











2021 Annual Impact and ESG Report
The Silverlands Funds


SilverStreet Capital

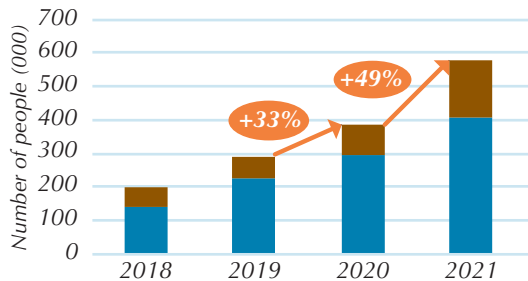
	Impact Metric	Silverlands I 2011	Silverlands II 2016	Total	
Social Impact					
At our businesses	Employment (#)	6,300	4,100	10,400	 
	New jobs created (#)	3,000	1,100	4,100	
	Salaries paid in year	\$28m	\$28m	\$55m	
	Increase in average salary since investment	1.6 x	3.0 x	1.8 x	
Community impact	Total people experiencing a direct economic benefit	408,000	169,000	577,000	
	Individual incomes improved (% , actual)	49% (\$290)	63% (\$340)	53% (\$300)	
	Increased community incomes (\$ p.a.)	\$120m	\$57m	\$177m	
Climate and Natural Capital Impact					
At our businesses	Indigenous ecosystems protected (ha)	23,700	550	24,200	
Outside our businesses	Deforestation prevented (ha)	157,000	104,000	261,000	
	CO ₂ emissions prevented (tonnes)	46m	31m	77m	
	Emissions reduced, equiv. to ... (US coal fired power stations annual emissions)	12 x	8 x	20 x	
Gender Impact					
At our businesses	Women employees (%)	42%	37%	40%	 
	# of women employees	2,700	1,500	4,200	
Outside our businesses	Smallholder farmers benefitting economically	392,000	165,000	557,000	
	% women	66%	61%	65%	
	Number of women	260,000	100,000	360,000	
Total	Women experiencing a direct economic benefit (% of total)	66%	60%	64%	
	Number of women	268,000	101,000	369,000	
Nutritional Impact					
Outside our businesses	Annual calories produced is equivalent to the needs of ... (# people)	3.6m	1.9m	5.6m	
	Annual protein production is equivalent to the protein needs of ... (# people)	4.3m	7.6m	11.9m	

Key Impact Metrics Over Time - Silverlands I & II

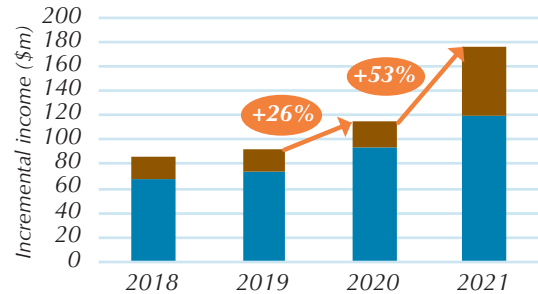
■ Silverlands I ■ Silverlands II

Social Impact

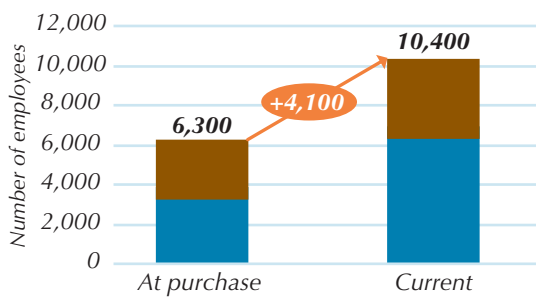
577,000 people benefitting directly



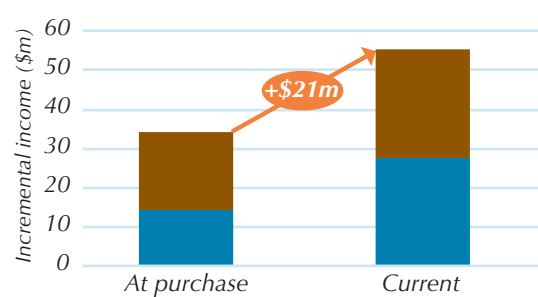
Incremental incomes of \$177m p.a.



10,400 employees: 4,100 jobs created

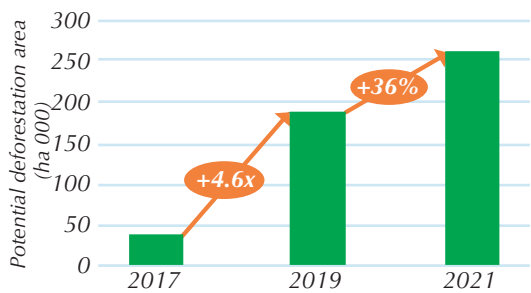


\$55m p.a. total salaries / Avg. salaries increased 1.8x



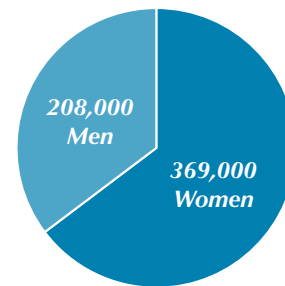
Natural Capital and Climate Impact

261,000 ha of deforestation prevented



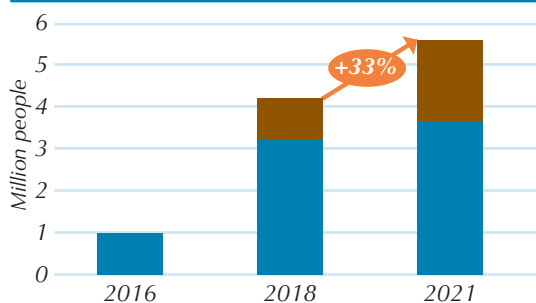
Gender Impact

64% (369,000) of all beneficiaries are women

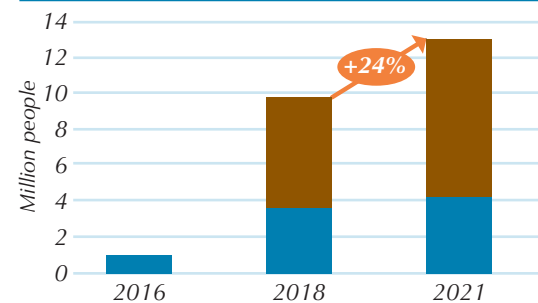


Nutritional Impact

Annual calories produced can feed 5.6m people



Annual protein produced is sufficient for 12m people



Welcome

Welcome to our ninth Annual Impact and ESG Report.

SilverStreet is a UK and Africa-based investor focusing on the African agricultural sector. We recently celebrated our 15-year anniversary and our investment objective is: "To achieve attractive returns for our investors as well as substantial positive social, environmental and climate impacts through our investments."

ESG award

We were very proud to recently win one of only two awards for ESG made by CDC, the UK's Development Finance Institution. Our award was the sector-focused manager ESG performance award (the other was for generalist managers). In their comments on their website, CDC state:

"Our aim with this award is to showcase the leading ESG practices that private capital funds in emerging markets have developed, and the progress being made in adopting and integrating ESG standards into day-to-day operations."

This report hopefully demonstrates the detail and care taken in both ESG and impact management at SilverStreet as we continue to strive to be leaders in this area.

EU SFDR

In March 2021 the EU's new Sustainable Finance Disclosure Regulation (SFDR) came into force. All EU funds are classified according to the degree to which sustainability is a consideration with "Article 9 / Dark Green" funds having sustainable investing as their core objective.

We are proud that both of our funds are classified as Article 9/Dark Green. This is a rarefied group with only 2.8% of EU funds meeting this status. In this report we have made the required disclosures under SFDR a year early, as it will only be fully implemented in 2023.

The opportunity for impact and return

The African agricultural sector presents an exciting opportunity for both return and impact. The key to achieving both is to carefully direct investments to "fix" issues in particular agricultural value chains. This unlocks that value chain, raising incomes for smallholder farmers and, depending on the investment, substantially reducing potential deforestation.

An extraordinary opportunity

The uniqueness of these investment opportunities in the African agricultural sector arises from the uncorrelated aspects of the investments coupled with the multiple impact objectives that can be hit through focusing on one impact target: smallholder farmers in Africa.

This group represents the lowest income sector of these economies and is the main source of deforestation. By introducing rotation crops, better quality inputs and through extension work, we can raise incomes, reduce deforestation, benefit women disproportionately and preserve Africa's natural capital.

Our investments have created over 4,000 quality jobs and have had an enormous multiplier effect. As this report shows, we estimate that 577,000 people have directly benefitted economically, most of whom are smallholder farmers, and some 64% of whom are women. These farmers have seen their annual incomes rise by ~53%, an extraordinary boost.

Across our two funds we estimate that we have prevented some 261,000 hectares of deforestation saving emissions equivalent to 20 US coal fired power stations.

It may sound too good to be true that investments like these can achieve such a wide range of substantial positive impacts, but the breadth arises because of the focus on this single impact target: smallholder farmers in Sub-Saharan Africa. Helping this group through targeted investment leads to multiple and meaningful climate, environmental and social impacts for every dollar invested.

Conclusion

We are privileged to be managing investments for patient and long-term investors who seek positive impacts. We are excited about the breadth of climate, social and environmental impact possible through our investments and, the return potential that they bring. Thank you again for your support.



Gary Vaughan-Smith
Chief Investment Officer

Contents

1	Welcome.....	2
2	Introduction.....	5
3	Silverlands Funds' Investment and Impact Strategy	7
4	Creating a Positive Impact in the Seed Sector.....	13
5	Creating a Positive Impact through Technical Support.....	20
6	Creating a Positive Impact through Protecting our Natural Capital	25
7	Creating a Positive Impact in the Poultry Sector	30
8	Supporting Livelihoods in Southern Zambia.....	37
9	Creating a Positive Impact with Plantation Crops	42
10	Creating a Positive Impact through Creating Quality Jobs.....	46
11	Other Development Impact.....	50
12	Managing Impact and ESG	51
13	Annual ESG Review.....	53
	Appendix: EU Sustainable Finance Disclosure Regulations (SFDR) Principal Adverse Sustainability Impacts	56

Awards

Awards	Organisation
ESG Performance Award - Sector Specialist, 2021	CDC/GPCA ESG Awards
Ethical Investor of the Year, 2018, 2019, 2020/1	Global Fund Award, Corporate LiveWire
Emerging Markets Investment Company of the Year, 2020/1	Global Fund Awards, Corporate LiveWire
Best Impact Investor, UK, 2018	Wealth & Finance International
Best African Agriculture PE Fund, 2018	Wealth & Finance International

SilverStreet's proposal stood out due to a clearly articulated ESG framework and experienced team which was able to identify holistic portfolio improvements through active monitoring, in addition to delivering on a number of impact and climate strategic objectives at fund level.

The judges felt the proposal stood out as one that highlighted the benefits of bringing an ESG lens to investing in a specific sector and also showed how to be measurable, transparent, ambitious and continuously seeking additional ways to add value across the portfolio.

Guy Alexander, ESGI Director, CDC

In 2021, Phenix Capital conducted an Impact Fund Assessment to assess the robustness of our impact funds' propositions. Our score of 51 out of 66 was well above the average score of 45 and nearing the highest score of 56.



Glossary of Terms and Abbreviations

Achill	Achill Island Investments (Proprietary) Limited
CBL	Crookes Brothers Limited
CSI	Corporate Social Investment
EHS	Environmental, Health and Safety
ESAP	Environmental and Social Action Plan
ESG	Environmental, Social, Governance
IFC	International Finance Corporation
JV	Joint Venture
NGO	Non-Governmental Organisation
PPE	Personal Protective Equipment
PS	Performance Standard (from IFC Performance Standards)
QBV	Quinta da Bela Vista Limitada
Quantum	Quantum Foods Holdings Limited
RIC	Responsible Investment Code
SA	Republic of South Africa
SASL	Silverlands Agriculture Services Limited
SEMS	Social and Environmental Management System
Silverlands I	SilverStreet Private Equity Strategies SICAR
Silverlands II	Silverlands II SCSp
SLIC	Silverlands Livelihoods Improvement Community
SNL	Silverlands Ndolela Limited (previously NAPL)
SRL	Silverlands Ranching Limited
STL	Silverlands Tanzania Limited
SVL	Silverlands Vineyards (Proprietary) Limited
SZL	Silverlands Zambia Limited
Zamseed	Zambia Seed Company Limited

New silo storage facility completed in 2021 at Silverlands Agriculture Services in Central Zambia



2 Introduction

2.1 About this Report

This is our ninth **Annual Impact and ESG Report**, and covers the period 1 July 2020 to 30 June 2021 for investments in both Silverlands Funds (Silverlands I and II).

Our aim for the report is to provide an update on the Silverlands Funds' impact and to review Environmental, Social and Governance (ESG) compliance. Detailed ESG reports for each portfolio company were shared with investors in both Funds in September 2021. For more information, please contact jwakeling@silverstreetcapital.com or visit www.silverstreetcapital.com.

2.2 ESG and Impact Measurement Standards

SilverStreet Capital is a signatory of the UN Principles of Responsible Investment (UNPRI). We have considered the following in compiling this report:

Our ESG Standards	Our Impact Measurement and Reporting Guidelines
International Finance Corporation (IFC) Performance Standards	Impact Management Project (IMP)
Our own Responsible Investment Code (RIC)	UN Sustainable Development Goals (SDGs)
UN Global Compact	

2.3 New ESG Regulation

EU Sustainable Finance Disclosure Regulations (SFDR)

In March 2021 the EU introduced its new SFDR regulations. SilverStreet and the Silverlands Funds comply with the disclosure requirements applicable to 'Article 9 funds', the most stringent classification under the SFDR. According to a Morningstar survey¹, only 2.8% of EU funds are classified as 'Article 9'. Under the new legislation, funds need to comply with the new reporting standards by January 2023. We are one year ahead, and the Silverlands Funds' principal adverse sustainability impacts are set out in the Appendix. All other related SFDR disclosures can be found on our website: <https://www.silverstreetcapital.com/sustainability-related-disclosures>.

EU Taxonomy

The EU Taxonomy regulation has not yet included relevant agricultural activities within the list of eligible activities. We will assess the alignment of the Silverlands Funds once agricultural activities are included. We operate with the highest environmental standards, and this year have undertaken the first annual greenhouse gas emissions assessment. To find out about our strategy and the emissions of the Silverlands Funds, please refer to Sections 6 and 13 of this report.

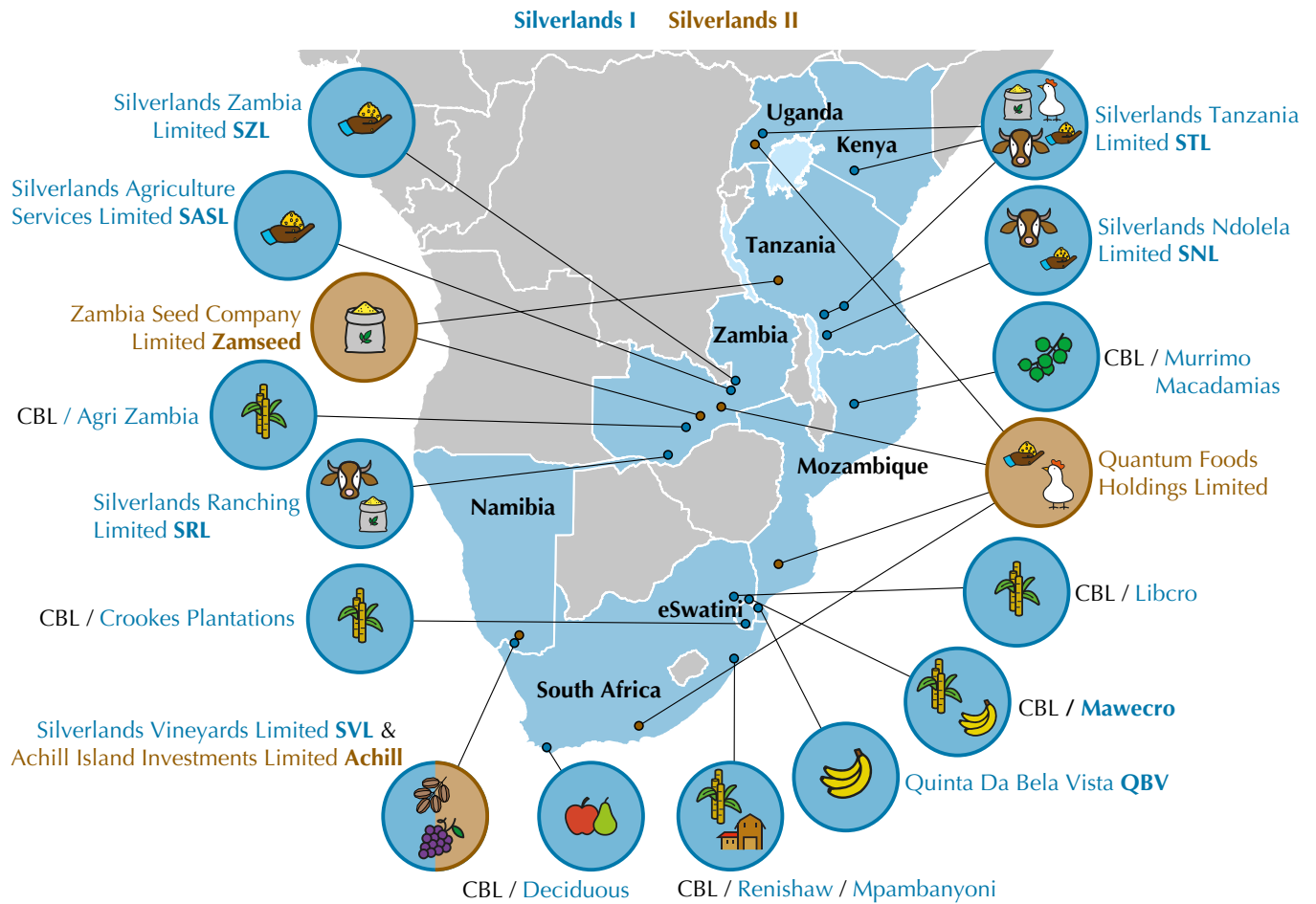
Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations

We support the recommendations made by the TCFD. To support and manage the Silverlands Funds' climate related risks and opportunities we have established a Climate Change Committee which convenes on a quarterly basis and includes SilverStreet's Chief Investment Officer and Head of Impact and ESG as members. To align all our investments with the Paris Agreement, we have committed to achieving net zero carbon emissions by 2040 through a 'Just Transition'. To find out more about our commitment, please refer to our Climate Change Policy on our website: <https://www.silverstreetcapital.com/policies>.

¹Morningstar (2021), SFDR Four Months After Its Implementation

2.4 Silverlands Funds' Portfolio Companies

The Silverlands Funds are invested in 11 portfolio companies across eight countries in Southern and East Africa:



2.5 Our Partners

Our work is facilitated by numerous partners who we would like to thank for their assistance. These include: the World Poultry Foundation, Caritas, the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Foundations Zambia, Danida (the Ministry of Foreign Affairs of Denmark), the Danish Investment Fund for Developing Countries (IFU), Musika Development Initiatives Zambia, the Conservation Farming Unit, AgDevCo, the U.S. International Development Finance Corporation (DFC) (political risk insurance and senior lender), and the Multilateral Investment Guarantee Agency (MIGA, a member of the World Bank Group) (political risk insurance).



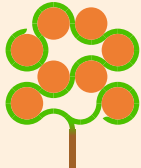

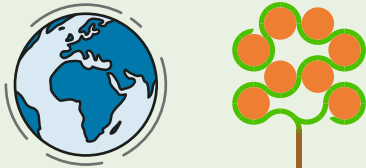


Caritas training smallholder farmers in southern Tanzania

3 Silverlands Funds' Investment and Impact Strategy

Our Objective:
 To seek attractive returns for investors whilst achieving a substantial positive social, environmental and climate impact.

