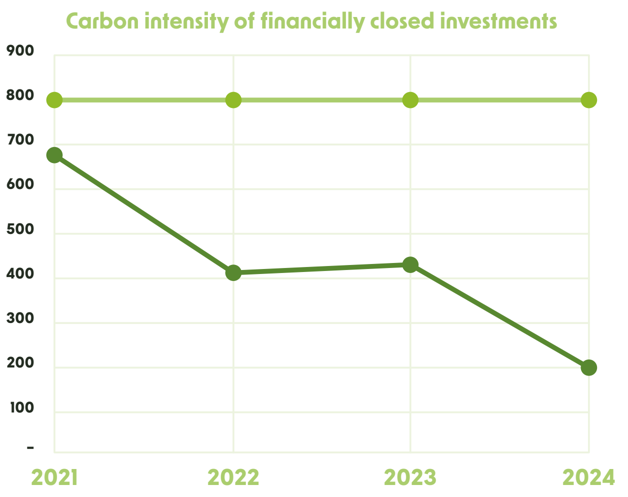
Climate finance

In 2024 we introduced a new KPI, tracking the percentage of new commitments classified as climate finance with a target of 50-70 per cent for the following three years. Even though we had no formal commitment in 2023, we still assessed our performance against this KPI with 65 per cent of investments closed in 2023 contributing substantially to climate mitigation and/or adaptation and resilience. In 2024, this performance was maintained with 64 per cent of new commitments being classified as climate finance.

Carbon intensity

For the previous four years, we have tracked the carbon intensity performance of investments that financially close in that year. Each PIDG company is required to keep within a 'cap' of 800 $tCO_2e/mUSD$. This cap was set at the average emission intensity of all investments between 2015-19. At a group level, we have remained below this target since the KPIs introduction, as shown on Figure 10.

Figure 10: Average carbon intensity of investments financially closed in 2021, 2022, 2023 and 2024



Tracking climate resilience

Attributing climate resilience solely to a specific investment can be challenging, given the various indirect impacts that investments may have on resilience-building outcomes. To address these challenges, we focus on building, tracking, and measuring how we directly enhance the climate resilience of individuals.

The number of people supported to adapt to climate shocks and change is one metric, tracking the number of people made more resilient to the impacts of climate change. We introduced this metric in 2022, with investments financially closing that year expected to improve the climate resilience of 1,030,857 people. In 2023, this figure more than doubled, with investments expected to benefit 2,219,729 people. For 2024, investments are projected to enhance the climate resilience of a further 435,612 people.

Financed emissions

On an annual basis we calculate the financed emissions associated with our operational investments[1] using the Global GHG Accounting and Reporting Standard for Financial Institutions published by the Platform for Carbon Accounting Financials (PCAF)[2]. In line with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we account for these emissions as part of our downstream emission impact (Scope 3 category 15 (investments)). The results of this assessment, covering 2019-24 are presented in Tables 8 and 9.

In line with the PCAF standard, we report the scope 1 and 2 emissions of sponsor companies and scope 3 emissions where relevant. At a sector level, this typically includes scope 3 emissions from oil and gas infrastructure and processing[3], transport (i.e., vehicle emissions using roads) and fossil fuel usage in clean cooking applications. In line with the PCAF standard, we are continually looking to increase our coverage of scope 3 emissions for investments in other sectors. Under the PCAF methodology, emissions from guarantees are only included when a guarantee is called and converts to a loan. However, PIDG wants to recognise the facilitated emissions from guarantees, so all are included here, whether the guarantee has been called or not. Further detail on the financed emissions methodology can be found in appendix 2.

1. This means construction phase emissions are excluded from annual reporting
2. The Global GHG Accounting and Reporting Standard for the Financial Industry (carbonaccountingfinancials.com)
3. Oil and gas transportation and storage is a small percentage of our portfolio by amount invested. However, it contributes a significant proportion of our scope 3 emissions.

Table 8: Total absolute GHG emissions from PIDG investments 2019-24 (tCO_2e)[1]

Company	2019		2020		2021		2022	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3
EAAIF (debt)	5,091,773	-	4,301,632	-	4,411,368	-	5,186,225	74,367
GuarantCo (guarantees)	2,437,512	5,050,111	1,101,510	4,881,555	158,941	4,881,555	390,258	2,614,935
InfraCo Africa (equity)	1,687	-	4,777	-	4,294	-	5,334	-
InfraCo Asia (equity)	106	-	262	-	82	-	78	-
PIDG overall group	**7,531,078**	**5,050,111**	**5,408,180**	**4,881,555**	**4,574,685**	**4,881,555**	**5,581,895**	**2,689,302**

Company	2023		2024	
	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
EAAIF (debt)	5,287,644	243,802	4,958,089	3,714,198
GuarantCo (guarantees)	297,961	2,445,049	277,910	2,722,029
InfraCo Africa (equity)	7,496	217,461	10,833	217,630
InfraCo Asia (equity)	286	-	558	-
PIDG overall Group	**5,593,388**	**2,906,312**	**5,247,391**	**6,653,858**

Table 9: Attributed GHG emissions from PIDG investments 2019-24 (tCO_2e)

