

**INCREASING
INCOME.
IMPROVING FOOD
SECURITY.**

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Letter from the Board

Dear Reader,

The global environment in 2023/2024 remained fraught with significant challenges, reflecting an interconnected world grappling with geopolitical tensions, economic pressures, and environmental crises. Russia’s ongoing war in Ukraine continued to disrupt supply chains and global stability, while tensions in the Middle East and Asia Pacific, notably China’s assertive policies in the South China Sea and Taiwan Strait, added to an atmosphere of uncertainty. Meanwhile, in the United States, preparations for the presidential election dominated the political landscape, introducing volatility to markets and policies alike.

Economic conditions mirrored these challenges, with persistently high inflation and the specter of recession shaping financial markets and global investment strategies. Sovereigns as well as the private sector increasingly struggled with unsustainable hard currency debt burdens, narrowing fiscal spaces and limiting their ability to invest in infrastructure and social services. Many businesses faced rising costs and, in many cases, declining revenues. Additionally, limited access to hard currency posed significant challenges in several countries where AATIF operates.

Climate change also made its impact felt more sharply than ever. Severe droughts across Africa and catastrophic flooding in Pakistan and Southeast Asia underscored the urgent need for adaptation and mitigation measures. The historic commitment to phase out fossil fuels announced at COP 28 in Dubai marked a milestone in global climate action, but the scale and immediacy of the challenges demand significant investment in resilience-building, especially in the global South, where vulnerabilities are most acute.

Against this backdrop, AATIF remains steadfast in its mission to unlock the potential of Africa’s agri-food sector through sustainable investments. AATIF provides much-needed financing and technical support to enhance productivity, local processing, trade facilitation, employment creation, and resilience in agriculture, benefiting farmers, entrepreneurs, and workers across the continent. The Fund’s approach, including

a dedicated and independent Sustainability Advisor unites economic viability with social and environmental responsibility, ensuring its investments drive long-term, inclusive growth.

AATIF’s achievements during fiscal year 2023/2024

During the financial year AATIF continued to diversify its portfolio with new investments in financial institutions and agribusinesses alike. The Fund actively expanded its trade and warehouse financing activities, reflecting its commitment to strengthening agricultural value chains. Additionally, funding was extended to new warehouses and product lines to address critical financing gaps. Across 36 new and existing Partner Institutions, AATIF disbursed USD 113.7 million supporting innovative financing solutions and enabling broader access to capital, increasing funds disbursed since inception to USD 550 million.

One of the year’s highlights was the growing emphasis on strengthening partnerships. A key example was our collaboration with NMB Bank Tanzania during its issuance of a sustainable bond, where AATIF participated with a USD 20 million investment. This partnership not only supported the bank’s agricultural loan book, which has grown by 46% over the past years, but also enabled the delivery of innovative solutions such as input financing, working capital, and crop insurance for smallholder farmers, catalyzing climate-smart agriculture. Partnerships like these exemplify AATIF’s ability to leverage expertise and resources to drive significant, scalable impacts across Africa’s agricultural sector.

AATIF through its Partner Institutions (PI) reached more than 384,000 smallholder farmers and 32,000 agricultural workers and employees of the PIs across 17 countries on the African continent. AATIF direct investees delivered 717,000 mt of food and food-related products including maize, wheat, soya, rice and sunflower seeds. In addition, AATIF’s investees benefitted from 128 approved technical assistance projects since the Fund’s inception supporting the development of social and environmental management systems (SEMS), the



Michael Mörschel, Jyrki Koskelo, Doris Koehn (Chair of the Board), Thomas Albert



Claudia Huber

exploration of new markets and the improvement of operational processes among others.

Financial Performance

The Fund demonstrated resilience and strong growth in 2023/2024 allowing it to end the financial year with a surplus, having met all dividend allocations and interest payment obligations. By 31 March 2024, the net result of the investment activities amounted to USD 16.4 million. The Fund recorded a net profit of USD 9.5 million, attributed to higher interest income and successful recoveries totaling USD 11.6 million. Despite economic pressures, AATIF did not record any new asset defaults within the past 12 months.

Governance

The AATIF Board extends a heartfelt thank you to Jyrki Koskelo who resigned from the Board in September 2023. Jyrki has served as a member of the Board of Directors as well as the chair of the Investment Committee since 2011. Having been with the Fund almost since its inception, Jyrki has been integral to AATIF's efforts throughout the years.

We welcome Claudia Huber who joined the Board of Directors effective 1st of September 2023. Claudia joins with more than fifteen years of experience in financial inclusion and rural economic development from public and private sector perspectives, with proficiency working across Sub-Saharan Africa and Latin America.

Outlook

African economies are projected to remain resilient with a stable outlook for 2024-2025. The African Development Bank forecasts GDP growth to average 3.8% in 2024, comparable to global growth expectations

of 2.4%. Sovereign debt restructurings and liquidity improvements in local markets have begun to ease pressures in some regions. However, challenges remain, including adverse weather patterns, currency volatility, and the rising costs of debt servicing. These challenges, compounded by climate change, continue to impact domestic food security and overall economic stability.

In this context, AATIF's focus for the 2024-2025 financial year will remain on agribusinesses engaged in value-added processing, which have shown resilience and potential for growth despite rising costs and supply chain disruptions. Financial institutions with demonstrated outreach capacity in agricultural value chains and plans to expand their agri-footprint will also remain key partners. While high-interest rates are expected to temper the pace of investment activity, patient capital - offered through innovative and flexible financing structures—will be essential in enabling businesses to sustain growth and productivity improvements. In addition, AATIF is in the process of reviewing its investment strategy to account for increasing climate hazards and risks and to drive adaptation outcomes more intentionally across its portfolio.

Finally, we have concluded the transition of AATIF's investment advisory mandate from DWS to Cygnum Capital. Cygnum Capital assumed the responsibilities as the investment advisor on August 1, 2024.

We hope you find this report insightful and informative.
Your AATIF Board of Directors

Doris Köhn (Chairperson), Thomas Albert, Claudia Huber, Michael Moerschel

Letter from the Investment Advisor

Dear Reader,

The 2023–2024 financial year marked another period of both challenges and opportunities for AATIF. While external factors such as evolving geopolitical tensions, fluctuating global markets and increasing climate hazards, continued to impact agriculture, AATIF remained committed to its mission to deliver sustainable and impactful investments across Africa's agricultural value chains.

During the year, AATIF approved and disbursed a series of innovative investments aimed at fostering resilience and enhancing productivity. From supporting financial institutions to empowering agribusinesses, our portfolio reflected a deliberate focus on addressing critical bottlenecks in financing, capacity building, and risk mitigation. In line with AATIF's goals, we intensified efforts to drive sustainability outcomes, particularly in promoting climate adaptation and responsible financial practices across the continent. This proactive approach is particularly crucial as we face the realities of climate change, underscoring the importance of sustainable agriculture in ensuring food security for millions.

AATIF closed the following transactions during the course of the year:

- **Co-operative Bank Kenya:** In April 2023, AATIF provided a USD 20 million tier 2 capital loan to Co-operative Bank Kenya. The investment supports the bank's strategic focus on growing the agri-SME segment, which includes significant outreach to agricultural value chains across Kenya.
- **Robust International Pty. (Mozambique):** AATIF disbursed its first tranche of XXX to Robust International Pty. in June 2023, facilitating the purchase of sesame directly from farmers in Mozambique. Multiple drawdowns followed, ensuring sustained support for agricultural trade in the region.
- **Courtyard (Nigeria):** Also in June 2023, AATIF disbursed USD 800,000 to Courtyard for cocoa exports. This investment, conducted in partnership with the Scipion Active Impact Fund (SAIF), marked AATIF's entry into collaborative financing for cocoa value chains in Nigeria.
- **SAF Ingrédients (Senegal):** A long-anticipated EUR 2.8 million disbursement was finalized in July 2023 to support SAF Ingrédients in developing an onion processing factory. Despite initial delays in securing a suitable site, the project continues to benefit from the support by its strong shareholders that are back-stopping the project since inception.

- **Banque NSIA (Côte d'Ivoire):** In September 2023, AATIF extended a EUR 20 million facility to Banque NSIA following the successful repayment of its first loan. This investment aligns with Côte d'Ivoire's national policy to promote value-added processing of export crops like cocoa and cashews, further enabling the bank to expand its reach in agricultural processing.
- **NMB Bank (Tanzania):** In December 2023, AATIF participated in NMB Bank Tanzania's inaugural sustainable bond issuance with a USD 20 million investment. As a tier 1 national institution, NMB supports the agricultural sector with a range of solutions, including financing for smallholder farmers, agribusinesses, and insurance products. Its agricultural loan book has grown significantly, reflecting its role in filling gaps left by international banks in the region.
- **Afrisian/AFCOM (Regional):** AATIF's third investment in late 2023 involved a multi-borrower facility for Afrisian and AFCOM in collaboration with Nedbank South Africa. This collateral-managed facility finances trade flows, including fertilizer imports and sesame and cotton exports from Malawi and Mozambique.
- **Coris Bank (Burkina Faso):** In January 2024, AATIF disbursed EUR 15 million as part of its loan agreement with Coris Bank. The institution, which focuses on SMEs, serves approximately 2,000 agricultural clients, with an average loan size of USD 3,000. This investment supports Burkina Faso's agricultural sector and highlights the bank's growing presence in agribusiness financing since its founding in 2007 and its commitment to further expand in the sector.

Cygnum Capital took over the role as AATIF's investment advisor from DWS on August 1, 2024. Looking ahead, Cygnum Capital, together with AATIF's partners, stakeholders, and the broader agricultural ecosystem, will build on the strong foundation and continue to drive AATIF's vision of transforming the agri-food sector in Africa by fostering sustainable growth, building resilience, and improving livelihoods.

We thank you for your trust and continued support as we embark on this new chapter.

Yours sincerely,

Cygnum Capital
Investment Advisor

Letter from the Sustainability Advisor

Dear Reader,

The past year was driven by a multitude of sustainability themes, maybe first and foremost the widening gap in SDG financing triggered by geopolitical and climate crises that continue fueling the financial divide. As an impact investing fund, AATIF continued contributing to closing this gap by financing opportunities that couple strong social and environmental management with a positive impact orientation . The Fund also aligned its technical assistance offer to the AATIF impact management framework thus uniting all AATIF impact strategies along a common set of impact dimensions.

Impact Highlights

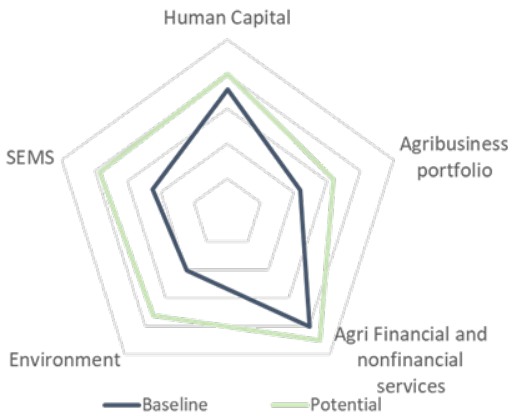
Last year, AATIF financed direct investee companies that produced 717’000 MT of food and food related products, including maize, wheat, soya, rice, and sunflower seeds. This figure presents the highest tonnage that AATIF supported throughout its lifetime! Even more importantly, this increase was driven by AATIF investee companies reaching out to more than 380’000 producers who are provided with market access and thus a springboard for growing their incomes and asset base. Furthermore, the AATIF investee companies employed more than 32,000 people which is an increase of one third. Overall, we see the AATIF continuously and steadily expanding its development impact.

The last year also saw AATIF’s very first investee company, Agrivision in Zambia, repay its final tranche and exit the active portfolio. Over the investment period, the company has undergone growth phases and adjustments to its business model. Along the final repayment, we conducted a rapid appraisal to validate the development impact that the AATIF supported with financing and various technical assistance projects. The report found a significant positive impact of the investment on the living and working conditions of employees, their families, and the communities, as well as on land development. For example, the overall number of employees increased from 105 (2010) to 215 (2023), the total land area under irrigation grew by 273%, and volumes of wheat production rose from 3,234 MT (2011) to 15,326 MT (2023). Furthermore, the appraisal found positive impact in productivity, sales volumes and revenues, and notably in S&E management. Some dimensions of impact were triggered only during specific growth phases, like outreach to producers during a

time when Agrivision owned a mill and sourced from farmers for its supply. The company also taught the AATIF lessons on impact measurement and several of the improvements that the Fund introduced in its impact measurement tools over the years were triggered by the positive relationship with Agrivision.

Impact Spider

This year, we continued finetuning the AATIF impact measurement tool. We adjusted the dimensions for AATIF investments in financial institutions and updated all impact spiders with historic – and new – impact data. You will find the progress that each AATIF partner institution is making towards achieving its impact potential in this Annual Report in a dedicated section titled “Impact Review”.



Capacity building for sustainability management
Capacity building is not only an important ingredient for improving business practices of AATIF investee companies but also for AATIF internally. Last year, we continued onboarding new AATIF colleagues through an induction training on AATIF’s sustainability management framework and procedures. In addition, several team members took up external training offers including members of the sustainability advisor team focusing on environmental and social risk management, impact management, and climate change. We are looking forward to further learning this year and applying it to the benefit of AATIF partner institutions and the ultimate AATIF beneficiaries who are the women and men as well as their families depending on the well-functioning of sustainable agricultural value chains across Africa.

Your ILO/UNEP-Team
Sustainability Advisor

AATIF impact



USD 343 m

invested and more than 18 countries impacted since Fund inception



> 717,000 MT

of food and food-related products produced and delivered by AATIF direct investees alone (including maize, wheat, soya, rice, cotton, and sunflower seeds, for human and animal consumption).



> USD 60 m

invested since inception using innovative structures such as revenue-based interest rates, collateral managed and risk sharing structures to promote the local food and agri industries at different stages.



AATIF PIs employ more than 32,000 people

100 % of AATIF PIs have or are developing occupational safety and health policies.



The workforce of AATIF PIs is composed of 40 % women

AATIF highlights

128

approved technical assistance projects in total since inception benefitting 36 AATIF Partner Institutions with ultimate beneficiaries across 17 African countries.

384,000

smallholders were reached by our investees.

14

Impact Briefs published since inception

All Impact Briefs are accessible through the AATIF website.



AATIF AT A GLANCE

Sustainability

AATIF integrates economic, social, and environmental considerations into its investment processes. It targets lasting and meaningful impact by its investment activity. By financing economically viable projects and economic activities the Fund ensures its capital can be utilized on a revolving basis, maximizing efficiency and reach. With a strong focus on sustainable development, AATIF complements early-stage development assistance programs—traditionally funded through grants or concessional financing—by providing financing on market-based terms. To promote responsible finance, AATIF extends funding exclusively to investees who commit to aligning with the Fund’s Social and Environmental (S&E) Policy and Development Impact Statement.

Additionality

AATIF targets a sector that lacks sufficient financial services, ensuring its resources address unmet needs without competing with the private sector where it already fulfills demand to the degree needed. This approach encourages positive “crowding in” effects by scaling up development assistance programs or bridging gaps between such programs and private-sector players. AATIF’s innovative approach to agricultural lending in Africa involves crafting unique loan structures, sharing risks with industry partners, and integrating loan products with insurance mechanisms to enhance resilience and effectiveness.

Governance Structure

The Fund’s shareholders elect the Board of Directors, which oversees AATIF’s operations and is responsible for its strategic direction. As the legal representative of the Fund, the Board of Directors holds exclusive authority over the administration and management of the Fund, adhering to AATIF’s founding documents and applicable laws and regulations. The Board of Directors appoints the Investment Committee, which evaluates and approves or rejects investment proposals submitted by the Investment Advisor. It also monitors the Investment Advisor’s activities to ensure alignment with the Fund’s objectives. The Investment Advisor provides strategic support and advice to the Board of Directors on fund management and operational matters.

Sustainability Advisor

To assess adherence to the Fund’s Social and Environmental (S&E) Policy and Development Impact Statement, AATIF partners with the International Labour Organization (ILO). As a specialized United Nations agency mandated to promote decent work, the ILO collaborates as the Fund’s Sustainability Advisor. It focuses on assessing social risks and impacts while collaborating with the United Nations Environment Programme (UNEP) to receive technical advice on environmental considerations. Together with UNEP and other expert partners, the Sustainability Advisor provides an independent opinion to the Investment Advisor and the Investment Committee prior to any

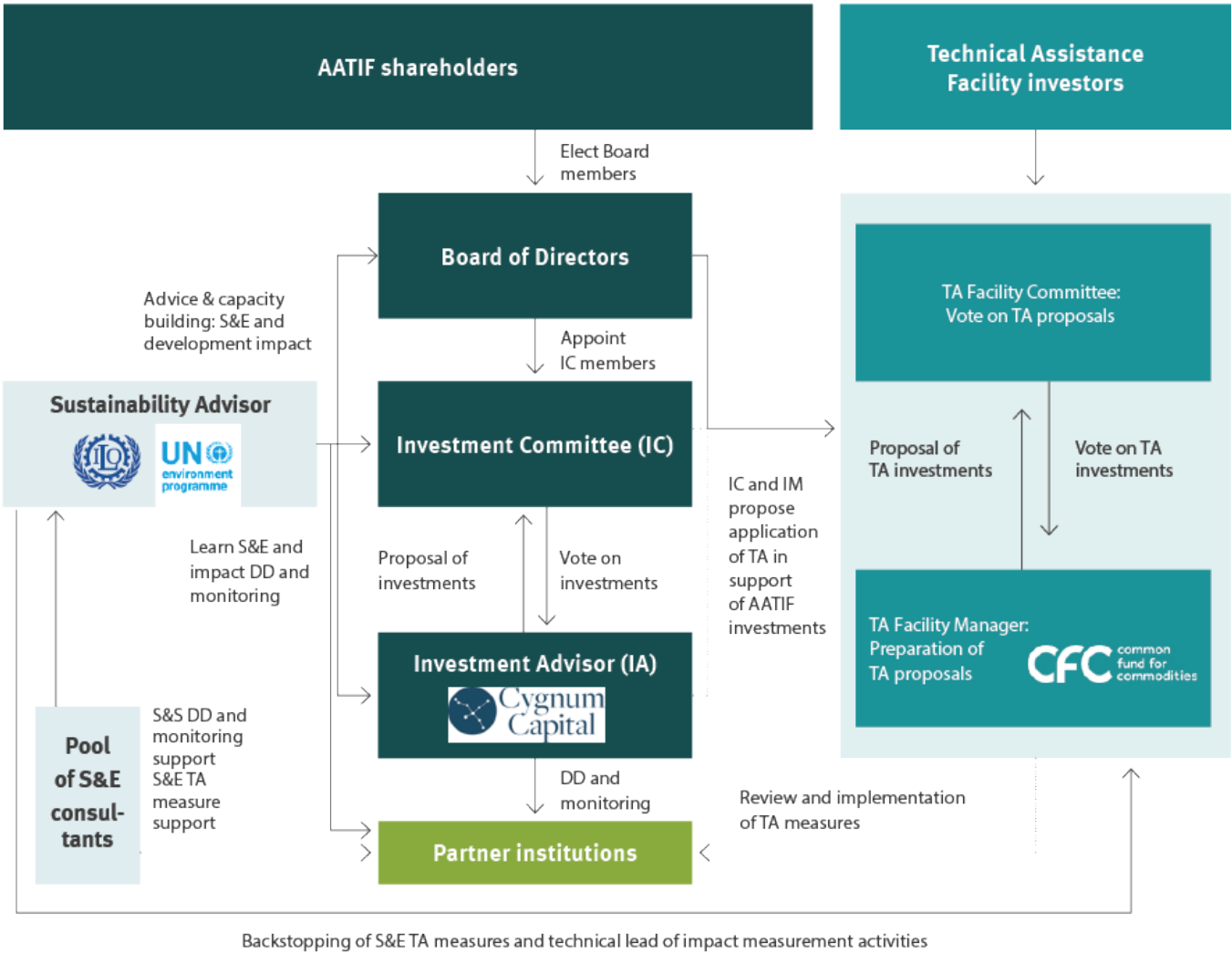
investment decision and supports the investments throughout the investment period to jointly improve their S&E and impact management practices.

