

Tolaram



2023 Sustainability Report

Creating Possibilities, for Generations

Live, Work and Play





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Introduction

About the Report

This report discloses our Environmental, Social, and Governance (ESG) performance for the 2023 financial year and our plans for future years. This is the first sustainability report.

Basis Of Preparation

We have endeavored to ensure that this report aligns with the GRI Standards, thereby offering a standardized and robust reporting framework. Moreover, the disclosed information in this report conforms to the IFRS Sustainability Standards, highlighting the integration of financial reporting with sustainability considerations. Additionally, the report elucidates LFZ's contribution to the United Nations Sustainable Development Goals (UN SDGs), thereby reaffirming its commitment to global sustainability objectives. The data concerning tenants, contractors, and residents within the zone is not included in this report.

Reporting Boundary

The maiden report of the Zone offers a comprehensive overview of the Zone's operations from its inception, providing a detailed account of all activities conducted. It spotlights the operations of the special purpose vehicles strategically positioned within the Zone, designed to streamline and enhance operational efficiency.

Reporting Period

The disclosed information in this report covers the reporting period from January 1, 2023, to December 31, 2023, reflecting LFZ's dedication to transparency and accountability in its reporting practices.

Management Assurance

The Management Team recognizes its accountability in preserving the accuracy and integrity of this report. To ensure the accuracy and reliability of the presented data, LFZ employed a rigorous data collection process. This involved integrating primary sources from LFZ's internal processes and operations, underscoring the commitment to identifying pertinent issues that inform internal decision-making.

Our Operational Highlights

GRI 205 - 3 | IFRS S1 46 | S2 28

Environment


2,370,553

Electricity consumption kWh

2774*

GHG Emissions - Scope 1 & 2 (Tonnes CO2e)

42,177

Renewable energy generation (kWh)

27,772

Water consumption (Kiloliters)

4.91

Recycled waste (% of total waste)

29 hectares

Afforestation

Social


179.88

Social Investment ('000 USD)

6000+

Beneficiaries annually

87.78

Procurement from local suppliers (%)

Zero

Fatalities

50

50 Youths Trained in Skill Development Program

100

Teenagers Participated in Youth Health Program

Governance



- Structure and oversight
- Board with strong independence
- Business Ethics Policy
- Fully Independent Audit Committee
- Enterprise Risk Management Process

Zero

No instances of anti-bribery and corruption (reported cases)

Zero

No incidents of sexual harassment (reported cases)

*All emissions are calculated using GHG protocol.

Awards and Recognitions



In the year under review, LFZ received multiple awards and recognitions. Notably among these are:

- + Best Local Currency Bond Issue in 2021 and 2022**
 - EMEA Finance for the Series 1 & 2
- + Corporate Bond Innovation Award**
 - Nigerian Exchange Group
- + Industrial Champion Award**
 - FDI Intelligence
- + 2022 InfraCredit ESG & Impact Awards**
 - Best ESG/OHS Performance
 - Best Development Impact System
 - Best ESG Innovation

To drive our shared commitment to sustainable practices, LFZ holds membership in associations geared towards advancing/promoting sustainable development. These include the Nigeria Economic Zones Association and the Africa Hydrogen Partnership.



fDi
FREE ZONES
OF THE YEAR
2023

Economic Performance

GRI 201-1 | 201-4 | 207-2 | IFRS S1 35 | 43



Nigeria remains amongst the fastest growing economies in Africa with a **GDP** rate of

3.1%

Nigeria has been plagued with major macroeconomic issues that have perturbed and greatly streamlined the growth of LFZ in Nigeria but nevertheless we have maintained a steady growth trajectory over the last couple of years. We are looking forward to the stabilization of the Nigerian economy with policies and programmes from the incumbent government.

At LFZ, we realise our role as an enabler in Nigeria's development story and the impact our operations have on the businesses located in the Zone. We play an important role in the overall economic development and the provision of infrastructure for tenants within the zone. We have a diverse mix of businesses within the Zone. Our revenue from operations increased by more than 150% in comparison to the previous financial year. Although a relatively new business, we have become

profitable within the last three years. We foresee a jump in revenue in the next few quarters despite the devaluation of Naira.

We do not only create value for tenants, but we also enrich the lives of our employees and residents in our host communities. We support local hiring and engage residents of host communities after upskilling them. LFZ complies with all laws and regulations related to tax.

To sustain future economic growth, we plan to improve infrastructure within the Zone, invest in digitization, automation and innovation and build a sustainable connected city. This will ensure our customers keep receiving best in class services while creating and distributing economic value across the value chain.

Snapshot of our economic performance:

	FY 2023 (\$'000)	FY 2022 (\$'000)
Total Revenue	15,335	5,559
Total capitalization (debt)	105,203	117,412
Total capitalization (equity)	350,591	335,500
Employee wages, salaries and benefits	1,771	1,215
Operating Costs	7,568	5,468
Social/Community Investments	179.88	187.36



2

Insights from Zone Leaders:

MANAGEMENT'S 360° VISION



Message from the Managing Director Fintech and Infrastructure, Tolaram



“Up to 25% of dividends declared goes back to the communities that sustain us, underscoring our commitment to giving back.”

Dear Esteemed Stakeholders,

I am thrilled to introduce LFZ's inaugural sustainability report, documenting our progress throughout the financial year 2023. Tolaram, with history spanning 75 years, has dynamically evolved alongside the ever-changing business landscape. As a corporate entity, we have embraced sustainability as an integral component of our overarching business philosophy.

In our pursuit of navigating the intricate terrain of ESG considerations, we have adopted a comprehensive and forward-looking approach. Tolaram, comprising diverse subsidiaries, recognizes the necessity to broaden our decision-making spectrum. The entire group, in alignment with the Board, has embraced the imperative for all subsidiaries to attain sustainability within a specified timeframe. Although the pace and milestones may vary across subsidiaries, the overarching direction is resolutely clear.

A significant portion of our ownership now resides in the Ishk Tolaram Foundation, underscoring our commitment to giving back to the communities that sustain us. For every dollar of dividend declared, up to \$0.25 is allocated towards the Foundation. This transition towards formalized philanthropy, initiated in 2015, marks a pivotal moment in our corporate responsibility and sustainability journey.

In 2018, we solidified sustainability as the cornerstone of LFZ's business strategy underscoring our belief that sustainability

represents a unique selling proposition for the Free Zone. Our management team under the guidance of the Tolaram Board and supported by our Chief Sustainability Officer has seamlessly integrated sustainability into LFZ's decision-making process. Our transition from a profit-centric model to one deeply rooted in sustainability reflects our commitment to making a positive impact on society.

Our journey commenced with ambitious internal targets, followed by a materiality assessment to gather stakeholder perspectives with a view to validate and optimize our ambitions. This interactive process informed our comprehensive Environmental and Social Management Plan (ESMP), incorporating clear targets and timelines for achievement. For example, at LFZ, construction and development work are intricately tied to sustainability, steered by a collective decision-making process led by the Chief Sustainability Officer. Safety, prioritized at the highest level, is embedded in all our processes and operations.

Over the next two years, our objective is to align our operations by measuring and tracking various aspects of environmental, social, and natural resource impacts. However, LFZ's commitment transcends mere measurement; we aspire to achieve the set targets within the defined timelines with the hope of making a meaningful contribution to the society in a sustainable and responsible way.

Thank You.

Navin Nahata

Message from the Managing Director & Chief Executive Officer, Lagos Free Zone



“The LFZ Scholarship program is a testament to our belief in empowering the next generation, ensuring that no talent goes unnoticed or unsupported.”

Dear Esteemed Stakeholders,

Today, I stand before you with immense pride as we unveil the inspiring journey of our sustainability and corporate responsibility embarked upon by the Lagos Free Zone (LFZ). From our humble beginnings to our current standing as a beacon of hope and progress in Nigeria, our commitment to environmental, social, and governance (ESG) practices has been unwavering. Our vision, strategy, and action plan have Tolaram's core values, purpose, and sustainability at the edifice.

As we delve into the heart of LFZ's initiatives, it is crucial to recognize the transformative impact these endeavors have had on our host communities and beyond. From the construction of vital infrastructure such as toilet blocks and water hand pumps in numerous schools to establishing community halls facilitating open dialogue and problem-solving, each project reflects our ethos of leaving a lasting legacy of shared prosperity and well-being.

Furthermore, our dedication to education shines brightly through initiatives like the Tolaram Science Challenge, which fosters academic excellence and instills a passion for innovation and critical thinking among young minds. The LFZ Scholarship program is a testament to our belief in empowering the next generation, ensuring that no talent goes unnoticed or unsupported.

In our pursuit of sustainability, environmental stewardship takes center stage. The installation of solar lights along community roads and our

involvement in marine turtle conservation underscore our commitment to preserving the natural world for future generations. These efforts mitigate environmental impact and serve as a testament to our resolve to create a harmonious balance between industry and nature.

But our journey does not stop there. We are not merely builders of infrastructure or aid providers; we are architects of a culture of excellence and empowerment. By investing in programs like the Youth Skillz Program and the IshK Tolaram Skills Center, we are equipping individuals with tangible skills and nurturing a mindset of continuous learning and growth.

At LFZ, our commitment to sustainability extends beyond the physical realm; it permeates our organizational culture and ethos. Through initiatives like the Business Sustainability Management program in partnership with Cambridge University, we are fostering a culture of innovation and responsibility among our workforce, empowering them to drive positive change within and beyond our organization.

As we reflect on our journey thus far, it is clear that our purpose of "Creating Possibilities, for Generations" is not just a lofty ideal; it is a tangible reality woven into the fabric of everything we do. Together, let us continue striving for a future where sustainability isn't just a buzzword but a way of life - a legacy of hope, progress, and possibility for generations to come.

Thank you.

Dinesh Rathi



3.

Exploring the Zone:

AN OVERVIEW



Overview of Lagos Free Zone

Corporate Snapshot

GRI 2 – 1



Vision

To be the preferred industrial hub in West Africa with world-class infrastructure



Mission

To maximize value for all our stakeholders by providing the best-in-class infrastructure, facilities and services

LFZ, founded with the support of Tolaram- a Singapore-based conglomerate with business interests spanning three continents, is the first private-owned free zone in Nigeria. Located in Lekki, Lagos, it is right in the center of West Africa’s largest economy with easy access to regional and international markets.





850 hectares

Approximate landed area of the zone

70% - Industrial Clusters

(Inclusive of 44 Hectares of Green & Blue area)

20% - Logistics

10% - Mixed-use Developments

The Zone covers a landed area of approximately 850 hectares, 70% of which has been allocated to the dedicated industrial clusters for manufacturers in FMCGs, pharmaceuticals, chemicals, engineering, non-metallic minerals and paper industries. 20% has been assigned to logistics and 10% to mixed-use developments including commercial, residential, or hospitality projects which are oriented toward retail and real estate investors. The Zone is integrated with a 90-hectare Lekki Deep Seaport which is providing a viable maritime gateway connecting Nigeria to the rest of the world.

LFZ aims to facilitate value creation and ease business dealings for all stakeholders by providing access to top-class infrastructure and facilities as well as value-added products and services. These include a well-developed road network inside and outside the Zone, gas pipelines for efficient power generation, guaranteed water supply, waste management in tandem with the government, emergency medical and fire-fighting units, designated truck parking bays, customs green channel, well-equipped communications network and maximum security. LFZ is providing access to the Lekki Deep Seaport to facilitate international trade, first class warehousing facilities and an industrial training centre. In addition to the robust

infrastructure, tenants receive other incentives in the form of tax breaks and customs exemptions.

Our value-added services are aimed to ease the transition of our clients into the West African market. We offer dispute-free land purchase and property registration, aid in securing building permits assistance with launching new businesses in a single window clearance system that encompasses Immigration, Customs, and NEPZA, non-requirement of an expatriate quota for foreign employees, regional and international trade support mixed-use cluster development plan. With a focus on the ease of doing business, the Zone has had a tremendous impact on its stakeholders. We plan to invest aggressively in improving the infrastructure within the Zone and build a smart sustainable city.

At LFZ, sustainable development is a guiding philosophy. Through our various corporate social and environmental responsibility initiatives, we generate positive impacts for collaborators, communities and the country. This enables the support of education and skill development, health promotion, youth empowerment, rural infrastructure, women empowerment, environmental conservation, waste, and water management.



Our Special Purpose Vehicles (SPVs)

GRI 2 – 6 | IFRS S1 32

With multiple projects underway, we have enlisted and incorporated the use of seven special purpose vehicles (SPV's) to run the different projects efficiently.

+ Tolaram Port Investment Inc.

Tolaram's share of 22.5% in the Lekki Deep Sea Port Project is held through a subsidiary of LFZC, Tolaram Port Investment Inc. which is registered in BVI.

+ Lekki Bulk and General Cargo Terminal (LBGCT) LFTZ Enterprise

Tolaram has exclusive rights to develop, finance, operate and maintain a dry bulk and general cargo terminal. LBGCT is set up by Tolaram as an SPV responsible for planning and developing the dry bulk terminal integrated with the Lekki Deep Sea Port.

+ Free Zone Utilities (FZU) LFTZ Enterprise

The core business activity of FZU is to provide all kinds of utilities/services related to the development of state-of-the-art industrial free zone such as warehouses, standard industrial facilities (SIFs), container yard, office spaces, housing, medical clinic, truck park, gas supply network, treated water network, centralized waste collection centre, and industrial training centre.

+ Elevate Commercial Park Limited

The main purpose of this subsidiary is to carry on business as a real estate agent/ estate developer and to own properties and engage in other related businesses.

+ LFZC Funding SPV Plc

The main purpose of the company is to arrange and structure debt and equity financing (for instance bond issue) for the Lagos Free Zone Company.

+ Irele Energy LFZ Enterprise

The main purpose of this subsidiary is to carry on the business of electricity generation within the Lagos Free Zone.

+ Igboya Power LFZ Enterprise

The main purpose of this subsidiary is to carry on the business of Electricity supplier and distributor with Lagos Free Zone.

Our Operations



Welcome to LFZ

The heart of the Lekki Industrial Corridor and one of West Africa's premier free zones. At LFZ, we are dedicated to facilitating seamless company setups and expansions, empowering businesses to operate confidently and trade efficiently.



Manufacturing and Trade Gateway

LFZ serves as a catalyst in positioning Nigeria as a key manufacturing and trade hub for commodities. Our comprehensive offerings support businesses in every stage of growth, connecting them to new opportunities across West Africa and beyond.



Thriving Community

With about 5,000 workers, residents, visitors, and entrepreneurs, LFZ is a vibrant community hub. Our modern real estate provides top-tier amenities including restaurants, residential and commercial spaces, as well as cutting-edge healthcare and skill development facilities. We foster community engagement through various channels including LinkedIn, Instagram, Facebook, and Twitter (X).



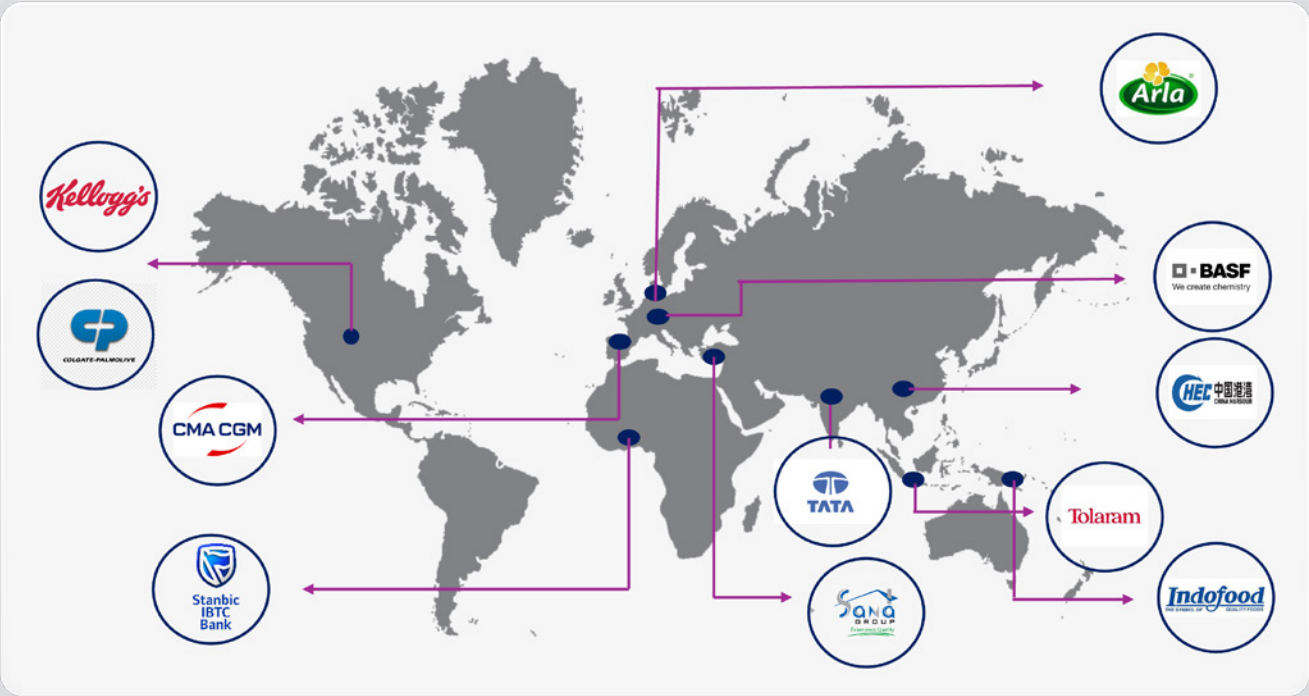
5,000

Workers, residents, visitors, and entrepreneurs



Our Tenant Portfolio and Services Offered

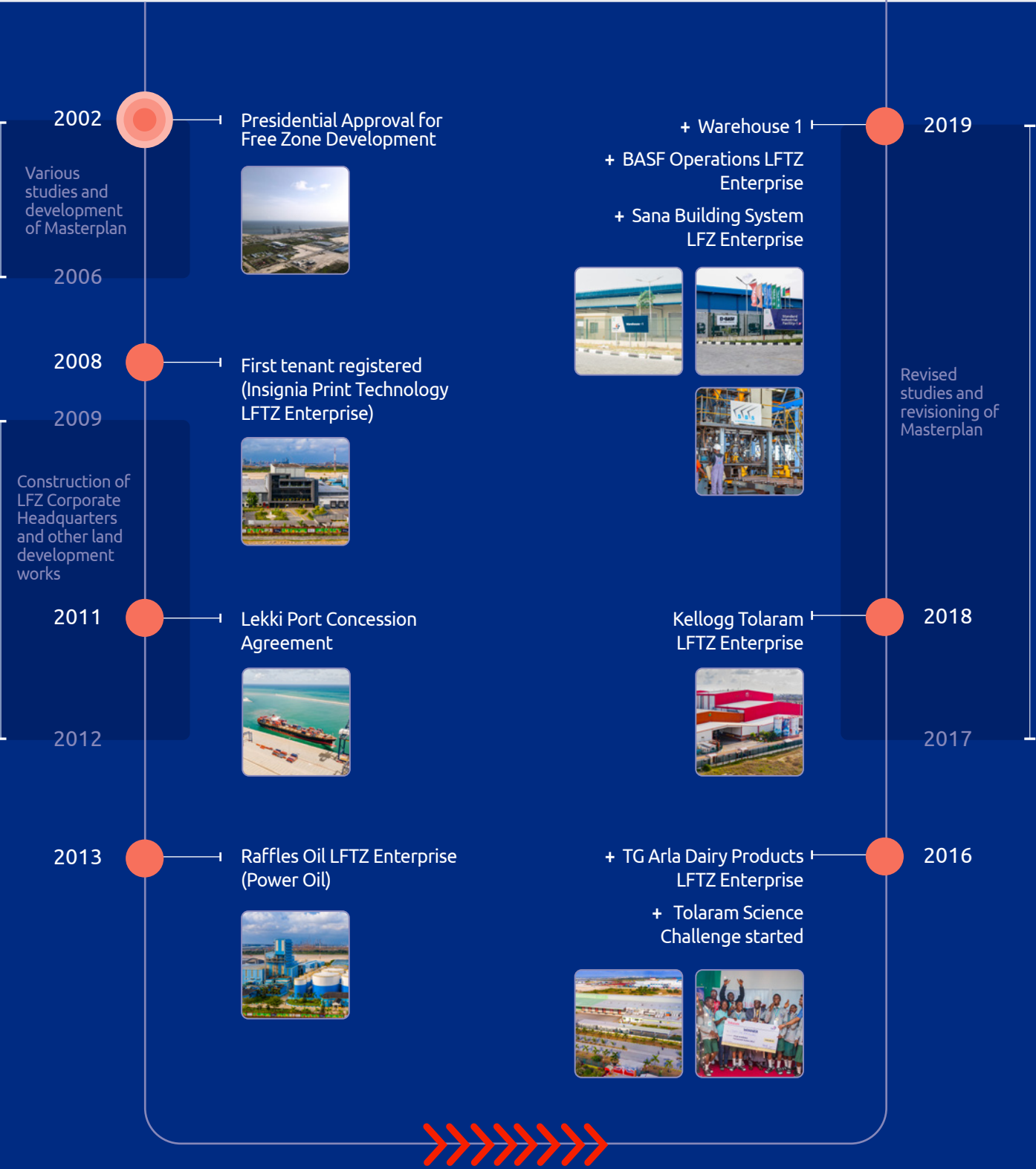
LFZ has enabled several renowned multinational and international brands to establish and expand their businesses into Nigeria sustainably and responsibly.
Our tenants include:





Our Journey Over the Years

Milestones



2020

- + Standard Industrial Facility 1
- + Lekki Port Financial Closure



2022

- + Gas Infrastructure Development Agreement (Piped Natural Gas Supply)
- + Colgate Tolaram LFTZ Enterprise
- + Residential Tower 1
- + Warehouse 2



2023

- + Green packaging LFZ Enterprise
- + G+1 Residential Building
- + Standard Industrial Facility 2 & 3
- + Lekki Port operations started
- + Agreement with TATA International
- + IshK Tolaram Skill Center (ITSC)



Our Capital Project Portfolio

GRI 2 – 6 | 203 - 1



Irele Tower

Certification:

EDGE Certified

Structure:

Ground floor + Mezzanine + 2 parking floors + 6 levels of office floors + rooftop cafeteria

Facilities:

Retail space, office space, rooftop cafeteria

Commencement:

June 2022

Estimated Completion:

August 2024

Built-Up Area:

12,035 sqm

Gross Lettable Space Area:

8,500 sqm



Residential Tower 2: High-end residential apartment

Certification:

EDGE Certified

Structure:

Ground floor and 4 levels of residential space (1BHK - 26nos, 2BHK - 23nos and 3BHK - 4nos)

Features:

Two lifts, two staircases

Commencement:

March 2023

Estimated Completion:

May 2024

Built-Up Area:

7,500 sqm



Entrance Arch

Concept:



Inspired by 'Abeti Aja'

– A Yoruba cap symbolizing grace and poise

Cultural Significance:

Reflects LFZ's commitment to local culture.

Sustainability Focus:

Incorporates steel and fiberglass to minimize cement use

Construction Material:

Steel, fiberglass

Purpose:

Blends tradition, architecture, and sustainability

Commencement:

February 2024

Estimated Completion:

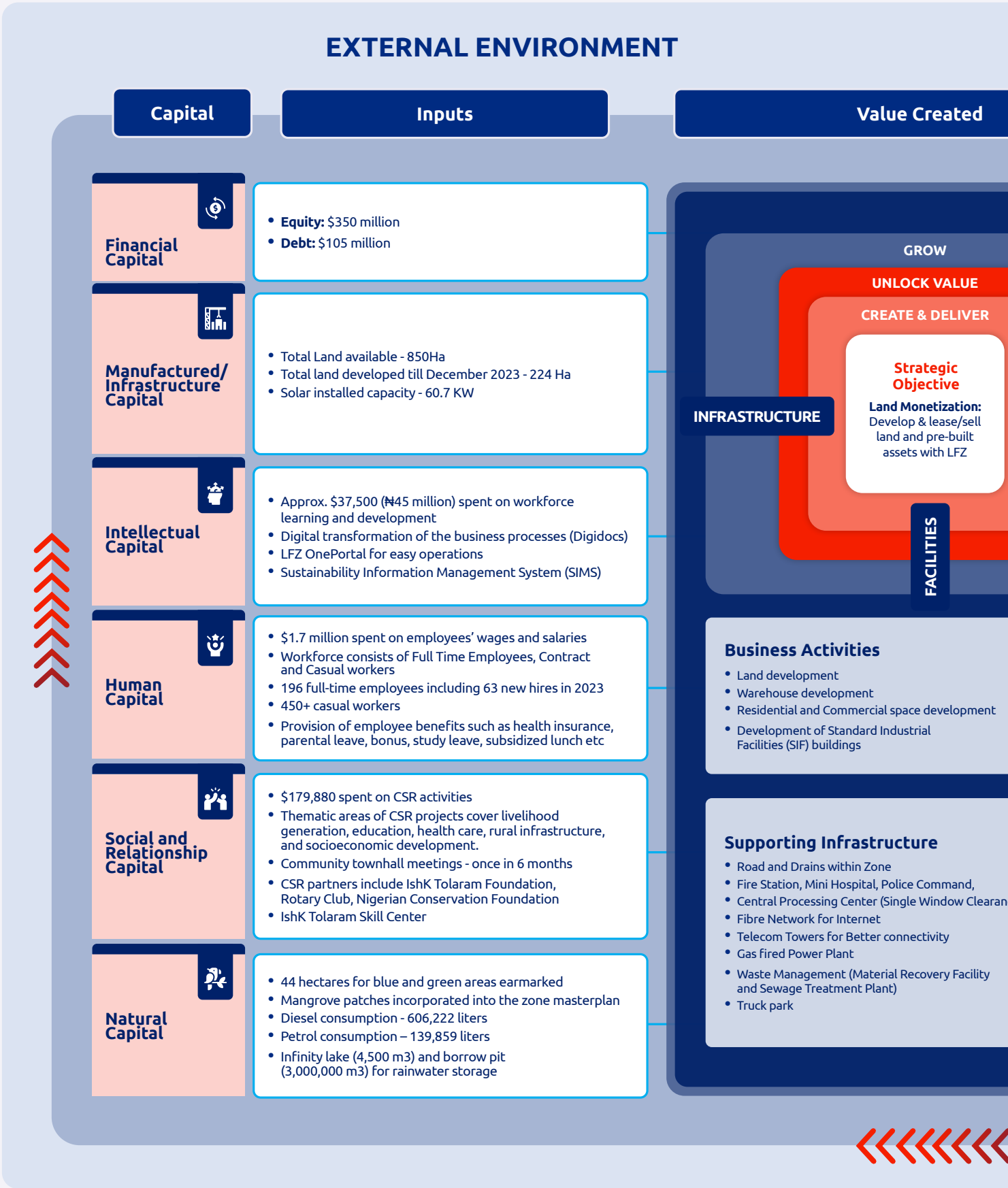
June 2024

Symbolism:

Represents pride, cultural heritage, and commitment to eco-friendly practices

Our Business Model and Strategic Value Drivers

GRI 2-8 | 404 -1 | IFRS S1-32 | S2-13



EXTERNAL ENVIRONMENT

Output

Outcomes

SERVICES

- **Revenue:** \$15.3 million
 - **Profit:** \$43.7 million*
- *Net profit is more than revenue mainly due to recognition of foreign exchange gain on monetary NGN liabilities (net of assets) on account of appreciation of USD against NGN.

- Aim to deliver robust returns and long-term sustainable value for shareholders
- Market capitalization
- Contribution to gross domestic product
- Contribution to federal and local revenues

- 86.2Ha of land available for establishment of factories
- 90 Ha of land for port operations
- 23 Ha non-sellable Area
- 9 Ha Area available for commercial buildings
- 2.7 Ha of space available in SIF for industries
- 1.8 Ha of warehouse space available for storage
- 11.3 Ha land available for Residential Areas
- 42,177 KWh of solar electricity generated during the year

- Attracted foreign direct investment
- Ease of doing business
- World-class and state-of-the-art infrastructure
- Optimal value ecosystem
- Sustainable physical assets
- Globally competitive services and value to customers
- Efficiency in operation and maintenance
- Minimal negative environmental footprint

- 13,568 training man-hours
- Automated and efficient processes
- Reduction in paper usage

- Automation of the Zone's operations
- Improved customer satisfaction and increased revenue
- Resilient processes and systems
- Elevated brand and social relevance

- Diverse employee base – 4 different nationalities
- Approximately 5,000 new jobs created
- Gender diversity (173 males; 24 females)
- Talent management
- 4.57% attrition rate in 2023
- Zero fatalities

- Long-term livelihood Opportunities for communities
- Learning and development opportunities
- Contribution to direct and indirect employment
- Satisfied workforce
- Safe Workplace

- 6,000+ CSR beneficiaries annually
- Increased employment opportunities for indigenes and local dwellers (83.8% of the full-time workforce are Nigerians)
- Zero community grievances
- 50 students from the community trained on plumbing and masonry skills

- Enhanced lives and livelihoods of community members
- Help create opportunities for employment and entrepreneurship for local communities
- Satisfied community around us

- 29 Ha of green area already developed
- 14.88 tonne CO₂e GHG saved because of solar power use
- Planted the first Miyawaki site in the Zone
- Scope 1 & Scope 2 GHG emission generated: 1962.27 CO₂e and 811.87 CO₂e

- Improved ecological wellbeing.
- Water conservation
- Reduced pollution
- Sustainable consumption
- Improved rainwater management



From Vision to Action:

LFZ'S DYNAMIC APPROACH TO RESPONSIBILITY



Message from the Chief Sustainability Officer, Lagos Free Zone



“ Throughout our value chain, encompassing planning, development, and operations, we diligently incorporate sustainable practices to shape a resilient and future-ready Zone. ”

Dear Esteemed Stakeholders,

Nigeria proudly joined the global community as a signatory to the Paris Agreement, pledging significant commitments to address climate change. The nation has taken noteworthy steps in recognizing the importance of sustainability, exemplified by the enactment of legislative provisions such as the Climate Change Act of 2021 and the establishment of relevant agencies.

At the Lagos Free Zone, sustainability is more than commitment; it is interwoven into the very fabric of our operations. Throughout our value chain, encompassing planning, development, and operations, we diligently incorporate sustainable practices to shape a resilient and future-ready Zone. From the architectural design phase, we prioritize green building standards, ensuring that our structures are certified and environmentally friendly. This approach aligns with our broader commitment to sustainable construction practices.

Our commitment to sustainability is evident in our integrated power system within the Zone. Adopting both gas and solar energy sources, we strive to minimize our carbon footprint, actively contribute to environmentally friendly initiatives, and achieve environmental goals. Material data such as emissions, safety statistics, training, and grievances, among others, are captured and aggregated with calculations and assumptions disclosed.

We continued to drive capacity building in terms of safety and provided 4097 man-hours of specialized safety training during the year. We firmly believe that achieving 'Zero Harm' is possible if we all strive for it. It is also important to emphasize that safety at the workplace is a condition for employment at LFZ and a condition of engagement for all contractors and subcontractors.

To achieve our sustainability objectives, we have embarked on rigorous staff training and demand

the same from all our suppliers. The MD of fintech and infrastructure at Tolaram and MD&CEO LFZ attended the in-class Business Sustainability Program (BSP) at Cambridge University while 13 management staff have undertaken the online Business Sustainability Management (BSM) programs of the Cambridge Institute for Sustainability Leadership (CISL). The entire 196 full-time employees and 483 workers have been trained using the Tolaram sustainability essential curriculum.

Prioritizing the well-being of employees, site workers, and host communities reflects a holistic understanding of sustainability that encompasses social and ethical considerations alongside environmental concerns. By upholding safety standards, respecting human rights, and fostering positive relationships with local communities, the Lagos Free Zone sets a positive example for responsible corporate citizenship.

In LFZ, sustainability influences every facet of our investment and daily operations with achievements marking our sustainability journey. The dedication of the LFZ board to sustainability, as evidenced by setting measurable targets and transparently communicating progress, underscores our commitment to accountability and continual improvement.

We are diligently working towards setting a new standard as a pacesetter, leading a sustainable special economic zone in Nigeria. We aspire to influence the real estate and infrastructure industry and to set an example for the entire nation. The journey towards sustainability is our dedication to crafting a cleaner and greener future for our nation, and our commitment to this cause remains unwavering. Together, we forge ahead, pioneering positive change for a sustainable tomorrow.

Thank You.

Vishal Chandrakant Shah

Tolaram’s Purpose

Creating Possibilities, for Generations

Our history and experience in navigating diverse markets allow us to continuously grow by **creating new possibilities.**

Our story spans generations. We are committed to building enduring businesses and **a sustainable future for all.**

Sustainability Oversight

GRI 2 – 17

As a responsible corporate entity, we are dedicated to leaving positive impacts in the communities where we operate and actively contribute to the overall infrastructure development of our nation. Recognizing the significance of our role, we are committed to establishing a resilient sustainability governance structure that harmonizes our strategy, operations, and processes.

We are genuinely committed to creating value, and a positive legacy and aspire to be a catalyst for positive change and leaving indelible footprints that benefit every stakeholder.

Sustainability Strategy

GRI 2 – 22

Our sustainability strategy is built on the triple bottom line framework, which highlights the importance of considering people, planet, and profit in tandem. We strive to strike a balance between economic success, social responsibility, and environmental preservation, aiming to develop a sustainable business model that benefits everyone involved.

While compliance with national laws and international standards is essential, we aspire to go beyond compliance and set new benchmarks for sustainability in our industry. We are continuously improving our practices, embracing innovation, and seeking to lead by example and inspire others to follow suit. Risk management is at the core of our sustainability strategy, focusing on addressing environmental, social, and governance (ESG) factors. We proactively identify potential risks and implement robust measures to protect our business operations and ensure resilience in the face of evolving challenges.



We are dedicated to reducing our negative environmental footprint by implementing sustainable practices across our entire value chain. This encompasses initiatives such as reducing energy consumption, minimizing waste generation, and promoting the use of renewable resources. Through ongoing monitoring and performance tracking, we strive for continual improvement in environmental stewardship.

Our social strategy also includes initiatives aimed at enhancing social well-being and fostering inclusive growth within the communities where we operate. This involves investing in corporate citizens projects, supporting local economic development, and promoting sustainable procurement practices. We aim to build trust and create shared value by actively engaging with stakeholders and addressing their needs.

Recognizing our employees as our most valuable asset, we prioritize their well-being by providing a safe, supportive, and inclusive work environment. Through training, creating opportunities for career advancement, and providing a conducive work environment, we empower our workforce and cultivate a culture of excellence.

We view sustainability as an ongoing journey and are committed to embracing principles of compliance, innovation, and risk management to establish a foundation for long-term success and to make a positive impact on the world around us.

Our Approach to Sustainability Governance

The board and top management team at LFZ take a proactive role in closely supervising sustainability activities within our organization.



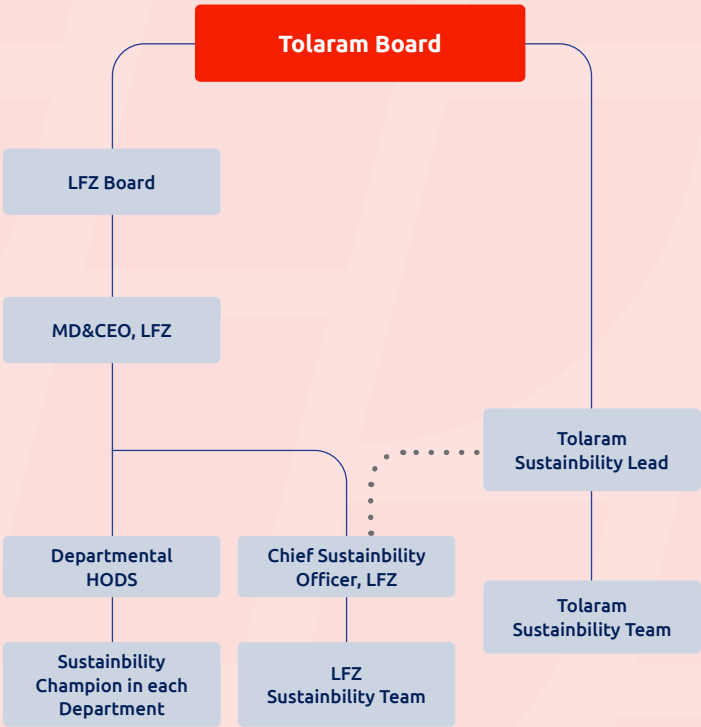
At the senior management level, we have a dedicated Chief Sustainability Officer responsible for coordinating sustainability efforts across departments and ensuring that the Zone’s sustainability priorities are strategically set and addressed at the corporate level.

Sustainability Governance Framework

We have developed comprehensive policies for various sustainability pillars, serving as guides on how we address key material issues concerning the environment, processes, and people.

Our sustainability framework operates on three distinct levels to ensure transparency, openness, and adherence to both national and international laws. At the pinnacle of our structure, the board and top management provide strategic oversight, ensuring responsibility and accountability for sustainability practices. This top-tier management is robustly supported by the Sustainability Team, which is responsible for managing operations and ensuring compliance with Environmental, Social, and Governance (ESG) principles. Additionally, the Sustainability Team receives strong support from sustainability champions embedded in various departments. This collaborative approach ensures the effective implementation of sustainability initiatives across the Zone.

GRI 2 – 14 | IFRS S1-27 | S2-6



Sustainability Team

The Sustainability Team at LFZ plays a pivotal role in operationalizing and upholding our commitment to sustainability. Their key responsibilities include:

- Collaborate with senior management to provide strategic direction and oversight for sustainability initiatives, ensuring alignment with corporate goals.
- Ensure strict adherence to ESG principles and relevant sustainability laws and regulations, thereby upholding the highest standards of corporate responsibility.
- Manage day-to-day sustainability operations, overseeing the implementation of policies and practices that reduce our environmental impact and promote social responsibility.
- Engage with internal and external stakeholders, foster communication and collaboration, ensuring that all stakeholders are informed and involved in our sustainability efforts.
- Compile and report sustainability metrics, fostering transparency in our practices. This includes regular reporting to the board and stakeholders on our sustainability performance.

Sustainability Champions

Our Sustainability Champions, distributed across various departments, act as ambassadors for sustainability within their respective domains. Their functions and responsibilities include:

- Actively promote sustainability awareness within their departments, educating colleagues on the importance of sustainable practices.
- Adopt a hands-on approach, implementing sustainability initiatives within their departments and ensuring that they align with the overarching sustainability goals of LFZ.
- Continuously monitor the progress of sustainability initiatives, providing feedback to the Sustainability Team on effectiveness and suggesting improvements.
- Encourage innovation, champions explore and propose new sustainable practices and share best practices with their teams to foster a culture of continuous improvement.
- Facilitate collaboration between departments, ensuring that sustainability efforts are integrated into various facets of LFZ's operations, promoting a holistic approach to sustainability.