Company	2019		2020		2021		2022	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3
EAAIF (debt)	241,389	-	184,717	-	204,390	-	156,024	2,407
GuarantCo (guarantees)	217,330	695,846	58,583	636,530	20,057	612,310	71,194	288,735
InfraCo Africa (equity)	267	-	345	-	851	-	1,647	-
InfraCo Asia (equity)	106	-	262	-	82	-	78	-
PIDG overall Group	**459,092**	**695,846**	**243,907**	**636,530**	**225,380**	**612,310**	**228,943**	**291,142**
Emissions Intensity ($tCO_2e/mUSD$)	**585**	**-**	**311**	**-**	**281**	**-**	**232**	**-**

Company	2023		2024	
	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
EAAIF (debt)	180,303	77,786	161,478	272,166
GuarantCo (guarantees)	50,165	309,786	56,751	204,734
InfraCo Africa (equity)	2,480	43,535	3,670	15,972
InfraCo Asia (equity)	155	-	426	-
PIDG overall group	**233,104**	**431,106**	**222,325**	**492,872**
Emissions Intensity ($tCO_2e/mUSD$)	**200**	**-**	**218**	**-**

1. Historic emissions (2019-2023) have been adjusted in this year's disclosure to apportion the absolute emissions of corporate lending based on the total investment commitment, rather than the company's total emissions footprint.

Avoided emissions

In line with the PCAF standard, we report on investments that generate avoided emissions (see Tables 10 and 11). Currently, this primarily covers grid-tied renewable energy projects. However, we have recently invested in a number of projects (not in the energy sector) that generate avoided emissions using carbon credits as a revenue stream. We are also actively exploring natural capital investments that have carbon credits as their core revenue stream. In future years we will include these avoided emissions in this assessment.

Table 10: Total avoided GHG emissions from PIDG investments 2019-24 (tCO_2e)[1]

Company	2019	2020	2021	2022	2023	2024
EAAIF (debt)	138,931	208,397	167,666	202,247	262,509	271,567
GuarantCo (guarantees)	39,244	39,226	35,603	55,416	119,121	99,107
InfraCo Africa (equity)	-	-	-	110,491	72,184	240,037
InfraCo Asia (equity)	54,671	109,342	-	-	4,932	4,313
PIDG overall group	**232,846**	**356,965**	**203,269**	**368,154**	**458,746**	**615,024**

Table 11: Attributed avoided GHG emissions from PIDG investments 2019-24 (tCO_2e)

Company	2019	2020	2021	2022	2023	2024
EAAIF (debt)	30,387	50,849	44,780	47,244	68,818	66,103
GuarantCo (guarantees)	26,456	27,907	23,284	16,150	69,531	34,137
InfraCo Africa (equity)	-	-	-	5,730	11,764	38,651
InfraCo Asia (equity)	6,438	2,126	-	-	3,577	4,313
PIDG overall group	**63,282**	**80,882**	**68,064**	**69,123**	**153,690**	**143,204**

Climate-related transition risks and opportunities

We monitor and manage climate-related transition risks and opportunities of our operational portfolio and have tracked exposure since 2019 (see Table 12). The scope of the assessment includes investments that have reached operation (or partial operation) covering direct investments (via equity, debt or guarantees).

This year, we have also included investments into financial intermediaries and multi-sector projects, assigning a low or moderate transition risk rating at the investment level. These ratings are then aggregated and presented in the summary table. All investments into financial intermediaries are subject to conditions requiring that our capital be used exclusively for Paris aligned projects and in accordance with PIDG's investment policies.

For the first time, we have also introduced a climate-aligned metric. This captures the proportion of investments that qualify as climate finance, in line with the framework outlined in the strategy section of this disclosure applied retrospectively to the operational portfolio.

Risk of sector: PIDG assessed the transition risk of each sector-based information published by Moody's combined with internal expert knowledge of the geographies that PIDG operates in.

Exposure: Exposure was based on financial exposure at year-end (i.e., amount of debt outstanding, equity investment, guarantee outstanding).

1. *Historic emissions (2019–2023) have been adjusted in this year's disclosure to apportion the absolute emissions of corporate lending based on the total investment commitment, rather than the company's total emissions footprint.*