Technical Assistance Facility (TA Facility)

To complement AATIF’s lending activities, the Fund’s Technical Assistance Facility (TA Facility) provides additional capacity-building support and facilitates knowledge dissemination in agriculture and agro-finance. The TA Facility is managed by the Common Fund for Commodities (an intergovernmental financial institution established under the United Nations framework) and plays a crucial role in strengthening the Fund’s impact. It is supported in its decision making

by the TA Facility Committee, which represents the Facility’s donor and the Fund, and supervised by the Fund’s Board. The TA Facility supports capacity-building initiatives, including tailored and hands-on assistance to investees to achieve compliance with the Fund’s Social and Environmental Policy and Development Impact Statement. Additionally, it helps improve agronomic, management, and credit analysis skills for Partner Institutions (PIs) and Final Beneficiaries by offering investment-specific support. Other activities include conducting scientific studies and trials to assess social impacts and the effects of climate change, further enhancing the effectiveness of the Fund’s operations.

Organizational structure



INNOVATION FACILITY

History and rationale:

At the end of 2017, AATIF set up the AATIF Innovation Facility, which was established to seed finance the Agricultural Leasing Company Zambia Limited (AgLeaseCo). The company received its operating license in 2018 and granted its first lease at the end of 2018. AgLeaseCo is an operational leasing company that offers mechanization equipment to Zambian small-scale farmers. The unique selling point of AgLeaseCo is to combine reliable and durable equipment of different scale to farmers with a financing structure that is adapted to the cash flow profile of farmers. The company partnered with major machinery supply companies such as SARO and AFRGRI. The partners supply tractors and smaller equipment along the ability to service these across Zambia through their regional outlets and repair shops.

In March 2024, the company served more than 1,000 clients, each of which cultivating less than 10ha. The company turned break even in the course of the last financial year and hence could deliver the proof of having a product in demand. While the drought in 2024 inevitably had a severe effect on the clients of AgLeaseCo the company has, thanks to its committed team, delivered a portfolio of clients each benefiting from access to finance and mechanization simultaneously.

Strategic options are currently pursued to support the further growth of the company and broaden the outreach to the Zambia farming sector.

>1,000
of mechanical equipment
supplied to smallholder
farmers facilitating farming
and increasing efficiencies



TECHNICAL ASSISTANCE FACILITY

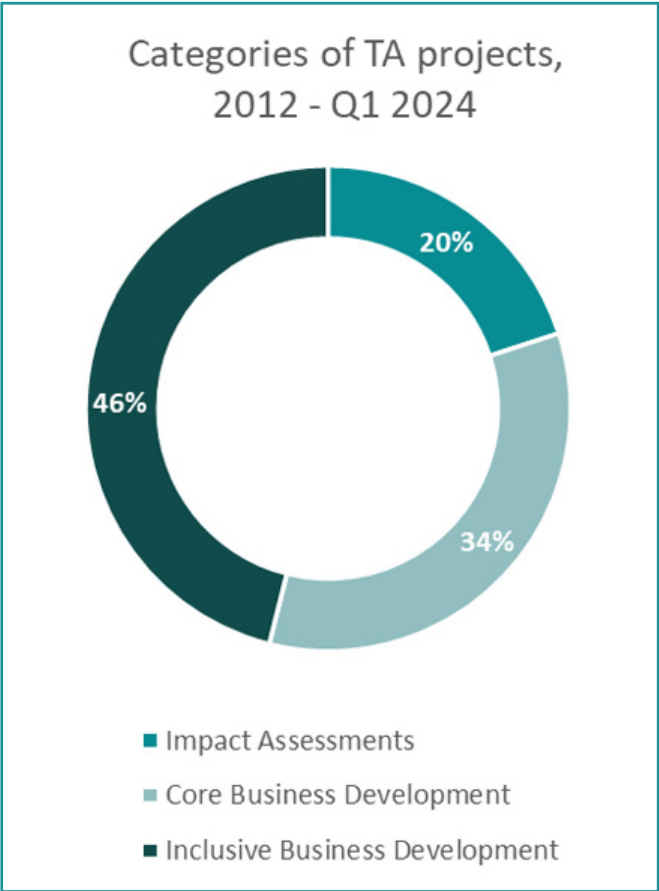
Mandate

The AATIF Technical Assistance Facility (TA Facility) accompanies AATIF’s financing activities with technical assistance support for its investees to maximize their development potential and achieve compliance with the Fund’s Social and Environmental Policy. Additionally, the TA Facility conducts standard impact assessments of all AATIF investments and pursues research and development activities to promote agri-finance in Africa.

Structure

The CFC, in its capacity as TA Facility Manager, has assigned selected team of CFC staff comprising expertise in tropical agriculture, project management, impact assessment, and financial administration. The team is dedicated to the identification, development, and management of AATIF TA Facility interventions. The activity of the TA Facility is supervised by the TA Facility Committee, which consists of representatives of TA Facility donors, Fund sponsors and independent experts. The committee is in charge to approve new projects, supervise the ongoing portfolio of activities and monitor progress in ongoing projects.

The AATIF TA Facility is financed with a total contribution of EUR 12m from the German Ministry for Cooperation and Development (BMZ). Besides donor funds, the AATIF Board can decide to allocate income of AATIF to the TA Facility in accordance with the waterfall.

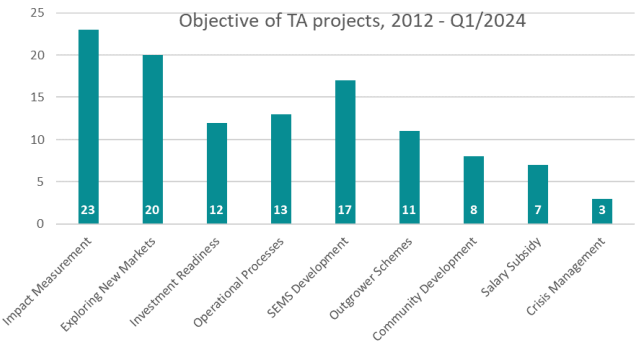


Performance since inception

In its 11 years of existence, the AATIF TA Facility Committee has approved 122 technical assistance projects with a total TA budget of EUR 8m. By 31 March 2024, 69 projects have been completed, 31 projects are under implementation, 8 projects are under preparation, and 14 have been cancelled. The projects have benefitted 36 AATIF Partner Institutions with ultimate beneficiaries across 17 African countries.

Examples of Technical Assistance projects

TA Facility interventions are diverse in size (ranging from EUR 6,000 to EUR 600,000) and scope. Technical assistance can be deployed throughout the complete “lifetime” of an AATIF investment and can even take place prior to the investment transaction close. TA interventions can be of more conventional assistance, such as providing expert services to address specific business-related challenges and opportunities, or market analyses. Other examples include the design and implementation of an outgrower scheme to enhance sourcing of raw material for an AATIF investee or expert advice to estimate (financed) greenhouse gas emissions.



Another area where the TA Facility frequently assists investees relates to the establishment of a sound Social and Environmental Management System (SEMS), which is a recurrent condition for receiving AATIF funding. While it is important that the ownership for the development of such a system is with the AATIF investee, the TA Facility, in

collaboration with the AATIF Sustainability Advisor, assists with targeted expert advice and backstopping, and provides coaching and capacity development for staff involved in managing the system.

Since development impact is a core feature of AATIF, the TA Facility routinely assigns external experts to conduct ex-ante and ex-post impact assessments of each AATIF investee.

Outlook 2024/2025

Climate-related challenges are an increasing concern for the agricultural sector across Africa, posing substantial risks to AATIF investee companies and the smallholder farmers within their sourcing networks. In the coming year, the AATIF TA Facility will continue to implement projects aimed at mitigating climate risks and strengthening adaptation measures both at company and smallholder farmer level to ensure more resilient agricultural practices. With the recent introduction of new climate-focused European legislation, such as the Sustainable Finance Disclosure Regulation (SFDR) and the European Union Deforestation Regulation (EUDR), the TA Facility Manager anticipates a growing demand from investee companies for TA to help them adapt to the new regulatory framework. For financial institutions, this includes projects aimed at mapping Scope 1, 2, and 3 greenhouse gas emissions and implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). For agribusinesses, there is a heightened interest in adopting carbon insetting methodologies in agriculture and pursuing certifications, such as Rainforest Alliance and Organic, to ensure the implementation of sustainable agricultural practices, reduce deforestation, and build resilient value chains.

The AATIF TA Facility entered 2024 with a substantial portfolio of active projects and several more in the pipeline. Looking ahead, the TA Facility Manager expects the primary focus for the coming year to be on project monitoring and effective implementation including tailored support onsite.

Supporting Rainforest Alliance Certification, Nigeria

TA project: To meet the growing demand for certified, deforestation-free produce, the TA Facility is assisting Courtyard in obtaining Rainforest Alliance (RA) certification for its cocoa. This certification, awarded in January 2024, will enable Courtyard and its buyers to shift towards deforestation-free commodity value chains, help detect instances of forest conversion, and support compliance with the EU Deforestation Regulation (EUDR) through improved monitoring and reporting.

In January 2024, the TA Facility Manager (TAFM) travelled to Nigeria to initiate the project alongside the Courtyard team. An expert consultant has been hired to guide Courtyard through the certification process. By the end of April, the Rainforest Alliance audit encompassed 1,011 farmers (including 594 women and 418 men), covering 5,000 hectares and an estimated production output of 2,000 metric tons.

Design of an Outreach Programme to Support Sesame, Pigeon Pea, and Soybean Farmers, Mozambique

TA project: The goal of the TA project is to assist Robust in mapping its soybean, sesame, and pigeon pea supply chains in Mozambique and to lay the groundwork for a farmer engagement and support program. This project involves creating training materials and developing a sustainable sourcing strategy. It also marks an initial step towards achieving the Sustainability Milestones outlined in the facility agreement between AATIF and Robust. Activities are anticipated to commence later in 2024, the selected consultant will work closely with Robust staff at their Singapore headquarters and their local team in Beira, Mozambique.

S&E capacity development and Upgrading of a Social and Environmental Management System (SEMS), Zambia

TA project: The TA project is designed to assist African Milling Company Limited (AML) in finalizing the establishment of its Social and Environmental Management System (SEMS). Over the past year, AML has made significant efforts to enhance its internal social and environmental (S&E) management capabilities. In early 2022, the company hired an S&E Officer and developed an S&E Action Plan to guide its progress toward meeting the necessary milestones for SEMS development. However, the Action Plan's scope is limited, and AML's management has indicated the need for further support to develop comprehensive processes, policies, and procedures required for a fully integrated SEMS.

Mapping Scope 1, 2, and 3 Greenhouse Gas Emissions, Côte d'Ivoire

TA project: The aim of this initiative is to support NSIA Banque C te d'Ivoire in mapping, measuring, monitoring, and ultimately reducing its scope 1, 2, and 3 Greenhouse Gas (GHG) emissions. This TA measure will also enable NSIA to effectively report its emissions to lenders, ensure compliance with the Sustainable Finance Disclosure Regulation (SFDR), and prepare for the anticipated implementation of Task Force on Climate-related Financial Disclosures (TCFD) recommendations by regulatory bodies.

The project is expected to be fully operational throughout the year. Initially, the consultant will measure the bank's scope 1, 2, and 3 emissions. Following this assessment, a capacity development program will be rolled out to train relevant staff, along with the creation of a comprehensive Action Plan aimed at reducing emissions. The second phase of the project will focus on executing the Action Plan and providing additional guidance to ensure its successful implementation.

2023/2024 AATIF Activities Report: Investments

At the end of the financial year, AATIF's investment portfolio encompassed 21 portfolio companies. The portfolio consisted of financial institutions (9) each with a dedicated agricultural client base to a variety of different types of agribusinesses. Along the banks, AATIF funded 12 agribusinesses active in a multitude of value chains. AATIF provided each company with a dedicated and tailor-made capital solution that supported the financing of long term investments, flexible financing for the procurement of inputs or structured solutions financing the flow of goods from farms to consumers and processors alike. The loan book of AATIF is evolving constantly to allow portfolio companies to minimize interest payments and support the efficient use of capital to the benefit of containing the costs of final goods sold to end consumers. The maturity profile speaks to this strength of AATIF being able to provide funding solutions along the needs of clients offering shorter and longer tenures.

C-Shares. By the end of the financial year AATIF had disbursed capital more than 4 times of the value of C-Shares which makes AATIF a true blended finance vehicle.

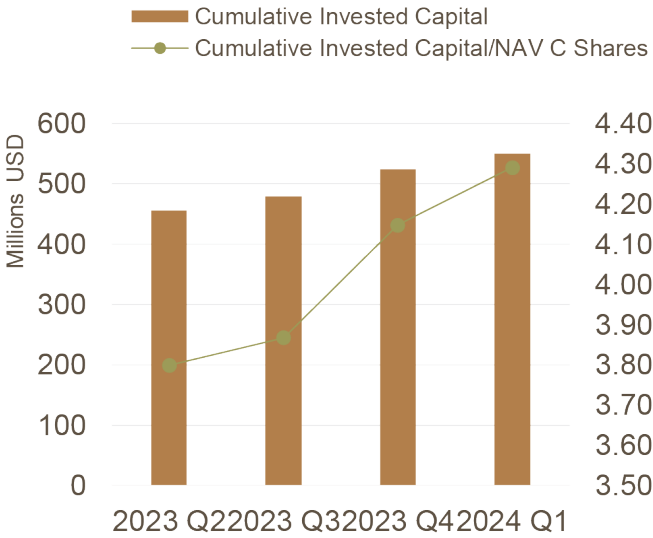
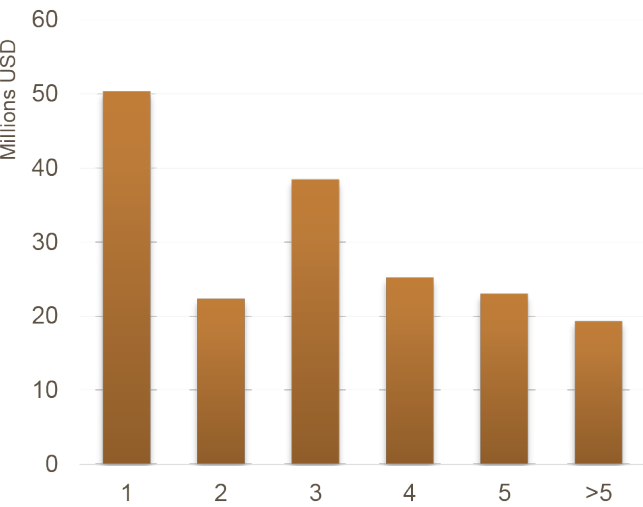
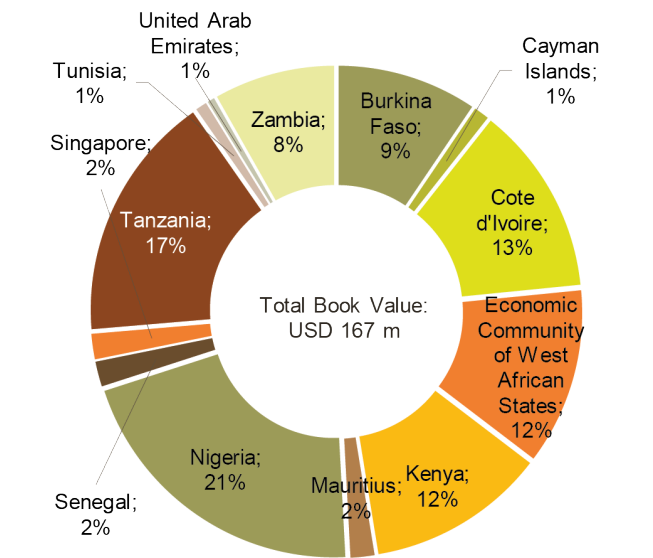


Figure: Maturity structure of the loan book



AATIF expanded its portfolio of Partner Institutions and further maximized the multiplication of the public sector capital which AATIF received in form of

Regionally, the fund had exposure to a broad range of countries which includes a granular portfolio of companies served in the ECOWAS region.



260 Brands (Seba Foods)

Seba Foods is a family-run business founded in 1997 as a subsidiary of Two Six Zero Brands Africa. The company's activities to date include purchasing, processing, packaging and shipping of maize and soya products for human consumption, with about 5% going into animal feed products. Their key products include textured soy as a meat alternative, powdered/instant drinks, corn soya blend (porridge), as well as snacks, where the company is among the top market leaders in Zambia.