Key ESG Policies

GRI 2 – 23 | 2 – 24

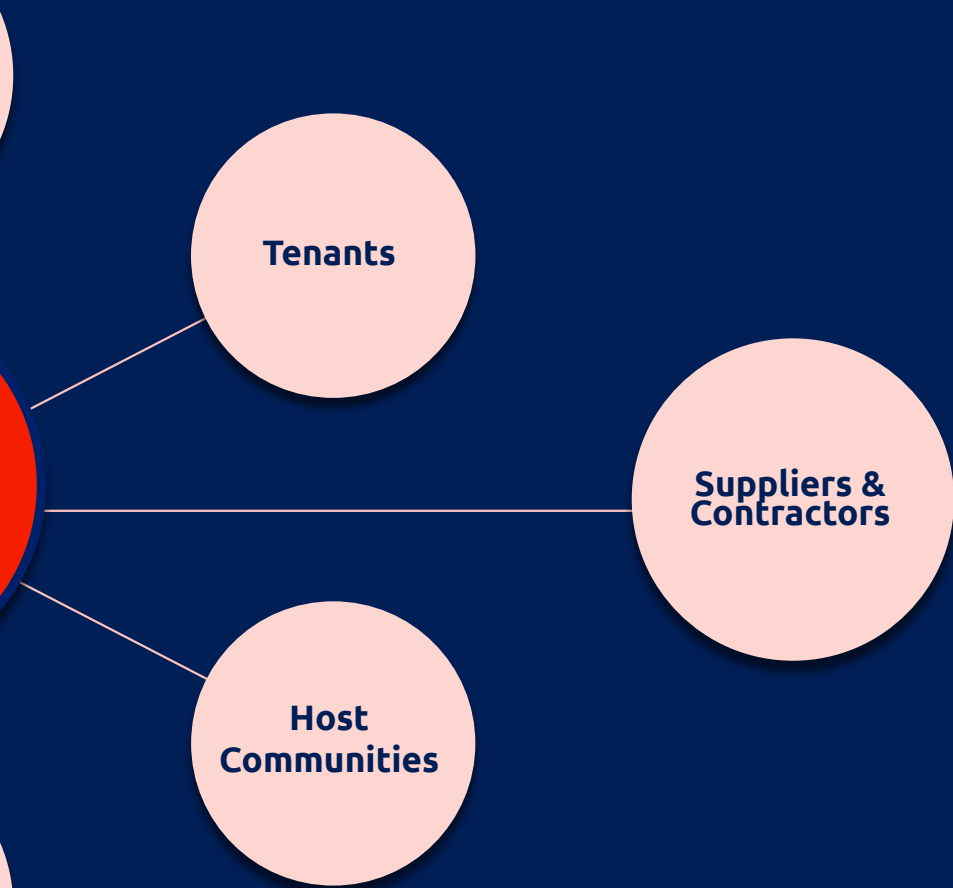
Policies and Plans	Details	Stakeholder Group	Responsible Departments
Business Ethics Policy	The objective of the policy is to set ethical guidelines and to prevent corporate and industrial espionage, protect customer privacy, discourage inducements of clients and customers, and protect our intellectual property.	Board of directors, senior management, junior staff	Legal
Whistleblower Policy	We aim to provide an environment that promotes a responsible and protected platform for employees and directors to voice genuine concerns and grievances about unprofessional conduct without fear of reprisal.	Employees, customers, suppliers, and communities	Legal
Anti-corruption Policy	This policy states our activities toward ensuring full compliance with applicable laws related to bribery or corruption in the jurisdiction in which we operate.	Government and regulatory bodies, employees, customers, suppliers, communities, investors and shareholders	Legal
Grievance Redress Mechanism	The grievance mechanism procedure applies to all stakeholders (internal stakeholders, community, and all other external interested parties) of our operations and activities.	All stakeholders	Sustainability and Human Resources
Environment Management Policy	The policy aims to ensure that economic growth and the environment can co-exist by promoting initiatives to reduce environmental impact.	Government and regulatory bodies, employees, investors and shareholders, community, and suppliers	Sustainability, Contracts
Quality Policy	The objective is to establish, implement and maintain a Quality Management System that meets and exceeds the expectations of stakeholders.	Employees, suppliers/contractors	Quality
Chance Find Procedure	Chance Find Procedure (CFP) details the actions to be taken when an unidentified potential heritage item/site is encountered during construction and operation activities.	Government, employees, contractors	Sustainability
Biodiversity Action Plan	The objective is to outline project activities for offsetting residual impacts and improving local biodiversity.	Employees, contractors, host communities	Sustainability
Carbon and Energy Management Plan	We aim to monitor and optimize the energy efficiency of projects and minimize greenhouse gas emissions in response to our commitment to the national climate change target.	Employees, contractors	Sustainability

Policies and Plans	Details	Stakeholder Group	Responsible Departments
Emergency Response Plan	The main objective of this emergency response plan is to streamline the various envisaged emergencies that could pose a threat to LFZ business operations, workers lives / other assets and eliminate or minimize human injury, avoid LFZ property damage, avoid fatality and as quick as possible return business operations back to normalcy.	All stakeholders	Sustainability
Corporate Social Responsibility Policy	We are committed to create and promote behavior that generates value to all stakeholders in the context of a socially responsible culture that is reflected in the development of a special economic zone.	Host communities	Sustainability
Occupational Health and Safety Policy	We are committed to work with customers, business partners and community to establish, implement and maintain occupational health and safety management with a view of continual improvement.	Employees, suppliers/contractors, and communities	Safety
Human Right Policy	We follow best practices in our approach to human rights requirements to ensure adherence to applicable local and international human rights laws.	Employees, suppliers	Human Resources
Freedom of Association Policy	We allow employees interested in joining associations in their capacity on civic and public affairs; so far, it does not create actual or potential conflict of interest.	Employees	Human Resources
Workplace Harassment Policy	We are committed to providing and maintaining a safe work environment for all employees at various levels within the Zone, free from all forms of harassment and focused on employee welfare.	Employees	Human Resources/ Legal
Community Development Plan	We develop communities around the Free Zone and maximize the positive impacts such as livelihood improvement, providing employment opportunities, and other CSR programs.	Host communities	Sustainability
Stakeholder Management Plan	The objective is to have a plan that states the principles, objectives, and procedures to be followed by the LFZ to develop open and transparent engagement with stakeholders.	All stakeholders	Sustainability



ESG Spotlight:

MATERIALITY AND
STAKEHOLDER ENGAGEMENT



Materiality Approach

Our Materiality Approach

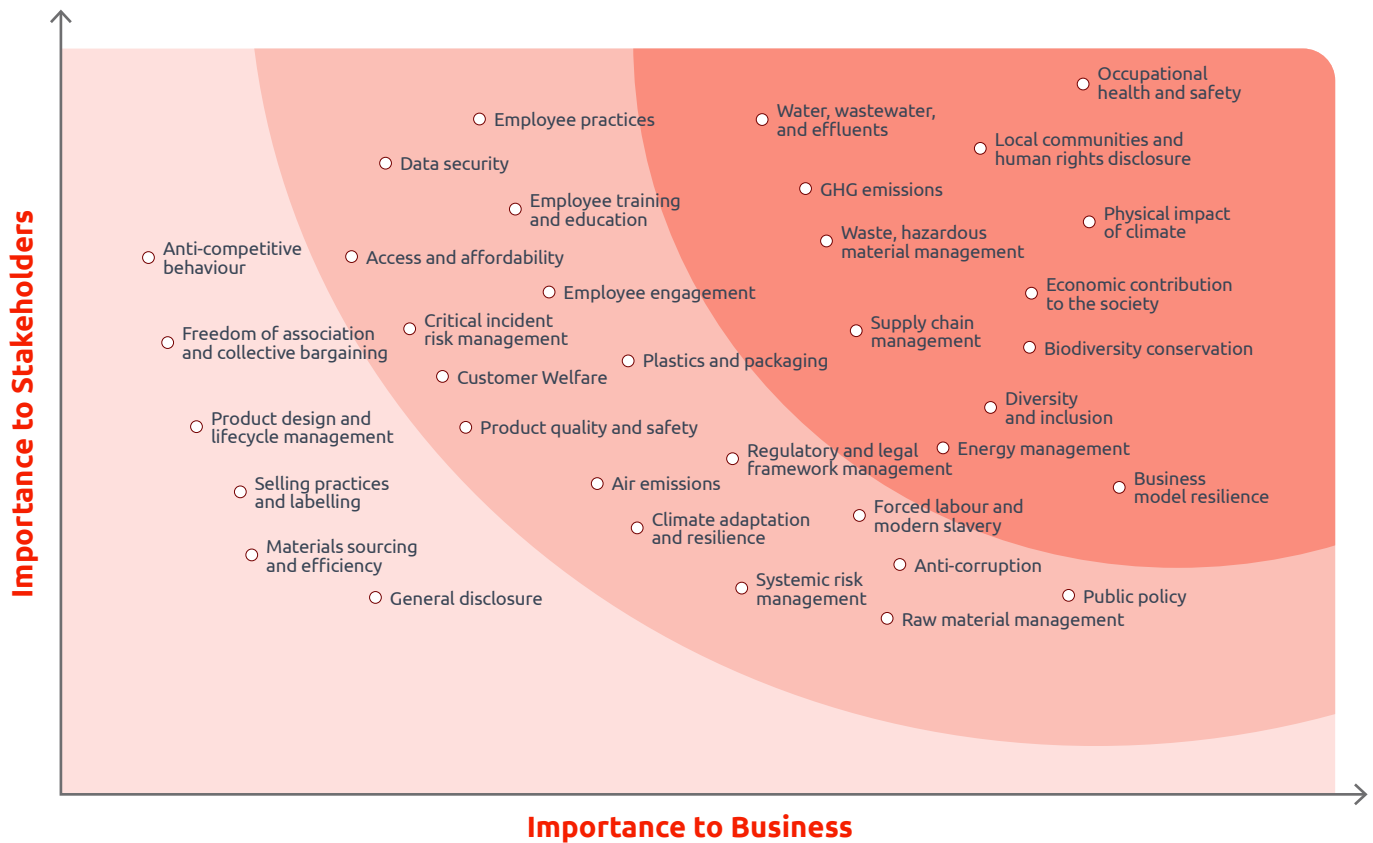
GRI 3

In 2022, we conducted a thorough materiality assessment in collaboration with Tolaram Corporate Office, Singapore, aimed at identifying the most pertinent Environmental, Social, Human, Business Continuity, and Governance (ESG) issues for our business and stakeholders. The survey encompassed input from a range of internal and external stakeholders, including employees, investors, business partners, customers, suppliers, media partners, regulators, government representatives, and local community members. The resulting findings provided us with a

prioritized list of topics, enabling a comprehensive understanding of stakeholder priorities and informing our sustainability approach, strategic direction, and reporting processes. This informed approach allowed us to establish targets, devise strategies, and allocate resources effectively to address the identified material topics in a meaningful manner. Through collating and synthesizing survey responses from both internal and external stakeholders, we prioritized twelve material topics deemed most pertinent and impactful to our operations.

Materiality Matrix

Our materiality matrix highlights the importance of the top 36 overall material topics across two contrasting dimensions - importance to stakeholders and impact on the business.



Key Material Topics

GRI 303 – 2 | 306 – 2 | 403 – 1 | 403 – 2, IFRS S1-29 | 41 | S2-9

We have identified key material topics and outlined strategies for each identified topic:

Environmental



Water, Wastewater and Effluents



Issue

- Heavy rainfall (The LFZ site experiences rainfall intensity up to 150 mm /hr and approximately 1750 mm of rainfall in a year),
- Improper disposal of domestic wastewater



Impact

- Flooding
- Water Consumption and Pollution



Mitigation

- Proper drainage network designed considering flooding scenarios of once in 10 years
- Established sewage treatment plant to treat domestic wastewater



KPI

- Number of flooding incidents
- Number of incidents of improper disposal



UNSDG Alignment



Capital Impacted

Manufactured/Infrastructure/Natural Capital



Waste, Hazardous Material Management



Issue

Improper disposal of hazardous and non-hazardous wastes



Impact

Land pollution | Water pollution | Air pollution



Mitigation

- Established material recovery facility
- Disposal of waste through Lagos State Waste Management Authority (LAWMA)
- Training on waste management



KPI

- Quantity of waste generated, recycled and disposed.
- Number of incidents of improper disposal



UNSDG Alignment



Capital Impacted

Manufactured/Infrastructure/Natural Capital

Environmental



GHG Emissions



Issue

Green House Gas Emissions



Impact

Ozone layer depletion | Global warming | Air pollution



Mitigation

- Replacement of air conditioners having high GHG potential with more eco-friendly air conditioners
- Implementation of renewable energy (solar) sources
- Power plant based on natural gas instead of thermal (diesel).
- Edge green building certifications
- Use of bicycle for internal movement



KPI

- GHG emissions
- GHG avoided due to solar energy used
- Number of air conditioners replaced
- Number of Edge green building certifications



UNSDG Alignment



Capital Impacted

Manufactured/Infrastructure/Natural Capital



Energy Management



Issue

Low energy efficiency



Impact

- Higher emissions
- Higher Utility Cost



Mitigation

- Replacement of CFL lights with more efficient LED lights
- Installation of timers on streetlights
- Use of Variable Frequency Drives wherever applicable
- Use of inverter based electrical appliances
- Training on energy efficient measures
- Edge green building certifications



KPI

- Energy consumption
- Number of CFL replaced with LED
- Percentage of streetlights installed with timers
- Number of Edge green building certifications



UNSDG Alignment



Capital Impacted

Manufactured/Infrastructure/Natural Capital

Environmental



Biodiversity Conservation



Issue

Change in land use



Impact

Biodiversity loss



Mitigation

- Development of green and blue area
- Development of Miyawaki plantation
- Biodiversity conservation areas outside the zone
- Implementation of biodiversity management plan



KPI

- Blue and green areas developed
- Number and area of Miyawaki Islands
- Area of biodiversity conservation outside the zone



UNSDG Alignment



Capital Impacted

Natural Capital

Social



Occupational Health and Safety



Issue

Fatalities | Injuries | Property loss



Impact

Reputational loss, financial loss, Employee morale loss, regulatory issues



Mitigation

- Implementation of Safety Management System
- Training and awareness
- Audit and inspections
- PPEs



KPI

- Number of training and training manhours
- Number of audits and inspections
- Timely closure of observed unsafe action and unsafe conditions
- Number of incidents such as fatalities, lost time injuries, medical treatment case, first aid case, near misses
- Lost time injury rate and frequency rate



UNSDG Alignment



Capital Impacted

Social and Relationship Capital

Social



Diversity and Inclusion



Issue

Equal opportunity irrespective of race, gender, nationality, sexual orientation, religion etc.



Impact

Reputational loss, unproductive workforce, low employee morale, low employee retention.



Mitigation

- Implementation of equal opportunity policy
- Implementation of grievance redress mechanism
- Implementation of Policy on Sexual Harassment
- Orientation program for new hires
- Training and awareness sessions
- Employee townhall meetings



KPI

- Employee data (age, gender, nationality etc)
- Number of cases of grievances received and closed
- Number of training and awareness sessions
- Number of employee engagement sessions and employee engagement score



UNSDG Alignment



Capital Impacted

Human Capital



Local Community/ Human Rights and Community Relations



Issue

Community issues, Human rights violations, Riots, Disturbance of business activities



Impact

Reputational loss | Financial loss | Employee morale loss | Regulatory issues | Decreased productivity, | Dissatisfied tenants



Mitigation

- Engagements with the host communities
- Implementation of community development plan
- Human rights training for security personnel
- Implementation of grievance redress mechanism



KPI

- Number of community engagement meetings
- Number of community agitations
- Number of training and training manhours
- Number and closure of human right violations report
- Number of cases of grievances received and closed



UNSDG Alignment



Capital Impacted

Social and Relationship Capital

Social



Economic contribution to society



Issue

Community issues



Impact

Dissatisfied communities, Livelihood, Knowledge transfer



Mitigation

- Implementation of community development plan
- Procurement from local communities
- Local employment generation



KPI

- CSR Spend
- Number of beneficiaries and CSR projects implemented
- Percentage of procurement from local communities
- Percentage employment from local communities



UNSDG Alignment



Capital Impacted

Financial Capital

Business Continuity and Governance



Physical Impact of Climate Change



Issue

Physical Impacts of Climate Change



Impact

Climate change impacts such as: Sea level rise, floods, extreme rainfall, increased global temperature etc.



Mitigation

- Implementation of climate mitigation and adaptation actions proposed in the Climate Risk Assessment report
- Implementation of Emergency response plan
- Design of LFZ masterplan considering climate issues



KPI

- Compliance with climate risk assessment actions



UNSDG Alignment



Capital Impacted

Natural Capital

Business Continuity and Governance



Supply Chain Management



Issue

Supply chain disruptions



Impact

- Potential for disruptions of operations
- Reputational loss arising from noncompliance of supply chain partners



Mitigation

- Evaluation of major contractors and suppliers
- Monitoring of compliance of major contractor and suppliers



KPI

- Number of contractors and suppliers evaluated



UNSDG Alignment



Capital Impacted

Social and Relationship Capital



Business Model Resilience



Issue

Disruption in business continuity



Impact

Reputational loss, Financial loss



Mitigation

- Implementation of business continuity plan
- Risk management process
- Regular materiality assessment



KPI

- Number of risks identified, tracked and closed
- Materiality topics identified, tracked and performance improved



UNSDG Alignment



Capital Impacted

Intellectual Capital

Stakeholder Management

GRI 2-25 | I 2 – 29

Our Approach to Stakeholder Engagement

In the dynamic landscape of our Zone, the achievement of business success hinges significantly on our ability to effectively manage and engage with our diverse stakeholders. Our philosophy centers around the creation of meaningful relationships, emphasizing the importance of understanding the unique needs and preferences of each stakeholder group. Recognizing the value of fostering strong connections and addressing the concerns of our various stakeholders, our approach to engagement is both customized and methodological.

Our stakeholder engagement process is guided by a robust framework that ensures interactions are purposeful and impactful. We believe in going beyond engagements to truly understand and prioritize the needs of our stakeholders. This understanding forms the foundation upon which we develop suitable mechanisms and initiatives to meaningfully engage with each stakeholder group.

In our pursuit of stakeholder satisfaction, we have tailored stakeholder engagement plans for each group. This ensures that our approach is nuanced and specific, catering to the distinct expectations and requirements of different stakeholders. By acknowledging the diversity of perspectives, we strive to create inclusive strategies that resonate with the varied interests of our stakeholders.

Key elements of our stakeholder engagement approach include:

Strategic Needs Assessment:

Through regular and transparent interactions with stakeholders, we systematically assess and prioritize their needs. This comprehensive understanding allows us to internalize the intricacies of their expectations.

Mechanism Development:

Armed with insights from stakeholder interactions, we develop targeted mechanisms and initiatives. These are designed to address specific concerns, capitalize on opportunities, and foster collaboration in ways that resonate with each stakeholder group.

Tailored Engagement Plans:

Recognizing the unique characteristics of each stakeholder group, we implement tailored engagement plans. These plans are crafted to ensure that our engagement efforts are not one-size-fits-all but instead cater to the specific requirements of each stakeholder category.

Feedback Channels:

We have established dedicated channels for receiving regular feedback from our stakeholders. This commitment to open communication allows us to stay attuned to evolving expectations and make agile adjustments to our strategies.

Grievance Resolution Procedures:

In acknowledgment of the challenges that may arise, we have standardized procedures for grievance resolution. These procedures are designed to be fair, transparent, and efficient, providing stakeholders with a structured avenue to voice concerns and seek resolution.

