



Empowering Futures: Driving Inclusive Growth
Through Job Creation and Gender Diversity

ESG AND IMPACT REPORT 2023/24

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

This report captures the ESG and impact developments at Kuramo from January 1 to December 31, 2023. It is centered around the work Kuramo is doing to empower Africa, through inclusive growth and long-term value creation.

The report comprises nine distinct sections, commencing with this executive summary. Following that, our Founder/CEO, Wale Adeosun, shares a snapshot of our ESG and impact achievements in 2023 and outlines our expectations for the future. Subsequently, we reiterate Kuramo's identity, our core activities, and our investment approach. The second section includes an overview of our portfolio and the footprint on our investments and concludes with a discourse on our governance structure and the biographies of the Kuramo team.

The third section which forms the bulk of the report is a deep dive into our ESG and impact journey. In this section, we present you with our ESG and Impact dashboard which contains a detailed analysis of job creation and gender diversity in the portfolio – direct and indirect. The dashboard includes a comparative analysis detailing the year-on-year changes in key impact metrics. The fourth and fifth sections outline our progress in the attainment of the Sustainable Development Goals and showcases our gender lens initiative aimed at bolstering diversity within the private equity and venture capital ecosystem in Africa.

We have featured three of our portfolio companies in the sixth section of this report titled “Kuramo Impact Stories”. In this section, we explore the activities of each of these companies, and the impact they are making in Central Africa, East Africa and West Africa, respectively. More importantly, each story tells you how Kuramo is adding value to the company's ESG and impact endeavors. In the seventh section, we have shared some of the initiatives from 2023, including our work with the Nigeria Higher Education Foundation.

We are constantly innovating at Kuramo and staying up to date with relevant trends and opportunities. In the eighth section of this report, we have shared our exclusive perspectives on the ESG and impact trends and opportunities that are relevant to our business and portfolio. We have also shared our unique approach to job creation and management – a critical piece of thought leadership as the influx of impact capital aimed at job creation in Africa remains on an upward trajectory.

The last section of the report is dedicated to setting out the methodology that was followed in the development of the report and acknowledging the team that put together this report.

We expect that you will find the contents of this report both invaluable and cogent. Please do not hesitate to let us know if you have any questions or would like to discuss the contents.





WHO WE ARE

Message from the Founder/CEO

“

From empowering communities to improving access to critical services, each investment we make is a testament to our belief that economic growth and social impact can co-exist within the portfolio. ”

WALÉ ADEOSUN FOUNDER & CEO, KURAMO CAPITAL



In a rapidly evolving global landscape, the role of private equity, particularly in sub-Saharan Africa, extends beyond financial returns. It embodies a responsibility to foster sustainable development, inclusive growth, and long-term value creation. As the Founder/CEO of Kuramo Capital, I am proud to share in this report the strides we made in 2023, in fostering sustainable development, inclusive growth and long-term value creation on the continent.

Our journey to integrating ESG and impact considerations into our portfolio has proven to be insightful and rewarding. We have recognized that adopting sustainable investment practices not only complements our commercial objectives, but amplifies our capacity to generate lasting value. Through this integration, we have been able to identify opportunities to broaden diversity within our portfolio, reduce ESG-related risks, and enhance portfolio performance by fostering stronger community relations and good corporate governance.

With the support of our investors, we are making a remarkable contribution to the lives of people across sub-Saharan Africa. From empowering communities to improving access to critical services, each investment we make is a testament to our belief that economic growth and social impact can co-exist within the portfolio. In this report, we highlighted three of our portfolio companies, Plantations et Huileries du Congo (PHC), Platcorp Holdings Limited and AfyACare Nigeria Limited which are not only delivering financial returns, but are improving the livelihoods of thousands in Central Africa, East Africa and West Africa respectively.

In a continent marked by escalating unemployment and persistent underrepresentation of women in the workforce, our portfolio has been a beacon of progress in 2023, creating more than 400,000 jobs. Notably, youths have secured 15% of these roles and 25% are held by women. This marks a considerable growth in the aggregate jobs supported across the continent. This report delves into the specifics of job distribution, offering a detailed breakdown by region, country, and sector.

Our investments transcend job creation and diversity, contributing to the advancement of 13 out of the 17 Sustainable Development Goals. As a firm, we have taken concrete measures to safeguard our environment and mitigate the impact of climate change in Africa by recycling over 60 pounds of plastic waste and planting about 500 trees. These actions affirm the critical role our work plays on the continent and highlight our commitment to fostering a sustainable future for Africa.

In addition to our investment activities, we have taken a direct step to deepen diversity within the African private equity and venture capital ecosystem, through the launch of our Gender Lens Initiative (GLI) in 2023. This initiative follows our **ABC framework– Accelerate, Bridge and Catalyze**: the Moremi Accelerator Program which provides institutionalized trainings, technical assistance, and mentorship to early stage fund managers with support from international foundations; a Warehousing Facility, sponsored by 2X Global with Kuramo as the facility manager, which aims to provide concessional warehousing capital to gender-smart funds to expedite their track record development; and our Moremi Fund that will anchor and catalyze female-led funds.

The launch of SOLT Advisory is a strategic extension of our gender lens initiative. This entity provides technical assistance to early-stage fund managers in our GLI ecosystem. SOLT provides fund managers with comprehensive services including investment readiness guidance, fundraising assistance, and transactional support to bolster the success of capital raising.

We take immense pride in our accomplishments to date, notably, our GLI and SOLT Advisory platforms, which are led by accomplished female leaders. We acknowledge that the journey of integrating ESG and value creation is continuous. We are committed to continuous improvement, refining our practices, and staying abreast of the latest developments in ESG standards and best practices. We will continue to engage with you, our stakeholders, learn from our experiences, and adapt our strategies to maximize both impact and returns.

As we look towards the future, our commitment to ESG principles, job creation, gender equality, and the development of a diverse investment ecosystem in Africa remains unwavering. We look forward to the opportunities ahead and to continuing our work with our stakeholders to create a sustainable and prosperous future for Africa.

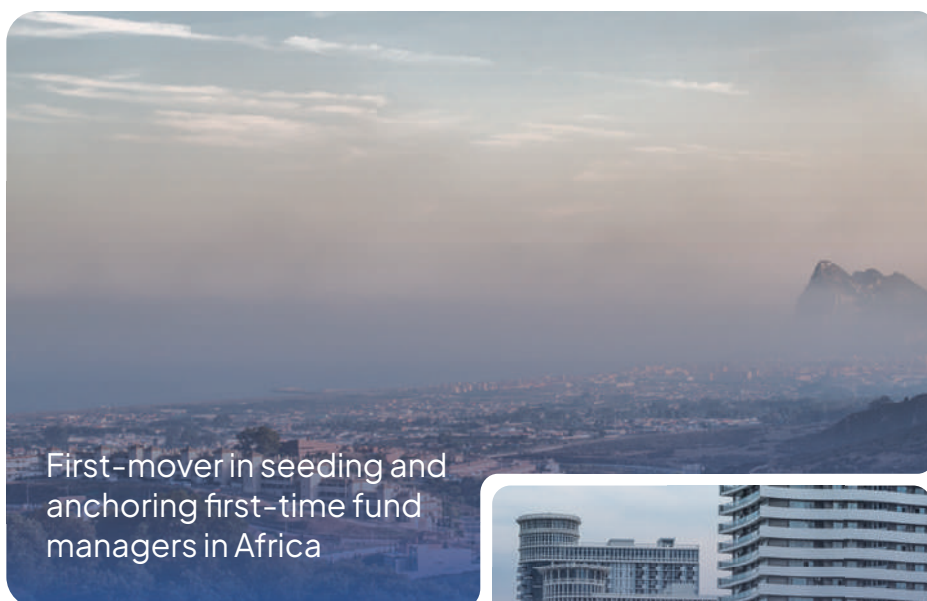
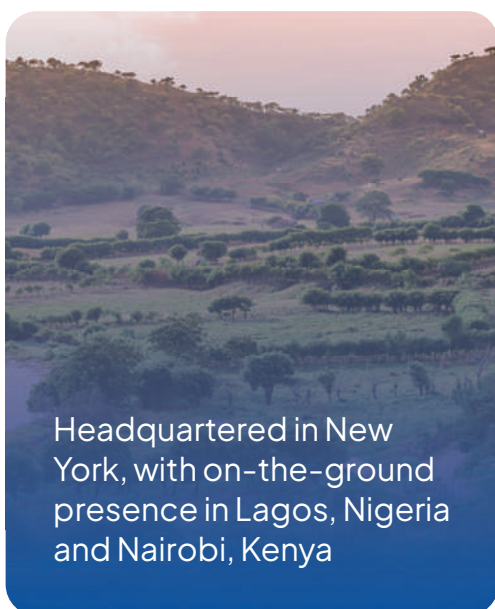
Thank you for your continued support and trust in Kuramo Capital. Together, we are making a meaningful difference.

Sincerely,
Walé Adeosun

WHAT WE DO

Kuramo Capital Management LLC is a leading multi-asset class investor in sub-Saharan Africa (“SSA”) regulated by the Securities and Exchange Commission in the United States of America and is the fund manager for Kuramo Africa Opportunity Funds I, II and III, a family of sub-Saharan Africa focused funds with aggregate assets under management of **~\$500 million**. The Kuramo funds invest in private businesses and in specialized offerings in private equity, venture capital and public markets.

Since the inception of our first fund in 2011, Kuramo has been at the fore of **championing catalytic commercial capital “C4”** into Africa. We have invested in **21 SSA-focused private equity and venture capital funds**, served as anchor investor in **15 first-time indigenous private equity funds** and played a significant role in raising over **US\$3.5 billion** geared toward investing in SSA.



HOW WE INVEST

PRIMARY FUND INVESTMENTS

This has been our primary strategy since inception. As the pioneering fund of funds investor in sub-Saharan Africa, we have created three fund of funds vehicles, backing several private equity and venture capital managers across various strategies; collectively raising over \$3.5 billion.

Under our funds of funds strategy, we provide capital and leverage our capacity and decades of experience investing in funds at global institutions.

DIRECT & CO-INVESTMENTS

We actively invest directly in attractive opportunities that generate risk-adjusted returns.

We also co-invest alongside some of our fund managers in companies across Africa.

SEPARATELY MANAGED ACCOUNTS

We are retained by investors allocating capital for a specified objective, seeking to leverage the African potential or in need of bespoke investment management services.

OUR PORTFOLIO & FOOTPRINT



KURAMO AFRICA OPPORTUNITY FUND I

Private Equity Funds

- Adenia Capital III
- African Minerals Exploration and Development Fund II
- Capital Alliance Private Equity III
- Catalyst Fund I
- Helios Investors II
- Medu Capital Fund III
- Schulze Global Ethiopia Growth and Transformation Fund I
- Synergy Private Equity Fund
- Verod Capital Growth Fund II

Venture Capital Fund

- EchoVC Pan-Africa Fund I

Direct/Co-Investments

- Intelligra Solutions Limited
- Leon Holdings Pvt Limited
- Nas Foods PLC

KURAMO AFRICA OPPORTUNITY FUND II

Private Equity Funds

- Africa Capitalworks
- African Minerals Exploration & Development Fund III
- Capital Alliance Private Equity IV
- CardinalStone Capital Advisers Growth Fund
- Synergy Private Equity Fund II

Venture Capital Fund

- Consonance Kuramo Special Opportunities Fund I

Direct/Co-Investments

- Green Africa Airways Limited
- Intelligra Solutions Limited
- Plantations et Huileries du Congo S.A. (PHC)
- SepFluor Limited (AMED II Portfolio)
- Sterling Capital Limited
- TransCentury PLC
- Viathan Engineering Limited (Synergy I Portfolio)

KURAMO AFRICA OPPORTUNITY FUND III

Private Equity Funds

- Adiwale Fund I
- Africa Food Security Fund
- Cepheus Growth Capital Fund
- Uhuru Growth Fund I
- Verod Capital Growth Fund III

Public Market Fund

- Nabo Capital - Separately Managed Account

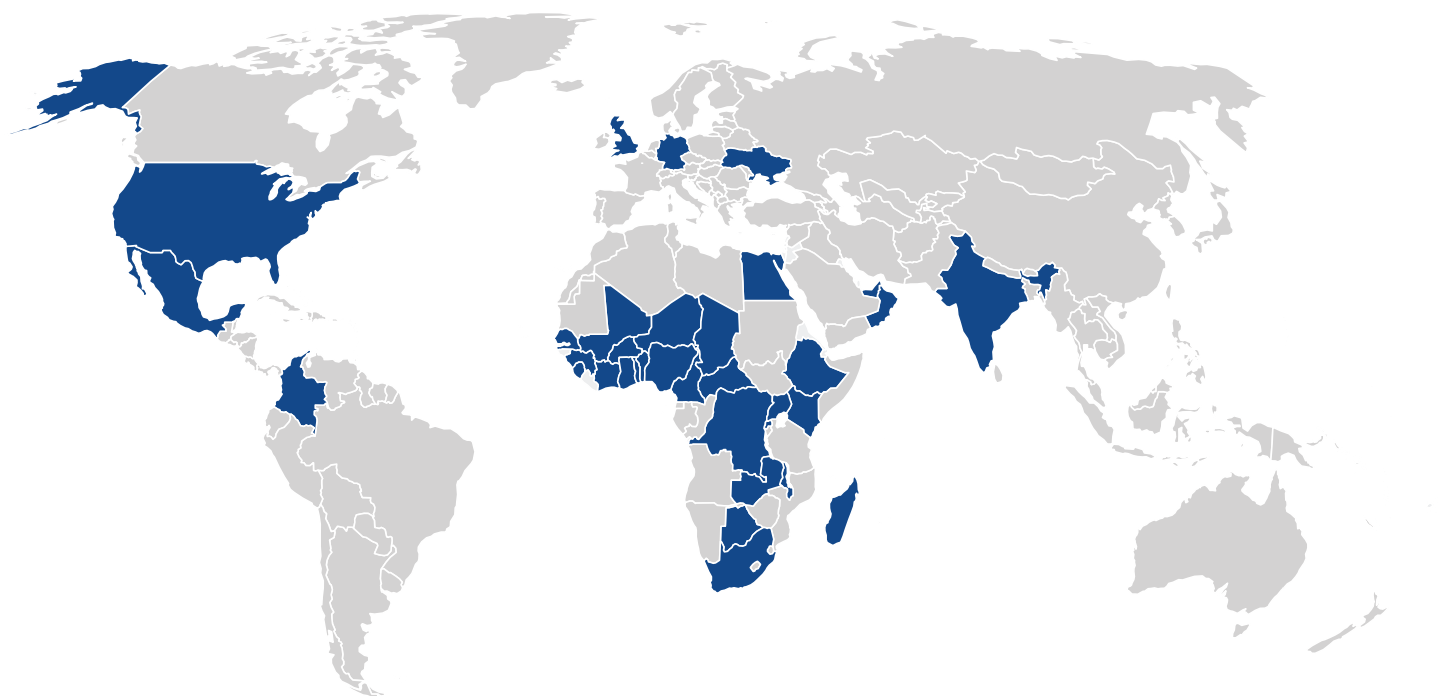
Direct/Co-Investments

- AfyACare Nigeria Limited
- Crest Agro Products Limited
- Dataguard Document Management Limited
- FSDH Holding Company Limited
- GenAfrica Limited
- Green Africa Airways Limited
- Plantations et Huileries du Congo S.A. (PHC)
- Platcorp Holdings Limited



Our Footprint - Indirect Investments **40**
Countries

Our Footprint - Indirect Investments **40**
Countries



Our Footprint -
Direct
Investments

10
Countries

Our Footprint -
Direct
Investments

10
Countries



HOW WE ARE GOVERNED



Executive Committee

This committee is responsible for delivering the best of Kuramo to our investors, and developing and implementing the firm's strategy.

