



acorn

SUSTAINABILITY REPORT 2023

**Building Blocks for
Sustainable Cities**

ACORN SUSTAINABILITY REPORT 2023

Table of Contents

Executive Letter 4

Introduction

About This Report.....	7
About Acorn	8
Our Purpose	10
Sustainability and SDG Mission Statement.....	11
ESG Strategy	12
Our Properties	13
Our Brands.....	14
2023 ESG Highlights.....	15
ESG Milestones achievements.....	16
ESG Recognition.....	17

Environmental

Environmental SDGs.....	19
2030 & 2050 Targets	21
Environmental Performance 2020 – 2023	22
Environmental commitment.....	23
Environmental Initiatives.....	24

Social

Social SDGs.....	28
Employee Engagement.....	30
Diversity, Equity & Inclusivity (DEI).....	31
Employee Benefits	32

Case Study:

Celebrating Qwetu Achievements.....	33
-------------------------------------	----

Spotlight:

Green Initiatives: Qwetu Student Residences	34
--	----

Case Study:

CSAT Scores	35
-------------------	----

Community Involvement and Engagement	36
---	----

External Stakeholders	37
-----------------------------	----

Customer Spotlight:

Paula Kimbowa Interview.....	38
------------------------------	----

Case Study:

Partnership with the Universities.....	40
--	----

Industry Partnerships.....	41
----------------------------	----

Our Stakeholders	42
------------------------	----

Local Supplier Spotlight:

Interview with Ivy Ndiira, Deco Studios - A female-owned and run SME.....	44
---	----

Local Supplier Spotlight:

Mr. Andrew Wanyoike - Seiwa Furniture & Interior Designers.....	46
--	----

Governance

Governance SDGs.....	49
Company Leadership	51
<i>AHL Executive Committee.....</i>	51
<i>AHL Board of Directors.....</i>	55

Leadership Built on Trust and Shared Purpose.....	58
--	----

Interview with the Chairman of Acorn Holdings	58
--	----

ESG Governance.....	60
---------------------	----

AHL Functional Org Chart 2024.....	60
------------------------------------	----

ESG Governance.....	61
---------------------	----

ESG Policies	62
--------------------	----

Materiality and Responsible Investment	63
---	----

Risk Management.....	65
----------------------	----

Third-party Reporting.....	66
----------------------------	----

Reporting & Disclosure

Reporting & Disclosure.....	68
-----------------------------	----

Data & Reporting Methodology.....	71
-----------------------------------	----

OUR COMMITMENT

At Acorn Holdings Limited, Environmental, Social & Governance (ESG) and sustainability are deeply ingrained in our company culture. From our leadership team to every member of our staff, we are dedicated to embracing sustainable practices. This commitment is demonstrated in our consistent achievement of performance targets, industry leading recognition, and the value we deliver to our investors and stakeholders. Our ESG strategy is a testament to the power and influence of our sustainability agenda.



Executive Letter

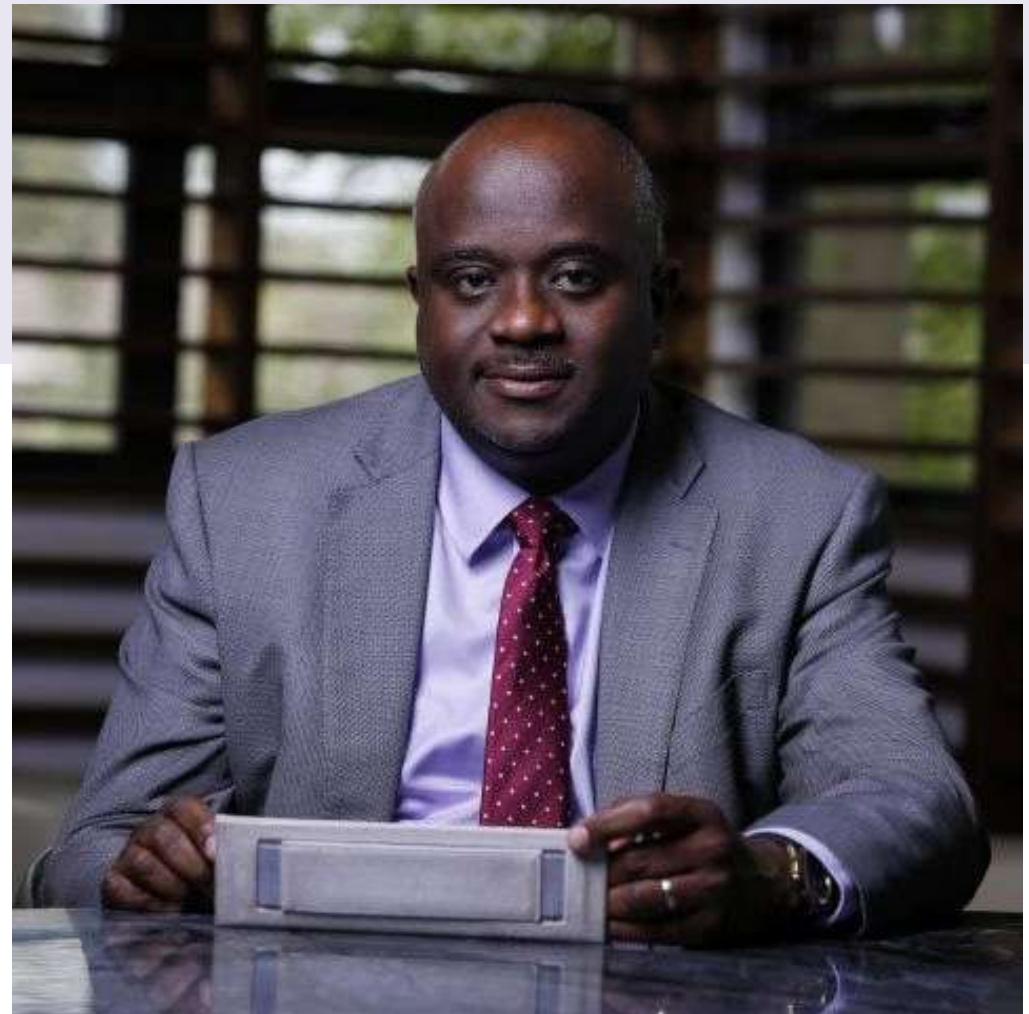
Acorn Holdings limited is dedicated to fulfilling its mission of establishing and preserving surroundings that prioritize belonging, safety, well-being, efficiency and resilience. It is of utmost importance to us to safeguard the financial interests of our investors and tenants. We deeply value sustainability, which lies at the core of our identity, and firmly believe in incorporating the principles of Environmental, Social, and Governance (ESG) across our entire organization.

Empowering the Future: Our Commitment to impact returns and Sustainable Cities through Sustainable Purpose-Built Accommodation for students & young urbanites.

We want to begin our Annual ESG Report for this year by commending the dedication and hard work of our team in maintaining a strong ESG focus and pursuing our goals despite the ongoing economic challenges and the climate-related extreme flooding events the country is facing. These efforts have propelled our ESG program to new heights, and this progress has been recognized by various industry leading accolades and certifications. We achieved remarkable milestones in our third consecutive year of reporting. We secured the first rank in Purpose Built Student Accommodation (PBSA) category and received a GRESB 4-Star Rating for our 2023 submission for both the I-REIT and D-REIT for a third consecutive year.

Additionally, for the second year in a row, we were ranked first in sustainability among our peers.

We actively pursued a portfolio wide EcoVadis certification and achieved a Silver rating for the second consecutive year. We remained the only real estate company in sub-Saharan Africa assessed with the EcoVadis rating. Our property teams also organized virtual and in person activities to engage and educate our tenants throughout the year on numerous sustainability topics like sustainable waste management and circularity which are shaping the built environment landscape. We established an ESG Committee and its corresponding terms of engagement which was instrumental in crafting and overseeing the ESG strategy and policies.



Edward Kirathe

CEO, Acorn Holdings

"Whether you're a student seeking a green haven or an investor looking for purpose driven returns, let's build a brighter, greener tomorrow together."

Executive Letter

The PBSA Revolution

We experienced an increase in tenancy and reduced our churning rate. We anticipate this positive trend to continue as more students increasingly become conscious of their security, something which we address through our properties and the communities they belong in. The surge in university enrollments, coupled with an acute shortage of formal student housing, has fueled the rise of purpose-built student accommodation. Our commitment to sustainability goes hand in hand with this trend. We've witnessed the transformation of student living from cramped dormitories to vibrant, eco-conscious spaces that foster learning, collaboration, and personal growth.

As we stand at the intersection of education, environment, and innovation, our mission is clear: to create purpose-built student accommodation and housing for young urbanites that not only nurtures young minds but also safeguards our planet. Impact begins with intention, and at Acorn our intention is clear: to create a sustainable legacy that resonates far beyond our walls. We recognize that our role extends beyond brick and mortar; it encompasses the well-being of our students, the communities we serve, and the global ecosystem.

Green Building Certification

Our PBSA properties proudly wear the badge of green building certification. From energy-efficient designs to renewable energy sources, we've woven sustainability into every fiber of our structures from the entity level all the way to the properties we build, operate and assets managed. These aren't just buildings; they're living spaces and places where students learn about responsible consumption, waste reduction, and the power of collective action. We are currently revising our targets having enhanced our data reporting. Our aim of bringing forward our net zero carbon emissions target by 2050 is also moving forward. We have started installation of solar renewable energy as part of our decarbonization plans for our assets and their operations. This plan will roll over to all our assets and in future, all new developments will be built with renewable energy installations.

Impact Beyond the Campus

Our impact extends beyond the campus gates. By choosing sustainable materials, minimizing water usage, and embracing smart technologies, we contribute to a healthier planet. But it doesn't stop there. We engage with local communities, supporting initiatives that promote



environmental literacy, tree planting, and clean energy adoption. Our commitment isn't just about today; it's about the legacy we leave for generations to come.

A Double Yield: Financial and Environmental

Investing in PBSA isn't just financially savvy; it's environmentally responsible. Knight Frank's African report highlights that PBSA yields outperform traditional residential housing by a significant margin. As the middle class expands and universities continue to undersupply accommodation, our sector thrives. But our success isn't measured solely in financial terms; it's the carbon footprint we shrink, the smiles we ignite, and the future we shape.

Join Us on This Journey

The pages that follow in this Annual ESG Report provide further insight into the accomplishments and progress of our ESG program in 2023. We will persist in integrating sustainability policies and measures throughout our operations to mitigate climate change risks, enhance our competitive edge, and remain informed about the social, economic, and environmental impacts.

Looking ahead to 2030, 2050, and beyond, we will continue driving sustainability for the benefit of all. As we embark on this sustainability journey, we invite you to be part of it. Whether you're a student seeking a green haven or an investor looking for purpose-driven returns, let's build a brighter, greener tomorrow together.



Introduction

The 2023 Annual Report is prepared by Acorn Holdings Limited to provide information about our environmental, social, and governance (ESG) programs to our stakeholders. It aligns with the Global Reporting Initiative's (GRI) G2016 guidelines, the International Integrated Reporting Council's (IIRC) Integrated Reporting Guidelines (January 2021), and the Sustainable Development Goals (SDGs).

About This Report

This report covers the operations of Acorn Holdings Limited and its subsidiaries, providing material information on our strategy, business model, operating context, material risks (including environmental, social, and governance issues), stakeholder interests, and performance in these areas for the year 2023 (January-December).

Our stakeholders have recognized the importance of these ESG programs. This ESG Annual Report for the year 2023 utilizes quantitative data from properties that we owned throughout the entire calendar year. We have standardized data for energy, greenhouse gases (GHGs), and water consumption, taking into account leased occupancy. Waste diversion rates have been calculated based on floor area and are combined to determine the overall portfolio-wide diversion rate. Our goal with this report is to promote transparency and accountability by showcasing our ESG targets, progress, accomplishments, and initiatives.

As a company incorporated under Kenyan law, Acorn complies with the Kenya Companies Act of 2015 and the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 issued by CMA, as well as the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. Our financial reporting follows the principles and requirements of the International Financial Reporting Standards (IFRS), and our annual audited accounts are made available to our shareholders. We determine the key sustainability areas and indicators for reporting through a Materiality Review process, based on the GRI and <IR> Guidelines.



About Acorn

Acorn Holdings Ltd. is a vertically Integrated Real Estate business with three core capabilities in Development Management, Property Management and Real Estate Investments. In November 2015, Acorn has formed a collaborative effort with Helios Investment Partners, a prominent private equity firm focusing on Africa, to establish a development platform aimed primarily at the youth housing sector in Nairobi, Kenya.

Through our partnership with Helios, we have enhanced our ability to provide exceptional customer service while leveraging top-tier investing, operational, and developmental expertise. Our commitment lies in fostering equitable, sustainable, and healthy environments that serve the best interests of our customers, investment partners, employees, and the communities we operate in. Our overarching goal is to deliver unparalleled service to both our tenants and financial backers.

Since its inception in 2001, Acorn has successfully delivered over 65 projects, with a collective asset value surpassing \$550 million. This collaboration continues to facilitate the creation and management of high-quality, affordable rental accommodations tailored to Nairobi's youth. Our diverse portfolio spans across various locations within Nairobi, serving as a "home" to more than 6,000 students representing 65 nationalities and enrolled in over 120 higher education institutions.

Development Management

Engineering, Procurement & Construction
Team



Construction
Management

Plan &
Programme

HSSE

Design
Management

Quality
Control

Supply Chain

Cost
Control

Property Management

Property Operations, Sales & Marketing
Team



Retail & VAS

Sales &
Marketing

House-keeping

Safety

Digitisation

Engineering &
Maintenance

Customer
Experience

Investment Management

Asset Management Team



REIT
Management

Investment
Appraisal

Acquisitions &
Disposals

Financial
Modelling

Debt & Equity
capital raising

Finance

Information Technology

HR & HSSE

Corporate Affairs

Supply Chain

We are currently **"home" for over 6,000 students** consisting of **65 nationalities** and attending over 120 institutions of higher learning.

In the coming decade, our future real estate developments expect to house an additional 50,000 beds.

About Acorn

Development Management

Acorn works in partnership with contractors to deliver projects premised on optimizing the four key pillars of project delivery: time, cost, quality, and safety. Working closely with consultant teams with local knowledge, years of experience and a commitment to long-term value creation, we craft sophisticated structures for use by our residents.

Property Management

Operating rental housing at scale requires a huge investment in a highly complex and sophisticated property operations business whose operations cannot be outsourced to an estate agent as it is closer in complexity to operating a hotel. Acorn has invested in a highly specialized team, IT systems for tenant management, procurement, finance, sales and marketing capability, security and safety, customer engagement, engineering, and maintenance etc. It is this operating capability that has allowed Acorn to

achieve 100% rent collection with zero leakage, high customer satisfaction scores, strong brand presence that is enabling it to fill buildings much faster and keep the buildings well maintained and serviced. This will enable Acorn to continue to deliver returns for many years to come without deterioration.

Investment Management

Rental housing at scale requires large capital outlays and therefore also an appropriate investment structure that provides long-term permanent capital in a tax efficient manner. Our financing model is based on the REITs structure with a Development REIT (D-REIT) and an Income REIT (I-REIT). The D-REIT undertakes all the development work, while the I-REIT will purchase all completed and stabilized operational properties from the D-REIT and hold them for the long term. The Acorn REITs are the long-term financing vehicles through which properties are developed and operated.



Our commitment lies in fostering **inclusive, equitable, sustainable,** and **healthy environments** that serve the best interests of our customers, investment partners, employees, and the communities we operate in.

Our Purpose



Mission :

Transform and improve the living conditions of the young people of urban Africa by creating affordable, sustainable and resilient communities using innovative and groundbreaking capital market products and financial instruments



Vision:

To build a best in market sustainable business that profitably develops, owns, and manages the most sought after resilient purpose-built rental accommodation for students and young urbanites.



Unique Value Proposition:

Creating communities

We create places and residences that provide common ground for like-minded young people to form homogenous communities that have shared lifestyles, interests, and values.