Stakeholders	Key Expectations	Frequency of Engagement	Mode of Engagement	Responsibility
Government, Local Administration	<ul style="list-style-type: none"> • Compliance and Taxes • Transparent and timely disclosure • Timely project delivery • Corporate Social Responsibility • Disaster and relief management • Anti-Corruption 	On a need basis	<ul style="list-style-type: none"> • Returns and Reports • Courtesy Visits and Forums • Letters and e-mails • Telephone communication • Company website 	<ul style="list-style-type: none"> • Legal Department • Operations Department • Sustainability Department
Employees	<ul style="list-style-type: none"> • Conducive work environment • Non-discrimination and fair treatment • Career planning and growth • Work-life balance • Health and safety • Fair remuneration • Grievance redressal • Transparent communication • Ethical behaviour & statutory compliance 	Every 6 months, On need basis	<ul style="list-style-type: none"> • Employee handbook • Company website • Townhall and team meetings • Training programs • Performance appraisals • E-mails and newsletters • One-on-one engagements • Suggestion box 	<ul style="list-style-type: none"> • Chief Executive Officer • Head of Departments • HR Manager
Investors / Shareholders	<ul style="list-style-type: none"> • Investment growth • Good corporate governance • Risk management • Return on Investment/Dividend • Timely Interest and Debt Payment • Responsible Investment • Strategic growth • Legal and regulatory compliance • Proactive/Timely communication • Anti-Corruption and Ethical behavior 	Annually, Quarterly, On need basis	<ul style="list-style-type: none"> • Board meetings • Financial statements • Media communications • E-mails • ESG reports and disclosure • Direct engagements 	<ul style="list-style-type: none"> • Chief Executive Officer • Management Team • Finance Department • Business development and Marketing Department
Tenants	<ul style="list-style-type: none"> • Liaison with the Authorities • Service quality • Infrastructure maintenance • Health and safety • Emergency response and disaster management • Human right honoring commitments 	Quarterly, Half yearly, On need basis	<ul style="list-style-type: none"> • Newsletter • Stakeholder meeting • E-mails • Customer service feedback surveys • Company website 	<ul style="list-style-type: none"> • Customer Service Department
Host Communities	<ul style="list-style-type: none"> • CSR Projects • Engagements • Grievance Redressal • Emergency response and disaster management • Responsible Business Practices • Community Health and Safety 	Half yearly, On need basis	<ul style="list-style-type: none"> • Community meetings • CSR reports • Company website • Physical visits • Correspondences 	<ul style="list-style-type: none"> • Sustainability Department

Stakeholders	Key Expectations	Frequency of Engagement	Mode of Engagement	Responsibility
Suppliers & Contractors	<ul style="list-style-type: none"> Fair and transparent relationship Timely payment and honoring commitments Clarity in terms and conditions Clear policies, procedures and guidelines Anti-Corruption and Ethical behavior 	Continuous and need based	<ul style="list-style-type: none"> Emails Video conferencing Meetings Vendor forum appraisals Environmental and social evaluation form Company website 	<ul style="list-style-type: none"> Legal Department Sustainability Department Engineering and Construction Department Finance and Accounts Contacts and Quality Procurement
Media & Civil Society	<ul style="list-style-type: none"> Outlook and media announcements Statutory compliance Responsible Business Practices Community health and well-being Inclusive growth Disclosures 	On a need basis	<ul style="list-style-type: none"> Press releases Interviews E-mails Media events Presentation Site visits Company website Industry engagements 	<ul style="list-style-type: none"> Chief Executive Officer Chief Financial Officer Business Development and Marketing Department
Potential Clients/ Business Partners	<ul style="list-style-type: none"> Liaison with the Authorities Service Quality Infrastructure maintenance Health and safety Emergency response and disaster management Respect for human rights Ethical Business Behaviour 	On need basis, continuously	<ul style="list-style-type: none"> ESG reports and disclosure Direct engagements Investor roadshows and events 	<ul style="list-style-type: none"> Business Development and Marketing Finance and Accounts Sustainability



Message from the Managing Director Nigeria Export Processing Zone Authority (NEPZA)



“ The Authority has observed with admiration the efforts made by the zone in the implementation of robust compliance mechanisms, conduct regular audits, prompt tax remittances and foster a culture of compliance throughout your operation. ”

I wish to open this note by reiterating that Nigeria and Singapore have demonstrated that mutual respect, transparency, and commitment can form a solid bedrock for a mutually profitable and sustainable transnational business corporation.

Tolaram Group, Singaporean-owned corporation and promoter of the Lagos Free Zone has since 2002 successfully leveraged on the Nigeria's Free Trade Zone Scheme to redefine the trajectory of Foreign Direct Investment plus the country's huge market for profitability while speeding up industrialization process across the country.

The group also demonstrated strong penchant to compete in the country's free zone landscape and to grow the nation's economy through the partnership with both Lagos State Government and the Nigerian Port Authority (NPA) which led to the establishment of the world-class Lekki Deep Sea Port. This is no less a feat that has enlisted Nigeria among global maritime players.

As a regulator, we are inspired by the way and manner LFZ has strictly abided by its own mission statement aimed to maximize value for all of its stakeholders through the provision of the best-in-class infrastructure, facilities and service without vacillating. Furthermore, the Authority is well disposed to sincerely appreciate and commend LFZ for years of exemplary compliance demonstrated by the zone with the regulatory standards and guidelines under our supervision.

Let me also extend my gratitude for your steadfast commitment to upholding the values of integrity, transparency, and accountability in all your operations all these years. The firm's unwavering dedication to meeting and exceeding the regulatory requirements set forth by NEPZA serves as a shining example in the industry. Your proactive approach to compliance not only ensures the protection of stakeholders' interests but also contributes to the overall integrity and stability of the country's free trade zone ecosystem. The Authority has observed with admiration the efforts made by the zone

in the implementation of robust compliance mechanisms, conduct regular audits, prompt tax remittances and foster a culture of compliance throughout your operation.

On behalf of the Authority, I would like to again extend our heartfelt appreciation for your cooperation, diligence, and commitment to regulatory compliance. Your partnership

with us is priceless, and we look forward to continuing to work together to maintain a fair business environment with the hope of making a meaningful contribution to the society in a sustainable and responsible way.

Thank You.

Dr. Olufemi Ogunyemi





6.

Harnessing Tolaram's 75-Year Legacy

FOR LAGOS FREE ZONE GOVERNANCE

GRI 2-9 | 2-11 | 2-12



Board Oversight

GRI 2-9 | 2-11 | 2-12

Our Board of Directors

The Board of Directors at LFZ is a dynamic assembly of visionary leaders, each bringing a wealth of multi-disciplinary expertise to the table. They set the tone for the strategic direction of the Zone and make critical business decisions that shape the course of our operations.

The functions of the board encompass a range of responsibilities, including defining long-term

strategic goals, overseeing financial matters, scrutinizing operational efficiency, assessing risks, and ensuring compliance with statutory requirements. The board formulates policies and makes decisions for the management and operations of LFZ to attain our objectives.

Board Composition

At LFZ, our board is comprised of five distinguished members, each a business leader in various disciplines. Together, they form a formidable force with a cumulative work experience exceeding 100 years. This diverse and seasoned group of individuals

brings a harmonious blend of skills, ensuring a well-rounded approach to steering the direction of the Zone.

The profiles of the board members are below.



Mohan Vaswani, who doubles as the Chairman of Tolaram and Lagos Free Zone, has been the Chairman of Tolaram since 1957 when he inherited the textile business from his father, and has been instrumental in its growth and international expansion. Under his leadership, Tolaram has transformed into a world-class enterprise with a strong emphasis on consumer-focused ventures.

Mohan’s vision extends beyond business success; he is committed to making Tolaram a model of corporate social responsibility, ensuring it gives back to the communities it serves. Despite his long tenure, Mohan remains actively involved in guiding Tolaram’s leadership team and is deeply engaged in philanthropic endeavors through organizations like the Rotary Club and the IshK Tolaram Foundation. His enduring dedication to Tolaram’s success and his commitment to philanthropy exemplify his remarkable leadership and humanitarian spirit.

Mohan Vaswani
Chairman



Harkishin Ghanshamdas Aswani
Director

Harkishin Ghanshamdas Aswani, a director in LFZ and Managing Director-Africa for Tolaram, boasts nearly three decades of experience driving Tolaram's endeavors across the African continent. Haresh plays a pivotal role in overseeing the organization's investments in infrastructure development, consumer goods, logistics, distribution, and the power sector in Africa.

Additionally, he serves as Vice-Chairman of the Singapore Business Federation. Haresh's contributions to Nigeria's socio-economic development have earned him prestigious accolades, including a Chieftaincy for his dedication to the economic advancement of Nigeria and the Ota community. He has also been honored as a Member of the Order of the Federal Republic of Nigeria. Currently serving his fifth term, Haresh holds the esteemed position of Singapore's Honorary Consul-General to Nigeria, further exemplifying his commitment to fostering bilateral relations between the two nations.



Navin Nahata
Director

Navin Nahata, a director at LFZ and the Managing Director for Fintech and Infrastructure at Tolaram, has been integral to the company since 2004. Initially serving as CFO for Nigeria, he later became the group CFO in Singapore until early 2016. Navin leads Tolaram's fintech business and serves as President Commissioner for Bank Amar, which, under his guidance, became Indonesia's first digital-only bank listed on the Indonesia Stock Exchange in January 2020.

As head of infrastructure, Navin drives the strategy for Lagos Free Zone, Nigeria's premier privately-owned free zone with a deep-sea port. Additionally, he was CEO of the Lekki Port project, overseeing its strategic direction and end-to-end development until achieving financial close. Navin's extensive tenure and leadership have been instrumental in advancing Tolaram's ventures and contributing to significant infrastructure and fintech achievements.



Dinesh Rathi

Managing Director & Chief Executive Officer

Dinesh Rathi serves as the Managing Director and Chief Executive Officer of Lagos Free Zone, bringing with him 20 years of extensive experience in Nigeria across various domains including finance, strategy, mergers and acquisitions, manufacturing, and projects. His prior roles include positions at Unilever and the Corporate Banking division of ICICI Bank.

Dinesh is a qualified Chartered Accountant and has completed the Management Education Program at the prestigious Indian Institute of Management, Ahmedabad. Dinesh is deeply committed to integrating sustainability principles into the development and operations of the Special Economic Zone (SEZ) in Nigeria. He is dedicated to fostering significant socio-economic impact through his work, reflecting his passion for driving positive change within the community.



Adesuwa Ladoja

Independent Director

Adesuwa Ladoja, a seasoned legal and business director at LFZ, boasts extensive experience since 1993, ranging from commercial practice to banking and finance. Holding degrees from Obafemi Awolowo University and King's College, University of London, she is affiliated with prestigious professional bodies such as the Nigerian Bar Association.

Adesuwa's adept project management skills have been pivotal in driving the Lekki Deep Sea Port project forward, where she currently serves as Chief Relationship Officer. Committed to philanthropy, she champions initiatives for underprivileged children as a trustee of the United for Kids Foundation. Adesuwa epitomizes legal expertise, business leadership, and social responsibility.

Board Committees

GRI 2-12 | 2-20 | IFRS S1-27

In recognition of the diverse functions essential for effective board governance, LFZ has established 3 committees. These committees which include a remuneration committee, play a vital role in covering a broad spectrum of expertise, making

recommendations to the board on their respective functions. This strategic approach ensures that the board possesses the requisite expertise to oversee the operations of the business and make informed decisions on critical areas for the Zone.

	Mohan Vaswani	Harkishin Aswani	Navin Nahata	Dinesh Rathi	Adesuwa Ladoja
Chairman	●				
Remuneration Committee	●	●	●		
Audit Committee	●		●	●	
Risk Committee	●		●	●	
Independent Director					●

Values



Trust:

We build relationships rooted in honesty, integrity, and transparency.



Respect:

We treat everyone with dignity and take responsibility for the impact we have.



Commitment:

We keep our promises and are here to stay.



Courage:

We are bold and embrace challenges.

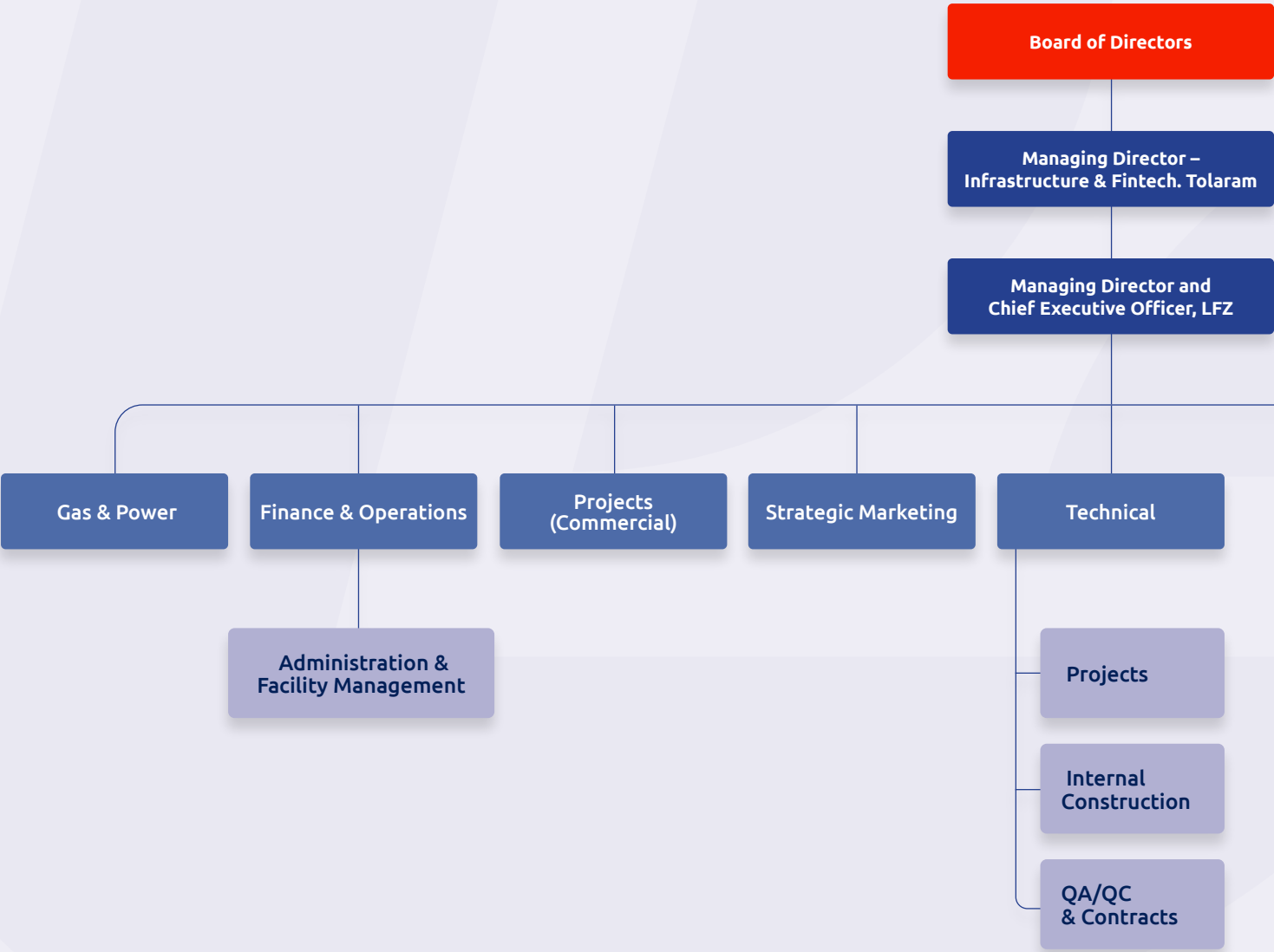


Humility:

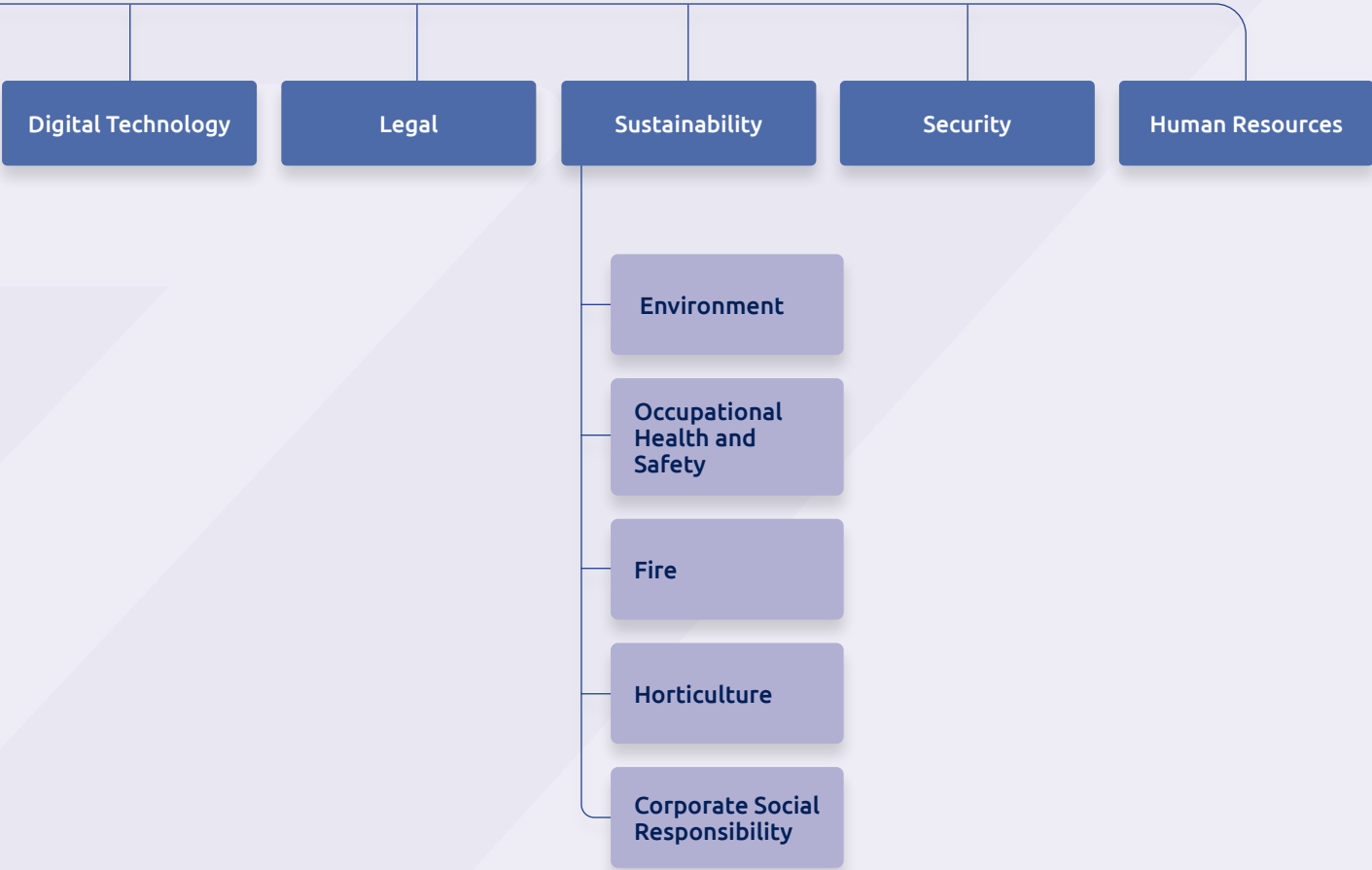
We are always learning to do and be better.

Our culture is our values in action.
They are the foundation of all our relationships and define us entirely.

LFZ Organization Chart



In accordance with the LFZ’s organization chart, the Sustainability Department led by the Chief Sustainability Officer (CSO) is saddled with the responsibility of managing the organization’s impact on the environment and people. The Chief Finance Officer (CFO) is responsible for economic impact management. Both the CFO and CSO report directly to the Managing Director and Chief Executive Officer.