Ultimately, the committee ensures that the firm is managed prudently to ensure the long-term success of the business.



Management Committee

This committee is responsible for implementing the firm's strategy to enhance Kuramo's business model, product offerings and client delivery.



Investment Committee

The committee is responsible for evaluating, making, and approving decisions on all investments, including the evaluation of environmental, social and governance factors as part of the investment and portfolio monitoring process.



Compliance Committee

The committee, comprised of the Chief Operating Officer, the Chief Compliance Officer, General Counsel, the Fund Controller and select professionals within the firm, manages compliance and regulatory matters.

OUR TEAM

LAGOS



Walé Adeosun
Founder & Chief
Executive Officer



Labi Williams
Managing Director



Nike Ogunjimi
Director



Gbolade Okeowo
Vice President



Lamide Adeosun
Vice President



**Chukwunedum
Orabueze**
Associate



Feyi Ogungbemile
Associate



Victoria Anuri
Associate



Tejumola Akindele
Analyst



Busayo Gbenle
Administrative Manager



**Omawumi
Kola-Lawal**
ESG Advisor

OUR TEAM

NAIROBI



Shaka Kariuki
Partner & Chief
Investment Officer



Mumo Muthengi
Managing Director



Sarah Ngamau
Managing Director



Arnold Akello
Vice President



Clara Mwangola
Vice President



Alex Kariuki
Analyst



Sally Ndunda
Administrative Manager

OUR TEAM

NEW YORK



Kamal Pallan
Partner & Chief
Operating Officer



Mojisola Fashola
Managing Director



Tapiwa Mhizha
Director



Penny Morgan
Talent Management Advisor



Ladi Adeosun
Analyst



Ncedo Mantyi
Fund Accountant

KURAMO FOUNDATION FOR SUSTAINABLE DEVELOPMENT



Efe Braimah
Executive Director



Aishat Bamigboye
Associate Program Manager



OUR ESG AND IMPACT JOURNEY

ESG & IMPACT DASHBOARD

LIVES IMPACTED

617,061
Jobs Supported

19,062
Direct Jobs
Supported

597,999
Indirect Jobs
Supported

Youth Jobs in
the Portfolio 154,850

Direct Youth Jobs 8,663

Indirect Youth Jobs 146,187



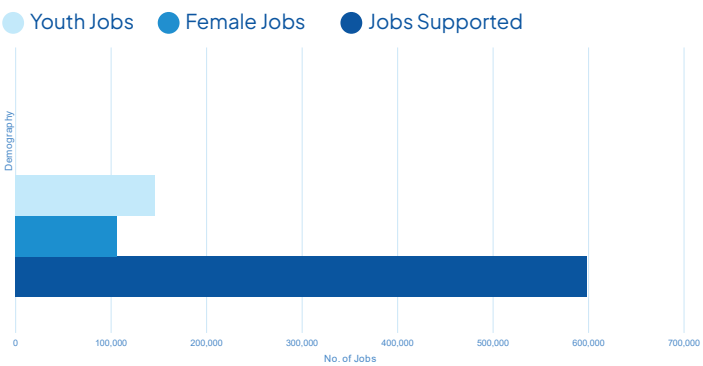
DIVERSITY WITHIN THE PORTFOLIO

142 Women on the board
of direct and indirect
portfolio companies

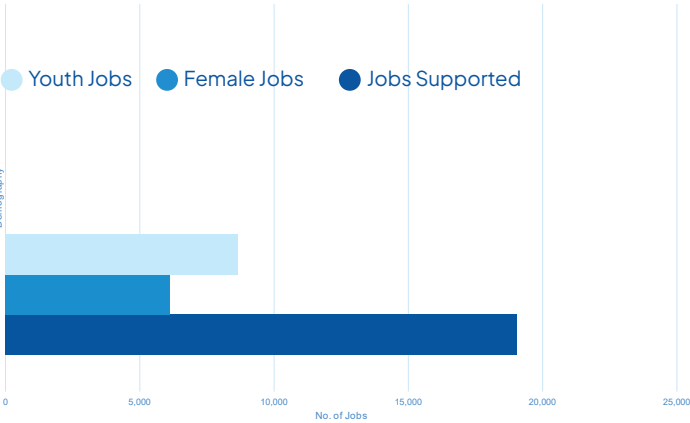
1,157 Women in
managerial positions
across the portfolio

131,404 Women employed
across the portfolio

INDIRECT JOBS



DIRECT JOBS



428,704

Jobs created in 2023

6,549

Direct Jobs

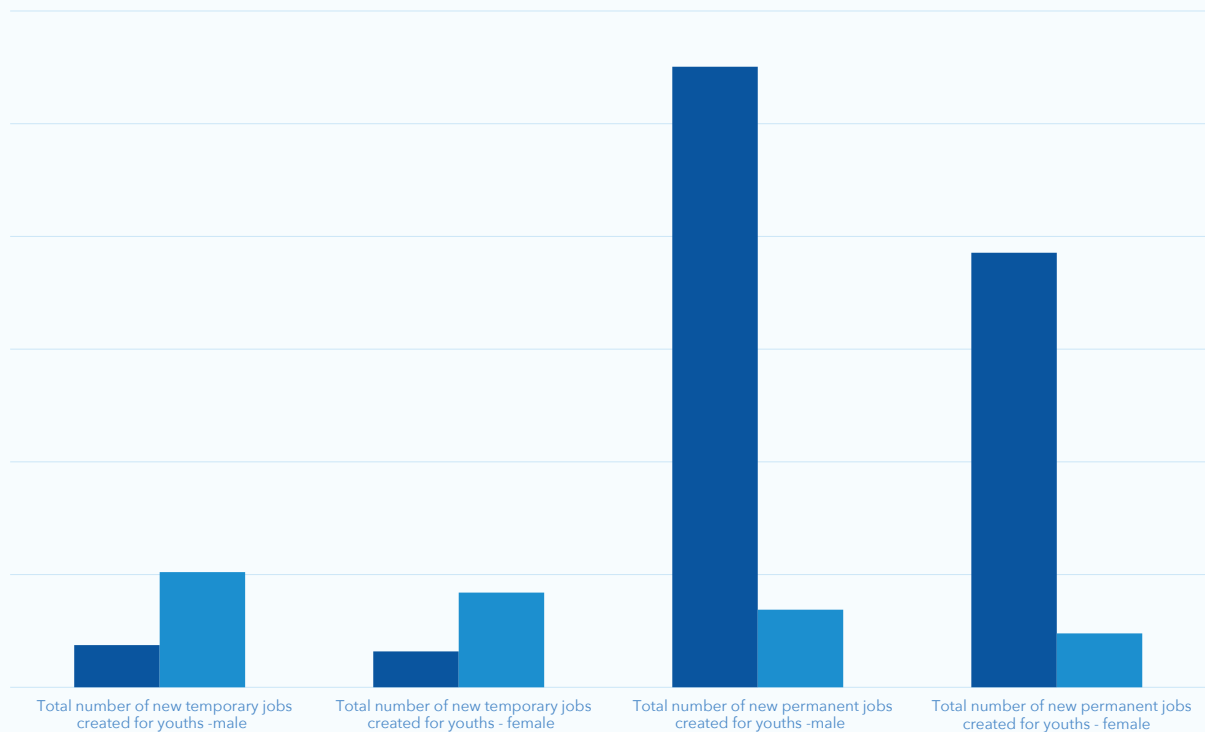
422,155

Indirect Jobs



YOUTH JOBS CREATED IN 2023

● Direct Jobs ● Indirect Jobs





62,748

youths joined the
workforce in 2023

East Africa and Central Africa created
the most youth jobs in the direct
portfolio

~15%

of the jobs created in
2023 were youth jobs

West Africa and East Africa created the
most youth jobs in the indirect portfolio