The company's impact lies in their ability to be integrated from farm to fork – working with farmers at the start of the value chain and then further processing, packaging and marketing the final produce themselves. Through this unique position the company is able to positively impact various parts of the value chain. In partnership with local NGOs, 260 Brands has been able to engage with a group of farmers, supporting them with agricultural training, access to inputs, transport and more importantly a stable off-take market. Furthermore, the final products of the company include affordable and

nutritious snacks and drinks which are accessible by smallholder farmers. Many products are fortified, and others provide soy as a high protein alternative to meat which is often expensive.

Zambia has gone through a period of severe drought which impacted farmers and processors alike. Despite the challenges caused by the drought, 260 Brands continued its expansion of its processing capacity. The company received long term funding from the development finance organizations that became additional investors next to AATIF. The company further tested soy based products and began expanding to the surrounding countries.

Social and environmental review

In the reporting year, Seba Foods (260 Brands) took notable steps to enhance its social and environmental performance management. The company adjusted its terms of employment in response to national labour regulations that came into effect in January 2024. The new regulations led to changes in the minimum wages and conditions of employment. The Collective

PORTFOLIO COMPANIES



Bargaining Agreement is still in place and members of the union increased to 56 (5 women, 51 men) from the previous years’ 50 (3 women, 47 men).

In support of improving working conditions, a lot of work went toward capacity building on environment, health and safety (EHS). With AATIF Technical Assistance support, 30 workers including management received training on EHS in September 2023. The training provided mentorship and enhanced employee capacity to identify areas of improvement to better manage environmental, health and safety risks and impacts. Training modules were developed, providing a foundation on which Seba can continuously update. Seba started implementing recommendations from the capacity building exercise. For instance, the EHS committee started conducting monthly internal audits in November 2023 and prepared the training plan of 2024.

The company is continuing to implement interventions to promote resource efficiency in meeting its energy

and water demands. The interventions include steam recovery from the boilers which enhances energy efficiency and reduces emissions from combustion. The coal fired boiler was substituted with a diesel fired boiler which provides more efficiency and less emissions. Clear roofing sheets are installed to maximize natural lighting. Water from the effluent treatment plant is recycled and used for cleaning within the premises.

Emissions from Seba’s operations continue to be monitored and reported to the Zambia Environmental Management Agency. Measurements of the noise, dust, stack emissions and effluent discharged were reported to be within the statutory thresholds. Seba has also been ensuring that expansions into new operations undergo environmental impact assessment and environmental permits are obtained. As seen with the effluent treatment plant and new plant-based processing plant whose permits were obtained before commencement of operations.

Area of improvement as per loan agreement	Status
Condition Precedent: Undertake the Environmental Audit of the plant in Lusaka and the regional depots and submit the Environmental Project Brief to the Zambia Environmental Management Agency (ZEMA)	Completed
Designate an S&E coordinator	Completed
Develop missing components, maintain and regularly update its SEMS	Ongoing
Develop and regularly update an S&E Action Plan	Ongoing
Introduce regular training on S&E risk and impact management	Ongoing
Review and update procurement policies and procedures, with a focus on S&E considerations (e.g. biodiversity conservation, natural resource management, working conditions).	Ongoing
Review and update its human resources manual and procedures, including grievance mechanisms	Completed
Carry out periodic assessments and audits of OSH issues at workplace	Ongoing
Monitor air emissions, effluent discharges, ground water levels and keep records of waste streams to ensure compliance with regulations and promote resource efficiency	Ongoing



TA measures
In March 2022, the TA Facility launched a project to support Seba Foods by commissioning an expert to undertake a qualitative market study to propose viable marketing strategies, product designs, and branding for a new soymilk product line. The consultant conducted research on consumer preferences regarding taste, packaging, and branding. The results supported Seba Foods management in making informed and fact-based decisions on marketing and branding with the aim of successfully launching the new products in the local market as the first and only locally sourced and produced soymilk products in Zambia.

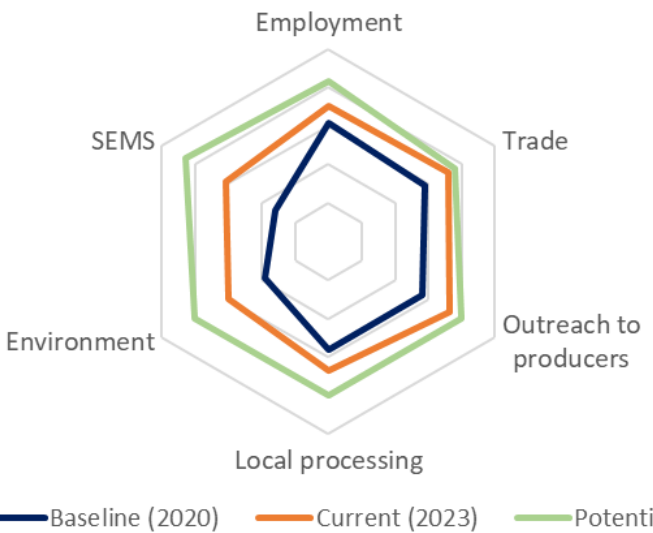
Another TA project, launched in July 2022, assists Seba Foods through establishing the new permanent position of Environment, Health and Safety (EHS) Office, tasked with developing internal capacity on environmental and social management. The TA Facility is supporting by partly subsidizing the salary of the new staff member for an initial two-year period, as well as by providing additional funding for capacity development measures centred around improving the health and safety of employees and the production plant.

Impact review
In 2023/24, Seba achieved impact in local processing and outreach to local producers. The plant-based processing plant was completed, and officially launched in October 2023 where the Minister of Commerce, Trade and Industry commissioned the factory. It is reported to be the first plant-based milk processing factory in Zambia. Seba obtained Ecocert organic certification for the USDA National Organic Programme.

As the company continued to implement its organic soybean project, topics addressing child labour, deforestation and encroachment into natural habitats were incorporated in the farmer trainings. Training of

trainers continued for agronomists and lead farmers to develop their capacity to provide the required farmer support. To further enhance its outreach to producers, Seba partnered with Nature Conservancy Zambia to improve farmer training on conservation farming and distribution of seeds. Through the partnership, Seba will update its farmer training materials, and focus on engaging more women and youth under the organic soyabean project.

Seba ended the year 2023 with 228 permanent staff (30 women, 198 men) and 84 casual workers (2 women, 82 men). This represented an increase of about 19% among permanent workers from the previous years’ 192 permanent staff (28 women, 164 men) and a reduction by about 68% of the casual workers engaged. Among the permanent workers, there was an additional 2 women and 34 men, some of whom transitioned from being hired as casual workers.



An impact brief summarizing the main findings of a baseline rapid appraisal conducted in 2021 is available on the AATIF website.



Agrivision Zambia

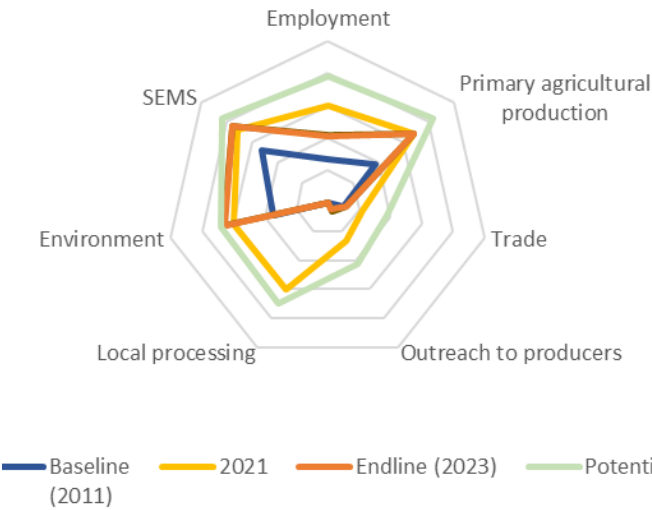


The Agrivision transaction is AATIF’s first and longest running investment, which was closed in October 2011. AATIF extended a facility of USD 10 m to the benefit of Agrivision Zambia for the expansion of its Mkushi farm from about 400 ha to 1,686 ha. The farm development also included the installation of irrigation systems. Agrivision began redeeming the facility since 2015 and finally repaid the funding in full in the course of 2023. The transaction underwent multiple cycles which proves the need of a long term orientated and flexible funding solutions. With the full redemption, AATIF has transitioned out of its very first investment with a proof of concept and with the positive contribution that the equipment financed by AATIF continues to operate and forms the basis for supplying maize, wheat and soy for the regional market in and surrounding Zambia.

Impact review

During the whole investment period spanning from 2011 to 2023, Agrivision has undergone different growth phases and adjustments to its business model. Alongside the final repayment, we conducted a rapid appraisal to validate the development impact that

the AATIF supported through its financing and several technical assistance projects. The report found a significant positive impact of the investment on the living and working conditions of employees, their families, and the communities, as well as on land development. For example, the overall number of employees increased from 105 (2010) to 215 (2023), the total land area under irrigation grew by 273%, and volumes of wheat production rose from 3,234 MT (2011) to 15,326 MT (2023). Furthermore, the appraisal found a positive impact in productivity, sales volumes and revenues, and notably in S&E management. Some dimensions of impact were triggered only during specific growth phases, like outreach to producers during a time when Agrivision owned a mill and sourced from farmers for its supply.



AFCOM

AFCOM Trading DMCC is a UAE based agricultural commodity trading company founded in 1994. AFCOM has sister companies in several countries in East and Southern Africa i.e. Tanzania, Malawi, Uganda and Mozambique whose focus is primarily on handling the sourcing, value addition, packaging and in-land logistics (in-bound and out-bound) of various agricultural commodities such as oil seeds, spices, nuts, pulses, cotton, coffee, sugar, rice and fertilizer. AFCOM acts as a trading desk and therefore handles marketing and customer relations, fulfillment of orders from clients, import and export logistics as well as finance. Whereas rice, sugar and fertilizer are imported to Africa, all the other commodities are exported to markets such as Europe, Vietnam, India, China, Japan, Turkey, Bangladesh, Malaysia and Indonesia. There is also some intra-Africa trade involved although not as significant compared to ex-Africa exports.

Social and environmental review

Having entered the AATIF very recently, Afcom used its first year in the AATIF active portfolio to develop a Social and Environmental Management System and start its application in operations in Tanzania and Mozambique. In 2023/24, the company appointed a Social and Environmental Coordinator to oversee S&E management and developed a Social and Environmental Action Plan to implement and monitor S&E measures jointly identified with AATIF.

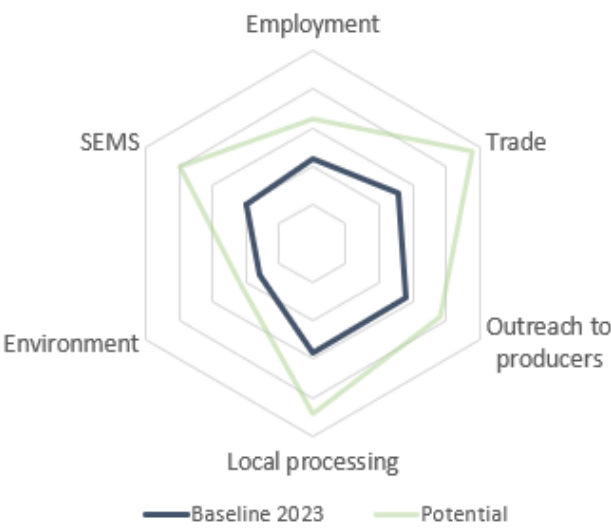
An environmental audit conducted at the company’s ginnery in Shinyanga (Tanzania) found that the company is compliant with main environmental and workplace safety regulations of Tanzania, including on noise, dust and air emissions. The auditors recommended to introduce sorting of solid waste, enforcement of PPE wearing at the workplace and translation of warning and safety signs into Swahili.

Area of improvement as per loan agreement	Status
Appoint a Social and Environmental Coordinator to oversee and coordinate S&E management of AFCOM as well as coordinate its S&E reporting to the AATIF	Completed
Develop a Social and Environmental Action Plan	Completed
Develop a Social and Environmental Management System to ensure that all social and environmental risks and impacts are identified and appropriate management measures are put in place	In progress
Develop a stakeholder engagement strategy	Not started
Improve management of labour and working conditions (human resources manual, formal grievances mechanism, third-party working conditions verification).	In progress
Increase workplace safety (occupational safety and health (OSH) policy including for supply chain, emergency preparedness and response procedures, OSH audits and implementation of recommendations).	In progress
Increase resource efficiency and pollution prevention	In progress
Improve supply chain management (code of conduct for suppliers including S&E requirements, S&E provisions in agreements with farmers, farmers’ groups and agents, sensitization on appropriate handling and use of fertilizers)	In progress

Impact review

As one of the most recent investees in AATIF’s portfolio, Afcom is still to create measurable impact. The expectation is that the investment will contribute to several AATIF impact dimensions, with different expectations across both countries:

Tanzania



Mozambique



African Milling Limited (AML)



African Milling Limited (“AML”) has been a client of AATIF since 2019. The investment was the Fund’s first collateral management facility with the mission of addressing a critical funding gap in the market. The facility provided by AATIF is a combination of working capital and a warehouse financing solution which allows the processor of consumer products to purchase raw inputs from Zambian farmers during harvesting period.

Initially, AATIF provided USD 11m in funding but increased this to USD 15m to accommodate the growth the company has achieved through AATIF’s facility. United Bank of Africa Zambia is supporting the facility by providing the necessary operational backbone to the structure.

Social and environmental review

In 2023/24, AML continued to implement measures to enhance social and environmental management within the company. The company expressed interest in obtaining ISO certification relevant to its operations for improved efficiencies and productivity and, with

support of AATIF Technical Assistance Facility, developed a roadmap for respective ISO certification. Furthermore, the company started negotiations on the renewal of the Collective Agreement in 2023 and membership to the trade union increased slightly to 102. The company also confirmed its compliance with new national regulations on minimum wages and conditions in Zambia, which came into effect on January 1, 2024.

AML improved its emergency preparedness, for example, the company clearly marked assembly points and updated the emergency contact list at all department entry points. Furthermore, the company installed a water treatment system in 2023/24 and continued the bi-annual testing of water quality. In addition, the company conducted a waste management audit and implemented several improvements recommended. AML also developed a stakeholder engagement plan and grievance procedures to ensure that all internal and external grievances are recorded and addressed promptly.

Area of improvement as per loan agreement	Status
Review and integrate recommendations made in the Social and Environmental Audit Report and AATIF Social and Environmental Assessment Report, for the existing facilities and expansion plan, into the Social and Environmental Action Plan	Completed
Recruit a social and environmental coordinator within 3 months of facility disbursement	Completed
Develop a social and environmental management system within 18 months of facility disbursement. Thereafter maintain and regularly upgrade SEMS, including sufficient allocation of resources	In progress
Implement and regularly update the Social and Environmental Action Plan	Ongoing
Introduce training on social and environmental risk and impact management	In progress
Undertake social and environmental audits of all activities likely to have adverse social and environmental impacts	Ongoing
Develop and implement, together with workers and their representatives, an occupational safety and health policy, procedures and management system, that includes but is not limited to, periodic assessments and audits of occupational safety and health issues at the workplace, detailed accident reporting and investigation, training for employees on occupational safety and health issues (e.g. first aid, fire prevention, housekeeping), regular fire drills, and personal protective equipment.	Ongoing
Introduce measures to control air and greenhouse emissions, such as controlling, measuring, monitoring dust and particulate matter, proper maintenance of generators to ensure efficiency.	Ongoing



TA measures

In early 2020, the TA Facility commissioned a market study of maize flour product differentiation for AML. The study informed AML management on viable options to diversify its product range, and provided associated marketing strategies, which would additionally enable AML to make full use of its maize mill all year round. As a result of the study, the expert delivered a market study and branding strategy for fortified maize products. AML moved forward with the recommendations and undertook a trial launch of the new product.

In 2021, the TA Facility supported AML in designing a sustainable sourcing strategy to enable the company to increase its purchase from smallholders while ensuring that the purchased maize is produced in a sustainable manner.

In 2023, the TA Facility supported AML to finalise the establishment of its SEMS. Over the past year, AML has made active efforts to strengthen its internal S&E management. In early 2022, an S&E Officer was onboarded, and an Action Plan was developed to support the company to complete the necessary milestones for developing a SEMS. However, the Action Plan is limited in terms of scope and additional support is required to assist the company to develop the relevant processes, policies, and procedures necessary for a comprehensive SEMS. As of end-April 2024, the TA Facility Manager is finalising the selection of a suitable consultant to undertake the project.

Impact review

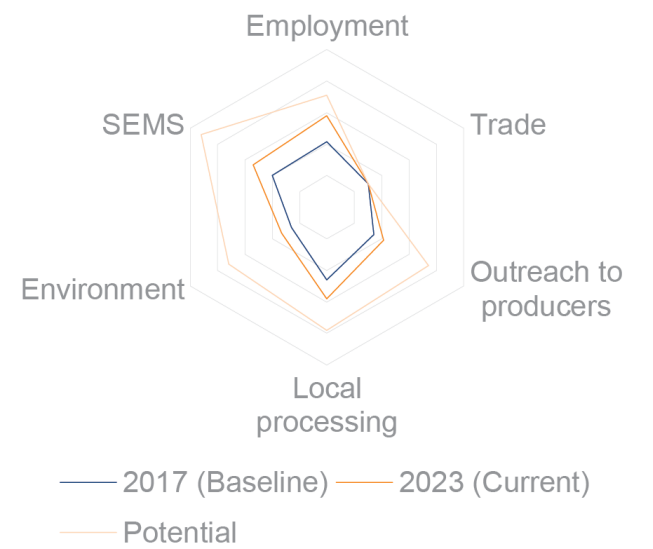
For 2023/24, AML’s impact on local processing, trade and outreach to producers remained relatively unchanged compared to the previous year, see graphic below.

Over the years, AML saw an increase in the number of permanent employees from 195 workers (191 men, 4 women) in 2017 to 389 workers (357 male, 32 female) in 2023. 80% of employees at AML come from the community around the plant. To further improve working conditions, AML provided new changing rooms and started offering meals (lunch and dinner) in its in-house canteen to all its employees working at the plant in the reporting period.

AML continued to improve its S&E performance, as described above. The company prepared a comprehensive Environmental Safety and Health

training plan for 2023. Worker participation in areas of monitoring also improved through the various AML committees.

The volumes of maize and wheat processed have been increasing over the years. Notably in 2023, where volumes are up to 119,437 MT of maize from 88,000 MT the previous year, while wheat volumes increased slightly to 35,382 MT.