Risk Management

GRI 205-1 | IFRS S1-43 | S2-25

Overview

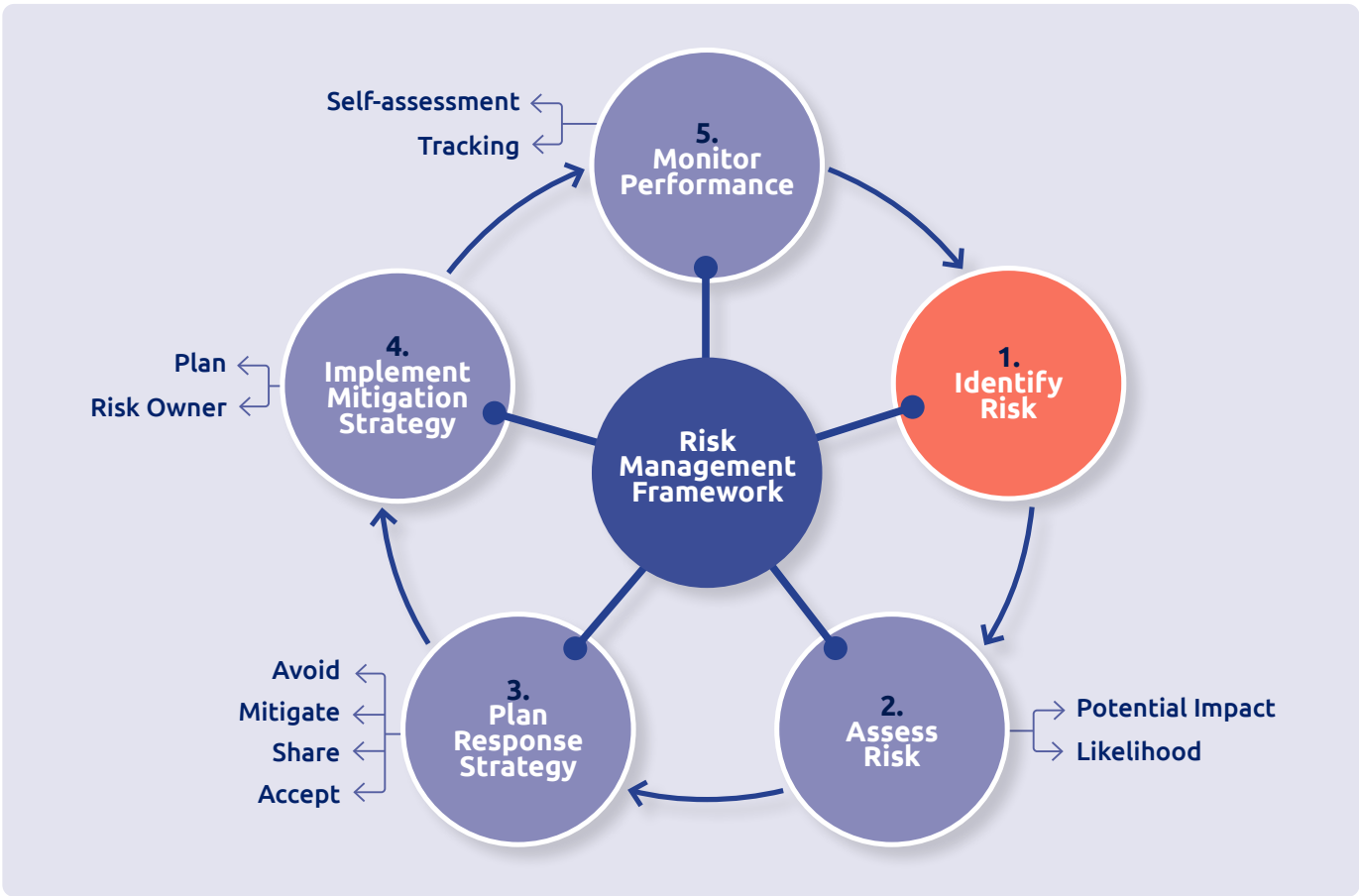
LFZ prioritizes a secure and sustainable operating environment through a robust risk management system, fostering resilience and responsible governance. Integration of risk considerations into strategic decision-making ensures alignment with business objectives while safeguarding current operations and facilitating future adaptability.

This commitment underscores LFZ’s dedication to sustainability, responsible practices, and long-term value creation. As LFZ navigates uncertainties, it remains steadfast in pursuing excellence and embracing challenges as opportunities for growth and positive transformation.

Approach/Framework

LFZ has instituted a robust risk management framework in line with global standards and our Zone’s strategic direction. This comprehensive framework assesses risks across various facets of our operations, encompassing reputational, regulatory, operational, financial, infrastructural,

environmental, health and safety, technological, and security aspects. Through this, we identify, evaluate, and prioritize risks for effective mitigation, ensuring the safeguarding of our organization’s interests.



We foster a culture of ownership and accountability throughout the Zone, integrating risk management into our ethos and operations proactively. Annually, key management professionals participate in a collaborative risk workshop, assessing, rating, and prioritizing risks, and proposing mitigation measures. Actions for risk mitigation are assigned, tracked, and reevaluated for continuous improvement.

Our management team seamlessly integrates risk considerations into strategic planning and resource allocation processes, ensuring effective risk mitigation. Transparent communication with stakeholders and proactive implementation of mitigation initiatives upholds accountability and transparency. Regular reporting to the board on risk management activities and the evaluation of our organization's risk culture further underscores our commitment to proactive risk management and organizational resilience.



GRI 303 – 2 | 306 – 2 | 403 – 1 | 403 – 2 | 403 – 7 | IFRS S1-29 | 33

Key Risk	Mitigation Strategy	Capital Impacted
Project Management		
Availability of skilled resources	<ul style="list-style-type: none"> Established a pilot skill training center with a vision to expand to a skill training center to mitigate skill shortage 	Manufacturing, Intellectual
Infrastructure		
Congestion on the roads	<ul style="list-style-type: none"> Close coordination with government authorities for the expansion of coastal road and expressway. Establishment of a truck park within the zone. 	Manufacturing, Social
Unavailability of reliable power	<ul style="list-style-type: none"> Establishing a power plant within the zone to ensure reliable power 24/7. 	Manufacturing, Finance
Unavailability of reliable gas supply	<ul style="list-style-type: none"> Connecting the zone to a piped Natural Gas Network to ensure availability and reliability. 	Manufacturing, Finance
Environment, Health and Safety		
Road accidents	<ul style="list-style-type: none"> Speed limits on each road within the zone Speed governor in vehicles 	Human, Financial, Social
Fire Incidents	<ul style="list-style-type: none"> Established a fire station with suitable fire appliances and skilled manpower 	Human, Financial, Social
Business Development		
Low macroeconomic demand	<ul style="list-style-type: none"> Marketing strategy for LFZ as enablers of ease of doing business in Nigeria Attracting existing Nigerian businesses revolving around Port operations 	Finance
Regulatory		
Non-compliance	<ul style="list-style-type: none"> Development of a legal compliance register to track and ensure compliance 	Finance, Human, Natural, Manufacturing
No common external tariff under ECOWAS Trade Liberalization Scheme (ETLS)	<ul style="list-style-type: none"> Constant engagement with relevant authorities for implementation of ETLS 	Finance
Community		
Agitation by the community	<ul style="list-style-type: none"> Constant engagements with the communities Community townhall meetings once every 6 months Implementations of community development plan 	Social

Anti-corruption

GRI 205

The Zone upholds the highest standards of integrity, transparency, and ethical conduct, reinforced by a robust anti-corruption policy. Applicable to all employees and directors, strict adherence is mandated from every individual affiliated with the Zone. With a zero-tolerance stance towards bribery and corruption, employees and directors are expressly prohibited from engaging in any form of offering or receiving bribes, whether directly or indirectly, from government officials or any other entity. As a policy, LFZ does not make financial contributions to political parties.

The policy prohibits staff members from making facilitation payments, including bribes or kickbacks, to expedite routine government actions or gain a business advantage. Such practices compromise the principles of fairness, transparency, and ethical conduct that the Zone is committed to upholding.

Total number of governance body members **5**

Total number of governance body members that the organization's anticorruption policies and procedures have been communicated to **5**

Percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to **100%**



Total number of employees, broken down by category



Total number of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category

Permanent Staff **196**

Workers **483**

Total number of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category

Permanent Staff **100%**

Workers **100%**



Whistle Blowing

GRI 2-16 | 2-26

We prioritize conducting the affairs of the Zone with fairness and transparency, fostering a culture rooted in principles that cultivate a positive and ethical working environment. To reinforce our commitment to transparency, we have implemented a Whistleblower Policy, empowering employees to report violations or concerns anonymously or with their identity disclosed, providing a safe and confidential channel for raising issues.

The Zone has established robust mechanisms to protect whistleblowers, recognizing the importance of safeguarding individuals who bring

potential violations to light. Each reported matter undergoes thorough investigation following standard procedures, ensuring a fair and just process to diligently assess concerns and take appropriate actions.

The outcomes of whistleblower reports are reported to the Board of Directors after a comprehensive assessment, maintaining the highest level of oversight. Decisions regarding appropriate actions to be taken are determined at this strategic level, ensuring accountability and integrity in addressing reported matters.

Anti—Trust and Fair Competition

GRI 206

We are dedicated to conducting our business in a manner that adheres to the principles of free and fair competition and our operations strictly comply with the relevant laws governing competitive practices in Nigeria. Central to our ethical business practices is a firm stance against any form of anti-competitive behavior. The Zone unequivocally refrains from engaging in illegal activities such as price fixing and market sharing, as such practices not only violate legal statutes but also compromise the integrity of the business ecosystem.

To reinforce our commitment to fair competition, we have established clear policies prohibiting all staff from participating in any form of anti-competitive

behavior. This includes illegal collusion on pricing strategies or market territories. We maintain a strict policy against soliciting or accepting confidential information from competitors' employees, and we do not condone the disclosure of sensitive business information obtained from former employers. The foregoing has enabled us to maintain good standing as the organisation incurred no legal action related to anti-competition or anti-trust violations in the past year. Upholding this ethical stance is essential for preserving fair competition and fostering a culture of trust and integrity within our Zone.



Ethical Business Conduct

Our Business Ethics Policy serves as a comprehensive framework outlining the expected standards of behavior and performance for all stakeholders within the Zone, with a particular focus on employees and directors. It mandates adherence to ethical standards and relevant regulations, prohibiting activities such as industrial espionage and unauthorized discussions with competitors to ensure fair competition and legal compliance.

This commitment reflects our dedication to fair business practices and the highest ethical standards, extending to the prohibition of disclosing Zone-related information to unauthorized individuals or

entities. A dedicated reporting channel is included in the Business Ethics Policy for employees and stakeholders to report infractions or violations confidentially. Detailed procedures and mechanisms are outlined for addressing reported violations, including a thorough investigation process for fair and just resolution.

The Chief Sustainability Officer and the CEO's Office are responsible for implementing and upholding business ethical conduct, ensuring adherence to the Business Ethics Policy, and the Zone's operation by the highest ethical standards.



Towards a Greener Future:

BUILDING A SUSTAINABLE
LAGOS FREE ZONE



Climate Action and GHG Emissions

GRI 305-1 | 305-2 | 305-3 | 305-7 | IFRS S2-10 | 14 | 22

The global response to climate change is shifting from aspiration to action, with private companies, research institutions, regulators, financiers, and governments accelerating efforts to decarbonize organizations, supply chains, and economies.

Rooted in sustainability, our Zone emphasizes continuous improvement in processes, policy development, and project implementation to decrease our carbon footprint and environmental

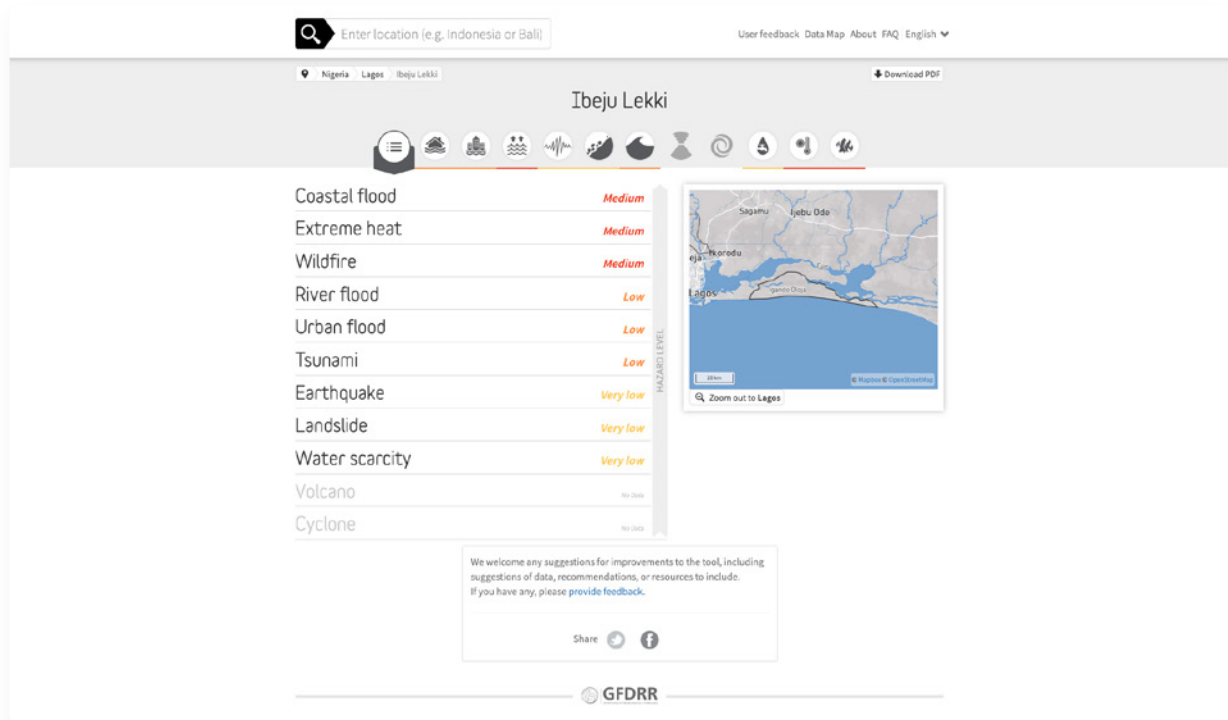
impact. We advocate for transitioning to cleaner fuel sources and increasing renewable energy adoption as the most effective means of minimizing environmental harm.



Climate Action

Recognizing the pressing threat of climate change to its operations and stakeholders, we have made combating its impacts a top priority. LFZ has conducted a climate risk assessment study to understand its climate-related risks.

The key climate-related risks to Lagos Free Zone using [Think Hazard](#) (a World Bank group tool for climate risks) are shown in the image below:



Climate Risks



Coastal flood/Sea level rise/ Coastal Erosion

- The masterplan design ensures that the leveled land sits at an elevation of 4.75 meters above the mean sea level.
- Beach nourishment



Extreme heat

- Inclusion of the green areas in the masterplan
- Plant Miyawaki islands



Wildfire

- Have a dedicated fire fighting station
- Clean up areas around facilities to serve as fire breaks

GHG Emissions

GRI 302 -3 | 305

LFZ identified key sources of greenhouse gas emissions (GHG) across its value chain and engaged both internal and external stakeholders to implement effective reduction measures. With a commitment to carbon neutrality by 2035, we aim to lead by example in sustainability efforts, showcasing our dedication to reducing GHG emissions and mitigating the adverse effects of climate change. LFZ's carbon-neutral strategy focuses on a dual approach of emissions reduction and carbon offsetting. Utilizing solar power and natural gas, the Zone has already implemented measures to decrease GHG emissions in its operations. Plans for the future involve expanding the use of renewable energy sources, particularly solar, with initiatives such as installing additional solar panels on industrial building rooftops and investing in energy-efficient technologies. We are taking proactive steps to combat climate change and foster a more environmentally responsible future by prioritizing sustainability and innovative solutions.

The site benefits from ample sunshine hours, providing a favorable opportunity for solar power generation with a potential output of 5,553 kWh per Year. Recognizing this, the Master Plan includes provisions for installing solar panels on rooftops wherever feasible and connecting them to the distribution network. This initiative contributes to reducing the overall carbon footprint of the zone. Our energy strategy is gradually transitioning towards renewables, with solar energy emerging as a promising option. We have already made investments in increasing solar electricity generation within the Zone, with panels installed atop the Material Recovery Facility (MRF) which powers the MRF and sewage treatment plant operations. Plans are in progress to extend solar panel installations across industrial facilities.

Natural gas, acknowledged as a transitional fuel, is our preferred option within the Zone due to its efficiency and lower pollutant and greenhouse gas emissions compared to other fossil fuels. Addressing emissions from power generation, a significant source of scope 1 emissions, is critical. To mitigate this, we have invested in solutions such as an independent natural

gas power plant, integrating advanced technologies to reduce emissions. This plant is set to commence operations by Q1 2025, supporting our transition towards cleaner energy sources.

Additionally, we recognize the potential of green hydrogen in achieving a net-zero economy and are part of the Africa Hydrogen Partnership (AHP), aiming to accelerate the deployment of green hydrogen technology. While hydrogen's cost-efficiency and availability remain challenging, we remain committed to collaborating with experts to monitor advancements and adopt this cleaner fuel source when feasible.

LFZ does not engage in manufacturing; thus, our energy emission is limited to fuel usage which has been captured in the calculation of GHG Emissions using GHG Protocol. All heavy equipment and vehicles are maintained properly to ensure SOx and NOx emissions are well within the standards.

In addition to above, we have initiated a series of initiatives focused on reducing emissions:

Responsible Sourcing:

We actively promote responsible sourcing practices throughout our supply chain to procure materials and commodities more responsibly.

Sustainable Logistics:

Instead of utilizing multiple trucks for material procurement within the Zone, we have streamlined our approach by dispatching a single truck to collect materials from various suppliers in one trip whenever possible. This not only minimizes fuel consumption emissions but also cuts down on costs associated with multiple deliveries.

Optimization of Diesel Usage:

We closely monitor and optimize the use of diesel gas in standby generating sets to minimize emissions.

Waste Diversion:

Through robust recycling initiatives, we divert waste from landfills, contributing to environmental sustainability.

Refrigerant Replacement to reduce ODS:

We are phasing out environmentally harmful R22 refrigerants in our air conditioning units, having already replaced 42.19% with the eco-friendlier R410A/R32.