FEMALE JOBS CREATED IN 2023

DIRECT JOBS **2,577**

INDIRECT JOBS **104,837**

TEMPORARY JOBS **100,766**

PERMANENT JOBS **6,648**

FEMALE YOUTH JOBS CREATED IN 2023

2,087
Direct Female
Youth Jobs

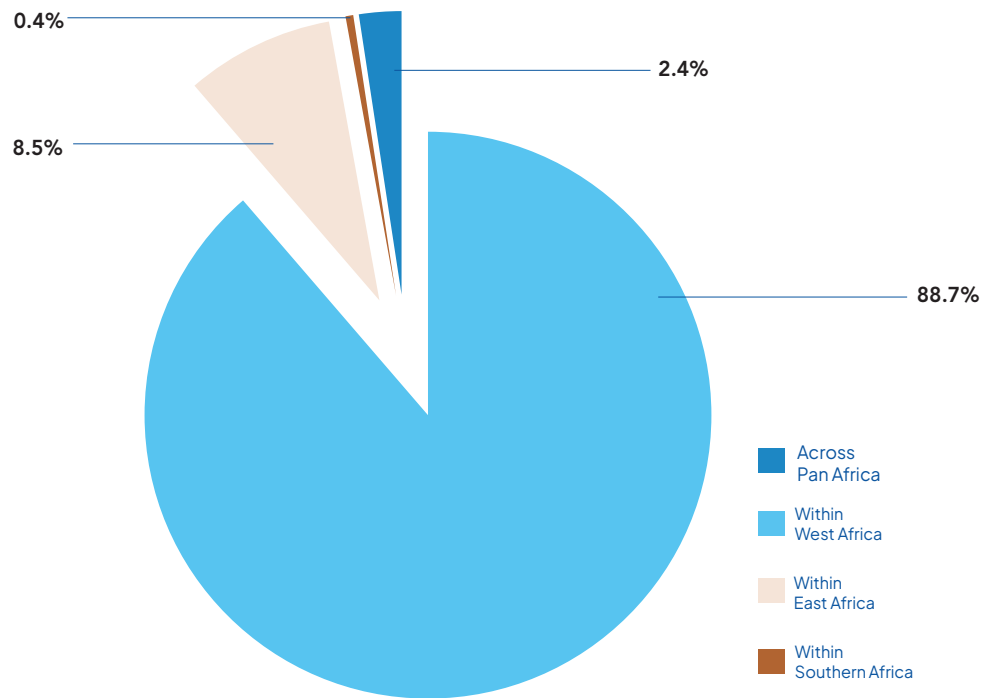
1,928
Permanent Female
Youth Jobs

56,862
Indirect Female
Youth Jobs

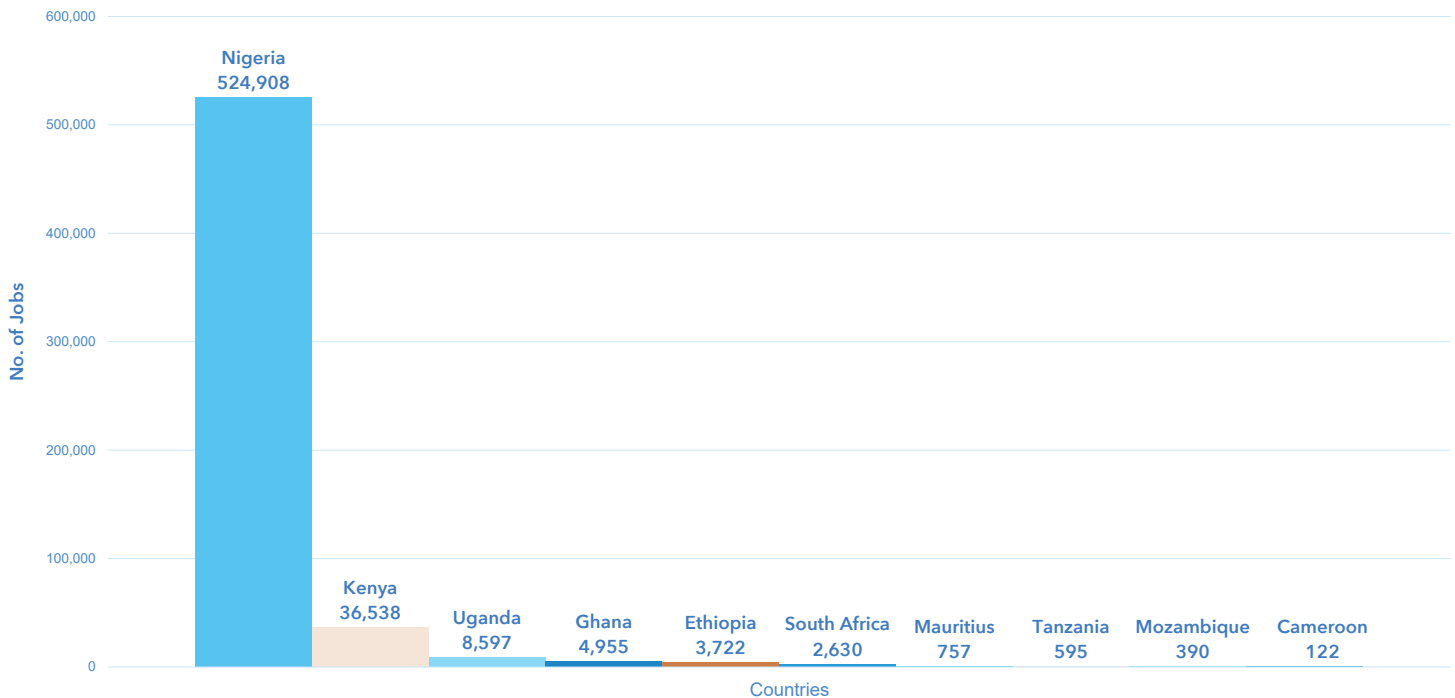
56,442
Temporary Female
Youth Jobs



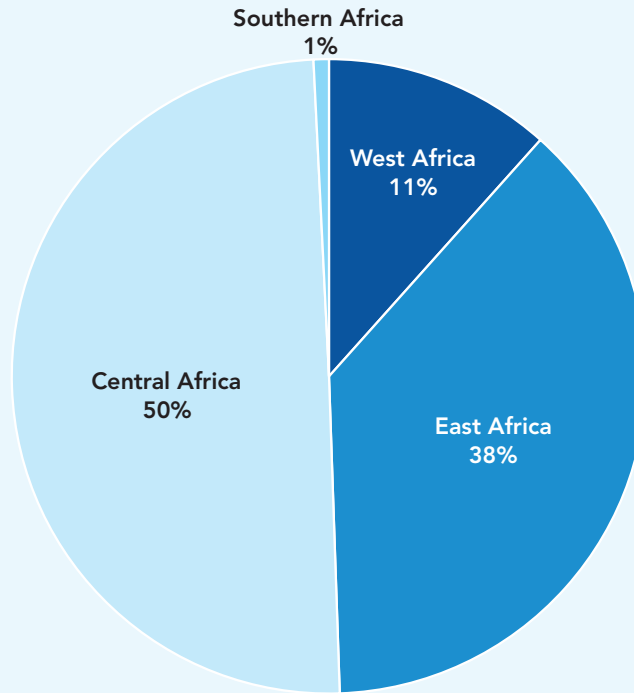
GEOGRAPHIC SPREAD OF INDIRECT JOBS



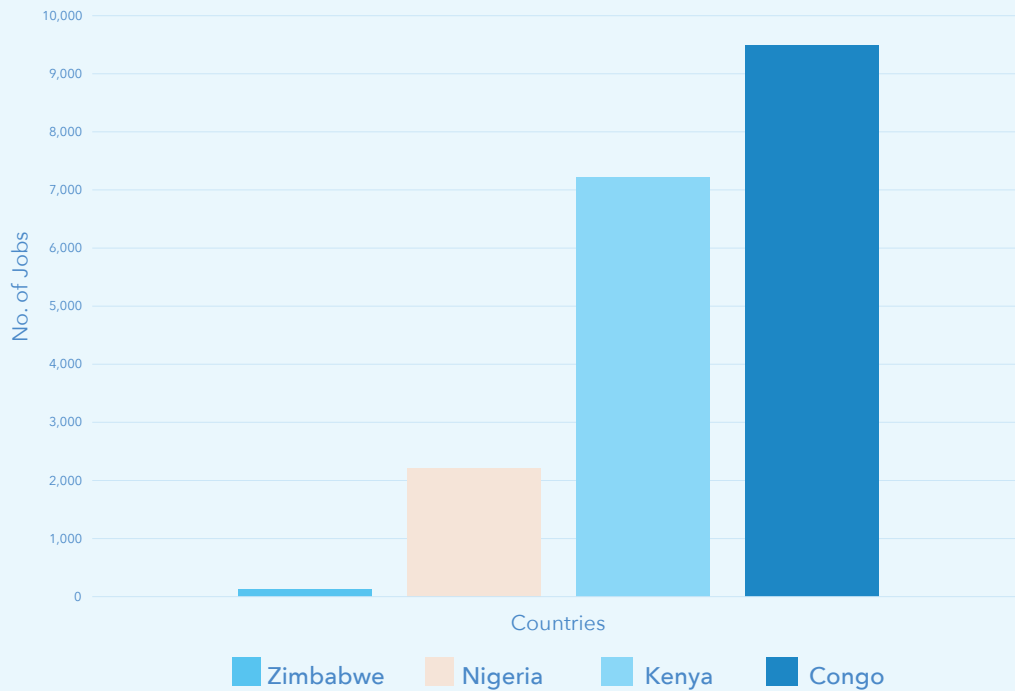
INDIRECT JOBS - SELECT COUNTRIES



GEOGRAPHIC SPREAD OF DIRECT JOBS



DIRECT JOBS – SELECT COUNTRIES

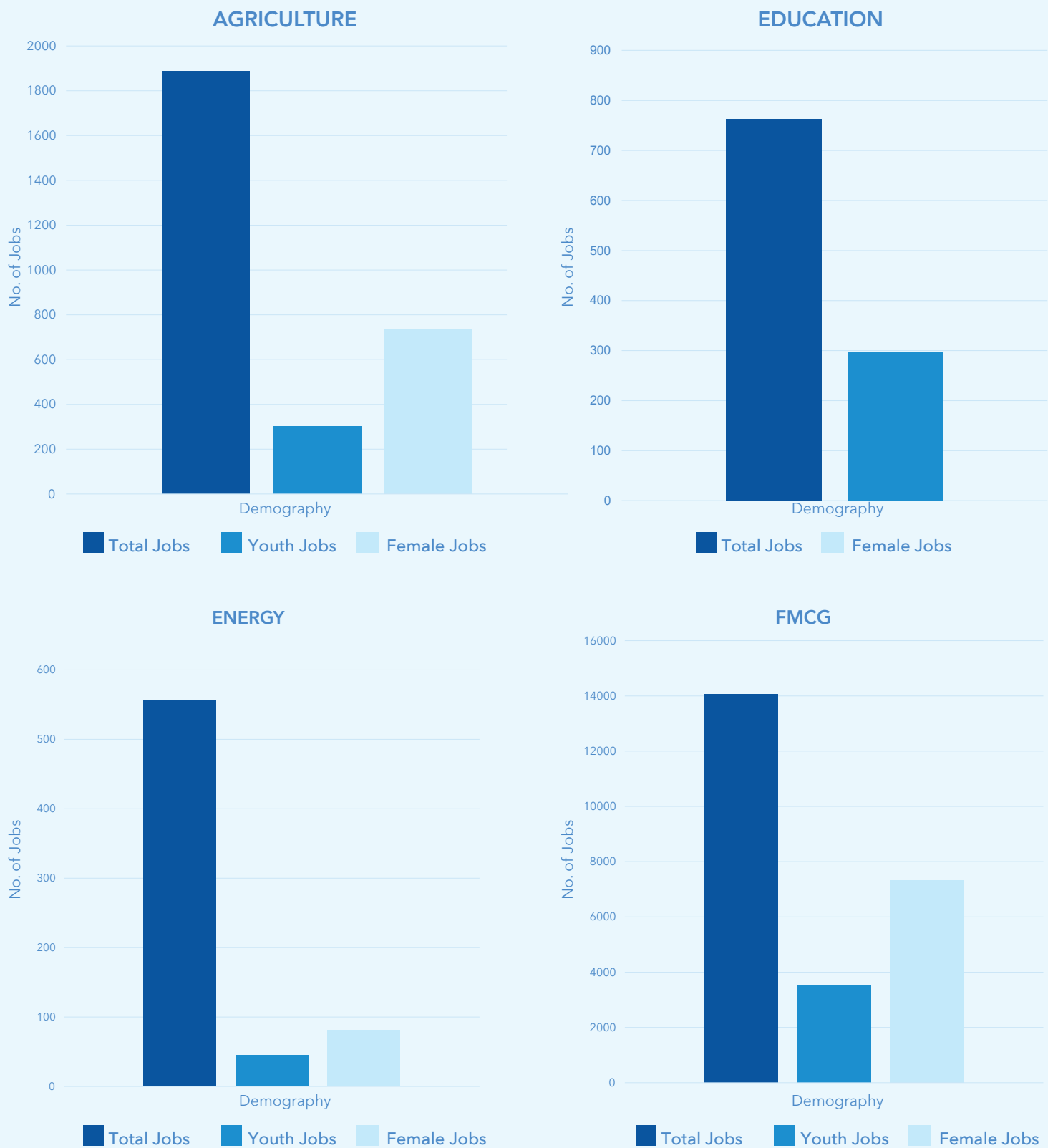


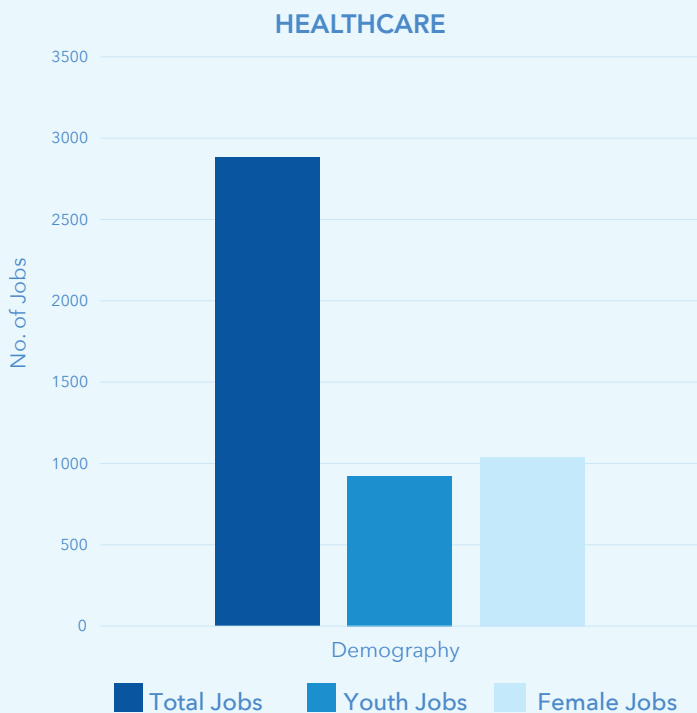
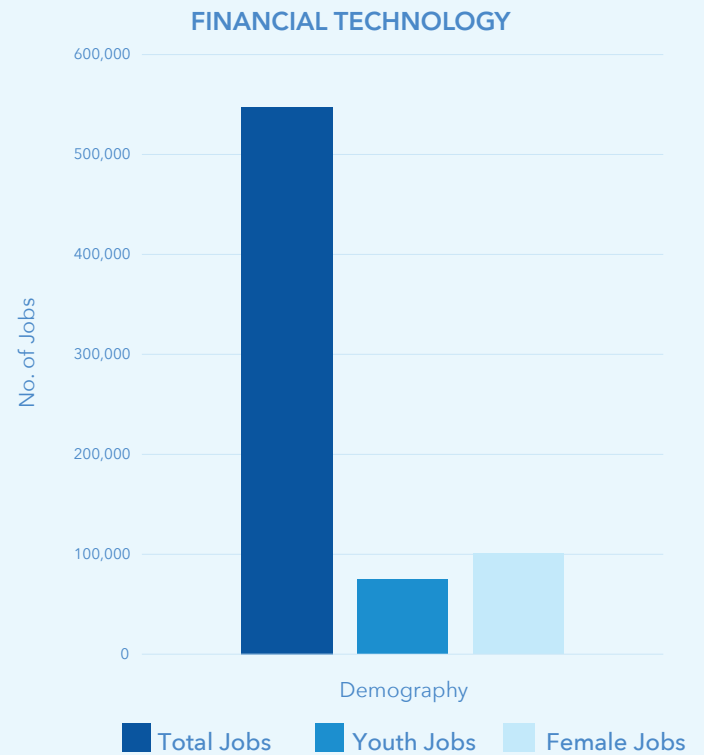
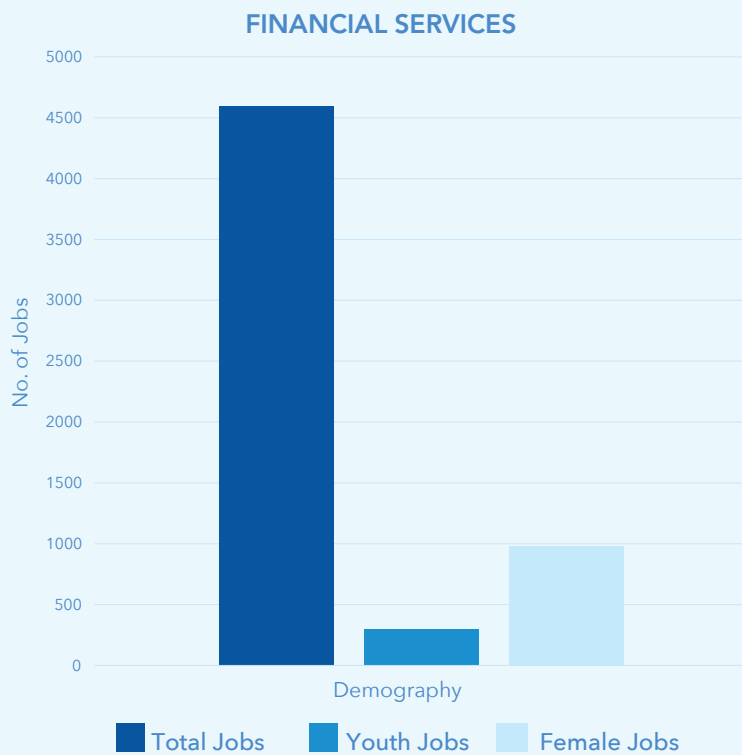
INDIRECT JOBS BY SECTORS

1,888 Agriculture	762 Education	556 Energy	14,074 FMCG	4,593 Financial Services
547,634 Financial Technology	2,880 Healthcare	7,360 Hospitality	5,794 Industry & Services	12,458 Technology Media & Telecommunications

