

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



Driving Sustainability in Nigeria's Aluminium Recycling Industry

The global aluminium market is undergoing significant growth, driven by increasing industrialization, large-scale infrastructure projects, urbanization, and the aviation sector. China dominates the market, accounting for 57% of global aluminium consumption.

The aluminium market has also gained from the global emphasis on sustainability, with recycled aluminium now contributing 33% of total production. Recycling requires only 5% of the energy needed for primary aluminium production.

In Nigeria, Terra Aqua, a leading aluminium recycler based in Ogun State, operates the largest installed capacity in the country, processing 8,800 metric tons of aluminium scrap per month.

The company sources its scrap aluminium locally, supporting the Nigerian economy by creating income opportunities for scrap collectors and aggregators. This localized sourcing also promotes environmental sustainability by reducing landfill waste. Other inputs used in the recycling process, such as sodium hydroxide (caustic soda) are procured locally, further boosting the domestic economy.

Terra Aqua specializes in producing aluminium ingots which are exported, primarily to international metals traders in Asia, who supply major manufacturers.

The company employs 100 part-time workers, with women making up 30% of its workforce.



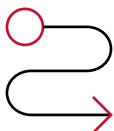
The Challenge

Terra Aqua was seeking to refinance existing debt at a lower interest rate to free up cash for working capital and growth.

The company secured interest from potential investors to raise debt financing up to \$7.5 million subject to meeting certain ESG requirements.

MA Support

MA's support focused on strengthening Terra Aqua's sustainability practices and optimizing its operational performance to unlock new market opportunities to pave the way for larger investments. We delivered the following support elements:



ESG Framework with Implementation Roadmap - We developed a framework that will help the company to integrate ESG principles into its business by identifying risks, setting goals, and implementing initiatives for sustainability, governance, and social responsibility. The framework includes a materiality assessment, actionable steps, and global-standard reporting, enhancing stakeholder trust, mitigating risks, and attracting investors like TLG Capital through long-term operational excellence.

Environmental and Social Strategy – We developed a strategy that provided clear guidelines to address Terra Aqua's environmental and social risks while aligning operations with international ESG standards. The strategy outlined waste management improvements, pollution reduction, emissions control, and formalized Environmental and Social Management System (ESMS) procedures. Our report also recommended enforcing labor standards, strengthening occupational health and Safety (OHS) measures and establishing a Stakeholder Engagement Plan and grievance mechanism.



Supply Chain Sourcing Strategy Report – This report mapped the company's sourcing, production processes, suppliers, and customers to identify growth levers and emissions reduction potential. It assessed readiness for supply disruptions, potential regulatory changes, evaluated technology adoption in inventory and tracking systems for efficiency and scalability.

Impact of MA Support



Terra Aqua was able to raise **\$7.5 million** debt finance from TLG Capital. The fund is also leading efforts to green the company's power source and has put in an application to secure a \$5million grant to make Terra Aqua's power more sustainable.

TLG Capital's investment was made within a strategic partnership agreement between the London-based investment firm and Manufacturing Africa to strengthen and improve the eligibility of Nigerian manufacturing companies to raise capital.

The partnership agreement was signed at the UK High Commission in Lagos on April 29th, 2025.

This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

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