



Sustainability Bond



Impact Report 2023

Collective Contributions



Bank Windhoek
a member of Capricorn Group

Dear Stakeholder

As with our previous allocations with the Sustainability Bond, our vision was to create as much impact as possible. Bank Windhoek recently introduced the Sustainability Loan to afford access to finance for individuals and SMEs with the primary objective of creating impact. This was done by assigning certain financing thresholds with some benefits that reduced the basic requirements for financing and, in so doing, incentivised uptake for new small-scale projects that would offer environmental and social benefits.

The focus on smaller-scale projects was informed by the inherent need to collectively contribute to creating a sustainable future for us all as a nation and as a global citizen, coupled with the current developments in our market, particularly as it relates to energy and other sustainability related needs. Several factors contributed to the increased cost of energy, one being the Russian-Ukrainian conflict and the other being the energy crisis in South Africa, from which Namibia imports a significant portion of its energy needs. These factors have encouraged many individuals and SMEs to look to cost-cutting interventions, primarily renewable energy, as depicted in this report by the high percentage of this round of allocations going to this sector. Being a commercial bank, it was imperative that we created an avenue through our products, specifically through our Sustainability Loan, that would afford this opportunity for collective contributions by providing financing towards small-scale projects in addition to large scale projects, which would not necessarily face the same hurdles accessing financing.

As a locally owned commercial bank, ensuring that our full spectrum of clients is allowed to contribute to the development of our economy is of primary importance. The relationship we have with our clients is one of partnership in nature; our services enable our clients to bring their needs to reality and, so doing, create a positive impact on our economy, be it from an environmental or social perspective. Our commitment to Sustainability has been showcased by our concerted drive to innovate and respond to the market's needs to the best of our ability. We see how our efforts have had to replicate effects in our market, clearly demonstrating the need for more innovation and collective action to achieve impact.

This report showcases the allocations for this reporting period and the impact achieved.

Best wishes

Creating Impact

Stimulating economic growth should not only focus on the bottom line; it should encompass all three vital pillars of a sustainable economy, which are environmental, social, and economic considerations, to ensure greater impact is achieved.

At Bank Windhoek, the goal is to ensure that we avail products and services that contribute positively to our economy. Affording our local and international clients the opportunity to make their own sustainable contribution to our economy is of paramount importance.

Our Sustainability Bond is one of the integral instruments that we are using to ensure these opportunities are created, and with this year's allocations, we clearly see the impact achieved by the projects that were able to access funding for sustainable solutions.

We will continue ensuring that these bond proceeds speak to creating impact by affording our clients the opportunity to contribute positively.

Baronice Hans
Bank Windhoek Managing Director



Sustainable Economy

Sustainability has become an integral lens through which we see the world today and in the future. Social and environmental issues are ever more evident due to their cross-cutting nature, some of which are exacerbated by the changing climate, which has made life difficult in terms of sourcing nutrition and making ends meet. Namibia has an inherent vulnerability to climate change owing to its naturally erratic climate, so it is important that a focus on creating an impact in the environmental and social spheres is emphasised.

It is important that we make our own individual contributions so that collectively we can contribute to the overall goal of creating a sustainable economy.

At Bank Windhoek, we will continue to ensure that we actively participate in creating a sustainable Namibian economy to an extent that is practical within our mandate as a financier, contributing to building much-needed resilience.

Claire Hobbs
Bank Windhoek Chief Treasurer



Positive Change

Recycling, reducing our carbon footprint, reusing products, supporting ethical businesses, and advocating for sustainable policies – all these seemingly simple acts accumulate to form a powerful force of positive change.

In the midst of a rapidly changing world, where volatility, uncertainty, complexity, and ambiguity are on the rise, there lies an extraordinary opportunity for us to make a profound difference. The key lies in embracing the power of mindful sustainability and harnessing the tremendous impact of sustainable finance.

Imagine a world where each of us lives in harmony with the environment, where we take conscious steps to ensure the well-being of our planet and the people who call it home. Mindful sustainability is not just a buzzword; it's a powerful philosophy that urges us to be aware of the consequences of our actions. It calls us to understand that every choice we make, no matter how small, has a ripple effect on the interconnected web of life. By making choices prioritising the greater good, we can create a legacy of positive change for future generations.

At the heart of this transformation lies sustainable finance – an innovative approach to funding that has the potential to redefine the very fabric of our economy. It opens doors to a world where businesses and projects are not solely driven by profit but are fueled by a shared vision of creating a sustainable future. Through sustainable bonds and other credit facilities, we can channel our financial resources into endeavours that protect the environment, champion social justice, and drive sustainable development. It's an empowering path that allows us to align our financial decisions with our deepest values.

