



UN GLOBAL COMPACT

Communication on Progress

2021-22



9th August 2021

H.E Antonio Guterres
Secretary General
United Nations New York,
NY 10017
USA

Dear Mr Secretary General

STATEMENT OF CONTINUED COMMITMENT

I am pleased to confirm that Greenage Development Managers reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

As part of the mandated annual Communication on Progress, we describe our collaborations using IFC EDGE World Bank building methodology alongside our corporate policy and actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Owotemuabeleseoghene

Abel Owotemu, PMP
Director & Programme Lead

DESCRIPTION OF ACTIONS

A) Human Rights

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| 1 | Greenage Ensures its workers operate within and adhere to safe and sanitary work environments and Conditions. |
| 2 | Greenage's makes it a priority through its whistle blowing mechanism to Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. |
| 3 | Greenage prioritizes risk management and quality assurance measures aimed at eliminating construction related defects or incidents that could harm or threaten human life and health during development and habitation of our buildings. |

B) Labour

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| 1 | Greenage adheres to the labour laws prohibits any form of forced or bonded labour as part of our companywide policy. |
| 2 | Greenage Complies strictly with the Federal Government minimum wage standards. |
| 3 | Greenage ensures that it uses an equal opportunity approach based on objectivity and workplace inclusion for employment-related decisions. |

C) Environment

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| 1 | Greenage's adoption of the IFC EDGE methodology ensures prevention and protection of environmental damage in our production processes (energy and water conservation and treatment systems, etc.) |
| 2 | Greenage as part of operational risk management adopts a HSE policy to manage emergency procedures and prevent and address accidents affecting the environment and human health. |

D) Anti-Corruption

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| 1 | Greenage has put in place a code of ethics for employees that guides our engagements with stakeholders that helps to guard against the risk of corruption and unethical practices. |
| 2 | Internal audit and compliance codes are in place to ensure "anti-corruption" and/or "ethical behaviour" in contracts with business partners and stakeholder. |

MEASUREMENT OF OUTCOMES

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| 1 | Greenage as part of its sustainability, diversity and inclusion policies ensures a minimum balance of 25%-30% minority representation in management and employee make up. |
| 2 | Greenage also measures its impact in the number of females that are given access to our student accommodation while also tracking savings in energy and water consumption as well as building material savings as part of the IFC EDGE methodology. |

The Greenage Vision

Our vision is to deliver the very best academic housing experience in partnership with Public and Private Tertiary Institutions of Learning.

The Greenage mission

Our mission is to create exceptional student and academic accommodation infrastructure in partnership with leading Public and Private Tertiary Institutions of Learning with world class focus that promotes Innovation and the development of sustainable communities.

The Greenage Story

Greenage Development Managers Limited was established in 2019 with a strategic focus built around a partnership model. We purposely designed our structure to ensure we are effective at developing, operating and managing our assets over the life of each concession, and we intend to maintain cost-effective long-term funding for our student housing developments.

Greenage aims to bring together the longevity of university business models, with cost-effective long-term borrowing, in partnership for the mutual benefit of universities, students and investors alike. We plan to grow our portfolio, which now has a pipeline of over 25,000 bed spaces (with an additional 50,000-75,000 bed spaces undergoing planning and review stages) totalling a 100,000 Bedspace programme with universities across Nigeria's geopolitical zones to be delivered in 5-10 years (2020-2030). Our unique approach enables our Universities to develop required facilities for ensuring the development of students whilst reinvesting in their core services of human capital development i.e. tutoring and innovative research.

The Greenage View of Student Housing

Greenage contemplates an increasingly global marketplace, where Nigerian Universities particularly the upcoming private funded institutions will start competing with international rivals to attract domestic and overseas students. The good news for student accommodation investors, developers and operators is that Nigerian universities now recognise more than ever the need to provide high-quality accommodation and facilities, to give themselves a competitive advantage in the market.

We predict continued growing demand from current and future students for high-quality, modern and affordable accommodation and it is vital to the continued success of Nigeria's higher education sector that universities meet these expectations by ensuring the very best experience is available to students. Given the number of international institutional lenders that we work with and the continuing appetite from the wider capital markets, it's clear that investors also share our view.

