



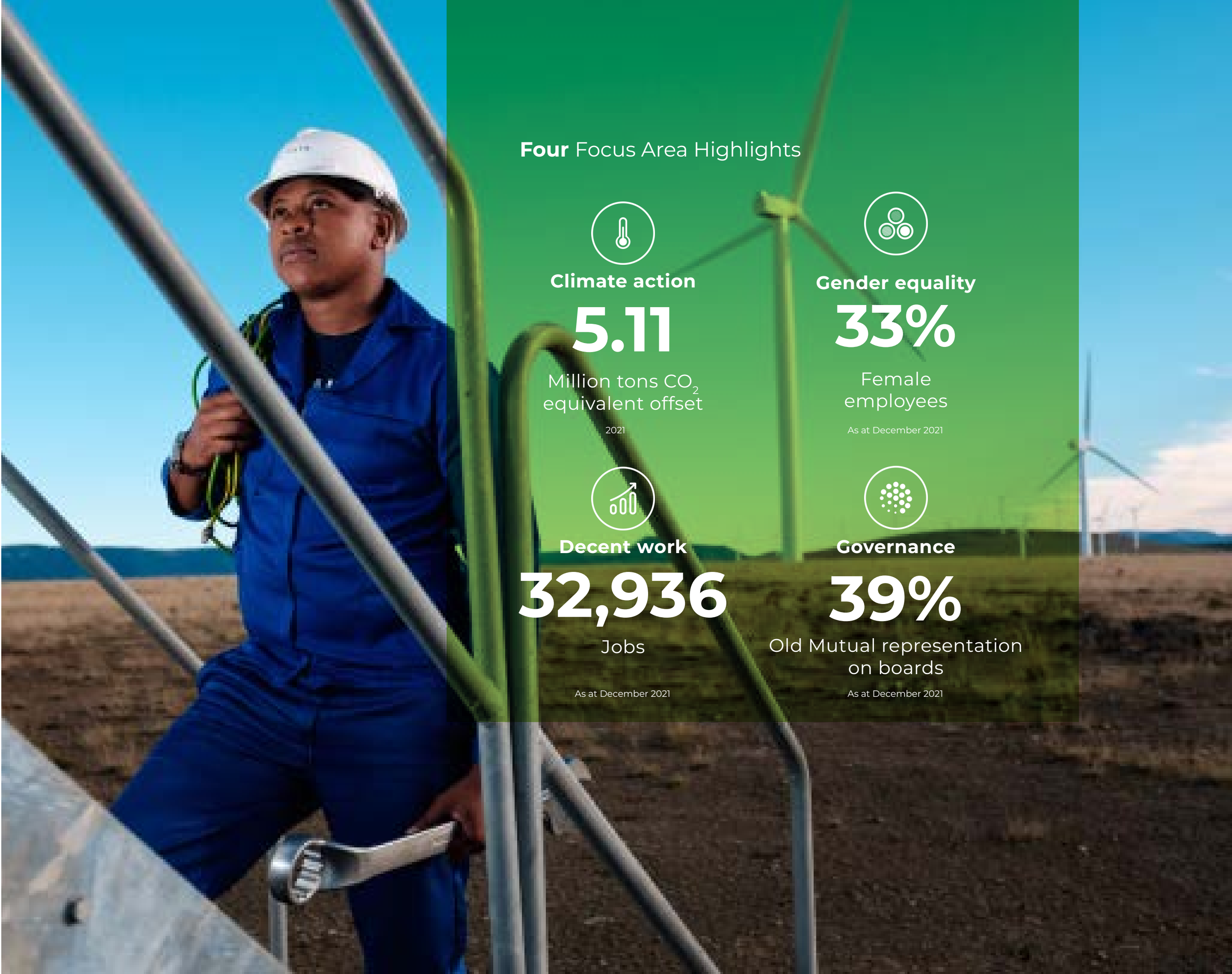
OLDMUTUAL

INVESTING WITH SIGNIFICANCE

OMAI Sustainability Report 2021



ALTERNATIVE INVESTMENTS



Four Focus Area Highlights



Climate action

5.11

Million tons CO₂
equivalent offset

2021



Gender equality

33%

Female
employees

As at December 2021



Decent work

32,936

Jobs

As at December 2021



Governance

39%

Old Mutual representation
on boards

As at December 2021

Old Mutual Alternative Investments is one of the largest private alternative investment managers in Africa, with R 75.9 billion (USD 4.8 billion)* under management in infrastructure, private equity, impact investing assets and hybrid equity.

*as at 31 December 2021

Purpose of **Report**

The overall purpose of this report is to provide insights into our business and our investments beyond more than just financial returns. We have adopted various international ESG standards and frameworks, using the United Nations Sustainable Development Goals as the topline framework to drive positive outcomes. The report provides an OMAI wide and business unit- level view of our ESG approach, our focus areas, ESG performance, and what ESG topics we think are important to take note of. We seek to understand our footprint, assess what is possible to change in that footprint, then drive and measure that positive outcome.

Report **Structure**

- INTRODUCTION
- LEADERSHIP MESSAGE
- ESG PERFORMANCE

Old Mutual Alternative Investments Overview

AIIM

African Infrastructure Investment Managers (AIIM) has 20 years of infrastructure investment experience across the African continent with investments throughout Sub-Saharan Africa and R37.45 billion (USD 2.36 billion)* AUM. AIIM's 36-member strong investment team are based out of five locally-staffed offices across the continent, providing local experience and expertise. The track record extends across seven funds with more than 60 investments across the transport, renewable energy, power generation, digital and communication infrastructure sectors in 19 countries.

AIIM's objective is to target investments with potential to produce strong long-term returns and simultaneously result in positive social and environmental impact. Our commitment to responsible investment is central to AIIM's investment objectives and to fulfilling our fiduciary duties towards our shareholders and beneficiaries. We believe that embedding environmental, social and governance thinking into our investment decision making is critical and is followed closely by seeking to unlock positive impacts for project stakeholders and communities.

*as at 31 December 2021



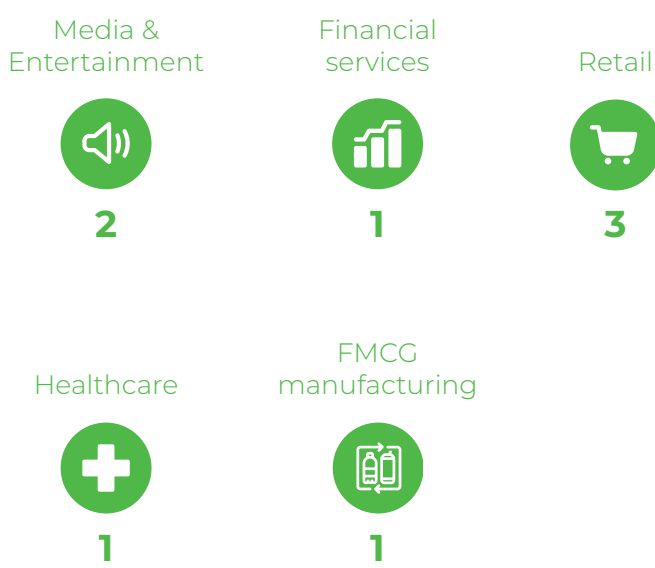
*as at 31 December 2021

OMPE

Old Mutual Private Equity (OMPE) is a leading private equity manager in South Africa, founded in 2000 to source, negotiate and manage private equity investments in South Africa. OMPE is one of the most established and respected private equity managers in South Africa with more than 100 years of combined relevant experience. Over the last two decades, the team has collectively invested R 9 billion in 31 private equity transactions and realised 19 exits. The team, which currently manages private equity assets of more than R 9.99 billion (USD 629 million)*, inclusive of its recently deployed OMPE Fund IV, has worked together for over 15 years.

OMPE recognises that the successful management of private equity investments must be cognisant of the needs and priorities of all stakeholders. OMPE views the commitment to ESG factors as part of its broader responsibility to clients, shareholders and the communities in which it operates. Implementing ESG standards is at the core of our integrated investment process. We focus on investing in a responsible manner to create long-term sustainable value.

*as at 31 December 2021



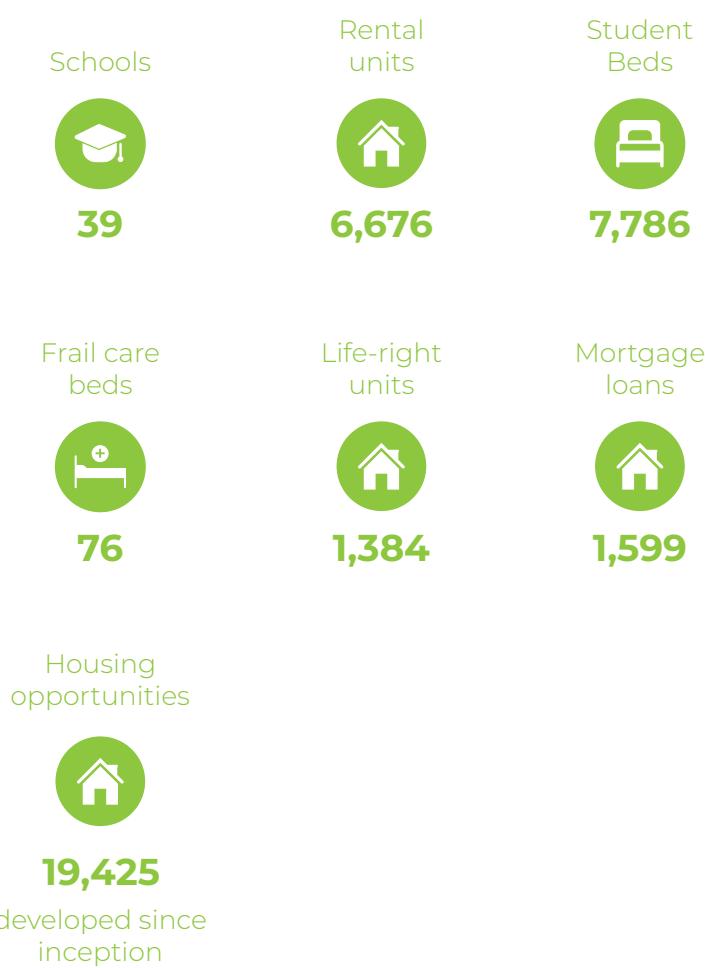
*as at 31 December 2021

IMPACT INVESTING

The Impact Investing fund manager has been generating positive social and environmental impact alongside financial returns since 2007, identifying assets and regions where gaps or backlogs in social infrastructure have been identified. We seek to create commercially sustainable investments that provide large scale positive impact which benefit mainly lower to middle income communities, particularly in affordable housing and quality education. Our team manages in excess of R7.8 billion (USD489 million)* across a range of funds.

We are committed to ensuring that all investment decision-making is grounded in our commitment to responsible investing. Environmental, social and governance (ESG) factors are at the forefront of our investment decisions. Our commitment to create positive impact is evident in our housing portfolio where 43% of our greenfields rental portfolio achieved green building certification, conserving water and energy. The quality of education in our schools' portfolio is evident in the excellent matric results achieved year-on-year.

*as at 31 December 2021



*as at 31 December 2021



Introduction

Our Approach

Our commitment to responsible investment is central to our investment objectives and to fulfilling our fiduciary duties towards our shareholders and beneficiaries. We believe that embedding environmental, social and governance (ESG) thinking into our investment decision-making is critical if we want to create positive futures and sustainable, superior, risk-adjusted returns for our clients. We have adopted an ESG and Impact Management Framework to achieve our vision of continual improvement in ESG performance.

We apply an equal focus on risk management and positive impact outcomes. We seek to deeply understand the trade-offs posed by investments, being thoughtful in our investment decisions, purposefully acting to be part of the solution in facing global ESG challenges.

Values & Drivers

Our ESG approach is underpinned by the following objectives:



CREATION OF POSITIVE FUTURES

We want to create positive futures for those affected by our investments, resulting in improved living standards, education, housing, employment opportunities and stewardship of ecosystems in which we operate. To achieve this, we must move beyond a narrow focus on commercial/financial returns and proactively seek investment opportunities that create value through positive sustainability outcomes.



SUSTAINABLE, RISK-ADJUSTED RETURNS

We undertake a holistic risk management approach by integrating ESG into our investment process. We strive for sustainable returns – returns that are achievable over the longer term, and we calibrate risk-adjusted returns – returns that have predicted and built in the cost of managing ESG risk and delivering improved ESG performance.



GREEN ECONOMY

'Green economic growth' refers to an economic growth path that is profit-driven but also socially inclusive, resource efficient and low carbon. The term has been adopted globally as a counter-concept to traditional industrial economic growth, which focuses on increasing Gross Domestic Product above all other goals. We actively support investments into this Green Economy.

Negative vs Positive

Management of negative and positive potential impacts is equally important. Management of potential negative impacts from our investments is undertaken through our ESG risk management practices. Management of potential positive impacts is undertaken through our ESG value creation and positive impact practices. Both are managed throughout the investment lifecycle, with risk management ('do no harm') being the foundation of every investment. Each of our capabilities has a fit-for-purpose environmental and social management system (ESMS).

The ESMS is the system that drives the management of ESG risk and optimisation of positive impact. Impact measurement and management falls under the processes of the ESMS.

Four Focus Areas

To achieve meaningful, significant positive outcomes through our investment practices, OMAI has selected four key focus areas from a group-wide perspective. **The four focus areas are:**



CLIMATE CHANGE



DECENT WORK



DIVERSITY



GOVERNANCE

Under these broad focus areas, we find our asset classes provide opportunity for positive impact through the themes of energy, carbon, social aspects, infrastructure, housing, education and governance. We align these themes with specific United Nations Sustainable Development Goals. Our investment professionals understand that each of these themes are critical in every investment.

UN SDGs - The top-line goals to drive toward

The United Nations Sustainable Development Goals (SDGs) is a set of 17 goals which act as a successor to the Millennium Development Goals. These goals were adopted at the Sustainable Development Summit on 25-27 September 2015 in New York, and are now considered the primary global benchmark for institutions seeking to achieve sustainable development in their business, activities and investments. From a portfolio company perspective, ESG metrics and information can be mapped to the broad goals of an SDG.

We have assessed the 17 SDGs in the context of our current and potential future set of portfolio assets. Including the four key themes, we have selected those SDGs which we believe we are able to influence in terms of outcomes across our broad portfolio and those that are also relevant within our context. Our guiding philosophy here has been to focus on where we can practically make a difference and consequently target our efforts in these areas. Within each of the SDG categories selected, we have chosen specific metrics that we believe can best guide our efforts in these areas.

Our investments are particularly aligned with the following SDGs:



- INDIRECTLY OMAI ALSO CONTRIBUTES TO SDG: 01 NO POVERTY
- SDG: 04 QUALITY EDUCATION
- SDG: 05 GENDER EQUALITY
- SDG: 06 CLEAN WATER 7 SANITATION
- SDG: 08 DECENT WORK AND ECONOMIC GROWTH



- SDG: 09 INDUSTRY, INNOVATION, INFRASTRUCTURES
- SDG: 10 REDUCES INEQUALITY TRANSFORMATION IN THE SOUTH AFRICAN CONTEXT
- SDG: 12 RESPONSIBLE CONSUMPTION & PRODUCTION
- SDG: 13 CLIMATE ACTION
- SDG: 16 PEACE, JUSTICE & STRONG INSTITUTIONS - GOVERNANCE

AIIM also focusses on:



SDG: 07 AFFORDABLE & CLEAN ENERGY



SDG: 11 SUSTAINABLE CITIES AND COMMUNITIES

OMPE is specifically aligned on SDG 5, 8, 9, 10, 12 and 16 in the above list

Standards and Guidelines

We are committed to implementing best ESG international practice appropriate for the nature of our investments. Standards and guidelines that we adhere to include:

- Applicable country(s) ESG-related legislation
- United Nations Principles for Responsible Investment (signatory status)
- United Nations Global Compact (participant status through Old Mutual Limited)
- United Nations Guiding Principles on Business and Human Rights
- United Nations Sustainable Development Goals
- Equator Principles
- International Finance Corporation Performance Standards
- International Finance Corporation / World Bank EHS Guidelines

- International Labour Organisation
- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB) Materiality
- 2x Challenge
- Institutional Limited Partners Association (ILPA) Diversity in Action
- King IV Code for Corporate Governance

Impact Investing and other identified impact investments across OMAI adhere to the following impact investing-related standards and guidelines:

- United Nations Sustainable Development Goals Impact Framework
- Global Impact Investing Network (GIIN) Framework (member status)
- IFC Operating Principles for Impact Management (signatory status)

Approach to Impact Measurement

The adage of ‘you cannot manage what you do not measure’ also holds true in the ESG and impact investing practice. Investments that claim to result in positive outcomes require credible, robust measurement to evidence such impact.

The IFC has identified three dominant frameworks adopted for impact ‘measurement’ frameworks which they refer to as archetypes. These include:

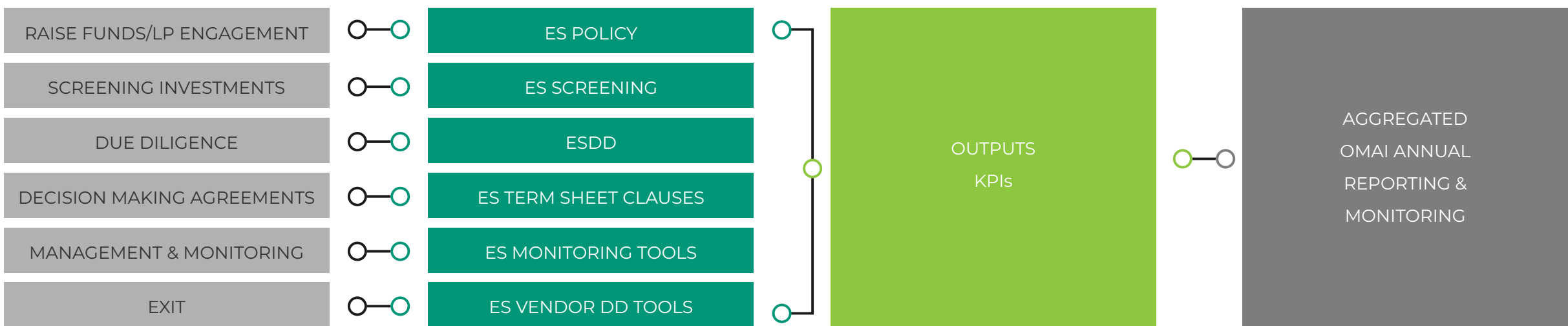
- Impact target archetype (actual measurement of defined metrics against a target/goal)
- Impact rating archetype (a qualitative assessment of the significance of the impact)
- Impact monetisation archetype (a quantitative calculation of the degree of impact)

It is critical to identify that there is a difference between ‘measurement’ and ‘rating’, and that these are not mutually exclusive archetypes. Our primary approach is the impact target archetype. Measurement of relevant metrics is undertaken to assess progress or lack thereof.

To understand which metrics should be measured for positive impact, OMAI uses a Theory of Change approach. The Theory of Change explains the process of change that is expected to occur as a result of the activities that are implemented by the investment. It does this through outlining the change pathways toward a desired end impact, identifying the casual linkages along the pathways. We have mapped out Theories of Change at an asset class level for our impact investing activities.

OMAI also uses the dimensions of impact as defined by the Impact Management Project to establish the nature and extent of positive impact.

Our Environmental and Social Management System (ESMS)



We have developed and implemented an integrated ESMS as a robust and embedded approach to addressing environmental and social management requirements across our fund portfolios and a framework for more efficient and transparent ESG reporting to our stakeholders.

The ESMS is fit-for-purpose for each of our four capabilities: it is made up of a set of policies, procedures, tools, and reporting guidance

customised for the capability funds to help them identify, assess, manage and report on ESG risks associated with their assets and portfolio companies, and identify opportunities for positive impact. The ESMS is designed to fully integrate ESG into our investment lifecycle.

The ESMS allows us to:

- Integrate ESG issues directly into the investment decision-making processes

- Set clear requirements for its portfolio companies to develop and implement:
- Provide a framework for reporting and disclosure on ESG aspects to OMAI by our portfolio companies; and
- Work in partnership with our portfolio companies to help them identify and implement ESG opportunities and create sustainable value-add to enhance their overall financial performance.

Climate Change

Our Climate Focus

OMAI’s approach to tackle climate change is primarily driven by two themes, the transition to a cleaner, sustainable energy mix and the reduction of our carbon footprint. Ultimately, we aim to provide more renewable energy than our carbon footprint.



UN SDG 7: Affordable and clean energy

Through the infrastructure fund manager, African Infrastructure Investment Managers (AIIM), we directly contribute to climate action and UN SDG 7 through the Energy theme. Specifically, our investments provide access to affordable, reliable, and modern energy services (target 7.1) and increase the share of renewable energy in the energy mix (target 7.2).

AIIM has invested in and manages 31 renewables facilities with a total installed capacity of 2.76 gigawatts (GW). In 2021 alone, AIIM-managed facilities produced 4,748 gigawatt hours (GWh) of renewable energy, equivalent to powering over 1,400,000 middle-income homes with clean energy. Many of these facilities have been invested in through the highly successful Renewable Energy Independent Power Producer Procurement (REIPPP) program in South Africa, providing 31% of installed renewable energy capacity in South Africa.

For a detailed breakdown of our tracked progress please see the

ESG performance under the Energy theme. Lesedi and Letsatsi are two examples of the 32 renewable energy facilities achieving these outcomes. The two 69 megawatt (MW) solar photovoltaic plants have produced an average of 295,000 megawatt hours (MWhr) of renewable energy every year, resulting in annual emissions offset of about 297,000 tons of carbon dioxide equivalents (tCO₂e).

AIIM’s investments into the off-grid power sector is also contributing to transitioning the energy mix. Our investments into two portfolio companies focused on solar home systems (BBOX and DC Go) and two companies concentrating on providing reliable solar or hybrid solar/diesel power to small and medium-sized businesses (Orionis and Starsight Energy) have to date installed 20,733 active solar-home-systems and 64 MW of capacity, offsetting 10,759 tCO₂ equivalents.



UN SDG 13: Climate action

Through the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) framework, OMAI has sought to understand the carbon footprint of its portfolios and opportunities of reducing this footprint. Although SDG 13 targets are pointed at country level action, OMAI is working on increasing the portfolio’s resilience and adaptive capacity to climate-related hazards (target 13.1), integrating climate change measures into policies, strategies, and planning (target 13.2) and providing internal training on climate change mitigation, resilience, and adaptation (target 13.3). From coverage of c. 70% of investments in the three fund managers, the carbon footprint for 2021 was 1,420,920 tCO₂ equivalent. This carbon footprint is already accounted for with

the resulting more than 5.1 million tCO₂ equivalent offset generated by renewable energy investments. For a detailed breakdown of our tracked progress please see the ESG performance under the Carbon theme.

Starsight Energy is an example of driving carbon efficiency and reductions. In 2020 Starsight Energy’s systems produced 20 GWh (9.9 GWh non-renewable and 10.1 GWh renewable) of power, the equivalent of powering c. 6,000 households, with the majority of the power being produced from renewable energy. The carbon emissions savings for 2021 were 4,274 tCO₂ equivalents.

Decent work and economic growth

OMAI seeks to build and sustainable ‘ecosystem’ in the jurisdictions in which we invest under the focus area of decent work and economic growth. We see this practically playing out through the key themes of education, sustainable infrastructure, affordable housing and creation of safe, decent work opportunities. This focus area provides strong links between SDGs 4, 8, 9, and 11.



UN SDG 4: Quality education

Through the Impact Investing fund manager, OMAI has been investing in affordable private schools since 2011. We seek to find communities that are underserved in terms of quality education. By placing a private school directly within the community thereby reducing other associated schooling costs, we can provide affordable, quality education to those underserved communities. We see education as a foundational building block for a sustainable, prosperous society. Specifically, our schools directly contribute to the SDG 4 targets 4.4, 4.5, 4.6, 4.7, 4.a and 4.c. To explore our achievement in quality education further please see the ESG performance under the Education theme.



UN SDG 8: Decent work and economic growth

Across all our investment activities, OMAI drives the creation of inclusive, sustainable economic growth, providing safe and decent work opportunities. We contribute to gross domestic product growth (targets 8.1 and 8.2), sustainable resource consumption and efficiency (target 8.4) and increased inclusive employment (target 8.5). By applying international standards, we seek to mitigate and manage the risks of forced labour, child labour, modern slavery and human trafficking (target 8.7) and protect labour rights, promoting a safe and secure working environment for all employees (target 8.8). For a detailed breakdown of our tracked progress please see the ESG performance under the Social and Health and Safety themes.



UN SDG 9: Industry, innovation and infrastructure

Through African Infrastructure Investment Managers (AIIM) and Old Mutual Private Equity (OMPE), we strive to invest in sustainable infrastructure and industry. Current investments directly contribute to inclusive access to quality, reliable, sustainable, and resilient industry and infrastructure – including small-scale industrial and other enterprises and increasing the access to information and communications technology (SDG 9 targets 9.1, 9.2, 9.3 and 9.c). For a detailed breakdown of our tracked progress please see the ESG performance under the Infrastructure theme.



UN SDG 11: Sustainable cities and communities

Through the theme of affordable, quality housing, the Impact Investing fund manager directly supports inclusive, safe, sustainable, and resilient cities. The strategy of the housing funds are to locate underserved communities from a housing perspective and to fill that gap with affordable sustainable accommodation (target 11.1). To explore a detailed breakdown of outcomes, see the ESG performance under the Housing theme.

Diversity

Our Diversity Focus

Within the focus area of diversity, OMAI seeks to achieve positive outcomes for inclusive and gender-equal employment; and reduce inequalities, through the transformation of work forces and the representation of historically disadvantaged South Africans. We believe that businesses with diverse and inclusive workforces are more resilient, providing for a sustainable society and economy.



UN SDG 5: Gender equality

While some aspects of gender equality are more challenging to directly address in our professional capacity, we can as professionals drive the empowerment of women in our own business and in our portfolio companies. Across all our investments, OMAI seeks to end all forms of discrimination against women (target 5.1), end all forms of violence against women and girls in our portfolio companies and supply chains (target 5.2) and ensure women’s full and effective participation and equal opportunities for leadership (target 5.5). We require the implementation of best practice gender equality, protection, and anti-discrimination policies across the portfolios. We actively track overall female representation in the workforce, and representation at management and board levels. For a detailed breakdown of progress see the ESG performance under the Social theme.



UN SDG 10: Reduced inequalities

In all OMAI’s South African investments, we seek to promote the social, economic and political inclusion of all through tracking the representation of historically disadvantaged South Africans (HDSAs) (target 10.2). We currently track overall HDSA representation in the portfolio company, representation at the management level and at board level. To further explore our progress on this please see the tracked data on HDSAs across our portfolios under the ESG performance Social theme.

Governance

Our Governance Focus

Governance is a cornerstone of organisational sustainability. We believe that good governance lies at the heart of a sustainable business that delivers returns for all stakeholders, including shareholders, lenders, employees, suppliers, and the communities in which we invest. As a responsible investor, OMAI maintains a continual focus on governance aspects in our investment decision-making and active stewardship of assets. OMAI applies good governance practices in all portfolio companies, with adherence to local governance-related laws and a reference to the King IV Report on good corporate governance.



UN SDG 16: Peace, justice and strong institutions

In terms of SDG 16 OMAI seeks to promote the rule of law (target 16.3), reduce illicit actions in portfolio companies (target 16.4), reduce corruption and bribery (target 16.5), increase transparency within portfolio companies (target 16.6) and promote inclusive, participatory and representative decision-making (target 16.7).

As part of the responsible stewardship commitment, OMAI investment professionals provide active input at the Board and Subcommittee levels in portfolio companies. From an ESG perspective OMAI strives to have portfolio companies either have a dedicated Subcommittee mandated to monitor ESG aspects, or ESG aspects included in another Subcommittee. OMAI has also included technical specialists with sector-specific experience to join certain Boards as Independent non-executive directors, allowing for increased Board expertise and performance.

OMAI also supports portfolio companies in the implementation of robust environmental, social, health and safety management systems. The development and execution of such systems provide the functional governance aspects to the portfolio companies' policies and commitments to sound environmental, social, health and safety practices. For a breakdown of governance progress see the ESG performance Governance theme.

Leadership Message

A fundamental of sustainability still holds

We are witnessing our social and economic systems negatively impacting our planetary system, driving climatic change, while political systems seem unable to fully tackle the problem. While current crises today require difficult decisions and focused effort to solve them, we equally cannot lose focus that our social, economic and political systems must operate in a manner that promotes the overall health of the planet. This fundamental of sustainability, that the planet has boundaries and limits to its current favourable state for life, will not change.

I have found myself thinking on this more lately, given the disruptive world we have been experiencing over the last 2 years and continue to experience. Key disruptors of course being the Covid 19 pandemic, which hopefully most of the world is emerging from and the Ukraine – Russia war currently taking place. Such events have been instrumental in two follow-on crises, inflationary pressures seen globally and energy security with soaring fuel costs.

The United Kingdom hit a 40 year high for inflation in May 2022 of 9.1%, while the United States hit the same 40 year high of 9.1% in June 2022.¹ While there are still many uncertainties regarding global inflation, there may be indications that it has peaked. In South Africa inflation will likely increase from 6.5% in May to around 7.2% mid-year due to sharp increases in food and fuel prices.²

The Ukraine – Russia war has resulted in major disruption in the oil, gas and food markets, with brent crude climbing to above USD100 a barrel and natural gas above USD8 per MMBtu³ around mid-year 2022. Energy and food security have become the immediate short-term challenge for many countries.

These crises are serious and need to be managed. However, there is an additional downside to such crises, they tend to drive short-term thinking and decision making while leaders grapple with these outsized challenges of today. While difficult decisions need to be made to manage such crises, the environmental and social challenges facing us globally and especially in more vulnerable countries on the African continent remain, and worsen. These environmental and social risks cannot be ignored or put on hold. An already herculean job is just getting more difficult.

So what is this key ‘fundamental’ of sustainability? It is very common in the first lecture of an environmental resource economics course, for students to be presented with a graphic depicting a set of systems. The planetary system as the ultimate all encompassing system, the social system as a second level subsystem and the economic system as a third level subsystem. Some variations depict the biodiversity, social, political and economic subsystems as equal and on the same hierarchical level, but within the all encompassing planetary system. The concept trying to be driven home is that the planetary system is the ultimate boundary for sustaining life on Earth. A follow-on concept is that the subsystems, such

as the economic system, is subject to the overarching planetary system, i.e. in order to have a healthy economy ultimately one needs a healthy planet to live and work on. This is relatively obvious.

What is not always depicted in such graphics is that while social, economic and political systems are subject to the overarching planetary system, they can certainly affect and alter the planetary system. The field of Social-Ecological Systems explores how systems affect each other and may fall into different states after a period of disruption. The dinosaurs did not survive the shift in planetary state 65 million years ago. Venus has a planetary system, it just happens to be extremely unfavorable for life as we know it. Venus’ surface is hot, 393°C, enough to melt lead and even hotter than Mercury. The atmosphere is acidic and thick, with clouds containing concentrated sulfuric acid strong enough to dissolve most metals used to make spacecraft. The atmosphere is nearly as thick as liquid water due to an atmospheric pressure 93 times that of Earth. Interestingly, the latest evidence now shows that Venus once had enough water to form oceans, therefore being cooler and less acidic. Scientists are trying to understand why Venus got so hot and lost its oceans, why its climate changed.⁴ Venus may be the deadliest planet in our solar system, but it isn’t the deadliest we know of. Proxima b provides for some interesting reading. Our planet is miraculous in its system state to sustain life.

What we are witnessing are the social and economic systems negatively impacting our planetary system, driving climatic change, while political systems seem unable to fully tackle the problem. While current crises today require difficult decisions and focused effort to solve them, we equally cannot lose focus that our social, economic and political systems must operate in a manner that promote the overall health of the planet. This fundamental of sustainability, that the planet has boundaries and limits of its current favourable state for life, will not change.

What does this mean for us as investors? We need to invest thoughtfully from a social and biodiversity perspective while dealing with pressures of today, but also take advantage of a changing opportunity set. We need to ask ourselves each day if we are part of the solution, and are we acting fast enough? If we are not directly investing in social impact, we need to leverage the social benefit of our investments as much as possible, such as community development, to improve social resilience. While protecting biodiversity and habitats, we need to unlock the financial

¹ <https://www.rateinflation.com/>

² <https://www.statssa.gov.za/publications/P0141/P0141May2022.pdf>

³ Metric Million British Thermal Unit

⁴ Lunar and Planetary Institute. 2019 (sources include Basilevsky and Head (2003). Reports on Progress in Physics, Vol. 66. and Bertaux et al. (2007). Nature, Vol. 450).

