

ESG AND IMPACT REPORT

2022



“

A sustainable
business is resource
efficient, respects
the environment and
is a good neighbour.

”

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PART 1

MESSAGE FROM OUR CEO

We remain committed to our mission of building fast-growing businesses that will add value and deliver risk-adjusted returns to our investors and partners, while empowering the communities we operate in with sustainable solutions.

As we seek to support sub-Saharan African entrepreneurs to run profitable businesses that will generate attractive returns for our investors and positive outcomes for our communities, a strong focus on Environmental Social and Corporate Governance (ESG) factors is imbedded in all our investments and activities. Our ESG strategy is founded on our commitment to act as responsible global citizens. As a signatory to the United Nation's (UN) Principles of Responsible Investing (PRI), we will continue to embed ESG in our investment cycle and deepen our support for the UN Sustainable Development Goals (SDGs). We have shaped our governance structures, policies, and reporting practices to integrate ESG factors into our investment process.

We recognize that this objective is critical to maintaining healthy relationships in the communities in which our portfolio companies and fund managers operate, and in attracting quality investors and partners.

In addition to incorporating ESG matters into our investment process, we have adopted ESG practices into our own operations by creating an inclusive workplace culture and investing in communities where our investments are located. We have continued to engage with our employees on the importance of community support, ethical behaviour and protecting the environment through our corporate social responsibilities. The onset of the COVID-19 pandemic in 2020 reiterated the importance of continuously

implementing our CSR priorities and instilling community support in the areas where we invest. Through our COVID-19 Relief Fund, we partnered with organizations dedicated to providing support to those affected by the devastating impact.

In the past year, we have seen a significant increase in the integration of ESG considerations in the private equity space. There has been growing investor interest in ESG as clients increasingly inquire about how sustainability objectives are incorporated into our investment goals.

Moving forward we are clear on the next steps we must take to improve our ESG capacity as we continually research and remain abreast of the best ways to embed ESG into the work that we do.

We have recently engaged the services of a leading ESG consulting firm - IBIS Consulting, to assist us in enhancing our ESG efforts by identifying areas of improvement in our ESG system. Moving forward we are clear on the next steps we must take to improve our ESG capacity as we continually research and remain abreast of the best ways to embed ESG into the work that we do.

We remain committed to our mission of building fast-growing businesses that will add value and deliver risk-adjusted returns to our investors and partners, while empowering the communities we operate in with sustainable solutions. We welcome your feedback and engagement. Thank you for your continued support of Kuramo Capital Management.



WALÉ ADEOSUN - CEO

PART 2

ABOUT THIS REPORT

This is the 2021/2022 annual ESG and Impact Report. This report incorporates information that is relevant to the 2021 reporting period as well as key developments in the first half of 2022.



PROCESS OF DEVELOPING THIS REPORT

Information to prepare this report was gathered through a broader engagement carried out by IBIS Consulting (IBIS). This included a detailed audit of our ESG processes, the ESG systems and processes of our fund-level investees, as well as the ESG practices of our direct investments. IBIS developed an online survey for Kuramo's fund-level investees, covering the environmental and social (E&S) systems and practices employed.

REPORT LIMITATIONS

Kuramo is committed to transparent stakeholder engagement, however there are some limitations that affect the completeness of our first ESG and Impact Report.

We receive ESG information from all our primary fund investments, though in varying degrees of detail/aggregation. Some managers provide best-in-class detailed impact reports on all their underlying investments whereas other managers provide summarized information.

Likewise, for our direct investment and co-investments, we get information from all portfolio companies though in varying degrees of detail/ aggregation.

While IBIS conducted a survey to gather relevant quantitative and qualitative information for this report, the response rate was less than 100%.

As a result, the information that pertains to the survey does not provide a complete representation of our full portfolio performance. Acknowledging these gaps, we have committed to invest in our reporting processes to ensure ongoing improvement.

ESG FINDINGS

IBIS Consulting conducted an audit of our ESMS including site visits to our portfolio companies. We are pleased to report that the ESG audit results reflected positive ESG performance across most of our portfolio. We have incorporated the feedback from IBIS Consulting into our updated ESMS.

IMPACT FINDINGS

Kuramo Capital's focus on supporting first-time indigenous funds has had a tremendous catalytic impact on the private equity ecosystem. By investing in fifteen first-time funds and introducing commercial investors to private equity funds, Kuramo has helped catalyze over \$3 billion to fund over 200 companies in over 20 African countries. This is a welcome development for the continent and all major Development Finance Institutions including BII (formerly CDC), FMO, DEG, and IFC have come to appreciate Kuramo's impact on the private equity system and have partnered with Kuramo on all fifteen funds.

We welcome any feedback and engagement on the contents and/or format of the report and invites all stakeholders to submit their feedback to: wadeosun@kuramocapital.com.

PART 3

ABOUT US

With our innate knowledge of Africa and on-the-ground presence in Lagos and Nairobi, we offer long-term strategic partnerships to our investors and serve as the “Eyes and Ears” to a select group of international institutional investors.



COMPANY PROFILE

Founded in 2010, Kuramo Capital Management is an independent investment management firm driving private commercial capital into sub-Saharan Africa by supporting entrepreneurs who run fast-growing profitable businesses that will generate attractive returns for our investors and positive outcomes for our communities.

With our innate knowledge of Africa and on-the-ground presence in Lagos and Nairobi, we offer long-term strategic partnerships to our investors and serve as the “Eyes and Ears” to a select group of international institutional investors. Our diversified platform of private investments includes primary funds, direct investments, co-investments, and managed solutions.

With nearly \$500 million under management, we have helped catalyse nearly \$3 billion to African private equity firms and businesses.



\$500m

Under Management

With our innate knowledge of Africa and on-the-ground presence in Lagos and Nairobi, we offer long-term strategic partnerships to our investors and serve as the “Eyes and Ears” to a select group of international institutional investors.

\$3 billion

Helped catalyse to African private equity firms and businesses by Kuramo



MISSION

Leveraging our extensive networks to attract significant commercial capital and know-how to accomplished indigenous entrepreneurs building fast-growing businesses that will add value for their investors and provide significant positive outcomes to their communities.



VISION

Shared prosperity through catalysing commercial capital for Africa's growth.



VALUES

Teamwork
Strategic Partnership
Integrity
Excellence

OUR INVESTMENT STRATEGIES

PRIMARY FUND INVESTMENTS

Primary fund investments are the foundation of our private equity program. We have distinguished ourselves through our focus on anchor commitments to indigenous first-time regional managers focused on smaller companies in West, East and Southern Africa.

DIRECT & CO-INVESTMENTS

Direct and Co-Investments provide lower cost access to private equity and significant opportunity to generate alpha. We make controlling or significant minority investments in companies in sectors such as Financial Services, Agriculture, Technology, Telecoms, FMCG and Power.

We partner with our investors to develop and execute a comprehensive investment program including manager due diligence and portfolio monitoring.

SEPARATELY MANAGED ACCOUNTS

Through our separately managed accounts (SMAs), we make use of a multi-manager and multi-asset class platform to generate fully customizable portfolios with access to attractive risk-adjusted returns. We partner with our investors to develop and execute a comprehensive investment program including manager due diligence and portfolio monitoring.



OUR TEAM

We are extremely proud of the team we have built across our offices in Lagos, Nairobi, and New York. We have over 100 years of combined investing experience in emerging and frontier markets. Forty percent of our investment professionals are female, and we have broad and diverse representation on our Management Committee:



WALÉ ADEOSUN, CFA
Founder and CEO

MBA John M. Olin Business School
BA Economics and Business
Administrations, Cedar Rapis



SHAKA KARIUKI
Partner and CIO

MSc Government, Harvard University
MBA, Brigham Young University
B.S Economics, Brigham
Young University



KAMAL PALLAN
Partner and COO

MBA, University of Pennsylvania
(Wharton Business School)
BSE Chemical Engineering,
University of Pennsylvania



LABI WILLIAMS

Partner and Managing Director

MBA, Harvard Business School
BA Computer Engineering and Public Policy,
Carnegie Mellon University



MOJISOLA FASHOLA

Director

LLM, Harvard University
LLB, Olabisi Onabanjo University



MUMO MUTHENGI

Managing Director

MBA, Business Administration degree
from The University of Texas



NIKE OGUNJIMI

Director

MSc Finance, University of Leicester UK
BSc Insurance, University of Lagos



FARIDAH USMAN

Director

Masters International Politics and
International Business, NYU
BA Politics and International Studies,
University of Warwick



TAPIWA MHIZHA

Director

BCom Accountancy,
University of Science and
Technology Zimbabwe

INVESTORS

Kuramo is backed by world-class institutional investors that include eight international endowments and foundations, two private pension funds, one public pension fund and four leading American and European family offices. Our objective is to make commercial returns in Africa for commercial investors around the world.

