ADENIA PARTNERS

ESG AND IMPACT REPORT

2022

adenia

Committed to responsible investing. Committed to a sustainable Africa.

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INTRODUCTION

FOREWORD

At Adenia, it remains our firm conviction that by creating stronger companies with quality jobs, fostering economic improvement, and working with companies to meet ESG standards, we can generate Impact as well as increase enterprise value for investors, while benefiting workers, communities, and companies on the continent.

We saw great momentum in ESG and Impact activity during the course of the year and our investees continued to deliver environmentally and socially impactful outcomes to the communities they serve in their respective industries. As guided by Adenia's impact framework, Job Quality and Diversity across the portfolio was supported by competitive salaries, appointments of Health and Safety staff, and Human Resources functions. Moreover, our focus on gender diversity yielded considerable gains in gender equity due to an increase in the number of women managers and representation within the workforce. We strongly believe that the Job Quality and Diversity pillar is not only crucial for delivering higher growth but also a material impact lever on the continent.

In terms of Sustainability of Operations, another Adenia impact pillar, steady progress was made during the year. Across Adenia Capital (III) and (IV), 58% of our portfolio companies achieved international standards certifications, which attests to the high operational standards being upheld and targeted. More than ever, our investees are focused on implementing resource efficiency programs, including decarbonizing their operations by using or exploring solar power solutions, waste management initiatives, and implementing water saving and recycling schemes.

2022 also marked a pivotal moment for Adenia Partners, as Adenia Capital (V) reached its first close of $300m in January 2023. We remain committed to our investment philosophy, which is grounded in the incorporation of leading business and ESGI practices in the sector, and whose success is demonstrated in our previous four funds. We look forward to continuing to support and encourage companies to grow sustainably and lead the way towards more inclusive and environmentally friendly business models.

At the Adenia level, we reinforced our climate and gender commitments. On climate, we continued working on our carbon footprint assessments in order to measure and track our progress. Regarding gender, we reinforced our commitments by formalizing our gender policy and recruitment procedure to align to 2X Challenge criteria.

Our ESGI work and ambition continues to evolve and is responsive to internal and external environments. It has also received recognition from various institutions, including GPCA, who awarded Adenia the Gender/Diversity award for its investment in Red Lands Rose. We additionally received several awards from Environmental Finance. These accomplishments are valuable to us as we aim to contribute to sustainable business practices and remain at the forefront of responsible investment on the continent.

"We collaborate daily with the management teams of our investee companies to help them implement key ESGI initiatives to improve the robustness of their risk management systems, enhance the quality & diversity of jobs and improve the sustainability of their operations. We are also committed to actively contribute to the global advancement of the SDGs."

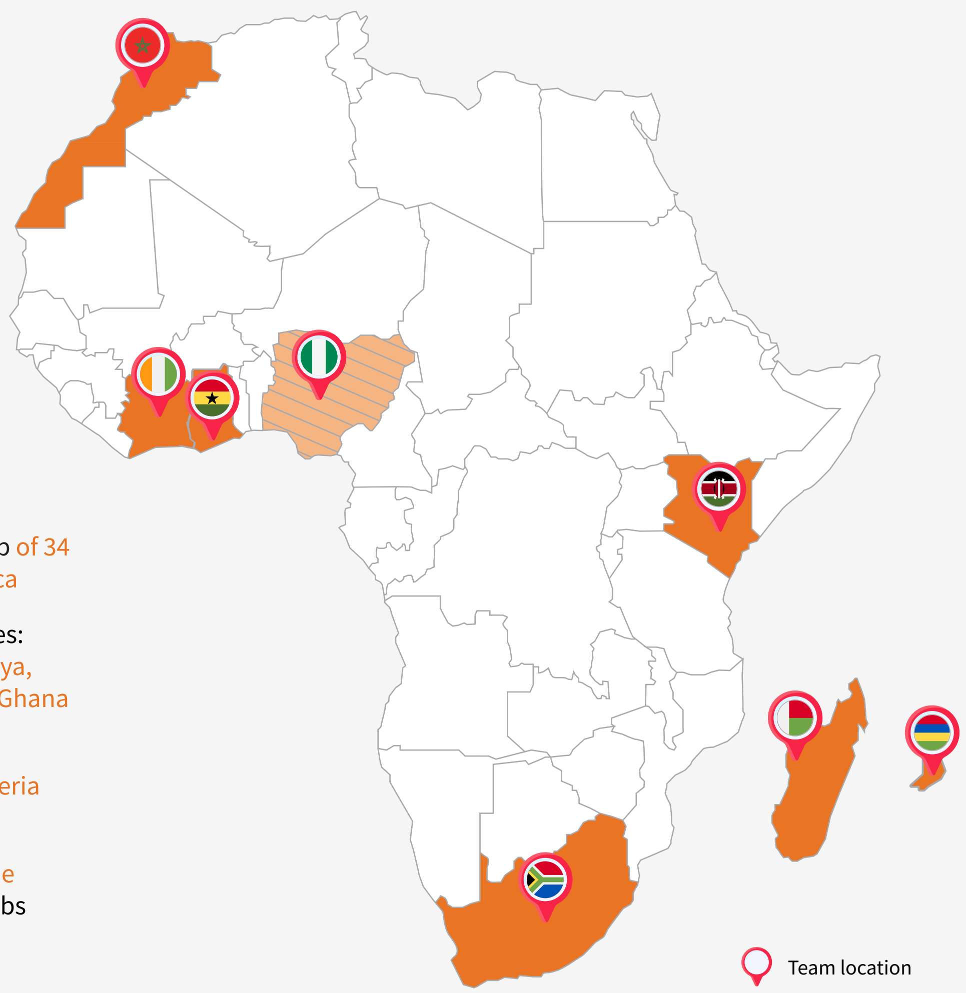
Stéphane Bacquaert,
IC Member and Managing Partner in charge of ESGI

We would like to take the opportunity to thank all of our investors partners, and the public for your continuous support in advancing social and environmental sustainability, and robust governance systems.

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$6850 million across 5 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.

- The Adenia team is made up of 34 employees all based in Africa
- Local presence in 7 countries: Mauritius, Madagascar, Kenya, South Africa, Cote d'Ivoire, Ghana and Morocco
- 1 office to be opened in Nigeria (mid -2023)
- Covering most regions of the continent through these hubs



34 employees	**51%** women	**11** nationalities	**7** offices in Africa	**$685m** under management

AWARDS

GENDER/DIVERSITY AWARD

Winner: **Adenia Partners**
Investment: Red Lands Roses

Awarded by the Global Private Capital Association

ESG INVESTMENT INITIATIVE OF THE YEAR - AFRICA

Winner: **Red Lands Roses**

Awarded by Environmental Finance, Sustainable Investment Awards

PROJECT/INVESTMENT OF THE YEAR FOR AGRICULTURE AND SUSTAINABLE LAND USE

Winner: **Red Lands Roses**

Awarded by Environmental Finance, Impact Awards

PEI FUTURE 40 DEALMAKERS INVESTOR AWARD

Winner: **Martha Osier**

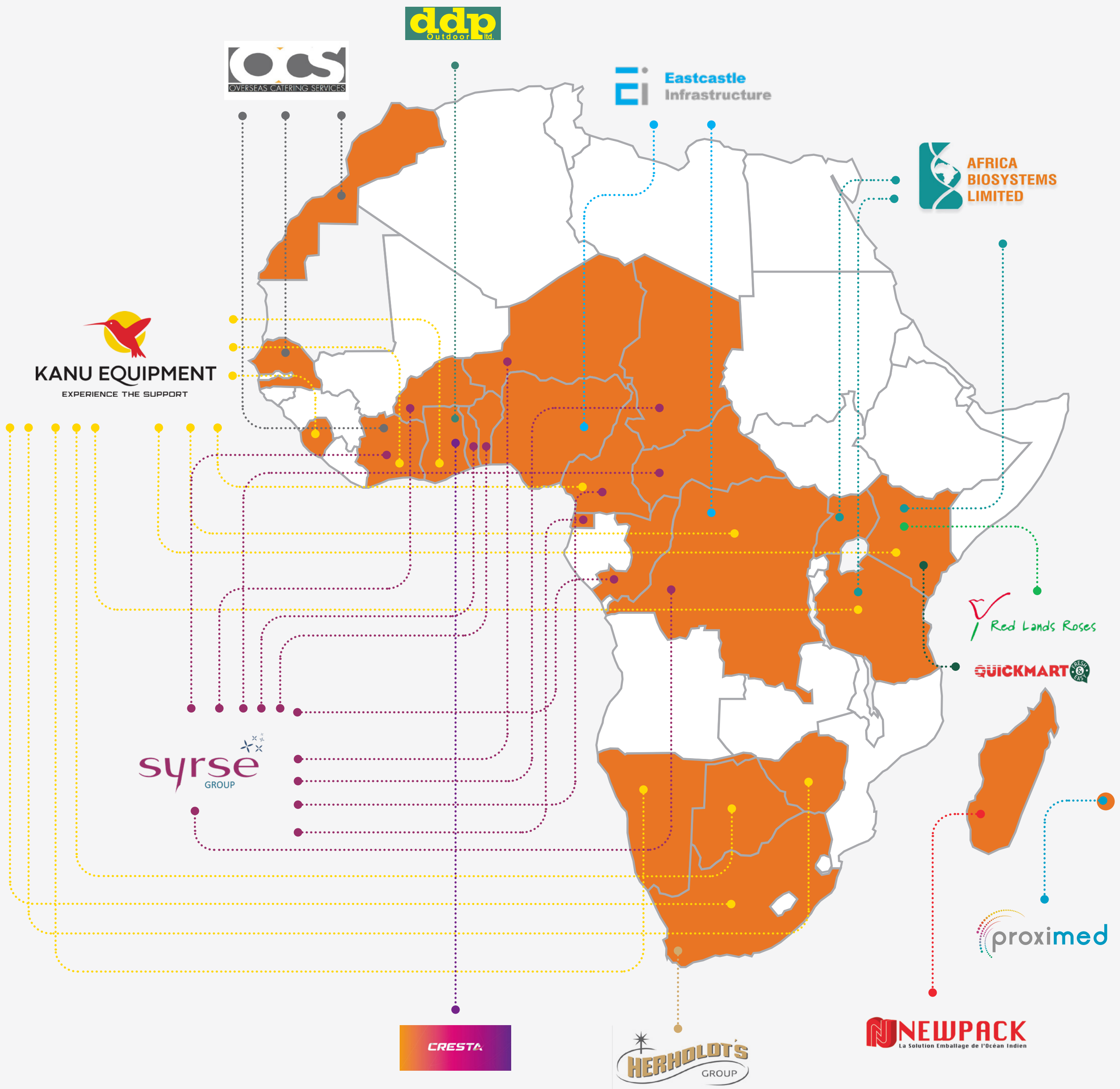
Awarded by Private Equity International

NEW FACES OF FINANCE

Feature: **Pamela Ramigadu**

Awarded by the Private Equity International Private Funds CFO

WHERE WE ARE



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

17 companies (5 exited)

over 10,500 jobs sustained across the continent

ADENIA CAPITAL (V): OUR NEW FUND

The year 2022 marked a pivotal year for Adenia Partners, as Adenia Capital (V) reached its first close of $300m in January 2023. We remain committed to our investment philosophy, which is grounded in the incorporation of leading business and ESGI practices in the sector, and whose success is demonstrated in our previous four funds. The fund will invest majority stakes in companies across the African continent, and we will use this position to support and encourage them to grow sustainably and lead the way towards more inclusive and environmentally friendly business models.