An impact brief summarizing the main findings of a baseline rapid appraisal from 2020 is available on the AATIF website.



Amsons



Amsons Industries (T) Limited is a family-owned business that was founded in 2012 in Tanzania, in order to diversify Amsons Group, whose main business operations historically involved trading in petroleum products and transportation. Having started with a sole focus on cement production, the company eventually diversified in 2014 to provide wheat storage services to third parties. Later, in October 2017, the company set up its own wheat mill with a total capacity of 150 MT/day, using the brand name “Camel Flour” for its wheat milling operations. Demand for wheat flour in Tanzania and other neighboring countries increased steadily over the years, creating an opportunity in the market for the company to grow its operations.

Spurred by a successful year of milling operations, AATIF concluded financing facilities amounting to USD 15m in 2019 to finance the construction of an additional wheat mill with a capacity of 350 MT/day, and an accompanying working capital line. As AATIF’s first direct investment in Tanzania, funding provided has been used to create job opportunities and promote local value addition. Through continued cooperation with AATIF, the company has been able to continue with its ongoing initiative of sourcing more local wheat and to support farmers in improving the quality of the local wheat crop.

Social and environmental review

Within the frame of its Social and Environmental Management System, Amsons conducted an environmental audit for the wheat mill in Dar es Salaam. The audit report was submitted to the National Environment Management Council (NEMC) in December 2023. The audit took stock of the environmental and occupational health and safety (OSH) performance of Amsons milling operations and identified potential improvements:

- Strengthening the existing emergency response measures
- Strengthening the existing wastewater management
- Continue devising and implementing measures to minimize noise and dust impact on workers

Importantly, the audit noted that Amsons established measurement records related to water use, waste generation, energy consumption, noise and dust emissions, which allows benchmarking for future audits as well as compliance monitoring.

Area of improvement as per loan agreement	Status
Formal commitment to integrate sustainability as guiding principle across business operations	Completed
Prepare a Social and Environmental Action Plan integrating results from the initial Social and Environmental Audit, recommendations made in AATIF’s Social and Environmental Assessment Report as well as any other conditions or requirements from the National Environmental Management Council and other authorities	Completed
Complete the development of a Social and Environmental Management System within 18 months and thereafter maintain and regularly update the system including allocation of adequate resources	In progress
Within the frame of the Social and Environmental Management System, undertake regular social and environmental audits of all activities likely to have adverse social and environmental effects	Ongoing,
Ensure that dust and noise levels within the wheat milling plant are continuously measured and recorded and are within permitted levels.	Ongoing, satisfactory implementation
Obtain all relevant permits and licenses including but not limited to those related to use of the borehole, effluent discharge, occupational health and safety and fire safety	Ongoing, satisfactory implementation
Develop a grievance mechanism for workers and for affected communities and other stakeholders	In progress
Include clauses on the management of social and environmental issues in the Memorandum of Understanding with outgrowers, including labour and working conditions as well as sustainable agriculture practices and a commitment from the company to follow good practice with regards to responsible contract farming operations	In progress

TA measures

In early 2020, the TA Facility launched a project to support Amsons’ food brand Camel Flour by financing an expert to design and develop an implementation plan for a wheat outgrower scheme that will support the company in increasing its local sourcing of wheat in Tanzania. The consultant identified several challenges to be overcome but the overall indications are positive that a sourcing model can be established.

In 2021, the TA Facility launched a project to support two Camel Flour junior millers to attend the miller apprenticeship professional programme offered by the African Milling School in Nairobi, Kenya. One apprentice completed his training in August 2022, and a second miller has since been enrolled. The objective is to qualify and capacitate Camel Flour’s junior milling personnel to take over leading mill positions when the current senior staff retire. This will support Camel Flour’s endeavour to ensure the identity and quality of the company’s flour and production processes are preserved over time.

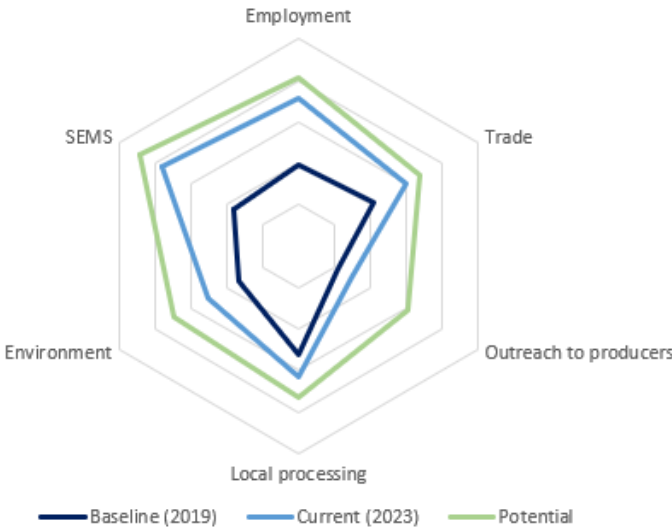
Impact review

Over the years, Amsons has been gradually increasing the amount of wheat it sources from local smallholder farmers: 2,300 MT in 2021, 2,980 MT in 2022, and 3,800 MT in 2023. The potential for local purchasing remains but is dependent on the implementation of the government block farming initiative to promote local wheat production in Tanzania. The Ministry of Agriculture released guidelines for the engagement and contracting between wheat farmers and industry owners buying the locally produced wheat to promote transparency and risk management. Amsons is close to these developments as it is represented in the national working group developing the block farming framework.

Like other companies in Tanzania, Amsons was hit by power shortages caused by heavy floods in Q3 of 2023 and a government initiative to replace electricity poles in Q1 2024. This caused processing activities to temporarily go down, but did not affect the overall production volumes processed in the entire period where quantities of wheat products remained relatively the same at 30,000 MT.

On the employment side, Amsons reduced its permanent staff to 150 (120 men, 30 women) from the previous years’ 180 (150 men, 30 women) in 2023/24. The number of casual workers increased to 105 from 90 people.

The environmental audit held during the reporting period helped the company to identify measures for energy efficiency and water savings and marks progress towards improving resource use in the company’s operations. In addition, the audit raised the Amsons’ awareness of greenhouse gas emissions and introduced the company to potential measurement and control measures that it could consider and thus reduce its footprint.



An impact brief summarizing the main findings of a baseline rapid appraisal from 2020 is available on the AATIF website.



CKL



CKL is a leading animal health and agricultural inputs company in Eastern Africa, and is the franchise distributor of the ‘Coopers’ range of products. The Coopers brand traces back to its roots in Berkhamsted, England where the first chemical treatments were developed under the “Cooper” name which developed into a global brand under the ownership of the Wellcome Trust (biomedical research charity based in London) in 1959. CKL has continued to deliver high quality products and solutions for livestock farming in Kenya since 1906 and has recently ventured into crop protection products to expand its product offering to farmers as well as capture more value from the markets it already serves. The company remained profitable over the years with an average growth rate of 8% over the last 5 years and has grown both its supply base (finished goods and raw materials) as well as distribution network to 13 regional distributors reaching over 6,000 stockists spread across Kenya. The company also has a distribution network reaching into other East African countries such as Burundi, Tanzania, Rwanda and Uganda with the first two being served by independent distributors while the latter two are served through CKL’s sister companies, namely CKL Rwanda Limited and Cee K-Brands Limited respectively.

Social and environmental review

CKL continued implementing further environmental measures and tracking, on a monthly basis, data

regarding the company’s use of water and electricity as well as waste generated. On the social side, the company continued recording near miss incidents. These activities help the company develop risk prevention measures which ultimately increase productivity of operations. The company continued implementing the Kaizen system on continuous improvement for increased productivity which it had successfully piloted last year.

During the reporting year, CKL also continued to support employee wellness at the workplace, which included establishing a book club and providing staff with mental health mentoring sessions. The peer-nominated category for the company’s annual staff excellence awards for unsung heroes to recognize employees that was launched the previous year continued with positive feedback from employees.

CKL continued providing training to employees, where 39 workers benefited from training on occupational health and safety, good manufacturing practices and sustainability topics. Plans are underway to conduct an assessment and identify capacity development needs for its Sustainability Committee which was established in 2021 and since has driven several sustainability initiatives in the company.

Area of improvement as per loan agreement	Status
Complete ESIA for the new production project site at Kiambu Site in line with relevant regulations and Tatu City Limited SEA approved conditions and submissions of draft ESIA report.	Completed
Obtain NEMA licence for the new production project site at Kiambu Site.	Completed
Implement conditions attached to its NEMA license for the new production project at the Kiambu Site.	Completed and Ongoing
At all times, employ qualified personnel responsible for managing safety, health and environment issues as well as quality assurance.	Completed and Ongoing
Follow good international industry practice on safety, health and environment, and quality assurance; and submit relevant documentation to the AATIF Compliance Advisor, including committee meeting minutes, audit reports, and capacity building activities.	Completed and Ongoing
By no later than the indicated deadlines, address recommendations of the 2016 annual audit reports and each subsequent annual audit report in relation to safety, health and environmental matters.	Completed and Ongoing
By no later than 30 June 2018, update the human resources policy in relation to the role of the human resources manager and the grievance mechanisms, include a provision for union membership and collective bargaining, and increase details of employment conditions in either its human resources policy or employment contracts (e.g. through an annex).	Completed
Address staff anxiety related to company relocation.	Completed
Apply for effluence disposal licence to the sewer line at the Kiambu Site where relevant	Completed
Observe the riparian reserve bordering the Kiambu Site.	Completed
Immediately inform the AATIF of any land-related conflicts as soon as the same comes to the Borrower’s knowledge, including, without limitation, unauthorised use of or trespass to the Kiambu Site by Maasai or other nomads or unplanned settlements arising on land bordering the Project Land	Not triggered

TA measures

To strengthen CKL’s coordination of sustainability initiatives and external and internal communication capacity, in 2019 the TA Facility decided to co-finance the salary of the newly created permanent position of Group Sustainability Coordination and Communication Manager at CKL Africa Ltd. for three years. As a result, the Group Sustainability Policy was delivered in April 2020, a sustainability menu is now available on the CKL website, and environmental and social issues are

addressed at all levels of the organisation. During the reporting period, the position continued to exist and was fully financed by CKL.

Furthermore, in November 2020, the TA Facility financed an independent consultant to provide the company with scenario analyses of how the COVID-19 pandemic may operationally and financially impact the company. As a result, CKL was provided with different options of how to cope with the situation during and post-COVID-19.

In 2020, CKL approached the TA Facility seeking support for financing the design and development of architectural/ engineering plans for two new state-of-the-art production facilities for manufacturing veterinary pharmaceuticals and agricultural pest control products. An expert was contracted through the TA Facility at the end of 2020 and the final designs were delivered in early 2021.

As of end 2023, the TA Facility is supporting CKL through partly subsidising the salary of the new permanent position of Seed Business Development Manager to support the commercial introduction of a new climate resilient seed range.

Impact review

After six years of the relationship with AATIF, CKL continues to create considerable impact on employment, producer outreach, environment and SEMS as illustrated in the graphic below.

The total workforce remained the same at 151 as the previous two years, however with a 20% increase in minimum daily wages to casual labourers. The number of workers belonging to the union were 31 (25 male, 6 female) in 2023 and the company supported negotiations for renewal of the Collective Bargaining Agreement (CBA) which was expiring at the end of the year.

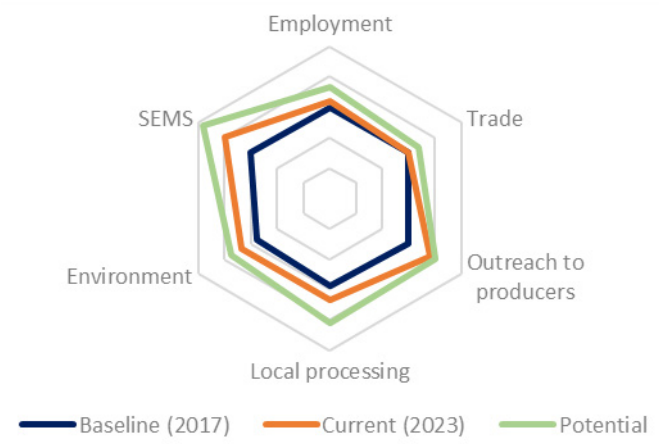
In terms of use of renewable energy, the company continues utilizing the solar energy installed to supplement energy from the national grid in the plant in Tatu. Solar energy accounts for up to 45% of energy during hot seasons and 20% in the colder seasons. The company continues to track sustainability indicators on water, energy and waste.

In the reporting period and in compliance with Kenya’s Sustainable Waste Management Act of 2022, CKL successfully transitioned from the Kenya Extended Producer Responsible Organisation (KEPRO) to the Hazardous Waste Producer Responsibility Organization of Kenya (HAPROK). The company plans to submit an Extended Producer Responsibility (EPR) plan to the National Environment Management Authority (NEMA), along with post-consumer packaging data. CKL strengthened its strategic partnerships to cover farmer training. These efforts resulted in an increase in the number of smallholders reached by about 59% to 139,659 in 2023 from 87,911 in the previous year. Training by CKL also reaches employees of commercial farmers,

i.e. 2,209 commercial farmers in 2023. The company’s trainings also reached about 232 intermediaries, namely feed millers, veterinary clinics, pet stores and inseminators. A larger pool of producers benefits from knowledge transfer through radio, television and the company’s website (estimate: 8 million).

The prolonged drought that Kenya experienced ended in 2023. The rains, although they arrived later than expected, marked a change and positively impacted agricultural production in the country. In turn, farmers’ purchasing power recovered and increased demand for CKL products.

To date, the Eco Care Tree Planting project has raised 2,251,108 tree seedlings, transplanted 1,884,824 tree seedlings with a survival rate of about 85%. At the end of year, the Eco Care nursery had a total of 86,907 seedlings.



An impact brief summarizing the main findings of a baseline rapid appraisal from 2018 is available on the AATIF website.



Co-operative Bank

Co-operative Bank is a diversified universal bank serving retail, SME and corporate customers across various sectors in Kenya and offering products such as consumer loans, mortgages, asset finance, capex loans, trade finance, treasury, wealth management and insurance.

Co-operative Bank was initially registered under the Co-operative Societies Act in 1965 with the aim of providing financial services to the Co-operative sector in Kenya. It serves close to 6,000 Co-operatives across sectors such as agriculture, transport and housing. Co-operative Bank is NSE listed with around 100k shareholders following a successful IPO in November 2008 (current market capitalisation of around USD 670m).

Along DEG, AATIF supports the bank with a long term loan facility which is supporting the regulatory capital base of the bank. The transaction allows the bank to expand its loan book without having to raise further equity in the local markets. Post Covid period all banks had to cope with an increase in funding demands due to the inflationary effects that have spiraled further during the Russian war against Ukraine unfolding its effects into global markets. The need to meet funding demands from its clients has put all national banks at the forefront

to support the growth without having to increase prices. Leveraging in-house resources has been a solution chosen by the bank and AATIF contributed with a funding ticket earmarked for the agribusiness client portfolio of the bank.

Social and environmental review

In its first year in AATIF’s portfolio, Co-operative Bank started the year with important steps towards improving its S&E management system. Based on recommendations by AATIF and co-lenders, several improvements to the bank’s S&E policies and procedures were made. The bank created an ESG unit, responsible for coordinating S&E management within the organization, with 5 staff members. ESG unit members and champions in the credit department received training on the new S&E management system. General training on sustainable finance, based on the Kenyan Banker’s Association’s [Sustainable Finance Initiative](#), were taken by more than 1,000 staff members. The next year will see the bank focusing on implementing the new S&E policies and procedures, as well as continued building capacity across the organization, including its subsidiaries in Kenya and in South Sudan.

Area of improvement as per loan agreement	Status
Set-up an S&E unit, including dedicated staff	Completed
Provide adequate training to all staff with S&E responsibilities	Ongoing
Update S&E policies and procedures, expanding scope to cover clients such as micro, small and medium enterprises and financial institutions	Completed
Roll-out new S&E policies and procedures to subsidiaries	Started
Undertake a review (initially internally, followed by externally) of the bank’s client protection practices	Started
Develop policies and procedures to integrate requirements of the Central Bank of Kenya on climate risk analysis and build capacity of staff involved in such task.	Started
Review employee grievance mechanism, including extending it to outsourced workers	Completed



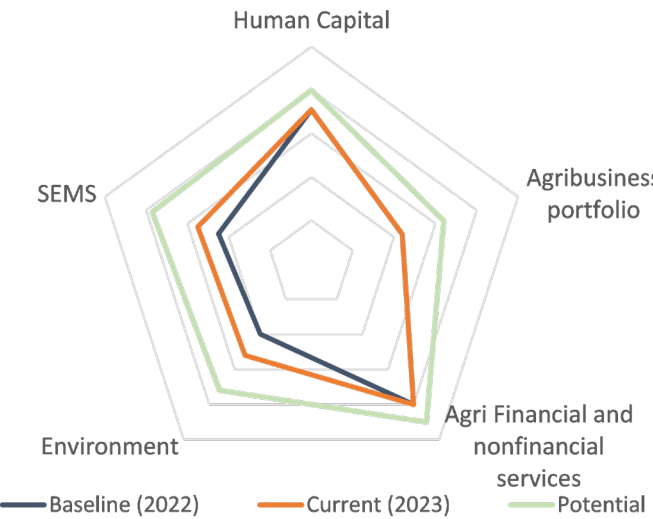
TA measures

There were no TA supported projects in place by the bank during the reporting period.

Impact review

The AATIF investment in Co-operative Bank is expected to significantly contribute to the impact dimensions related to its agribusiness portfolio and product offering, as well as in its environmental performance and S&E management. In this first year, no significant changes have been seen in operations related to the agricultural sector, though the bank has been working on further developing existing initiatives such as its Soko platform (a marketplace that connects farmers, input providers, and buyers). In the environmental dimension, the bank has initiatives aiming at reduction of its own environmental footprint and it has taken initial steps to adopt international frameworks related to climate change at the portfolio level, with the goal of adopting TCFD recommendations.

However, indicators related to environmental impact are not yet tracked. Progress can already be seen in the S&E management system dimension, as described in the section above.



EBID

West African States (ECOWAS). The bank had pursued an eager and highly ambitious strategy to fulfil the request by its member states to spur private sector investments in the regional agricultural value chains. To support the bank in this self-set vision and mission, AATIF bundled long term financing with technical assistance.