Leadership Message



models allowing investment into biodiversity as an asset class. Clearly, we need to continue to invest in climate action. Old Mutual Alternative Investments (OMAI) continues to focus on climate change, provision of decent work, diversity and governance. While the macro-economic headwinds over the last 2 years have not made deal flow and execution easy, I am very encouraged by the positive impact OMAI has been able to achieve over such testing times. This is a testament of all our colleagues' perseverance.

OMAI's education funds, SEIIFSA⁴ and EduFund had matric pass rates of 92% and 100% respectively, compared to South Africa's national pass rate of 76%.⁵ Community development programs undertaken in the IDEAS infrastructure fund, supporting projects such as early childhood education, welfare and healthcare have spent R501.87 million in socioeconomic development, and supported small businesses through R182.9 million spend in enterprise development to date. The HIFSA⁶ fund has created and transferred 19,425 affordable homes since inception, 1,296 of the current portfolio are EDGE certified (green buildings). We must continue to invest thoughtfully into our social systems.

OMAI through African Infrastructure Investment Managers' investments into renewable power, has generated 11,948 GWh of clean energy, powering an average of 1.2 million middle income households per annum with clean energy and offsetting more than 12.5 million tons CO2 equivalent since 2019. We must continue to invest in climate action and drive the energy transition.

While there is still much work to do, OMAI continues working to position itself as part of the solution. Given the fundamental sustainability needs of our planetary system, more than ever we need to keep our focus on the long-term time horizon and successfully steward our client's capital entrusted to us.

4 Schools and Education Investment Impact Fund South Africa
5 <https://www.education.gov.za/2021NSCEExamReports.aspx>
6 Housing Impact Fund South Africa



Dean Alborough
Head of ESG

Energy Overview

OMAI continues to focus on the provision of energy as a key driver to economic development on the African continent, with an installed capacity of 2.8 GW and providing electricity to over 2 million households in 2021.

AIIM Overview



2,202,980

Equivalent households powered by total energy production

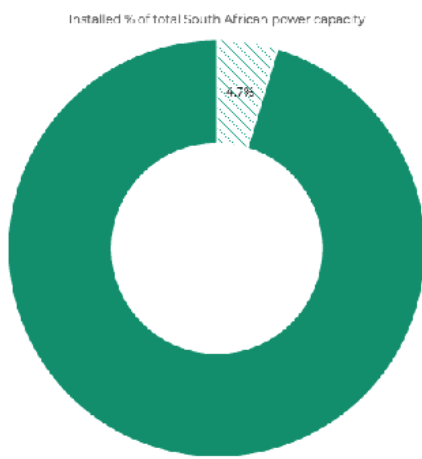
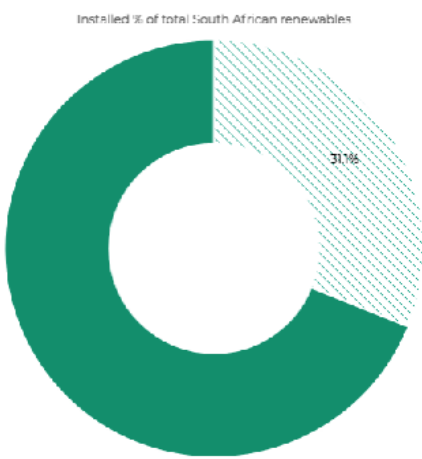
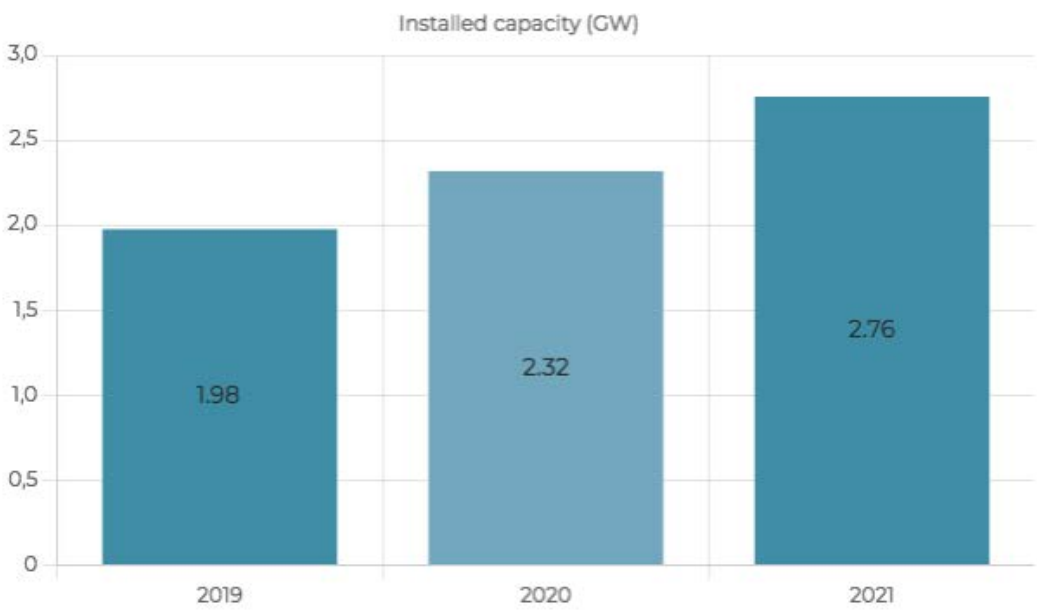
1,444,564

Equivalent households and active SHS users powered by renewable energy

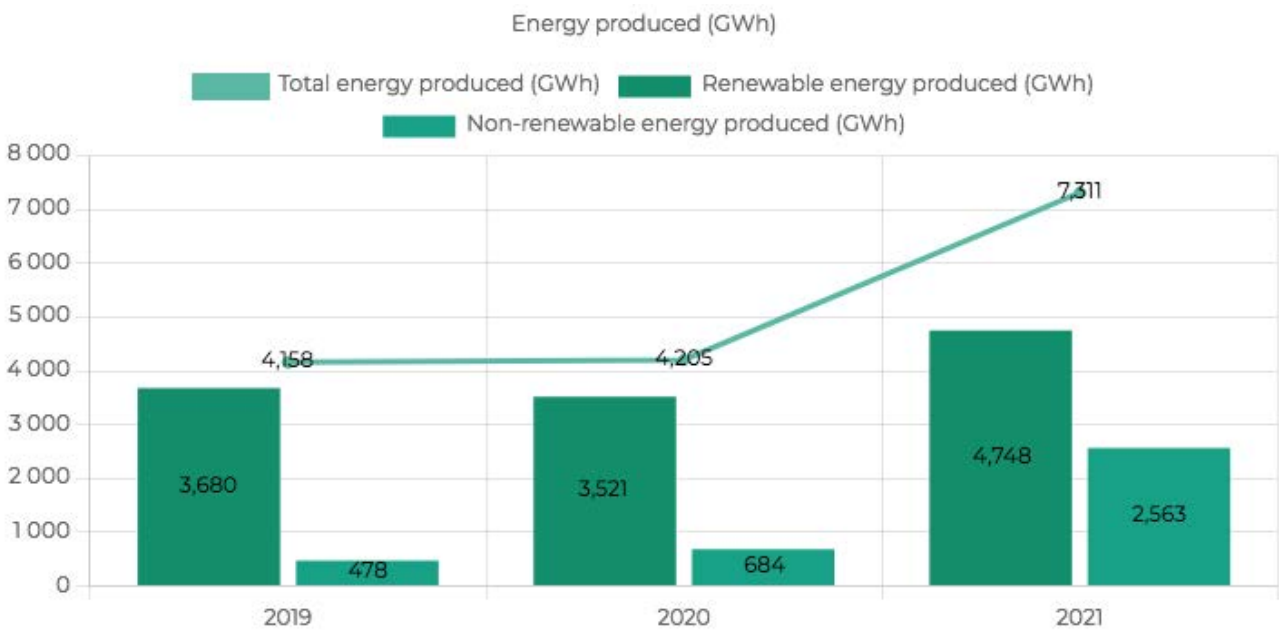
31

Renewable energy facilities

- 10 Wind facilities (1 MW)
- 20 Solar facilities (874 MW)
- 1 Hydro facility (10 MW)



Source: Statistics of utility-scale power generation in South Africa in 2021 CSIR Energy Centre v1.0 Apr 2022. PIERCE, W and FERREIRA, B (<https://www.csir.co.za/sites/default/files/Documents/20220503-Statistics%20of%20power%20in%20SA%20H2-2021-CSIR-%5BBFINAL%5D%20%281%29.pdf>)



Energy Funds

AIIF2

The decrease in installed capacity in 2021 is attributed to exiting two renewable energy facilities (REISA solar PV plant and the Cookhouse wind farm). The increase in non-renewable energy production from 582 GWh in 2020 to 1,789 GWh is associated with increased production by Cenpower, a multi-fuel power station in Ghana.

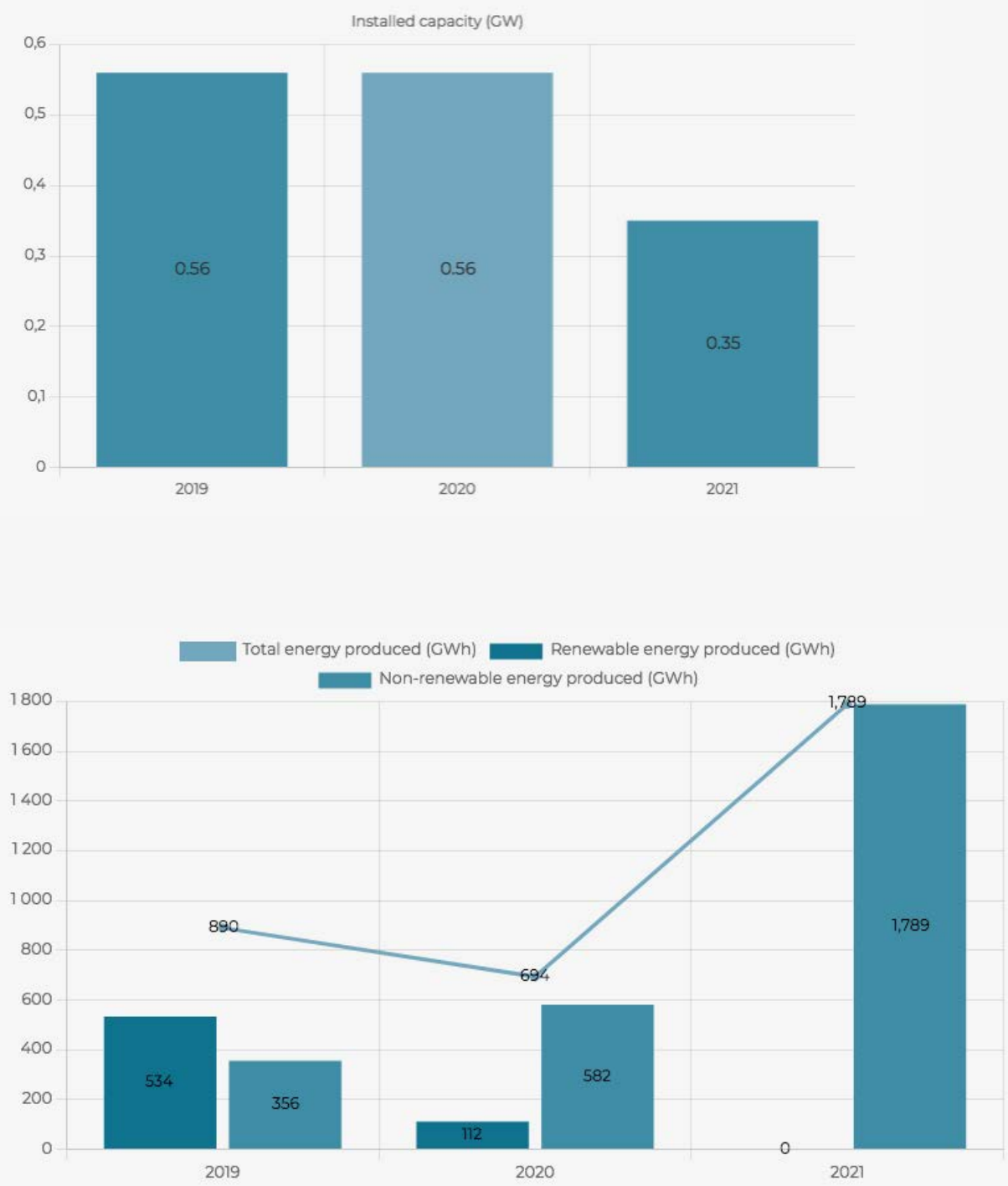


539,312

Equivalent households
powered by total energy
production

0

Renewable energy
facilities



Energy Funds

AIIF3

Installed capacity has remained consistent across the three years although total energy production has increased significantly as a result of good performance at Amandi and Albatros, both overcoming constraints limiting production in previous years. The distributed solar businesses in the fund collectively have over 200,000 active solar home system (SHS) users.



236,344

Equivalent households powered by total energy production

209,365

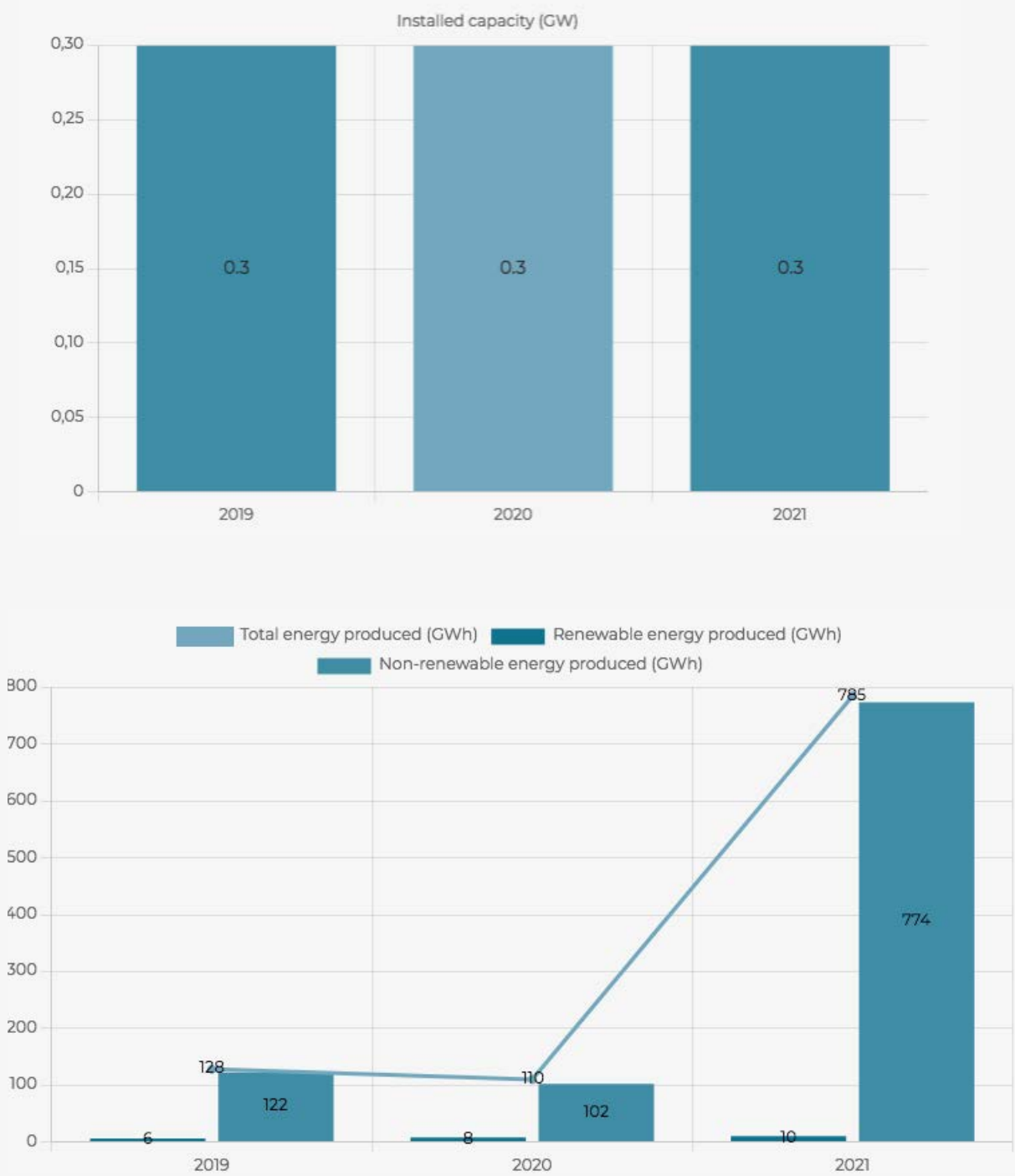
Equivalent households and active SHS users powered by renewable energy

2

Renewable energy facilities



2 Solar facilities (49 MW)



Energy Funds

IDEAS

Installed capacity has increased to 2.08 GW in 2021 as additional renewable energy projects in the IDEAS fund reached commercial operations. IDEAS contributed a third of the renewable power produced (excluding hydro) in South Africa in 2021.

Source: Statistics of utility-scale power generation in South Africa in 2021 CSIR Energy Centre v1.0 Apr 2022 PIERCE, W and FERREIRA, B (<https://www.csir.co.za/sites/default/files/Documents/20220503-Statistics%20of%20power%20in%20SA%20H2-2021-CSIR-%5BFINAL%5D%20%281%29.pdf>)



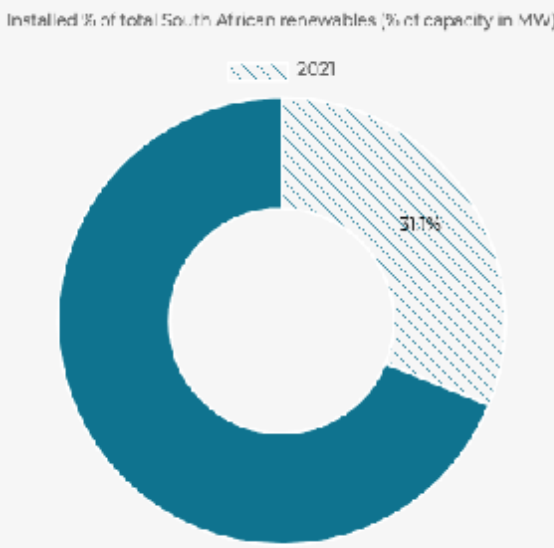
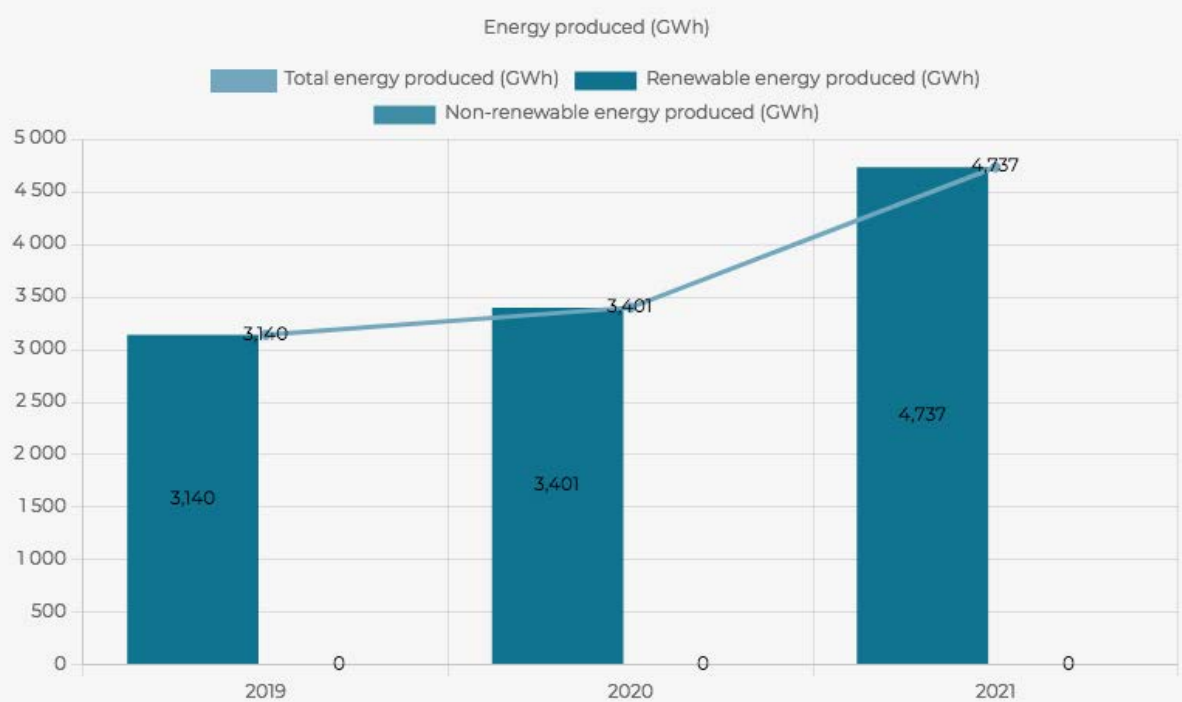
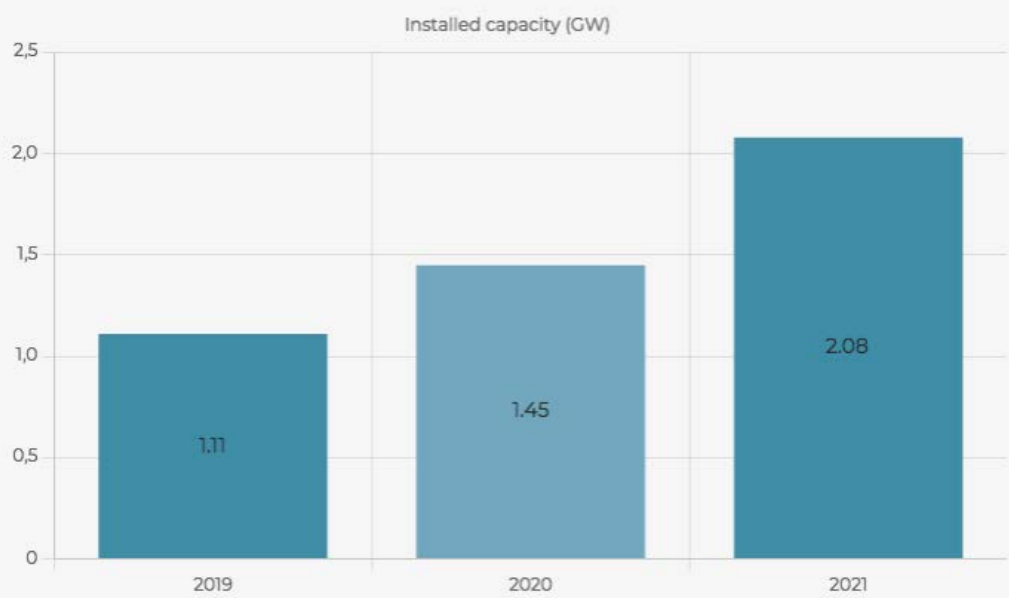
1,427,320

Equivalent households and active SHS users powered by renewable energy

29

Renewable energy facilities

- 10 Wind facilities (1,126 MW)
- 18 Solar facilities (825 MW)
- 1 Hydro facility (10 MW)



Carbon Overview

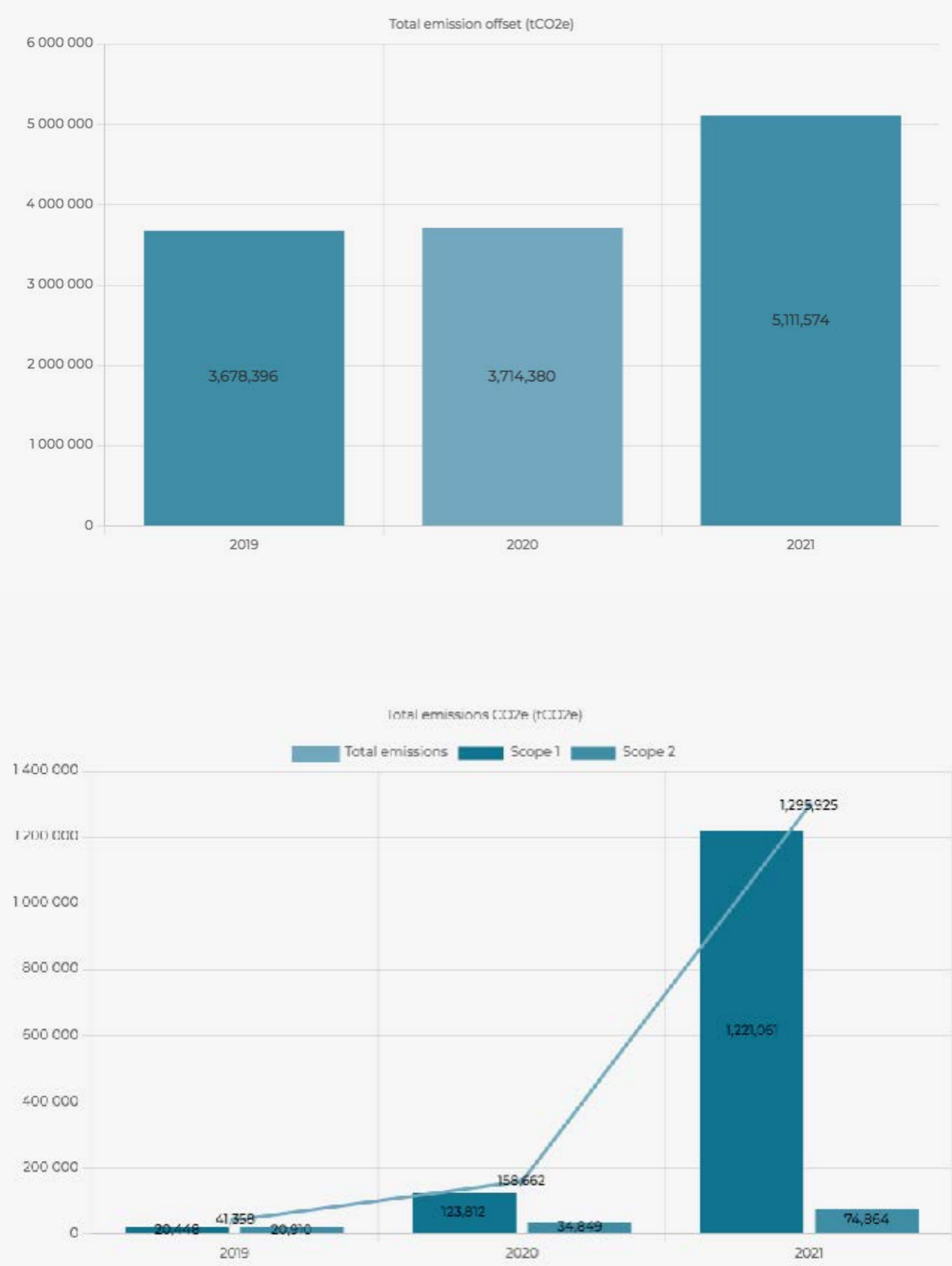
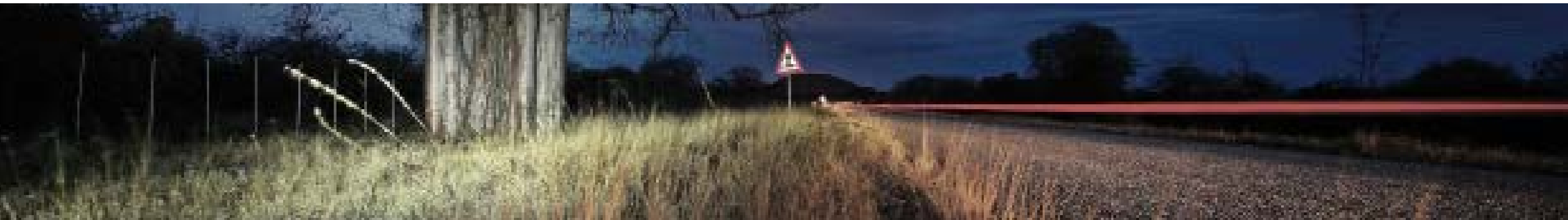
The emissions offset of 5.1 million tons of CO2 equivalent as a result of the renewable power investments is an outstanding achievement driven by the infrastructure IDEAS Fund in 2021, with an increase in this offset year on year. The overall carbon footprint has increased from 2020 to 2021 due to improved reporting coverage, an increase in the number of investments under management and non-renewable power generation.



Carbon Capabilities

AIIM Overview

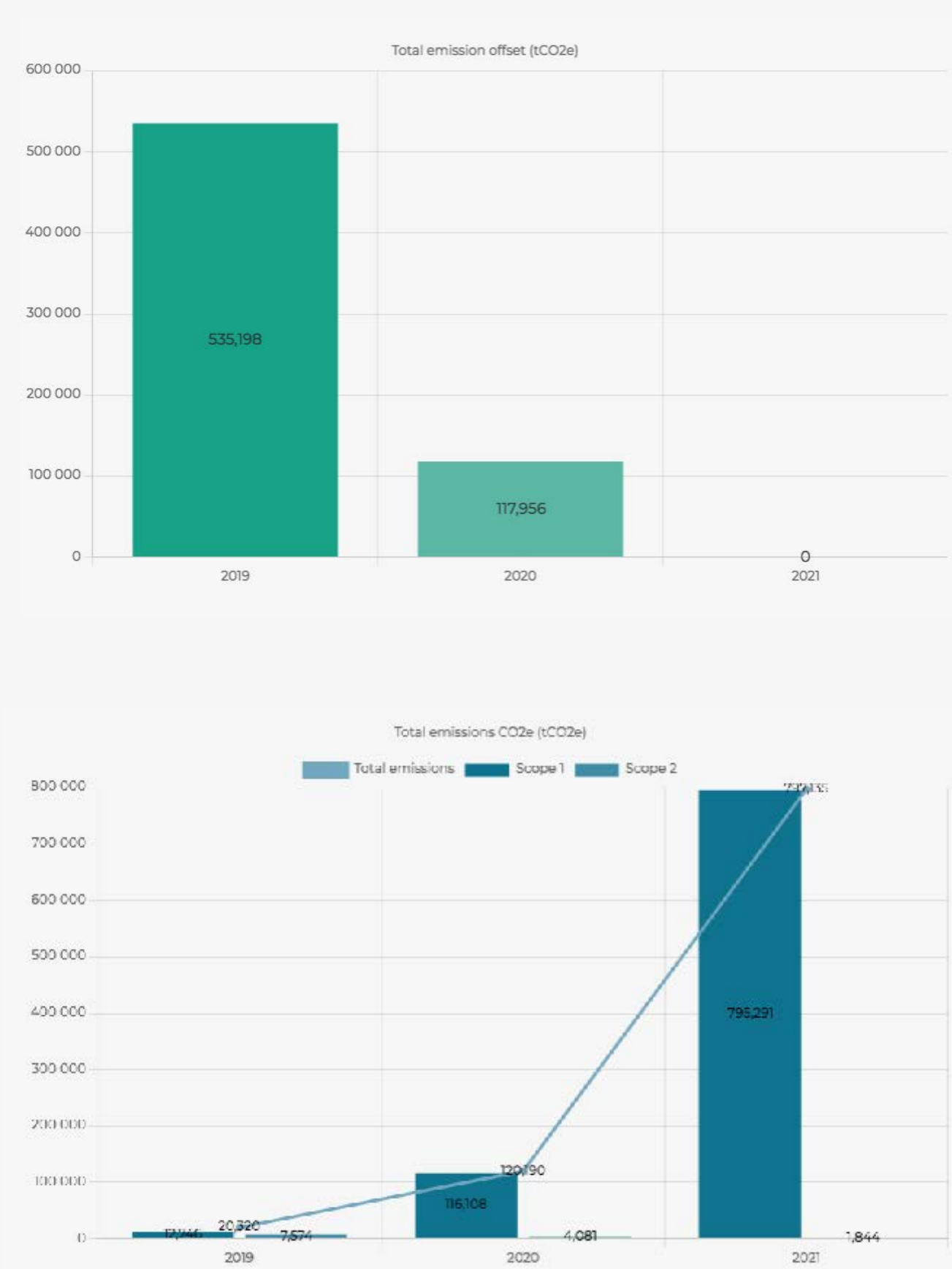
The emissions offset of 5.1 million tons of CO2 equivalent as a result of the renewable power investments is an outstanding achievement, driven by the IDEAS Fund, with an increase in this offset each year. The increase in Scope 1 direct emissions in 2021 is mainly due to the increased power production of Amandi, Albatros and Cenpower power plants as well as better reporting coverage.