Greenage's Intervention Strategy

Our strategy is hinged on supporting Tertiary Institutions as a private sector player with the primary mandate of promoting green rental housing within the educational subsector. As such, we deem it prudent to intervene in student and faculty accommodation for the following reasons;

- ⇒ Student accommodation is a sub sector of housing as an essential part of the economy
- ⇒ Students compete for accommodation as part of Nigeria's housing shortfall
- ⇒ The overwhelming demand for student accommodation needs to be fulfilled
- ⇒ Intervention can lead to reduced rental cost and increased access to education

Greenage as the Operating Company will engage in extensive marketing campaigns to create awareness of its proposed intervention by liaising with various stakeholders, like the University's Commission, Association of Vice Chancellors, and Higher Learning institutions, towards the facilitation and delivery of green student and faculty accommodation.

Greenage's Value Proposition

Greenage is a strategic response towards tackling the affordable and qualitative housing challenge currently plaguing Nigeria's tertiary education sector inclusive of Universities, Polytechnics and Colleges of Education. Greenage will play a facilitation, coordination and development role between government-owned and privately-owned tertiary institutions to create value in Nigeria's student and faculty housing sector by delivering ***Green and Sustainable Housing Developments***.

Greenage hopes to translate the housing needs of tertiary institutions into a financial language that investors can understand by ensuring the level of financial risk sharing is balanced or appropriate for green housing projects across all public and private institutions that it identifies as a target environment for Housing Investments.

Green Student Housing Programme & Standards: EDGE Methodology

EDGE is an innovation of IFC, a member of the World Bank Group. EDGE is a green building platform that includes a green building standard, a software application, and a certification program covering over 140 countries including Nigeria. The platform is intended for professionals interested in the design of green buildings, whether an architect, engineer, developer or building owner. EDGE empowers the discovery of technical solutions at the early design stage to reduce operational expenses and environmental impact.

Greenage's hostel design standards will be based on inputs and selection of green measures, as prescribed by EDGE to ensure operational savings and reduced carbon emissions. This overall picture of performance will help to articulate a compelling business case for building green. The suite of EDGE building types includes homes, hospitals, offices, hotels, retail and education buildings (Hostels and Lecture theatres). The building typologies to be delivered will be supported by EDGE guidelines as a basis for climate bonds issuance by Greenage.

Greenage's Green Building Standard

To achieve the EDGE standard, Greenage's student housing designs and subsequent developments have been evaluated and certified to demonstrate a **minimum 40%-50% reduction in operational energy consumption, water use and embodied energy in building materials** as compared to typical traditional buildings.

EDGE defines a global standard and only requires a handful of measures that delivers better building performance and results in **lower utility costs, extended equipment service life and less pressure on natural resources and the environment.**



Greenage's partnership strategy is aimed at working with various tertiary institutions to plan and deliver Green Student and Faculty accommodation projects on a design, build and operate basis with a 10-year projected delivery of **100,000 thousand bed spaces of Green Purpose-Built Student Accommodations (GPBA)** across Nigeria.

The Student and Faculty Accommodation platform will structure and promote projects that meet the following guidelines:

- Project must be located within 5 km distance to the targeted tertiary institution
- Priority will be given to projects located in existing student accommodation hubs
- Project must have a minimum of 5 units or 50-100 beds
- The project must have a social amenity for the students

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- Concessionary term of minimum 25-30 years in the first instance
- Rentals charged will be comparably less than market and will include water and electricity
- The project must be self-sustaining post Construction (EDGE Certified)
- Projects will be designed and delivered as ***Green & Energy efficient buildings***
- Rooms will be furnished and fitted as per specifications detailed under Minimum Standards for Student Housing.
- Shower and lavatory cubicles shall be designed in such a way that individual privacy is provided (i.e., no communal showers or toilets).
- Large common/meeting rooms & Smaller TV/meeting rooms for student residents.
- Cooking inside student rooms shall not be permitted. Suitable food storage, preparation and kitchen space shall be provided.
- Wireless and/or fibre optic cable internet access is required in all student rooms and social spaces.
- Students sharing rooms will have their own lockable closets.
- Rooms will be equipped with a single bed, cupboard, study desk, chair and a bookshelf.
- No more than 2-4 students will share a bath or shower and toilet

Greenage Organisational Management Structure

The company will have a non-executive Chairman and non-executive Shareholder Directors who, together with the Executive team, ensure that appropriate governance and operational processes are maintained.