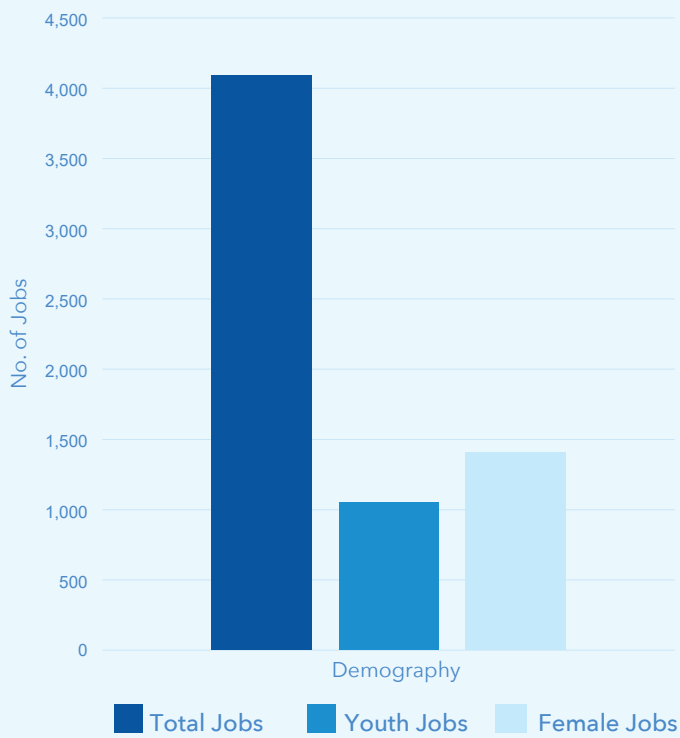


INDIRECT INVESTMENTS – FEMALE AND YOUTH JOBS PER SECTOR

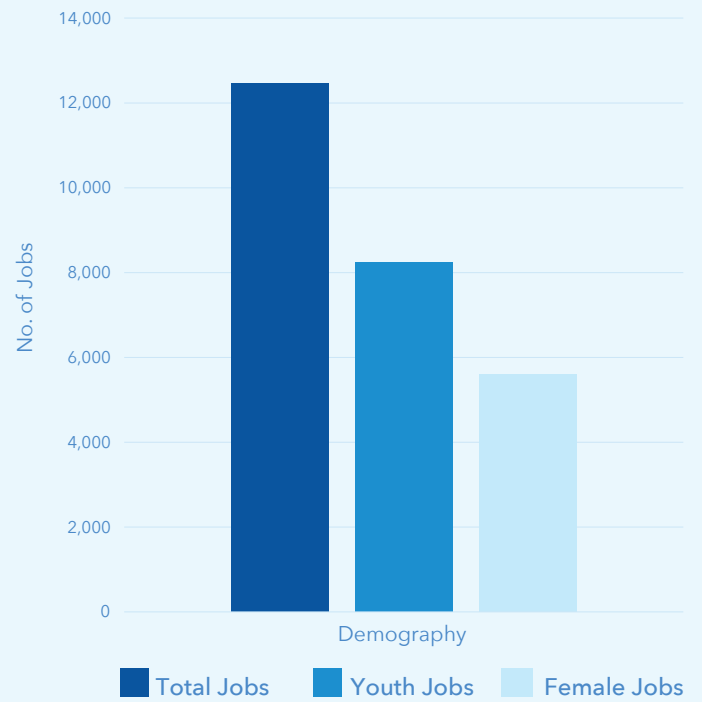




INDUSTRY & SERVICES



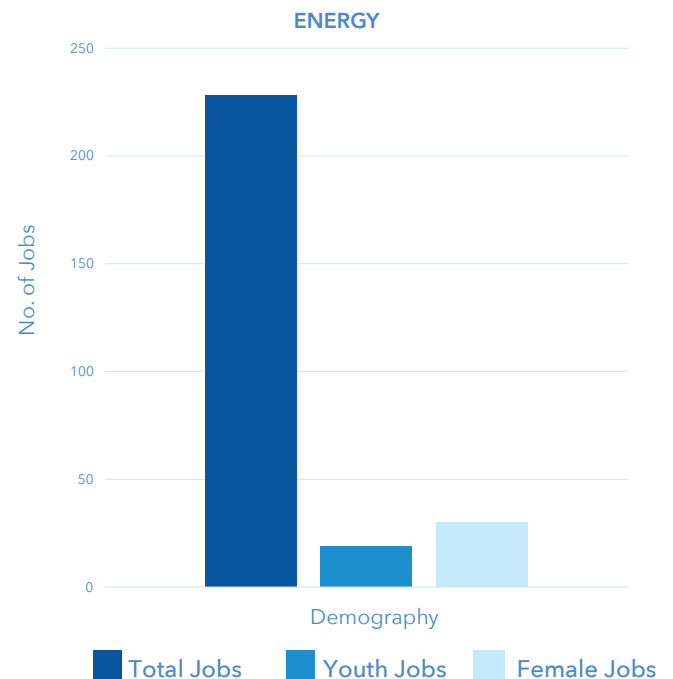
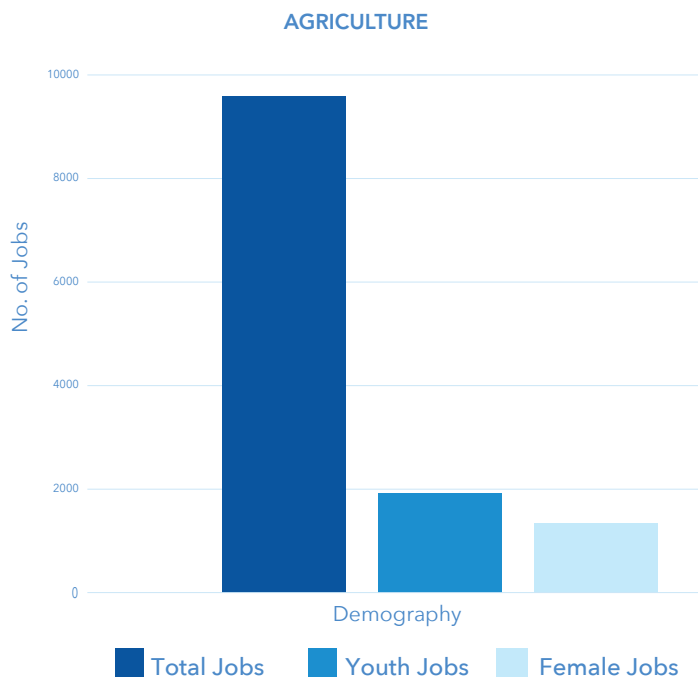
TECHNOLOGY MEDIA & TELECOMMUNICATION

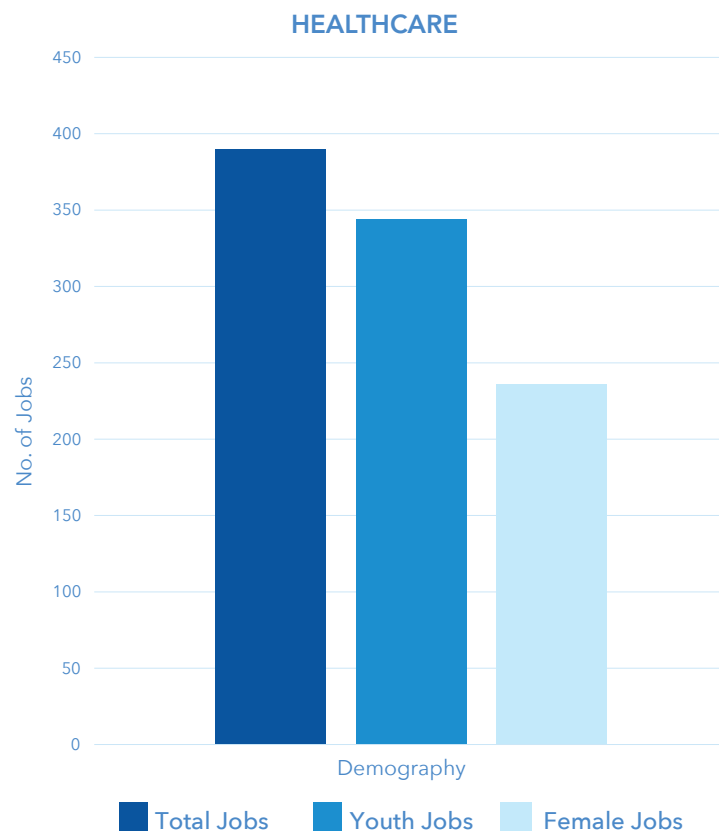
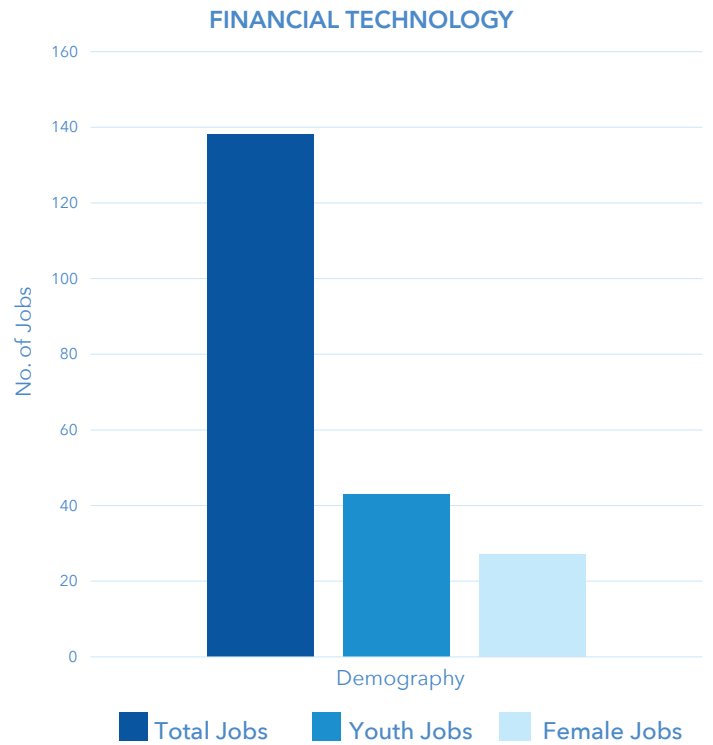
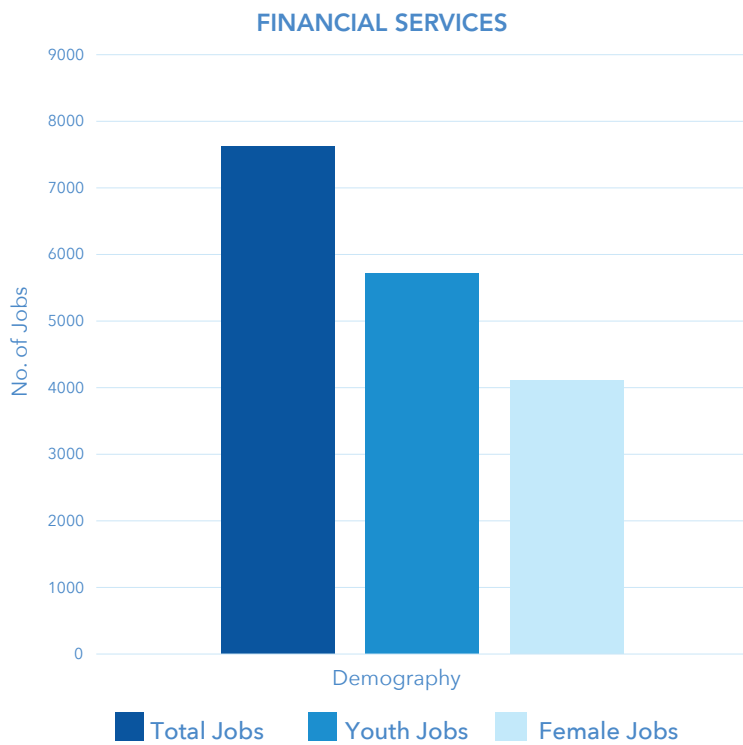


DIRECT JOBS BY SECTORS

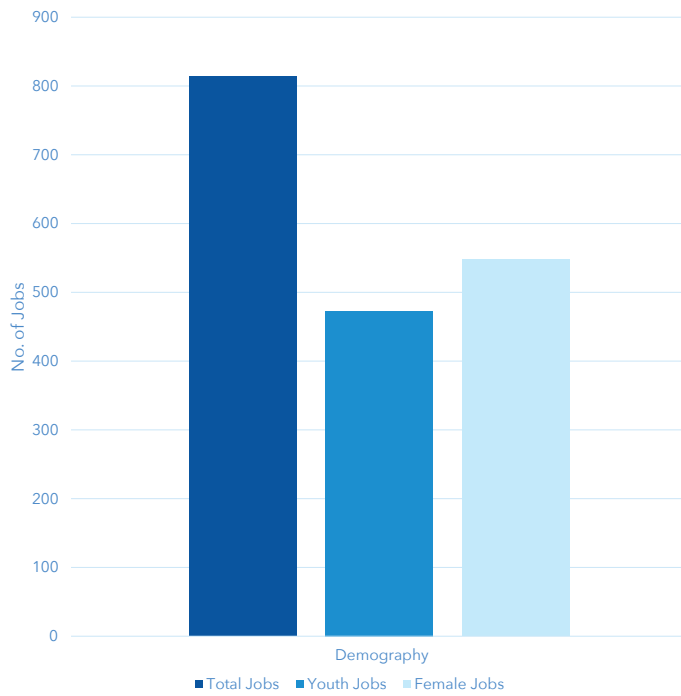
9,590 Agriculture	228 Energy	7,625 Financial Services	138 Financial Technology	390 Healthcare	814 Industry & Services	277 Transportation
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DIRECT INVESTMENTS – FEMALE AND YOUTH JOBS PER SECTOR

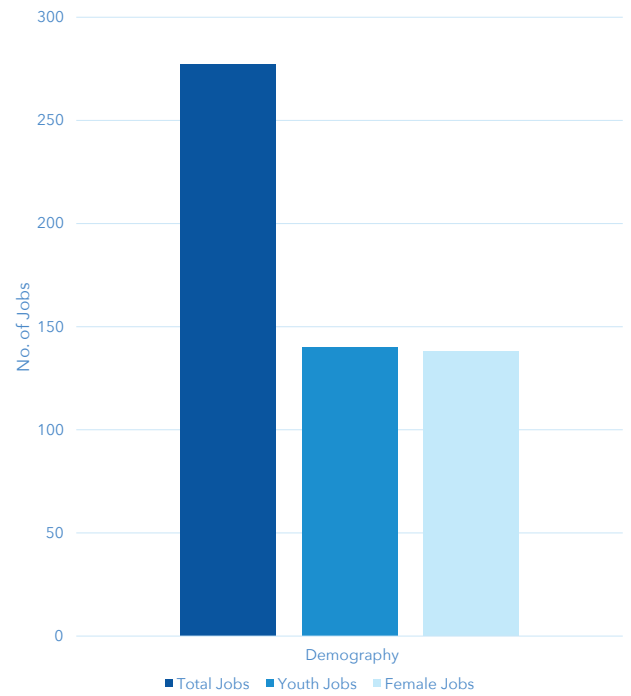




INDUSTRY & SERVICES



TRANSPORTATION



ECONOMIC CONTRIBUTIONS – INDIRECT INVESTMENTS



US\$ 647,655,075

TOTAL TAXES PAID

US\$ 262,826,112

TOTAL EMPLOYEE PENSION CONTRIBUTION PAID

US\$ 141,686,070

TOTAL EXPENDITURE FOR LOCAL PROCUREMENT

US\$ 30,275,063

AMOUNT OF INSURANCE COVER TAKEN

ECONOMIC CONTRIBUTIONS – DIIRECT INVESTMENTS



US\$ 46,640,871

TOTAL TAXES PAID

US\$ 30,528,871

TOTAL EXPENDITURE FOR LOCAL PROCUREMENT

US\$ 2,348,390

TOTAL EMPLOYEE PENSION CONTRIBUTION PAID

US\$ 1,624,023

AMOUNT OF INSURANCE COVER TAKEN

PORTFOLIO IMPACT 2022 VS. 2023

	2022	2023
Total jobs supported	~143,000	~617,000
Permanent jobs supported	~47,000	~64,000
Total jobs supported (women)	~18,000	~131,000
Total contribution to government tax revenue	US\$ 0.70bn	US\$ 0.69bn
Total employee pension scheme contribution	US\$ 9m	US\$ 0.26bn
Total local procurement expenditure by investees	US\$ 4bn	US\$ 0.1bn





SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS



Kuramo supports the reduction of the proportion of men, women and children of all ages living in poverty in all its dimensions, through the payment of wages that are reflective of the economic realities of the country. We also leverage our seat on the board of portfolio companies to ensure that employee benefits exist and are maintained.