Creating wealth and financial freedom

We have created investment solutions that enable working people and investors to accumulate passive wealth and achieve financial freedom using income generating Real Estate assets.

Our execution strategy

Core to our strategy is to provide a safe and secure environment for all our stakeholders along with a focus on excellence in customer experience, growing talent within the organization and playing our role in society through responsible business conduct.

Our strategy rests upon execution against the organization's value drivers:

- Safely developing sustainable & resilient quality properties on time and within budget
- Efficiently managing investment properties to maximize returns.
- Delivery of superior returns to REIT investors
- Assuring a steady supply of equity and debt funding for the REITs
- Building a fit for purpose and high-performance organization

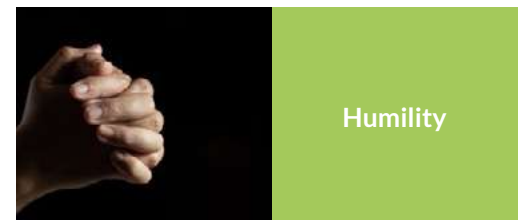
Our Values Constantly Communicated Brought Alignment at a Broader Level



Stretch



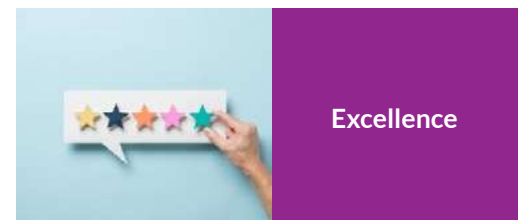
Agility



Humility



Grit



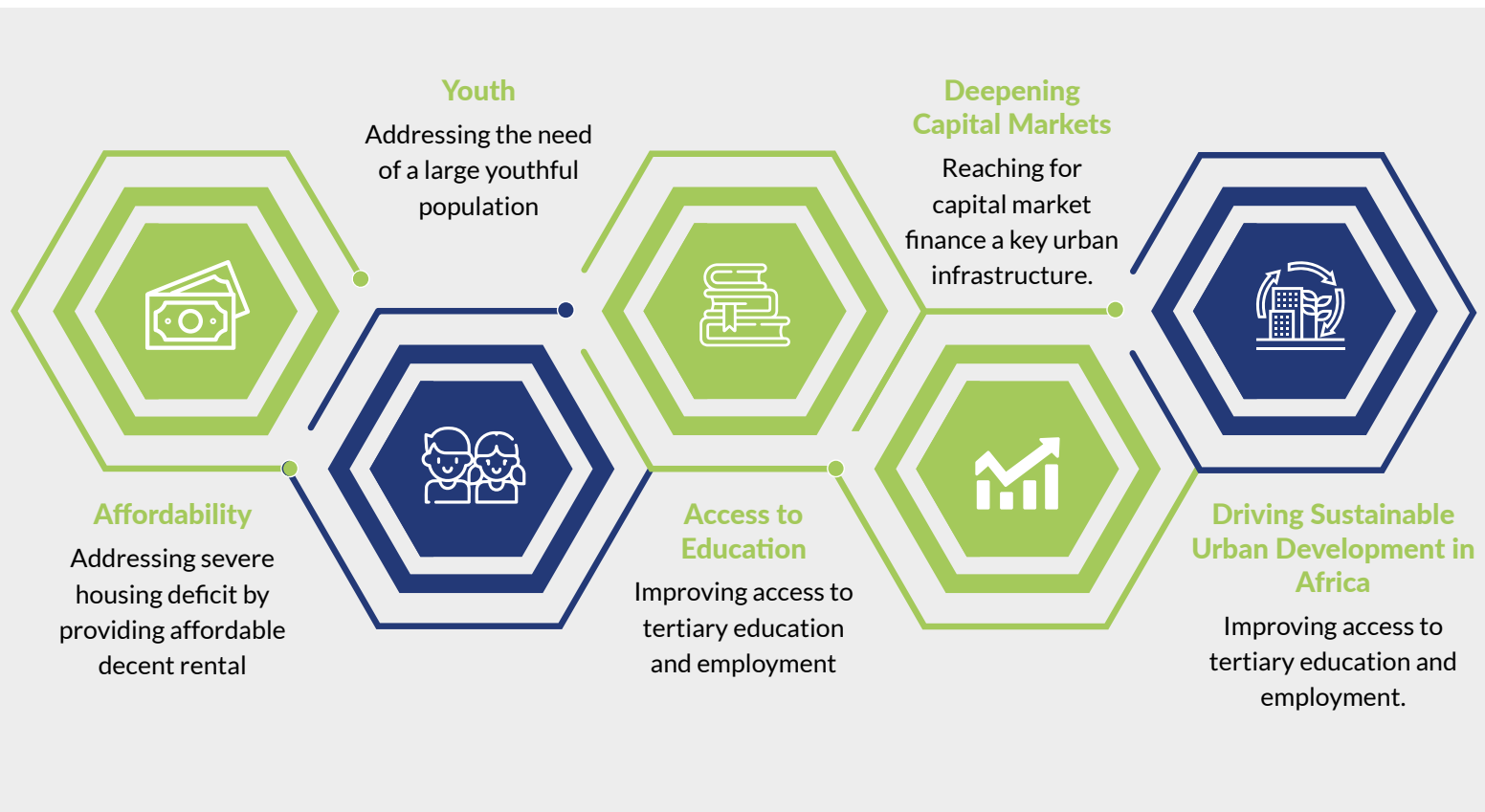
Excellence

Sustainability and SDG Mission Statement

Our core business is to provide affordable purpose-built housing for youth, to support their pursuit of education to reduce inequalities, SDG 4, SDG 10.

This will by extension also impact the livelihoods of the students' families through the students' facilitation to access employment, SDG 8. Through our demonstration effect we also strive to contribute to sustainable urban development, SDG 11, in

Africa through densification of cities and the use of resource efficient green designs, SDG 12. To fund this endeavour, we are developing appropriate financing structures by tapping into the capital markets, thus contributing to deepening of capital markets.



ESG Strategy

Acorn's ESG approach is structured around three pillars – People, Planet, Profits, and Impact. Successful delivery of the actions in each of these areas means success for the business and also our stakeholders, from our customers, investors to our employees, community, suppliers, and the environment we operate in. This strategy is a sustainable business strategy, intentional in its impact in the development, operation, and asset management of low carbon, green certified development. The objective is to contribute towards some of the Sustainable Development Goals (SDGs).

People: We prioritize the inclusivity, well-being, development, and engagement of all our stakeholders. This includes Customers, investors, Employees, Community, Suppliers

Planet: Our commitment to environmental stewardship involves; Low Carbon Development, Green Certification, Resource Efficiency through implementing measures to reduce energy, water, and waste across our operations.

Impact Measurement: Regularly assessing and reporting our ESG performance and impact, using this data to continuously improve our strategies and actions.

Profits and Sustainable Growth: We aim to create sustainable financial performance while generating positive societal and environmental impact.

Our commitment to the Sustainable Development Goals (SDGs): Through our ESG strategy, we are dedicated to contributing to the achievement of the SDGs. By focusing on People, Planet, Profits and Impact, we aim to make a meaningful contribution to goals such as Quality Education, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation, and Infrastructure, Reduced Inequalities, Sustainable Cities and Communities, and Climate Action.



Our Properties

Qwetu and Qejani
Chiromo

Qwetu
Hurlingham

Qwetu
Wilson View

Qwetu &
Qejani Karen

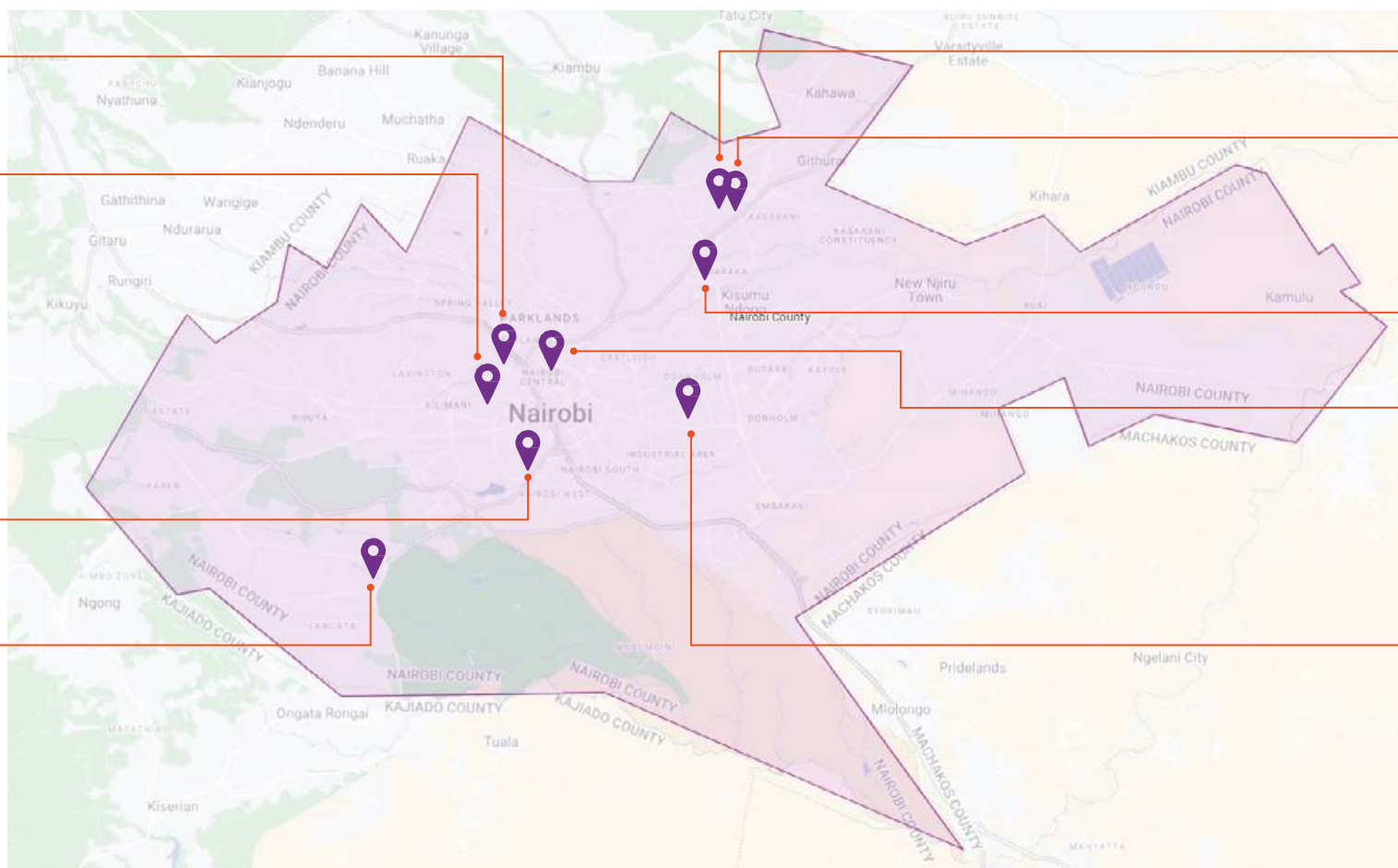
Qwetu Aberdare
Heights II

Qwetu Aberdare
Heights I

Qwetu
Ruaraka

Qwetu
Parklands

Qwetu
Jogoo Road



Acorn focuses on the development of rental housing for young people in the Nairobi metropolitan area with the existing student accommodation under the Qwetu and Qejani brands as well as future planned rental housing for young urbanites under a new brand to be announced.

Our Brands



Qwetu

Qwetu residences currently provide a vibrant home for over 6,000 students, fostering opportunities for studying, learning, and socializing with friends and peers. These fully equipped residences cater to students throughout their campus journey.

Experience the Qwetu difference. Qwetu stands as our premier student accommodation brand, meticulously crafted to offer students an optimal environment for growth and success throughout their academic journey. Each of our properties is designed to foster productivity and well-being, boasting top-notch amenities and services tailored to student needs. From well-appointed self-contained studios to inviting communal spaces, including lounges and a fully-equipped gym, we leave no stone unturned in ensuring our residents have everything they need at their fingertips. Safety is paramount, which is why we provide comprehensive security measures such as CCTV, access control, and on-site personnel, guaranteeing peace of mind throughout their tenure with us. Our dedicated team is on hand 24/7 to deliver exceptional customer service, maintenance, and cleanliness, ensuring a hassle-free living experience. Plus, with complimentary high-speed Wi-Fi, backup generator power, borehole water, and gym access, all starting from just KSHS 13,000 per month, Qwetu offers unbeatable value for discerning students.

Product offering. As of 31 Dec 2023, Acorn operated seven Qwetu student accommodations at various locations in Nairobi.



Qejani

The Qejani residences are currently in the construction phase, with the initial two properties set to accommodate an additional 2,700 students. These residences are being designed to fully cater to the needs of students throughout their campus life.

Our value proposition centers around affordability, a cornerstone of the Qejani offering. Partnering with Acorn, we aim to enhance and broaden the student accommodation market, ensuring that our pricing remains accessible to students across all income brackets. Through specialized development and construction strategies, as well as innovative value engineering, we've managed to mitigate potential high land costs, prioritizing cost-effectiveness without compromising on quality. In terms of our product offering, Qejani will establish itself as a trusted and secure brand for college and university students, starting in Nairobi and expanding to other major cities and towns in Kenya. Our developments will be strategically located within walking distance of various universities and will offer two room types: double and quadruple rooms. Each room will be furnished with essential amenities such as beds, mattresses, study desks, chairs, and wardrobes. Unlike the Qwetu brand, Qejani rooms will not feature en-suite facilities or kitchenettes. Instead, rooms will be arranged along a common corridor, with each cluster having shared kitchens and washrooms. Acorn's long-term strategy is focused on building a portfolio where Qejani branded student accommodation constitutes approximately 60% of its total portfolio by 2025. The first Qejani residences, adjacent to the Catholic University of Eastern Africa, welcomed students in early 2023.



Palma

Upcoming developments and business expansion are on the horizon.

Value proposition: Palma is tailor-made to cater to the needs of young professionals seeking accommodation near their workplaces.

Product offering: We're scouting out various locations in Nairobi to offer as prime choices for young urbanites.

**Our brand value propositions
....and product offerings**

2023 ESG Highlights

Certifications

Green Building
certifications

100%

EDGE Certified



4 Star Rating

1st



I-REIT Africa Submission
and Global Peer Group

4 Star Rating

1st



D-REIT in all Africa
Submission

3rd

in Global Peer Group



3yrs Reporting
in Global Peer Group

Performance

Area in
operation

100.7K/ m²

Renewable Energy
installation

28%
of total energy
consumption

Operational
CO₂e savings

142.93Mt

Assets in
portfolio located
within 600m of
universities

75%

Water use
intensity

2.6m³
per M²

EDGE Energy Design Consumption v Actual Performance
per M²

31.5KWh v 29.78KWh

▲ +1.72KWh

Waste Diversion
Rate

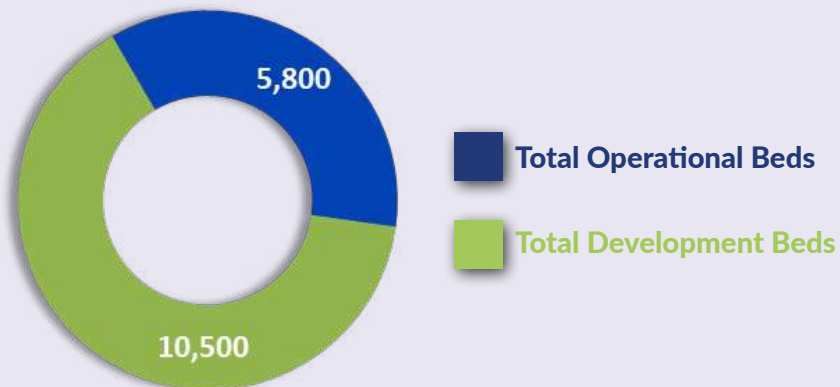
78%

Customer
Satisfaction

Score

5.0

on a scale of 1-5



Emissions

Scope 1:

9.16Mt CO₂e

Scope 2:

957Mt CO₂e

Total:

966.16 Mt CO₂e

Carbon Intensity:

0.0097/m²

ESG Milestones achievements

Market leadership

Acorn's dedication towards consistent development and expansion of its business and product portfolio has positioned it as a prominent market leader.