Mindful sustainability and sustainable finance are not two isolated concepts; they are interconnected facets of the same coin, united by a common purpose. Together, they offer us a unique toolkit to transform our world. Each one of us has the capacity to be a changemaker, to inspire others through our actions, and to lead by example.

Recycling, reducing our carbon footprint, reusing products, supporting ethical businesses, and advocating for sustainable policies – all these seemingly simple acts accumulate to form a powerful force of positive change.

We are not just passive observers of the future; we are active participants, co-creators of a world that thrives on balance and resilience. Look around you and see the possibilities that lie ahead. With mindful sustainability and sustainable finance as our guiding stars, we can shape a low-carbon and climate-resilient economy that benefits everyone, from this moment to future generations.

As we reflect on our contributions to the Namibian economy through the projects we supported with the funds we raised through our sustainability bond and our sustainability loan campaign, let this be a testament to the limitless potential of collective action. It is not merely about financial gains; it's about nurturing an environment where all living beings can flourish. By positively impacting the environment and society, we fortify the very foundations of our existence. So, let us embark on this journey of mindful sustainability and sustainable finance together with a shared vision and unwavering determination. As we embrace these practices, let us remember that we are not just investing in financial assets; we are investing in a legacy of hope, compassion, and responsibility. Let us be inspired to be the change we wish to see in the world, for the path to a sustainable future lies within each of us. Together, we can leave a lasting legacy of abundance, prosperity, and harmony for humanity and the Earth we call home.

Ruan Bestbier
Capricorn Group
Head of Sustainability



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1. METHODOLOGY

Bank Windhoek is reporting on the estimated impact of its financed projects as per eligible category according to the Sustainable Bond Framework. The quantitative data in this report is based on estimates provided by installers and/or clients whom we provide with funding to execute financially feasible projects.¹

All information, inclusive of metrics in this report, is based on the knowledge obtainable at the time of reporting. It should be voiced that data provided may differ according to tools used to calculate metrics and, additionally, reliant on the accuracy of the data provided by the investment.

Bank Windhoek will continue perfecting its reporting by using best practices available in the market; the Bank is cognisant of the challenges that currently exist locally and globally in the standardisation of metrics and subsequent reporting.

REPORT ASSURANCE

Bank Windhoek engaged KPMG (South Africa) in regards to the allocations in the [report](#):

- To conduct a limited assurance assessment to ensure the processes described in the Sustainable Bond Framework were adhered to
- To ensure that the financed projects were eligible for financing

RENEWABLE ENERGY

Renewable Energy impact indicators for this reporting were based on the available data, which depended on the installer's own methodologies. The indicators selected for renewable energy were Installed Capacity and Greenhouse Gas Avoided. Additionally, Bank Windhoek utilised the IFC CAFI tool to assist in quantifying emissions avoided and the Environmental Protection Agency (EPA) emissions calculator to determine the equivalency of the renewable energy installation compared to other facets of life.

SUSTAINABLE AGRICULTURE/IRRIGATION

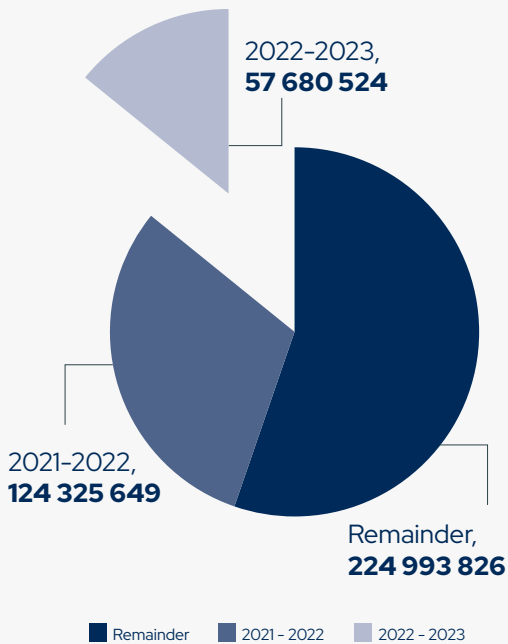
The projects financed under this category were irrigation, and the precise impact could not be quantified due to a lack of data from the client and/or supplier to quantify water savings achieved by this technology. As such, the Area under irrigation was selected as the indicator.