Carbon AIIM Funds

AIIF2

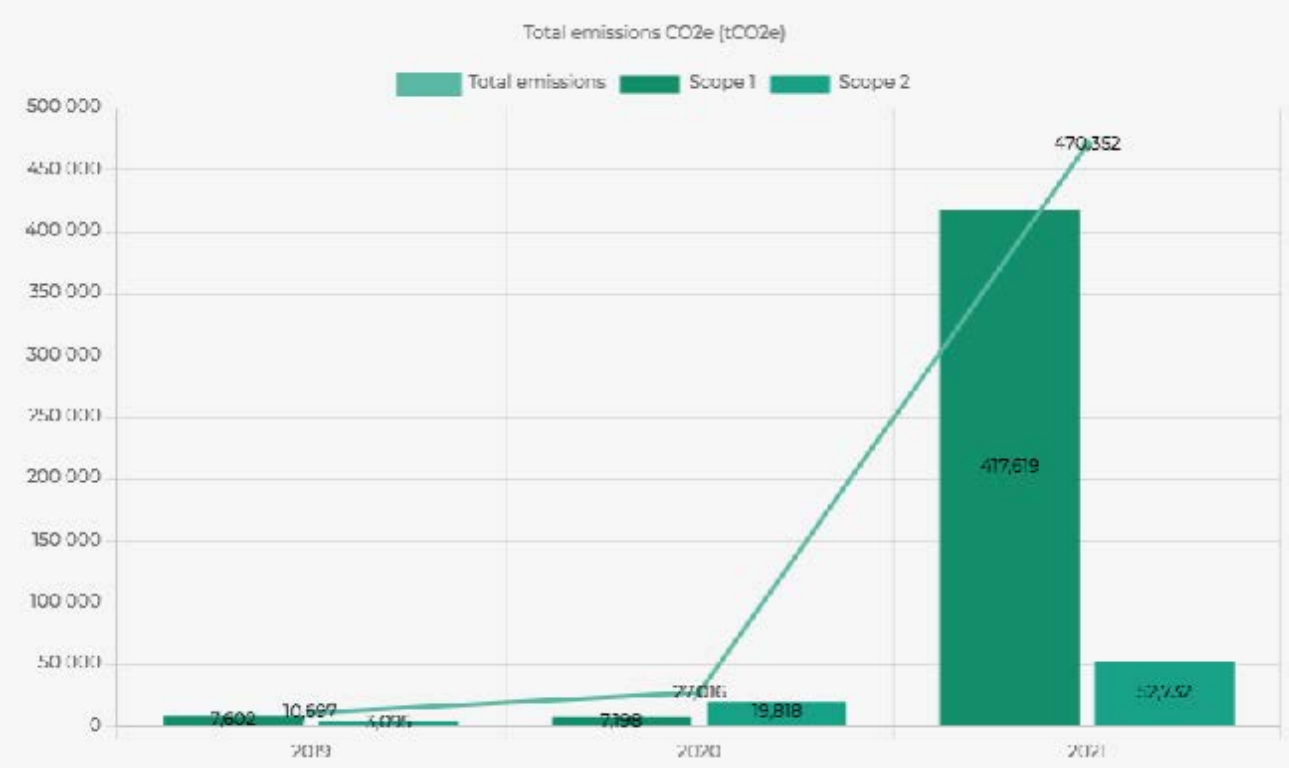
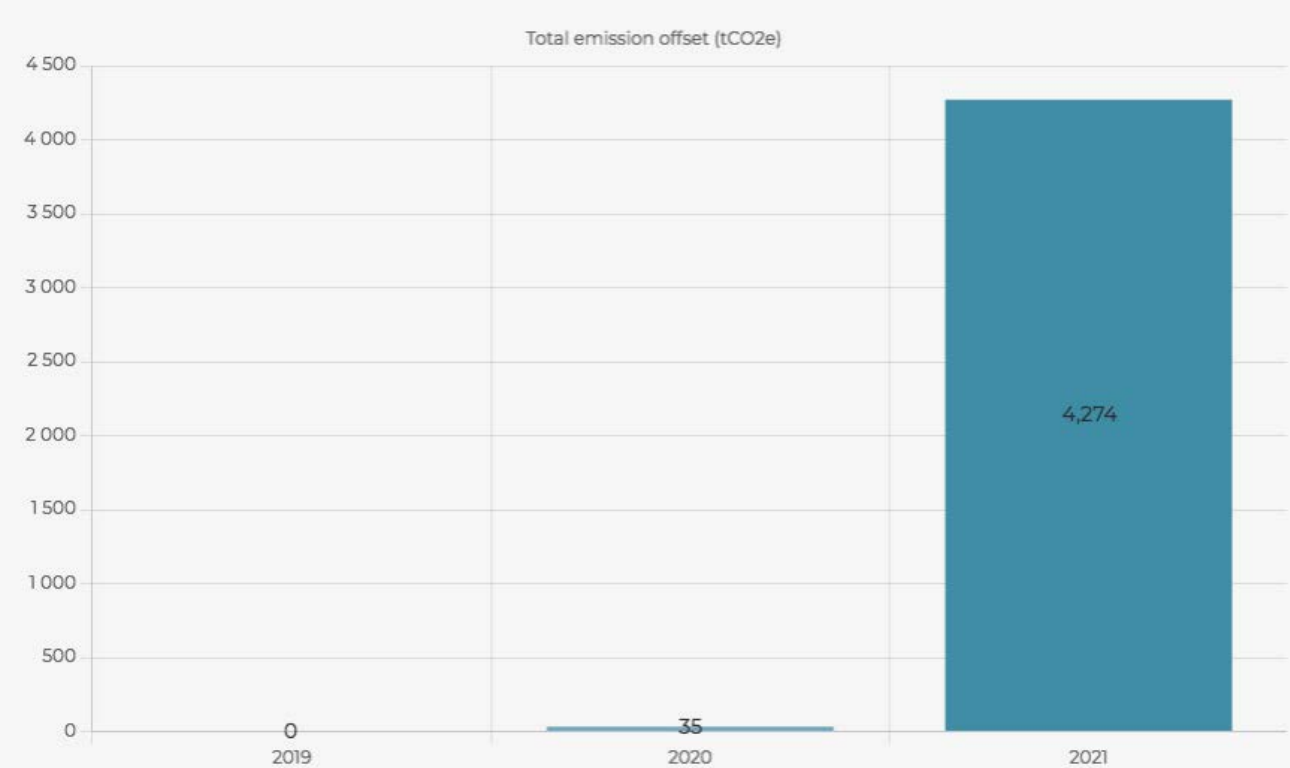
The increase in total CO2 equivalent emissions in the fund in 2021 is attributable to a substantial increase in power production by the Cenpower thermal power plant (Scope 1). The fund does not have an emissions offset mechanism.



Carbon AIIM Funds

AIIF3

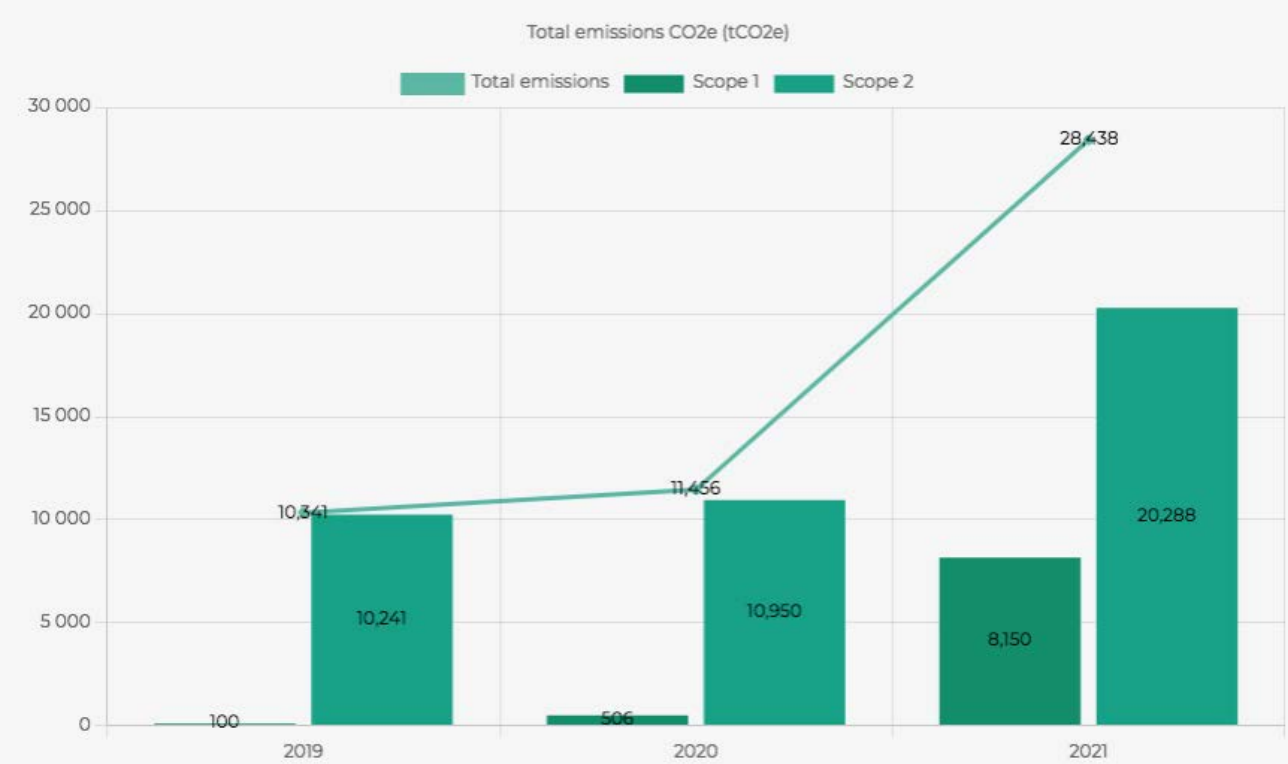
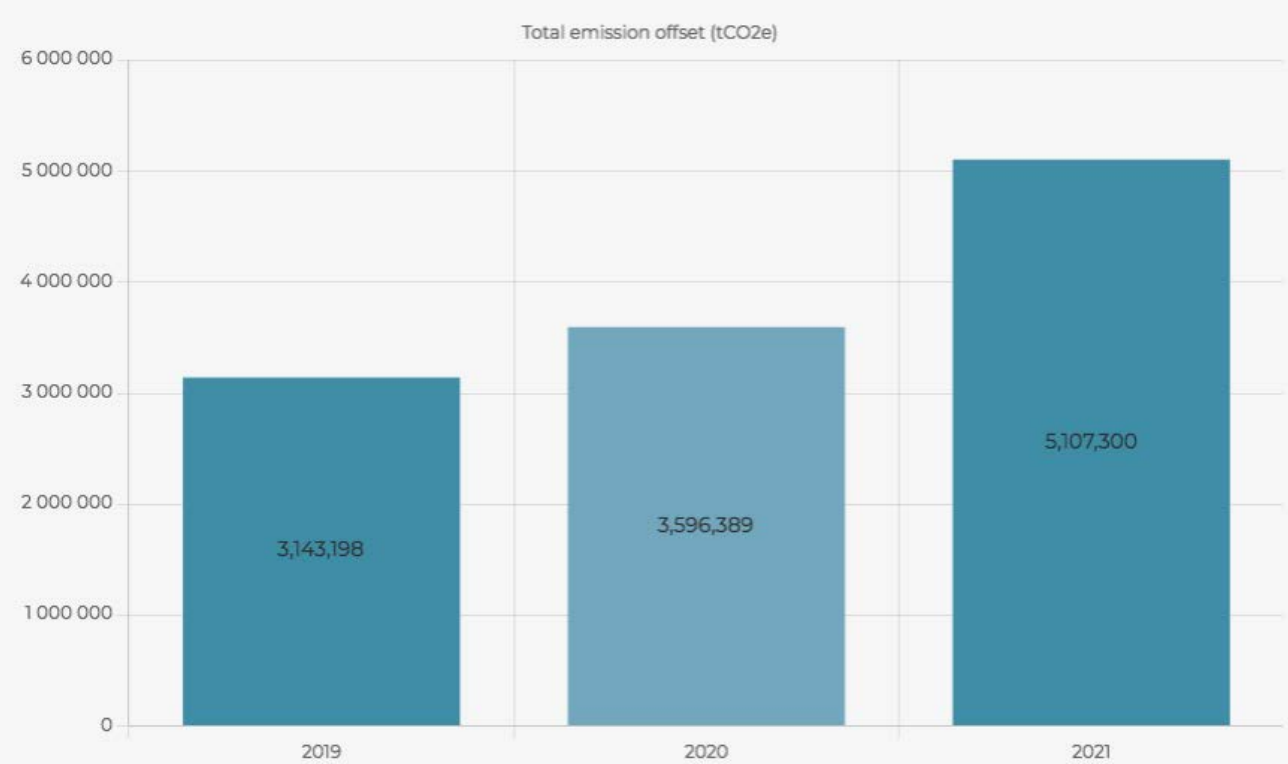
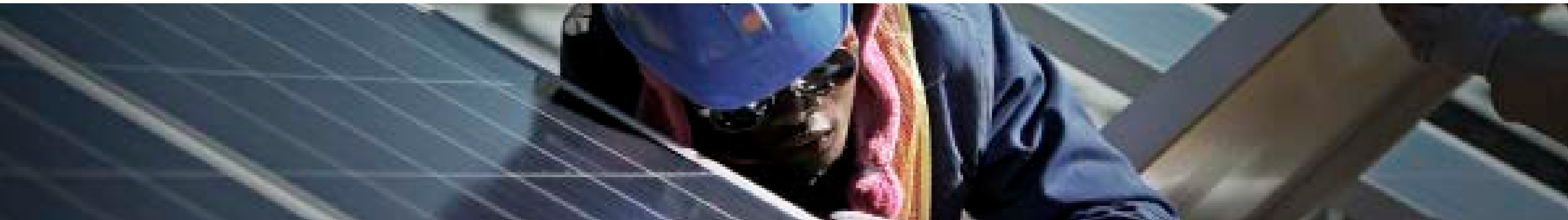
The increase in total CO2 equivalent emissions in the fund in 2021 is attributable to better reporting coverage and increased production by the thermal power plants, Amandi and Albatros. Carbon offsets are generated by the off-grid solar businesses in the Fund.



Carbon AIIM Funds

IDEAS

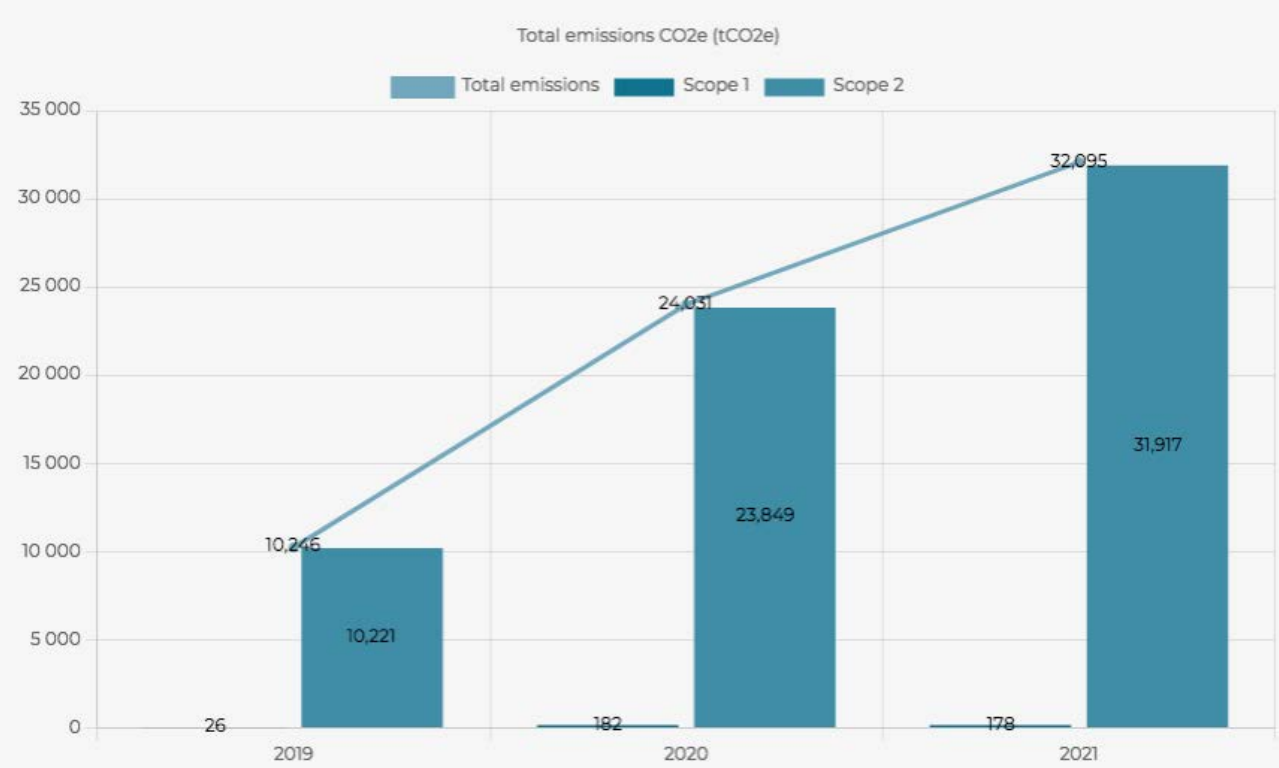
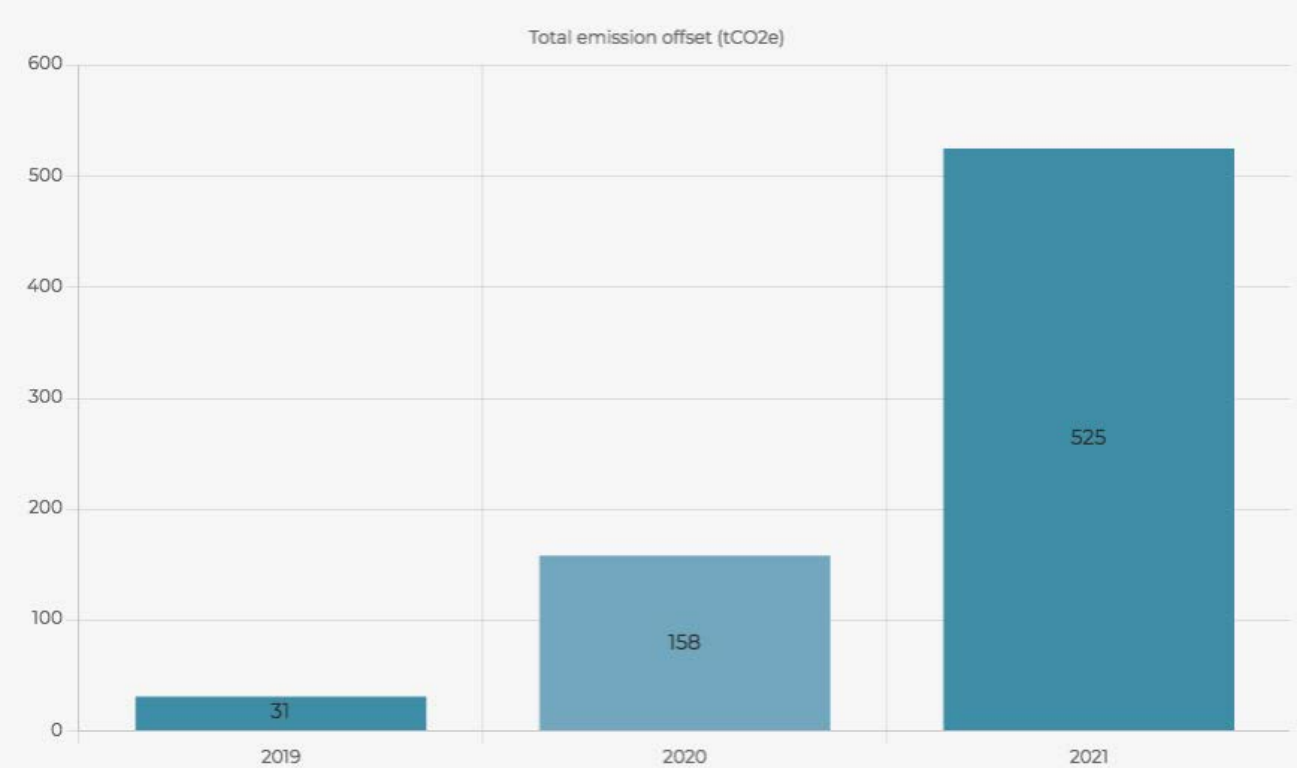
The net emissions offset of 5.1 million tons of CO2 equivalent as a result of the renewable power investments is an outstanding achievement by the IDEAS Fund, with an increase in this offset from 2020. Electricity usage (Scope 2) remains the major carbon emissions contributor in the Fund.



Carbon Capabilities

IMPACT INVESTING Overview

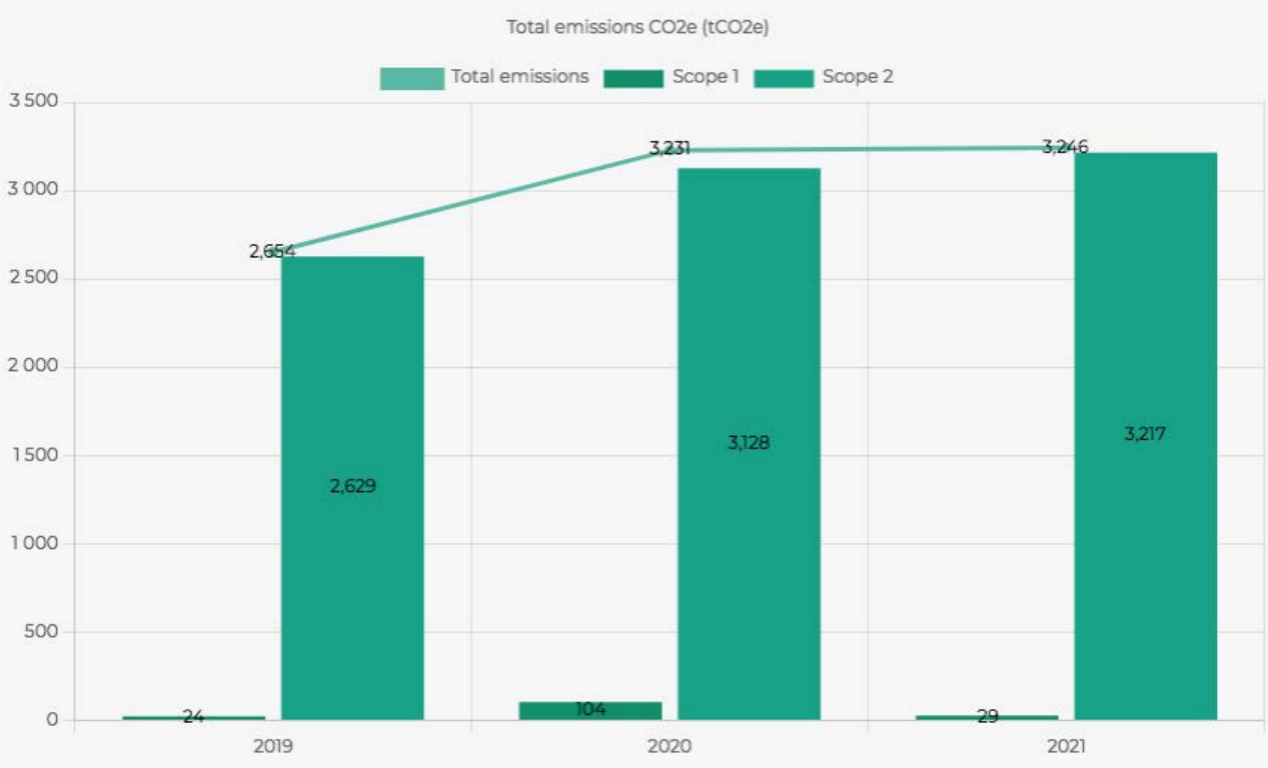
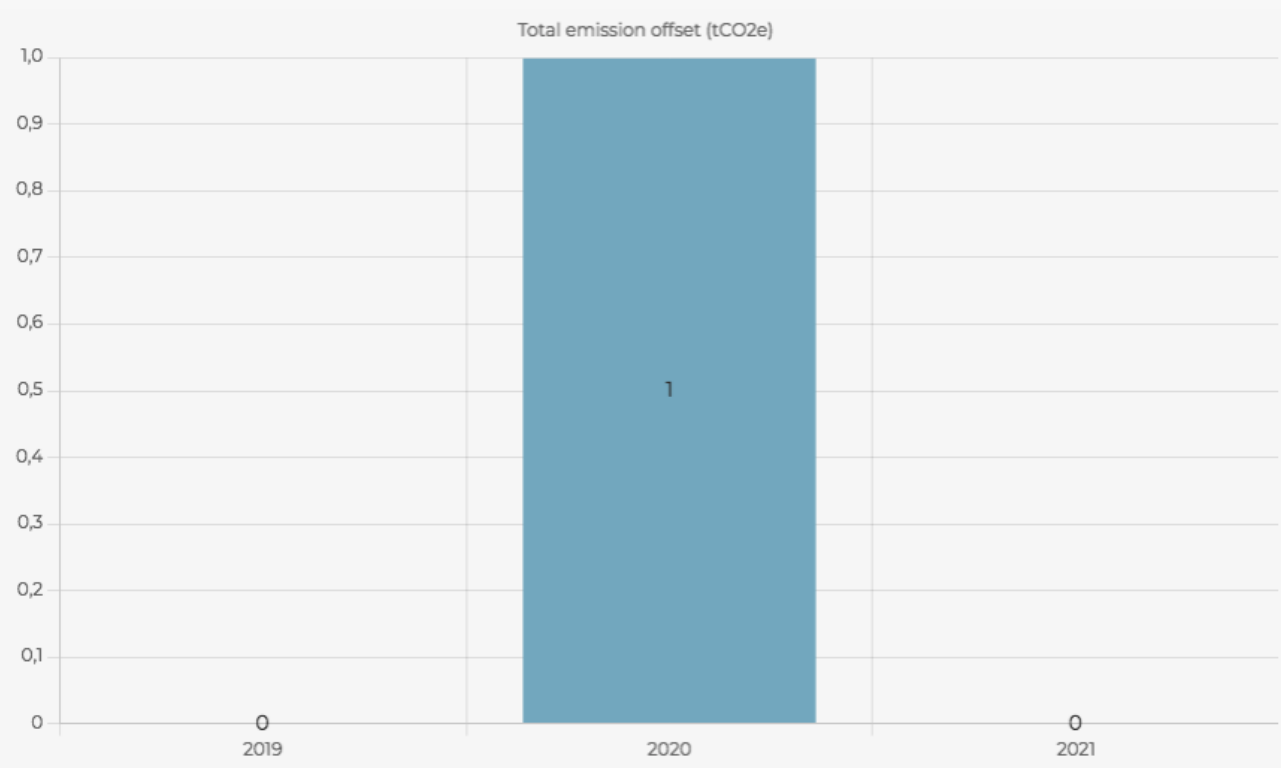
The increase in total emissions numbers across the Impact Investing funds is due to better reporting coverage and increased activity in some of the funds. On a per investment basis, emissions have remained relatively constant. The dominant CO2 equivalent emissions contributor remains electricity usage (Scope 2).



Carbon Impact Investing Funds

SEIIFSA

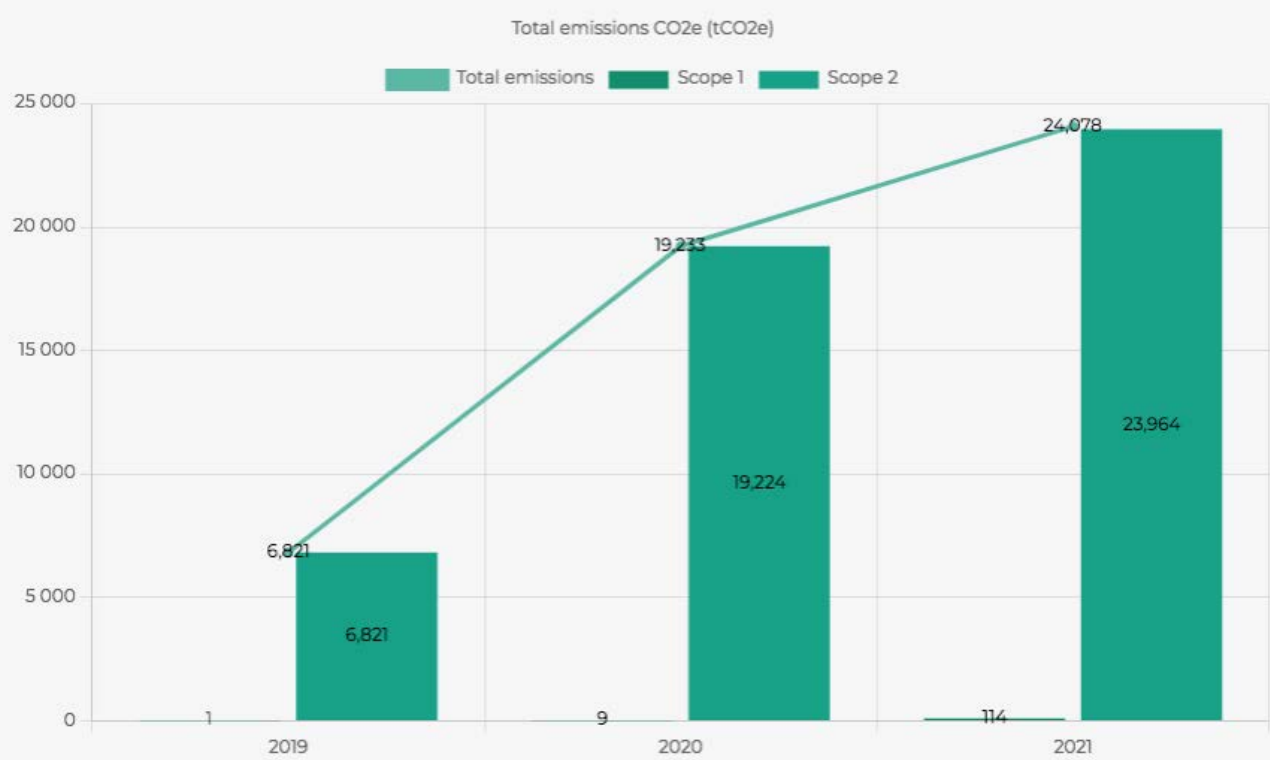
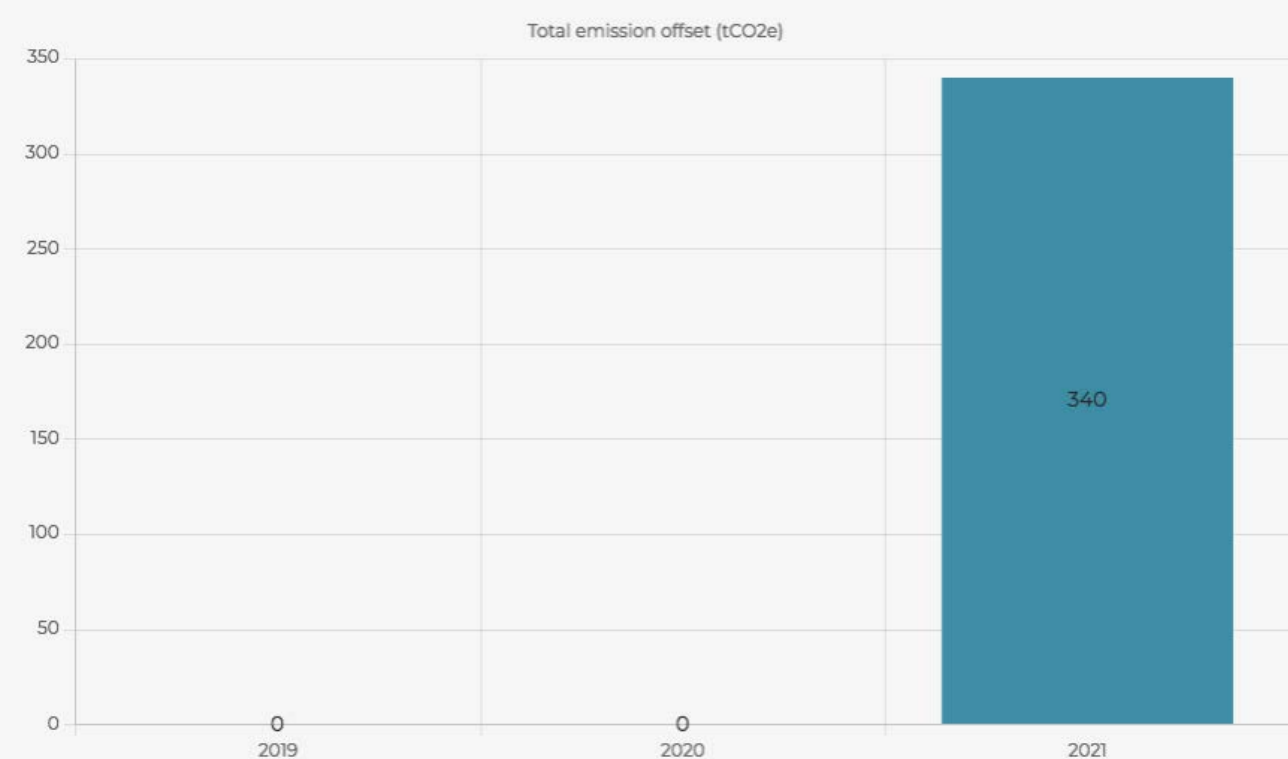
The greenhouse gas emissions across the SEIIFSA portfolio have remained constant. The dominant CO2 equivalent emissions contributor remains electricity usage (Scope 2).



