



20 | IMPACT 20 | REPORT



SAHEL CAPITAL AGRIBUSINESS MANAGERS LIMITED
FUND FOR AGRICULTURAL FINANCE IN NIGERIA (FAFIN)



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Letter from the Managing Partner

As I look back at the past year – 2020 – I am thankful for many things.

I am thankful first and foremost for the health and wellbeing of the incredible team at Sahel Capital, as well as the founders, leadership, and over 950 staff across our portfolio companies. Many individuals faced personal, health, and security challenges during this time but still strove hard to manage the difficult task of balancing personal and work commitments in a tumultuous year. Without this incredible commitment we would not have been able to achieve the results we did during the course of the year.

Secondly, I am thankful for the incredible partners we have from amongst our LPs who worked closely with us during this unusual year – the African Development Bank, CDC Group, Dutch Good Growth Fund (Triple Jump), KfW Development Bank, Nigeria's Federal Ministry of Finance, and The Nigeria Sovereign Investment Authority.

The year started out innocuously for us, like most others, and in early January 2020 we held our annual strategic team retreat in Lagos to plan for the year. Two months later COVID-19 health concerns and worldwide movement restrictions completely upended those plans. As we worked closely with all our stakeholders over the subsequent months, the issues we wrestled with reinforced for us the importance of robust food systems and the need for African countries to strengthen domestic supply chain links to smallholder farmers. Without this, slight bumps within food supply chains will have dramatic damaging ripple effects on the availability and affordability of food. This can be devastating in a country like Nigeria where 40% of the country's 200 million people live on less than \$1/day; and 60% of the average household's income is spent on food.

We also learned how resilient the food and agricultural sector can be. The agricultural sector in Nigeria for example, which accounts for approximately 22% of GDP, has not had one quarter of negative GDP growth over the past 15-years. And this in a period where there were two major economic recessions. Two hundred million people still need to eat! The key question is who will feed these people – domestic agribusinesses or food imports?

Sahel Capital's focus on investing in integrated regional supply chains and domestic consumption has provided us with a portfolio of companies that were not only incredibly resilient during 2020, but also impacted over 102,000 lives during the year – smallholder farmers, suppliers, distributors, and employees at our various portfolio companies.

In this year's Impact Report we salute the creativeness and dynamism of our entrepreneurs, and highlight how our team engaged to provide critical support to our partners during this time.

Best wishes,
On behalf of the entire Sahel Capital team

Mezuo O. Nwuneli
Managing Partner
Sahel Capital Agribusiness Managers Ltd.





Driving Impact Through Turbulent Times

– Sahel Capital touching lives during COVID pandemic

2020 started upbeat with so much excitement for Sahel Capital.

Our portfolio companies were being positioned to deliver strong results, following several strategic initiatives that we started implementing in 2019.

We had jointly developed the business plans for 2020 with our portfolio companies and the goal was to continue building along three core themes:

And then, COVID happened! Our first action was to do a risk assessment of the potential impact of COVID on our portfolio companies' operations across four dimensions: supply chain, customers, cash flow, and the organization. We reviewed our jointly developed business plans in light of the risk assessment, and we were pleased to see that they were still relevant to deliver our business goals. In certain instances, however, Sahel had to respond quickly to support the portfolio companies to mitigate some risks.

This is the story of how our portfolio companies responded to what would have been a tumultuous year, but managed to deliver outstanding results in spite of the pandemic!

1. Strengthen the local supply chain, fully integrating our business operations.



2. Strengthen the management teams and empower them to achieve the business goals.



3. Strengthen governance, ensuring regulatory, statutory, environmental and social compliance.



L & Z Integrated Farms

L&Z is an integrated dairy processor with its own cattle herd and processing operations. The company has a herd of 114 hybrid Friesian cows, sources additional milk from several communities of pastoralists, and produces a range of dairy products (including yoghurt, fresh milk, and ice cream) which it supplies to modern trade outlets across Nigeria.

At the peak of the pandemic, Nigeria went on lock-down like many other countries and L&Z faced a number of challenges. Firstly, concerns for the well being of staff made it imperative to modify the intensity of the

company's operations. Secondly, as a result of movement restrictions, L&Z could not easily transport its cold-chain dependent products across the country. Thirdly, L&Z lost an entire revenue stream which accounted for up to 15% of sales when schools closed – sales of yoghurt as part of school feeding programmes.