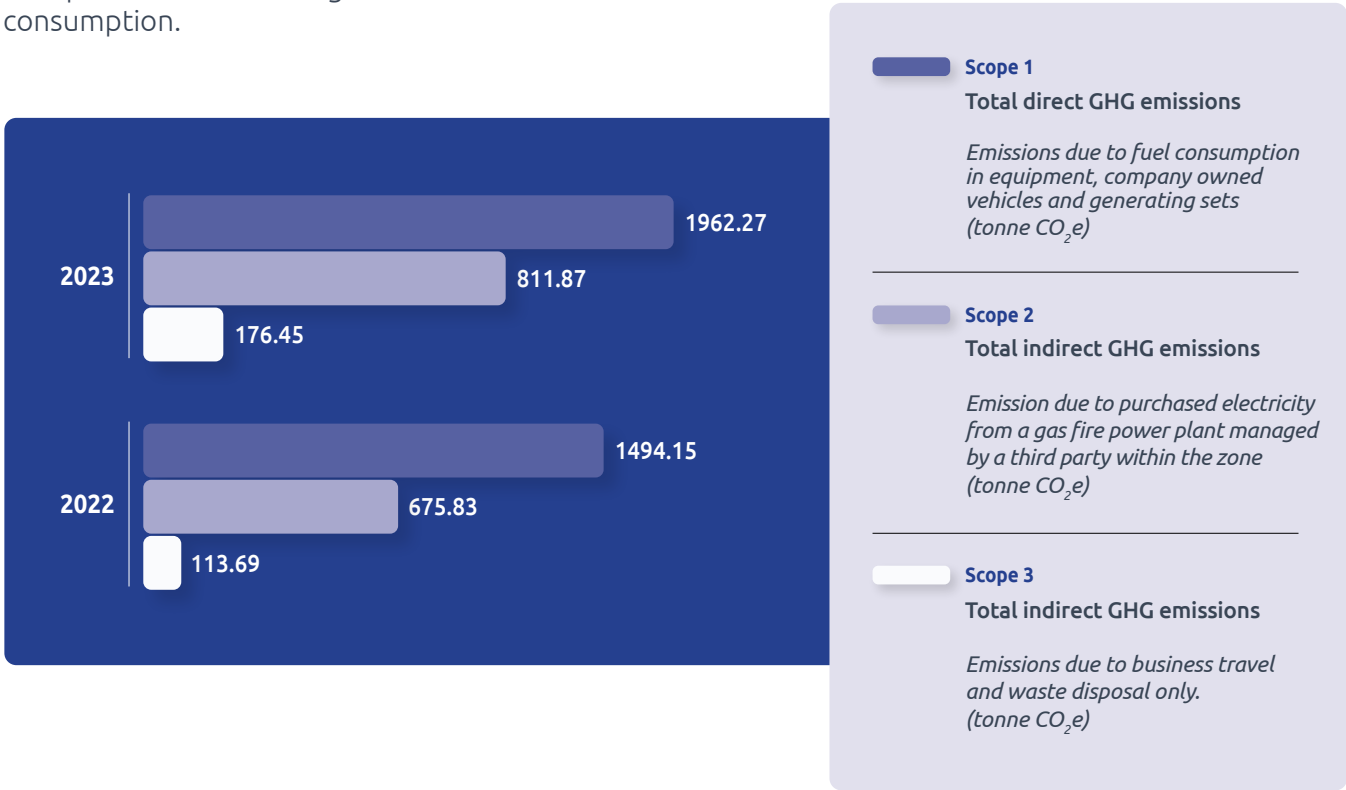
Solar Streetlight:

Additionally, we invested in solar lights for the cluster of streetlights located in the Zone and some surrounding host communities.

Sustainable mobility

Promoting sustainable mobility through bicycles and utilizing an IoT-based vehicle tracking system for optimized fleet management and reduced fuel consumption.

As an organisation primarily focused on land development, warehouse development and Standard Industrial Facility (SIF) development, we encounter distinct complexities in quantifying our energy intensity unlike organisations that are into product manufacturing. Nevertheless, LFZ has identified key sources of greenhouse gas emissions (GHG) across its value chain and engaged both internal and external stakeholders to implement effective reduction measures.



*All emissions are calculated using GHG protocol

Energy Management

GRI 302 - 1 | 302 - 3 | 302 - 4

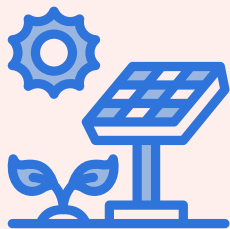
Effective energy management is crucial in achieving our sustainability objectives. We are committed to continuously monitoring and improving our energy consumption and efficiency. To minimize energy

wastage in our operations, we have invested in effective systems, highly efficient fixtures, and implemented stringent policies and processes.

Energy Consumption Within the Zone

Understanding the entire energy footprint of our Zone is vital, enabling us to implement the right management strategies to ensure sustainable operations of the zone’s energy demand.

Our energy consumption from purchased electricity from a third-party supplier, standby diesel generators, and fuel-operated heavy equipment are given below.



Energy Source	2023 Total Energy Consumption Based on Source
Renewable Fuel Sources	
Solar (KWh)	42,177.00
Nonrenewable fuel sources	
Direct consumption from purchased electricity (KWh)	2,270,351.89
Diesel (Heavy equipment + Generators) (Litres)	606,222.51
Petrol (Litres)	139,859.00



Energy Management and Conservation Initiatives

To achieve energy efficiency and bolster the eco-friendliness of our operations, we have implemented a range of energy-saving measures and launched various initiatives:

Energy Consumption Monitor:

Deployment of meters across our facilities enables efficient tracking and analysis of electricity usage, aiding in the identification of consumption patterns and the implementation of energy conservation measures.

Adoption of Innovative Technologies:

Introduction of centralized air cooling systems, inverter-based AC units, and Variable Refrigerant Flow (VRF) systems in new constructions enhances energy efficiency and reduces consumption.

Energy-Efficient Lighting:

The transition from CFL to LED bulbs significantly lowers energy usage and maintenance costs, with 33.6% of CFL lights replaced by LED lights in 2023.

Automatic Light Control:

Implementation of timers for streetlights and fixtures optimizes energy usage, enhances efficiency, and extends the lifespan of lighting systems.

SIMS for Sustainable Management:

Our sustainability system, SIMS, provides automated insights into energy consumption, enabling informed decision-making and continuous improvement in sustainability practices.

Energy Conservation Practices:

Promotion of energy-saving practices across departments and engagement with Zone stakeholders form integral parts of our comprehensive strategy.

Street Lighting:

We have adopted and designed the entire street lighting using LED lamps and optimized the lighting pole spacing to meet the lux levels. Accordingly reduced the number of lighting poles required for the same level of lux and optimized the electric power consumption.

Day Light use:

We are installing 5% of roof panels with fiberglass roofing sheets in various buildings like warehouses and SIFs to reduce the power consumption in lighting during the day in these buildings.



Waste Management

GRI 306-1 | 306-3 | 306-4 | 306-5

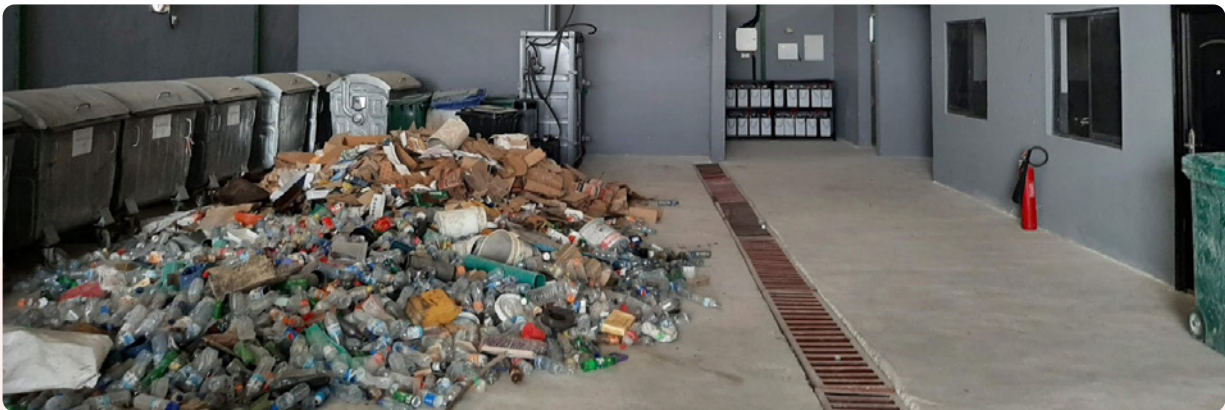
We acknowledge the global waste management challenge and collaborate with stakeholders to address it in its immediate environment. Adhering to regulations by the Lagos Waste Management Authority (LAWMA), we aim to bolster recycling infrastructure, enhance material recovery rates, and promote a circular economy. Implementing waste management principles throughout the waste handling stages, LFZ focuses on prevention, reduction, reuse, recycling, recovery, and responsible disposal. We also implement strict construction waste management guidelines.

Addressing domestic sewage, we operate a 25KLD sewage treatment plant equipped with MBBR technology. Treated effluents are reused for horticulture, reducing freshwater consumption and upholding hygiene standards.

We ensure responsible waste disposal by diverting non-recyclable waste to approved landfills through LAWMA. This approach reflects our dedication to sustainable waste management and regulatory compliance, with no hazardous waste generated during daily operations.

The initiatives undertaken include:

- The Zone operates a solar-powered Material Recovery Facility (MRF) that efficiently sorts waste, preventing recyclables from reaching landfills.
- Advocacy for source segregation, conducting regular site inspections and selling recyclables to authorized recyclers.
- LFZ also composts food waste and garden waste (dried leaves) through traditional composting and vermiculture for horticultural purposes.
- 100% of construction and demolition waste is being utilized in landscaping within the zone.
- 100% of electronic waste is sold to authorized recyclers.
- Repurposing materials like old fencing, disused tires, defective paver blocks, and concrete waste for landscaping, sculptures.



Total Waste Generated (Tonnes)

Waste KPIs	2022	2023
Waste Collected/ Generated (tonnes)	248.00	248.19
**Non-Hazardous Waste	248.00	248.19
**Hazardous Waste	-	-
Recycled/ Reused Waste (tonnes)	7.00	12.19

Water Management

GRI 303

LFZ recognizes the pressing issue of potable water scarcity and is committed to its preservation through various initiatives. These include reducing water withdrawal, exploring alternative sources, and employing technological innovations for monitoring & reducing water consumption and recycling water after suitable treatment.

At the core of these efforts is a Water Management Plan (WMP) guiding responsible water practices.

- LFZ diligently monitors water withdrawal and consumption by utilizing installed meters, demonstrating its commitment to sustainable water management practices.
- Technological investments such as automated water treatment and domestic sewage treatment to minimize freshwater consumption.

- The manmade lake around the corporate headquarters (Infinity Lake) serves as both a visual enhancement and a water reservoir.
- Utilizing interlocking paving blocks for roads to enhance rainwater percolation into the ground.
- Soak-away pits are provided under the downpipes from the rooftops of various buildings for recharging the groundwater.
- All stormwater drains are connected to the water body in the North (borrow pit). This collected water will then be used for water supply in the future for various purposes.



Water Management Parameters

Parameters	2023 (in liters)
Potable Water (Third party supplied)-)	149,110.60
Water consumed in Operations (Groundwater)	25,259,000.00
Potable Water (Treatment plant - RO)	2,364,700.00
Total water consumption (kiloliters)	27,772.81

Construction, Infrastructure, and Digital Process Enhancement

We are dedicated to maintaining a sustainable smart zone, prioritizing environmental impact reduction. Environmental management practices have been strengthened in the past few years, with contractors required to align with our sustainability principles. Our project team also ensures compliance with standards and conducts regular inspections and audits to maintain quality and safety.

The Zone underwent a significant digital transformation, culminating in the automation of 90% of manual paper-based processes through the development of Smart Operation Workflows and Digital Transformation initiatives. This transition was facilitated by an Integrated One Portal, incorporating diverse modules such as Investor, E-service, Project Tracking, Medical, Truck Park, HR, Regulatory & Immigration, and more. The adoption of OnePortal to digitize various processes and operations has resulted in significant paper savings.

Other key sustainability initiatives implemented in the Zone:

- **Employing a cluster-based masterplan approach to group facilities with similar effluents together, facilitating easier effluent treatment processes.**
- **Establishing dedicated areas for utilities such as power plants, solid waste management, and effluent treatment, ensuring efficient management and operation.**
- **Implementing a Sustainability Information Management System (SIMS) to reduce paper consumption and streamline Environmental, Social, and Governance (ESG) procedures. SIMS provides real-time data for various ESG indicators, including Ambient Air Quality, Employee Diversity, Occupational Health and Safety Statistics, and Employee Trainings.**
- **Pursuing EDGE Green Building certifications to achieve a 20% reduction in energy, water, and embodied energy consumption compared to Lagos, Nigeria baselines, promoting sustainability in construction.**

- **We are using sustainable solid core flush doors which is an environmentally conscious choice for construction, designed with a focus on durability and eco-friendly features.**
- **Use of Cobiax™ technology to reduce concrete usage by 30% while maintaining structural integrity.**
- **Incorporating two lagoons in the Southern Parcel, connected to the Atlantic Ocean, designed as Swales according to Sustainable Drainage principles outlined in the SuDs Manual, as part of the Master Plan.**
- **Designing all façades to minimize solar heat gains, thereby reducing the need for air-conditioning and energy consumption.**
- **Implementing roof painting and insulation practices, wherever feasible, to mitigate solar heat gain and reduce air-conditioning load, leading to lower power consumption throughout the zone.**





Green Areas

GRI 304

LFZ prioritizes biodiversity conservation in land development decisions, actively engaging in initiatives to prevent and mitigate impacts on biodiversity. Robust internal controls and a detailed Biodiversity Action Plan ensure compliance with global best practices and local regulations. Comprehensive Environmental Impact Assessments are conducted before projects commence, with action plans developed based on assessment outcomes to ensure a net positive impact on biodiversity.

Various initiatives implemented to minimize the environmental impact include:

- Earmarked 44ha of the zone to green and blue areas in Masterplan
- Integrating Miyawaki islands to provide urban greenery
- Clearing only the necessary areas while preserving natural vegetation on currently unused land
- Incorporating the mangrove patches into masterplan to protect them
- Restoration activities to increase green cover and promote carbon sequestration





Building Sustainable Communities

WITHIN AND BEYOND THE ZONE



Human Rights

GRI 202-1 | 405 - 2 | 410-1

The Zone strives to ensure compliance with applicable laws and regulations on Human Rights in Nigeria. We have guidelines in our employee handbook to guide our engagement with our direct employees to ensure respect for their fundamental human rights. To ensure consistency in adherence with human rights laws, we have included human rights checklist in our social criteria for assessing supply vendors, contractors, and service providers to ensure the pursuance of human rights and prohibition of forced and child labor. The Zone equally only employs people above the legal minimum age requirement of 18 years as stipulated by the law.

There is no gender discrimination in the salary and remuneration system at LFZ. The salary and other benefits are purely linked to the merits of the candidate.



Number of staff trained on human rights

44
2023

30
2022

Number of training hours

352
2023

240
2022

The zone equally prioritizes the training of security personnel provided by third parties on critical issues such as human rights.

Labour Practices

GRI 2-16

We adopt equitable and fair labour practices as guided by the Nigerian Labour Law, as well as the best practices guidelines of the International Labour Organisation (ILO) and the United Nations Global Compass (UNGC). With respect to remuneration, we adhere to the National Minimum Wage Act across the entire workforce while taking appropriate measures to ensure payment to workers’ accounts. To institutionalize our commitment to best-in-class labour management, we have an employee handbook that guides expected behaviors, acceptable conduct, and the corporate culture within the Zone.

We follow local and international guidelines to ensure all conflicts of interest are disclosed and managed.

Freedom of Association

GRI 2-30 | 407-1

We ensure compliance with all applicable laws and regulations in line with ensuring that employees have the liberty to express and participate in associations in their capacities either for civic or public affairs.



Equal Opportunity Employment

GRI 405

We are an employer that encourages employment based on merit, competence, and potential of an eligible candidate for any position within the Zone. We do not discriminate against employees based on gender, race, color, nationality, religion, sexual orientation, or socioeconomic status.

We are committed to treating all employees equally in our recruitment and retention/promotion process. Being a Singapore-owned entity operating within Nigeria, we have a diverse recruitment strategy to achieve the hiring of expatriates, nationals, and /residents in the communities we operate based on merit and competence.

The diverse groups in our employee base help us harness the skills and knowledge within the talent pool to improve efficiency, financial performance, productivity, and branding of the Zone.



GRI 2 – 7 | 401 -1

	2023	2022
Total number of employees	196	142
Number of new hires	63	43
Number of exits	9	14

* 31st December of each year

Conducive Work Environment

GRI 405

As a Zone, our commitment extends beyond providing a workspace for our employees. We strive to create an environment where staff can perform their tasks effectively and thrive in their personal and professional pursuits. Recognizing that individual career development is integral to overall productivity, we prioritize supporting work-life balance, establishing mentally and physically safe workspaces, and offering ample opportunities for employee growth.

We understand the significance of fostering a physically and physiologically safe environment as it directly impacts the well-being of our employees and contributes to heightened productivity. We have implemented a systematic approach to ensure a positive working atmosphere that enables employees to perform at their highest capacity. We firmly believe that such a conducive environment enhances efficiency and boosts morale, motivation, and collaboration among our workforce.

To materialize this commitment, we provide employees with ergonomic workstations, computers, and other essential devices to facilitate their work. Our focus is on creating an environment that nurtures innovative thinking, encourages open and honest communication, and ultimately enhances overall productivity.

Recognizing the importance of addressing issues related to harassment and violence in the workplace, we have established a helpdesk and communication channel to empower employees to report any of such incidents. Detailed guidelines outlining prohibited activities are highlighted in the employee handbook, which is provided to all employees for reference in case of any violations. In instances where employees' rights are compromised, we ensure the enforcement of a clear and fair disciplinary measures to uphold a safe and respectful working environment.

Compensation and Benefits

GRI 201 – 3 | 401 – 2 | 2 – 19

We motivate employees by offering attractive and competitive compensation and benefits. The rewards given to staff are classified under monetary and non-monetary compensation. The monetary benefits cover basic, housing, transportation, meals, wardrobe allowance, annual paid leave allowance, 13th-month salary, loans/salary advance, long service awards, and gratuity and other allowances. The non-monetary benefits include health insurance, parental leave, subsidized food, study leave, group life insurance, group personal accidental insurance, and workmen compensation, among others.

According to the Pension Reform Act 2014, we also contribute to the contributory pension scheme for our employees. The scheme is funded through employees’ and employer’s contributions in the ratio of 8% and 10% of the total emoluments of the employee, as prescribed by the Act.

LFZ has two categories of casual workers – the set managed by the Zone and the outsourced workers. As a law-abiding entity, the Zone ensures that all contract staff irrespective of the management receive higher than the statutory minimum wage in addition to other allowances.

The Zone offers cash gifts to full-time employees celebrating weddings and the birth of a child for a maximum of two children while also supporting bereaved or injured staff members with monetary compensation during difficult times.

Talent Development

GRI 401-3

Performance Management

There is a robust performance management system to evaluate the skills, strengths, and overall efficiency of employees. This helps to identify the capabilities, strengths, and areas of improvement to create tailored training programs and enhance the professional development of staff. Performance reviews are conducted annually by managers and based on their evaluation reports, promotions, pay increases, and bonuses are determined subject to the performance in the current year. Alongside that, managers are encouraged to give feedback to subordinates promptly or every quarter to improve employees’ contributions and manage expectations at the wrap of the performance cycle.

In addition to the financial compensation, LFZ appreciates performing employees with awards and recognitions. For instance, recognition and award of outstanding employees are communicated using internal communication channels.

Number of staff entitled to parental leave	196
Number of staff that took parental leave	10



Learning and Development

GRI 404

At the core of our Zone ethos lies a commitment to continuous learning and improvement. Central to this commitment is our ongoing effort to train our staff members, ensuring they possess the necessary knowledge and skills to execute their tasks with efficiency and precision. This training is not just a one-time event but is ingrained in our culture as a recurring practice, reflecting our dedication to professional development.

We are committed to enhancing the skills and competence of employees to perform excellently in their duties. We are keenly invested in the professional development and progression of staff as we believe this will enhance their personal growth and value contribution to the Zone. As part of our learning structure, we organise technical and non-technical training for all staff. Full staff members are expected to attend at least one approved job-specific training to be sponsored by LFZ. We also reimburse employees for annual professional fees for qualifications beneficial to his/her contribution to the Zone.

In 2023, we launched IshK Tolaram Skill Center (ITSC) to train a cohort of 50 students with technical and soft skills to enhance the employability of the graduates. Upon completion of the program, the Zone will take in some participants from the Center based on vacant positions available.