PORTFOLIO OF INVESTMENTS

KURAMO AFRICA OPPORTUNITY FUND I (KAOF I)	KURAMO AFRICA OPPORTUNITY FUND II (KAOF II)	KURAMO AFRICA OPPORTUNITY FUND III (KAOF III)
Underlying Funds:	Underlying Funds:	Underlying Funds:
<ul style="list-style-type: none"> - Helios II - Cape III - Catalyst I - Adenia III - Medu III - AMED II - Synergy I - Verod II - SGI Ethiopia - Echo VC - AOCL - Stanbic IBTC SMA 	<ul style="list-style-type: none"> - Africa Capital Works - AMED III - Consonance - CAPE IV - Cardinal Stone - Synergy II 	<ul style="list-style-type: none"> - Adiwale I - Cepheus Growth Capital Fund - Africa Food Security (Zebu) - Verod III - Nabo SMA
Direct/Co-Investments:	Direct/Co-Investments:	Direct/Co-Investments:
<ul style="list-style-type: none"> - Solo-Intelligra - Leon - NAS Foods 	<ul style="list-style-type: none"> - TransCentury - Viathan (Synergy I Portfolio) - PHC - CSCS (Verod II Portfolio) - Sterling Capital - Sepfluor (AMED II Portfolio) - Solo-Intelligra 	<ul style="list-style-type: none"> - GenAfrica - Crest Agro - Dataguard - PHC - Green Africa Airways - Platcorp Holdings - Afya Health Care - FSDH



While our focus at Kuramo Capital has been sub-Saharan Africa consumer growth, we realize that a well-developed infrastructure is critical to fundamental growth of our economies.

WALÉ ADEOSUN

FOOTPRINT

We have investments in some 200 companies across Africa in sectors such as FMCG, Telecoms, Power, Agribusiness and Financial Services.



LIVES
IMPACTED
c.200,000



200
COMPANIES



JOB
SUPPORTED
20,000



✓
TEAM
MEMBERS
20



INVESTORS
15



\$500M AuM



PART 4

OUR APPROACH TO ESG AND IMPACT

A desire to conduct business in a way that is both responsible and impactful while minimizing any negative impacts and maximising socio-economic benefits for stakeholders, is core to our mission.



GENERAL APPROACH

RESPONSIBLE INVESTING

Kuramo has been a signatory to the UNPRI since 2017. We are dedicated to responsible investing and consider ESG matters when assessing all potential investments. We drive impact at multiple levels: in our business; through our Corporate Social Responsibility (CSR) activities; and through the selection and management of our investments (both at a fund and direct investment level).

A desire to conduct business in a way that is both responsible and impactful while minimizing any negative impacts and maximising socio-economic benefits for stakeholders, is core to our mission. This is evident in our exclusive focus on investing in sub-Saharan Africa, despite the real and perceived risks that this involves.

IMPACTFUL

Our contribution to the development, growth and sustainability of businesses in Africa has been significant. This is particularly pertinent in the context of private equity, in which we have been a leading player. The private equity landscape has seen dramatic growth and evolution in the last 20 years, and we have been a meaningful contributor to this.

CATALYTIC

One important way that we have left our mark on the industry is through the number of funds in which we are a first and/or anchor investor. This has required close work and mentorship with fund managers, and an intentional approach to building trust, strengthening capacity, governance and business processes. The result of this has been the catalysation of further investment, crowding funding into the continent from DFIs and other investors.

INDIGENOUS

We have added value to businesses by employing and deploying employees who come from the countries in which our investments are made, as well as ensuring that our own employee base is representative and diverse. This means that we are able to leverage our deep contextual understanding for the benefit of our stakeholders and we derive a sense of purpose from contributing to the growth of the economies and communities in which we operate.

THE INVESTMENT PROCESS

In terms of managing and measuring ESG, we consider these elements at all stages of the investment process:



01 SCREENING FOR THE DEAL INTRO- DUCTION AND EVALUATION

- Identify ESG risks in a prospective fund or portfolio company.
- Develop a common understanding about ESG risks and opportunities with the fund or portfolio company management.

02 DUE DILIGENCE REVIEW

- Collate and review ESG information with management.
- Categorize ESG risks and opportunities (low, medium, high).
- Determine and assess the fund or portfolio company's commitment, capacity and track record for identifying ESG risks and opportunities.
- Conduct site visits to assess and understand ESG risks and opportunities.
- Develop an action plan to align Kuramo's ESG policy with the fund or portfolio company's ESG compliance framework.

03 PRESENT ESG REVIEW TO INVESTMENT COMMITTEE


- Deliver an ESG Assessment to the Investment Committee, highlighting the fund or portfolio company's risk rating, materiality of risks or opportunities, and management's level of compliance and commitment to international ESG standards.
- Identify opportunities to add value through system improvements and/or system additions.

04 INVESTMENT CLOSING AND DEAL MONITORING

- Incorporate ESG clauses into investment agreements.
- Provide support and conduct periodical monitoring of ESG matters through regular meetings with Management or the Board and quarterly/annual ESG reports.
- Conduct site visits to evaluate the fund or portfolio company's ESG risks and performance on ESG matters particularly upon the occurrence of serious incidents.
- Foster an open and collaborative relationship with Management to provide constant value-adding guidance to create and maintain a profitable and sustainable business.

05 SELL AND EXIT

Right from the onset, significant thought is given to the value enhancement that could arise from ESG performance improvements in portfolio companies. We help our portfolio companies strengthen their corporate governance and create goodwill among the host communities by encouraging our underlying fund managers and portfolio companies to actively engage their stakeholders.



“Africa is the fastest-growing economic region in the world. This is the right place to invest. Invest now before it's too late. The train is about to leave the station.”

“”
ALIKO DANGOTE

EXCLUDED ACTIVITIES

We do not invest in or alongside internationally sanctioned countries, organizations and/or individuals. We do not invest in sectors where products and services are illegal according to local or national laws, or banned by global and international agreements and covenants. In addition, we do not invest in the arms sector. As part of our social responsibility, we do not invest in the activities enumerated in our Excluded Activities List set out below:

- 1.** Production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements such as certain:
 - hazardous chemicals, pharmaceuticals, pesticides and wastes
 - ozone depleting substances
 - endangered or protected wildlife or wildlife products
 - unsustainable fishing methods
- 2.** Production or activities involving harmful or exploitative forms of forced labor/child labor.
- 3.** Production of, or trade in, arms.
- 4.** Production of, use of, or trade in, unbonded asbestos fibers.

- 5.** Production of, or trade in, radioactive materials.
- 6.** Racist and/or anti-democratic media with the intent to discriminate against a part of the population.
- 7.** Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley, or other similar international agreements (actual or to be formed), on similar extractive resources.
- 8.** Prostitution.
- 9.** Any business where the following activities represents a substantial portion of the business:
 - Gambling, gaming casinos and equivalent enterprises; or
 - Pornography

Considerations regarding impact (separate from ESG) are not yet formally incorporated into the investment process. However, these are intrinsic to the identification and selection of investments and will form part of future considerations.

DEVELOPMENTS WITHIN OUR ESG AND IMPACT POLICIES, PRACTICES AND REPORTING

The process of incorporating ESG best practice into our organization is guided by our ESG Policy and documented in our Management System; a document that defines our approach to integrating ESG matters into the investment cycle and decision-making process. We recognize that the next important step in advancing our ESG practices is a more systematic incorporation of ESG into each stage of our investment process along with appropriate metrics for reporting on the overall impact of such initiatives. The first commitment in this regard has been our engagement with IBIS.

Informed by the ESG metrics and standards of various development finance institutions, particularly the British International Investment (BII) and the International Finance Corporation (IFC), we will integrate the following non-financial performance areas into our investment analyses and monitoring processes:



We recognize that the next important step in advancing our ESG practices is a more systematic incorporation of ESG into each stage of our investment process along with appropriate metrics for reporting on the overall impact of such initiatives.

INTEGRATED ESG AND COMPLIANCE COMMITTEE

Responsible for risk management of Kuramo and its Investment Vehicle and oversight of our Compliance Manual, Code of Ethics, ESG policy and ESG oversight.



KAMAL PALLAN



MOJISOLA FASHOLA



CLARA MWANGOLA



OMOLOLA APAMPA



CHUKWUNEDUM ORABUEZE



“ Our goal is to have a positive, direct impact on our external stakeholders while managing and mitigating potential negative ESG outcomes through our ESG management system. ”

Environmental Performance Areas

- Carbon dioxide emissions
- Recycling management and monitoring
- Effluent waste management and monitoring
- Water use and efficiency
- Electricity use and efficiency

Social Performance Areas

- Compliance with child labor regulations
- Compliance with occupational health and safety regulations
- Employee wellbeing practices
- Gender equality
- Fair and equal pay
- Representation of historically marginalized groups

Governance Performance Areas

- Compliance with financial reporting standards
- Timeliness of financial reporting
- Regularity and attendance of board meetings
- Independence of board members
- Collective capacity of the board and committees
- Anti-corruption policy
- E&S policy

We do not invest in or alongside internationally sanctioned countries, organizations and/or individuals. We do not invest in sectors where products and services are illegal according to local or national laws, or banned by global and international agreements and covenants.

This process will be further enhanced through our consultations with IBIS to improve reporting on the management of ESG issues and subsequent social, economic and environmental impacts.