And finally, L&Z had to delicately manage its relationship with the pastoralists that supplied it with milk, especially in the initial two months when its milk volume requirements dropped. Sahel Capital worked closely with the management team to immediately address these challenges:

- 1. L&Z quickly split its team into two, with each team working separate shifts and not interacting with each other. No staff was furloughed or laid-off. The focus was to decongest the processing factory to minimize the risk of COVID transmission, and to ensure business continuity if one team was impacted by health issues. The company also provided all relevant COVID-compliant protocols such as temperature checks, sanitisers, and hand-wash areas across the facility.**
- 2. Milk collection from pastoralists was initially reduced to mitigate the risk of a potential decline in product demand due to the nationwide movement restrictions. However, very quickly not only did L&Z revert back to its original milk collection volumes it also increased the price it paid to pastoralists for raw milk by 24% to ensure reliability of supply. These higher purchase prices also helped provide a cushion to the families of the pastoralists during what was a difficult economic time for many. L&Z was also able to increase its product prices later in the year, passing on most of this cost increase, without any impact in sales volumes.**
- 3. Sahel Capital and L&Z completed a market research project to better understand dairy product demand in northern Nigeria, just before movement restrictions were implemented. Based on the conclusions from the study, L&Z refocused its product distribution to states closer to its factory and across northern Nigeria. This had an immediate positive impact on the business when inter-state movement restrictions kicked-in: L&Z was able to increase sales volumes with better market penetration closer to its factory, versus trying to resolve logistic challenges distributing its cold chain products to stores across Nigeria. These incremental sales volumes also effectively replaced 'lost' sales to the school feeding programme.**
- 4. Towards the end of 2020, L&Z also revised its staff salary structure upwards to take into account a higher cost of living. This decision was very helpful in strengthening staff morale and engagement.**

As a result of these actions not only was L&Z able to achieved business plan targets for the year – it has hit record monthly sales revenues during 4Q20 and 1Q21.



L&Z's refrigerated trucks getting ready to transport products to Lagos from Kano



L&Z products at one of Shoprite store



A cross section of L&Z's cattle herd



L&Z's ability to quickly respond to the challenge presented by the pandemic is a testament to the strength of its management team. The company was able to scale their business in a difficult year, achieving record numbers month after month. What the company achieved during this period is really impressive!

Deji Adebuseye | Principal, Sahel Capital






Dayntee Farms Limited

Dayntee Farms Limited is an integrated poultry farm with a breeder stock farm producing hatchable eggs; a hatchery for production of day old chicks (“DOC”); automated pens for rearing of broiler birds; and a 1,000 bird/hour capacity broiler processing factory.

At the onset of COVID-19 induced restrictions the company and Sahel Capital had quite a few concerns. Firstly, the shut down of hotels, restaurants, and quick-serve restaurant outlets meant that a large proportion of Dayntee’s sales distribution network was closed and it was not clear how long this would persist. Secondly, the 245,000 birds on Dayntee’s farm had to be fed multiple times a day. Movement restrictions that impacted the company’s ability to feed the birds would wipe out the entire flock. And finally, there were real concerns for staff health and safety given a spike in COVID cases within the state, and concerns about the impact on poultry biosecurity at the farm.

In order to address these risks Dayntee first split its staff into two teams working on alternate weeks at the farm. During their weekly shifts, the entire staff also slept at the farm to create a safety ‘bubble’ and reduce the risk of COVID infections. This format, however, also reduced the staff strength available to manage the poultry farm during each shift – impacting the volume of birds that could be reared.

 CHICKENS	2019	2020
Out-grower farmers supplied	315,989 Birds	888,775 Birds
Percentage of total birds sourced from out-growers	20%	68%
Out-grower farmers supplied birds valued at	N 250 Million	N 510 Million



Leyin farms is located in Kwara State, the farm has a rearing capacity of 7,500 broiler but was unable to utilize its facility. Dayntee signed an outgrower partnership agreement with the farm and provided day old chicks, feed and veterinary services for full utilization of the farm 7,500 broiler rearing capacity.



Ayoka farms is located in Osun State, Dayntee farms partnered with the farm to provide outgrower services, Dayntee provided day old chicks, feed and veterinary services to the farm to optimize its 15,000 broiler rearing capacity.



Integrating financial and social impact is the focal point of our investment strategy, and was key to Dayntee’s superior performance in the midst of the COVID-19 pandemic. It is no surprise to us that the company exceeded its 2020 financial and operations targets.

Niyi Oladejo | Operating Partner, Sahel Capital





Crest Agro Products Limited

Crest Agro Products Limited is an integrated cassava starch company with a 13,000 hectare farm (of which 1,000ha is cultivated) and a 21,000MT annual capacity starch plant located in Lokoja, Kogi State. The company sources cassava tubers from its captive farm and from about 4,000 ingrower and outgrower farmers, which it then processes to food grade starch for Fast Moving Consumer Goods (FMCG) companies in Nigeria.

Crest Agro faced particular risks and challenges during the year. Firstly, the supply of cassava tubers across the country available for industrial use rapidly disappeared as (i) the crop was utilized as food aid by the government, and (ii) those at the 'bottom-of-the-pyramid' increased their consumption of this affordable staple food as other food sources reduced. This reduced supply led to a spike in cassava tuber prices and made it difficult for the entire industry, including Crest Agro, to operate their plants at optimal capacity. Secondly, the economic hardship led to a spike in insecurity across the country and in particular in Kogi State where Crest Agro is located. The importance of ensuring staff safety meant that operations were cut back to daylight hours only and the company made additional provisions to ensure staff were protected.