3.1 Our Impact Strategy: Theory of Change

Challenges	Our Solutions	Our Impact
	 	 
Large population growth	Focus on smallholder farmers	Sustainable increase in incomes for smallholder farmers and through quality jobs
High poverty levels	Improved crop inputs to boost yields	Climate benefits from reduced deforestation
Food insecurity	Training and implementation of conservation farming methods	Natural capital conservation
Poor productivity/yields	Provide markets for high value crops	Substantially improve food security and nutrition
Deforestation	Protect our natural capital	Major economic benefits, for women in particular

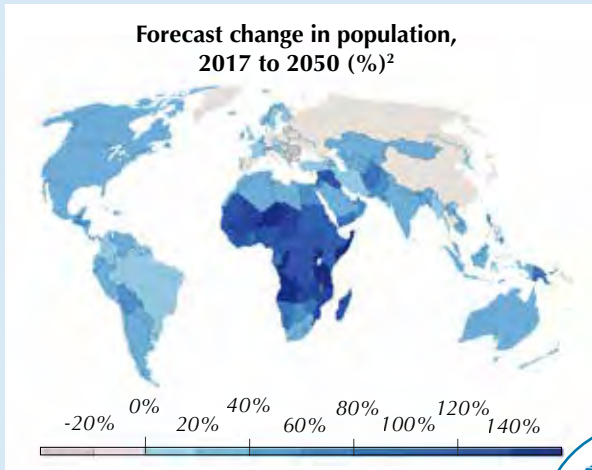


3.2 Challenges in Sub-Saharan Africa

Population growth

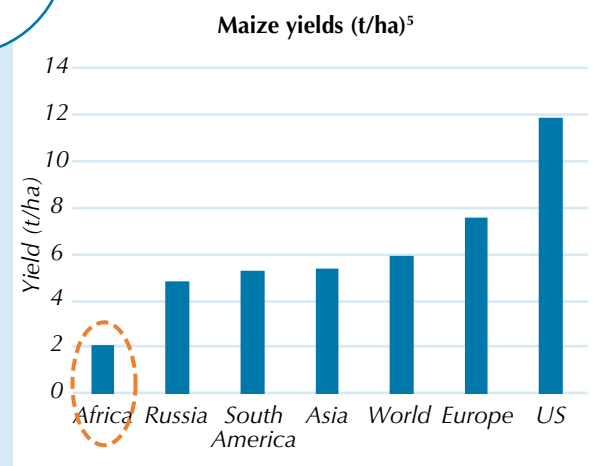
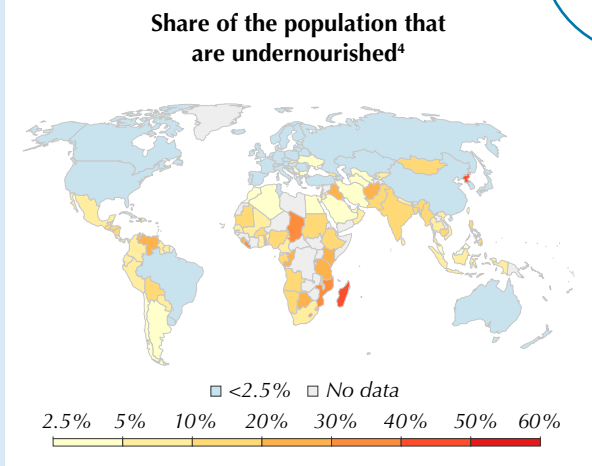
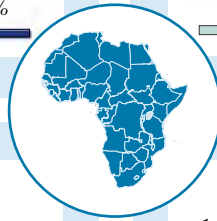
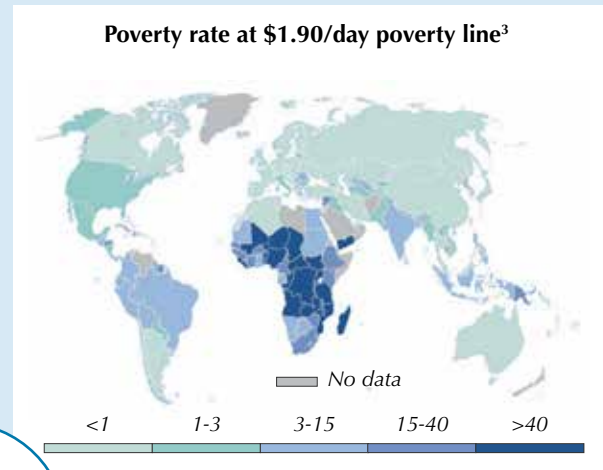
Sub-Saharan Africa has a population of 1.1 billion people and this is forecast to rise to 2.1 billion by 2050, an approximate doubling in size.

An increase in food production will be required to feed the growing population



High poverty levels

Poverty levels in Sub-Saharan Africa are much higher than the rest of the world. Smallholder farmers, who represent ~60% of the population, are amongst the lowest income group.



Food insecurity

In many parts of Sub-Saharan Africa there are shortages of food, in particular protein. 80% of food is produced by smallholder farmers.

Poor productivity and crop yields

Smallholder farmer crop yields in Sub-Saharan Africa are markedly lower than the rest of the world. Fewer tonnes per hectare means lower incomes, less food available and increased deforestation.

Maize is the most important example. It accounts for ~45% of total calories and protein consumed in Sub-Saharan Africa.

²United Nations (2019); Map: *World Population Prospects (UN Population Division)*

³World Bank (2020); Map: *Poverty and Shared Prosperity 2020*

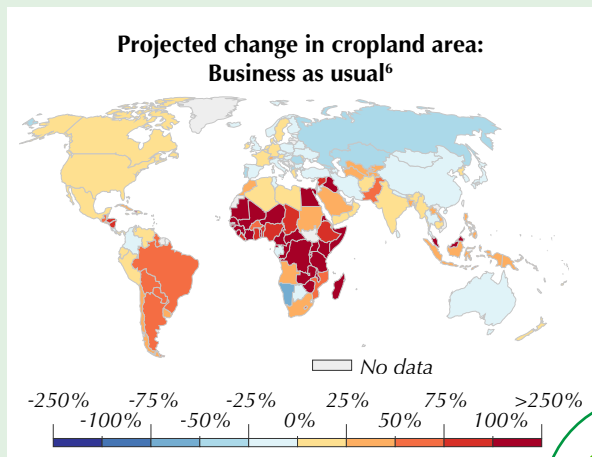
⁴UN Food and Agriculture Organization (2017); Map: *Hunger and Undernourishment (Our World in Data)*

⁵UN Food and Agriculture Organization (2020)

3.3 Sub-Saharan Africa's Climate and Natural Capital Challenge: Why We Focus on Productivity

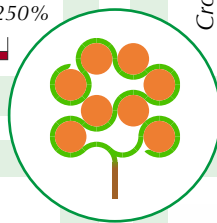
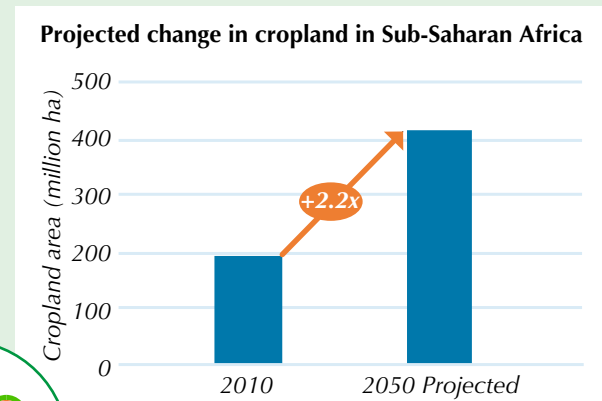
Under current trends ... Vast deforestation will occur in Sub-Saharan Africa

Under current production and yield trends, to feed Sub-Saharan Africa's increasing population, vast areas of woodland are expected to be deforested by 2050.

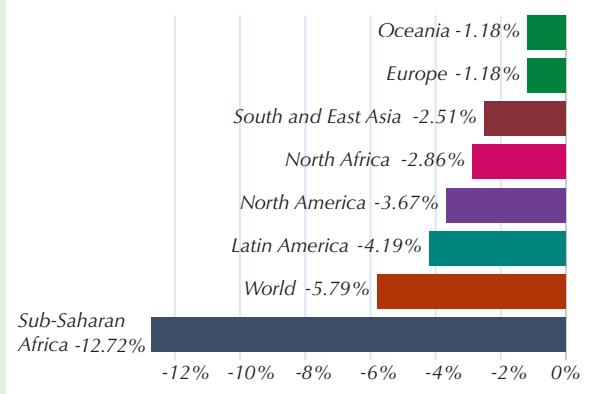


By 2050 ... On current trends and without intervention, cropping area will more than double in Sub-Saharan Africa

An incremental 227 million hectares of land will be deforested in Sub-Saharan Africa by 2050 based on current yield and population trends if there is no intervention to increase yields. This is equivalent to four times the size of France, or a quarter of the area of the United States.



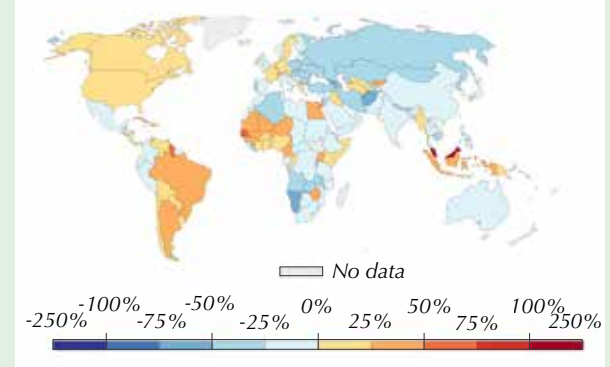
Projected habitat loss for all species⁶



By 2050 ... Substantial habitat loss in Sub-Saharan Africa

Such a dramatic increase in cropland area would destroy 6% of the habitats of most of the world's wildlife - double this figure in Sub-Saharan Africa. This would have a detrimental effect on biodiversity.

Projected change in cropland area if yields increase⁶



The single most effective change to prevent this deforestation is to raise crop yields in Africa⁶

When compared to other solutions applied globally, such as altering diets or making trade more efficient, improving productivity and yields on smallholder farms has been shown to be the single most effective change to prevent cropland expansion in Sub-Saharan Africa.

Our strategy to improve productivity and increase yields for smallholder farmers can protect this natural capital and support the population's food requirement.

⁶Williams, et al (2021); *To protect the world's wildlife we must improve crop yields – especially across Africa* (Our World in Data)

3.4 Our Solutions: How We Increase Productivity Where it Matters Most

Focus on smallholder farmers

Smallholder farmers in Sub-Saharan Africa are:

- The most numerous food producers;
- Majority women;
- Integral to solving the climate crisis;
- Experiencing low crop yields; and
- Using unsustainable practices.

Smallholder farmers are an attractive impact target. They represent the lowest income part of these economies. By raising yields and improving sustainability, multiple development goals are met:

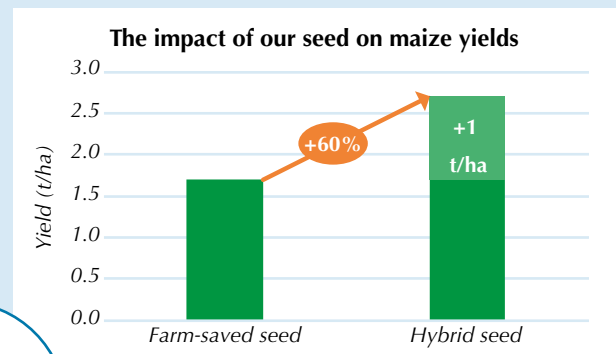
- Increased incomes
- Reduced deforestation
- Increased food security
- Particular benefit for women.



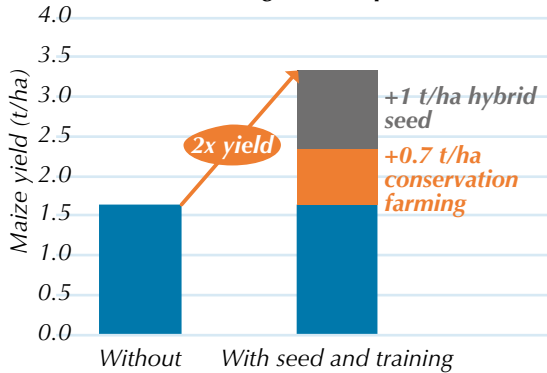
Increase access to improved inputs

To improve their productivity, smallholder farmers need access to higher quality inputs, in particular higher yielding hybrid seed, and more productive livestock/poultry breeds.

Providing hybrid seed that is adapted to local conditions, for example, has an enormous multiplier effect. Academic research suggests planting hybrid seed produced ~60% greater yields than those using farm-saved seed.



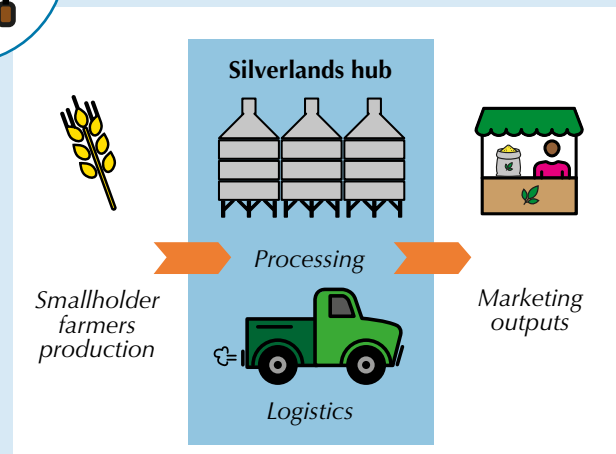
Yields double when using hybrid seed and the right techniques



Improve on-farm management techniques

To further increase yields and build climate resilience, we provide training to smallholder farmers in conservation farming and animal/poultry husbandry.

Training and extension support for farmers can improve their agricultural productivity enormously. For example, training in conservation farming techniques makes a material difference, increasing yields on average by 0.7 tonnes per hectare – doubling yields when combined with hybrid seed.



Provide a market for high value crops

The practice of monocropping is a key issue that leads to deforestation as farms need to be abandoned once disease pressure increases and soil health declines. Smallholder farmers thus require markets for rotation crops. A ‘market’ for most farm production is normally a processing plant: a soya processor, or fruit packing and juicing plant for example. In our hub out-grower model, neighbouring farmers are producers for a central processing facility, developed by the portfolio company.

3.5 Preserving Natural Capital and Empowering Communities

Preserving natural capital

Our objective is to protect natural capital across Sub-Saharan Africa by halting deforestation, protecting our conservation areas and operating with climate smart principles.

Smallholder farmers: Preventing deforestation

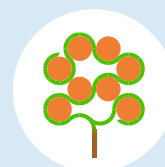
By increasing productivity on smallholder farms and introducing crops for rotation, we reduce the need to clear more cropland. This preserves biodiversity and carbon stored in the soil. Vast amounts of CO₂ are emitted into the atmosphere during land clearing. Preventing deforestation is therefore key to reducing greenhouse gas emissions. The scale of opportunity is huge given that, without intervention, 227 million hectares of land is projected to need to be cleared in Sub-Saharan Africa by 2050.



By increasing yields on already cultivated land, hybrid seed saves land from being cleared. We estimate that the hybrid seed produced in 2021 could raise yields and thus protect 261,000 ha of land from being cleared for additional cropland. Clearing this area of land would release 77 million t CO₂ equivalent⁹ – similar to the emissions from 20 average US coal-fired power stations. Additionally, on an annual basis, protecting this area of woodland would capture 686,000 t CO₂ equivalent each year¹⁰ – equivalent to 1.1 million economy return NY-London flights.

Our operations: Conserving habitats and managing our environment

At our operations, we conserve 24,200 ha of natural vegetation in the non-cropping areas, that protects biodiversity and prevents emissions.



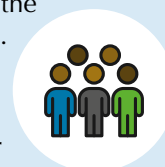
We also implement the highest environmental standards to:

- Reduce our carbon emissions;
- Implement efficient water use;
- Protect and build soil health;
- Minimise agrochemical use; and
- Manage our waste responsibly.

Quality jobs

Providing quality employment is a key aspect of our impact. We expand businesses and increase the number of employees – especially those in skilled positions, with training opportunities provided. Each company is supported to implement the highest ESG standards to ensure jobs are safe, fulfilling and inclusive for a diverse range of people.

The Silverlands Funds directly employ 10,400 people who earn salaries totalling \$55 million per annum. The impact goes beyond our boundaries, with 15,700 indirect jobs created and 45,000 household members impacted.



Gender

We focus on women and believe that getting money into the hands of women builds inclusive societies, sustainable economies and healthier, better educated families. Women play a key role in the agricultural sector.

The main beneficiaries are employees and smallholder farmers. Of the 577,000 people who are benefiting directly through increased incomes, 64% (369,000) are women.



At our operations there are numerous gender focused initiatives to ensure that women are empowered to fully participate in the workplace.

⁹Estimated using data from Tilman et al. 2011

¹⁰Estimated using data in Lupala et al. 2014

Developing new industries and partnerships with communities

We are growing plantation crops such as date palms, pecans, macadamias and avocados. In most cases these crops, and the revenues that they produce, are new to the countries or regions. We are spearheading the development of new industries, which will open doors for others. This creates jobs, foreign currency generation and tax revenues.

Plantation crops are expensive to develop and require long-term capital investment and expertise. One model that we have employed to enable communities to acquire these skills and investment, is a joint venture model. Here we partner with a community, typically for around 15-20 years. The JV leases land from the community and pays a management fee to our portfolio company. Profits are split between the community and the portfolio company. The project then enables a skills transfer process to the community at all levels in the operation.



The JVs provide incomes to over 2,500 families, approximately 11,000 people. The combined average profit earned by the three JVs over the last three years is \$2.4m per annum, or \$941 per family, a 33% increase in average income per family.

Building responsible businesses

We are committed to making responsible investments that are sustainable from an economic, ESG and developmental perspective. We integrate ESG throughout the investment cycle and support portfolio companies closely to implement our ESG standards. We bring in expertise, ethical standards and high levels of governance.

Our ESG standards include our own Responsible Investment Code, the IFC Performance Standards and the UN Global Compact. We are also signatories to the UN Principles for Responsible Investment (UNPRI).

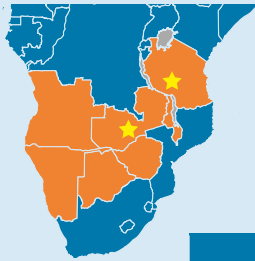


Silverlands has planted 190 ha of pecan orchards in Southern Zambia, spearheading development of this industry in the country

4 Creating a Positive Impact in the Seed Sector

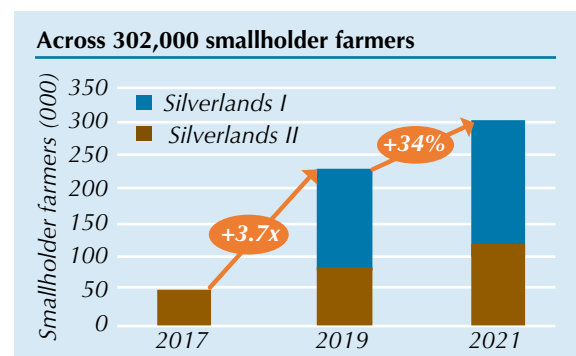
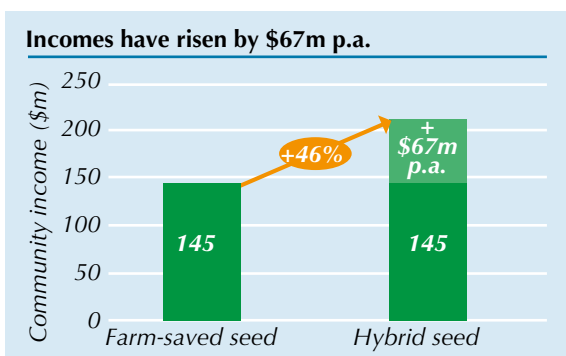
Hybrid seed increases yields for Africa's most numerous and vital food producers, smallholder farmers. It is key to solving food insecurity and reducing land clearing.

Seven projects in two countries with seed sold regionally

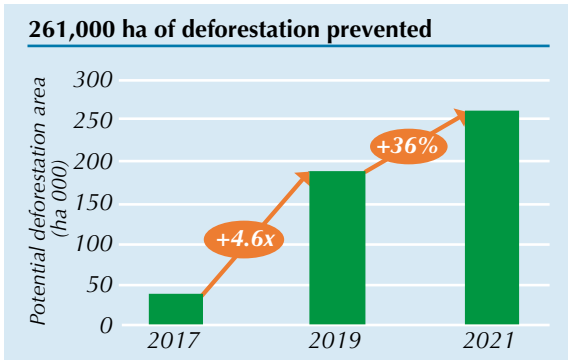


	Smallholder livelihoods	Preventing deforestation
WHAT? 	Increasing incomes and climate resilience for low income smallholder farmers 	Preventing land from being deforested and releasing CO₂ into the atmosphere
WHO? 	Smallholder farmers typically have little access to appropriate hybrid seed 	Protection of ecosystems in community areas
HOW MUCH? 	302,000 smallholder farmers reached Community income has increased by 46% or \$67 million per annum Adoption of hybrid seed tends to be long-lasting 	261,000 ha saved from clearing 77 million t CO₂e_q prevented from being emitted Deforestation prevented as long as hybrid seed is used, which is long-lasting
CONTRIBUTION? 	Average yields rise 60% if hybrid seed is adopted 	If yields were not raised, more cropping area would be needed to meet rising food demands
RISK? 	The drop off risk is very low 	Evidence risk is medium

How much?



By increasing yields on already cultivated land, hybrid seed saves land from being cleared.