Table 12: Transition risk assessment 2019-24

Sectors	2019		2020		2021		2022		2023		2024	
Total exposure in high-risk sectors	**274**	**35%**	**296**	**38%**	**226**	**28%**	**351**	**36%**	**441**	**35%**	**235**	**18%**
Power generation – oil	54	7%	51	7%	37	5%	27	3%	21	2%	13	1%
Power generation – gas	130	17%	123	16%	108	13%	122	12%	132	11%	87	7%
Oil processing, transportation and storage	15	2%	11	1%	7	1%	1	0%	-	0%	-	0%
Gas pipelines, transportation and storage	17	2%	16	2%	15	2%	13	1%	17	1%	11	1%
Transport – air transport	4	1%	25	3%	28	4%	21	2%	25	2%	24	2%
Transport – rail transport	-	0%	27	3%	-	0%	35	4%	33	3%	25	2%
Transport – ICE road transport	15	2%	5	1%	-	0%	70	7%	140	11%	41	3%
Manufacturing – steel	13	2%	30	4%	30	4%	30	3%	30	2%	5	0%
Manufacturing – chemicals	25	3%	7	1%	-	0%	32	3%	44	4%	30	2%
Total exposure in moderate risk sectors	**159**	**20%**	**117**	**15%**	**147**	**18%**	**77**	**8%**	**103**	**8%**	**160**	**17%**
Manufacturing – cement	28	4%	16	2%	-	0%	-	0%	-	0%	-	0%
Manufacturing – other	43	6%	43	5%	27	3%	-	0%	39	3%	-	0%
Transport – ports, ferry	55	7%	58	7%	54	7%	33	3%	11	1%	29	2%
Mining	28	4%	-	0%	67	8%	-	0%	-	0%	-	0%
Agri-infrastructure (not resilience solutions)	5	1%	-	0%	-	0%	-	0%	-	0%	-	0%
Bulk storage	-	0%	-	0%	-	0%	45	5%	53	4%	81	6%
Transport – alternative fuels	-	0%	-	0%	-	0%	-	0%	-	0%	23	2%
Multi sector / financial intermediaries (FIs) – moderate	-	0%	-	0%	-	0%	-	0%	-	0%	27	2%
Total exposure in low-risk sectors	**351**	**45%**	**370**	**47%**	**430**	**54%**	**557**	**57%**	**706**	**57%**	**884**	**69%**
Telecoms	39	5%	34	4%	107	13%	151	15%	162	13%	203	16%
Housing / construction	42	5%	48	6%	45	6%	54	5%	74	6%	58	5%
Water, sewage and sanitation	1	0%	-	0%	19	2%	21	2%	23	2%	25	2%
Power generation – renewables	213	27%	235	30%	214	27%	299	30%	414	33%	393	31%
Power generation – transmission and distribution (T&D)	55	7%	52	7%	39	5%	23	2%	11	1%	-	0%
Agri-infrastructure (irrigation)	2	0%	2	0%	2	0%	4	0%	18	1%	54	4%
Transport – EV road transport	-	0%	-	0%	5	1%	5	0%	5	0%	55	4%
Manufacturing – clean energy inputs	-	0%	-	0%	-	0%	-	0%	-	0%	4	0%
Multi sector / financial intermediaries (FIs) – low	-	0%	-	0%	-	0%	-	0%	-	0%	91	7%
Total	**784**	**100%**	**783**	**100%**	**803**	**100%**	**986**	**100%**	**1250**	**100%**	**1279**	**100%**
Climate-aligned investments											691	54%

Climate-related physical risks

Physical climate-related risks have the potential to cause physical damage to an asset, reduce the operational performance of an investment, and affect the health and safety of workers and communities. This may translate into financial risks that impair an investee's ability to service debt payments, devalue an asset, or reduce its creditworthiness. These risks may also limit the investment's ability to sustain development impacts such as infrastructure access or job creation. Building on previous disclosures, this year our assessment of physical climate hazard and risk exposure includes:

- All investments that have reached financial close (previously only operational projects were included). This provides a more comprehensive picture of risk exposure, covering all investments pre-construction, under construction and operational.
- Assets with an identifiable physical footprint (typically direct project finance-related investments) are assessed separately from investments without a clearly defined footprint (typically indirect investments where we are one or more steps removed from the asset).
- For direct investments, the hazards of water stress, flooding and sea level rise now consider vulnerability and mitigation at the asset level. For flooding and sea level rise, where an investment was located at a site with a high or very high risk of flooding (river or coastal), the actual risk to the asset was appraised considering a desktop assessment of project-level mitigation measures identified at screening. For water stress, the assessment considers both the sector's dependency on water and the level of water stress in the project's location.
- For direct investments, the assessment is centered around short-medium term financial risks, covering the tenure of exposure (2030s).

As we continue to evolve our processes for assessing physical climate-related risks, we aim to strengthen our consideration of asset-level vulnerability, particularly for hazards such as heat stress and wildfires. We will also prioritise a sample of assets identified as having high or very high flood risk for more detailed, bottom-up risk assessments. In parallel, we are working to standardise risk exposure using unified metrics across hazard types and financial products, while advancing our work on climate-related scenario analysis.

Financial exposure to climate hazards – direct investments

The following results – Tables 13 and 14 – model climate hazard exposure as a function of financial exposure based on the disbursed capital amount for a given investment. This provides a useful indicator to understand the financial risks we face as an organisation based on our investments' exposure to climate hazards, with a consideration of asset vulnerability for water stress, flooding and sea level rise.

The underlying hazard data is primarily sourced from Moody's Climate on Demand which compares climate changes between historical conditions (1975–2005) and projected future conditions (2030–2090) for emissions scenarios of RCP 8.5 (business-as-usual) or RCP 4.5 (moderate mitigation). Each asset is assigned a score (ranging from 1 to 100) with supporting metrics to inform a categorisation of hazard likelihood and severity between none, low, medium, high, and red flag. For multisite investments, Aqueduct Floods was used to assess riverine and costal flood risk.

Table 13: Invested capital (USDm) exposure to climate hazards

	Negligible / Very low	Low	Medium	High	Very high
Water stress	-	154	960	300	6
Flooding	-	456	307	448	208
Sea level rise	987	378	25	-	30
Cyclones	1,057	119	154	90	-
Wildfires	-	276	952	183	9
Heat stress	-	1,400	7	13	-

Table 14: Invested capital (USDm) exposure to climate hazards percentage split

	Negligible / Very low	Low	Medium	High	Very high
Water stress	0%	11%	68%	21%	0%
Flooding	0%	32%	22%	32%	15%
Sea level rise	69%	27%	2%	0%	2%
Cyclones	74%	8%	11%	6%	0%
Wildfires	0%	19%	67%	13%	1%
Heat stress	0%	99%	0%	1%	0%