BIODIVERSITY CONSERVATION

The preservation of natural habitats was in the form of safeguarding critically endangered species in Namibia. The indicator used was an increase/improvement in protected areas in km² as guided by the impact reporting guidelines provided by the International Capital Market Association (ICMA) and available data from the projects financed.

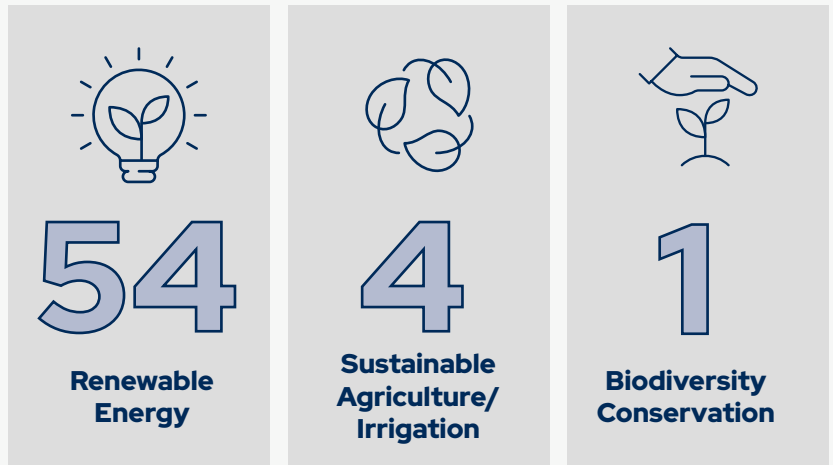
2. ALLOCATIONS

Financial Year 2022-2023 Allocations

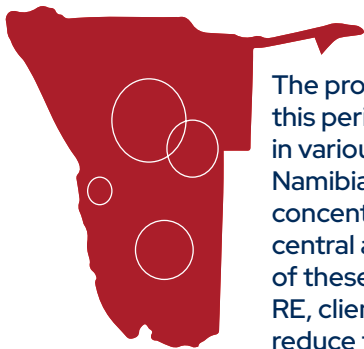


59
Financed Projects

Project Breakdown



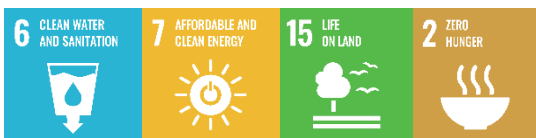
Project Distribution



The projects financed in this period were located in various areas around Namibia, with a general concentration around the central area. A majority of these projects were RE, clients seeking to reduce their utility costs and secure cheap forms of energy from the sun.

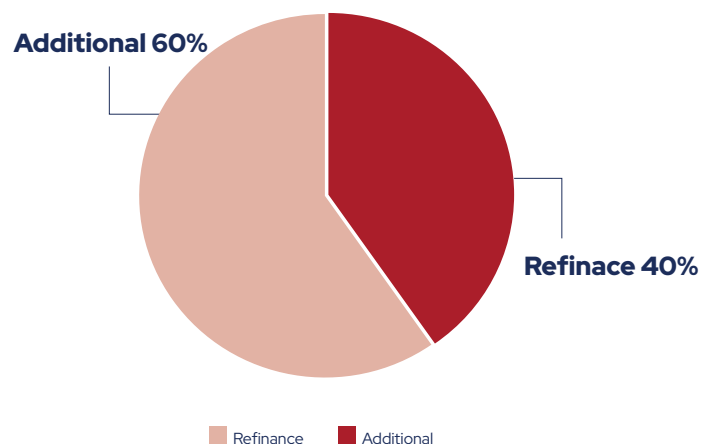
SDG Mapping

The projects financed in the period FY 22/23 had an array of impact areas and were mapped to the below SDGs. The eligible projects financed were securing water sources, renewable energy, conservation, and crop irrigation.



Additional vs Refinance

The Sustainability Bond Proceeds are specifically earmarked to finance and refinance, in whole or in part eligible and bankable projects in Namibia in line with the Sustainability Bond Framework. The below figure showcases the percentage of additional versus refinanced projects that received funding from the Sustainability Bond Proceeds.