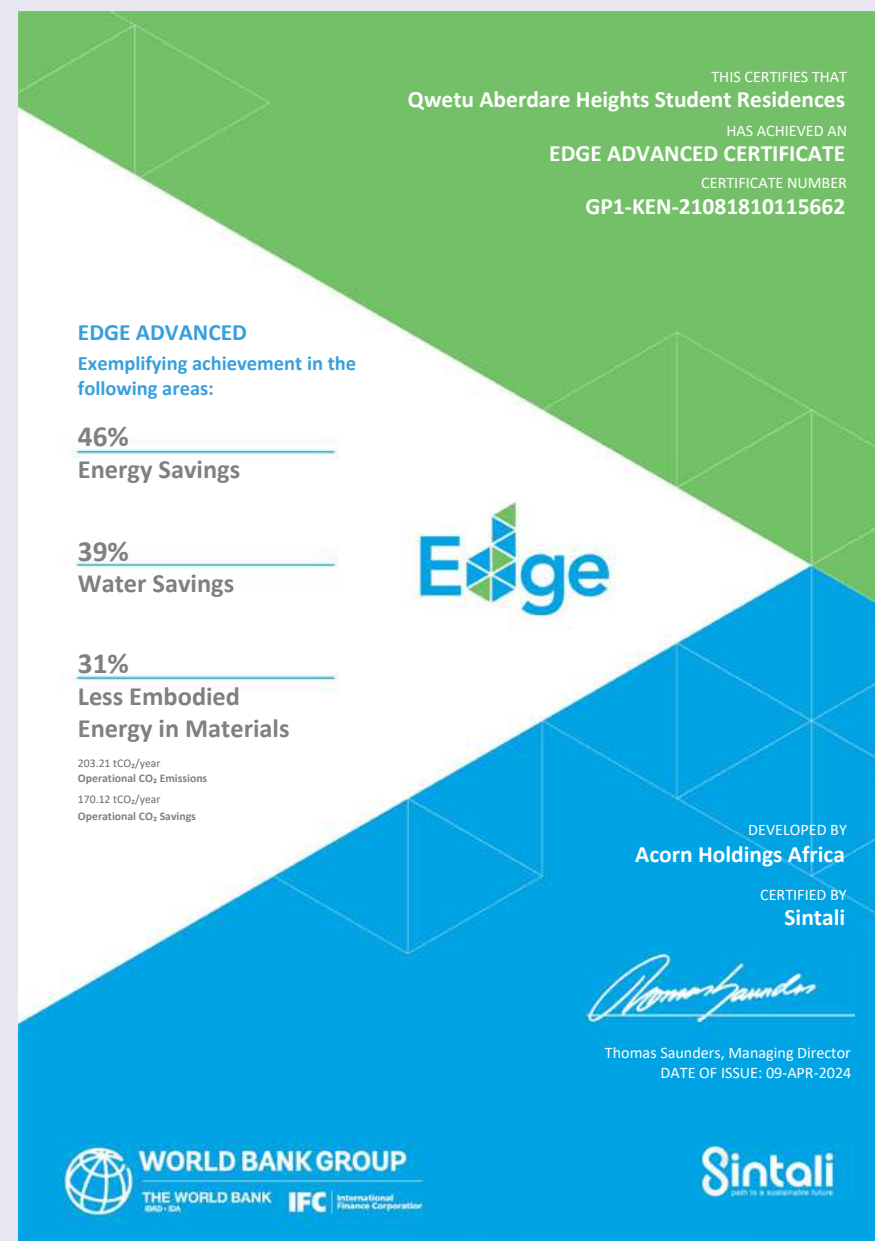
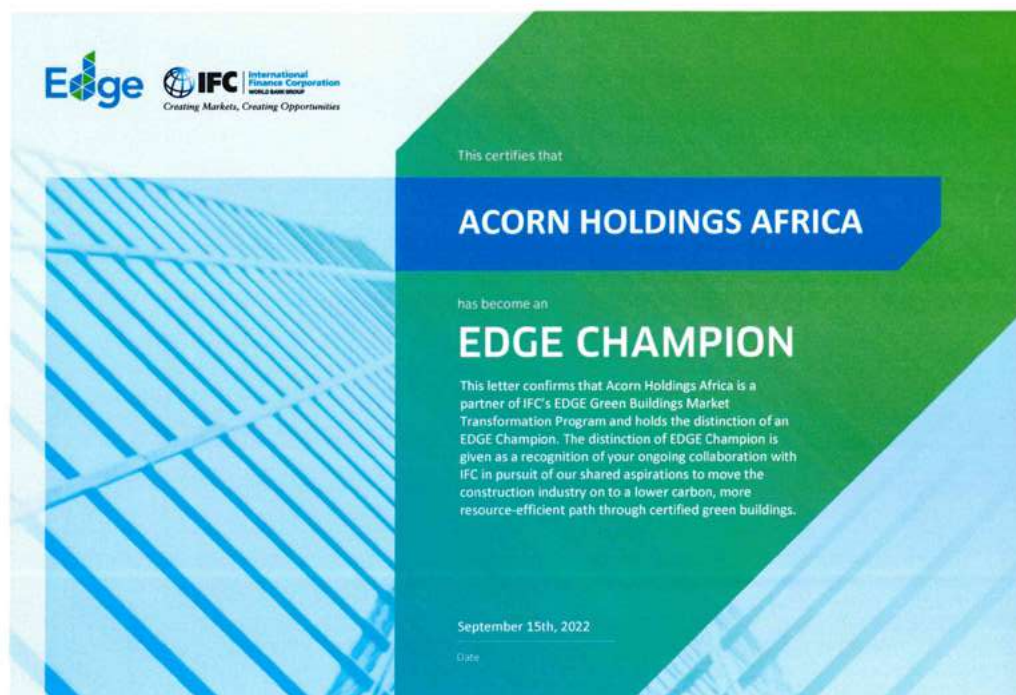
Some of Acorn's notable accomplishments include:

- 1 Acorn is Kenya's largest owner and operator of Green purpose-built student accommodation, "PBSA."
- 2 Africa's first Student Accommodation Income Real Estate Investment Trust; ASA I-REIT
- 3 First Student Accommodation Development Real Estate Investment Trust globally; ASA D-REIT
- 4 First issuer of a PBSA Green Bond in Africa
- 5 GRESB ranking # 1 in Africa in 2023
- 6 First platform opening for participation by retail investors.
- 7 Onsite Solar renewable energy installation
- 8 Zero Lost time injuries



ESG Recognition

**IFC EDGE recognized
Acorn Holdings limited as
a leader in Africa for Green
& Affordable Housing
development.**





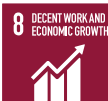
Environmental

Acorn Holdings limited is dedicated to serving our tenants by considering the impact on their work and living environment. This dedication inspires us to take pride in our responsibility as environmental stewards. We strive to minimize the impact of our activities and have made substantial progress in reducing our energy consumption, water usage, and waste generation and diversion since setting our initial goals. Our firm commitment to being environmentally responsible ensures exceeding regulatory minimum requirements, aligns with Acorn Holdings limited mission to our tenants, and moves us closer to a sustainable future.

Environmental SDGs

Environmental							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
1	Ensure availability and sustainable management of water and sanitation for all	Water	Water intensity reduction	Reduce water use intensity by 10% from 2023 levels by 2030.		2.67m ³	       
2	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Energy	Energy Monitoring System (EMS)	100% Energy monitoring using Arc Skoru	100%	100%	
			Reduce energy intensity	Reduce energy use intensity by 30% from 2023 levels by 2030.	31.5KWh/m ²	29.78KWh/m ²	
		Renewable Energy	Use above 25% renewable energy per asset	Introduce renewable energy in all our properties	0%	28%	
3	Make cities and human settlements inclusive, safe, resilient and sustainable.	Sustainable Cities	Developing green resource efficient and climate resilient building design for sustainable urban development	100% green building certification	100%	100%	
		Certifications	% of Assets achieving IFC EDGE certification	100% portfolio certification	100%	100%	
		Sustainable & Resilient design	Portfolio successfully developed with access to (or with enhancement of) public infrastructure e.g. water, sewer.	100% development	100%	100%	
		Sustainable precincts	Walkability to diverse uses	% of portfolio successfully developed within 600m of a university and other diverse uses (i.e. walking distance), leading to reduced commuting and if scaled; reduced air pollution (not measured specifically)	50%	75%	

Environmental SDGs

Environmental							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
4	Ensure sustainable consumption and production patterns	Waste	Waste Diversion	Relieve the environmental impact of municipal waste management by achieving a 90% diversion rate by 2030 of overall waste generated.	75%	78%	       
				Tons of waste diverted from landfill	40		
				Plastic waste reduction by packaging items	3	5	
5	Take urgent action to combat climate change and its impacts.	Emissions	Reduction in Scope 1 & 2 GHG emissions	Reduce scope 1 and 2 GHG emissions intensity by 50% 2030 from a 2023 baseline.			



2030 & 2050 Targets

Our focus is on the assets that we directly manage, which make up 100% of our overall portfolio based on square meters. Our primary goal is to have our emissions reduction objective recognized by the Science Based Targets initiative's (SBTi) Steering Committee

as one that aligns with a trajectory well-below 2°C. In 2020, we committed to achieving net zero carbon emissions by 2050 for emissions under our operational control. This objective aligns with the Paris Climate Agreement and the Intergovernmental Panel on Climate

Change's (IPCC) requirements to limit the increase in global climate to 1.5°C. A net-zero building, as defined by the World Green Building Council, is one that is highly efficient and powered entirely by renewable energy sources.

		Base year	2030 Targets	2050 Targets
	Scope 1 & 2 Emissions	2023	50% Reduction	100% Reduction
	Energy Use	2021	50% Renewables	100% Renewables
	Water Use	2021	25% Reduction	50% Reduction
	Waste Diversion	2021	50% Reduction	100% Reduction
	Carbon emissions (1 & 2)	2020	50% Reduction	100% Reduction
	Scope Transportation	2023 2020	20% 100%	50%

Environmental Performance 2020 – 2023

We persist in crafting robust, resource-efficient assets and operations aligned with our ESG Strategy to embed efficiencies from construction through to property operation. This begins with integrating IFC EDGE (International Finance Corporation Excellence in Design for Greater Efficiencies) green building standards during the design phase, aiming for a 20% reduction in water and energy usage. Additionally, our construction materials are selected to have 20% lower embodied energy, thereby diminishing greenhouse gas emissions during both production and transportation to our sites.

2023 marks the 4th year of monitoring our environmental performance across our portfolio. We met our initial waste diversion and maintained our water use goals in 2023. We reduced our greenhouse gas emissions and lowering energy

consumption. By continuing to track our progress, we can identify and implement programs and initiatives that will help us further improve as we work towards our new goals for 2030.

				
SCIENCE BASED TARGETS				
Scope 1 & 2 Emissions 966.16 Mt CO₂	Energy Use 29.78KWh/M²	Water Use 2.60m³/M²	Waste Diversion 78%	Carbon emissions intensity 0.0097 M²



Environmental commitment

Acorn has achieved the EDGE Champion award in Africa Best Developer in Africa award from the IFC for its continued commitment in developing and certifying its projects with the EDGE green building certification.

This sustained excellence recognition exemplifies our commitment to energy conservation, our transparent reporting on environmental, social, and governance (ESG) matters, and our efforts to widely communicate the significance of energy efficiency and other sustainability commitments.

The efficient water fixtures in our buildings ensure that we consistently operate at 20% less energy than our baseline which is your business-as-usual buildings.



Environmental Initiatives

Acorn is dedicated to continuously advancing towards our energy, emissions, water, and waste objectives. To achieve this, we implemented renewable energy installation in

some of our properties reducing grid energy consumption by 28%. We also implemented resource-conserving practices in our standard operating procedures and explored

innovative solutions to enhance the mechanical equipment. Our commitment to progress drives us to constantly strive for sustainable improvements.

Case Study



RENEWABLE ENERGY

Acorn's Renewable Energy Integration at Qwetu Abadare Heights

Acorn is dedicated to reducing greenhouse gas emissions and embracing sustainable energy solutions. With a goal to derive over 25% of electricity from on-site renewables by 2030, we've strategically installed solar panels across Abadare Heights, significantly decreasing our reliance on grid electricity and cutting greenhouse gas emissions.

Impact:

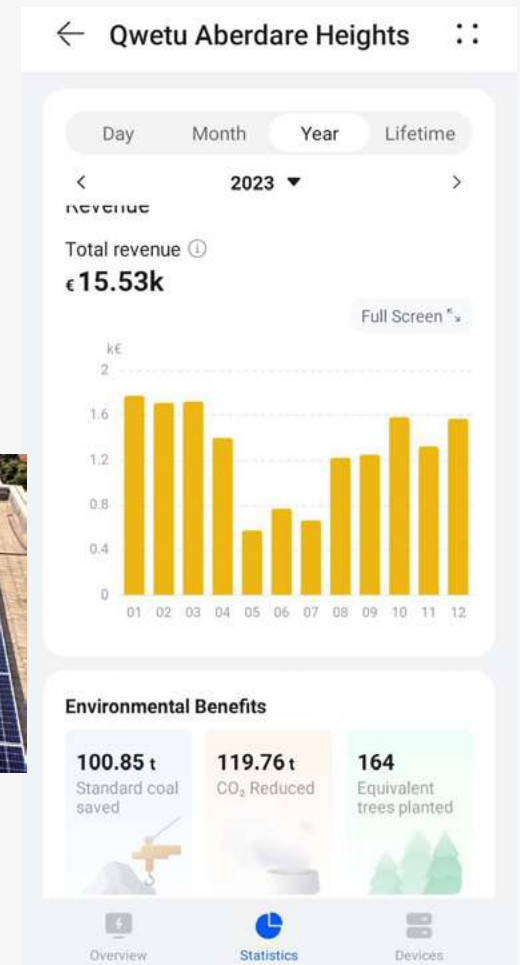
This initiative has not only reduced our environmental footprint but also made Abadare Heights more resilient to energy price fluctuations, leading to long-term cost savings and enhanced operational efficiency. Additionally, our commitment to sustainability has boosted our reputation as a responsible corporate citizen, attracting environmentally-conscious tenants and investors.

Future Outlook:

Looking forward, Acorn plans to expand its renewable energy model across all properties, aiming to derive at least 28% of electricity from on-site renewables by 2030. Through innovative technologies and strategic partnerships, we remain dedicated to our mission of environmental conservation and sustainable communities.



- Photovoltaic (Solar)
- Solar Thermal
- Wind
- Biomass, Biofuel, and Biowaste
- Small (Low Impact) Hydroelectric
- Wave and Tidal
- Geothermal



Environmental Initiatives



EMISSIONS REDUCTIONS

Acorn has implemented energy strategies and monitoring tools to achieve significant reductions in overall emissions. We utilize the Arc Skoru inc. Arc platform and work with a utility data automation service provider to closely monitor our scope 1 and scope 2 emissions.

We intend to start conducting annual tenant and employee transportation surveys to analyze a portion of our scope 3 emissions, gathering data on transportation modes, commuting distances, employee business travel. This comprehensive collection of information informs and will guide our emissions reduction initiatives.

Adhering to industry standards necessitates adaptability and compliance. We adhere to the IFC EDGE standard and GRI reporting for offsite renewables. Although grid hydroelectric power is considered a low-carbon option, it does not meet the criteria for renewable energy as outlined by IFC EDGE and LEED v4 due to its environmental impact. Consequently, these sources are not factored into our overall renewable energy calculations.



