










2024

# ANNUAL IMPACT AND ESG REPORT THE SILVERLANDS FUNDS



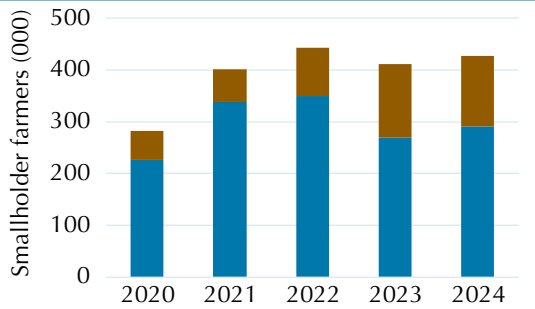
	Impact Metric	Silverlands I 2011	Silverlands II/III 2016	Total	SDG's	
<b>Social Impact</b>						
At our businesses	Employment (#)	4,769	3,873	<b>8,642</b>	 	
	New jobs created (#)	1,454	937	<b>2,391</b>		
	Salaries paid in year	\$24m	\$25m	<b>\$49m</b>		
	Increase in average salary since investment	2.3 x	2.6 x	<b>2.5x</b>		
Community impact	Direct economic benefit (# smallholder farmers)	290,000	137,000	<b>427,000</b>		
	Individual incomes improved % (\$ p.a.)	56% (\$290)	66% (\$280)	<b>59%</b> <b>(\$290)</b>		
	Increased community incomes (\$ p.a.)	\$84m	\$39m	<b>\$123m</b>		
<b>Climate and Natural Capital Impact</b>						
At our businesses	Indigenous ecosystems protected (ha)	29,500	350	<b>29,850</b>	 	
	Renewable energy (% of electricity used)	63%	28%	<b>46%</b>		
	GHG Emissions - Scope 1 and 2 (tCO <sub>2</sub> e)	29,500	24,400	<b>53,900</b>		
<b>Gender Impact</b>						
At our businesses	Women employees	(%)	39%	37%	<b>38%</b>	 
		(#)	1,867	1,416	<b>3,283</b>	
Outside our businesses	Women smallholder farmers	(%)	71%	61%	<b>68%</b>	
		(#)	207,000	83,000	<b>290,000</b>	
Total	Women experiencing a direct economic benefit	(% of total)	71%	60%	<b>67%</b>	
		(#)	209,000	84,000	<b>293,000</b>	
<b>Nutritional Impact</b>						
Outside our businesses	Annual calories produced is equivalent to the needs of ... (# people)	3.6m	3.7m	<b>7.3m</b>		
	Annual protein production is equivalent to the protein needs of ... (# people)	4.2m	6.0m	<b>10.2m</b>		
<b>ESG Management</b>						
Compliance with Responsible Investment Code scorecard (%)		95%	92%	<b>94%</b>		
Compliance with aspirational ESG scorecard (%)		80%	81%	<b>81%</b>		
Dedicated ESG personnel (#)		12	5	<b>17</b>		
Unadjusted Gender Pay Gap (%)		32%	33%	<b>32%</b>		

# Key Impact Metrics Over Time - Silverlands I & II/III

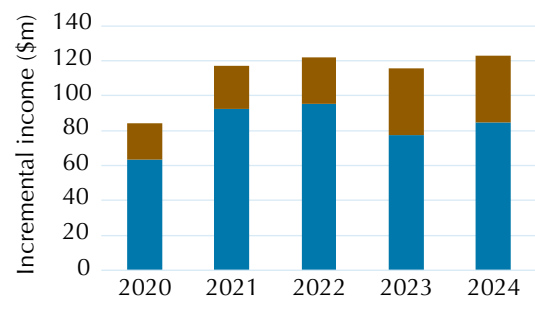
■ Silverlands I ■ Silverlands II/III

## Social Impact

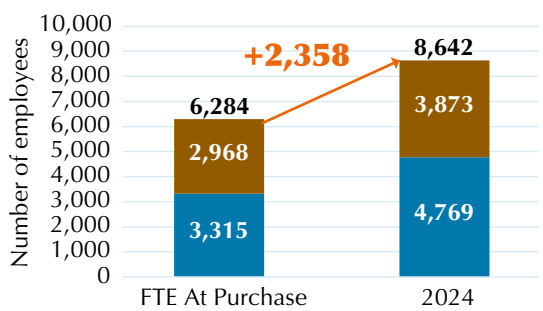
427,000 smallholder farmers benefitting directly



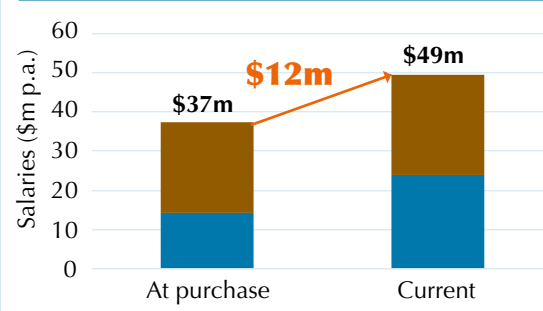
Increased community incomes of \$123m p.a.



2024 Employees FTE



\$49m p.a. annual salaries



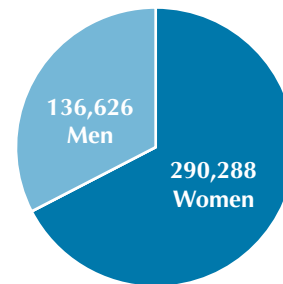
## Natural Capital and Climate Impact

~30,000 ha of indigenous ecosystems protected



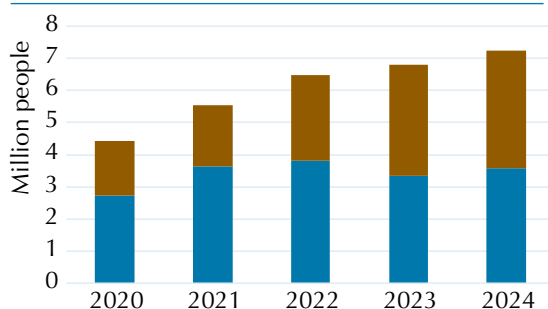
## Gender Impact

68% (290,000) of smallholder farmers are women

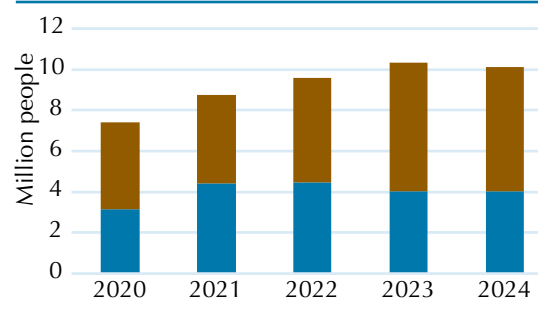


## Nutritional Impact

Annual calories produced can feed 7.3m people



Annual protein produced sufficient for 10.2m people



Impact numbers derived from SilverStreet's impact methodology, and are based on academic research, surveys and data collection from portfolio companies. See detailed discussion in the report.

# 1 WELCOME

## Welcome to our twelfth Annual Impact and ESG Report.

SilverStreet is a UK and Africa-based investor focusing on the African agricultural sector and our investment objective is “To achieve attractive returns for our investors as well as substantial positive social, environmental and climate impacts through our investments.”

### Awards

SilverStreet has been recognised with a number of high-profile awards for its continued efforts in building sustainable and high impact agricultural businesses. As this report shows, our impact focus on smallholder farmers naturally lends itself to multiple positive impacts, including positive outcomes in gender equity, climate resilience, social and environmental impact, and food security. Our awards include Social Fund of the Year, Environmental Fund of the Year, Ethical Investor of the Year, Impact Investor of the Year, Best African Agricultural PE Fund, Emerging Market Investment Company of the Year, Best ESG Investment Fund in the emerging market category and Best Sustainability Reporting. Generating positive impact requires more than a static “buy-and-hold” strategy. It requires launching or developing existing businesses to solve problems in agricultural value chains. As a result, several portfolio companies have in the past been featured in the Financial Times’ annual list of the fastest growing companies in Africa.

### EU SFDR

In March 2021 the EU’s new Sustainable Finance Disclosure Regulation (SFDR) came into force. All EU funds are classified according to the degree to which sustainability is a consideration with “Article 9 / Dark Green” funds having sustainable investing as their core objective, the highest sustainability standard. We are proud that all three of our Funds are classified as Article 9/Dark Green.

### The opportunity for both impact and return

The Sub-Saharan African agricultural sector presents an exciting opportunity for both return and impact. The key to achieving both is to carefully direct investments to “fix” issues in particular agricultural value chains. This unlocks that value chain, raising incomes for smallholder farmers and, depending on the investment, helps prevent further deforestation.

### Impact summary

Our main impact target, smallholder farmers, represents the lowest income sector of Sub-Saharan African economies and achieves crop yields that are about one-third of the global average. By introducing rotation crops, better quality inputs and through extension work, we can double food production, raise incomes, benefit women disproportionately and preserve Sub-Saharan Africa’s natural capital.

To date, our investments have directly created approximately 2,400 quality jobs and generated an enormous multiplier effect. We estimate that 427,000 people have directly benefitted economically, most of whom are smallholder farmers, with women comprising approximately 68% of this group. These farmers have seen their annual incomes rise by around 59%, an extraordinary boost. The food produced across our Funds is enough to provide for approximately 7.3m people for a year. Our annual production of protein is sufficient to cover annual protein requirements for nearly 10.2m people.

### Conclusion

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



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# Awards

Awards	Organisation
<b>Social Fund of the Year 2023</b>	
<b>Environmental Fund of the Year, Africa 2022</b>	Environmental Finance
<b>Best Sustainability Reporting by an Asset or Fund Manager, Medium and Small, 2022</b>	Sustainable Investment Awards
<b>Several portfolio companies listed as Africa's Fastest Growing Companies, 2022 and 2023</b>	Financial Times
<b>ESG Performance Award - Sector Specialist, 2021</b>	CDC/GPCA ESG Awards
<b>Best ESG Investment Fund: Emerging Markets (Private Markets), 2024</b>	The ESG Investing Awards
<b>Ethical Investor of the Year, 2018, 2019, 2020/21</b>	Global Fund Awards, Corporate LiveWire
<b>Emerging Markets Investment Company of the Year, 2020/21/24/25</b>	Global Fund Awards, Corporate LiveWire
<b>Best Impact Investor, UK, 2018</b>	Wealth & Finance International
<b>Best African Agriculture PE Fund, 2018</b>	Wealth & Finance International

# Glossary of Terms

<b>Achill</b>	Achill Island Investments (Proprietary) Limited
<b>CBL</b>	Crookes Brothers Limited
<b>CSI</b>	Corporate Social Investment
<b>EHS</b>	Environmental, Health and Safety
<b>ESAP</b>	Environmental and Social Action Plan
<b>ESG</b>	Environmental, Social, Governance
<b>GHG</b>	Greenhouse Gas
<b>IFC</b>	International Finance Corporation
<b>JV</b>	Joint Venture
<b>MB</b>	Microbial Biomass
<b>NGO</b>	Non-Governmental Organisation
<b>PAI</b>	Principle Adverse Impact
<b>QBV</b>	Quinta da Bela Vista Limitada
<b>Quantum</b>	Quantum Foods Holdings Limited
<b>RIC</b>	Responsible Investment Code
<b>SA</b>	Republic of South Africa
<b>SASL</b>	Silverlands Agriculture Services Limited
<b>SEMS</b>	Social and Environmental Management System
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>Silverlands I</b>	SilverStreet Private Equity Strategies SICAR
<b>Silverlands II/III</b>	Silverlands II SCSp / Silverlands II Co-Investment SCSp
<b>SLIC</b>	Silverlands Livelihoods Improvement Community
<b>SME</b>	Small Medium Enterprise
<b>SNL</b>	Silverlands Ndolela Limited (previously NAPL)
<b>SRL</b>	Silverlands Ranching Limited
<b>STL</b>	Silverlands Tanzania Limited
<b>SVL</b>	Silverlands Vineyards (Proprietary) Limited
<b>SZL</b>	Silverlands Zambia Limited
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>Zamseed</b>	Zambia Seed Company Limited

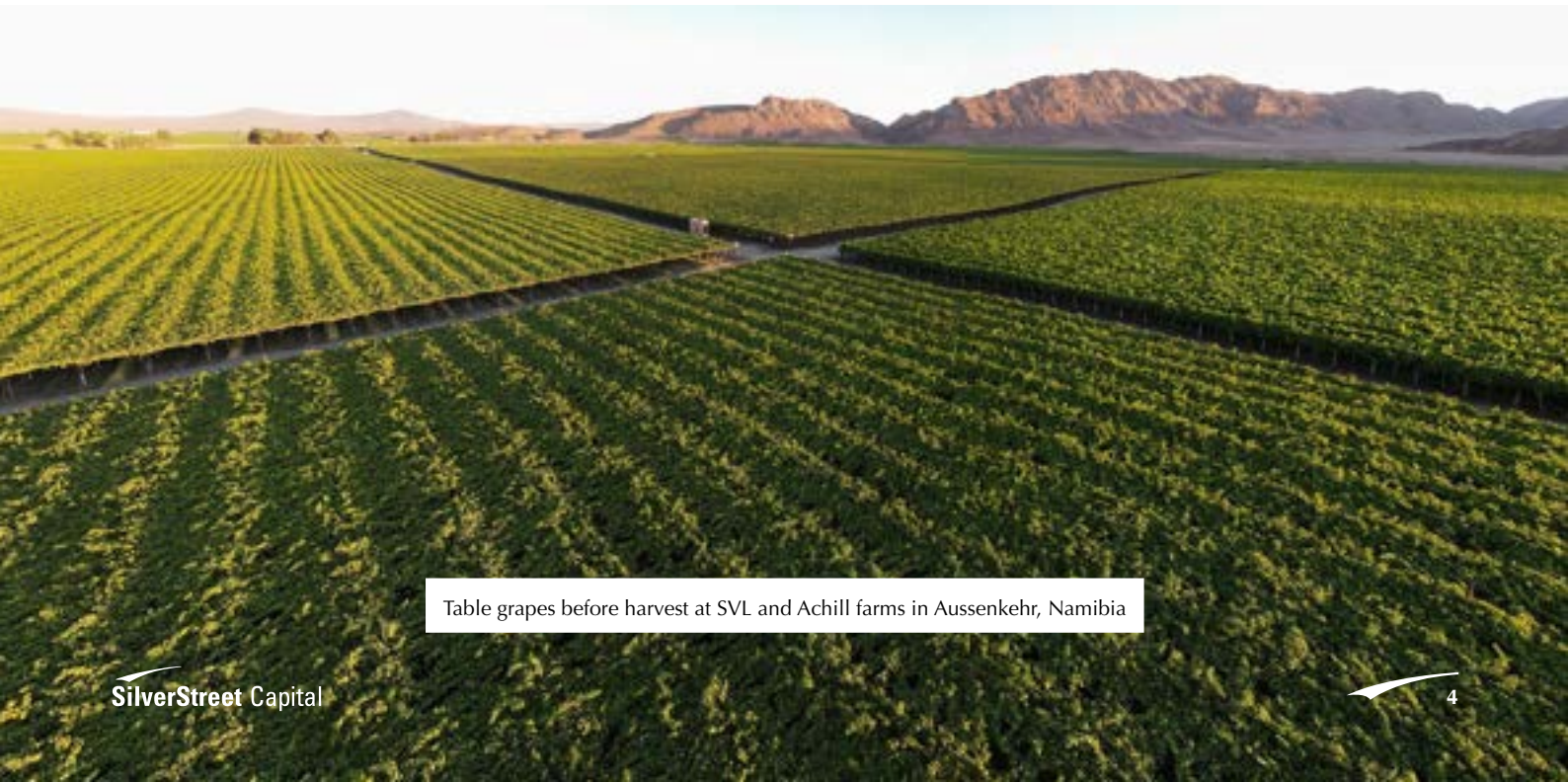


Table grapes before harvest at SVL and Achill farms in Aussenkehr, Namibia

## 2 INTRODUCTION

### 2.1 About this Report

This is our twelfth **Annual Impact and ESG Report**, and covers the period 1 July 2023 to 30 June 2024 for investments in all the Silverlands Funds (Silverlands I, II and III).

Our aim for the report is to provide an update on the Silverlands Funds' impact and to review Environmental, Social and Governance (ESG) compliance. Detailed ESG reports for each portfolio company were shared with investors in the Silverlands Funds in September 2024. For more information, please contact the Head of Impact and ESG on [info@silverstreetcapital.com](mailto:info@silverstreetcapital.com) or visit [www.silverstreetcapital.com](http://www.silverstreetcapital.com).

### 2.2 ESG and Impact Measurement Standards

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

Our ESG Standards	Our Impact Measurement and Reporting Guidelines
SilverStreet's ESG and Impact Policy	SilverStreet's ESG and Impact Policy
SilverStreet's Responsible Investment Code (RIC)	Impact Management Project (IMP)
International Finance Corporation (IFC) Performance Standards	UN Sustainable Development Goals (SDGs)
UN Global Compact	Article 9 EU SFDR

### 2.3 Our Partners

Our work has been facilitated by numerous partners who we would like to thank for their assistance and support. These include:

- The World Poultry Foundation (WFP)
- Caritas
- Catholic Relief Services
- The Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- Foundations for Farming
- Foundations Zambia
- Danida (the Ministry of Foreign Affairs of Denmark)
- The Danish Investment Fund for Developing Countries (IFU)
- Musika Development Initiatives, Zambia
- The Conservation Farming Unit (CFU)
- AgDevCo
- Boston Consulting Group (BCG)
- Technoserve CASA Technical Assistance Facility
- The Bill Gates Foundation (BGF)
- The U.S. International Development Finance Corporation (DFC)
- Multilateral Investment Guarantee Agency (MIGA, a member of the World Bank Group).



## 2.4 EU Sustainable Finance Disclosure Regulations (“SFDR”)

Silverlands Fund I, Silverlands Fund II and Silverlands Fund III are classified as Article 9 (dark green) funds by the European Union’s SFDR. With sustainability as part of the funds’ objectives, Article 9 funds strive for positive impact on both society and the environment. As part of this classification, each fund has reported on its principal adverse impacts (“PAIs”). For more information please visit the sustainability disclosures on our website found here <https://www.silverstreetcapital.com/sustainability-related-disclosures>.

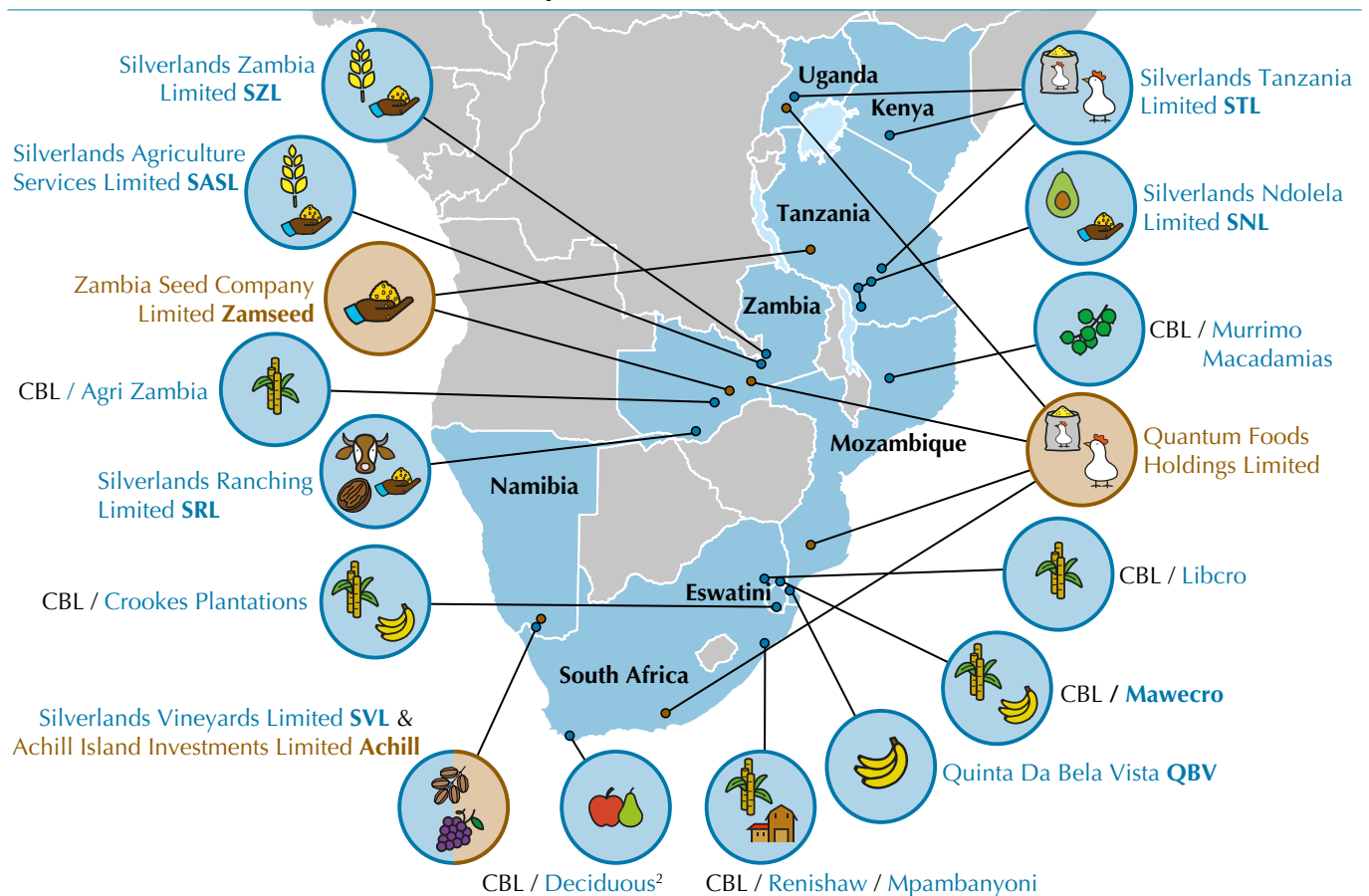
## 2.5 Task Force on Climate-Related Financial Disclosures (TCFD Recommendations)

SilverStreet supports the recommendations made by the TCFD. To support and manage the Silverlands Funds’ climate-related risks and opportunities, we collect and model climate data from our portfolio companies to better understand our carbon footprint. These metrics come hand-in-hand with our targets to achieving net zero carbon emissions by 2040, to align the Paris Agreement. While decarbonising the portfolio is important, we have committed to do so through a ‘Just Transition’<sup>1</sup>. Climate-related risks across our funds are identified through our portfolio company ESG reviews, climate modelling and ESG monitoring. Risks and mitigation strategies are communicated to portfolio companies through their respective ESG representatives and boards. To find more about our commitment, please refer to our Climate Change Policy on our website: <https://www.silverstreetcapital.com/policies>.

## 2.6 Silverlands Funds’ Portfolio Companies

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

Location of Silverlands I, Silverlands II/III companies across Southern and East Africa



<sup>1</sup>According to the International Labour Organisation, Just Transition refers to a framework for a fair shift to an economy that is ecologically sustainable, equitable and just for all its members.

<sup>2</sup>CBL / Deciduous company sold in December 2023.

## 3 IMPACT STRATEGY





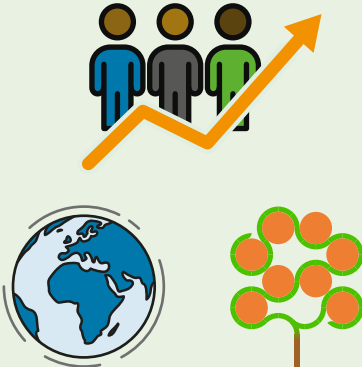
### Our Objective



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

### 3.1 Theory of Change

To create an impact, one needs firstly to identify the key issues to be solved and then, the solutions to these issues. One is trying to answer the question “where to allocate capital to achieve both impact and return?”.

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

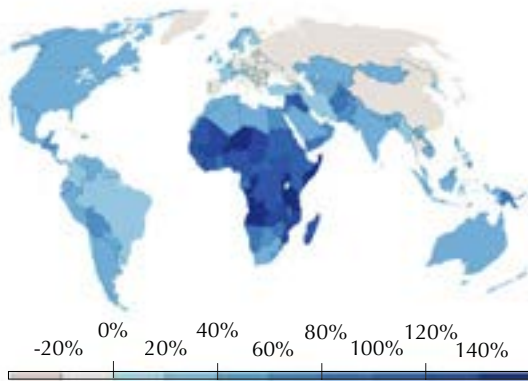
### 3.2 Challenges in Sub-Saharan Africa

#### Population growth

Sub-Saharan Africa has a population of 1.3 billion people and this is forecast to rise to 2.2 billion by 2050 in size.

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

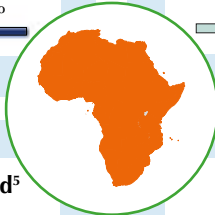
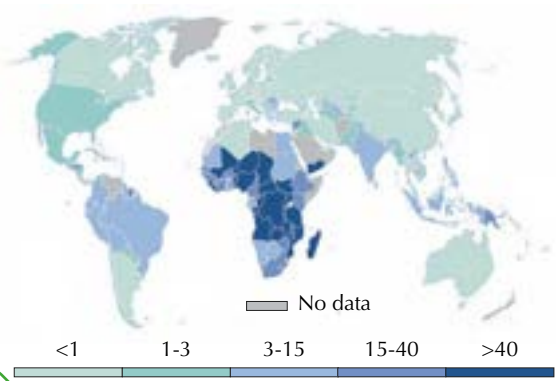
Forecast change in population, 2023 to 2050 (%)<sup>3</sup>



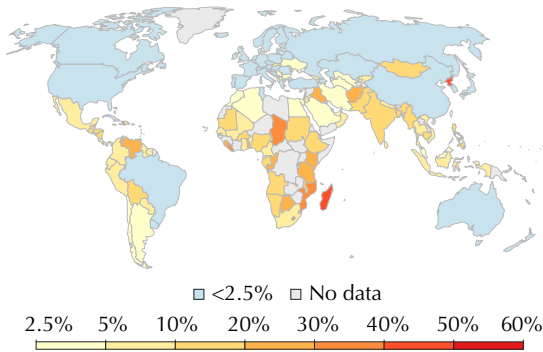
#### High poverty levels

Poverty levels in Sub-Saharan Africa are much higher than the rest of the world. Smallholder farmers, who represent ~60% of the population, are amongst the lowest income group. Many Sub-Saharan African countries have 15% or more of their population above the poverty line (see graph below).

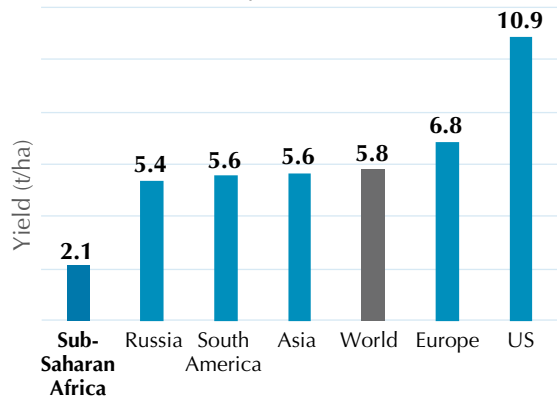
% Below poverty line of \$1,90/day (~\$700/year)<sup>4</sup>



Share of the population that are undernourished<sup>5</sup>



Maize yields (t/ha)<sup>6</sup>



#### Food insecurity

Up to 60% of the population is undernourished, with the highest rates in many parts of Sub-Saharan Africa, particularly in protein. 80% of food is produced by smallholder farmers.