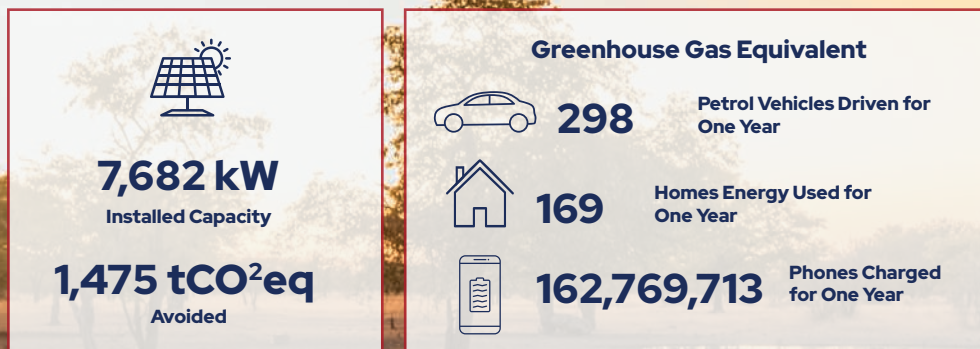


3. ELIGIBLE CATEGORY: RENEWABLE ENERGY

Portfolio Description

Climate Mitigation is one of the means used to reduce GHG emissions. In a country where most of its energy is imported, often from carbon-intensive sources, mitigation projects such as renewable energy go a long way towards reducing the country's overall GHG emissions. Additionally, renewable energy allows many to secure consistent and affordable energy, which aligns with the Namibian Nationally Determined Contributions as one intervention area.

Access to affordable energy is a need expressed by many of the project proponents that were financed through the Sustainability Bond proceeds, which further reinforces the importance of this type of funding. In line to create impact, the projects financed were primarily small-scale Solar PV installations, which provided over fifty-four (54) projects with clean, sustainable energy powered by the Namibian sun.



*Only additional projects were considered in the GHG avoided determination; refinanced installations were disregarded for this indicator. GHG avoided was calculated using the IFC CAFI Tool.
* EPA GHG Equivalencies calculator was used to translate GHG avoided to more abstract measurements.



4. ELIGIBLE CATEGORY: SUSTAINABLE AGRICULTURE /IRRIGATION

Portfolio Description

Food security is an important aspect of every economy, ensuring that there is sufficient and affordable food within each sovereign is of paramount importance. As an emerging market, agriculture still plays a crucial role in driving the Namibian economy. Of the total agricultural value, 77% is exported, and 23% is imported. According to the World Food Program, 80% of the country's food is imported, which undoubtedly makes food security an issue of great concern .

The WFP further adds that 24% of children under the age of 5 face malnutrition, which makes the drive to direct finance towards increasing food security vital to securing self-reliance for the country regarding food production. The proceeds from the Sustainability Bond financed four (4) projects to increase the productive capacity of various farmlands in the country.



N\$4,461,495
Financed amount



¹ GIZ: Sector Brief Namibia: Agriculture – [Sector Brief Namibia: Agriculture \(giz.de\)](#)
² World Food Program – Namibia | [World Food Programme \(wfp.org\)](#)

5. ELIGIBLE CATEGORY: BIODIVERSITY CONSERVATION

Portfolio Description

Life on land is essential for the overall health of the ecosystems we depend on for survival as human beings on Earth. Rhinos are critically endangered, having suffered years of rampant poaching that has left the species decimated and needing human intervention to ensure their survival. According to Save The Rhino, 2022 saw eighty-seven (87) rhinos poached for their horns in Namibia, which translated to a 93% hike in incidents based on the 2021 figures. The conservation status of these majestic creatures strengthened the drive and need to drive protection efforts throughout the country where they are kept for their protection.

The eligible project aimed to reinforce the protection of rhino's by adding additional protection through the upgrading of fencing, which restricts the movement of the animals in the area, easing their protection. The Sustainability Bond proceeds financed one (1) eligible project in the area of biodiversity conservation.

⁴Save The Rhino: Poaching in Namibia almost doubles in 2022 - [Poaching in Namibia almost doubles in 2022 | Save The Rhino](#)



N\$1,205,886
Financed amount



12.9 km
Fence erection

6 People
Employed during project implementation



*Area under protection will remain undisclosed for safeguarding of the rhinos



6. Project Highlights



7. Concluding Remarks

In the past financial year, Bank Windhoek was able to afford clients the opportunity to implement sustainable solutions that solved a number of constraints brought on by a changing economic, environmental, and political climates, which are factors that have a direct impact on the lives of many. These projects contributed to a few SDGs, which Namibia, as a country, is committed to attaining. It is through collective contributions that we, as a nation, will be able to meet our goals as they relate to sustainable development.

Leveraging on this momentum, Bank Windhoek will continue to ensure that it assists eligible projects as per the Sustainability Bond Framework, ensuring that it works towards diversifying the types of projects that these proceeds are allocated to, thus speaking to the diversity of sustainability.





Bank Windhoek

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