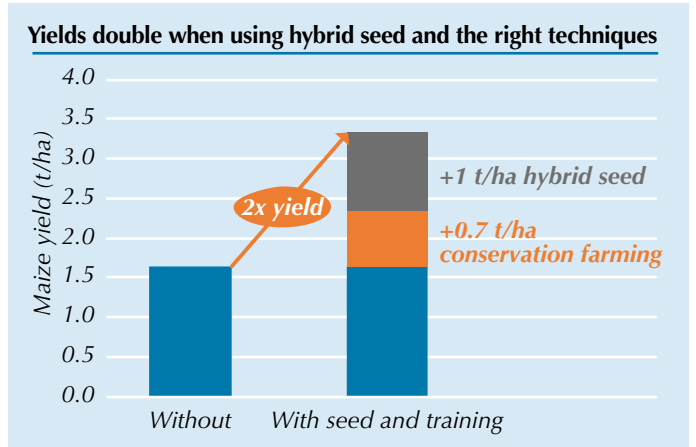


Challenge

High population growth and low yields has resulted in high levels of food insecurity, poverty and negative environmental and climate impacts.

Solution

One step in solving these challenges is to improve smallholder farmer access to hybrid seed. Academic research shows that hybrid seed can increase smallholder farmer yields by an average of 1 tonne per hectare, and when combined with training in conservation farming methods, yields can be approximately doubled. This can increase incomes by an estimated 80% per annum per farmer.



Protecting biodiversity, reducing deforestation and carbon emissions

By increasing yields on already cultivated land, hybrid seed saves land from being cleared. We estimate that the hybrid seed produced in 2021 could raise yields and thus protect 261,000 ha of land from being cleared for additional cropland.

Developing improved seed varieties

Many hybrid seeds from developed countries are bred to perform in optimal conditions, with high levels of fertiliser and secure water, typical of large commercial farms. However, these seeds are not adapted to the African climate and would not perform in conditions commonly found on smallholder farms in Africa, which may lack enough fertiliser, optimal soil conditions, secure water sources, access to pesticides or adequate storage.

Our operations produce hybrid seed specifically developed to perform under the conditions typical of smallholder farmers, including characteristics such as drought tolerance, disease tolerance and low fertiliser requirements. Multiple varieties of seed are bred or distributed by our six operations, including maize, sorghum, potato, pigeon peas, soya, wheat and sunflower (see the case studies below).

Seed research typically takes place on small areas. Two parent lines with desired traits are identified, for example, one which is high yielding and one with drought tolerance. The varieties are then cross pollinated. The variety selected from the many crosses can then be grown over large areas, a process that entails careful cultivation with vigilant attention to detail.

CASE STUDY – ZAMSEED

A regional seed business specialising in the production of improved seed for smallholder farmers.

Introduction

Established in 1980, with headquarters in Lusaka, Zambia, Silverlands II invested in 2018 with the aim of growing the business into a regional seed champion with significant social and environmental benefits. Silverlands II owns ~84% of Zamseed.



Trial plots, Zambia

WHAT?

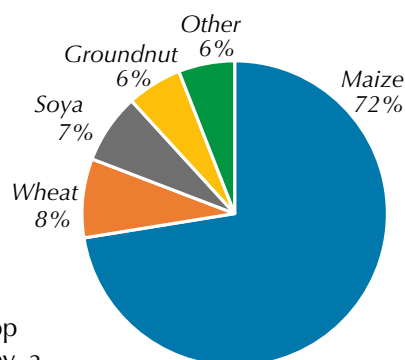
Zamseed benefits from exclusive rights to its own high-quality hybrid seed varieties that are specially bred by its inhouse research team to perform on smallholder farms across Sub-Saharan Africa.

By selecting varieties that are drought tolerant, perform with low fertiliser input and are tolerant of common diseases, Zamseed produces seed that significantly outperforms seed saved from the last season’s crop. This hybrid seed improves the incomes and food production of resource-poor farmers.

Products

Zamseed now sells 14 hybrid maize varieties. This includes varieties specifically developed with high nutritional content and climate change mitigation qualities, such as drought tolerance and very short season times. Other products include soya beans, sorghum, sunflower, cow peas, groundnuts, pigeon peas, upland rice seeds and a variety of vegetable seeds. Maize underpins farmers’ incomes and livelihoods and forms most (72%) of Zamseed’s sales. The goal is to build a broad seed product range to help farmers diversify across different crops.

Zamseed sales split by volume



Research and development

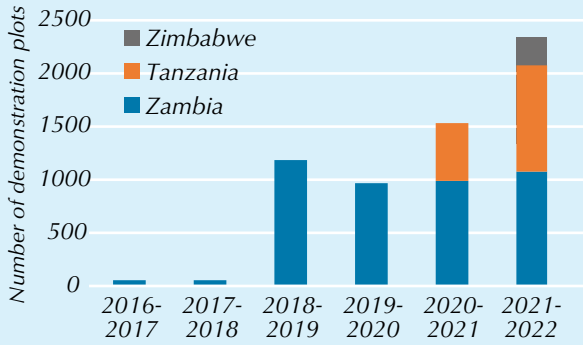
Research and development is core to Zamseed, led by two of the top breeders in Africa: Dr. Bhola Verma and Dr. Amsal Tesfaye, guided by a committee of experts. In 2020, Dr. Amsal Tesfaye was recognised as one of the 20 most influential plant breeders in Africa by SAPBA, an association of his peers. Zamseed breeds and develops new varieties on its research farm near Lusaka. These varieties are tested under as many farming techniques and conditions as possible across Sub-Saharan Africa.

CASE STUDY – ZAMSEED

WHO?

Zamseed currently sells seed in six countries: Zambia, Tanzania, Angola, Botswana, Namibia and Zimbabwe, almost exclusively supplying smallholder farmers. These farmers, the majority of whom are women, typically have little access to hybrid seed and training, and have low incomes.

Zamseed demonstration plots



Linking smallholder farmers to seeds: Demo plots

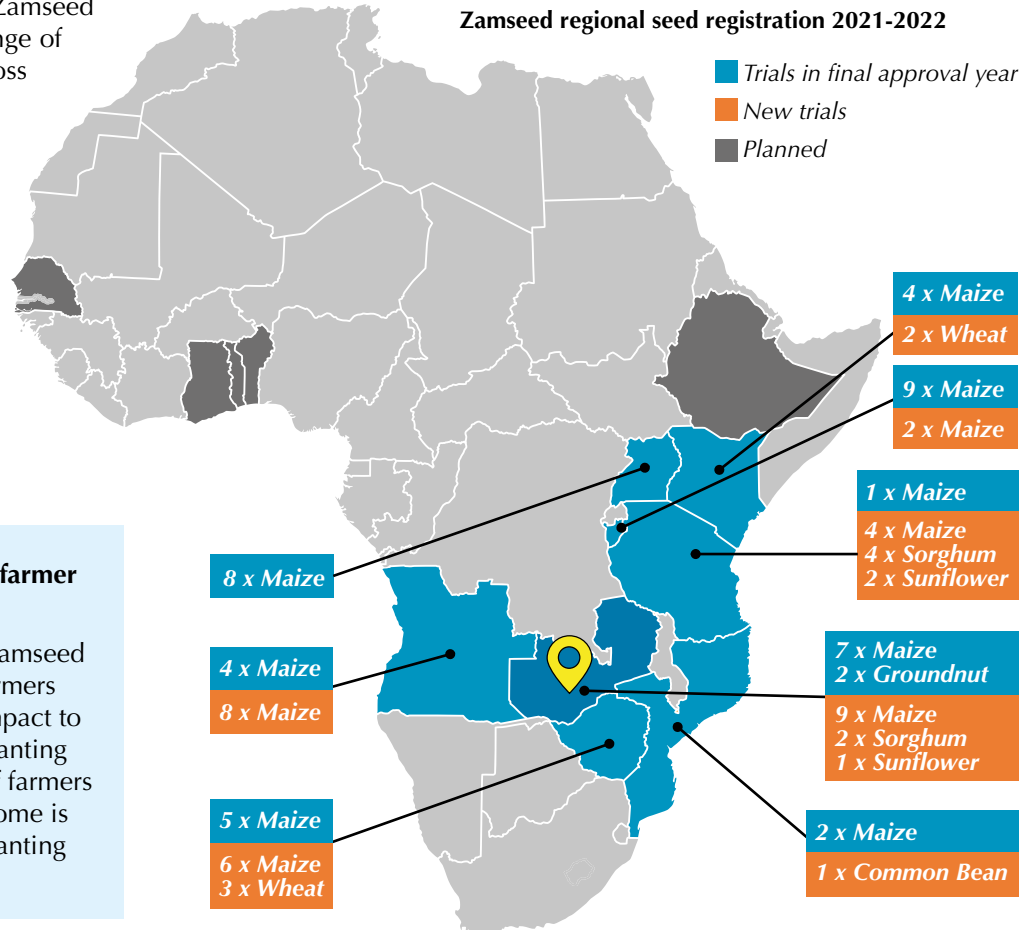
Using a network of demonstration plots and extension officers, Zamseed ensures information on its seed reaches the farmers that need it. Demonstration plots allow local communities to see first-hand how the varieties perform in their location. Zamseed currently has 2,321 demonstration plots, up from approximately 40 prior to investment in 2018.

Zamseed’s team of 36 extension officers visit the farmers overseeing demonstration plots to provide support and training.

Regional expansion

Zamseed has initiated a regional seed registration drive across multiple countries. By trialling varieties in countries that are included in seed harmonisation laws, Zamseed will register a wide range of varieties efficiently across the region. This year there are 40 seed varieties currently undergoing trials for the second (and final) season, with 58 seed varieties submitted for first round trials.

Zamseed regional seed registration 2021-2022



2020 Smallholder farmer survey

In a 2020 survey, Zamseed found 96% of farmers report a positive impact to their lives from planting hybrid seed. 97% of farmers reported their income is “better” due to planting hybrid seed.

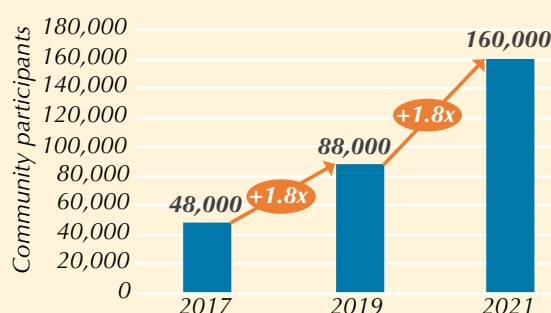
CASE STUDY – ZAMSEED

HOW MUCH?

How many?

- Zamseed's production has increased 29% per annum since Silverlands II invested.
- 160,000 smallholder farmers now benefit economically directly from Zamseed's improved seed.
- Zamseed represents a substantial opportunity for out-sized impact. If the company can meet sales targets then by 2028, it is forecast that 712,000 smallholder farmers will benefit economically representing a substantial opportunity.

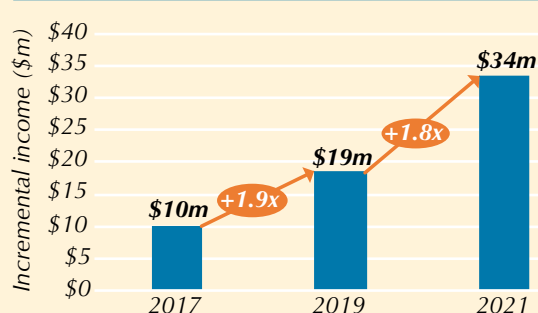
Increase in people benefiting directly



By how much?

- Smallholder farmers typically earn \$205 more per annum when using Zamseed's seed, a 45% increase in income.
- In 2021, Zamseed increased total community income by \$34 million per annum.
- By 2028 if the management team can execute as planned, communities are projected to earn an additional \$147 million per annum as a result of Zamseed's operations.

Increase in community income per annum (\$m)



+ CONTRIBUTION?

Smallholder farmers in Sub-Saharan Africa are comparatively underserved by improved seed producers in both access and suitability of varieties. In Sub-Saharan Africa, only 36.5% of cultivated area was planted with hybrid seed. Some countries have much lower adoption rates, such as Angola where only 4.1% of cultivated area is planted with hybrid seed¹¹. Of the hybrid seed available, few companies have germplasm bred to perform under typical smallholder farm conditions that can contribute to solving challenges experienced by smallholder farmers, such as:

- **Nutritional deficits:** In Zambia, it is estimated that ~54% of children under five are vitamin A deficient. Zamseed's orange maize contains 2.7x more Vitamin A than a regular variety.
- **Climate variability:** Zamseed's short season and drought tolerant varieties support smallholder farmers to mitigate some of the risk of climate changes, such as droughts.

¹¹Abate (2017)

△ RISK?

The risk of the impact from hybrid seed being long-term is contingent upon farmers using the seed for each season; however farmers' increased incomes should enable them to purchase seed for the following season. This drop-off risk is considered low but may occur in times of financial stress. Farmers in some countries have become used to government subsidies and may reduce hybrid seed purchases if subsidies fall away. This can be overcome by education because buying improved seed raises farmers profits, allowing for the cost of seed.

OTHER SEED PROJECTS

Introducing higher yielding sunflower seed in Tanzania

Across Tanzania, more than 1 million ha are planted to sunflower, almost entirely grown by smallholder farmers. The country still however imports over \$250 million of vegetable oil. Silverlands Ndolela (SNL) is the first producer of hybrid sunflower seed in Tanzania, registering two new varieties that produce 8% more vegetable oil than regular varieties. In 2021, 70 t of sunflower seed were produced in Tanzania. This is estimated to be used by 28,000 smallholder farmers to plant 14,000 ha, the higher yields increasing community income by \$2 million per annum.



Producing hybrid seed in Tanzania and Zambia



Silverlands I is now the largest producer of improved seed in Tanzania, a country whose adoption rates for hybrid seed are very low. In total, Silverlands I produces over 8,000 tonnes of improved seed which is planted on 306,000 ha by 224,000 smallholder farmers. With increased yields from growing higher-yielding seed produced by Silverlands I, we estimate that each farmer's profits should increase by 48% annually. This yield improvement is expected to increase incomes of smallholder farmers by \$51 million this year, and this should be a sustainable and ongoing income improvement for these smallholder farmers.

Silverlands Ranching: facilitating smallholder production of sorghum

Silverlands Ranching distributes improved sorghum seed to surrounding smallholder farmers as an out-grower model for Zambian Breweries. Silverlands Ranching then provides training and a market to growers, buying the produce from the smallholder farmers at fair and transparent prices. In 2021, Silverlands purchased sorghum grown by over 500 farmers. This gives smallholder farmers the opportunity to diversify their cropping and reduces the risk of farmers being exploited by traders or middlemen.



OTHER SEED PROJECTS

Introducing disease tolerant seed potatoes in Tanzania

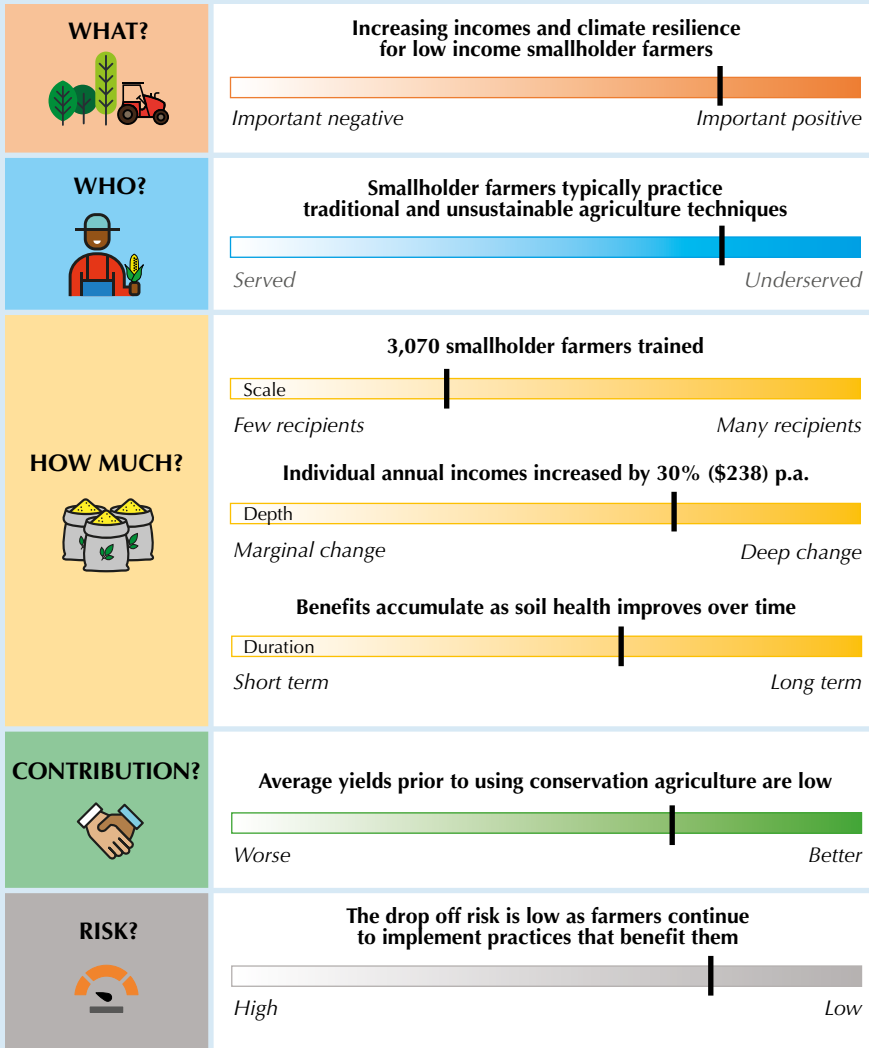
Silverlands Tanzania is introducing new blight-resistant potato varieties to Tanzania. These varieties will benefit smallholder farmers who typically achieve low potato yields of 5 - 10 t/ha, when yields of up to 40 t/ha are possible. The reasons for these low yields include lack of good quality clean seed of improved varieties; no crop rotation; and losses due to soil diseases. The HZDA 09-1496 variety, with an excellent yield of 48 t/ha, was almost completely blight-resistant in our 2019 trials in Southern Tanzania, making it suitable for smallholder production. Silverlands Tanzania has gone through the lengthy process of registering this variety in Tanzania, making this seed available for smallholder farmers.

Silverlands Tanzania's operation in Makete - a high-elevation farm that is optimal for potato production

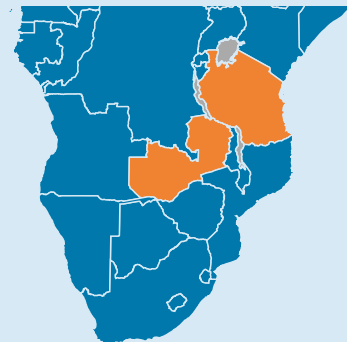


5 Creating a Positive Impact through Technical Support

We are increasing access to conservation agricultural training to raise the incomes for smallholder farmers, and improve soil health and climate resilience.



3,070 farmers trained across two countries



How much?

	Number of smallholder farmers trained	Income improvement % (\$ p.a.)
Grains farmers	2,556	26% (\$217)
Poultry farmers	513	69% (\$343)
Total	3,069	30% (\$238)



Challenge

Smallholder farmers in Sub-Saharan Africa typically practice inefficient traditional agricultural methods that result in poor yields and production, ecological damage, and increased exposure to the negative impacts of climate change. Farmers are typically located in rural areas, with little access to agricultural training or services.

Solution

We provide training to smallholder farmers in techniques and practices that can increase their production and incomes for the long term as well as reverse ecological damage. Examples of training include conservation farming techniques, veterinary practices and brooder poultry farming. We utilise multiple training strategies that are focused on extending training to smallholder farmers in rural and often neglected areas. These include:

Crop production		Livestock production		
Demonstration plots	Champion famers	Booklets and materials	Extension officers	Training centre
To effectively prove the impact of the training and improved techniques we cultivate demonstration plots that show the methods and results to the farmer in person and in the same ecological environment.	Extension services are often limited by resources. To increase the scale and reach of the training, champion farmers are trained and supported by extension officers to enable them to demonstrate the positive effects of good agricultural practices to their neighbours.	Booklets and training materials enable farmers to return to the training and record their own results. Training material is additionally used as part of the poultry management curriculum at Silverlands’ poultry training centre.	Extension officers provide training to farmers in remote areas. This is especially important for female smallholder farmers who are often responsible for the household and are limited in their ability to travel long distances.	To train farmers in more complex techniques, such as brooder poultry farming, we built a training centre where farmers can attend weeklong courses to increase their poultry production and kick-start the poultry value chain at the village level.

CASE STUDY – CONSERVATION FARMING

By adopting conservation farming methods, smallholder farmers can increase their incomes, build climate resilience and reverse ecological damage.

Introduction

Conservation farming techniques are a widely accessible set of agricultural practices that aim to build soil health, retain soil moisture, and increase nutrients which results in increased yield, incomes, reduced deforestation and greater climate resilience.