#### Poor productivity and crop yields

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

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

<sup>3</sup>World Bank population estimates and projections 2023 to 2050 (2025).

<sup>4</sup>World Bank (2024); Map: [Poverty and Shared Prosperity 2024](#).

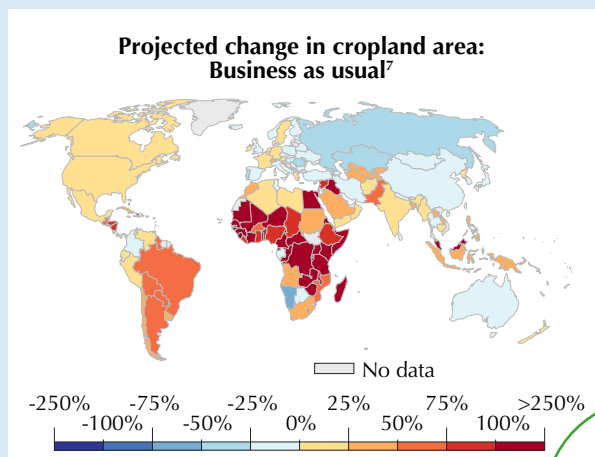
<sup>5</sup>UN Food and Agriculture Organization (2018-2022); [Map: Hunger and Undernourishment \(Our World in Data\)](#).

<sup>6</sup>UN Food and Agriculture Organization (2022); Maize yields average 2018-2022 in different regions.

### 3.3 Climate and Natural Capital Challenge: Why We Focus on Productivity

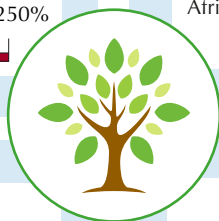
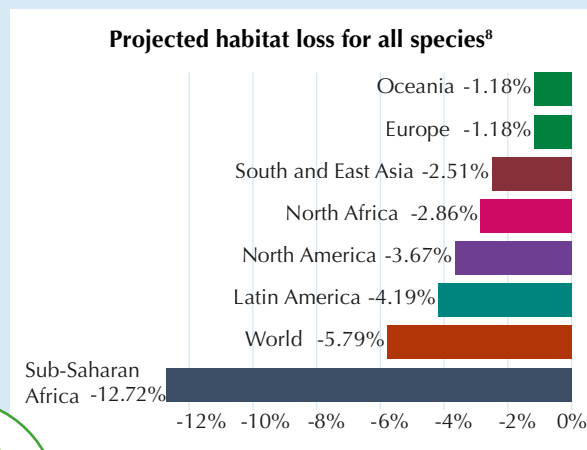
#### Under current trends ... Vast deforestation will occur in Sub-Saharan Africa

Under current production and yield trends, to feed Sub-Saharan Africa's increasing population, vast areas of woodland are expected to be deforested by 2050. Dark red shading implies an expected doubling in farmland in that country by 2050.

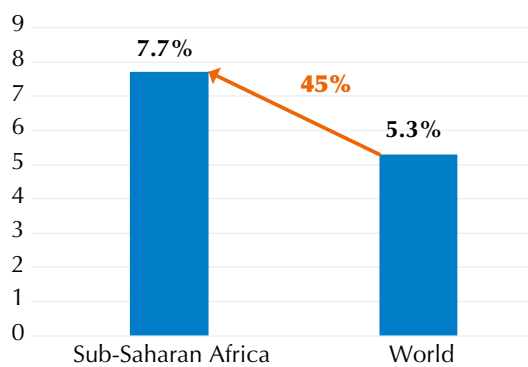


#### By 2050 ... Substantial habitat loss in Sub-Saharan Africa

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



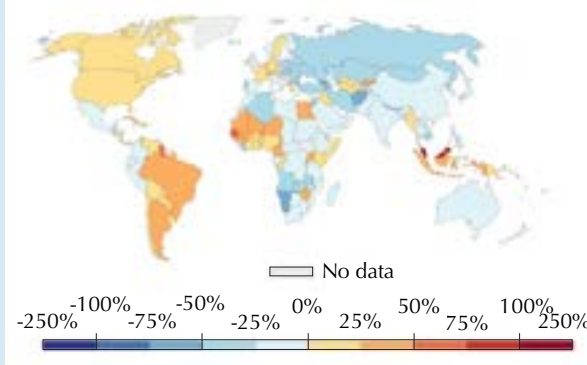
#### Post harvest losses (Maize)<sup>9</sup>



#### Sub-Saharan Africa maize post-harvest loss vs global average

Maize post-harvest losses in Sub-Saharan Africa are 45% above the global average. Most Sub-Saharan Africa maize post-harvest losses result from poor storage, as high moisture levels can make it prone to aflatoxin without proper drying and storage.

#### Projected change in cropland area if yields increase<sup>10</sup>



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

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

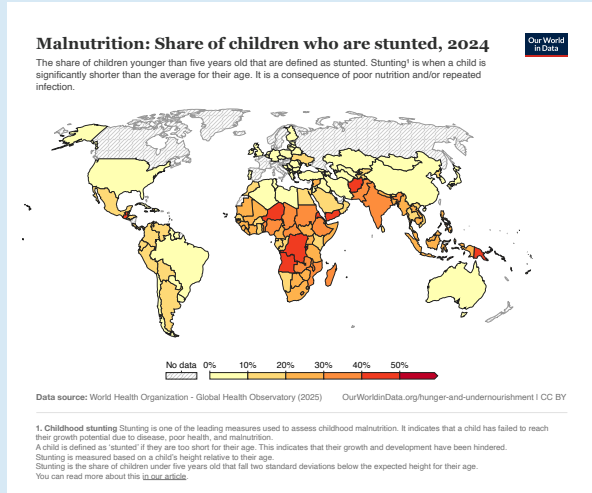
Our strategy to improve productivity and increase yields for smallholder farmers can protect this natural capital and support the population's food requirement.

<sup>7, 8, 10</sup>Williams, et al (2021); **To protect the world's wildlife we must improve crop yields - especially across Africa (Our World in Data).**

<sup>9</sup>FAOSTAT (Average 2018-2022)

### Share of children that experience stunted growth<sup>11</sup>

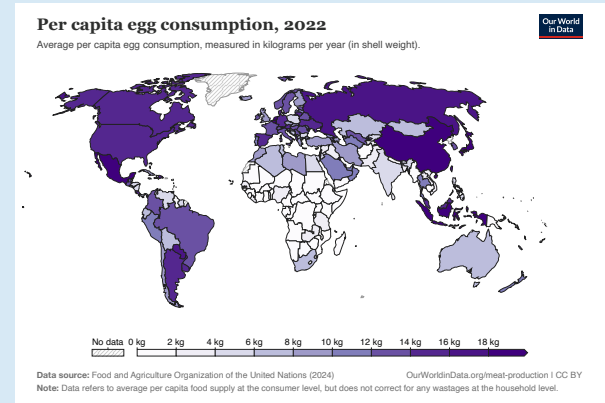
Sub-Saharan Africa has some of the highest rates of stunted growth among children, with ~18 countries having 20% or more children experiencing stunted growth.



### Per capita egg consumption<sup>12</sup>

Current intake of average eggs per capita consumed in Sub-Saharan Africa outside of South Africa is around 1.7kg, far below the global average of 10.4kg per capita.

Solutions for the challenges of malnourishment and stunted growth are to increase protein intake, with eggs providing an affordable solution.



<sup>11</sup>Institute for Health Metrics and Evaluation (2022).

<sup>12</sup>UN Food and Agriculture Organization (2024) looking at an average across Sub-Saharan Africa excluding South Africa between 2018-2022.

Eggs and poultry represent the lowest cost source of animal protein.  
 Child holding a Sasso bird at one of our distribution centres in Tanzania



### 3.4 Our Solutions: Increasing Productivity Where it Matters Most

#### Focus on smallholder farmers

Smallholder farmers in Sub-Saharan Africa are:

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

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

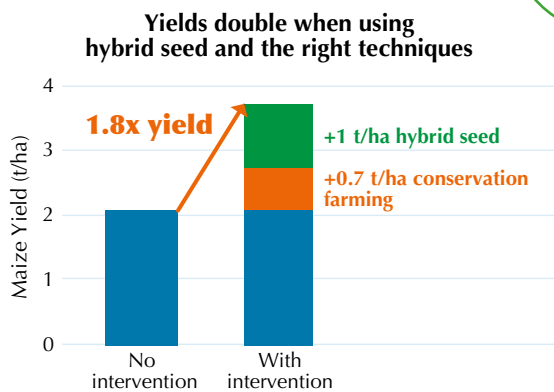
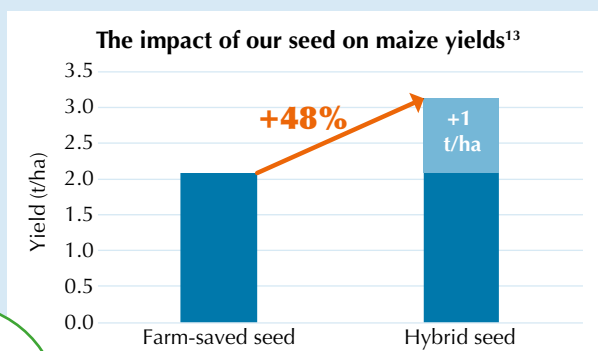
- Increased incomes
- Reduced deforestation
- Increased food security
- Particular benefit for women.



#### Increase access to improved inputs

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

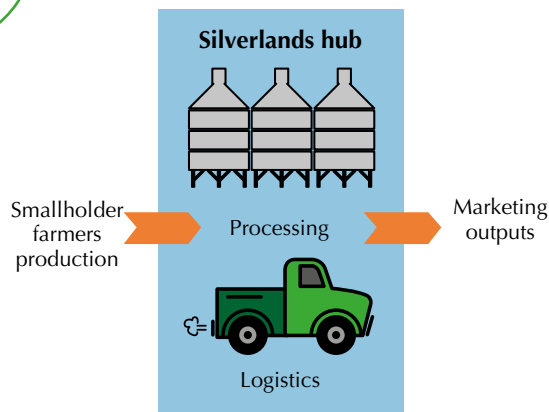
Providing hybrid seed that is adapted to local conditions, for example, has an enormous multiplier effect. Academic research suggests planting hybrid seed produced ~60% greater yields than those using farm-saved seed.



#### Improve on-farm management techniques

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

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



#### Provide a market for high value crops

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

<sup>13</sup>SilverStreet analysis (2019-2020). Additional one tonne per hectare from hybrid seed concluded after analysis of published research across 13 academic studies which looked into impact of smallholder farmers growing local varieties of maize seed compared with hybrid seed. Examples include Alene and Hassan (2006), Ahmet et al (2017) and Zeng et al. (2015).

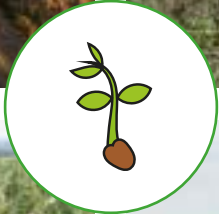
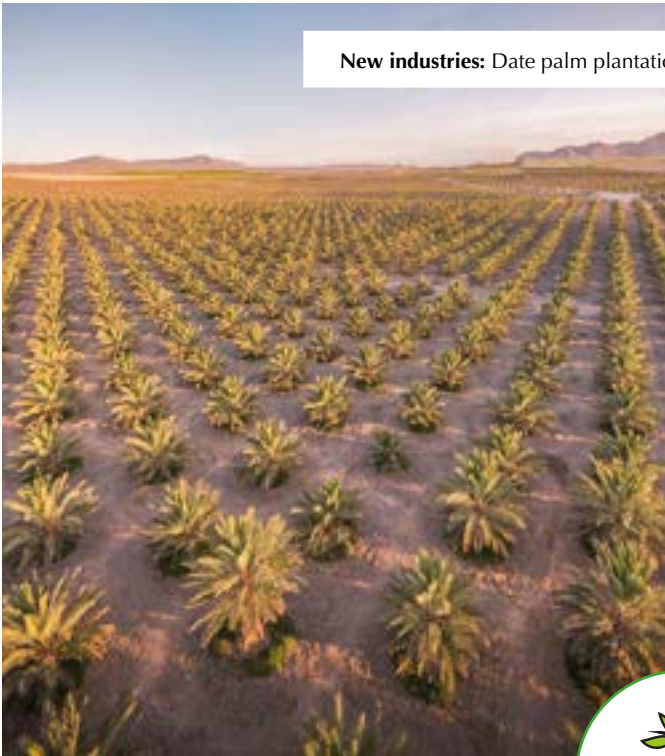
### 3.5 Developing New Industries and Partnering with Communities

We are growing plantation crops that are often the first of their kind in the country. Spearheading these new industries will open doors for others. This creates jobs, foreign currency generation and tax revenues.

To enable skills and investment to grow plantation crops, on some farms we partner with communities using a joint venture model. Profits are split between the community and the portfolio company.

The JVs provide incomes to 2,785 beneficiaries. The combined average profit earned by the three JVs over the last three years is \$2.17m per annum, or \$780 per community beneficiary.

**New industries:** Date palm plantation, Namibia; Pecan plantation, Zambia



**Partnering with communities:** Mawecro joint venture, South Africa; Libcro joint venture, South Africa

### 3.6 Operating Responsibly and Creating Impact at our Operations



#### Conserving habitats & managing our environment

At our operations, we protect ~30,000 ha of natural eco-system in the non-cropping areas, that protects biodiversity and prevents emissions.

We also implement the highest environmental standards to:

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



#### Quality jobs

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

The Silverlands Funds directly employ 8,600 people who earn salaries totalling \$49 million per annum.



#### Gender

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

The main beneficiaries are employees and smallholder farmers. Of the 427,000 people who are benefiting directly through increased incomes, 68% (290,000) are women.

At our operations, a variety of gender focused initiatives ensure that women are empowered to fully participate in the workplace.



#### ESG management

We integrate our ESG standards throughout the investment cycle and support portfolio companies closely. All our operations commit to our standards, which include the IFC Performance Standards, UN Global Compact and our own Responsible Investment Code.

To support implementation on the ground all operations have dedicated ESG personnel and controlled investments report regularly on ESG topics.

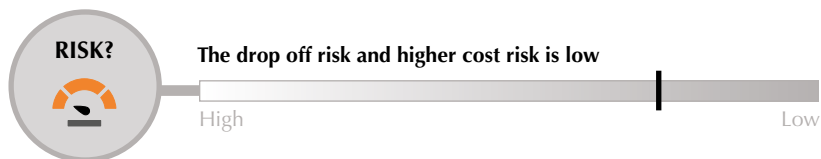
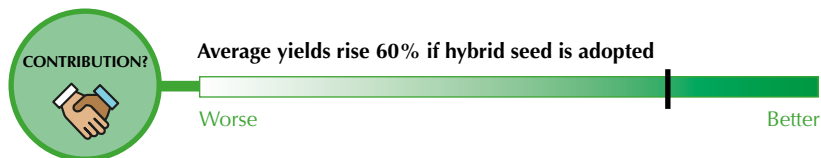
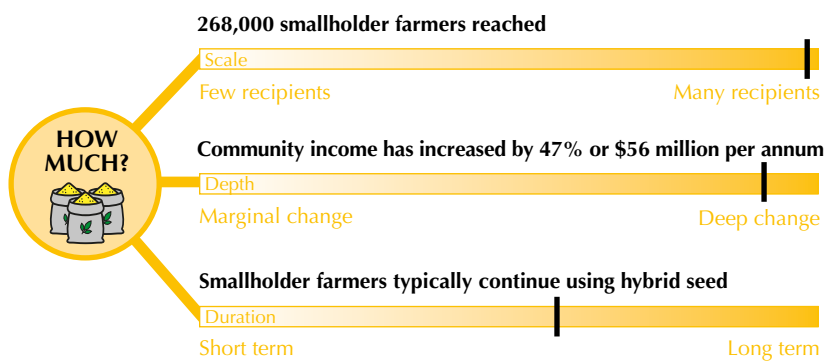
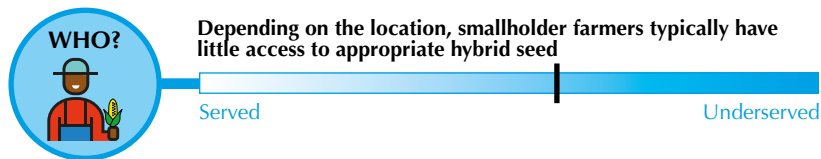
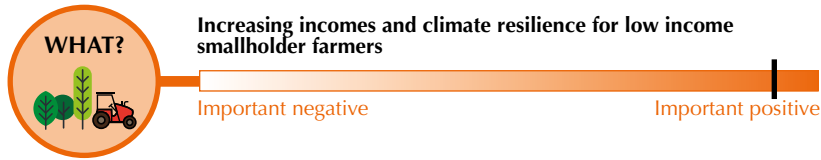
The performance of our portfolio companies has been assessed against the IFC Performance Standards and scored against our Responsible Investment Code for 12 years.



Selous Farm, Silverlands Ndolela,  
Tanzania, Seed Potatoes

# 4 SEED SECTOR

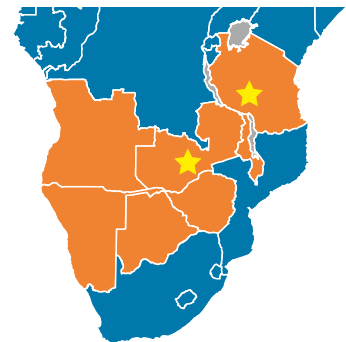
## Creating a Positive Impact in the Seed Sector



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

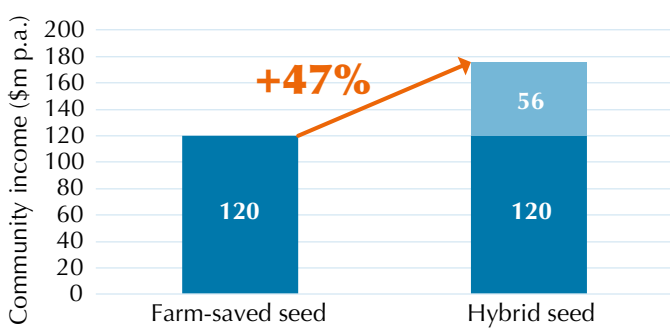


Six projects in two countries with seed sold regionally

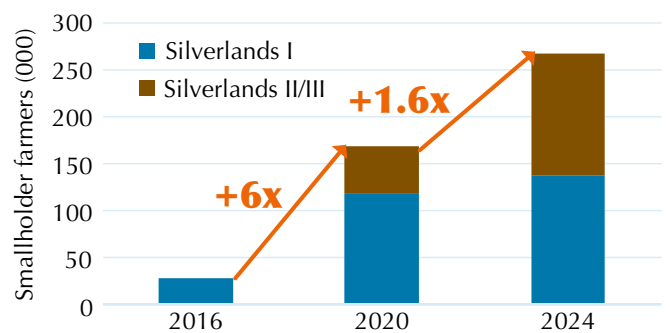


### How Much?

Incomes have risen by \$56m p.a.



Across 268,000 smallholder farmers



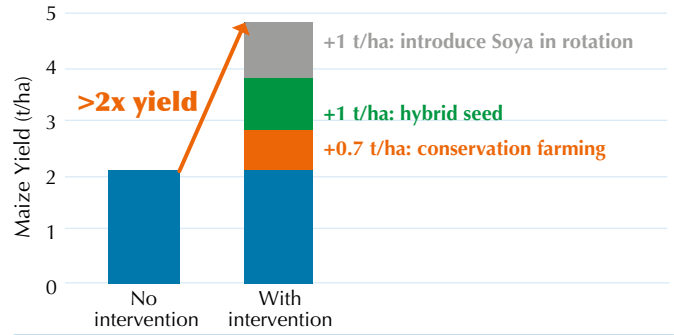
**Challenge**

High population growth and low yields have resulted in high levels of food insecurity and poverty, and in negative environmental and climate impacts. Under current production and yield trends, to feed Sub-Saharan Africa’s increasing population, vast areas of woodland are expected to be deforested by 2050. By raising yields on already cultivated land, this deforestation can be reduced or prevented.

**Solution**

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

**Yields double when using hybrid seed and the right techniques**



**Protecting biodiversity, reducing deforestation and carbon emissions**

By increasing yields on already cultivated land, hybrid seed saves land from being cleared. Based on our seed sales, growing the same amount of produce using farm-saved seed would, we estimate, require 218,000 ha of additional land.

**Developing improved seed varieties**

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

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

**Hybrid seed: Developing new and better seed**

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

Seed maize with male-female split of 2:8, with two male lines then eight female lines to maximise pollination



# Case Study - Zamseed

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

## Introduction:

Established in 1980, with headquarters in Lusaka, Zambia, Silverlands II made its first investment in Zamseed in 2018 with the aim of growing the business into a regional seed champion with significant social and environmental benefits. Silverlands II/III own ~90% of Zamseed.

We were attracted to Zamseed because its seed products have been developed with smallholder farmers in mind. and they perform very well in independent trials.



## □ What?

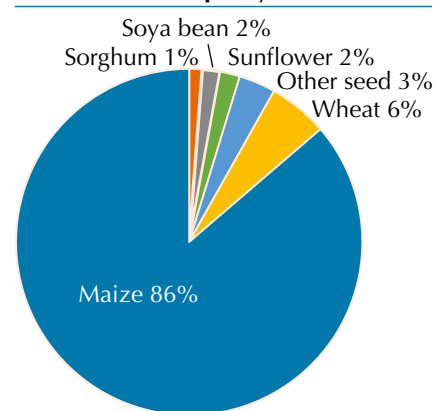
Zamseed benefits from exclusive rights to its own high-quality hybrid seed varieties that are specially bred by its inhouse research team to perform on smallholder farms across Sub-Saharan Africa.

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

## Products

Zamseed now sells 14 hybrid maize varieties. This includes varieties specifically developed with high nutritional content and with climate change mitigation qualities, such as drought tolerance and growing season times. Unlike other seed companies, Zamseed has a wider range of other products to support smallholder farmer choice and diversification, including soya beans, sorghum, sunflower, cow peas, groundnuts, pigeon peas, upland rice seeds and a variety of vegetable seeds. Maize underpins farmers' incomes and livelihoods and forms most (86%) of Zamseed's revenues. The goal is to build a broad seed product range to address a wide variety of climate zones and to help farmers diversify across different crops.

Zamseed sales split by volume 2024





### Research and development

Research and development is core to Zamseed, led by two of the top plant breeders in Africa: Dr. Bhola Verma and Dr. Amsal Tesfaye, guided by a committee of experts. In 2020, Dr. Amsal Tesfaye was recognised as one of the 20 most influential plant breeders in Africa by SAPBA, an association of his peers. Dr Verma has been with Zamseed since it privatised in the early 1980's and is an expert in seed-maize and seed-sorghum in particular. Zamseed breeds and develops new varieties on its research farm near Lusaka. These varieties are tested under as many farming techniques and conditions as possible across Sub-Saharan Africa.





Zamseed has developed a fall army worm tolerant variety ...



... which performs brilliantly compared to a regular variety

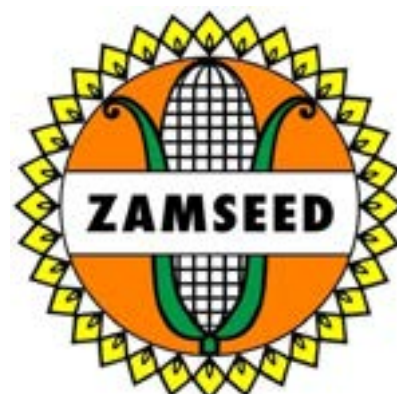
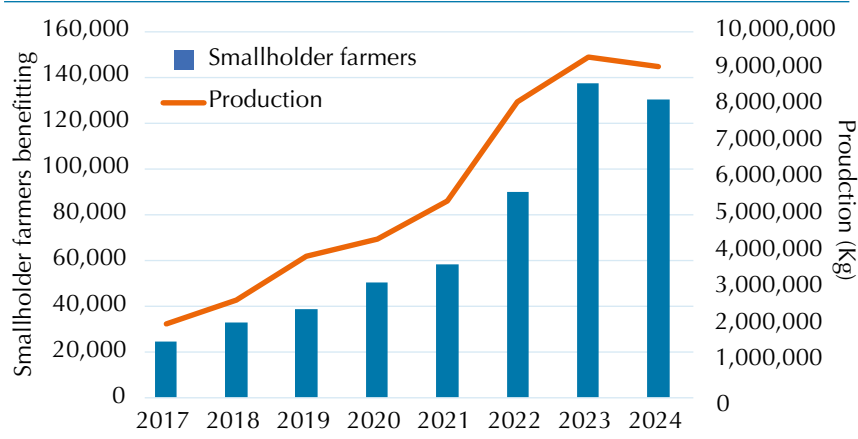
The above photos show trials of Zamseed’s Fall-Army-Worm tolerant variety (left) compared with a market competitor’s standard variety.

## Who?

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

Zamseed’s impact is directly linked to its production – as production increases so do the number of smallholder farmers benefitting.

**Zamseed: Production linked to impact**



**Linking smallholder farmers to seeds: Demo plots**

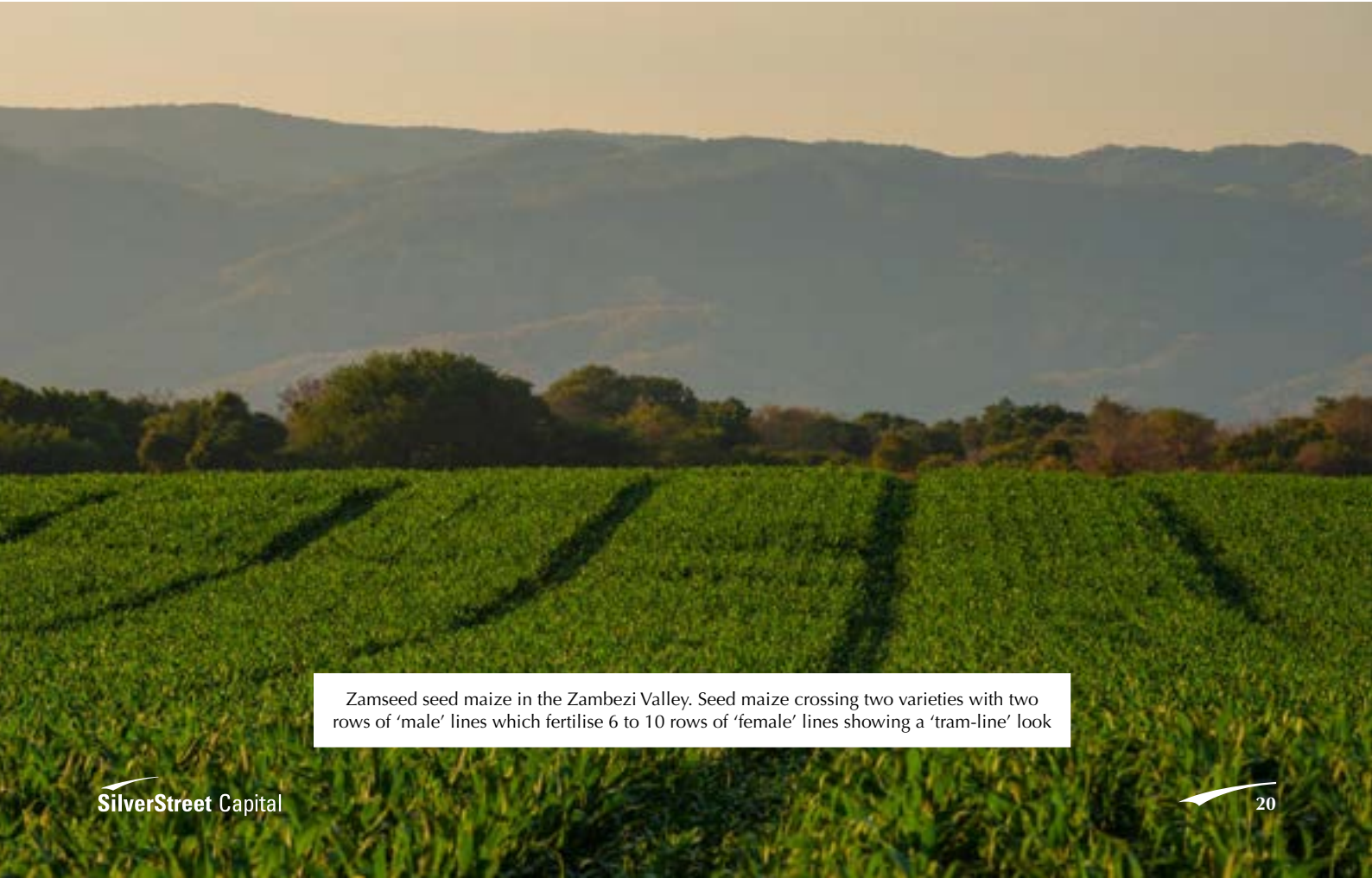
Using a network of demonstration plots and extension officers, Zamseed ensures information on its seed reaches the farmers that need it. Demonstration plots allow local communities to see first-hand how the varieties perform in their location.

