



Industrial Development Corporation

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SUSTAINABILITY BOND IMPACT REPORT **2025**

Sustainability Bond Initiative

This Sustainability Bond Report of the Industrial Development Corporation (IDC) covers the period from 1 April 2024 to 31 March 2025¹. It provides investors with information on how the proceeds from the Sustainability Bond have been allocated, including a list of funded projects, brief descriptions of each and their expected impact. We recommend reading this report alongside the IDC’s Sustainable Bond Framework, dated 20 March 2025², for additional context and understanding.

Total issuance:
R2.046 billion
raised across five sustainability bonds



Allocated funds:
R1.586 billion
(78%)
allocated to eligible projects aligned with International Capital Market Association (ICMA) Sustainability Bond Guidelines



Unallocated funds:
R460 million
(22%)
temporarily invested in liquid money market instruments, with full deployment expected in the next reporting period



¹ IDC adopts the definition of Sustainability Bonds set out in the Sustainability Bond Principles, according to which Sustainability Bonds refers to any type of bond instrument where the proceeds, or an equivalent amount, will be exclusively applied to finance, or re-finance, in part or in full, new and/or existing eligible green, social and transition projects, and which are aligned with the core components of the Sustainability Bond Principles.

² To synchronise the publication timelines of IDCs’ sustainability-related disclosures, we are issuing our Sustainability Bond Impact Report to align with IDC Investments 1 April 2024 to 31 March 2025.

2025 KEY ACHIEVEMENTS

Overall impact

- Development reach: Significant support for job creation, small to medium enterprise (SME) development and inclusion of women- and youth-owned enterprises
- Social and environmental balance: portfolio diversified across:
 - Renewable energy
 - Employment generation and unemployment alleviation programmes
- Socio-economic advancement and empowerment
- SME financing
- United Nations Sustainable Development Goal (SDG) contributions: meaningful contributions to:

	SDG 1: No Poverty
	SDG 5: Gender Equality
	SDG 7: Affordable and Clean Energy
	SDG 8: Decent Work and Economic Growth
	SDG 9: Industry, Innovation and Infrastructure
	SDG 10: Reduced Inequalities
	SDG 13: Climate Action

Issuance details

IDC Sustainability Bonds Portfolio Report for the year ended 31 March 2025

In March 2025, the IDC successfully issued up to R2 billion Sustainability Bonds, structured under the ICMA Sustainability Bond Guidelines. This landmark issuance reflects the IDC’s commitment to mobilising capital markets for inclusive and sustainable development in South Africa.

Bond overview

Maturity	Amount (million)	Instrument type	Pricing
28 March 2030	171	Floating	J+185 bps
28 March 2032	755	Floating	J+200 bps
28 March 2035	750	Floating	J+230 bps
28 March 2035	270	Fixed	G+94 bps
28 March 2037	100	Floating	J+249 bps

Renewable energy portfolio and mixed outcomes

The sustainability bond proceeds were allocated to a portfolio of renewable energy projects that collectively advance South Africa’s clean energy transition while delivering measurable social and environmental outcomes. This portfolio approach combines large-scale utility renewable projects and smaller initiatives, each contributing to reducing carbon emissions and promoting climate resilience. At the same time, these projects create employment opportunities, support local SMEs, and

strengthen socioeconomic development in host communities. This integrated approach aligns with the ICMA Sustainability Bond Guidelines, ensuring transparency and accountability in how proceeds are used. It also directly supports South Africa’s commitments to SDGs related to affordable clean energy (SDG 7), decent work and economic growth (SDG 8), reduced inequalities (SDG 10) and climate action (SDG 13).



IDCS02 28 March 2032

(R755 million)