WATER EFFICIENCY

Acorn adopts a comprehensive water management strategy to minimize the usage of this essential resource. Following the guidelines set by IFC EDGE certification, our properties adhere to policies that mandate the installation of high-efficiency (low flow) plumbing fixtures during any building retrofits or renovations. To promote water

conservation awareness among our tenants, we actively participate in Water Awareness Month every September, offering valuable information and tips on reducing water consumption. Additionally, we have implemented various measures in our landscaping designs to minimize water usage for irrigation across all our properties. In 2023 our water use intensity was 2.67m³ per M²



WASTE MANAGEMENT

In order to achieve our zero waste objective by 2030, Acorn has partnered with a small and medium enterprise (SME) waste management company that aligns with our sustainability objectives. Through our collaboration with Eastlands, we closely monitor waste diversion rates to pinpoint areas where we can make improvements. As of 2023, we have achieved an impressive portfolio-level waste diversion rate of 78%.

Tenant engagement is a crucial aspect of our waste reduction strategy. Acorn provides tenants with educational materials and training to ensure that everyone using our properties is well-informed about the best practices for waste management. We also implement signage, introduce new waste bins, and conduct additional education initiatives to further support our tenants in their waste reduction efforts.



TRANSPORTATION

Acorn acknowledges that transportation constitutes approximately 27% of Kenya's total emissions, with Nairobi, where our properties are situated, contributing about 60% of the city's air pollution. To mitigate this impact, we strategically position our properties near universities and other amenities to minimize emissions. Currently, only tenants at Qwetu Jogoo Road and Qwetu Ruaraka receive transportation services, but we are actively exploring ways to further decrease our contribution to these statistics.

Currently, 80% of overall portfolio successfully developed within 600m of a university (i.e., walking distance), leading to reduced commuting and air pollution. We take pride in our portfolio's commendable average Walk Scores and advocate for alternative transportation options. Additionally, all our properties are conveniently located near public transportation hubs, promoting eco-friendly commuting.

Environmental Initiatives

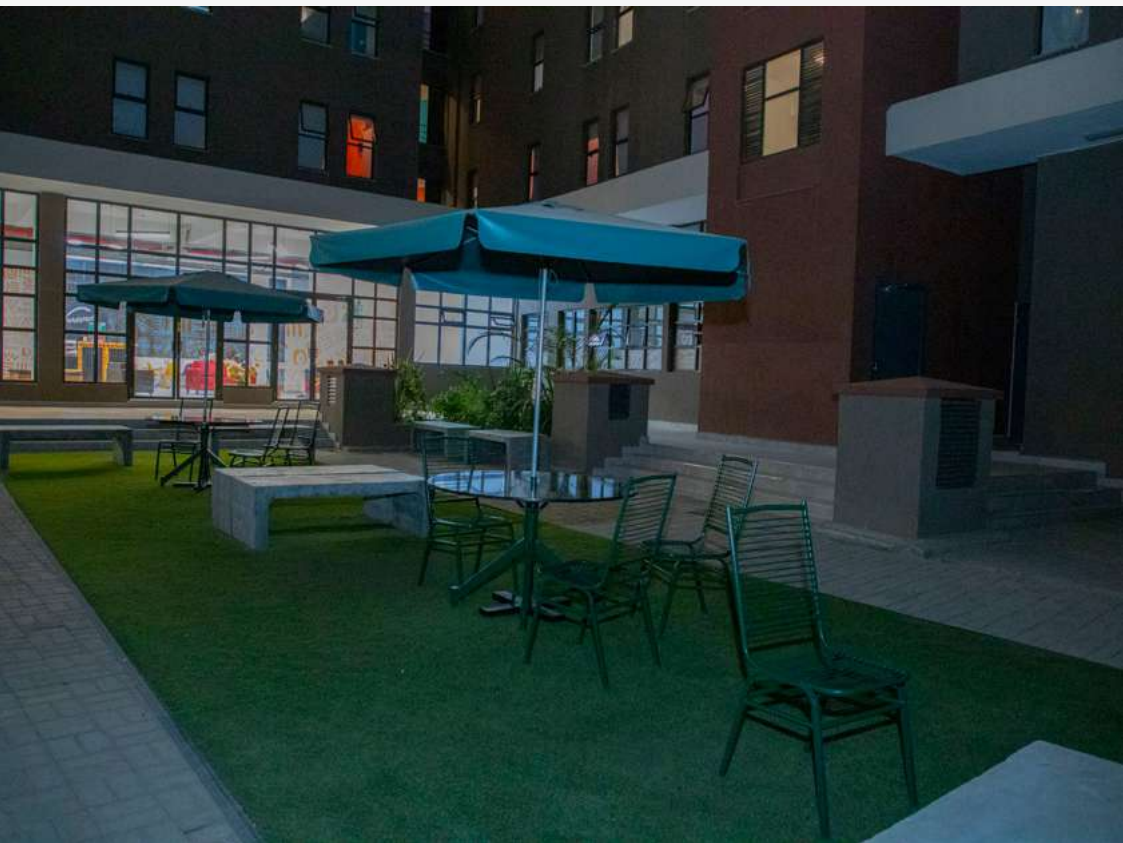


BIODIVERSITY

Acorn is dedicated to enhancing biodiversity by prioritizing infills sites over greenfields. Within our Preliminary Investment Review (PIR) process, we emphasize the significance of biodiversity and its interconnectedness with climate change. We explicitly

endorse adaptive plant growth in landscaping projects and employ stakeholder engagement strategies to underscore biodiversity's profound impact on individual and communal well-being. In 2023, Acorn orchestrated awareness initiatives and organized tree planting

activities to actively involve tenants and staff in our biodiversity conservation efforts and to encourage them to integrate similar practices into their daily lives, both personally and professionally.





Social

Acorn's mission revolves around fostering sustainable, thriving, and equitable environments that enhance the lives of our tenants, investment partners, and the broader communities we engage with. Central to our sustainability strategy is the commitment to positively impact the well-being of all our stakeholders, whether internal or external.

We eagerly embrace the task of supporting our employees and tenants beyond the confines of the office, actively seeking avenues to enrich and give back to our communities

Social SDGs

Social							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
1	Ensure healthy lives and promote wellbeing for all at all ages.	Health & Well- being: Safety.	Robust Health, Safety, Security and Environmental (HSSE) management system inplace.	Active and resilient system	Active	Active	
			HSSE incidents reported	0 Incidents reported	0	0	
			Number of (contractor's) workers trained in hazard identification and incident reporting	100%			
			percentage of contractors' staff trained in HSSE	100%	100%	100%	
			Hours Worked without major accident (average for all sites)	Reduced injury and ill health – improved wellbeing	1,562,512 hours		
				Hours Worked without Lost Time Injury (LTI)	75%		
			Average time taken to implement the recommendations of an inspection or audit	48 hours	24 hours		
			Response times for the investigation and elimination of hazards				
		Green Cleaning	purchase and use all environmentally preferable cleaning products for at least 35% of all managed spaces.	implemented LEED compliant green cleaning and sustainable purchasing policies for all operationally controlled properties.	compliant	compliant	
		Fitness	Offer fitness center accessibility and periodic yoga classes for 100% of the managed properties	100% Fitness facilities provision	100%	100%	

Social SDGs

Social							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
2	Ensure healthy lives and promote wellbeing for all at all ages.	Residents Health & Safety:	A zero-tolerance drug and delinquent behavior environment.	100% coverage of Residents Health & Safety system	100%	100%	
3	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Education	Quality number of new beds and space for students education in our properties.	Number of beds	697		
4	Ensure availability and sustainable management of water and sanitation for all.	Health & Well- being: Water	Conduct frequent water quality testing and annual audit.	Water management plan in place for all properties and annual water quality testing for operationally controlled properties.	100%	100%	
5	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Tenant Engagement	Establish annual tenant engagement programs to encourage participation in ESG initiatives.	Implement, on average, at least 5 sustainable programs/ initiatives per year, per property	6	7	
6	Reduce inequality within and among countries.	Diversity	Diversity / gender distribution	50/50 Distribution by gender in properties	42% - Male 58% - Female	45% - Male 55% - Female	
				Meet or exceed 2/3 Gender rule in staffing		49/51 staffing 57/43 Board 78/22 Snr Management	
		Job creation	No of jobs per gender	Create at least 1000 jobs per year	1346-Total	1857	
7	Make cities and human settlements inclusive, safe, resilient and sustainable.	Inclusive human settlement	Improving the rental housing experience	100% Portfolio coverage for improved reputation and value for money of rental accommodation: Use of technology (on-line service platform) in rental service delivery	100%	100%	

Employee Engagement

Acorn introduced a range of initiatives for its employees, with one standout being the First Time Managers Program. This program focuses on nurturing commercial acumen, self-awareness, and effective leadership styles to empower new managers.

Through engaging sessions and hands-on activities, participants delve into essential business principles, deepen their self-awareness, and hone their leadership skills, equipping them for success in their roles. Additionally, Acorn launched other notable programs such as the accelerated management program and the Acorn Fun Day, aimed at fostering team cohesion beyond daily work routines. The inaugural session of the First Time Managers Program took place on August 4, 2023, with a total of 29 participants, including senior executives, actively involved.

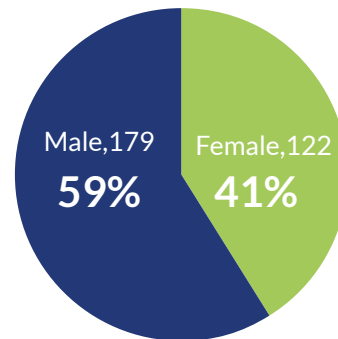


Diversity, Equity & Inclusivity (DEI)

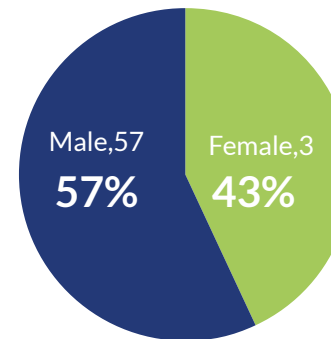
At Acorn, we fully embrace diversity, equity, and inclusion as fundamental pillars of our organizational culture. These principles come to life as we cultivate a workforce that is diverse and equitable, and where every individual is free from harassment.

Our commitment is clearly outlined in our HR policy handbook, affirming that every person, regardless of age, race, religion (including religious attire and practices), color, gender (including transgender identity and expression), genetic information, pregnancy, nationality, ancestry, disability (physical or mental), medical condition, marital status, domestic partnership status, military or veteran status, or any other protected status under national or local laws, shall not face discrimination or harassment in any aspect of employment, including application processes. We uphold equal employment opportunities for all employees and applicants alike.

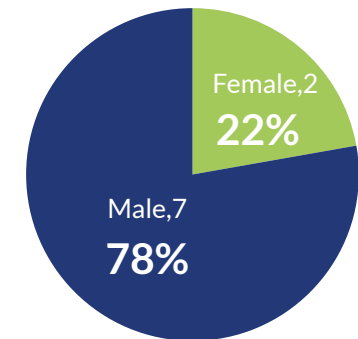
Count of Employees



Count of Board Directors



Count of Senior Management



Employee Benefits



At Acorn, we recognize the importance of having healthy and empowered employees in order to create a strong and impactful organization. That's why we offer a comprehensive benefits package to our full-time employees, designed to support their personal and financial well-being, as well as that of their eligible dependents. Our package includes a range of insurance policies, including health, disability, and life insurance, to provide peace of mind. Additionally, we provide wellness benefits such as ergonomic workstations, and access to an Employee Assistance Programs.

**We offer a
comprehensive
benefits package
to our full-time
employees**

Case Study:

Celebrating Qwetu Achievements

Our employee recognition initiative, #ProudlyQwetu Moments, is designed to empower, engage, and acknowledge our front-line executives for their exemplary actions and innovative ideas that align with our company values. We particularly highlight the contributions of our Property Operations team, focusing on Customer Experience, Hygiene, Maintenance, and Security.



Criteria for recognition include:

1. Enhancing Customer Satisfaction:

Recognizing employees who positively impact customer satisfaction.

2. Driving Process Improvements:

Acknowledging innovative ideas that streamline staff roles or boost productivity.

3. **Cost Optimization:** Honoring efforts that reduce or optimize costs.

4. **Revenue Growth Initiatives:** Celebrating actions that contribute to revenue growth.

5. **Demonstrating Acorn Values:** Recognizing individuals who embody our company's core values.

In addition to recognition, we invest in the continuous development of our teams. Throughout 2023, we conducted various training sessions across departments, including Security Training, Housekeeping Training, Customer Service Excellence Program, First-Time Manager Program, Accelerated Management Program, Lean Six Sigma Program, First Aid, Fire Marshal,

and OSH Committee Training Sessions. In total, these sessions amounted to 228 hours of training, ensuring our team remains equipped with the skills and knowledge necessary for success.

Tenant Engagement

As the owner-operator of our properties, we have the opportunity to directly engage with our tenants. This direct interaction provides valuable insights into their perspectives and opinions on environmental, social, and governance (ESG) initiatives. It also helps us provide the exceptional customer service that our tenants have grown accustomed to relying on.

Our Q-Care tenant platform offers all tenants access to sustainability information, policies, resources specific to the building and location, as well as a sustainability calendar that keeps them engaged and informed about building events. In the previous year, we organized the following events:

- Safety & emergency preparedness
- Health & Well-Being
- Sports
- Environmental themed

Spotlight:

Green Initiatives: Qwetu Student Residences

– Friends of the Planet CSR Event

At Qwetu Student Residences, we actively collaborate with Friends of the Planet and other partners to tackle environmental issues through two impactful CSR endeavors.

In 2023, we launched the "Declutter for the Planet Campaign," which spurred sustainable actions. Over 200 residents and staff participated in tree planting and waste management activities. Simultaneously, the campaign encouraged mindful consumption by promoting wardrobe decluttering and clothing donations. Through workshops on the social and environmental impacts of fast fashion, over 150 residents across our 9 properties donated 500 garments to underserved communities at City Park Nairobi.

These initiatives not only lessened environmental harm but also fostered a sense of responsibility and generosity within our student community.



At Acorn, we offer continuous sustainability education and training opportunities to our employees and tenants, enabling them to make informed decisions that benefit both themselves and the environment.



Case Study: CSAT Scores

We analyze the rating quarterly and share the results with key stakeholders.

#ProudlyQwetu Moments

This employee recognition scheme empowers, engages & recognizes front line executives recognizing them for demonstrated and commendable actions and ideas, as well as those who embody our company values. We focus on the Property Operations team being Customer Experience, Hygiene, Maintenance and Security.

The criteria is recognition of Employees who have impacted the following business drivers:

1. Customer satisfaction in a positive manner.
2. Process improvements or innovative ideas that impact efforts taken for staff members to performs their roles or deliver productivity gains .
3. Cost in terms of reduction or optimization of cost .
4. Revenues growth due to actions taken .
5. Exhibits the Acorn values

Training sessions conducted across departments were: Security Training, House Keeping Training, Customer Service Excellence Program, First Time Manager Program, Accelerated Management Program, Lean Six Sigma Program, First Aid, Fire Marshal and OSH Committee Training Sessions. Consolidated, these were 228 Hours of Training for the year 2023.

Customer Satisfaction Scores

We carry out Customer Exit Surveys when residents are leaving, after their stay with us. Our brand promise for a safe and secure place leads closely followed by Learning, comfort and customer experience.

We analyze the rating quarterly and share the results with key stakeholders.

Please find below more details on the rating criteria.

Extreme Rating scale used is to assess variations across respondents.