Training smallholder farmers at Silverlands Agriculture Services’ demonstration plot

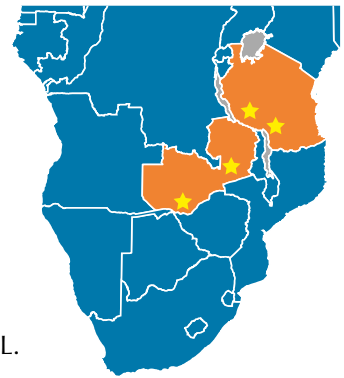
CASE STUDY – CONSERVATION FARMING

WHAT?

Conservation farming has three key principles that can be followed using resources available to smallholder farmers, requiring minimal financing:

- Minimum or no tillage
- Using crop cover, residues or mulch
- Crop diversification, whether intercropping or rotation with legumes

By adopting these techniques, academic research shows that smallholder farmers' yields can increase by 0.7 t/ha. Conservation agriculture also has positive environmental impacts. With minimum tillage, farmers can improve moisture levels and biodiversity in soils, increasing fertility and reducing the effects of droughts. Rotating with a legume fixes soil nitrogen which increases yields and reduces pest and disease pressure common under monocropping. Additionally, conservation agriculture helps return atmospheric carbon to the soil.



Our training of smallholder cropping farmers has centred around four areas:

- 1 Tanzania's Makete highlands: potato farmers
- 2 Southern Zambia: sunflower and sorghum farmers around SRL
- 3 Central Zambia: maize, soya bean and groundnut farmers around SASL and SZL.

WHO?

1 Tanzania's Makete highlands: potato farmers

Alongside introducing Silverlands' new blight-resistant potato varieties, we provide training in best production methods, soil management and crop rotation.

2 Southern Zambia: sunflower and sorghum farmers

Silverlands Ranching trains smallholder grain farmers in conservation agriculture and drought resistant crops with assistance from NGO Conservation Farming Unit and AgDevCo. Silverlands has built a close relationship with the nearby smallholder grains farmers through regular interaction and training. As the region is prone to drought, training has focused on conservation farming methods that can increase moisture retention and the cultivation of drought resistant varieties to reduce the negative effects of climate volatility.

Demonstration plots and fields days

1,600 smallholder farmers now have access to training at 64 demonstration plots in community areas.

Champion farmers

Champion farmers are trained and supported by Silverlands to demonstrate good practice to neighbouring farmers and increase the scale of the training. The farmers are assessed by Silverlands in their management and application of the conservation farming methods and support to surrounding farmers. Prizes are awarded to the best performing farmers.



CASE STUDY – CONSERVATION FARMING

Conservation agriculture cropping manual and training-the-trainers

The Silverlands Livelihoods Improvement Community (SLIC) programme has a ‘Cropping Training Manual’ which includes all key conservation agriculture messages, specifically developed for the region’s agricultural challenges. The consultant who assisted in developing the manual provides ongoing train-the-trainer support so the messages can get efficiently distributed throughout the community.



3 Central Zambia: maize, soya and groundnut farmers around SASL and SZL

In Central Zambia, the two Silverlands grains farms (SZL and SASL) have partnered with Foundations for Farming, to teach surrounding communities the key conservation agriculture principles as well as other agricultural techniques. Demonstration plots are run on the Silverlands farms and by community groups in surrounding areas, with 136 people regularly attending each training session.



Sixteen Foundations Groups are currently running, with seven of them running for three seasons or more. The best groups are getting yields of 2-3 t/ha for soya and 6 t/ha for maize. These yields are a huge improvement on average smallholder yields (e.g., typically 1.5-2 t/ha for maize) and demonstrate the improvements that implementing conservation agriculture can have in just a couple of years.



Communities run their own demonstration plots with support from NGO Foundations for Farming (left). The training includes composting (right) that naturally replenishes the soil.

HOW MUCH?

How many?

- 2,560 smallholder farmers have been trained by Silverlands projects.

By how much?

- Smallholder farmers typically earn 40%+ (over \$200) more per annum after adopting conservation agricultural techniques.

Project	Crops	Number of demonstration plots	Number of farmers accessing training
Silverlands Tanzania	Potatoes	5	500
Silverlands Zambia	Maize, soya, groundnuts	8	55
Silverlands Agri. Services	Maize, soya, groundnuts	10	81
Silverlands Ranching	Maize, sunflower, sorghum	64	1,920
Total		87	2,556

CASE STUDY – CONSERVATION FARMING

+ CONTRIBUTION?

In the areas that we operate, smallholder farmers have typically received no agricultural training and continue to practice inefficient and damaging techniques. By partnering with local expertise, Silverlands has provided relevant and accessible training in multiple ways.

△ RISK?

Alignment risk – medium: The projects are continually improving the integration of conservation farming training into enterprise models to substantially ramp up the scale of the training. SilverStreet is considering how best to ramp up the scale of the training given its central importance to raising yields and reducing deforestation. Large scale implementation is difficult because the training needs to take place at village level.

POULTRY TRAINING

Training and extension services are invaluable to smallholder poultry farmers whose productivity and profits can increase substantially by following correct procedures. Silverlands Tanzania provides training and support to poultry farmers across the country in various ways:

- 1 The Silverlands **Poultry Training Centre** was built to provide in-depth training to farmers. Poultry farmers attend courses and receive accreditation.
- 2 Silverlands’ team of **21 extension officers** provide advice during home-visits across Tanzania.
- 3 **Online support** via the Silverlands’ Facebook page with 27,000 followers and Silverlands’ HelpDesk – an online platform to support farmers, who can ask questions via a helpline, email, webpage, and mobile app.



Over **900** farmers trained at Silverlands’ Poultry Training Centre.



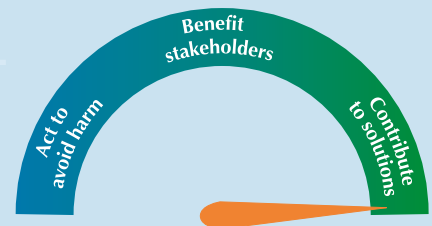
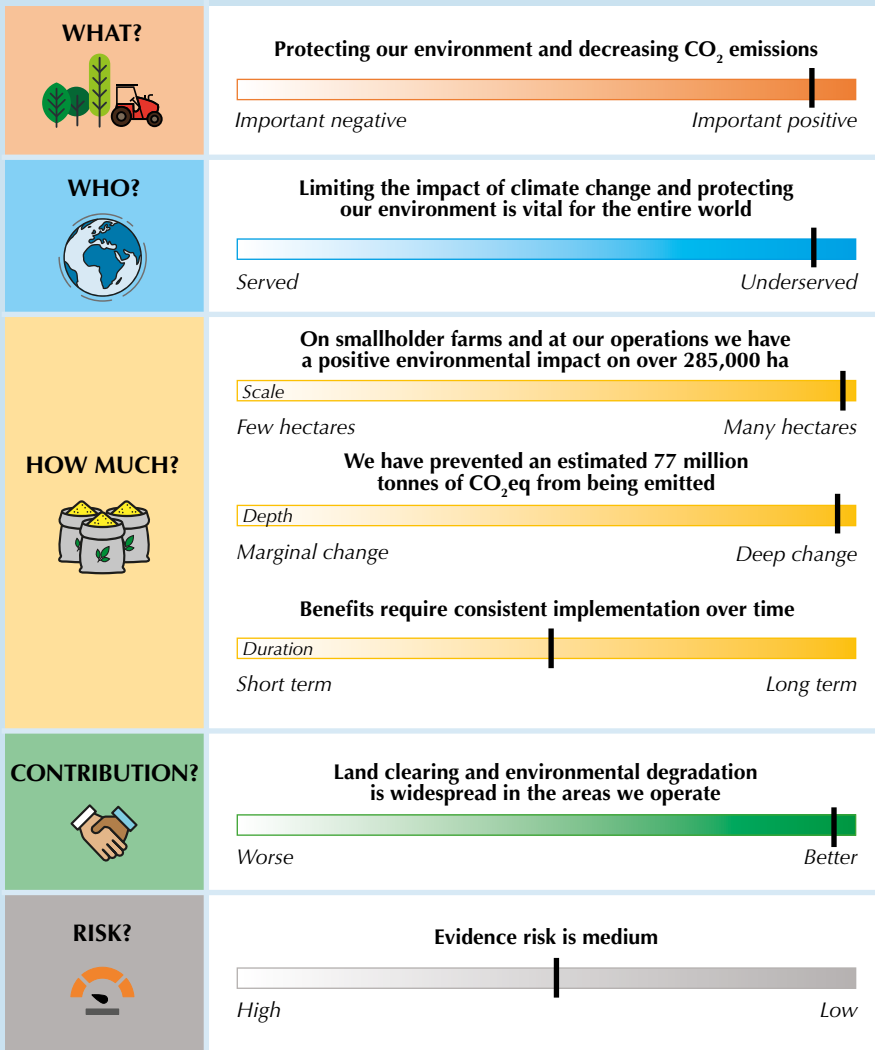
21 extension officers provide advice to farmers across Tanzania.



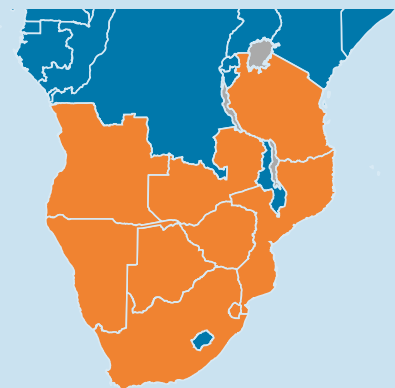
27,000 farmers receiving advice via Silverlands Training Centre Facebook page.

6 Creating a Positive Impact through Protecting our Natural Capital

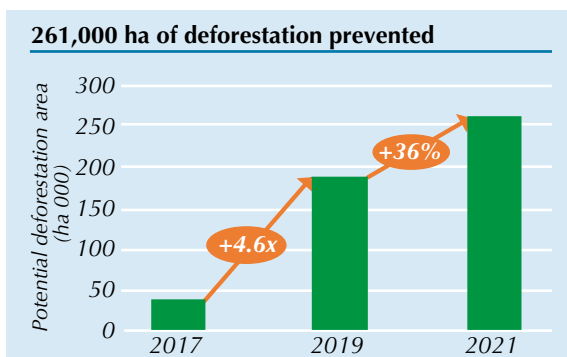
At our operations and on smallholder farms across Sub-Saharan Africa we are working to protect our natural capital, reduce GHG emissions and build climate resilience.



We have a positive environmental impact in 9 countries



How much?



We estimate that the hybrid seed produced in 2021 could raise yields and thus **protect 261,000 ha of land from being cleared** for additional cropland.

Our objective is to protect natural capital across Sub-Saharan Africa by halting deforestation, protecting our conservation areas and operating with climate smart principles. Protecting our natural capital is protecting everyone's natural capital. To meet current ecological challenges and prevent future climate challenges, we focus on integrated solutions that can positively affect the climate, the environment and people's livelihoods.

OUR ENVIRONMENTAL STRATEGY OBJECTIVES

- 1 Reduce GHG emissions
- 2 Protect our natural capital
- 3 Build climate resilience

To achieve these objectives we focus our solutions on two sectors:

1 Smallholder farmers

2 Our operations

1 SMALLHOLDER FARMERS: PREVENTING DEFORESTATION

Preventing deforestation requires the main pillars of SilverStreet's impact strategy to:

- Raise crop yields through improved seed and providing technical support; and
- Introduce rotation crops to halt monocropping, a key cause of farm abandonment and deforestation.

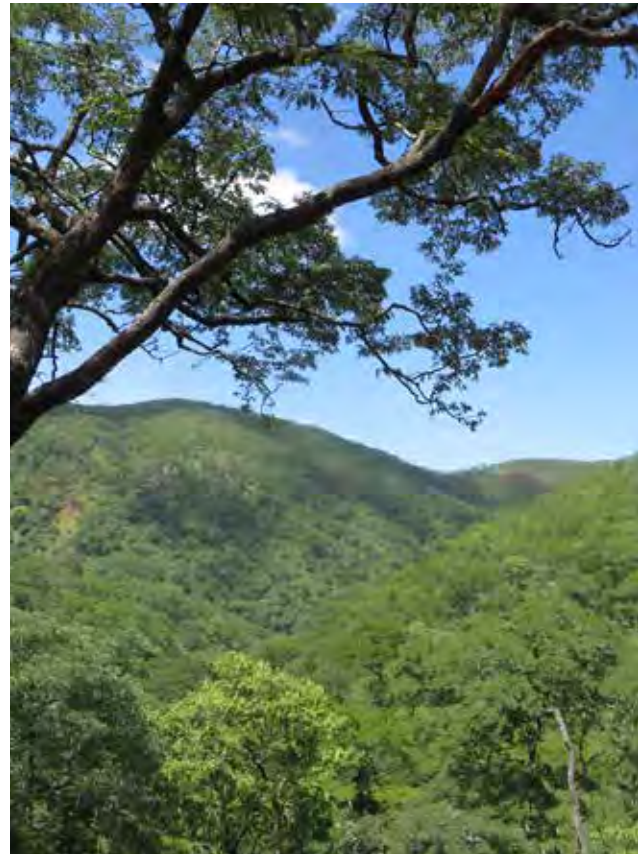
Our results to date

We estimate that 261,000 ha of land is saved from being cleared, the area which would have been necessary to achieve the same increased production from farm-saved seed.

Clearing this area of land would release 77 million t CO₂ equivalent¹² – similar to the emissions from 20 average US coal-fired power stations.

Alternatively, on an annual basis, protecting this area of woodland would capture 686,000 t CO₂ equivalent each year¹³ – equivalent to 1.1 million economy return NY-London flights.

Hybrid seed is also drought and heat stress tolerant, ensuring consistent yields and increasing resistance to climate change for the farmer.



¹²Estimated using data from Tilman et al. 2011

¹³Estimated using data in Lupala et al. 2014



261,000 ha of land is saved from being cleared ...



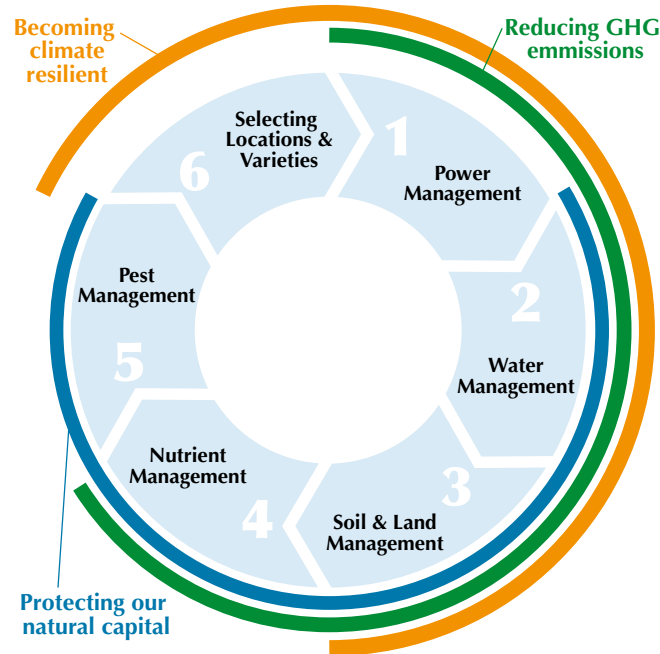
Preventing a possible **77 million** tonnes CO₂eq from being emitted ...



This is equivalent to the annual emissions of **20** US coal fired power stations.

2 OUR OPERATIONS: MANAGING OUR ENVIRONMENT

Climate change and natural capital are intricately linked. We concentrate on effective solutions that can achieve multiple goals. Specifically, at our operations, we focus on six areas to protect our natural capital, reduce our emissions, and build climate resilience:



Power management

Renewable energy: We have implemented several renewable energy projects which add efficiency and directly reduce emissions. These include:

- An 800 kW hydroelectric power facility in Tanzania, supplying most of the farms electricity requirements.
- A 500 kW solar power development in Namibia.

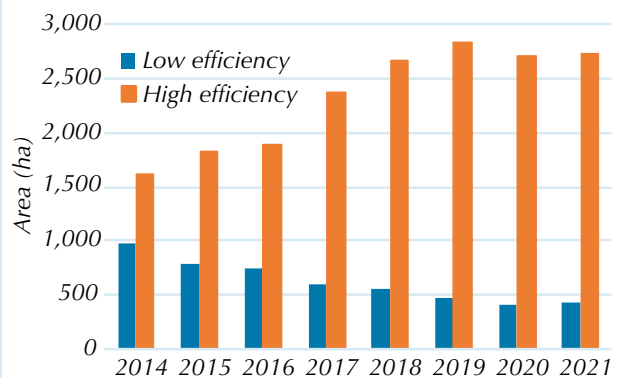


Water management

Building climate resilience: Implementing the most efficient technologies, and with diligent on-the-ground management, our managers take extreme care to minimise the volume of water used. Initiatives to reduce water use include:

- Flow meters
- Drip and micro-sprinkler irrigation systems
- Soil moisture probes and weather stations
- Evaporation pans and automation methods

Increase in high-efficiency irrigation



2 OUR OPERATIONS: MANAGING OUR ENVIRONMENT

Soil and land management

Minimum tillage: By drastically reducing disturbance to the soil, our operations

- Increase the soil organic matter with associated carbon benefits
- Improve soil moisture retention
- Protect soil biodiversity and health

Crop rotation and intercropping: Incorporating other crops into the cropping cycle results in

- Increased nitrogen in the soil when legumes are planted
- Soil stabilisation
- Improved soil structure



Controlling erosion: Contouring, carefully designed by engineers and marked out on the ground by surveyors, is implemented and maintained to reduce surface runoff. Additional erosion control methods are implemented where required.

Protecting 24,200 ha of conservation areas:

To manage and protect the biodiversity in these areas all our operations implement conservation plans that demarcate conservation areas and ensure protection of indigenous biodiversity.

Ecosystem	Protected woodlands and land used naturally (ha)
Grassland	1,820
Woodland + forest	10,740
Savanna	11,683
Total	24,244

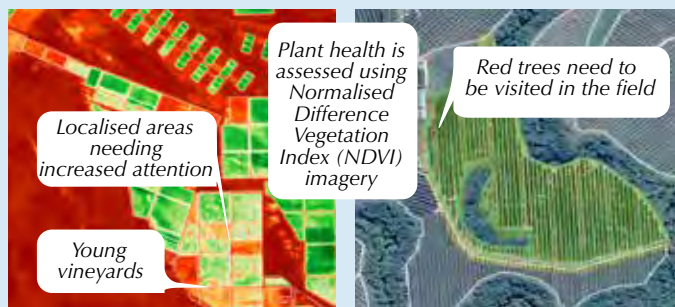
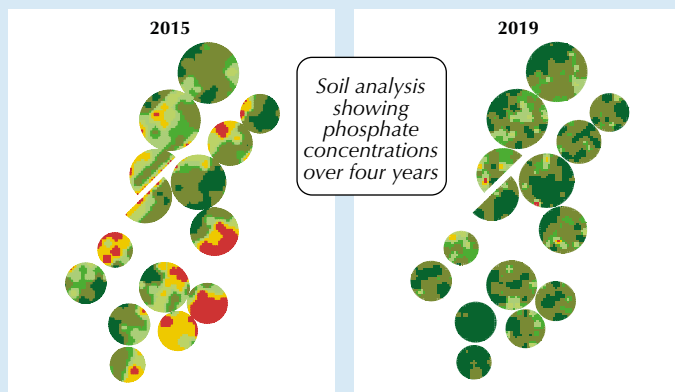
Environmental monitoring: To ensure our operations are not negatively affecting the surrounding environment we undertake regular monitoring. For example, to check we are not negatively affecting dams and rivers, we use insect larvae as sensitive indicators of water quality.

Nutrient management

Applying fertiliser results in atmospheric GHG emissions. Reducing the use of fertiliser is key to minimising environmental impacts and reducing carbon emissions.

Precise application: By analysing soil and plant health using satellite and drone data, fertiliser can be applied precisely to areas of concern, enabling operations to reduce fertiliser overapplication.

Natural alternatives: Using natural forms of nutrients reduces fertiliser use and can return organic carbon to the soil. Nutrient rich compost and manure are used as organic alternatives that develop the soil microbiome, facilitating successful plant growth.



2 OUR OPERATIONS: MANAGING OUR ENVIRONMENT

Pest management

To maximise the protection of our natural areas and biodiversity we reduce pesticide use as much as possible. We use a variety of methods to reduce pest pressure without using pesticides, initiatives include:

- Maintaining **buffer zones** of vegetation around the cropping areas provides habitats for natural pest predators.
- Using **physical barriers** – such as wrapping sticky tape around the trunks of fruit trees to prevent crawling insects
- Tying up **tags dosed with pheromones** in the deciduous fruit tree orchards; these act as mating disruptors.



Selecting locations and varieties

Building climate resilience: To mitigate the risk of climate volatility, we seek operations that are in the optimal locations for each crop. This includes climatic conditions and water security.