Training Type and Manhours



Sustainability
4008hrs



Fire Fighting
3248hrs



Technical
1728hrs



Human Rights
1056hrs



Specialised Safety
2568hrs



Human Resources
1688hrs



Diversity and Inclusion

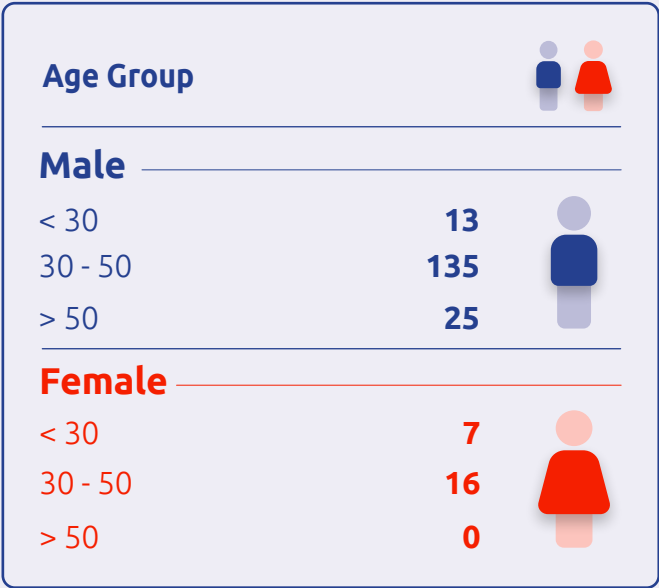
GRI 202-2 | 405 -1 | 406-1

We value workplace diversity across ethnicity, religion, gender, nationality, age, education, socioeconomic background, and culture, among others. As an equal-opportunity employer, this is reflected in our recruitment strategy. Our staff members comprise people from the host communities, different nationalities, age groups, and genders who are employed as full-time and contract staff.

In today’s dynamic and interconnected global business landscape, embracing diversity, and fostering inclusiveness has evolved to become a strategic necessity. The diverse teams at our Zone create a culture of innovation and strong problem-solving capabilities to provide custom-made solutions for the Zone. By embracing diversity, we attract top talent and have access

to a wider range of skills and expertise thereby creating a productive workforce. This allows us to lead effective communication, deepen our local knowledge, and improve our cultural competence to manage stakeholders, support host communities, and navigate through the market.

LFZ ensures that there is no discrimination among employees, from top management to casual workers, and all are treated with equal respect and inclusion. With this commitment, LFZ has maintained a record of zero incidents of discrimination since its inception.



Diversity in Leadership

As of December 2023, our board composition comprises of 4 males and 1 female, representing a ratio of 80:20. Also at the senior staff level, we have 24 members, of which 19 are male and 5 are female.



Occupational Health and Safety

GRI 403

Our focus is to apply the highest standards of occupational health and safety standard within the Zone. We abide by laws and legislation related to health, safety, and the environment by spelling out and educating staff on HSE requirements and specifications. LFZ supports and monitors business partners, building contractors, and service providers to implement HSE laws and requirements.

GRI 403 – 9 | 403 – 10



Type of Incident	2023	2022
Total Number of Work Hours	1,901,950	1,647,703
Total Number of Near Misses	12	4
Total Number of First Aid Injuries	14	19
Total Number of Medical Treatment	2	4
Total Number of Lost Time Injuries (LTI)	2	2
Total Number of Fatalities	0	0

Awareness and Training

GRI 403 – 4 | 403 – 5

We believe that occupational health and safety is everyone’s responsibility, and we endeavour to raise awareness among staff members on creating an accident-free environment and adopting best work safety practices within the Zone.

We organise regular training to teach staff members on basic safety rules and precautionary measures to foster a culture of safety within the Zone. We include HSE orientation as part

of the induction courses for new employees. Across the Zone, we display safety posters, signs and visual aids in prominent areas to serve as visual reminders of proper safety procedures and practices in order to reinforce key safety messages. These measures are used to instill a strong safety culture among staff members, contractors, and visitors and to promote a safer working environment.

HSE Management on Construction Sites

GRI 403 – 1 | 403 - 3 | 403 - 8

We have a list of HSE requirements expected to be followed by our construction partners. These guidelines cover mandatory safety requirements, environmental management, and equipment among others. To ensure workers’ safety, we work with building contractors to identify potential hazards and develop strategies to control and eliminate these risks. Before deployment of any contractor to the construction site, we ensure that comprehensive safety training is conducted for all construction workers while ensuring that weekly refresher training is organised on-site to reinforce safety practices.

As part of our practices, all construction workers and staff members visiting the building site are mandated to use the appropriate PPE such as hard hats, safety glasses, and steel-toed boots. The PPE is regularly inspected to ensure they are in good working condition.

We have a system for reporting hazards and incidents immediately within the Zone. To establish safe practices, we ensure that contractors and subcontractors adhere to safety standards, and we collaborate with them to address safety concerns on the construction site.



Customer Excellence

At LFZ, we focus on providing excellent service to ensure our tenant satisfaction. We prioritize our tenants and aim to build long-term loyalty by adopting a customer-centric approach. To keep them informed, we regularly send newsletters through emails and use the same platform to gather feedback on our service delivery and tenant management.

In addition, we organize quarterly stakeholder fora that include regulators, customs, and tenants. These fora provide updates on the Zone development and information on government

policy changes, amendments, and the implications for their operations. Quarterly town halls and regular meetings are organized to engage with tenants in order to understand their needs and challenges and explore ways in which the Zone can support them in terms of service delivery. We deploy customer surveys bi-annually in June and November to understand our strengths, growth opportunities, and business challenges. The survey results help us develop an annual customer service index, guiding improvements in our customer experience and innovation.

Digital Helpdesk for Tenants

Leveraging One Portal, we have established a digital channel for tenants to submit feedback, queries, and inquiries to the Zone. We have also created an online tracker to monitor all feedback and queries, keep track of the progress, and provide real-time information from current and potential tenants.

Looking ahead, we are committed to maintaining our customer-centric approach and plan to fully automate solutions to address a significant portion of our tenants' issues.



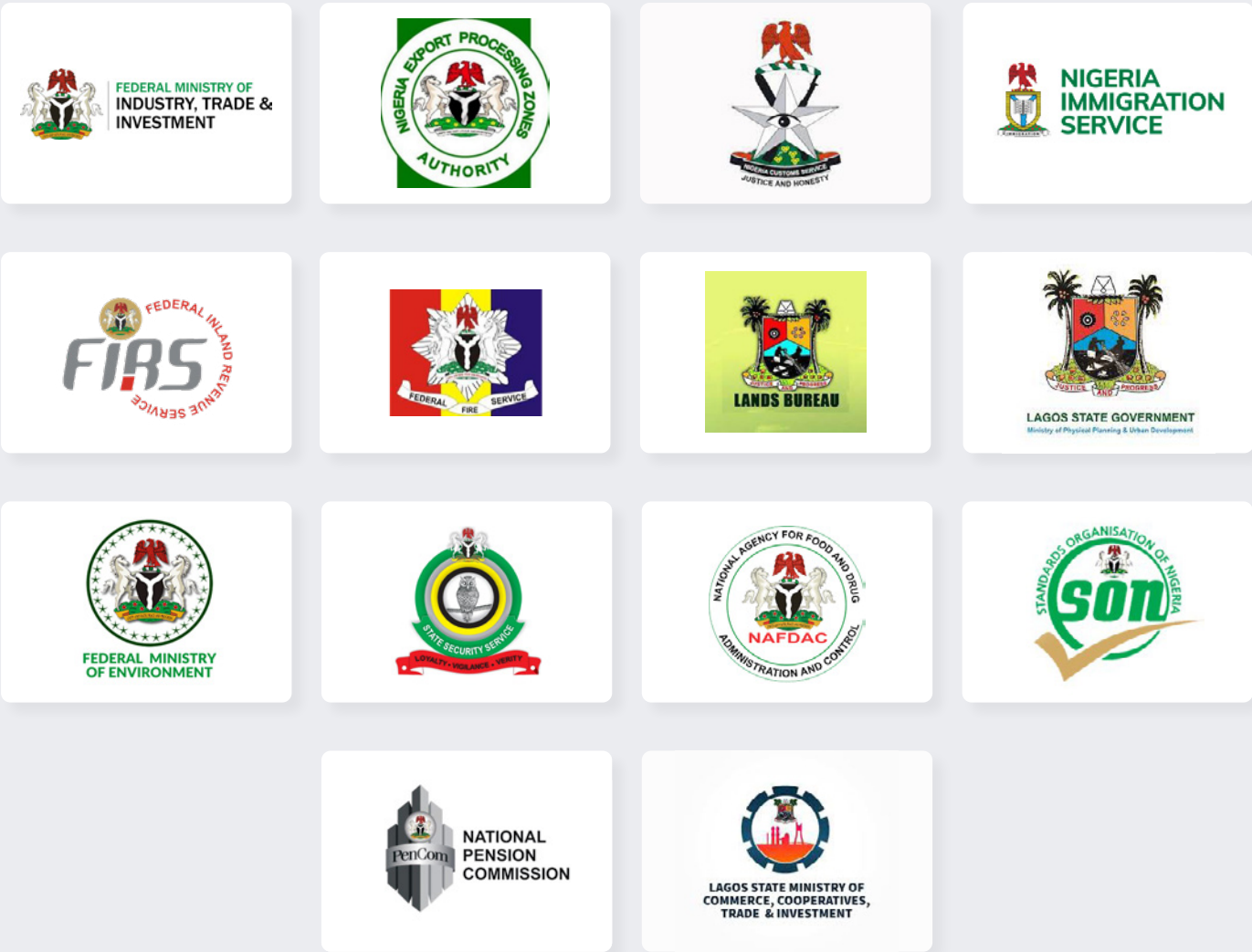
Regulatory Compliance and Support

GRI 2 - 27

LFZ engages with a diverse array of stakeholders, among them are the regulatory bodies such as the Nigerian Export Processing Zones Authority (NEPZA) and Nigeria Custom Service among others. These regulatory stakeholders play pivotal roles in overseeing, regulating,

and supporting various aspects of the Zone’s operations. The collaboration with them is built on open communication, adherence to regulatory standards, and a shared commitment to fostering a conducive business environment and improving the ease of doing business within the Zone.

Regulators Universe Within and Out of the Zone



Central Processing Center

The Zone has implemented a single clearance window, a strategic initiative aimed at consolidating and simplifying the processing procedures involving government parastatals. This streamlined approach is made possible through the relationship we have cultivated

with our regulators. We have centralized these filing processes with the regulators to enhance operational efficiency and also to ensure a more transparent and expedited clearance process for businesses within the Zone.

Supply Chain Management

GRI 204 | 308 | 414

We are committed to fostering robust relationships throughout our supply chain network. Our well-defined purchase policy serves as a comprehensive framework, outlining the criteria for evaluating and engaging vendors of varying scales. These criteria are applied during the supplier assessment process before they are brought on board.

The supply chain process encompasses several stages, each playing a crucial role in ensuring seamless operations. These stages include proper planning, strategic vendor sourcing and shortlisting, contracting and payment procedures, efficient production and timely delivery, rigorous quality control measures, proactive inventory management, effective supplier relationship management, and comprehensive risk management strategies.

Vendor Engagement and Management

At the Zone, we are committed to a structured approach to vendor engagement and management, aiming to enhance operational

efficiency, minimize risks, and establish a robust supplier management system.



Vendor Selection Process

GRI 308 – 1 | 414 - 1

We employ a systematic vendor selection process that includes prequalification criteria. Vendors within our database are recommended by our staff or existing vendors. To be fully onboarded, these vendors undergo quality screening, as well as risk and legal assessments. Environmental and social assessments, aligned with our purchase policy, encompass guidelines on human rights and child labor. The screening process is specifically tailored for suppliers of bulk orders.

1.

Bidding Process

Since the introduction of our Quality Policy in 2023, we have opened the bidding process to the public for high-value contracts, encouraging widespread participation and proposal submissions for the prequalification process. Invitations to bid are announced on our website for construction projects, and applicants are screened using predetermined eligibility criteria, resulting in a shortlist. This transparent approach diversifies our contractor base for building projects.

For non-building projects, we engage with existing suppliers from our database, inviting them to bid according to the contract requirements. Specifications are provided to vendors, who then submit quotations and payment terms for the supply of materials. To ensure transparency and competitive pricing, we request quotes from a minimum of three vendors, considering their requirements, brochures, and technical specifications.

2.

Due Diligence

Before finalizing a vendor, we conduct thorough due diligence, assessing material quality, vendor competence, and credibility. This process involves

on-site visits to factories and quality checks in our labs to validate that the materials meet our stringent standards.







Vendor List and Prioritization

GRI 204 – 1 | 414-1

At LFZ, our vendor list includes over 200 suppliers. We prioritize sourcing from local vendors, including those from host communities, SMEs, and women-owned businesses. We emphasize direct

purchasing from manufacturers/OEMs for bulk orders to ensure efficiency and reliability in our procurement process.

Procurement	Supplier Base	Expenses	Screening Criteria
 <p>12.2 % of procurement expenses imported</p> <p>87.8 % of procurement expenses spent locally</p>	 <p>233 Local supplier base</p> <p>18 International supplier base</p>	 <p>\$8.6 million Local procurement expenses</p> <p>\$1.2 million International procurement expenses</p>	 <p>23 Number of suppliers that were screened using social criteria</p> <p>23 Number of suppliers assessed for environmental impacts</p>

Quality Management

We are committed to upholding a culture of quality in all our processes and the services we provide. To embed this culture within the Zone, we introduced our Quality Policy this year. The Policy delineates guidelines that suppliers must adhere to, ensuring their commitment to achieving excellence in their products or services.

As our standard practice, we perform quality control at the point of delivery. This involves thorough verification and testing to guarantee that the products meet our stringent quality standards. For construction projects, we conduct on-site inspections to ensure compliance with relevant standards and regulations, as well as adherence to standard operating procedures. Routine inspections are conducted as part of our audit process, aligning with our product quality plan and test plan.

In addition to routine quality checks, we implement annual maintenance plans for buildings managed by the Zone. Preventive and corrective maintenance checks are carried out during our periodic visits to maintain the structural integrity and functionality of these buildings. Our quality checks and internal audits are guided by well-documented standard operating procedures.

Our commitment to quality extends beyond inspections; it is ingrained in our approach to maintaining and enhancing the performance of our facilities. Through these measures, we strive to ensure that our services consistently meet or exceed the highest standards of quality.

Quality Trainings

We recognize that quality is not confined to specific teams; it permeates every facet of our Zone. To foster a holistic understanding and consciousness of quality throughout our entire Zone, we conduct comprehensive Zone-wide training programs. These initiatives extend beyond the immediate team, reaching out to other departments and functions within the Zone.

The Zone-wide training programs are designed to equip all staff members, irrespective of their roles, with a keen awareness and understanding of the importance of quality in our operations.

Participants gain insights into the fundamental principles of quality management, the significance of adherence to established standards, and the role each individual plays in maintaining our commitment to excellence.

By extending our training initiatives beyond the Quality Team, we aim to create a unified Zone culture that values and prioritizes quality in every endeavor. This collaborative approach enhances the overall competency of our workforce and fosters a shared responsibility for upholding the highest standards of quality across the entire Zone.



Quality Week

At the Lagos Free Zone, we proudly celebrated World Quality Week from November 6th to 10th 2023, showcasing our steadfast dedication to quality standards. Throughout the week, we orchestrated a multifaceted approach to honor and reinforce our commitment to quality across the Zone.

Central to our commemoration efforts were specialized quality training initiatives tailored for engineers and site-level personnel. These sessions provided practical knowledge transfer, empowering our personnel to uphold stringent quality standards in their daily tasks. Additionally, we invited a distinguished lecturer from the University of Lagos to emphasize the importance of quality, fostering insightful discussions among stakeholders.

Active engagement was crucial to the success of World Quality Week, achieved through interactive activities such as quiz competitions and material testing contests. These initiatives not only enhanced technical skills but also assessed the overall understanding of quality practices among workers.

The enthusiastic participation of workers and contractors underscored our dedication to fostering a culture of continuous improvement and excellence within the Lagos Free Zone. As we move forward, we are committed to sustaining this momentum, ensuring that the lessons learned during World Quality Week continue to shape our approach to quality in the long term.



Customer Service Week

LFZ proudly celebrated Customer Service Week from October 9th to 13th, 2023, under the theme: “Team Service.” The week provided us with a valuable opportunity to reinforce our commitment to prioritizing customer satisfaction, building strong relationships, and demonstrating service excellence.

Throughout the week, we visited stakeholders within the Zone and had meaningful interactions with tenants to discuss our sustainability initiatives and outlooks. These engagements fostered an environment of mutual learning and idea exchange, emphasizing the importance of collaboration in achieving shared goals.

The Customer Service Week serves as a platform for the Zone to appreciate our tenants, express gratitude for their trust and partnership, and strengthen relationships through customer appreciation events and networking opportunities. Additionally, the week allowed us to celebrate the dedication of our customer-facing employees and promote internal collaboration across departments to deliver a unified, exceptional experience.

At LFZ, Customer Service Week is not only a celebration of customer focus but also an acknowledgment of employee excellence and the importance of partnership and collaboration. We remain dedicated to enhancing the customer experience, empowering our employees, and working closely with our enterprises to achieve mutual success.

In conclusion, LFZ’s celebration of Customer Service Week reaffirms our commitment to delivering exceptional service, building strong relationships, and fostering a culture of collaboration and excellence within our organization and with our valued customers.



Fire and Safety Week

LFZ commemorated Fire and Safety Week from April 28th to May 4th, 2023, spotlighting the criticality of upholding a secure working atmosphere. The week unfolded with a compelling opening address from the management, stressing the essence of fire safety protocols within the Zone. A pivotal moment occurred during a lecture by guest speaker Mr. Femi Da-silva, aligning with the theme of the World Day for Safety and Health 2023: “A safe and healthy working environment is a fundamental principle and right at work.” This discourse offered valuable insights into fostering and perpetuating a secure workplace ethos.

Throughout the week, we orchestrated a Fire Safety Awareness Rally across our host communities, aiming to bolster residents’ understanding of fire prevention and safety measures. This endeavor sought to cultivate widespread community vigilance and readiness in the event of fire emergencies. The Fire & Safety Week featured diverse competitions and awareness initiatives, with departments engaging in Safety Competitions to nurture a

safety-oriented culture within the organization. Additionally, Fire Team Members participated in an inter-watch competition at the Fire Station, demonstrating their preparedness and competency in addressing fire-related incidents.

In line with our dedication to community outreach, we welcomed school children for a fire safety discussion during the week. This educational session aimed to impart crucial fire safety knowledge to young minds, empowering them to proactively mitigate fire hazards.

In sum, LFZ’s Fire and Safety Week underscored our unwavering commitment to safeguarding the well-being of our employees, stakeholders, and the wider community. Through informative sessions, awareness campaigns, and engaging competitions, we reaffirmed the significance of maintaining a safe working environment and readiness for emergencies.



World Environment Day

The Lagos Free Zone commenced its 2023 World Environment Day (WED) activities a month ahead of the official date, initiating the circulation of environmental writeups among staff and inviting submissions for the Green Hero Awards.

On June 5th, 2023, we proudly celebrated World Environment Day, aligning with the global community to advocate for the significance of nature and its intricate relationship with human activities, with a specific focus on the year's theme, "Beat Plastic Pollution." Our event prioritized engaging our stakeholders in this crucial conversation.

The day commenced with a presentation on the theme, accompanied by short videos that deepened attendees' comprehension of the imperative to conserve nature, inspiring them to

champion environmental stewardship. The active participation of our employees and contractors underscored our dedication to grassroots environmental initiatives and the promotion of sustainable practices across our operations.

Activities included tree-planting at the LFZ camp and birdwatching, symbolizing our unwavering commitment to environmental stewardship and the preservation of biodiversity. The Green Hero Awards recognized individuals for their initiatives, spanning from paper conservation to tree planting, material reuse, and recycling efforts.