Carbon Impact Investing Funds

HIFSA

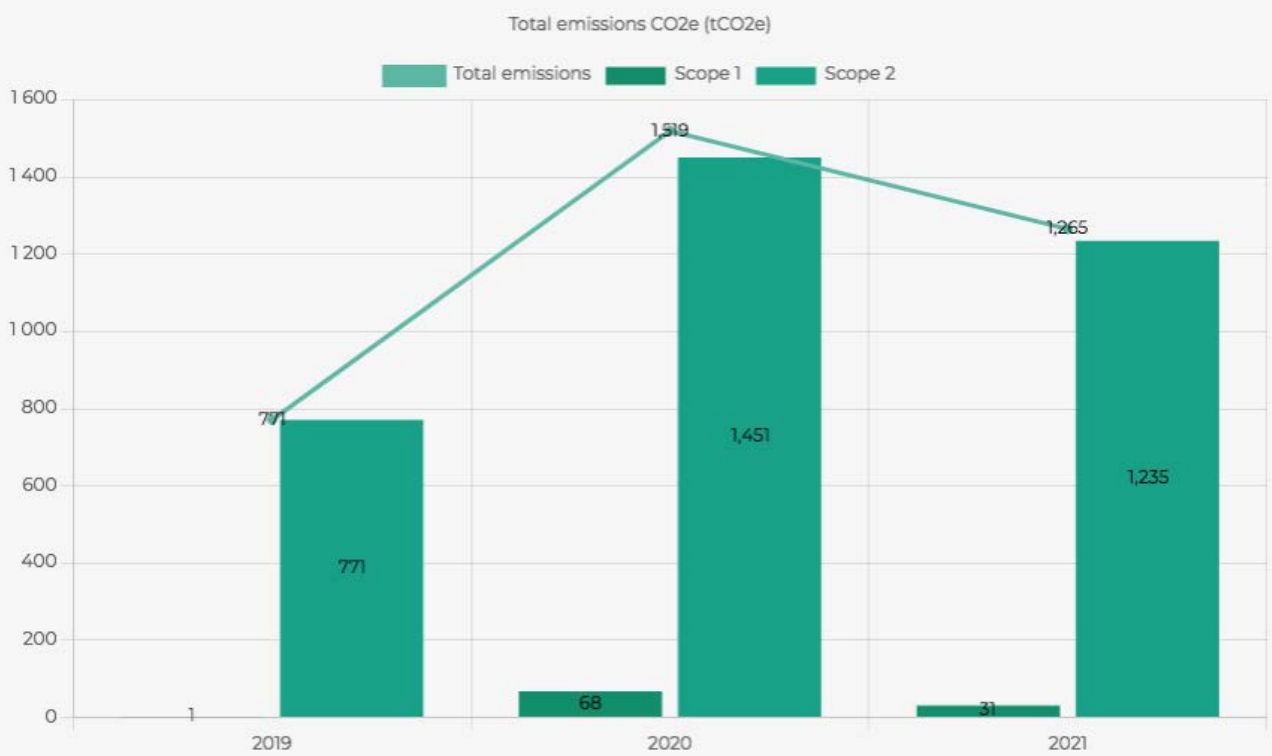
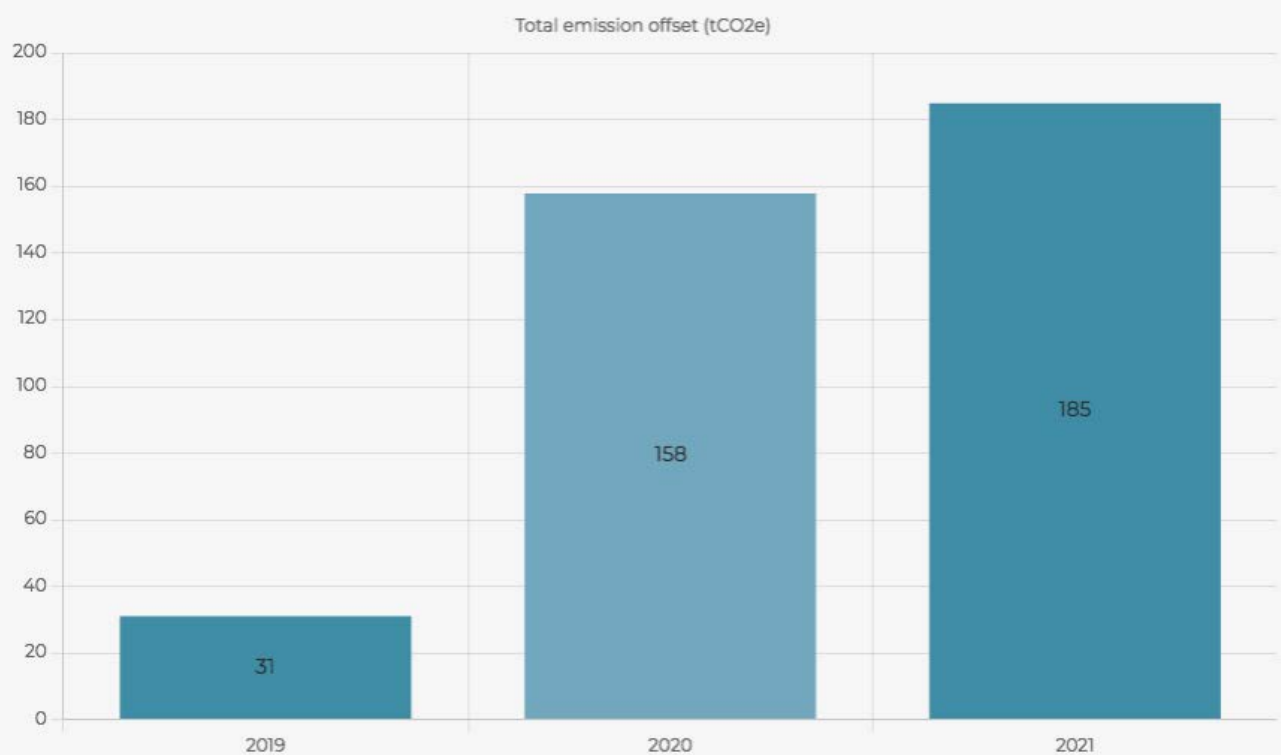
The increase in total greenhouse gas emissions numbers in the HIFSA fund is due to better reporting coverage across the fund. The emission offset achieved in 2021 was through a retirement village in the greenfields portfolio. The dominant CO2 equivalent emissions contributor remains electricity usage (Scope 2).



Carbon Impact Investing Funds

OMRAF

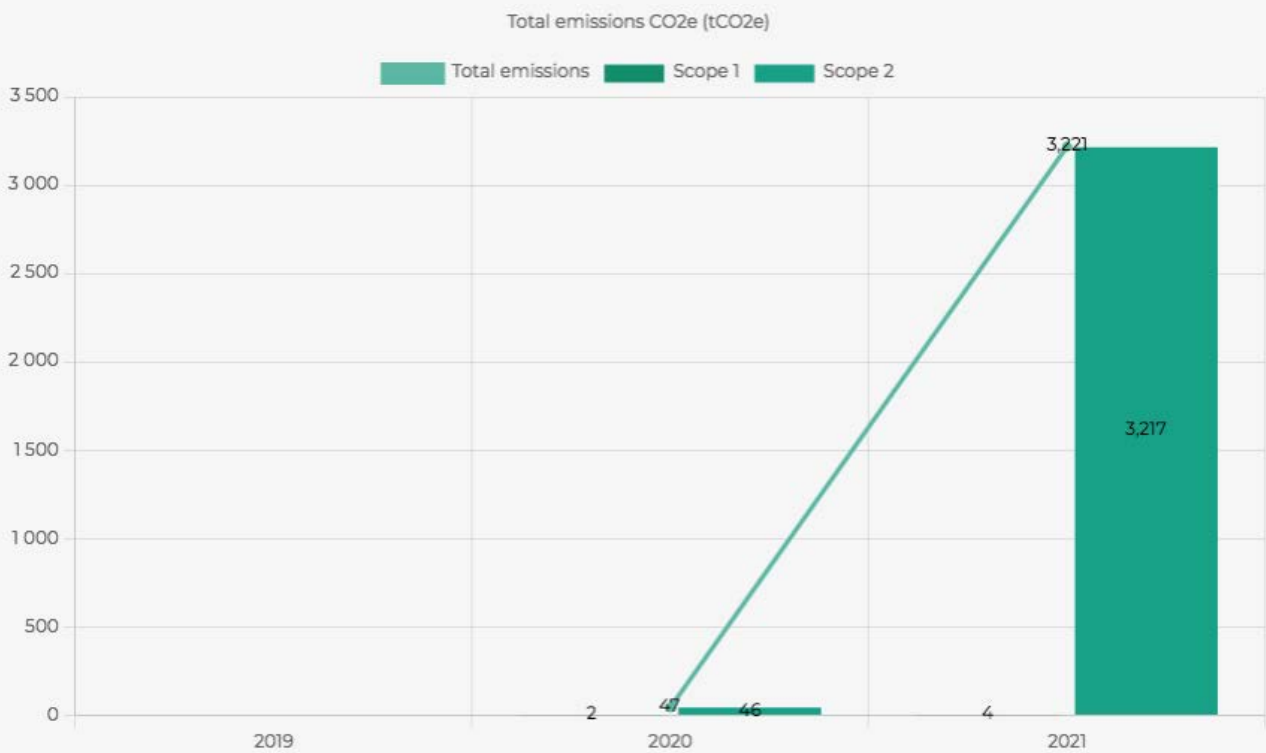
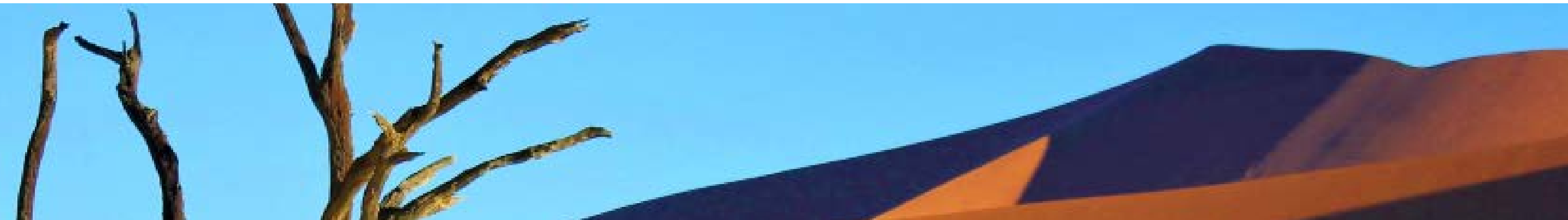
There were no material greenhouse gas emissions offset from renewable energy production in 2021. Total emissions recorded for the fund decreased slightly from the previous year. The carbon off-set was achieved through three retirement villages in the portfolio.



Carbon Impact Investing Funds

EDUFUND

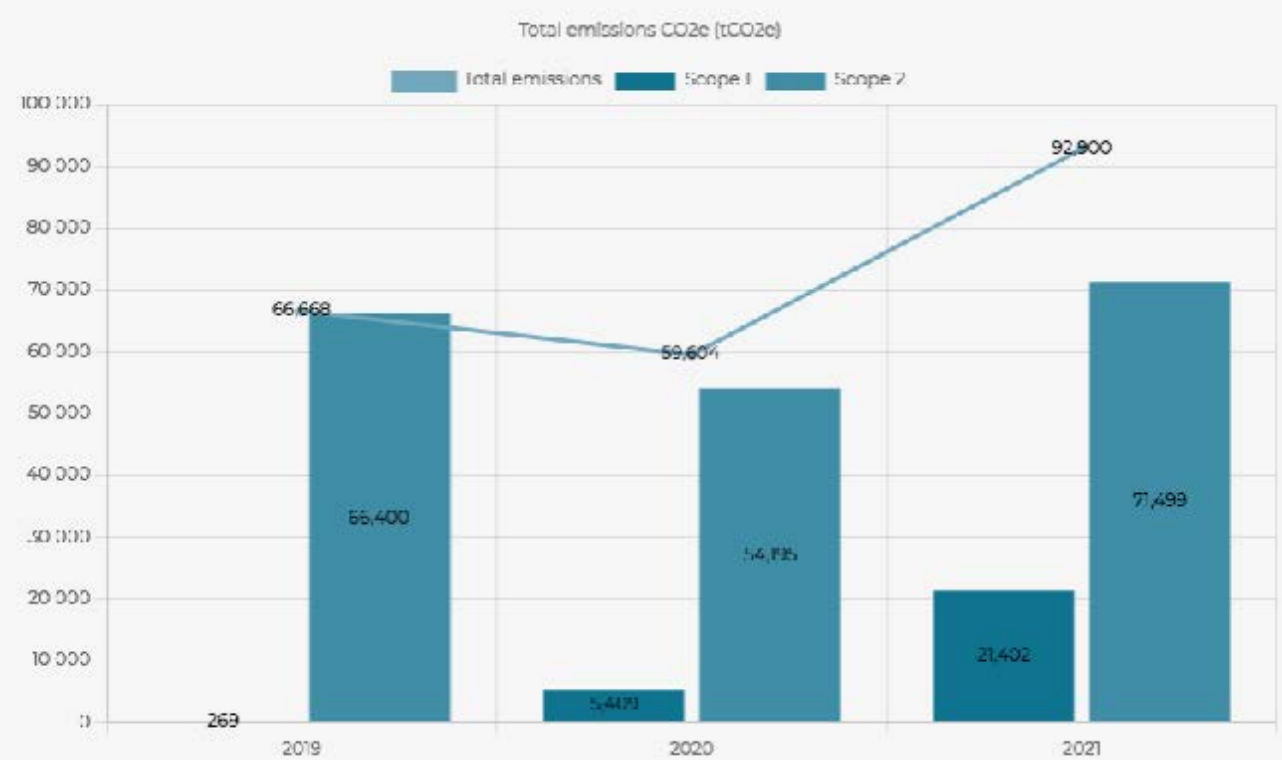
The increase in total greenhouse gas emissions is due to the development of new schools in 2021.



Carbon Capabilities

OMPE Overview

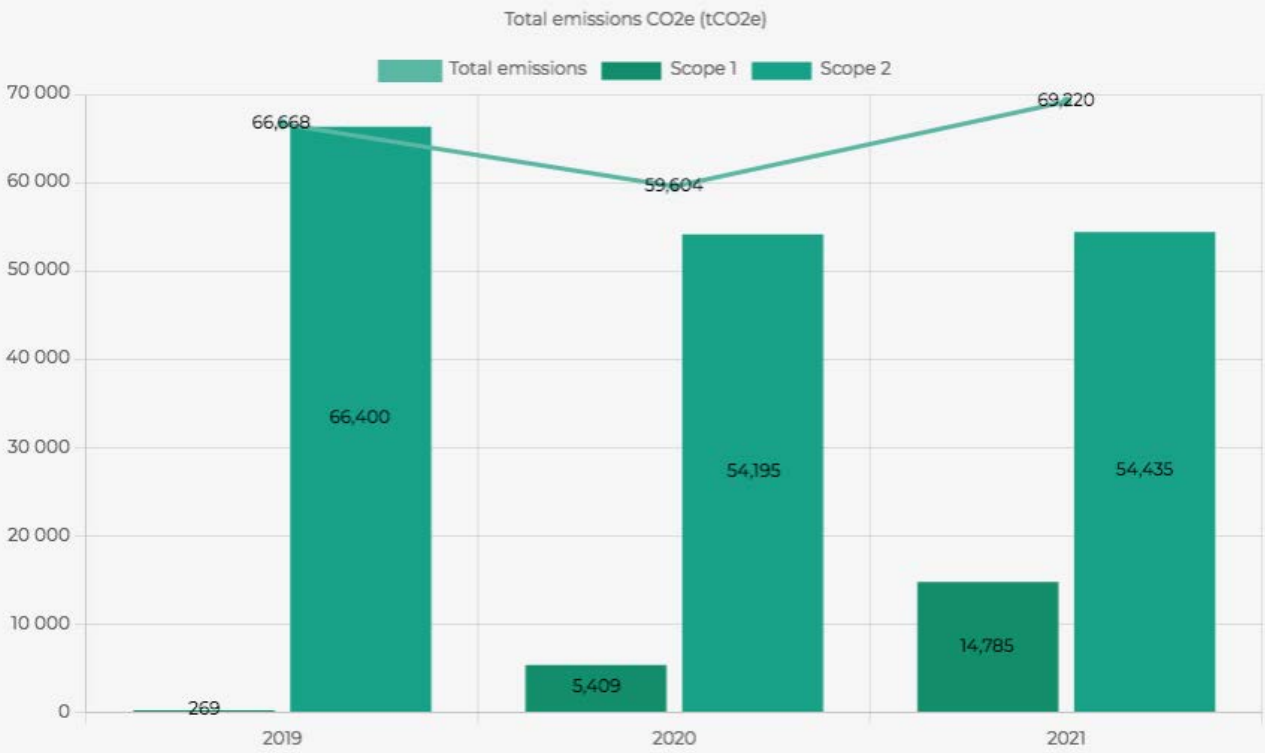
None of OMPE’s portfolio companies produce significant off-grid renewable power, therefore there is no recordable CO2 equivalent emissions offset. The overall CO2 equivalent emissions dropped in 2020, likely as a result of Covid-19 economic constraints. By far the dominant contributor to emissions remains electricity usage (Scope 2).



Carbon OMPE Funds

FUND IV

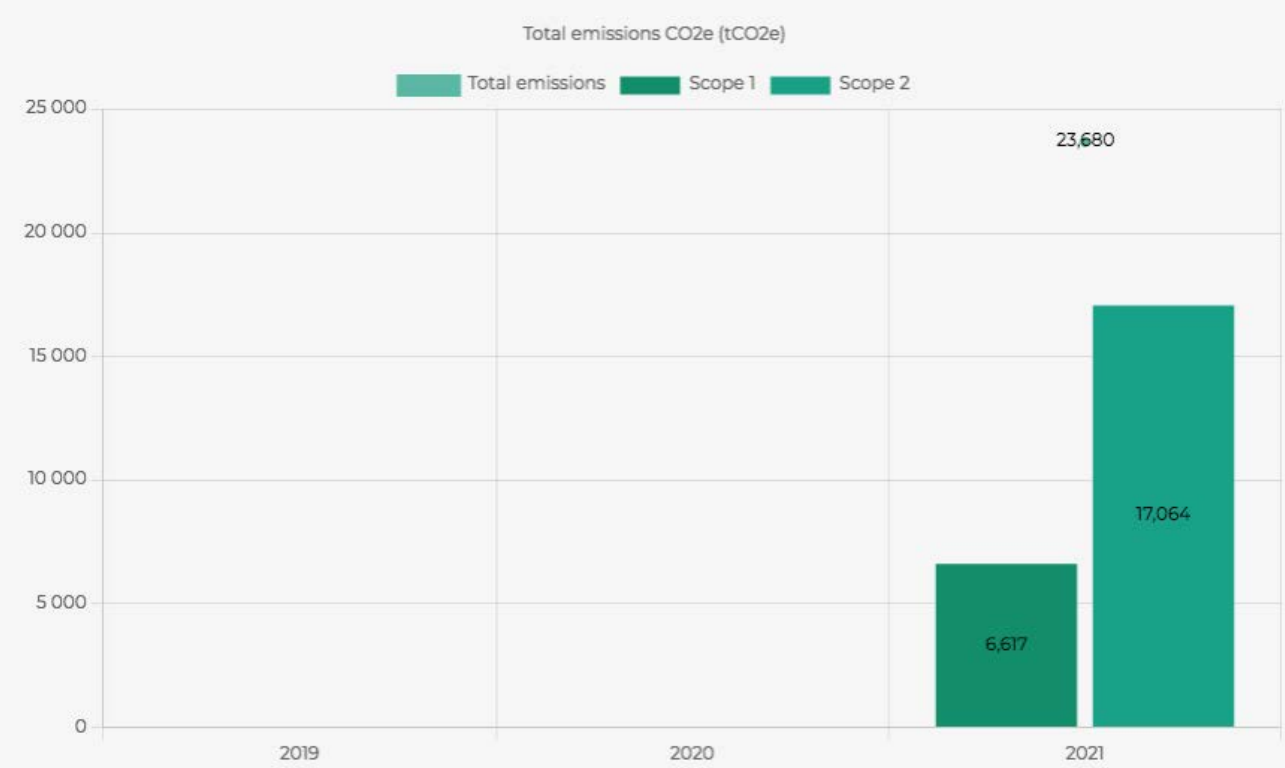
None of Fund IV’s portfolio companies produce significant off-grid renewable power, therefore there is no recordable CO2 equivalent emissions offset. The overall CO2 equivalent emissions dropped in 2020, likely as a result of Covid-19 economic constraints. By far the dominant contributor to emissions remains electricity usage (Scope 2).



Carbon OMPE Funds

FUND V

Fund V is a new investment vehicle for OMPE and the 2021 data establishes the baseline for the Fund.



Social Overview

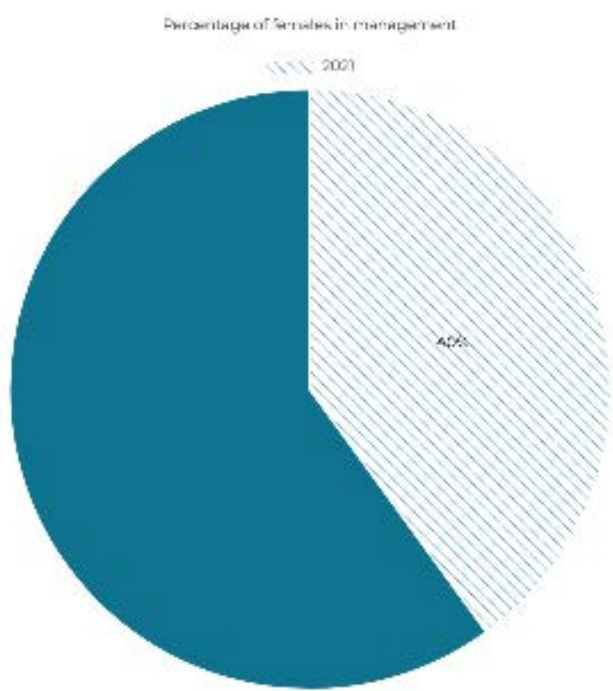
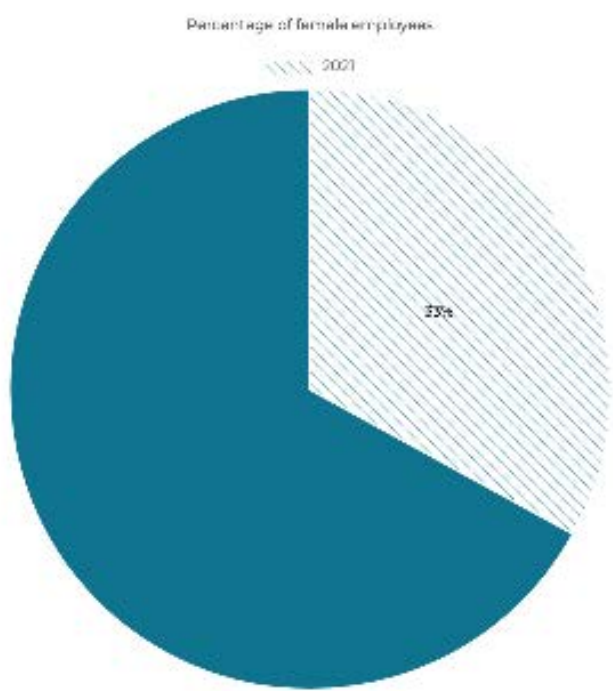
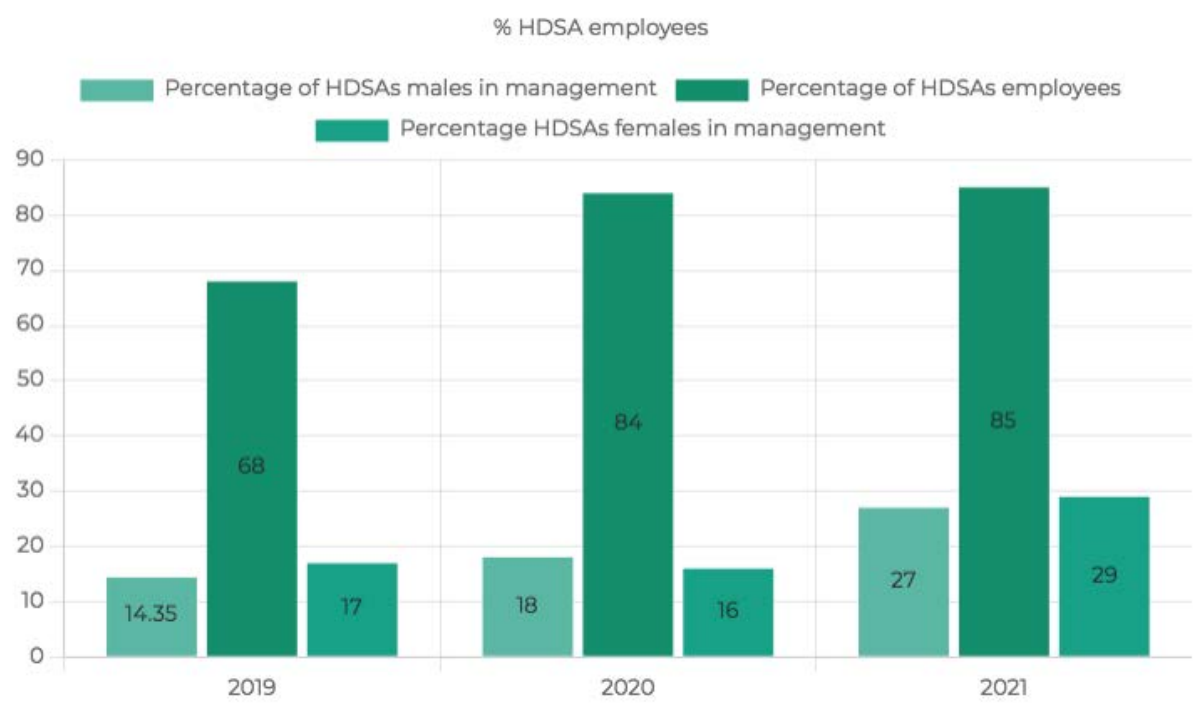
Provision of decent work and diversity are two key themes for OMAI. While 2020 was an especially challenging year, employment numbers have increased from 29,178 to 32,936 this year and are approaching 2019 levels (34,050 employees as at Dec 2019).

Historically disadvantaged South Africans (HDSAs) represented 85% of employees. Female representation in management has increased since 2019 and is now at 40%, overall female representation has decreased, indicating continued work is needed on this front.



32,936

Total employees as at Dec 2021



Social Capabilities

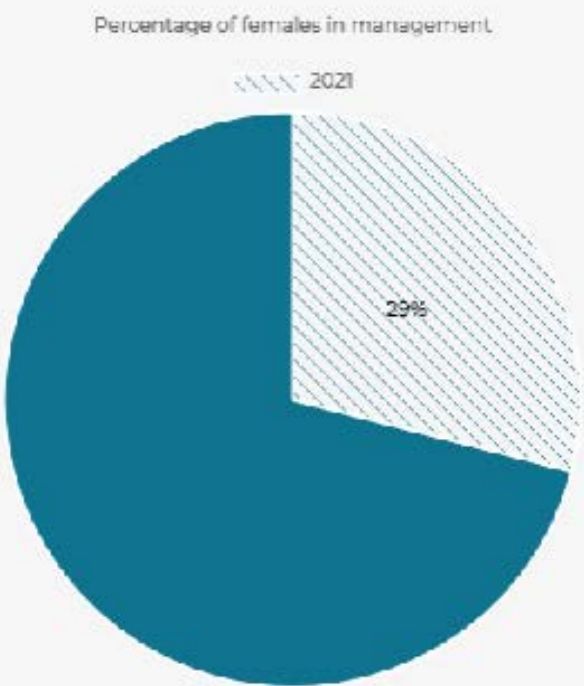
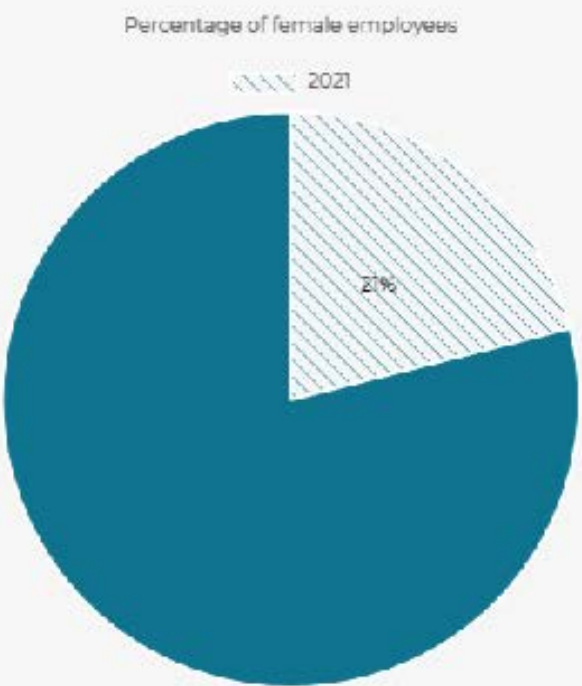
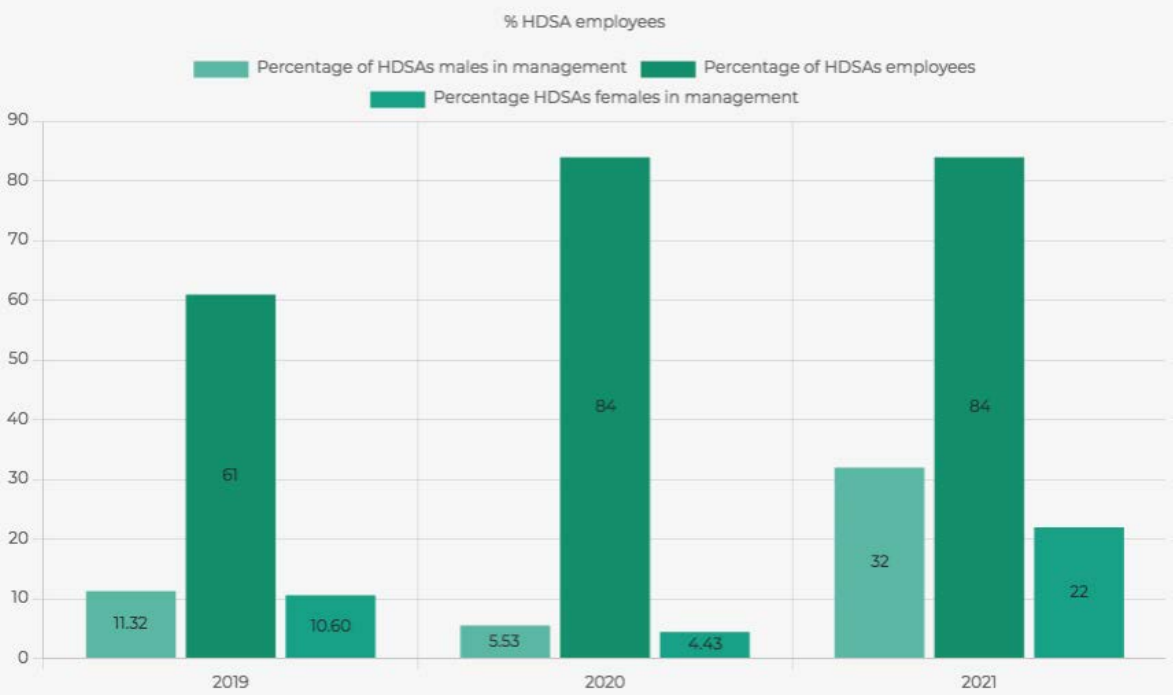
AIIM Overview

Total employment numbers have decreased slightly compared to 2020, as construction activities came to an end on a number of assets. AIIM continues to perform well in terms of transformation, with the percentage of historically disadvantaged South Africans (HDSAs) employed at 84%. Although overall representation of females in the workforce and management is above 20%, there is room for improvement.