As part of the initial exercise carried out with IBIS, we conducted a high-level analysis of the impact that we achieve through our activities and investments. These have been divided into focus areas that are relevant across all investments and focus areas that are relevant to certain sectors into which we invest. These are as follows:



OVER-ARCHING FOCUS AREAS

<i>Governance</i>	<i>Job Creation and Economic Growth</i>	<i>Access, Diversity and Inclusion</i>	<i>Climate Change</i>	<i>Access to Critical Goods and Services</i>
Kuramo encourages and supports good governance in its own business and within its investees.	Kuramo achieves a catalytic effect as a result of it often being the first/only funder of an investee, or its only non-DFI funder.	Kuramo promotes access, diversity and inclusion (including gender and local representation) in its own business and within its investees.	Kuramo supports businesses and activities which drive climate change mitigation, adaptation and resilience.	Through its investments, Kuramo creates access to critical goods and services for people in Africa, including Fast-Moving Consumer Goods, Education and Healthcare.

SECTOR-SPECIFIC FOCUS AREAS

Financial Inclusion

Kuramo creates access to financial services for marginalised people through its investments in innovative products and service.

Access to energy

Kuramo pursues opportunities to provide innovative approaches to energy production.


Food Security

Kuramo invests in companies which provide agricultural products and services that close gaps in the provision of adequate, healthy food for people in Africa.

Technology and Innovation

Kuramo pursues opportunities to leverage technology and innovation to improve the lives of people in Africa.



A portrait of Phumzile Mlambo-NGCUKA, a woman with dark skin, wearing a blue and white patterned headwrap and a matching off-the-shoulder top with a beaded neckline. She is looking directly at the camera with a calm expression. The background is slightly blurred, showing an outdoor setting with greenery and a wooden structure. A semi-transparent blue triangle is on the left side of the image.

“To achieve gender equality, we need to mobilise not just parliaments but populations, not only civil society but all of society.”

PHUMZILE MLAMBO-NGCUKA

PART 5

ESG OVERVIEW

Our Executive Committee is responsible for delivering the best of Kuramo to all clients by focusing on our business model, internal teams and talent development, institutional clients, investments and risk management.

OUR ESG POLICY AND PRACTICES

Governance Structure and Composition

THE EXECUTIVE COMMITTEE

Our Executive Committee is responsible for delivering the best of Kuramo to all clients by focusing on our business model, internal teams and talent development, institutional clients, investments and risk management.

Members: Walé Adeosun (Founder and CEO), Shaka Kariuki (Partner and CIO), Kamal Pallan (Partner and COO)

THE MANAGEMENT COMMITTEE

Our Management Committee is responsible for initiatives that seek to enhance and oversee Kuramo's team and talent development, business model, product offering and client delivery.

Members: Walé Adeosun (Founder and CEO), Shaka Kariuki (Partner and CIO), Kamal Pallan (Partner and COO), Labi Williams (Partner and MD), Mumo Muthengi (MD), Moji Fashola (Director), Nike Ogunjimi (Director), Faridah Usman (Director), Tapiwa Mhizha (Director).

THE INVESTMENT COMMITTEE

Our Investment Committee is responsible for the execution of Kuramo's investment mandate and the direct oversight of their portfolio investments and pipeline investments.

Members:

Walé Adeosun (Founder and CEO)
Shaka Kariuki (Partner and CIO)
Kamal Pallan (Partner and COO)
Labi Williams (Partner and MD)
Mumo Muthengi (MD)
Moji Fashola (Director)

THE COMPLIANCE COMMITTEE

Our Compliance Committee oversees the risk management and compliance needs within Kuramo as well as overall adherence to the Compliance Manual, Code of Ethics and Risk Management Framework.

Members:

Kamal Pallan (Partner and COO)
Moji Fashola (Director)
Lola Apampa (Vice President)
Tapiwa Mhizha (Director)
Clara Mwangola (Vice President)

ESG AND IMPACT OVERSIGHT

The Chief Compliance Officer, with the support of the ESG and Compliance Teams, has the overall responsibility for monitoring and updating our ESG Management System. There have been no changes to this team for the reporting period.


The Investment Committee is responsible for considering ESG factors when evaluating proposed investments. There have been no changes to this team for the reporting period.

COLLECTIVE KNOWLEDGE AND TRAINING

All our employees are responsible for knowing and implementing our ESG policy where it is deemed relevant to their role within the organisation. Our staff are trained annually on the ESG policy and its incorporation within the investment decision process. In addition to this annual training session, updates in material ESG issues are discussed during some of the operational meetings. In this reporting period some of the topics covered included ESAP templates, serious incident reporting and exclusionary lists. All employees are required to attend the weekly operations call, so attendance includes everyone at the firm.

HEAR FROM OUR EMPLOYEES



As an investment professional, ESG is an important factor considered both pre and post investment. During the investment screening process, ESG is reviewed from the initial review and evaluation also includes an extensive ESG due diligence conducted by third party ESG consultants. Through my years in the industry, I have seen ESG evolve and become a critical component investment process. The increased discussion about ESG in the private equity space has revealed that enhanced ESG policies translates into even better returns. I am excited about learning about new developments in the ESG space and how we can better embed ESG in the work that we do. 

Clara Mwangola
Vice President, Nairobi, Kenya



SERIOUS INCIDENTS

Each fund manager or portfolio company is required to promptly notify Kuramo of the occurrence of any ESG incident which results in loss of life or permanent injury of a person, or a material negative impact on the environment. The report should include details of the nature of the incident, the on-site and off-site effects and the action taken by management to remedy the effect of such incident.

For our high ESG risk direct investments such as Crest Agro, Afya Health Care, SepFluor and PHC, serious incidents are something that we continue to address through the provision of corrective action plans informed by thorough investigations and input from suitable ESG specialists.

Each fund manager or portfolio company is required to promptly notify Kuramo of the occurrence of any ESG incident which results in loss of life or permanent injury of a person, or a material negative impact on the environment.



Unfortunately, there were serious incidents reported to Kuramo for the year under review. The incidents reported included property vandalism, theft, vehicle accidents, injuries and sadly some fatalities at Crest Agro and in the surrounding communities of PHC. We treat every serious incident as an alert to a risk and/or threat to the ongoing operations of our investees and the wellbeing of their stakeholders.

Each one has been investigated and addressed with an appropriate action plan to prevent similar incidents occurring in the future. For more details about the serious incidents for this reporting period, please reach out to Kamal Pallan on kpallan@kuramocapital.com. A separate report for this year's serious incidents will be made available on request.

INVESTEES SURVEY RESULTS AND OBSERVATIONS

As outlined above, we have employed the services of IBIS to assist us with a strategic review of the ESG practices conducted within the current portfolio. This will inform the development of a new ESG policy and Management System as well as future internal and external reporting processes.

To establish a baseline of existing ESG policies and management practices, IBIS conducted a survey to gather information from our investees. The information in the following section provides a summarised account of the results and observations.

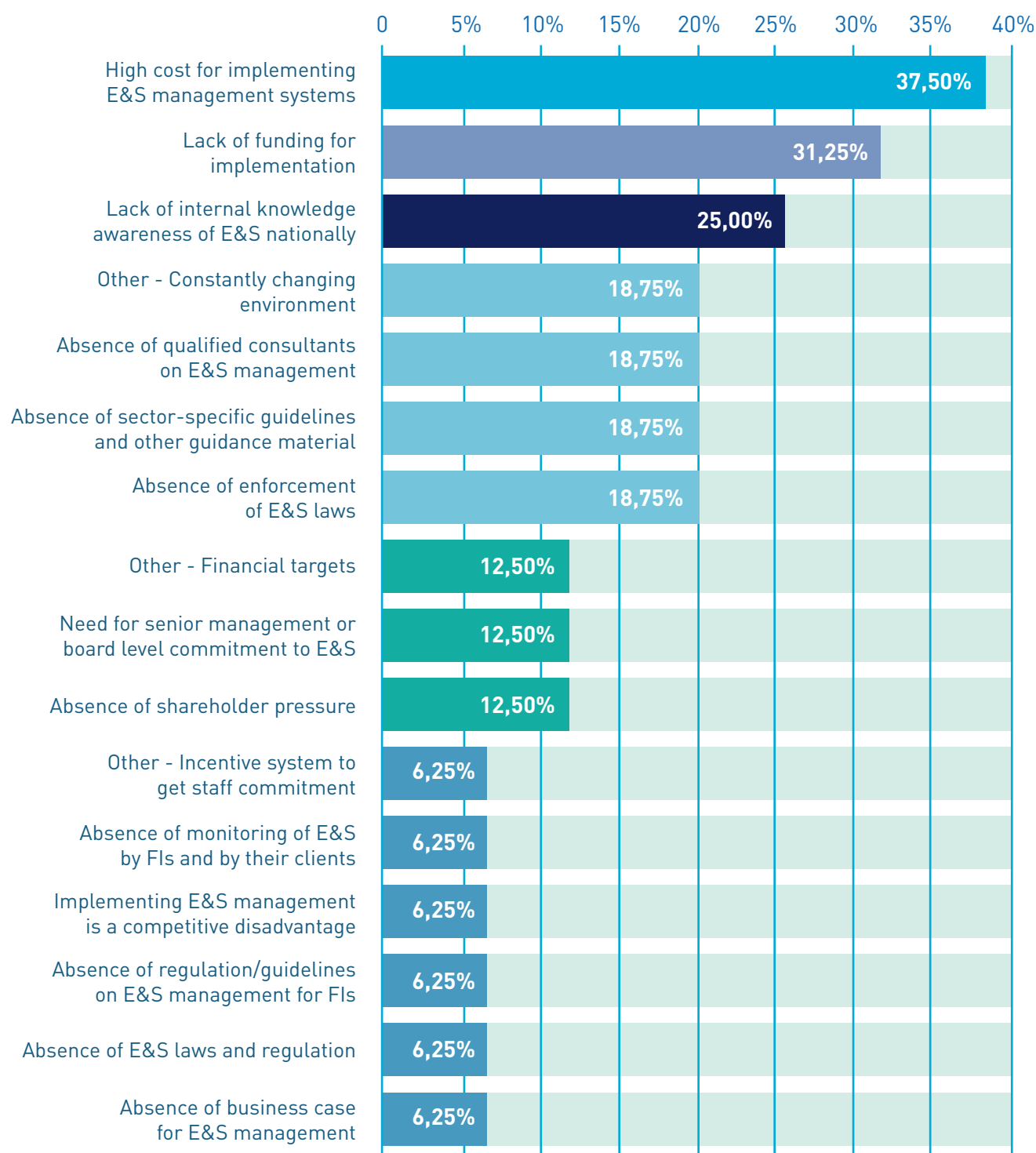
- **The majority of our investees have established an E&S policy and the majority of our underlying funds require their clients to abide by their E&S policy.**
- **A small majority of our investees conduct ESG-related training courses on a regular basis and those that do, have provided training on the following topics:**