Today we are able to meaningfully deliver on our ESG, Sustainability and Impact commitments thanks to our **20-year track record of investing responsibly** in more than 30 African SMEs, which we will continue to leverage and build upon. Since 2011, Adenia has intentionally integrated ESG considerations in its investment process and has since continuously strengthened its system by progressively adding holistic dimensions of sustainability such as human rights, gender, greenhouse gas emissions. We strive to apply the best market standards in terms in our ESGI practice, through the incorporation of internationally accepted ESG standards and frameworks including but not limited to the (i) IFC Performance Standards, (ii) BII's Code of Responsible Investment, (iii) FMO ESG toolkit, (iv) Operating Principles for Impact Management, (v) UN Principles for Responsible Investment,(vi) UN Sustainable Development Goals, (vii) 2X Challenge criteria and (viii) GHG Protocol. The advanced level of ESGI maturity at Adenia provides opportunities to not only identify further strategies for value creation, but also to meaningfully engage the industry and various stakeholders on these issues.

" Adenia Capital (V) represents the very best of Adenia's responsible investment ambitions – from climate to gender equality and beyond. The 2X Flagship Fund distinction underscores the fact that having a positive impact on women has been at the center of our strategy throughout our 20-year history. Meanwhile, our carbon reduction targets showcase Adenia's long-running commitment to meaningful climate action. We are confident that our majority investment strategy, gives us greater ability to continue to implement sustainable social, environmental and governance changes in our companies."

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

To ensure that we contribute to the global challenge against climate change, we made the following **important climate specific commitments:**

- To become **carbon neutral by 2027** on scopes 1, 2 and 3, through a mix of avoidance, reduction and offsetting measures, at Adenia Partners level; and
- **To reduce the CO2 intensity** of all portfolio companies based on a baseline assessment and action plan during the life of their investment.

As a 2X Flagship Fund, we also took ambitious gender commitments:

- To reach the goal of **30% of Investment Committee members and 30% of our Partners will be women by 2026,** at the Adenia level; and
- To have **50-75% of portfolio companies align with at least one 2X Challenge criteria before exit.**

At the Adenia level, we made further gender commitments to develop policies & programs in order to (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.

With regards to portfolio companies, we made commitments to develop tailored gender policies that will be embedded in company specific action plans.

2X CHALLENGE
FINANCING FOR WOMEN

IMPACT MEASUREMENT AND MANAGEMENT AT ADENIA

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 contributing to some of the goals as its own.
- The Impact Frontiers (previously 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, focused on company transformation:

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 of our investee and support them implement action plans to reduce the intensity of their carbon 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 subsequently help us to develop an investee-specific Theory of Change that defines the specific initiatives to be implemented in order to achieve targeted outcomes and impact.

To be able to monitor and track 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, 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

Comparable. The measured outcomes are turned into an impact score that takes into account the five dimensions of impact of Impact Frontiers. 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 the impact of Impact Frontiers in our scoring:

WHAT	HOW MUCH	WHO	CONTRIBUTION	RISK
What outcomes does the effect relate to, and how important are they to people (or the planet) experiencing it?	How much of the effect occurs in the time period?	Who experiences the effect, and how underserved are they in relation to the outcome?	How does the effect compare and contribute to what is likely to occur anyway?	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.

REDUCING OUR CARBON FOOTPRINT

Despite having contributed the least to global greenhouse gas emissions, Africa remains significantly vulnerable to known adverse impacts of climate change. With the majority of its ecosystem threatened, from water resources and food production to livelihoods, the continent faces increasingly severe consequences, across various facets including socio-economic; environment and biodiversity; as well as developmental perspectives. Adenia takes a firm view that private capital must play its part to support social and environmental resilience as it relates to the climate challenge on the continent. This position is articulated through a set of actionable climate specific commitments that will be implemented at the Adenia Partner and portfolio company levels going forward respectively as follows:

In 2022, Adenia made the following climate commitments for future funds:

- Adenia Partners will use commercially reasonable efforts to be carbon neutral by 2027 (by way of avoidance, reduction and/or offsetting our GHG emissions), and
- All new investees will use commercially reasonable efforts to reduce over the life of the Investment the intensity of their carbon footprint (CO_2 emissions intensity). A reduction target will be defined by Adenia and the Investee Companies within 15 months after the initial investment in the Investee Company is made, based on a baseline assessment performed by the ESGI MS Officer.

Since 2020, we started accounting and reporting the carbon footprint of Adenia Partners in accordance with the Greenhouse Gas Protocol Corporate Standard, covering scope 1, scope 2 and scope 3 emissions. Each year provides us with an opportunity to improve on the application of the GHG Accounting and Reporting principles and the process for FY2022 continued to reinforce the process.

Scope 1

Covers direct emissions from owned or controlled sources (e.g. fuel combustion from company vehicles).

Scope 2

Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company.

Scope 3

Includes all other indirect emissions that occur in an Investment company and its portfolio companies' value chain (e.g. purchased goods and services, business travel, employee commuting, waste disposal and capital goods).

Source: GHG Protocol, 2022

Our portfolio companies have embarked on several initiatives to reduce their footprint:

- Quick Mart is in the process of commissioning solar feasibility studies for 10 of its supermarkets, from which it targets a reduction of emissions by approximately 124,000 kgs of CO_2 per annum.
- Some of Herholdt's warehouses (three main branches) have installed rooftop Solar Photovoltaic systems, which at present supplies the majority of operational energy requirement.
- Eastcastle signed up to implement the GHG Protocol and to achieve the Corporate Net-Zero Standard certification that will start mid-2023. It is also undertaking an audit with a view to introduce solar solutions to 400 of its sites.
- Red Lands Roses generates 20% of its energy needs from renewable power sources (Solar PV).

ADVANCING GENDER EQUALITY

Adenia is convinced that gender equality in its team and that of its portfolio companies is an invaluable source of its high-performance culture. This is achieved through enhanced representation of the communities it serves, which results in a system that values communication, collaboration, creativity and community, which breed success at Adenia. That is why, as a control investor, we have always worked closely with management teams to build diverse and inclusive workplaces.

Adenia Partners

- Since formalizing our commitment to gender equality in 2021, we have been working on our gender action plan at the Manager level, and have since strengthened and incorporated a number of policies during 2022;
- A number of policies were reviewed to include items linked to gender covering Flexible Work, Leave, Non-Discrimination, Non-Sexual Harassment, Grievance Mechanism, Fair Compensation and Benefits, Fair Career Advancement;
- We adopted a recruitment procedure after a review by a gender expert; and
- A training on unconscious bias was delivered by the Deloitte Human Capital team to our investment team (16 participants).

Manager's initiatives:

- 20% of IC members and 25% of Partners will be women by 2022.
- Women will represent 30% of IC members and 30% of Partners by 2026 and 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.

AC (IV) investees

A number of investees are committed to and executing action plans towards gender equality and equity, and 44% are aligned with one or more 2X Challenge Criteria as demonstrated below :

- ABL:

  - Adoption of a Gender policy and an increase in women's representation in the workforce by 10% (from 38% at acquisition to 48% at end of 2022).

  - Attainment of a representation of 66% of women in its leadership team.
- Quick Mart:

  - Increase of women's representation in the company (from 34% in 2021 to 44% in 2022).
- Herholdt's:

  - Following Adenia's acquisition, the company became aligned with the 2X flagship Leadership criteria as of 31 December 2021. This was achieved through the nomination of 5 women managers at Herholdt's Executive Committee. As of 31 December 2022, the representation increased to 6 women.
- Red Lands Roses:

  - Red Lands was founded by a woman, is led by a female CEO, and has a predominantly female workforce.

  - As of year-end, the company is aligned with three 2X challenge criteria (leadership & employment). Its expansion project will provide 250 additional jobs, majority of which will be women.

As of December 2022, 66% of Adenia Capital (IV) investees (6 out of 9) are aligned with at least one criterion of 2X Challenge.

2X CHALLENGE FINANCING FOR WOMEN

	Newpack	Quickmart	Africa Biosystems Limited	Herholdt's	Red Land Roses	Proximed
Entrepreneurship			Female founder		Female founder	
Leadership	38% of Executive Committee are women	38% of Executive Committee and 33% of the Board are women	66% of Executive Committee and 33% of the Board are women	41% of Executive Committee members are women	Woman CEO, 50% of Board members are women	33% of Executive Committee and 50% of the Board are women
Employment					54% female workforce	

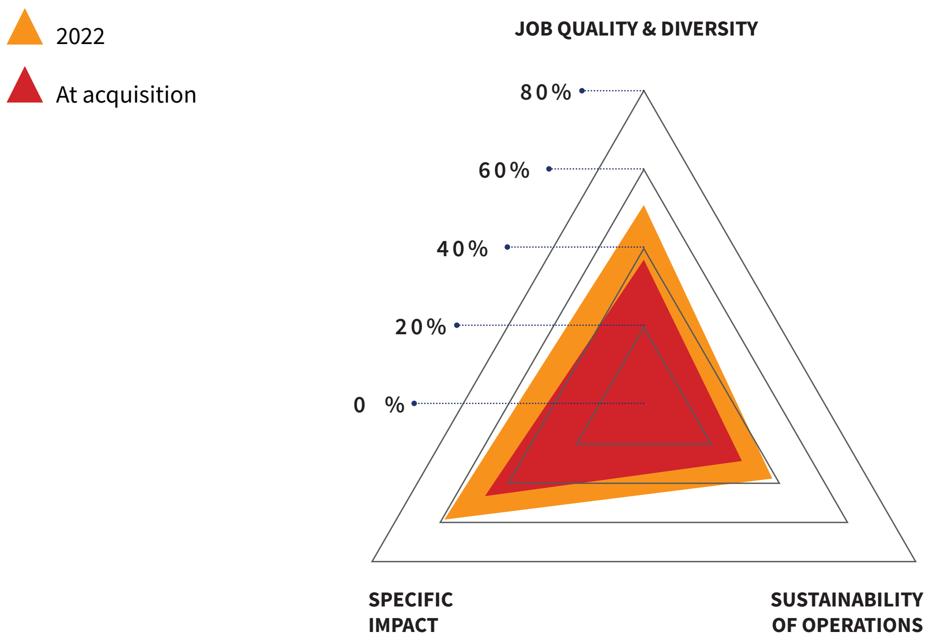
INVESTEES' IMPACT TARGETS AND PERFORMANCE ADENIA CAPITAL (IV)

PORTFOLIO IMPACT SCORE

Adenia's impact strategy and measurement framework were introduced earlier in the report and this section evaluates the portfolio's impact performance to date. Figure 1 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 year-end, the weighted-average portfolio score against Adenia's long term objective improved by 12% (50% vs. 38% at acquisition). This score includes an increase in the average scores by 14% for Job Quality & Diversity, 9% for Sustainability of Operations, and 11% for Specific Impact, as measured at year-end relative to acquisition for each investee and at portfolio level.

AC(IV) AGGREGATE IMPACT SCORE 2022 V.S AT ACQUISITION*



*Scoring at acquisition was 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. Now that the fund is fully invested, we will be using the 42% as our new acquisition baseline since it includes for the first time the 6 new acquisitions made in 2021.

JOB QUALITY & DIVERSITY

Job creation and promotion of gender diversity remain key in Adenia's investment strategy. They comprise an impact lever through which Adenia's investees provide job security and stability, and fulfill the various dimensions of job quality including pay, health and safety and wellbeing. As of December 2022, Adenia Capital (IV)'s investees were employing approximately 10,200 people across Sub-Saharan Africa, which represents the creation of a total of 3,813 new jobs (net) since the acquisition of investee companies.