11,271

Total employees as at Dec 2021



Social AIIM Funds

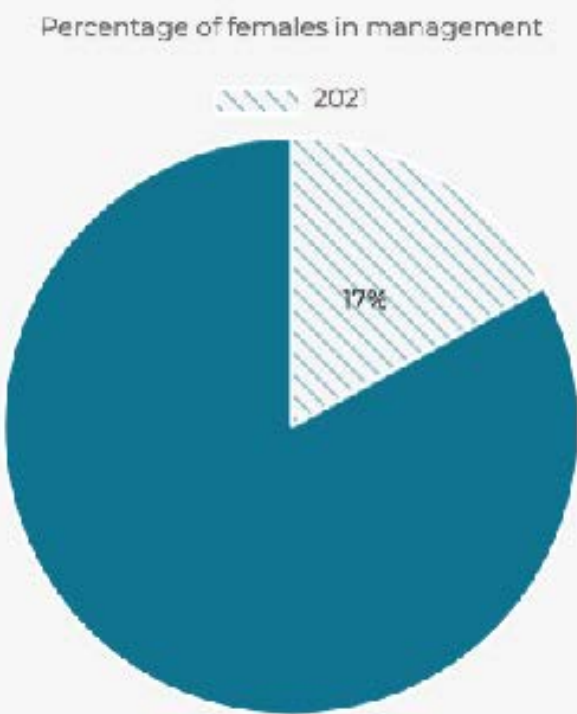
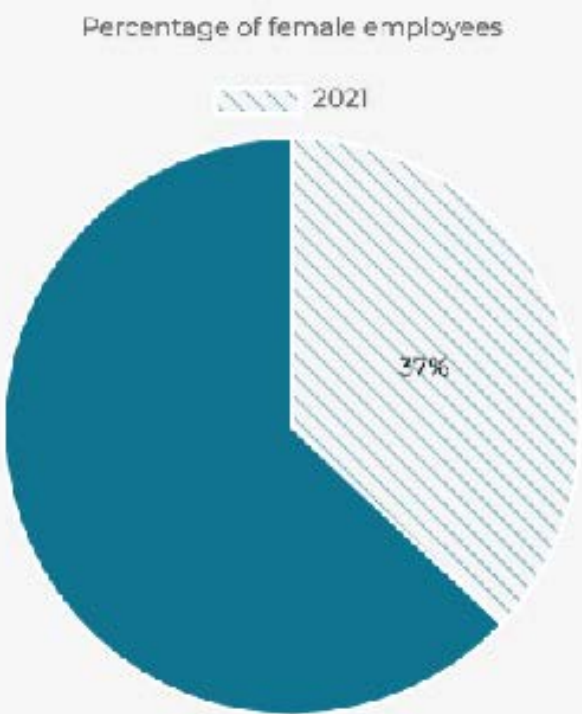
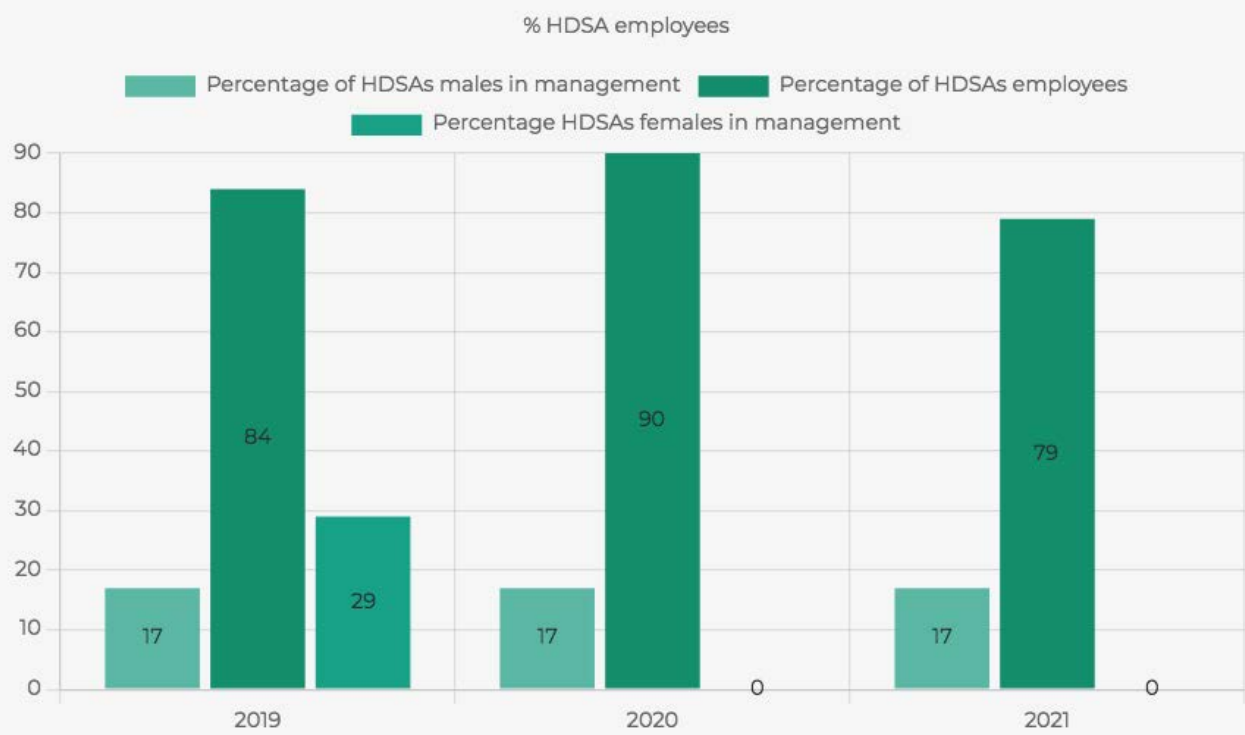
AIIF2

The overall number of employees and the proportion of female employees have both increased compared to 2020. The exit of two South African assets in 2020 saw the number of historically disadvantaged South African (HDSA) females in management drop to zero however the overall representation of HDSAs is at 79%.



3,096

Total employees as at Dec 2021



Social AIIM Funds

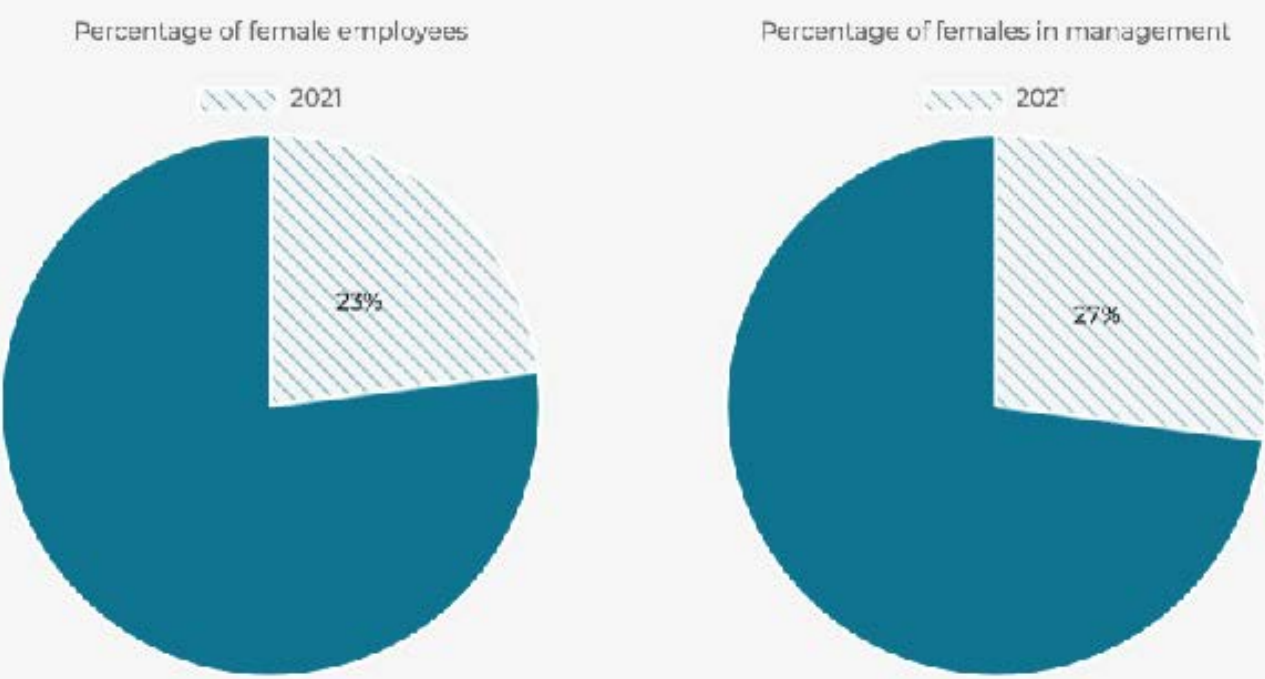
AIIF3

AIIF3 supported 4,159 jobs by the end of December 2021. From a gender perspective, overall female representation was 23%, up from 17% in 2020 and female representation in management has also increased. AIIM continues to look for opportunities to drive greater gender equality.

**Note, because there are no South African assets, data related to historically disadvantaged South Africans is not applicable for this fund.*

4,159

Total employees as at Dec 2021



Social AIIM Funds

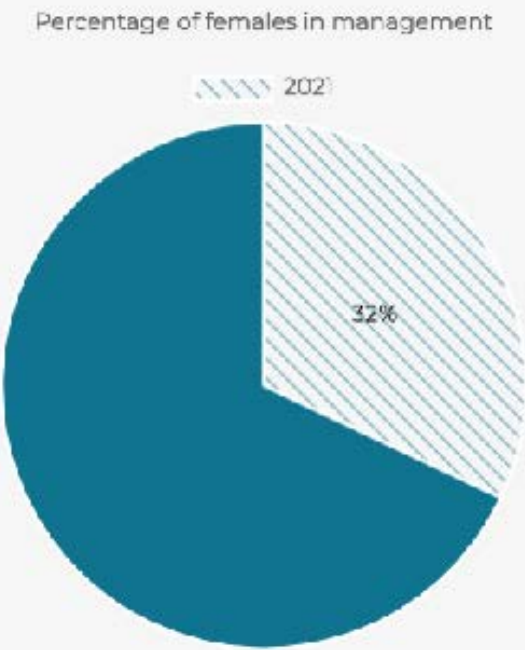
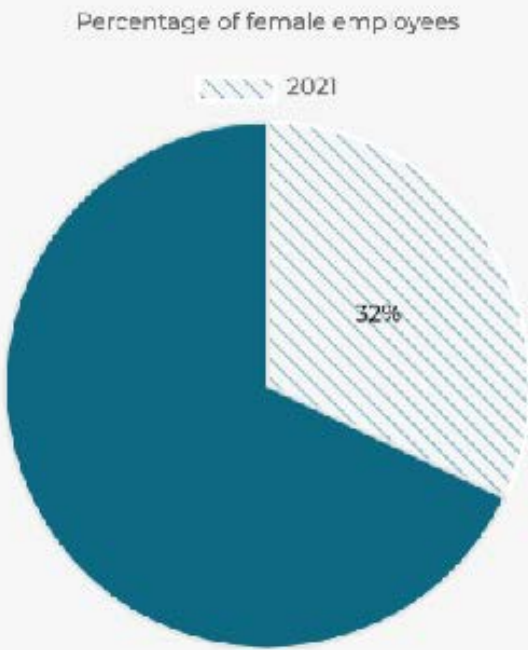
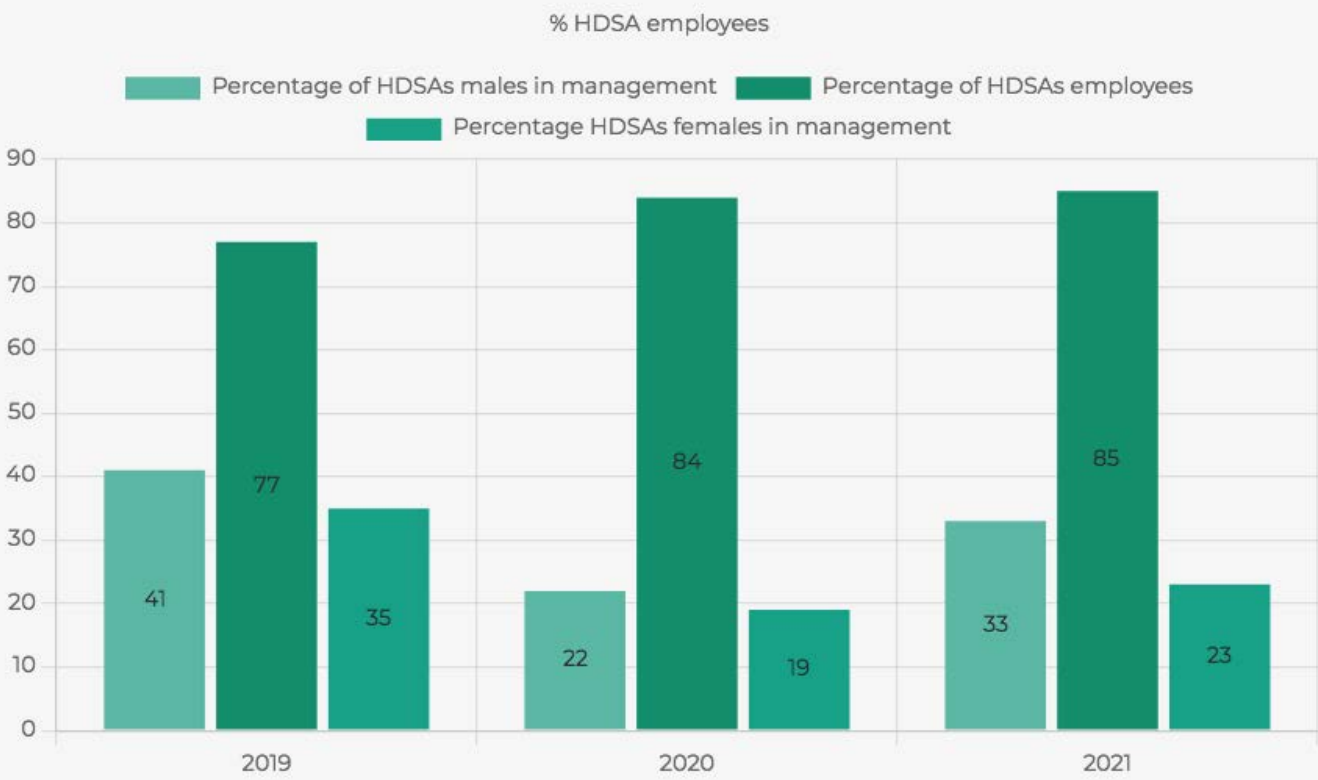
IDEAS

IDEAS supported 4,016 jobs by the end of December 2021. The fund has performed well from a diversity and transformation perspective showing improvements on female and HDSA representation in the workforce and at management level compared to the previous year.



4,016

Total employees as at Dec 2021



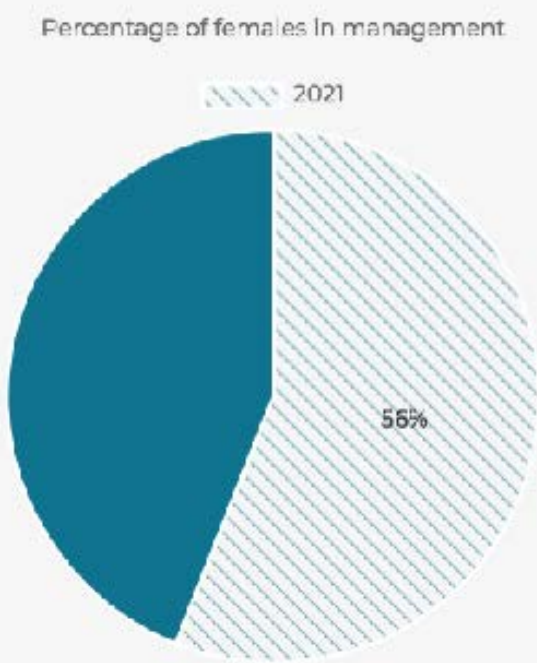
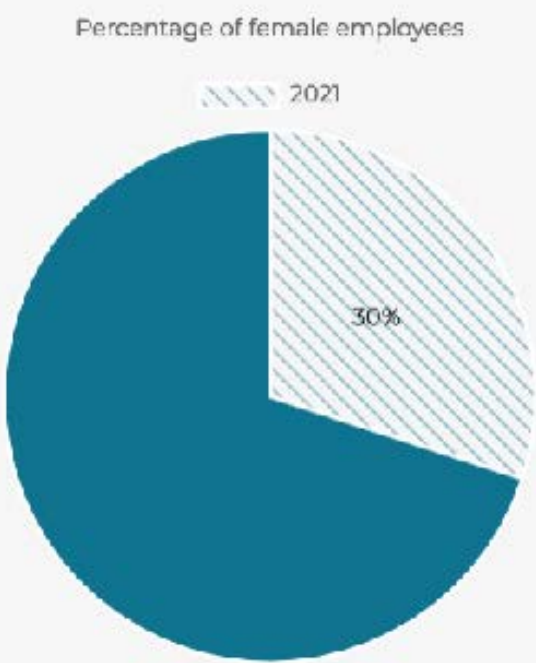
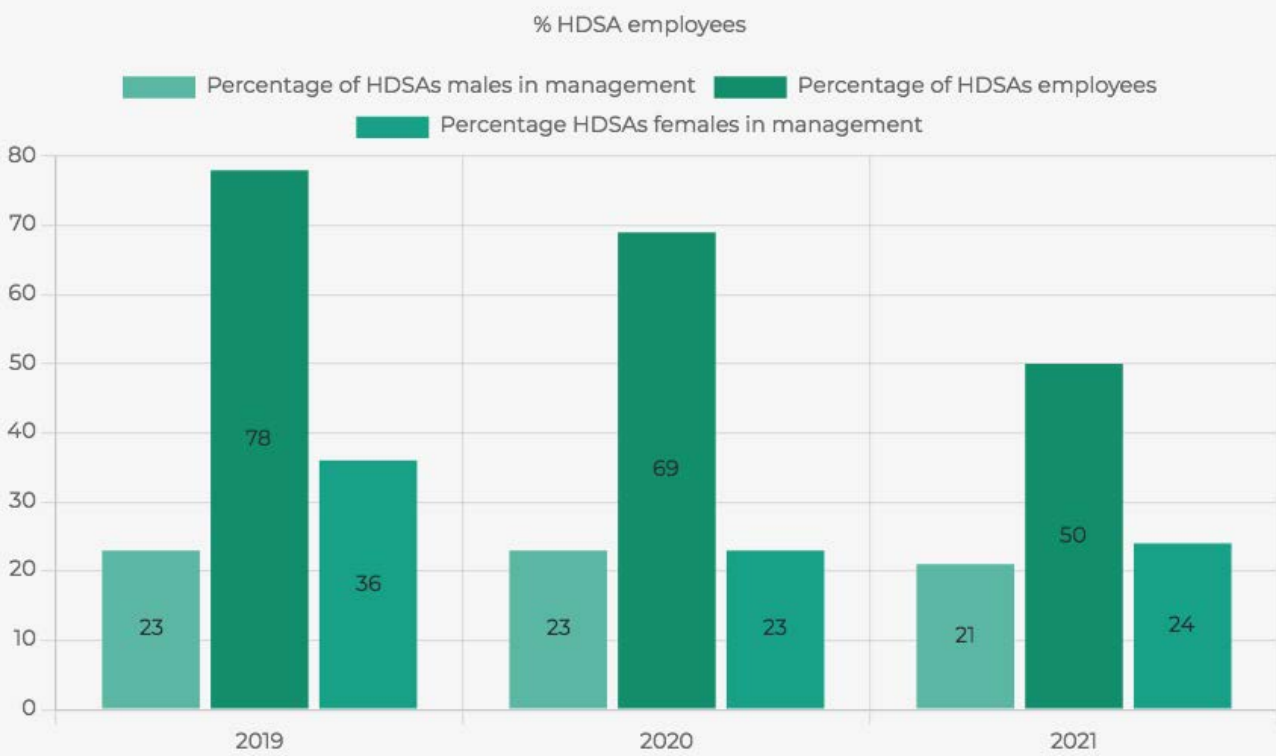
Social Capabilities

IMPACT INVESTING Overview

Total employment increased by 19% across the funds, mainly due to the increase in construction jobs reported at some HIFSA projects, as well as the construction of new Edufund schools in 2021. Historically disadvantaged South Africans (HDSAs) constituted over 50% of the workforce, and overall female management representation has also increased by some 6%.

4,530

Total employees as at Dec 2021



Social Impact Investing Funds

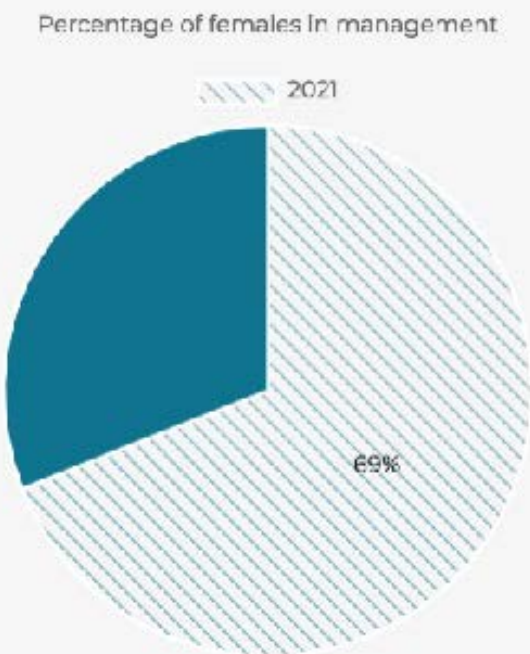
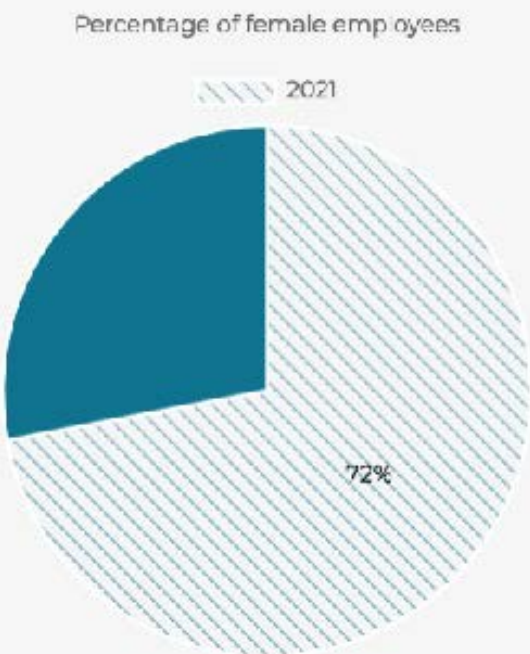
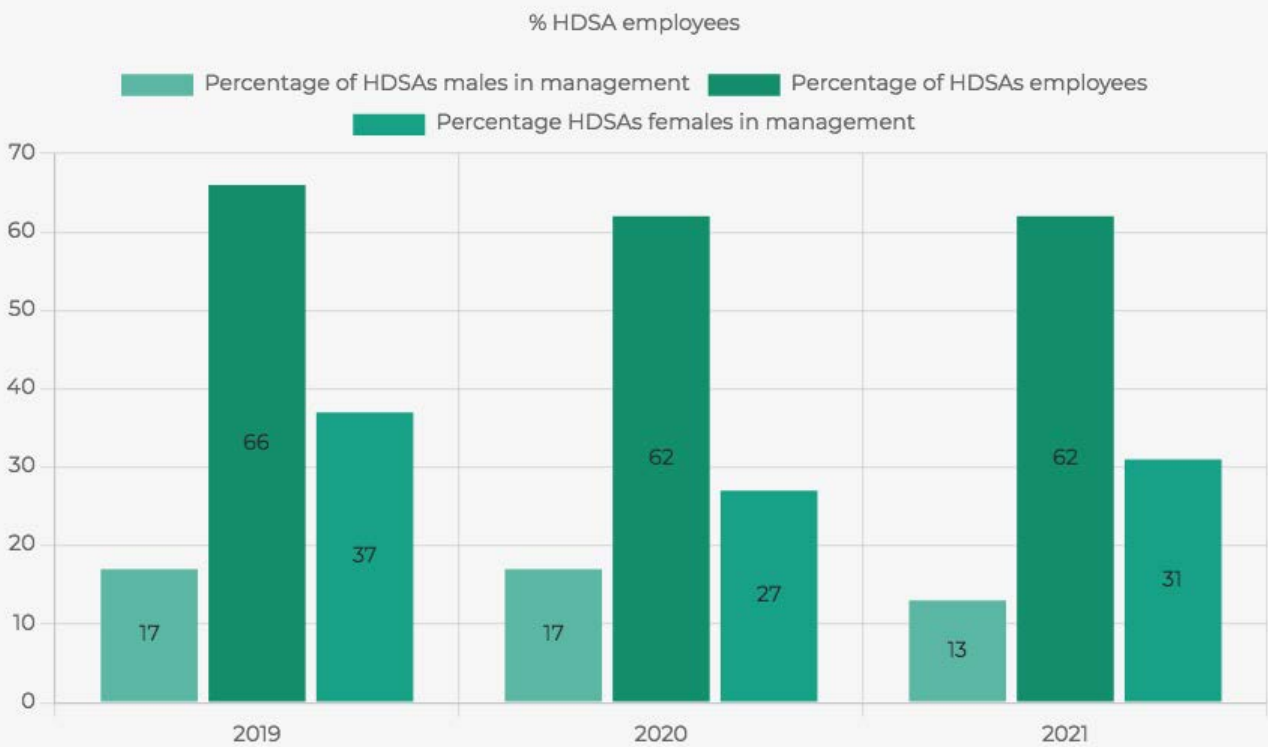
SEIIFSA

Total employment numbers decreased by 5%. Female managers account for 69% of management, with nearly half being historically disadvantaged South African (HDSA) female management.



1,514

Total employees as at Dec 2021



Social Impact Investing Funds

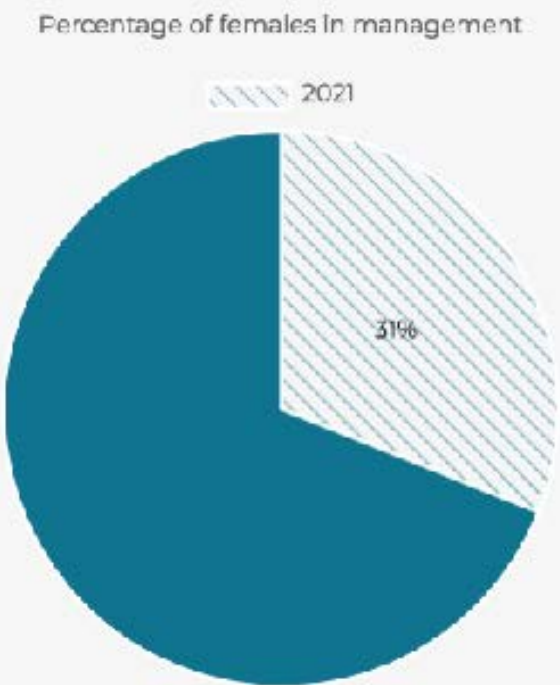
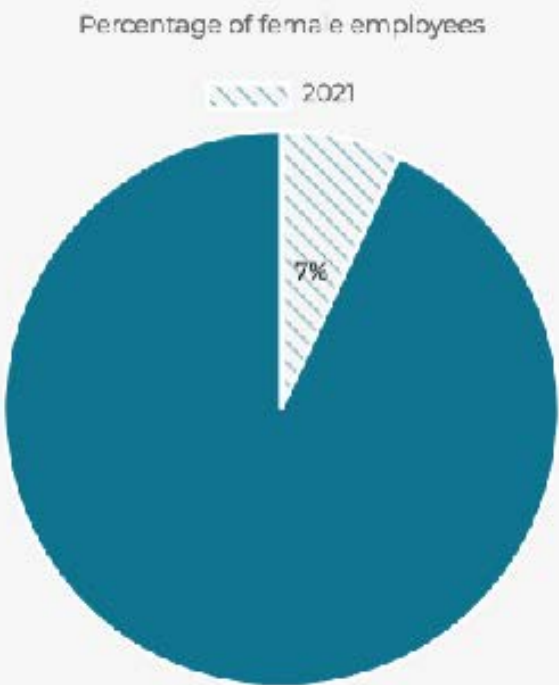
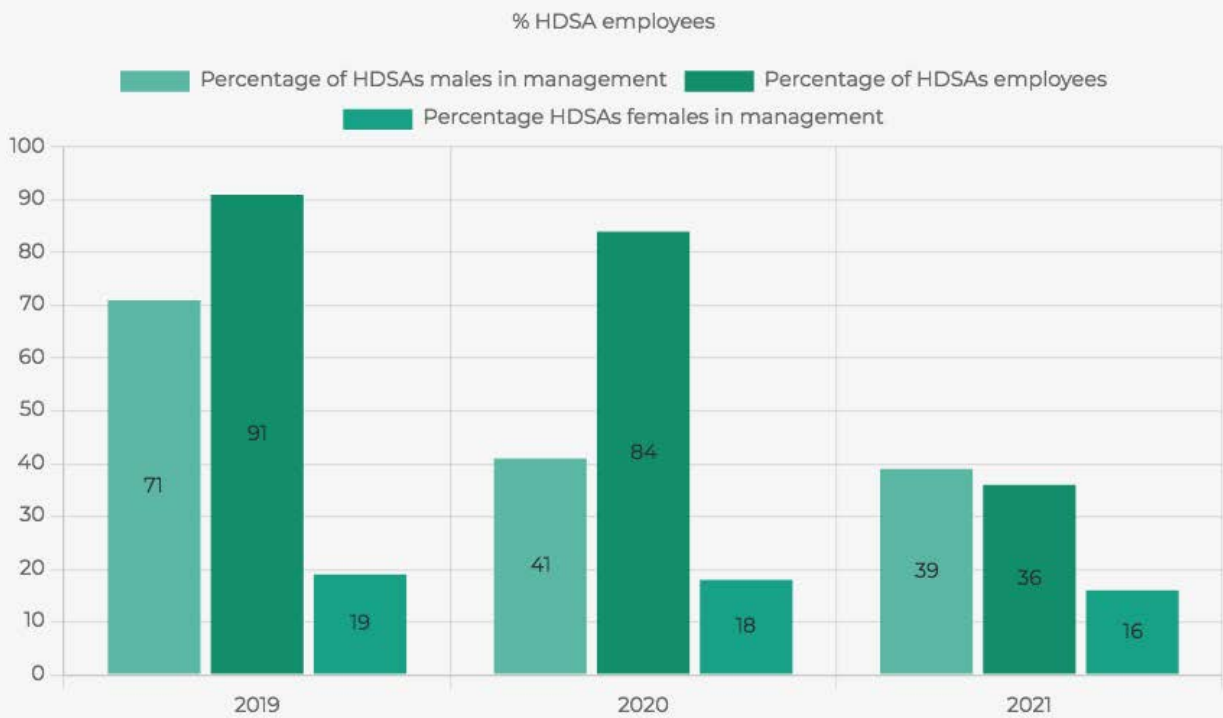
HIFSA

The increase of 36% in employment numbers in 2021 is a result of increased construction activity and jobs reported on some greenfields projects.