During this period, Sahel Capital worked closely with the team at Crest Agro in three areas: First, a

significant amount of time was spent on resolving supply chains issues. The focus was on ensuring that there was increased planting of cassava tubers amongst Crest Agro's farmer network so that there would be sufficient supply at harvest 12-months later (in 2021) for the company's processing requirements.

This included: signing cassava off-take agreements with three mid-sized farms; securing funding for its out-growers via the Central Bank of Nigeria's Anchor Borrows Programme; negotiating bulk discounts on inputs so these out-growers could get better pricing; and providing agronomic, farm management, and HSE training to its farmers.

Secondly, active engagement with Crest Agro's FMCG customers which enabled the company to secure price increases and onboard four new Tier 1, two Tier 2 and four Tier 3 customers during the period.

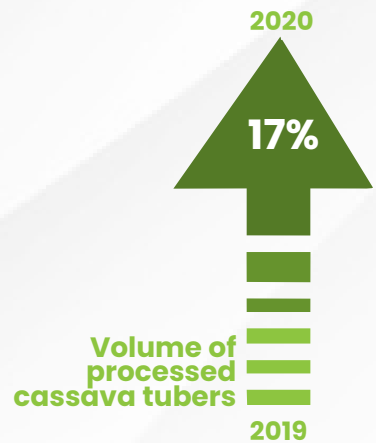
And finally, coordination of efforts to raise third party capital to ensure that there was sufficient funding in place for the company to weather this period until a new supply of crop is ready to be harvested.

11,620 MT of cassava tubers processed in 2020, up 17% from 9,914 MT in 2019



Four new mid-sized farms engaged to supply 21,000 MT of cassava tubers in 2021

2,000 ha of new land cultivated by farmer network for cassava supply





Engagement with the Uwa cluster farmers, who are part of Crest Agro's outgrower programme.



Crest Agro team inspecting a demonstration farm as part of the agronomic training provided to its farmer network, and facilitated with the support of IDH.



Some of the women that participated in the Crest Agro's outgrower programme training in 2020.



Depth of engagement with both our farmers and customers will be critical to our long term success. We invested heavily in these relationships during the year to ensure the long term sustainability of our business.

Tunde Solaja | MD/CEO Crest Agro Products Limited





Coscharis Farms

Coscharis Farms is an integrated rice farm operations that operates a 2,500 hectares farm and a 36,000 MT rice mill in Anambra State, in southeastern Nigeria. The company has 22.7 km of irrigation canals, 8km of dykes, and 35 km of road infrastructure on its commercial farm. CFL's mill was commissioned in August 2019, and 2020 was the mill's first full year of operation.

When COVID hit in early 2020, the rice paddy supply chain was immediately impacted due to the restriction of movement across the country. This created material challenges for CFL as the company procured a significant volume of its rice paddy from northern Nigeria.

Sahel worked with CFL to both address these COVID related challenges in the short term, as well as design a strategy to localise its supply chain closer to the processing factory for the longer term.

In the short term, Sahel brokered a three-way partnership among CFL, a large-scale aggregator, and a leading third party logistics Company. The relationship ensured that the rice paddy aggregated by the large-scale aggregator was promptly transported to CFL by third party logistics company. This interim intervention helped sustain continuous paddy supply to the rice mill during the peak of the Covid lock-down in the country.

However, it was clear that that it would be strategically important to localise the supply chain around the rice mill. Hence, the company allocated resources to drive the development of an outgrower scheme close to the mill. CFL supported 20 farmers with inputs to each cultivate an average of three hectares as a pilot for the ingrower/outgrower programme. These farmers achieved an average of three metric tons per hectare, a 60% increase from their previous output. CFL off-took about 200 metric tons of paddy from the farmers and other interested community farmers. Due to the pilot programme's success, 1,100 farmers registered for CFL's ingrower/outgrower scheme in 2021.

Sahel then facilitated a partnership between CFL and IDH – a sustainable trade social enterprise – to provide technical support and training to CFL's farmers; and secured €120,000 in grant funding from IDH for an in-grower/out-grower scheme to support 5,000 farmers over four years commencing from the 2021 farming season.

This value chain development programme will provide the following opportunities.

- Provide market access, as CFL will be able to off take approximately 50,000MT of rice paddy from the farmers over a three year period.
- Increase participating farmers' income through both higher crop sales volumes and improved yields from increased productivity.
- Strengthen the rice value chain network in communities and states in closely proximity to CFL.




Group picture of the farmers that participated in the CFL's pilot outgrower scheme in 2020.