E&S STAFF TRAINING TOPICS

E&S categorization, ESMS Fundamentals, Building an ESMS, E&S due diligence, E&S risk management, Integration of ESG into the investment cycle, ESG policy and integration, Good corporate governance, IFC Performance Standards, IFC Exclusion list criteria and application, UN Sustainable Development Goals, Climate Change and financial risks, Gender lens investing, Impact management, Top energy saving initiatives, Occupational health and safety, Client protection, Social performance management, Environmental monitoring and management, Responsible investing and ESG investing.

- **Of the underlying funds that participated in the survey, more than 75% reported using an exclusion list and that all investments were screened for E&S risks. While most underlying funds make use of the IFC's list of exclusions, some of the other lists that were mentioned include the BII Code for Responsible Investing, the European Development Finance Institutions (EDFIs) and the Dutch Good Growth Fund (DGGF).**
- **When asked what challenges the investees experience in implementing an effective E&S Management System, the respondents mentioned a lack of funding and the appropriate knowledge/skills as the most pertinent setbacks.**

ESMS IMPLEMENTATION CONSTRAINTS



ESG CASE STUDIES

ADENIA

Through its investments, Adenia is increasingly committed to driving sustainable business transformation that maximizes both financial returns and positive contribution to the SDGs. In 2019, with the support of Swedfund and IBIS, Adenia 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:

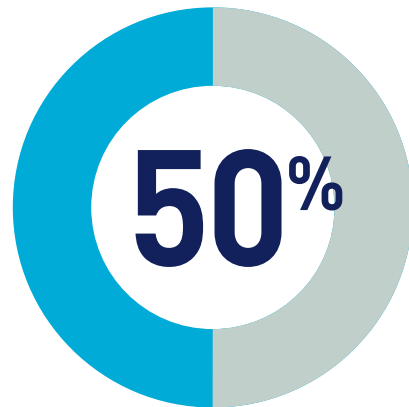


1. The Operating Principles for Impact Management and the UN's PRI, as their blueprints for impact management

2. The UN Sustainable Development Goals, which Adenia supports by adopting some of these goals into their own practices

3. The Impact Management Project, to measure the different dimensions of Adenia's impact

While the application of their framework is still in its early stages, Adenia has increased the number of investees reporting on their carbon footprint to 50% of the portfolio companies, with the intention to report baseline figures for the full portfolio in the near future.



50% of portfolio companies reporting on their carbon footprint



PLANTATIONS ET HUILERIES DU CONGO (PHC)

PHC is the largest agribusiness company based in the Democratic Republic of Congo (DRC). The company produces crude palm oil and sells it to domestic manufacturers that use the oil as an input for processed consumer goods such as soaps, moisturizers, butter and cooking oil.

At the point of investment, we recognized that investing in PHC (an organization that is deeply embedded into the environment and community of the DRC) would require tremendous ESG oversight and therefore engaged with the management of PHC to improve their ESMS.

PHC continues to push forward with a wide portfolio of activities to improve the lives of employees, as well as the lives of communities living in and around the company's sites of operation. In the past year alone, PHC has worked to achieve several important milestones, including:

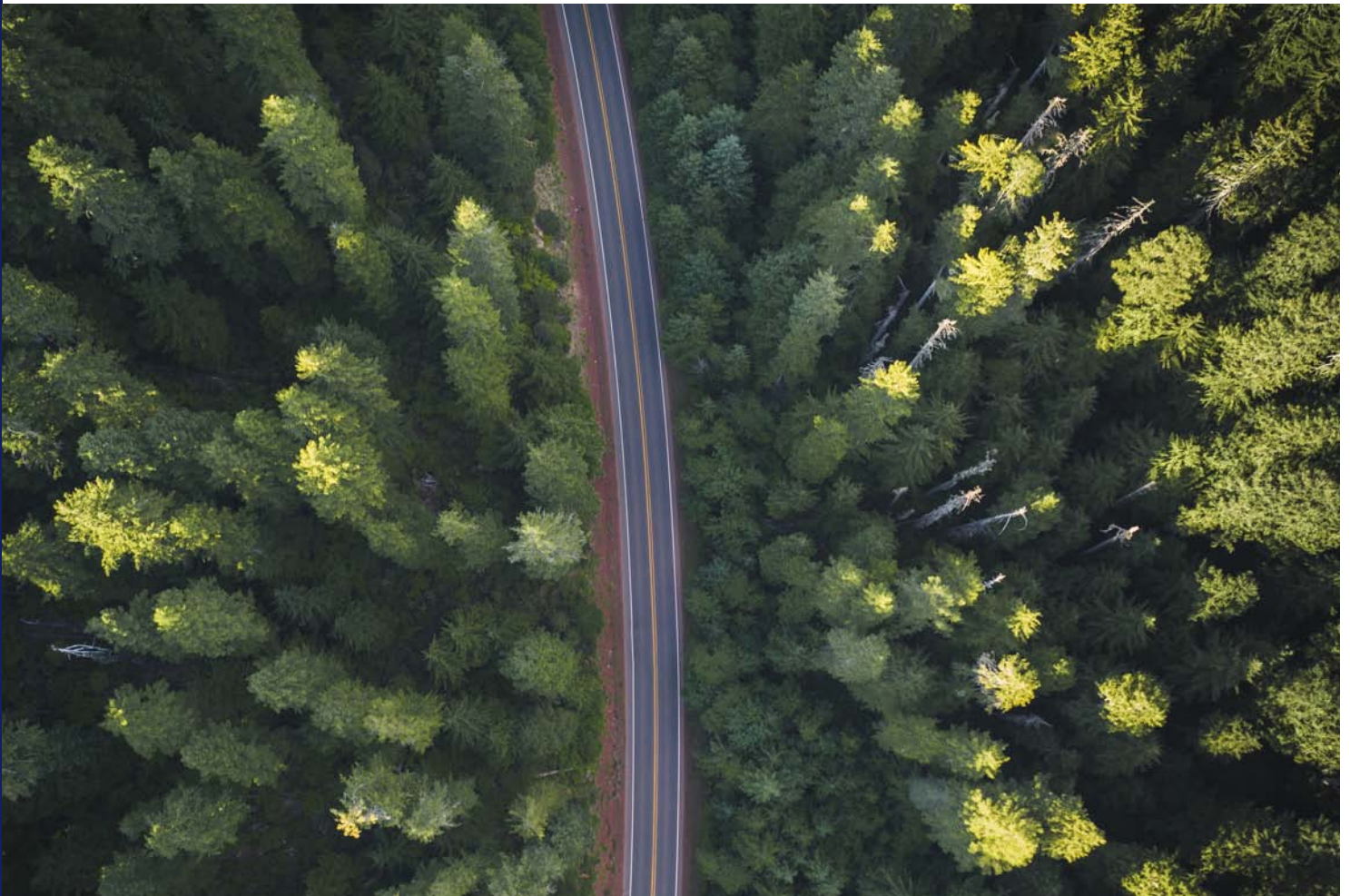
- **Expanding the ESG team to include a Sustainability Operations Director, a Sustainability Program Manager, an E&S advisor, an ESG Manager and Community Development Officers.**

- **Direct management of the company's hospitals (which were previously managed by a contractor) since June 2021, resulting in better healthcare services and availability of medicine. Since PHC took over the management of its four hospitals, the hospitals have more doctors and improved operations to facilitate more patient consultations. The rate of consultations has increased by 321%.**
- **Building five brand new schools with a goal of ten additional new schools by 2023**
- **The completion of 235 employee house renovations, as well as the launch of 24 new employee house constructions. These activities are part of the company's plan to improve employee housing and to ensure each employee has a house provided by the company.**
- **Improving the ESG Policy including reinforcing serious incident reporting.**
- **Ongoing salary increases for all employees, initiated in April 2021 and in May 2022.**
- **The launch of monthly employee recognition awards, where high performing employees are rewarded for their efforts with a financial prize.**

PART 6

IMPACT PERFORMANCE SUMMARY

We successfully collect data to reflect our impact on job creation and gender representation amongst our investees' employees.