Strong Agree, Agree, Neither Agree nor Disagree, Disagree and Strongly Disagree (9, 5, 0, -5, -9)

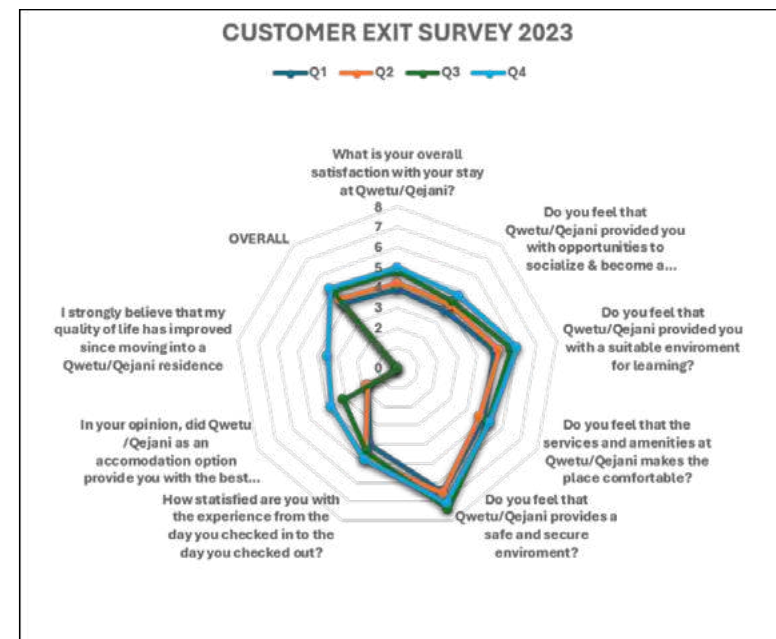
Similarly, Very Satisfied, Satisfied, Neither Satisfied nor Dissatisfied, Dissatisfied and Very Dissatisfied (9, 5, 0, -5, -9)

Overall CSAT Scores 2023

Q1	Q2	Q3	Q4
4.2	4.5	5	5.2

Property CSAT Scores

Property CSAT Scores	2023 Average
1. Jogoo Road	4.4
2. Ruaraka	5.0
3. Parklands	5.2
4. Wilsonview	4.2
5. Aberdare Heights	4.9
6. Hurlingham	4.4
7. Aberdare Heights II	5.3



Community Involvement and Engagement

Our Corporate Social Responsibility program fosters connections within the communities where our buildings are situated.

Spotlight: Qwetu Jogoo Road World Clean-up Day

In September 2021, to honor World Cleanup Day, the community of Qwetu Jogoo Road has enthusiastically participated in environmental cleanups, united by a mutual dedication to effective waste management.

These collaborative endeavors not only enhance the cleanliness and health of our surroundings but also uplift the community's spirits. Through restoring tidiness to our environment, we serve as a beacon, motivating others to embrace the same ethos of cleanliness and

accountability. These cleanup initiatives have forged alliances with our local businesses, such as Laundry Lounge and Nia's Restaurant, who have partnered with us in our mission to preserve the purity of our environment.



In order to strengthen our ties with the larger community, Acorn goes beyond simply organizing food, toy, and blood drives at our buildings. We also encourage our employees to participate in at least one team service day each year.

Furthermore, in 2023, we took additional steps to support our communities by getting involved in community organized clean ups

External Stakeholders

Acorn acknowledges the importance of our external stakeholders in ensuring our success. This includes tenants, investors, industry groups, reporting agencies, certification groups, and the communities where our employees and tenants reside and work. We strongly believe in actively engaging with these groups to build strong relationships with industry experts, enhance our understanding of real estate, and maintain strong ties with our communities.

Our Customers

Our customers consist of students from various backgrounds, including different nationalities, ages, religions, and socio-economic levels. Additionally, our customers include the parents of these students who are typically the ones responsible for paying for their accommodation. We also work with universities through our University Alliance Program.

To engage with our customers, we prioritize a customer-led approach in our business. Through research, we have identified the concept of quality customer

experience for our demographic and have tailored our product offerings accordingly. We have found that modern, responsive, and timely customer service is crucial to providing a positive customer experience. We engage with our customers through meet and greet sessions, where our property managers and security team introduce them to the Qwetu culture. We also organize events such as Trivia nights and celebrate birthdays of the month. We value customer feedback and conduct exit surveys at the point of departure to gather honest opinions about their experience. This feedback helps us continually improve the management of our properties and ensure maximum satisfaction for all stakeholders.

Our customers' primary concerns include security, available amenities, rental prices, and the location of our hostels. In response to these concerns, we have implemented ongoing measures to address them. As a result, we have seen a consistent increase in customer satisfaction scores.

In summary, our customers are diverse students and their parents, as well as universities. We engage with them through various activities and prioritize their concerns to provide a high-quality customer experience.

Spotlight: from operations

Universities and colleges are pivotal within the Acorn PBSA community, and nurturing robust partnerships with them holds immense importance. We have entered into partnership with Universities through our Universities Alliances program. In 2023, we signed MoUs with 20 Universities to reach a total of 121 Universities we have signed MoUs with.

These universities include, KCA University, the University of Nairobi (UON), the United States International University of Africa (USIU-A), Daystar University, Riara University, the Catholic University of Eastern Africa (CUEA), Jomo Kenyatta University of Agriculture and Technology, Kenyatta University, and Aga Khan College. These collaborations significantly contribute to cultivating favorable associations with the academic institutions.



Customer Spotlight:

Paula Kimbowa Interview

At Acorn, we place paramount importance on ensuring our residents' experiences are exceptional.

This commitment drives us to conduct thorough research to gather feedback on how our developments influence the young minds of today and tomorrow and how we can improve their experience further in our future developments. In a market where quality student accommodation is often elusive, we actively seek insights from individuals like Paula, a resident of one of our Qwetu properties, to understand firsthand the impact of living at Qwetu.



Qwetu has truly been a cornerstone in fostering my mental well-being. Its modern conveniences and inviting living spaces have not only enhanced my daily performance but also provided a sanctuary where I feel supported and connected.

Customer Spotlight: Paula Kimbowa Interview

How has it been like living in Qwetu

Living in Qwetu has been quite an experience for me. I've been privileged to reside at Qwetu Jogoo Road, Qwetu-Aberdare Heights, and Qwetu-Wilson View, and I must say, it's been remarkably welcoming. As an international student, I find it to be an incredibly nurturing environment. The facilities are top-notch, and what you see on the Qwetu website perfectly reflects what you get. From room typologies to amenities, everything is precisely as advertised, making the transition seamless. Qwetu has truly streamlined the student experience, making it exceptionally comfortable. On a scale from one to ten, I'd easily rate it a nine.

On how the facilities have changed your life?

Qwetu has truly transformed my daily life in myriad ways. What strikes me most is its ingenious approach to space utilization, seamlessly integrating every amenity to ensure maximum comfort. From the well-appointed kitchen to the cozy bedroom, there's a remarkable absence of clutter. The beds are luxuriously comfortable, complemented by a functional desk and ample wardrobe

space. It's a student's haven, thoughtfully designed to evoke a sense of home without the suffocating confines of cramped quarters. Personally, this aspect is invaluable to me as I find solace in open, airy spaces. In essence, Qwetu epitomizes the perfect blend of functionality and homeliness, making it an ideal sanctuary for any student.

On how Qwetu has been instrumental on mental health

Qwetu has truly been a cornerstone in fostering my mental well-being. Its modern conveniences and inviting living spaces have not only enhanced my daily performance but also provided a sanctuary where I feel supported and connected. Speaking with friends who share similar experiences reinforces the impact Qwetu has on our collective mental health.

The facilities are top-notch, and what you see on the Qwetu website perfectly reflects what you get

The sense of community here is invaluable; it ensures that no one ever feels isolated. The administration actively promotes engagement through monthly activities and free skill-sharing sessions on platforms like Skillshare. This collaborative environment cultivates a culture of continuous learning and mutual support. For instance, at Qwetu-Wilson View, our weekly 'mind space' sessions delve into diverse topics ranging from gender issues to financial literacy, stimulating our minds and fostering deeper connections. By prioritizing mental stimulation and community engagement, Qwetu effectively mitigates mental health challenges and promotes holistic well-being.

On how Qwetu has influence your academic performance?

Our academic performance has been significantly uplifted by the conducive environment Qwetu provides for studying. With dedicated study rooms designed to offer a tranquil setting away from our living spaces, we can fully immerse ourselves in our studies. These rooms are equipped with soundproofing, ensuring that external distractions are significantly eliminated, enabling us to concentrate with ease.

This feature is particularly commendable as it fosters an environment where residents can deeply focus, a quality highly valued by all of us. Moreover, the sense of community within Qwetu is invaluable; it allows us to lean on each other for support and assistance, enriching our learning experience through collaborative efforts.

How has Qwetu influenced your personality and of other students to become better prepared for future leadership?

By providing us a supportive and enriching living environment, Qwetu can significantly contribute to the development of students' personalities and leadership skills. The combination of social interactions, independence, deliberate leadership development, collaborative learning, exposure to innovative students, personal growth opportunities, and enhanced learning experiences equips students with the tools they need to succeed in their future careers and leadership roles. As a student leader myself, I have developed immensely from Qwetu leadership structures.

Case Study:

Partnership with the Universities

To elevate the profiles of our Qwetu and Qejani brands, we employ a multifaceted approach.

Sponsorships: We invest in student-centric endeavors spanning sports, culture, music, and arts sponsorships, amplifying our brand presence.

Partnership: We have forged partnerships with diverse organizations to foster secure and supportive student environments to ensure we impact the student's life by providing a safe and secure learning and living environment.

Branding opportunities: We capitalize on branding avenues by showcasing our brands on university websites and leveraging point-of-sale materials in student accommodations and communal areas.



Tree Planting at UON Kabete Campus

Qwetu actively engages in university initiatives, such as sponsoring tree-planting initiatives at UON's Lower Kabete campus and participating in KCA Career Week. Moreover, we extend our support to events like the Mr. and Ms. Visa Oshwal

College, where we contribute prizes for the winners. Similarly, our involvement extends to Riara University's orientation week and sponsoring the Mr. and Ms. CUEA competitions, enriching the experiences of the victors with prizes.



Industry Partnerships

At Acorn, we believe in the power of collaboration to drive progress in ESG programs across industries.

We actively participate in various industry organizations and initiatives that foster cooperation, innovation and ESG leadership. By engaging in these forums, we can share ideas and exchange best practices with companies both within and outside of our industry. This enables us to contribute to the comprehensive advancement of ESG principles for the betterment of all stakeholders.



Our Stakeholders



Employees and Contractors

Who they are

Central to our commitment to exceptional property management, student engagement, and customer satisfaction are the individuals who make up our workforce and contractor network. Well-equipped and motivated personnel are fundamental to our success. Our direct workforce comprises 301 individuals, encompassing both Acorn Holdings and Qwetu properties, with a gender distribution of 41% female and 59% male. Notably, within Qwetu properties, the student demographic is now 55% female and 45% male. Together, we fulfill our promises to all stakeholders.

Guided by a customer-centric approach, our strategies concerning personnel—from recruitment to talent nurturing and incentives—are meticulously aligned. Our recruitment protocols prioritize a seamless customer experience, whether for our operational teams within the properties or at our corporate headquarters. As developers, our construction partners and their teams play a pivotal role in our value chain.

We prioritize cultivating enduring partnerships, some spanning over 15 years, fostering continuity, safety, uniformity, efficiency, and sustainability in our endeavors.

Engagement approach

Our Human Resources department oversees our human resource systems and procedures, ensuring clarity, transparency, and fairness in our work environment. Simultaneously, our Legal team ensures compliance with labor laws and regulations, while we strive to meet international best practices. As a rapidly expanding company, we foster a flat, open culture, welcoming feedback at all times.

We actively involve our employees in various initiatives, including commemorations like World Peace Day, Women's Day, Men's Day, and celebrating African culture. Additionally, our medical insurance provider hosts webinars focusing on mental well-being and offers a helpline for staff seeking assistance and support.

Ensuring the professional and skills development of our staff is a top priority for us. We are committed to investing significantly in training to empower our employees to fulfill our commitment to excellence. All new staff members undergo mandatory induction training in customer relations and service delivery. Additionally, our five-module professional development program, the Acorn Certified Customer Service Excellence program, which was established in

2019, has been incredibly successful. We are dedicated to fostering growth and providing opportunities for our employees. Furthermore, our staff receive training in first aid and fire response to ensure they are prepared to handle emergencies and contribute to a safe working environment.

Engagement with Regulatory Bodies

Throughout the year, we actively engage with regulatory bodies as part of the statutory approval process. Additionally, we provide feedback to highlight areas for improvement, aiming for more efficient, safe, secure, and sustainable urban development. This commitment ensures our projects fully comply with all permitting requirements.

Collaboration in Safety Measures

We conduct annual fire drills with the full involvement of the Nairobi Fire Authority and the National Disaster Management Unit, ensuring preparedness and adherence to safety protocols.

Addressing Concerns

Acorn maintains policies that align with all relevant laws and regulations, prioritizing openness and transparency in our interactions with regulators. We uphold rigorous standards, fostering a constructive relationship built on mutual respect and compliance.

Our Stakeholders

Local communities

Who they are

According to the Global Reporting Initiative standard, local communities refer to individuals or groups living and/or working in areas impacted by an organization's operations, either positively or negatively. These communities may reside near the organization's activities or be situated farther away but still affected by them. Given our focus on operations and student housing in the Nairobi area, our connection to physical local communities is clear and manageable during property development and construction. We actively engage with neighboring business and housing communities to promote urban densification, a localized strategy.

At Acorn, we extend the definition of local communities to include the broader society where our student housing is developed, particularly those who are underprivileged and vulnerable. Consequently, our local communities encompass a significant portion of our customers, staff, and supply chain, with further expansion expected with the introduction of our Qejani brand.

Engagement Approach

As real estate developers, we adhere to Kenya's Environmental Management and Coordination Act, overseeing our engagement with local communities throughout the planning and construction stages. This involves conducting comprehensive environmental and social impact assessments (ESIAs), which we prioritize greatly. The ESIA serves as a vital tool for fostering buy-in and collaboration with neighboring communities, ensuring the sustained success of our endeavors. Additionally, we actively participate in corporate social responsibility (CSR) initiatives, including visits to children's homes, community clean-up drives, and elderly care visits.

With the introduction of our Qejani brand, we aim to attract customers from diverse income segments nationwide. We recognize and address key concerns raised during construction, as outlined in the NEMA license. To ensure compliance, we rigorously monitor and measure all conditions semiannually, demonstrating our commitment to responsible development practices.

Investors

Who they are

Our company is supported by a diverse group of shareholders and financiers, including domestic pension and insurance funds, local commercial banks, and international development finance institutions.

How we engage

We maintain ongoing communication and provide regular updates to our investors in accordance with the terms of investment agreements, and we go above and beyond regulatory requirements. Our reporting includes the Acorn Holdings Annual Reports covering financial and sustainability aspects, the REITs' bi-annual and annual reports, and frequent investor briefings through newsletters and other media reports.



Their main concerns and how we address them:

Investors seek to earn a return on their investment. Depending on their risk appetite and the investment instrument, return expectations may differ. Nowadays, investors are more socially conscious and are choosing more sustainable investment options. Some of our investors fall into this category and recognize that Acorn's sustainability strategy is crucial for generating long-term financial returns. Therefore, we are improving the accessibility of our public information, including our sustainability risk management policies and broader strategies focused on creating societal value.

Suppliers

Who they are

We engage with contractors, suppliers of goods and machinery, as well as providers of building and construction materials. Whenever feasible, we prioritize SME local suppliers to contribute to the strength of our local economy. Emphasizing local sourcing is a key element of our strategy to secure a stable supply, bolster the local economy, and foster strong communities.

Local Supplier Spotlight:

Interview with Ivy Ndiira,

Deco Studios – A female-owned and run SME



The construction sector in Kenya and around the world has not been for the faint-hearted.

Whether you are in design, construction, or supply chain, it has proved to be tricky. Ivy of Deco Studio did not find it any different. She founded Deco Studio, a female-led and owned interior design implementation company in Nairobi, Kenya. Driven by her passion for creating unique, transformative living experiences in all the spaces they touch, Ivy has carved a niche in the competitive market.

Sustainability is at the core of Deco Studio's operations. Their raw materials are sustainably procured and locally manufactured, ensuring low carbon emissions. Acorn sat down with Ivy to discuss her impact journey since partnering with Acorn as a supplier, delving into the challenges and triumphs of her venture in the dynamic world of interior design and construction.

How has your revenue changed since partnering with Acorn compared to the periods before the partnership? Specifically, what differences have you observed in your revenue streams before and after this collaboration?