An outgrower pilot rice farm at Ifite Ora village, Anaku, Ayamelum, Anambra state



Harvested rice paddy from the outgrower pilot scheme

 PADDY/ RICE	2019	2020
Volume of paddy processed	6,807 Metric Tonnes	12,927 Metric Tonnes
Volume of finished rice produced	4,046 Metric Tonnes	7,882 Metric Tonnes



“We were able to generate strong year-on-year growth during a difficult period, anchored by our commercial farming operation. However, we recognize that for durable long-term sustainability we need to invest in the breadth and technical capacity of the smallholder outgrower network in the communities near our rice mill.”

Godwin Umeaka | MD/CEO Coscharis Farms

Ladgroup Limited

Ladgroup Limited is the pioneer processor of shea nuts into shea butter in Nigeria with an annual capacity of 27,000MT, which it exports to international companies processing the shea butter into several products, including confectioneries, cosmetics. The Company is setting up its 21,000MT/annum edible oil refinery to create additional value by refining shea butter and further extracting olein and stearin.

The advent of the covid-19 pandemic had a strong hit on the company's 2020 business strategy. The shea butter export market shrunk as a result of the slowdown in the production and operating capacity of major international shea butter processing companies. Three major off takers representing a significant share of the business, deferred or cancelled orders. This was followed by the retirement of the company's Managing Director (MD) in line with the Company's policy. To provide an immediate support to bridge the leadership gap while going through the recruitment process for a new MD, Sahel immediately deployed one of its operating partners, Remi Bodunrin, as acting MD pending successful completion of a recruitment process for a new substantive MD. To address the slowdown in the export market, the acting MD immediately focused on diversifying the business operations and introduced a local retail product into the market which helped to offset some of the shortfall in

export demand. Through the support of the FAFIN Technical Assistance facility, the company conducted a local commercialization market study for shea butter. This study formed the basis for a diversification strategy which helped the company diversify its income stream during the period.

In addition, to ensure appropriate cash management during the period, the company retooled its factory equipment to increase the shea butter extraction rate by 3% which translated to a corresponding 3% waste reduction. The company embarked on an energy efficiency strategy changing its boiler (steam generator) fuel from diesel to compressed natural gas (CNG); an environmentally cleaner alternative with lower global warming emission, which also provided a significant reduction in the energy cost. The operational cost of the company's real estate business was also substantially reduced by providing appropriate infrastructural and service support.

In Q4 2020, there was a gradual ramp-up in export orders and it is expected to continue as the supply chain restrictions are being lifted and the international processors have begun operations. Sahel also supported the company to hire a substantive Managing Director who resumed during the period.



1- 200 grams package



2 - 18 kilogram Bucket



3 - 25 kilograms Carton



Our hands on approach enables us to promptly respond to our portfolio companies' challenges, and identify opportunities in high impact areas to achieve sustainable value creation. This was exemplified in how we leveraged in-house expertise, in spite of the pandemic, to diversify Ladgroup's operations

Remi Bodunrin | Operating Partner Sahel Capital



FAFIN 2020 Achieved Metrics

FAFIN impact development is focused on five Sustainable Development Goals (SDGs) which are:

- SDG 1: No Poverty
- SDG 2: Zero Hunger
- SDG 5: Gender Equality
- SDG 8: Decent Work and Economic Growth
- SDG 9: Diversity and Empowerment



Agriculture is a key contributor to Nigeria's economic development and fundamental to the socioeconomic development of the country. The sector has been identified as a key driver in the achievement of Nigeria's SDG metrics.

Despite the impact of the COVID-19 pandemic, FAFIN portfolio companies proved resilient, delivering on their business plan and contributed to achieving Nigeria's SDG goals.



Sustainable Development Goal

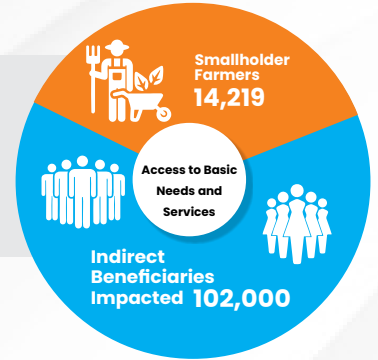
FAFIN 2020 Achieved Metrics



Almost 80percent of poor people live in rural areas, and the majority rely on agriculture for their livelihoods



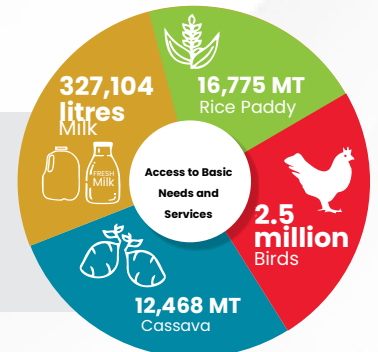
40% of Nigerians live in Poverty (below US\$361 per year)



The world produces food for everyone yet 815 million go hungry



12.6% of Nigerians live below the minimum level of dietary energy consumption



Women produce 1/2 of the world's food but have much less access to land



Women, who make up slightly less than 50% of Nigeria's population, account for more than 70% of Nigerians living in extreme poverty

Directly employed 150 women
Engaged 5,941 female smallholder farmers



Agriculture account for 1/4 of GDP in developing countries



Agriculture contributed c.27% to Nigeria's GDP in Q4 2020.

