



ADENIA PARTNERS
ESG AND IMPACT REPORT
2021

Committed to responsible investing. Committed to a sustainable Africa.

CONTENTS

INTRODUCTION

FOREWORD	4
WHO WE ARE	6

IMPACT OVERVIEW

ADENIA'S APPROACH TO IMPACT MEASUREMENT AND MANAGEMENT	11
COMMITTING TO REDUCING OUR CARBON FOOTPRINT	13
COMMITTING TO ADVANCING GENDER EQUALITY	14

INVESTEES' IMPACT TARGETS & PERFORMANCE

PORTFOLIO IMPACT FOR ADENIA IV	16
PORTFOLIO IMPACT FOR ADENIA III	35



INTRODUCTION

FOREWORD

After a challenging 2020, focused on supporting our investee companies roll out our business continuity plans, 2021 was one of the busiest and most significant years for Adenia in terms of investments, expansion, exits, and impact initiatives.

In 2021, we acquired six companies, operating in 18 countries, that already delivered high impact to the communities they serve in their respective industries. For example, Africa Biosystems Limited (ABL), our life sciences equipment distributor in East Africa, distributes instruments that facilitate cutting-edge research in molecular, cell and protein biology, as well as DNA forensics. Herholdt's, our renewable energy company in South Africa, aims to broaden access to reliable and sustainable energy; as such, it equipped three South African provinces and surrounding African countries, in particular Lesotho, with more than 100,000 solar panels in 2021.

We successfully exited our investment in Ademat, the leading provider of power security solutions in Côte d'Ivoire, to SPE Capital. This African-focused private equity fund was attracted by Ademat's resilience during the pandemic, as well as its robust operational processes and quality infrastructure, which are aligned with best-in-class operational standards. We also successfully exited Opham, the leading pharmaceutical distributor in Madagascar, to a consortium of local and international investors. During our holding period, we implemented an ambitious impact agenda together with Opham's management team. This agenda included expanding its product range of both specialties and generic medicines and collaborating throughout the crisis with Malagasy Health Agency to optimize the availability of pharmaceuticals. According to an independent analysis, each 1€ we invested in Opham generated 5.5€ of value for the communities, and Opham's key role for the community was further evidenced as Covid-19 increased medicines needs while disrupting supply chains.

By partnering with Adenia, management teams of these newly acquired companies formally committed to strengthening their ESG risk management systems and enhancing their positive impact.



"We collaborate daily with the management teams of our investee companies to help them navigate and mitigate the ongoing economic and social impacts of Covid-19, while implementing key initiatives to improve the robustness of their risk management systems, enhance the quality and diversity of jobs, improve the sustainability of their operations, and contribute to the global advancement of the SDGs. The value-addition we can bring to companies in terms of ESG and impact are clearly valued by the entrepreneurs we partner with."

Koloina Razafindratsita, ESGI Manager

2021 was also a year of geographic expansion for Adenia, with the opening of two new offices, in South Africa and Morocco, to support our investee companies' growth in these massive and fast-growing markets.

Adenia also took formal climate and gender commitments to ensure that we and our investee companies contribute to fighting against climate change, as well as against gender-based violence and discriminations:

- > We committed to become carbon "net zero" by 2027 through a mix of reduction and offsetting measures at the manager level. For all new investees, we will define targets to reduce CO2 intensity in the 12 months post acquisition, based on a baseline assessment performed by EcoAct.
- > We committed that 30% of Investment Committee members and 40% of our investment team and staff will be women by 2026. We also committed to develop policies and programs that (i) promote an inclusive recruitment process, (ii) ensure clear, transparent and accessible evaluation, review and promotion process, (iii) ensure equal pay, (iv) ensure inclusive and flexible working conditions, (v) fight against harassment and unconscious bias. We finally committed to have at least 50% of AC(IV) companies and 50-75% of future funds' companies align with at least one 2X Challenge criteria.

Our continuous work to improve our impact strategy and methodology was recognized by various bodies including (i) Global Private Capital Association and CDC, who awarded Adenia their inaugural ESG Performance Award, (ii) UNPRI, who collaborated with us to develop a case study on our impact framework to share with their base of 7,000 signatories, and (iii) Operating Principles for Impact Management, who appointed Stéphane Bacquaert as Chair of the Africa & Middle East Committee.



"ESG and Impact has always been a core element in Adenia's DNA. As a control and active investor, we continuously work with management team to uplift operational standards and working conditions. With continuous improvements to our ESG & Impact framework, our new gender and carbon initiatives, and the great energy of Adenia and our investees' teams, I am convinced that we are well positioned to navigate the social and environmental challenges that lie ahead of us and contribute positively to the community."

Stéphane Bacquaert, IC Member and Managing Partner in charge of ESGI

This report showcases the impact created through our investments and highlights the specific achievements that occurred during this year.

We want to take the opportunity to thank all of our investors and partners for their continuous support in advancing social and environmental sustainability.

WHO WE ARE

Adenia Partners is a private market investment firm committed to responsible investing and to a sustainable Africa. Founded in 2002, Adenia has successfully raised US\$500 million across 4 funds. Adenia has a proven track record of strong and consistent performance with 31 platform investments executed and 17 realized exits. Based on-the-ground across Africa, Adenia has one of the most highly qualified African private markets investment teams in terms of educational pedigree, longstanding experience as entrepreneurs and investors, and local in-depth knowledge. By creating stronger companies with quality jobs, fostering economic improvement, and elevating companies to meet ESG standards, Adenia is increasing the enterprise value for investors, whilst benefiting workers, communities, and companies in Africa.

Throughout its activities, Adenia is committed to minimizing adverse impacts and enhancing positive effects on the environment and all stakeholders of its investees. This commitment has always been an integral part of our investment strategy: Adenia was an early adopter of the IFC Performance Standards and the CDC Code of Responsible Investment, with the first version of our Environmental and Social Management System dating back to 2011.

Over time, it became clear that more structure and formalization was needed to maximize the positive impact on our communities' wellbeing. In 2019, Adenia developed an in-house Impact Measurement and Management framework following the examples set by leading sources, including the Operating Principles for Impact Management, the Principles for Responsible Investment, the Sustainable Development Goals, and the Impact Management Project. We've also gone to great lengths to solicit, adopt, and incorporate feedback from our investees' management teams.

Thanks to this rigorous and systematic impact approach, Adenia aims to create stronger companies with quality jobs and to meet the highest industry and environmental standards. Adenia is convinced that these impact considerations help create value for investors, while also benefiting workers, communities, and companies in Africa.



31
employees



58%
female staff



10
nationalities



7
offices



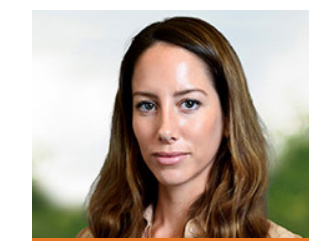
\$400m
under management



Stéphane BACQUAERT
Managing Partner /
IC Member in charge
of ESGI



Koloina RAZAFINDRATSITA
ESGI Manager



Lea DE MELO
ESGI Associate
Investor Relations
and Communication



Elise LAME
ESGI Associate
Western and Northern Africa



**Nelly
POCHTIER-PECCOZ**
ESGI Associate
Eastern, Southern Africa
and Indian Ocean



**Investment
Professionals**



**ESGI External
Advisor on retainer**
Support in portfolio
monitoring, specific
ESGI issues, due
diligences

<https://ibisconsulting.com/>



Climate expert
Carbon footprint
calculation and
climate trainings

<https://eco-act.com/>



Independent Auditor
Verification against
the Operating
Principles for Impact
Management

<https://en.better-way.net/>



**Business
Integrity advisor**
Support in business
integrity due
diligences,
monitoring

<https://www.obiconsulting.eu/>

In 2021, the spirit of the organization remains unchanged:

- › Each investment manager remains entrusted with the monitoring of ESG and Impact at the investee-company level: he/she is in charge of identifying the risks, elaborating the corrective action plan with the managers, monitoring the results and suggesting new initiatives

In addition, control and supervision are ensured by:

- › The Investment Committee, particularly through Stéphane Bacquaert, who raises ESGI questions during investment appraisal and challenges Adenia's E&S strategy

- › Koloina Razafindratsita, as ESGI Manager, who is in charge of the correct implementation of the ESGI Management System, and coordinates the actions of the investment managers during the investment process
- › Nelly Pochtier-Peccoz, Elise Lamé, Lea de Melo as ESGI Associates seconding the ESGI Manager
- › IBIS Consulting, as external ESG expert on retainer basis
- › EcoAct, as external climate expert
- › OBI, as Business Integrity advisor
- › Better Way as independent impact audit

AWARDS

WOMAN INVESTOR AWARD

Winner: **Martha Osier**, Partner

Awarded by East Africa Private Equity and Venture Capital Association (EAVCA)

EAST AFRICA LEADERSHIP AWARD

Winner: **Martha Osier**, Partner

Awarded by East Africa Private Equity and Venture Capital Association (EAVCA)

ESG PERFORMANCE AWARD

for Generalist Private Capital Funds

Awarded by CDC and the GPCA

PRIVATE EQUITY AFRICA AWARD

Category: **Improvement**
Investment: **Quick Mart**

Awarded by Private Equity Africa

MID-CAP DEAL AWARD

Investment: **Red Lands Roses**

Awarded by East Africa Private Equity and Venture Capital Association (EAVCA)