2,417

Total employees as at Dec 2021



Social Impact Investing Funds

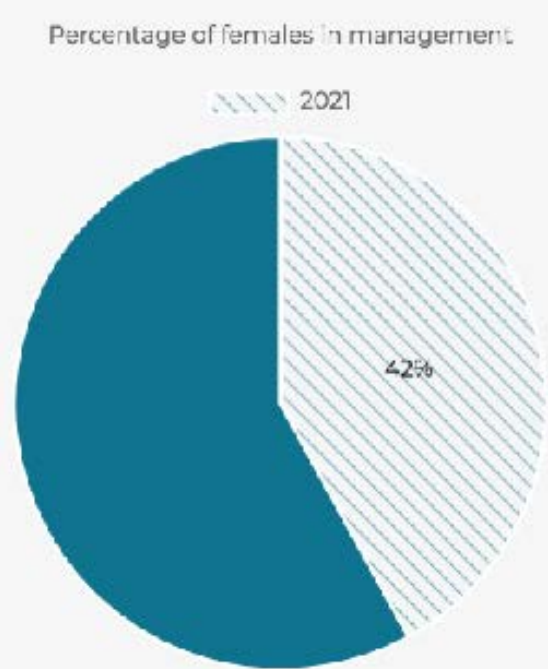
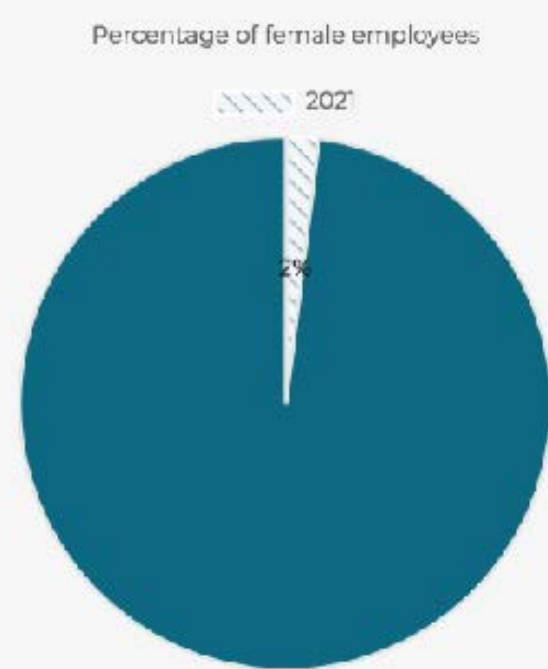
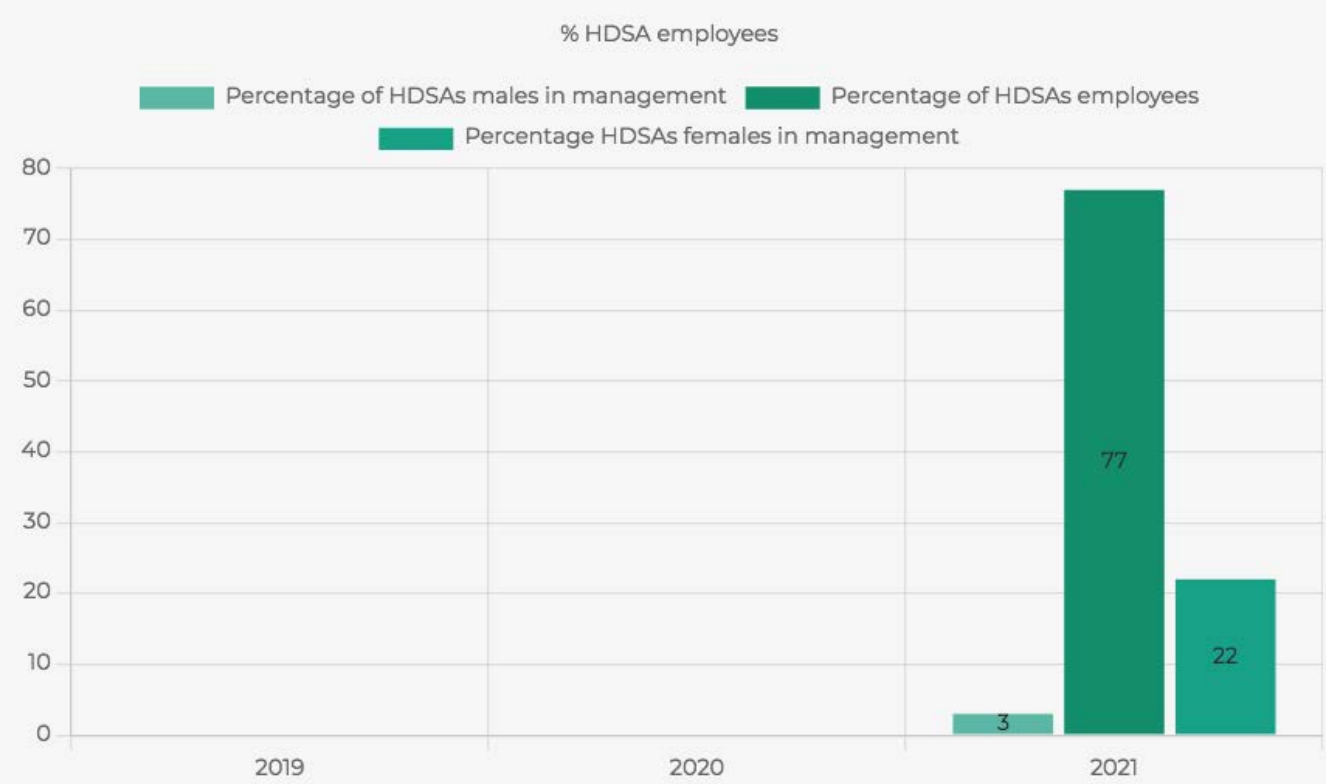
EDUFUND

The total employment number for Edufund refers to the construction of two schools during 2021, as well as teachers in two operational schools. This is a baseline measurement for the fund.



265

Total employees as at Dec 2021



Social Impact Investing Funds

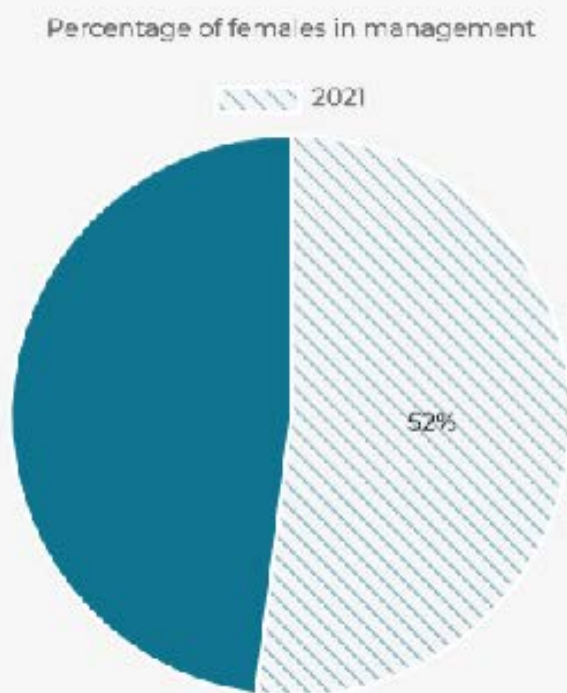
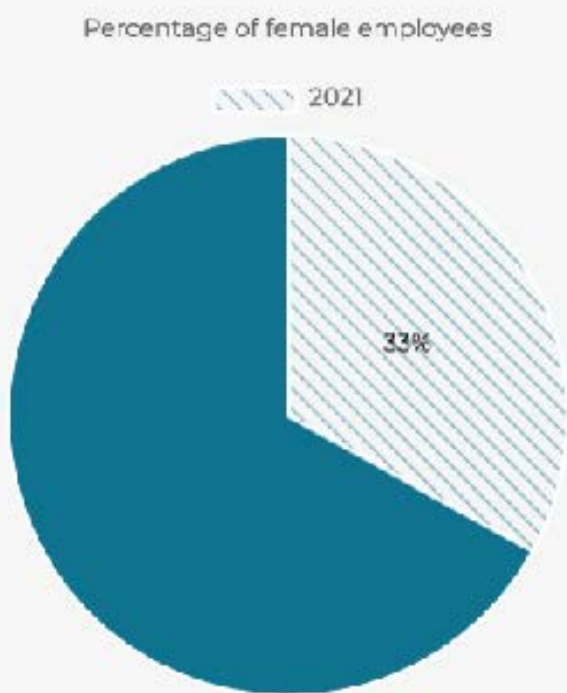
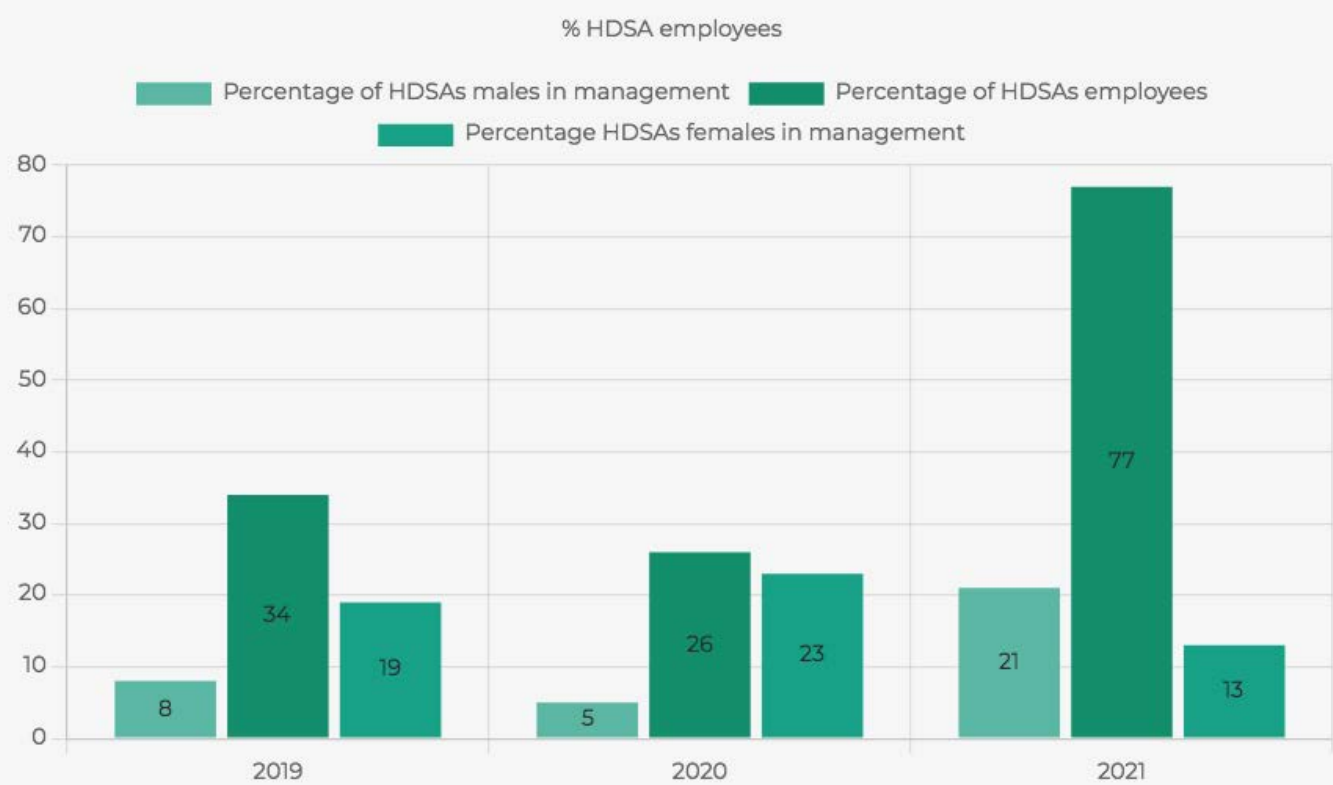
OMRAF

The decrease of 28% in employment is a result of the completion of the development of a retirement village during the second half of 2021.



280

Total employees as at Dec 2021

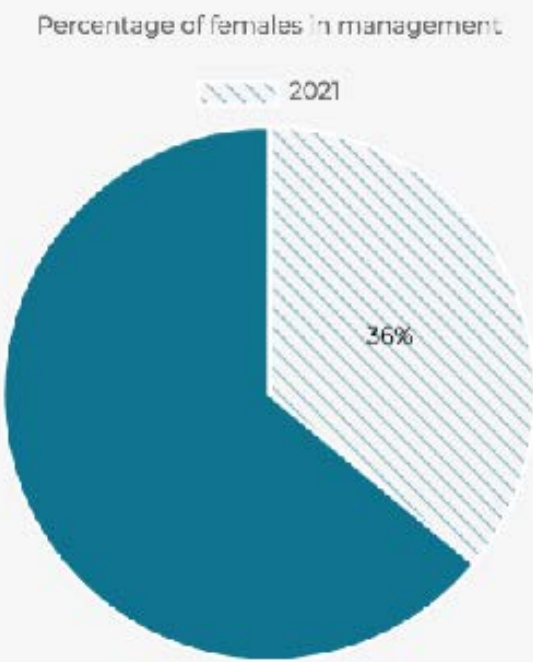
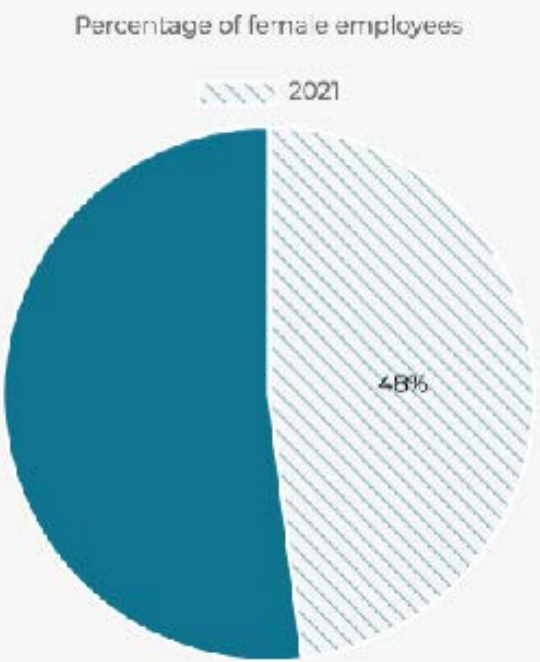
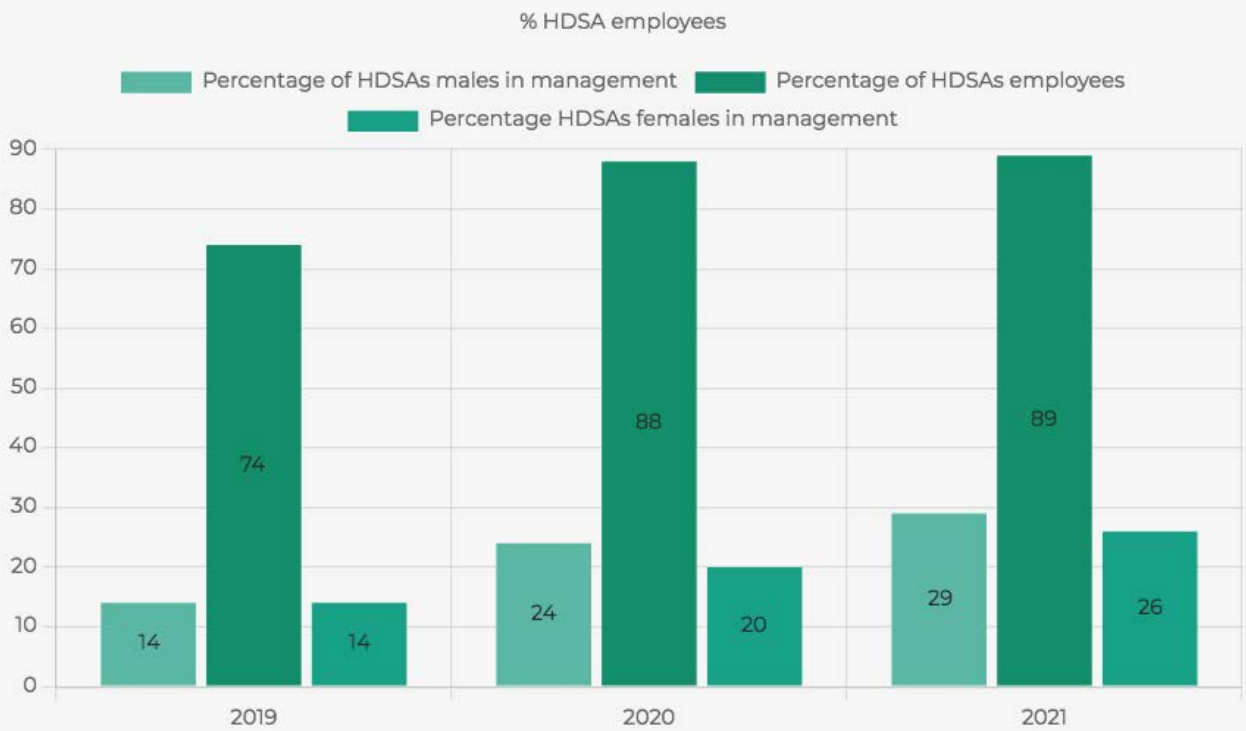


Social Capabilities

OMPE Overview

The impact of Covid – 19 continues to be seen across the portfolios. Overall employment across Fund IV and Fund V as at December 2021 was 17,135. While Fund V has been added to the OMPE portfolio, there has been a decrease in overall employment in Fund IV.

With the addition of Fund V, transformation and gender representation has shifted for the OMPE portfolios. From a gender equality perspective OMPE had a 48% overall female representation in 2021 (60% in 2020). The female representation in management has shifted with the addition of the new Fund, being 36% in 2021 (45% in 2020). From a transformation perspective, historically disadvantaged South African (HDSA) representation was 89% in 2021. HDSA female representation in management was 26%, while HDSA male representation in management was 29%.



Social OMPE Funds

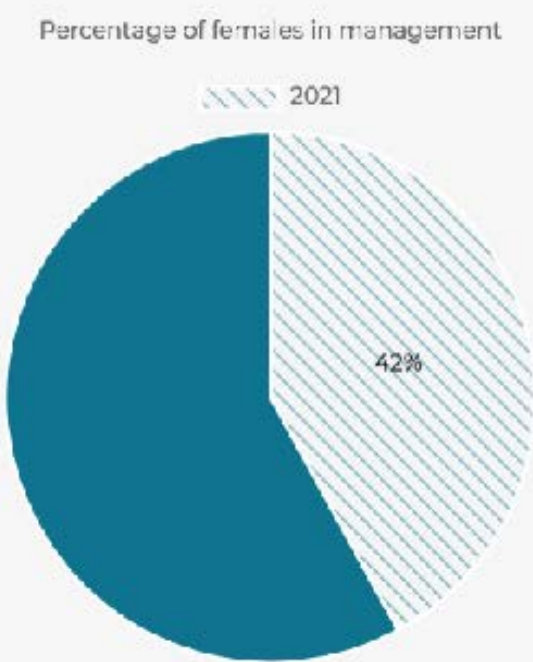
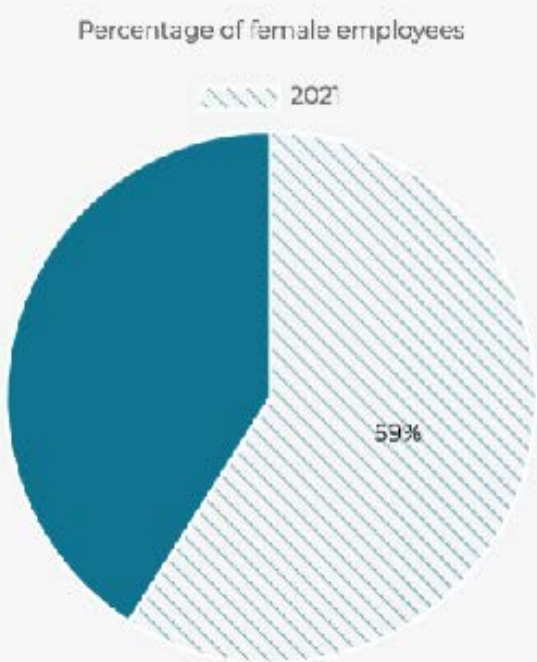
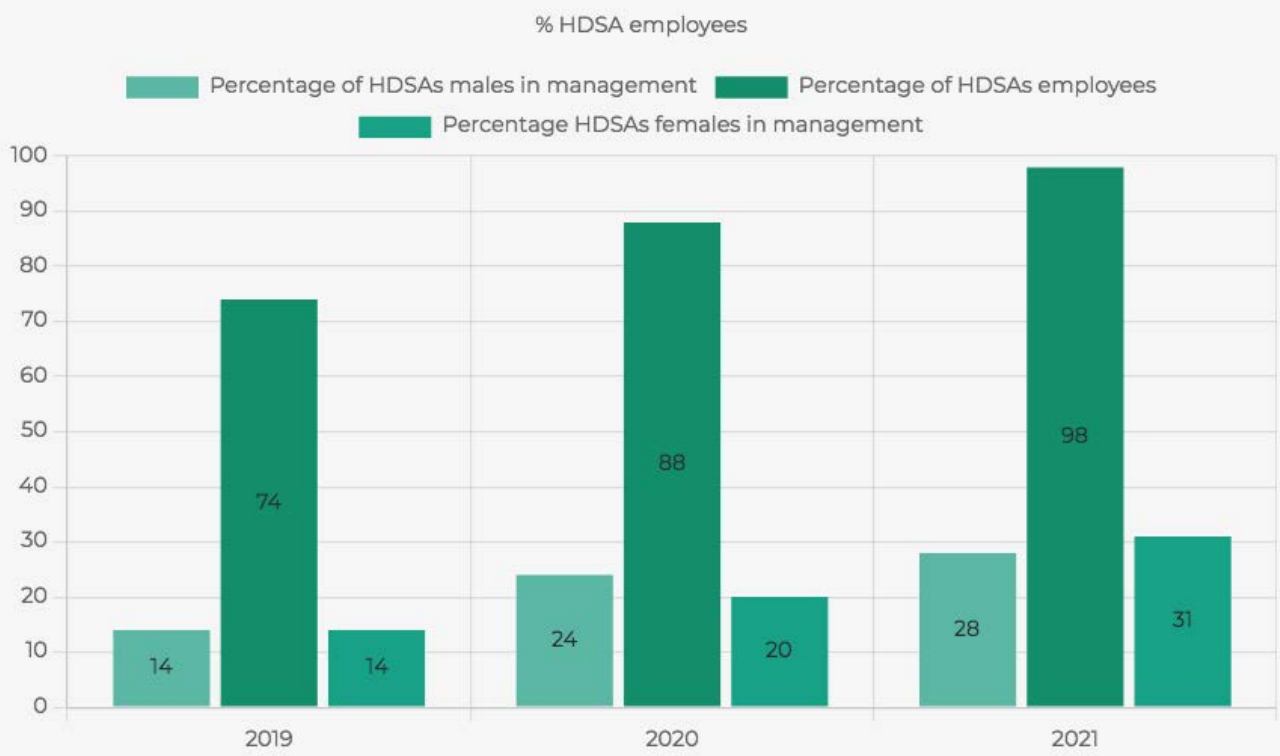
FUND IV

The impact of Covid – 19 continues to be seen across the portfolio companies. There has been an overall decrease of employee numbers from December 2020 of 13,652 to 12,253 employees as December 2021. From a gender equality perspective, the fund has held steady with 59% overall female representation in 2021 (60% in 2020). The female representation in management has had a slight drop with 42% in 2021 (45% in 2020).

The fund continues to show strong transformation, with overall representation of historically disadvantaged South Africans (HDSA) at 98% in 2021 (88% in 2020). Representation of HDSAs in management has increased, with HDSA females in management increasing from 20% in 2020 to 31% in 2021 and HDSA males in management increasing from 24% in 2020 to 28% in 2021.

12,253

Total employees as at Dec 2021



Social OMPE Funds

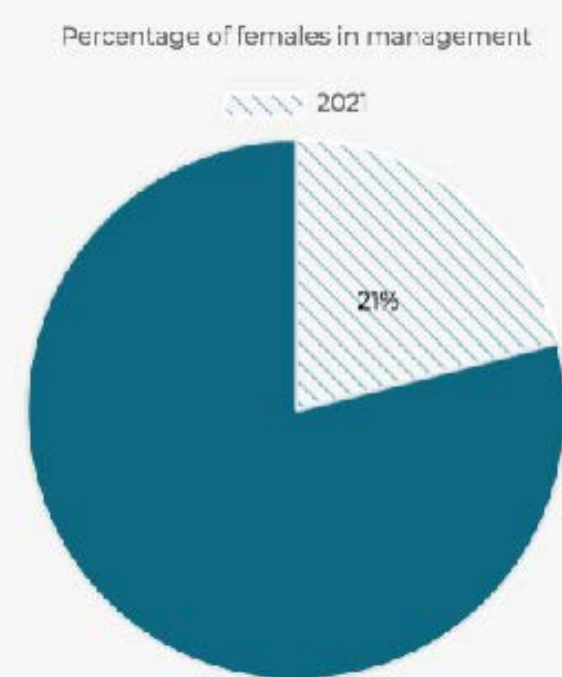
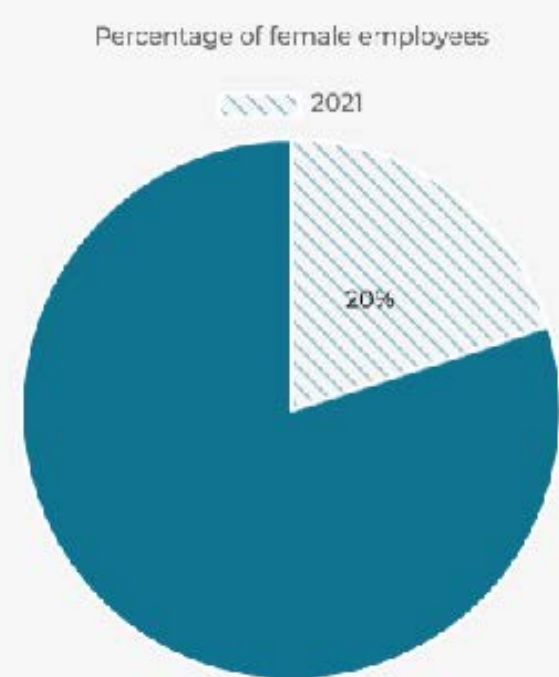
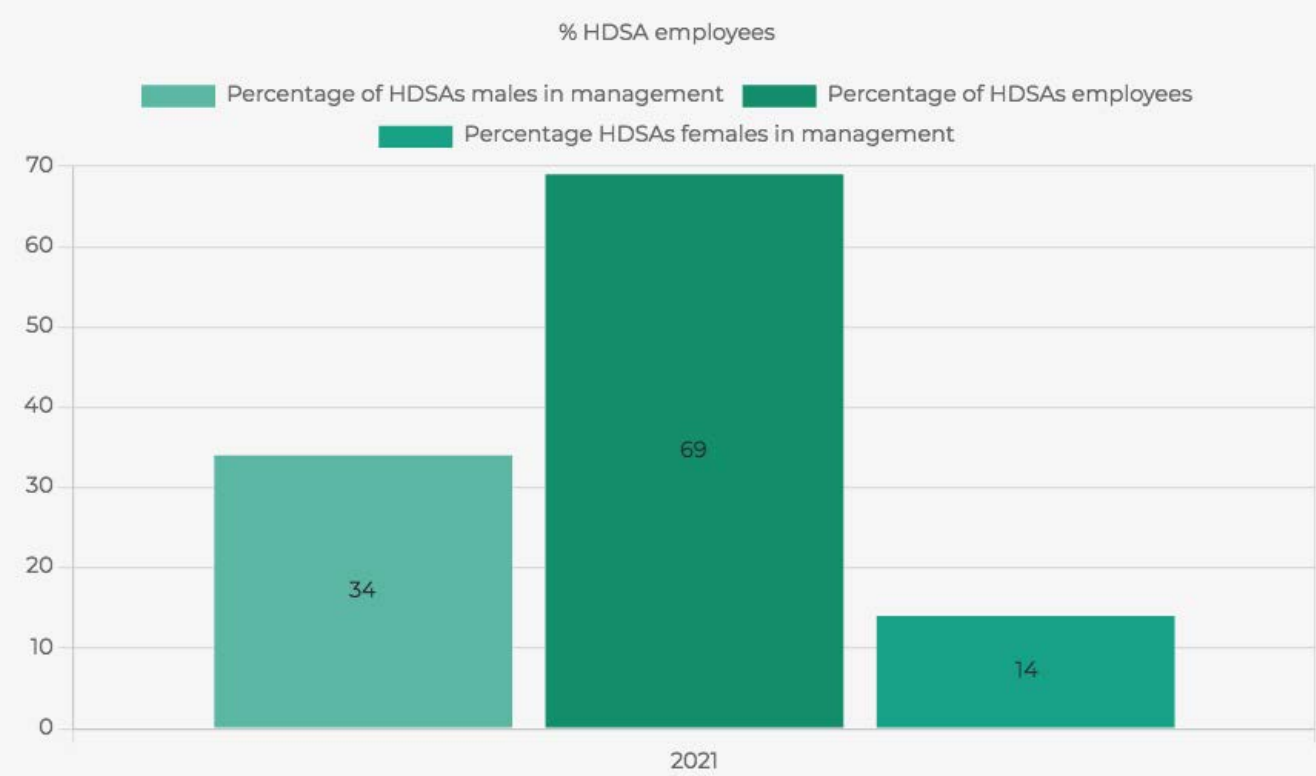
FUND V

As at December 2021 the fund included 4,882 employees, 69% being historically disadvantaged South Africans (HDSAs). There was 14% HDSA female and 34% HDSA male representation at management level. Overall female representation was 20%, with 21% female representation in management. This is a baseline measurement for the fund.