Zamseed’s strategy, together with our training partners, is to train extension officers in both crop variety selection and conservation agriculture methods. Both aspects are important so that smallholder farmers use the right crop for the right climatic conditions, and improve productivity in a sustainable way that does the least harm to the environment. See more in Section 5 of this report.

This year in Zambia, Zamseed had 30 Farmer Training Centres across the country, training 450 lead farmers, of which 32% (146) were women. 295 demonstration plots were planted, 36% (107) by women. We expect this to grow throughout Zamseed’s other main markets in Tanzania and Zimbabwe.

**Zamseed Lead Farmer Training Centres and Demonstration Plots in Zambia**

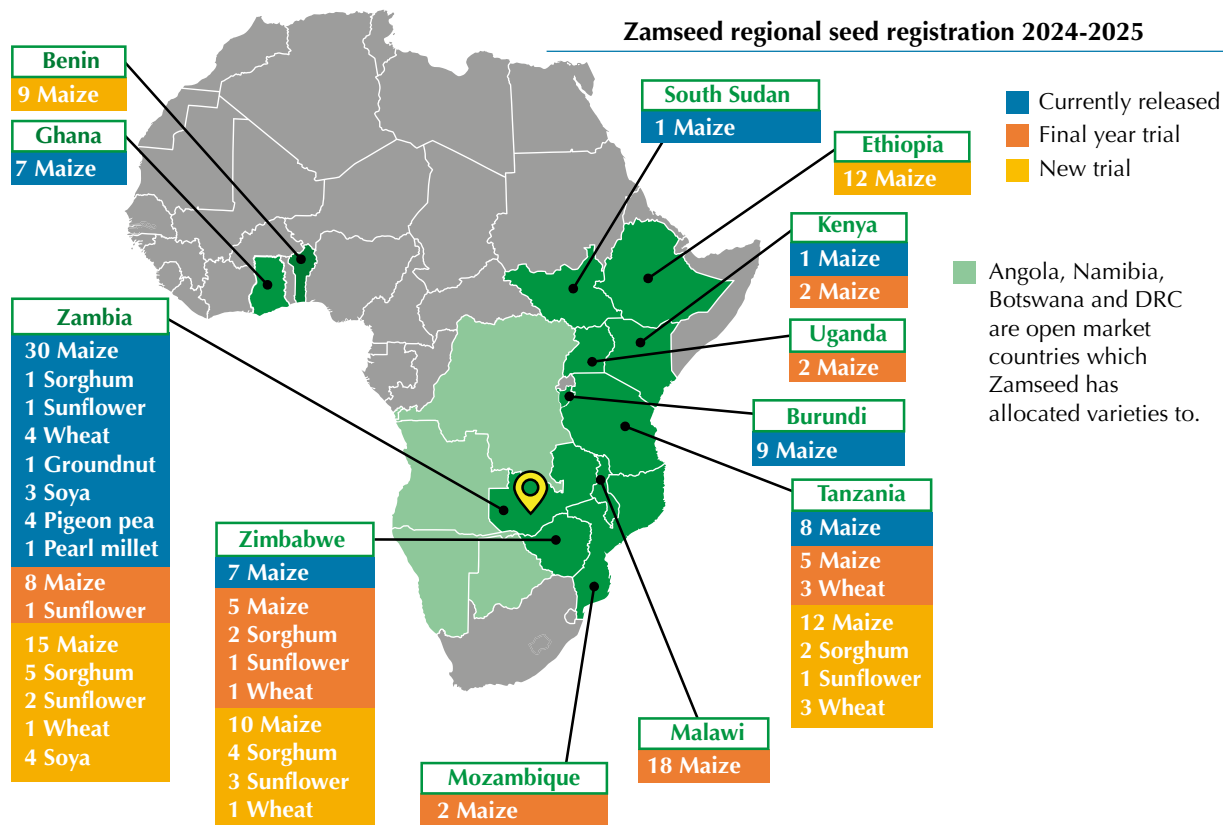
Region	No. Of FTCs	Lead Farmers Trained		Demo Packs Distributed	Planted Demos	
		Males	Females		Males	Females
Southern	5	52	23	51	32	18
Northern	8	79	41	82	51	31
Copperbelt	6	64	26	60	40	18
Lusaka	5	48	27	50	30	20
Eastern	6	61	29	55	35	20
<b>Totals</b>	<b>30</b>	<b>304</b>	<b>146</b>	<b>298</b>	<b>188</b>	<b>107</b>



Zamseed seed maize in the Zambezi Valley. Seed maize crossing two varieties with two rows of ‘male’ lines which fertilise 6 to 10 rows of ‘female’ lines showing a ‘tram-line’ look

### Regional expansion

Zamseed has undertaken a regional seed registration process across multiple countries in Sub-Saharan Africa. By trialling varieties in countries that are included in regional seed harmonisation laws, Zamseed is registering a wide range of varieties efficiently across the region. This year there are 84 individual seed variety trials underway as part of the registration process.



Seed is processed and packaged at the Zamseed processing plant in Lusaka, Zambia, before distribution

## How Much?

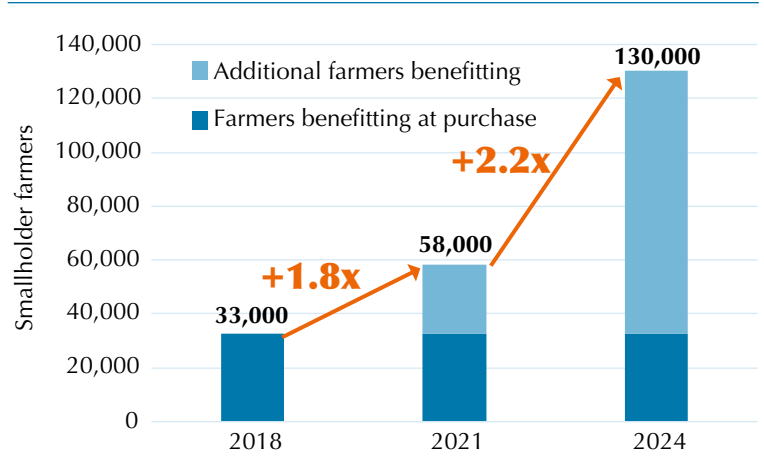
### How many?

- Zamseed’s seed sales have increased 28% per annum since Silverlands II first invested.
- 130,000 smallholder farmers now benefit economically directly from Zamseed’s improved seed.
- Zamseed represents a substantial opportunity for out-sized impact. If the company can meet sales targets, then by 2033, it is forecast that ~550,000 smallholder farmers will benefit economically representing a substantial opportunity.

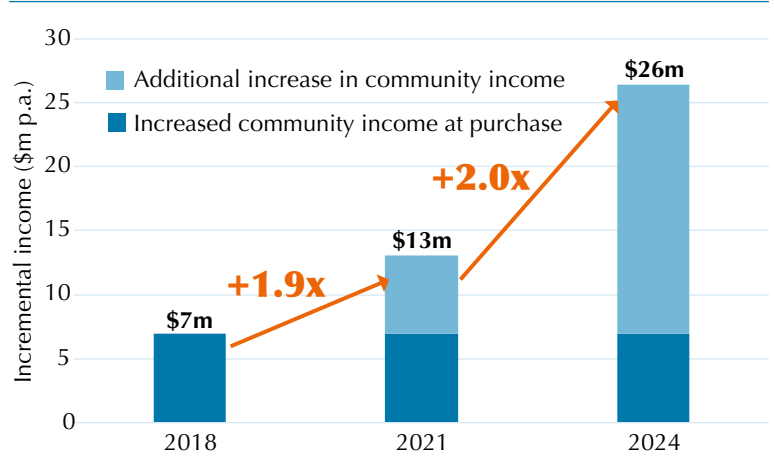
### By how much?

- Smallholder farmers typically earn \$203 more per annum when using Zamseed’s seed, leading to a potential 45% increase in income.
- In 2024, Zamseed increased total community income by \$26 million per annum.
- By 2033 if the management team can execute as planned, communities are projected to earn an additional \$115 million per annum as a result of Zamseed’s operations.

Increase in people benefitting directly



Increase in community income per annum



Smallholder farmers with their hybrid seed sold by Zamseed. These demonstration packs meet the requirements for the typical one hectare planted by smallholder farmers

## + Contribution

Smallholder farmers in Sub-Saharan Africa are comparatively underserved by improved seed producers in both access and suitability of varieties. In Sub-Saharan Africa, only 36.5% of cultivated area was planted with hybrid seed. Some countries have much lower adoption rates, such as Angola where only 4.1% of cultivated area is planted with hybrid seed<sup>14</sup>. Of the hybrid seed available, few companies have germplasm bred to perform under typical smallholder farm conditions that can contribute to solving challenges experienced by smallholder farmers, such as:

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

## △ Risk

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

The risk of farmers unsustainably raising their costs is mitigated by focusing on varieties that perform well under smallholder conditions such as requiring appropriate fertiliser levels and educating farmers on how to ensure they achieve the best results.

## Other Seed Projects

### Producing hybrid seed in Tanzania and Zambia

Silverlands I is now the largest producer of improved seed in Tanzania, a country whose adoption rates for hybrid seed are very low. In total, Silverlands I produces 11,800 tonnes of improved seed which is planted on 180,000 ha by 138,000 smallholder farmers. With increased yields from growing higher-yielding seed produced by Silverlands I, we estimate that each farmer's profits should increase by 47% annually. This yield improvement is expected to increase incomes of smallholder farmers by \$31 million this year, and this should be a sustainable and ongoing income improvement for these smallholder farmers.



<sup>14</sup>Abate (2017)

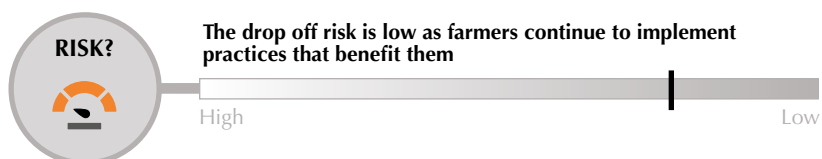
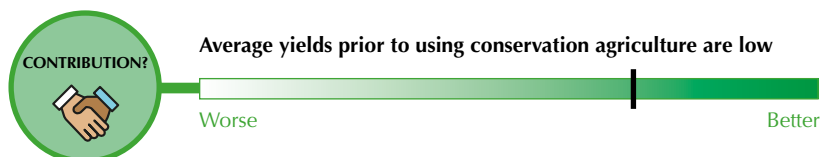
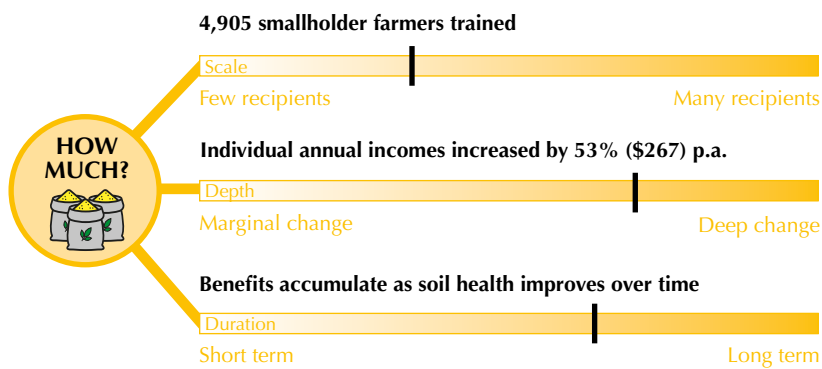
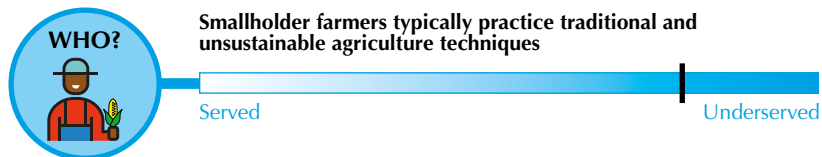
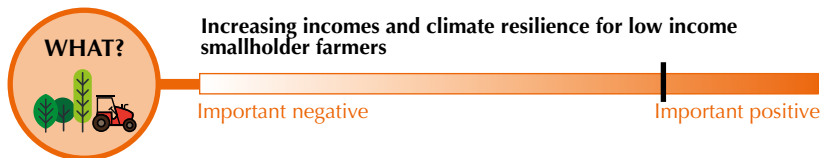


**Silverlands Ranching: introducing sunflowers during amid drought conditions in Southern Zambia**

In response to drought conditions in Southern Zambia, Silverlands Ranching strategically introduced sunflower seeds into its crop rotation planting 73 ha in 2024. Sunflowers are notably more drought resistant than seed maize, requiring less water but delivering reliable yields. The crop will be used for animal feed and oil. Sunflowers also offer sustainability benefits, enhancing water infiltration into soil, reducing erosion. Sunflowers also attract pollinators supporting local biodiversity.

# 5 TECHNICAL SUPPORT

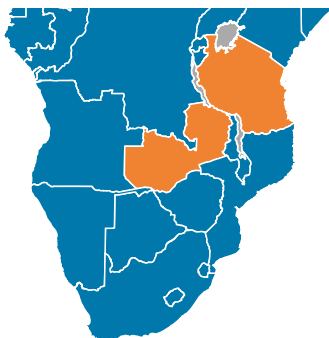
## Creating a Positive Impact through Technical Support




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



4,905 farmers trained across two countries



### How Much?

	Number of smallholder farmers trained	Income improvement % (\$ p.a.)
Grains farmers	3,205	33% (\$166 p.a.)
Poultry farmers	1,700	92% (\$458 p.a.)
<b>Total</b>	<b>4,905</b>	<b>53% (\$267 p.a.)</b>

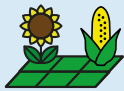






**Challenge**

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

**Solution**

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

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

# Case Study - Conservation Farming

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

**Introduction**

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

## □ What?

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

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

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



**Demonstrating how yields are impacted by planting time: All photos taken on 2nd February.**



<b>Maize Planting Date</b>	<b>16 Nov</b>	<b>25 Nov</b>	<b>4 Dec</b>	<b>15 Dec</b>	<b>24 Dec</b>
Yields (t/ha)	9	8.3	7.3	6.5	3.4
<b>Soya Planting Date</b>	<b>25 Nov</b>	<b>5 Dec</b>	<b>18 Dec</b>	<b>29 Dec</b>	<b>4 Jan</b>
Yields (t/ha)	4.2	4	3.7	3.5	3.1

## ○ Who?

### 1 Southern Zambia: Smallholder farmers at Silverlands Ranching

Silverlands Ranching has built a close relationship with the nearby smallholder grains farmers through regular interaction and training. As the region is prone to drought, training has focused on conservation farming methods that can increase moisture retention and the cultivation of drought resistant varieties to reduce the negative effects of climate volatility.

In 2022, Silverlands Ranching started following the NGO, Foundations for Farming's, conservation farming method. During 2023, ten Silverlands extension officers and 20 lead farmers provided training to over 250 smallholder farmers in conservation agriculture. Towards the end of 2023, these extension officers and training were transferred to Zamseed which is rolling out country-wide training (see below).

Silverlands Ranching has focused its efforts on training and services for smallholder cattle farmers through the highly successful Silverlands Livestock Improvement Community Programme (SLIC). A baseline study completed by SilverStreet in 2014 found that mortality rates among community cattle were high and calving rates low due to tick-borne diseases. In response to this, Silverlands Ranching implemented SLIC which upkeeps or develops dipping facilities to combat tick-borne diseases, and provides technical support to community farmers to improve herd health.

The communities' involvement and buy-in is an integral part of SLIC's sustainability. Each dip station is managed by a community committee, and the community provides labour to renovate and maintain the stations. Silverlands Ranching subsidises the stations such that the community need only pay a nominal fee per animal dipped (ZMK 2 or \$0.07 / animal). The response from the communities has surpassed all expectations. From the initial two dip stations in 2014, ongoing engagement from new communities has led to 28 dipping stations now being operational. The resulting impact is inspiring. Over 1,500 farmers benefit from the programme and 28,700 cattle were dipped in 2024 alone.

### 2 Central Zambia: conservation farming training at Silverlands Agricultural Services and Silverlands Zambia

In Central Zambia, Silverlands' two grains farms – SASL and SZL – are surrounded by communal lands where there is significant smallholder agriculture. These farms work with Foundations for Farming, with its Chengelo training hub located near SASL, to train smallholder grain farmers in conservation agriculture techniques such as zero-tillage, crop rotation and mulching. Demonstration plots are run on the Silverlands farms and by community groups in surrounding areas, with 198 people attending training across 35 demonstration plots. In addition to regular conservation agriculture training, farmers are now also taught about tree planting, with a focus on fruit trees for consumption.

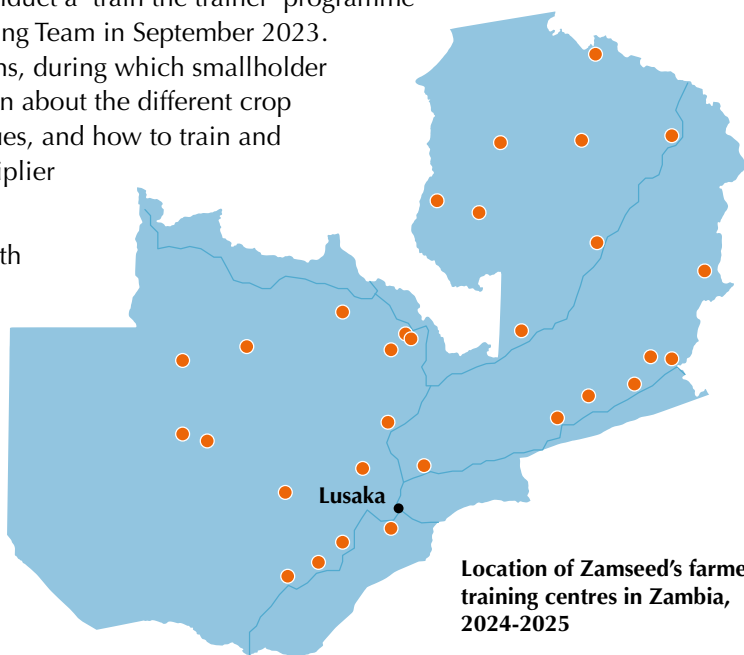
The best groups are getting yields of 2-3 t/ha for soya and 6 t/ha for maize. These yields are a huge improvement on average smallholder yields (e.g., typically 1.5-2 t/ha for maize) and demonstrate the improvements that implementing conservation agriculture can have in just a couple of years.



### 3 Zambia: Zamseed working with Farmer Training Centres across the country

Zamseed engaged Foundations for Farming to conduct a ‘train the trainer’ programme with 20 members of Zamseed’s Sales and Marketing Team in September 2023. Zamseed also conducts Field Days at its operations, during which smallholder farmers will visit one of Zamseed’s farms and learn about the different crop varieties, optimum conservation farming techniques, and how to train and engage other smallholders, thus achieving a multiplier effect in impact terms.

To date, Zamseed has established connections with 30 Farmer Training Centres (FTCs) across the five regions of Zambia, a doubling since the last reporting year alone. Zamseed’s Sales and Marketing Team have identified and trained a total of 450 lead farmers in the areas around the FTCs, 146 of which are women. Each farmer has planted a demonstration plot comprising different varieties of Zamseed products, including several types of maize, cow peas, pigeon peas, soya beans, beans, sorghum and sunflower.



Farmers field day



Demonstration plots to illustrate conservation methods

Zamseed has established connections with 30 Farmer Training Centres where small holder farmers are trained in the Foundations for Farming conservation agriculture methods. A total of 450 lead farmers have been trained across the country.



Zamseed field day training at Chiawa, Central Zambia

## How Much?

Project	Crops	Number of demonstration plots	Number of farmers accessing training
Zambia Grains Farms	Maize, soya, groundnuts	35	198
Silverlands Ranching	Maize, sunflower, sorghum	7	4
Silverlands Ndolela	Potatoes	21	53
Zamseed	Maize, sunflower, sorghum, various legumes	295	2,950
<b>Total</b>		<b>358</b>	<b>3,205</b>

### How many?

- ~ 3,200 smallholder grains farmers were trained by Silverlands projects in 2024. It is expected that we will achieve a multiplied effect locally as these farmers pass their knowledge on.

### How how much?

- Smallholder farmers typically earn 30%+ (\$170) more per annum after adopting conservation agricultural techniques.

## + Contribution

In the areas we operate, smallholder farmers have typically received limited agricultural training and continue to practice inefficient and damaging techniques. By partnering with local experts, Silverlands has provided relevant and accessible training in multiple ways. The focus on lead farmers allowed a multiplied effect as their strong performance can be emulated by their neighbours through knowledge transfer.

## △ Risk

Alignment risk – medium: SilverStreet is considering how best to ramp up the scale of the training given its central importance to raising yields and reducing deforestation.

## Case Study - Poultry Training

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

- 1 The Silverlands **Poultry Training Centre** was built to provide in-depth training to farmers. Poultry farmers attend courses and receive accreditation.
- 2 Silverlands' team of **36 salespeople, all trained** to provide advice during home-visits across Tanzania.
- 3 **Online support** via the Silverlands' Facebook page with 29,000 followers (of which 53% are aged 34 or younger) and Silverlands' HelpDesk – an online platform to support farmers, who can ask questions via a helpline, email, webpage and a mobile app.



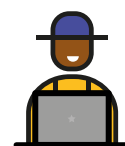
Farmers receive training both in the classroom and the poultry houses



Over **1,700** farmers trained at Silverlands' Poultry Training Centre.

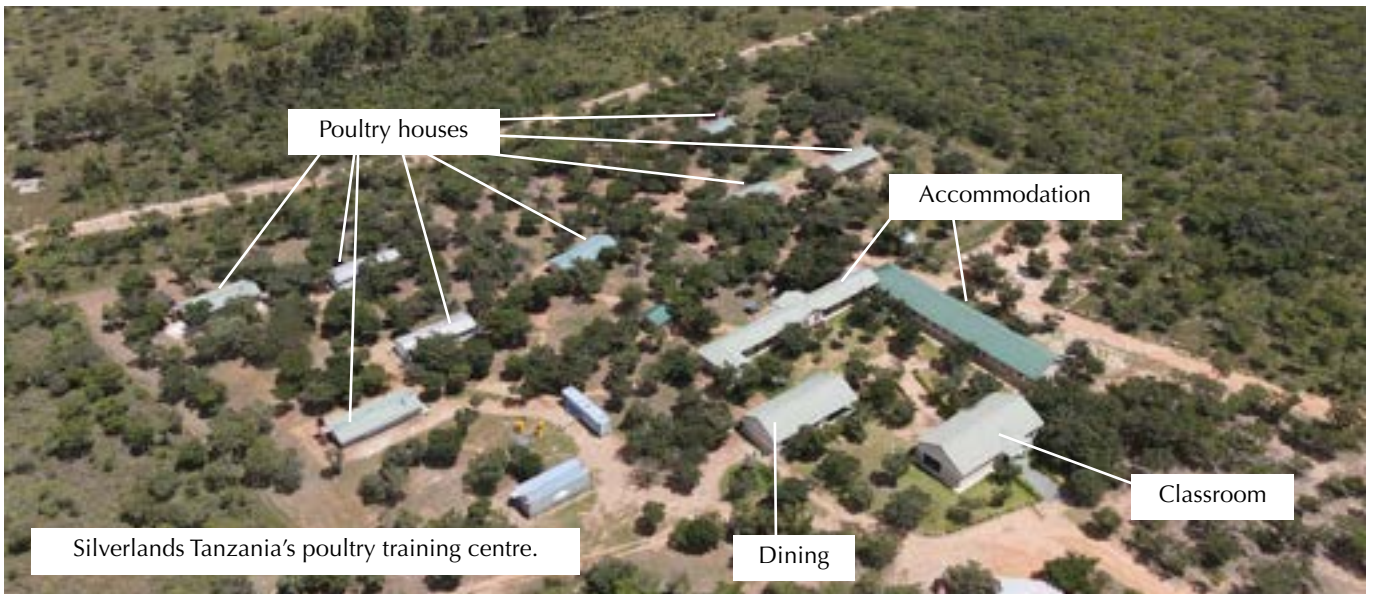
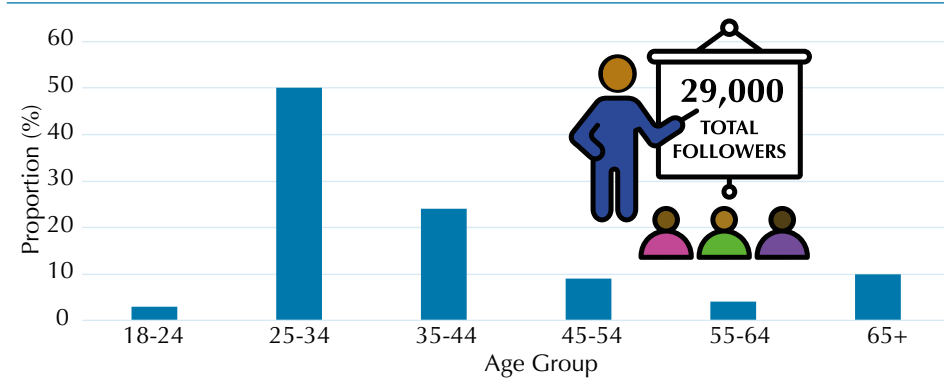


**47%** of students were female poultry farmers.



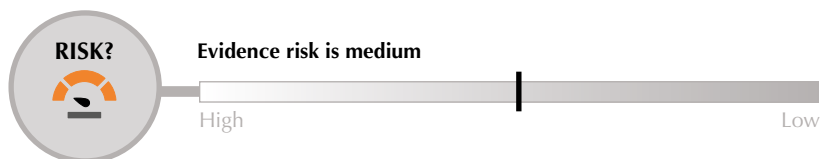
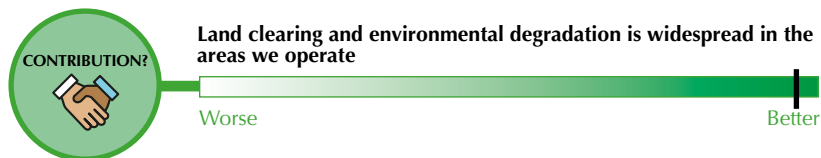
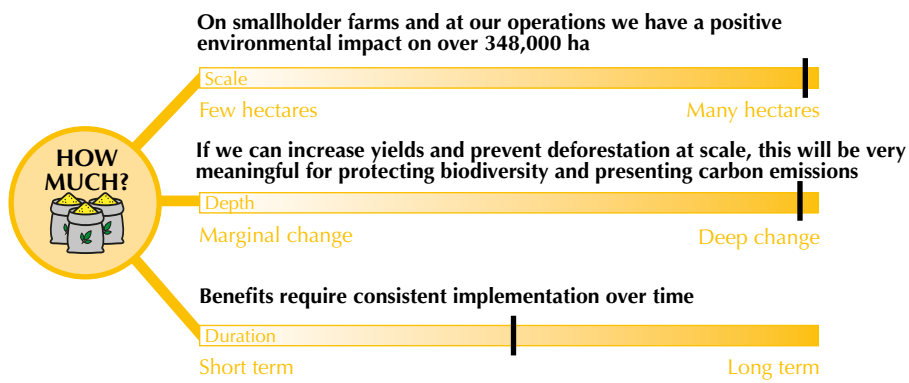
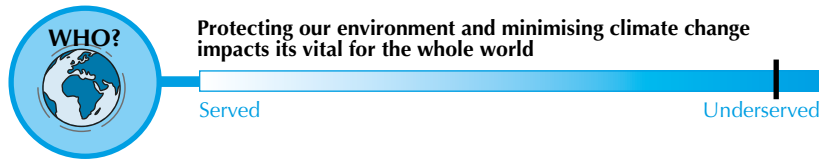
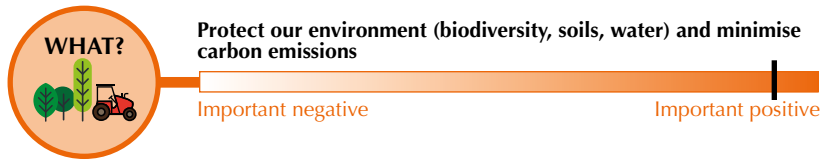
**29,000** farmers receiving advice via Silverlands Training Centre Facebook page, of which 53% are aged 34 or younger.