Kuramo's investments in the agricultural sector and the jobs it supports, bolster the progress towards ending hunger on the continent, providing Africans with access to safe, nutritious and sufficient food all year round.



Our investment in the healthcare sector and the medical services provided by the healthcare centers on the Plantations et Huileries du Congo (PHC) plantations provide access to healthcare services to a significant number of people and ensures the reduction in mortality rates on the continent.

Bastion Health Limited, the health insurance company owned by our investee, AfyaCare Nigeria Limited provides affordable health insurance across Nigeria, while its parent company is working to increase the health worker density in Nigeria through the recruitment of medical doctors from abroad and the establishment of a residency program for the training of doctors.



Enko Education, an indirect portfolio company, provides education on an equal-opportunity basis and offers scholarships across its campuses – all of which are in developing countries.



Kuramo's employee handbook prohibits any form of discrimination, including that which is gender-based. We are committed to the advancement of women into leadership roles and diligently collaborate with our portfolio companies to foster board diversity. This includes proposing female candidates for board appointments within some of our portfolio companies.



Our portfolio company, PHC has built over 70 boreholes both within and outside its concessions, allowing people to access potable drinking water. PHC regularly maintains these boreholes and specialized teams analyze the potability of the water.

Kuramo provides access to adequate and equitable sanitation and hygiene across its offices.



Portfolio company, Viathan Engineering, operates 6 independent power plants that provide a section of the Nigerian population with access to electricity for their homes and businesses.



We have, through our investments, created significant employment opportunities across Africa, thereby reducing the number of unemployed women and youths on the continent.

We support measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of child labor. Our excluded activities list prohibits us from directly or indirectly financing activities involving harmful or exploitative forms of forced labor/child labor.



Our investment in the Nigerian aviation industry supports economic development through the provision of affordable and equitable air transportation to major hubs in Nigeria. Additionally, our investments in the industry and services sector has led to an increase in the number of manufacturing jobs on the continent.

Our portfolio company, Platcorp Holdings, provides micro, small and medium enterprises in East Africa with access to affordable credit. Another portfolio company, Intelligra Solutions, is working to increase the proportion of the African population covered by a mobile network, through the provision of financing for the acquisition of smart phones.



Kuramo is an equal opportunity employer and has policies in place that prohibit discrimination and harassment based on age, sex, disability, race, ethnicity, origin, religion, economic status.





11 SUSTAINABLE CITIES
AND COMMUNITIES



Portfolio company, PHC, is building new staff houses and refurbishing old staff houses across its plantations. Since 2021, PHC has completed the renovation of 425 houses and the construction of 56 new houses.

15 LIFE
ON LAND



PHC is committed to protecting the forests in its concessions, which cover more than 20,000 hectares. It has undertaken to replant only on former Unilever plantations and not to deforest as part of its operations.

17 PARTNERSHIPS
FOR THE GOALS



Over the last decade, Kuramo has mobilized ~US\$0.5 billion for investment in Africa from a wide array of sophisticated investors.



KURAMO GENDER LENS INITIATIVE

MOREMI CAPITAL – CATALYZING GENDER, DIVERSITY AND ESG IMPACT

Moremi Capital Management or “Moremi Capital” is a spin-off from Kuramo Capital Management set up to manage capital through a Gender Lens Investing (GLI) strategy which will catalyze the next generation of African female-led and gender-diverse funds. With a majority female ownership and leadership, Moremi Capital is set to enhance the representation of female fund managers and female entrepreneurs within the SME sector in Africa.

Why Moremi Capital?

Closing the Gender Gap

Kuramo is working deliberately to accelerate and champion Africa’s female fund managers who have continued to be underrepresented.

Truly GLI in Form

Moremi Capital represents the type of fund manager that Kuramo is seeking in Africa – a majority female-owned and female-led investment firm.

Thematic Investment Strategy

Moremi Capital enables Kuramo have a team of dedicated, skilled and motivated investment professionals working on the implementation of its GLI initiatives over the long-term, ensuring that these initiatives achieve their full potential.

Kuramo’s GLI Vision – The Moremi Platform

Kuramo’s Moremi Platform – an innovative approach to nurturing female-led and gender-diverse funds in Africa – is comprised of three initiatives: the Moremi Fund, the 2X Ignite Africa Warehousing Facility, both managed by Moremi Capital Management, and the Moremi Accelerator, managed by the Kuramo Foundation for Sustainable Development.

Moremi Fund’s Gender and Diversity Criteria

- Diversity is crucial to our decision-making process. Moremi Fund will apply the following gender-smart criteria to focus on advancing women in leadership positions (C-suites and above) in the private equity and venture capital industry.
- Minimum of 30% ownership by a woman with the intention to grow this overtime to 50%
- Minimum of 30% of the partnership team should be women with investment (value creation) responsibilities
- Minimum of 30% of the decision-making Investment Committee should be constituted by women
- Future leadership: The fund should have a gender-balanced mid/junior team
- Commitment to invest a minimum of 30% of the number and value of fund investments to companies with female leaders
- Commitment to invest in companies that prioritize gender diversity, from the C-suite to the general workforce

The Moremi Fund's Impact

The Moremi Fund of Funds has a target size of \$100 million – \$150 million and aims to allocate capital to 10–20 first-time and established female-led and gender-smart funds across Africa. Accordingly, this initiative will trickle down to female entrepreneurs and female employees.

The overarching goal of the Moremi Fund is to increase female representation in the African PE and VC landscape by investing in women-led and gender-diverse funds. Many young female fund managers often face barriers accessing capital from Limited Partners (LPs). By investing in women-led and gender-diverse funds, Moremi Fund aims to break down these barriers, making it easier for female-led funds to access the capital they need to invest in attractive businesses in their regions.

Direct Impacts

On average, the Moremi Fund-of-Funds will provide capital to 10–20 female owned/led funds over a 10-year investment period. Within its investment period, the Moremi Fund will directly create 100–200 jobs (funds typically have an average team size of 10 employees).

Indirect Impacts

The ripple effect of the Moremi Fund extends beyond the direct empowerment of its funds. Upon successful fundraising, supported gender-diverse funds will be expected to invest in businesses, contributing to growth and sustainable development on the continent.

Over a 10-year period, 10–20 successful funds will have created ~10,000 – 20,000 jobs. (Assuming each fund manager invests in an average of 20 businesses with 50 employees each).

Environmental, Social and Governance Value

ESG and impact are integral considerations in the manager selection process of Moremi Fund. When evaluating potential managers, we look for alignment with our ESG principles, such as environmental stewardship, commitment to social responsibility and a sound governance structure.

Environmental

We consider the environmental risk posed by the potential portfolio companies of fund managers and will not invest in activities listed on our exclusion list. The key areas we look out for include impact on climate change and carbon management, resource use, pollution and energy consumption.

Social

We consider the level of gender diversity and job impact of our fund managers' prospective investments.

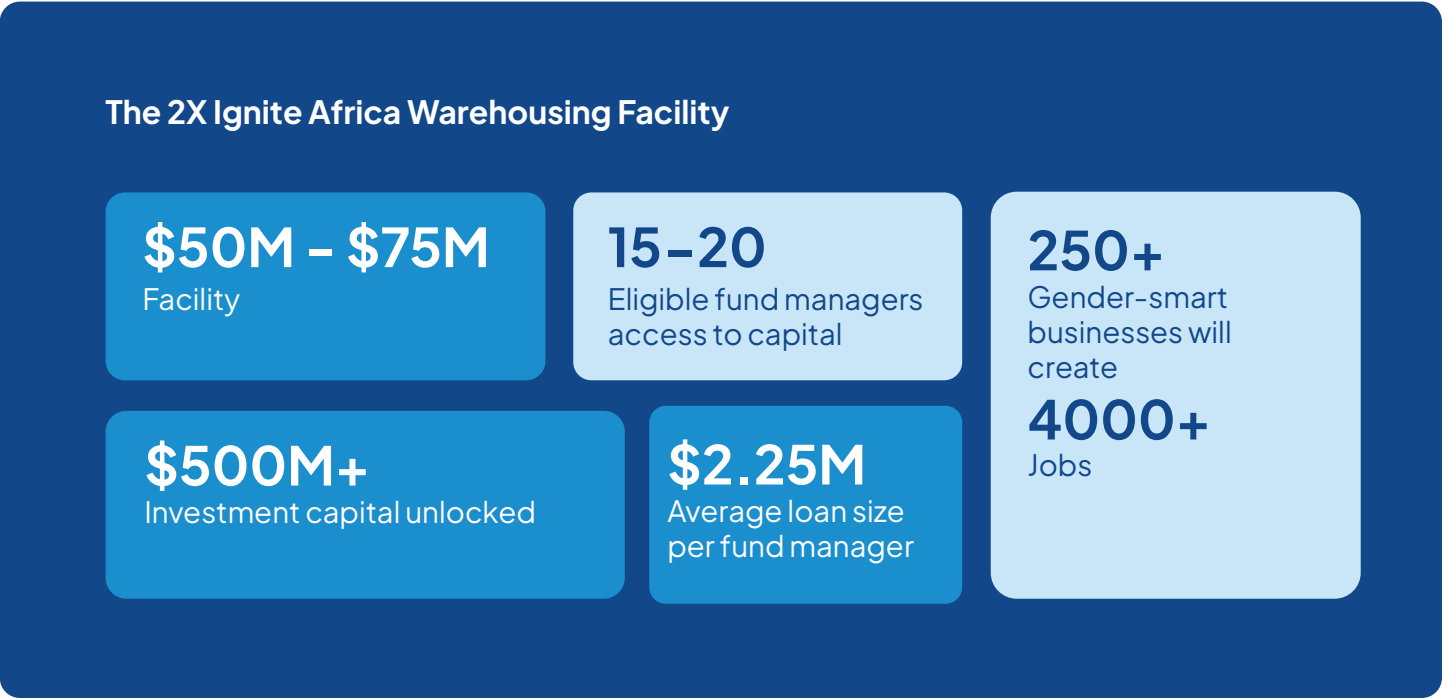
- Commitment to invest a minimum of 30% of the number and value of the fund investments into companies with female leaders
- Commitment to invest in companies that prioritize gender diversity in their team from the C-suite to the general workforce.

Governance

We assess fund managers' corporate governance structures and processes.

- Minimum of 30% of the Investment Committee constituted by women
- Gender balance in the leadership structure
- Presence of robust ESG framework and screening tools

MOREMI CAPITAL – CATALYZING GENDER, DIVERSITY AND ESG IMPACT



The 2X Facility

On behalf of 2X Global, Moremi Capital Management is managing the 2X Ignite Africa Warehousing Facility. The facility will provide eligible first-time fund managers with access to capital for portfolio building. As a result, it will address the difficulty many of these managers face in fundraising with a limited track record.

The overarching goal of the warehousing facility is to improve the success rate of first-time female fund managers with strong female representation, by providing them with pre-first close capital.

The facility's loans will be structured as a bullet type to be repaid as a payment at the earlier of first close or the end of the 3-year loan tenure.

Diversity at the core

Diversity is a core value embedded in the manager selection process of the warehousing facility. In selecting fund managers, we prioritize female-led and gender diverse funds. We recognize that diverse teams bring different perspectives, which ultimately lead to better decision-making and fund performance.

Criteria-based selection

To qualify for the 2X Ignite Africa Warehousing Facility, a fund manager must demonstrate female inclusion across all aspects of their fund. The fund manager will be assessed using the 2X Gender Lens Investing criteria.

Rigorous ESG and Impact Criteria

When evaluating a fund manager, we will utilize our Exclusion List, which is guided by the Harmonized Exclusion List of European Development Finance Institutions (EDFI) and the International Finance Corporation (IFC) Exclusion List.

Our investment processes are guided by Kuramo's existing impact measurement and management framework and resources, along with a robust environmental and social management system.

Impact

We will assess fund managers based on the following impact metrics:

- Number of female employees in portfolio companies
- Number of female leadership positions in portfolio companies
- Number of products which specifically serve women in portfolio companies
- Number of portfolio companies with the primary objective of climate change mitigation and/or adaptation

2X Gender Lens Investing criteria

- Minimum of 50% of the General Partner vehicle should be owned by a woman/women
- Minimum of 50% of the partnership team is female
- Minimum of 50% of the IC should be constituted by women
- Minimum of 50% of the mid/junior team should be female
- Must be implementing GLI strategy in selecting portfolio investments



KURAMO FOUNDATION FOR SUSTAINABLE DEVELOPMENT



OVERVIEW OF KURAMO FOUNDATION FOR SUSTAINABLE DEVELOPMENT

Kuramo Foundation for Sustainable Development (KFSD) is a non-profit organization committed to enhancing sustainable development in Africa by increasing access to capital and mobilizing investment into high impact sectors on the continent. Our thematic focus areas include education, gender and social inclusion, and climate change mitigation and adaption. KFSD works with Kuramo to provide mission-aligned support. This includes capacity building, technical assistance and grantmaking to investees and the broader ecosystems to realize transformational social and economic change in Sub-Saharan Africa.

The complementary efforts of KFSD and Kuramo represent an innovative model for leveraging resources, assets, capabilities, and expertise to catalyze investment into the continent.