BP number/application number	Location	ICMA principle(s)			SDG addressed	Target group(s)				Signed amount (R)	Share of total financing (%)	Eligible for Sustainability Bonds (%)	Allocated amount (R)	Portfolio life/budget years	Sustainability Bond Impact indicators					
1000097837/115656'	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	 	Historically disadvantaged persons	Unemployed and under-employed individuals	SMMEs		301 717 535	50.68	100	152 892 338	11.20	3 841 jobs created	Black ownership 49%			R448.4 million paid to B-BBEE QSE and EME vendors	Women employed in: <ul style="list-style-type: none">fencing (32%)electrical (22%)
1000096710/109898	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Renewable energy	SME financing	   	SMMEs	Unemployed and under-employed individuals			32 187 535	11.11	100	3 577 688	7.01	Renewable energy capacity installed 4.7MW	Number of jobs created (direct and indirect): 23 jobs (comprising 18 outsourced jobs and 5 temporary jobs)		Number of SMEs supported: 20		
1000097805/115251	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	  	SMMEs	Unemployed and under-employed individuals	Workers/employees		27 877 351	22.15	100	6 175 130	11.12	7 direct jobs and 1 temporary job	Workers Trust shareholding 25%		Number of SMEs supported: 7		
1000100380/119977	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	   	SMMEs	Unemployed and under-employed individuals	Workers/employees		7 582 522	100	100	7 582 522	2.04	86 jobs created or sustained	Workers Trust shareholding 26%		Number of SMEs supported: 53		
1000100640/121126	South Africa	Renewable energy	Socio-economic advancement and empowerment	SME financing	   	SMMEs	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities		194 043 000	37.04	100	71 873 527	17.69	100% black shareholding	30% women shareholding	Renewable energy capacity installed 69MW	87 jobs created (FTE or permanent as 31st Dec 2024)		11 women and youth supported
1000103682/132053	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	   	SMMEs	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	Unemployed and under-employed individuals	80 500 000	100	100	80 500 000	2.39	977 jobs: <ul style="list-style-type: none">152 permanent,567 temporary258 sub-contracted	51.5% black shareholding	7.5% women shareholding	A total of 47 SMME/ sub-contractors were supported, of which 40 are women-owned, 43 are EME/ QSE entities and 10 are youth-owned.		
1000102627/125016	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	   	SMMEs	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	Unemployed and under-employed individuals	100 000 000	100	100	100 000 000	16.18	72	55.7% black shareholding	11.4% women shareholding	Number of SMMEs supported: 14		

Note 1: The figures provided represent consolidated data across the three funded entities – as the projects were implemented on a single integrated site.

IDCS01 28 March 2030

(R171 million)

BP number/application number	Location	ICMA principle(s)			SDG addressed	Target group(s)			Signed amount (R)	Share of total financing (%)	Eligible for Sustainability Bonds (%)	Allocated amount (R)	Portfolio life/budget years	Sustainability Bond Impact indicators				
1000100640/121126	South Africa	Renewable energy	Socio-economic advancement and empowerment	SME financing	  	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	SMMEs	194 043 000	62.96	100	122 174 803	17.69	100% black shareholding	30% women shareholding	Renewable energy capacity installed 69MW	87 jobs created (FTE or permanent as at 31 Dec 2024)	11 women and youth supported
1000097837/115656'	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	 	Historically disadvantaged persons	Unemployed and underemployed individuals	SMMEs	301 717 535	16.18	100	48 825 197	11.20	3 841 jobs created	Black ownership 49%	R448.4 million paid to B-BBEE QSE and EME vendors	Women employed in: <ul style="list-style-type: none">fencing (32%)Scatec management (26%)electrical (22%)	

IDCS03 28 March 2035

(R750 million)

BP number/application number	Location	ICMA principle(s)			SDG addressed	Target group(s)			Signed amount (R)	Share of total financing (%)	Eligible for Sustainability Bonds (%)	Allocated amount (R)	Portfolio life/budget years	Sustainability Bond Impact indicators				
1000097837/115656'	South Africa	Employment generation and programmes designed to prevent and/or alleviate unemployment	Socio-economic advancement and empowerment	SME financing	 	Historically disadvantaged persons	Unemployed and underemployed individuals	SMMEs	301 717 535	33.14	100	99 989 191	11.20	3 841 jobs created	Black ownership 49%	R448.4 million paid to B-BBEE QSE and EME vendors	Women employed in: <ul style="list-style-type: none">fencing (32%)Scatec management (26%)electrical (22%)	
1000097696/114676	South Africa		Socio-economic advancement and empowerment	SME financing		Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	SMMEs	622 107 662	100	100	622 107 662	17.37	100% black ownership	37.4% women ownership	R448.4 million paid to B-BBEE QSE and EME vendors	Women employed in: <ul style="list-style-type: none">fencing (32%)electrical (22%)	3 841 jobs created

Note 1: The figures provided represent consolidated data across the three funded entities – as the projects were implemented on a single integrated site.