- Built 2 factories – Rice and Cassava processing factories
- Constructed 2.7km main irrigation canal for dry season farming
- Cultivated over 2,000 hectares of cassava and rice plantations



Agricultural growth in low-income countries can reduce poverty by half



Nigeria's unemployment rate hit 33.3% in Q4 2020

870 Direct Jobs Created till date and 607 youths engaged



Sahel Corporate Shared Values

Sahel started its Corporate Shared Values (CSV) programme in 2017 with two key objectives: (1) To act as a catalyst to develop and support an ecosystem of educators and students interested in the agricultural sector; and (2) to improve the social and living conditions of the less-fortunate in the communities in which Sahel operates.

Sahel Scholars Programme

Every year since 2017, Sahel has organized conferences in selected Nigerian universities to facilitate discussions between students, educators, and private sector representatives on opportunities within the agricultural sector. Subsequent to these conferences, Sahel interviews, screens, and provides internships to a small number of smart and highly motivated undergraduate students as “Sahel Scholars”. Sahel then provides scholarships to these individuals for their final year of university.

In 2017 we piloted the programme with one university, and by 2019 we had increased this engagement to five universities across Nigeria.

COVID-19 hit in 2020 and it presented a real threat to our ability to hold the conferences. However, in a turn of events, we decided to leverage the widely popular digital conferencing platforms to organize the next programme. Why reach only five universities in Nigeria when we can reach universities across Africa? We therefore organized

the first virtual Sahel Scholar’s Programme in May 2020, and opened it up to interested undergraduate students across Africa. As a result, we had over 1,000 participants joining from different countries in Africa.

In addition, for the first time, we organized a dedicated virtual conference for educators from across the continent to discuss strategies for improving the quality of instruction within university agricultural departments, linking degrees to job opportunities, and increasing in interest by students in agricultural-related degrees.

We had participation from lecturers, professors, government officials, and private sector stakeholders.

Sahel could not provide internships in 2020 as a result of the pandemic, but did provide an opportunity for three of its existing scholars to volunteer with one of its partner organisations, Nourishing Africa – a platform for agri-entrepreneurs to accelerate their work, connect with funders, markets, talents, and celebrate the success on the continent.



“Youths must continuously innovate to address challenges of market access, financing and logistics in the sector”

Temitope Omotolani
Co-founder and Managing Director, Crowdyvest



“We have to change mindsets, revise the academic curricula in universities, revamp the National Youth Services Corps (NYSC) programme, incorporate vocational training, ensure continuous learning for ag-SMEs, and leverage technology”

Dr. Adam Saffer
Chief of Party / Managing Director of the Nigeria Agribusiness Investment Facility, Cultivating New Frontiers in Agriculture (CNFA)



“We must tailor ag-technologies to solve specific problems in order to remain relevant and sustainable”

Ayo Arikawe
Co-founder and Chief Technical Officer, ThriveAgric



“Educators must maintain a balanced practical and theoretical mode of delivery of an agribusiness curriculum”

Mr. Chike Nwagwu
Founder and CEO, Novus Agro



“Agripreneurs should critically assess and explore diverse funding options in their quest to innovate and scale”

Uduak Igbeka
Country Support Manager, Scaling Up Nutrition Business Network (SBN)



“All stakeholders should foster private-public partnerships, encourage international collaboration and incorporate mentoring of students”.

Professor Sanni Lateef
President, International Society for tropical Root Crops and former Deputy Vice Chancellor, Federal University of Agriculture, Abeokuta.



Community Engagement Program

In 2017, in order to support existing staff community outreach initiatives, Sahel decided to match 1-1 any staff donations to specific pre-agreed causes. These outreach initiatives are voted on and picked by staff each year.

Since the commencement of the programme, Sahel has completed a range of projects. We have supplied food and gifts to a motherless babies home, renovated a seven-classroom block in a public school, purchased medical equipment for a community clinic, renovated the drainage for a destitute home, and supported the school fees of selected students from low income families.

In 2020, we realized that most public schools in Nigeria did not have the appropriate COVID-compliant protocols to reduce the risk of COVID infection and transmission amongst students. We decided to distribute COVID-19 preventive items and school supplies to three selected public primary schools in Lagos and Abuja where Sahel has offices. We supported the schools with the following items:

- Leg-operated hand wash stations
- Wall-mounted automatic dispensers
- Liquid soaps
- Hand sanitizers
- Sahel-customized nose covers
- Sahel-customized exercise books
- Sahel-customized pencils; manufactured from recycled papers.



Writing materials and covid-19 materials donated to the schools.