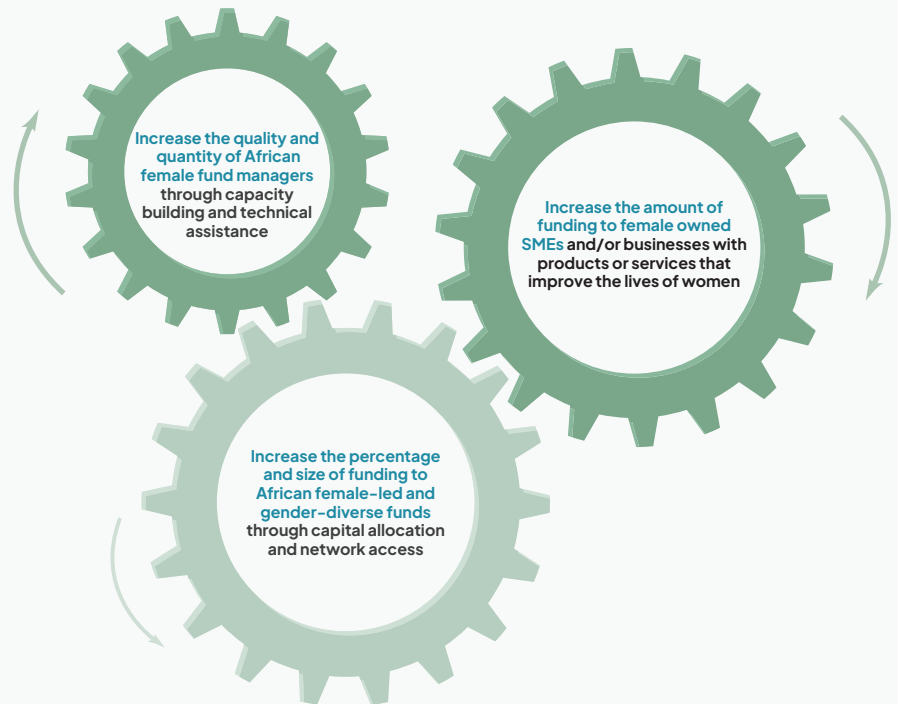
In furtherance to KFSD's commitment to gender equality in the African investment landscape, in 2023, KFSD launched the first Africa-focused accelerator program for first-time and emerging female and gender-smart fund managers – The Moremi Accelerator Program. The Moremi Accelerator Program is one of three initiatives under Kuramo's Gender Lens Investing (GLI) initiative and the first integrated female fund manager platform in Africa. The platform is designed to catalyze the next generation of African female-led and gender-diverse funds.

Donors supporting KFSD and the Moremi Accelerator Program

Since inception, KFSD has partnered with leading donors and foundations to realize impact. KFSD raised over US\$ 1.4M from global partners, donors and foundations. These include United States Agency for International Development (USAID) through the Prosper Africa – Africa Trade and Investment (ATI) Program, Ford Foundation and Mennonite Economic Development Associates (MEDA). Through these partnerships, KFSD will provide technical assistance, institutional training, one-on-one coaching, and fundraising support to 45 fundraising managers across two cohorts. KFSD will also leverage ~100X committed capital, unlocking over US\$100M for sustainable development on the continent.

MAP Theory of Change

Kuramo Foundation for Sustainable Development (KFSD) is adopting a systems approach to address the capital allocation gap and gender inequality experienced by female-owned SMEs. By targeting the top of the pyramid in capital allocation, we believe we could significantly bridge the US\$42B financing gap for female SMEs in SSA and improve gender equality in the ecosystem.



THE MOREMI ACCELERATOR PROGRAM (COHORT SIZE AND RELEVANT DATA, CURRICULUM AND FACILITATORS)

The First Inaugural Cohort of the Moremi Accelerator Program

The inaugural cohort of the Moremi Accelerator Program is comprised of 25 first-time and emerging female fund managers from a pool of 95+ applicants. The cohort is well represented with fund managers from various African regions, including South Africa (19%), Kenya (15%), Nigeria (11%), Ghana (8%), Senegal (8%), Zimbabwe (4%), Ethiopia (4%), Tanzania (4%), Zambia (4%), and the diaspora, including, the United Kingdom (15%), United States (8%), and Switzerland (4%). These managers invest across Africa in sectors such as Agriculture, Creative Economies, Consumer Goods, FinTech, HealthTech, Climate, Digital Trade, Financial Services, E-commerce, and Technology, with about 30% being sector-agnostic.

These fund managers largely manage venture capital funds focused on pre-seed, seed, and growth-stage investments, using a mix of equity, debt, and mezzanine instruments. A few others are focused on private equity. Given the gender-diversity mandate of the accelerator program, all the funds in the accelerator program have at least 30% of female representation in their fund management teams and fund ownership.

Second Cohort of the Moremi Accelerator Program

The second cohort of the Moremi Accelerator program is set to commence in August 2024 welcoming 15 gender-smart fund managers investing across Africa and in sectors with significant job creation impacts, especially for women and youth.



Technical Assistance

To date, KFSD has provided technical assistance to 25 fund managers. This includes institutional training covering 9 modules on fund management, pitch clinics, mentorship, and coaching to improve investment readiness. The curriculum was developed alongside Kuramo Capital, Solt Advisory and CrossBoundary. It was further enhanced by seasoned facilitators from reputable institutions such as Kuramo Capital Management, International Finance Corporation, Consonance, CardinalStone Capital Advisers, IQ-EQ, and Enko Capital. In addition, KFSD, supported by Solt Advisory, is also providing targeted technical assistance to five high-potential fund managers from the accelerator program to enhance their funds' sustainability and economic viability.

Technical assistance provided includes fund structuring, investor introductions, fundraising support, back-office support, ESG integration, portfolio monitoring and reporting, compliance, and talent management. The fund managers also benefit from critical service support such as fund model review, drafting of legal agreements, advice on fund domiciliation, pitch deck review, and introductions to quality and affordable service providers to handle fund administration and tax, among other services.



KFSD Outcomes – Monitoring, Evaluation and Learning

KFSD uses a Software as a Service (SaaS) and cloud-based platform to seamlessly collect, measure, manage and visualize impact data in real time which allows multiple layers of integration. Our impact tracking starts with a baseline assessment during onboarding, followed by quarterly and annual data collection to benchmark performance against the baseline. To date, the program has seen early results in improved governance structures, increased participation of LPs and broad ecosystem recognition

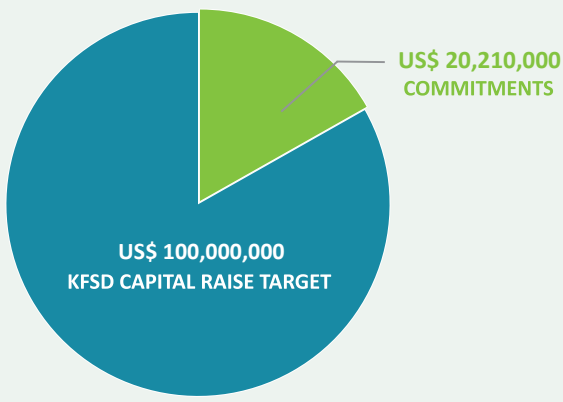
Increased limited partner commitments and 10X commercial capital leverage

As a result of increased investor confidence, better articulated fund strategies and value propositions, MAP Cohort 1 fund managers have received US\$20M in hard commitments with ~US\$105 million in soft commitments. These commitments, from endowments, high net-worth investors, foundations, and DFIs can be realized over the next 12–24 months. This translates to ~10X leverage of private sector capital in less than 12 months with a line of sight to 100X leverage.

Fund Raising (Soft Commitments vs. KFSD Capital Raise Target)



Fund Raising (Hard Commitments vs. KFSD Capital Raise Target)

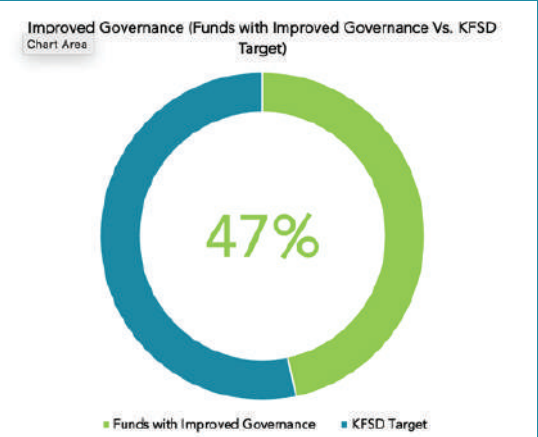


Capital Deployed (Capital Deployed vs. KFSD Target)



Strengthened governance system through fund consolidation and mentorship

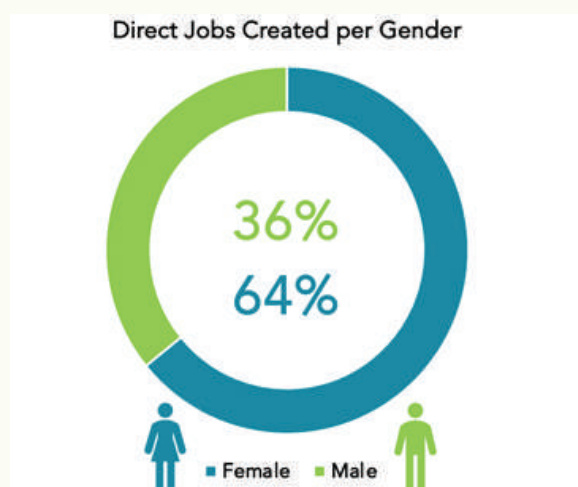
Based on feedback provided around governance structures and opportunities to improve LP confidence through true co-GP partnerships, several solo GPs within MAP Cohort 1 fund managers expressed increased interest in identifying a GP partner. KFSD organized networking activities to create opportunities for fund managers to connect and engage. These interventions led to a successful fund consolidation of two West Africa-focused fund managers with similar climate and gender strategies. Within 8 months of consolidation, the consolidated fund, Sahara Impact Ventures, was able to unlock capital from Autodesk Foundation, the philanthropic arm of Autodesk, Inc.



Through our networking opportunity, another fund manager, Kinjani, a female-led fund backing a new generation of African climate entrepreneurs, was able to connect with a seasoned senior female mentor and a recognized authority in private and impact investing in emerging and frontier markets. This connection substantially strengthened her advisory board.

Broad sector recognition for real word impact and sustainable development focus

- Two MAP Cohort 1 funds, ATG Samata and wCap, were each awarded US\$500,000 grants from the USAID Climate Gender Equity Fund (CGEF), to support their funds' climate and gender-smart approaches. These grants aim to empower women-led, climate and gender-smart emerging impact investment funds, enabling them to make transformative investments in businesses advancing climate solutions.
- Kinjani launched a call for applications focused on supporting African climate tech founders.
- WEAV Capital partnered with IFC and FSDH Merchant Bank to launch a Female Founder's Growth Programme with 12 female led startups in high impact sectors.



Broad sector recognition for real word impact and sustainable development focus

KFSD is committed to bridging the US\$42 billion gender-finance gap by leveraging a systems approach. We believe that shifting institutions can be one of the highest yield leverage points when it comes to closing the gender finance gap. We will continue to accelerate, mentor, and provide access to capital and networks for female-led and gender-smart fund managers. In this manner, we continue to commit to innovative ways of unlocking capital for female entrepreneurs and gender-smart businesses.

To this end, some of our plans include;

- Partnering with mission-aligned institutions to build a working capital facility that can cover pre-close expenses for indigenous and emerging gender-smart fund managers. This facility will serve as bridge finance for these funds, enabling them to set up fund structures, manage operational and fundraising costs, and hire critical professionals to showcase their track record and capabilities to prospective investors. This capital will significantly reduce the burden on first-time and emerging fund managers;
- Leveraging blended finance tools to deploy a growing suite of products within the Moremi Network to spur institutional change and make the African investment landscape work for more women;
- Ensuring access to networks and events for gender-smart deal origination, experts and professionals – These include GP matchmaking events, and a broader mentorship program for senior female investment professionals in the PE/VC ecosystem.



KURAMO IMPACT STORIES

PHC – ACHIEVING SUSTAINABILITY IN AGRIBUSINESS

Since 2021, PHC's vision is to create shared prosperity for all its stakeholders through agribusiness, and sustainable practices, while positively impacting its communities. The company therefore has two main objectives: To create prosperity sustainably and to share its prosperity with all its stakeholders.

ESG and impact are central to PHC's operations, aligning with the company's vision and objectives, and guiding all strategic directions. PHC aims to have a positive impact on all its stakeholders and support the socio-economic development of the regions in which it operates.

A POSITIVE IMPACT

PHC's activities have a positive impact on the DRC, benefiting the provinces and population.

 **10,000**

Jobs created in PHC Business Zones

 **2,000**

Households organized into agricultural cooperatives with seeds, equipment and trainings

 **24**

Schools rebuilt using sustainable materials

 **7,000**

Children with improved educational conditions



Employees have access to quality benefits such as **free quality care**, a **thirteenth month's pay**, **holiday pay** and a **pension fund**



Free Healthcare for PHC Employees and Dependents



Multiplying Impact

Since Kuramo became the majority shareholder in PHC, the company's impact has increased considerably. With its new vision of shared prosperity and sustainability for PHC, Kuramo placed ESG at the center of all PHC's operations. ESG aspects are now fully considered and appropriated by all departments.

Moreover, guided by its win-win vision, Kuramo has pushed for several initiatives along these lines, like the creation of the PHC Foundation and the PHC awards that reward the best workers. Shareholders are a permanent support for the ESG department through their ideas, monitoring, and direct involvement. Not only does this ensure that ESG activities are well monitored, but it also helps to strengthen PHC's ESG culture.

The number of direct employees at PHC has risen from 6,500 to almost 10,000.

Minimum Wage more than doubled

Budget for purchasing personal protective equipment now 2X

New culture of performance monthly and annual rewards

Increased quality of healthcare infrastructure with acquisition of new x-ray and echography equipment

Money invested in basic infrastructure up from \$66K in 2020 to \$499K in 2023

The Percentage of women has risen from 5.4% to 14.1%.



Increased focus on diversity, inclusion and equal opportunity

Female CEO

More female employment positions

Increased No. of women in management. From 5.4% in 2020 to 14.1% today

PLATCORP – KURAMO MULTIPLYING IMPACT

Kuramo has supported Platcorp to make an impact and improve its ESG practices, notably in accountability, transparency, funding capital, quality job creation, diversity, and systems and process improvement.

Platcorp ESG improvements achieved since Kuramo’s investment in Dec 2020

Providing financing access to marginalized and unbanked groups by offering some of the smallest loan amounts in the region.

Developed and implemented an environmental management action plan.

Developed and updated Gender Action Plan to align with 3 key standards: UN Women's Empowerment Principles, 2X Challenge and SEAH Guidelines from Swedfund.

Conducted SPI4 and 5 audits for our 7 MFIs to align with the Universal Standards for Social Performance Management and developed action plans to improve performance.

Committed to the Client Protection Pathway and awarded silver level Client Protection certification for our 6 MFI businesses

Implemented the Group Governance plan with multiple actions focusing on improved governance structures, policies and internal systems and processes

Revised and advanced sustainability strategy for 2024–2028, integrating it into the Group Strategy for Board presentation in Q2 2024.