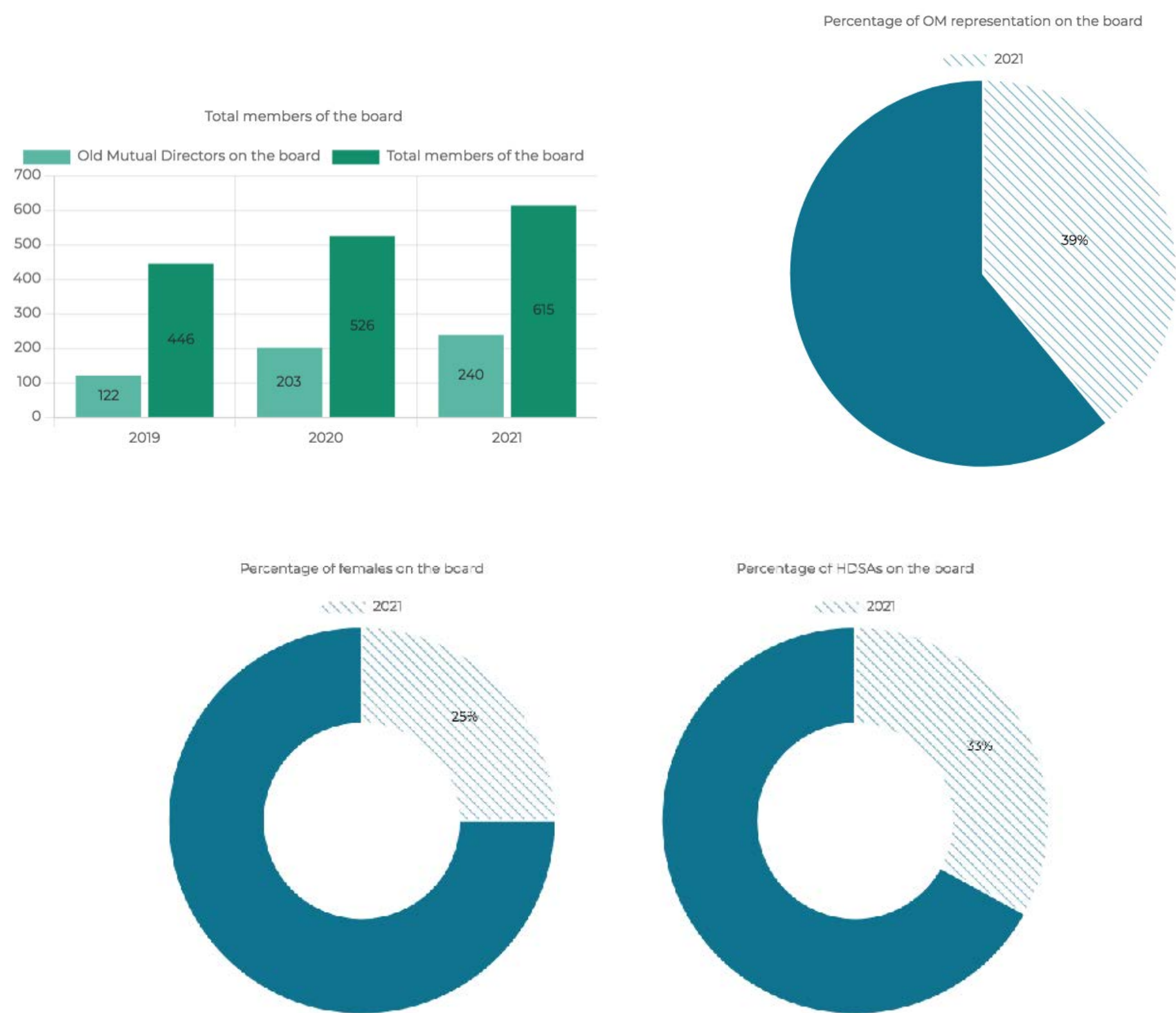
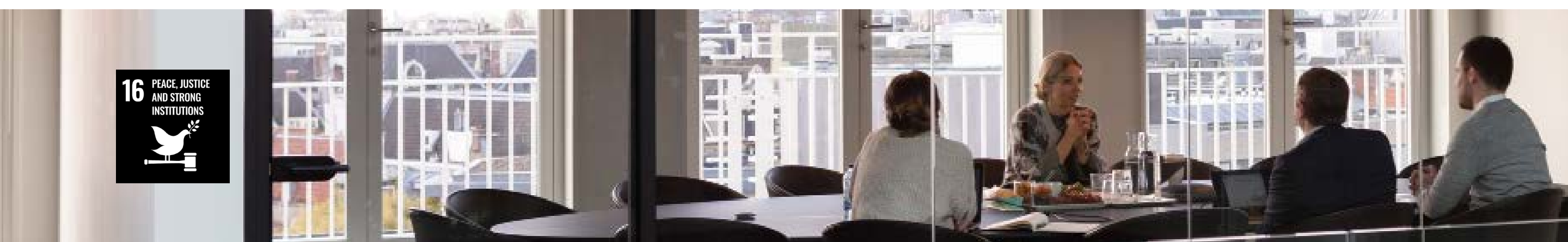
4,882

Total employees as at Dec 2021



Governance Overview

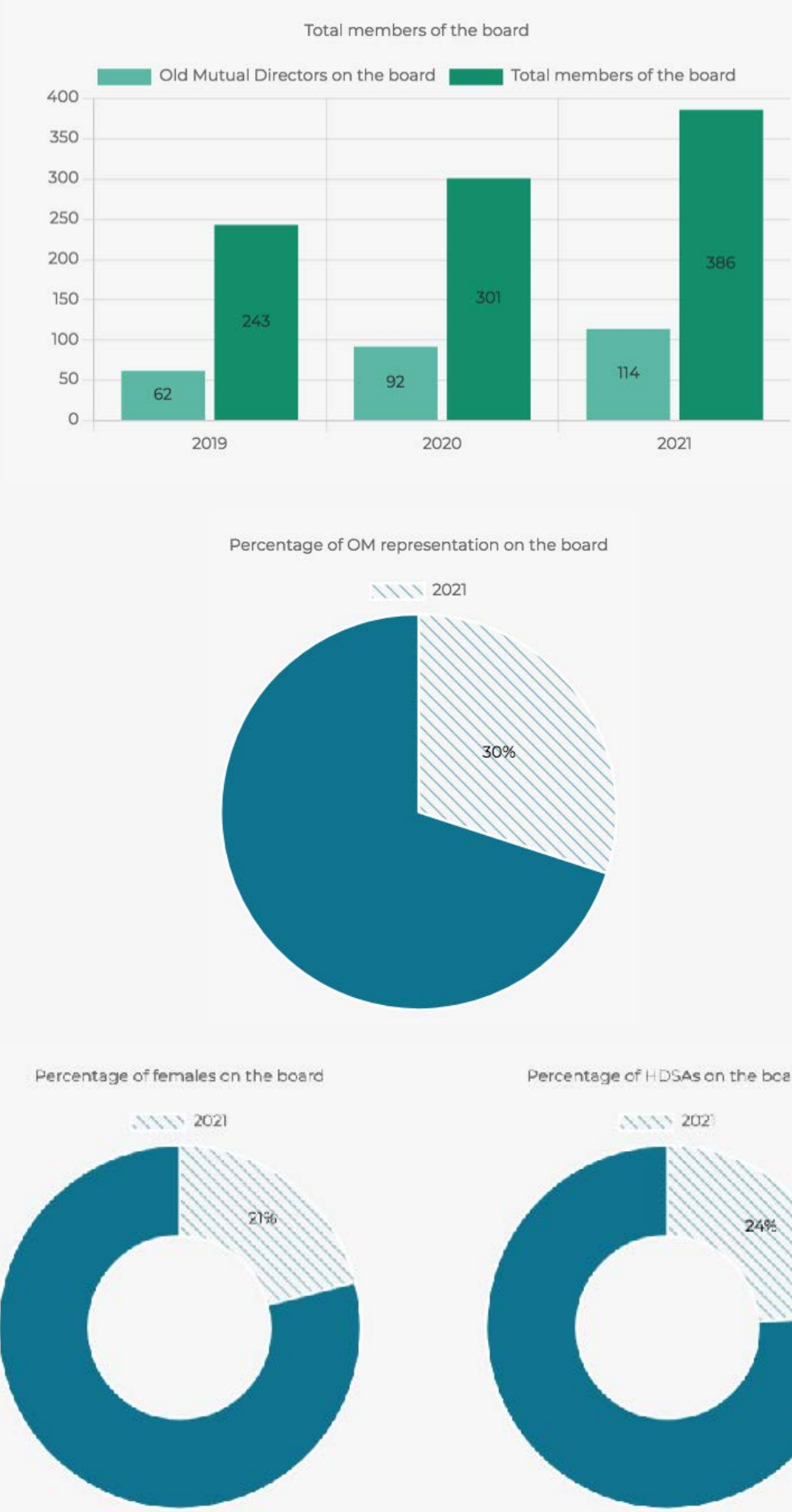
Good governance lies at the heart of a sustainable business that delivers returns for all stakeholders, including shareholders, lenders, employees, suppliers and the communities in which we invest. OMAI seeks to apply good governance practices in all portfolio companies, across various African jurisdictions, with adherence to local governance-related laws and a reference to the King IV Report on good corporate governance. In our goal of driving governance performance, our investment professionals are active at the Boards and Subcommittees of portfolio companies. In 2021 we increased our Board representation from 38% to 40%, exercising our board seat rights and further aiding active engagement. In our continued effort to achieve gender equality, female Board representation increased slightly to 26%, indicating there is still a way to go on this critical matter. For South African portfolio companies, in our actions to reduce inequalities, we now track historically disadvantaged South African (HDSA) Board representation and HDSA Board representation in 2021 was 20%.



Governance Capabilities

AIIM Overview

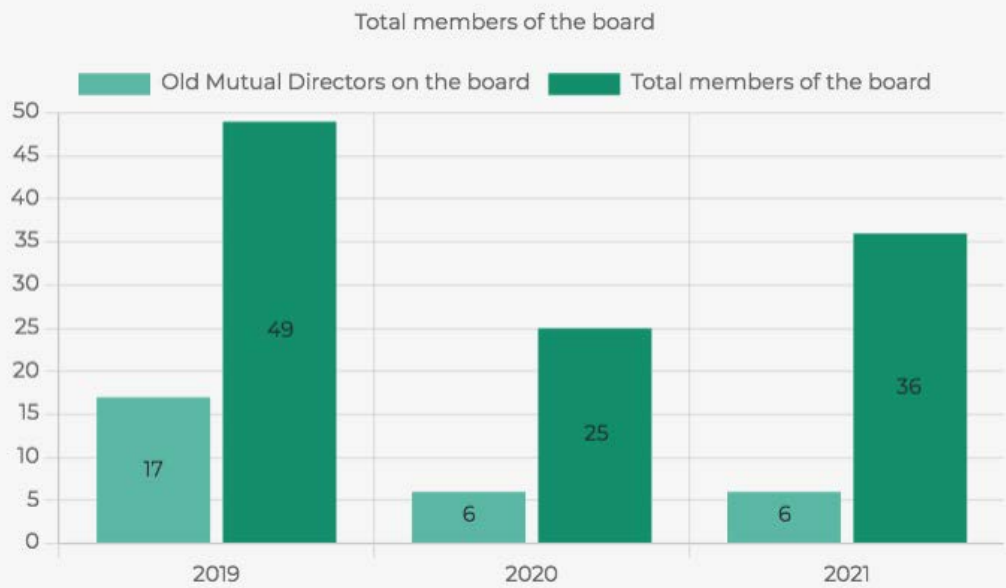
In 2021 our Board representation decreased slightly from 31% to 30%, maintaining active engagement. Our female Board representation also decreased by 1% compared to 2020, indicating there is still a way to go on gender equality at the Board level. AIIM continues to work with Boardroom Africa and to develop internal talent by appointing females to alternate director seats in order to mentor them to take up Board seats in future. For South African portfolio companies, in our actions to reduce inequalities, we continue to track historically disadvantaged South African (HDSA) Board representation and this decreased slightly from 33% to 30%.



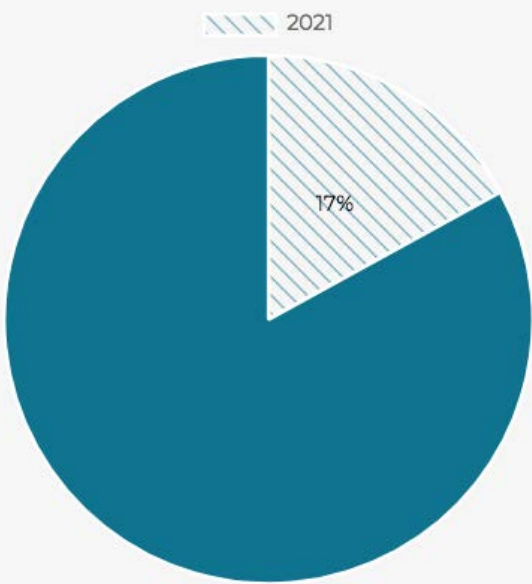
Governance AllM Funds

AIIF2

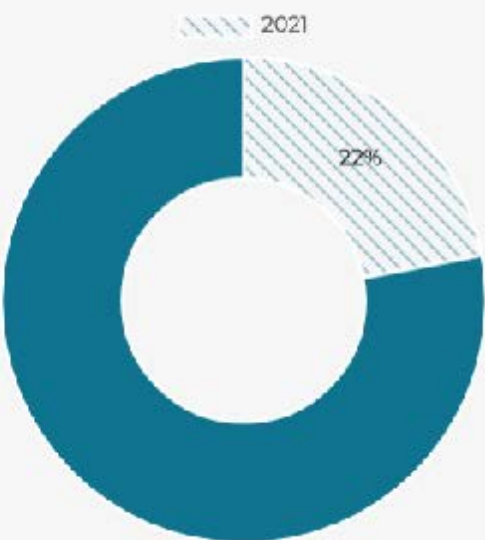
Governance metrics for AIIF2 have remained fairly constant with a slight increase in board seats as vacant seats were filled to ensure the full complement at Board level.



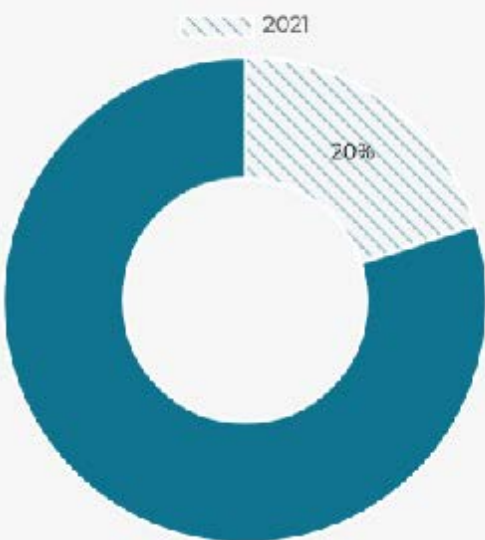
Percentage of OM representation on the board



Percentage of females on the board



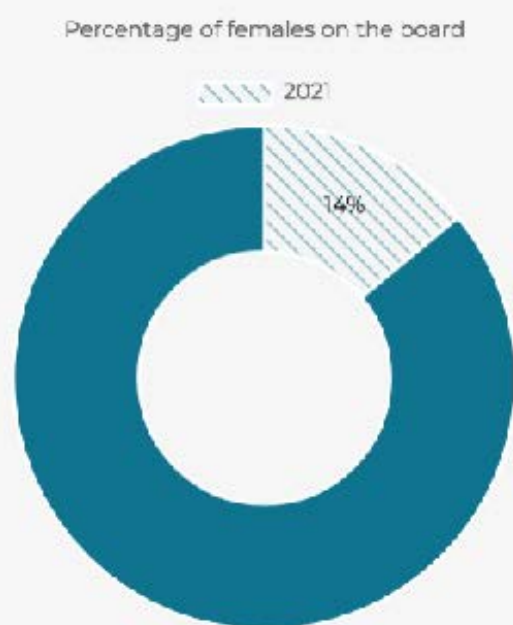
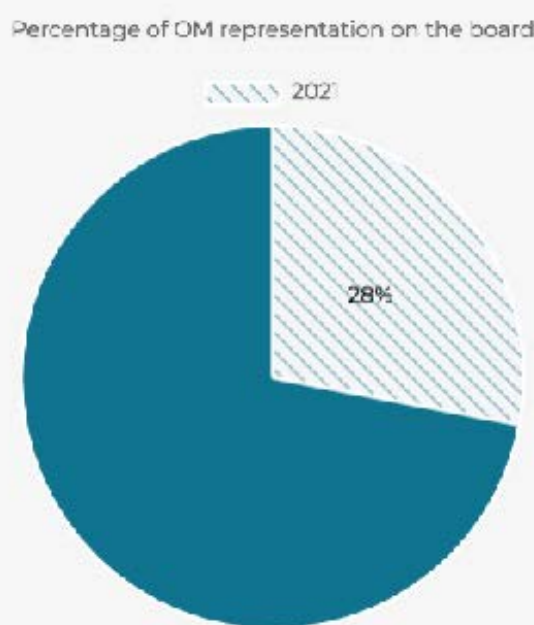
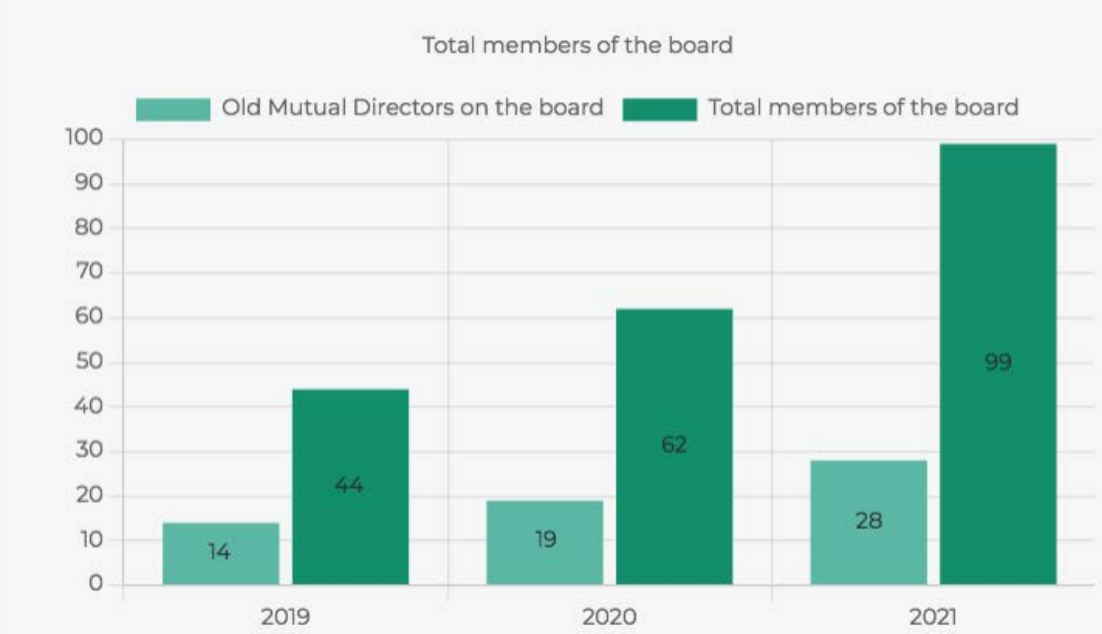
Percentage of HDSAs on the board



Governance AllM Funds

AIIF3

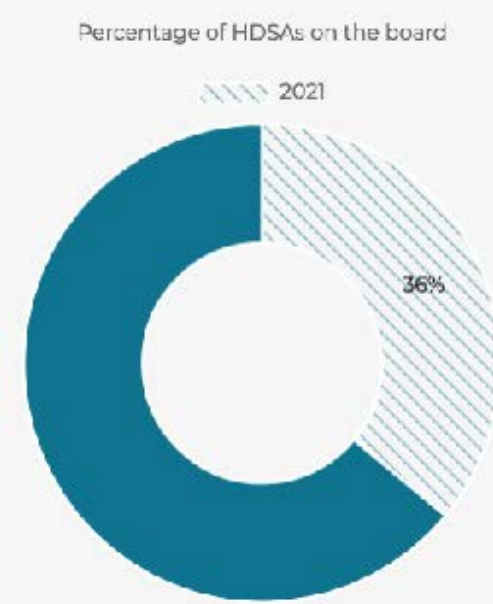
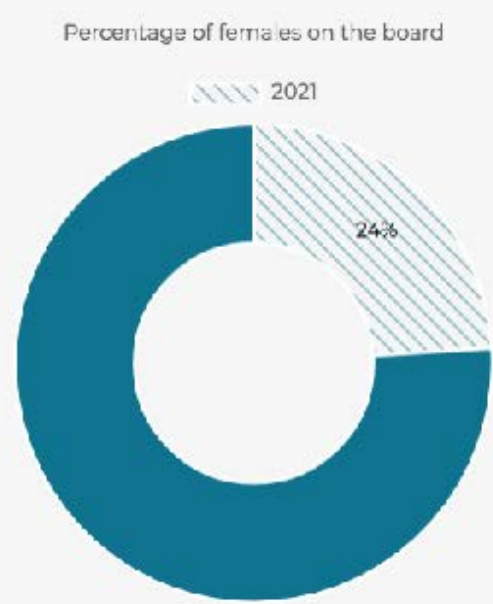
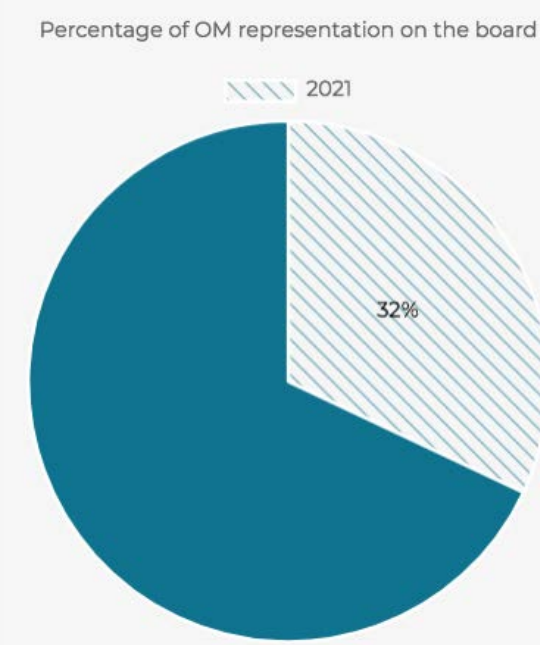
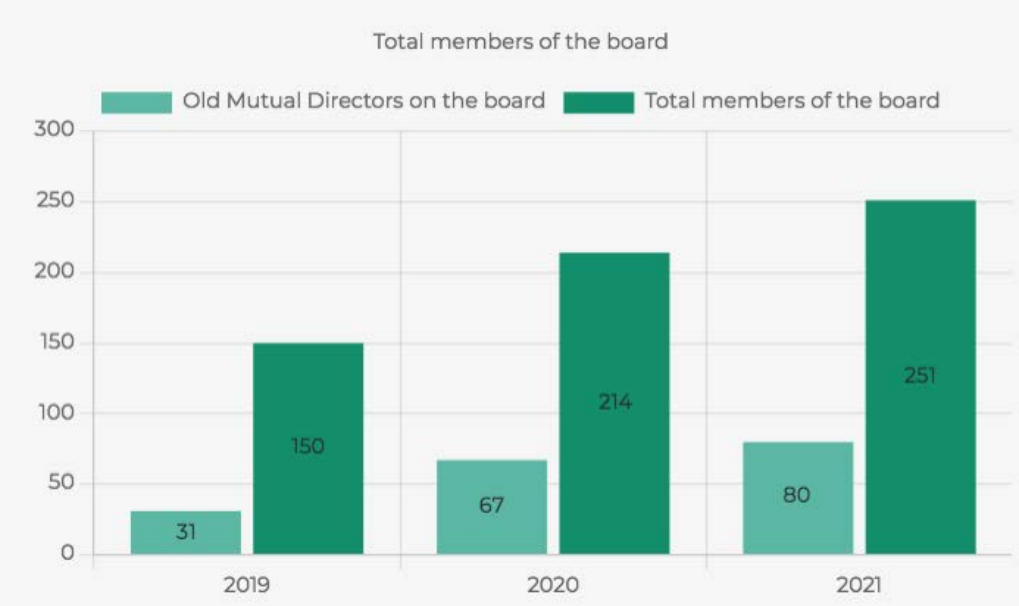
In 2021, the AIIF3 fund increased the number of portfolio companies under management and increased the number of OMAI representatives on Boards. Overall female representation at Board level increased slightly from 13% to 14%, showing some improvement on this front.



Governance AllIM Funds

IDEAS

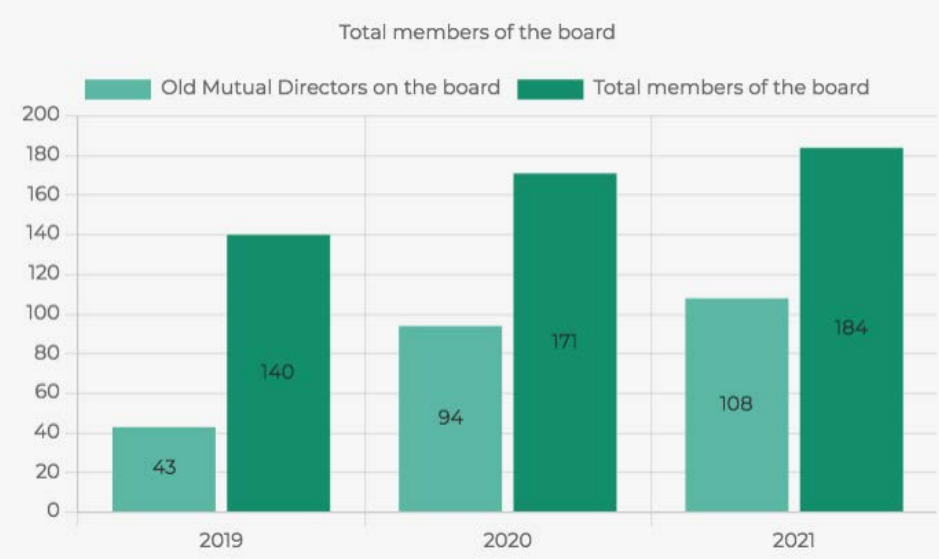
The IDEAS fund governance metrics have changed with an increase in the number of portfolio companies under management. Active Board engagement is at 32% OMAI representation with 24% female representation and 36% historically disadvantaged South African (HDSA) representation at Board level in 2021.



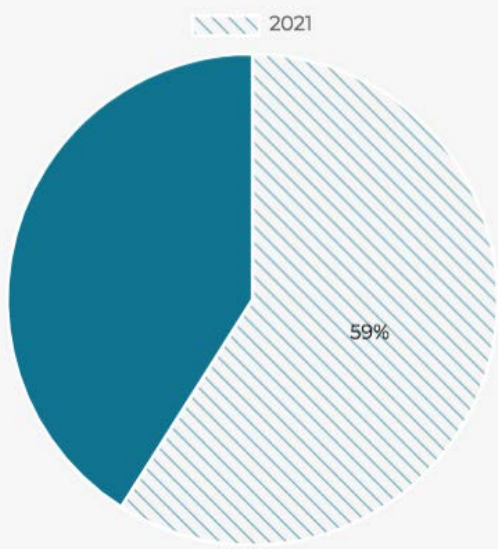
Governance Capabilities

IMPACT INVESTING Overview

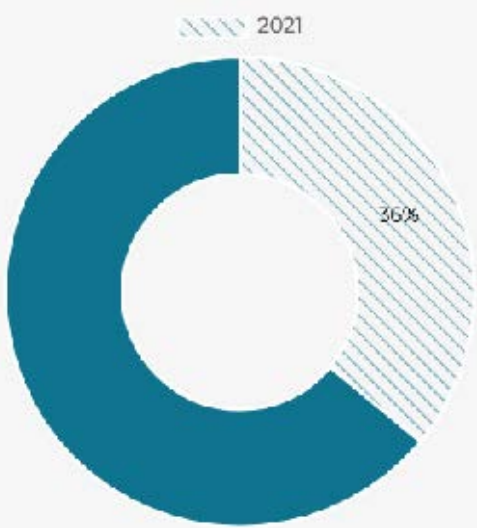
In 2021 we increased our Board representation to 59%, exercising our Board seat rights and further aiding active engagement. In our continued effort to achieve gender equality female Board representation increased by 7% to 36%, indicating good progress on gender equality at the Board level. For South African portfolio companies, in our actions to reduce inequalities, we have started to track historically disadvantaged South African (HDSA) Board representation. HDSA Board representation in 2021 was 51%.



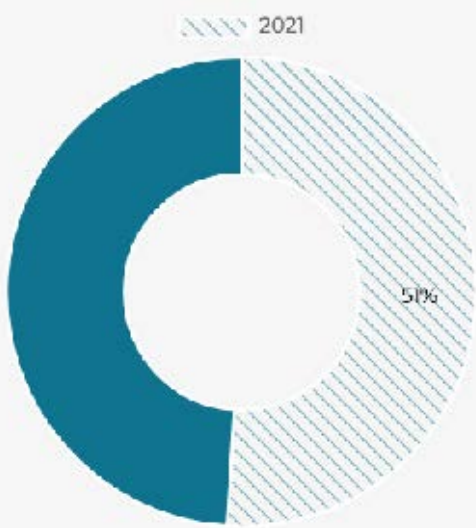
Percentage of OM representation on the board



Percentage of females on the board



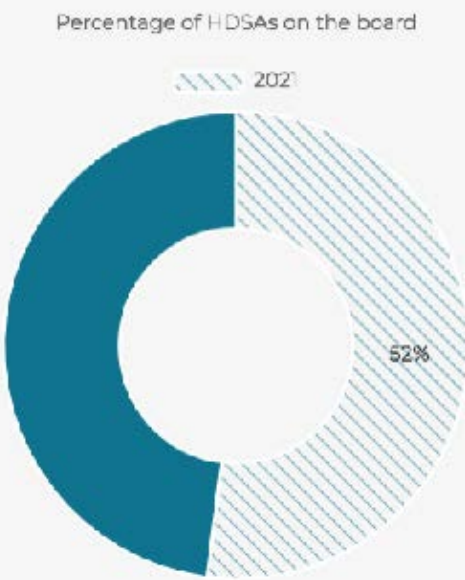
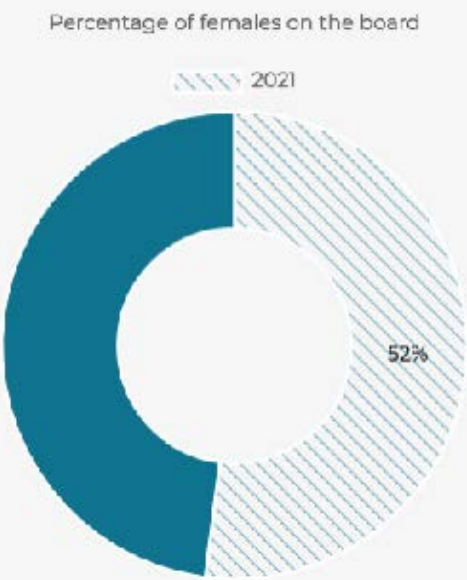
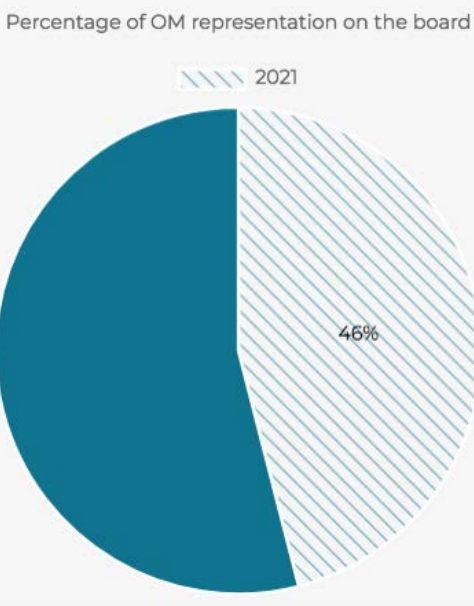
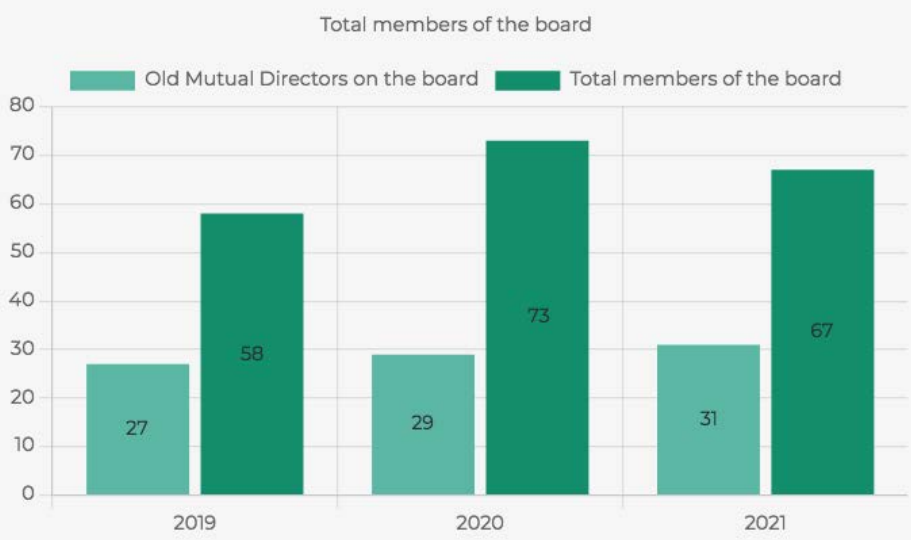
Percentage of HDSAs on the board



Governance Impact Investing Funds

SEIIFSA

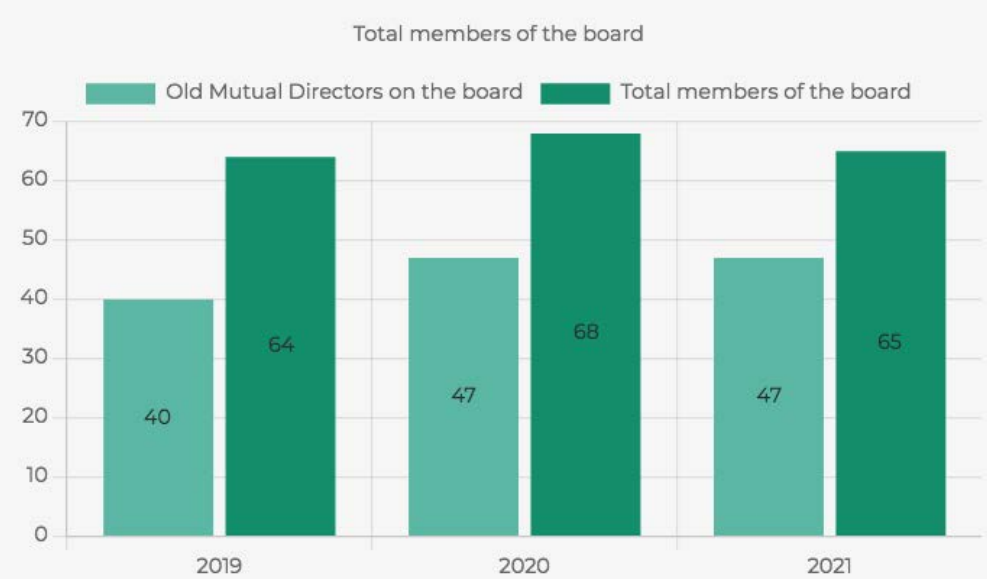
OMAI board representation in the fund remained stable with 46% at the end of 2021. The fund ended 2021 holding a positive outcome of female Board representation at 52%. In 2020 the historically disadvantaged South African (HDSA) representation was 52%.