### Silverlands Training Centre Online Training Demographics



# 6 NATURAL CAPITAL

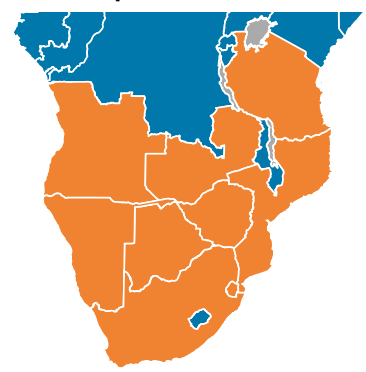
## Creating a Positive Impact through Protecting our Natural Capital



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



We have a positive environmental impact in 9 countries

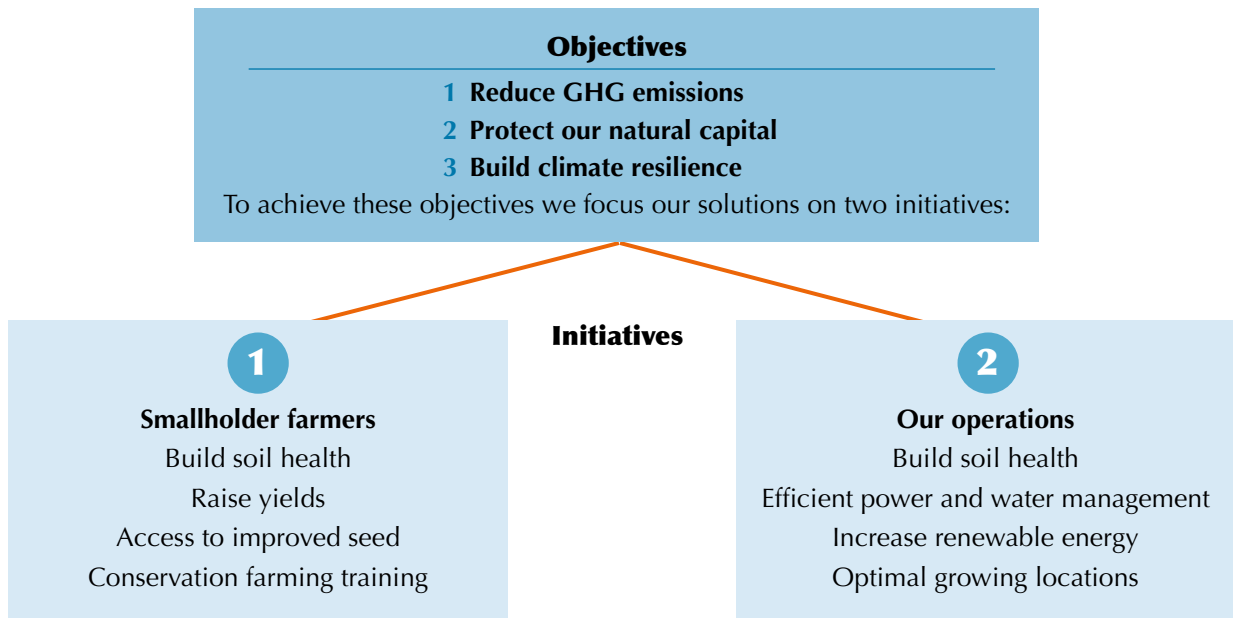


To encourage rich biodiversity, some of our farms use cover cropping with sunflower, mustard seeds and other crops. This encourages pollination, provides natural minerals to the soil and preserves natural capital, supporting a more sustainable farming system.



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

Our environmental strategy has three principal objectives. To achieve these, we focus on both smallholder farmers and our own operations:



### Smallholder Farmers: Raising Yields to Minimise Deforestation and Protect

Raising yields on existing agricultural land in Sub-Saharan Africa is critical to preventing deforestation and conversion of more land to agriculture. In a recent study, Williams et al. (2021) found that this was the single most effective change to preventing deforestation.

Reducing deforestation is essential to protecting biodiversity and preventing vast amounts of carbon dioxide from being released to the atmosphere. Maintaining healthy ecosystems also improves yields by maintaining water cycles, regulating microclimates around fields and providing habitats for natural pest predators. All these factors also improve lives and livelihoods.

SilverStreet’s strategy to raise smallholder farmer productivity is to:

- Increase access to improved seed for smallholder farmers;
- Provide technical support for smallholder farmers to build soil health, which has yield benefits and limits soil erosion; and
- Provide markets that enable smallholder farmers to introduce rotation crops thereby halting monocropping, a key cause of farm abandonment and deforestation.

These strategic pillars can help to protect the natural capital in the areas we work by:

- Raising the productivity of smallholder farms by raising crop yields which can limit the need to expand onto new land to increase production;
- Limit practices that harm the land and biodiversity, such as slash and burn techniques and monocropping;
- Introducing efficiencies such as minimum till and mulching which can fix nitrogen into the soil and reduce irrigation requirements; and
- Improve the drought and heat tolerance of crops through hybrid seed which ensures consistent yields and increases resilience to the physical risks from climate change.

**Our results to date**

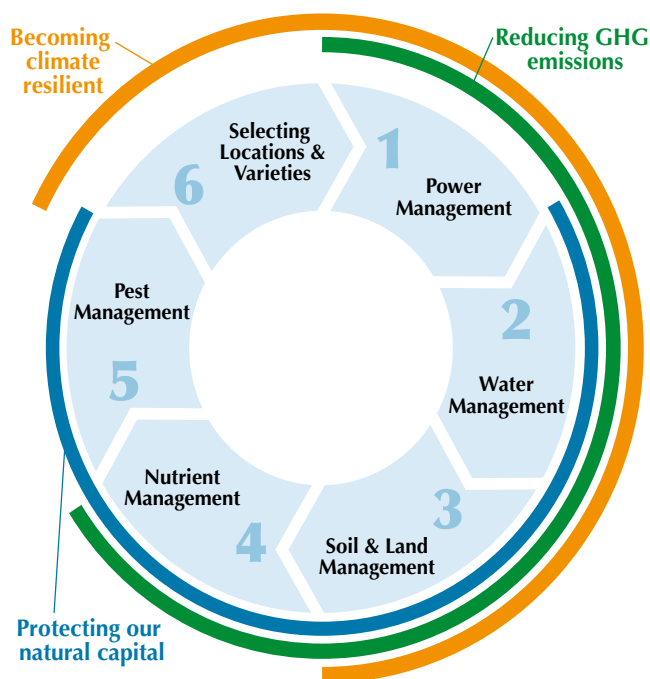
If yields can be increased on existing land, this prevents the need for clearing additional cropping area. Hybrid seed produced by our operations can be used by smallholder farmers to plant 348,000 ha. If yields can be raised by 1 t/ha on this area, then an additional 216,000 ha does not need to be cropped. This may reduce the need to convert indigenous ecosystems to agriculture or enable existing cropping land to be rehabilitated to indigenous ecosystems.

Hybrid seed is additionally key to equipping smallholder farmers with climate smart tools. Our hybrid seed is bred to be drought and heat stress tolerant, ensuring consistent yields and increasing resilience to climate change for the farmer. Other strains are being developed to handle contextual challenges such as Fall Army Worm.

**Our Operations: Managing our Environment**

Climate change and natural capital are intricately linked<sup>15</sup>. Protecting the nature-related components and biodiversity of our assets will lead to their improved climate resilience, which is vital as the physical risks from climate change materialise in our countries of operations<sup>16</sup>.

At SilverStreet, we concentrate on effective and realistic solutions that can achieve multiple goals which, where possible, align sustainable targets with the commercial focus of the company. Specifically, at our operations, we focus on six areas to protect our natural capital, reduce our emissions, and build climate resilience:



<sup>15</sup>Taskforce on Nature-related Financial Disclosures (TNFD), 2023. Beyond climate: Addressing financial risks from nature and biodiversity loss. [online] Available at: <https://tnfd.global/knowledge-bank/beyond-climate-addressing-financial-risks-from-nature-and-biodiversity-loss/>

<sup>16</sup>United Nations, 2023. Biodiversity and climate change. [online] Available at: <https://www.un.org/en/climatechange/science/climate-issues/biodiversity>.

Pivots at Kakushi Farm, Silverlands Zambia



## Power Management

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

- An 800 kW hydroelectric power facility in Tanzania, supplying most of the farms electricity requirements.
- A 500 kW solar power development in Namibia.
- Five solar sites at Crookes Brothers in Eswatini that provides a 1.4 MWp solar system which can potentially provide excess energy back into the grid.



Fixed solar field in Namibia

## Water Management

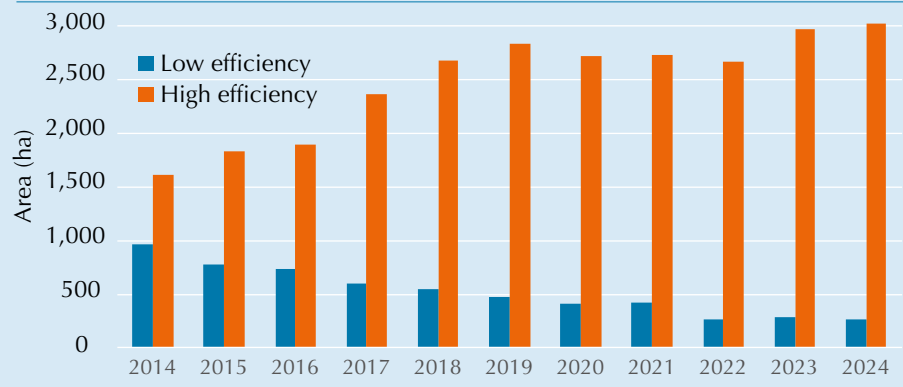
### Building climate resilience:

With the most efficient technologies, and diligent on-the-ground management, our managers take extreme care to minimise the volume of water used.

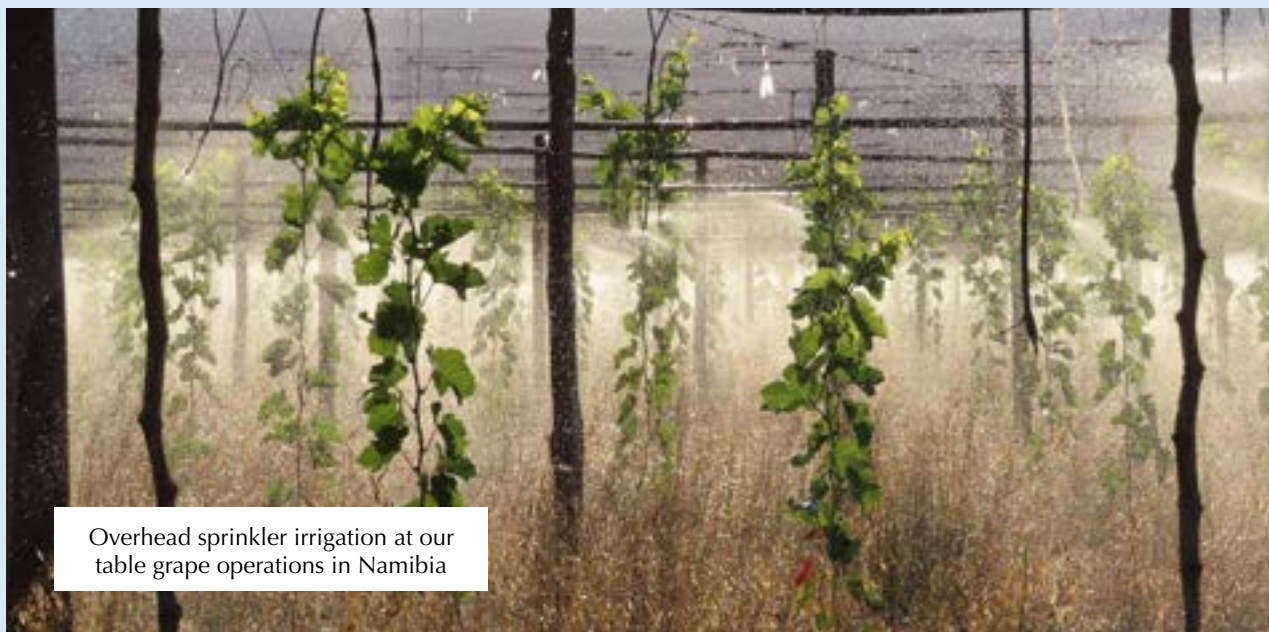
Initiatives to reduce water use include:

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

Increase in high-efficiency irrigation at Crookes Brothers



Netting used at the table grape operations to bring irrigation efficiencies



Overhead sprinkler irrigation at our table grape operations in Namibia

## Land and Soil Management

**Minimum Tillage and Crop Residue:** By drastically reducing disturbance to the soil, our operations:

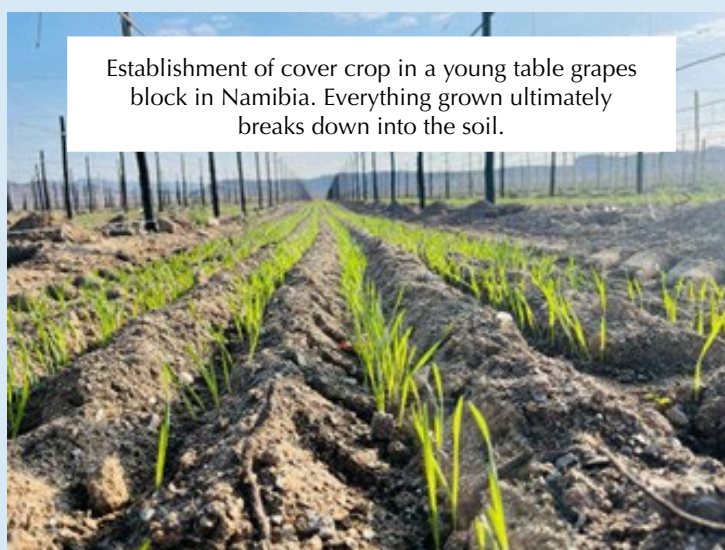
- Increase soil organic matter with associated carbon benefits
- Improve soil moisture retention
- Protect soil biodiversity and health.

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

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

**Cover Cropping:** By planting cover crops like mustard seeds, sunflowers, wild plants or grasses, farmers can enrich the soil with organic matter and essential nutrients such as nitrogen. These crops improve soil structure, reduce erosion, and enhance water retention, promoting overall soil health. Additionally, cover crops support biodiversity by providing habitat for beneficial insects and microorganisms, fostering a balanced and resilient ecosystem.

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



Establishment of cover crop in a young table grapes block in Namibia. Everything grown ultimately breaks down into the soil.



Crop rotation: Introducing cover cropping at SASL with sunflower, sun helm and mustard seeds, which provides valuable nutrition to the soil is excellent for biodiversity. Everything grown ultimately breaks down into the soil.



A grass mix is planted between rows of young vines in Namibia. As the vines mature and shade the area, shade-tolerant cover crops are planted between the vines.



Mulching used at SRL's pecan plantation which protects the soil from excess heat and helps to retain moisture and supportive biodiversity.

**Protecting 29,850 ha of indigenous ecosystems:** Our operations protect these uncropped areas through implementing conservation plans that ensure protection of biodiversity.

**Environmental monitoring:** We undertake regular monitoring to ensure that our operations are not negatively affecting the surrounding environment. For example, at some operations we have completed water monitoring, and at others, insect larvae are used as sensitive indicators water quality.

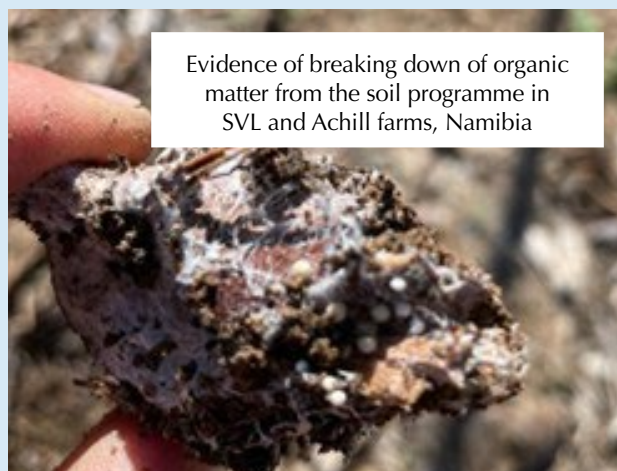
**Biodiversity:** Our farms have a continuous focus on the improvement of our soils and plant health. This ranges from encouraging the right insects and life in soil – such as earth worms – to the right insects to pollinate. Both our Namibia and Zambia grains operations have plans to introduce bee hives in the future.



## Nutrient Management



Signs of earthworms



Evidence of breaking down of organic matter from the soil programme in SVL and Achill farms, Namibia

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

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



Precision pesticide application using targeted application at Zamseed.

**Natural alternatives:** Using natural forms of nutrients reduces fertiliser use and can return organic carbon to the soil. Nutrient rich compost and manure are used as organic alternatives that develop the soil microbiome, facilitating successful plant growth. Looking forward, farms are looking towards installing bee hives and testing with organic fertilisers.



Compost tea is made on-site at SASL and applied during irrigation. This includes a mixture of cow manure, raw milk, old vegetation and compost.



At SASL, compost is made from old maize cobs and applied to the new pivots during the planting cycle.

## Pest Management

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

- Maintaining **buffer zones** of vegetation around the cropping areas provides habitats for natural pest predators.
- Using **physical barriers** – such as sticky tape to physically trap insects.
- **Natural pest predators** – such as the use of predatory mites to control red spider mites in the date palms.
- **Spraying pesticides from above** with drones to reduce penetration into the soil and improve efficiency of use.

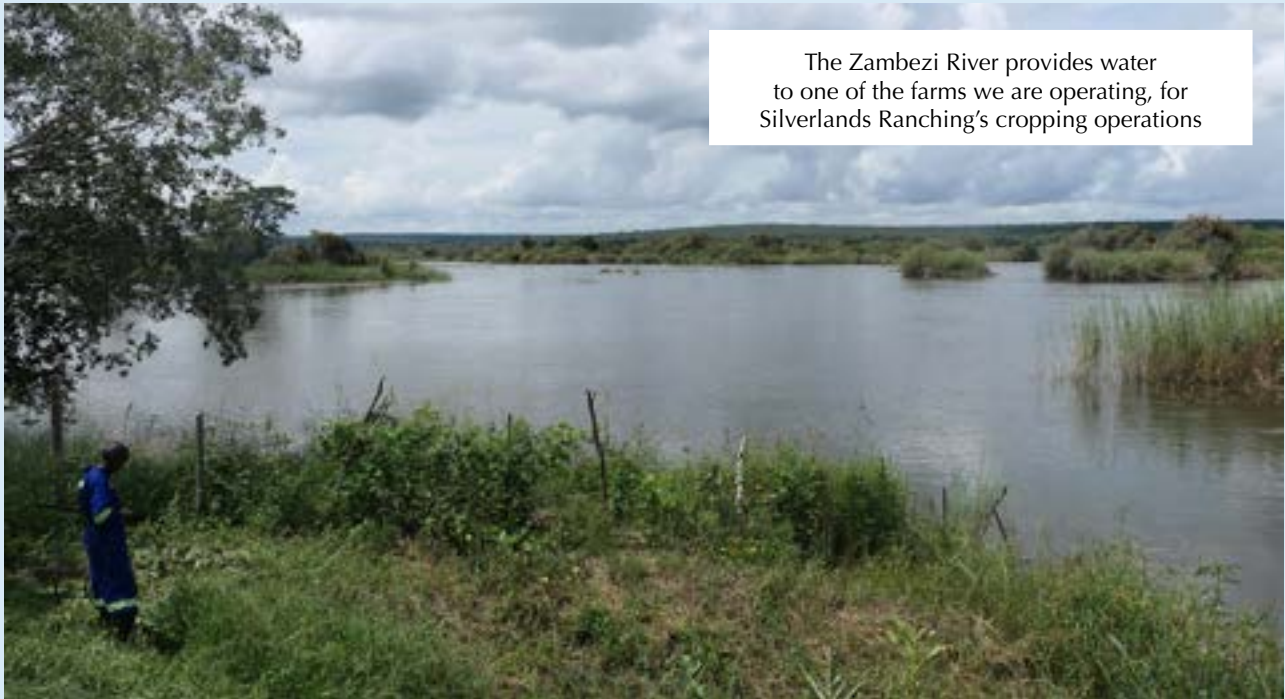


Pesticide sprayed from above at Selous Farm, Tanzania. This reduced excess spraying and means the pesticide is less likely to penetrate into the soil.

## Selecting Locations and Varieties

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

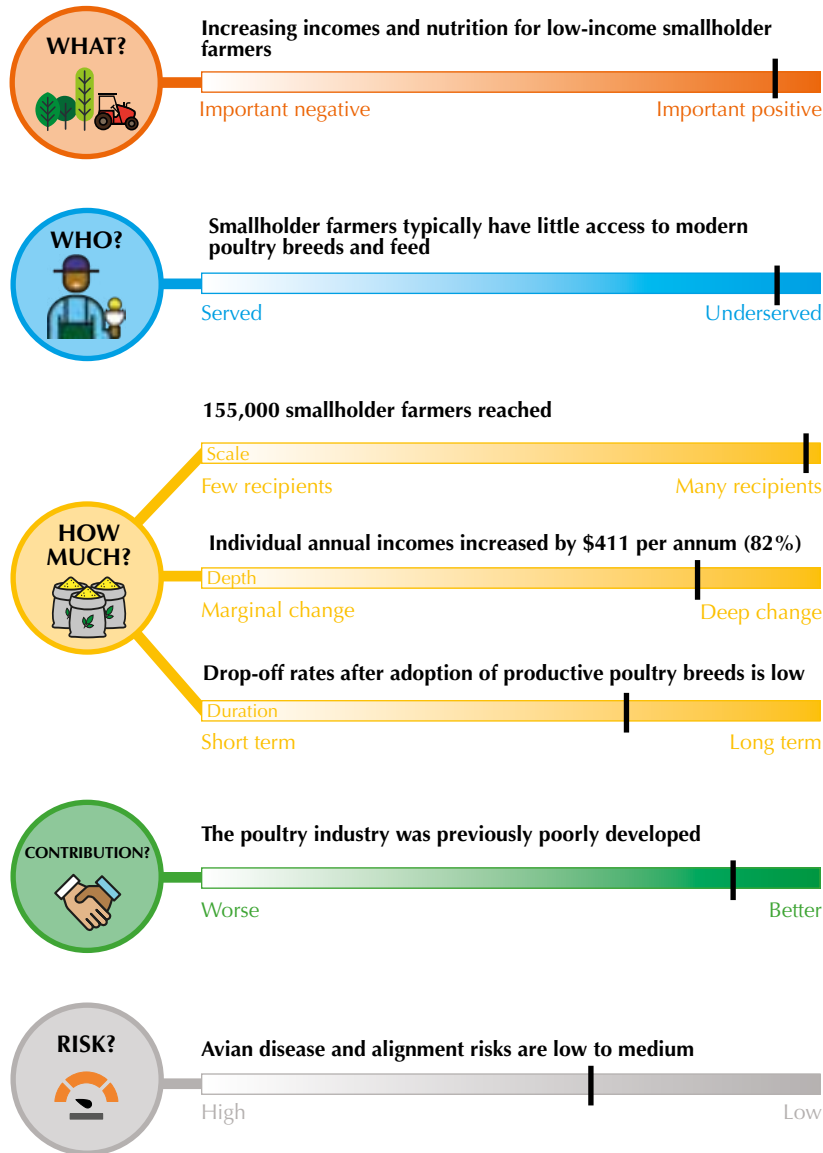
For example, our operations in Zambia benefit from secure water supplies from dams and nearby rivers such as the Zambezi and Luombwa Rivers from which Silverlands Ranching and Silverlands Zambia draw responsibly. Our table grape vineyard in Namibia also benefits from optimal growing conditions for table grapes and date palms, being located in a very dry area of predictable climatic conditions and adjacent to a natural water source, the Orange River.



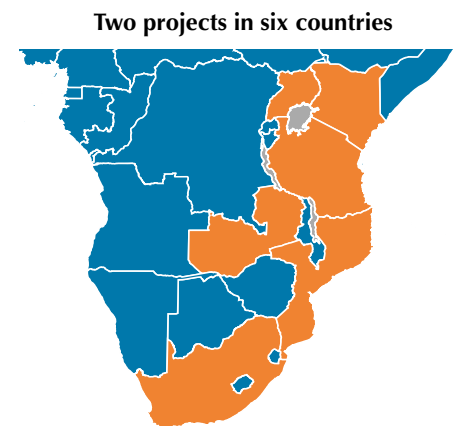


# 7 POULTRY SECTOR

## Creating a Positive Impact in the Poultry Sector



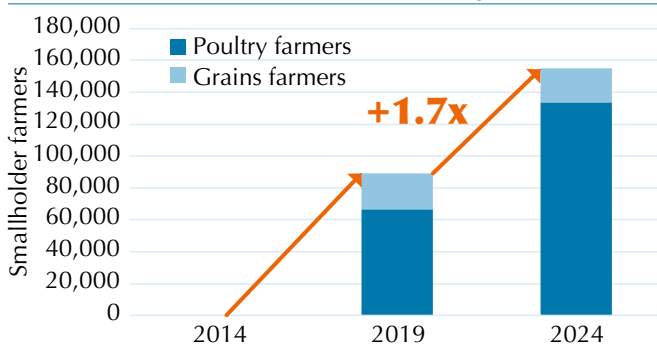
Increasing access to chicken and eggs can substantially improve nutrition and incomes in Sub-Saharan Africa, where nutrition is poor compared to other regions. Increasing poultry consumption can help this.