FINALIST FOR PRIVATE EQUITY AFRICA AWARD

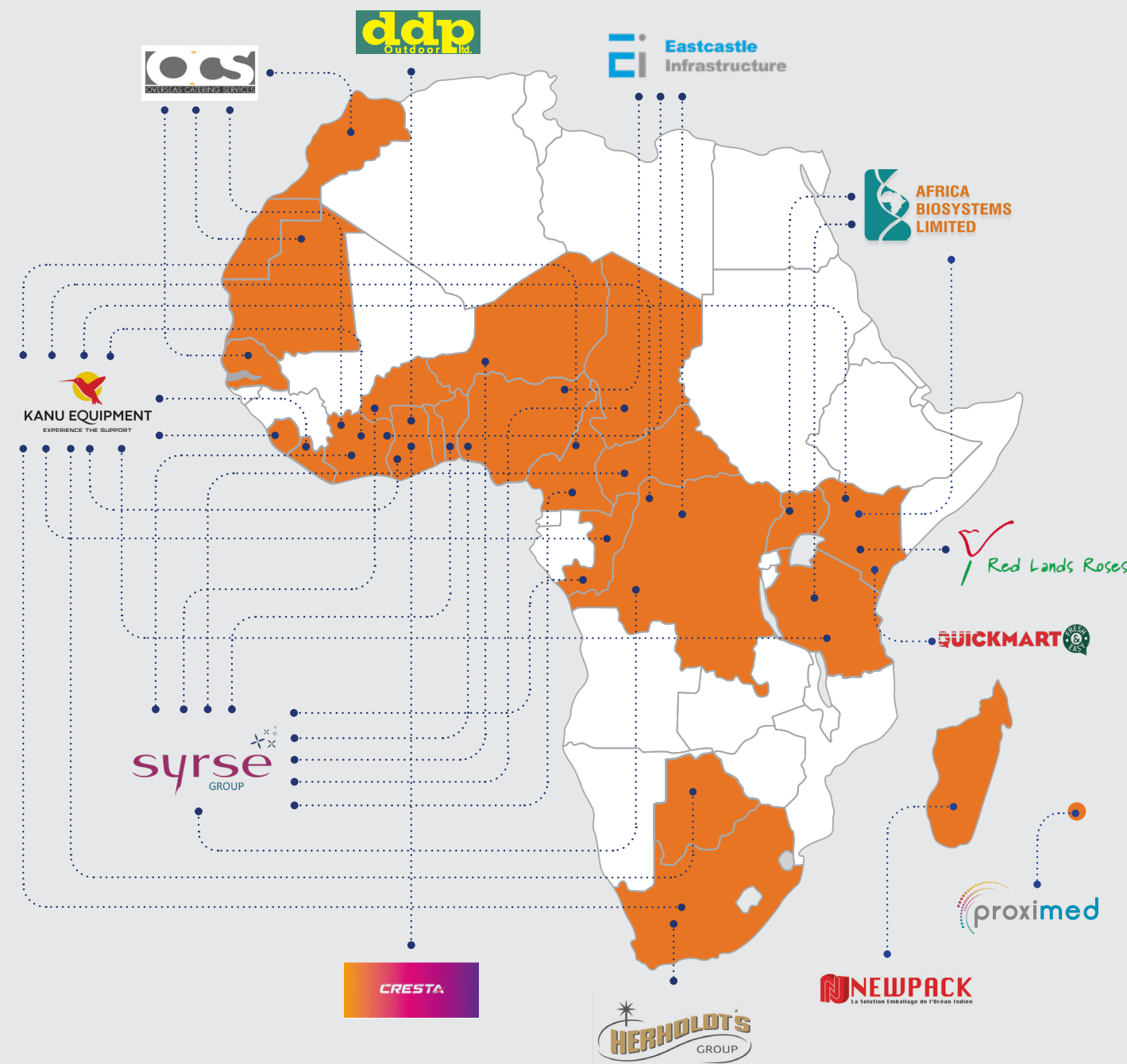
Category: **Exit**
Investment: **Mauvilac**

Awarded by Private Equity Africa

FEATURED INVESTMENT: MAUVILAC

Inaugural GPCA ESGI Deal Book

WHERE WE ARE



c. €300m
invested since 2012
through equity, debt and
co-investments

Over 9,740
jobs sustained across the
continent

17
companies (5 exited)



IMPACT OVERVIEW

ADENIA'S APPROACH TO IMPACT MEASUREMENT AND MANAGEMENT

ADENIA'S IMPACT STRATEGY

Through our investments, we are increasingly committed to drive sustainable business transformation that maximizes both financial returns and positive contribution to the SDGs.

In 2019, with the support of Swedfund and Ibis, we designed a systematic Impact Management and Measurement framework with the conviction that much more can be achieved when targets are clearly stated, outcomes monitored and progress tracked and disclosed.

The framework integrates work from leading international sources, including:

- › The Operating Principles for Impact Management and the UN Principles for Responsible Investment, as our blueprint for impact management
- › The UN Sustainable Development Goals, which Adenia supports by appropriating some of the goals as its own
- › The Impact Management Project, to measure the different dimensions of our impact
- › The 2X Challenge criteria, to follow our progress on gender equality
- › The GHG protocol, to measure our carbon footprint

The framework is built on Adenia's Theory of Change which sets two main long-term impact targets, chosen because they are amongst the most pressing ones in Africa, and that they are a natural fit with Adenia's approach to value creation:

- i. The improvement of job quality and diversity (SDG 5 and 8).** For us, job quality goes beyond the salary earned by employees (salary paid to non-management employees compared to legal minimum of each employee's category). We also consider (i) wellbeing, (ii) growth opportunities as measured by objective indicators, (iii) job satisfaction measured by an annual survey run with all employees, as well as (iv) gender equality & diversity at all levels of the organization.
- ii. The increase in sustainability of operations (SDG 9 and 13).** Our vision is that all our investees align their processes with world-class standards and as such we aim for our investees to have at least one international certification in place (relevant to their sector). We also measure the carbon footprint of each investee and help them implement action plans to reduce the intensity of their emissions. Finally, our goal is that before Adenia's exit, our investees have implemented a resource efficiency program and have initiatives in place to reduce or compensate their water consumption, energy consumption and waste impacts.

ADENIA'S MEASUREMENT FRAMEWORK

Every company in which Adenia invests is subject to a pre-acquisition Impact due diligence to identify (i) investees' contribution to Adenia's long-term impact goals (job quality and diversity; sustainability of operations), and (ii) additional specific impact that investees can contribute to. Results from our due diligence help us develop a dedicated investee Theory of Change that defines the specific initiatives to be implemented to achieve targeted outcomes and impact. Since 2021 these action plans include specific action plans to address gender gaps and advance gender diversity as well as carbon reduction plans.

In order to follow our progress, we developed an impact scorecard that is aligned with Adenia's Theory of Change and identifies and tracks the relevant key performance indicators developed using the SDGs, IRIS, 2X Challenge, GHG protocol and other existing frameworks. This scorecard is:



TAILORED TO ADENIA'S IMPACT STRATEGY

The measurement system is in line with Adenia's Theory of Change and our impact pillars.



FAVORING MAXIMAL POSITIVE IMPACT

as we also measure specificities of each company, with the measurement of its specific impact.



ADJUSTING SCORES FOR POTENTIAL NEGATIVE RISKS



DATA - AND BENEFICIARIES - DRIVEN

relying both on objective data as well as direct feedback from employees.



COMPARABLE

The measured outcomes are turned into an impact score that takes into account the five dimensions of impact of the Impact Management Project (IMP). This allows each company's impact score to be compared to one another.



ACTIONABLE

The measurement methodology has a practical value as it identifies the specific lags of each company with regard to Adenia's impact goals. Action plans can be derived each year from the results of the measurement.

We use the five dimensions of impact of the Impact Management Project in our scoring:



WHAT

What outcomes does the effect relate to, and how important are they to people (or the planet) experiencing it?



HOW MUCH

How much of the effect occurs in the time period?



WHO

Who experiences the effect, and how underserved are they in relation to the outcome?



CONTRIBUTION

How does the effect compare and contribute to what is likely to occur anyway?



RISK

Which risk factors are material, and how likely is the effect different from the expectation?

A score of 100% on this scorecard means that all Adenia's long term objectives are achieved.

COMMITTING TO REDUCING OUR CARBON FOOTPRINT

Despite having contributed the least to greenhouse gas emissions, Africa remains the continent most vulnerable to impacts resulting from climate change. With the entire ecosystem threatened, from water resources and food production to livelihoods, the continent faces increasingly severe consequences from a social, environmental, and developmental standpoint.

While meaningful solutions to climate change require action on a global scale, Adenia recognizes that our companies have a role to play by both lessening their negative impact on the environment and adapting their operations to become more resilient to physical and transition risks imposed by a changing climate.

In 2020, Adenia started a reflection on how to reduce our ecological footprint. It began by organizing a seminar on climate change for the entire Adenia team, and by a comprehensive carbon footprint assessment on Adenia and its portfolio companies. Scope 1, 2, and 3 emissions were measured to provide a baseline of carbon emissions produced at the corporate and portfolio company level.

This exercise enabled us to take clear climate commitments:

- › Adenia Partners commits to become net zero by 2027 through a mix of reduction and offsetting measures.
- › For all new investees, we will define targets to reduce CO2 intensity in the 12 months post-acquisition, based on a baseline assessment performed by EcoAct.

Several initiatives were implemented by our investee companies in 2021.

HERHOLDT'S: an example of contribution to the switch towards clean energy through diversifying core activities

Founded in 1964, Herholdt's is a leading distributor of low voltage electrical products and solar products in South Africa. Impressed by the company's growth and development impact potential, Adenia partnered with the second-generation family members to acquire a majority stake in the company. Together with the management, Adenia plans to harness Herholdt's pioneering business model in a South African environment that is increasingly propitious for renewable energy.

Once considered expensive, renewable energy is indeed becoming the cheapest source of new electricity. In particular, the cost of solar energy has sharply declined in the last 10 years, thanks to increased photovoltaic module efficiencies and decreased hardware and inverter costs. Between 2010 and 2019, photovoltaic module costs decreased between 60 and 90%.

In light of this promising solar business opportunity, Herholdt's started to sell commercial and residential solar installations in 2017. Just 4 years after its launch, the solar energy business unit has grown to represent 59% of Herholdt's revenue. And its solar business is continuing to grow >30% year on year, lifted by both legacy and new stores.

This new business line is a clear enabler of long-term GHG emissions savings, from switching coal-based energy to solar. By delivering more than 100,000 solar panels in 2021, Herholdt's saved close to 40,000 teqCO2, and plans to reach a target of 150,000 teqCO2 in 2025.

Herholdt's offering also enables basic electricity access at a cheaper price for end-users. In 2021, Herholdt's equipped three South African provinces, and surrounding African countries, in particular Lesotho, with solar panels.

COMMITTING TO ADVANCING GENDER EQUALITY

Adenia is convinced that gender equality in its team and its portfolio companies' teams is a credible source of increased performance, through better representation of the communities it serves, and a more diverse pool of ideas and energies. That is why, as a control investor, we have always worked closely with management teams to build inclusive workplaces.

In July 2021, we decided to go a step further and mark our intentionality on gender equality by formally committing to contribute to SDG 5 and its two sub-indicators: (i) increasing women's representation in our leadership and our teams and (ii) fighting all forms of discrimination, making sure that everyone feels respected, accepted, supported, and fairly rewarded.