The team is tasked with oversight of the strategic direction for the company, whilst the non-executive Directors are tasked with providing constructive challenge to the Executive team on strategic matters.

This collaboration will underpin the effective execution of our Business Plan. Greenage will measure Board effectiveness through a process of annual Board evaluations and following the guidelines of the Corporate Governance Code.

Proposed Greenage Board Committees

Corporate governance is embedded across the company, with the following proposed Board Committees to ensure that risk is actively managed:

- **Audit Committee** with the primary function to develop the Internal Control Framework of the Group and assist the Board in fulfilling its financial and risk oversight responsibilities. The Greenage will establish an Internal Audit Function which consists of a co-sourced provider and a dedicated in-house manager, both of which report to the Audit Committee.
- **Remuneration Committee** with the responsibility to determine the remuneration and conditions of employment for Executive Directors and Senior Managers.
- **Strategy & Investment Committee** with the responsibility for scrutinising and challenging proposed investments, sanctioning both the costs and commercial conditions relating to each project.
- **Facility Management Committee** (Health, Safety, Environment and Quality Committee) with the responsibility to set industry-leading health and safety standards with which our contractors and suppliers are obliged to comply.
- **Risk Committee** with the responsibility to oversee and advise the Board on the current risk exposures of the Group and future risk strategy.
- **Student Housing Advocacy Committee** with the responsibility to ensure that students experience more than facilities and services. It's about ensuring students settle in and provide an environment students feel at home and secure with access to quality and reliable services. This committee will conduct surveys with students to capture their feedback, helping inform how we plan, manage and deliver our services.

Action Plans: Greenage Sustainability Strategy

Greenage will strive to promote the adoption and transfer of green building practice and methodology as part of the academic and vocational curriculum as part of our contributions to the development of communities of operation. In order to promote sustainability on a long-term basis, we align the interests of stakeholders by ensuring continuous engagement and communications.

It is the intent of Greenage to foster continuous dialogue with our partners and develop close relationships to ensure a full range of perspectives are considered in decision-making.

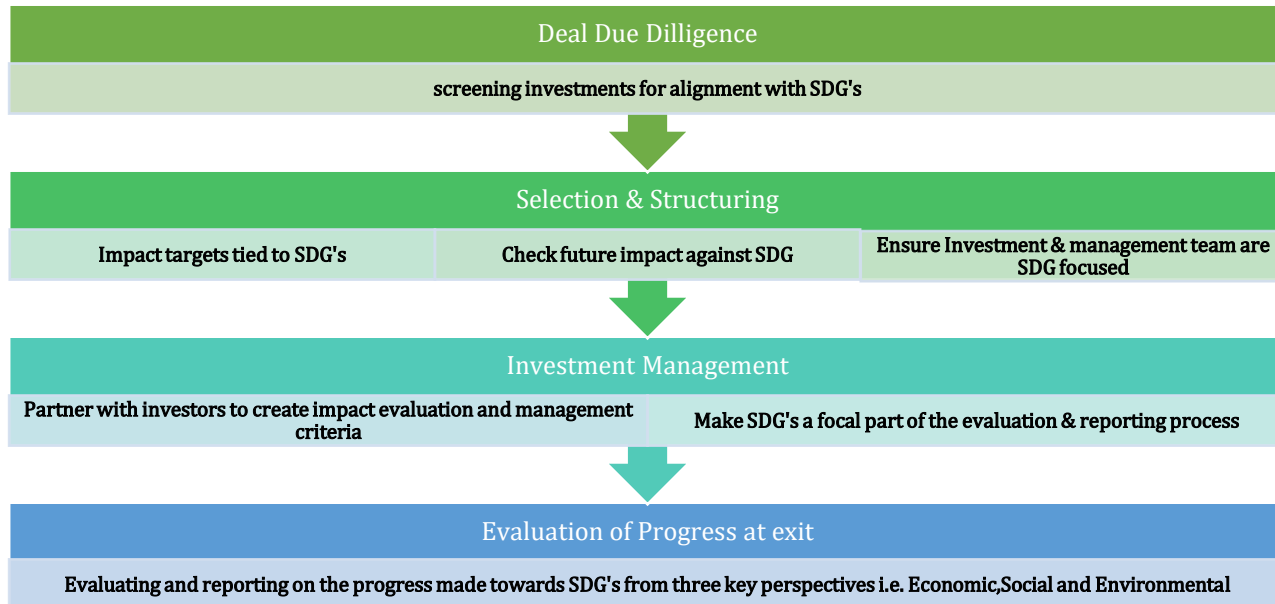
Greenage will encourage our university partners to take an equity stake in the special purpose Project Companies and a seat on the Board of the Company. This helps facilitate joint decision-making and the operation of estate-wide infrastructure and accommodation.