INVESTEE SURVEY RESULTS AND OBSERVATIONS

The survey carried out by IBIS demonstrated that our investees saw their activities to be contributing to the following Impact Focus Areas: Gender Equality and Empowerment, Good Governance, Decent Work and Economic Growth, Climate Change/Action, Local Economic Development and Job Quality.

Investees saw the main barriers to effectively incorporating impact in their work to be centered around knowledge and capacity gaps, as well as the challenges related to gathering and reporting reliable impact data. The main levers of success included executive buy-in, investor support and innovative financing models including Technical Assistance Facilities.

We successfully collect data to reflect our impact on job creation and gender representation amongst our investees' employees. While this speaks to two of our Impact Focus Areas, we are looking to collect additional data that demonstrates our impact across a greater number of focus areas. The survey results and observations from IBIS will be used to inform the development of an Impact Measurement and Management framework that we will use to monitor, and report on, a wider range of impact indicators.

Investees saw the main barriers to effectively incorporating impact in their work to be centered around knowledge and capacity gaps, as well as the challenges related to gathering and reporting reliable impact data.



OUR OVER-ARCHING IMPACT FOCUS AREAS

GOVERNANCE

Kuramo encourages and supports good governance in its own business and within its investees



SDG 16: Peace, Justice and Strong Institutions

SDG 17: Partnerships for the Goals

Our mission is to leverage our extensive network to attract significant commercial capital and know-how to accomplished indigenous entrepreneurs in order to build fast-growing businesses that will add value for their investors and provide significant positive outcomes to their communities. To do this well, it is essential that we maintain a good reputation amongst our network and communities.

In this regard, robust governance systems, controls and practices are key as are our relationships with each investee fund and portfolio company.

As a regular first-time and anchor investor, we work closely with the boards of our investees to strengthen capacity, governance practices and business processes in preparation for growth. The result of this has been the catalysation of further investment, drawing funds onto the continent from DFIs and other investors to spur Africa's growth. One such example is explained in the case study below.

SOLO.

SOLO-INTELLIGRA

In addition to supporting the team in implementing improved board and ESG reporting standards, we worked closely with the CEO of Solo-Intelligra in 2021 to oversee the treasury, corporate finance and investor reporting functions. With our wide-reaching network, we introduced Solo-Intelligra to investors that resulted in a successful capital raise of around \$2.5 million which provided the funds Solo-Intelligra needed to take their plans for Solo-Intelligra to the next level. Solo-Intelligra, is a start-up fintech company that intends to provide smartphone financing solutions throughout Africa.

JOB CREATION & ECONOMIC GROWTH

Kuramo achieves a catalytic effect as a result of it often being the first funder of an investee, or its only non-DFI funder



SDG 8:

Decent Work and Economic Growth

SDG 10:

Reduced Inequalities

Our vision is to create shared prosperity through catalyzing commercial capital for Africa's growth. Our investments result in business-driven, scalable solutions to some of Africa's shortfalls, particularly those that relate to job creation and financial inclusion. To monitor our progress in this regard, we collect data on job creation and other metrics – below is a highlight from our KAOF III direct investing entity:

INVESTEES	COUNTRY	SECTOR	TOTAL NUMBER OF EMPLOYEES	JOBS CREATED IN 2021	NET INCOME US\$M	TAXES PAID US\$M
Crest Agro	Nigeria	Agribusiness	44	4	1,100,000	-
Data Guard	Nigeria	Business Services	11	2	200,000	90 000
FSDH	Nigeria	Financial Services	501	7	1,800,000	2,300,000
PHC	DRC	Agribusiness	6392	2140	2,800,000	600,000
Gen Africa	Kenya	Financial Services	34	4	2,900,000	900,000
Green Africa Airways	Nigeria	Aviation	281	24	-3,100,000	-
Platcorp	Kenya	Financial Services	10289	1391	28,900,000	16,600,000

ACCESS, DIVERSITY & INCLUSION

Kuramo promotes access, diversity and inclusion (including gender and local representation) in its own business and within its investees.



SDG 5: Gender Equality

We firmly believe that gender equality provides a strong lever from which to enhance socio-economic development throughout Africa. It is thus a strong focus for the management and monitoring of our ESG issues and impact. Through our investments, we hope to see more women gain meaningful employment. To reduce the risk of gender bias (which may inhibit the recruitment of female employees), we also seek to ensure more females are employed to fulfill senior roles within their investee funds and portfolio companies. We have collected data for the following KAOF III direct portfolio investees:

INVESTEES	COUNTRY	SECTOR	FEMALES EMPLOYEES	% OF FEMALES ON THE BOARD
Crest Agro	Nigeria	Agribusiness	14%	0 %
Data Guard	Nigeria	Business Services	36%	33%
FSDH	Nigeria	Financial Services	38%	30%
PHC	DRC	Agribusiness	10%	17%
Gen Africa	Kenya	Financial Services	46%	14%
Green Africa Airways	Nigeria	Aviation	36%	0%
Platcorp	Kenya	Financial Services	56%	33%

With our foundations firmly rooted in Africa, we seek to ensure fair local representation amongst investee funds and portfolio companies. We therefore prioritize and encourage local recruitment whilst building teams that are both diverse and fair in representation. Our own talent attraction and retention programs are aligned with supporting diversity and inclusion. 40% of our investment professionals are women and 47% of our team of staff are women.



East African Cables

TRANSCENTURY AND EAST AFRICA CABLES LIMITED

Kuramo is invested in East Africa Cables Limited through TansCentury. East Africa Cables is located in Nairobi, Kenya. Its primary operations involve the manufacturing of electrical equipment and components, predominantly electrical wires made from aluminium and copper. As an engineering and manufacturing focused company, the workforce is male dominated. This is attributed to the nature of work and women shy away from such kind of work.

The Company is focusing on ensuring gender inclusivity in the workplace by actively encouraging more women to join its workforce. Recent female recruitments have filled senior management roles that include the Human Resources Manager, Quality Assurance Manager and the Health and Safety Assistant.

**We firmly believe
that gender equality
provides a strong lever
from which to enhance
socio-economic
development through-
out Africa.**

Additionally, at the production floor, the Company has engaged a female employee who is in charge of the welding department. The company is providing an environment that is challenging women to beat the odds and join the workforce by taking up positions that are perceived to be more suited for male employees.

The Company has introduced an internship and apprenticeship program for women. The program runs for 2 years with successful and passionate candidates being absorbed into the company as permanent employees.

CLIMATE CHANGE

Kuramo supports businesses and activities which drive climate change mitigation, adaptation and resilience



SDG 9: Industry Innovation and Infrastructure

With a diverse portfolio of investments that range from mining and agricultural activities to air travel and textile manufacturing, we are aware that there are parts of our portfolio that contribute heavily to the drivers of Climate Change. While many of our investees already have Climate Change adaptation and mitigation strategies in place, carrying out the operations of such strategies is often complex and needs to be carefully evaluated within socio-economic contexts.

The work that we are doing with IBIS Consulting will draw in baseline figures that will help the firm better understand, manage and monitor the effects that our portfolio has on Climate Change. In the meantime, here are some highlights from the initiatives currently taking place:

- **Vivo Energy**, a company that we are invested in via Helios Investment Partners, launched the **Vivo Green Action Initiative** in July 2021 to reforest 12,000m² of quarry with 27,000 cashew trees in Guinea. Through this campaign, Vivo Energy empowered over 60 youths and 25 women by offering training in green entrepreneurship, whilst restoring greenery to mined sites.



27,000

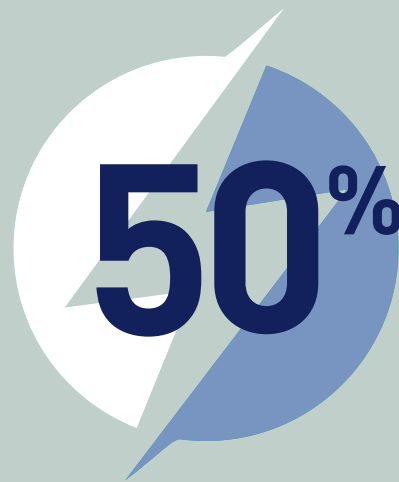
**Vivo Green Action Initiative:
Reforest 12,000m² of quarry with
27,000 cashew trees in Guinea**



Women empowered by Vivo Energy by offering training in green entrepreneurship

- Niyya Farms is another company that we are invested in via Verod Capital Management. Niyya Farms reduced their landfill waste by initiating a recycling system.
- Platcorp provides support to organisations that conserve and restore forest reserves and coastal ecosystems throughout different areas of Kenya and Uganda. Focusing mainly on reforestation projects, the driving force behind these initiatives is to mitigate the disastrous effects of Climate Change.

- Shaldag, one of the companies that we are invested in via Verod Capital Management, continued to pursue their clean energy plan and commenced with their solar panel installation project. Once completed, the solar panels will provide about 50% of the total energy demand for their factory.



Energy supplied from Verod Capital Management





ACCESS TO CRITICAL GOODS AND SERVICES

Through its investments, Kuramo creates access to critical goods and services for people in Africa, including Fast-Moving Consumer Goods, Education and Healthcare.