The ambition is driven by the institutions that targets to promote growth in the agricultural sector by funding companies and projects that would not have been financed on a standalone basis. EBID with its ECOWAS country mandate is tapping markets AATIF so far has limited outreach to. The bank’s well-diversified regional approach and support for LDCs allow it to target countries in West Africa that rely heavily on agriculture for economic growth and employment opportunities – countries where AATIF would otherwise be unable to establish direct exposure into. Leveraging on its strong presence in rural areas, the bank’s lending contributes greatly to development of the agriculture sector both directly and indirectly, including through providing necessary access to transportation, water, electricity, and communication infrastructure.

Additionally, EBID’s support for smallholder farmers through its investment in The West African Initiative for Climate- Smart Agriculture fund, geared towards improving the food security and income of 90,000 smallholder households.

On the course of the year multiple set-backs have impacted the bank’s business with the main shake up coming from the decision of member states to leave ECOWAS, which includes a number of countries into which AATIF funding was set to be deployed. It is not expected that challenges can be overcome easily by the bank. The security situation spurring social tensions in the region is not expected to improve any time soon. A maintenance of the current status quo would already qualify as a move into the right direction. AATIF is in close exchange with the bank’s operational divisions to jointly overcome the obstacles.

Social and environmental review

Last year, EBID continued its efforts to improve S&E management practices across the bank. The bank made progress in actions contained in the action plan

agreed with AATIF. These included a review of existing S&E risks in its current portfolio and the incorporation of S&E indicators in employee performance appraisals. Most notably, the bank stepped up its efforts in capacity building of staff, providing more than 30 staff members with training on S&E risk and impact management. These initiatives help the bank overcome gaps in the implementation of its S&E policies and procedures, supported by AATIF and also other investors requiring improved sustainability management.



Area of improvement as per the loan agreement	Status
Condition Precedent: Obtain board approval of an exclusion list which is aligned with international standards.	Completed
Develop an S&E Action Plan following recommendations from AATIF and other lenders	Completed
Conduct assessment of current portfolio to identify existing S&E risks	Completed
Perform S&E capacity needs assessment; develop and implement an S&E capacity building strategy, with a specific module on S&E risks in the agricultural sector.	Ongoing
Hire a qualified head of the sustainability unit and ensure enough resources are allocated to S&E and impact management across the organization.	Completed
Track its own S&E performance and develop actions to improve it, as well as include S&E performance indicators of its own performance and of its clients in its annual report.	Not started
Incorporate S&E aspects into employee performance appraisal at least for key staff from all areas with S&E responsibility.	Completed
Review HR Policy and Procedures and include recommendations from AATIF	Not started

TA measures

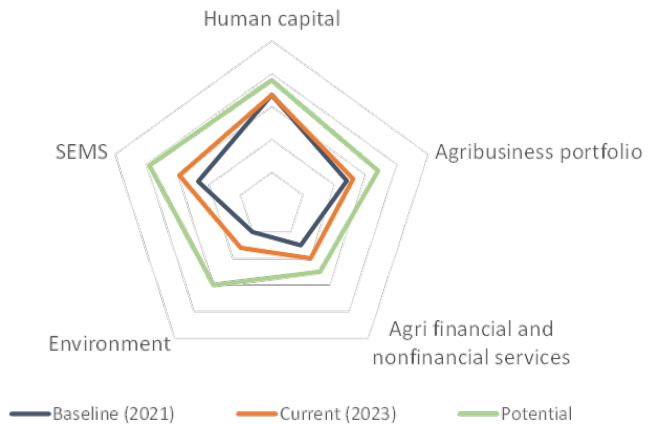
There were no TA supported projects in place by the bank during the reporting period.

Impact review

The investment in EBID is still to create measurable impact in most dimensions, though some progress can already be seen, as illustrated in the below graphic. EBID’s agribusiness portfolio was stable last year, and with more significant exposure to public sector clients. The bank plans to expand its lending to the private agricultural sector in countries where it identified key target industries (e.g. Benin, Ghana, Burkina Faso and Guinea-Bissau), including through local financial institutions. Through its financial services offering, the bank can reach clients or segments of the economy which currently do not have access to export and trade finance facilities.

As described above, the bank continued its efforts to improve its S&E management practices, which contributed to an increase in its score in that dimension. Finally, progress in S&E management practices,

combined with initiatives around climate change mitigation and adaptation, can lead to increased impact on the environmental dimension.



Enda Tamweel

Enda Tamweel a microfinance institution (MFI) created by the NGO Enda Inter-Arabe in late 2015 and based in Tunisia. In March 2020, AATIF as part of a syndication arranged by FMO, entered into a loan agreement with Enda Tamweel. A leader in the microfinance sector in Tunisia, the MFI has a client base of more than 426,000 active clients, and an outstanding portfolio of over TND 368 TND (USD 128 m). Through a vast network of 103 brick-and-mortar branches, the MFI maintains its accessibility to its customers, while also operating mobile branches that can reach the most isolated and remote areas in the country.

As part of a syndication led by FMO, AATIF is providing a funding line with an equivalent of EUR 7 m in Tunisian Dinars to Enda Tamweel. The AATIF loan supports Enda Tamweel in providing necessary financing to farmers. It also allows the microfinance institution to enhance its capacity to extend financing to vulnerable populations, to increase the size of its active customer base.

Enda offers different microfinance products related to food production or rural activities to mostly very small farmers and micro-enterprises. Family farming plays a strategic role in Tunisia and contributes fully to the achievement of the objectives of sustainable development in terms of food, social and environmental security. Aware of its central role, Enda Tamweel has

been fully committed to promoting this crucial sector. Enda has the necessary expertise to deploy its know-how and create synergies to support the potential of micro-farmers and accelerate the development of agricultural activities. Thanks to a variety of services that correspond to the needs of each farmer.

Social and environmental review

In the last reporting year, Enda worked closely with AATIF to develop a Social and Environmental Management System for the microfinance institution and to build the capacity of Enda staff to implement the same. The same effort also resulted in a mapping of the most relevant S&E risks that Enda clients encounter and developed a methodology to identify priority sectors and priority S&E risks and trained Enda staff to discuss S&E risks and potential mitigation actions with clients.

Following this successful collaboration, AATIF and Enda developed an additional technical assistance project in 2023. The new project will focus on the priority S&E risks that Enda clients operating in the agricultural sector are facing. The project is expected to be implemented during 2024.

TA measures

The TA Facility has previously implemented a project to support Enda Tamweel in further integrating social and environmental (S&E) commitments in its processes, developing its S&E risk management system, and capacitating its loan officers and management staff on S&E aspects. The project was completed in 2022.

In August 2023, the TA Facility Committee approved a new project to support Enda Tamweel in mitigating social and environmental (S&E) risks related to its agricultural portfolio.

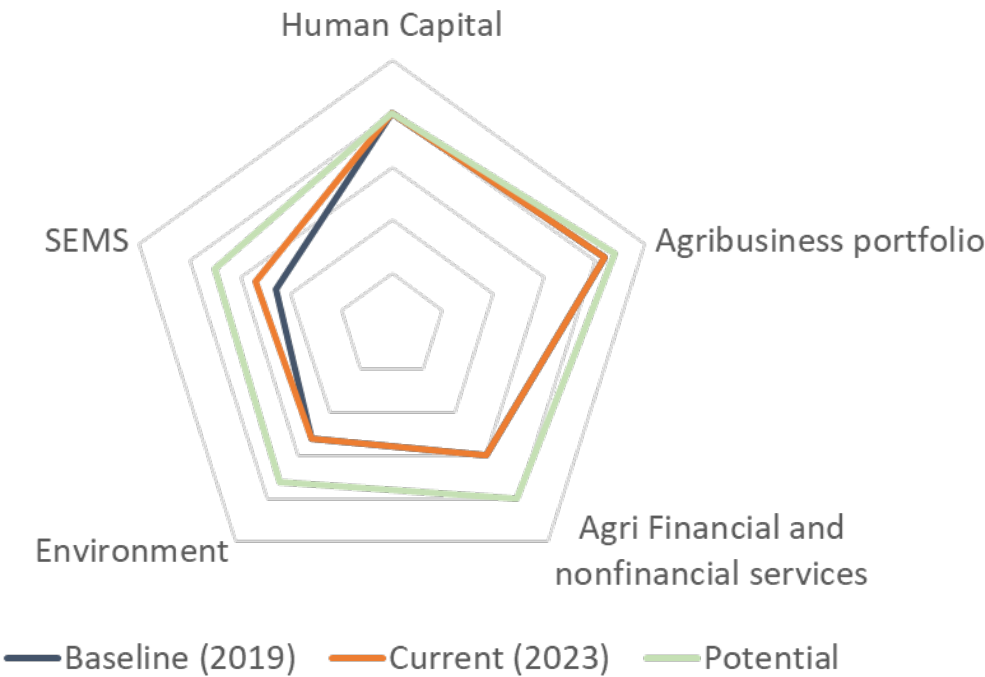
The project aims to provide a comprehensive training outreach program for Enda’s agri-clients, including small and medium-sized farmers, and to enhance the microfinance institution’s provision of important non-financial services.

The timing for project implementation is currently being discussed with Enda Tamweel, which is expected to be launched later in 2024.

Impact review

Agriculture is a key sector for Enda, as evidenced by its USD 116 million agri portfolio (nearly 30% of the institution’s portfolio) and with more than 100,000 agri loans disbursed during the reporting year. In addition to its strong footprint in the agricultural sector, Enda also contributed to other AATIF impact dimensions, including in improving the management of social and environmental risks (as described above) and by offering its clients a wide pool of products, including financial and non-financial.

The below graphic illustrates progress to date and remaining potential for further impact:



ETG

Export Trading Group (ETG) is a diversified pan-African agri- business conglomerate specializing in end-to-end agricultural supply-chain management, including procurement, warehousing, transport, agricultural processing and consumer products. ETG has offices across 40 countries in the world with a significant presence across 26 African countries, including more than 400 warehousing and distribution assets across the continent. The company buys crops directly from thousands of smallholder farmers at farm gate without intermediaries. ETG provides smallholder farmers with training, agricultural expertise, farming equipment and farming inputs.

AATIF regards ETG As a long term partner as its first investment already dates back to 2015. AATIF kept providing funding to ETG, either on a stand alone basis through syndicated facilities, the relationship with the company has proven to be a lasting one. The current engagement with ETG backstops the companies efforts to connect seed and nuts farmers and producers in Eastern Africa with international markets.

ETG’s Fertilizer and Agri-Inputs Business unit, EIHL, developed a strategic approach to address the African agricultural sector’s insufficient training in climate-smart farming techniques, and quality input products. The company established Container Shops placed throughout rural areas in Tanzania, Kenya and Uganda, as well as Farmer Training Centers in Tanzania and Zambia to this effect. Already established in 94 areas across the three countries, the company’s container shops offer quality inputs, including seeds, specialty fertilizers, and agro-chemicals, while the training centers assist farmer communities with agronomy services, farming best practice techniques, training for GAP, products training, soil testing and products efficacy trials and demonstration plots for farmers and agro-dealers. With more than 300 agronomists involved in regional mentorship programs, and over 500 sessions already conducted, the project has proven to be a great success.

ETG also made a commitment to play an active role in ensuring a sustainable, low-carbon future with the introduction of a Climate Desk, outlining the following focus areas:

- delivering real climate and social benefits by scaling existing decarbonization and social projects within the Group;
- establishing climate positive initiatives within countries where ETG has an operational footprint;
- identifying and driving investment in climate positive business opportunities within the group value chain and regions of operation;
- contributing towards continuous internal decarbonization efforts;
- assisting ETG entities in understanding and mitigating climate change risks;
- reasserting the role of Africa as the world’s most competitive carbon sink, whilst simultaneously contributing towards the wellbeing of local communities.

Social and environmental review

Throughout 2023/24, ETG implemented and updated its social and environmental management system. The company’s Group Sustainability Policy 2023 and Sustainable Sourcing Policy 2023 were approved by the Board and communicated across the group. These policies are now available on the [ETG website](#). Additionally, the company released its Sustainability Report which, for the first time, used data from its Sustainability Dashboard that was built with the support of the AATIF Technical Assistance Facility. ETG further strengthened its sustainability management capacity and appointed a new Head of ESG Compliance and Reporting.

The company also initiated the process of assessing its readiness for the EU Corporate Sustainability Reporting Directive (CSRD). Furthermore, ETG completed some supply chain risk assessments, including a deforestation risk assessment across 11 African countries where the company operates. The findings are being used to structure targeted remediation activities and supply chain projects.

In March 2024, ETG signed a zero-deforestation commitment for its high-risk supply chains of cocoa, coffee, soya, cashew and cotton. As part of the group’s sustainability strategy, ETG aims to free these supply chains of deforestation by 2027.

In its pursuit of decarbonization, ETG initiated an analysis of the feasibility and strategy for replacing coal with biomass. The company has established a monitoring framework for its Scope I and Scope II emissions and is committed to reducing its footprint by 30% by 2030 against a 2023 baseline.

Area of improvement as per loan agreement	Status
ETG Group shall update the suppliers’ procedure	Completed
The ETG Environmental & Social Assessment of Suppliers policy and associated documentation for operations in Mozambique must be kept on record, as well as evidence of regular monitoring of adherence	Completed
ETG shall review the language of the ETGMS and update it with gender inclusive language	Completed
ETG to elaborate emergency preparedness and response plans for all facilities in Mozambique, as well as procedures and training material, all available in Portuguese at all facilities	Completed
Conduct baseline noise assessment and ensure that machinery and plant noise emissions in the Mozambican facilities do not exceed acceptable occupational health thresholds. ETG should assess which facilities or parts thereof require their personnel to use hearing protection measures.	Completed
All relevant ETGMS documentation that is suited to the Mozambican operations should be translated into Portuguese for dissemination to EHS line function staff at the respective facilities	Completed
ETG shall verify the compliance of the regulation of labour contractors through physical means: requesting proof of wage payment and any statutory benefits that the law requires	Completed

TA measures

In December 2022, a TA project was approved to support ETG to improve the current sourcing model with its 5,000 smallholder cashew farmers in Mozambique. ETG seeks to address cashew tree productivity and increase farmer income while mitigating climate risks and building climate resilience. In early 2023, the TA Facility and ETG launched the project by setting up local project management and engaging various consultant teams. The multi-year project will remain operational throughout 2024.

Another project, approved in August 2023, aims to support ETG in launching an organic farming initiative in Malawi. This initiative includes providing training and extension services to 2,000 farmers involved in sesame and soybean cultivation, establishing a tree nursery, and implementing an agroforestry system. As part of the

initiative, farmers will receive assistance in obtaining organic certification, and a digital traceability system will be developed and implemented. These efforts are designed to ensure full traceability of ETG’s sesame and soybean supply chains, mitigate climate-related risks, and reduce greenhouse gas (GHG) emissions associated with farming practices. An expert consultant has been engaged to lead the project, starting in November 2023, with the initiative expected to be fully operational throughout 2024.

Impact review

The AATIF provides ETG financing for the purchase of pulses, cashews and sesame in Malawi, Tanzania and Mozambique. Through this facility, the AATIF aims at supporting the company’s outreach to smallholder farmers and improving the management of labour and working conditions in the processing facilities across

the three countries and is expected to contribute to six of AATIF impact dimensions: trade, environment, outreach to primary producers, employment, local processing, and SEMS. The graphic below illustrates ETG's progress across these impact dimensions in 2023/24.

Across the three countries, ETG employed 4,067 staff in Tanzania, Mozambique and Malawi. Furthermore, it tracks and keeps records of environmental KPIs, including electricity, fuel and water use across its facilities in the three countries.

Focusing on ETG's operations in Mozambique, the company successfully obtained the Rainforest Alliance certification for production and processing of cashew nuts with support from AATIF. This pioneering effort benefits approximately 5,000 smallholder farmers in its supply chain. Ultimately, the certification is envisioned to result in improved cashew tree productivity and increased farmer income.

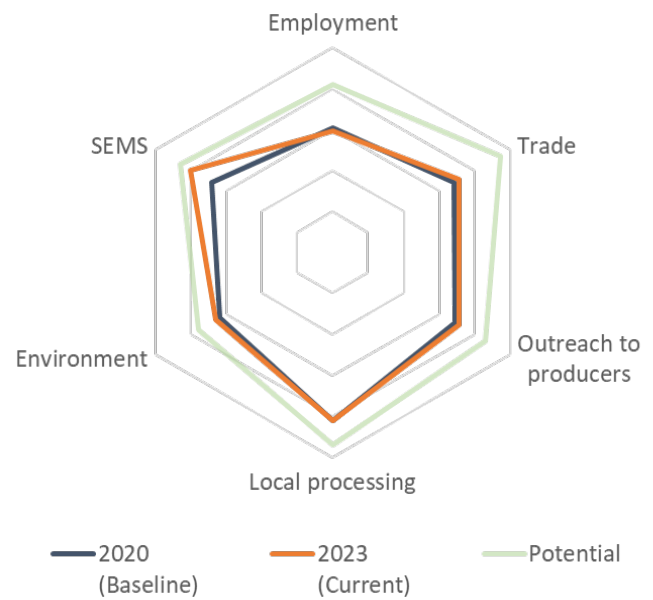
As regards trade, ETG experienced a decrease in the export quantities of pulses, cashews, and sesame, from 118,800 MT in 2020 to 112,228 MT in 2023. However, by obtaining the Rainforest Alliance certificate for cashew nuts in Mozambique, ETG increased the volume of certified goods exported.

In Mozambique, ETG reduced its permanent workforce from 305 employees (255 male, 50 female) in 2020 to 167 employees (150 male, 17 female) in 2023 due to decreased processing of pulses that year. The share of women in the permanent workforce fluctuated over the last years, from 8% at baseline to 13% in 2022 and 10% in 2023, also driven by the general reduction in workforce.

ETG is a large processor in Mozambique and has high utilization rates of its processing facilities. The company implements sustainability practices to reduce waste, and it has improved its SEMS with the beginning of implementation of a sustainable sourcing policy, including a supplier Code of Conduct and internal verification procedures.

During the reporting period, ETG developed a Sustainability-Linked Loan (SLL) and closed the first tranche of the SLL with commercial banks at USD 115 million. Another tranche, involving Development Finance Institutions, is planned for launch in late 2024. This process is the culmination of the company's

systematic S&E and impact management improvements implemented over the last years. The SLL is linked to the achievement of a set of KPIs formulated around carbon emissions and supply chain management and covering GHG emissions reduction (scope 1 & 2), deforestation, farmer extension services and gender empowerment. Sustainalytics, who provided a second party opinion and confirmed alignment with the Sustainability-Linked Loan Principles, also considered the KPIs adequate and the targets ambitious.