Manager's initiatives :

- › 25% of Partners will be women by 2022
- › 30% of IC members by 2026, 40% of investment team and staff by 2027
- › Development of policies & programs in order to (i) promote inclusive recruitment process, (ii) ensure clear, transparent and accessible evaluation, review and promotion process, (iii) ensure equal pay, (iv) ensure inclusive and flexible working conditions, (v) fight against harassment and unconscious bias

For AC(IV): 50% of portfolio companies aligned with the 2X Challenge

Since taking these commitments:

Adenia Partners

- › A training on unconscious bias was delivered by the Deloitte Human Capital team to our investment team (16 participants)
- › A Gender Policy was formally developed and adopted by the Board
- › Our Employee Handbook was reviewed to include policies on Flexible Work, Leave, Non-Discrimination, Non Sexual Harassment, Grievance Mechanism, Fair Compensation and Benefits, Fair Career Advancement
- › 58% of Adenia staff, 38% of Adenia investment team and 25% of Partners are already women. Martha Osier, Partner and Head of East Africa, received the East Africa Private Equity and Venture Capital Association (EAVCA) Woman Investor Award (in 2019 and 2021) as well as the East Africa Leadership Award (in 2021)

Investees

- › Herholdt's and Quick Mart both developed tailored gender action plans to address gender gaps and advance diversity. These plans were defined with the help of consulting firm Sagana at Herholdt's and internally at Quick Mart, following a gender gap assessment



41%
of AC(III) and AC(IV)
investee employees are
women



56%
of AC(IV) companies are
aligned with 2X Challenge
criteria

INVESTEES' IMPACT TARGETS AND PERFORMANCE



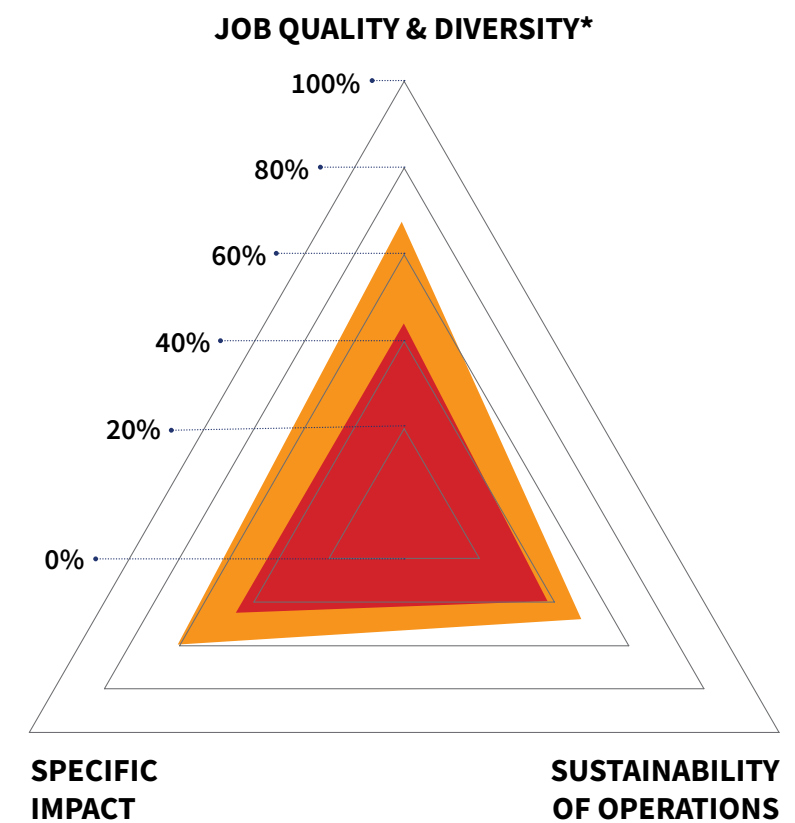
PORTFOLIO IMPACT SCORE FOR ADENIA CAPITAL (IV)

The chart below showcases the baseline impact score of Adenia Capital (IV) as per our in-house Impact Measurement framework.

A score of 100% means that Adenia's long-term objective is achieved. As of 31/12/21, the average score of the companies in the portfolio was **57%** of Adenia's long term objective, compared with 42% at acquisition¹. This score includes an average score 66% for Job Quality & Diversity, 46% on Sustainability of Operations, and 58% for Specific Impact.

IMPACT SCORE AC(IV)

- ▲ 2021
- ▲ At acquisition



¹Scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available, notably on Job Quality as no employee survey was performed at acquisition.

¹Impact score based on AC(IV) companies that had been in the portfolio for more than 12 months.



Country: Sub-Saharan Africa

Investment year: 2018

Industry: Equipment distribution

Fund: Adenia Capital (IV)

Sustainable development goals:

In 2018, Adenia acquired a majority stake in Kanu, a pan-African distributor of heavy capital equipment and spare parts primarily for mining, agriculture and construction markets. Since inception in 2013, the business has grown from one dealership shop to 12 countries spread across Southern, West, Central and East Africa. Over the years, Kanu became the largest distributor of Liebherr and Bell equipment in these regions.

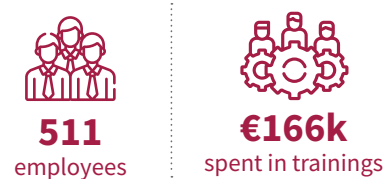
Job Quality & Diversity

Kanu employs 511 staff (mostly locals) in 12 countries, and thus enables ~2,000 people in some of the poorest countries in Africa to live on steady income. As a significant employer in difficult regions, good quality of employment is one of Kanu's top priorities despite the Covid-19 crisis. In 2021, Kanu continued its efforts to preserve a healthy work environment, with +€100,000 allocated to staff protection. The company notably purchased protective PPE and updated its Work from Home policy (WIFI and IT equipment grants) to limit transmission and ensure business continuity.

Although its clients were heavily impacted by the pandemic, the company did not retrench people during 2021, and the lowest paid employee is still paid up to 5 times the legal minimum. This is in line with Kanu CEO's favourite motto: *"I want all of my employees to be able to achieve economic freedom."*

While the share of women is limited in the company (20% both at management and total workforce level) due to the nature of Kanu's operations, Kanu's management ensures equal gender treatment (for example with aligned pay per function).

The company also continued to provide regular technical training that enables local employees to develop their own skills. Employees received 2,335 hours of trainings in 2021, mainly Bell and Liebherr technical trainings.



Sustainability of Operations

Kanu has a pivotal role for its countries of operations since the company is a major player in 3 key drivers of economic growth: construction, agrobusiness and mining. These sectors represent up to 40% of the GDP in some countries of operations.

Thanks to its exclusive dealership contract with

Bell & Liebherr in 12 countries, Kanu offers access to strong reliable and modern equipment, with reduced down time and ecological footprint. The company only provides best-in-class quality equipment to formal and reputable operators in these industries that are often plagued with informal and hazardous players: from short-term businesses using low quality equipment to bare-handed mining and reliance on child labour.

Eradicate extreme poverty and Hunger

By providing a full line of agricultural equipment to farmers, Kanu actively participates in the agricultural mechanization in its countries of operations. Mechanization is a key challenge in Sub-Saharan Africa, where two thirds of farm power is provided by human might. Thanks to a dedicated team of Case IH experts, the company helps its clients to find the right machines for their operations, hence unlocking significant improvement in productivity. This increase in productivity is crucial to achieve food security, improve nutrition and promote sustainable agriculture.

Kanu's sales of agricultural equipment increased by +50% compared to last year mainly driven

by significant sales of tractors in Tanzania. To increase the number of farmers with access to agricultural equipment, Kanu aims to provide funding solutions through partnerships with financial institutions and leasing companies.

Since September 2021, Kanu provides financing to farmers through PASS (Private Agricultural Sector Support) Leasing, a charitable organization that facilitates access to financial services for agriculture producers in Tanzania. Kanu's recent partnership with PASS Leasing has already empowered ~ 30 farmers to acquire 15 tractors as at the end of 2021.



Founded in 1989, Newpack is the leading manufacturer of carton boxes in Madagascar. The company offers a wide range of corrugated cardboards, from basic American boxes to more developed products including pizza boxes, shelf-ready packaging or glossy-finish cardboards. Newpack produces more than 300,000 different products targeted to various clients including food & beverage companies, textile, or household products manufacturers. In April 2018, Adenia Capital (IV) acquired 100% of Newpack.



Country: Madagascar

Investment year: 2018

Industry: Equipment distribution

Fund: Adenia Capital (IV)

Sustainable development goals:



  **Job Quality & Diversity**

To steer operations after the acquisition, Newpack’s management team was strengthened with the appointments of a new CEO, CFO, HR manager and QEHS manager. Adenia extended the monthly executive committee that consisted of 2 people before, to include 8 team members in order to enable better piloting of the company while empowering local middle managers. As at 31/12/2021, the company is aligned with the 2X challenge Leadership criteria. Thanks to new recruits, the executive committee reached a 33% representation of women.

Human Resources and Job Quality became an important workstream for the company. A coaching and training program was first implemented to strengthen the directors, managers and department heads’ management skills, and to initiate a cross-functional approach in which the entire organization was trained on sales and clients’ needs. While pursuing its initial objectives, the program has been extended to strengthen the skill level of middle managers as well as the skills of the sales team.

Newpack reviewed its remuneration policy to make sure its terms of employment exceed local norms for equivalent jobs, while incentivizing its staff fairly. Salaries and bonuses are notably higher than in comparable companies and

workers (including those on fixed-term contracts) are provided with a package of benefits including school enrolment fees, private health insurance for workers and their families and the bulk-buying of basic necessities which are then resold to workers, on a voluntary basis, at below market price.

The company is focused on safety, geared towards all its stakeholders; provision of personal protective equipment, focus on road safety during deliveries, and even a safety policy for suppliers. In 2021, Newpack has obtained the Malagasy SST CNaPS – SMT label (from the public social security body) that recognizes best-in-class companies’ treatment of workers and compliance with health and safety regulations. The company is in the process of becoming ISO 45,001 certified for its occupational health and safety management. Showcasing its safety culture, the first thing that one can see as they enter Newpack’s premises is its work accident log posted at the entrance of the factory, as the company aims for zero accidents for more than 700 days, a new record which far exceed what has been previously achieved in the company.