SDG 4:
Quality Education

SDG 9:
**Industry Innovation
and Infrastructure**

We have supported some of our investees with their own CSR activities, one of which is in partnership with PHC to build a school for children in the communities near their operating areas.

PHC

We have also supported some of our investees with their own CSR activities, one of which is in partnership with PHC to build a school for children in the communities near their operating areas.

PHC has built a new primary school for the community of Yalifombo. The construction of the school was funded by PHC using durable materials and is part of the Company's commitment to local communities as detailed in signed social protocols.

Consisting of classrooms, office space and sanitary services, the school has been transferred to the local community's ownership and will provide education for children from the local area.





AFYA HEALTHCARE GROUP

AfyA Healthcare Group (AfyA) invests in healthcare assets with a vision to make healthcare accessible and affordable across Nigeria. They are building vertically integrated healthcare institutions that aim to serve every urban market segment through the creation and aggregation of hospital capacity and demand.

Still in its infancy stage, Afya has already grown from providing 95 hospital beds and being able to treat 145,000 patients a year, to providing 135 hospital beds and the capacity to treat 175,000 patients a year. The company has a growth strategy that seeks to provide 790 hospital beds by 2026.



135

**HOSPITAL BEDS
PROVIDED PER YEAR**



175,000

**PATIENTS TREATED
PER YEAR**

OUR SECTOR-SPECIFIC IMPACT FOCUS AREAS

TECHNOLOGY AND INNOVATION

Kuramo pursues opportunities to leverage technology and innovation to improve the lives of people in Africa




SDG 9: **Industry Innovation** **and Infrastructure**

By investing in innovative technologies Kuramo can facilitate socio-economic benefits that enhance livelihoods and that create opportunities for entrepreneurship.

With a focus on innovations that improve the affordability and accessibility to certain technologies, we believe that by investing in innovative technologies Kuramo can facilitate socio-economic benefits that enhance livelihoods and that create opportunities for entrepreneurship.

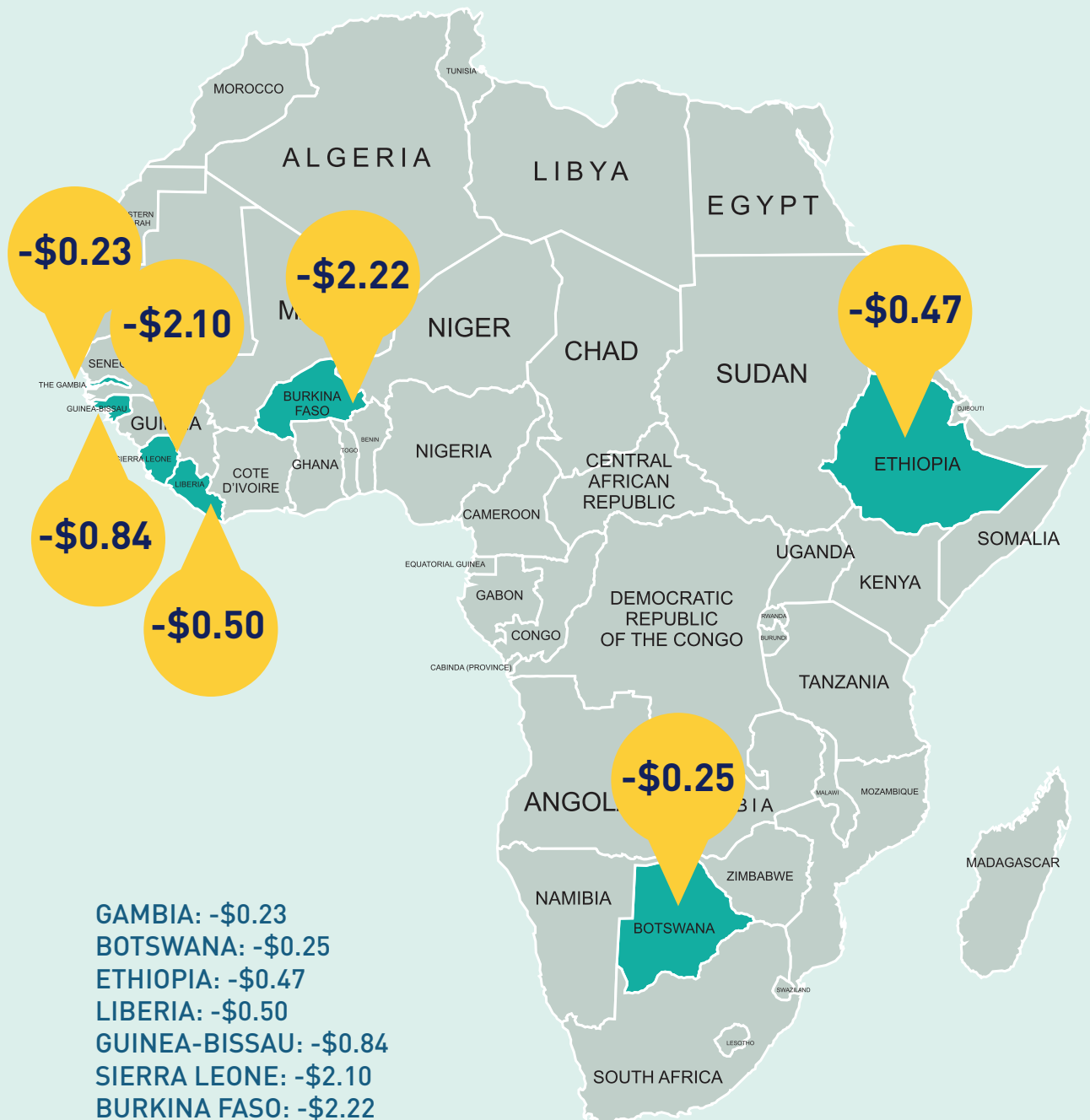


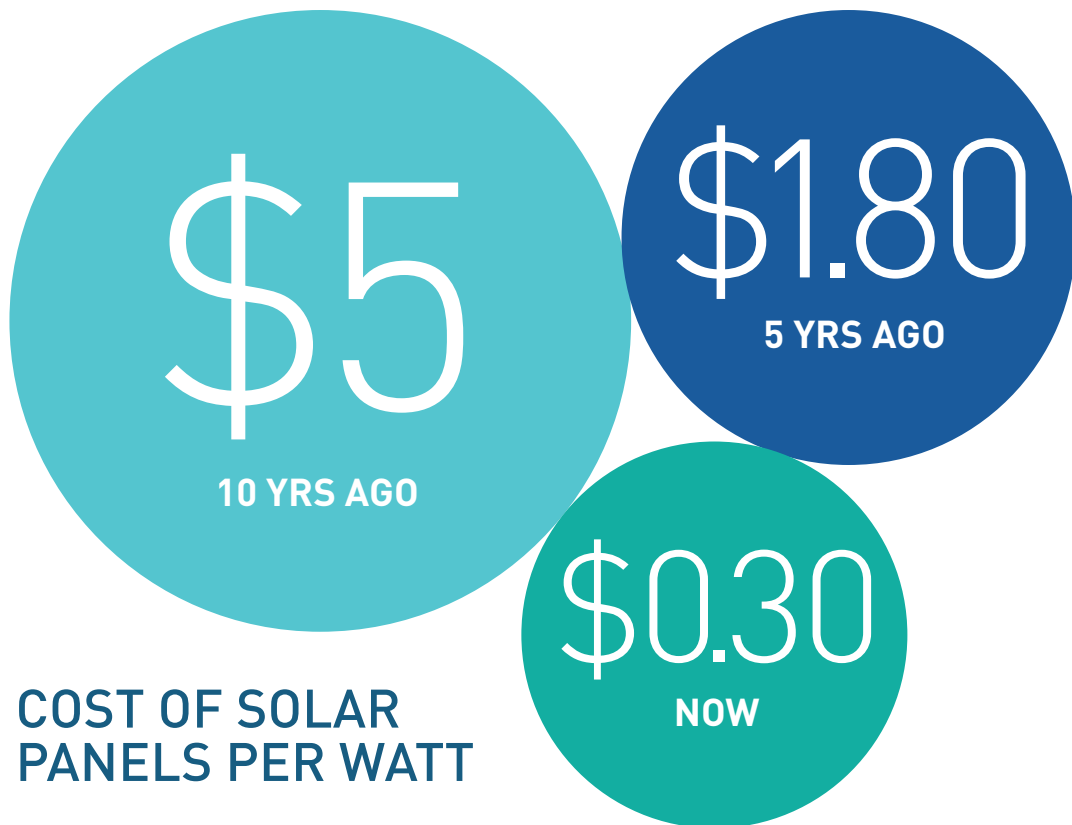


Technology can
overcome remoteness -
a problem for all Africa.

DAVID LIPTON

PRICE CHANGE FOR 1GB MOBILE DATA (2018-2020)





COST OF SOLAR
PANELS PER WATT



GLOBAL AVERAGE
SELLING PRICE OF
SMART PHONES

INTELLIGRA

SOLO-INTELLIGRA

Solo-Intelligra is a start-up fintech company that we invested in via our investment in Solo-Intelligra. The company is focused on creating a platform for smartphone financing through flexible and affordable packages. The company is currently operational in five regions in Nigeria including Lagos with a current customer base of more than 5,000 people.