New and improved access to infrastructure exposure to climate hazards – direct investments

As an impact investor, our long-term viability to continue delivering against our mandate while attracting additional capital heavily relies on our impact. This 'impact' will be exposed to climate-related hazards; one measure of impact that we use to monitor and report on is new or improved access to infrastructure (for people). To assess how these services may be disrupted due to climate-related impacts, we repeated the climate hazard exposure assessment detailed above, using the number of people with new or improved access to infrastructure as an input for exposure. This assessment considers the climate risk exposure of infrastructure, and in turn, how that affects the ability of end-users to access those infrastructure services. The results from this assessment are shown in Tables 15 and 16 (below). This assessment provides a different perspective to help prioritise engagement with sponsor companies aiming to better understand how climate-related risks may materialise concerning development impact risk at the investment level and across the PIDG portfolio.

Table 15: Infrastructure access (no. of people) exposure to climate hazards – (per million people)

	Negligible / Very low	Low	Medium	High	Very high
Water stress	-	14	57	23	2
Flooding	-	13	16	39	29
Sea level rise	70	27	<1	-	-
Cyclones	89	1	5	1	-
Wildfires	-	7	85	4	1
Heat stress	-	97	<1	<1	-

Long-term jobs exposure to climate hazards – direct investments

Another measure of our impact is long-term jobs created. Following the same approach as the assessments detailed above, we have assessed the climate hazard exposure to these jobs. This aims to better understand how a physical climate risk to an asset may in turn result in the loss or reduction of long-term jobs created – see Table 16 (below).

Table 16: Long term job exposure to climate hazards – (per thousand people)

	Negligible / Very low	Low	Medium	High	Very high
Water stress	-	1	9	1	<1
Flooding	-	3	1	2	5
Sea level rise	4	7	<1	-	<1
Cyclones	8	2	<1	<1	-
Wildfires	-	3	7	1	<1
Heat stress	-	11	<1	<1	-

Financial exposure to climate hazards – indirect investments and financial intermediaries

Investments where a physical footprint cannot be clearly identified primarily include those in financial intermediaries, telecom bond investments, and early-stage platforms. These account for 38 per cent of the portfolio by exposure and span sectors such as digital communications, multi-sector (including financial intermediaries), and power and energy - primarily renewable energy platform investments.

The assessment presented in Table 17 uses ThinkHazard data at a country or regional level to provide an indication of potential climate hazards to which our investments may be exposed. While this offers a useful overview, it is less accurate than an assessment conducted using site-specific coordinates. The use of aggregated data increases uncertainty and reduces precision. For example, a telecoms investment with over 1,000 towers operating across three countries may be classified as high flood risk based on country-level data. In reality, only 5 per cent of the sites may be located in areas genuinely at risk of flooding, due to their proximity to water bodies or other local factors.

In general, physical climate-related risks associated with indirect investments tend to be lower than those for direct investments. This is due to the diversified nature of the underlying exposures and the typically shorter tenor of transactions, which reduces the likelihood of climate risks materialising during the investment period. However, as part of our mandate, we aim to take an active role in supporting our investee companies by building their capacity and knowledge on climate risk through ongoing engagement.

For new indirect investments, the screening, due diligence, and monitoring approach focuses on a company's capabilities, policies, processes, HSES management systems, implementation capacity, and ability to monitor and report against these processes. Over time, we aim to strengthen our ability to report on sponsor capacity to manage physical climate risks and to assess our financial exposure to these investments.

Table 17: Indirect portfolio, country level hazard exposure

	Very low	Low	Medium	High
Water stress	3%	16%	32%	49%
Flooding	1%	0%	0%	99%
Sea level rise	16%	0%	17%	67%
Cyclones	44%	12%	0%	44%
Wildfires	1%	0%	0%	99%
Heat stress	0%	1%	36%	64%

Operational emissions

At PIDG we recognise that our business activities have an impact on climate change, and we are committed to taking actions to reduce these emissions. We have been collecting data and calculating GHG emissions associated with our operations since 2019. This has focused on emissions from our offices (scope 1 and 2), as well as those from flights and train journeys required as part of our business activities (scope 3 business travel).

As part of our 2023-30 strategy, we are aiming to scale our impact. This will result in a greater number, and greater scale, of investments per year which will likely necessitate the need for more business travel. To better understand our ongoing impact, and reduction initiatives considering these expansion plans, we report and assess our scope 1 and 2 and scope 3 separately.

Scope 1 and 2 – our offices

PIDG and its companies lease offices in London, Nairobi, Singapore, and Casablanca, which consume gas and electricity to power electrical equipment and heat, cool and ventilate spaces. We adopt a continual improvement approach to our GHG accounting processes. This year we have updated our accounting methodology for scope 1 and 2 emissions to improve the accuracy of reporting and better monitor any reduction initiatives (see Table 18). This was achieved through engagement with the facility management (FM) team at 6 Bevis Marks, London (our largest office) and were able to obtain energy consumption data for the building on a per m^2 basis (previously per occupant). This adjustment has been backdated to the baseline to eliminate any discrepancies.

In 2024 we have seen our emission rise. This is attributed to PIDG moving to a larger office to accommodate a growing team in Asia and due to EAAIF increasing their AUM ratio relative to Ninety One (see footnote).