Measurement of Outcomes: Greenage's Alignment with The Global Goals (SDG's)

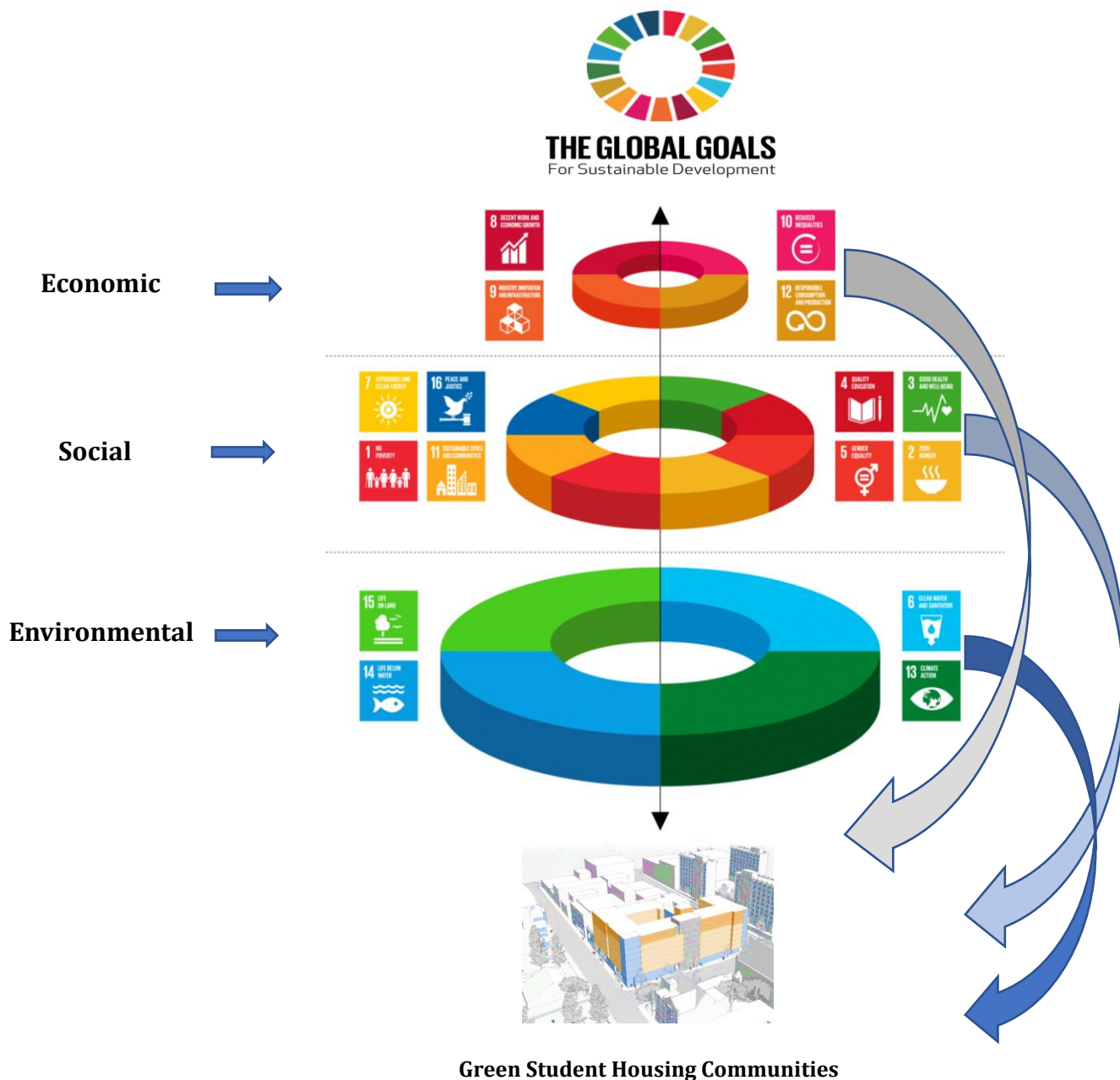
The Greenage Student Housing programme via its use and adoption of the EDGE Building certification methodology is aligned to the United Nations Sustainable Development Goals (SDGs). The SDG's are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. The SDGs also present a tremendous opportunity for Greenage and our prospective investors to support this global agenda by deploying capital to the development of our student housing communities that address critical societal challenges brought on by lack of access to education and female empowerment.