As Deco Studios, the impact of our partnership with Acorn over the past year or two has been substantial. Examining our cash flows and overall business performance, we've seen significant improvements in both areas. Our cash flows and client retention have notably increased post-Acorn, with revenue growth estimated between 15 to 20 percent, likely over 20 percent. Additionally, this partnership has boosted our confidence in acquiring new clients, as Acorn has been instrumental in bringing in new business for our company. We have also been able to access financing from most financial institutions thanks to our business with Acorn. Presenting this partnership to the banks has instilled a high level of confidence in them. While our banks typically prefer LPOs from government projects, they make exceptions for reputable companies like Acorn.

Local Supplier Spotlight: Interview with Ivy Ndiira, Deco Studios – A female-owned and run SME

How has Deco Studio's collaboration with Acorn influenced your value chain?

We source granite from local mines within the country, often from SME businesses. Directly, we employ about six people per project, contributing significantly to job creation. Our team has expanded substantially due to the ongoing partnership with Acorn on multiple projects. We've also been able to introduce new products like lampshades, which require larger teams for assembly and production—typically fourteen to fifteen people. This expansion necessitates a variety of materials such as washers, wires, fabric, glue, and PVC where we also impact in terms of job creation. When considering the entire ecosystem, our activities involve hundreds of people. Each supplier we work with, from PVC providers to wire and washer suppliers, supports many workers. Initially, impacting the community wasn't our primary goal, but Acorn's support has inspired us to extend this positive influence throughout our supply chain. We're now even more committed to leaving a significant impact and find great satisfaction in doing so.

How has partnering with Acorn improved the quality of your products and services, and how has this collaboration benefited your business beyond the scope of Acorn?

Partnering with Acorn has significantly enhanced the quality of our products and services. Acorn's meticulous attention to detail and high standards have been instrumental in this improvement. Initially, the transition was challenging, as we had to adapt to their stringent quality requirements. However, this rigorous learning process has paid off immensely.

We have reached a point where quality is non-negotiable for us. This commitment to excellence has enabled us to elevate and set new standards within our industry. Consequently, we can offer our other clients the same high level of value for money, which has strengthened our market reputation.

Additionally, this partnership has prompted us to reevaluate and improve our strategies, plans, and engagements with our suppliers, particularly regarding credit facilities. By adopting Acorn's best practices, we have streamlined our operations, resulting in more efficient processes and stronger supplier relationships.

This comprehensive improvement has had a positive ripple effect, benefiting our business well beyond the scope of our work with Acorn.

Have you observed any changes in customer retention or loyalty since partnering with Acorn?

Yes, Acorn has continued to work with us, which is a strong indicator of our retention. For other clients, having Acorn in our portfolio has been invaluable. When prospective clients see that we've completed over six projects with Acorn, it significantly boosts their confidence in us. We've collaborated with numerous major brands, and having Acorn on our client list is like having a reputable endorsement.

Additionally, being a woman in the construction industry, which is traditionally male-dominated, and competing with well-known companies can be challenging. However, we've managed to overcome these obstacles and even diversify our product offerings.

Our partnership with Acorn has necessitated several operational changes.

How has your partnership with Acorn impacted your operational processes? Have you experienced any improvements or challenges?

Our partnership with Acorn has necessitated several operational changes. Firstly, we've had to recruit top-tier labor skills and shift our supply sources to Eastern Kenya, specifically Ukambani. We've also optimized our logistics to handle simultaneous deliveries to multiple project sites without disrupting the construction schedule. Additionally, we've professionalized our processes by securing performance bonds and indemnity insurance, which has enhanced our operational efficiency and reliability.

Have there been noticeable changes in how your brand is perceived by customers, partners, or competitors in the business partnership?

Yes, the perception of our brand has significantly improved, especially after the last three projects we supported. These projects were highly impactful and garnered attention from our competitors, who even congratulated us on the award. This recognition came from well-established industry leaders, which was surprising given the existing stereotypes. As a result, the competition is starting to take us more seriously.

Local Supplier Spotlight:

Mr. Andrew Wanyoike – Seiwa Furniture & Interior Designers

Green Building is an economic development tool if deployed appropriately. At Acorn that is exactly what we do when we intentionally enhance local content in our supply chain.

a) How has the business partnership with Acorn impacted your revenue streams compared to the previous period?

We've experienced a remarkable collaboration with Acorn, one that's significantly bolstered our financial landscape. Amidst the challenges of today's economic climate, partnering with Acorn has not only amplified our revenue streams but also fortified our cashflows. The business has played a pivotal role in stabilizing our operations, particularly given the prevalent practice among some clients of staggering payments, which can disrupt our day-to-day functioning. Over the years, Acorn has consistently proven to be an invaluable partner, contributing to our sustained success.

b) Have you experienced a significant increase in sales or income directly attributable to this new business? If so, by what percentage? (No need to tell amount)

Yes, indeed. Our sales have experienced a notable surge, likely exceeding a 15% increase. This surge can be directly attributed to our strategic partnership with Acorn, which has not only expanded our product portfolio but also elevated our quality standards. Fulfilling orders for Acorn has significantly bolstered our reputation within the industry, enhancing our credibility and unlocking new avenues for growth. Witnessing the presence of our products at Qwetu properties, courtesy of our partnership with Acorn, has instilled confidence in prospective clients, leading to an influx of new business opportunities. Over time, we have observed a consistent upward trajectory in our sales figures, indicative of the sustained success of our collaborative endeavors.



Local Supplier Spotlight: Mr. Andrew Wanyoike – Seiwa Furniture & Interior Designers

On Customer Engagement and Satisfaction:

c) What feedback have you received from new customers you have acquired? Are they satisfied with your products/services?

Starting with you, Acorn, it's truly gratifying to not only earn repeat projects but also to witness your continued satisfaction, serving as a testament to the quality of service I have provided. Beyond your esteemed company, I've garnered positive feedback from clients spanning regions as far as Malawi, Mozambique, South Sudan, and Uganda. From Governments to private sector to the military have all given acclaim which speaks volumes about the growing recognition of my brand. The key to this expansion lies in my steadfast commitment to close collaboration with each client, mirroring the collaborative approach I've maintained with you throughout our projects. This dedicated partnership consistently yields superior outcomes.

d) Have you noticed any changes in customer retention or loyalty since acquiring this new business?

Absolutely, we've witnessed a substantial surge in both customer retention and loyalty since acquiring this new business. Moreover, we've experienced an influx of new clients. This is indicative of the heightened trust and satisfaction that accompanies being retained by a prestigious company like Acorn for multiple projects.

On Operational Efficiency:

e) How has the business relationship with Acorn affected your operational processes? Are there any areas where you've seen improvements or challenges?

Collaborating with Acorn to fulfill their furniture needs has truly been a synergistic endeavor. Undoubtedly, there have been hurdles along the way; nonetheless, these challenges have catalyzed opportunities for us to pioneer innovation within both our products and operational workflows. The refinements we've made to our processes in response have not only benefited our collaboration with Acorn but have also seamlessly translated into enhanced efficiency and quality across our broader furniture production spectrum.

On Market Position and Brand Perception:

f) How has acquiring this new business impacted your position within the market or industry?

Acquiring this new business has profoundly revolutionized our standing within the market and industry. With over 70% of construction inputs sourced internationally, predominantly from China, the challenge of reliance on imports has been pervasive across businesses, regardless of size. However, thanks to Acorn's meticulous procurement strategies emphasizing local content, a paradigm shift has occurred. We've showcased that local content not only matches but excels in quality, delivery time, and cost competitiveness. This pivotal achievement has effectively debunked the erstwhile misconception that local producers, especially SMEs, fall short in meeting such benchmarks. Leveraging these opportunities, we are actively reshaping perceptions and catalyzing the growth of the local furniture industry. Am sure if energy prices were favorable as it is in other countries, we can perform even better.

g) Have there been any noticeable changes in how your brand is perceived by customers, partners, or competitors since the business partnership?

We're excited to highlight our brand's recognition for its dedication to quality. While we haven't explicitly emphasized sustainability in the past, our locally produced items boast low embodied carbon, a fact we're proud of. Teaming up with Acorn has given us the confidence to explore the green aspects of our business further, striving to become leaders in sustainable solutions. As we progress, we're actively evaluating our carbon footprint and planning transparent ways to incorporate it into our brand identity, avoiding greenwashing. Our goal is to offer more sustainable products to environmentally conscious companies like Acorn.

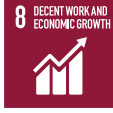




Governance

At Acorn, a culture of service excellence is at our core. This commitment to providing a consistent and unparalleled level of service to our customers forms the foundation of our operations. We take pride in our reputation for ethical practices, robust corporate governance, and strong ESG performance. Our relationships with all stakeholders, both internal and external, reflect our dedication to equity and inclusivity. Our holistic investment strategy prioritizes sustainability alongside financial considerations, highlighting our commitment to excellence for all stakeholders and the communities we serve.

Governance SDGs

Governance							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
1	Ensure healthy lives and promote wellbeing for all at all ages.	Employee Benefits	Achieve universal health Coverage, including financial risk protection.	All employees have health coverages	100%	100%	       
2	Achieve gender equality and empower all women and girls.	Equity	Equal opportunity recruitment and tracking gender balance.	HR tracks and publicly reports on recruitment and gender balance annually.	Active	Active	
3	promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Policy	Statutory compliance	The number of licenses and permits, which in our experience can count up to 30 different permits required, handled by multiple agencies with different approval processes, creates uncertainty in the development process. This typically translates to project delays, cost-overruns and reduced return for investors.	0	0	
			Deepening capital markets	Capital raised via capital market instruments to fund the development of rental housing, adhering to the highest governance standards in line with the regulations, ensuring clear information and transparency to aide investor decision making.			

Governance SDGs

Governance							
Item	Description	Category	Acorn Sustainability KPI	Goal/Target	2022	2023	SDG's
4	take urgent action to combat climate change and its impacts.	New developments Due Diligence	utilize sustainable due diligence guidelines in PIR for new acquisitions and analyze vulnerability of existing properties.	Assess all properties annually and reassessed to evaluate resilience measures.	100%	100%	       
		Tenant Engagement	Establish annual tenant engagement programs to encourage participation in ESG initiatives.	implementing, on average, at least five sustainable programs/ initiatives per year.	6	7	
5	promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Ethics and integrity.	Given the shortcomings in the construction approval process, many developers cut corners and/ or sidestep formal approval processes. Acorn adheres to a strict compliance with global standards on Anti Bribery and Corruption (Crime and Anti-money Laundering Act, 2009 (POCAMLA), OFAC Regulations and OECD Regulations).	Zero tolerance on Bribery and Corruption. Register kept. (Zero incidents of non-compliance)	0	0	
				100% of Staff received training about Acorn's anti- corruption policies and procedures as part of standard induction training	100%	100%	
		Anti-corruption Policy	Substantially reduce corruption and bribery in all their forms and promote and enforce nondiscriminatory laws and policies for sustainable development.	Current policy includes language to discourage and prevent corruption and bribery.	Up-to-date	Up-to-date	
6	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Reporting Partnerships	participate in global partnerships for sustainable development, complemented by multistakeholder partnerships.	Continuing partnerships with EDGE, GRESB, EcoVadis and begin Science based targets.	Continuing	Continuing	

Company Leadership

Acorn Holding Limited, established and operating within the legal framework of Kenya under the Companies Act 2015, places paramount importance on social, environmental, economic, and financial sustainability.

We firmly believe that integrating these aspects into our operations is essential for upholding exemplary corporate governance standards. Oversight of these dimensions is a continuous responsibility shared by our Leadership Team and Board, forming an integral part of Acorn's risk and opportunity evaluation

process. Consequently, they play a pivotal role in shaping our corporate strategy. Furthermore, recognizing the significance of Environmental, Social, and Governance (ESG) considerations, we have established an ESG Function headed by the Head of ESG and also established an ESG Committee within AH

AHL Executive Committee



Edward Kirathe
Chief Executive Officer

Edward is the Founder and Chief Executive Officer of Acorn Holdings Ltd.

He is a Kenyan citizen with over 25 years' experience in the Real Estate sector in East Africa including the issuance of Acorn's Green Housing Bond – the first such bond in Africa and the first Green Bond to be listed on the Nairobi Securities Exchange (NSE) as well as the first Kenya Shilling Bond to list on the London Stock Exchange (LSE). He also led Acorn's successful launch of the Acorn Student Accommodation D-REIT and I-REIT with a combined Asset Under Management of KSHS 7.5 billion.

Edward is also the founder Chairman of the REITs Association of Kenya, a role he served in until October 2020. He is actively involved in developing avenues for sustainable investment in affordable housing through the Capital Markets.

Edward holds a Bachelor of Architecture (honors) from Jomo Kenyatta University, is a member of the Association for Project Management (UK) and the Architectural Association of Kenya. He is also a registered architect with the Board of Registration of Architects and Quantity Surveyors of Kenya.



Peter Njenga
Chief Finance & External
Affairs Officer

Peter, a Kenyan citizen, is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He has over 16 years' experience at senior level management where he has assisted businesses to develop and implement appropriate strategies to achieve financial, tax & operational efficiency. Prior to joining Acorn, Peter worked as a Tax and Management Consultant in a leading accounting firm.

Company Leadership

AHL Executive Committee



Indresh Saluja
Chief Business
Transformation Officer

Indresh, an Indian citizen and a Management Graduate of 2001, has work experience of over fifteen years spanning various operational and strategic responsibilities at Bharti Airtel Limited, Etisalat DB Telecom Ltd and Acorn Holdings Ltd. He is a Certified Six Sigma Master Black Belt, Scrum Master and Lean Champion.

Indresh holds certification in Design Thinking from MIT – Sloan School of Management. He has worked closely with over 25 CEOs, MDs and Owners of businesses, facilitating organization wide business transformation and operational excellence interventions.

In his stints across various functions, organizations and as a consultant, he was committed to supporting individuals and teams to innovate strategies to operationalize business goals using Design Thinking, and Lean Principles and to channelize them to adopt a systemic perspective for heightened business results. When not doing this, Indresh enjoys photography, cooking and playing chess.



Jackie Rozario
Property Management
Director

Jackie is a Customer Experience Professional with over 16 years' experience.

Prior to joining Acorn, she worked in the Telecommunications Industry as a Customer Experience Director. She has also previously worked at senior management level in the Pay-Tv Industry in Kenya as Head of Operations. She commenced her Customer Experience journey at Celtel (precursor

to Airtel), where she worked in various capacities and grew to the Head of Retail Operations and Customer Experience Management in both Ugandan and Kenyan markets.

Jackie holds an MBA in Strategic Management from Edinburgh Business School and a Bachelor of Commerce (Accounting) degree from Makerere University. She is a Lean Six Sigma Professional



Mathew Maina
Ag. Executive Director (AIML)/Investment Management

Mathew is a Kenya citizen with 12 years' experience in local and International Retirement Benefits Environments, Asset Management, Investment, Banking and Insurance. He previously worked for Zamara Actuaries, Administrators & Consultants Ltd

where he held multiple senior roles including Lead Consultant and Administrator for the National Housing Development Fund. In this previous role, he managed a portfolio of over KSHS 300 billion in assets for over 150 Pension Funds across East Africa.

Mathew holds a bachelor's degree in actuarial science from Jomo Kenyatta University of Agriculture & Technology (JKUAT) and is currently pursuing a dual MA/MSc in Finance & Investments.

Company Leadership

AHL Executive Committee



Sheila Moraa
Director Development
Management

Sheila is a Kenyan citizen with 17 years of experience in project management. Her broad experience cuts across infrastructure and the real estate sectors. In the real estate, her projects include development of commercial office buildings and purpose-built student accommodation projects and is currently heading the Projects.

Sheila previously worked in the Energy sector at Total Kenya, Kenya Electricity Generating Company (KenGen) and at Energy and Petroleum Regulatory Authority (EPRA) in Kenya. Her roles in the institutions varied from management of various projects including power plants to policy formulation.

Sheila holds a Bachelor of Science (BSc.) degree in Civil Engineering from Jomo Kenyatta University (JKUAT) and is in the final stages of an Executive MBA course at Strathmore University. She is also a PRINCE2 practitioner and an EDGE Expert.