Table 18: Scope 1 and 2 emissions 2019-24

	Company	2019	2020	2021	2022	2023	2024
Scope 1 and 2	**EAAIF[1]**	26	22	14	16	21	31
	GuarantCo	31	26	24	21	22	22
	InfraCo Africa	16	15	16	18	16	18
	InfraCo Asia	5	7	5	6	7	12
	PIDG ltd	17	14	13	12	11	11
	Total	**96**	**83**	**73**	**73**	**76[2]**	**94**

1. EAAIF emissions are calculated as a pro-rated figure using 91 group level emissions data and apportioning this to EAAIF using an AUM ratio.
2. Results from 2023 show minor changes when compared to last year's disclosure due to in year clarifications on office energy consumption and accounting approaches.

What we are doing to reduce emissions

The nature of leasing office space limits the range of emissions reduction initiatives available to us. At our larger London office, a dedicated facilities management (FM) team oversees the building and provides monthly updates on energy consumption and potential reduction opportunities. We continue to assess options across all our offices to reduce emissions, working closely with the FM teams associated with each site to explore:

- Heating, cooling and ventilation design for the building.
- Sub-metering configurations.
- Landlord vs tenant energy consumption.
- Existing energy efficiency measures and scope to install additional interventions.
- Any existing renewable energy tariffs and/or opportunities to explore renewable tariff procurement.

Going forward, climate impact will be part of the procurement criteria when new office premises are needed. These criteria will be focused on the selection of offices with:

- High levels of energy efficiency with a PIDG aspirational standard of kWh/m^2
- No fossil fuels
- Energy procurement via high integrity renewable tariffs

Scope 3 – business travel

For business operations, the majority of emissions arise from business travel. Given the nature of our business, some travel will be needed, but we aim to assess whether travel is necessary before planning each journey. As part of our 2023-30 strategy, we aim to scale our impact, resulting in a greater number and scale of investments per year, which will likely require more travel. Table 19 (below) shows the emissions associated with business travel from 2019 to 2024, both in absolute and economic intensity terms.

Table 19: Business travel emissions – 2019-24

	Company	2019	2020	2021	2022	2023	2024
Scope 3 – business travel	EAAIF	283	11	21	259	283	527
	GuarantCo	919	102	90	686	792	590
	InfraCo Africa	349	67	159	316	410	739
	InfraCo Asia	265	33	-	157	278	302
	PIDG ltd.	486	47	89	430	690	493
	Total	2,302	260	359	1,848	2,453	2,651[1]
	Intensity per mUSD committed	4.8	0.5	0.7	4.0	4.6	4.7

1. The increase in business travel emissions from 2022 to 2023 and 2024 is partly due to an increase in the UK Gov. emission factors for business travel.

What we are doing to reduce emissions

We are implementing measures to minimise any increase in our business travel emissions associated with our scaling plans. These measures include recruiting more staff based outside of the UK to reduce intercontinental travel. Additionally, we launched new guidance to help our staff travel more consciously, based on the following principles:

1. Where possible, meetings will be attended remotely.
2. Where in-person attendance is necessary, meetings will be attended by people based in the region wherever possible, avoiding the need for intercontinental travel.
3. Where in-person attendance is necessary, lower carbon alternatives to air travel will be chosen. For example, in Europe, train travel is the preferred option where there is a viable route.
4. Where air travel is the only viable option, preference will be given to direct flights where available, and cost-effective economy or premium economy class will be prioritised over business class where practical, in line with the group travel policy and the business travel decision tree.
5. Where long haul intercontinental trips are required, they should serve multiple purposes or require multiple nights' stay.

Nature metrics and targets

Building on the TNFD pilot and expanded assessment included in this disclosure, we are enhancing our capacity to capture and utilise nature-related data and indicators through our existing monitoring framework. PIDG is exploring integrating those nature metrics that are most relevant to our portfolio, which will be included in future disclosures.

Appendix 1 –

Alignment with disclosure standards

See Table 20 (below) for a status of our actions taken in alignment with TCFD, IFRS S2, and TNFD recommendations to date.

Table 20: Disclosure progress covering TCFD/IFRS S2 and TNFD recommendations

Pillar	Recommendation	TCFD, IFRS S2	TNFD
Governance	A. Describe the board's oversight of climate / nature-related issues.	Aligned	Aligned
	B. Describe the management's role in assessing and managing climate / nature-related issues.	Aligned	Partially Aligned
	C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous peoples, local communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Not applicable	Partially Aligned
Strategy	A. Describe the climate / nature-related issues the organisation has identified over the short, medium and long-term.	Partially Aligned	Not yet started
	B. Describe the impact/effect climate / nature-related issues have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Partially Aligned	Partially Aligned
	C. Describe the resilience of the organisation's strategy to climate / nature-related risks and opportunities, taking into consideration different scenarios.	Not yet started	Not yet started
	D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	Not applicable	Partially Aligned
Risk and Impact Manage-ment	A. (i) Describe the organisation's processes for identifying, assessing and/or prioritising climate / nature-related issues in its direct operations.[1]	Aligned	Aligned
	A. (ii) Describe the organisation's processes for prioritising nature-related issues in its upstream, and downstream value chain(s).	Not applicable	Partially Aligned
	B. Describe the organisation's processes for managing climate / nature-related issues.	Aligned	Aligned
	C. Describe how processes for identifying, assessing, prioritising and monitoring climate / nature-related risks are integrated into and inform the organisation's overall risk management processes.	Partially Aligned	Partially Aligned
Metrics and targets	A. Disclose the metrics used by the organisation to assess and manage material climate / nature-related risks and opportunities in line with its strategy and risk management process.	Aligned	Not yet started
	B. Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks / Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	Aligned	Not yet started
	C. Describe the targets and goals used by the organisation to manage climate / nature-related issues and its performance against these.	Aligned	Not yet started

1. The IFRS S2 recommendation does not distinguish between direct operations and value chain. The assessment of progress is against the following recommendation 'describe the organisation's processes for identifying and assessing climate-related risks.