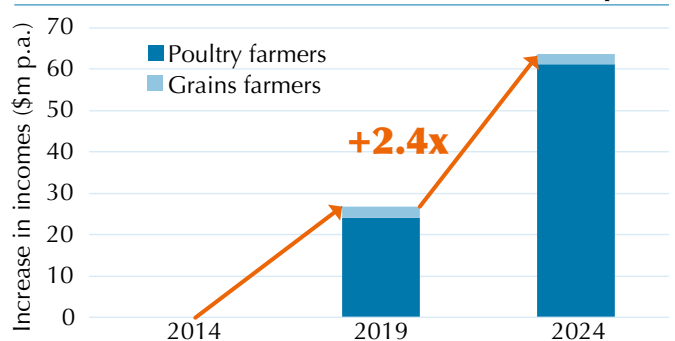
### How Much?

Across the Silverlands Funds ...

#### 155,000 smallholder farmers benefitting



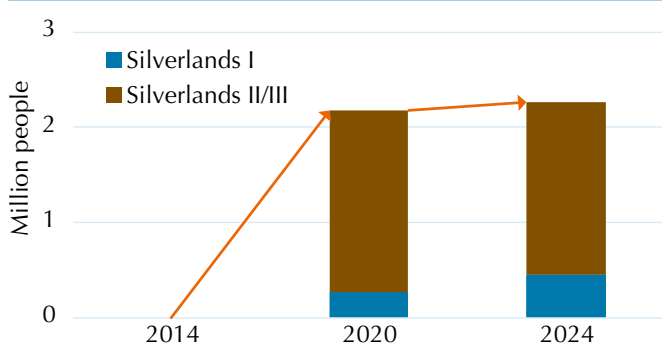
#### Smallholder farmers' incomes increased to \$64m p.a.



**Nutritional impact from our investments in the poultry sector**

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

**Annual protein from poultry production - sufficient for 2.2 million people**



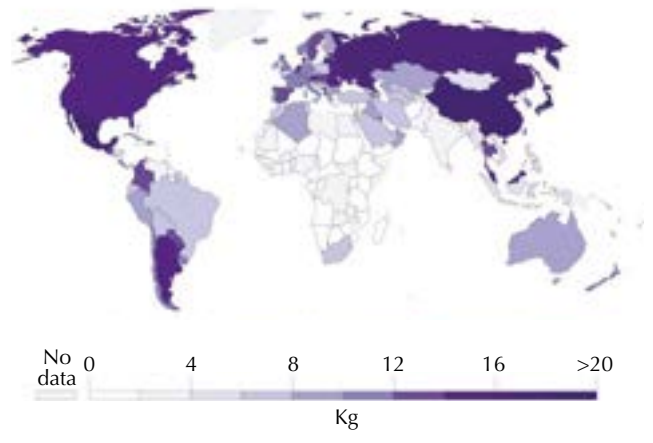
**Challenge**

Sub-Saharan Africa experiences some of the highest levels of poverty and malnutrition globally. 19% of people in Sub-Saharan Africa are undernourished, double the global average<sup>17</sup>. 31% of children under 5 are stunted in Sub-Saharan Africa, compared to 22% globally, and 4.5% in Europe<sup>18</sup>.

**Solution**

Fixing the poultry value chain in Sub-Saharan Africa supports access to nutritious protein and decreases poverty. Poultry are practical, cheap, transportable and easy and inexpensive to care for. Eggs are rich in nutrients, eating just one per day can provide a significant proportion of one’s daily requirements of vitamin B12 (25%), protein (13%) and vitamin D (9%)<sup>19</sup>.

**Average per capita egg consumption (kg/year)**



**Opportunity to increase poultry and egg consumption in Sub-Saharan Africa**

Despite its nutritional benefits, poultry consumption in Sub-Saharan Africa is low. Egg consumption in East Africa ranges from around 0.4 to 1.3 kg/capita against a world average of ~10.4 kg/capita<sup>20</sup>. Poultry consumption in each of Tanzania, Kenya and Uganda is only 9% of South Africa’s.

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

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

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

<sup>17</sup>WPF (2020)

<sup>18</sup>Global Nutrition Report (2020)

<sup>19</sup>FAO (2015)

<sup>20</sup>UN Food and Agriculture Organization (2024)

## Case Study - Silverlands Tanzania

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

### Introduction

Silverlands Tanzania started from scratch in 2014 and is now the largest feed producer in Tanzania and the second largest producer of day-old chicks. It sold 17.7 million day-old chicks in 2024, a 19% increase on the previous year.



Silverlands Tanzania: Silo storage complex and feed mill built as part of this development at Iringa

### What?

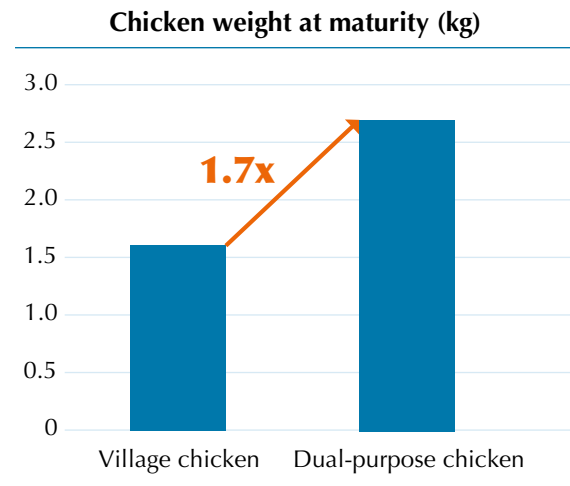
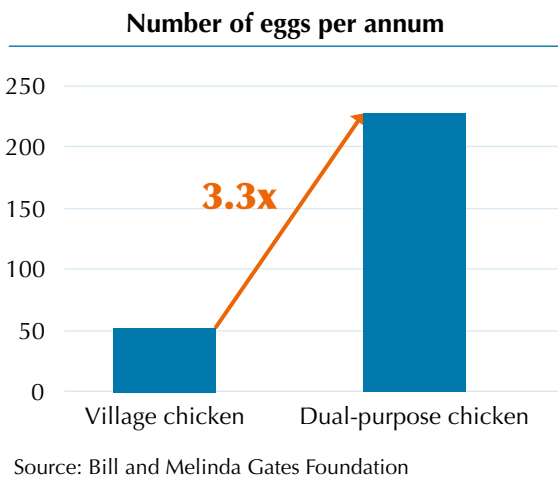
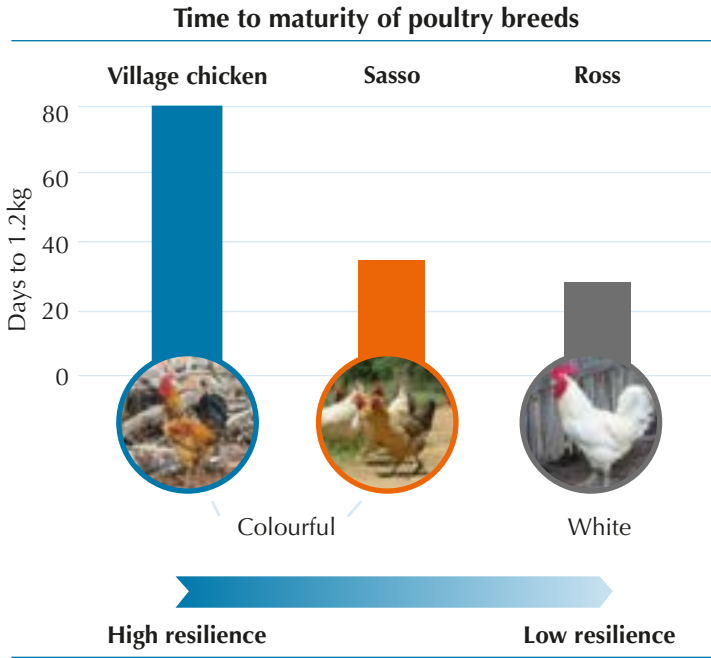
#### Enablers for growth: Better poultry breeds

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

The Sasso breed forms the majority (72%) of sales. In addition to lowering mortality rates, converting from an indigenous to a dual-purpose poultry breed trebles the number of eggs and increases weight at maturity by 1.7x – dramatically increasing productivity for smallholder farmers and lowering costs of production<sup>21</sup>. Estimates are that farmer incomes can increase by much as 2x to 3x by growing a dual-purpose rather than traditional breed<sup>22</sup>.

<sup>21</sup>Bill and Melinda Gates Foundation (BMGF) 2020

<sup>22</sup>Bill and Melinda Gates Foundation (BMGF) 2020



**Enablers for growth: high quality feed**

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



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



## Who?

Silverlands Tanzania sells day-old chicks and its improved feed to 127,000 smallholder farmers across Tanzania and is expanding regionally in Kenya and Uganda. Some 70-80% of those farmers are women.

### 1 Smallholder poultry farmers

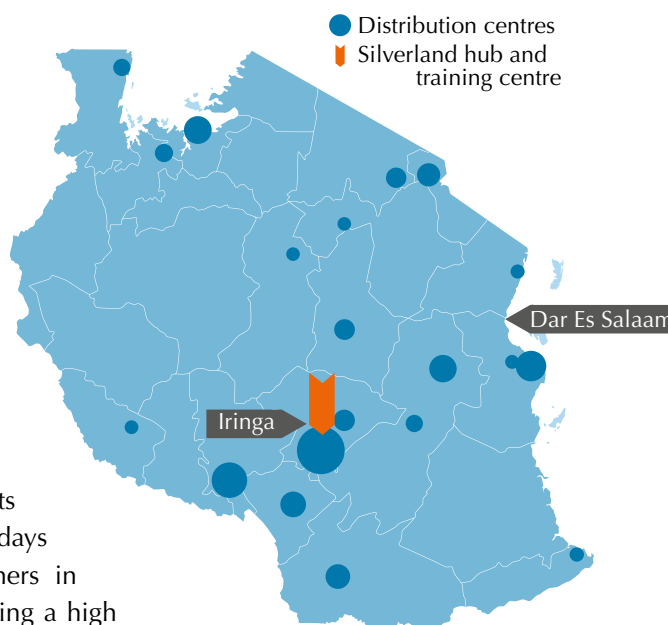
#### Distribution network

To reach as many smallholder poultry farmers as possible, Silverlands has built an extensive network of 21 distribution centres and sales points. Silverlands also has a team of 35 salespeople positioned across the country. They are all trained in the technical aspects of poultry production and can provide technical assistance to smallholder farmers.

#### Training centre

Silverlands established the only poultry training facility in East Africa. The Training Centre runs five-day courses that combine theory and practical work. Half (49%) of smallholder farmer trainees attend the course on brooder unit management. Brooder (or mother) units rear day-old chicks through their first vulnerable 28 days and then sell healthy four-week-old chickens to others in their area – galvanising the poultry market and achieving a high multiplier effect. Over 1,700 smallholder farmers have been trained at Silverlands Training Centre.

Silverlands’ distribution centres across Tanzania

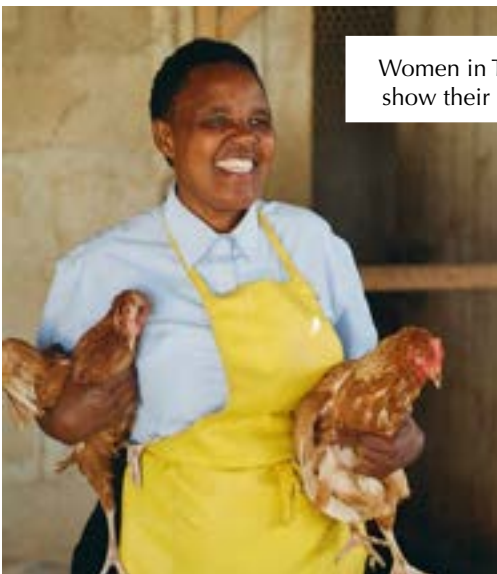




Learning about vaccinations and poultry care in the Silverlands' Poultry Training Centre – see more under Section 5 Creating a Positive Impact through Technical Support

### Benefits for women

Rearing poultry is commonly done by women and 70-80% of smallholder poultry farmers in East Africa are women<sup>23</sup>. Meanwhile, we found that 100% of respondents had when surveyed reported positive benefits from rearing poultry<sup>24</sup>.



Women in Tanzania proudly show their poultry livestock



## 2 Smallholder grain farmers

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

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

<sup>23</sup>BMGF 2020; ID Insight, 2020

<sup>24</sup>Silverlands Tanzania surveyed respondents in 2020 and found that 100% reported positive benefits from keeping poultry, 79% reported it made their life “a bit better” while 21% reported it made their life “a lot better”.



## How Much?

### How many?

- 127,000 smallholder poultry farmers economically benefit from Silverlands Tanzania’s poultry or feed - 70-80% of whom are women.
- 21,000 grain farmers sell grain (maize and/or soya) to Silverlands – around two-thirds of whom are women.

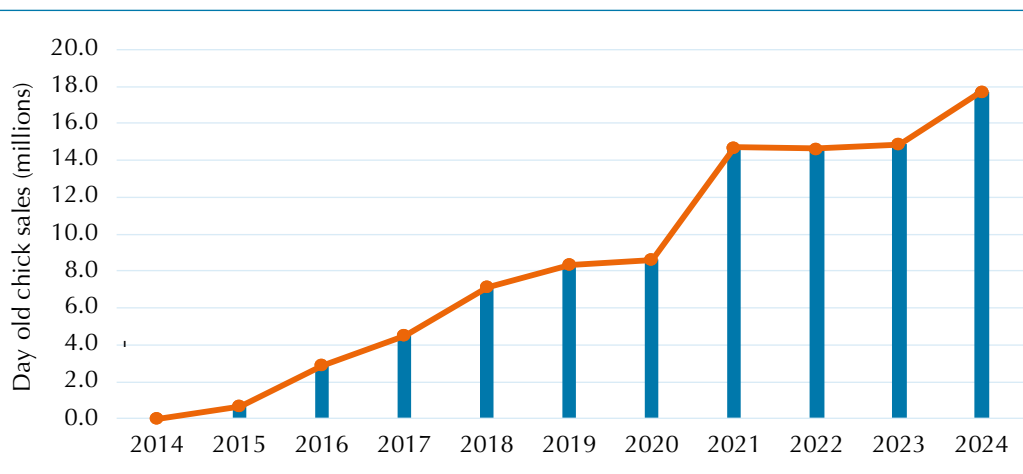
### By how much?

- Incomes for smallholder poultry and grain farmers have increased by ~\$341 per annum.
- This implies a total annual increase in community income of \$51 million, an increase of 11% from last year.

## + Contribution

**Poultry** - Prior to Silverlands, the poultry industry in Tanzania was poorly developed. Smallholder poultry farmers were forced to use inefficient poultry breeds and low-quality feeds. This results in costly poultry production, due to high mortality rates, disease, and slow maturity and production rates. The dramatic increase in Silverlands’ sales from a standing start in 2014 proves the market appetite for quality poultry breeds and feed.

Silverlands Tanzania sales: Day-old chicks



**Grains** - Before Silverlands, there was no local market for soya because there was no soya processing plant in Tanzania. Almost no smallholder grains farmers were growing soya. By introducing soya as a rotation crop, farmers can increase their incomes possessing a cash crop, improve their soils and agricultural methods by rotating their crops, and reduce the need to expand due to greater efficiencies which has positive potential benefits on the climate and biodiversity.

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## △ Risk

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

2024 saw shortages of grain inputs, particularly maize, which raised the price of these inputs and therefore the cost of poultry feed sold by Silverlands. Extreme input prices can stifle demand for chicks and feed, reducing impact and incomes. The long-term mitigation is to materially increase local production of maize and soya beans.

**Grains - Alignment risk: Medium** - The risk that Silverlands does not purchase soya from surrounding smallholder grains farmers has in the past been exacerbated by regulatory/tax changes in Tanzania.



# Case Study - Research Project into Microbial Biomass as Feed Ingredient in Africa

## Introduction

Africa faces a critical challenge in meeting rising demand for animal protein, expected to grow by 150% by 2050, which is driven by future economic and population growth and health concerns related to inadequate protein levels in diets, particularly for children. To meet this demand, livestock production must increase but this is restricted by limited access to, and availability of, high-quality animal feed. Microbial biomass, a high-protein ingredient made by fermenting microbes, could provide a solution which is affordable, high-quality and a sustainable alternative feed ingredient.

## Animal Feed Market Challenges




Protein-rich feed faces challenges such as high costs, poor availability due to local supply constraints, and fluctuating prices, creating a bottleneck for scaling animal production. Increased production of protein ingredients for feed can also increase pressure on land and water resources leading to potential increased carbon emissions.

## Impact from Microbial Biomass

Including microbial biomass (MB) into animal feed could have significant positive impacts for farmers' livelihoods, human nutrition and the environment.

## Our Study

Commissioned by a charitable foundation, our study investigated the viability of different processes for producing microbial protein in Africa and the Middle East.

	<b>Improve farmer livelihoods</b>	Increase small scale farmer incomes	15-35% higher farmer incomes
		Increase feed-mix price stability	15-25% lower price fluctuations
	<b>Increased nutrition</b>	Increase protein for human diets	5-20m people
	<b>Reduce environmental impact</b>	Reduce land used for soy cultivation by providing alternative protein feed	0.5-1m hectares of land saved
		Reduce water used for irrigation	~50-150b litres of water saved
		Reduce net emissions of food production	~2.4m tonnes lower CO <sub>2</sub> e emissions

## Conclusions

MB is a promising but nascent potential solution to Africa's feed deficit, delivering sustainable, high-quality nutrients:

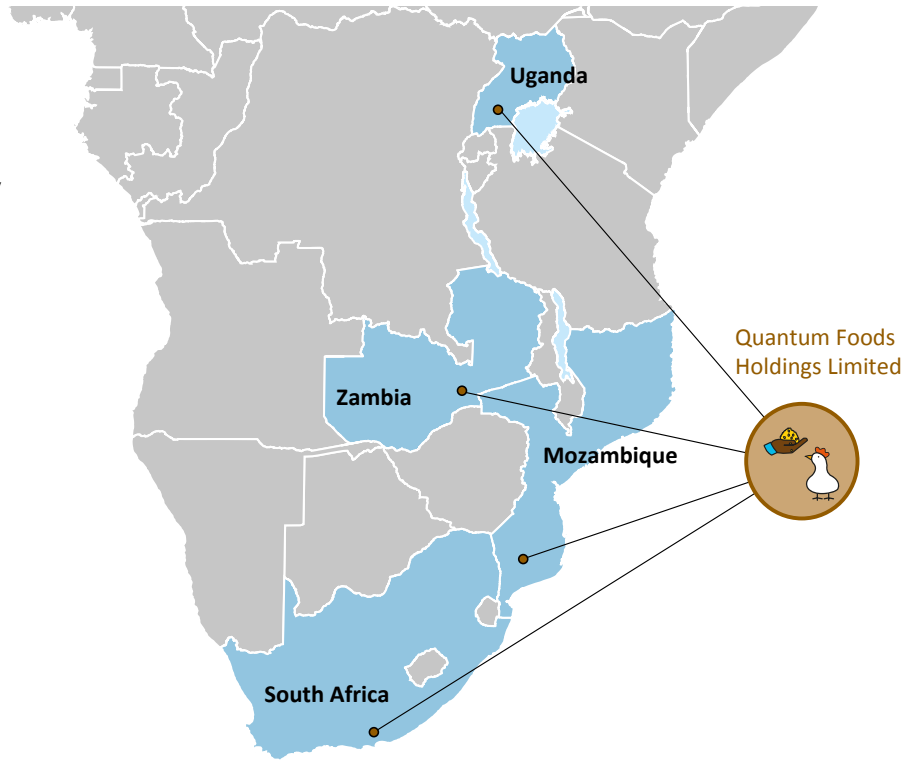
- ✔ **Potential for MB is significant in Africa**, where demand for quality affordable feed is rising to meet **increased need for animal protein for human nutrition**.
- ✔ **Production costs** highly dependent on **feedstock** (eg. Methane) and **power** prices.
- ✔ MB can be included up to **6-15% of conventional animal feed**, making up a disproportionate source of value at **~20-30% of feed cost at current prices**.
- ✔ **Costs would have to drop**, with a **feasible path to 20-50% cost reduction** in the near future.
- ✔ Besides a potential source of protein, **MB can also replace costly additives**, making it **cost-effective to include small quantities (1-2%)** at current cost in some feed mixes.
- ✔ This could **yield benefits for farmers** (15-35% higher income), **enhance nutrition** (0.501.5m t of meat production), **and protect the environment** with lower land/water usage & CO<sub>2</sub> emissions).
- ✔ To make MB a reality, **the tech should mature & scale**.



# Case Study - Quantum Foods Holdings Limited

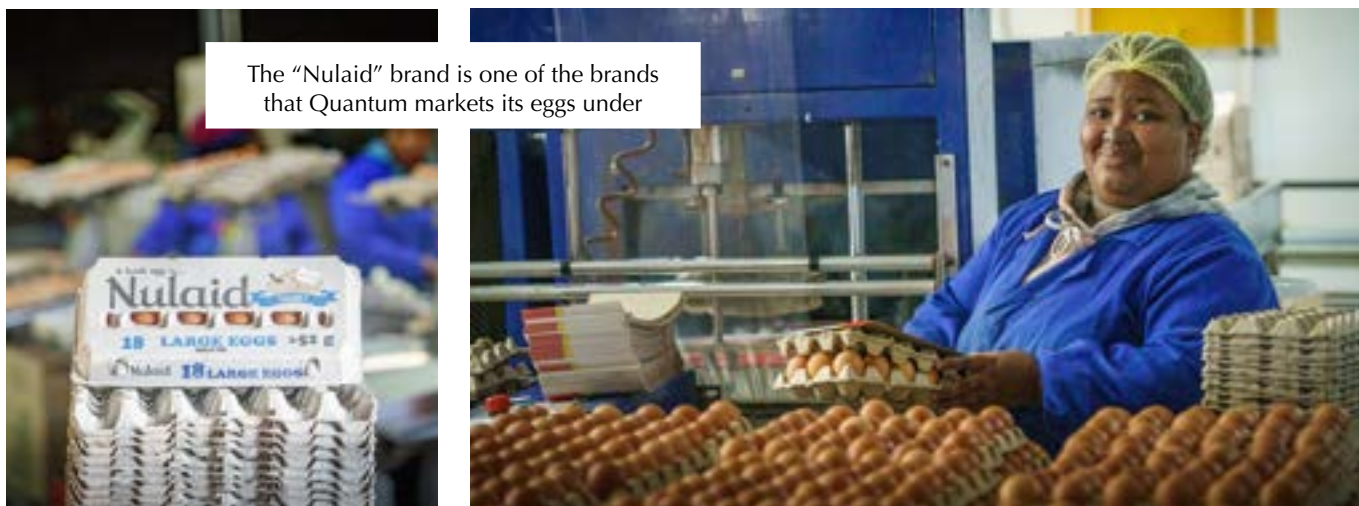
## Introduction

Quantum Foods Holdings Limited (34% stake owned by Silverlands II/ III) is a listed poultry business which owns established poultry brands and operates in four countries, South Africa, Mozambique, Zambia and Uganda, and sells eggs, chicken and livestock feed. The business produces eggs, chickens and livestock feed.



Quantum's Eggland farm and egg packstation in the Eastern Cape, South Africa





### Egg production for improving nutrition

Growth deficiencies, or stunting, among children in Sub-Saharan Africa is a considerable nutritional challenge. 31% of children under five years old are stunted in Africa, compared to 4.5% in Europe<sup>25</sup>. Quantum Foods is increasing access to affordable protein in the form of poultry products. These contribute to reducing stunting (growth deficiencies) in children.

An estimated 66% (350 million eggs per annum) of Quantum’s egg production serves low-income consumers with food security challenges and little access to protein.

The current annual protein production of Quantum is equivalent to the annual protein requirements of 1.7m people. This includes 530 million eggs that would meet the annual protein needs of 180,000 people.

### Day-old chicks raise incomes for smallholder farmers

Quantum sold 6 million day-old chicks in Zambia and Uganda in 2024, to small and semi-commercial farmers. We estimate that 6,300 smallholder farmers each earned \$2,100 per annum from their poultry operations, rearing broilers and layers with day-old chicks supplied by Quantum.