For example, our operations in Zambia benefit from secure water supplies from dams and nearby rivers and our table grape vineyard in Namibia benefits from optimal growing conditions for table grapes.



Optimal Location: Silverlands grows table grapes and date palms in Namibia – this location offers optimal growing conditions for these crops

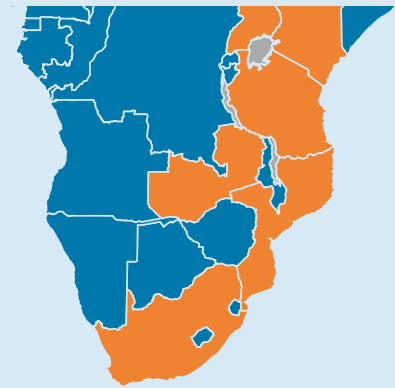
7 Creating a Positive Impact in the Poultry Sector

Increasing access to chicken and eggs can substantially improve nutrition and incomes in Sub-Saharan Africa, where nutrition is poor compared to other regions. Increasing poultry consumption can help this.

WHAT? 	<p>Increasing incomes and nutrition for low-income smallholder farmers</p>  <p>Important negative Important positive</p>
WHO? 	<p>Smallholder farmers typically have little access to modern poultry breeds and feed</p>  <p>Served Underserved</p>
HOW MUCH? 	<p>169,000 smallholder farmers reached</p> <p>Scale:  Few recipients Many recipients</p> <p>Individual annual incomes increased by \$381 per annum</p> <p>Depth:  Marginal change Deep change</p> <p>Drop-off rates after adoption of productive poultry breeds is low</p> <p>Duration:  Short term Long term</p>
CONTRIBUTION? 	<p>The poultry industry was previously poorly developed</p>  <p>Worse Better</p>
RISK? 	<p>Avian disease and alignment risks are low to medium</p>  <p>High Low</p>

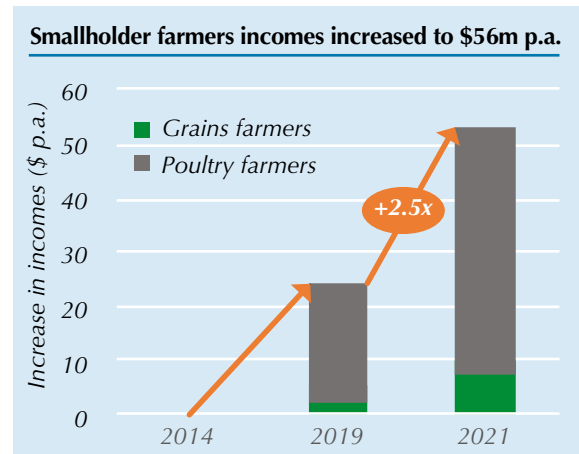
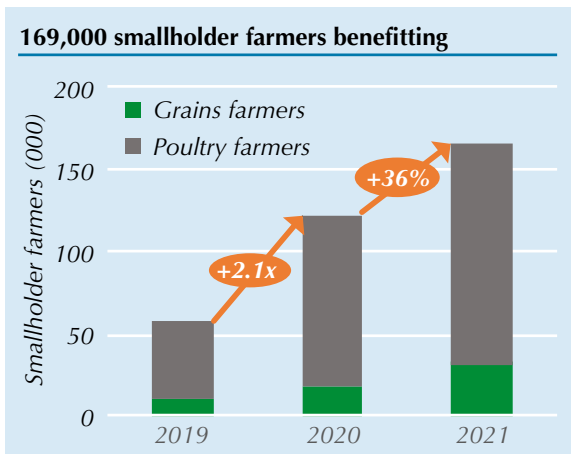


Two projects in six countries



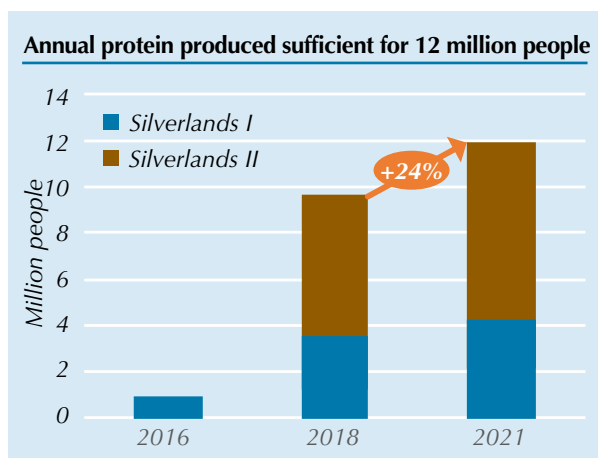
How much?

Across both Silverlands Funds ...



Nutritional impact from our investments in the poultry sector

Investment in this area has substantial impact in fixing the protein shortages.



Challenge

Africa experiences some of the highest levels of poverty and malnutrition globally. 19% of people in Africa are undernourished, double the global average.¹⁴ 31% of children under 5 are stunted in Africa, compared to 22% globally, and 4.5% in Europe.¹⁵

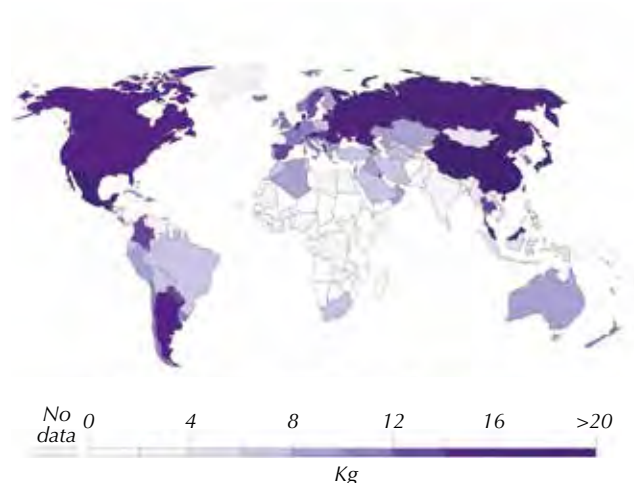
Solution

Fixing the poultry value chain in Sub-Saharan Africa supports access to nutritious protein and decreases poverty. Poultry are practical, cheap, transportable and easy and inexpensive to care for. Eggs are rich in nutrients, eating just one per day can provide a significant proportion of one’s daily requirements of vitamin B12 (25%), protein (13%) and vitamin D (9%).¹⁶

Opportunity to increase poultry and egg consumption in Africa

Despite its nutritional benefits, poultry consumption in Africa is low. Egg consumption in East Africa ranges from around 0.4 to 1.3 kg/capita against a world average of ~9 kg/capita.¹⁷ Poultry consumption in each of Tanzania, Kenya and Uganda is only 5% of South Africa’s.

Average per capita egg consumption (kg/year)



How we’re enabling the sector: Introducing dual-purpose poultry and improved feed

Smallholder chickens constitute the majority of Sub-Saharan Africa’s poultry production. However, most of these chickens are local breeds which are unproductive in both egg and meat production. They are typically fed low quality feed, hampering growth and productivity.

Our operations distribute dual-purpose chickens which are considerably more productive than local breeds. Our two operations, located in six countries, increase access to poultry products including highly productive poultry breeds, improved feed and table eggs.

¹⁴WFP (2020)

¹⁵Global Nutrition Report (2020)

¹⁶FAO (2015)

¹⁷FAO (2017)

CASE STUDY – SILVERLANDS TANZANIA

Silverlands Tanzania is a poultry and feed business positively impacting smallholder poultry and grain farmers in East Africa.

Introduction

Silverlands Tanzania started from scratch in 2014 and is now the largest feed producer in Tanzania and the second largest producer of day-old chicks. It sold 14 million day-old chicks in 2021, up some 27% on 2020.



WHAT?

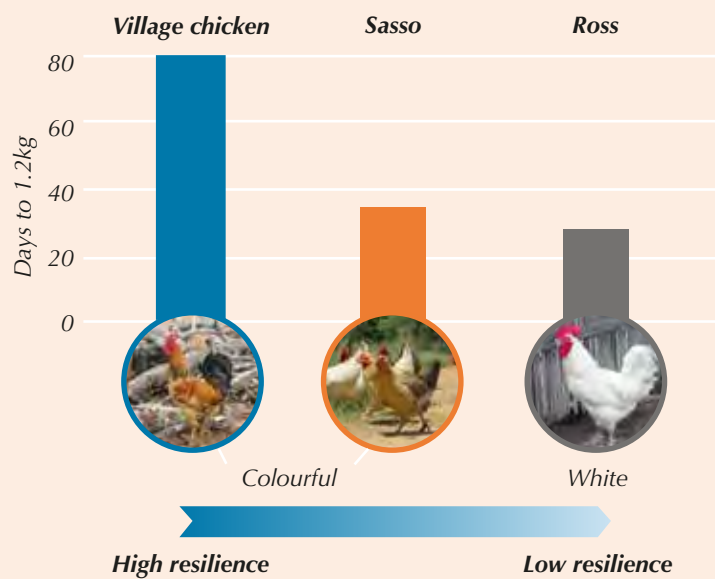
Enablers for growth: better poultry breeds

Silverlands Tanzania sells the Sasso dual-purpose, Ross broiler and Hyline layer poultry breeds. These breeds are highly productive - increasing incomes and access to food.

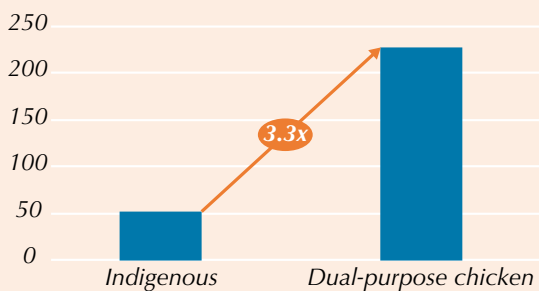
The Sasso breed forms the majority (56%) of sales. In addition to lowering mortality rates, converting from an indigenous to a dual-purpose poultry breed trebles the number of eggs and increases weight at maturity by 1.7x – dramatically increasing productivity for smallholder farmers and lowering costs of production.¹⁸ Estimates are that farmer incomes can increase by much as 2x to 3x by growing a dual-purpose rather than traditional breed.¹⁸

¹⁸Bill and Melinda Gates Foundation (BMGF) 2020

Time to maturity of poultry breeds

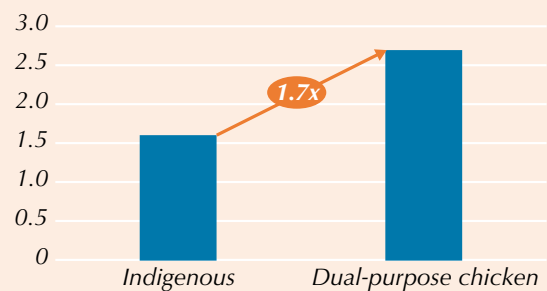


Number of eggs per annum



Source: Bill and Melinda Gates Foundation

Chicken weight at maturity (kg)



CASE STUDY – SILVERLANDS TANZANIA

Enablers for growth: high quality feed

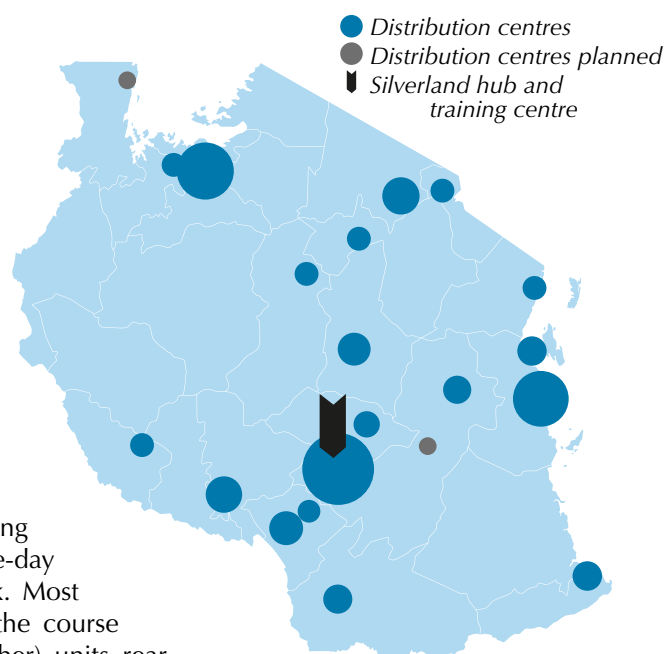
Silverlands Tanzania built the first soya processing plant in Tanzania. Construction of the processing plant enabled soya beans to be used as the protein component of poultry feed. Soya is purchased from smallholder farmers, who earn more by cultivating a higher value crop and benefit agriculturally from introducing this legume into their crop rotation. Silverlands Tanzania also built a 40 tonne/hour capacity feed-mill, the largest known feed-mill in East Africa, and 32,000 tonnes of grain storage.

Most poultry feeds available in Tanzania were poor quality and made with limited quality control measures. In contrast, Silverlands Tanzania's feed formulations are designed by a professional international nutritionist to align with the breed standards and all feed is quality tested in an in-house laboratory. A range of feeds are produced for the varying energy and nutritional requirements of birds of different ages, breed and purpose (egg laying or broilers).

WHO?

Silverlands Tanzania sells day-old chicks and its improved feed to 134,000 smallholder farmers across Tanzania and is expanding regionally in Kenya and Uganda. Some 70-80% of those farmers are women.

Silverlands' distribution centres across Tanzania



1 Smallholder poultry farmers

Distribution network

To reach as many smallholder poultry farmers as possible, Silverlands has built an extensive distribution network comprising 18 distribution centres and sales points. Silverlands also has a team of over 21 extension officers across the country. They provide technical assistance to improve poultry production for smallholder farmers.

Training centre

Silverlands established the only poultry training facility in East Africa. The Training Centre runs five-day courses that combine theory and practical work. Most smallholder farmer trainees (over 80%) attend the course on brooder unit management. Brooder (or mother) units rear day-old chicks through their first vulnerable 28 days and then sell healthy four-week-old chickens to others in their area – galvanising the poultry market and achieving a high multiplier effect. Over 2,600 people have been trained at Silverlands Training Centre.

Benefits to women

Rearing poultry is commonly done by women and 70-80% of smallholder poultry farmers in Sub-Saharan Africa are women.¹⁹

¹⁹BMGF 2020; ID Insight, 2020

2020 Smallholder poultry farmers survey

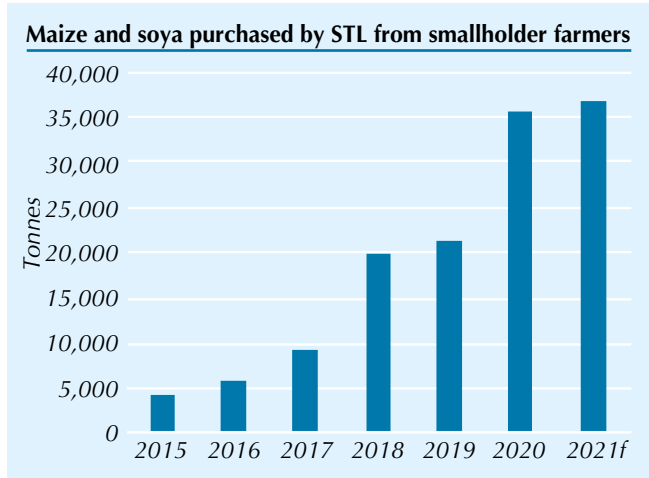
In a 2020 survey, Silverlands Tanzania found that 100% of respondents reported positive benefits from keeping poultry, 79% said it made their life “a bit better” and 21% said “a lot better”. 39% of female smallholder poultry farmers experienced greater respect since keeping poultry.

CASE STUDY – SILVERLANDS TANZANIA

2 Smallholder grain farmers

Growing soya, a high value crop, increases incomes for smallholder farmers as both a cash crop and naturally replenishing the soil with nitrogen, resulting in higher maize yields the following year. Soya is also an ideal rotation crop for maize because it comes from the legume family and maize is from the grass family.

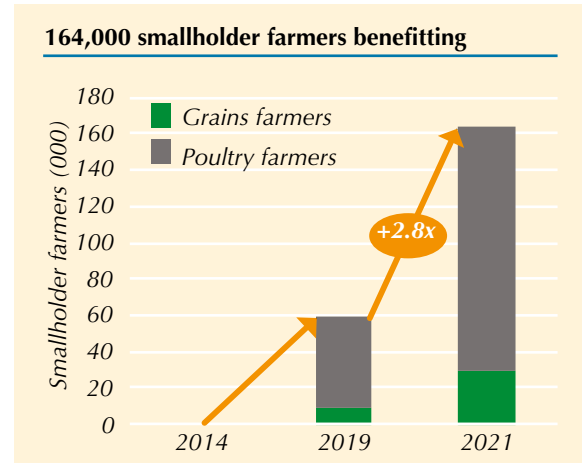
Silverlands Tanzania built the first soya processing plant in Tanzania, creating a market for this crop. The annual production of soya has increased significantly since Silverlands operations began and is now sold to multiple buyers across Tanzania and neighbouring countries.



HOW MUCH?

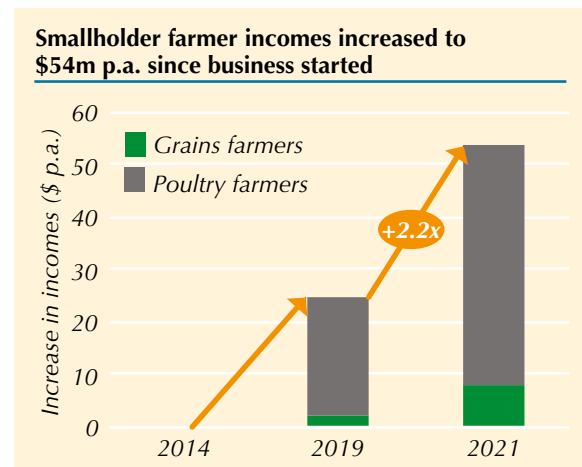
How many?

- 134,000 smallholder poultry farmers economically benefit from Silverlands Tanzania’s poultry or feed - 70-80% of whom are women.
- 29,000 grain farmers sell grain (maize and/or soya) to Silverlands – around two-thirds of whom are women.



By how much?

- Incomes for smallholder poultry and grain farmers have increased by 60% (~\$301) per annum.
- This implies a total increase in community income of \$49 million.



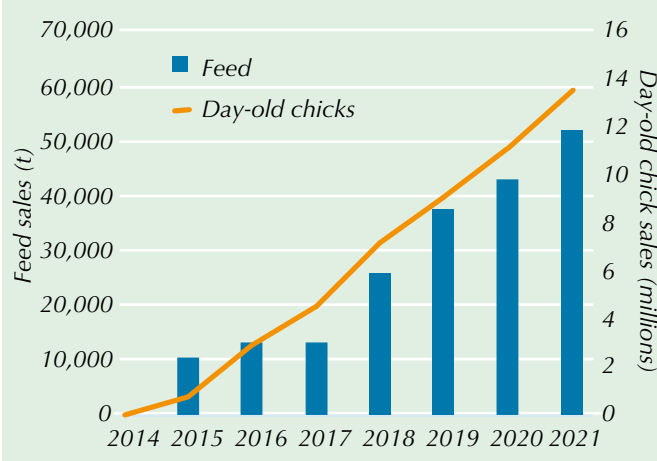
CASE STUDY – SILVERLANDS TANZANIA

+ CONTRIBUTION?

Poultry: Prior to Silverlands, the poultry industry in Tanzania was poorly developed. Smallholder poultry farmers were forced to use inefficient poultry breeds and low-quality feeds. This results in costly poultry production, due to high mortality rates, disease, and slow maturity and production rates. The dramatic increase in Silverlands’ sales prove the market appetite for quality poultry breeds and feed.

Grains: Before Silverlands, there was no local market for soya because there was no soya processing plant in Tanzania. Almost no smallholder grains farmers were growing soya. By introducing soya as a rotation crop, farmers can increase their incomes, improve their soils and agricultural methods, and reduce deforestation.

Silverlands Tanzania sales: Feed and day-old chicks



△ RISK?

Poultry (external risk: Low): Avian flu remains a risk to Silverlands’ impact on smallholder poultry farmers. This is, in part, mitigated by the disease resilience of Silverlands’ breeds and support from extension officers – however the risk is not eliminated.

Grains (alignment risk: Medium): The risk that Silverlands does not purchase soya from surrounding smallholder grains farmers is exacerbated for example because of regulatory changes in Tanzania.



CASE STUDY – QUANTUM FOODS HOLDINGS LIMITED

Introduction

Quantum Foods Holdings Limited (32.5% stake owned by Silverlands II) operates in four countries, South Africa, Mozambique, Zambia and Uganda, and sells eggs, chicken and livestock feed.



Egg production for improving nutrition

Quantum Foods is increasing access to affordable protein in the form of poultry products. These contribute to reducing stunting (growth deficiencies) in children.