Student of Jabir Junior Secondary school, Abuja

- 2020 Sahel Supported Schools in Lagos and Abuja**
1. Ilasan Primary School, Ajah, Lagos
 2. Ikota Primary School, Ajah, Lagos
 3. Jabir Junior Secondary School, Abuja



Sahel Team with staff of Ilasan primary school, Ajah, Lagos



Wash hand station donated to the schools



Our Team



Mezuo **Nwuneli**



Olumide **Lawson**



Remi **Bodunrin**



Niyi **Oladejo**



Deji **Adebuseye**



Okey **Ejibe**



Oladele **Shekete**



Tosin **Ojo**



Kunle **Iludiran**



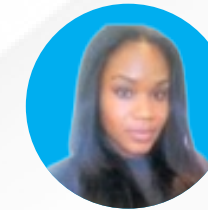
Funke **Okuwobi**



Tosin **Ekpeta**



Michael **Thompson**



Nnenna **Chukwurah**



Ezekiel **Alabi**



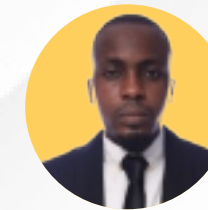
Nikita **Khemani**



Toluwanimi **Idowu**



Ezinne **Phin-Alphaeus**



Johnson **Adah**

The Fund



Fund Manager





Appendices

L&Z Integrated Farms Limited

Primary Impact Metrics Tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Employment generation by Investee	Total employment (permanent staff)	54	61
	Total employment (casual workers)	72	76
	Males employed	108	118
	Females employed	18	19
	Youths employed (aged between 18 and 35 years)	78	94
Farmer financing	Bank accounts opened for cooperatives	8	8
Inclusion of smallholder farmer suppliers to investee company	No. of Fulani clusters	4	4
	No. of Farmers/herdsmen	681	2,720
	No. of Female Farmers	420	1,356
	No. of Dairy Farms	12	12
Improved efficiency of value chain	Average volume of raw milk sourced per day (in litres)	1,250	1,090
	Price paid per litre of milk (₦) - peak price	170	210
	Price paid per litre of milk (₦) - lowest price	170	170



Secondary Impact Metrics Tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Development Impact	Female children enrolled in school under girl child initiative	600	600
	Total premium paid to Fulani farmers with female children enrolled in school (₦)	N6.8 million	N6.5 million
	No. of children provided scholarships under the L&Z Fulani Children Education Initiative	12	12
	No. of individual farmers impacted through Artificial Insemination (AI)	130	0
Indirect employment generation by investee	No. of merchandisers engaged by L&Z in modern trade distribution outlets	38	43
	No. of individuals employed by peri - urban dairy suppliers	140	140
Indirect impact on quality of life of employees and suppliers Investee	No. of individuals impacted by L&Z engagement with Fulani clusters ¹	6,129	24,480
	No. of individuals impacted by L&Z engagement with its employees ²	630	685
	Total income generated by smallholder farmer suppliers	₦58.1 million	₦55.6 million
Employment generation by	Wages and Salaries paid to employees	₦81.2 million	₦102 million



Environmental, Social & Governance (ESG)

ESG criteria (qualitative)	31st December 2019	31st December 2020
Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)	None	None
Pollution Prevention and Abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)	None	None
Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)	None	None
Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)	None	None
Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)	None	None
If yes, please give details of incidents	N/A	N/A
Have there been significant improvements in any ESG related issues? If yes, please provide further information	The company's environmental audit was approved by the National Environmental Standards and Regulations Enforcement Agency.	The company sustained its environmental and social commitment.

1. Average of 9 individuals per Fulani household
2. Average of 5 individuals in each employee household



ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2020
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	None	3
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	None	None
No. of product recalls	Community Health, Safety and Security	1,200 litres of yogurt	1,691 litres of yogurt ³
No. of fatalities on L&Z farm (Cows) ⁴	Biodiversity Conservation and Sustainable Natural Resource Management	2 Cows	None

3. Yogurt returned due to product defect as result of decolorization; 2020 recalled volume represents 0.07% of total production versus 0.1% recalled in 2019. The company's production volume in 2010 is about 1.6x of 2019 production volume.

4. Cows died due to illnesses such as heart disease, milk fever, and complications during calving.



Dayntee Farms Limited

Primary impact metrics tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Employment generation by Investee	Total employment (permanent staff)	48	35
	Total employment (casual workers)	253	191
	Males employed	239	164
	Females employed	62	62
	Youths employed (aged between 21 and 35 years)	185	157
Increased Food Security	Increased production of food for domestic use processed chicken meat per year (MT/annum)	1,739	1,847

Secondary Impact Tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Employment generation by Investee	Total retail jobs created/sustained	301	226
	Total farmer jobs created/sustained	66	36
Indirect impact on quality of life of employees and small holder farmers	No. of individuals impacted by the engagement of Dayntee with employees ⁵	1,505	1,130
	No. of individuals impacted by the engagement of Dayntee with smallholder customers ⁶	624	1,260

Environmental, Social & Governance (ESG)

ESG criteria (quantitative)	31st December 2019	31st December 2020
Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)	None	None

5. Average of 5 individuals in each employee household

6. Average of 9 individuals in each smallholder household



Pollution Prevention and abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)	None	None
Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)	None	None
Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)	None	None
Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)	N/A	None
If yes, please give details of incidents	N/A	N/A
Have there been significant improvements in any ESG related issues? If yes, please provide further information	The environmental audit was conducted. Data obtained from the study is currently used as baseline for environmental monitoring.	The company sustained its environmental and social commitment.

ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2020
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	15 ⁷	9
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	16	None
No. of product recalls	Community Health, Safety and Security	None	None
No. of fatalities on Dayntee farm (Chickens)	Biodiversity Conservation and Sustainable Natural Resource Management	71,287	74,572 ⁸

7. Minor injuries due to falls and minor cuts.

8. Mortality rate recorded represent about 4% of total birds placed



Crest Agro Products Limited

Primary impact metrics tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Employment generation by Investee	Total employment (permanent, full-time equivalent contract and casual)	73	66
	Total employment (permanent staff)	41	43
	Total employment (full-time equivalent contract)	32	23
	Total employment full-time equivalent (casual)	-	-
	Females employed	9	10
	Youths employed (aged between 18 and 35 years)	56	52
Farmer financing	Number of farmers financed through out-grower schemes	-	134
Inclusion of smallholder farmers (as clients/suppliers of/to investee companies)	Number of smallholder farmers	3,200	5,422
	No of Female Farmers	1,280	2,359

Secondary impact tracked

Impact criteria	Impact metric (quantitative)	31st December 2019	31st December 2020
Indirect employment generation by investee	Average number of farm labourers employed during farming season	400	380
Indirect impact on quality of life of employees and suppliers	No. of individuals impacted by Crest Agro engagement with farming clusters ⁹	27,433	25,060
	No. of individuals impacted by Crest Agro engagement with its employees ¹⁰	365	330
	Total income generated by smallholder farmer suppliers	-	₦48.3 million
Employment generation by Investee	Wages and Salaries paid to employees	₦77.7 million	₦102.5 million
	Wages and Salaries paid to farm labourers	₦31.9 million	₦13.2 million
Active Farm Developed	Total area of own farmland developed during the year (Ha)	1,699	482 ¹¹

9. Average of 5 individuals in each small holder household.

10. Average of 5 individuals in each employee household.

11. Cultivated farmland for the year was carried out by Crest ingrower farmers and third party mid-sized farmers only.



Environmental, Social & Governance (ESG)

ESG criteria (qualitative)	31st December 2019	31st December 2020
Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)	None	None
Pollution Prevention and abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)	None	None
Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)	None	None
Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)	None	None
Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)	None	None
If yes, please give details of incidents	N/A	N/A
Have there been significant improvements in any ESG related issues? If yes, please provide further information	The company has completed the implementation of its ESAP except the construction of the effluent treatment plant which is at the commissioning stage. The company has put in place its environmental monitoring system.	None



ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2020
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	49	16 ¹²
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	38 unarmed security guards employed by the company and supported by 18-armed police officer.	38 unarmed security guards employed by the company and supported by 10-armed police officer.
No. of product recalls	Community Health, Safety and Security	None	None

12: Medical Treatment for work-related injuries 3, Near miss – 2, other minor injuries



Coscharis Farms Limited

Primary Impact Metrics Tracked

Impact Criteria	Impact Metric	31st December 2019	31st December 2020
Employment generation by Investee	Total employment:	196	236
	Permanent Staff	66	72
	Contract Staff	16	3
	Casual Labour	26	31
	Seasonal Labour	88	130
	Females Employed	7	7
	Youths Employed (21 - 35)	127	181
Revenue generation by investee (N'million)	Investee's revenue for the FYE closest to date of FAFIN investment	1,197	3,224
Farmer financing	Number of farmers financed through microfinance institutions or outgrower schemes	0	20
Inclusion of smallholder farmers	Number of smallholder farmers impacted by the aggregation of paddy	2,040	8,263
Increased food security	Additional volume of paddy produced on farm (MT)	1,562	1,995
Improved efficiency of value chain	Volume of paddy purchased from outgrowers (MT/annum)	4,080	16,775
Indirect impact on quality of life of employees and suppliers	No of individuals impacted by Coscharis engagement with farming clusters	18,360	49,578 ¹³
Employment generation by Investee	Wages and Salaries paid to employees	₦ 171.5 million	₦ 1945 million
	Wages and Salaries paid to farm labourers	₦ 34.3 million	₦ 52.7 million
Active Farm Cultivated	Total area cultivated during the year (Ha)	1,150	1,300

13. Average of 6 individuals in each employee household.



ESG criteria (qualitative)	31st December 2019	31st December 2020
Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)	None	None
Pollution Prevention and Abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)	None	None
Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)	None	None
Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)	None	None
Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)	None	None
If yes, please give details of incidents	N/A	N/A
Have there been significant improvements in any ESG related issues? If yes, please provide further information	The draft environmental and social impact assessment report has been reviewed by the panel set up by the Federal Ministry of Environment. Approval will be issued by the ministry after fulfilling all other stipulated requirement.	The environmental and social impact assessment report was approved by the Federal Ministry of Environment. The Environmental Impact Statement has been issued to the company.



ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2019
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	9	6
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	11-armed security guards (2 at the mill, 4 at the farm and 5 security escorts)	12- armed security guards
No. of product recalls	Community Health, Safety and Security	None	None
No. of fatalities on Coscharis Farm	Biodiversity Conservation and Sustainable Natural Resource Management	None	None



Ladgroup Limited

Primary Impact Metrics Tracked

Impact Criteria	Impact Metric	31st December 2019	31st December 2020
Employment generation by Investee	Total employment:	137	108
	Permanent Staff	57	65
	Contract Staff	80	23
	Females Employed	18	10
	Youths Employed (21 - 35)	87	24
Revenue generation by investee (N' million)	Investee's revenue for the FYE closest to date of FAFIN investment	491	422
Farmer financing	Number of farmers financed through microfinance institutions or outgrower schemes	-	-
Inclusion of smallholder farmers	Number of smallholder farmers impacted by the aggregation of sheanuts	6,512	-
Improved efficiency of value chain	Volume of shea nuts purchased from collectors (MT/annum)	11,432	85
Indirect impact on quality of life of employees and suppliers	No of individuals impacted by Ladgroup's engagement with farming clusters ¹⁴	39,072	255

14. Average of 6 individuals in each smallholder household.



ESG criteria (qualitative)	31st December 2019	31st December 2019
<p>Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)</p>	None	None
<p>Pollution Prevention and Abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)</p>	None	None
<p>Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)</p>	None	None
<p>Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)</p>	None	None
<p>Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)</p>	None	None
<p>If yes, please give details of incidents</p>	N/A	N/A
<p>Have there been significant improvements in any ESG related issues? If yes, please provide further information</p>	None	The draft environmental and social impact assessment report has been reviewed by the panel set up by the Federal Ministry of Environment. Approval will be issued by the ministry after fulfilling all other stipulated requirement



ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2020
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	None	4
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	3 armed security	3 armed security
No. of product recalls	Community Health, Safety and Security	None	None
No. of fatalities on Ladgroup	Biodiversity Conservation and Sustainable Natural Resource Management	None	None



Polyfilm Limited

Primary Impact Metrics Tracked

Impact Criteria	Impact Metric	31st December 2019	31st December 2020
Employment generation by Investee	Total employment:	130	197
	Permanent Staff	0	34
	Contract Staff	0	163
	Females Employed	20	41
	Youths Employed (21 - 35)	105	99
Revenue generation by investee (N'million)	Investee's revenue for the FYE closest to date of FAFIN investment	2,398	3,591
Employment generation by Investee	Wages and Salaries paid to employees	₦116 million	₦135 million



ESG criteria (qualitative)	31st December 2019	31st December 2020
Labour & Working Conditions: Have there been any serious incidents relating to employee welfare that occurred during the reporting period? (e.g. strikes by employees)	None	None
Pollution Prevention and Abatement: Have there been any serious incidents that have occurred during the reporting period? (e.g. environmental spills, release of hazardous waste)	None	None
Community Health, Safety and Security: Have there been any serious incidents that occurred during the reporting period? (e.g. fatal accidents, consumer safety concerns)	None	None
Land Acquisition and Involuntary Resettlement: Have there been any serious incidents that occurred during the reporting period? (e.g. displacement of communities)	None	None
Biodiversity Conservation and Sustainable Natural Resource Management: Have there been any serious incidents that occurred during the reporting period? (e.g. habitat degradation, animal welfare)	None	None
If yes, please give details of incidents	N/A	N/A
Have there been significant improvements in any ESG related issues? If yes, please provide further information	None	The company environmental audit report was submitted and approved by National Environmental Standards and Regulations Enforcement Agency; the agency responsible for environmental compliance monitoring and enforcement.



ESG criteria (quantitative)	Performance Standards	31st December 2019	31st December 2019
No. of fatalities (Human)	Labour & Working Conditions	None	None
No. of injuries and safety incidents	Labour & Working Conditions	None	5 (4 minor incidents and 1 major incident)
No. of strikes	Labour & Working Conditions	None	None
No. of armed security used	Community Health, Safety and Security	None	None
No. of product recalls	Community Health, Safety and Security	None	None
No. of fatalities on Polyfilms Packaging	Biodiversity Conservation and Sustainable Natural Resource Management	None	None

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