Solo-Intelligra, in partnership with telecommunication network providers MTN and Airtel and three financiers, have created an open platform where pre-qualified users of the network providers can purchase their smartphone of choice by subscribing to a suitable bundle plan with a flexible and affordable payment

structure. Users can immediately gain access to their smartphone of choice and other additional benefits such as airtime, data and insurance after subscribing to a plan, providing requisite personal details and completing the first payment. The tenor of the plan currently ranges from 6-12 months. In the case of default, the phone is locked following reminders to users on due dates and will be unlocked upon loan repayment.

The company's goal is to improve access to smartphones in Nigeria and other parts of Africa which will have many downstream benefits in creating greater access to information and financial services.



Solo-Intelligra's goal is to improve access to smartphones in Nigeria and other parts of Africa which will have many downstream benefits in creating greater access to information and financial services.



FINANCIAL INCLUSION

Kuramo creates access to financial services for marginalised people through its investments in innovative products and service



SDG 10: Reduced Inequalities

Sub-Saharan Africa's digital economy is focused on providing financial services to underbanked and underserved communities. Financial inclusion is driving investments in a space previously dominated by large banking institutions; a space that drives positive socio-economic impacts with rippling effects across other sectors.

Our investments in the fintech sector seek to enhance the affordability and accessibility of primary banking services that ease the process of conducting day-to-day transactions as well as saving and investing.

PLATINUM CREDIT LTD (PLATCORP)

We have a direct investment in PlatCorp via KAOF III. Platcorp is one of the leading micro-finance lenders in Kenya and operates within the East and Southern regions of Africa. The Group's core business is micro-finance and non-banking lending that initially focused on providing services to civil servants across the East African region. The Group has since diversified into targeting a larger group of prospective clients outside the government payroll with various new products and services that include personal loans, SME loans, landlord loans, import duty financing and direct import financing. PlatCorp aims to empower and improve the quality of life for their customers through the provision of affordable financial solutions packaged appropriately for both individual customers and commercial customers.



ACCESS TO ENERGY

Kuramo pursues opportunities to provide innovative approaches to energy production.



SDG 9: Industry Innovation and Infrastructure

In terms of access to electricity or power, most Sub-Saharan countries report access of less than 20% of the population and per capita consumption of less than 200 kWh compared to the European Union's 3,500 kWh. The African energy sector is not only a good investment opportunity from a financial perspective but also from an impact perspective. Energy is a key enabler to socio-economic development. We therefore seek to invest in organisations that provide and/or support innovative and integrated power solutions.

VIATHAN

Viathan's mission is to enable life through the provision of integrated energy solutions. Viathan is committed to both producing and distributing reliable power, fuelled by natural gas, to under-served governmental, industrial, commercial and consumer markets around Nigeria. Viathan currently reaches its users with over 120km of dedicated distribution network, covering Lagos Island, Ikoyi, Victoria Island, Lekki Peninsula and its environs.

**Viathan is committed
to both producing and
distributing reliable
power, fuelled by
natural gas, to
underserved govern-
mental, industrial,
commercial and
consumer markets
around Nigeria.**

FOOD SECURITY

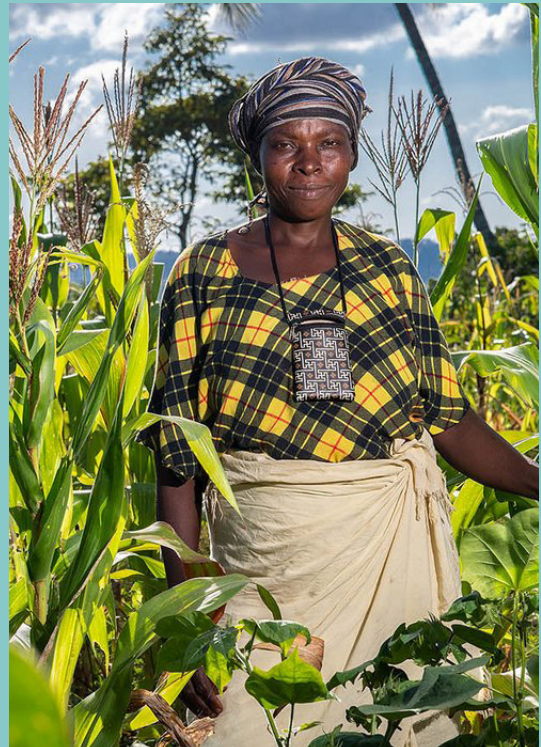
Kuramo invests in companies which provide agricultural products and services that close gaps in the provision of adequate, healthy food for people in Africa.



SDG 9: Industry Innovation and Infrastructure

A large portion of Sub-Saharan Africa's population relies on subsistence farming for their livelihoods yet, ironically, most smallholder farmers in Africa live below the international poverty line and battle to grow yields sufficient for their family needs. Poverty, hunger and food security are therefore major focus areas for socio-economic developmental pursuits. We invest in agribusinesses that generate impact through food production and community upliftment. PHC and Crest Agro Products Limited are direct investments of Kuramo's, both of which produce affordable and nutritious food products for low-income households, whilst simultaneously boosting economic activity in their surrounding communities.

We invest in agri-businesses that generate impact through food production and community upliftment. PHC and Crest Agro Products Limited are direct investments of Kuramo's.



PART 7

CORPORATE SOCIAL RESPONSIBILITY AND ESG AT KURAMO

Corporate Social Responsibility (CSR) is no longer an avenue to boost a company's image, but a necessity to give back to one's immediate community. In addition to considering ESG factors as part of our investment process, we embrace ESG into our own operations. Our values are centered around uplifting African communities and through volunteering and mentorship, we are able to put our values into action. Our team participates in activities that empower and encourage the communities based in the areas that we live and work in.



NIGERIA HIGHER EDUCATION FOUNDATION

One of our latest CSR endeavors has resulted in a partnership with the Nigeria Higher Education Fund (NHEF) to support and empower students to pursue higher education. More than 200 students have been trained through the Scholars Program since 2016. The NHEF offers career development programs, scholarship programs and student advancement programs. 52% of NHEF Scholars are employed full time or enrolled in a full-time graduate program. We actively support all NHEF's programs by providing mentorship and internship opportunities to NHEF scholars, giving them the leverage to secure positions in global institutions.

The Nigeria Higher Education Foundation (NHEF) was founded by the John D. and Catherine T. MacArthur foundation in 2004. Since then, the NHEF has been committed to enhancing the capacity of higher education institutions in Nigeria with the aim of increasing youth employment in the society.

Kuramo Capital actively supports all NHEF's programs by providing mentorship and internship opportunities to NHEF scholars giving them the leverage to secure positions in global institutions.

CAREER DEVELOPMENT PROGRAMME

Career Development Programs address the skills gap between classroom learning and professional career development. They provide talented Nigerian students with a broad range of opportunities from critical on-the-job training to hands-on-learning skills.

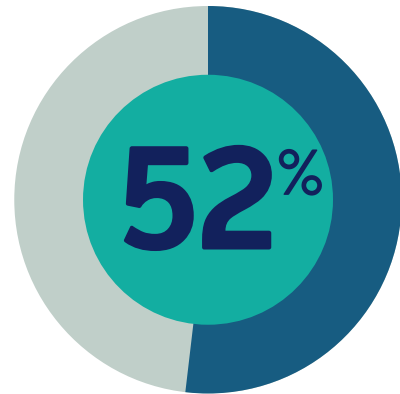
Kuramo Capital actively supports all NHEF's programs by providing mentorship and internship opportunities to NHEF scholars giving them the leverage to secure positions in global institutions.

SCHOLARSHIP PROGRAMMES

The Scholarship Essay Competition is an avenue to discover and showcase the exemplary talents within various partner universities. The aim of the Essay Competition is to encourage effective and cohesive communication and to highlight students that have unique perspectives on world discourse.

STUDENT ADVANCEMENT PROGRAMMES

Student Advancement Programs aim to assist Nigerian undergraduates in various disciplines. The NHEF also helps in securing scholarship/tuition funding opportunities for our grant recipients.



NHEF Scholars employed full time or enrolled in a full-time graduate program



Students trained through the Scholars Program since 2016

We actively support all NHEF's programs by providing mentorship and internship opportunities to NHEF scholars, giving them the leverage to secure positions in global institutions.

MEET SOME OF THE NHEF SCHOLARS

Since its launch, the NHEF Scholars' Program has equipped over 200 young leaders with competitive employable skills through paid internships in reputable organizations, interview coaching and preparation, trainings, job counselling and support.



CHIOMA OBUKA

**University of Nigeria, Nsukka
Class of 2017**



I never knew my life would change for the better, career wise. The orientation program and subsequently the internship prepared me for the journey into the corporate world. Fast forward to 2019, I still remember the words of advice given to us by the facilitators at the NHEF orientation. It would surprise you to note that it helped me a lot even during my stay at the Nigerian Law School. I have now been called to the Nigerian Bar (with First Class Honors), and I work as a Business Advisory Lawyer. NHEF is and remains the reason I made it into top commercial law firms, and the reason so many young people look up to me today for mentorship.