Newpack’s safety culture enabled the company to activate a quick response plan to the Covid-19 crisis with work from home arrangements, separation of teams on site, PPEs, testing, private transportation

etc. The company continued to operate through the pandemic, being an essential products supplier and having avoided a mass contamination of its staff. Overall, Newpack invested €82k in Covid-19 measures. So far, the company has not retrenched nor furloughed employees.

SST
(Santé et Sécurité
au Travail)



33%
of women in ExCo

  **Sustainability of Operations**

After the acquisition, sales development mainly came from product improvement and new services (such as logistics) and new markets (such as La Reunion island). Product improvements include customization of products to meet client needs or revised product formulas to propose better value for-money. This key differentiation is enabled by the expertise of Newpack’s technical team. Implementation of good international standards is considered a must at Newpack. International production improvement methodologies like “5S” have been implemented and the company is ISO 9001:2015 certified for its quality management system.

been replaced by machine work. Investments were made to improve fire safety with the installation of linear smoke detectors or fire alarms. Trainings are regularly held on operational best practices.

Newpack is also improving its environmental performance by controlling the impact of its activities to align with ISO 14,001 certification thanks to various initiatives such as investing in less polluting equipment (boiler, generator etc.), work plan reorganization or waste recycling (paper, used water from the wastewater treatment plant and ink waste).

Shortly after the acquisition, the factory’s production flow was revamped, with significant investment made to automate some parts of the production process. Reception and cutting of cardboard plates which were done manually, slowing down the process and risking injuries, have





16 million
sqm of cardboard
sold

 **Responsible consumption and production**

In 2021, Newpack obtained the Forest Stewardship Council certification, as the company sources 100% of its paper from sustainable sources (recycled paper, sustainable forests). These standards enable Newpack to access clients who demand more accountability from their suppliers.




7,343
tons of recycled
paper sourced

In addition, Newpack continues to invest in its resource efficiency. Indeed, its profitability significantly depends on its paper waste rate which it aims to decrease through initiatives such as the optimization of organization or improved cutting processes. Newpack also sells its cardboard waste to be recycled, which generates as much as 2.5% of the company’s overall revenue.



Country: Kenya

Investment year: 2018

Industry: Retail distribution

Fund: Adenia Capital (IV)

Sustainable development goals:



Quick Mart Limited (Quick Mart) was formed as a merger of two “tier II” supermarket chains in Kenya: Tumaini Self Service which operated a chain of 9 grocery supermarkets at acquisition in 2018 and Quick Mart which operated a chain of 10 grocery supermarkets at acquisition in 2019. Quick Mart is now the 2nd largest grocery retail supermarket in Kenya. As at 31st December 2021, Quick Mart had 45 stores located in convenient locations with 32 stores in Nairobi, 4 in Kisumu, 6 in Rift Valley, 1 in Nanyuki, and 2 in Mombasa.

Job Quality & Diversity

Quick Mart sells a comprehensive selection of products for everyday groceries, household toiletries, and consumable goods. Almost all of Quick Mart’s sourcing is local, with suppliers being Kenyan subsidiaries of multinationals, large local manufacturers and smaller traders.

Quick Mart’s world-class standard Fresh Foods Division relies on a local supply chain with direct access to small local suppliers. Quick Mart hence has a strong positive impact on small-scale farmers who get higher and more sustainable income compared to when they supply to traditional markets in Kenya. In 2021, Quick Mart’s Fresh Foods Division was associated with 18,520 local farmers. Quick Mart’s operations have served to provide sustainable revenue streams to the local farmers despite economic disruptions from Covid-19 countrywide. With the easing of the Covid-19 restrictions and the opening of new stores, Quick Mart has provided an avenue for these farmers to

increase their revenues by providing market reach to a wider and consistent customer base.

In 2021, Quick Mart opened 10 new stores growing the number of permanent employees to 4,476.

This represents a total of 2,728 net jobs created since acquisition.


4,476
employees


2,728
jobs created


39%
women

Sustainability of Operations

Quick Mart’s ambitious plan to become a leading player in the modern retail industry in Kenya comes with high investments in new stores and in upgrading former ones. These investments offer an improved customer experience and enhanced food safety, with adequate storage areas and systems, cold chain, fresh food handling equipment and systems. In 2021, as many as 10 new shops were opened, across convenient locations with a key focus on high traffic and high density areas where the retail penetration is low, and the market is underserved.

In addition, Quick Mart has also invested in a new category management system that has served to increase oversight on SKUs and provide comprehensive data for category rationalization on all branches.


10
new shops

No poverty and zero hunger

The Retail industry in Kenya has continued to face further reorganizations with growth opportunities in modern retail especially driven by the growth of previously smaller towns outside major cities. In this context, Quick Mart remains uniquely positioned to serve the under-served retail space countrywide. As Quick Mart stores are located exclusively in high traffic convenient locations as well as densely populated neighborhoods, the Company focuses on delivering a wide range of products that are both affordable and of good quality. Affordability remains a key criterion for Quick Mart, which regularly provides price discounts especially on its grocery products.

program with each store adopting a school within its locality. With the success of the inaugural program, Quick Mart plans to expand its impact to reach more school going children in the next national exam sitting scheduled for December 2022.

In 2021, Quick Mart opened 10 new stores serving over 33 million customers. Quick Mart’s network expansion is projected to accelerate in the coming year further facilitating access to affordable quality goods in Kenya.


33.4m
customers
reached


+10.5m
additional
customers
y.o.y


3,504
pupils reached in the
school food program

Quick Mart has also played a role in eradicating extreme hunger and poverty through its food donation program that covers 6 children’s homes within its community. Quick Mart aims to expand the program’s reach in 2022 to cover a wider geography and grow its impact.

Finally, in March 2022 Quick Mart launched its inaugural school feeding program to expand its impact in line with the SDG no. 4 for education, to local public primary schools within key stores neighborhoods. The program aimed to improve performance and overall general wellbeing of pupils over the Kenyan national exam period. Quick Mart in partnership with its suppliers and Adenia provided a total of 21,000 nutritious fresh meals (breakfast and lunch) to pupils in 19 public primary schools over the 3-day period. 19 Quick Mart stores participated in the 2021 school feeding



Established in 1998, Africa Biosystems Limited (ABL) is a distributor of state-of-the-art life sciences and clinical diagnostics equipment and consumables in East Africa. ABL is the principal life sciences distributor for Thermo-Fisher Scientific (NYSE:TMO) in East Africa, amongst other leading clinical diagnostics brands such as Lagitre and Trittech Forensics.

The Company's instruments are used to conduct research and diagnosis across the human, animal health and crop science sectors with product applications that span molecular, cell and protein biology as well as DNA forensics. ABL's customers fall into various market segments including academic and national research institutions, government agencies and private healthcare providers.


Job Quality & Diversity

ABL's staff team comprises 30 members (40% of whom are women) situated within its 3 regional offices in Nairobi, Kampala and Dar-es-Salaam. The team further comprises highly skilled individuals within the life science and clinical diagnostics industry in the capacity of engineers as well as sales and field application specialists. This is further supported by equally skilled finance and customer service functions.

ABL partners with Thermo-Fisher Scientific to train its staff members especially on new developments within the industry in a bid to ensure top-notch service delivery to end customers.

Post investment, Adenia has overseen the transformation of the Company from a founder-led model to professional management through the onboarding of a qualified CEO and CFO. In line with its business expansion strategy, Adenia plans to create additional jobs within the company through a HR program that will oversee adequate staffing within the 3 regional offices.

Adenia will also oversee best-in-class trainings to



Country: East Africa

Investment year: 2021

Industry: Laboratory equipment distribution

Fund: Adenia Capital (IV)

Sustainable development goals:



ABL's staff to develop their skills and capabilities ensuring world class service delivery. Adenia also aims to diversify staff training programs to incorporate quality management as well as health and safety.

As at 31/12/2021, the Company is aligned with both 2X Entrepreneurship and Leadership criteria. ABL was founded by a woman research scientist.


33%
of women in
executive committee

Sustainability of Operations

Post investment, Adenia initiated the relocation of ABL's HQ in Nairobi to a more commercial office setting with the capacity to accommodate future growth of the company. ABL has since signed the lease agreements for the office space. In addition, ABL has reserved space in its new office for the set-up of a demonstration lab and training center. The Company plans to partner with its lead suppliers in providing the requisite instruments and consumables to operationalize the centers.

ABL will further implement a suitable ERP and/or CRM system to improve data quality and make

internal workflows more efficient. In addition, the Company will set up a bonded warehouse to stock fast moving instruments and consumables as it aims to reduce its average lead-time.

To limit pollution and carbon emission, the Company included a clause in the Standard Terms & Conditions of Sale on client responsibility to ensure proper waste management is generated on their sites after servicing and maintenance work. ABL is currently setting net carbon reduction targets.

Improve quality of academic and clinical diagnostics research

ABL promotes quality education through the distribution of high-end life science and clinical diagnostic instruments to academic and research institutions regionally. To this end, the company has historically supported scientific research especially on cancer genomics and other non-communicable diseases. ABL's service delivery further incorporates the set-up and commissioning of these instruments as well as detailed client training services on the international best practices for their usage.

Post investment, Adenia aims to support ABL in the provision of next-generation sequencing technologies for human health, forensic DNA, crop sciences and animal health application.

Adenia will further support ABL management in partnering with its suppliers and exploring an instrument placement model with select academic and private research institutions.

Good health and well being

In 2021, the global community experienced an outbreak of various Sars Cov-2 variants. ABL has played an important role in not only facilitating Covid testing but also in the detection of Covid variants across private and government laboratories in East Africa. Major highlights in ABL's operations in 2021 include:

- > Set up of Sars Cov-2 detecting and testing platforms in Kenya, Rwanda, Uganda and Tanzania
- > On-site trainings for end users of these platforms to help create awareness on molecular testing
- > Distribution of a next-generation sequencing platform and reagents for the sequencing
- > Distribution of reagents for Covid testing

This is to be complemented by the supply and installation of full lab set-ups in private hospitals and other academic research institutions as well as the training of lab technicians on ABL's extraction and detection platforms.



Founded in 1964, Herholdt's is a South African distributor of low voltage electrical and solar energy products. The company has operations in Bloemfontein, Kimberley and George, and more recently in Johannesburg and Cape Town. Herholdt's covers all electrical and solar requirements of the commercial and residential sectors. The company supplies professionals (installers, contractors, resellers etc.) as well as end-users.