In 2022, our in-house impact measurement resulted in a score of 51% against Adenia's long-term Job Quality objectives for the portfolio, which is a notable improvement of 14% compared to acquisition level. This score actively considered salaries, benefits, trainings, health and safety and employee satisfaction. In particular, the marked improvement is underscored by the business ethos and practice that all our companies pay above the minimum legal requirement in their respective geographies.

Outstandingly, Newpack was awarded by Malagasy Labour Authority for its best-in-class occupational health and safety measures and is in the process of obtaining the ISO 45,001 certification for health and safety management.

The creation of local employment is another key driver of impact, as is the case with Red Lands Roses, which provides a steady source of income, especially to the neighboring Ruiru community where most of its workforce resides. Its new expansion project is set to increase Red Lands' rose production area by an additional 16 hectares, and will create over 250 additional jobs (the majority of which will be held by women).

Another highlight of 2022 was our investees' active engagement in the provision of in-house training. For example, Kanu gave 5,088 hours of employee dedicated training and Herholdt's provided approximately 2,800 hours of professional trainings on new products' benefits and specifications to its employees.

10,263 employees
as at 31/12/22

45%
women

3,813
net jobs created since acquisition

SUSTAINABILITY OF OPERATIONS

Improving standards and infrastructure is another key impact theme at Adenia. Our in-house standards and infrastructure score primarily focuses on the investees' alignment to international standards, whose realisation is evidenced by international certifications earned. The implementation of resource efficiency programs and management of each investee's environmental footprint comprise other dimensions of this impact pillar.

More than ever, our investees are focused on implementing resource efficiency programs. For example, part of Herholdt's and Red Lands Roses operations are powered by solar energy, while others like Quick Mart and Eastcastle are performing solar feasibility studies to be implemented in the coming years if appropriate. Other investees implemented other types of resource efficiency programs such as waste management (OCS recycles used oils and Newpack wastepaper) and water saving initiatives (Red Lands Roses installed a 100% closed loop hydroponic irrigation system). In addition, the majority of investees have either acquired or are in the process of launching international certification processes.

At year-end, the portfolio's score on standards and infrastructure stands at 39% against Adenia's long term objective, representing a steady increase of 9% relative to pre-acquisition score. We expect this score to increase in a noticeable manner as investees continue to embark on and implement their various strategies.

44%
have International Standards certifications

€113m
capex spent

KANU EQUIPMENT
EXPERIENCE THE SUPPORT

Country: **Sub-Saharan Africa**

Investment year: **2018**

Industry: **Equipment distribution**

Sustainable development goals:

Impact score: 50%
(v.s 41%* at acquisition)

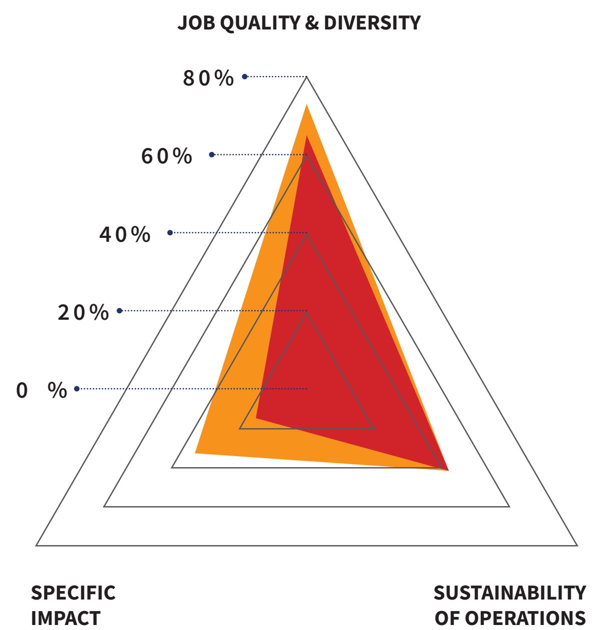
PORTFOLIO IMPACT REVIEW FOR THE YEAR

THE COMPANY

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 11 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.

IMPACT SCORE 2022 VS. ACQUISITION

2022
At acquisition



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Kanu employs 554 staff (mostly locals) in 11 countries, and thus enables ~2,000 people in some of the poorest countries in Africa to live on a steady income.

As a significant employer in difficult regions, good quality of employment is one of Kanu's top priorities. All employees are entitled to decent wages, being paid on average 9.6 times the legal minimum wage. 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 provided regular technical training that enables local employees to develop their own skills. Moreover, employees received 5,088 hours of training in 2022, mainly on Bell and Liebherr technical trainings.

554
employees

€324k
spent on training & development

105
women

Sustainability of Operations

Kanu plays a pivotal role in its countries of operations since it 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.

As a result of its exclusive dealership contract with Liebherr and Bell Equipment in 11 countries, Kanu offers access to strong, reliable and modern equipment, which at a product level, offers reduced downtime 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.

Kanu's aim is to reduce its customers' cost of doing business in Africa by providing quality construction machines, supported by a reliable maintenance team with spare part availability wherever they operate.

€2.8m
Capex

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 manual labor. Kanu has a dedicated team of Case IH experts that helps its clients identify the right machines for their operations, thereby unlocking significant improvements in productivity. This increase in productivity is crucial to achieve food security, improve nutrition and promote sustainable agriculture.

Kanu's sales of agricultural equipment amounted to €18.3m in 2022 (+79% vs. 2021), 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 as well as with another local bank have empowered ~ 117 small farmers to acquire tractors in 2022.

NEWPACK
La Solution Emballage de l'Océan Indien

Country: **Madagascar**

Investment year: **2018**

Industry: **Packaging**

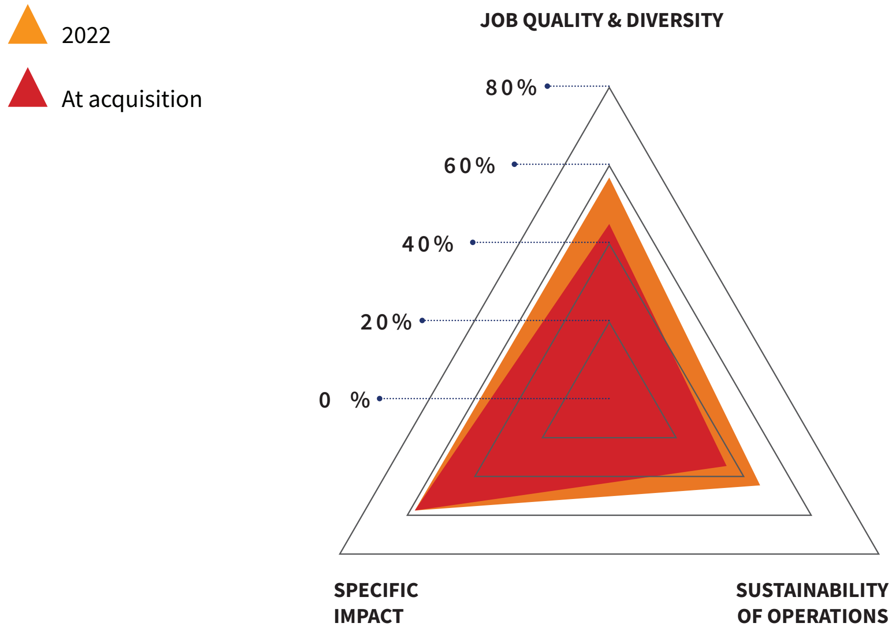
Sustainable development goals:

Impact score: 54%
(v.s 47%* at acquisition)

THE COMPANY

In April 2018, Adenia Capital (IV) acquired 100% of Newpack, a leading manufacturer of cardboard boxes in Madagascar, which was founded in 1989. Newpack 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. It produces more than 300,000 SKUs (Stock Keeping Unit) targeted to various clients including food & beverage companies, textile, and household product manufacturers.

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

The strengthening of the Newpack team through the appointment of a new CEO, CFO, HR manager and QEHS manager has shown the firm's commitment to its development and leadership position. At year-end, Newpack had 256 employees who are committed to the company's values. The company is strengthening its commitment to promoting gender equality through the participation of women in the labour force. To date, 33% of managers are women.

Human resources and job quality have become an important focus for the company. During the past three years, Newpack engaged in an extensive training program entitled 'Good to Great' for its middle management, in order to build internal capabilities and competence of the sales team. This was achieved through reinforcing managerial skills of directors, managers and heads of department, and initiating a cross-functional approach in which the whole organisation was trained in sales and customer needs. This programme was supported by technical assistance programmes.

Although the Malagasy government has reviewed pay standards, Newpack remains at the high end of the scale and ensures that its employment conditions exceed local standards for equivalent jobs, while providing fair incentives to its staff. Wages and bonuses remain significantly higher than in comparable companies, and workers (including those on fixed-term contracts) receive a range of benefits, including school fees, private health insurance for workers and their families, and the bulk purchase of basic necessities which are then sold back to workers, on a voluntary basis, at below-market prices.

Newpack gained the recognition of the Malagasy SST CNaPS - SMT (from the public social security body) label in 2021, which recognises the best performing companies in terms of the treatment of workers and respect for health and safety rules. This award strengthened its commitment to taking measures to ensure the safety of its employees and all its stakeholders, including the provision of personal protective equipment, attention to road safety during deliveries, and even a safety policy for suppliers. The company is also in the process of obtaining ISO 45 001 certification for its occupational health and safety management.

Sustainability of Operations

Newpack invested in developing its sales through (i) product improvement, (ii) the provision of new services (such as logistics) and (iii) new market entry strategy (such as Reunion Island). Product improvement, managed by Newpack's technical team, includes product customization to meet customer needs or revision of product formulas to offer better value for money and to make a significant difference in the market.

The implementation of high quality international standards is an imperative at Newpack. Production improvement methodologies such as the "5S" system have been implemented. Moreover, the company is ISO 9001:2015 certified for its quality management system.

Adenia's entry to the board led to a major restructuring, and boosted the modernization, productivity and health and safety aspects on the business. For example, the factory's production flow was reorganised and significant investment was made to automate parts of the production process. In addition, the receiving and cutting of cardboard sheets, which was done manually, slowing down the process and risking injury, was replaced by machines.

Further investment was made to improve fire safety with the installation of linear smoke detectors or fire alarms. Training in operational best practice is regularly carried out.

Finally, Newpack's environmental performance is being strengthened by controlling the impact of its activities to meet ISO 14001 certification through various initiatives such as investing in less polluting equipment (boiler, generator, etc.); reorganizing the work plan; and waste recycling initiatives (paper, wastewater from the treatment plant and ink waste).

CERTIFIED ISO 9001:2015 COMPANY

15 million
sqm of cardboard sold in 2022

Responsible consumption and production

Newpack has a policy of sourcing paper from sustainable sources (recycled paper, sustainable forests), which was strengthened when it was awarded the Forest Stewardship Council certification in 2021. These standards give Newpack access to customers who demand more responsibility from their suppliers.

In addition, Newpack continues its commitment to investing in resource efficiency. The profitability of the company depends to a large extent on the amount of wastepaper, which it seeks to reduce through initiatives such as organisational optimisation and improved cutting processes. Newpack derives value from the sale of its cardboard waste for recycling purposes.