An impact brief summarizing the main findings of a baseline assessment from 2020 is available on the AATIF website.



Mount Meru



Mount Meru Millers is a leading edible oil producer in Zambia, belonging to the larger group of Mount Meru companies in Southern and Eastern Africa active in the food processing, logistics, construction and petroleum sectors. The group of companies started as a family business in 1978 in Tanzania and has since expanded operations to twelve African countries. Mount Meru Millers in Zambia produces edible oils and feed cakes as well as several smaller by-products from soya, sunflower, cotton and palm oil. Products are sold in local and regional markets.

Mount Meru Millers increased its seed crushing capacity from 500 MT to 750 MT and further increased the utilization for oil production from 55 % (2017) to 80-90 % in 2022, leading to an increased traded volume of edible oils (soy, sunflower, cotton seed) in the local and regional markets.

The growth is enabled by a strong farmer network continuing to provide the bulk of raw materials. In the past season the company estimates to have reached around 25,000 soya farmers and 20,000 cotton farmers. AATIF has provided the long term capex financing for the

expansion of the production.

Social and environmental review

Building on the ISO management certifications that Mount Meru received in 2021, the company continues implementing the related ISO standards. As a result, Mount Meru experienced a reduction in the number of occupational accidents and incidents that were being recorded previously. This represents a good achievement as earlier the company was faced with a comparatively high number of accidents. In addition, over 50 workers were trained on occupation health and safety topics covering first aid, fire safety, basic safety, hazard identification, reporting, correction, and removal as well as safe boiler operation.

During the reporting period, the Mount Meru continued implementing the supplementary resettlement action plan in Katuba and Kanchibiya. Unfortunately, the company is still awaiting the land administrative processes to be completed for issuance of the land titles for the land where the houses of the project affected households are located. The company is also following up on identification of land to be used for farming

activities by the project affected persons in Katuba in an effort to restore livelihoods.

Mount Meru continued to support the communities in neighbouring areas of its premises in Katuba. The company sustained its sponsorship of the School Feeding Programme benefitting over 26,000 children in 93 schools in Zambia. Also as part of its CSR, the company provided Chibombo Town Council with transportation of solid waste collected within the town.

Area of improvement as per loan agreement	Status
Develop an integrated Social and Environmental Management System within 18 months after signing the facility agreement.	In progress
Draft a time-bound action plan that incorporates all recommendations included in the AATIF S&E assessment report.	Completed
Formalize its stakeholder engagement in order to improve and maintain good relationships with the nearby communities by drafting a Stakeholder Engagement Plan.	In progress
Implement improvements related to Working Conditions - Adapt HR Manual to the Zambian context - Track employee’s overtime to ensure compliance with limits set by the Zambian employment law - Implement measures to improve occupational safety and health throughout the processing plant	In progress Completed: Tracking employees working time ISO OSH certification
Conduct regular maintenance of the effluent treatment plant and assess the effects of expansion plans with regards to effluent generation and treatment	Ongoing
Draft and implement a waste management plan and ensure adequate disposal of solid waste generated through the operations	In progress (draft completed)
Put in place a driver safety program to ensure compliance with traffic rules and reducing risks of accidents	In progress
Implement the Supplementary Resettlement Action Plan to ensure that project affected people: i) receive additional compensation, in line with applicable national and international standards; ii) have their livelihoods and standards of living improved or at least restored; and iii) make all reasonable efforts to ensure that the project affected people have security of tenure over the land they inhabit.	In progress

TA Measures

In 2021, the TA Facility contracted an expert to design an implementation plan for a sustainable cotton outgrower extension scheme aiming to assist the company to increase their sourcing from smallholder farmers. The project was completed in late 2021.

In addition to this, the TA Facility has explored assisting Mount Meru to develop an adapted margarine formula, stemming from Mount Meru’s interest in recycling its crude oil residues from its oil refinery into margarine

formulation, thus actively seeking to reduce production waste and increase production cycle value.

Since a Resettlement and Livelihood Restoration Audit (in line with National and IFC Performance Standards) was conducted with assistance of the TA Facility in early 2018, a consultant is continuously assisting Mount Meru to implement recommended activities for addressing the gaps identified during the audit. At the same time, “Project-Affected People” (PAP) receive support to meet formal obligations for claiming their rights. The consultant commenced its work in October 2018 with a field visit to the two resettled communities. During the reporting period, the project continued assisting both Mount Meru and the PAPs to find viable solutions to the outstanding resettlements issues (such as acquiring arable land for PAPs).

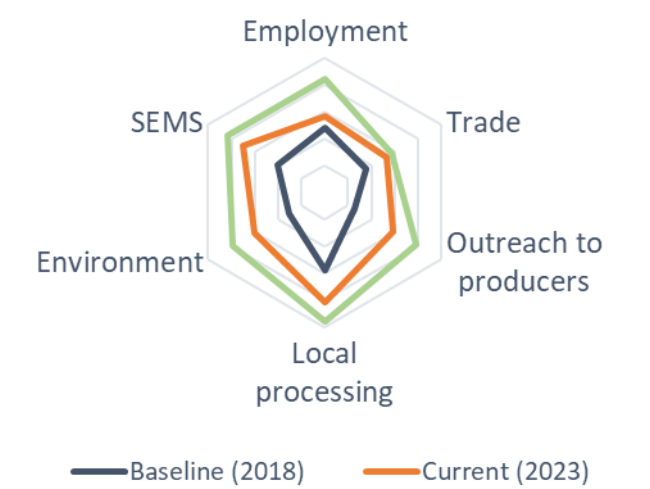


Impact review

In the fifth year of AATIF financing, Mount Meru achieved impact across several dimensions as illustrated in the graphic below.

- In 2023, Mount Meru increased its workforce by 10% to 1,010 people, with most workers being permanent employees who represent 68% of total people employed.
- The company bought 11,703 MT of sunflower, 5,337 MT of cotton and 119,647 MT of soyabeans from a total of 73,200 smallholder farmers in Zambia (approx. 5,000 more than the previous year). An additional 4,873 MT of soyabeans was bought from commercial farmers. In terms of further outreach to producers, Mount Meru plans to start a sunflower outgrower scheme to produce drought resistant high oil seed in the coming months.

- Mount Meru increased its processing capacity by installing an additional soyabean crushing line with a capacity of 150 MT/day. The utilization capacity has remained relatively the same over the last years at 85% for the crushing plants and 80% in the edible oil refinery. A new soap plant was commissioned in December 2023.
- Routine inspections of the boilers continued to ensure that there is proper insulation of the steam pipes at all times to avoid energy losses when the boilers are running. In 2023, the company commissioned a study on energy efficiency through heat recovery from wastewater.
- In 2023, the company exported 44,772 MT of cake to markets within Africa. The company continues to import palm oil (80% of total imported crude oil) and some small quantities of soya and sunflower oil.



An impact brief summarizing the main findings of a baseline assessment in 2020 is available on the AATIF website.





NMB Bank Tanzania

NMB Bank is a full-service commercial bank with four (4) main business segments, namely, Retail, Wholesale, Treasury and Agribusiness through which it provides a suite of financial services and products to retail/ individual customers, farmers, SMEs, Corporates, Institutions, and the Government. In terms of sector focus, the bank is serving the agriculture, mining, tourism, manufacturing, building and construction, transport and communication, trade, energy and health sectors.

The bank mainly reaches agribusinesses via the traditional channels by financing corporates that are processing, producing and trading agricultural products. The other, frequently overlooked angle, however, are the financing granted into family farming. As the bank continues to expand its digital sales and client serving channels, it reaches more and more consumers. Loans are small and frequently short term in nature. And based on both anecdotal evidence as well as experience from the local markets, a large amount of funds is actually funnelled into financing primary farming operations from small-scale farmers.

AATIF invested in the first sustainable bond that has been issued by NMB. Along other investors, AATIF contributed to the local market developments granting additional capital to allow the funding round to produce viable volumes. AATIF funding is provided along an undertaking by the bank to serve agribusinesses, noting that the data reported by the bank is very likely underestimating the outreach to farmers significantly.

Social and environmental review

NMB’s journey into social and environmental management has recently received an important push through the development of an S&E Action Plan, in collaboration with international lenders. As part of this S&E Action Plan, which also incorporates AATIF requirements, the bank hired an S&E consultant to revise and update the bank’s SEMS in 2023. Therefore, NMB’s SEMS is expected to substantially improve in the short to medium-term. These improvements include but are not limited to, revision and enhancement of E&S Management Policy and S&E checklists, questionnaire for S&E Due Diligence, and defining S&E governance structure with clear lines of accountability across all tiers of management.

Area of improvement as per loan agreement	Status
Integrate and implement recommendations from AATIF into the bank’s existing S&E Action Plan	Completed
Revise the bank’s S&E policy to address identified gaps	Started
Develop an external grievance mechanism to facilitate grievances for all stakeholders	Started
Conduct training and capacity building for internal teams on S&E	Started

TA measures

The TA Facility Manager has initiated a dialogue with NMB management on potential areas for TA support.

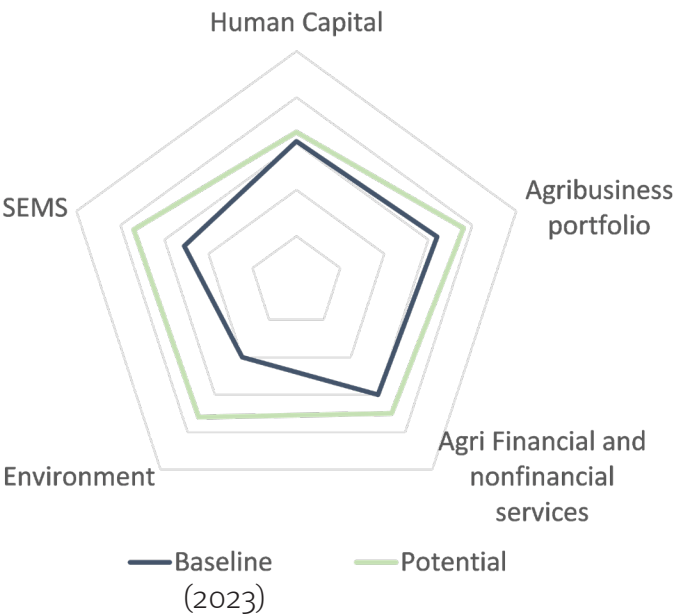
Impact review

As a recent partner institution, the investment in NMB is still to create measurable impact. The expectation is that the investment will contribute to four of AATIF’s impact dimensions as illustrated in the below graphic.

Regarding its agribusiness portfolio, NMB targets a variety of agriculture value chains (e.g. cotton, coffee, pulses, cashew, maize, etc), as well as farm equipment and inputs for crop farming, fisheries and livestock. The bank’s target growth rate for the agricultural portfolio is 25% for the next three years, including i.a. by further developing its capacities in commodities and trade finance (potentially supported by AATIF) and its agent network (currently at nearly 20,000 agents). The bank also sees potential to expand its financial and non-financial offering, including through capacity building to farmer groups and cooperatives by the NMB Foundation for Agriculture Development.

In addition to the expected improvements in its social and environmental management system described above, the bank is also expected to improve its environmental performance. In its recently drafted

climate strategy, the bank commits to increasing the scope of its environmental performance management beyond its own operations to include its clients. By 2030, NMB has committed to reduce greenhouse gas emissions across sectors between 30%-35% and to green the bank’s portfolio by 5% to align with Tanzania’s Nationally Determined Contribution (NDC).



NSIA Bank CI



The funding relationship with NSIA bank moved into its second phase with an extension of investment effected over the last financial year. Since 2018 AATIF is financing the bank against its portfolio of mainly Co-operatives and other agribusinesses in the key agricultural value chains in Côte d’Ivoire, amongst them cocoa, cashews and cotton. The funding can also be used for financing companies in Senegal, Benin, Guinea and Togo which maximizes the regional distribution of AATIF funding.

In 2023 AATIF extended the relationship for another period which is based on the ambition of NSIA to expand its client base beyond aggregators that connect farmers with markets, like the sectoral and regional Co-operatives. The government of the IVC continue to

pursue their strategy to expand the on-shore processing of raw goods and have created an environment of regulation and benefits that support local producers. These frequently meet a banking system that is designed to support the export of raw produce. Capacity building to understand, in practical terms, not just the market for cocoa beans but for chocolate, as an example, is a mission many financial institutions in IVC are engaged in. With NSIA AATIF has a strong partner under local ownership with whom AATIF believes to be able to expand the use of proceeds from AATIF respectively.

Social and environmental review

In 2023/24, NSIA continued to improve its S&E management capacity. As in previous years, the bank trained its staff members in sustainability-related topics, such as S&E risk management and green finance. Moreover, the experience and knowledge developed at the bank during the relationship with AATIF served as a basis for the roll-out of an S&E management system at group level. The group now has a sustainability department and the implementation of a SEMS is spreading to other country operations, like Benin.

Finally, NSIA has published its first [sustainability report](#), describing the bank’s approach and indicators on topics like social and environmental risk management, stakeholder engagement and development impact.

Area of improvement as per loan agreement	Status
Develop and implement a Social and Environmental Management System	Completed; Implementation ongoing
Closely communicate with the AATIF Compliance Advisor in overseeing the first transactions involving AATIF financing	Completed
Include in the existing S&E Action Plan all recommendations from the AATIF S&E assessment report	Completed
Maintain an effective and reliable procedure for receiving, recording and addressing and providing feedback on client/project-related grievances from external stakeholders	Completed

TA measures

The TA Facility has previously supported NSIA by cofinancing a training programme for the Social & Environmental Coordinator. The training programme commenced in September 2019 and was successfully completed by February 2020. The training included components on strengthening skills in understanding how a bank may be exposed to social and environmental risks (credit, legal and reputational risks), assessing S&E risk level of a particular credit, understanding how Environmental & Social Management Systems (SEMS) lead banks to develop and implement measures to manage S&E risks, as well as understanding the roles of an S&E coordinator vis-à-vis a company’s Board for S&E.

In 2021, following the success of the previous TA support, NSIA requested follow-up training to provide insights into S&E risks in the agriculture sector for staff at different levels of the organisation and provide more in-depth training to the previously qualified S&E Coordinator. An expert was contracted in late 2021, and the training was completed in mid-2022.

In May 2023, the TA Facility Committee approved a project to support NSIA Banque in mapping, measuring, monitoring, and reducing its scope 1, 2, and 3 Greenhouse Gas (GHG) emissions. This project will enable NSIA to comply with Sustainable Financial Disclosure Regulations (SFDR) and anticipate wider adoption of Taskforce for Climate Related Financial Disclosure (TCFD) recommendations. Contracting is ongoing, and the project is expected to be operational throughout the coming year.

In January 2024, the TA Facility Committee approved a project to support NSIA in developing its Agriculture Sector Strategy. NSIA has a growing agricultural portfolio comprising almost a quarter of its loan portfolio but currently does not have a dedicated strategy for lending to this sector. The comprehensive and targeted Agriculture Sector Strategy will include tailored sector-specific tools and templates tailored to the bank and training of relevant staff, that aligns with the bank’s commitment to funding the agriculture sector in Côte d’Ivoire. The project is expected to launch later in 2024.

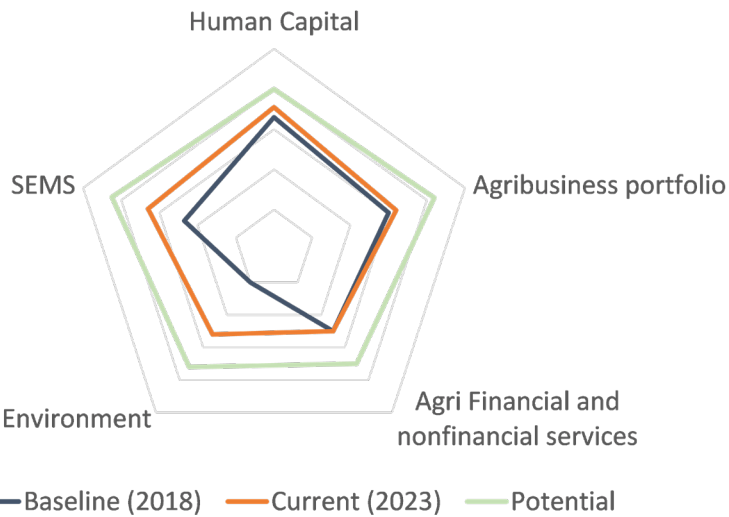
Impact review

The investment in NSIA has contributed to many of AATIF’s impact dimensions as depicted in the graphic below.

The bank continued its trajectory of improving practices in social and environmental management as described above. Progress on the environmental dimension will continue in 2024 when an AATIF technical assistance project will be implemented to allow the bank to measure its greenhouse gas emissions, including at portfolio level.

Furthermore, the AATIF has completed a rapid appraisal of its financing to NSIA and published insights on the changes that occurred at the bank, as well as on how its loans to the agricultural sector has contributed to positive development results in an [Impact brief](#). It summarizes that the financing has enabled NSIA to expand its operations within the agricultural sector, reaching approximately 200 new business clients and achieving a 10% annual growth rate in its loan portfolio. AATIF’s investment has not only fueled financial growth but also promoted a cultural shift towards sustainability at NSIA. Moreover, through its clients, the bank indirectly supported a vast number of workers and farmers, including cooperatives aggregating thousands of member producers.

Despite these positive findings, we acknowledge that the bank has faced challenges in continuing the expansion of its agricultural portfolio, in recent years. However, it remains a leading player in that segment, providing important resources to a critical sector in Côte d’Ivoire.



Robust

AATIF has provided a financing facility in the form of USD12 million export financing to Robust International, an international trading company that is active in soft commodities trading. USD2m of the facility is funded by an external financier that participates in the AATIF facility. While AATIF manages the facility, the participation option allowed to bring in further financiers and intermediate between the larger capital demand and the smaller amounts third party investors are willing to invest.

AATIF so far has financed the export of sesame from Mozambique and Tanzania, a smallholder cash crop. AATIF is further in the process of extending the use of proceeds to also cover the importation of inputs, mainly fertilizer. The target is to support access to quality products for farmers.