This appendix provides further detail demonstrating alignment with our emissions reporting and the Partnership for Carbon Accounting Financials (PCAF) Standard 2nd Edition, in particular chapter 6 of the Standard, reporting recommendations and requirements. Note, we have calculated and checked the financed emissions in-house. These have not been validated externally but we will consider this in future years.

Table 21: PIDG alignment with PCAF Standard

PCAF reporting recommendations and requirements	PIDG alignment
Report using the operational or financial control consolidation approach	PIDG has calculated financed emissions for all investments by PIDG companies as scope 3 category 15 emissions.
Overall reporting requirements and recommendations	• Principles: Our GHG accounting and reporting is based on the principles of relevance, completeness, consistency, transparency, and accuracy. • Purpose: Our reporting aligns with our business goals, i.e., for identifying and managing climate-related transition risks and as a starting point for developing an emissions reduction trajectory. • Frequency: Financed emissions were calculated at a fixed point in time, namely 31 December 2024, in line with the financial reporting cycle. • Recalculation and significance threshold: We have adopted a baseline recalculation policy (see appendix 2). To date, no events (e.g., structural changes to the organisation) have occurred that would trigger the need to recalculate the baseline. • Form of reporting: This report is made available on our website. • Past performance: This report discloses financed emissions for 2019-24.
Coverage	Financed emissions were calculated for all investments and investment types made by PIDG, namely debt (EAAIF), equity (InfraCo) and guarantees (GuarantCo) that have reached operation stage. Note: under the PCAF methodology, emissions from guarantees are only included when the guarantee is called and converts to a loan. PIDG wants to recognise the emissions from all guarantees so all are included here, whether the guarantee has been called or not, aware that we are mostly guaranteeing local banks that might not be reporting to TFCD recommendations. Note: PIDG does make some investments via financial intermediaries. In most cases these are not currently included in our GHG calculations as the PCAF methodology does not include this type of investment in the current version of the Standard. In 2024 we included an assessment of some FIs and continue to work with existing clients to build their ability to report GHG emissions. For new signings, GHG emissions reporting forms part of our standardised monitoring indictors.
Gases and units	PIDG GHG calculations accounted for all seven GHGs under the Kyoto protocol, which were converted to tonnes of carbon dioxide equivalent (tCO_2e).

Table 21: PIDG alignment with PCAF Standard (continued)

PCAF reporting recommendations and requirements	PIDG alignment
Absolute emissions	• PIDG GHG financed emission calculations include combined scope 1 and 2 emissions of each investment. Figures are disaggregated at the PIDG company- level which is equivalent to the asset level. • This report also includes emissions associated with PIDG operations, i.e., scope 1 and 2 emissions and scope 3 emissions associated with business travel. • PIDG includes the scope 3 emissions of our sponsor companies, where they are likely to be significant. At this stage, we have included scope 3 emissions from oil and gas infrastructure and processing, fertiliser use, vehicles using roads infrastructure, airplanes using airports and cookstove use for clean cooking investments. • In some InfraCo investments, PIDG is the initial sponsor of a project. Lifetime emissions of these projects have not been reported here but they will be included in future reporting, where relevant. • PIDG does not retire carbon credits (and as far as we are aware our investee companies also do not either) to offset absolute emissions.
Avoided emissions and emission removals	• PIDG has included avoided emission calculations for clean energy projects including power generation and electric vehicles. These figures are reported separately from absolute emissions and do not take account of any carbon credits generated for these same emissions. • PIDG does not currently have any investments that generate emission removals but we are actively pursuing nature-based afforestation, reforestation and revegetation investments, so may report these in future years.
Emissions intensity	PIDG has included emission intensity of investments this year (scope 1 and 2 emissions / mUSD invested).
Data quality	• This report presents the most recent data available, i.e., as at 31 December 2024. In cases where data for 2024 was not available, data from an earlier year was used. • Data has been verified internally; external data verification is under consideration for future years. • A weighted data score of 2.0 was calculated across PIDG for scope 1 and 2 emissions.

Table 22: Description of types and sources of data

Activity data	Given the markets that PIDG operates in, GHG emissions are not typically reported by investee companies. Therefore, at the end of each financial year, PIDG asks for data needed for GHG calculations as part of its annual impact reporting. Data points requested are: • Reported or verified emissions data. • Activity data (e.g., MWh power generated, tonnes cement produced). • Energy consumption data (e.g., MWh power consumed from grid, tonnes of heavy fuel oil burned). • GHG calculations (if available).
Assumptions	In cases where activity data is not provided by clients, PIDG follows the following hierarchy: • Use data from the last year that data was available. • Use ex ante estimates from the time of the investment decision. • Estimate GHGs based on assumptions from a credible source, including the PCAF database, United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) methodologies, EIB carbon foot printing methodology.[1]
Emission factors	For calculating GHGs, PIDG typically uses emission factors from: • IPCC Guidelines for National GHG Inventories. • GHG conversion factors published annually by the UK government. For calculating emission reductions, PIDG uses grid emission factors published by the UNFCCC Technical Working Group of the International Financial Institutions (IFI TWG).
Attribution factor calculation	• For project finance deals, PIDG uses data on outstanding amount (at end of financial year, either debt or equity) and total investment commitment (at financial close). • For business loans and unlisted equity, data was requested from investee companies on enterprise value including cash (EVIC) (for listed companies) or total debt and equity (for unlisted companies) as at year end. If this was not available, data from the most recent year it was available was used.