Implementing road safety training and awareness program.

Aligned Sustainability Report with the Global Reporting Initiative (GRI) from FY 2022.

Completed 2023 Climate Related Financial Disclosure in line with the Task Force for Climate Related Financial Disclosures (TCFD) guidance.

PLATCORP – QUALITY JOBS

SOCIAL SECURITY

Platcorp jobs provide benefits such as health insurance, retirement plans, and paid time off.

DECENT WORKING HOURS

Staff work 8 hours a day allowing for work-life balance and providing for breaks and time off (parental, exam, compassionate, sick and annual leave days).

INCREASED EARNINGS

Wages paid reflect the skills and experience required for the job/industry. These are reviewed periodically based on individual performance.

JOB STABILITY

Platcorp offers tailored career advancement and skill development programs including succession planning and mentorship training, fostering staff growth and advancement.

PLATCORP – MULTIPLE STREAMS OF IMPACT



EDUCATION

Addressing education exclusion challenges in Africa by supporting a wide variety of individuals and businesses in the education sector. Finance goes towards school infrastructure, school expenditure, school fees and school textbooks and supplies amongst others.

960

Schools supported under Ongoza Program

30,182

Loans

\$1,047,108

Invested in the education sector



HEALTHCARE

Addressing access to quality healthcare gap by supporting all aspects of the healthcare sector from facilities to patients in times of emergency.

5,445

Medical Insurance

4,978

Loans in medical sector

\$2,948,575

Invested in the healthcare sector



FINANCIAL INCLUSION

Providing financing access to marginalized and unbanked groups by offering some of the smallest loan amounts in the region.

47%

Rural Clients

\$291

Average Loan Size

938,153

Number of clients with active accounts



MSMEs

Supporting MSMEs in the Platcorp portfolio to ensure that they have access to financial services and can sustainably grow their business.

\$36,873,932

MSME portfolio



FOOD SECURITY AND SUSTAINABLE AGRICULTURE

Supporting sustainable agricultural practices and outreach across the continent.

83%

Of participating farmers observed increased yields

136

Acres of land under sustainable cultivation

114

Smallholder farmers in the dairy and potato farming

19,788

Agricultural loans

\$ 9,372,896

Invested in the agriculture sector



WATER & SANITATION

Supporting access to decentralized water services by financing water tanks for individuals and businesses to provide access to drinking water and hygiene services for underserved communities.

\$ 6,167

Invested in drinking water and hygiene services

21

Water Tanks Financed



ENERGY

Supporting provision of access to renewable energy through diversified financial solutions, including a deliberate focus on growing our biogas financing.

\$ 22,321

Invested in the renewable energy sector

41

Biogas Loans



HOUSING

Directly addressing the urgent housing deficit (housing development and upgrade) in Africa.

\$ 5,053,787

Invested in the housing sector

7,153

Housing Loans

AFYA CARE – ACCESSIBLE AND AFFORDABLE HEALTHCARE FOR AFRICANS

AfyACare Nigeria

making good healthcare affordable and accessible

AfyA Care Nigeria was set up to transform healthcare in Africa and has invested across various segments of the healthcare value chain through its wholly-owned portfolio companies. Their integrated model is geared to deliver quality care leveraging scale, people and technology. AfyA Care envisions a future where access to good quality healthcare is a fundamental right, and where ethical practices and sustainable operations are paramount.



Oakwood Medical Centre

A new general hospital with 4 centers of excellence. Oakwood will be the first general hospital in the fastest-growing urban center in Nigeria.

R-Jolad Hospital

The renowned "People's Hospital" is building a scaled and accessible provider network leveraging infrastructure, people and technology to deliver full-service care.

Bastion Health

Positioned to scale in the SME and Retail markets through distribution partnerships and a technology-driven customer experience.

Octosoft Technologies

Delivering industry-changing technology solutions to democratize healthcare accessibility and experience.



EROM Diagnostics

Full-fledged diagnostics services

The impact of Kuramo's investment on AfyA Care's ESG practices is profound and multifaceted. Kuramo's strategic investments have injected capital and catalyzed a transformative shift towards sustainability, responsible governance, and social impact.

14,189 Individuals

Free medical check outreach program

6,071 Individuals

Received direct care from dedicated healthcare personnel

673 Staff

To cater to the healthcare needs of communities.

774 LGAs

Primary healthcare services planned for all Nigeria's local government areas (LGAs)



Kuramo is supporting AfyA Care's strong ESG Path

ENVIRONMENT

AfyA Care remains committed to protecting the environment and conducting business sustainably. Measures taken include ensuring safe disposal of waste, adopting renewable energy solutions, minimizing energy consumption and implementing water conservation measures. AfyA Care's efforts contribute to a healthier planet and a safer environment for patients, staff and key stakeholders.

SAFETY

AfyA Care is committed to providing a safe environment for employees, patients, and stakeholders. To minimize workplace hazards, AfyA Care ensures compliance with regulatory safety guidelines in all healthcare facilities, offices and construction sites in its expansion program.

SOCIAL

AfyA Care prioritizes patient care quality, staff well-being, diversity and inclusion, and actively engages with its communities. It is vigorously opposed to any kind of sexual, tribal, or ethnic discrimination or provocation and strive to create an atmosphere that supports national integration and unity.

GOVERNANCE

AfyA Care has a governance framework that holds management accountable for continuously improving operations and financial performance. The Board of Directors is accountable for creating and delivering sustainable value and is committed to maintaining standards of business integrity, ethical values, transparency and accountability.





KURAMO INITIATIVES

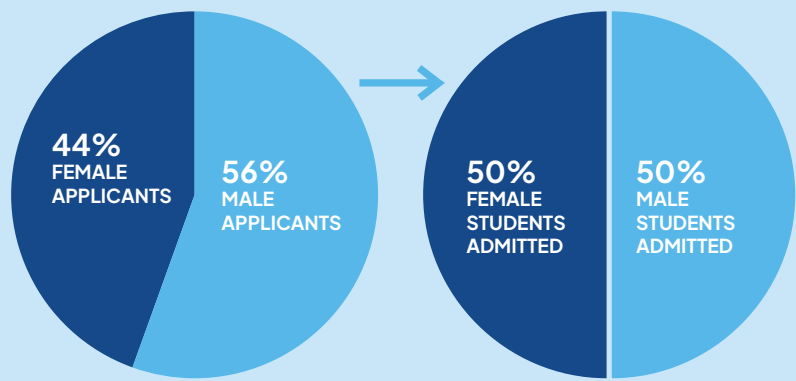


NIGERIA HIGHER EDUCATION FOUNDATION (NHEF)

Kuramo is a pioneer sponsor of the NHEF and its Founder, Walé Adeosun, is the current Chairman of the NHEF Board of Directors leading its impact efforts. The NHEF’s initiatives are executed through skills trainings for students, development programs aimed at enhancing the capabilities of faculty members, and alumni development efforts.

Annually, the NHEF holds a comprehensive week-long program for selected scholars, encompassing topics such as Professional Networking and Etiquette, Career Development Planning, Ethics and Workplace Conduct, Project Management Principles, and a Workshop on Technical Skills.

2023 Cohort



In 2023, 568 applications were received, 315 of which were male (56%), and 253, female (44%).

Of this number, 100 persons were admitted into the 2023 cohort with a 50:50 gender split.

***For the 2024 cohort, the NHEF intends to admit male and female in a ratio of 42:58.

PARTNER UNIVERSITIES	REGION	SCHOLAR(S)
University of Nigeria, Nsukka	Eastern Nigeria	14
University of Lagos	Western Nigeria	27
University of Ibadan	Western Nigeria	35
Bayero University, Kano	Northern Nigeria	10
Ahmadu Bello University, Zaria	Northern Nigeria	12
University of Port Harcourt	Southern Nigeria	2

***The partner universities are spread across Northern, Eastern, Western and Southern Nigeria.



Previous Scholars Highlight



ELIZABETH NWARUEZE

A 2017 NHEF Scholar, Rhodes Scholar and graduate of the Faculty of Law, currently working with the United Nations Office of Legal Affairs.



TEMILADE ADELOKUN

A 2018 NHEF Scholar with a first-class Bachelor's degree in Mechanical Engineering from the University of Ibadan. She is currently an Associate Product Marketing Manager at Google Sub-Saharan Africa, orchestrating multifaceted marketing efforts encompassing branding, product promotion, and growth strategies for Google's consumer products.



ISAAC POPOOLA

A 2019 NHEF Scholar who studied Petroleum & Gas Engineering from the University of Lagos. He is, at present, a Product Manager at Meta.

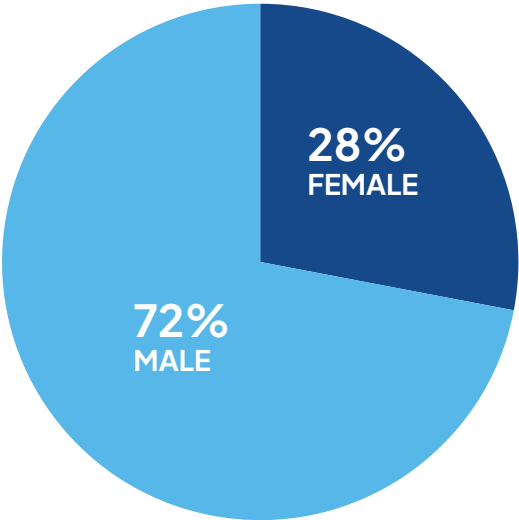


ORIRE AGBAJE

An alumnus of the University of Ibadan where she studied Economics and a 2023 NHEF Scholar, was appointed as a member of the Nigerian Presidential Committee on Fiscal Policy & Tax Reforms.

2023 FACULTY CAPACITY BUILDING PROGRAM

The 2023 NHEF Week also featured capacity building programs earmarked specifically for faculty members which covered Digital Smart Board Presentation for Classroom Teaching, Ethics & Professionalism in Teaching, Encouraging Intellectual Development and Critical Thinking, Intellectual Property Awareness, Transnational Crime Awareness, Strategies of Successful Grant Application Writing, and Building Collaborative Research in Africa.

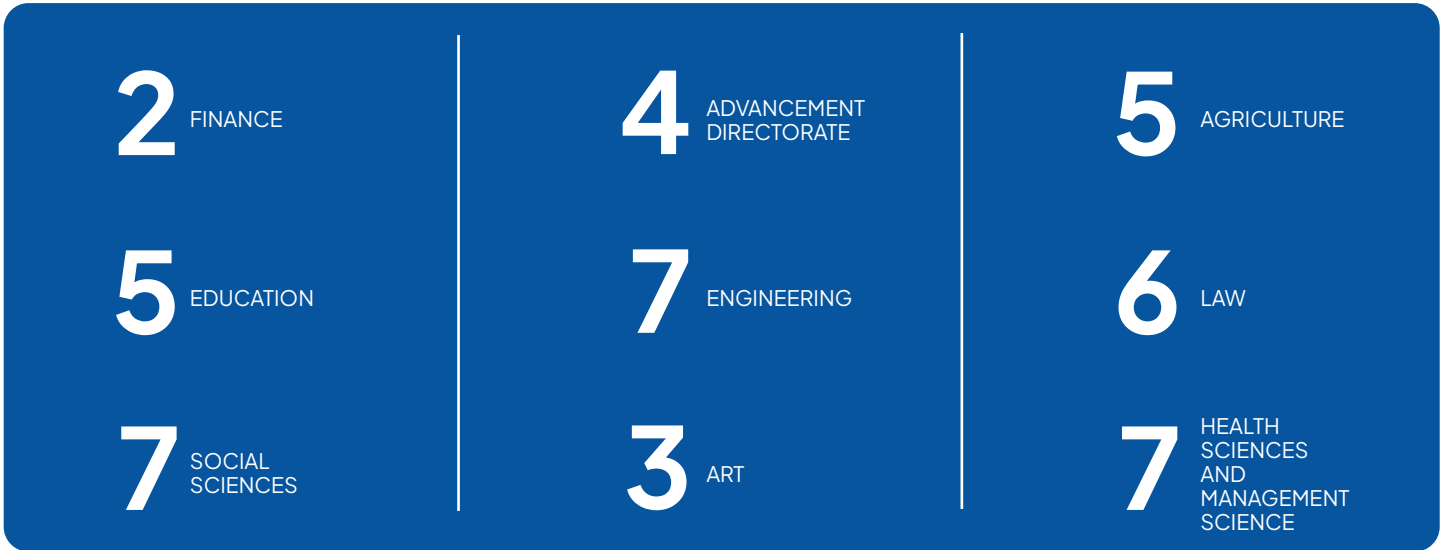


A total of 61 faculty members nominated by the 6 partner universities participated in the 2023 program.

Of the 61 faculty member nominations, 28% were female (17) and 72% were male.

***The NHEF is committed to achieving gender parity in the 2024 cohort.*

The 2023 Faculty Nomination by Academic Fields:



ENVIRONMENTAL SUSTAINABILITY

Tree planting – Nairobi, Kenya



In 2023, our team in Nairobi went on a tree planting campaign and in one day, planted 500 trees.

Recycling – Lagos, Nigeria



We support marine ecosystem conservation through the recycling of all plastic items used in our Lagos office. In 2023, we recycled ~62 lbs. of plastic waste.



THE FUTURE OF ESG AND IMPACT AT KURAMO

THE FUTURE OF ESG AND IMPACT AT KURAMO

We're Excited About the Future of ESG and Impact at Kuramo: An overview of Kuramo's view of future trends and opportunities for ESG and Impact

The implementation of ESG considerations at every stage in the investment management process has been increasingly fast-paced over the past few years as evidence reveals that ESG integration has the potential to deliver not only social impact but also competitive financial returns. We are excited about what the future holds for ESG at Kuramo, and we have identified some trends and challenges which will impact the investment space.

Climate Change and Environmental Sustainability

Climate change poses an ever-increasing threat to our planet, with extreme weather events, rising sea levels, and biodiversity loss becoming more prevalent. Businesses must adapt to stricter environmental regulations and increased scrutiny from stakeholders.

Kuramo is committed to working with portfolio companies to reduce greenhouse gas emissions through energy efficiency, renewable energy adoption, and carbon offset projects. We will also encourage portfolio companies to enhance supply chain sustainability by partnering with eco-conscious suppliers and implementing stringent environmental criteria.

Growing demand for energy transition investments

The growing attention on climate change increases companies' exposure to physical and transition risks. According to the S&P Global Market Intelligence, "80% of the world's largest companies are reporting exposure to physical or market transition risks associated with climate change".