FSC

8,016
tons of sourced recycled wastepaper

QUICKMART

Country: **Kenya**

Investment year: **2018**

Industry: **Retail distribution**

Sustainable development goals:

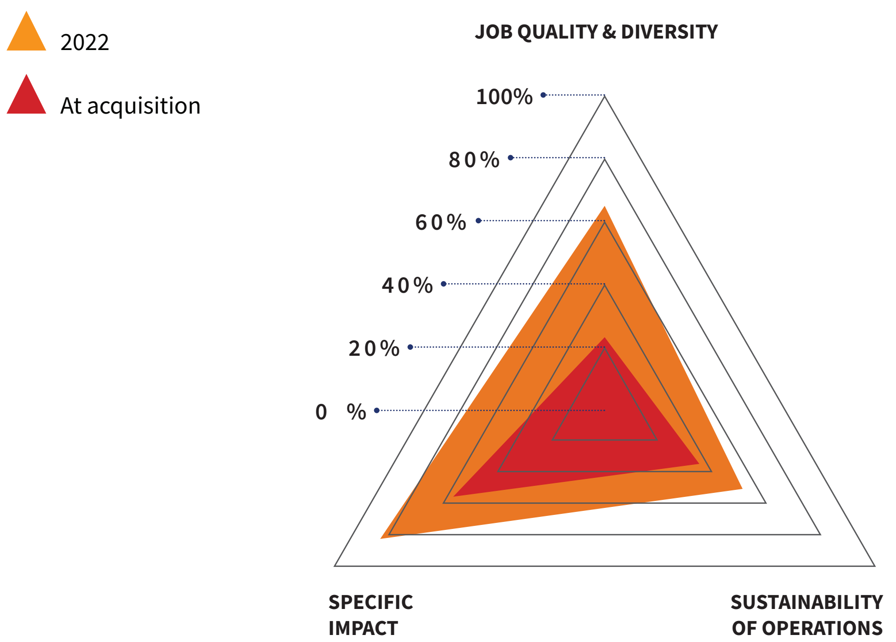
Impact score: 67%
(v.s 38%* at acquisition)

THE COMPANY

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.

The consolidated entity, Quick Mart, is now the 2nd largest grocery retail supermarket in Kenya. As at 31st December 2022, it had 55 stores located in convenient locations with 37 stores in Nairobi, 4 in Kisumu, 4 in Eastern, 6 in Rift Valley, 1 in Nanyuki, and 3 in Mombasa.

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Quick Mart sells a comprehensive selection of products for everyday groceries, household toiletries, and consumable goods and therefore has an extensive upstream and downstream supply chain. Almost all of Quick Mart's sourcing is local, with suppliers being Kenyan subsidiaries of multinationals, large local manufacturers as well as smaller traders. In the past year, the company opened 10 new stores that created new market opportunities to farmers and market reach to a wider customer base.

Quick Mart has a world-class standard Fresh Foods Division that relies on a local supply chain with direct access to small local suppliers. This provides an invaluable opportunity for a strong and positive impact on small-scale farmers who can benefit from higher and more sustainable revenue, compared to when they supply to traditional markets in Kenya. In the past year, the Fresh Foods Division was associated with 19,230 local farmers and the operations served to provide sustainable income streams to the local farmers despite economic disruptions caused by a high inflationary environment. The latter resulted in high input costs and decreased market penetration due to declining purchasing power.

A closer look at Kathy's Fresh, one of Quick Mart's suppliers of fresh fruits and vegetables, provides a good illustration of the positive impact to the supply chain. Kathy's Fresh Limited sources a wide range of fresh fruits and vegetables directly from the farm to Quick Mart on an exclusive basis. It has a network of over 10,500 small-scale local farmers and this reach allows Kathy's Fresh to work closely with Quick Mart in order to ensure a direct and market ready farm produce for retail distribution. Consequently, Quick Mart provides farmers with consistent and sustainable incomes, which are also relatively higher than Kenya's average GDP per Capita.

The expansion of the retail footprint during the course of the year generated a total of 3,561 net jobs created since the acquisition, and grew the number of permanent employees to 5,309. Women representation in the company also grew by 10% of total workfore, from 34% to 44% yoy.

5,309
employees

3,561
net jobs created since acquisition

44%
women

Sustainability of Operations

Quick Mart's ambitious plan to become a leading player in the modern retail sector in Kenya was realized through significant investment in new stores and in refurbishment of older stores. These investments resulted in improved customer experience and enhanced food safety, with adequate storage areas, cold chain, and fresh food handling equipment and systems. In 2022, 10 new stores 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 is also undertaking solar feasibility studies to cover 10 of its stores. This project is targeting a reduction of carbon emissions by approximately 124,000 kgs of CO2 per annum and to improve expense ratios from an expected reduction in electricity costs.

During the year, Quick Mart invested €14.8m in capital expenditure and targets further investments in 2023 as part of its growth strategy.

10
new stores

€14.8m
Capex

No poverty and zero hunger

The Retail sector in Kenya continued to face further reorganizations with growth opportunities in modern retail, in particular following the growth of previously smaller towns outside major cities. In this context, Quick Mart remains uniquely positioned to serve the underserved retail opportunity countrywide.

Quick Mart stores are exclusively located in high-traffic and convenient locations, as well as densely populated neighborhoods, where the company can focus 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.

The expansion of Quick Mart's footprint enabled the business to reach over 45 million customers. The network expansion is projected to accelerate in the coming year, further facilitating access to affordable quality goods in Kenya.

In addition, Quick Mart has 20 stores that operate on a 24-hour basis, which is an increase of over 50% relative to the previous year and represents the largest of portfolio of such stores in the country.

Regarding investee specific impact, Quick Mart plays a role in eradicating extreme hunger and poverty in Kenya through its food donation program, which, during the course of the year, provided +28,000 nutritious meals to 5,440 students taking national exams in 21 public primary schools.

45.4m customers reached

+12.0m additional customers y.o.y

AFRICA BIOSYSTEMS LIMITED

Country: **East Africa**

Investment year: **2021**

Industry: **Medical equipment distribution**

Sustainable development goals:

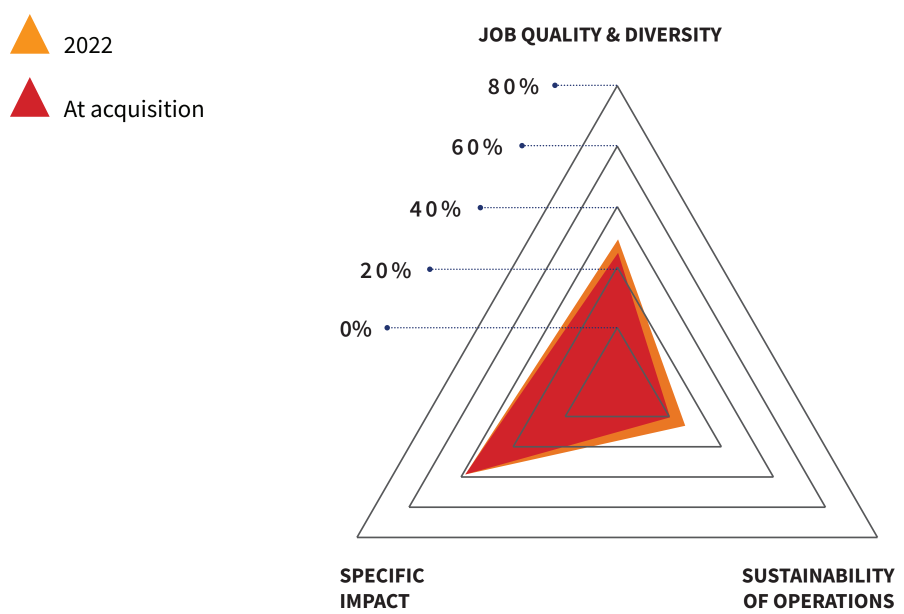
Impact score: 44%
(v.s 41%* at acquisition)

THE COMPANY

Africa Biosystems Limited (ABL) is a distributor of state-of-the-art life sciences and clinical diagnostics equipment and consumables in East Africa, it was established in 1999. ABL is one of the principal life sciences distributor for Thermo-Fisher Scientific in East Africa, which positions it among leading clinical diagnostics brands in the region. 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.

Its customers fall into various market segments that include academic and national research institutions, government agencies and private healthcare providers. The company's headquarters are in Kenya and it has regional offices in Uganda and Tanzania, from which it serves Ethiopia, Rwanda, Burundi and Somalia.

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

At acquisition, ABL was a founder-led business with 32 employees across three countries. To accelerate growth, the company recruited senior leadership including a qualified CEO, deputy CEO, CFO and a senior HR manager who oversaw a deep reorganization of the Company's HR management systems and processes.

Since its acquisition, the Company created 14 new jobs, which represents a 44% increase to date, with the aim to strengthen its sales and technical teams, as well as its support functions. All operational employees underwent best-in-class technical training in partnership with Thermo-Fisher for futher skills development.

Under the new HR function, a complete review of the HR management systems took place. As a result, a comprehensive HR manual was developed covering topics such as recruitment, induction, compensation, promotion, performance management, flexible working policy, and harassment. The staff is currently being trained on these policies. The review furthermore included the harmonization of incentives, job gradings, salaries, and benefits. Today, ABL's employees benefit from competitive packages, including medical insurance and pension plan contributions.

The Company also relocated the Kenyan office to a more commercial office setting that can accommodate all staff and offers a high-quality working environment for employees. The office also has a lactation room that is available for all working mothers.

The Company is 2X Challenge aligned: 66% of its leadership team are women. The Company also adopted a Gender policy and increased women's representation in the workforce by 10% (from 38% at acquisition to 48% at end of 2022).

Net job creation since acquisition: **+44%**

48% of women in workforce

66% of women in leadership team

Sustainability of Operations

Since its inception in 1999, ABL has been a pioneer in providing high-quality life-sciences and clinical diagnostics equipment and consumables, by choosing to only partner with leading international manufacturers: to date, it is the main distributor of Thermo-Fisher Scientific in the region.

ABL is also actively working on promoting sound and sustainable business practices in the region: the Company is a member of the United Nations Global Compact and the Kenya National Chamber of Commerce and Industry (KNCCI); it is also registered with the Kenya Medical Laboratory Technician and Technologist Board.

In order to improve the quality and sustainability of its own operations, the Company relocated its Nairobi HQ to a more commercial setting, with sufficient space for a training center and a demonstration laboratory. The Company also decided to use online banking and Adobe for quotations signatures. Two carbon footprint exercises were run, to identify initiatives that would help reduce ABL's carbon intensity, in line with Adenia's commitments.

Improve quality of academic and clinical diagnostics research

In terms of investee specific impact, ABL is always looking to bring the most modern medical equipment to the East African market. The Company has become a trusted partner to government, private hospitals and laboratories, as well as to leading academic research institutes in the region. As a result, ABLhas to date installed 420 equipments across East Africa, including in Somalia.

ABL is also recognized for the quality of its services across the region. In 2022, the Company recruited 9 field engineers and application specialists to further support clients use all functionalities of acquired equipment and to provide troubleshooting assistance. The technical team organizes regular training sessions for clients. In 2022 alone, ABL conducted on-site training to +50 clients.

To ensure its offer is as comprehensive and suited for all as possible, the management team initiated several initiatives in 2022:

- The Company engaged in advanced discussions with new international brands to offer their equipment to the East African market and to ensure a sustainable provision of life sciences and clinical diagnostics equipment and consumables to East Africa;
- The management team also started exploring placement models with select academic and private research institutions to reduce the initial capital outlay that these clients would have to disburse in order to acquire state-of-the-art technologies, thereby increasing access to these equipment;
- ABL expanded its footprint by opening a new subsidiary in Rwanda. Further expansion is underway with the process of opening a liaison office in Ethiopia, which will bring the company closer to its clients and enable it to deliver best-in-class quality of services locally.