IDCS04 28 March 2035

(R270 million)

BP number/application number	Location	ICMA principle(s)			SDG addressed	Target group(s)				Signed amount (R)	Share of total financing (%)	Eligible for sustainability Bonds (%)	Allocated amount (R)	Portfolio life/budget years	Sustainability Bond Impact indicators						
1000100063/119731	South Africa	Renewable energy	Socio-economic advancement and empowerment		SME financing	   	Historically disadvantaged persons	Women entrepreneurs/women-owned entities			165 811 257	48.97	100	81 193 174	13.02	100% black shareholding	30% women shareholding	Renewable energy capacity installed 89MW	6 772 jobs created (FTE or permanent) as at 31 Dec 2024	1 876 women and youth supported	
1000071038/120825	South Africa	Renewable energy	Socio-economic advancement and empowerment	Employment generation and programmes designed to prevent and/or alleviate unemployment	SME financing	   	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	Unemployed and underemployed individuals		229 650 302	56.91	100	130 700 000	11.53	100% black shareholding	24.7% women shareholding	Renewable Energy Capacity Installed 1 045MW	Approximately 20 jobs sustained annually	Around 30–40 SMMEs supported	
1000101837/122999	South Africa	Renewable energy	Socio-economic advancement and empowerment	Employment generation and programmes designed to prevent and/or alleviate unemployment	SME financing	   	Historically disadvantaged persons	Women entrepreneurs/ women-owned entities	Unemployed and underemployed individuals	Youth entrepreneurs/ youth-owned entities	115 480 870	50.31	100	58 106 826	9.99	84.4% black shareholding	15.1% women shareholding	Renewable energy capacity installed 7.2MW	40 jobs created (FTE or permanent)	51.1% youth shareholding	Number of SMEs supported: 70

Note 1: The figures provided represent consolidated data across the three funded entities – as the projects were implemented on a single integrated site.

Scope and target groups

The Sustainable Bond allocation focuses on South Africa, benefiting diverse communities and target groups, including:

- Historically disadvantaged persons
- Unemployed and underemployed individuals
- Small, medium and micro enterprises (SMMEs)
- Workers and employees
- Women entrepreneurs and women-owned entities
- Youth.

Impact areas and ICMA principles

The funding is strategically allocated across various industries and ICMA principles, including:

- Employment generation: Programmes designed to prevent and/or alleviate unemployment
- Socioeconomic advancement and empowerment: Initiatives promoting economic inclusion and empowerment
- SME financing: Support for small and medium-sized enterprises
- Renewable energy: Investments in sustainable energy solutions.

Disclaimer

The Environmental, Social, Resilience and Governance (ESRG)-related information in this report carries a degree of inherent risk and uncertainty because it derives from ESRG data, models and methodologies that are rapidly evolving and are not of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles.

Outputs of models, processed data and methodologies are likely to be affected by (among other things) underlying data

quality, which can be hard to assess, and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available.

In the light of uncertainty as to the nature of future policy and market response to climate change and other ESRG-related issues, including between regions, and the effectiveness of any such response, and as market practice and data quality and availability develops, IDC may have to update the models and/or methodologies it uses, or alter its approach to ESRG analysis, and may be required to amend, update and recalculate its ESRG disclosures in the future. Revision to ESRG data may mean it is not reconcilable or comparable year-on-year.

This report contains graphics, tables, an illustrative case study and credentials which aim to give a high-level overview of certain elements of this report and improve the accessibility of the report for readers. These graphics, tables, illustrative case study and credentials are designed to be read within the context of the report as a whole.

The information in this report includes non-financial metrics and other information that are subject to significant uncertainties, which may include (without limitation) the collection and verification of data, and underlying data that is obtained from third parties (including IDC’s portfolio companies).

IDC has appointed BDO to perform limited independent assurance over selected ESRG content contained in this report. Further details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion can be found in the limited assurance opinion issued by BDO, a copy of which is appended to this report.



BDO Independent Practitioner’s Assurance Report

To the Directors of the Industrial Development Corporation South Africa Limited

We have undertaken a limited assurance engagement on the Industrial Development Corporation of South Africa Limited’s (IDC) sustainability bonds, in accordance with the International Capital Market Association (ICMA) Sustainability Bond Guidelines as presented in the 2025 Sustainability Bond Impact Report of the IDC for the year ended 31 March 2025 (the Report). This engagement was conducted by a multidisciplinary team including specialists with relevant experience in sustainability reporting.