1. EIB Project Carbon Footprint Methodologies – https://www.eib.org/attachments/lucalli/eib_project_carbon_footprint_methodologies_2023_en.pdf

Appendix 3 –

PIDG greenhouse gas baseline recalculation policy

Table 23: PIDG GHG emission recalculation policy

Context	The PCAF Standard 2nd Edition states that financial institutions shall, in line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard requirement, establish a baseline recalculation policy to define under which circumstances a recalculating of (base year) financed emissions is necessary to ensure the consistency, comparability, and relevance of the reported GHG emissions data over time. As part of this base year emissions recalculation policy, financial institutions shall establish and disclose the significance threshold that triggers base year emissions recalculations.
PIDG approach	PIDG has calculated and published GHG emissions associated with its operations and investments ('financed emissions') using a base year of 2019. We recognise that it may be necessary to recalculate base year emissions (or to establish a new, more recent base year) at certain points in time to ensure consistency and comparability of data over time. As outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard[1], we will recalculate base year emissions when changes that have a significant impact on our GHG emissions occur. These are outlined below. PIDG defines the significance threshold that triggers base year emissions recalculations to be 10%, although in certain circumstances we may recalculate emissions for a smaller change.
Structural changes in the reporting organisation	This could include mergers, acquisitions, divestments, outsourcing, and insourcing.
Changes in calculation methodologies, improvements in data accuracy, or discovery of significant errors	PIDG is continually aiming to improve data quality by working with investee companies to collect complete and accurate data. PIDG is also planning to have GHG data verified by a third party in the future. Where data quality improvements and / or discovery of errors lead to changes in total emissions greater than the significance threshold, base year emissions will be recalculated. Similarly, if changes in methodologies, emission factors or other factors lead to significant changes in results, base year emissions will be recalculated.
Changes in the categories or activities included in the scope 3 inventory	PIDG is planning to increase the categories of scope 3 emissions included in its reporting over time to include, for example, employee commuting and homeworking. In this instance, if these lead to changes in total emissions greater than the significance threshold, base year emissions will be recalculated using historical data where available and/ or estimates.
Timeline and reporting	Any necessary recalculations will be clearly stated and included in the annual climate and nature disclosure (this document).

1. https://ghgprotocol.org/corporate-value-chain-scope-3-standard

Appendix 4 –
Paris alignment approach

Step 1

Our Paris alignment assessment is a two-step process. At the screening stage, investments are tested for alignment using the sector or sub-sector classification, with each sub-sector being classified as misaligned, conditional, transitional, or Paris-aligned (see Table 24). Any conditional or transitional projects proceed to a second, more detailed assessment.

Table 24: PIDG Paris alignment criteria

Paris-aligned projects	Close to zero GHG emissions or potential to be close to zero emissions.	Pass – PIDG will finance without further assessment.
Transitional projects	Projects that emit some greenhouse gases during operation but are deemed necessary for the electrification and/or economic development of the country and are part of a transition to a zero-carbon economy.	Detailed assessment required – step 2.
Conditional projects	Projects that, depending on project-specific factors, may be aligned or misaligned.	
Misaligned projects	Projects that are GHG emission intensive and are not aligned to the Paris Agreement.	Fail – PIDG will not finance, directly or indirectly misaligned projects.

Step 2

Energy sector

Investments in natural gas or LPG/LNG power generation and associated infrastructure require a detailed and systematic assessment of their alignment with the Paris Agreement which is supported by a Paris alignment decision tree. PIDG targets investment in the world's least developed countries, and this assessment examines the country's needs and what is being replaced or displaced as part of the proposed infrastructure. The use of natural gas has provided low-carbon transition support to many of the world's most developed economies, and we would assess the suitability of our investment in achieving this aim. For example, we test:

- That the country is classified as least developed country (OECD DAC I classification) or fragile and conflict affected state (as per harmonised World Bank Group list).
- Assess the rates of electrification and needs for more capacity in a particular country.
- Assess the wider development impact achieved through investment in the project.
- Examine what the natural gas plant is replacing, i.e., coal-powered power plants.
- Evaluate the intermittency of the current renewable energy supply, assessing the need for additional baseload capacity.
- Ensure that any gas-powered technologies in line with current best practice for efficiency standards.
- Aim to ensure, in all cases, that the plant will be out of operation by 2050.

For other conditional projects in the energy sector, our detailed methodology includes project-specific criteria to demonstrate compliance.

Transport sector

Conditional projects in the transport sector are assessed using a similar approach to the one outlined for the energy sector. In all cases we ensure that the investment directly contributes to sustainable development and poverty alleviation in a developing economy. In most cases we then assess the ability of the investment to displace higher emitting activities i.e., does a road support a shift to lower emission forms of transport (e.g., shift from air to road)? Or reduce journey distance travelled (new roads) or travel time (upgrades to existing roads)? Similarly new diesel railway infrastructure can be considered aligned if it replaces transportation that would otherwise happen by road/air and if there are plans to electrify the trains in line with trajectories to decarbonise the transport system.