420 equipment installed in the region

+50 on-site client training

1 new subsidiary in Rwanda to expand ABL's services

Country: **South Africa**

Investment year: **2021**

Industry: **Renewable energy**

Sustainable development goals:

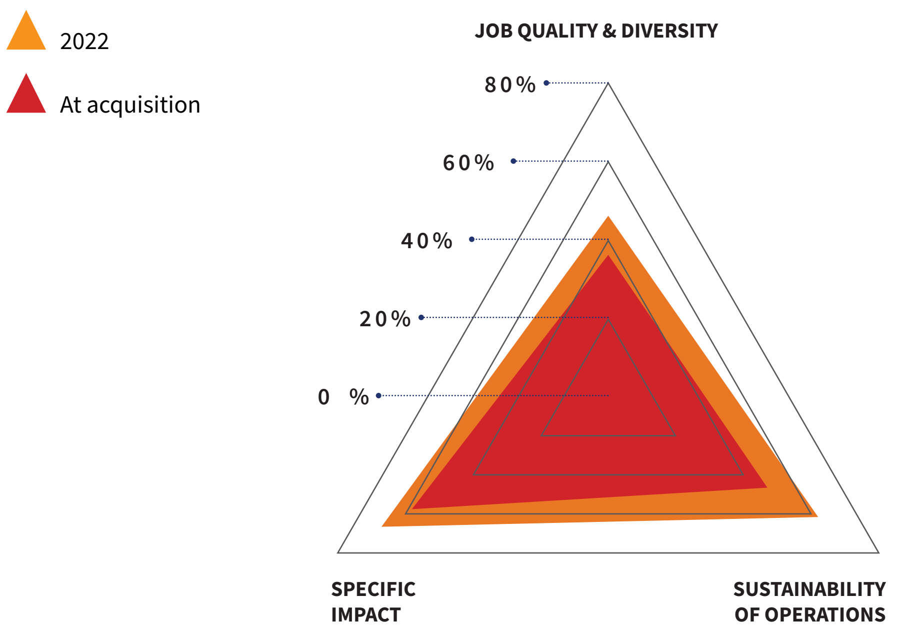
Impact score: 58%
(v.s 47%* at acquisition)

THE COMPANY

Founded in 1964, Herholdt's is a South African distributor of low voltage electrical and solar energy products. The company has operations in Johannesburg, Cape Town, Bloemfontein, Kimberley, George, and more recently in Centurion, Port Elizabeth and Durban.

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.

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Herholdt's is considered to have 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.

Over the course of the year, Herholdt's workforce increased by +46% to 290 employees, mainly driven by the ramp-up of Johannesburg and Cape town locations as well as new store openings in Centurion and Port Elizabeth. An additional store in Durban was opened in early 2023, and more openings are planned for the year. These are expected to continue to drive an increase in the number of employees.

Since Adenia's acquisition, Herholdt's started to work towards diversity and has since increased the number of female staff by 25% of total workforce in 2021. The latter was notably effected by supporting high-performing profiles. Consequently, as at 31/12/2022, the company is aligned with the 2X flagship Leadership criteria due to the nomination of 6 women managers at Herholdt's Executive Committee level.

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

290 full-time employees

76% net promoter score

+ 46% employees since 2021

Sustainability of Operations

Herholdt's prides itself for offering high quality products, and for its staff complement of highly trained salespeople and technicians. In 2022 alone, ~2,800 hours of professional training was 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 nascent market where solar product adoption is in its early development stages.

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 training sessions on the products' benefits and specifications.

To strengthen its leadership position in the solar market, the company quickly expanded its reach across the country by opening solar energy-focused stores in Johannesburg (2021), Cape Town (2021), Centurion (2022), Durban (2022) and Port Elizabeth (2022). In these stores, the company was able to replicate the appeal of its legacy one-stop-shops in Bloemfontein and Kimberley, while modernizing facilities and also 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 the facilities installed at the sites.

Affordable and clean energy

Herholdt's started to sell commercial and residential solar installations in 2017. The company now ranks among the top 3 suppliers of solar products in the country and this activity has become the company's primary business line, representing 83% of total revenue.

Herholdt's offering enables basic electricity and cleaner energy access at a lower tarrif than the national grid to end-users. With decreasing costs of solar power systems and increasing fossil-fuel energy prices, solar is an attractive proposition for South Africans who increasingly adopt it as a main or back-up source of power. A solar powered kilowatt-hour is estimated to cost ~25% 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 and cost effective power solutions for their businesses and everyday lives. In 2022, Herholdt's sold approximately 200,000 solar panels to wholesale customers across six South African provinces, and surrounding African countries, in particular Lesotho. The realized sales enable end-users to avoid significant carbon emissions while benefitting from lower cost of electricity, which contributes to Adenia's goal of affordable and clean energy for our communities.

83% of revenue from solar energy

~ 200,000 solar panels sold Increase of **57%** y.o.y

~ 25% estimated savings compared to the grid

[1]Source: Green Cape – Solar PV Investment Brief 2020

Eastcastle Infrastructure

Country: **Democratic Republic of Congo, Nigeria**

Investment year: **2021**

Industry: **Telecommunications**

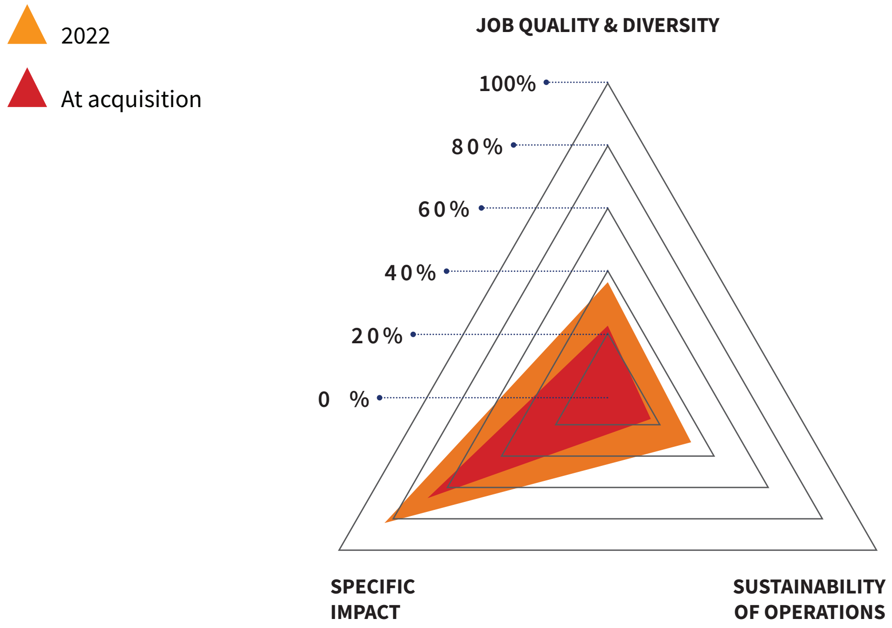
Sustainable development goals:

Impact score: 50%
(v.s 35%* at acquisition)

THE COMPANY

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.

IMPACT SCORE, EASTCASTLE INFRASTRUCTURE



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Eastcastle deployed new towers steadily throughout 2022, reaching a total of 249 in the DRC by year-end. In October, the acquisition of 275 existing towers from a mobile network operator was completed, bringing the total portfolio to 518 towers and establishing Eastcastle as the third largest tower owner in the DRC. Another notable milestone was the deployment of the first towers, 35 as of December, which established the company in its second market, Nigeria.

As the company's activities ramped up with the completion and acquisition of towers, the total number of employees in DRC grew from 27 to 39 over the course of the year, comprising 22 operations personnel, 1 salesperson and 16 general administration. In Nigeria as the first towers were deployed headcount increased from 3 to 10, with 6 in operations and 4 in general administration. This brought the total size of the organization, including head office and supply chain staff to 60.

The company maintains a target size of 100 employees as it advances its business plan, with most of these being skilled technical roles, but also including security logistics, finance and administration positions. Beyond this, the company will be engaging subcontractors for day-to-day construction and monitoring of operations, with an expected ratio of direct employees to contractors of approximately 1:5. As the specific locations of towers is finalized, these interactions will be distributed more broadly across the countries of operation as well.

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

Sustainability of Operations

Eastcastle has conducted multiple training sessions to ensure it has the capacity and level of skills to be effective. Training covered topics such as general SHERQ (Safety Health Environment Risk & Quality), monthly reporting, and GHG accounting and reporting, and has been administered to both Eastcastle staff as well subcontractors and suppliers.

The company also conducted several audits to assess the standards of infrastructure, processes, and systems. A thorough audit was completed on the sites acquired in October, to assess operational, safety and efficiency gaps that need to be addressed to improve the sites.

The company will pursue several certifications beginning in 2023, including ISO 9001 for information systems management, and 14001 and 45001 for environment and occupational health and safety and environment respectively.

Eastcastle also embarked on several initiatives with climate and environmental impact. There is a planned implementation of solar solutions expected to cover approximately 400 sites that will be included in this project, of which 50-60 sites have already been earmarked. The addition of solar will reduce the need for the use of backup generator power to maintain tower uptime, even for off-grid towers, thereby reducing energy costs, use of diesel, and emissions. Other initiatives - such as the use of drones for monitoring - are being piloted which would further reduce fuel and energy consumption.

In another significant milestone, Eastcastle signed up to implement the GHG Protocol and achieve the Corporate Net-Zero Standard certification. The Standard establishes a framework to ensure that the company's net-zero targets translate into action that is consistent with achieving a net-zero world by no later than 2050. The company has identified a consultant to assist with adoption of the protocol, rolled out training in both DRC and Nigeria, and is in the first phase of implementation, with a target of external verification of the system and GHG targets in mid-2023.

No Poverty and Responsible Consumption and Production

The main impact of the company is in the provision of infrastructure – telecom towers. Through new construction or improved management and operation of existing towers, Eastcastle helps to extend and enhance mobile networks.

The rapid growth of Eastcastle's tower portfolio provides tangible evidence of the impact that the company is having. Each new tower the company has built either facilitates enhanced network coverage or improved quality – or both. For acquired towers equally, improvement of the operational standards of the towers results in increased network availability and quality for the network operator. For the mobile phone end user, this translates into improved communication, data access, and the ability to more easily – and ultimately more cheaply, use the wide range of services that rely on and build upon mobile technology.

Another key impact will be realized more and more as colocation of multiple tenants on shared towers increases. Colocating operators avoids the duplication of having each operator erect a tower to provide service in the same area. This reduces material usage and processing, construction efforts, blocking of land that might have otherwise been put to a different use, and energy usage, all of which help to reduce adverse climate and environmental effects.