Sheila Maina
Senior Legal and
Regulatory Affairs
Manager

Sheila is a Kenyan citizen with over 8 years working experience, with over 5 of those years spent working as an advocate of the High Court of Kenya. Her experience transects several practice areas, notably commercial law, banking and capital markets law, development finance, legal compliance and corporate governance across East and Southern Africa.

Prior to joining Acorn, Sheila worked with Shelter Afrique (the pre-eminent housing finance provider in Africa) and DLA Piper Africa in Kenya in the Projects & Infrastructure Practice (Tier I Law Firm). She holds a Postgraduate Diploma in Law from the Kenya School of Law and a bachelor's degree in law from the University of Nairobi. She is a Certified Secretary and a Commissioner for Oaths.



Juliet Soila Langat
Head of Supply Chain

Juliet is a procurement professional bringing 24+ years of experience in procurement, logistics and internal audit. She has worked in various roles at Unilever as a Junior Buyer – Flower Division, Assistant Purchasing Manager, Assistant Logistics Manager, Internal Auditor – Unilever East Africa Regional Audit, Supplies & Logistics Manager, Procurement Officer – Capital Expenditure (CAPEX)

& Engineering Services, and Procurement Specialist – Tea Plantations. She is also a member of the Chartered Institute of Purchasing & Supply (UK) – MCIPS.

She holds a Bachelor of Arts in Economics & Sociology from Egerton University, a post-graduate diploma from Chartered Institute of Purchasing & Supply from Chartered Institute

of Purchasing & Supply and is currently pursuing a Master of Science in Procurement & Logistics at JKUAT.

During her free time, Juliet enjoys gardening, crafts, serving in Sunday School, and Missions Ministry.

Company Leadership

AHL Executive Committee



Washington Gichuru
Head of Information
Technology

Washington, a Kenyan citizen, joined Acorn as a Systems Analyst and has been responsible for the deployment, implementation and support of various software applications in the organization.

Prior to joining Acorn, he worked for over 10 years as a Senior Software Engineer in various industries including Telcom, Hospitality, Media, and IT Services in the United States of America.

Washington holds a Bachelor of Computer Information Systems with a minor in Finance

from the University of South Alabama in the USA. He is COBIT 5 certified, is a Certified Ethical Hacker (CEH), and is also a Global Information Assurance Certification (GIAC) professional.



Patrick Njuguna
Financial Controller

Patrick is a seasoned finance expert with a demonstrated history of working in manufacturing, telecommunication, financial services, and real estate industries focused on growth. Successful in leading accounting teams and advising executives on financials, budgets, business performance, tax, and audit-related issues.

Joined Acorn a year ago to work with a team of Accountants alongside the Chief Finance Officer to contribute to the overall success of Acorn Holdings Group operations by managing the smooth running of the accounting, financial control, treasury, and reporting functions with following key

responsibilities; Financial Reporting, Audit and Control, Support Teams to Deliver Growth Strategy, Budget and Business Performance Management, Tax Compliance, Control and Risk Management, Treasury Management, Business Partnering, Team Management and Development. He has held a variety of finance roles at Safaricom Plc such as Team Leader – Record to Report, Manager – Financial Controls and Reporting, Treasury Manager, Revenue Reporting Manager among other financial roles.

Before joining Safaricom, Patrick worked in manufacturing and FMCGs in various finance and accounting capacities in Mombasa and

Nairobi. Patrick is also director at Safaricom Sacco where he currently serving as the chairman of audit and risk committee. He served in the supervisory committee of Safaricom Sacco for a period of three years.

Patrick hold a bachelor of business administration and MBA -Finance from University of Nairobi and a CPA(K).

He is a member of Institute of Certified Accountant (ICPAK) and institute of Directors (IOD) and active member of association of corporate treasurers UK based organization.

Company Leadership

AHL Board of Directors

Our Board of Directors actively champions robust corporate governance and furnishes the decisive leadership necessary for its implementation.

Acorn Holding Limited boasts a formidable board composed of individuals possessing requisite skills and extensive experience.



Dennis Aluanga,
Chairman

Dennis, a Kenyan national, is a Partner at Helios Investment Partners with over 25 years of professional experience. Prior to joining Helios, he was the COO (East Africa) of Industrial Promotion Services (IPS), the Manufacturing and Infrastructure arm of the Aga Khan Fund for Economic Development overseeing investments across several portfolio companies in food and agro-processing, packaging, pharmaceutical, textiles, steel, and leather processing industries as well as power generation and telecoms across East Africa. He also served in various senior management roles including Chief Operating Officer at Nation Media Group. Dennis is an MBA graduate of Edinburgh University (UK) and is also a Certified Public Accountant (CPA).



Edward Kirathe
Founder & Chief
Executive Officer

Edward is the Founder and Chief Executive Officer of Acorn Holdings Ltd. He is a Kenyan citizen with over 25 years' experience in the Real Estate sector in East Africa.

He is also the founder Chairman of the REITs Association of Kenya, a role he served in until October 2020. He is actively involved in developing avenues for sustainable investment in affordable housing through the Capital Markets.

Edward holds a Bachelor of Architecture (honors) from Jomo Kenyatta University, is a member of the Association for Project Management (UK) and the Architectural Association of Kenya. He is also a registered architect with the Board of Registration of Architects and Quantity Surveyors of Kenya.

Company Leadership

AHL Board of Directors



Peter Njenga
Chief Finance & External
Affairs Officer

Peter, a Kenyan citizen, is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has over 16 years' experience at senior level management where he has assisted businesses to develop and implement appropriate strategies to achieve financial, tax & operational efficiency. Prior to joining Acorn, Peter worked as a Tax and Management Consultant in a leading accounting firm.



Ameer Somani
Non-Executive Board

Ameer, a Canadian citizen, is an investment professional and currently a Consultant at Helios Investment Partners. Ameer previously worked in the Investment team at Helios at Helios Investment where he rose to the position of Investment Principal. Prior to joining Helios, Ameer was an Associate at Teachers' Private Capital based in Toronto, Canada. He also previously worked at CIBC World Markets as an Analyst in their investment Banking Mergers & Acquisitions Group and has served on the Board of Aga Khan Development Networks' East Africa Task Force. In addition to an MBA from Harvard Business School, Ameer also holds a dual degree in Chemical Engineering and Economics from Queen's University in Kingston, Canada.



Nimit Shah
Non-Executive Director

Mr Shah has 20 years of relevant investment and advisory experience. He joined Helios in 2008 and has been involved with a number of private equity and private credit investments including Vivo Energy, GB Foods Africa, Continental Outdoor, OVH Energy and Africell. Prior to joining Helios, Mr Shah was a Director within the Financial Sponsors Group at Lehman Brothers in London. His experience there spanned M&A advisory, leveraged finance and equity capital markets in Europe and the US. Mr Shah started his career as a strategy consultant at Arthur D Little where his focus areas were corporate finance and telecommunications.

Born and raised in Nairobi, Kenya, he completed his high school education at Eton College in the UK; he has an MA in Economics and Management from Oxford University and an MBA from the Wharton School of Business at the University of Pennsylvania. Mr Shah, a Kenyan and British national, speaks Swahili, Gujarati and Hindi.

Company Leadership

AHL Board of Directors



Ali Joomun
Non- Executive
Director

Ali Joomun joined Intercontinental Trust Limited (“ITL”) in 2008 and he is currently a Senior Manager in one of the Corporate Services team at ITL. He oversees operations of a portfolio of companies (both listed and non-listed) and trusts based in Mauritius. He also manages Seychelles based corporate entities (including Companies with Special Licence, International Business Companies and trusts).

He acquired exceptional international business experiences and has been assisting various group of clients including investment banks listed on the New York Stock Exchange and one of the leading private equity firm investing throughout the African continent. He sits on various committees and working groups including the real estate committee of ITL and is involved in co-ordinating special corporate transactions.

He graduated from the University of Mauritius with a B.Sc (Hons) Management and is an affiliate member of the Association of Chartered Certified Accountants, UK. Lastly, he sits as director on the board of various global business companies under the administration of ITL.



Vishma Boyjonauth
Non-Executive Director

Vishma is currently a Senior Manager in a Corporate Services Department at Intercontinental Trust Limited (ITL) Mauritius leading a team in the Corporate Services Department overseeing the operations division. She has extensive experience in the global business gained from managing a portfolio of clients ranging from international banks to private clients for over 15 years. Vishma graduated from the University of Mauritius with a B.Sc. (Hons) in Economics. She also holds an MBA in Innovation & Leadership (with Merit) awarded jointly by the University of Mauritius and Ducere Global Business School.

Leadership Built on Trust and Shared Purpose

Interview with the Chairman of Acorn Holdings

Over the past two years, we have adapted to a "new normal," which has profoundly altered various aspects of our society—some for the better and some for the worse.



Dennis Aluanga,
Chairman, Acorn Holdings

The societal, economic, and political upheavals have prompted us to re-evaluate many facets of our lives, giving us the chance to re-prioritize what truly matters.

At the forefront of these considerations are our relationships with our stakeholders. Acorn Holdings Limited, a company registered and incorporated in Mauritius, places a strong emphasis on social, environmental, economic, and financial sustainability. These principles are integral to our commitment to good corporate governance and shared purpose. The board and the leadership team have actively participated in Acorn's risk and opportunity assessments, ensuring these factors are woven into our corporate strategy.

Today, we sit down with our Chairman to gain insight into the board's perspective on leadership, especially in terms of enhancing the value of the social relationships we have nurtured over the past year.

What has been your highlight for 2023

From its inception, Acorn holdings has displayed an unwavering commitment to managing our ESG impacts effectively and transparently. Our properties regularly earn superior performance ratings from sustainability standards-setting and benchmarking organizations in the commercial real estate industry. At the entity level, by prioritizing our environmental & social performance, Acorn ranked first in our peer group of Purpose-built student accommodation (PBSA) in our third-year annual submission to GRESB®.

How does your company ensure that its real estate developments have a positive social impact on local communities?

Acorn prioritizes community engagement from the outset of any development project. We conduct thorough impact assessments and engage with local stakeholders to understand their needs and concerns. This includes hosting town

hall meetings, conducting surveys, and collaborating with local organizations. You can see these by how we have been able to develop in locations like Karen and Chiromo Road. By integrating feedback into our planning and design processes, we aim to create developments that enhance community well-being, provide affordable housing, and improve access to essential services and amenities. In a survey report we commissioned last year for example, 86% of our tenants said they felt extremely secure at Qwetu properties.

What specific initiatives has your company implemented to promote social inclusion and diversity within your real estate developments?

We have implemented several initiatives to promote social inclusion and diversity. One key initiative is our commitment to affordable and mixed-income purpose-built student accommodation. That is the reason we added Qejani variant to our Qwetu brand to ensure that our developments cater to diverse

Interview with the Chairman of Acorn Holdings

income levels. Additionally, we design our developments to be accessible and inclusive, providing amenities like community centers, play courts and, community realms, that encourage social interaction among diverse student groups. We also partner with local organizations to support community enriching opportunities like cleanliness.

Can you share examples of how your real estate projects have contributed to improving local infrastructure and services?

There are multiple notable examples in our different developments. For example, in Qwetu Karen, we improved social infrastructure in like decent shopping points, transport infrastructure like well sheltered bus stops and parking spots, security lighting, non-motorized infrastructure. Our property team is also following up on infrastructure improvement commitments made by the county administration which will improve the locations further. Additionally, we have invested in the development of community facilities such as plat courts, wellness centers like gyms, and recreational spaces. These improvements not only enhance the quality of life for our residents but also contribute to the overall economic vitality of the area.

What metrics or benchmarks does Acorn use to measure the social impact of your real estate developments?

We use a comprehensive set of metrics to measure the social impact of our developments, including housing affordability, access to amenities, community engagement levels, and job creation. We also track improvements in local infrastructure, educational outcomes, and health and well-being indicators. These metrics are regularly reviewed and reported as part of our ESG reporting framework, allowing us to assess the effectiveness of our initiatives and make data-driven decisions to enhance our social impact further.

How have property-level environmental and social certifications improved tenant and employee health and safety, social indicators that you consistently monitor in your ESG performance?

Our social commitments intersect seamlessly with our environmental commitments, as the health and safety of our tenants and employees depend on healthy air and water quality at our properties. We continued our bi-annual water quality testing across our portfolio demonstrating our

commitment to continuously advancing environmental and health quality improvements. Responsible Stewardship of Our Environment Our environmental management strategy hinges on effective target setting to maximize our resource use and maintain strong relationships in our communities.

How do deal with Diversity Equity and Inclusivity (DEI)

Building upon an inclusive culture, we continually develop our sustainability programs in alignment with our mission and purpose. In 2023, our assessment revealed that 42% of our workforce is female. In terms of leadership, women

represent 22% of our executives, with further opportunities for growth, and 43% of our board members. To broaden and deepen our Diversity, Equity, and Inclusion (DEI) program, we have updated our HR Handbook. This update includes guidelines to ensure our workforce mirrors the diversity of our communities. The handbook also outlines processes to promote an inclusive, discrimination-free, and harassment-free recruitment process and workplace culture. By integrating DEI principles throughout our internal and external programs, we aim to build a more cohesive organization and enrich our talent pool.

Dennis Aluanga
Chairman
Acorn Holdings



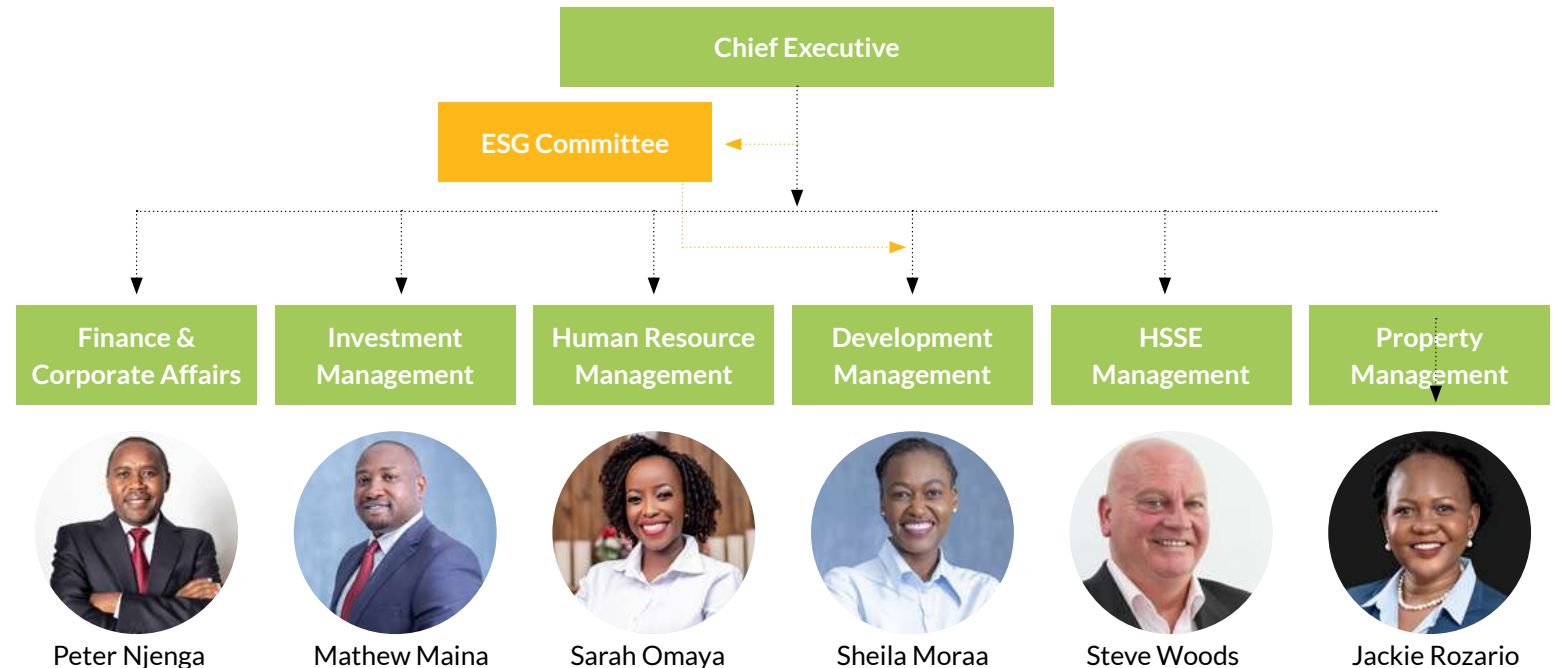
ESG Governance

Acorn Holdings Limited has established a cohesive structure and fostered collaboration to effectively implement its ESG strategy.