**66%**  
of Quantum’s  
egg production  
(350 million eggs  
p.a.) serves low-in-  
come consumers  
with food security  
challenges

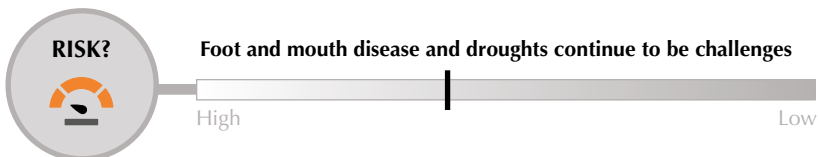
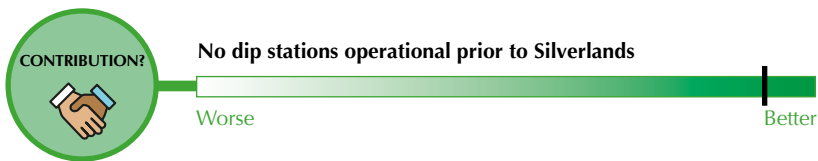
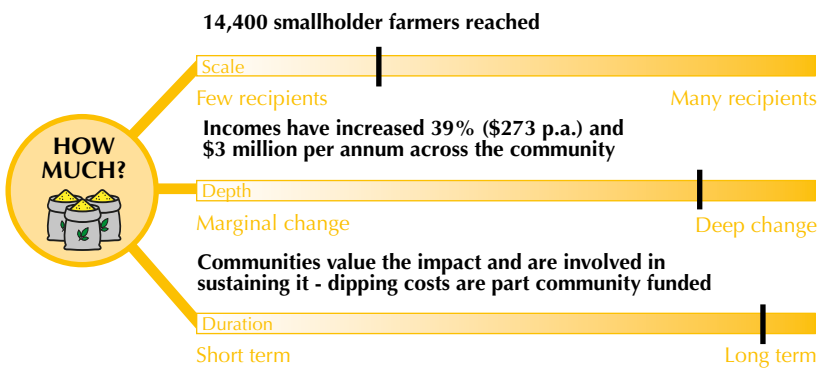
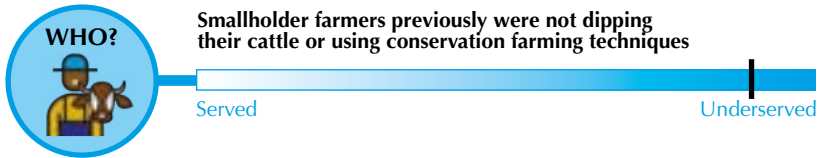
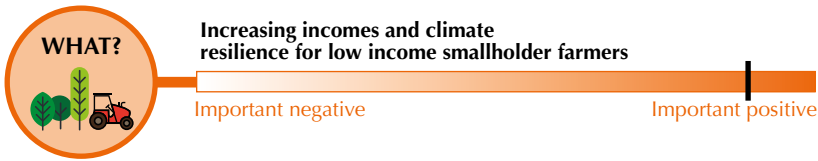
530 million eggs  
produced in  
2024 would meet  
the total annual  
protein needs  
of an estimated  
**180,000  
people**

6 million  
day-old chicks  
sold in Uganda  
and Zambia in  
2024 positively  
impacted  
**6,300  
smallholders**

<sup>25</sup>Global Nutrition Report 2020



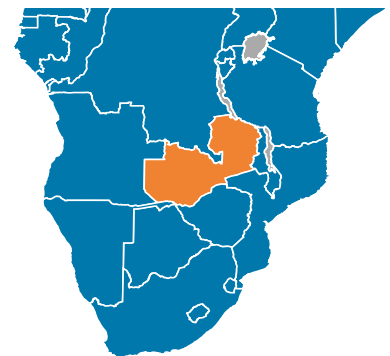
# 8 SOUTHERN ZAMBIA



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

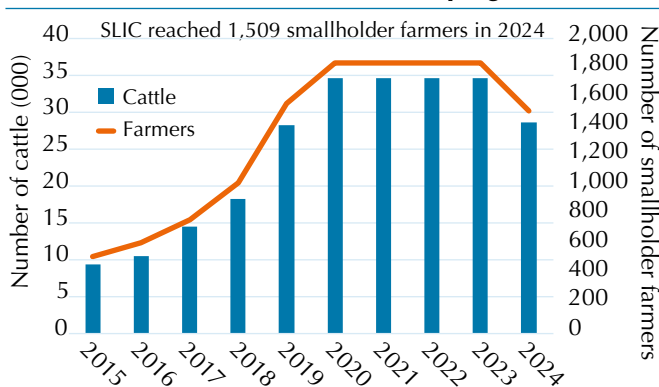


Hub-outgrower benefitting cattle and grain farmers in Southern Zambia

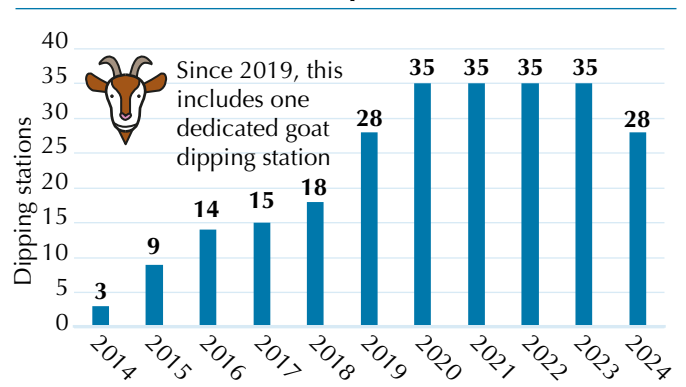


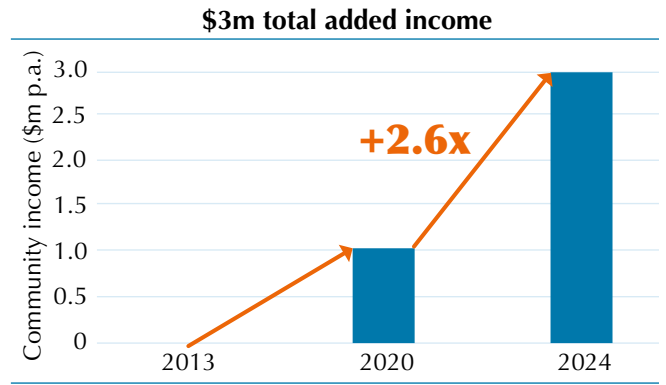
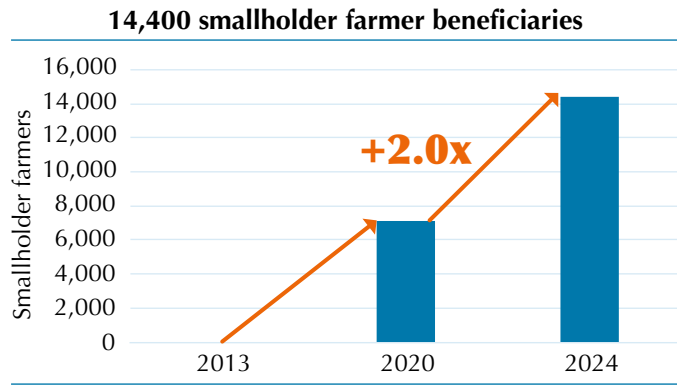
## How Much?

Farmers and cattle in the SLIC programme



Number of dip stations





**Challenges**

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

**Solutions**

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

**Case Study - Silverlands Ranching**

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

**Introduction**

The business provides smallholder farmers with assistance and a market for their produce. Silverlands benefits from a feedlot with capacity for 6,000 head of cattle; 330 ha of pivot irrigation where there is a focus on producing high yielding seed products such as seed maize and seed potatoes; and 190 ha of pecan nut plantation.



## □ What?

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

### Providing a Market

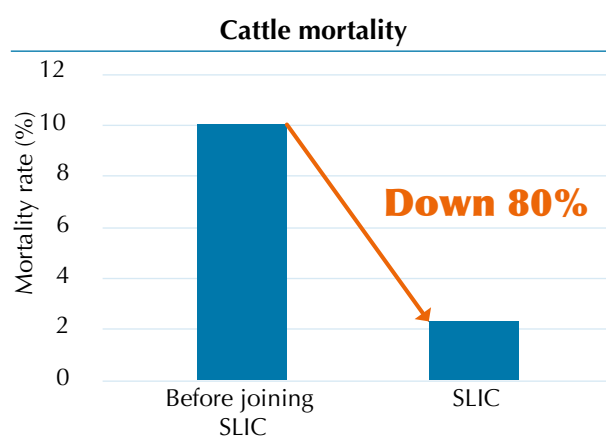
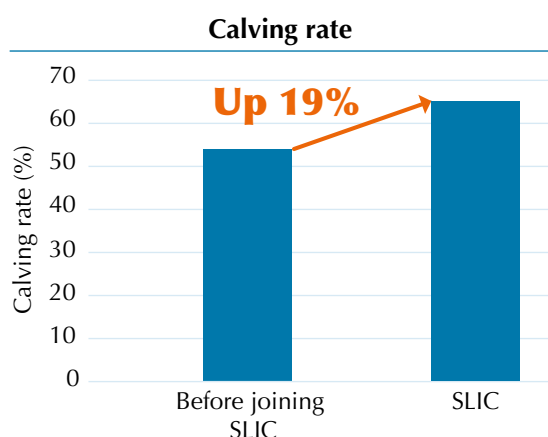
To address these challenges, Silverlands developed the beef value chain by constructing a feedlot to finish smallholder farmers' cattle. Community cattle are needed to fully stock the feedlot. From purchasing just 53 cattle in 2016, the business has purchased 12,700 head of community cattle in the last seven years.

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



### Dip Stations

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



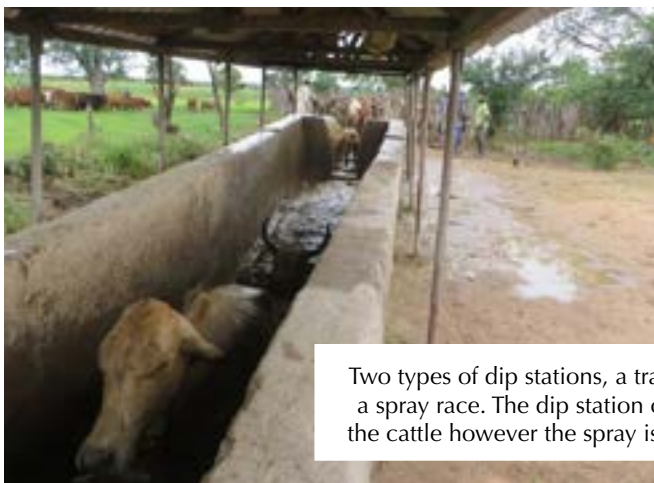
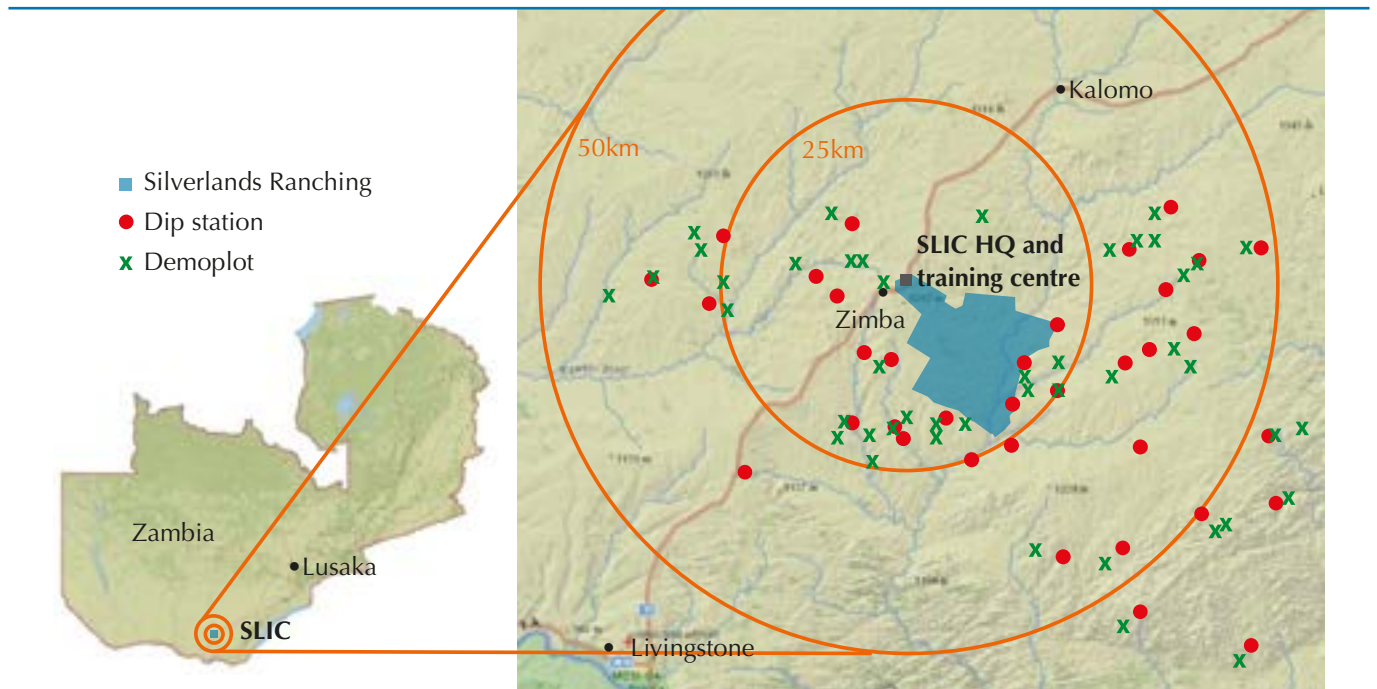
With the overall increase in dip stations since SLIC's inception in 2014, greater numbers of dips stations has resulted in cattle travelling shorter distances to be dipped, maintaining healthier weights for cattle and providing time benefits to farmers.

## Who?

### Smallholder cattle farmers

From zero functioning dip stations or spray races in the area, SLIC has re-opened or constructed 35 since 2014. Towards the end of 2023, SLIC created an efficiency by reducing the number of dip stations to 28. The management of the seven dip stations no longer under SLIC was handed over to the communities to continue with 28 dip stations operating in 2024. Spread across a 50km<sup>2</sup> area, the dip stations are positively impacting 1,500 smallholder farmers who bring their 28,700 cattle each month for dipping. Farmers have between 5-30 cattle each. The dips are managed by a community committee: tracking attendance, collecting fees, providing water and maintaining infrastructure. Dipping fees (ZMK 2 or \$0.07/head) fund the daily expenses of the programme so the dip stations are self-financing with all fee collection managed by the community itself. Silverlands provides technical expertise and advice via extension officers.

### Training and dip stations in neighbouring communities



Two types of dip stations, a traditional dip pool and a spray race. The dip station completely immerses the cattle however the spray is more water efficient.

### Smallholder cropping farmers

In 2023, SLIC provided training in the Foundations for Farming climate smart conservation agriculture techniques via ten extension officers and 20 lead farmers. At the end of 2023, this training division was transferred to Zamseed who are rolling out this training across Zambia.

## How Much?

### Smallholder cattle farmers

- The number of farmers dipping cattle increased and is now stable with more than 1,500 farmers dip their 28,700 cattle at 28 dip stations.
- This has more than doubled each farmer's annual income - an increase of an estimated \$832 per annum.
- Silverlands has purchased over 14,300 cattle for a total of \$3.5 million from surrounding communities since inception.



## + Contribution

SLIC benefits communities in three fundamental ways.

- First, it has targeted the lowest cost, highest impact, form of disease prevention by focusing on tick-borne disease. Prior to Silverlands' arrival, cattle disease was rife in the region. Diseases resulted in high livestock mortality and low calving rates. Farmers travelled long distances to markets or were subject to unfair traders. There were no operational dip stations and farmers.
- Second, it brings communities together allowing for shared responsibility of the dip stations, and economic efficiencies in sharing and controlling the dip station infrastructure, making cattle disease management more affordable and manageable.
- Third, SLIC brings wider training benefits to cattle farmers as Silverlands Ranching staff train dip station committees and cattle farmers in animal husbandry. Farmers and their cattle then benefit from one-on-one interaction and advice from livestock technicians.

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

## △ Risk

**Smallholder Cattle Farmers – External risk (High)** – Cattle disease and droughts have negatively impacted smallholder cattle farmers since 2020. Cattle diseases such as foot and mouth prevent cattle from being moved, forcing Silverlands to reduce purchases from smallholder farmers. Additionally, occasional droughts limit the available pasture that smallholder cattle can graze on, meaning farmers and cattle must travel greater distances for water which reduces cattle productivity. Devaluation of the Kwacha is also a risk because the feed price is essentially a dollar price.

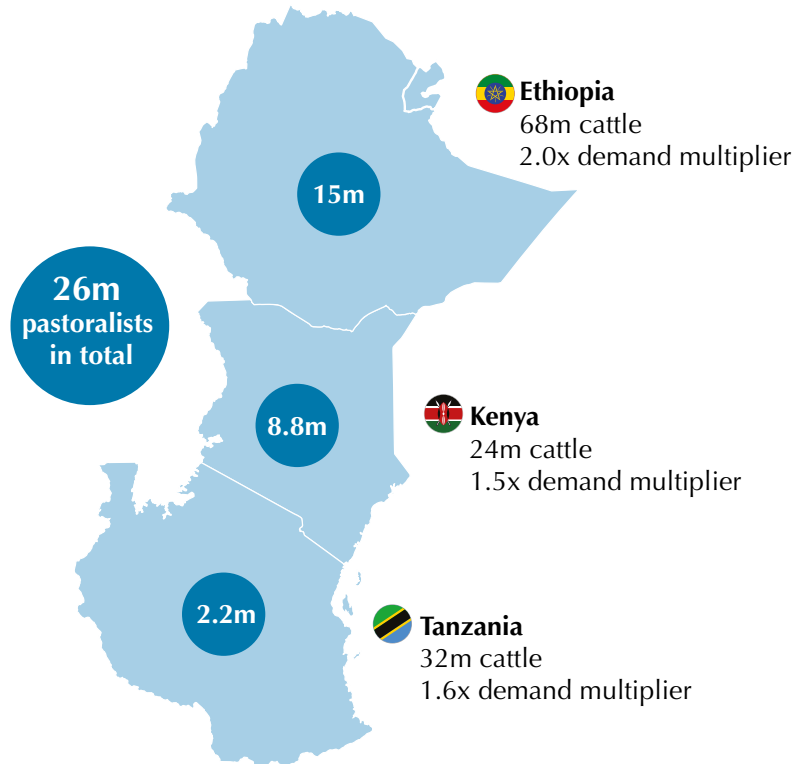


# Case Study - Investigation into the Pastoral Markets in East Africa

Pastoralists are livestock based and often nomadic communities, who are often characterised by having a dependency on livestock, are mobile migrate during seasons, and adapt to climatic conditions. In Ethiopia, Kenya and Tanzania alone there approximately 26 million pastoralists and approximately 217 million cattle. The average multiplier of local demand from 2022 to 20235 is 2 times in Ethiopia, 1.5 times in Kenya and 1.6 times in Tanzania.

Developing a pastoralist meat market in East Africa could be socially impactful for the millions of pastoralists, by meeting growing local demand and improving incomes for pastoral communities, many of whom are from marginalised communities.

We were commissioned to do a study on these markets (including Nigeria) and to recommend solutions to fundamental market challenges.



## Market Challenges and Solutions



Limited access to inputs such as feed, animal health, water and ineffective breeding.

**Solution: Expand and enhance out-grower models using off-takers to provide access to high quality and affordable inputs.**



Fragmented production and aggregation of pastoral markets leading to limited market engagement between pastoralists and consumers.

**Solution: Develop commercial links between pastoralists and off-takers to shorten value chains.**



Low traceability and limited tagging systems prevent access for pastoralists to premium markets and financial mechanisms such as borrowing or insurance.

**Solution: Promoting traceability solutions by working with agribusinesses to drive access and adoption of tagging and tracing. Silverlands Ranching is a good case here where its cattle are carefully tracked and traced.**



Pastoralists have limited access to finance which limits the options of pastoralist farmers to scale production and results in low levels of resilience in case of crises, such as extreme

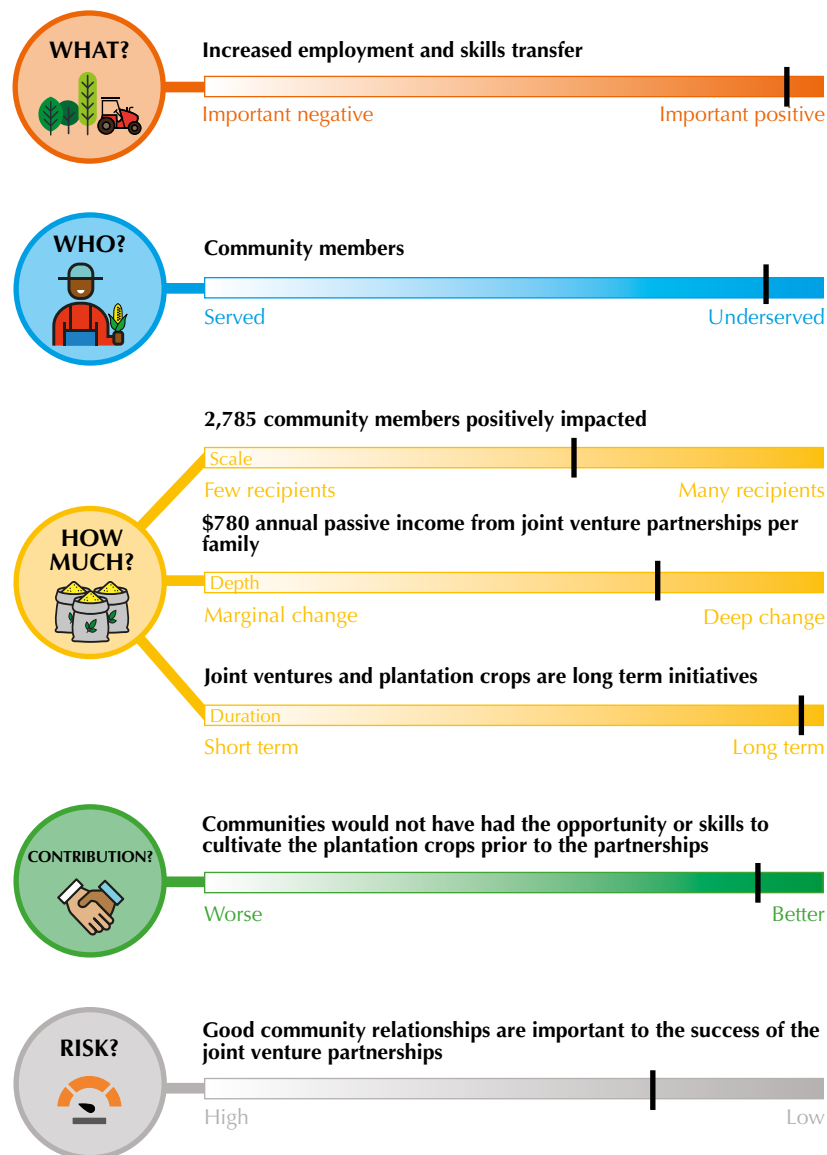
**Solution: Working with financial providers on accessible finance products targeted towards pastoralists' needs, including micro loans.**

## Climate smart solutions

Developing this market has clear social benefits for pastoral communities. From an environmental lens, and taking a holistic approach, sourcing cattle from pastoralists is much less carbon intensive than from commercial farmers. Providing technical assistance – to reduce slaughter age and improve the herd mix – can also help to optimise climate smart practices as can providing improved quality feed which improved productivity of herds and can reduce the need for increasing cattle herd sizes.

# 9 PLANTATION CROPS

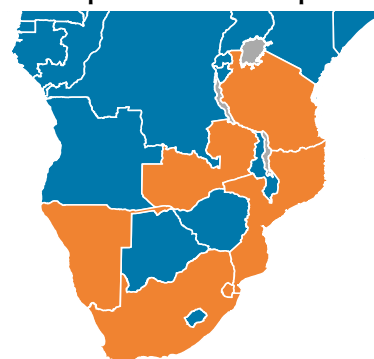
## Creating a Positive Impact with Plantation Crops



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



Countries where export plantation crops have been developed



### Plantation crops

Tree crops	Area (ha)
Date palms	151
Macadamias	596
Pecans	180
Ground nuts	14
Avocados	338
Bananas	878
<b>Total</b>	<b>2,157</b>



### Development impact of plantation crops:

We are growing plantation crops such as date palms, pecans, macadamias, and avocados. In many cases these crops are **new to the countries or regions**. We provide the expertise and patient investment to introduce these new crops and **kickstart a new industry** in the country. This adds to **foreign export earnings** and provides **employment**. We are cultivating 2,157 ha of plantation crops across six countries.

### Avocados in Tanzania

Silverlands Tanzania and Silverlands Ndolela (right) have planted 338 ha of avocados between them (Silverlands Tanzania: 141 ha, Silverlands Ndolela: 197 ha). Avocados add a high-value export crop to the locally sold seed that the farms already produce.



### Macadamias in Northern Mozambique

Murrimo Macadamias is a Crookes Brothers farm in Northern Mozambique. Currently with 586 ha of macadamia nut orchards, plans are in place for further expansion. The farm is in a remote rural area, with few other commercial operations nearby. From a standing start in 2012, the farm now provides 297 permanent jobs and 233 seasonal jobs during harvest.

### The first significant pecan plantation in Zambia

Silverlands Ranching diversified from cattle and cropping by planting 190 ha of pecan orchards starting in 2019 across three phases. This is the first pecan plantation of any material size in Zambia and is pioneering the development of a new, high value export crop for Zambia.



### Introducing date palms in Namibia

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

**Plantation crop joint ventures:**

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

In this model, the community is empowered by the portfolio company to gain the skills needed to cultivate the crops and gain access to investment. A joint venture company is formed that leases the community's land and pays a management fee to the Silverlands portfolio company. Profits are split between the community and the portfolio company with the community typically owning 51-55%. The community therefore earns their profit share plus land rent. Community members benefit from the skills transfer process over the 15-20 year life of the joint venture.



Harvesting taking place at Mawecro's banana fields



## Case Study - Community Joint Ventures

### □ What?

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

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

### ○ Who?

Crookes Brothers participates in two thriving joint ventures: Libcro, a partnership with the Libuyile community and Mawecro, a partnership with the Mawewe community. Together, these community joint ventures comprise 2,981 ha of irrigated sugar and bananas. A third, Renishaw, a partnership with the Cele community is being formalised.



Some employees at the joint ventures are also beneficiaries of the joint venture, yet many are not – therefore the number of people benefitting from the operations is more than just the beneficiaries.

## How Much?

The JVs provide incomes to over 2,785 beneficiaries\*.

The combined average profit and rental earned by the JVs over the last three years is \$2.17m per annum, or \$780 per family. This passive income is in addition to other household income from jobs or from managing their own businesses/farms.

Community beneficiaries (# people)*	Income per family (3-year average)	Value added to community annually (3-year average)
2,785	(Avg) \$780 per annum	\$2.17 million per annum

\*Number of community beneficiaries updated by the JVs during the reporting period.

## + Contribution

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

## △ Risk

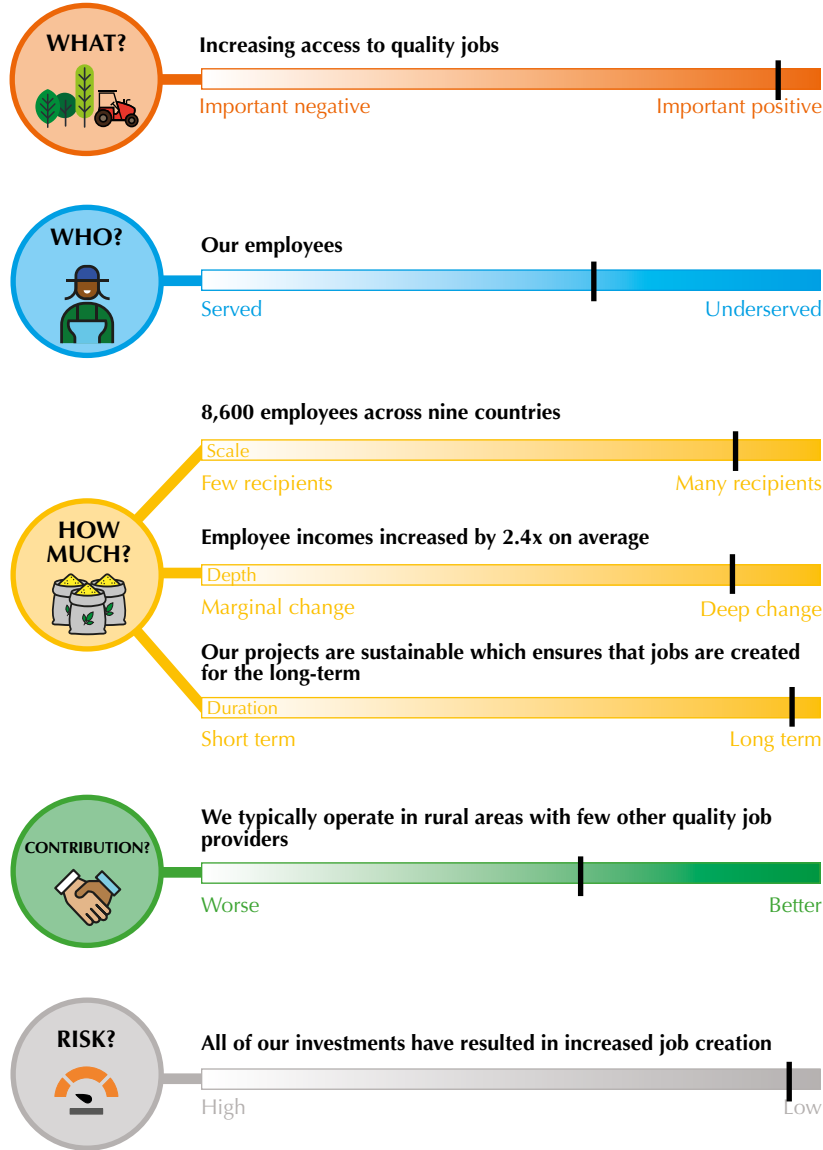
**Stakeholder participation risk - Medium:** The relationship between the community and the portfolio company is integral to the success of the project. Maintaining good relationships with communities is a focus to ensure regular stakeholder engagement is maintained.