Through these endeavors, we not only reiterated our commitment to environmental progress within our operational framework but also nurtured a culture of continual improvement in our social and sustainability impact.



Sports

In a bid to promote friendship and wellness, LFZ proudly hosted football competition and annual sports day in 2023. These events exemplified our commitment to the “Live, Work, Play” philosophy, encouraging employees to bond, exercise, and recreate in a friendly atmosphere.

The football competition, held in a league format from July 22nd to October 21st, featured eight teams from LFZ and tenants. Kellogs Tolaram emerged victorious, with LFZ securing the runner-up position. This initiative not only promoted healthy competition but also fostered teamwork and collaboration among participants.

On September 23rd, LFZ celebrated its annual sports day themed: ‘Fostering Team Spirit and Healthy Competition’ with a plethora of track and field events, including sprints, long-distance running, shot put, long jump, and more. Employees enthusiastically participated in activities such as the sack race, egg race, and tug of war, enhancing team spirit and camaraderie.

In addition to traditional sports, the event incorporated fun-filled games like balloon burst and table tennis, fostering laughter and interaction among colleagues. A unique fusion of football and dancing added an artistic touch to the festivities, highlighting the diverse talents within the LFZ community.

LFZ’s sports activities served as a platform for employees to come together, engage in healthy competition, and build lasting relationships. As we reflect on the success of these events, we are reminded of the importance of promoting wellness and teamwork in our workplace. Moving forward, we remain committed to organizing initiatives that enrich our company culture and promote a balanced lifestyle for all employees.



Staff End of The Year Party

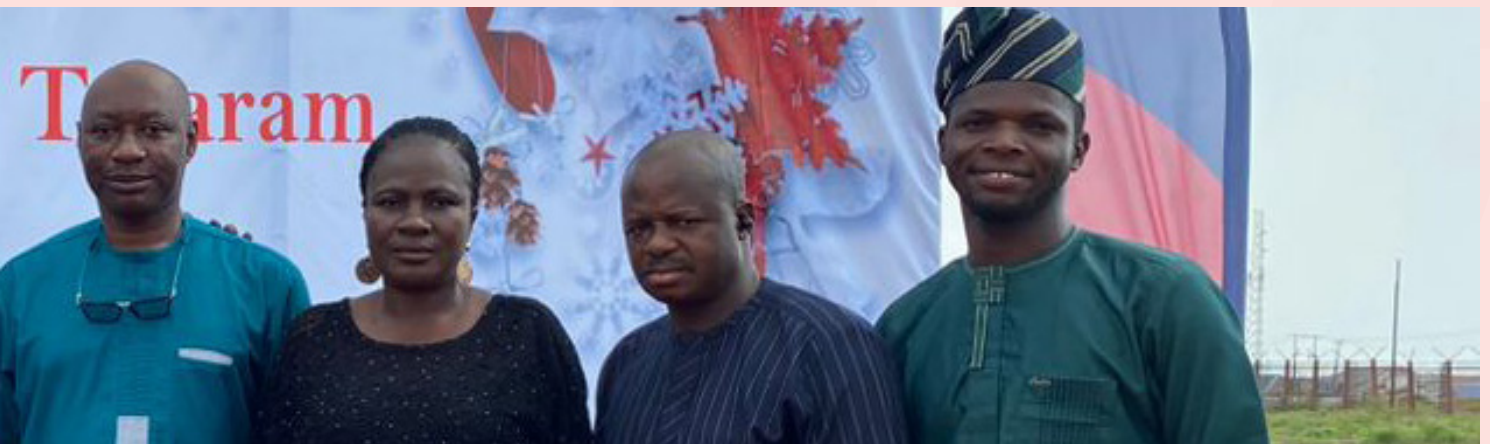
LFZ staff gathered on December 8th, 2023, for the annual staff party, marking the end of the year with festivities and reflection. The event provided a well-deserved opportunity for employees to unwind, celebrate achievements, and reminisce about the outgoing year.

The management took the occasion to honor individuals who have demonstrated exceptional dedication and selflessness in their service to the Zone. Recognitions included long service awards for 6 employees reaching milestones of 10 and 15 years, as well as selfless awards bestowed upon 27 deserving individuals. In a gesture of inclusivity, spouses and children of LFZ staff were warmly welcomed to join in the celebration, fostering a sense of community and friendship among families.

The CEO expressed heartfelt appreciation for the collective efforts of all employees, acknowledging their invaluable contributions to LFZ's success story. This gesture underscored LFZ's commitment to the "work, live, play" philosophy, emphasizing the importance of maintaining a healthy work-life balance and nurturing a supportive work environment.

Overall, the staff party served as a meaningful reminder of LFZ's dedication to its employees and broader societal engagement. By bringing together staff and their families in a joyous celebration, the event highlighted LFZ's commitment to fostering a thriving workplace culture that values both professional excellence and personal well-being.







Community Relations

GRI 203-2 | 411-1 | 413 – 1

We are committed to maintaining strong and positive relationships with local stakeholders across the eight communities namely Alasia, Idotun, Ilekuru, Itoke, Lujagba, Magbon Segun, Oke Segun, and Okunraye. We prioritize building and nurturing connections with traditional rulers, local government chairmen, and other paramount units within these host communities. We give preference to communities initiatives over non-host communities.

Regular stakeholder meetings serve as a platform for meaningful engagement, enabling us to better understand their needs and preferences. This insight guides our corporate social responsibility (CSR) initiatives, ensuring that our projects align with the communities' expectations and contribute to their well-being.

Our community-centric CSR initiatives are strategically focused on diverse sectors, including education, community investment, socio-economic development, healthcare, basic infrastructure development, and environmental and biodiversity management. Within the sphere of educational support, the Zone has instituted impactful initiatives such as the Tolaram Science Challenge, Scholarship and Merit Awards, Sports Sponsorships, Children's Day Celebrations, and the School

Library Project. These endeavors aim to enhance educational opportunities, empower students, and foster a culture of learning within the communities.

In the sphere of community investment, we actively engaged in initiatives like manpower development, community support programs, and repairs and renovations of local police stations. These efforts are designed to empower and uplift the community, addressing both immediate needs and long-term sustainability.

Healthcare is a paramount focus, with initiatives encompassing repairs and improvements to health centers, along with donations to combat health crises like the COVID-19 pandemic. We recognize the importance of a healthy community in fostering overall well-being.

Infrastructure development initiatives further underscore LFZ's commitment to community enhancement. These include the development of community halls, solar streetlights installations for sustainable energy, and projects related to hygiene and water. These interventions contribute to the overall improvement of living standards within the host communities.



In the reporting period, there was no violation involving the rights of local or host communities.

Environmental and biodiversity management initiatives demonstrate our dedication to sustainability. Efforts in this theme include environmental sanitation projects and nature conservation initiatives. We acknowledge the interconnectedness of environmental health with the well-being of the communities it serves.

The Zone's community relationships extend beyond formal engagement, manifesting in tangible and impactful CSR initiatives. Our commitment to education, community investment, healthcare, infrastructure development, and environmental sustainability reflects our holistic

approach to corporate social responsibility. We remain dedicated to fostering positive change, promoting community well-being, and creating a sustainable legacy that transcends generations.



Number of community stakeholder engagements

3



Total number of CSR projects embarked on in 2023

14



Total amount spent

₦215,861,712

* \$179,884.76 (Converted at \$1 to 1200 Naira)





Our Evolving Social Footprint



Impact Assessment and Performance

Overview

GRI 413 -1

Understanding the scale of the impact that we have on society is a crucial aspect of our Corporate Social Responsibility plan. As a sustainable organization with multiple CSR initiatives running in the location where we operate, we periodically conduct a holistic assessment of our CSR initiatives to understand the impact created for our host communities. In 2023 we conducted an impact assessment on our CSR initiatives implemented between 2016 – 2023. This process also enables us to identify the actual scale of our impact, get beneficiary feedback, and understand the gaps that exist. Our CSR initiatives are strategically centered on diverse programmatic areas encompassing livelihood generation, education, healthcare, rural infrastructure, and socioeconomic development.

Programmatic Area	Project	Relevant SDG	Duration	Number of Beneficiaries
Livelihood Generation	Women Empowerment (support for POS business)	  	2022-2023	5
	Coconut Seedling	 	2023	NA
Education	Tolaram Science Challenge		2016 – 2023 (ongoing)	75-100 annually
	Support to the local government for Children's Day Celebration	 	2022 – 2023 (ongoing)	500+ annually
	Sports Sponsorship in schools	 	2022 – 2023 (ongoing)	500+ annually
	LFZ Scholarship		2022 – 2023 (ongoing)	14
	Support to Local government Education Authority for Merit Award		2022	12
	Support to Community School's Library		2022	5,000+
	School Bag Distribution		2023	1,600

Programmatic Area	Project	Relevant SDG	Duration	Number of Beneficiaries
Healthcare	Iberekodo Health Center Repairs		2021	NA
	COVID-19 Donations	 	2020 – 2021	20,000+
	Health and Blood donation camp		2023	NA
	YEDI Youth Skillz for Health		2023	100
Rural Infrastructure	Community Halls		2018 – 2023 (ongoing)	8,000+
	Installation of Solar Lights on Community Roads	  	2023	8,000+
	Construction of Toilet Blocks in 28 Schools across Ibeju-Lekki LGA	  	2014 – 2016	5,000+
	Construction of 34 water Hand pumps in Primary and Secondary Schools in Ibeju Lekki LGA	  	2014 – 2016	10,000+
	Flood Control	 	2023	4,000+
Socioeconomic Development	Repair of Akodo Police Station		2018 – 2023 (ongoing)	NA
	Construction of Classrooms	 	2023	1,000+
	IshK Tolaram Skill Center	 	2014 – 2016	50
	Support to the Communities for Festival Celebrations	   	2014 – 2016	5,000+ Annually

Livelihood Generation



Women Empowerment

On November 29, 2022, LFZ launched the women empowerment program aimed at fostering gender equality, economic growth, and community development within our host communities. We provided POS terminals and interest-free loans to five female entrepreneurs within our host communities. Each of the grantees got a total of **N125,000 each**.



5
Beneficiaries



Coconut Seedling

On April 20, 2023, Lagos Free Zone collaborated with the Rotary Club of Eko Atlantic and LekkiPort to distribute coconut seedlings across its eight host communities. This initiative aims to

promote urban reforestation in these areas and foster the cultivation of economically beneficial trees along the coast.



Education



Tolaram Science Challenge

We are unwavering in our dedication to improving education quality in our operational area, firmly believing in every child's potential to excel with proper support, regardless of their background. This commitment led to the inception of the Tolaram Science Challenge (TSC) in 2016. The TSC, a yearly corporate social responsibility initiative by Lagos Free Zone, focuses on enhancing science education among students in the Ibeju Lekki Local Council Development Area (LCDA). Besides nurturing students in science-related subjects, the project

aims to inspire excellence and develop critical skills like problem-solving, teamwork, and time management. Through healthy competition, the TSC actively contributes to the human capital development of local scholars, assessing their cognitive and scientific abilities in subjects such as Mathematics, Physics, Chemistry, and Biology. LFZ, alongside other donors, provides financial support and donates educational materials like textbooks, school bags, and branded food items to participants, furthering the project's impact on education in the community.







7

Season



4

Prize Winners



16

Schools



100+

Hours Invested

Students from
communities
in Ibeju LekkiStudent
Participation

2023

96

2022

96

2021

104

Cash
Prizes to
Schools1st ₦400,0002nd ₦300,0003rd ₦250,0004th ₦200,000Cash Prizes
to the Best
Students1st ₦100,0002nd ₦80,0003rd ₦60,000UTMC Fees are paid for the best
students from the 16 schools

Children’s Day Celebration and Sport Sponsorship

Lagos Free Zone (LFZ) is committed to enriching the educational experience of school-aged students through extracurricular activities that foster values like teamwork and cultural appreciation. LFZ actively participates in events such as inter-house sporting competitions, where students develop essential life skills like resilience and sportsmanship.

Additionally, LFZ supports Children’s Day celebrations of Ibeju Lekki LCDA for public primary schools. We also provided financial contributions and assistance for school sport preparations, reinforcing its dedication to enhancing the well-being and education of children in the community.



500+
Participating Pupils



Impact:
Nurturing and spotting talent; Promoting physical health and wellbeing



LFZ Scholarship and Merit Award

In 2022, we initiated the LFZ Scholarship Scheme to support brilliant local tertiary students facing financial constraints. Through a selection process, one outstanding student from each of the host communities is chosen to receive financial aid, emphasizing gender diversity and equal opportunities. LFZ also collaborates with the Local Government Education Authority to sponsor the Local Government Merit Award for exceptional primary school pupils in these communities, providing recognition and learning resources to encourage academic excellence. These initiatives demonstrate LFZ's commitment to community development and educational advancement in its host communities.



100+

Hours of manpower invested



14


Scholars




Support to Community School's Library

The LFZ School Library Project underscores our commitment to educational empowerment and the promotion of a vibrant reading culture among students. Through partnerships, we distributed academic books and constructed purpose-built bookshelves for 24 public schools in the Ibeju Lekki LCDA. These carefully curated books cover various subjects in primary and secondary education, aiming to enhance literacy and numeracy skills. The meticulously crafted bookshelves serve to preserve and maintain the books, facilitating learning and fostering a love for lifelong learning among the students of Ibeju Lekki.

 **1,000+**
Impacted Pupils

 **1,719**
Books Donated

 **24**
Beneficiary Schools
(2 primary schools, 11 junior secondary schools, and 11 senior secondary schools)



School Bag Distribution

To encourage studentship and improve learning, LFZ in partnership with the Rotary Club of Eko Atlantic donated school bags in the schools in all of LFZ's host communities. The schools covered are RCM Primary School (Okunraye), St Vincent RCM Primary School (Idotun), Community Junior High School (Idotun) and Community Senior High School (Magbon Segun). The distribution kicked off in St Vincent RCM Primary School on 19th October 2023 and 1600 bags donated in the schools.



1,600+
Impacted Pupils



Healthcare



Iberekodo Health Center Repairs

As part of our commitment to enhancing community healthcare, we undertook the renovation of the Iberekodo Healthcare Centre. This extensive renovation project

encompassed roof repairs, ceiling restoration, door installation, window fixing, plumbing work, septic tank construction, and painting.



COVID-19 Donations

During the COVID-19 pandemic, we prioritized community welfare through various initiatives, including healthcare support and food assistance, strengthening community bonds. Our comprehensive approach involved distributing medical supplies and food, supporting vaccination efforts, and establishing emergency medical facilities. Additionally, contributions to the Lekki Food Bank and direct aid to households addressed food insecurity. Collaborating with Tolaram, LFZ contributed N2 billion to COVID-19 relief efforts.


10,000+

Households benefited from our food program


20,000+

Participating Schools


2,342+

Households benefited from our food program


8,000

Residents impacted healthcare repairs



Health and Blood Donation Camp

LFZ in collaboration with the Rotary Club and Indo Eye Foundation in October 2023 conducted health camps in LFZ and its host communities. The program included blood

donation drive and free eye screening. Individuals with eye issues requiring surgeries were helped to access free surgeries from Indo Eye Clinic.



YEDI Youth Skillz for Health

LFZ, in partnership with YEDI and IshKTolaram Foundation, held the Youth Skillz Program in all LFZ host communities. This initiative focused on building confidence and providing sex education and health components to youth and adolescents. The program's first cohort involved 100 youths, with two more cohorts planned for an additional 200 youths.



300

Participating Youths



Rural Infrastructure



Community Halls

LFZ has prioritized the construction of community halls to enhance community cohesion. These halls serve as venues for public meetings, discussions, and problem-solving sessions, benefiting over 8,000 residents across the 8 host communities. Equipped with essential facilities, including toilets, boreholes, and generator houses, these halls provide vital spaces for community engagement and interaction.



8

Host Communities



8,000+

Residents



Installation of Solar street lights

We acknowledge the importance of adequate lighting on community roads to enhance safety and economic activity. To address this, the company has installed 100 solar streetlights in the host communities, aiming to improve road safety and promote community well-being.



8
Host Communities



100
Solar Street Lights



8,000+
Residents



Toilet Construction

As part of public health and sanitation efforts, LFZ has constructed toilet blocks in 28 public schools within the Ibeju Lekki LGA, totaling 144 toilets and benefiting over 5,000 students. This intervention contributes to Sustainable Development Goal (SDG) 6, Target 2, aiming to end open defecation and improve sanitation facilities in schools.



 **28**
Schools

 **144**
Toilets Constructed

 **5,000+**
Beneficiaries


Water Pump Construction


Access to safe drinking water, sanitation, and hygiene (WASH) is crucial for good health and well-being. In alignment with this commitment, we undertook projects to improve WASH access and awareness in host communities, reaching over 10,000 students across the Ibeju Lekki LCDA with quality water, sanitation, and hygiene infrastructure.

We have constructed hand-pumped boreholes in 34 public schools, providing safe and affordable drinking water to over 10,000 students and supporting SDG 6, Target 1, which focuses on universal and equitable access to clean water.



 **34**
Schools

 **34**
Water Pumps

 **10,000+**
Beneficiaries

Flood Control

In September 2023, LFZ supplied Idotun and Itoke communities with heavy equipment for stormwater channeling to prevent flooding. This was part of a collaborative effort with local authorities to enhance flood control infrastructure in the area.



2
Host Communities



4,000
Residents



Socioeconomic Development



Repair of Akodo Police Station

Our commitment to community welfare is evident in our support for the refurbishment of the Akodo Police Station, contributing to

a safer and more conducive environment for all stakeholders.



Construction of Classrooms

LFZ is committed to improving educational infrastructure by constructing classrooms in host communities. Initiatives such as the construction of three classrooms each in Idotun Community Junior High School and RCM Primary School, Okunraye, and Community High School, Magbon Segun, reflect LFZ's dedication to providing a safe and conducive learning environment for students, thereby contributing to community development and empowerment.



500+
Pupils Impacted



6
Classroom Blocks



IshK Tolaram Skill Center

To bridge the skill gap in all host communities, LFZ instituted a skill development center within the Zone. The project, which started in November is a partnership between LFZ and IshK Tolaram Foundation created with the aim of facilitating learning and skill development starting with Masonry and Plumbing. The Center was commissioned on 1st November 2023 with 50 students (25 for masonry and 25 for plumbing) currently enrolled in the pilot program and additional skills and trades planned.

**50**

Local Youths Impacted



Support to Communities for Festival Celebrations

LFZ's commitment to community support and engagement remains a cornerstone of our corporate responsibility efforts. Over the years, we have actively contributed to the well-being of communities in Ibeju Lekki LCDA by distributing essential items during festive and religious occasions like Easter, Christmas, and Ramadan. These initiatives, which include distribution of food, learning materials, and power generators, serve to address immediate needs, promote health, and foster a sense of togetherness among community members.



4,000+
Students



10,000+
Residents



8
Host Communities





10.

Appendix



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* NA = Not Applicable

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The objective of sustainability-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	27. Governance	34, 59
The objective of sustainability-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	29. Strategy	43,60
	30. Sustainability related risk and opporrtnities	NA
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The objective of sustainability-related financial disclosures on risk management is to enable users of general purpose financial reports:	43. Risk Management	60
(a) to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and (b) to assess the entity's overall risk profile and its overall risk management process.		
The objective of sustainability-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	46. Metrics and targets	5
An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:		
(a) metrics required by an applicable IFRS Sustainability Disclosure Standard; and (b) metrics the entity uses to measure and monitor: (i) that sustainability-related risk or opportunity; and (ii) its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.		

Objective	Core Areas	Page #
The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.	6. Governance	34
The objective of sustainability-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	9. Strategy	43
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The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	25. Risk Management	60
The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	28. Metrics and targets	5



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