Manufacturing sector

Investments in manufacturing could include the provision of new or upgraded facilities to support the production of:

- Cement and concrete
- Iron and steel
- Aluminium
- Chemicals (including fertilisers)
- Electric vehicles/batteries

In these sectors, defining Paris alignment based on positive and negative tests (as for the energy and transport sectors) is more difficult. Therefore, PIDG has adopted a sectoral decarbonisation pathway approach. This approach includes:

- Estimating GHG emissions per tonne of product for each year during the lifetime of PIDG involvement to determine if production is on a Paris-aligned trajectory, based on science-based sectoral pathways.
- Confirmation of board-level sponsor commitment to reducing GHGs in line with Paris Agreement goals.
- Demonstration that the cleanest and most efficient technology is being used, and that provisions for allowing future technological switch to lower emission options are considered.
- This process is supported with guidance materials and research that we share with sponsor companies helping them explore viable decarbonisation interventions for a particular manufacturing process.

Glossary

ADB	Asian Development Bank
AfDB	African Development Bank
ARR	Afforestation, Reforestation and Revegetation
BGT	Budget
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
BOAD	Banque Ouest Africaine de Développement
BP	Business Plan
BRT	Bus Rapid Transit
C&I	Commercial and Industrial
CAGR	Compounded Annual Growth Rate
CEF	Credit Enhancement Facility
CLEAR Fund	Climate, Energy Access and Resilience Fund
CO2	Carbon Dioxide
COD	Commercial Operations Date
DAC	Development Assistance Committee
DEV	Development
DFAT	The Department of Foreign Affairs and Trade
DFI	Development Finance Institution
DGIS	Directorate-General for European Cooperation
DI	Development Impact
DRC	Democratic Republic of the Congo
DSA	Debt Sustainability Analysis
EAAIF	The Emerging Africa & Asia Infrastructure Fund
ECL	Expected Credit Losses
EMDEs	Emerging markets and developing economies
EPC	Engineering, Procurement, and Construction
ESAP	Environmental and Social Action Plan
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
EUR	Euro
EV	Electric Vehicle
ExCo	Executive Committee
FC	Financial Close
FCAS	Fragile and Conflict-Affected States
FCDO	Foreign, Commonwealth and Development Office
FCT	Forecast
FI	Financial Institution
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
FPIC	Free Prior and Informed Consent
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
FY	Financial Year
GAC	Global Affairs Canada
GBP	Pound Sterling
GBVH	Gender Based Violence and Harassment
GEA	Gender Equality Assessment
GEDI	Gender Equity, Diversity and Inclusion
HSES	Health, Safety, Environment and Social
ICE	Internal Combustion Engine
ICT	Information and Communication Technologies
IFC	International Finance Corporation
IFI	International Finance Institution
IFRS	International Financial Reporting Standards
IFU	Investeringsfonden for Udviklingslande
IPEF	Indo-Pacific Economic Framework for Prosperity
IPP	Independent Power Producer
IT	Information Technology
JET-P	Just Energy Transition Partnerships
KfW	Kreditanstalt für Wiederaufbau – Green Climate Fund
KPI	Key Performance Indicator
LDC	Least Developed Country
LMIC	Low- or Middle-Income Country
MDB	Multilateral Development Bank
NB	Note Well (note bene)
NBFI	Non-Bank Financial Institution
NbS	Nature-based Solutions
NED	Non-Executive Director
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
OLIC	Other Low-Income Countries
P&L	Profit and Loss
PCRAM	Physical Climate Risk Assessment Methodology
PEPT	Programme Electricité Pour Tous / Electricity for All
PIDG	The Private Infrastructure Development Group
PPP	Public Private Partnership
PRI	Political Risk Insurance
PSI	Private Sector Investment
QA	Quality Assurance
QC	Quality Control
ROE	Return on Equity
SDG	UN Sustainable Development Goal
SECO	State Secretariat for Economic Affairs
Sida	The Swedish International Development Cooperation Agency
SME	Small or Medium-sized Enterprises
SSA	Sub-Saharan Africa
TA	Technical Assistance
tCO2	Total Carbon Dioxide
TIC	Total Investment Commitments
TISFD	Taskforce on Inequality and Financial Disclosures
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VfM	Value for Money
VGF	Viability Gap Funding

HSES risk categories

PIDG has its own specific categorisation subject to if a transaction is Project Finance or in a Financial Intermediary:

- **Category A:** projects, or companies developing and/or operating projects, with potential significant adverse HSES risks and/or impacts that are diverse, irreversible or unprecedented.
- **Category B:** projects, or companies developing and/or operating projects, with potential limited adverse HSES risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
- **Category B+:** Higher risk Category B projects/companies subject to a similar HSES due diligence regime as Category A projects.
- **Category C:** Projects, or companies developing and/or operating projects, with minimal or no adverse HSES risks and/or impacts.
- **Category FI-1:** an FI with a portfolio or pipeline that includes substantial financial exposure to Category A or B+ investments.
- **Category FI-2:** an FI with a portfolio or pipeline that comprises category B investments; or a very limited number of Category A or B+ investments.
- **Category FI-3:** an FI with a portfolio or pipeline that comprises predominantly Category C investments.

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