The transaction is seasonal and provides liquidity and capital when needed for specific purposes AATIF finances. While Robust also trades other products and serves other regions, the AATIF funding is ring-fenced around the sectors and regions that are agreed between parties.

Intermediaries like Robust, in the experience of AATIF, are vital to assure access to markets and provide the logistical backbone needed to connect farmers to consumers. AATIF also regards the need for competition amongst reliable intermediaries to be an important aspect to support companies that are entering new markets offering alternatives and choice to agribusinesses.

Social and environmental review

During the reporting period, Robust continued improving S&E management in company operations through implementing the Sustainability Milestones as agreed with AATIF in 2021.

In 2023, the company finalized the process to secure environmental and OSH certifications for its warehouses in Tanzania. However, due to a change in the warehouse locations, the entire certification process needed to be reinitiated. Both in Tanzania and Mozambique, workplace hazard risk assessments were conducted for company warehouses, and a company-

wide emergency preparedness and response plan was developed. Robust also elaborated a company-wide HR manual and translated it into Swahili and Portuguese for use in Tanzania and Mozambique, respectively. In addition, Robust developed an Internal EHS Performance Monitoring, Measurement, KPIs Reporting & Improvement document allowing management to monitor, measure, record and analyze the company’s EHS performance. In 2024/25, the company will implement these new policies and procedures. During the reporting period, Robust also provided opportunities for capacity building for its staff to enhance S&E management skills. This included training by UN Global Compact and FMO.

During the reporting period, Robust improved procedures governing its relationships with farmers and suppliers. For example, Robust developed a Farmer/ Local Buying Agent (LBA) Selection and Onboarding Manual specifying the process of selecting and onboarding farmers. The manual includes S&E criteria like compliance with local laws and regulations and adherence to Robust’s Supplier Code of Conduct.



Area of improvement as per the loan agreement	Status
Complete Social and Environmental Audits for the operations of Robust in Tanzania and obtain Environmental Certificate for Robust operations in the country	Ongoing
Develop missing components of the Social and Environmental Management System (SEMS)	Ongoing
Completed OSH audits for the warehouses in Tanzania	Ongoing
Hazard risk assessment for warehouse in Mozambique	Completed
Develop S&E policies and procedures (e.g. HR Manual, Emergency preparedness and response plan etc.)	Ongoing
Increase staff capacity for sustainability management	Ongoing
Improve sustainability management of supply chain (e.g. updated contracts with suppliers)	Ongoing

TA measures

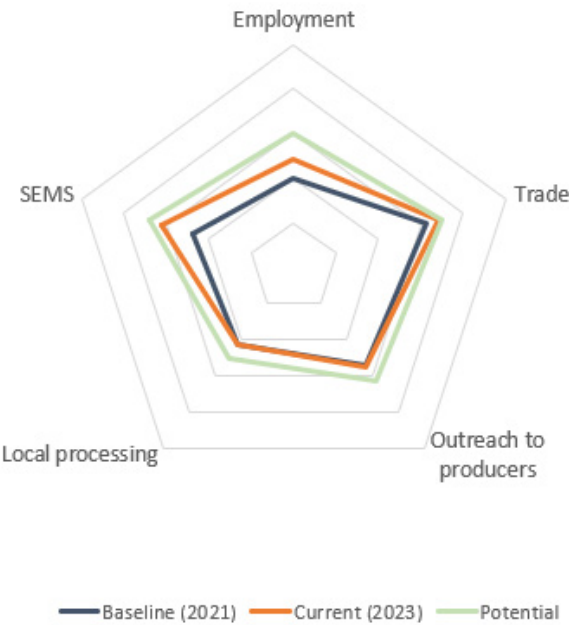
In early 2024, a new TA project has been approved to support Robust in mapping its soybean, sesame, and pigeon pea supply chains in Mozambique and in preparing the roll out of a farmer engagement and support program. This project involves creating training materials and developing a sustainable sourcing strategy. It also marks an initial step towards achieving the Sustainability Milestones outlined in the facility agreement between AATIF and Robust. The project is expected to launch later in 2024.

Impact review

In 2023/24, Robust demonstrated positive developments in several impact dimensions, including Employment, Trade, Outreach to producers, and SEMS, and as illustrated in the graphic below.

The number of staff significantly increased to 112 FTE in 2023 as compared to 77 at baseline in 2021. The company started providing extension services to farmers from whom it buys produce: 177 smallholders received training in 2023/24. In addition, Robust started importing fertilizer for sale to smallholder farmers in

Mozambique thus increasing access to inputs. Regarding SEMS improvements, Robust adapted existing group policies to the specifics of country operations, worked actively towards obtaining missing permits and licenses, and improved its supply chain management as described above.



SAF

Since 2019 AATIF provided a loan to the Senegalese Société Africaine d’Ingrédients which is a joint venture between a local Senegalese SME and a French agricultural. Owned by 3,800 farmers and employing 515 professionals, Dijon Céréales is one of the leading agro-industrial groups in the Bourgogne-Franche-Comté region.

The joint venture targets the relocation of an onion dehydration plant to Senegal which was un-operational in France for a lengthy period of time. The project targets the processing of onions into onion powder and other products related to onions. The target markets for the project are the supply of onion powder in the West African region as well potentially the export into the EU as well as the US. Processing onions is heavily dominated by plants located in India. On the African continent only one further large scale plant operates in Egypt. Onions in Senegal are available in affluence during the harvesting period, which is only 3-4 months per year. Outside this period of time, Senegal imports onion powder. This pattern also causes huge losses of onions that are unprocessed and are lost causing lack of income to farmers.

The project is a challenging venture while sponsors of the company have proven to provide a strong backbone to the project and continue to support it through the development phase.

After several delays caused by various issues, including the COVID induced issues, the factory is expected to be finished in the outskirts of St. Louis, Senegal, in 2024 and begin operations.

Social and environmental review

During the construction stage which is expected to end in 2024, no significant accident or grievance was reported.

Guided by the AATIF and co-lender IFC, SAF continued implementing the agreed Social and Environmental Action Plan. The company obtained the environmental licence from the Direction de l’Environnement et des Etablissements Classés (DEEC). It developed a considerable part of the EHSS management system, including detailed occupational safety and health

procedures. SAF is actively preparing to obtain FSSC 22000; with a certification audit scheduled for March 2025. These preparations are supported by the company’s main off-taker. Furthermore, the company hired a person to oversee HR management; however, a comprehensive HR policy was yet to be developed. SAF also established a mechanism for addressing community grievances; only the development of a formal written policy is still pending.

With the launch of the processing plant nearing, SAF shifted its focus to purchasing onions instead of growing its own supply. This shift necessitates the development of a responsible and sustainable sourcing strategy. The first experiences of contracting smallholders in 2023/24 are informing SAF to compile a comprehensive supply chain management system. The AATIF TAF is supporting these efforts and added an element to address social and environmental risks therein.



Area of improvement as per the loan agreement	Status
Obtain environmental license from the Direction de l’Environnement et des Etablissements Classés (DEEC)	Completed
Recruitment of a suitably qualified EHS manager and establishment of an EHSS function within the company	Completed
Development of an environmental, health and security, food safety and social management system	Ongoing
Development of a human resources management policy and procedure in compliance with the national Labour Code, which includes procedures related to occupational health and safety and handling of grievances for all workers.	Not started
Development and implementation of supply chain management system including a responsible sourcing policy reflecting the company’s commitment to sound S&E practices	Ongoing
Assessment of biodiversity impacts	Completed
Development and implementation of stakeholder engagement plan and community grievances procedure.	Ongoing

TA measures

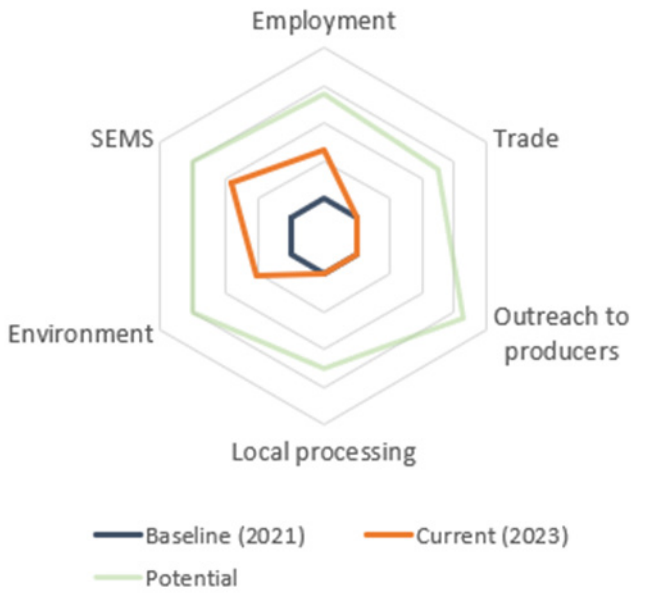
In late 2022, the TA Facility initiated a project to support SAF Ingrédients to establish and roll out an onion outgrower scheme that will ensure local supply of onions to the processing plant. The TA Facility will support the company for a three-year period with expert advisory and project management services. As a first step, a recruitment process for the new position of Outgrower Manager was undertaken and the selected candidate was onboarded in December 2022. To support SAF, a team of expert consultants was contracted in January 2023 to undertake a preliminary qualitative study for the design of the outgrower scheme and to provide advisory services and capacity development. The multi-year project remains operational throughout 2024.

Impact review

During the reporting period, SAF increased impact on employment, environment and SEMS as illustrated in the graphic below. Since the dehydration plant had not yet started operations, the company did not yet purchase and process onions.

By March 2024, the company employed 18 FTE. Notably, its minimum salary paid was 20% higher than the legal minimum in the country. The company has identified measures for energy and water efficiency (e.g. biofuel

boiler) and is planning to implement them in 2024, alongside measuring related emissions. SAF is aware of S&E risks of its operations and in its supply chain and, with AATIF’s support, is working towards building an effective system to manage these S&E risks. During the reporting period, the company was making progress mainly on assigning relevant responsibilities and reinforcing organizational capacities of its SEMS. This progress is laying the basis for achieving impact in other dimensions in 2024 and beyond.



Scipion Active Impact Fund (SAIF)

Since 2021 AATIF and Scipion joined forces to establish a lending platform offering flexible, short term funding solutions for African small to medium scale agribusinesses. Targeted borrowers are companies in the agricultural value chains whose balance sheets and activities are too small to be banked by commercial banks. AATIF has observed over the past years that smaller and medium sized logistical solutions providers are suffering from international banks reducing their exposure to soft commodity trading firms. That is based on strategic considerations that banks are actively withdrawing from covering African markets, concerns over fraud cases in which banks have lost significant amount of funds or simply because banks are insufficient correspondent banking networks. Essentially the trend created a hole in the market and widened the funding gap for companies that connect farmers to inputs as well as consumers.

AATIF participates in loans granted by the SAIF and that are originated and managed by Scipion Capital. Since inception of the Co-operation AATIF participated into three transactions while further transactions are in the pipeline. As other investors are also participating into these facilities, AATIF is supporting creating size and

facilitating transactions to close.

Social and environmental review for Scipion

While AATIF financed its first Scipion participation in early 2023, the Fund started working with Scipion towards improving Social and Environmental management already in 2019. Scipion started this journey with an Environmental and Social Impact (ESI) committee and some E&S policies and procedures in place. Increasingly, Scipion engaged management and staff with explicit sustainability-related responsibilities and elaborated Scipion’s S&E management system. AATIF accompanied and supported Scipion along this path.

In 2023, several S&E tools were upgraded or newly developed, including a comprehensive SEMS Manual, Site Due Diligence Report template, and E&S Monitoring report template. Furthermore, the E&S Policy statement was enhanced, and a new grievance register developed. In the second half of 2023, Scipion focused on building capacity of staff including on-the-job coaching during the due diligence process, as well as joint assessment of S&E risks and impacts of participations.

Area of improvement as per the loan agreement - Scipion	Status
Scipion shall comply with the AATIF S&E Policy for all investments where AATIF enters as a participant	Ongoing
Scipion shall screen projects against the AATIF Exclusion List and present the result thereof to AATIF for funding approval	Ongoing
Scipion shall maintain a sufficiently resourced Environmental and Social Management System appropriate to its size and type of activities including a trained, experienced and sufficiently staffed ESI Committee	Ongoing
Scipion shall, and shall procure that the Scipion Entities taken as a whole, improve their environmental and social risk management policy (“ESRMP”) and social and environmental (“S&E”) procedures.	Ongoing

TA measures – Scipion

In May 2022, the TA Facility launched a project to support Scipion to further develop and upgrade its SEMS and to provide tailored training and capacity development to relevant Scipion staff to allow for optimal utilisation and future maintenance of the SEMS. As of March 2023, the expert consultant team has undertaken an S&E gaps assessment and finalised various tools, policies, and processes necessary for a functioning SEMS. Following this, a comprehensive training programme will be developed and rolled out.

Example: Social and environmental review for Courtyard – AATIF participation in SAIF

Courtyard is a Nigerian commodity trading company established in 2006. Its primary operations involve purchasing, aggregating, warehousing, packaging, and exporting cocoa beans, sesame seeds, and raw cashew nuts from Nigerian farmers into Asian and European markets. Courtyard uses AATIF’s investment for the purchase of cocoa beans from local suppliers and delivers the conditioned or processed beans to international off-takers. AATIF, through Scipion, supports the company to improve social and environmental management in its direct operations and supply chain.

Before entering the active AATIF portfolio, the company already improved selected S&E management practices in an effort to fulfill conditions precedent set by the

AATIF. For example, Courtyard connected to the relevant government authorities to ensure social security benefits are paid to employees. In general, the company has some elements of a social and environmental management system in place, while others still need to be developed and further enhanced as guided by social and environmental undertakings mentioned below. In the past year, Courtyard achieved several of these milestones. The company now has dedicated S&E staff, has renewed its staff registration with the National Health Insurance Authority, and has obtained a renewed certificate from National Social Insurance Trust Fund in Nigeria. The updated HR policy and procedures apply to all types of workers and cover topics like child labour, workers’ rights and duties, and non-discrimination. Additionally, the company has developed a comprehensive grievance policy and procedure.

Area of improvement as per the loan agreement – Courtyard	Status
Courtyard to provide the legally required staff social security contributions	Completed
Develop an S&E Action Plan following recommendations from AATIF and other lenders	Ongoing
Courtyard to obtain all relevant permits and certificates as per legal requirements, including but not limited to those related to use of the borehole, occupational safety and health, and life insurance policy for employees.	Started
Courtyard to develop an emergency and response plan for their facilities and integrate related regular safety trainings	Ongoing
Courtyard to develop and implement a Human Resources Policy and procedures, including records of seasonal labourers and covering child labour, workers’ rights and duties and formal mechanisms for grievance.	Completed
Courtyard to develop and implement an OSH policy and procedures, including hazard prevention and identification, responsibilities, training, accident record keeping and reporting system and OSH committee creation.	Ongoing
Courtyard to develop and implement relevant records and complaints mechanisms, including an accident record, a formal grievance mechanism for relevant stakeholders, and records of seasonal labourers	Completed
Supply chain Courtyard to map its supply chain, develop a suppliers database, and develop a sustainable procurement policy that includes labour and working conditions and biodiversity conservation aspects.	Not started
Courtyard to develop a database of attendance to trainings, including participants information and content discussed	Ongoing
Courtyard to obtain Rainforest Alliance certification.	Ongoing

TA measures for Courtyard – AATIF participation in SAIF

To meet the growing demand for certified, deforestation-free produce, the TA Facility is assisting Courtyard in obtaining Rainforest Alliance (RA) certification for its cocoa. This certification, awarded in January 2024, will enable Courtyard and its buyers to shift towards deforestation-free commodity value chains, help detect instances of forest conversion, and support compliance with the EU Deforestation Regulation (EUDR) through improved monitoring and reporting. By the end of April, the Rainforest Alliance audit encompassed 1,011 farmers (including 594 women and 418 men), covering 5,000 hectares and an estimated production output of 2,000 metric tons. The project is currently ongoing.

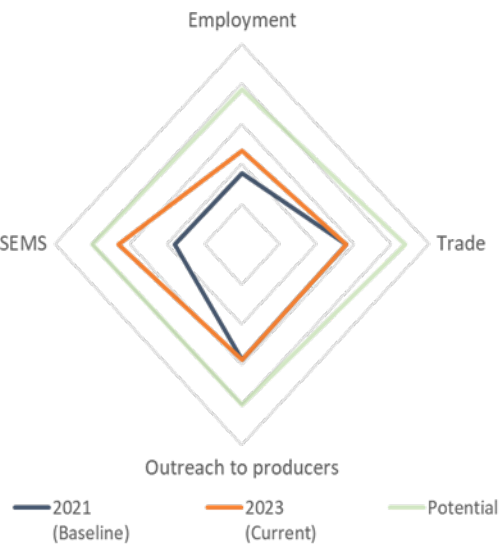
Impact review for Courtyard – AATIF participation in SAIF

The investment in Courtyard contributes to four of AATIF's impact dimensions: employment, trade, outreach to producers, and SEMS. The graphic below shows progress achieved by the company in 2023.

As regards employment, Courtyard saw an overall increase in female participation in its workforce with a 22% increase in the number of female permanent workers. Female participation in senior management also increased from 0% to 20%. The pay gap between

men and women decreased to 21% from 37%. The company also reported training some employees on OSH and S&E topics.

In addition to gender progress in employment, the company made remarkable process in upgrading its social and environmental practices driven by starting to develop a sustainability policy and other improvements reported above.



Sterling Bank

The institution is a listed Nigerian mid-sized commercial and retail bank originally established in 1960 and licensed in 1969 as Nigeria's first merchant bank. The bank has a network of 185 branches, over 3,000 cash centers, 3,000 employees, and 1.4 million customers.

AATIF and Sterling are cooperating since 2019 along the strategic focus of the bank to serve niche areas in the Nigerian market. The strategy is labelled as the "HEART" sectors which stands for Healthcare, Education, Agriculture, Renewable Energy and Transportation. To compete against other institutions in Nigeria the bank is providing solutions to clients in these sectors and has built up local networks that are untraditional for a pure financial intermediary and that are described with more details below.

From a pure financial standpoint, Nigeria has seen rough times in the last financial year in anticipation of the removal of the currency regime. While the Central Bank of Nigeria opened up the currency peg to allow a devaluation, banks remained also critical to continue the supply with cash across the country which turned into a severe logistical and security challenge. With a large client base of Sterling Bank being smallholder farmers (see below), the bank was a pillar of stability for its clients to have access to cash.