In June 2021, Adenia Capital (IV) acquired 78% of Herholdt's, partnering with the second-generation family members.



Country: **South Africa**

Investment year: **2021**

Industry: **Renewable energy**

Fund: **Adenia Capital (IV)**

Sustainable development goals:




Job Quality & Diversity

Herholdt's is a family-run business with an impressive corporate culture. Collaboration and Commitment are values highly shared by the employees, who would largely recommend Herholdt's as a prime employer (76% Net Promoter Score). All employees are entitled to decent wages, being paid on average 2.7 times the legal minimum.


Herholdt's workforce has progressed by +25% over 2021 to reach 199 people, driven by the ramp-up of Johannesburg and Cape town locations. The four new stores openings planned in 2022 to foster Herholdt's high growth will continue to drive an increase in the number of employees.

Since Adenia's acquisition, Herholdt's started to work towards diversity and increased female employment (25% of total workforce in 2021), notably by supporting high-performing profiles. As at 31/12/2021, the company is aligned with the 2X Leadership criteria thanks to the nomination of 5 women managers at Herholdt's Executive Committee following Adenia acquisition. A Gender Equity analysis has also been conducted in November 2021 with Sagana, a Gender Expert, to identify actions to progress on inclusivity such as gender sensitivity training.

Efforts to improve Job quality also include Herholdt's focus on Health & Safety to ensure a safe working environment for all employees. Initiatives launched in 2021 included the appointment of an H&S manager and the development of a Group H&S policy.



+ 25%
employees
vs LY



76%
net promoter
score

Sustainability of Operations

Herholdt's prides itself for offering high quality products, and for its force of highly trained salespeople and technicians. In 2021 alone, ~2,000 hours of professional trainings were provided to Herholdt's employees on new products' benefits and specifications. The know-how of Herholdt's people is highly valued by its clients, in a South African market where solar product adoption is still in its infancy.

Herholdt's offers Tier-1 brands such as Israeli Solar Edge, German SMA, or South African Solar MD, while building a strong network of solar installers, resellers and electricians, for which the company organizes regular trainings on the products' benefits and specifications.

To strengthen its leadership position in the solar market, the company quickly expanded its reach in the country by opening solar energy-focused stores in George (2018), Johannesburg (2020), Cape Town (2020), and soon Centurion, Durban

and Port Elizabeth. In these stores, the company was able to replicate the appeal of its legacy one-stop-shops in Bloemfontein and Kimberley, while adapting to local requirements and constraints.

The company's operations are expected to generate limited carbon footprint given the long-term GHG emissions savings from switching coal-based energy to solar. Electricity for the warehouses is supplied by solar PV panels fitted onto the rooftops of the three main branches and supplies the majority of electricity requirement. Employees and contractors can also charge their electrical vehicles thanks to facilities that have been installed.


Affordable and clean energy

Herholdt's started to sell commercial and residential solar installations in 2017. The company is now among the top 3 suppliers of solar products in the country and this activity has become the company's primary business line, representing 59% of the total revenue.

Herholdt's offering enables basic electricity access at a cheaper price for end-users. With decreasing solar energy costs and increasing fossil-fuel energy prices, solar is an attractive proposition for South Africans who increasingly adopt it as a main or supplemental source of energy. A solar powered kilowatt-hour is estimated to cost ~25%² less than the South African grid and is also viewed as more reliable.

Herholdt's has generated strong interest from the local communities in which it operates, who

are eager to use more reliable power for their businesses and everyday lives. In 2021, Herholdt's equipped three South African provinces, and surrounding African countries, in particular Lesotho, with more than 100,000 solar panels.



59%
of revenue from
solar energy



+ 100,000
solar panels
sold

²Source: Green Cape – Solar PV Investment Brief 2020



Eastcastle Infrastructure

Country: **Democratic Republic of Congo, Nigeria, Côte d'Ivoire**

Investment year: **2021**

Industry: **Telco towers**

Fund: **Adenia Capital (IV)**

Sustainable development goals:

Eastcastle Infrastructure was established in 2021 by experienced telecommunications professionals to provide telecommunications infrastructure to leading mobile network operators and other network clients. The company provides a range of services around telecommunications infrastructure including tower construction, operations and maintenance, tapping into the strong demand for mobile network services, particularly data, in some of the largest markets in Africa.

  **Job Quality & Diversity**

Successful execution of Eastcastle's business model requires consistently efficient and reliable delivery of its services, such as one-time delivery of new tower builds, or high uptime and availability of completed towers and related support systems. Eastcastle is still a new company with around 40 employees to date, but expects to employ over 100 people as it advances its business plan. Most of these jobs will be highly skilled technical jobs, but will also include other opportunities related to security, logistics, finance and administration.

The company will also interact with a number of companies as it typically engages subcontractors for the completion of its construction products as well as for the management and monitoring of its telecom towers. In fact, the company expects a ratio of direct employees to contractors of approximately 1:5. Furthermore given the distribution of towers, the employment opportunities the company will generate will be well distributed across the countries of operation.

  **Sustainability of Operations**

As a new company, the company is yet to achieve any certifications, although it has secured the relevant regulatory licenses and permits as a telecoms service provider in its countries of operations. Each new site that the company completes must as one of the initial steps also complete an environmental assessment and receive a site environment permit. Several

telecom towers that the company completes will be operated independently of the electrical grid and will rely on integrated solar and battery systems to maintain power and availability, as will a number of sites that rely on grid electricity as their primary power source. Thus a substantial amount of the company's energy usage will come from renewable sources.

 **No poverty**

The primary impact of the company is in the provision of infrastructure – telecom towers. Either through new construction or improved management and operation of existing towers, Eastcastle will help to extend and enhance mobile networks.

Voice communication and data services that mobile networks provide have come to play an ever more important role in modern life. Poor quality service, due to overburdened equipment or legacy technology, or outright lack of service in geographical areas where there is a lack of network availability, can result in affected individuals and populations being left behind in a variety of ways - technologically, economically, with few educational access opportunities and so

on. In much of Africa, including the countries that Eastcastle operates in, there already exist gaps that must be bridged as a result of a historical network under penetration. For example, mobile internet connectivity in Sub-Saharan Africa was estimated at 25% of the population in 2019, compared to a global average of 49% despite above-average demand driven by a young tech-native population, the proliferation of the Internet and mobile-based services, and increasingly affordable data costs, with resultant rapidly growing consumption. The towers that Eastcastle provides will be integral to enabling their mobile operator customers to provide extended and improved services and to help close this gap to other parts of the world.

³The Mobile Economy Sub-Saharan Africa, 2019, GSMA Intelligence



Established in 1996 by agronomist, Isabelle Spindler, Red Lands Roses (Red Lands) is a Kenyan exporter of premium fresh-cut roses to international markets. Red Lands operates a 28-hectare farm, 35 kilometers northeast of Nairobi, at approximately 1,565 meters above sea level. Red Lands' premium roses have fuller heads, longer stems, and an enviable vase life of 12 to 21 days which not only provides value for its targeted premium florist market, but also ensures an overall lower carbon emissions profile.


Country: Kenya
Investment year: 2021
Industry: Agribusiness
Fund: Adenia Capital (IV)
Sustainable development goals:


8 DECENT WORK AND ECONOMIC GROWTH


5 GENDER EQUALITY


9 INDUSTRY INNOVATION AND INFRASTRUCTURE


13 CLIMATE ACTION


4 QUALITY EDUCATION

Red Lands is recognized globally as a leader in the production of spray roses and the Company produces 16 million stems per year which comprise of over 200 varieties of fresh-cut roses. The Company sells exclusively to wholesalers, predominantly serving markets in Europe, the Middle East and Asia.

 **Job Quality & Diversity**

Red Lands' staff comprises 576 employees, 314 of whom are women. The Company provides a steady source of employment especially to the neighboring Ruiru community where a majority of its 462 permanent workers reside. As at 31/12/2021, the Company is aligned with at least two 2X challenge criteria (leadership & employment)". Red Lands was founded by a woman, is led by a female CEO and has a predominantly female workforce.

Over 350 Red Lands employees are members of the Kenya Plantation and Agricultural Workers Union (KPAWU). Red Lands has made provisions to promote employee rights where 18 elected shop stewards (11 of whom are women) act as union representatives and engage with the management on a continuous basis through the union. The Company further allocates ample time for weekly union meetings which are held at the departmental level.

Job creation and promotion of gender diversity remains key in Adenia's investment strategy for

Red Lands. In a bid to transition the Company from a founder-led model to professional management, Adenia recruited a woman CEO with strong commercial acumen in the agribusiness sector to run the Company's operations. Adenia has further initiated an expansion project to increase Red Lands' area under production creating additional jobs (the majority of which will be held by women) within the next 2 years.

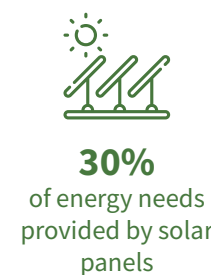
Adenia will further strengthen Red Lands' E&S Management System (ESMS) through staff trainings and access to specialist resources.



 **Sustainability of Operations**

Red Lands is well known for its advanced farming practices, being one of the first farms in East Africa to utilize 100% hydroponic farming which is also a closed irrigation system. The Company has achieved numerous international certifications, including the MPS environment A and Kenya Flower Council Silver Standard (F.O.S.S.), the latter of which is accredited by the South African National Accreditation System (SANAS). Red Lands has also signed the UN Climate Neutral Now pledge and is committed to measuring, reducing, and offsetting its carbon footprint.

Post investment, Adenia has worked to enhance Red Lands' infrastructure with a key focus on



 **Quality Education**

Red Lands runs an education aid scheme for payment of school fees for all its employees' children with a priority focus on girls. In 2021, Red Lands' had a total of 269 employees under the scheme. In 2021, the Company paid out school fees promoting access to quality education to 303 school children.

Red Lands, through its 100% owned subsidiary, also runs a daycare center that accommodates up to 70 children aged between 3 months and 3 years. The subsidiary has employed nannies, a head

nurse as well as a gardener to run the day-to-day needs of the center. The center provides day-care services to children of Red Lands' employees' as well as a few others from the poorest families in the neighboring Ruiru community.