Greenage student housing developments have been strategically profiled to provide investors with an opportunity to include impact driven projects with sustainable themes in their portfolio as well as aid them in demonstrating how their investments are aligned to the SDG's as an impact metric e.g. promoting a 60:40 female to male accommodation ratio policy. The Greenage student housing developments and the Greenage Development fund is a response to the need by investors and capital markets demand for products and new investments that directly target progress toward the SDGs.

Greenage' sustainability strategy goes beyond aligning and retroactively mapping impact to the SDGs, our student housing developments will provide a platform to proactively target and incorporate SDG's at various stages of the investment cycle, thus making them the central focus throughout the investment process flow from due diligence, investment selection and structuring, investment management, and evaluation of progress at exit as detailed below;



As a company Greenage Development Partners adopts a broad execution strategy for the delivery of student housing communities. The Greenage student accommodations are EDGE designed and certified to enable us effect progress that is aligned with the Sustainable Development goals by ensuring **Social Equity, Economic Development** and **Environmental Sustainability**. This depicted in the diagram below;



Greenage EDGE Certified Student Developments will cater to **SDG's 8, 9, 10 & 12** in terms of creating jobs and ensuring economic empowerment. While on a social equality level the accommodation will ensure more females get admitted to University while alleviating poverty through the provision of qualitative education amongst other benefits as embodied in **SDG's 1, 2, 3, 4, 5, 7, 11 & 16**.

The environment will benefit from the operations of Greenage's Green Student Housing structure by ensuring conservation of power, water, material, and climate conditions as embodied in **SDG's 6, 13, 14 & 15**.

The Need to Sustainably Solving the Challenge of Student Housing

According to United Nation's reports on Population, one in four Sub-Saharan Africans reside in Nigeria, making it Africa's most populous country. It's also the seventh most populous country in the world. From an estimated 42.5 million people at the time of independence in 1960, Nigeria's Population has more than quadrupled to 190 million people in 2018. The United Nations anticipates that Nigeria will become the third largest country in the world by 2050 with 400 million people.

Nigeria's has also attained economic importance alongside its population growth. In 2016, Nigeria overtook South Africa as the largest economy on the African continent and is also considered to having the potential to emerge as a major global economy.

However, dependency on oil revenues to impact its growth potential. Sharp declines in crude oil prices from 2014 to 2016 catapulted Nigeria into a recession. In addition to cuts in public spending following the recession have affected government services nationwide. In the education sector, the situation has exacerbated existing problems. Ongoing student protests and strikes have rocked Nigerian universities for years and are a symptom of a severely underfunded higher education system.

Austerity measures adopted by the Nigerian government in the wake of the current crisis further slashed education budgets. Students at many public universities in 2016 experienced tuition increases and a deterioration of basic educational infrastructure. Despite these constraints, the country will likely remain a dynamic growth market for student and faculty accommodation. This is largely because of the overwhelming and unmet demand among college-age Nigerians.

Nigeria's higher education sector is burdened by population growth (More than 60% of the country's population is under the age of 24). Rapid expansion of Nigeria's higher education sector in recent decades is yet to deliver the resources or seats to accommodate demand: substantial number of would-be college and university students are turned away from the system. About two thirds of applicants who sat for the country's Joint Admissions and Matriculation's Board national entrance exam from 2014-2017 could not find a spot at a Nigerian University or other tertiary institutions.

In recent years, higher education institutions in Nigeria see the need for modern student housing accommodations and replacing the very outdated existing housing they have on their campuses. These institutions are turning to Private companies like Greenage to design, build and operate accommodation facilities (such arrangements enable cash-strapped public and private tertiary institutions to channel funding from student housing towards academic priorities, such as research and innovation).