An estimated 66% (726 million eggs p.a.) of Quantum's egg production serves low-income consumers with food security challenges and little access to protein.

We estimate that the 1.1 billion eggs produced by Quantum in 2021 would meet the total protein needs of over 370,000 people for a year.

Day-old chicks raise incomes for smallholder farmers

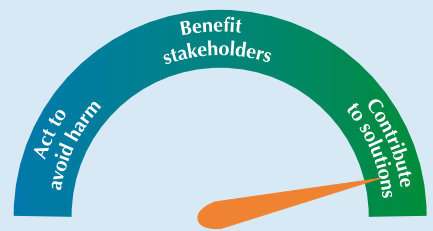
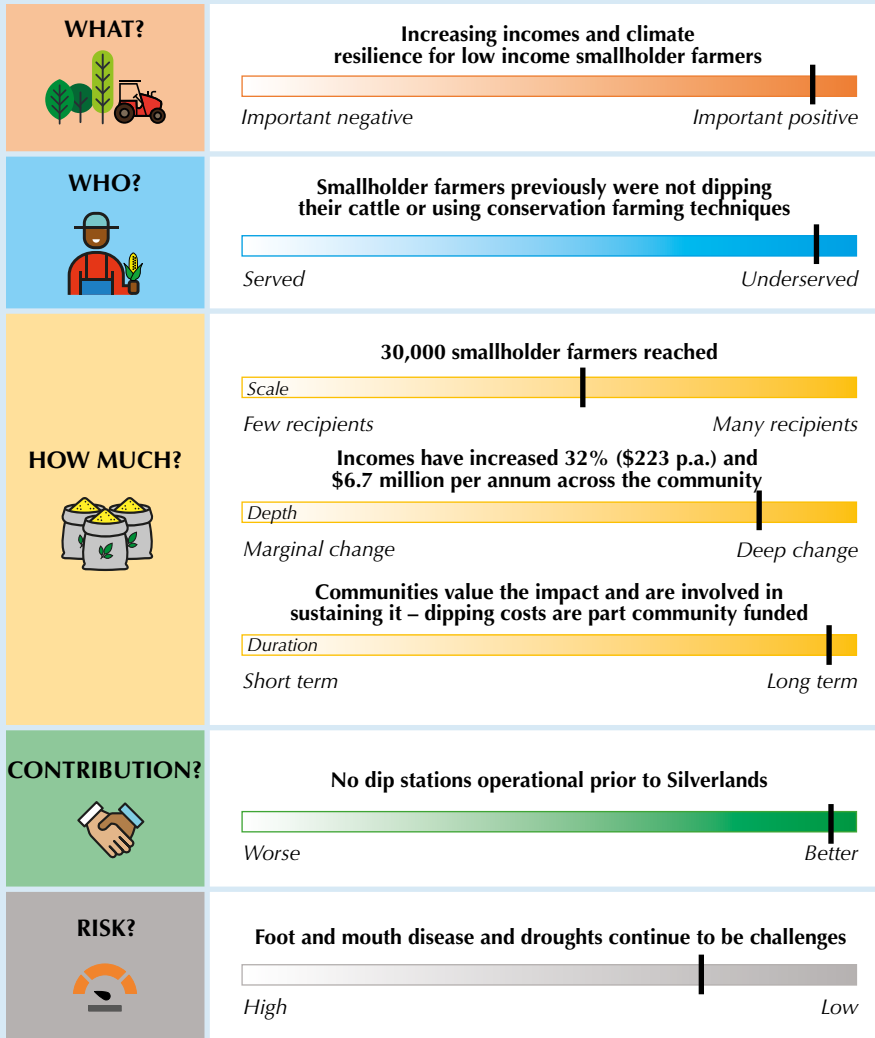
Quantum sold 6.6 million day-old chicks in Zambia and Uganda in 2021, to small and semi-commercial farmers. We estimate that 5,000 smallholder farmers each earned \$2,100 per annum from their poultry operations, rearing broilers and layers with day-old chicks supplied by Quantum Foods.



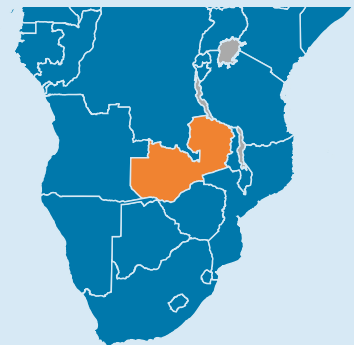
Quantum Foods' farm in southern Mozambique markets through the Galovos brand.

8 Supporting Livelihoods in Southern Zambia

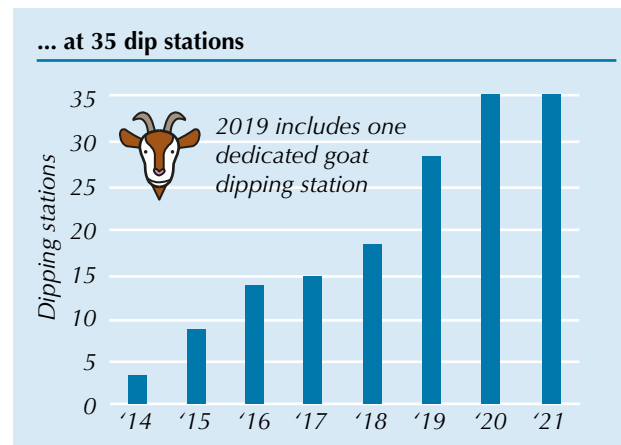
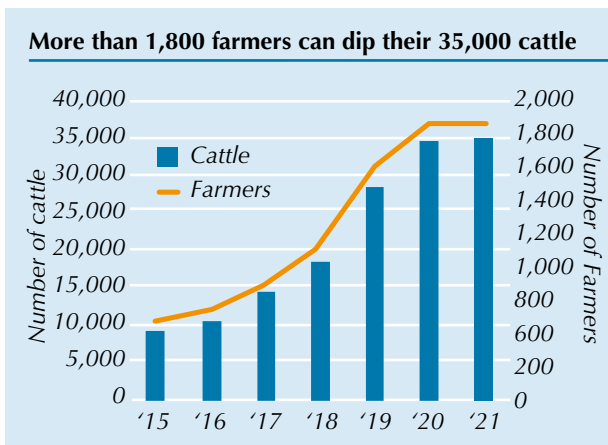
Silverlands Ranching has successfully integrated livestock and cropping solutions, such as cattle dipping and conservation agriculture training in Southern Zambia, along with providing a market, to increase incomes for smallholder farmers.

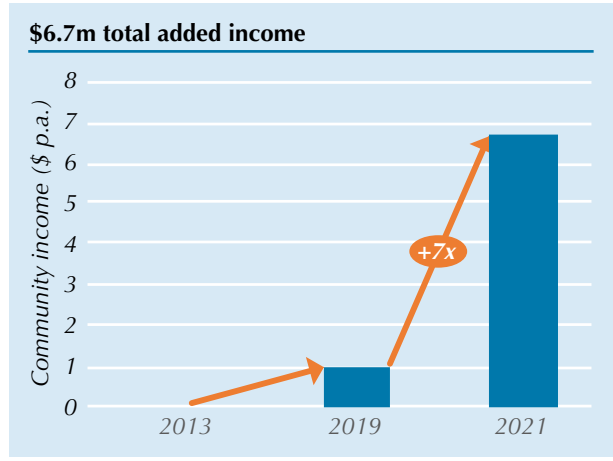
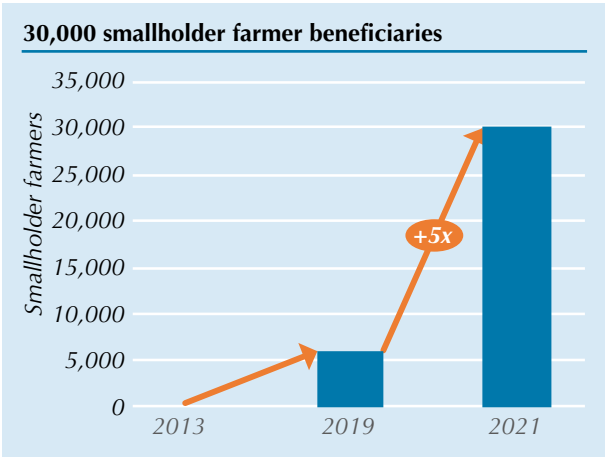


Hub-outgrower benefitting cattle and grain farmers in Southern Zambia



How much?





Challenges

Smallholder farmers in South-western Zambia face numerous challenges. Crop production is difficult in the semi-arid region, meaning farmers primarily depend on keeping livestock as their livelihood. Prior to Silverlands, smallholder farmers were receiving poor yields, their cattle were beset by high mortality rates and low calving numbers.

Solutions

Silverlands Ranching is providing solutions to these challenges by linking smallholder farmers to the beef value chain; providing access to conservation farming methods; introducing smallholder farmers to drought tolerant crops and providing a market for sorghum and sunflower. Silverlands Ranching has expanded its operation and raised the incomes of smallholder farmers in the area.

CASE STUDY – SILVERLANDS RANCHING

Silverlands Ranching is a diversified farming business producing cattle, seed and pecan nut plantation that is improving smallholder farming production both in the surrounding areas and across Zambia.

Introduction

The business is providing smallholder farmers with assistance and a market for their produce. Silverlands benefits from a 6,000 head feedlot, 330 ha of pivot irrigation and 190 ha of pecan nut plantation (growing to 400 ha).



WHAT?

Tick-borne diseases were rife in the Zimba district. This resulted in high livestock mortality and low calving rates due to the lack of operational dip stations that help to get rid of livestock ticks monthly. Farmers had to travel long distances to sell their cattle, ~40% of cattle transactions were between community members as there was no reliable market. Cultivating crops is also challenging, due to the semi-arid climate and use of inefficient and unsustainable farming techniques.

CASE STUDY – SILVERLANDS RANCHING

Providing a market

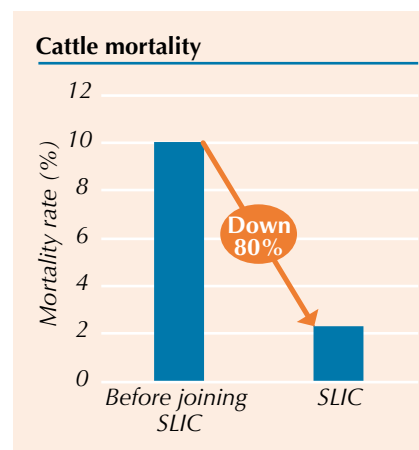
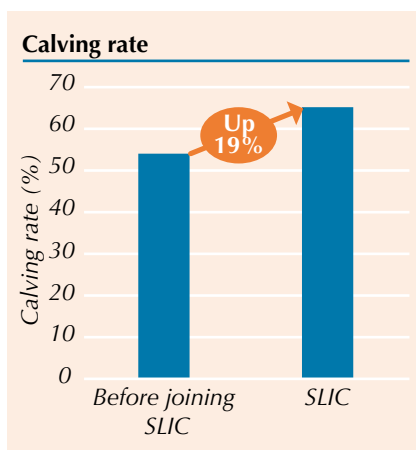
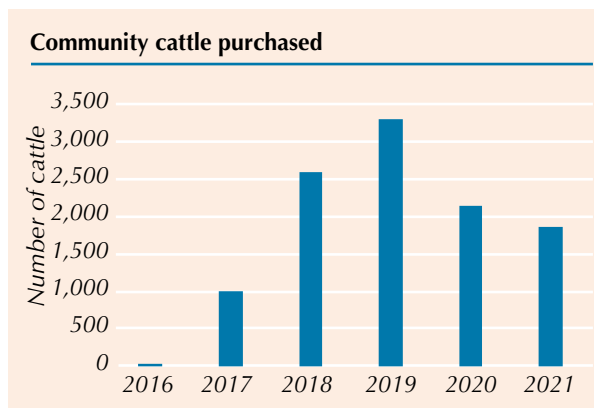
To solve these challenges, Silverlands developed the beef value chain by constructing a feedlot to finish smallholder farmers' cattle. Community cattle are needed to fully stock the feedlot. From purchasing just 53 cattle in 2016, the business has purchased over 10,800 head of community cattle in the last 5 years. Purchasing has been hampered by COVID-19 and foot-and-mouth disease impacts in 2020 and 2021.

Additionally, the business purchases smallholder crops that are processed into cattle feed for the feedlot or channelled to other markets. This market provides valuable income for smallholder farmers and the communities in the area.

To support smallholders to efficiently keep their cattle and cultivate crops, Silverlands created the Silverlands Livelihoods Improvement Community (SLIC). SLIC has established dip stations, crop demonstration plots and sheds for distribution of inputs and storage of grains throughout communities surrounding Silverlands Ranching.

Dip stations

By dipping cattle, smallholder farmers substantially reduce the prevalence of tick-borne disease in cattle. Since SLIC was introduced, mortality rates for farmers have reduced from 10% p.a. to 2.3%, creating a substantial benefit for farmers. Calving rates in smallholder herds has also improved from 54% before joining SLIC to an average of 65% between 2016 and 2019. This implies approximately 20% more calves in the community herd. Calving rates have risen because cattle are healthier as a result of the dipping. More calves mean a greater income for farmers.



Cropping training

Silverlands Ranching trains smallholder grain farmers in conservation agriculture and drought resistant crops, training includes:

- Climate smart and conservation farming methods, such as minimum tillage, land preparation, and using compost or manure.
- Cultivating drought tolerant crops. The primary crop in the area has traditionally been maize, however white maize performs poorly under drought conditions. SLIC have been introducing farmers to drought-tolerant crops such as sunflower and sorghum. This enables families to spread their risk across crops and benefit from the assorted nutrition they provide.

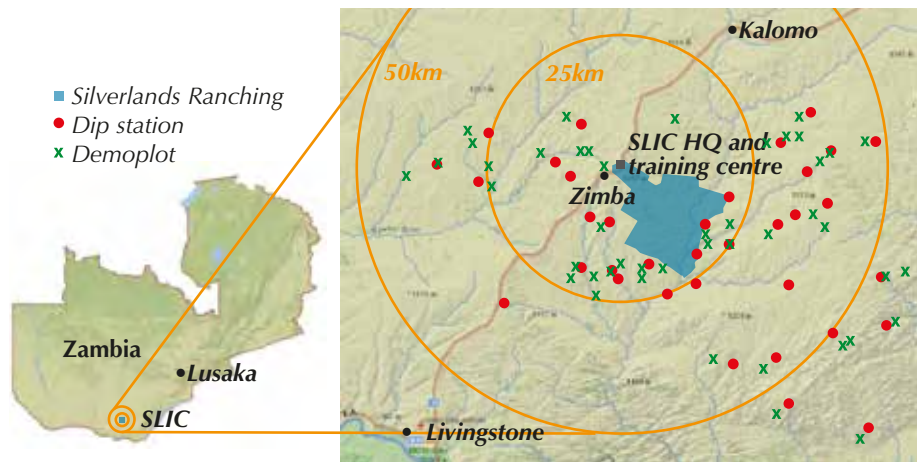
CASE STUDY – SILVERLANDS RANCHING

WHO?

Smallholder cattle farmers

From zero functioning dip stations or spray races in the area, SLIC has now reopened or constructed 35 in seven years. Spread across a 50km² area, the dip stations are positively impacting 1,800 smallholder farmers who bring their 35,000 cattle each month for dipping. The dips are managed by a community committee: tracking attendance, collecting fees, providing water and maintaining infrastructure. Dipping fees (ZMK 1.50 or \$0.07/head) fund the daily expenses of the programme so the dip stations are self-financing with all fee collection managed by the community itself. Silverlands provides technical expertise and advice via nine extension officers.

Training and dip stations in neighbouring communities



Working with women - SLIC's Siandwazi goat dipping station

As cattle are traditionally owned by men, Silverlands opened the area's first goat dip station. The station has been running since 2019 and is managed by an all-female committee. About 2,000 goats are brought for weekly dipping by 77 farmers (most of whom are women).



Smallholder cropping farmers

In the last year, SLIC has facilitated field days for over 1,200 smallholder farmers at 51 demonstration plots in community areas. The focus is to provide training in climate smart agricultural techniques. A network of 63 lead farmers have now been trained to manage demonstration plots and provide training in 2022.

As sunflowers are well adapted to growing in drier climates, Silverlands has promoted it in demonstration plots and training. Silverlands Ranching purchased more than 2,300 t of sunflower seed or cake over the last 5 years, equating to \$270k of cash into the community. It is estimated this has been grown by some 1,300 farmers.

A training manual has been developed which includes all key conservation agriculture messages.

CASE STUDY – SILVERLANDS RANCHING

☰ HOW MUCH?

Smallholder cattle farmers

- The number of farmers dipping cattle has increased year on year. Now, more than 1,800 farmers dip their 35,000 cattle at 35 dip stations.
- This has doubled each farmer's annual income - an increase of an estimated \$707 per annum.
- Over 1,700 smallholder farmers sold their cattle to Silverlands in 2021. Silverlands has purchased 10,900 cattle for a total of \$2.4 million from surrounding communities since inception.

Smallholder grains farmers

- Over 1,500 smallholder farmers continue to receive training in conservation farming methods through Silverlands.
- The business purchased over 1,500 tonnes of grain from smallholder farmers in 2021, enabling the communities surrounding the business to earn a total of \$228,000.

+ CONTRIBUTION?

Prior to Silverlands' arrival, cattle disease was rife in the region. Diseases resulted in high livestock mortality and low calving rates. Farmers travelled long distances to markets or were subject to unfair traders. There were no operational dip stations and farmers.

Cropping farmers had little access to training and drought tolerant crops, resulting in more exposure to the negative effects of drought.

△ RISK?

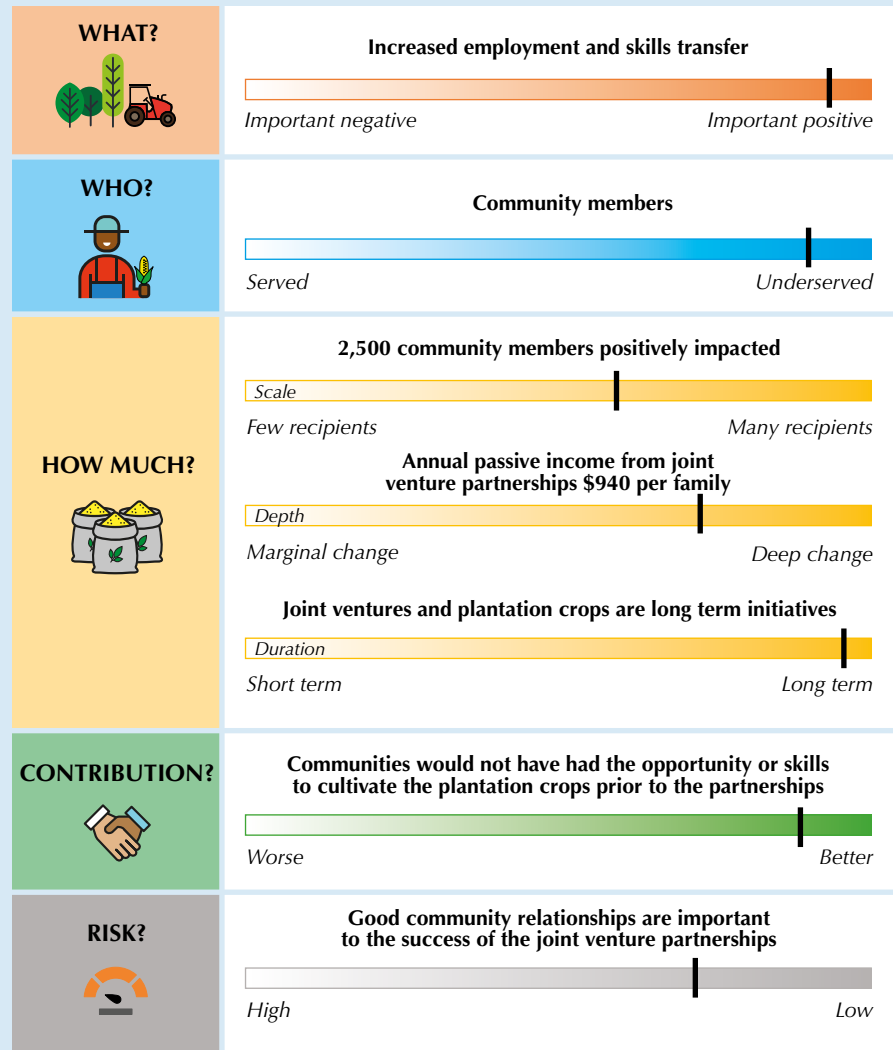
Smallholder cattle farmers – external risk (High) – Foot and mouth disease and droughts have negatively impacted smallholder cattle farmers over 2020-2021. The foot and mouth disease prevented cattle from being moved, therefore Silverlands was forced to reduce purchases of smallholder cattle. Additionally, droughts in 2018 limited the available pasture that smallholder cattle can graze on, reducing their productivity.