The Libcro joint venture produces 1,090 ha of sugar cane

# 10 QUALITY JOBS

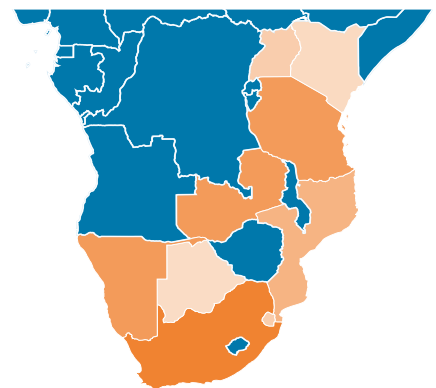
## Creating a Positive Impact through Creating Quality Jobs



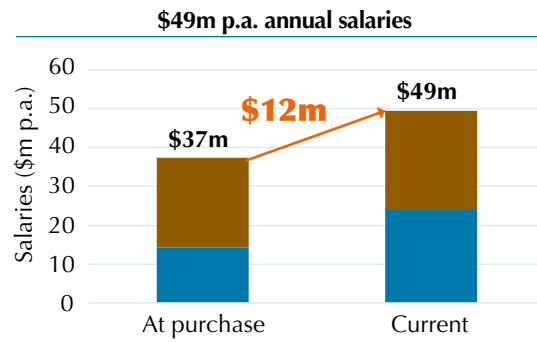
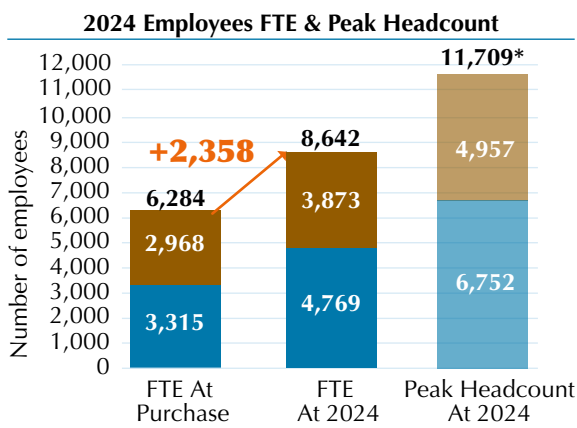
Supporting the creation of quality jobs is an integral aspect to Silverlands' positive impact. By expanding businesses we increase the number of jobs and upskill the workforce.



Silverlands employs 8,600 people across nine countries



### How Much?



\*Headcount captures the total number of staff at peak employment in the 12 month period across each of the portfolio companies. While FTE is a more accurate annual figure of employment, this shows the short term job creation opportunity on a month by month basis.

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

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

## Creating More Jobs

Since our investments, the number of jobs provided by our operations has materially increased by a total of 2,400.

The Silverlands Funds now employ 8,600 people, a 37% increase from the number employed when the businesses were initially purchased (~6,300).

### The Employment Multiplier Effect

This employment creates a substantial multiplier effect, benefitting some 52,000 people.

Employing 8,600 people has two main multiplier effects, (1) indirect and induced jobs created as a function of each permanent job we create and (2) the number of household members positively impacted by our employees.

	Job creation effect: Direct, indirect, induced jobs (3x permanent jobs)*	Household persons impacted (4.4x total employment)**	Total persons impacted
Silverlands I	5,418	20,984	26,402
Silverlands II/III	8,062	17,041	25,103
<b>Total</b>	<b>13,480</b>	<b>38,025</b>	<b>51,505</b>

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

\*All employee numbers are now full-time equivalent (FTE) figures.

## Creating Better Jobs

### Skills development

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

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



A large team from the Zambian grains farms completing training on agriculture techniques to be used both in their employment and their own agricultural practices.

### Higher salaries

By upskilling the workforce, and creating new skilled jobs with a higher salary, we put more money into local economies. Average salaries have increased 2.4-fold since purchase. The payroll is now \$49m per annum across the Silverlands Funds.



Employees from Silverlands Tanzania receiving training at the Poultry Centre

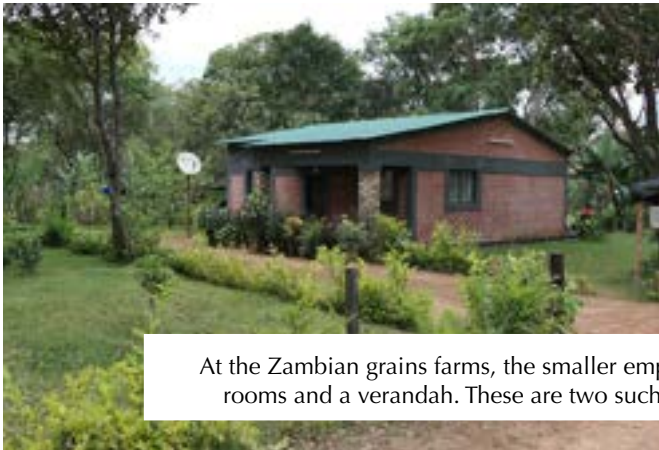
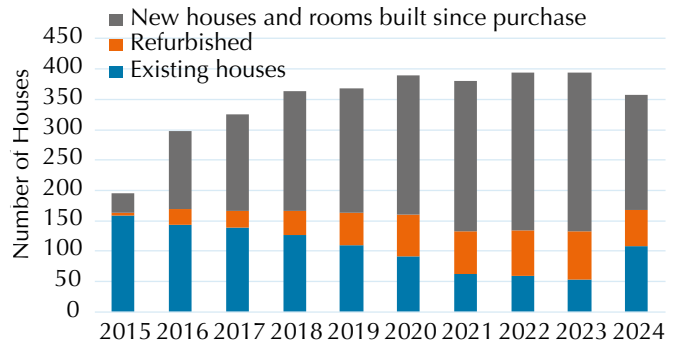


Training on variable speed drives for water pumping at Silverlands Zambia

**Improving employee housing**

Employees’ happiness, wellbeing and productivity is better when they live in good housing in a pleasant environment. Housing has been a priority focus for business development. Across seven operations in Tanzania, Zambia and Namibia, 249 houses have been refurbished or built over the last eight years.

**Number of employee houses on Silverlands Farms**



At the Zambian grains farms, the smaller employee houses are being extended with additional rooms and a verandah. These are two such houses that were upgraded in 2023 and 2024.



Housing and the streets are maintained by the occupants which is overseen by a housing committee elected and comprised of the occupants.

### Investing in transport

One of the larger challenges on a farm is moving large number of employees over relatively large distances, particularly during the busy harvest seasons when traffic on the farm is high and seasonal employment peaks. This poses a number of health and safety risks. To mitigate, we have looked to invest in adequate transport in the form of employee buses.



Staff buses at SZL and SASL farms in Zambia. Proper transportation is important for the health and safety of our employees and minimises risks of transport-related injury.

### Investing in community sport

Community sport holds significant value employees and the local communities. In often remote and physically demanding work environments, sport provides a helpful activity for team cohesion and overall employee satisfaction. Our farms in Namibia, the Zambia grains farms and Zamseed each have sports teams which have proved to be very popular and successful. Community sport initiatives also unite farmers, intergenerational workers, and local leaders, promoting social inclusion, reducing conflict, and building resilience in rural areas.



The female netball team and male football team at Zamseed. The teams compete successfully in local leagues.

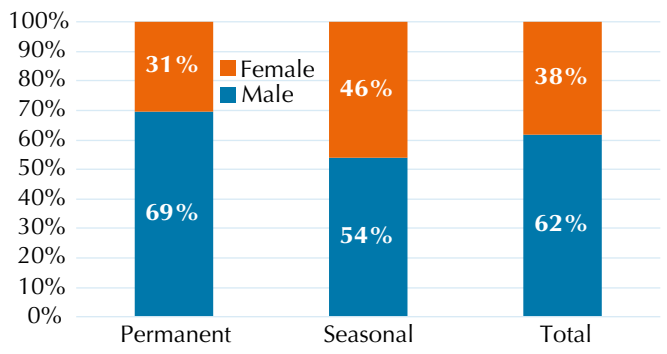


The men's football team at Silverlands Zambia. The team are incredibly passionate about their local league and the games often get high numbers of spectators.

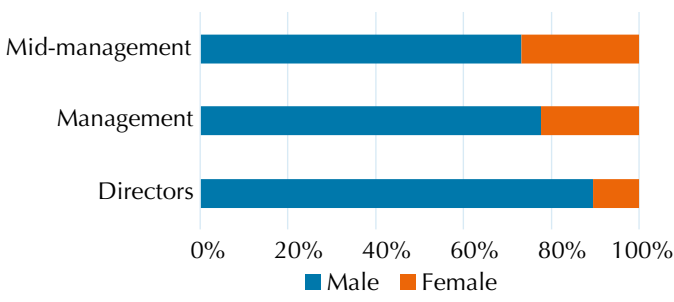
**Diversity: Gender workforce participation**

Gender equality in the workplace is essential to operating responsibly and effectively. Commercial agriculture is typically male dominated; however we employ a significant proportion of women. 38% of our total workforce are women, although there are more in the seasonal/temporary labour force (46%) than in the permanent staff (31%). Rebalancing the gender split remains an ongoing focus.

**Employee genders - both funds**



**Management gender diversity - both funds**



**Women in leadership**

In commercial agriculture, especially in rural areas, demonstrating change through gender champions is vital to promote women’s participation in the workplace. Hiring women continues to be a focus for each operation. In Silverlands I and Silverlands II/III combined, 11% of directors, 22% of top and senior management are women.

**Gender initiatives**

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

- **Women’s Committees / Forums:** A number of our businesses provide a platform for women to raise and discuss issues amongst themselves that they may not feel comfortable raising with men around. Elected leaders can then communicate issues to management, empowering women at all levels within the business. These may be physical meetings, and/or WhatsApp groups, as necessary.
- **Creche:** In Namibia, our businesses set up a creche which has proven popular, enabling women to work knowing their children are cared for. This is fundamental for addressing time poverty for women seeking employment, and for children receiving a form of education in a safe environment.
- **Maternity ward:** A maternity ward at Silverlands Zambia, funded by Silverlands and surrounding commercial farmers, provides maternity clinical services for staff and a wider community of approximately 5,000 people. This brings positive impacts for mothers receiving clinical care and helps reduce child mortality. The next closest maternity care facility is over an hour’s drive away.
- **Female tractor drivers:** Silverlands Vineyards initiated a programme to identify and train women from the female workforce to be tractor drivers. They now have 3 female tractor drivers in their team and are hoping to train a female forklift driver. Silverlands Agricultural Services also has provided training opportunities for a female tractor driver. It is incredibly rare for companies in both areas to have female operators.

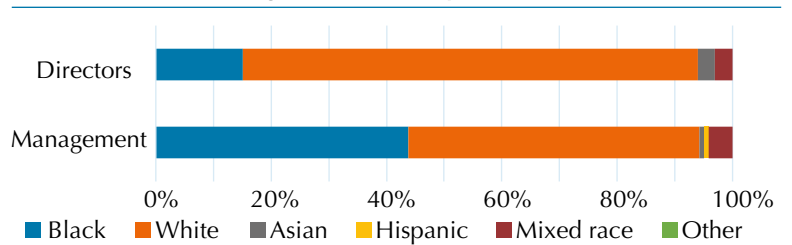


Empowering women in stereotypical male roles such as tractor or transport driving helps other women see potential opportunities for themselves that they may not have considered possible before. Providing opportunities for women to learn and develop these skills enhances their career options and supports wider gender equity.

**Diversity: Race and ethnicity**

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

**Management diversity - both funds**



Silverlands Tanzania have built a strong team of women in middle-management, many grown internally from humble backgrounds.



### **Quantum Food's Bursary Programme**

Quantum Foods provides bursary spending to employees for access to higher education courses, ranging from accounting qualifications such as CIMA, to bachelors degrees and even MBAs. In 2024, Quantum provided \$54,000 in bursaries, of which 92% went towards black, mixed race and Indian employees. These bursaries are instrumental to developing career skills and opportunities to employees.

# 11 OTHER DEVELOPMENTAL IMPACT

## 11.1 SME Spend

Annually, \$33.9 million is paid to a wide array of small and medium enterprises through business relationships with portfolio companies. Compared to 2019, the number of SMEs reached has increased by 42% (268) and the spend has increased by 85% (\$15.6m). As our businesses have expanded, we have enabled these SMEs to grow as well. If each SME has ~10 employees, this implies that some 8,990 jobs are supported by our businesses.

	SMEs	Spend (\$m)
Silverlands I	747	30.5
Silverlands II/III*	152	3.4
<b>Total</b>	<b>899</b>	<b>33.9</b>

\*Excludes Quantum Foods

### Case Study

Our operations in Namibia have facilitated and drive the Aussenkehr Village Foundation, which is a cooperative foundation supported by all the commercial farms in Aussenkehr. In July 2023 – June 2024 alone, our Namibia farms contributed \$21,000 towards the Foundation which has can impact up to 25,000 people\*. The Foundation has successfully delivered a transformational water project, unlocking access to clean water to the village’s residents using an innovative water tower and pay-as-you go method. Waste collection has been another success area, where previously waste was left everywhere, now it is collected and disposed of. Looking forward, the Foundation has turned its attention towards firefighting services, sanitation, and supporting government efforts to establish a formal town for residents.

\*Aussenkehr Village population fluctuates from 15,000-25,000 based on seasonal workers migrating to Aussenkehr during the table grape harvest season.



Water tariff towers provide Aussenkehr residents with access to clean and affordable water



### 11.2 Providing Education to Children

Education is crucial for children as it lays the foundation for lifelong learning, personal development, and future economic opportunities and upskilling. When children have access to reliable, quality education, particularly, during school hours, it provides a secondary impact to mothers by reducing their time poverty. With their children in school, mothers are better able to engage in paid work, pursue education or training, and participate in community life. This not only enhances family income and well-being but also contributes to broader economic and social development.

In Silverlands Zambia, the company has built and staffed a primary school which has 92 children from pre-grade to grade 7 and has five teachers. Children take exams and feed into the local primary schools after grade 7. The school recently installed an IT studio with six new computers, allowing children to learn IT skills. Meanwhile, our table grapes and dates business in Namibia installed a creche which is attended by approximately 200 children during the harvest season. This allows employees with young children to have their children receive care, meals and pre-school education all in a safe and caring environment.



Creche at Silverlands Vineyards and Achill Island Investments



Break time at the primary school at Silverlands Zambia

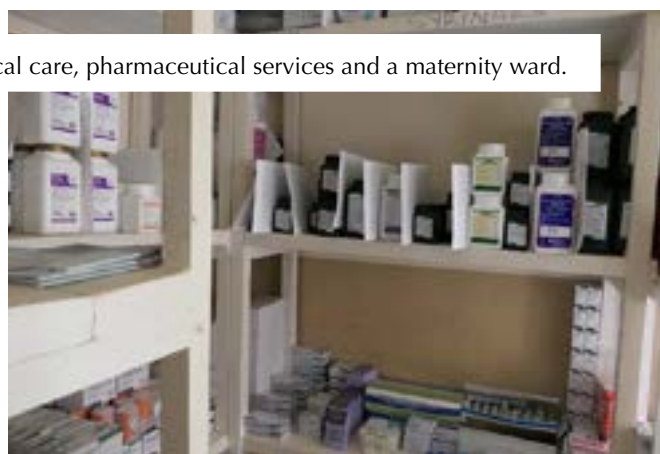
### 11.3 Providing Medical Services to Local Communities

Healthcare is another positive social impact provided to communities. Silverlands Zambia, in cooperation with the local government, established a medical centre in 2017 in the company grounds which has a catchment of over 5,200 people and is staffed by three full time medical practitioners. In 2023, a maternity ward was opened which provides medical access to members of the local community. The medical centre also provides basic level of medical care and contains a pharmacy, providing initial triaging to vaccinations which is massively impactful given the closest hospital is over 40 kilometres away. Silverlands Zambia’s medical centre also offers anti-malarial treatment, which is crucial in the central part of Zambia which is a high risk malaria zone. The staff test and treat patients and provides door to door anti-malarial education and practical advice.

Meanwhile at our table grapes and dates farms in Namibia, there is an operational medical centre which provides ongoing medical care to both companies staff and other farms in the Aussenkehr vicinity.



Silverlands Zambia’s medical centre provides basic medical care, pharmaceutical services and a maternity ward.



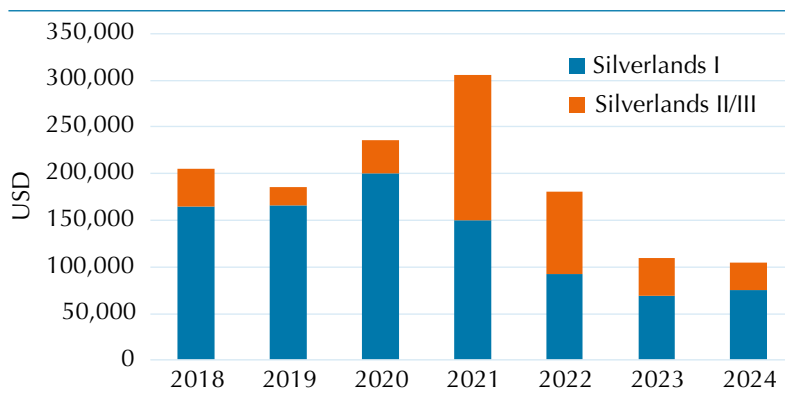
### 11.4 CSI Donations

In 2024, \$104,000 of Corporate Social Investment donations were made. We estimate that this year’s donations benefitted 40,000 people. The companies provide all kinds of community support. This ranges from medical donations such as donated equipment in Zambia, to providing access to clean water through the Aussenkehr Village Foundation in Namibia. Other companies provide donations of food, including Silverlands Tanzania which donates eggs to the local community church, or even emergency relief such as Zamseed’s donation of mineral water to the Ministry of Health in Zambia during a cholera outbreak in Lusaka.

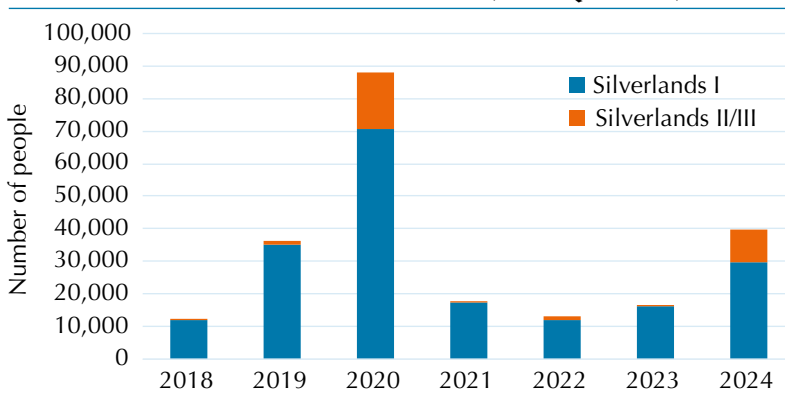
#### Quantum Foods

Quantum supports the FoodForward SA, Mother and Child Programme, contributing 32,400 eggs to the programme in FY 2024. FoodForward SA is a leading force for food insecurity, food loss and waste in South Africa and helps to promote human development.

CSI Donations



Estimated beneficiaries of CSI (excl. Quantum)





# 12 MANAGING IMPACT AND ESG

## 12.1 The ESG Standards We Follow

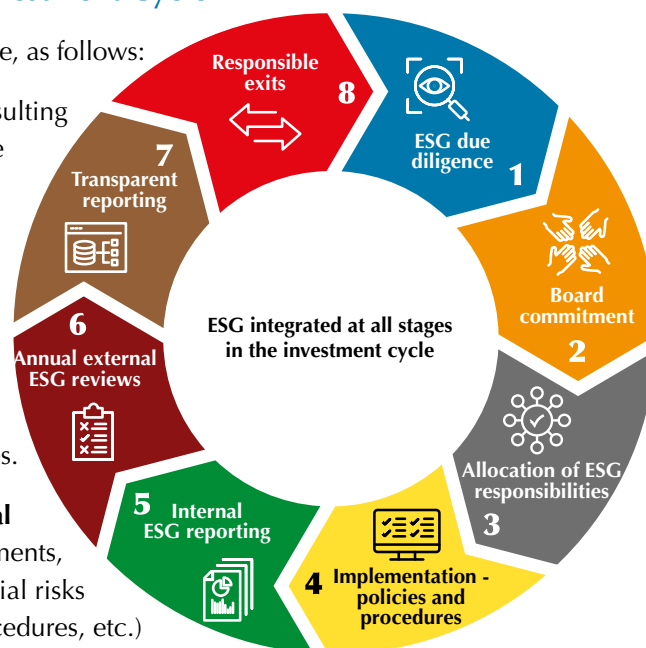
ESG standards
SilverStreet's Responsible Investment Code
International Finance Corporation Performance Standards
UN Global Compact
Signatories
UN Principles of Responsible Investment

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

## 12.2 The Process of ESG Implementation in our Investment Cycle

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

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



8 **Responsible exits:** implementing social and environmental management systems into the businesses ensures ongoing management of ESG aspects post-exit. We also ensure the ethos of potential buyers regarding ESG management is in line with ours.



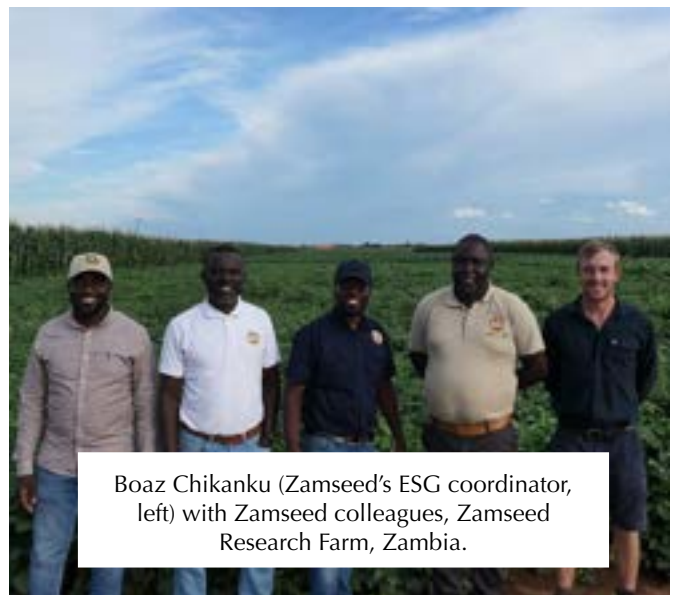
Tom Gray, Fransie Hanekom SVL/ACH ESG Manager) and Chris Chance in Aussenkehr, Namibia



ESG site visit at Silverlands Zambia, Zambia



Surveying soya bean crop at Silverlands Zambia, Zambia



Boaz Chikanku (Zamseed's ESG coordinator, left) with Zamseed colleagues, Zamseed Research Farm, Zambia.

### 12.3 ESG Responsibility

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

Each portfolio company has personnel responsible for ESG. These people oversee ESG matters by managing the SEMS. SilverStreet oversees all ESG implementation across all portfolio companies.

In 2024, we said goodbye to Julia Wakeling – our long standing Head of Impact & ESG for over eight years. Julia built SilverStreet's ESG function from the ground up and did a phenomenal job in doing so. We wish Julia all the very best with her next endeavours. Tom Gray, our new Head of Impact & ESG, took on the role in May 2024 and is already doing an excellent job.

The following personnel across the portfolio companies have key ESG management and/or reporting duties:



**Tom Gray (SSC)**  
SilverStreet Head of Impact & ESG



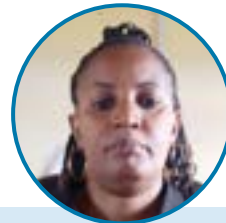
**Dr Fenton Cotterill (SSC Consultant)**  
ESG Consultant



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



**Stewart Bradnick (STL)**  
ESG and Operations Lead



**Lydia Mziray (SNL Selous)**  
ESG & Legal Compliance Officer



**Jacqueline Mlowe (SNL Ndolela)**  
HR Assistant



**Eliud Kyando (SNL Ndolela)**  
Safety, Health & Environment Officer



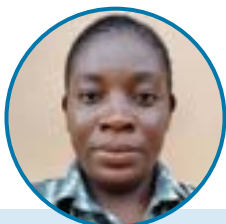
**George Chabaputa (SASL)**  
HR/ESG Manager Zambia



**David Kalunga (SZL)**  
HR/ESG Assistant



**Francine Matanda (SRL)**  
HR/ESG Officer



**Esther Phiri (SRL)**  
HR Assistant



**Rory Niven (CBL and QBV)**  
Group Operations



**Lisa Pretorius (CBL)**  
Head of People



**Fransie Hanekom (SVL & Achill)**  
ESG Manager



**Boaz Chikanku (Zamseed)**  
ESG Co-ordinator



**Bill Nicholson (Zamseed)**  
Operations Manager



**Heather Pether (Quantum Foods)**  
Head of HR



**Andre Muller (Quantum Foods)**  
Chief Financial Officer



# 13 ANNUAL ESG REVIEW

## 13.1 Overview

The Annual ESG reviews are conducted to assess compliance of each portfolio company against our ESG standards and to new and uncompleted environmental and social action points to move towards full compliance of our portfolio with our ESG policies detailed in the previous section. Our target was for the annual review to be independently performed every second year. The first annual ESG review was completed in 2013, and in practice these reports have been done independently every year other than 2016<sup>26</sup>.

These reports are detailed “audits” of each portfolio company’s ESG performance against our ESG standards. This year, due to Silverlands I undertaking an exit process, the Silverlands I portfolio companies were reviewed internally using “ESG Key Metrics” reports. These reports assess a number of ESG factors, including: underlying ESG successes and challenges; metrics such as employee numbers across genders, health and safety data, key stakeholder engagements, environmental indicators; and an update on the ESAP. These reports averaged 20 pages each. The last independent ESG reports for Silverlands I were completed in 2023. Silverlands II/III had three “ESG Audit” reports, one for each portfolio company, which were on average each 66 pages long. As with the 2023 review, this year Silverlands II/III companies were assessed with the updated aspirational ESG scorecard (see next section), with much background information included in the scorecard spreadsheets and resulting in much shorter reports focusing on material aspects. The original RIC compliance scorecard was also assessed in the latest ESG Audits so we could continue our trend analysis of ESG compliance. The reports are carefully reviewed by the management of each portfolio company and the SilverStreet team. All reports are made available to our investors via the Sungard DX system and are reviewed in an annual Impact and ESG Day.

	Silverlands I	Silverlands II/III	Total
Number of reports	8	3	11
Average pages per report	20	66	34
<b>Total pages</b>	<b>138</b>	<b>197</b>	<b>335</b>

## 13.2 Compliance with Our Responsible Investment Code

Our RIC is divided into seven sections. Each year in the annual ESG review, portfolio companies are scored against the various topics. The scores indicate overall performance against our ESG standards.

### a) Silverlands I

With Silverlands I undergoing an exit process, external ESG reviews have transformed into internal ESG reviews and Environmental Social Action Plans (ESAPs) were assessed as part of the “Key Metrics” reports. More detail is provided later in this section.