TAMILORE ASIKHIA

**University of Lagos
Class of 2017**



The NHEF program influenced my thought pattern and worldview in a disruptive manner, giving me the keys to unlock my future without requesting for any price accruable to my person. Those two days of learning created an epiphany, giving me a clear-cut view of my future through my career's lens – Investments – while still learning about "table and corporate manners". My first ever work experience in Kuramo Capital was granted to me by the NHEF, and I, through lessons learnt, have leveraged on the fantastic experience and gone on to work for PwC and Consonance, my current firm.



KURAMO JUNIOR COLLEGE

In furtherance of the Firm's impact strategy and commitment to social cause, Kuramo Capital adopted a public funded school, Kuramo Junior College in Lagos, Nigeria in 2021. After an interactive session and expose into the investment space, the Firm pledged eco-friendly electricity to the school and school uniforms to over 400 students. Lunch packs and branded gifted items were also presented to the students.

To further enhance our commitment to supporting educational initiatives from the bottom up, we adopted Kuramo Junior College in 2021 (a public funded junior school in Lagos, Nigeria).

In a bid to further give back to society and participate in our community's growth on a corporate level, Kuramo Capital decided to adopt Kuramo Junior college for several reasons. One being that it shares the same name with the company and the significance behind it's meaning means a lot to us at Kuramo Capital. One other reason being that it is a publicly funded school right within the axis of our community where Kuramo Capital is located. It felt right to do more to give back to these students and to catch them young in terms of exposing the world of Investment to them and how that translates to creating value to the Nation as a whole.

WALÉ ADEOSUN - CEO



COVID-19 RELIEF FUND

In the wake of the COVID-19 pandemic, Kuramo Capital created an employee fund, which was matched 100% by the Firm, to partner with organizations providing support and welfare to communities negatively impacted by the pandemic.

WE PARTNERED WITH

Citizen for Citizen Nigeria:

An initiative focused on health intervention projects and the economically disadvantaged during COVID-19.

Little Rock Early Childhood Development Centre:

An inclusive organization that provides growth and learning opportunities to disadvantaged and special needs children living in urban slums.



**Kuramo Capital employee
fund matched by the Firm**

Bowery Mission, NYC:

An organization that serves homeless and hungry New Yorkers and provides services that meet their immediate needs and transforms their lives from poverty and hopelessness to hope.



Innua Mimi Children's Home:

A home to children rescued from the streets and providing housing, meals and educational facilities to children.

**Helping Hands Homeless Shelter:**

A non-profit run by former street boys dedicated to providing emergency housing solutions to families in distressed communities.



TREE PLANTING

Our team from the Nairobi office participated in a tree planting day with the intention of addressing the effects that deforestation has on Climate Change.



EMPLOYEE TRAINING AND DEVELOPMENT

Kuramo offers all employees funded opportunities to attend courses that further their professional skills. Investment Professionals are offered the opportunity to take CFA exams sponsored by the firm. There were no CFA professional courses taken in 2021, due to the COVID-19 restrictions.

HEAR FROM A VICE PRESIDENT IN OUR NAIROBI OFFICE



I joined Kuramo in April 2016 as an analyst having worked in the UK prior to that. My passion for investing in Africa drew me to Kuramo Capital given the work have been doing on the ground since 2011. The firm has been supportive of my growth as an individual and professionally particularly in pursuing my CFA charter. I have passed both level 1 and 2 of the program, which Kuramo delightfully sponsored as part of my training. The CFA program has helped me develop my understanding of alternative assets, building on what I gathered from my masters in Investment Management. I have grown to become a Vice President leading a number of our efforts across deal sourcing, evaluation and portfolio monitoring/management. The firm remains committed to my development and growth and as I set forth to complete the CFA program and become a charter holder, the firm has clearly articulated that they will continue to be invested and support my growth even beyond this point. 

Arnold Akello,
Vice President, Nairobi Office



KURAMO'S INTERNSHIP PROGRAM

We run an internship program that, since its establishment in 2010, has provided 60 students with an opportunity to learn about investment management. The internship program provides undergraduates and recent graduates the opportunity to gain direct practical experience in private equity and finance, with the support of a collaborative team. Over the years, Kuramo's interns have had successful starts to their careers, transitioning to full time employees as analysts and associates at Kuramo Capital, or secured positions in reputable global institutions.

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60

**STUDENTS PROVIDED
WITH AN OPPORTUNITY
TO LEARN ABOUT
INVESTMENT MANAGEMENT**

MEET SOME OF KURAMO'S INTERNS



JOHN OYADOUGHA

Investment Banking Analyst,
Financial Institutions Group (FIG),
Bank of America - London, UK

My internship at Kuramo Capital exposed me to different aspects of the private equity industry. It helped me determine the areas in which I excelled and those I needed to develop further. During my initial months with the firm, I was able to learn new skills while working across several departments and leverage my mistakes into personal and professional growth. Perhaps most importantly, interning at Kuramo helped me discover a career path I was passionate about and a skillset that I hope to hone throughout my career.



TOLANI FADEL

Senior Associate,
Door Dash,
New York, USA

My internship at Kuramo Capital was impactful because it was a total exposure to private equity. Regardless of my role as an intern, I was exposed to IC calls, presented market update at IC calls, built financial models and other deal documents, attended calls with existing and potential investee companies, got comprehensive briefing on term sheet negotiations, etc. These helped me to have a steep learning curve and was obvious during my application for the Bank of America Summer Internship in 2021. An internship at Kuramo is a rewarding experience and definitely a great career starter.



MAUREEN WAMBUI

Investment Analyst,
AHL Venture Partners –
Nairobi, Kenya

The internship gave me a leg up and opened a door for me in the private equity and venture capital space. Being a sector agnostic fund, I got insights into different sectors and geographies in SSA and reviewed several business models. I assisted in assessing pipeline opportunities, drafted investment papers and participated in dialogues with stakeholders. I personally valued working on hands-on tasks such as financial modeling and valuations. One of the best aspects of my internship was working with incredibly smart and experienced professionals. Overall, I carried a lot of transferable skills, and the internship opened a wide array of opportunities to transition smoothly into my next role.

EMPLOYEE ENGAGEMENT

Our people are our greatest asset, and we strive to create a culture that prioritizes the wellbeing and professional development of our employees. The Firm is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience and unique perspectives.

This commitment is embedded in the Firm's policy and the way we do business at Kuramo.

Every year, we conduct an anonymous survey that provides employees an opportunity to report on their experiences in the Firm and we use the feedback from this process to continue to improve employee welfare and satisfaction at Kuramo.

88%

**OF EMPLOYEES AGREE THAT
THE FIRM OPERATES IN A
SOCIALLY RESPONSIBLE
MANNER**

76%

**OF EMPLOYEES ARE
SATISFIED WITH THE
CULTURE AT KURAMO**

76%

**OF EMPLOYEES ARE
COMFORTABLE ABOUT
RAISING CONCERNS
WITHOUT FEAR OF
REPRISAL**

88%

**OF EMPLOYEES AGREE
THAT THE FIRM IS
DEDICATED TO DEI**

87%

OF EMPLOYEES BELIEVE
THAT COMMUNICATION
FLOWS SMOOTHLY
THROUGHOUT THE FIRM



40%

OF INVESTMENT
PROFESSIONALS
ARE WOMEN

48%

OF EMPLOYEES
AT KURAMO
ARE WOMEN

PART 8

LOOKING FORWARD

By expanding our ESMS, we have the opportunity to transform African communities – not just financially but also environmentally and socially.



Since our inception in 2010, our mission has been to drive private commercial capital into Africa. Our focus has been to generate returns for our investors whilst financially empowering African communities. In the last year, the increasing discussion about the interlinkages between ESG considerations and financial returns in the private equity space prompted us to rethink our role in shaping a more sustainable future. By expanding our ESMS, we have the opportunity to transform African communities – not just financially but also environmentally and socially.

Since our inception in 2010, our mission has been to drive private commercial capital into Africa. Our focus has been to generate returns for our investors whilst financially empowering African communities.

OUR KEY GOALS ARE TO:

- Integrate a more comprehensive set of ESG factors into our investment process.
- Enhance our research capabilities to ensure we remain abreast of best practices and reporting standards.
- Improve our monitoring systems to ensure we provide our stakeholders with increased visibility on our ESG operations.
- By improving our ESG operations, we strive to ensure that our investments result in improved sustainable practices alongside increased financial returns.

ACRONYMS

AUM Assets Under Management

BII British International Investment

CEO Chief Executive Officer

CFA Chartered Financial Analyst

CIO Chief Investment Officer

COO Chief Operations Officer

CSR Corporate Social Responsibility

DEG Deutsche Investitions und Entwicklungsgesellschaft

DFI Development Finance Institution

DGGF Dutch Good Growth Fund

DRC Democratic Republic of the Congo

EDFI The European Development Finance Institutions

ES/E&S Environmental and Social

ESMS Environmental and Social Management System

ESG Environmental, Social and Governance

FMCG Fast Moving Consumer Goods

IBIS IBIS Consulting

IFC International Finance Corporation

KAOF I Kuramo Africa Opportunity Fund I

KAOF II Kuramo Africa Opportunity Fund II

KAOF III Kuramo Africa Opportunity Fund III

NHEF Nigeria Higher Education Fund

PHC Plantations et Huileries du Congo

PRI Principles for Responsible Investing

SDG Sustainable Development Goals

SMA Separately Managed Account

UN United Nations

USA United States of America

ESG AND IMPACT REPORT

2022