Smallholder grains farmers – drop off risk (Low) – Farmers see the value in conservation farming methods and access to markets and are likely to continue in the engagements.

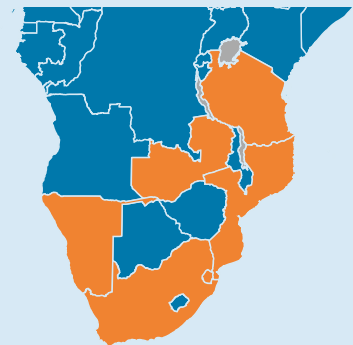


9 Creating a Positive Impact with Plantation Crops

Plantation crops support the development of new industries and create the opportunity to partner with communities.



3 projects in South Africa



Plantation crops

Tree crops	Area (ha)
Apples & Pears	449
Date palms	138
Macadamias	463
Pecans	190
Avocados	370
Bananas	555
Total	2,165

Development impact of plantation crops:



We are growing plantation crops such as date palms, pecans, macadamias, apples, pears and avocados. In many cases these crops are **new to the countries** or regions. We provide the expertise and patient investment to introduce these new crops and **kickstart a new industry** in the country. This adds to **foreign export earnings** and provides **employment**. We are cultivating 2,165 ha of plantation crops across six countries.

Avocados in Tanzania

Silverlands Tanzania and Silverlands Ndolela (right) have planted 370 ha of avocados between them (Silverlands Tanzania: 142 ha, Silverlands Ndolela: 228 ha). Avocados will add a high-value export crop to the locally sold seed that the farms already produce.



Macadamias in Northern Mozambique

Murrimo Macadamias is a Crookes Brothers farm in Northern Mozambique. Currently with 432 ha of macadamia nut orchards, plans are in place to expand by another 330 ha. The farm is in a remote rural area, with few other commercial operations nearby. From nothing in 2012, the farm now provides 313 permanent jobs and up to 555 jobs including seasonal workers during harvest. At full production, roughly 1,000 employees will be needed.

The first significant pecan plantation in Zambia

Silverlands Ranching diversified from cattle and cropping by planting 190 ha of pecan orchards between 2019 and 2021. The total target development is 400 ha. Already these orchards have provided new jobs. For some of these new employees, many of whom are women, it is their first formal employment. This is the first pecan plantation of any material size in Zambia and is pioneering the development of a new, high value export crop for Zambia.



Introducing date palms in Namibia

Our portfolio companies in Namibia are introducing a novel export crop to the country (dates) and are leading development of the industry in Namibia. Whilst smaller plantations have been planted, the two Silverlands Funds are developing substantial date palm farms, a processing and export business and the goal is to be the cornerstone of a significant new industry in Namibia. This new date palm industry will help to provide much needed export revenues, foreign currency and tax income for the government.

Plantation crop joint ventures:



Cultivating plantation crops typically requires expertise, scale, and capital investment, excluding smallholder farmers most of the time. To ensure community participation and benefit in these operations, we can use a joint venture model.

In this model, the community is empowered by the portfolio company to gain the skills needed to cultivate the crops and gain access to investment. A joint venture company is formed that leases the community's land and pays a management fee to the Silverlands portfolio company. Profits are split between the community and the portfolio company with the community typically owning 51-55%. The community therefore earns their profit share plus land rent.

CASE STUDY – COMMUNITY JOINT VENTURES

WHAT?

Joint ventures are a unique opportunity for communities to acquire the skills needed to cultivate the plantation crops over a long period. The multiple benefits for the communities include:

- Earning a reliable income from both profits and land rent from leasing their property to the JV.
- The ability to farm crops that require scale and are too expensive per hectare to be an option for smallholder farmers.
- Training and skills transfer via bursaries and working for the JV.
- Development of a positive sense of ownership through owning 51-55% of the company.



WHO?

Crookes Brothers participates in four joint ventures: Libcro, a partnership with the Libuyile community; Mawecro, a partnership with the Mawewe community; Renishaw, a partnership with the Cele community; and Bellcro, a partnership with ex-employees of the farm.

HOW MUCH?

The JVs provide incomes to over 2,500 families, approximately 11,000 people.

The combined average profit earned by the three JVs over the last three years is \$2.4m per annum, or \$941 per family. This passive income is in addition to other household income from jobs or from managing their own businesses/farms.

Community participants impacted (# families)	Income per family (3-year average)	Value added to community annually (3-year average)
2,532	\$941 p.a.	\$2.4 million p.a.

CASE STUDY – COMMUNITY JOINT VENTURES

+ CONTRIBUTION?

Communities would not have the opportunity to generate the potential income from their land without the portfolio company as a partner. Growing plantation crops requires large scale investment and skills. These skills must be acquired over time and with experience.

△ RISK?

Stakeholder participation risk (Medium): The relationship between the community and the portfolio company is integral to the success of the project. Maintaining good relationships with communities is a focus to ensure regular stakeholder engagement is maintained.

Libcro joint venture

The Libuyile community have maintained a long-term partnership with Crookes Brothers in a joint venture formed in 2008. Crookes Brothers assisted in improving the yields on this 1,100 ha sugar cane operation, from as low as 60 t/ha to a consistent 100 t/ha. Evidence that the community trusts the partnership and appreciates the professionally run operation is the extension of the JV, initially planned for 15 years, by another 15 years, together with the addition of 300 ha of land into the JV in 2016.



Tsepo Sangwane, a member of the community, is now running the operation. A testament to the success of the skills transfer to the community.















Bellcro farming joint venture

Bellcro Farming is a joint venture between Crookes Brothers and former employees who own 55%. The 42 ha deciduous fruit farm in the Western Cape, South Africa was formerly owned by Crookes Brothers and sold to the Department of Rural Development and Land Reform as a land transformation project in 2012. In 2017, the Government released the recapitalisation funds for the operation and Crookes Brothers were approved as the strategic partner for the JV.

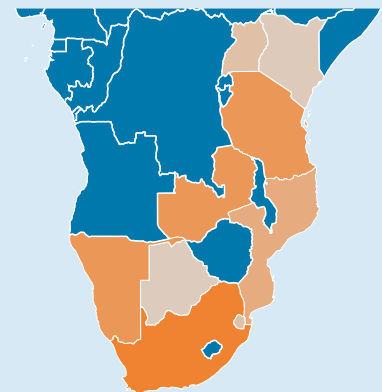
10 Creating a Positive Impact through Creating Quality Jobs

Supporting the creation of quality jobs is an integral aspect to Silverlands' positive impact. By expanding businesses we increase the number of jobs and upskill the workforce.

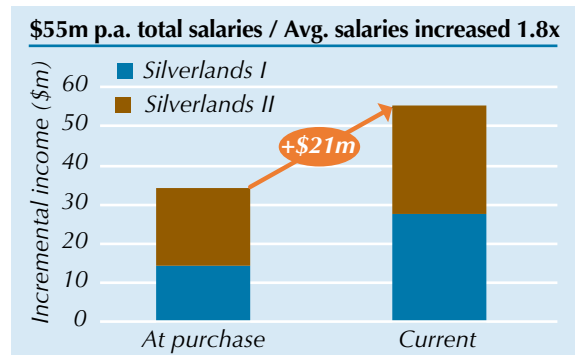
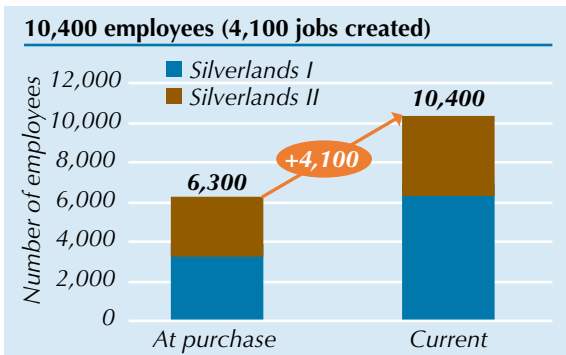
WHAT? 	Increasing access to quality jobs 
WHO? 	Our employees 
HOW MUCH? 	10,400 employees across nine countries 
	Employee incomes increase by 1.8x on average (\$2,250 p.a.) 
	Our projects are sustainable which ensures that jobs are created for the long-term 
CONTRIBUTION? 	We typically operate in rural areas with few other quality job providers 
RISK? 	All of our investments have resulted in increased job creation 



Silverlands employs 10,400 people across nine countries



How much?



Increasing access to quality employment is a key aspect of Silverlands’ impact and objective. By fixing agricultural value chains and supporting businesses to implement the highest ESG standards, quality jobs can be created, having a direct and secondary impact in the areas we operate. Our Quality Jobs Framework defines our core principles and guides our approach:

	1 Creating More Jobs	2 Creating Better Jobs	3 Creating Inclusive Jobs	4 Monitoring Performance
Core principle	SilverStreet invests to fix value chains and expand businesses in developing economies with a focus on increasing the number of quality jobs in rural areas which typically experience higher rates of unemployment and exploitative work.	SilverStreet ensures portfolio companies adhere to the highest ESG standards and provide training to employees through long-term initiatives and ongoing upskilling opportunities.	SilverStreet ensures that all its investments adhere to non-discrimination policies and fair recruitment practices and support the facilitation of diversity initiatives to address employment inequity.	SilverStreet supports and ensures that portfolio companies monitor job quality monthly and annually audits portfolio companies, independently, against SilverStreet’s ESG standards.

Creating More Jobs

Since our investments, the number of jobs provided by our operations has materially increased by a total of 4,100. The Silverlands Funds now employ 10,400 people, a 65% increase from the number employed when the businesses were initially purchased (~6,300). 4,100 new jobs have been created.

(*All employee numbers are now full-time equivalent (FTE) figures, updated from previous years.)

The employment multiplier effect

This employment creates a substantial multiplier effect, benefitting some 61,000 people.

Employing ~10,400 people has two main multiplier effects, (1) indirect and induced jobs created as a function of each permanent job we create and (2) the number of household members positively impacted by our employees.

	Job creation effect: Direct, indirect, induced jobs (3x permanent jobs)*	Household persons impacted (4.4x total employment)**	Total persons impacted
Silverlands I	7,407	27,729	35,136
Silverlands II	8,303	17,991	26,294
Total	15,710	45,720	61,430

* IFC jobs study suggests a 3x multiplier for the agricultural sector in Tanzania
 ** Average family size from UN 2018 data for Zambia, Tanzania, Mozambique, South Africa, Namibia and eSwatini/Swaziland (www.population.un.org)

Creating Better Jobs

Skills development

Many of our portfolio companies operate in remote areas where there is a shortage of skills. Our operations utilise new and innovative methods, technologies and products that may be novel to the area. To raise the skills within the workforce, our operations provide constant on-the-ground training, expanding the pool of skills and developing experienced employees.

Training includes safety, machine operation, finance, IT systems, governance and general agriculture. More complicated and specialised operations require specialised training (e.g. cultivating novel crops, seed breeding, poultry feed production, and operating feed mills, hatcheries, and solar and hydro power stations).

Kagiso studied through Crookes Brothers and is now the company's agricultural analyst. This year, Kagiso was instrumental in supporting the analysis of the entire business' greenhouse gases.

“Crookes gave me direction; I do hope that a lot more guys from the community experience Crookes the way I have experienced Crookes and that they can enjoy the opportunity for tertiary education.”



Kagiso Segole

Higher salaries

By upskilling the workforce, and creating new skilled jobs with a higher salary, we put more money into local economies. Average salaries have increased 1.8-fold since purchase. The payroll is now \$56m per annum across the two funds.



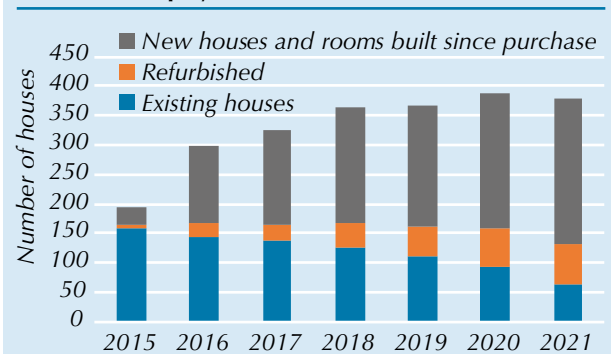
Skills development case study: Key infrastructure and technical training in Tanzania

Silverlands Tanzania has increased its employment numbers nearly 5-fold from 201 to 954. This was driven by development of new businesses, such as the processing plant, storage and hatchery. Because these facilities require technical skills, the jobs created were higher paid than those generally available in the area and those being provided at acquisition. Silverlands Tanzania's salary spend increased by a staggering 36x as a result.

Improving employee housing

Employees' happiness, wellbeing and productivity is better when they live in good housing in a pleasant environment. Housing has been a priority focus for business development. Across seven operations in Tanzania, Zambia and Namibia, 317 houses have been refurbished or built over the last six years.

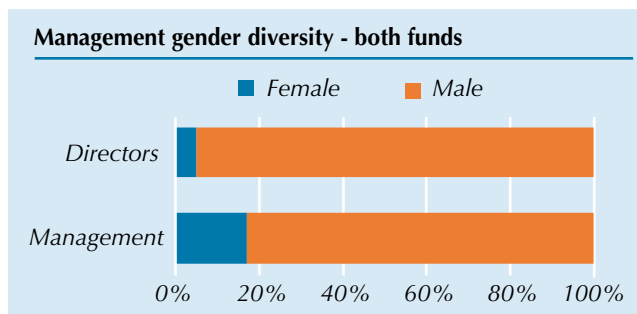
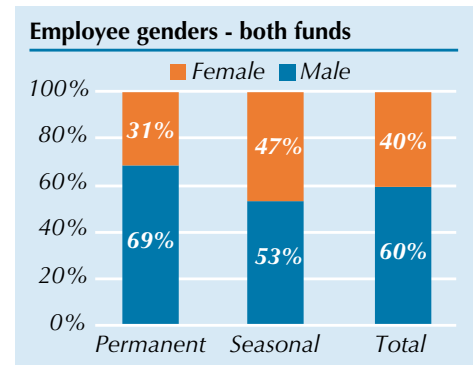
Number of employee houses on Silverlands farms



Creating More Inclusive Jobs

Diversity: Gender workforce participation

Gender equality in the workplace is essential to operating responsibly and effectively. Commercial agriculture is typically male dominated; however we employ a significant proportion of women. 40% of our total workforce are women, although there are more in the seasonal/ temporary labour force (47%) than in the permanent staff (31%). Rebalancing the gender split remains an ongoing focus.



Women in leadership

In commercial agriculture, especially in rural areas, demonstrating change through gender champions is vital to promote women’s participation in the workplace. Hiring women continues to be a focus for each operation. In Silverlands I and Silverlands II, 5% of directors, 17% of top and senior management are women.

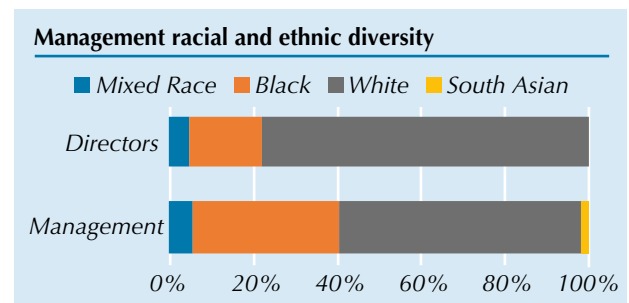
Gender initiatives

Ensuring that women can fully participate in the working environment requires specific initiatives that go beyond leadership diversity. Across the Silverlands Funds, there are several gender initiatives aimed at ensuring women’s equal participation, for example:

- **Women’s forums:** These have been created in a number of our businesses. They provide a platform for women to raise and discuss issues amongst themselves that they may not feel comfortable raising with men around. Elected leaders can then communicate issues to management, empowering women at all levels within the business.
- **Creche:** At Silverlands Vineyards and Achill in Namibia mothers were forced to prioritise childcare over employment. To enable these women to work and be comfortable that their children are properly cared for, our businesses set up a creche which has proven popular, enabling women to work knowing their children are cared for.

Diversity: Race and ethnicity

We believe that having a diverse team encourages better decision-making, governance, and innovation. We are committed to a culture and working environment that actively promotes and values diversity.



“Employees play a critical role in the success of the company and Silverlands wishes to be the employer of first choice in the farming communities where it operates in order to attract and retain employees of the highest quality.” Silverlands Zambia Limited - HR Handbook

11 Other Developmental Impact

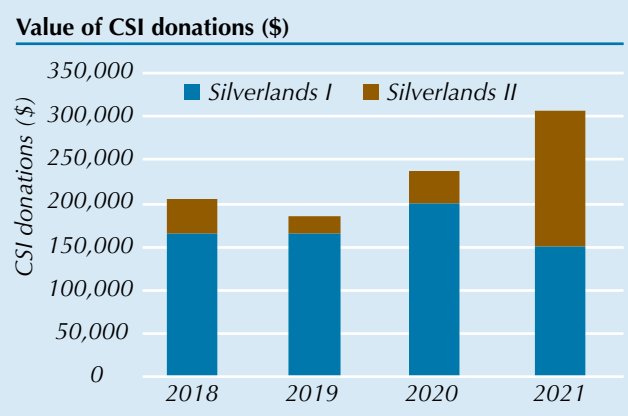
11.1 SME Spend

Annually, over \$41 million is paid to a wide array of small and medium enterprises through business relationships with portfolio companies. As our businesses have expanded, we have enabled these SMEs to grow as well. If each SME has ~10 employees, this implies that some 6,700 jobs are supported by our businesses.

	SMEs	Spend (\$)
Silverlands I	627	38,760,515
Silverlands II	50	2,406,009

11.2 CSI Donations

In 2021, \$306,000 of Corporate Social Investment donations were made, up from the 2019 and 2020 spends of \$185,000 and \$236,000 respectively. We estimate that this year's donations benefitted 17,600 people.



11.3 Tax Contributions

Most of the portfolio companies have executed major developmental programs and are still benefitting from standard tax offsets to profits.

Portfolio company	Income taxes (\$)	Other taxes (\$)*	Total taxes (\$)	Year End
Silverlands I				
Crookes Brothers	1,039,793	N/A	1,039,793	31-Mar-21
Silverlands Ranching	None	172,303	172,303	31-Dec-20
Silverlands Zambia	9,035	494,926	503,961	31-Dec-20
Silverlands Tanzania	159,212	1,850,451	2,009,663	31-Dec-20
Silverlands Agriculture Services	329	478,186	478,515	31-Dec-20
Silverlands Ndolela	19,666	187,716	207,382	31-Dec-20
Silverlands Vineyards	None	737,273	737,273	28-Feb-21
Quinta da Bela Vista	71,775	None	71,775	31-Mar-21
Total Silverlands I	1,299,810	3,920,856	5,220,666	
Silverlands II				
Achill	None	522,346	522,346	28-Feb-21
Zamseed	153,968	9,177	163,145	31-Mar-21
Quantum Foods	1,534,250	N/A	1,534,250	30-Sep-21
Total Silverlands II	1,688,218	531,523	2,219,741	
Overall total	2,988,028	4,452,378	7,440,406	

* Taxes and all fees and proceeds paid to local and central government of host country, including customs, duties and royalties, VAT, social security payments and deferred tax over the last reported financial year.

12 Managing Impact and ESG

12.1 The ESG Standards We Follow

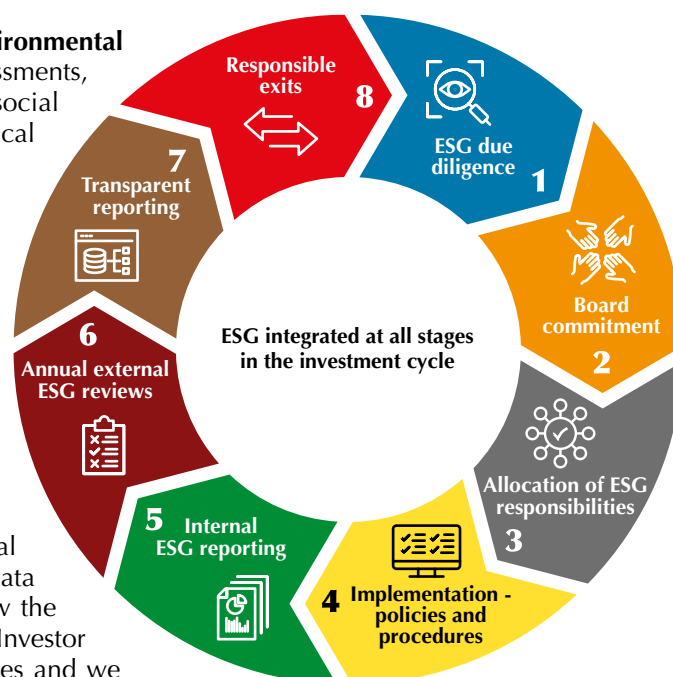
ESG Standards
SilverStreet’s Responsible Investment Code
International Finance Corporation Performance Standards
UN Global Compact
Signatories
UN Principles of Responsible Investment

We adhere to our SilverStreet’s Responsible Investment Code (“RIC”), which is based on the responsible investment code for the CDC Group PLC. Our RIC references multiple other standards such as the International Finance Corporation (“IFC”) Performance Standards along with the IFC Environmental Health and Safety (“EHS”) guidelines and sector supplements. These provide excellent guidance in ESG risk management and are used globally. We also adhere to the principles of the UN Global Compact and are signatories of the UN Principles of Responsible Investment (“UNPRI”).