Adenia plans to enhance Red Lands' education aid program over the investment period. Adenia will monitor and support Red Lands in increasing the amounts spent on school fees aid as well as the number of children under the education aid program.





Country: North & West Africa

Investment year: 2021

Industry: Catering and Facility Management

Fund: Adenia Capital (IV)

Sustainable development goals:





Created in 2009 by two entrepreneurs, Overseas Catering Services (OCS) is a leading catering and other services provider in Morocco, West Africa and the Emirates. The company is active in four main activities: catering, the group's main activity, offered under the brand "Ansamble", cleaning services, currently offered in Senegal under the brand "Alizés", Retail services, mostly at highway service stations, through renowned franchise brands (Croissanterie, Brioche Dorée, Venezia), Day nursery in Morocco with three institutions in Casablanca that caters for c. 200 children. OCS currently employs 3,296 full-time employees. Adenia partnered with Proparco and the management team to buy out OCS in November 2021.

5 GENDER EQUALITY **8 DECENT WORK AND ECONOMIC GROWTH** **Job Quality & Diversity**

OCS has rapidly grown since its creation to become one of the TOP 200 companies in Morocco and the employer of c. 3,300 people across 5 geographies. Conscious of its social responsibility, especially towards its staff, OCS has implemented a wide variety of initiatives to support staff development and wellbeing.

Ansamble Maroc, OCS' largest catering subsidiary, active in Morocco, has developed an extensive social policy for its 1,458 staff: the subsidiary has implemented a systematic training plan for all employees including on food safety and quality, and offers them the opportunity to benefit from certifying and graduating trainings. In addition, on top of unemployment, retirement and life insurance benefits offered to employees, Ansamble Maroc has created an employee solidarity fund: all employees contribute on a monthly basis to the fund, based on their status and salary. When employees or their family face difficult life events, they can request support from this fund. The solidarity fund was activated at the beginning of the Covid-19 pandemic to complement public

financial support given to employees who had been put on furlough.

OCS is a diversified company, employing 50% of women as full-time employees. Several measures have already been implemented to support diversity and fight against gender discriminations: in Morocco, a hotline was recently developed to enable employees to disclose any grievance to a dedicated and trained professional. This hotline can notably be used by women employees to report any case of gender-based violence or discrimination; trainings regarding gender bias and gender-based violence are being planned for 2022.

Finally, OCS is involved with several external social initiatives to support local development through employment. For example, Ansamble Maroc partnered with Centre de Formation des Apprentis, a training center for underprivileged and unemployed youth that teaches them essential technical and professional skills in order to enter the hospitality job market.

Going forward, our priorities will be to continue supporting these numerous social initiatives to ensure optimal job quality and diversity. Our goal will also be to continue advancing gender equality by developing a gender action plan with the management that will notably include the development and adoption of a common gender policy for all subsidiaries and the definition of gender ratio targets in leadership teams.


50%
of women


Av. of **12 hours**
of trainings p.a. year

9 INDUSTRY INNOVATION AND INFRASTRUCTURE **13 CLIMATE ACTION** **Sustainability of Operations**

Quality and hygiene are essential components in OCS' food offer. That is why, the management has intensively worked for the past years in aligning the standards of the operations with worldwide recognized standards. This quality has already been recognized: Ansamble Maroc HQ and 5 of its catering sites have been granted the ISO 22000:2018 certification and HACCP certifications that recognize the quality of the food safety management systems. ProxiRest, the #5 catering company in Morocco, that was acquired in September 2021 by Ansamble Maroc, is currently working on renewing its ISO 9001 certification.

Our goal is to continue supporting the management team in its quality and sustainability objectives. We will support subsidiaries (incl. in Senegal) and operational sites in their certification processes, both in terms of quality management and food safety. We will also support the adoption of all relevant food safety procedures by all subsidiaries. Finally, as part of Adenia's carbon plan, we will assess the group's carbon footprint, and determine key initiatives to reduce CO2 intensity.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION **Responsible Consumption and Production**

Although OCS activities have a limited impact on environment, the group pays close attention to the sustainability and environmental footprint of its business. Thus, Ansamble Maroc has institutionalized its commitments to environmental protection through a CSR policy and CSR guidelines, focusing on (i) improving waste management and recovery and by raising staff awareness of the environment, (ii) monitoring and controlling environmental impacts onsite or at the customer's premises, (iii) adopting good practices in terms of energy and water saving, (iv) striving for "zero waste". Waste sorting has been initiated in numerous sites. A partnership was implemented by Ansamble Maroc with INVEKO, a local company that collects liquid waste, including used edible oils.

The brand has thus set up a dietetics unit, responsible for drawing healthy and balanced menus. In its CSR Charter, Ansamble Maroc pledges to "provide accurate and clear information on the composition, use, maintenance, storage and disposal of products and services".

Adenia plans to go further on these matters, notably by promoting the use of locally sourced products and by shifting the product mix in favor of local and organic products, when possible. In addition, Adenia intends to strengthen the waste recycling policy by reducing the amount of single-use plastic.

Furthermore, consumer health and high-quality meals are among Ansamble's greatest priorities.



Proximed is a leading medical solutions distributor in Mauritius. The company has operations in Mauritius, Madagascar, and other neighboring islands including Seychelles. It provides a full spectrum of medical goods & services, with a leading position in Laboratory and Life Sciences. The company represents recognized brands such as Thermo-Fisher Scientific, Abbot and Sysmex. Key customers include public and private hospitals, clinics, laboratories and NGOs.

In December 2021, Adenia Capital (IV) acquired 75% of Proximed, alongside the founder and current CEO.



Country: **Mauritius**

Investment year: **2021**

Industry: **Medical Equipment Distribution**

Fund: **Adenia Capital (IV)**

Sustainable development goals:



 **Job Quality & Diversity**

Proximed currently employs 63 local staff in Mauritius and Madagascar, all of them being permanent employees. The company's high growth profile (+39% y.o.y growth over the last 3 years) should continue to attract new recruits in the future.

Proximed's terms of employment exceed local norms: the lowest wages paid are 38% higher than the legal minimum wage, with employees being entitled to several benefits such as medical insurance, travel allowances and contribution to pension plan.

The share of women in Proximed's workforce is rather limited as of the end of 2021, representing 25% of staff. However, Adenia and the company plan to increase the number of women in the next 5 years, notably at management level (currently 1 woman out of 6 managers). As at 31/12/2021, Proximed is aligned with the 2X Leadership criteria with the constitution of a gender-balanced board shortly after acquisition.

Another area of focus for Proximed is skills development. As technical knowledge is a key differentiation factor in the medical goods distribution, Proximed ensures that its technicians regularly receive technical trainings by suppliers. Sales staff are also trained on Product Knowledge, Compliance and Risk Management. Travel restrictions in Africa and Indian Ocean disrupted trainings in 2021, with Proximed' employees not being able to attend OEMs sessions abroad. Adenia's objective is to ensure a proper number of hours of professional trainings by employee, as well as diversifying topics with new trainings on business skills, Health and Safety, or other aspects.


50%
of women in
the board

 **Sustainability of Operations**

Proximed plays an essential role in Mauritius' Healthcare industry as it is the market leader in Diagnostics & Life Sciences. The company is the exclusive distributor of recognized medical and laboratory brands, ensuring the distribution of sustainable and reliable products in the market. Its diversified base of +100 suppliers consists of Tier-1 actors, including Thermo Fisher, Abbott and Sysmex, which are among the Top 10 Medtech companies. Adenia plans to continue introducing the best brands into Mauritius depending on market needs, thus increasing its number of agreements with leading manufacturers.

In 2020, Proximed embarked on a journey of strengthening the quality of its infrastructure, with the ongoing construction of a new building to facilitate world-class operational standards. The switch of locations is expected in 18 months.


+100
brands distributed

 **Good Health and Well-Being**

The Healthcare sector in Mauritius has grown steadily over the past 10 years, supported by an ageing local population, rising healthcare expenditures and a growing incidence of chronic diseases.

Hospitals, clinics and laboratories are heavily reliant on technical equipment to offer effective treatments and diagnoses to patients and end users. Proximed is a trusted partner to the main healthcare players on the island, with the Ministry of Health as its #1 client. It provides access to a wide range of quality medical and laboratory products for different applications, from microbiology, blood bank and gene sequencing to intensive care and orthopedics. More recently, the company diversified into high-end imaging, contributing to more accurate diagnoses and better care decisions.

To further improve the quality and spectrum of medical goods and services available in the market, Adenia plans to continue growing the installed base of equipment and explore further diversification into new market segments.

In addition to the supply of products, Proximed's team of +25 qualified technicians provide support for the commissioning and servicing of

Another key Impact target Adenia intends to reach is to reduce CO2 emissions generated by the company. This started with a baseline carbon footprint assessment that was launched in 2022.

the equipment. The company also developed a dedicated sales and application department who understand customers' needs and accordingly advise before installation. Proximed provides its clients with customized training to ensure efficient use of the products.

Moreover, the Covid-19 crisis has slowed down progress in healthcare and shortened life expectancy. As the main provider of Covid-related equipment and PCR testing kits in the island, Proximed has been instrumental in the detection and prevention of the spread of the virus. As the pandemic continues, the objective is to further increase the efficiency of Covid-19 testing in 2022.