### b) Silverlands II/III

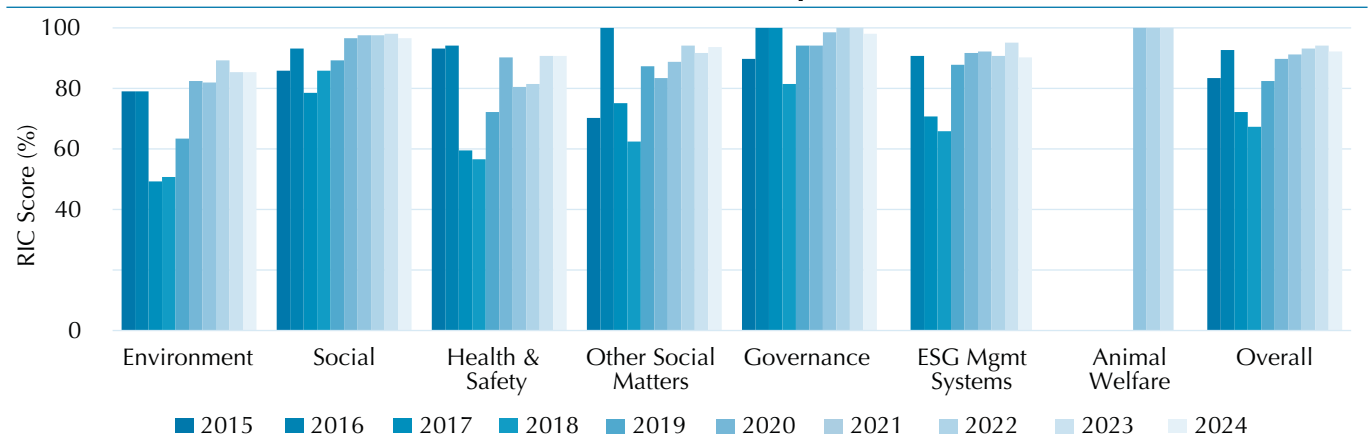
We are proud that overall compliance with our responsible investment code remains in the nineties. Management of ESG aspects has the potential for continuous improvement. Therefore we do not expect companies to achieve scores much higher and this is in part why an updated, aspirational ESG scorecard, was introduced in 2023. However, we believe it is important to continue to track and demonstrate compliance against the RIC to register ESG progress against the funds’ lifecycles. The scores have risen steadily and have stabilised. Scores are detailed in the individual reports for each portfolio company.

<sup>26</sup>Silverlands I is currently undertaking an exit process. To streamline costs, and with our Silverlands I portfolio companies now mature from an ESG compliance lens, ESG reviews are now completed internally by SilverStreet’s Impact & ESG team. The last independent ESG reviews for Silverlands I companies were completed in 2023.

Responsible Investment Code Compliance for Silverlands II/III

Section Summary	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Change %
Environment	79	79	49	51	64	83	82	89	85	85	0
Social	86	93	79	86	90	97	98	98	98	96	-2
Health & Safety	93	94	60	57	72	91	80	81	91	91	0
Other Social Matters	70	100	75	63	88	84	89	94	92	94	2
Governance	90	100	100	82	94	94	99	100	100	98	-2
ESG Management Systems		91	71	66	88	92	92	91	95	90	-5
Animal Welfare							100	100	100	N/A	N/A
<b>Overall</b>	<b>84</b>	<b>93</b>	<b>72</b>	<b>67</b>	<b>82</b>	<b>90</b>	<b>91</b>	<b>93</b>	<b>94</b>	<b>92</b>	<b>-2</b>

Silverlands II/III: RIC Compliance



The ESG Management System score has dropped which is for the most part impacted by Zamseed. This category has been identified and targeted with new ESG actions aimed at bringing ESG factors into management activity and providing greater support to the ESG team at Zamseed.

### 13.3 Update to our ESG Scorecard - Summary

#### Objectives

During the 2022 reporting year we updated SilverStreet’s ESG scorecard that we had been using for over 10 years. The update included three core objectives:














- 1 Update and expand the topics to include current and new ESG topics.
- 2 Reduce subjectivity in the scoring methodology.
- 3 Include ‘aspirational’ aspects to ‘future proof’ the tool and provide a roadmap to move towards.

#### Framework selection

To ensure the new scoring methodology incorporates our current standards, while embedding new frameworks, we worked from SilverStreet’s core standards (see Section 12) along with a suite of best-practice notes and on-the-ground experience to develop questions.

Each question was coded to enable future versions of the scorecard to result in varying scores, for example a human rights score or International Labour Organisation Core Conventions score.

## Topics included in the new ESG Scorecard

	Systems	Commitment to ESG throughout the organisation. Risk/impact assessment. Resources and capacity building. Legal compliance.
	Climate	Climate risks to the company (adaptation and resilience).
	Greenhouse Gas Emissions	Greenhouse gas emissions.
	Resources	Energy efficiency. Water efficiency. Waste minimisation (and management). Circular economy.
	Pollution	Wastewater management. Air pollution management. Soil, groundwater and surface water contamination. Hazardous materials management. Environmental incidents.
	Land and Pest	Biodiversity. Pesticide/herbicide impact. Pest management.
	Animal Welfare	Animal welfare. Biosecurity.
	Community	Community impacts. Stakeholder engagement. External grievances. Corporate social investment. Cultural heritage. Land acquisition and resettlement. Community health and safety. Food safety.
	Human Rights	Forced labour. Child labour. Gender risks. Vulnerable groups. Indigenous peoples. Contractors. Suppliers. Worker accommodation. Security.
	Human Resources	Contracts. Benefits. Career progression opportunities. Retrenchment. Industrial relations. Grievances. Employee engagement.
	Diversity	Diversity, equity and inclusion commitments. Diversity opportunities.
	Health and Safety	Accidents and incidents. H&S administration. Chemicals. Permits and lock-out-tag-out. Vehicles. Asbestos. Construction.
	Corporate Governance	Commitment to corporate governance. Structure and functioning of the Board of Directors. Control environment and processes. Transparency and disclosure. Anti-bribery and corruption. Cybersecurity. Data privacy. Tax.

## New ESG Scorecard - Tool structure

### Section A: Questionnaire (spreadsheet)

This is a detailed questionnaire, designed to reduce subjectivity. It is completed by the portfolio company and reviewed by the consultant. Most questions are scored and given a weighting (some are not scored as we do not want to incentivise underreporting). Portfolio companies can see the underlying frameworks behind questions. We hope that simply thinking about and answering the questions is a learning opportunity for portfolio companies.

### Section B: Independent Evaluation (spreadsheet)

This section includes a qualitative and quantitative analysis of ESG topics by independent experts.

### Overall Score

The combined results from sections A and B produce an overall score for each topic.

### Final Reports

As much of the detail is covered in the Section A and B spreadsheets, the final report can be shorter, summarising key data and the independent consultant's insights and recommendations.

This comprehensive approach allows ESG performance to be summarised at a portfolio company and fund level, providing a holistic view of the impact and sustainability of our investments.

#### a Comparing to our previous scorecard

We believe that our updated approach would generally be classified as “leading edge”.

#### New ESG topics

We've enhanced our ESG Scorecard by introducing new topics, for example questions related to climate scenario analyses, food safety, employee career progression, living wages, diversity, cybersecurity, data privacy and tax. Including aspirational targets, not covered in our previous scorecard, provides a roadmap for portfolio companies to work towards over time.

#### Comparing scores to previous scorecard

We treat both scorecards differently. The original RIC compliance scorecard is our gauge of how our portfolio companies are complying with our policies, as set out during the formation of each company's SEMS and ESAP. To show the trend we continue to measure against the RIC scorecard. Scores here have peaked in the 90's because management of ESG aspects are subject to continuous improvement. This is why we introduced the aspirational ESG scorecard, so that we could continue to track new ESG best practices and aspire for greater ESG performance beyond original compliance. With the aspirational scorecard including aspirational points, there is now more room to grow, and the scores when compared with the RIC scorecard are lower. To demonstrate this, Achill has a performance score of 94% in the RIC scorecard, and 79% in the aspirational ESG scorecard.

#### All topics included in aspirational scorecard and original scorecard also kept to prevent “changing goal-posts” and maintain trend analysis

Portfolio companies have previously expressed frustration that the ESG reviews “change the goal-posts”. The reason for this is that each year the consultants focus on the most material aspects for the company to focus on at that time. As the company progresses along their “ESG journey” and implements certain aspects, more nuanced topics and detail on existing topics are introduced. We hope that the new scorecard covers all potential topics.

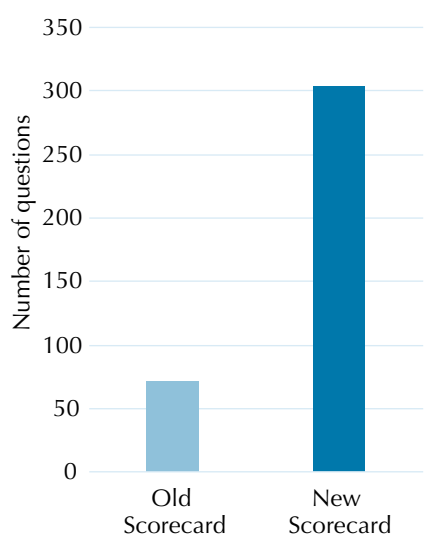
### Bias towards African agriculture

As our entire portfolio is within African agriculture, we could make the scorecard specific in terms of topics, questions, and weightings, to be most relevant to the sector.

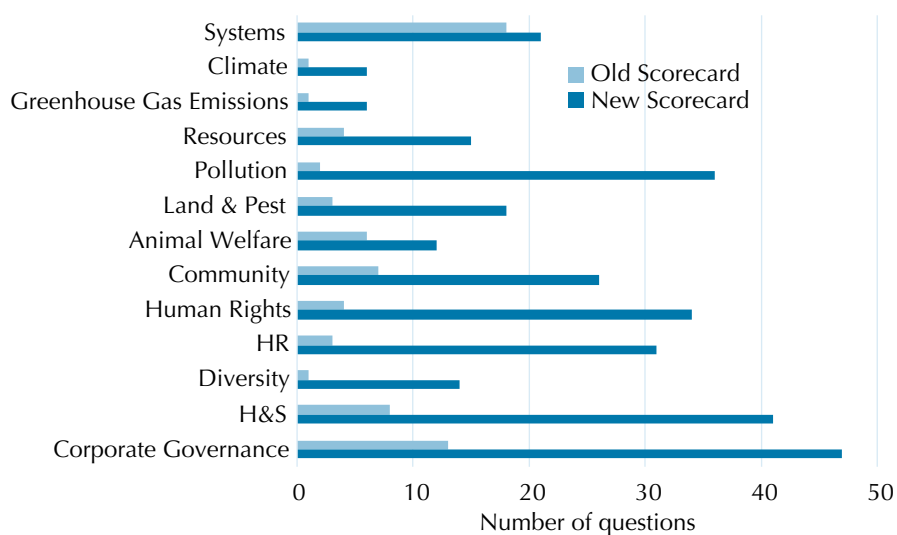
### Number of questions

The new scorecard includes 304 questions, 233 additional questions compared to SilverStreet’s previous scorecard.

**New scorecard has 304 questions (233 more than before)**



**Comparing scorecards Questions per topic**



## b Learnings and obstacles

### The process of weighting questions

Assigning weights to each question posed a challenge, demanding a rigorous approach. Our Impact and ESG team conducted extensive discussions and two rounds of adjusting the weighting to arrive at the current weightings.

Weighting questions allowed us to contemplate what constitutes the core standards of risk mitigation, with those aspects receiving higher weightings. Companies can achieve relatively good scores provided they have the basics covered. Those companies more advanced in their implementation can focus on aspirational topics (that have lower weights) to further raise their scores.

One idea would be for weightings to vary, depending on the materiality of the topic to the company. However, this would then require the weightings to be adjusted annually for each company, as materiality changes over time. This would be overly time consuming and result in a subjectivity in the scoring. Weightings are therefore kept constant for all operations and will remain the same over time.

### Not scoring some questions

Some questions should not be scored as scoring would incentivise underreporting. For example, we do not score the number of injuries in the workplace, but rather a company’s commitment to reporting those injuries.

### Scope: site vs group

For organisations with multiple operations, a complexity encountered was deciding the level at which the tool should be applied. Should it be specific to a site/farm, or at a group/company level? After careful deliberation, our tool now includes questions aimed at a group-level (mostly Section A) as well as site-level (mostly section B). This enables different personnel to contribute their perspectives, providing a comprehensive view of the organisation’s ESG implementation.

### All sites weighted equally

In portfolio companies with multiple sites, there are different potential ways to summarise scores. One option is to weight the scores from each site (each with its own Section B score) based on a scale factor (revenue; hectares etc). However, sites that do not contribute substantially to income or are small may still have material ESG risks that require management. Therefore, each site is equally weighted.

### Incorporating independent evaluation

An integral part of our ESG assessment is the independent evaluation by ESG experts. This is primarily achieved through Section B. Here, ESG experts provide qualitative analyses and recommendations on each topic. Each topic is also scored. Section B adds a site-specific risk-based overview, as consultants can judge the importance of each topic area while on site. Consultants also interrogate the answers given by the company in section A, ensuring accuracy and checking implementation on the ground.

### Topics could go in different sections

Some topics could be placed in different sections (e.g. the use of coal could fall under “Resources” as well as “Greenhouse gas emissions” and “Pollution”). During report writing an attempt was made to address each topic only once (and in this case coal use was covered under “Resources”).

### Is Section B scoring too rough?

It was realised too late that the scoring used in Section B (scoring between 1 and 4) is likely too rough, as it did not feel like the final scores correctly reflect the company. A more granulated (1-10) scale should possibly be used in future to allow for more nuance.

## 13.4 Compliance with Our New ESG Scorecard

The following table gives an indication of how the scores below relate to performance:

Score	Indication of Performance
0-25%	Significant failings (e.g., either: <ul style="list-style-type: none"> <li>company is failing to identify relevant risks and has not developed appropriate procedures or controls; OR</li> <li>there are significant concerns from site observations &amp; discussions).</li> </ul>
26-50%	Room for improvement (e.g., either: <ul style="list-style-type: none"> <li>company has identified risks and these are formally mitigated in procedures, but working practices are not aligned to adequate risk management (based on site observations &amp; discussions); OR</li> <li>company has identified risks but there is no formalised mitigation of these and business practices do not manage the risk).</li> </ul>
51-75%	Reasonable performance (e.g., either: <ul style="list-style-type: none"> <li>company has identified risks and has a broad sustainable working strategy to manage them, but this is not formalised in documents or training; OR</li> <li>required improvements in this area have been identified – listed as ESAP items).</li> </ul>
76-100%	Strong performance (e.g., relevant policies and procedures are comprehensive and there is evidence of implementation. Onsite practices are good, as observed during site visits).

**a Silverlands I**

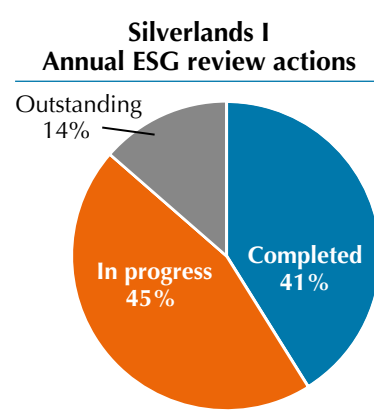
This year, our ESG reviews were completed internally and consisted of key ESG metrics. This meant that no updates were made to the RIC ESG scorecard nor the aspirational ESG scorecard reviewed for Silverlands I sites in 2023<sup>27</sup>. This is because Silverlands I companies are much more mature from an ESG standpoint, but also because Silverlands I is currently undergoing an exit process during which it has been decided that ESG reviews would be completed internally. These “Key Metric” reports were provided to investors in September 2024.

**Environmental Social and Action Plans (ESAPs)**

Portfolio companies continue to progress on action points raised in previous ESG reviews with 89% of actions either completed or in progress.

**Silverlands I: Portfolio company progress against previous action plans**

Portfolio company	No. of actions	Completed	In progress	Outstanding
Silverlands Tanzania	29	4	18	7
Silverlands Ndolela	33	10	18	5
Silverlands Zambia	27	16	8	3
Silverlands Agri. Services	31	25	4	2
Silverlands Ranching	38	21	13	4
Silverlands Vineyards	14	10	3	1
Quinta da Bela Vista	10	2	5	3
Crookes Brothers	105	30	61	14
<b>Total</b>	<b>287</b>	<b>118</b>	<b>130</b>	<b>39</b>
<b>%</b>		<b>41%</b>	<b>45%</b>	<b>14%</b>



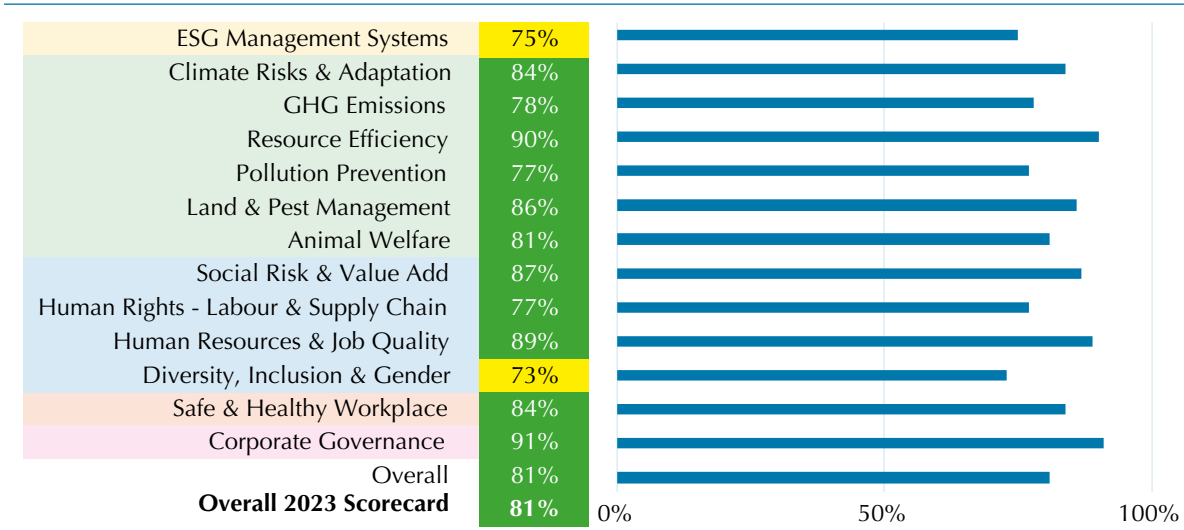
<sup>27</sup>In 2023, the first year of use for our ESG aspirational scorecard, the Silverlands I sites reviewed were Silverlands Vineyards, Silverlands Tanzania, Silverlands Ndolela (both Ndolela and Selous sites) and Crookes Brothers Murrimo site.

**b Silverlands II/III**

**Aspirational ESG Scorecard**

While the RIC Scorecard measures ESG compliance, the aspirational scorecard tracks continuous ESG improvement as ESG best practices evolve. We are proud that Silverlands II/III achieved 81% (Strong Performance). Just two topics – ESG Management Systems and Diversity, Inclusion & Gender – received 75% or less in their scoring. Diversity, Inclusion and Gender is a new topic and requires time to implement, thus achieving “Reasonable Performance”. We are proud that Resource Efficiency and Corporate Governance scored in the 90’s, demonstrating a strong commitment across the portfolio to effective resource management and corporate transparency.

**ESG Score Summary - Silverlands II/III**



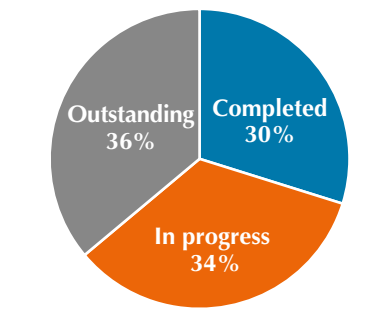
**Environmental Social and Action Plans (ESAPs)**

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

**Silverlands II/III: Portfolio company progress against previous action plans**






Portfolio Company	No. of actions	Completed	In progress	Outstanding
Achill	10	4	6	0
Zamseed	56	32	16	8
Quantum	182	37	63	82
<b>Total</b>	<b>248</b>	<b>73</b>	<b>85</b>	<b>90</b>
<b>%</b>		<b>30%</b>	<b>34%</b>	<b>36%</b>

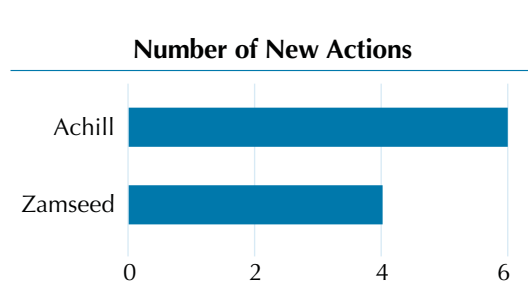
**Silverlands II/III Annual ESG Review Actions**



### 13.5 Summary of new actions across the group

The Annual ESG audit led to new actions being identified. Actions are categorised by the relevant IFC Performance Standard and are labelled by priority (High, Medium, Low). Below is a summary of new actions identified this year.

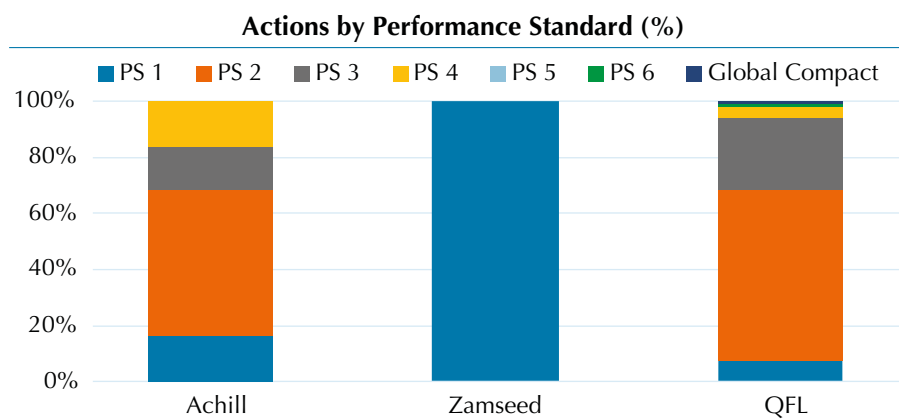
IFC Performance Standards	
	1 Assessment and Management of E&S Risks and Impacts
	2 Labour and Working Conditions
	3 Resource Efficiency and Pollution Prevention
	4 Community Health, Safety and Security
	5 Land Acquisition and Involuntary Resettlement
	6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
	7 Indigenous Peoples
	8 Cultural Heritage



**Silverlands II/III:  
Portfolio company new actions identified**

Portfolio company	No. of new actions
Achill	6
Zamseed	4
Quantum	0 <sup>28</sup>

Overall, 10 new actions were assigned across Silverlands II/III by consultants during the 2023-24 reporting year<sup>29</sup>.



<sup>28</sup>Quantum’s 2024 review focused solely on the status of open ESAP items from the 2023 ESG Report and did not include the review of the company’s ESG performance for the 2023/2024 period, and did not involve updating the 2023 ESG scorecard.

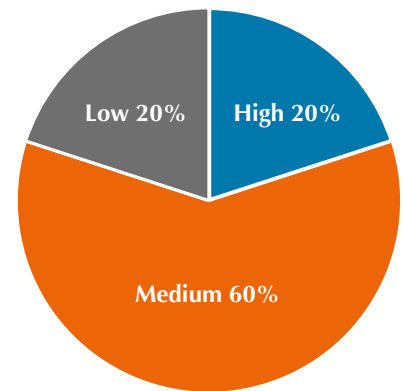
<sup>29</sup>Silverlands I companies did not receive an independent ESG review in 2023-2024, as discussed earlier in this section, and therefore did not get assigned new actions.

80% of the new actions relate to Performance Standard One (Assessment and Management of E&S Risks and Impacts ) and Two (Labour and Working Conditions and Performance Standard. Common themes of actions relating to these Performance Standards include raising awareness or enhancing system of SEMs procedures, and bringing ESG factors and personnel into management settings.

Most actions identified were medium priority (60% for Silverlands II/III). Actions categorised as high priority were in two areas labelled below:

- Developing an overarching sustainability strategy aligning with SDG’s; and
- Raising awareness of ESG and SEMs through training for management and employees.

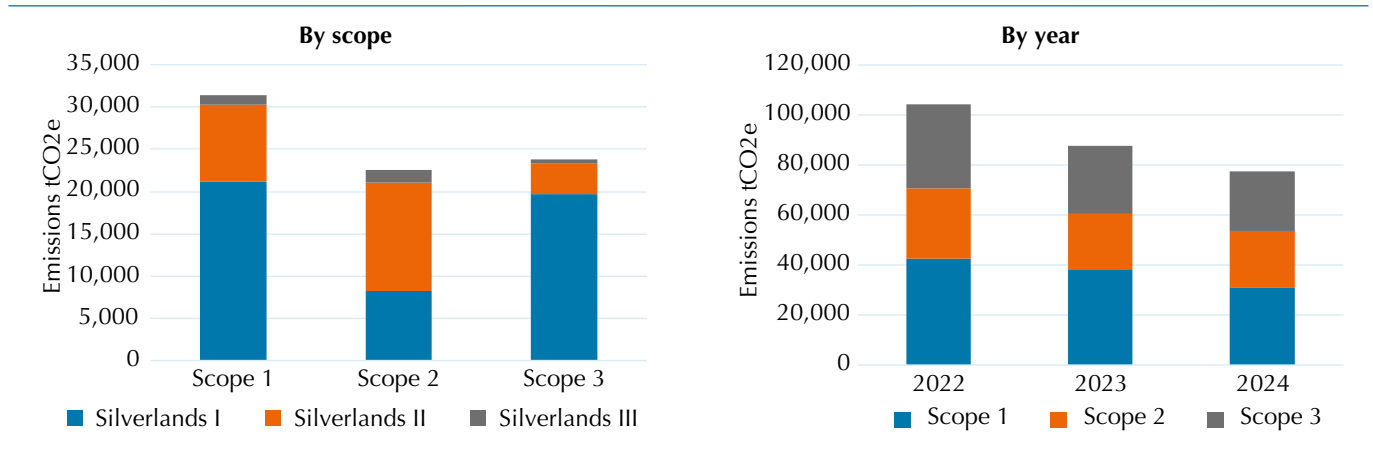
Silverlands II/III - Actions by Priority



### 13.6 Measuring our Greenhouse Gas Emissions

For the 2024 calendar year, we assessed the scope 1, scope 2 and material scope 3 greenhouse gas emissions for portfolio companies in Silverlands I and Silverlands II/III, using a bespoke tool developed for our portfolio. This is a critical step in reducing our emissions, and meeting the reporting requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainable Finance Disclosure Regulations (SFDR). Across all funds, total emissions have reduced by over 20% from over 100,000 tCO<sub>2</sub>e to under 80,000 tCO<sub>2</sub>e since 2022. The reduction is due to an array of factors, including increased efficiencies of resources such as water use and power, to reduction in coal and diesel, but also greater accuracy in our measurements as our data has improved in quality as we disclose year on year.

Silverlands Funds GHG emissions



Silverlands Funds GHG emissions (tCO<sub>2</sub>e)

Fund	Scope 1	Scope 2	Scope 3	Total
Silverlands I	21,172	8,326	19,712	49,210
Silverlands II	9,054	12,685	3,595	25,334
Silverlands III	1,108	1,552	440	3,099
<b>Total</b>	<b>31,334</b>	<b>22,563</b>	<b>23,747</b>	<b>77,643</b>

\*For Quantum Foods Holdings scope 3 emissions are excluded.

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



## Disclaimer

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



**2024**

Tom Gray, Head of Impact and ESG appointed.  
Aspirational ESG scorecard introduced to Silverlands II/III ESG reviews.  
Awarded Emerging Markets Investment Company of the Year (Global Fund Awards).

**2023**

Awarded Social Fund of the Year (Environmental Finance).

**2022**

10 years of ESG reviews of Silverlands Fund I completed.  
Several portfolio companies listed as Africa's fastest growing companies.  
All Silverlands funds classified as most Article 9 Funds - the most sustainable funds under the EU SFDR.

**2021**

First year of measuring portfolio's carbon emissions.  
Impact governance independently assessed by Phenix Capital.  
ESG and Impact Policy and Climate Change Policy adopted.

**2020**

Awarded Ethical Investor of the Year for third year in a row (Global Fund Awards).

**2019**

Awarded Best impact Investor, UK, and Best African Agriculture PE Fund (Wealth and Finance).

**2015**

Appointed first dedicated Impact and ESG resource.

**2013**

First annual Impact & ESG report.

**2011**

Adopted Responsible Investment Code, setting out SilverStreet's ESG objectives.