There is a collective recognition that the world is exceeding the 1.5°C threshold above which climate disruption could worsen. Bloomberg New Energy Finance, 2023 reports a 17% increase in global clean energy investment, reaching

US\$1.77 trillion worldwide. There has also been a notable uptick in investor appetite for transactions involving energy transition, decarbonization, renewable energy and clean energy. We see this continuing and expect that climate change will continue to remain a key consideration for energy projects.

Increasing integration of AI into ESG Systems

The ability of AI to analyze significant information and data is predicted to have a major impact on corporate ESG strategy and practices. We expect the use of AI to evolve in the coming years, beyond its current use for sustainability reporting, due diligence, and enhancing stakeholder engagement.

We see a heightened level of scrutiny on how AI tools ensure compliance with ESG principles, frameworks and standards.

Regulatory Frameworks for ESG and Impact

Sustainability disclosure requirements are expected to become more stringent and standardized by regulators. An increasing number of Securities and Exchange Commissions are requiring public companies to disclose climate-related information including efforts at mitigating climate change risks in registration statements and annual reports.

Such disclosures will require funds to disclose the ESG factors that influence their investment decisions. These regulatory changes signify a shift towards closer scrutiny and standardization in ESG reporting.

ESG and Impact Focused Funds

The growth of ESG and Impact-focused funds is on the rise. These funds are characterized by their primary commitment to ESG principles, sometimes prioritizing these goals over traditional financial returns. We foresee a significant increase in the number of ESG-focused funds in the coming years. ESG-focused funds often emphasize the long-term impact of their investments, even if it means accepting modest financial returns.

Our approach at Kuramo in investing in female-led funds through the Moremi Fund reflects our commitment to ESG and impact. Our Moremi Fund of Funds will anchor and catalyze over a dozen new gender-smart fund managers in Africa by adopting gender-smart, multi-manager and multi-asset class approaches.

The Kuramo Foundation for Sustainable Development is also playing a part in improving the economic state of the continent by increasing access to capital for sustainable development with a focus on education, gender and climate action.

At Kuramo, we are committed to staying ahead of these trends.

- ensuring that our investments contribute positively to environmental sustainability, social impact, and good governance.
- supporting innovation and practices that lead to sustainable development and ethical business conduct.
- integrating ESG considerations across all investment processes including portfolio monitoring and assisting investees to do the same.

Greenwashing

Greenwashing poses a risk to sustainability efforts by misleading stakeholders with false or exaggerated claims about ESG initiatives. We believe that greenwashing can be prevented by the implementation of rigorous disclosure requirements and thorough verification of all data received from investees.

We prioritize transparency and accountability in our ESG reporting by providing stakeholders with accurate and comprehensive information about our sustainability initiatives. We also make use of cloud-based tools to collect, measure, manage and visualize impact data in real-time.

Standardized ESG Metrics and Reporting

Another challenge is the lack of standardized ESG metrics and reporting, which can lead to inconsistencies in evaluating ESG performance across jurisdictions. At Kuramo, we will use standardized metrics and reporting practices to ensure consistency, transparency, and accountability in our impact and ESG reporting.

Subjectivity and Complexity

ESG assessments can be subjective and complex, posing challenges for investors in understanding ESG considerations. We recognize the need for clear guidelines and best practices to simplify the evaluation process and enhance transparency. This is why we engage ESG consultants to assist us in ensuring alignment with industry best practices.



OUR METHODOLOGY AND REPORT DEVELOPMENT TEAM

KURAMO JOB CREATION INDICATORS

Indicators are variables and metrics used to measure the extent of our impact efforts. Our indicators are designed to collect the changes and results of ESG in our portfolio companies. They are integrated into the data requested from our investments. For example, we measure job creation focusing on indicators and outcomes in the Employment Creation and Employment Quality dimensions.

INDICATORS FOR EMPLOYMENT CREATION

- Number of Full-time Equivalent (FTE) jobs
- Number of (new) direct jobs created
- Number of (new) indirect jobs created
- Number of employed young persons
- Number of employed women
- Number of newly created firms with more than one paid employee

INDICATORS FOR EMPLOYMENT QUALITY

- Employees with written contracts
- Social insurance coverage/Access to social welfare
- Gender wage gap
- Employees earning a living wage or higher
- Average wage
- Average annual working time per employed beneficiary

COLLECTING IMPACT AND JOB CREATION DATA

How we collect data

At Kuramo, we employ a systematic approach to data collection from our portfolio companies. Our approach entails the precise gathering and analysis of data through the direct solicitation of records from the respective companies. To facilitate the ease of data collection, investment companies and fund managers periodically provide relevant data across their value chains. This periodic data submission ensures up-to-date and actionable insights into the performance and impact of our investments.

Our impact measurement tool collects and analyzes impact data in real time, allowing us monitor various metrics and indicators critical to assessing the social and environmental impact of our portfolio companies.

Our data collection process includes the following steps:



INITIAL DATA REQUEST

We provide portfolio companies with a detailed list of the data requirements, indicators and the timelines for periodic submissions.



PERIODIC REPORTING

Investment companies and fund managers are required to submit relevant data at regular intervals. This data covers various aspects of their operations, including financial performance, social impact, environmental sustainability, and governance practices.



REAL-TIME DATA ANALYSIS

Using our impact measurement tool, we are able to collect and analyze data in real time, allowing for continuous monitoring and immediate analysis.

Redefining Job Creation

Kuramo's unique approach to job creation and measurement

Moving forward, Kuramo will focus on indicators that measure job creation along the following dimensions:

EMPLOYMENT CREATION

Relates to the successful creation of jobs for target investment beneficiaries at an individual level.

EMPLOYMENT QUALITY

Relates to the ability to achieve higher quality labor market standards, through factors such as social security provision, social dialogue, increased earnings and working time.

EMPLOYMENT ACCESS

Relates to ease of access to the labor market, improving market performance and measuring demands for labor by employers.

EMPLOYMENT SKILLS

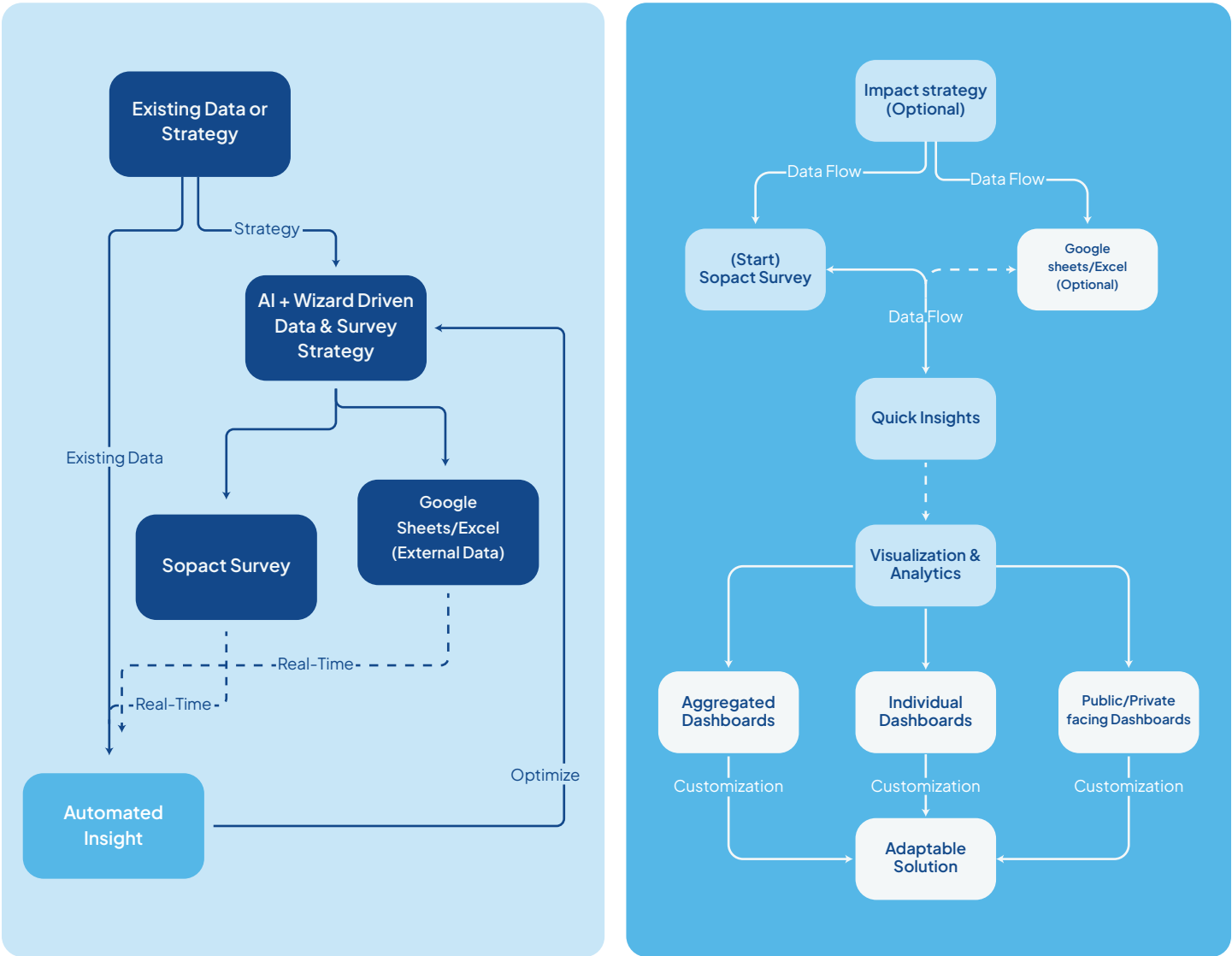
Relates to measuring the supply of skills and competencies of the labor market.

Structured ESG Data Management

Historically, the process of collecting and analyzing ESG and impact data at Kuramo has been manual. Following the launch of the first cohort of the Moremi Accelerator Program, we transitioned to an automated platform, Sopact, which allows us collect and analyze data digitally. With Sopact, we are able to view ESG and impact data on the go and have real time insights into the impact being made by the Moremi Accelerator Program.

We are working to automate ESG and impact measurement at Kuramo through the use of Sopact. Once this is achieved, we will be able to receive and seamlessly analyze data from portfolio companies and fund managers. We will also be able to provide investors with real-time insight into ESG and impact in the portfolio on an aggregated and disaggregated basis.

This diagram details the process of data collection and analysis on Sopact:



REPORT METHODOLOGY

The analysis of the data provided by our investee funds and portfolio companies was undertaken across different facets.

PERMANENT EMPLOYEES

Individuals in an employment relationship with a company or fund manager in Kuramo's portfolio and is paid directly by such company or fund manager.

DIRECT JOBS

Jobs created by companies or fund managers Kuramo is directly invested in.

TEMPORARY EMPLOYEES

Individuals engaged in contractual work for a period ranging from a minimum of one day to a maximum of one year.

INDIRECT JOBS

Jobs created by companies in the portfolio of funds that Kuramo is invested in.

SUSTAINABLE DEVELOPMENT GOALS

United Nations Sustainable Development Goals.

TOTAL JOBS SUPPORTED

All direct and indirect jobs in the portfolio.

TOTAL TAXES PAID

Levies paid to the various tiers of government by companies within the portfolio.

TOTAL EMPLOYEE PENSION CONTRIBUTION PAID

Pension contributions made in respect of permanent employees within the portfolio.

REPORT METHODOLOGY

AMOUNT OF INSURANCE COVER TAKEN

Aggregate premium paid by companies within the portfolio.

TOTAL EXPENDITURE FOR LOCAL PROCUREMENT

Expenditure designated towards the purchase of goods and services from domestic suppliers.

JOBS CREATED

Employees hired in 2023.



REPORT METHODOLOGY

This page and the next include a list of the various business activities that have been covered under each of the sectors highlighted in the ESG and Impact Dashboard.

AGRICULTURE

Cassava Farming

Palm oil Production

Poultry farming

Cereal crop farming

Livestock and meat trading

Large-scale vegetable farming

EDUCATION

Secondary (middle and high school) Education

ENERGY

Oil & Gas

Power & Renewables

FINANCIAL SERVICES

Insurance

Capital Market Infrastructure

Credit Extension

Trade Financing

Community Housing Financing

FINANCIAL TECHNOLOGY

Payments

Digital commodities trading platform

Lending

Blockchain-enabled payment infrastructure company

REPORT METHODOLOGY

FMCG

Retail
Food Production
Electronic Commerce

HEALTHCARE

Pharmaceuticals
Hospice
Diagnostics
Wellness
Health Insurance

HOSPITALITY

Quick Service Restuarant
Tourism

INDUSTRY & SERVICES

Engineering Services
Business Services
Manufacturing
Industrial Paints & Coatings
Mining

TELECOMMUNICATIONS MEDIA AND TECHNOLOGY

Entertainment
Digital Infrastructure
Data Intelligence
Telecommunication
Advertising
Video production
Enterprise software

REPORT METHODOLOGY

Report Development

Information to prepare this report was gathered through engagement and research carried out by our ESG and Impact team. This included the deployment of a survey to our fund managers and portfolio companies, covering their environmental and social (E&S) systems and practices as well as impact data sets. The reports from fund managers and portfolio companies were extensively reviewed by the team and this was compared against previous reports, portfolio monitoring notes and publicly available information.

Where any inconsistency or inaccuracy was identified, the team engaged the relevant fund manager or portfolio company to address the open point and update the data accordingly. The information in this report is reflective of the data from fund managers and portfolio companies as well as data on Kuramo and our independent research.

The indirect portfolio company data on page 9 represents the total number of portfolio companies our private equity and venture capital fund managers have invested in from fund launch to December 2023.

Charts, maps and graphs have been drawn to scale and we maintain relevant information pertaining to this report in our records for reference purposes, and in accordance with applicable law.

Report Limitation

Kuramo is committed to transparent stakeholder engagement, however there are some limitations that affect the completeness of this report. We received ESG information from most of our primary fund investments, though in varying degrees of detail/aggregation. Some fund managers provided best-in-class detailed impact reports on all their underlying investments whereas other fund managers provided summarized information. Likewise, for our direct investment and co-investments, we obtained information from most of our portfolio companies though in varying degrees of detail/ aggregation.

While our ESG and Impact team conducted a survey to gather relevant quantitative and qualitative information for this report, the response rate was less than 100%, so in some instances, we had to rely on data in our records and independent research. As a result, the information that pertains to the ESG and Impact Dashboard does not provide a complete representation of our full portfolio performance.

Acknowledging these gaps, we remain committed to engaging our fund managers and the management of our portfolio companies to ensure improvement in the reporting process.

OUR REPORT DEVELOPMENT TEAM



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