75%
of sales
in Diagnostics
& Life Sciences


+25
qualified
technicians

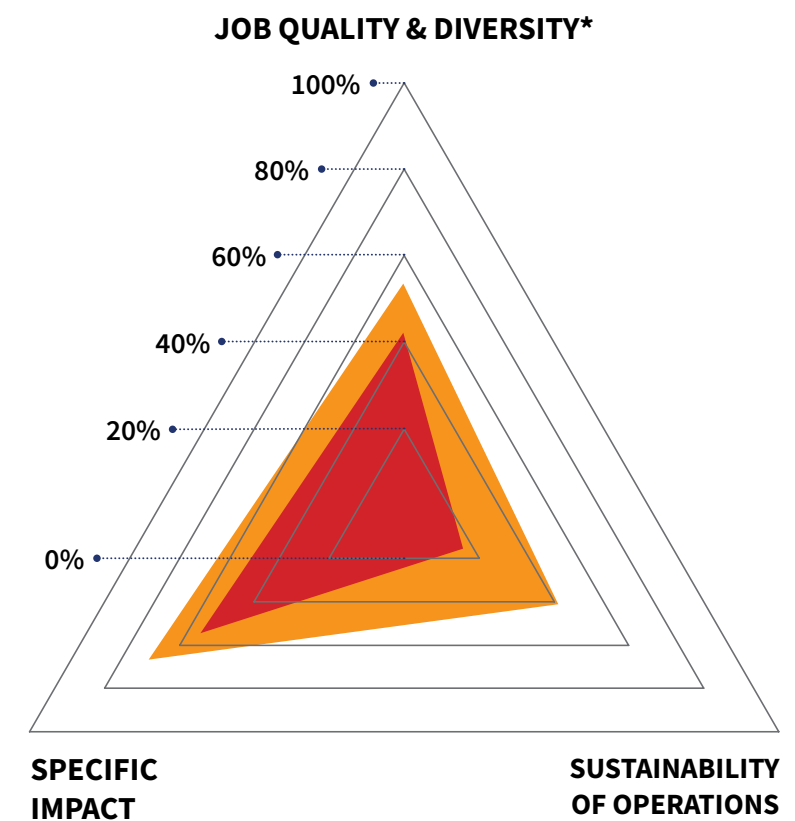
PORTFOLIO IMPACT SCORE FOR ADENIA CAPITAL (III)

The chart below showcases the baseline impact score of Adenia Capital (III) as per our in-house Impact Measurement framework.

A score of 100% means that Adenia's long term objective is achieved. As of 31/12/21, the average score of the remaining companies in the portfolio was **54%** of Adenia's long term objective, compared with 42% at acquisition, primarily thanks to initiatives in upgrading certifications and infrastructure and improvement quality of jobs through increased women representation and targeted training programs. This score includes an average score of 56% for Job Quality & Diversity, 41% on Sustainability of Operations, and 66% for Specific Impact.

ADENIA CAPITAL (III) IMPACT SCORE 2021 VS. AT ACQUISITION

- ▲ 2021
- ▲ At acquisition



*Scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available, notably on Job Quality as no employee survey was performed at acquisition.



ddp
Outdoor Ltd.

Country: **Ghana**

Investment year: **2014**

Industry: **Outdoor advertising**

Fund: **Adenia Capital (III)**

Sustainable development goals:

8

5

9

13

17

Founded in 1973, DDP Outdoor Ltd (DDP) is the market leader in outdoor advertising in Ghana. Leveraging a network of over 2,000 advertising billboards across the country, DDP serves multinational and top-tier domestic clients across various sectors (FMCG, telecom, financial services). In 2014, Adenia acquired a majority stake in DDP, while the company's founder, Mr. Torgbor Mensah, retained a minority stake. In 2018, DDP acquired a key concession for managing advertising at the international airport in Ghana. And in 2021, the company also acquired a concession to manage advertising in key football stadiums across the country.

Job Quality & Diversity

Since Adenia's investment in 2014, the company has placed a focus on improving the work conditions of its employees and quickly began implementing a Health and Safety system. With almost \$100k invested on H&S programs including regular first aid training sessions for all staff, and Health and Safety training (including working at height) for outdoor staff. Since 2014, close to \$440k was spent on PPE, medical expenses and trainings, and a culture of safety has been instilled and gradually strengthened within the organization.

General management training has also become increasingly important in the company's way-of-working, as it provides a way to transfer knowledge and empower the staff. DDP initiated a general staff tuition reimbursement program, financing so far around \$70k since 2014, and continues to organize and offer a wide variety of professional development opportunities, such as an internal management courses covering topics such as quality management, sales, and accounting. This included in 2021 a tax training for the finance team.

In 2021, one of the female employees was elevated to a more senior role in Human Resources and was supported with professional development

courses in personnel management. Furthermore, the company acquired a Human Resources software (Sage 300) and training on the system was provided to all the staff and intensively to the Human Resources Officer. This improved morale and motivation among the staff while instilling accountability on the human resources function.

To maintain operations and service during the ongoing global pandemic, the company implemented several safety protocols to minimize the risk of Covid infections amongst its staff, including masking, social distancing and staff rotation, wellness check at entry, and, when it became available, support for vaccination of staff and their dependents. At least 67% of staff has been fully vaccinated against Covid-19. As a result, DDP has remained open for business and experienced no redundancies or salary deferrals related to Covid-19.



Sustainability of Operations

The company underlined its commitment to consistent quality of service by achieving certification for ISO 9001, the leading standard for quality management systems. In 18 months, the company completed documentation, implemented procedures, and tested its adherence to the system. DDP also invested to uplift the company infrastructure to ISO standards. ISO certification enabled improved cost control and financial predictability, increased business sustainability, and higher client satisfaction. Achieving certification so quickly, at the first attempt and against the expectations of a number of the staff, was an inspiring achievement, which has helped to motivate employees to push for ever higher standards. The company was re-certified for ISO 9001: 2015, which will be valid through the

year 2023. Furthermore, to solidify its position in health and safety management pursued the health and safety standard, OHSAS 18001. In 2020 the company achieved ISO 45001:2018.

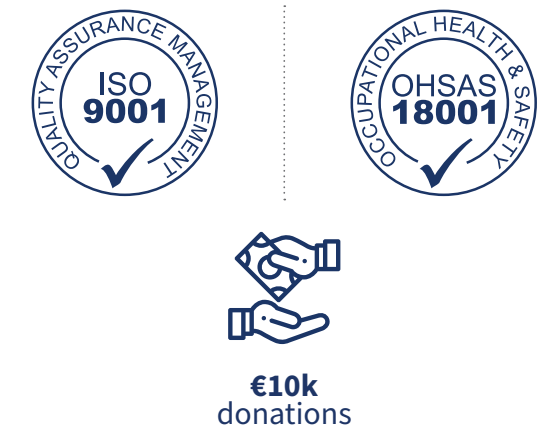
In 2021, the company acquired a more dynamic accounting software (SAP Business One) to further improve the quality of information available for decision making. This improved reporting and internal controls.

In September 2021, the company relocated to a new office more suitable for administrative works. The new office is strategically located for ease of movement to clients and various stakeholders. It also enhances the image of the company as a leader in the industry.

Partnership for the goals

Media owners have a civic responsibility regarding the messages and information they convey to the public. Beyond protecting the public from objectionable content, DDP makes considerable donations of free advertising space to civil society and religious organizations, as well as public agencies and NGOs in order to communicate information that will enhance peoples' lives in the community and the nation at large.

In a year impacted by an unprecedented global pandemic, the company took a leading role early on during the spread of Covid-19 in Ghana and gave billboard space for free (~€10k in advertising value) to the Ghanaian authorities to raise awareness on Covid-19 across the country.





syrse
GROUP

Country: West and Central Africa

Investment year: 2012

Industry: Payment service provider

Fund: Adenia Capital (III)

Sustainable development goals:

Created in 1999, Syrse is the leading provider of hardware and software solutions to banks, microfinance institutions and telecom operators in Central and Western francophone Africa. Syrse supports its customers throughout the payment value chain: installation & maintenance of ATMs, integration of software solutions on ATMs, processing of electronic payment transactions, payment card personalization. Syrse operates across 12 countries and has secured a leading position in all the countries, working with all the major international and regional banks of the area (100+ clients) and servicing 50+% of the regional installed ATM base. Adenia acquired Syrse in 2012.

8 DECENT WORK AND ECONOMIC GROWTH **5 GENDER EQUALITY** **Job Quality & Diversity**

When Adenia acquired Syrse in 2012, the company was run by four entrepreneurs who were based in Europe. Since Adenia's acquisition, a new leadership team was progressively recruited and relocated to Africa with the objective to decentralize management and empower mid-level managers.

Performance reviews are organized on an annual basis to make sure all departments are aligned with the group objectives. Employee career paths have been defined and internal promotions are pursued whenever possible. Comprehensive leadership training is offered to promising professionals to support the growth of their leadership skills. For example, the current Group Commercial director started at Syrse as an engineer before progressively advancing up the hierarchy. He was offered an MBA at MDE Business School and is now Group Commercial director. A comprehensive leadership seminar has also been launched to help all N-1 and N-2 managers grow in their managerial positions.

In addition, gender diversity has been improved during 2021, notably through more gender-balanced recruitment and promotions at Syrse.

The share of women among Syrse's managers has thus increased from 19% in 2020 to 22% in 2021.

The terms and conditions of employment are highly competitive, with the average salaries much higher (~50%) than average local salaries. Moreover, an HR manager was recruited in 2020 with the objective to standardize job descriptions and HR procedures, and make sure employees benefit from regular training opportunities. Spending on staff training and the average amount of hours of training per employee have been significantly increased, by 30% and 75% respectively. For instance, our Card Activity Business Developer has completed her Executive MBA at HEC Paris and a 5-day training with Galitt on Instant Payment to help her master the technical and managerial stakes involved in her field.



9 INDUSTRY INNOVATION AND INFRASTRUCTURE **13 CLIMATE ACTION** **Sustainability of Operations**

Syrse operates in a highly sensitive sector, hugely impacted by fraud. As an essential provider for banks, Syrse needs to ensure users' confidence in their means of payment. Since Adenia's investment, Syrse has greatly strengthened the security of its processes. All engineers and technicians are certified (PCIP, CISM, CRISC, etc.), and at least sensitized to international security standards EMV, ISO27001 and PCI-DSS. Thanks to the soundness of its security systems, Syrse has been adopted by all types of banks: large international groups, Tier-2 regional banks as well as microfinance institutions. The company has ATMs installed throughout 11 African countries.

Moreover, Syrse has been investing several million euros in a new highly secured processing center. Syrse's data center in Lomé (Togo) is using new technologies, and is now PCI DSS certified, which is a security requirement for local and regional commercial banks.

In addition, the center is currently undergoing PCI-CP certification for its card personalization activity. This international certification guarantees that Syrse's activity is compliant with international standards regarding confidentiality and security. The Lomé center is to be certified in May 2022 and will then be able to apply for other international certifications such as Visa or Mastercard.

Finally, the new management is also willing to strengthen the sustainability of its operations. An ATM program has been launched to offer banks the opportunity to recycle their end-of-life ATMs and a partnership has been established with Electronics Waste Africa Company.



1 NO POVERTY **Financial Inclusion**

Syrse has expanded access to financial services in its countries of operation. To reach the unbanked, commercial banks and microfinance institutions (MFIs) look to invest in asset-light distribution channels and offer more options with which their customers can transact. ATMs and credit cards are key products to achieve this goal. Syrse developed an offering tailored to MFIs, who have historically relied on the ATM networks of larger commercial banks, and thus could not reach their mostly rural clientele.