Red Lands Roses

Country: **Kenya**

Investment year: **2021**

Industry: **Agribusiness**

Sustainable development goals:

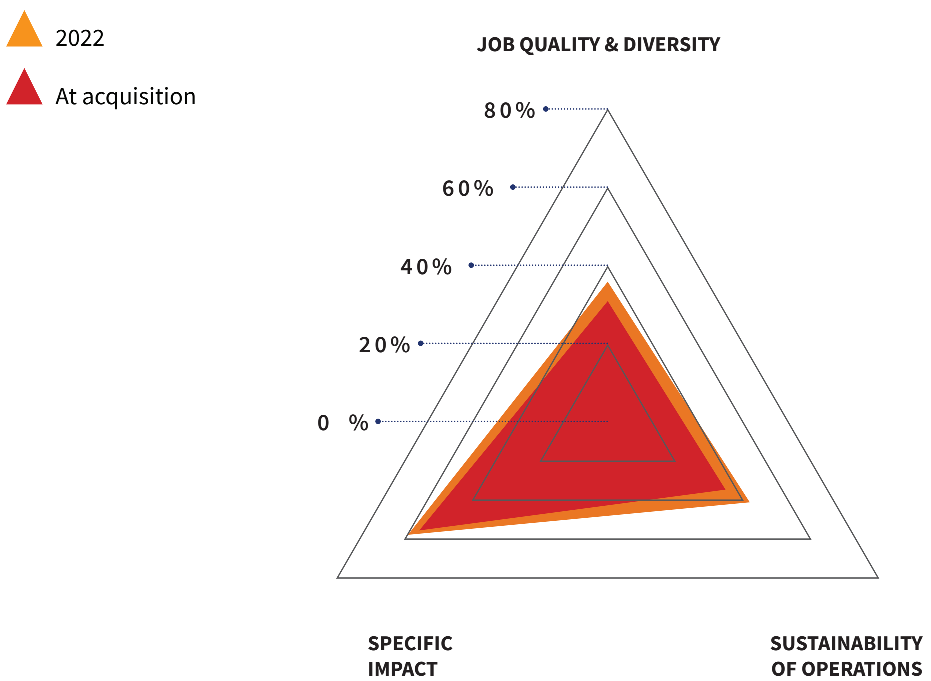
Impact score: 44%
(v.s 41%* at acquisition)

THE COMPANY

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.

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.

IMPACT SCORE 2022 VS. ACQUISITION



[1]scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Red Lands' core staff comprises 533 permanent employees, of whom 289 are women. As of 31 December 2022, the company is aligned with at least two 2X challenge criteria (leadership & employment). The company was founded by a woman, is led by a female CEO, and has a predominantly female workforce.

Job creation and promotion of gender diversity remain key in Adenia's investment strategy for Red Lands. Adenia initiated a phased expansion project to increase Red Lands' rose production by an additional 16 hectares, thereby creating over 250 additional jobs (the majority of which will be held by women).

The first phase of the project is underway and will see the opening of 7 hectares of Red Lands' previously unutilized land. In the ongoing construction phase, the company has created employment for 152 casual workers on temporary contracts, bringing the total staff headcount to 685. Once operations start, this is expected to translate to approximately 120 permanent jobs that will predominantly be filled by women.

Red Lands provides a steady source of employment, especially to the neighboring Ruiru community where most of its workforce resides. Red Lands' casual workers are members of the Kenya Plantation and Agricultural Workers Union (KPAWU). The company made provisions to promote employee rights. At present, 18 elected shop stewards (11 of whom are women) act as union representatives and they engage 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.

In addition, Red Lands has instituted three committees, for gender committee, welfare and environmental health and safety. The latter serves to improve the quality of jobs for its staff team. The company also prepared and communicated terms of reference to educate and guide these committees on their specific roles and responsibilities. Each year, newly elected representatives are trained on the same.

Adenia further strengthened Red Lands' E&S Management System (ESMS) through health talks and staff training on gender issues.

54%
of women

€13k
spent in trainings, including ESG sensitization

Sustainability of Operations

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

Post acquisition, Adenia worked to enhance Red Lands' infrastructure with a key focus on expanding the company's hydroponic system to cover the increased area under production in its expansion project. This will also utilize Red Lands' closed-loop irrigation systems with 100% water recycling.

In 2022, Red Lands invested €3.1m towards an expansion project of which the first harvest is expected in Q2 2023.

Adenia is actively monitoring Red Lands' water resource usage as well as tracking the company's carbon emissions to uphold the UN Climate Neutral Now pledge over the investment period.

20%
of energy needs provided by solar panels

€3.1m
capex spent

kenya flower council
QUALITY ASSURED
SILVER CERTIFIED MEMBER

CLIMATE NEUTRAL NOW
MEASURE REDUCE OFFSET

Quality Education

On the investee-specific impact, Red Lands runs an education aid scheme for payment of school fees for its employees' children with a priority focus on girls. In 2022, a total of 255 employees participated in the scheme and €49k school fees were disbursed, which promoted access to quality education to 270 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 employed nannies, a head nurse and a gardener to run the day-to-day needs of the center. The center provides daycare services to children of Red Lands' employees' and others from the poorest families in the neighboring Ruiru community.

€49k
donated in school fees

270
school going children receiving education aid

THE COMPANY

Created in 2009 by two entrepreneurs, Overseas Catering Services (OCS) is a leading catering and other services provider in Morocco and West Africa. The company was acquired by Adenia, which partnered with Proparco and the management team to buy out OCS in November 2021. The company is active in four main activities:

- Catering: the group's main activity, offered under the brand "Ansamble" to approximately 180 clients in 3 countries (Morocco, Côte d'Ivoire, Senegal). In 10 years, it became the no. 2 catering player in Morocco. It has a diversified client base, from large public institutions (e.g. schools, universities, hospitals) to private players (e.g. large industrial players, hotels, private schools, etc.);
- Cleaning services: currently offered in Senegal under the brand "Alizés" to a wide range of industrial and tertiary clients;
- Retail services: mostly at highway service stations, through renowned franchise brands; and
- Day care nursery in Morocco: with three institutions in Casablanca that caters for approximately 200 children.

OCS currently employs 3,136 full-time employees.

OCS
OVERSEAS CATERING SERVICES

Country: **Morocco, Côte d'Ivoire, Senegal**

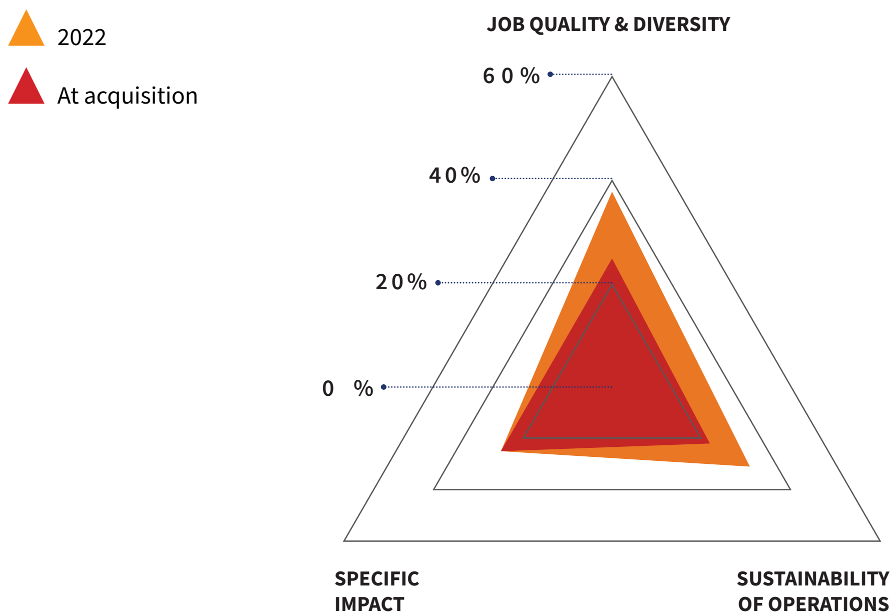
Investment year: **2021**

Industry: **Catering and Facility Management**

Sustainable development goals:

Impact score: 24%
(v.s 17%* at acquisition)

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

OCS has grown rapidly since its creation to become one of the TOP 200 companies in Morocco and the employer of approximately 3,200 people across three geographies. OCS upholds social responsibility, especially towards its staff, and as a result implemented a variety of initiatives to support staff development and wellbeing.

In 2022, Ansamble Maroc, OCS' largest subsidiary, which operates in Morocco, launched a process to obtain the Social Responsibility label of the Moroccan Enterprises General Confederation (CGEM). This label is based on the principles of ISO 26,000 for social responsibility, a guidance standard without certification, on how companies should operate in a socially responsible way for employees, the environment, and communities. OCS expects to obtain the label in 2023. Regarding the employees' part, important dimensions of the certification include work environment and conditions of employment and human rights.

Ansamble Maroc developed an extensive social policy for its 1,653 staff and it has implemented a systematic training plan for all employees, including on food safety and quality. Employees are also offered the opportunity to obtain certifications from training and to reach graduate level. In total, the company provided 8 hours of training for each permanent staff. Employees also benefit from unemployment, retirement and life insurance benefits. Ansamble Maroc also 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.

OCS is a diversified company, employing 54% of women as full-time employees. Several measures were implemented to support diversity and fight against gender discriminations. For example, 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.

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. Ansamble Maroc supports this center by providing professional trainers from its team for the training program, and welcoming the youth into its own teams through internships and full-time contracts.

3,136
employees

54%
of women

Over 260,000
meals served daily

Av. of **8 hours**
of trainings p.a. per employee

Sustainability of Operations

Quality and hygiene are essential components in OCS' food offer. Therefore, the management has intensively worked for the past years in aligning the standards of the operations with worldwide recognized standards. A food hygiene policy was developed, PPE (gloves, hairnet and working clothes) are distributed to all operational staff and all catering sites have dedicated waste storage areas, with high standards of product conservation conditions. All employees benefit from training and awareness sessions on hygiene and food safety. Finally, a procedure regarding the personnel's hygiene and work aptitude has been defined in order to set the rules to be followed by the staff in contact with foodstuffs.

This quality has already been recognized: Ansamble Maroc HQ and some of its main 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 no.5 catering company in Morocco, that was acquired in September 2021 by Ansamble Maroc, is ISO 9001 certified. Both companies exchange experiences with each other as ProxiRest is preparing to get ISO 22000 and HACCP certified, while Ansamble Maroc is preparing to get ISO 9001 certified.

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. Ansamble Maroc has therefore institutionalized its commitments to environmental protection through a CSR policy and 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, and (iv) striving for "zero waste". Some initiatives have already been implemented in the group: waste sorting has been initiated in numerous sites, including high school canteens in Abidjan and in several Moroccan sites. To complement the activity, Ansamble Maroc entered into a partnership with INVEKO, a local company that collects liquid waste, including used edible oils.