12.2 The Process of ESG Implementation in our Investment Cycle

ESG matters are integrated into all stages of our investment cycle, as follows:

- 1 An **ESG due diligence** is performed prior to acquisition, resulting in an initial ESG action plan for implementation should the investment go ahead. Significant issues may lead to the termination of a transaction.
- 2 **Board commitment:** After acquisition, the board of the portfolio company commits to adhere to the RIC.
- 3 **Assignment of ESG responsibilities:** Responsibility is assigned to individuals within the portfolio company to manage ESG matters. This is often split across multiple roles.
- 4 Portfolio companies implement a **Social and Environmental Management System (“SEMS”)** which includes risk assessments, policies and procedures to manage environmental and social risks (e.g. HR handbook, Transport, Fuel and Agrochemical procedures, etc.)
- 5 **Monthly internal ESG reporting** is set up and developed over time as needs arise. This ensures ongoing collection and analysis of data relating to ESG matters (e.g. employee numbers, water and electricity use, stakeholder engagement, waste management etc.)
- 6 **Annual external ESG reviews/audits** are performed by ESG specialists to guide the operation on the next steps of ESG implementation. ESG reviews result in action plans which the portfolio company then implements over the following year.
- 7 **Transparent reporting:** all ESG reports and additional updates are shared with investors via our online data sharing platform. An Annual ESG Day is held to review the annual ESG ‘audits’ with our investors’ ESG specialists. Investor ESG specialists have also visited our portfolio companies and we adopt a fully transparent ethos.
- 8 **Responsible Exits:** implementing social and environmental management systems into the businesses ensures ongoing management of ESG aspects post-exit. We also ensure the ethos of potential buyers regarding ESG management is in line with ours.



12.3 ESG Responsibility

The implementation of our ESG standards requires a commitment from the boards and management teams of our portfolio companies. Each portfolio company has a board member with responsibility for ESG issues and ESG is an agenda item at each board meeting.

Each portfolio company has personnel responsible for ESG. These people oversee ESG matters by managing the Social and Environmental Management Systems (SEMS). SilverStreet oversees all ESG implementation across all portfolio companies. The following personnel across the portfolio companies have key ESG management and/or reporting duties:



Julia Wakeling (SSC)
SilverStreet Head of Impact & ESG



Dr. Fenton Cotterill (SSC)
ESG Consultant



Luke Lowsley-Williams (SSC)
SilverStreet Impact & ESG Analyst



Dr Ben Moshi (STL & SNL)
Board, Community Liaison



Janet Sanders (STL & SNL)
ESG Manager Tanzania



Amanda Moshi (STL)
Global Gap Compliance Manager



Sheryl Bradnick (STL)
Poultry Training Manager



Jacqueline Mlowe (SNL)
HR Assistant



Eliud Kyando (SNL)
Safety, Health and Environment Officer



George Chabaputa (SASL)
HR/ESG Manager Zambia



David Kalunga (SZL)
HR/ESG Assistant



Chris Simpasa (SZL & SASL)
Community Liaison Officer



Francine Matanda (SRL)
HR and ESG Officer



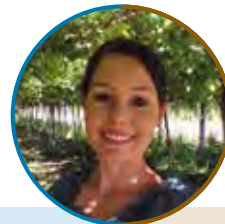
Ross Trotter (CBL)
Group Services Manager



Bruno Lima (QBV)
Farm Manager



Joel Sambo (QBV)
HR/ESG Assistant Manager



Lara Hough (SVL & Achill)
ESG Manager



Tangee Kauaaka (Achill)
ESG Assistant



Rachael Chituwo (Zamseed)
Head of HR



Boaz Chikanku (Zamseed)
ESG Coordinator



Bill Nicolson (Zamseed)
Farm Manager



Heather Pether (Quantum Foods)
Head of HR



Andre Muller (Quantum Foods)
Chief Financial Officer

13 Annual ESG Review

13.1 Overview

The Annual ESG reviews are important in detailing the next step in ESG implementation at each portfolio company. Annual reviews of the portfolio began in 2013. The aim is for the review to be performed by an independent external consultant every second year however independent consultants have, in practice, been contracted every year other than 2016.

The reports are detailed “audits” of each portfolio company’s ESG performance. Each of this year’s 11 reports were (on average) 69 pages long. The reports are carefully reviewed by the management of each portfolio company and the SilverStreet team. All reports are made available to our investors via the Sungard system and reviewed in an annual Impact and ESG Day.

	Silverlands I	Silverlands II	Total
Number of reports	8	3	11
Average pages per report	70	68	69
Total pages	557	204	761

13.2 COVID-19 Management Across the Portfolio

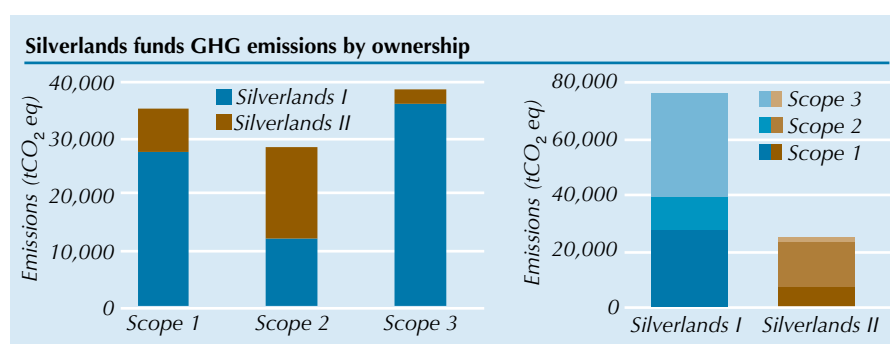
From an operational perspective, border closures and travel restrictions have made the flow of goods more difficult, but there have been no material disruptions to any operations to date. We are fortunate that all our portfolio companies have continued to operate through any lockdowns as they provide essential food and food-related products.

From an HR perspective, there have not been any COVID-19 related retrenchment or furloughing. All portfolio companies have implemented measures to protect the health and wellness of employees and reduce infection rates.

In our portfolio, as at end September 2021, we have been informed of 423 cases of COVID-19 out of about 10,400 employees. We sadly report 6 COVID-19 related fatalities across our portfolio companies, including Elisha Chivero, the Chief Financial Officer at Silverlands Tanzania Limited who passed away in August 2021.

13.3 Measuring our Greenhouse Gas Emissions

We assessed the scope 1, 2 and 3 greenhouse gas emissions of Silverlands I and Silverlands II, using a bespoke tool developed for our portfolio. This is the first step in our goal to become climate neutral by 2040 and meet the reporting requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainable financial disclosure regulations (SFDR).



2020 Greenhouse gas emissions

	Scope 1 (t CO ₂ e)	Scope 2 (t CO ₂ e)	Scope 3 (t CO ₂ e)	Total (t CO ₂ e)
Silverlands I	27,589	12,411	36,323	76,324
Silverlands II	7,462	15,872	1,836	25,170
Total	35,051	28,284	38,159	101,493

*For Quantum Foods Holdings, operations outside of South Africa, and scope 3 emissions are excluded.

* Emissions shown are relative to the proportion ownership of each portfolio company by the respective Silverlands Funds.

13.4 Compliance with our Responsible Investment Code

Our Responsible Investment Code is divided into seven sections. Each year in the annual ESG review, portfolio companies are scored against the various topics. The scores are a good indicator of overall performance against our ESG standards.

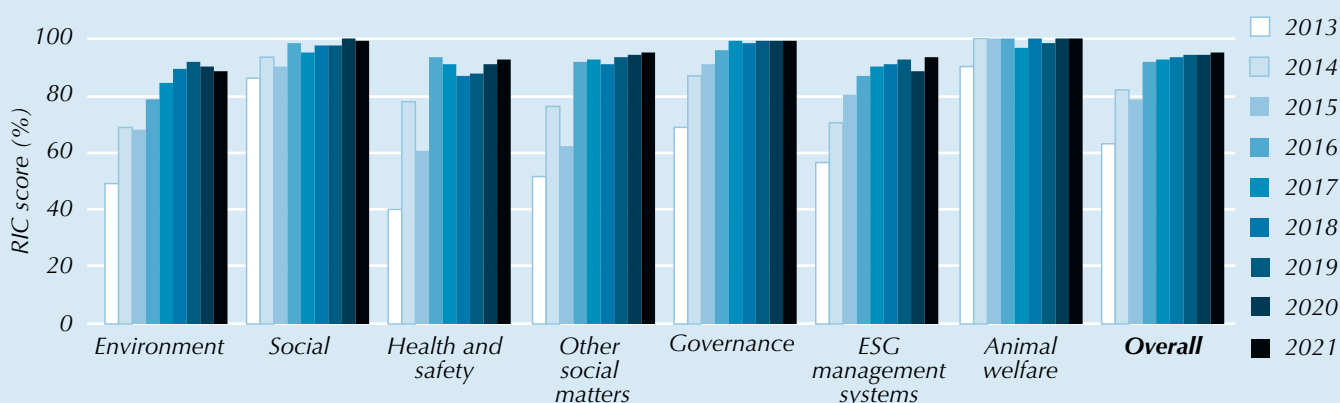
a) Silverlands I

We are proud to report that there continues to be a positive trend in ESG compliance. As ESG implementation has matured in the businesses, the focus has shifted from major items to finessing the integration of ESG. The scores have risen steadily and are now at 96% overall. Scores are detailed in the individual reports for each portfolio company.

Silverlands I: Responsible Investment Code (RIC) compliance

Section summary	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	2020 %	2021 %	Change %
Environment	49	69	68	79	84	89	92	90	89	1 ↓
Social	86	94	90	98	95	97	98	100	99	1 ↓
Health and safety	40	78	60	93	91	87	88	91	93	2 ↑
Other social matters	52	76	62	92	93	91	94	95	95	0
Governance	69	87	91	96	99	99	99	99	100	1 ↑
ESG management systems	57	71	80	87	91	91	93	89	94	5 ↑
Animal welfare	90	100	100	100	97	100	98	100	100	0
Overall	63	82	79	92	93	94	94	95	96	1 ↑

Silverlands I: RIC compliance

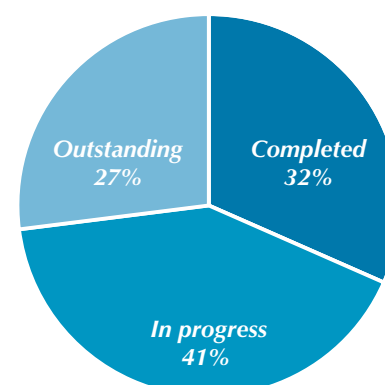


Portfolio companies continue to progress on action points raised in previous ESG reviews with 73% of actions either completed or in progress.

Silverlands I: Portfolio company progress against previous action plans

Portfolio company	No. of actions	Completed	In progress	Outstanding
Silverlands Tanzania	61	17	26	18
Silverlands Ndolela	36	14	15	7
Silverlands Zambia	28	12	13	3
Silverlands Agri. Services	30	14	14	2
Silverlands Ranching	34	13	15	6
Silverlands Vineyards	8	3	2	3
Quinta da Bela Vista	19	8	8	3
Crookes Brothers	110	22	42	46
Total	326	103	135	88
%		32%	41%	27%

Silverlands I - Annual ESG review actions



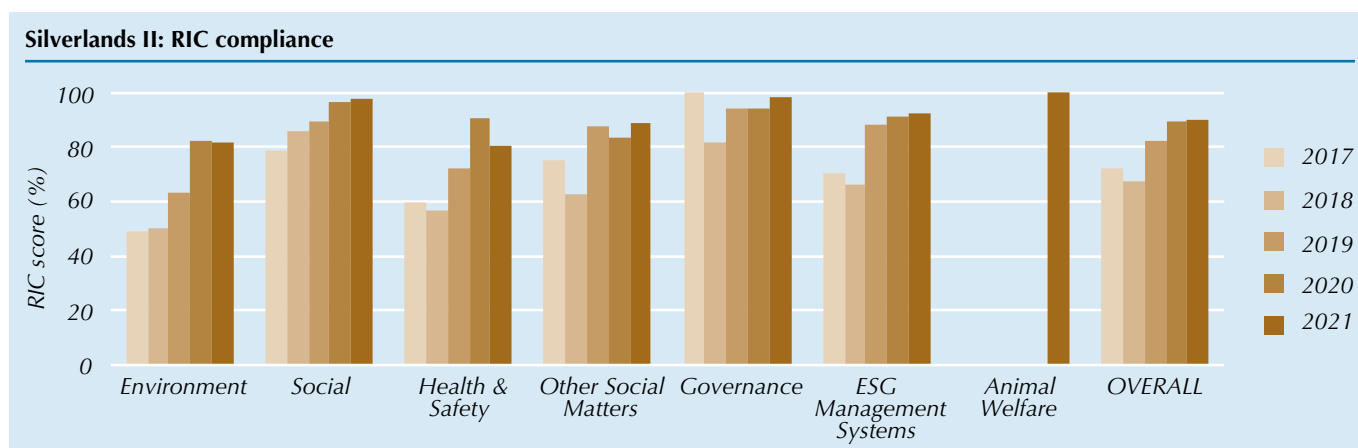
b) Silverlands II

Silverlands II now comprises four acquisitions: Achill Island Investments (Achill), Zambia Seed Company (Zamseed), Quantum Foods Holdings Limited (Quantum) and Karas Mountain (which has been integrated into Achill). This is the first year of assessment of Quantum, so the historical scores relate only to Achill and Zamseed.

The overall compliance level has improved significantly and has been at 90% for two years. As implementation continues, we expect scores to rise above 90%. As a reminder, ESG compliance fell in 2018 when the Silverlands II Fund acquired Zamseed and its compliance with our RIC was low at acquisition (44%), improving steadily since then.

Silverlands II: Responsible Investment Code (RIC) compliance

Section summary	2017 %	2018 %	2019 %	2020 %	2021 %	Change %
Environment	49	51	64	83	82	1 ↓
Social	79	86	90	97	98	1 ↑
Health and safety	60	57	72	91	80	10 ↓
Other social matters	75	63	88	84	89	6 ↑
Governance	100	82	94	94	99	5 ↑
ESG management systems	71	66	88	92	92	1 ↑
Overall	72	67	82	90	90	0

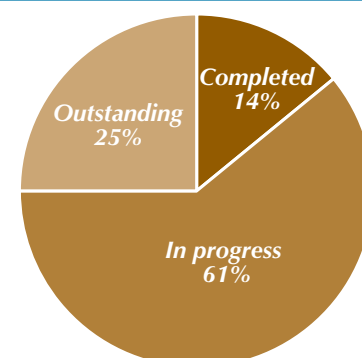


Portfolio companies continue to progress on action points raised in previous ESG reviews with 75% of actions either completed or in progress.

Silverlands II: Portfolio company progress against previous action plans

Portfolio Company	No. of actions	Completed	In progress	Outstanding
Achill	10	4	3	3
Zamseed	54	5	36	13
Quantum	None yet			
Total	64	9	39	16
%		14%	61%	25%

Silverlands II - Annual ESG review actions



* Quantum Foods Limited assessed for the first time in 2021, so no previous action plan to report on.

Appendix: EU Sustainable Finance Disclosure Regulations (SFDR) Principal Adverse Sustainability Impacts

		Both funds	Silverlands I	Silverlands II
Greenhouse gas emissions	Scope 1 GHG emissions (t CO ₂ eq)	35,051	27,589	7,462
	Scope 2 GHG emissions (t CO ₂ eq)	28,284	12,411	15,872
	Scope 3 GHG emissions (t CO ₂ eq)	38,159	36,323	1,836
	Scope 1,2,3 GHG emissions (t CO ₂ eq)	101,493	76,324	25,170
	Carbon footprint (t CO ₂ eq per % owned)	76,324	268	249
	GHG intensity of portfolio companies (t CO ₂ eq per EUR Million revenue)	25,170	1,505	348
	Exposure to companies active in the fossil fuel sector	Nil - Silverlands I and Silverlands II are only invested in the agricultural sector.		
	Share of non-renewable energy consumption and production	3%	4%	2%
	Energy consumption intensity per high impact climate sector (GWh per EUR Million revenue)	Agriculture, forestry, and fishing (Section A)		
		0.51	0.92	0.38
Biodiversity	Activities negatively affecting biodiversity sensitive areas	Five portfolio companies have operations within 30 km of a biodiversity sensitive area. None of these portfolio companies are negatively affecting those areas and have implemented strict environmental safeguards to protect and monitor their impact on the surrounding environment. For more information, please see Sections 6 and 13 of this report.		
Water	Emissions to water (tonnes per million EUR invested)	221	247	142
		This assessment was done as a trial and excludes CBL and QBV (Silverlands I) and Quantum Foods (Silverlands II).		
Waste	Hazardous waste ratio (tonnes per million EUR invested)	4.90	5.85	1.37
		Most hazardous waste generated by portfolio companies consists of used chemical containers and oil products. Chemical containers are triple rinsed and punctured once empty. All hazardous waste is disposed of using registered waste service providers.		
Water, waste and material emissions	Investments in companies without water management policies	Nil - All portfolio companies have water management policies.		
	Companies exposed to areas of high-water stress without a water management policy	Nil - All portfolio companies have water management policies.		
	Investments in companies producing chemicals	Nil - No portfolio companies produce chemicals.		

		Both funds	Silverlands I	Silverlands II
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	There have been no instances of human rights violations recorded at any portfolio company. In relation to Zamseed only, certain instances of non-alignment of the company's policies and systems with the UN Global Compact have been identified.		
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Achill and Zamseed have implemented systems to monitor their compliance with the UN Global Compact and will implement systems to monitor their compliance with the OECD Guidelines. All other investments are in the process of implementing systems to monitor their compliance with the UN Global Compact and OECD Guidelines.		
	Unadjusted gender pay gap (difference between average pay per females to males, shown as a percentage)	Average unadjusted gender pay gap of four portfolio companies (SZL, SVL, SRL, SASL) in 2019: Hourly employees (seasonal): 97% Salaried employees (permanent): 61%		
	Board gender diversity (Average ratio of female to male board members)	0.04 – Increasing the number of female directors and top and senior female managers is a priority for the Silverlands Funds.		
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Nil - No portfolio company has any exposure to controversial weapons.		
	Investments in companies without workplace accident prevention policies	Nil - All portfolio companies have implemented multiple accident prevention policies and procedures.		
	Lack of grievance/complaints handling mechanism related to employee matters	Nil - All investments have implemented grievance/complaints handling policies and make available multiple grievance/complaints handling mechanisms for employees.		
	Lack of anti-corruption and anti-bribery policies	Nil - All portfolio companies have implemented anti-bribery and corruption policies and undertake anti-bribery and corruption training annually.		

Disclaimer

- This report is issued by SilverStreet Capital LLP (“SilverStreet”) on a confidential basis to a limited number of sophisticated institutional investors for the sole purpose of providing information about the impact of SilverStreet Private Equity Strategies SICAR – The Silverlands Fund and Silverlands II SCSp (together, the “Funds”). SilverStreet is authorised and regulated by the UK Financial Conduct Authority.
- SilverStreet has taken all reasonable care to ensure that the facts stated in this report are true and accurate in all material respects and are reasonable estimates of the likely impact of the Funds. Measuring impact of the various projects is by its nature a process which requires assumptions and inference based on the available information. Any estimates or forecasts are, by their nature, uncertain, particularly given the substantial uncertainty created by COVID-19.
- All statements of opinion and/or belief contained in this report, all views expressed and all estimates, projections, forecasts or statements regarding historic, current or future impact and projects related to such impact represent SilverStreet’s own assessment and interpretation of the information available to it as at the date of this report. SilverStreet has no obligation to update this document, or any part of it, following its issuance. No warranty or representation is made, or assurance given, that such statements, estimates, views, projections or forecasts are correct or that the objectives of the Funds will be achieved.
- In making any future investment decision, prospective investors must rely solely on their own examination and assessment of the Funds and should conduct their own due diligence and should obtain their own professional advice as to the legal, taxation, financial, impact and other consequences of any investment, including the merits of investing and the risks involved.

Silverlands Tanzania built 36,000 tonnes of silo storage and a 40 tonne-per-hour feedmill producing poultry feed. This creates an enormous market for smallholder grains and produces poultry feed primarily for smallholder poultry farmers.