One striking example is that of Mucodec, the first microfinance institution in Congo. Mucodec did not have banking equipment nor the internal technical expertise and resources to deal with several service providers at the same time. Syrse supported Mucodec for the development of its own processing platform and is now offering Mucodec a wide range of services: credit card configuration

services, switch management, processing of ATM transactions (credit card, cash-out from mobile wallets) as well as monitoring of its ATM installed base.

Thanks to its strategic geographical position, the Lomé processing center is now able to reach commercial banks and MFIs both in West and Central African countries. Syrse actively contributes to their development through (i) a faster and easier implementation of processing services, (ii) lower investments required for MFIs and banks, (iii) a wider variety of banking services offered to clients (mobile and internet banking, wallet, processing of mobile money transactions).



CRESTA

Country: West Africa, South Africa, Mauritius

Investment year: 2015

Industry: Paints and chemicals

Fund: Adenia Capital (III)

Sustainable development goals:

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

10 REDUCED INEQUALITIES

Established in 2002 in Ghana by Mr. Abhay Salunkhe, Cresta is a paint and coatings company specializing in automotive refinish and industrial coatings. The company markets its products under several brands, both proprietary (SuperShine, StrongBond, Speedcoat) and licensed (HiQ, Jotun, Bodyian). Products are sold locally in Ghana, where principal operations are located, and exported across the West African sub-region. Cresta has expanded operations with a distribution center in Nigeria and is currently working towards penetrating markets in East and Southern Africa with operations in Mauritius, and most recently in South Africa. In July 2015, Adenia acquired a majority stake in Cresta. In 2021, the shareholders jointly decided to separate the Ghana operations of the group into a distinct entity, with Adenia retaining a stake in this entity.

Job Quality & Diversity

Cresta maintained efforts throughout 2021 to manage the ongoing impacts of the Covid pandemic and ensure a safe working environment for its employees and operations. Along with continuing social distancing and hygiene protocols including a double shift system to reduce onsite presence, the company encouraged staff to get vaccinated by facilitating access to vaccination centers, as well as providing a small financial incentive for those who chose to get vaccinated. As a result only a handful of infections were detected among the staff, none of which led to widespread infection or serious illness.

A key part of ensuring a culture of health and safety at the workplace was the “Toolbox Talks’ program instituted by the Health and Safety officer, in which twice a month, discussions are held among staff about various aspects of safety and health related not only to the workplace but also outside.

Other achievements for the year focused on enhancing and improving upon the established

ESMS, including training and ensuring compliance in road safety, the completion of a risk assessment on all standard operations and tasks within the company, the updating of key manuals and procedures related to equipment and fleet maintenance and the implementation of a more detailed incident monitoring and resolution system.

Finally, four new female employees were recruited, representing 25% of new hires and taking the number of female employees to 22 ie 16% of the total company.



Sustainability of Operations

Key priorities in 2021 for Cresta have been adapting to significant supply chain challenges that have resulted from the global pandemic, as well consolidating, and managing its customer base. Disruptions to shipping have led to significant delays in the supply of raw materials as well as substantial increases in shipping rates. For Cresta this resulted in a concerted effort to engage suppliers to ensure that adequate quantities of raw materials were made available as required, a task which was only compounded by supplier production shortages and delays of key ingredients.

A number of new hires were made in the sales department during the year, enhancing what has been a historically small part of the organization. With the new additions, the company is now better able to communicate and engage with its client base, both domestically and internationally,

Anglophone and Francophone. The sales process has been improved as a result, with better engagement on new products and increase ability to drive purchases. The strengthened department has proved particularly beneficial as it has enabled closer contact with more customers. At a time when pricing is changing significantly in the face of rising input costs, the company has been able to better sensitize its client base to the changes, with a result that it has been able to maintain consistent sales despite the changes.

Also contributing to a more sustainable operation was the recruitment of a lab technician in early 2021. As the new employee is trained up, it means there are now more resources with the required skillset for quality control and management within the organization, leading to greater capability along with improved redundancy.

Reduced inequalities

The company continues to maintain a focus on affordable products that serve the broad base of customers within its markets, by combining affordability with functionality and quality. This has allowed the business to grow while the profile of customers has remained largely unchanged. It has built a distribution model that is able to

serve small scale businesses both in Ghana and across West Africa, while maintaining a flexibility and adaptability that has proved invaluable in maintaining operations through the challenges and uncertainty of Covid and as such supporting its customers to do the same.



1,101
Customers



61%
of customers
<\$5k in purchases

RECENT EXITS



Created in 1952, Opham is the leading wholesaler and marketer of pharmaceutical products in Madagascar. Through the years, the company has developed a product range of 4,500 references and secured exclusive partnerships with many international companies that produce specialty drugs, generics, baby food and Parapharmaceutical products. After the acquisition in January 2016, Adenia recruited an experienced CEO to drive the value creation plan and continue to deliver a high social impact:

- i. Improved governance: Opham has transformed from a family-run business, at the time of acquisition, to a fully-fledged professional business with an expert CEO, a well functioning board including an independent director with deep sectorial expertise, and a highly diverse and competent management team
- ii. Operational excellence: the construction in 2019 of a custom built warehouse, which was conceived under pharmaceutical international best practices and has an additional capacity of 91%, has enabled increased productivity and the optimization of workflows which translated into a delivery time cut in half
- iii. Strong value for the community: in 2020, an external assessment of the impact generated through our investment in Opham found that for every euro Adenia invested in the company, €5.5 of social value have been created. The key driver has been the improved quality of life that users benefit from as a result of using Opham's high-quality and affordable medicines. This is largely thanks to the fast development of Deska Pharma generic medicines distributed by Opham
- iv. An unwavering public health mission: as an example, during the peak of the Covid-19 crisis, Opham decided to open during Sundays to support the pharmacies and hospitals. To do so, it organized employee



Country: **Madagascar**

Investment year: **2016**

Industry: **Pharmaceutical**

Fund: **Adenia Capital (III)**

Sustainable development goals:



transportation, reinforced employee safety, and spent close to EUR 100k (with the support of donors including DEG and Swedfund) to make sure employees were fully protected going to work

- v. Robust financial performance, with sustained growth over five years on the back of increased relationships with blue chip laboratories and increased penetration of generic drugs that are more accessible to the Malagasy population

Opham is another example of how Adenia's majority ownership strategy delivers strong value creation through modernization of governance, standards, infrastructure, and improvement of quality of employment. In December 2021, Adenia has signed definitive binding transaction agreements for the sale of its stake to a consortium of private investors.


5.5€
of social value
created for every
€ invested





Country: **Côte d'Ivoire**

Investment year: **2016**

Industry: **Equipment distribution**

Fund: **Adenia Capital (III)**

Sustainable development goals:



Ademat is the leading provider of power security solutions in Côte d'Ivoire. Ademat distributes, installs, and services a wide range of electrical equipment (power generators, inverters, regulators, electric motors, etc.). The company benefits from a long-established reputation and an excellent track record in the country thanks to its unique technical and servicing capabilities, and its high-quality and long-lasting partnerships with world-renowned suppliers. At the time of acquisition in 2016, Ademat was a family-run business with a highly centralized management. After the acquisition in 2016, Adenia recruited a new CEO to spearhead the implementation of an ambitious modernization plan

i. Increased operational standards, to best serve critical customers

Ademat implemented numerous processes and organizational upgrades, combined with innovative management tools such as a computer-aided maintenance management system, distant monitoring of installed generators, and a smartphone application for all technicians. These improvements considerably increased the company's responsiveness and the satisfaction of its customers.

These improvements are recognized by local players, especially those who operate in sensitive environments such as hospitals, telecommunication, banks or agribusiness factories. While the national grid continues to improve its reliability, power cuts still happen and clients can face disastrous impact if they do not benefit from a tailored backup equipment and a high level of technical support.

ii. Improved infrastructure, compliant with ISO certifications

Thanks to its improved quality of service, Ademat experienced a fast topline growth and had therefore to move out of the 2 ageing buildings it has occupied since its founding. Ademat invested €700k to build a tailor-made, more modern and environmentally friendly site with three times more storage capacity.

Ademat also worked on making its activities more sustainable: the company now collects used

oil and filters from clients and manages their treatment, recycling or safe disposal with a local certified company. Thanks to these initiatives, Ademat operations are now in line with ISO 9001, ISO 14001 and ISO 45001, respectively for quality, environmental and occupational health and safety management.

iii. Investment in human capital

With the exit of the two founders, Adenia launched the recruitment of a new CEO who implemented numerous measures improving job quality. Since acquisition, all staff benefits have been reviewed and adjusted, including biannual bonuses, social security payments, and annual salary increases. The company's technicians average salary now equals 2x the legal minimum in Côte d'Ivoire and salaries have increased by 3% p.a. (vs. an inflation at c. 1%).

Thanks to this transformation, Ademat grew its EBITDA at a 22% CAGR during Adenia's investment period. It has gained traction from various buyers during its exit process organized during a challenging Covid-19 period. In April 2021, Adenia finalized the sale of Ademat to SPE Capital, a private equity firm focused on Africa and the Middle East.

 **€700k**
invested in
new tailor-
made building

 **Salaries 2x**
above
minimum
wage





**COMMITTED TO RESPONSIBLE INVESTING
COMMITTED TO A SUSTAINABLE AFRICA**

Contact Us

ST PIERRE, MAURITIUS (HQ)

2nd floor, the Country Side
Vivea Business Park
St Pierre, Mauritius

Nelly Pochtier-Peccoz
n.pochtier-peccoz@adenia.com

Lea de Melo
l.demelo@adenia.com

ACCRA

Mezzanine Floor,
The Grand Oyeeman
Plot N°9 South Liberation Road
Airport Commercial Area
Accra, Ghana

MOROCCO

Casablanca

ANTANANARIVO

Immeuble S, Alarobia
3^{ème} étage
Antananarivo, Madagascar

Koloina Razafindratsita
k.razafindratsita@adenia.com

NAIROBI

95 Riverside Drive
Keystone Park
Block B, 4th Floor
Nairobi, Kenya

ABIDJAN

5e étage, Tour SAMA,
Plateau
Abidjan, Côte d'Ivoire

Elise Lamé
e.lame@adenia.com

SOUTH AFRICA

Johannesburg