Social and environmental review

Sterling Bank remained focused on developing capacity within its staff on sustainability issues. Courses provided to staff include onboarding of new hires, sustainability courses from the United Nations Global Compact academy and environmental & social risk monitoring training for business teams. Coordination of sustainability management at the bank, including such capacity building efforts, takes place through its internal sustainable working groups, supported by the sustainability team and its network of more than 40 sustainability champions spread across various departments of the bank.

In the last year, AATIF continued working with Sterling Bank on two significant projects to advance sustainability management at the bank. The first one is an assessment of the bank's portfolio exposure to climate-related risks, following TCFD recommendations. The second one is the development of an ESG dashboard, which allows the bank to monitor and manage sustainability indicators. The successful conclusion of both projects in 2023/24 will drive significant action by the bank in future years.

Area of improvement as per loan agreement	Status
Improve Social and Environmental Management System, including expansion to address financial institutions as its own category and setting out specific risk management procedures and impact assessments for this category, as well as maintaining a qualified Sustainability Manager to, among other responsibilities, oversee the implementation, upgrading and reporting of the SEMS	Ongoing
Develop an Social and Environmental Action Plan based on recommendations of the AATIF Social and Environmental Assessment Report	Ongoing
Develop an internal form for annual social and environmental monitoring to the AATIF, including SEMS, SEMS governance, capacity building, social and environmental portfolio statistics, human resources statistics, and stakeholder involvement including grievance reporting	Completed
Develop a mechanism to identify AATIF Social and Environmental category A transactions among the bank’s S&E risk classification and integrate in the sub-loan reporting to AATIF	Completed
Closely communicate with the AATIF Compliance Advisor in overseeing the first transaction involving AATIF financing	Completed
Develop and integrate into the performance appraisal system social and environmental employee performance indicators to measure performance of relevant staff	Completed
Develop and implement a social and environmental capacity building strategy and ensure that all staff have received training on such strategy	Ongoing

TA measures

In 2021, the TA Facility assisted Sterling Bank in designing and developing a plan for the establishment of a nationwide agricultural radio channel to enable smallholder farmers to access key agriculture-related information and increase financial inclusion. The TA measure aimed to evaluate the implementation and achievements of a radio pilot project undertaken by Sterling Bank and assess the requirements for setting up a fully-fledged agricultural radio station and equipped the bank with a sound assessment and information for deciding on the next steps.

Additionally, in 2021 the TA Facility developed a project to finance a climate risk analysis of Sterling Bank’s loan book to better understand the potential impacts of climate change on its loan portfolio and develop solutions to adapt or mitigate potential risks identified, according to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The portfolio assessment report provides this insight. It will further

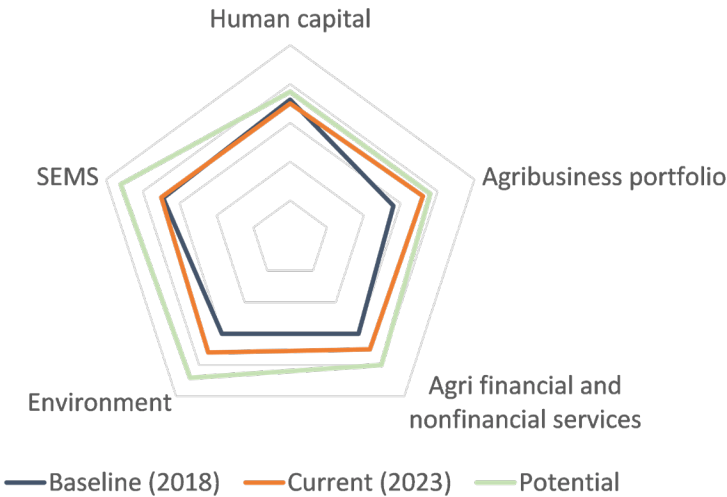
supply data and information to frame Sterling’s strategy going forward. It equips the bank to be able to transform its business towards a low carbon economy. Both transition risk (related to the transition to a lower-carbon economy) and physical risk (resulting from climate change) were assessed leading to Sterling Bank having more advanced and comprehensive emissions data than any other Nigerian Bank (based on publicly available data).

In 2022, the TA Facility launched another project to support Sterling Bank in obtaining an intelligent ESG monitoring and reporting platform, which will enable the bank to better assess and report its S&E performance and that of its clients. This reporting and monitoring platform allows Sterling to quantify its ESG performance and leverage this data to improve its sustainability performance. Relevant Sterling Bank staff have also been capacitated to manage and take ownership of the platform to ensure its sustainability over time. The project was completed in 2023.

Impact review

One of the longest relationships in AATIF’s portfolio of financial institutions, Sterling has established itself as a leading investee in impact performance. Supported by its HEART strategy and a comprehensive product offer, the bank has reached more than USD 150 million in loans to the agricultural sector, representing more than 14% of its loan book. In 2023, its dedicated services for MSMEs, women and youth clients in the agricultural sector reached more than 10,000 people, including through provision of training and lines of credit. The bank also has a digital platform to provide all-round service experiences for agro-commodity traders, which includes services such as market linkage, logistics and loan options (e.g. input financing, invoice discounting). Sterling is implementing numerous initiatives to improve its environmental footprint as well as that of its clients. At the end of 2023, in addition to its headquarters, Sterling had 63 branches (40% of total branches) powered by renewable energy. AATIF, through its technical assistance facility, supported a project on implementing the recommendations of the Taskforce

on Climate-related Financial Disclosures (TCFD) at the bank. As a result, the bank is now implementing a series of recommendations, including the development of a climate change and decarbonization policy.



Union Bank Nigeria

In response to the Nigerian government’s effort to reduce food imports and ultimately create a sustainable market for local farmers to sell their farm produce, Union Bank has anchored its food and agri-finance strategy around the promotion of local food processing. In 2022 UBN received a USD25m loan facility from AATIF to support this strategy.

Union Bank boasts a long-standing track record in the agricultural sector and has since risen to become one of the top 5 agricultural financiers in Nigeria, highlighting the sector’s great potential for future expansion and innovation. The Bank targets key value chains in rice, poultry, dairy, cassava, maize, and soybean, among others, and aims to provide tailor-made funding and technical support to the different actors along each of the selected value chains.

During the last year, however, UBN was subject to preparations of changes to be made at the shareholder level. While such changes are generally not driven by the business AATIF seeks to support, the proposed amendments have been critically reviewed by AATIF and the fund was in a dialogue on conditions for AATIF to support the envisaged changes. In January 2024 the Central Bank of Nigeria intervened into the bank operations by the dismissal of the directors of the

company and by appointing a new CEO. Since, the strategy of the central bank as well as the shareholders were subject to an ongoing exchange. While AATIF saw the impact and S&E aspects moving into the right direction, the Fund considers options and alternatives for an investment into UBN.

Social and environmental review

When UBN joined the active AATIF portfolio, the bank already had a Social and Environmental Management System in place. The process of setting up such system started from the bank’s engagement with international lenders as well as a requirement of its regulatory environment, particularly the Nigerian Sustainable Banking Principles. UBN’s SEMS was generally aligned to AATIF’s Social and Environmental Policy. A few areas of SEMS improvement, identified during the initial assessment, included expanding guidance provided to staff on specific social and environmental risks in the agricultural sector and improving the bank’s capacity to monitor S&E aspects. In terms of implementation, the bank faced challenges, partially due to the lack of dedicated S&E resources and lack of an S&E capacity building strategy. During the reporting period, the AATIF and UBN with support of the AATIF TA Facility continued implementing the S&E Action Plan.

Area of improvement as per loan agreement	Status
Develop an S&E Action Plan to, among others, improve integration of S&E aspects in the overall credit appraisal process.	Completed
Develop specific guidance for S&E risk assessment for priority sectors, including agriculture	In final stages
Improve bank-level reporting and monitoring on S&E aspects	In progress
Conduct an S&E training needs assessment and build capacity of staff	In progress
Improve practices related to human capital development, including on occupational health and safety and procurement practices	Not started



TA measures

Throughout 2023, the TA Facility supported UBN to upgrade the current SEMS through updating its existing tools, develop sector-specific S&E assessment policies and tools for the bank’s agriculture portfolio, improve the integration of S&E considerations in procedures governing credit appraisal, decision-making and risk-monitoring process, extend the system to cover the (agri) retail segment, and perform an assessment of the bank’s capacities regarding S&E management. The project was completed in early 2024.

Impact review

The AATIF investment in UBN aims at enabling the bank to expand its agricultural portfolio, driven by its agricultural sector strategy and by broadening its service offer specific to financing needs along agricultural value chains. Despite being a relatively new investment, the bank demonstrated progress as illustrated in the chart below.

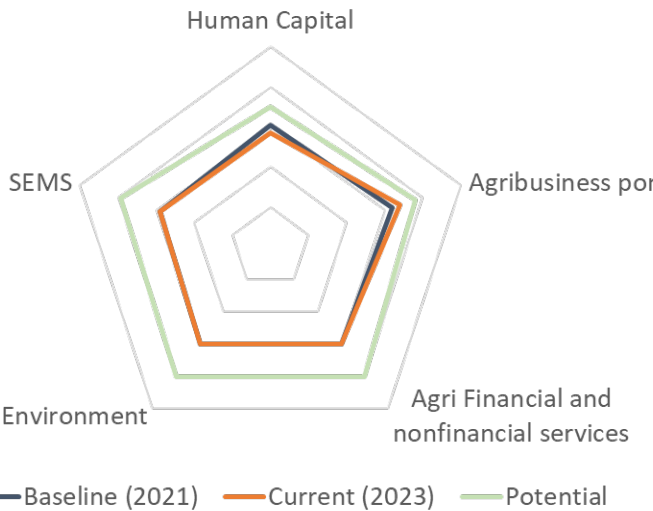
The share of the agricultural sector in UBNs portfolio increased from 11% to 18% and reached USD 250 million at the end of 2022. Over this period, the expansion was

mainly driven by increasing the lending to agricultural processing and trading client segments. To support the expansion of its agriculture book, the bank has established a dedicated Agribusiness desk.

By implementing the S&E action plan, the bank demonstrated progress in SEMS dimension. A dedicated staff member was designated to support the implementation of S&E processes, increasing the capacity of the bank to handle S&E management activities. Additional progress is expected in 2024 due to finalizing the development of policies and tools, as well as S&E capacity building activities, also planned for 2024.

The bank also achieved positive impacts regarding its environmental footprint: UBN continued its energy, water and waste management initiatives to improve environmental efficiency of its own operations. The bank continues its efforts to reduce energy consumption through implementing alternative energy resource strategies across branches and offices.

The employment dimension has seen a slight decline, namely due to reduced representation of women in management positions and increased gender pay gap.



Vantage



In 2020, AATIF established a partnership with Vantage Netherlands B. V. – a processor and trader of organic soybean and sunflower seeds. Vantage Organic Foods Pvt Ltd, India – the parent company of Vantage Netherlands – started off as a pure trader of organic soybeans out of India. Over the years, the company has developed into an integrated agribusiness with 8 crushing machines of 20 MT / day crushing capacity, sourcing soybeans locally from more organically certified smallholder farmers. The company would go on to invest heavily in Africa in 2014 by developing relationships with smallholders in Benin, Nigeria and Tanzania, in partnership with two local NGOs.

Although investment was already decided for in December 2020 the pandemic brought the trading activities of the company a standstill which caused the first use of the facility to happen in 2022.

The USD / EUR 1.5m senior secured trade finance facility has been used to enhance the company’s activities in sourcing soybean directly from organic farmers. This

has been through the provision of funding for goods in transit overseas to the off-takers, mainly in the US. Since the maiden disbursement of the funding in Q4 of 2022, AATIF’s funding has been used to trade over 1,290MT of organic soybean from Nigeria. However, the activity of the company shrank significantly and the facility had not been used since. The company is in the process to build a processing facility in Nigeria and had not pursued the export activities as it had in the past. Given the underutilization of the facility and the slow speed in progress, AATIF is currently preparing to wind down the investment.

Social and environmental review

Although Vantage has not established a formal system to identify and manage social and environmental risks, the company has some elements of a social and environmental management system in place. For example, the company assigned a designated staff member the responsibility to manage social and environmental aspects. During the year, Vantage progressed developing internal policies, procedures and

measures to identify and manage risks and impacts that originate from its activities and that affect its workforce, the community, and the environment.

As Vantage continues to focus its business on trading organic soybean, it conducts chemical tests on its products to ensure compliance with regulations on trading in organic products. The verification of organic enables the company to confirm the integrity, safety and quality of the products for adherence to required standards.

The company started the process of obtaining relevant permits related to social and environmental management for its proposed processing plant in Benin. In addition, the company with support from AATIF Sustainability Advisor, started following up with respective third parties engaged to provide social and environmental related permits and certificates, including environmental permit, health and safety certificates, and effluent discharge certificates.

In terms of capacity for social and environmental management, two staff were relocated to both Nigeria and Benin to oversee agro-certifications and overall social and environmental management.

Area of improvement as per the loan agreement	Status
Develop safety guidelines and obtain approval from the Ministry of Education for the school farming programme in Nigeria.	Completed
Develop an Action Plan for implementing and monitoring S&E management measures. The Action Plan to include performance indicators, resources, and responsibilities.	Completed
Develop and implement a Social and Environmental Management System, including a methodological approach to managing environmental and social risks and impacts as well as roles and responsibilities.	Ongoing
Develop and implement HR policies and procedures for operations in Benin, Nigeria and Tanzania aligned to AATIF’s S&E Policy and national laws.	Ongoing
Develop a grievance mechanism for affected communities and other stakeholders, including one specifically for farmers to express concerns and complaints, and keep records of complaints and resolutions.	Not started
Develop and implement a service provider policy, covering S&E requirements that providers should comply with, and designate roles, responsibilities and a budget for implementation.	Not started
Keep records of NGO field staff.	Not started
Support improvements in the contracts of NGO field coordinators/officers, including responsibilities/activities, fair remuneration, and health coverage.	Not started
Support the creation of a training module that addresses child labour and raises awareness on the use of child labour.	Not started
Monitor farmer outreach activities and actively ensure that (i) no child labour is used and (ii) land conversion is not emerging, for example by using geolocation of farms.	Not started

TA Measures

The TA Facility is supporting Vantage to establish the new permanent position of Outgrower Manager through a salary subsidy for a two-year period. The Outgrower Manager was onboarded in November 2023 and has been equipped with an additional budget to be utilised for farmer training. During 2023, the investment in Vantage was discontinued by AATIF and the TA support will therefore be phased out.

Previously, the TA Facility also assisted Vantage through conducting a feasibility study for Vantage to own and operate local soybean processing facilities in Benin. The study provided Vantage with a clear assessment of the feasibility of venturing into local soybean processing and an accompanying action plan to support during the implementation phase.

Impact review

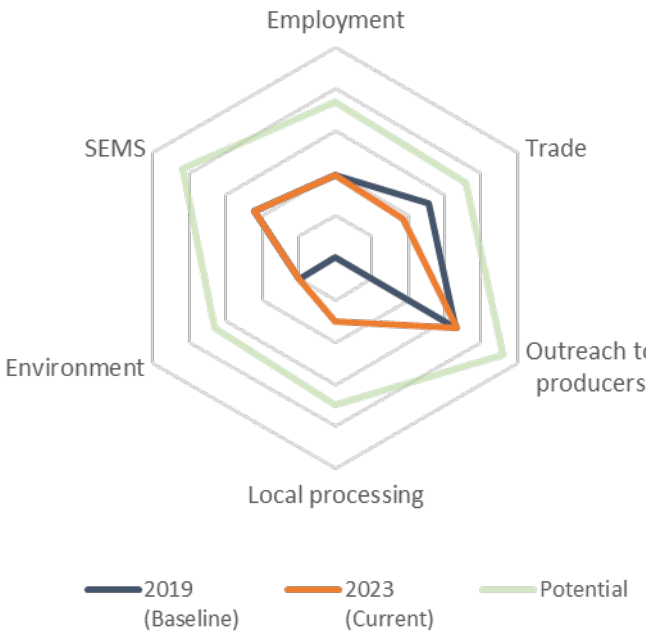
In 2023, Vantage worked towards improving its relations with smallholder farmers (SHFs) within its Nigerian supply chain. The network of farmers extends to about 15 states in Nigeria and comprises around 19,000 farmers. The farmers are organized in groups, with 250 community-based field officers attending to an average of 80 farmers each. Acknowledging a disconnect with the SHFs due to the Covid-19 pandemic, Vantage recommenced initiatives to reconnect with both the field officers and the farmers, reinforcing its commitment to their partnership. As a result, the company continued sourcing exclusively from SHF. In Nigeria, the company engaged with approximately 1,300 SHFs, of which 40% were women. In Benin, the outreach to SHFs diminished due to the halt in soy sourcing from Benin. Findings of the baseline Rapid Appraisal indicate that Vantage offers important demand for farmers’ soybean where farmers selling to Vantage sell 30% more volumes than those not selling to Vantage (control group). The prices paid by Vantage were also reported to be 14% higher than the market price. Farmers supplying soybean to Vantage enjoyed 40% higher income than those in the control group.

With the support of the AATIF TAF, the company hired a new Outgrower Manager in Nigeria to increase presence on the ground and support outreach activities. Over the year, the Outgrower Manager was successfully onboarded and conducted training sessions for farmers. These trainings covered a range of essential topics, like good farming practices, organic farming, benefits

of crop rotation, methods for weed management, and importance of prohibiting child labour.

Furthermore, Vantage demonstrated positive development in local processing as illustrated in the graphic below. Despite this positive processing performance, the company encountered operational challenges in Benin and Nigeria. In Benin, the company aimed to boost local processing capacities by importing equipment from India. Implementation was still pending authorizations from Benin at the end of the reporting period. In Nigeria, processing limitations should be eased by an exclusive lease with a soybean processing plant to ensure a steady soybean flow from farmers to markets. Also here the company is still awaiting closure.

During the reporting period, the company experienced a decline in trade exports, primarily due to the absence of soy exports from Benin. Although Nigeria maintained a steady export volume with 1,398MT of soy, mirroring the previous year’s figures, the lack of exports from Benin adversely affected the overall trade performance.



An impact brief summarizing the main findings of a rapid appraisal of AATIF’s investment in Vantage is uploaded on the AATIF website.

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Imprint

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