Furthermore, consumer health and high-quality meals are among Ansamble's greatest priorities. The brand has thus set up a dietetics unit, responsible for drawing up 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 PARTNERS ESGI REPORT 2022

THE COMPANY

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.

proximed

Country: **Mauritius**

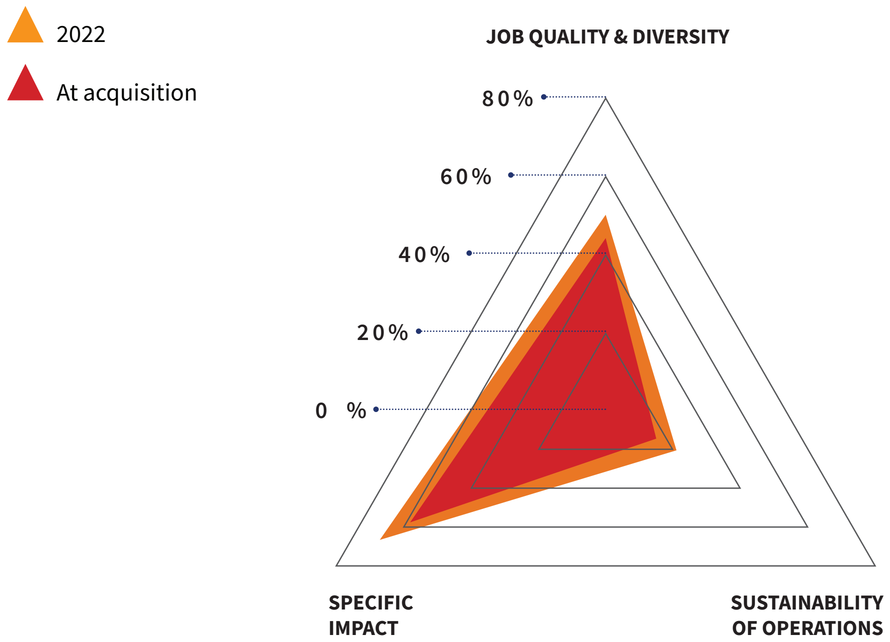
Investment year: **2021**

Industry: **Medical goods and services**

Sustainable development goals:

Impact score: 46%
(v.s 39%* at acquisition)

IMPACT SCORE 2022 VS. ACQUISITION



*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Proximed currently employs 74 permanent local staff in Mauritius and Madagascar. The workforce has increased by 17% since Adenia's acquisition in late 2021, mostly to reinforce the Orthopedics and Medical Departments.

Proximed's terms of employment exceed local norms: on average, employees are paid 2.7 times the legal minimum wage, with employees being entitled to several benefits such as medical insurance, travel allowances and contribution to pension plans.

The share of women in Proximed's workforce is rather limited as of the end of 2022, representing 23% of staff. However, Adenia and the company have increased the number of women managers (now 2 women out of 7 managers) with the addition of a woman Finance Manager in 2022. As at year-end, Proximed is aligned with the 2X Flagship Leadership criteria with the constitution of a gender-balanced board, made 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 sector, Proximed ensures that its technicians receive regular technical trainings by suppliers. Sales staff are also trained on Product Knowledge, Compliance and Risk Management. Adenia's objective is to ensure an adequate number of hours of professional trainings by employee, as well as diversifying topics which include novel trainings on business skills, Health and Safety, and other aspects.

74
employees

23%
of women

50%
of women in the board

Sustainability of Operations

Proximed plays an essential role in Mauritius' Healthcare industry with approximately 80% market share of the Diagnostics & Life Sciences market. 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 2022, Proximed diversified into the construction of modular systems for a new private clinic in Mauritius, hence participating to the opening of a high-quality healthcare facility for local people.

Proximed also 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 location is expected in 2024.

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 performed in 2022.

+100
brands distributed

+80%
share in Diagnostics and Life Sciences market

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 no1 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.

In 2022, Proximed continued to grow the installed base of equipment and further diversified into new market segments (Medical and Orthopedics, now representing 43% of total sales), thus improving the quality and spectrum of medical goods and services available in the market. Besides modular systems, the company also diversified into high-end imaging, contributing to more accurate diagnoses and better care decisions.

To complement the supply of products, Proximed's team of over 30 qualified technicians provide support for the commissioning and servicing of 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 trainings to ensure efficient use of the products.

In December 2022, Proximed launched its Orthopedics activities in Madagascar, with the Head of Department organizing training sessions with local doctors.

43%
of sales in new sectors

+30
qualified technicians

INVESTEES' IMPACT TARGETS AND PERFORMANCE ADENIA CAPITAL (III)

PORTFOLIO IMPACT SCORE

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 the fund is at the end of its life, we are taking the opportunity to showcase the impact performance of the portfolio companies relative to measurement at acquisition. At the Manager level, there was a 10% increase in the average portfolio score from 42% at acquisition* to 54% as of 31/12/22. This was primarily due to initiatives in upgrading certifications and infrastructure, as well as improvement in the quality of jobs through increased women representation and targeted training programs.

ADENIA CAPITAL (III) IMPACT SCORE 2022 VS. AT ACQUISITION

*Scoring at acquisition was 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.

JOB QUALITY & DIVERSITY

Adenia's investees provide opportunities for secure employment, providing employees with a stable source of income, which is highly impactful on the continent. As of December 2022, Adenia Capital (III)'s three remaining investees were employing 331 people across Sub-Saharan Africa.

Against Adenia's long term Job Quality & Diversity objectives for the portfolio, the remaining investee companies resulted in an improvement of 2 percentage points compared to acquisition, ending with an overall score of 56%. As a reminder, this score considers the main quantitative and qualitative characteristics of employment including salaries, benefits, trainings, health and safety and employee satisfaction.

In 2022, a strong focus was put on delivering high value-add trainings to employees to promote their participation in leadership, strengthen capacity and increase diversity. At DDP, training programs were provided to the sales team, heads of departments and Board of Directors. In addition, two female employee were promoted to manager and coordinator levels and a new woman director to the Company's Board of Directors. At Syrse, three training opportunities were provided to 44% of staff from the marketing, sales and sales strategy departments, as well as trainings for middle management on leadership and time management. At Cresta, adjustments were made in to counter significant economic pressures, by increasing salaries of staff members in response to an increase in inflation and depreciation of the local currency.

331 employees
As at 31/12/22

254 net jobs
created since acquisition (incl. exited Investees)

SUSTAINABILITY OF OPERATIONS

Improving standards and infrastructure is a key lever for delivering impact at Adenia. Overall, 100% of Adenia's mature or exited industrial investees have undergone major infrastructure investments, either with new and modern premises or extensive upgrading programs of existing facilities.

Adenia's in-house standards and infrastructure score focuses on the company's alignment to international standards, as evidenced by international certifications earned, and on its environmental footprint.

In 2022, the investees remained committed to operating at ever higher standards. Consequently, DDP passed its ISO surveillance audit. Similarly, Syrse opened a new processing center in May which is undergoing PCI-CP certification which will guarantee that Syrse's activity is compliant with international standards regarding the confidentiality of cardholders' personal data and the security of the card personalization production process. Meanwhile, Cresta undertook operational improvements in its facilities to enhance safety, including the completion of an emergency exit and an improved ventilation system.

Overall, the portfolio's score on standards and infrastructure has improved by 23 percentage points compared to acquisition, ending at 41%.

Remaining portfolio companies KPIs :

3/3
obtained International Standards certifications

€307k
capex spent

100%
of new or upgraded facilities

PORTFOLIO IMPACT REVIEW FOR THE YEAR

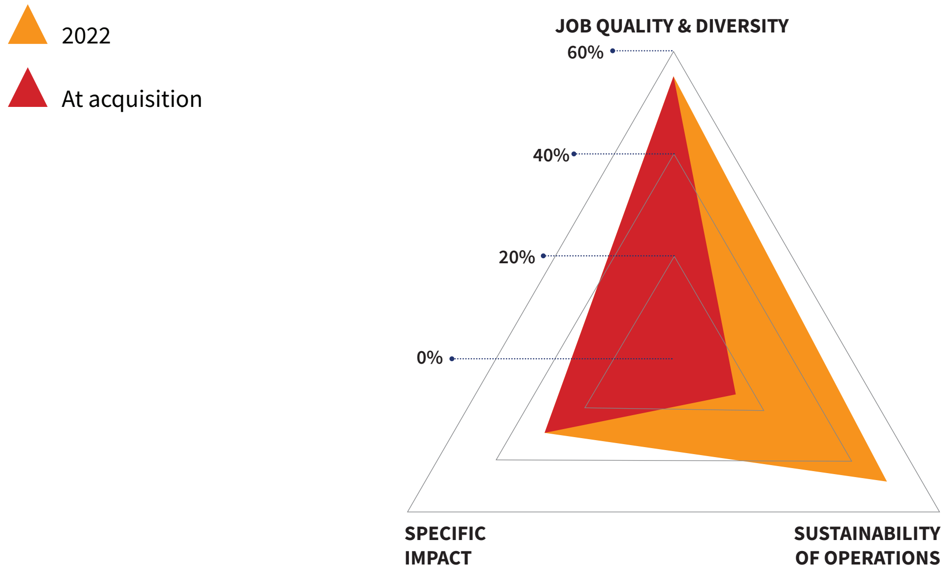
Country: **Ghana**
Investment year: **2014**
Industry: **Outdoor advertising**
Sustainable development goals:

Impact score: 44%
(v.s 32%* at acquisition)

THE COMPANY

Founded in 1973, DDP Outdoor Ltd (DDP) is the market leader in outdoor advertising in Ghana. Leveraging a network of over 1,500 advertising billboards across the country, DDP serves multinational and top-tier domestic clients across various sectors, including FMCG, telecommunications and Financial Services. In 2014, Adenia acquired a majority stake in DDP, while the company's founder, the late Mr. Torgbor Mensah, retained a minority stake. Four years later, in 2018, DDP acquired a key concession for managing advertising at the international airport in Ghana. Subsequently, in 2021, the company in addition acquired a concession to manage advertising in key football stadiums across the country.

IMPACT SCORE 2022 VS. AT ACQUISITION



Since acquisition, DDP's sustainability of operations notably increased by 34%. This was due to the implementation of internationally accepted quality management systems including several ISO certifications and the installation of an accounting software.

*scoring at acquisition was performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Since Adenia's investment in 2014, DDP concentrated its efforts on improving labour and working conditions of its employees. During this time, over $500k has been invested in various programs to support working conditions, safety and inclusive access to quality healthcare. Specific funds were deployed towards (i) development of a health and safety management system; (ii) provision of associated training and development opportunities; (iii) implementation of health insurance cover for all employees; and (iv) investment in personal protective equipment. Specific to 2022, functional training opportunities were carried out in areas such as defensive driving for drivers; fire suppression; scaffolding and working at heights and first aid.

The company places great importance on general management training as a means of empowering employees. To date, over $70k has been invested in a tuition reimbursement program initiated by DDP in 2014. Through this program, employees are able identify skills development opportunities and pursue them thanks to the provision of this facility. In 2022, the latter supported various training programs specific to departments and groups, which included training for the sales team, heads of departments and the Board of Directors.

Regarding gender, health and wellness interventions were offered to female employees during the course of the year. For example, DDP partnered with a healthcare provider to offer breast screening services and breast cancer awareness training for staff. Furthermore, career mobility opportunities were also made available to female staff: two employees were promoted to manager and coordinator levels; and a new woman director was appointed to the Company's Board of Directors. The latter replaced the seat of the late Mr. Mensah who passed away in October 2021.

Finally, following up on the acquisition of the new Human Resources Software (Sage 300) in 2021, DDP completed all required training in 2022 and the system is now fully commissioned and in use.

42
employees

€70k
spent on training since acquisition

Sustainability of Operations

DDP has over the years demonstrated its dedication and commitment to providing and upholding reliable service quality through internationally accepted quality management systems. In 2016, it obtained ISO9001 certification, a highly recognized benchmark for quality management systems. Thanks to this process, DDP invested in required infrastructure enhancements to meet the ISO standards, which also led to improved cost control and financial predictability; increased business sustainability; and higher client satisfaction. In 2020, DPP furthermore achieved ISO 45001:2018. Then in 2021, it acquired SAP Business One, a dynamic and comprehensive accounting software, which went live in 2022. DDP remains committed to operating at ever higher standards and as a result passed the ISO surveillance audit in 2022.

Partnership for the goals

Media owners have a civic responsibility pertaining to 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 to provide and create space for the communication of information that will enhance peoples' lives in the community and the nation at large.