Subject matter

We were engaged to provide a limited assurance conclusion in our report on the IDC’s Sustainability Bonds in accordance with the ICMA Sustainability Bond Guidelines (the “reporting criteria”) in the table below.

Sustainable bonds	Maturity	Amount (ZAR million)	Instrument type	Pricing
Sustainable Bond 1 – IDCS01	28 Mar 2030	171	Floating	J+185 bps
Sustainable Bond 2 – IDCS02	28 Mar 2032	755	Floating	J+200 bps
Sustainable Bond 3 – IDCS03	28 Mar 2035	750	Floating	J+230 bps
Sustainable Bond 4 – IDCS04	28 Mar 2035	270	Fixed	G+94 bps
Sustainable Bond 5 – IDCS05	28 Mar 2037	100	Floating	J+249 bps

Directors’ responsibilities

The directors are responsible for ensuring that the Sustainable Bonds comply with the requirements of the ICMA Sustainable Bond Guidelines, including the identification and assessment of the eligibility of projects to be financed by the Sustainable Bond proceeds. The directors are also responsible for ensuring the accuracy and completeness of the information presented in the Report relating to the Sustainable Bonds. The directors are responsible for the assertion that the IDC’s Sustainability Bonds have conformed to the post issuance requirements of the ICMA Sustainable Bond Guidelines.

The directors are responsible for the establishment of internal processes and controls related to the project evaluation and selection, management and reporting on the Sustainable Bonds, as required by the ICMA Sustainable Bond Guidelines. The directors are also responsible for ensuring that the information presented in the Report relating to the compliance of the bonds with the IDC’s reporting criteria (Sustainable Bond Framework) is accurate and complete.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the method used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of certain different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. The precision thereof may change over time. In particular, where the information relies on the factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third- party information. We will not conduct any work outside of the agreed scope and therefore restrict our conclusion to the assurance objectives set out herein.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)*. BDO South Africa Incorporated applies the *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the IDC’s Sustainable Bonds, based on the procedures we have performed and the evidence we have obtained, do not

BDO Independent Practitioner's Assurance Report continued

comply, in all material respects, with the ICMA Sustainable Bond Guidelines. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement in accordance with ISAE 3000 (Revised) involves assessing whether anything has come to our attention that causes us to believe that the IDC's Sustainable Bonds do not comply, in all material respects, with the ICMA Sustainable Bond Guidelines.

A limited assurance is a lower level of assurance, conducted in accordance with ISAE 3000 (Revised), but is not a guarantee that it will always detect a material noncompliance when it exists.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

In a limited assurance engagement, our engagement does not constitute an audit or review performed in accordance with the International Standards on Auditing or International Standards on Review Engagements and consequently an audit opinion or review conclusion are not expressed. We are not responsible for reporting on any compliance beyond those covered by our limited assurance engagement. As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional scepticism throughout the engagement. In making those risk assessments we considered internal control relevant to the IDC's Sustainable Bonds.

Given the circumstances of the engagement, the procedures performed included the following, but were not necessarily limited to:

- Conducted interviews with the IDC's staff responsible for the IDC's Sustainable Bonds to obtain an understanding of the processes, systems, and controls in place in respect of project evaluation and selection, use of proceeds, management of proceeds and reporting on the Sustainable Bonds.
- Inspected documentation which supports processes, systems, and controls in place for eligible projects, use of proceeds, management of proceeds and reporting on the Sustainable Bonds.
- Performed testing on a sample basis to evaluate the funds placed within the projects is in accordance with eligibility criteria (ICMA Sustainable Bonds Guidelines).

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the IDC's Sustainable Bonds as set out in the subject matter paragraph for the year ended 31 March 2025, do not comply, in all material respects, with the ICMA Sustainable Bonds Guidelines.

Other matters

The maintenance and integrity of IDC website is the responsibility of IDC management. Our engagement and procedures did not involve the consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of presentation on the IDC website. Our assurance conclusion is not modified in this regard.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the subject matter to the directors of the IDC in accordance with the terms of our engagement and for no other purpose. We do not accept or assume liability to any party other than IDC, for our work for this report, or for the conclusion we have reached.

BDO South Africa Inc.
BDO South Africa Inc. (Aug 28, 2025 09:00:32 GMT+2)

BDO South Africa Incorporated

Registered Auditors

Z Nyandeni

Director

Registered Auditor

28 August 2025

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