In terms of structure, Edward Kirathe, our CEO, assumes the role of the primary decision-maker for ESG and climate risk-related matters. He is supported by John Kabuye, Head of ESG, and Sheila Moraa, Director of Developments. In a collaborative approach, AHL has instituted an ESG Committee that convenes quarterly meetings to deliberate on progress, ideas, and ESG initiatives. These sessions also cover updates on AHL's ESG programs and strategy. The HSSE Director Steve Woods Chairs the Committee and the Head of ESG serves as the Secretary.

The ESG Committee provides quarterly and annual reports to the Board, ensuring transparency and accountability in the implementation of ESG initiatives.

AHL Functional Org Chart 2024



ESG Committee Members

- Steve Woods** - Director HSSE (Chair)
- Peter Njenga** - Director Corporate Affairs
- Mathew Maina** - AIML
- Sheila Moraa** - Director Development
- John Kabuye** - Head of ESG (Secretary)
- Washington Gichuru** - Head of ICT
- Sarah Omayo** - Director Human Resource
- David Gathuma** - Operations
- Victoria Ochieng** - Ext & Int Communications
- Quinter Ochieng** - ESG Officer

ESG Governance

ESG Committee Terms of Reference

Purpose



- Ensure implementation & continuous improvement of Acorn's ESG Strategy (identifying & monitoring ESG matters that could affect the company's activities)
- Improve understanding of ESG in the organization through awareness campaigns.
- Oversee integration of ESG policies into Acorn's strategy & align ESG values & expectations with all suppliers.
- Shape communication with employees, tenants and investors with respect to ESG matters.

Duties and responsibilities



- Periodic visits to development sites & properties to measure ESG performance.
- Determine ESG risks & opportunities of strategic significance and make recommendations to the boards.
- Encourage integration of strategically significant ESG matters into business practices.
- Shape ESG messaging to investors & other stakeholders.
- Assure implementation to monitor compliance.



ESG Policies

In order to fully integrate our ESG program into our organization and ensure consistent implementation across all our properties, we have developed a comprehensive collection of ESG-related policies and guidelines that apply to both our corporate operations and property management

In 2023, we made updates to all our policies, strategy and guidelines to align with our 2030 objectives and incorporate the latest recommendations from GRESB, EcoVadis, EDGE assessment and certification platforms.

Corporate Level	
Acorn ESG Policy Statement	Procurement Manual
ESG Manual	Finance Manual
Investment Policy	Information Technology & Communication Policy
HSSE Policy	Sexual and Gender Based Violence Policy
Anti-Corruption and Bribery Policy	Land Acquisition Policy
Human Resource Handbook	ESG Strategy
Whistleblower Policy	Enterprise Risk Management Framework

Environmental, Social & Governance Policy Statement



PURPOSE

We are committed to identifying and managing the Environmental, Social and Governance (ESG) issues that affect our business activities, and those that relate to our use of contractors, suppliers and the services we provide to our customers. Acorn's approach to ESG proactively manages identified risks to staff, customers and visitors to the development sites and properties. It promotes the company as offering a safe and engaging workplace and supports our brand and reputation. An ESG Committee has been established to support the organization's ESG Strategy, which defines the specific goals and targets we pursue to further enable ESG principles and best practice to shape the way we operate.

This Policy sets out the underlying principles and commitments that drive our dedicated approach to ESG management across our offices, development sites and operating properties.

COMMITMENT

Acorn will:

- Develop resilient resource efficient assets and operations
- Enhance health and well-being of employees and tenants by driving real improvements in physical and mental health
- Provide opportunities for all – employees, students, communities, suppliers & contractors
- Be the leading rental housing provider by delivering value to tenants & investors, while establishing meaningful partnerships with universities
- Provide transparency in sustainability reporting by adopting GRI Guidelines
- Drive compliance with the relevant laws and regulations and promote best practice, including our contractors, suppliers and third parties, considering environmental protection, health and safety, human rights, anti-bribery and corruption and labour and anti-slavery practices.
- Include the management of ESG issues into our business activities, taking into account the policies of key suppliers and their commitment to the environment in choosing to work with them.
- Continuously monitor and review the ESG issues we face as a business and record our progress quarterly through the ESG Committee. On an annual basis, an ESG review through the GRESB Assessment will be conducted and reported to the Board, with the aim to improve across all of our operations within the business.

In addition to the compliance with regulatory standards, Acorn commits to promoting improvements in the day to day running of the business, specifically the below, where we can make a difference:

Environmental

- Continuously ensure compliance to EDGE Standards for the portfolio thereby achieving 20% reduction in energy and water consumption and use of construction materials with 20% less embodied energy
- Seek to encourage waste re-use and recycling in our operations and by suppliers and seek to reduce the volume of waste being sent to landfill.
- Incorporate water harvesting in all our properties
- Seek to reduce use of single use plastics from our operations and activities

Social

- A firm-wide policy on staff and their well-being and health and safety, to include all visitors, customers and any contractors working on our sites and at our properties.
- We aim for all employees to enjoy an equal opportunity workplace where all staff talent is given the chance to grow in the company as we invest in their professional development so that they know that they are valued and will be retained to build the company further.
- Involve our staff in company decisions on social policies.

Governance

- Ensure Acorn has sound governance from the board level downwards with clearly defined roles and procedures within company management structures.
- All Employees are expected to comply with the company policies and procedures.
- We constantly seek to ensure data security across the business.
- Adopt practices and procedures that protect against fraud, bribery and corruption at all levels and will include anti-slavery protection.

Policy review and updates

Acorn will consistently monitor all activities across the company portfolio and is committed to ensure a sustained improvement in ESG performance. This Policy, and the works supporting its implementation, will be reviewed by Acorn's Board on an annual basis.

Signature:


Edward Kirathe
Chief Executive Officer

Date:

4th April 2022

Materiality and Responsible Investment

Acorn regularly conducts a survey among our internal stakeholders every three years to evaluate the main operational and environmental issues that concern our investors, tenants, partners, suppliers and communities. In our latest survey conducted in 2020, we identified

the ten most important topics that we need to prioritize in shaping our ESG (Environmental, Social, and Governance) efforts. The results of this survey play a significant role in determining how we identify and manage our opportunities and risks for the years 2022-2023.

TOP 11 PRIORITIES	E-S-G	Risk	Opportunity
Urbanization-through climate resilient buildings			
Tenant Satisfaction			
Environmental sustainability			
Investor Satisfaction			
ESG Due Diligence			
Economic Performance			
EDGE Certifications			
Reporting (GRESB, EcoVadis)			
Energy			
Water			
Sustainable Procurement Practices & materials			

	Environmental
	Social
	Governance



Responsible Investment

At Acorn, sustainability plays a vital role in our investment strategy. We are committed to making investments that deliver benefits to all stakeholders, including tenants and communities, while also ensuring attractive returns for our investors.

To ensure transparency and accountability, we hold regular quarterly reports and annual meetings with our ASA I-REIT and ASA D-REIT investors, to discuss our investments and their environmental, social, and governance (ESG) impacts. These discussions also address any financial risks and rewards associated with our sustainable investments.



Risk Management

At Acorn, we employ advanced approaches to effectively manage financial and operational risks.

Our focus is on optimizing asset performance by utilizing a comprehensive financial analysis process that helps mitigate risks and enhance investment returns. Furthermore, the safety and well-being of everyone is a top priority for us. As part of our asset management team, we carefully evaluate potential risks in each property plan and go the extra mile to develop tenant-specific plans while conducting emergency response drills to ensure preparedness.



Resilience

Acorn actively implements strategies to build resilience and prioritizes safety measures to protect our assets, tenants, and employees from natural disasters. We also anticipate and prepare for the growing electrification of the energy grid by implementing measures to safeguard our assets against climate change and providing training on emergency response procedures to our employees and tenants. Furthermore, we adopt policies and strategies to diversify our energy sources and enhance our ability to respond to unexpected events.

Emergency Preparedness Training

As part of our resilience preparations in 2023, we continued our safety drills and life safety training. Through this programs, occupants of our buildings can experience emergency preparedness that enables them to understand how to navigate through their building. They can know their emergency evacuation route and also learn more about life safety equipment and building features. The virtual training covers various emergencies such as earthquakes, fire drills, active shooter scenarios, workplace violence, medical emergencies, and emergency planning. The drills are spearheaded by Acorn director of HSSE.

Third-party Reporting

In 2023, Acorn maintained its commitment to transparent reporting, demonstrating ESG progress and achievements at both the property and portfolio levels. This commitment was shared with various organizations.

Organization	Portfolio-level achievement
IFC	100% of properties are EDGE Certified or undergoing the EDGE certification
UN SDGs	Aligned since 2019
GRESB	3rd year participating; PBSA Overall Sector Leader designation





Reporting & Disclosure

Transparency and disclosure are cornerstones of Acorn's commitment to excellence. Through comprehensive reporting and disclosure practices, we manifest our outstanding ESG integration, pursuit of ambitious targets, and achievements. Adhering to GRI standards, Integrated Reporting, and the SDGs, we effectively communicate with our diverse audience. These practices not only reflect our dedication to sustainability but also set the pace for building blocks for cities and communities.

Reporting & Disclosure

In 2023, Acorn remained committed to providing transparent reports on its ESG progress and achievements at both the property and portfolio levels.

The Global Reporting Initiative

The Global Reporting Initiative (GRI) is an international non-profit organization that offers global standards for reporting on the environmental, social, and governance impacts of an organization's operations.

The Global Reporting Initiative (GRI) is the leading provider of reporting principles and standards for sustainability reports. It offers a comprehensive framework, including standard disclosures and an implementation manual, to help organizations prepare these reports. GRI's framework, developed through a collaborative process involving various

stakeholders, is widely adopted worldwide, with thousands of organizations, including the largest corporations, reporting annually. By providing consistent and reliable information on environmental, social, economic, and governance aspects, GRI empowers governments, businesses, and citizens to make informed decisions. This report specifically refers to GRI's Sustainability Reporting Guidelines and incorporates the Standard Disclosures outlined in GRI Standard 102: General Disclosures 2016. The GRI content index, based on the G2016 indicators, can be found below for reference. Page numbers indicate where the corresponding information can be located.

GRI Index

GRI Indicator	GRI Disclosure title	Page number	Reference
1. ORGANIZATIONAL PROFILE			
102-1	Name of organization	Back cover	Company profile
102-2	Activities, Brands, Products, and Services	14	Company profile
102-3	Location of Headquarters	Back cover	Company profile
102-4	Location of Operations	Back cover	Company profile, our properties
102-5	Ownership and Legal Form	8	Company profile
102-6	Markets Served	13	Company profile, our properties
102-7	Scale of the organization	8	Company profile
102-12	External Initiatives	43-47	Third-Party Reporting
102-13	Membership of Association	41	Industry Partnerships
2. STRATEGY			
102-14	Statement from Senior Decision Maker	4	Executive Letter
102-15	Key Impacts, Risks, and Opportunities	18-26, 63-65	Environmental Performance, Environmental Initiatives, Materiality, Responsible Investment, Risk Management

Reporting & Disclosure

GRI Index

GRI Indicator	GRI Disclosure title	Page number	Reference
ETHICS & INTEGRITY			
102-16	Values, Principles, Standards, and Norms of Behavior	10	ESG Commitment, Responsible Investment, ESG Commitments (Website)
GOVERNANCE			
102-18	Governance Structure	60-61	ESG Team Structure
102-19	Delegating Authority	60-61	ESG Team Structure
102-20	Executive-Level Responsibility for Economic, Environmental, and Social Topic	60-61	ESG Team Structure
102-26	Role of highest governance body in setting purpose, values, and strategy	60-61	ESG Team Structure
102-29	Identifying and Managing Economic, Environmental, and Social Impacts	60-61	ESG Team Structure , Materiality, Risk Management
102-30	Effectiveness of Risk Management Processes	65	Risk Management
102-32	Highest Governance Body's Role in Sustainability Reporting	60-61	ESG Team Structure
Stakeholder engagement			
102-40	List of stakeholder groups	36-40	ESG Team Structure
102-43	Approach to stakeholder engagement	36-40	Employee Engagement, Tenant Engagement, Enriching Work Experience, Community Involvement & Charitable Giving, External Stakeholders
Reporting Practice			
102-46	Defining report content and topic Boundaries	6-7	About this Report
102-47	List of material topics	6-7, 63-67	About this Report, Materiality
102-50	Reporting period	6-7	About this Report
102-51	Date of most recent report	6-7	About this Report
102-52	Reporting cycle	6-7, 63-67	About this Report, Materiality
102-53	Contact point for questions regarding the report	Back cover	Contact
102-55	GRI content index	68-70	GRI index
102-56	External assurance	71	Appendix 2: Third-Party Data Assurance

Reporting & Disclosure

GRI Index

GRI Indicator	GRI Disclosure title	Page number	Reference
GRI 201. ECONOMIC PERFORMANCE 2016			
201-2	Financial implications and other risks and opportunities due to climate change	65	Risk Management
GRI 302. ENERGY 2016			
302-3	Energy intensity	15, 21-25	Environmental Performance
302-4	Reduction of energy consumption	15, 21-25	Environmental Performance
GRI 305. EMISSIONS 2016			
305-5	Reduction of GHG emissions	15, 21-25	Environmental Performance
GRI 306. WASTE 2020			
306-4	Waste diverted from disposal	15, 21-25	Environmental Performance
GRI 401. EMPLOYMENT 2016			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	30-33	Employee Benefits
GRI 403. OCCUPATIONAL HEALTH & SAFETY 2018			
403-6	Promotion of worker health	28-29	Employee Benefits
GRI 404. TRAINING & EDUCATION 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	32-33	Employee Professional Development
GRI 405. DIVERSITY & EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	30-31	Diversity, Equity, & Inclusion

Data & Reporting Methodology

This report presents data from a portfolio with consistent year-over-year comparisons.

As of December 31, 2023, Acorn actively managed PBSA buildings, totaling 100,732 gross square meters and representing 100% of our in-service portfolio, are included in this analysis. Our key performance indicator disclosures are in line with our GRESB Assessment. To ensure the accuracy and relevance of the reported data, we adhere to the following reporting procedures:

Utility Bills

We utilize ARC Skoru platform to monitor our monthly utility expenses and energy consumption. To ensure accuracy, we conduct both internal and external verification of this data on an annual basis. This platform allowed us to generate reports at the property level and compile annual data for our GRESB submission and other reporting requirements.

Quality Control

We have a dedicated sustainability team that works hard to ensure the accuracy and reliability of our data.

Reporting

Our property teams provide an annual report detailing the investments made in improving efficiency and the cost savings associated with these initiatives. To gather the necessary data, we rely on our in-house team, who uploads monthly property utility data into ARC platform. Arc extracts data from utility bills and generates performance reports, which are then analyzed for any variances or gaps in our performance indicators. To ensure accuracy, we conduct internal

data verification as well as a third-party verification process.

Additionally, we perform quality control checks on all data provided to certifying bodies such as GRESB, EDGE and Ecovadis. For our like-for-like calculations, we exclude properties that have missing data for 15 days or more in both 2022 and 2023. When calculating emissions, we use the WRI GHG protocol.

Acorn manages 100% of our owned properties, all of which adhere to our sustainability requirements. To track

monthly utility usage of water, energy, and waste data, all managed properties utilize Arc.

We use Arc for Scope 2 emissions from purchased electricity are calculated using Arc. This allows us to determine the combined greenhouse gas emissions in CO2 equivalents for each site. The global warming potential (GWP) values for each greenhouse gas are sourced from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report.





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