In 2022, DDP partnered with several NGOs and foundations in support the raising of awareness on key topics including autism and cyber security. The company also partnered with Ghana Airports to promote the culture of Ghana.

€4k
donations

Country: **West and Central Africa**
Investment year: **2012**
Industry: **ATM distribution**
Sustainable development goals:

Impact score: 68%
(v.s 51%*at acquisition)

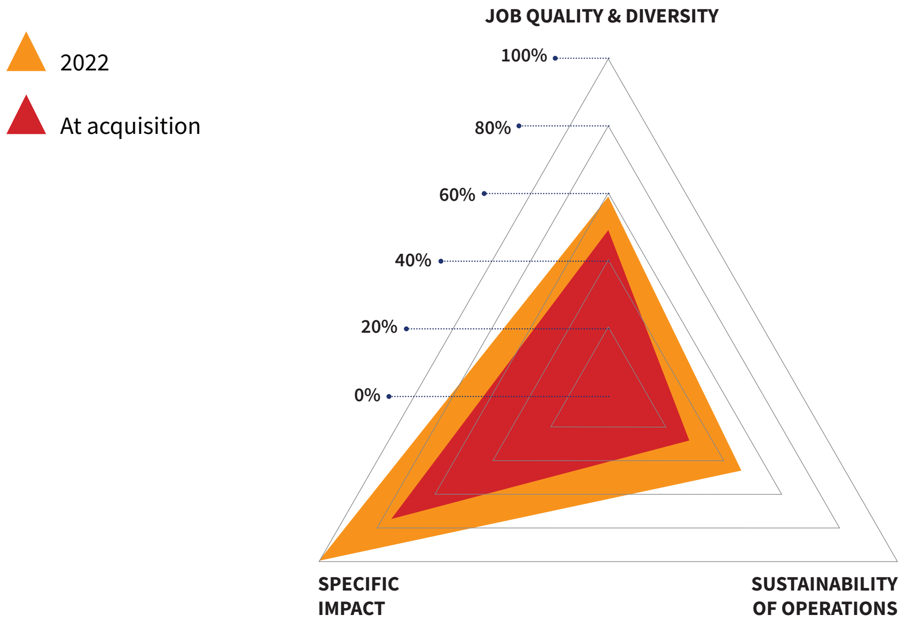
THE COMPANY

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 configuration.

Syrse operates across 11 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 more than 50% of the regional installed ATM base.

IMPACT SCORE 2022 VS. AT ACQUISITION



Syrse improved its combined three impact dimensions from 51% at acquisition to 68% in 2022. This was a result of focusing on training for employees; promoting female managers; acquiring certifications and fostering financial inclusion, which benefitted their clients and customers.

*scoring at acquisition was performed retroactively, with conservative assumptions on the progression of any metric that was not available

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.

Syrse developed a holistic Human Resources system that now supports its Job Quality and Diversity impact objectives. In 2020, an HR manager was recruited with the objective to standardize job descriptions and HR systems and procedures, and make sure employees benefit from regular training opportunities. A key focus for the management has also been to improve the job quality for the 156 employees at Syrse. These led to resulting terms and conditions of employment that are highly competitive, with the average salaries much higher (~50%) than average local salaries. Moreover, spending on staff training has significantly increased since 2019, by 25%.

In 2022, three training and development opportunities were provided to 44% of staff, compared to 23% of staff in 2021. All the group's sales staff met in Lomé to receive training from Avéliance Conseil on marketing, sales, and sales strategy. This was followed by two other training sessions, one for top management on strategic thinking and planning and the other for middle management on team management, leadership, and time management.

With regards gender and diversity, improvements were noted in 2022, mainly through more gender-balanced recruitment and promotions. The share of women among Syrse's managers increased from 19% in 2020 to 29% in 2022 .

156 employees

37 women

44% employees received training

Sustainability of Operations

Syrse operates in a highly regulated sectoral reach, both upstream and downstream. As an essential provider for banks, Syrse needs to ensure users' data protection, privacy and security 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.

Syrse officially inaugurated their new processing and card personalization center in May 2022. This event was a great success and generated strong interest from different actors, private or public, working towards financial inclusion of the region. As an illustration, Syrse signed a new client which is one of the biggest microfinance networks in Cameroon after the inauguration. The center is furthermore undergoing PCI-CP certification for its card personalization activity. This international certification guarantees that Syrse's activity is compliant with international standards regarding the confidentiality of cardholders' personal data and the security of the card personalization production process. The Lomé center expects to be certified by June 2023, after which it will be able to apply for other international certifications such as Visa or Mastercard.

Finally, the new management continuously strengthens the sustainability of its operations. An ATM program was launched to offer banks the opportunity to recycle their end-of-life ATMs: as part of the waste management plan, through a partnership that has been established with Electronics Waste Africa Company. In Ivory Coast, Cameroon and Togo offices, management implemented water saving plans by replacing single use water bottles with water dispensers.

Looking forward, the objective of the management is to continue upgrading standards. Syrse has started to prepare for ISO 9001 certification, with an objective to obtain it by Q3 2023 for its Ivorian office and its processing center in Lomé.

Base of ATM:
x2

Financial Inclusion

Through its offering, Syrse not only enabled but also 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 through which their customers can transact. ATMs and credit cards are key products to achieve this goal. Syrse developed an offering tailored to MFIs, who historically relied on the ATM networks of larger commercial banks, and consequently were unable to reach their mostly rural clientele.

A key example is Mucodec, the first microfinance institution in Congo with approximately 400,000 clients. Before working with Syrse, Mucodec neither had the banking equipment nor the internal technical expertise and resources to deal with multiple service providers at the same time. Mucodec was searching for a trusted partner with the ability to provide a modernised suite of products and with the capacity to integrate its products into a complex IT system. 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. Additionally, after onboarding a new client in Cameroon in 2022, Syrse will provide personalized credit cards and process the transaction of more than 300,000 individuals, which will contribute towards financial inclusion in Cameroon.

The invaluable strategic geographical position of Lomé's processing center allows Syrse to effectively reach and service commercial banks and MFIs both in West and Central African countries. Syrse ultimately 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).

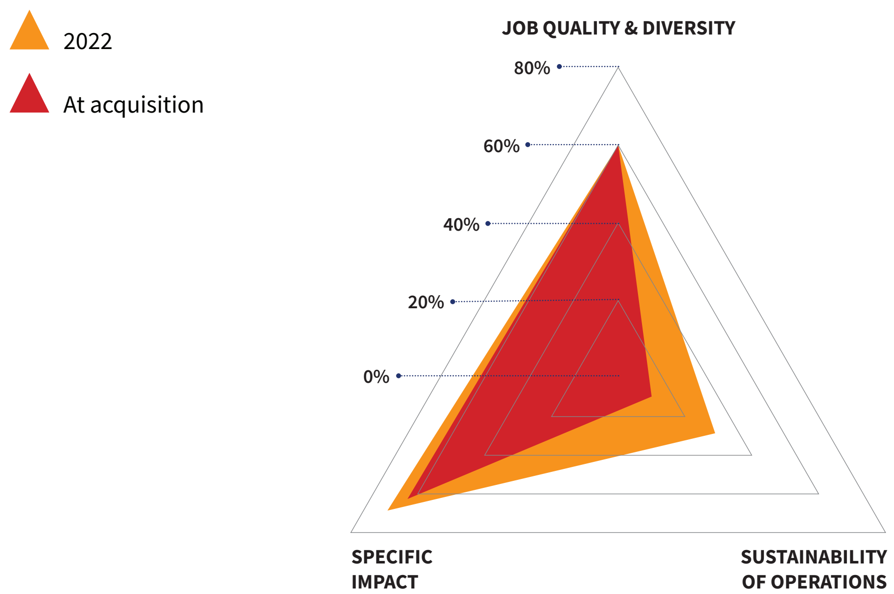
Country: **Ghana**
Investment year: **2015**
Industry: **Paints and chemicals**
Sustainable development goals:

Impact score: 53%
(v.s 45%* at acquisition)

THE COMPANY

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.

IMPACT SCORE 2022 VS. ACQUISITION



Since acquisition, Cresta improved the sustainability of its operations by 19% with a strong program of investments in building modern infrastructures.

*scoring at acquisition has been performed retroactively, with conservative assumptions on the progression of any metric that was not available

Job Quality & Diversity

Cresta made efforts in 2022 to support its staff in the face of a challenging economic environment in Ghana. The converging headwinds of post-Pandemic global inflation, a very strong US dollar, and further uncertainty brought on by the conflict in Ukraine saw inflation in Ghana soar beyond 50%, while the local currency depreciated by as much as 40% in 2022 alone.

In the face of significant economic pressures, adjustments were made to salaries of staff members in response to the increased cost of living, averaging 60% for senior staff members, while for junior staff increments of 15% were completed in April followed by 30% in June. Changes to working hours were also implemented along with revised incentive structures to provide staff with additional flexibility without impacting performance.

As the economic conditions persisted however, the company was forced to reduce the number of staff, terminating the employment of 9 contract staff, representing 6% of the workforce . No permanent staff were impacted.

The company continued in its efforts to ensure safe working conditions for all employees, by expanding the scope of its health screening to cover additional medical conditions and materials. A total of 123 members of staff were screened this year.

The company also maintained its program of toolbox talks via which training on several safety aspects was delivered by the HSE manager including among others hazard identification, electrical safety, safe driving, fire prevention and evacuation planning. Additional training was provided by Ghana National Fire Safety staff on Fire Safety Awareness.

17%
of female employee

€50k
spent on trainings, an increase of 28% compared to 2021

Sustainability of Operations

In 2022, a number of improvements were made to operational infrastructure to enhance the safety as well as the sustainability of operations. Ventilation was improved in both the factories and warehouses through the addition of several passive air circulators. Transparent roof panels were also added or replaced improving lighting without the need for electricity. Other enhancements were made to safety signage in multiple areas of the workplace as well repairs to potential hazards such as loose or uneven tiles and flooring, railings and electrical light switches.

A major milestone was reached with the completion of a second emergency exit leading from the factory floor of the main production area. The provision of an alternative route completed the requirements for the evacuation plan for the company and was significant as it resolved a long standing issue that had been complicated by the close proximity of neighboring companies and lack of a suitable easily developed pathway. The completion of this requirement paved the path for the company to launch its certification for ISO 14001 and 45001 in the last quarter of the year.

3.8m
liters of paint sold

Reduced inequalities

The economic climate in Ghana put pressure on the company as it strives to operate a profitable and sustainable business in the face of rising operational and raw material costs. For products sold in Ghana, prices were raised on a number of occasions as the local currency depreciated against the US dollar. Despite this the company continued to support the businesses of some its oldest customers even as their volume of activity diminished, recognizing the key role they have played in the establishment and growth of the business. In international markets price discounts were implemented which allowed customers in Burkina Faso, Mali, Cameroon and Nigeria to continue to operate their businesses. The philosophy of the company remained unchanged: to provide affordable, quality products, serving the broad base of customers across West Africa, and in keeping with this it continued to serve small scale businesses across the region. In light of this efforts were pursued with suppliers to come up with alternative production methods and product formulations that would reduce the overall cost of production. This enabled the company to successfully reduce costs on some of its higher volume products, permitting a prolonged period of price stability on one of its higher volume products.

965
Customers

$22.6k
Average sales per customer

63%
of customers <$5k in purchases

COMMITTED TO RESPONSIBLE INVESTING
COMMITTED TO A SUSTAINABLE AFRICA

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