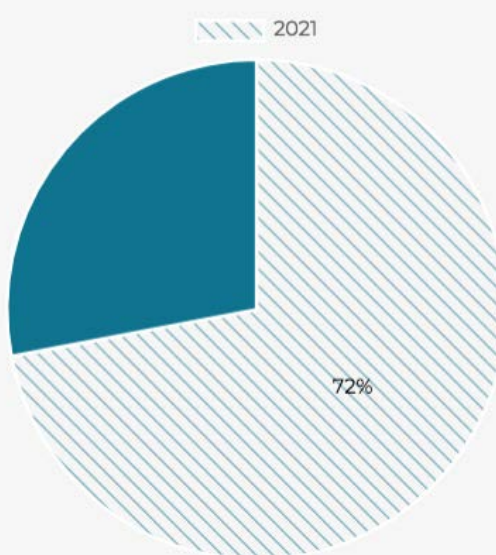
Governance Impact Investing Funds

HIFSA

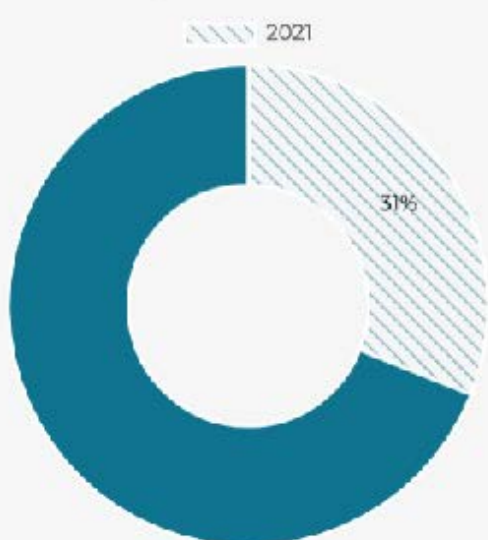
Through 2021 the HIFSA fund increased its relative Board representation to 72%. There was also an increase in female Board representation to 31%, indicating good progress in gender equality at board level. In 2021 the historically disadvantaged South African (HDSA) representation at Board level was 45%.



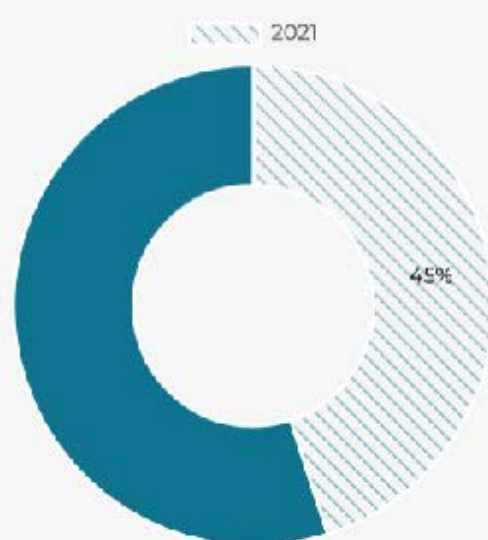
Percentage of OM representation on the board



Percentage of females on the board



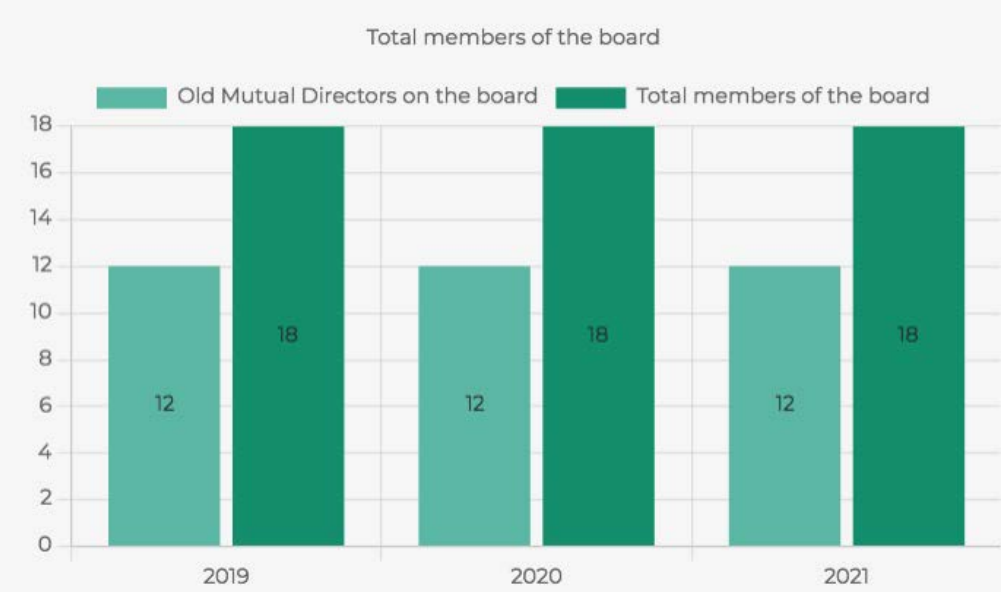
Percentage of HDSAs on the board



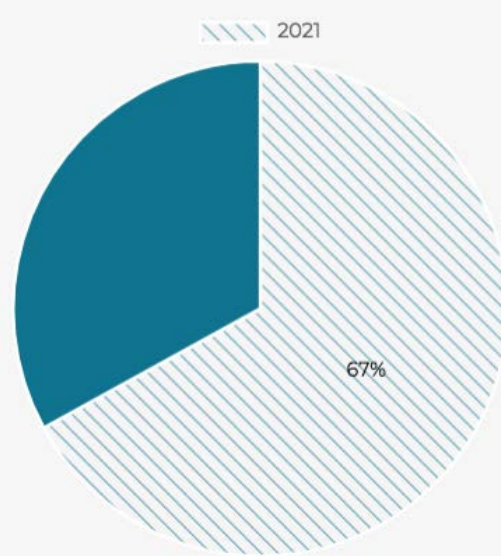
Governance Impact Investing Funds

OMRAF

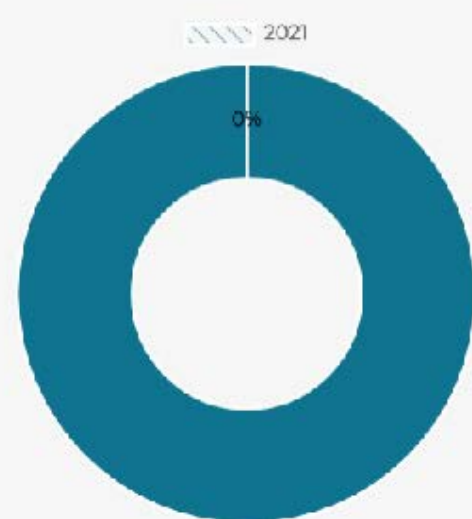
There have been no changes in the OMRAF fund from a governance perspective between 2019 and 2021. OMAI continues to have a relatively high Board representation at 67%. An area for future focus is the absence of female Board representation. The historically disadvantaged South African (HDSA) Board representation was 44% in 2021.



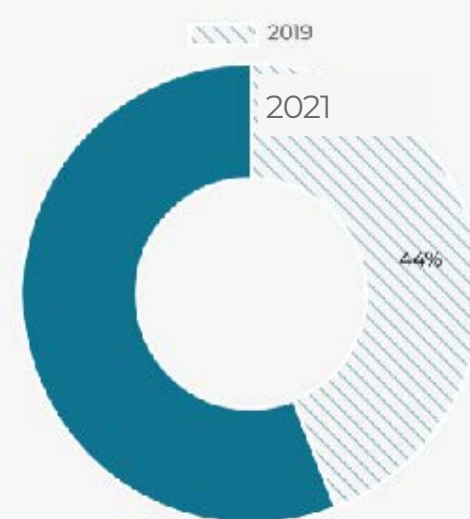
Percentage of OM representation on the board



Percentage of females on the board



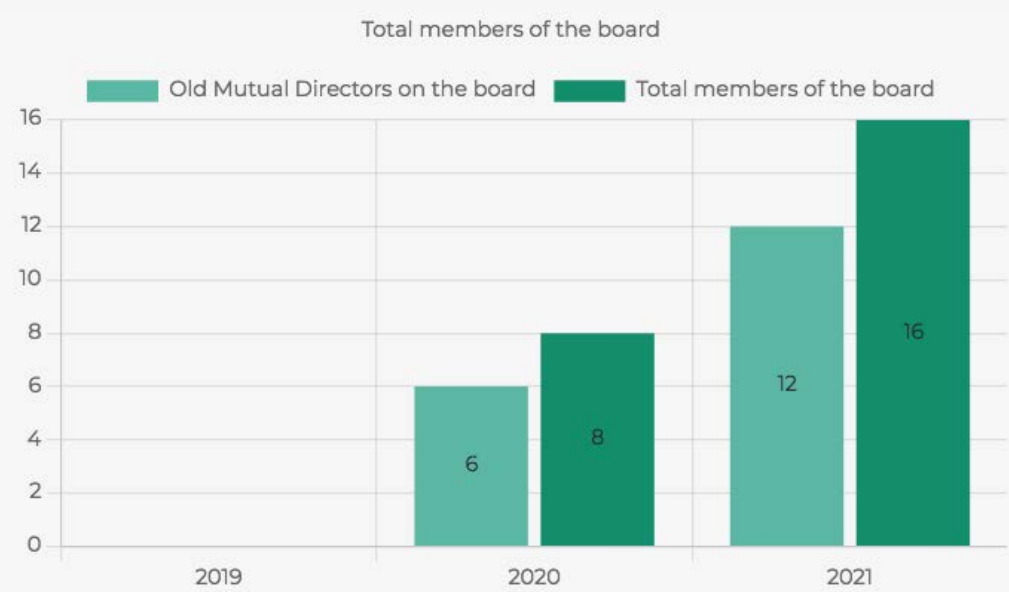
Percentage of HDSAs on the board



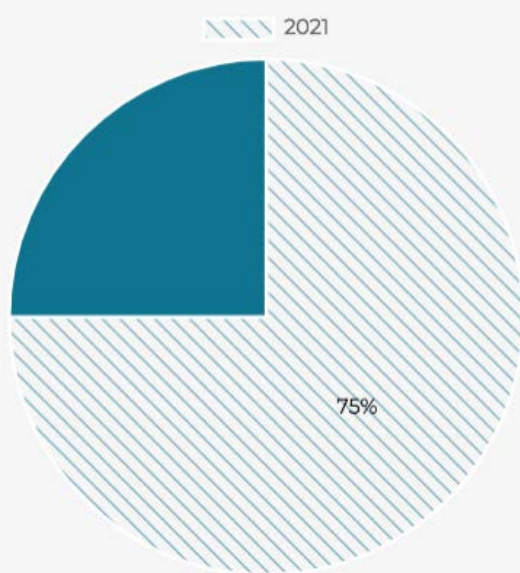
Governance Impact Investing Funds

OMRENT

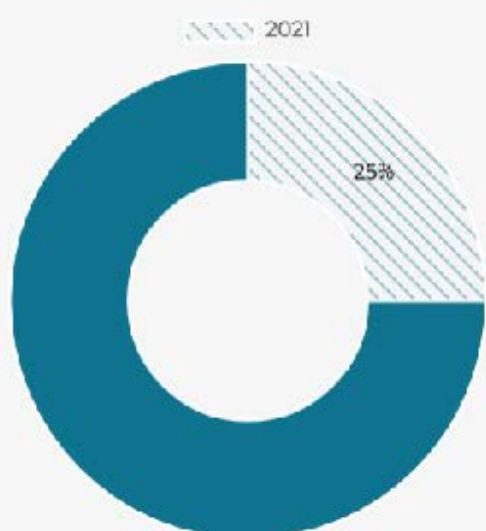
OMRENT increased OMAI board representation to 75% in 2021. Good progress was made to promote gender equality at board level, increasing female board representation from 0% to 25%. Historically disadvantaged South African (HDSA) representation increased by 17% to 50%.



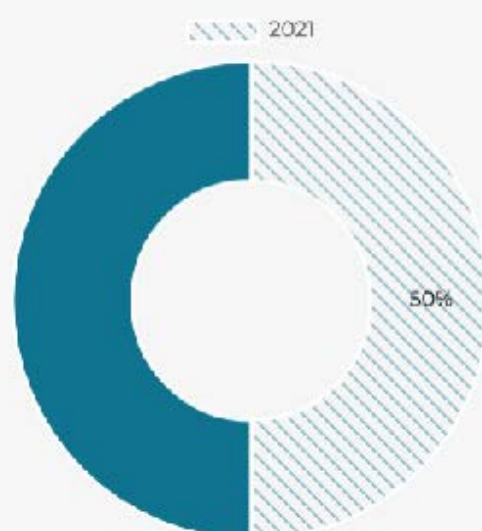
Percentage of OM representation on the board



Percentage of females on the board



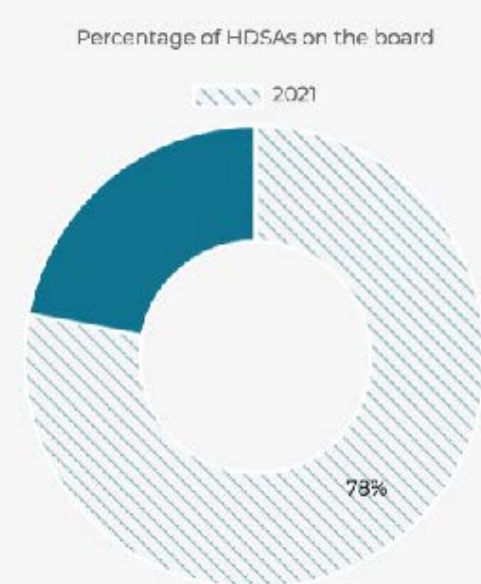
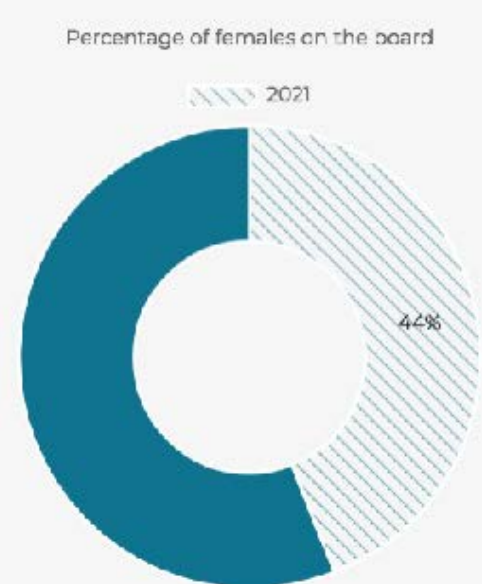
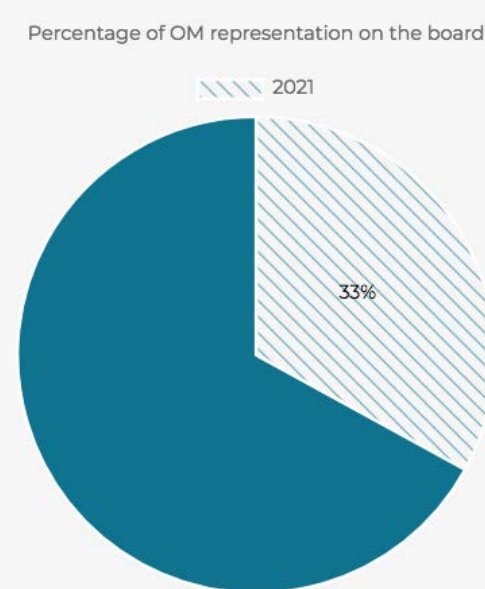
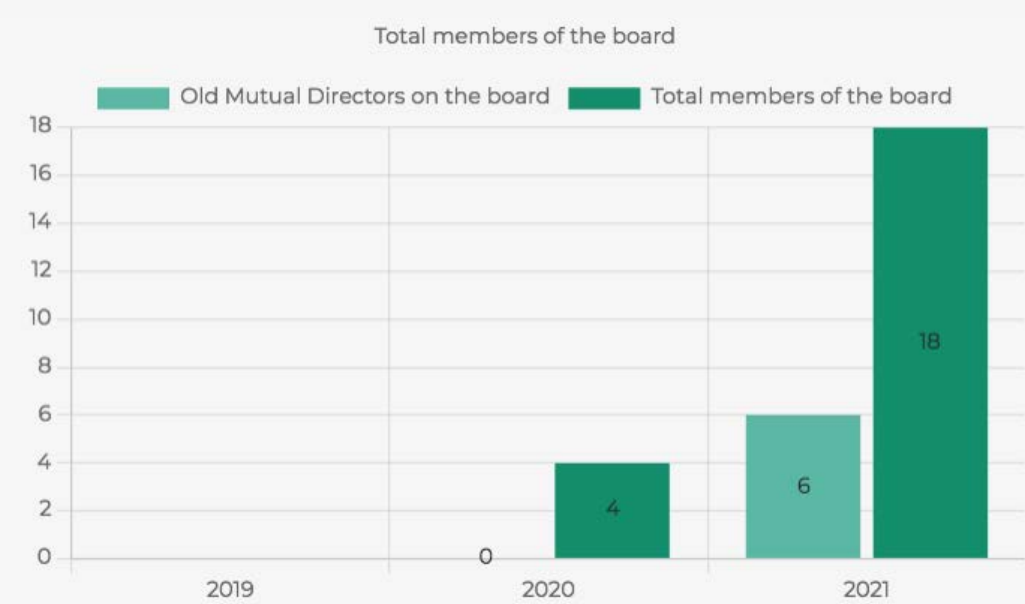
Percentage of HDSAs on the board



Governance Impact Investing Funds

EDUFUND

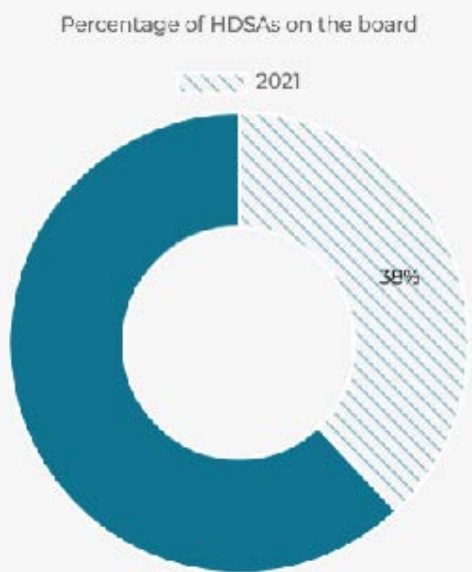
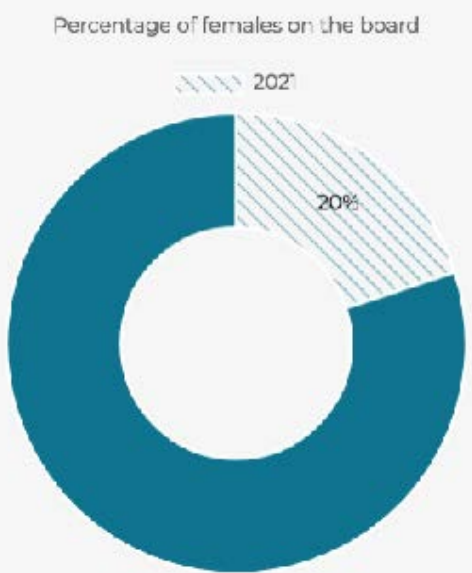
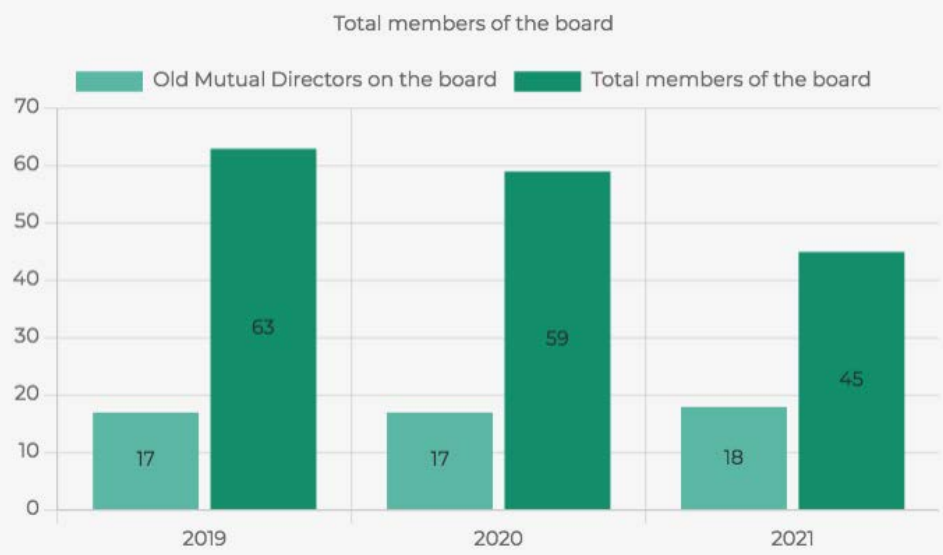
EduFund acquired three new investments in 2021 and increased OMAI board representation to 33%. Female board representation was 44% and historically disadvantaged South African (HDSA) representation 78%.



Governance Capabilities

OMPE Overview

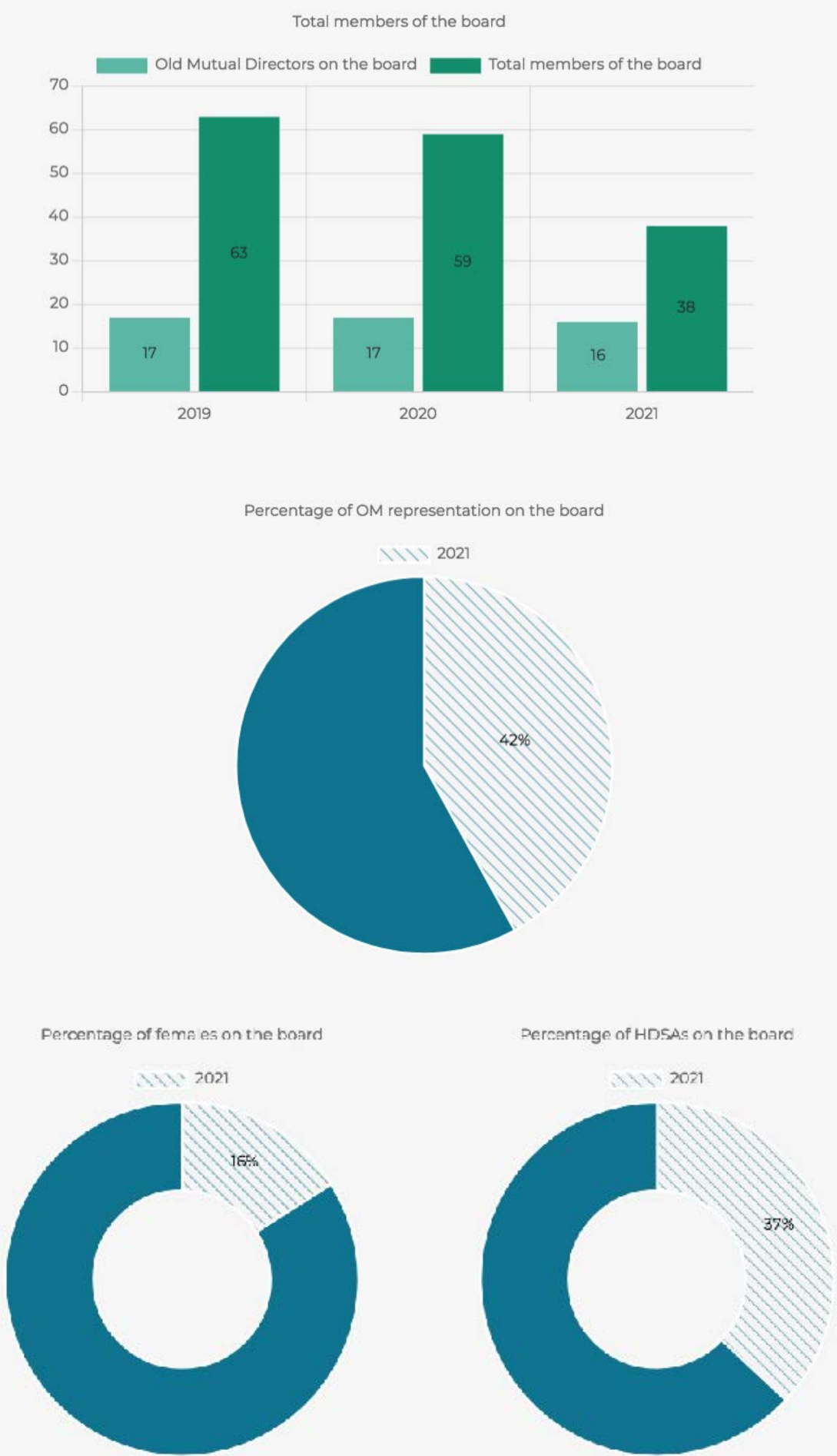
The overall Board members across the Fund IV has dropped since 2019, resulting in an initial, relative increase in OMPE representation and female representation at the Boards of Fund IV. The addition of Fund V has created an additional increase in OMPE representation, female representation and HDSA representation on the Boards. Encouragingly, we note there has been an actual increase in the number of female Board Directors.



Governance OMPE Funds

FUND IV

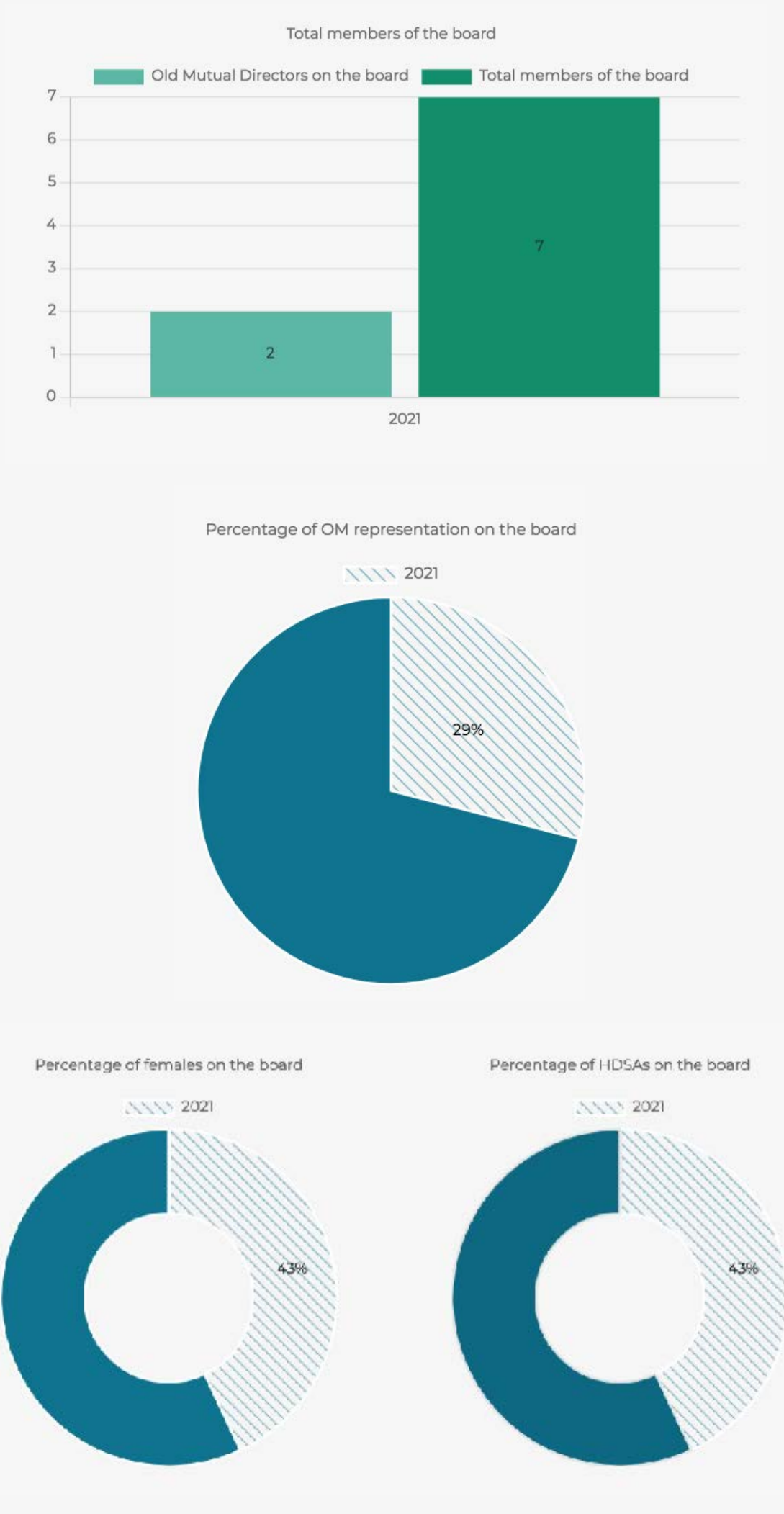
The overall Board members across the fund dropped between 2019 to 2020, resulting in a relative increase in OMPE representation and female representation at the Board. A further decrease in the number of Board members in 2021, has increased overall OMPE Director representation to just over 42%. There has been an actual and relative increase in the female Board Director representation and a relative HDSA representation. OMPE continues to focus on improving female and historically disadvantaged South African (HDSA) representation at Board level.



Governance OMPE Funds

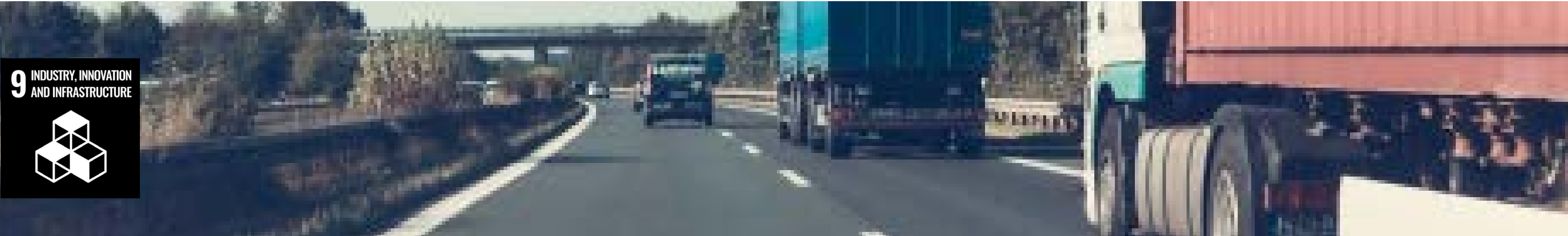
FUND V

As Fund V is a relatively new fund, representation is likely to change in the future. As of December 2021, OMPE Directors constituted 29%, female director representation was 43% and historically disadvantaged South Africans representation was also 43%.



Infrastructure Overview

The infrastructure portfolio has demonstrated resilience through the Covid-19 pandemic, yielding strong returns while continuing to achieve positive outcomes. The portfolio was not untouched by Covid-19 but there has been good recovery of portfolio companies who faced challenges in 2020 as evidenced by the positive impacts reported below.



2,602,247

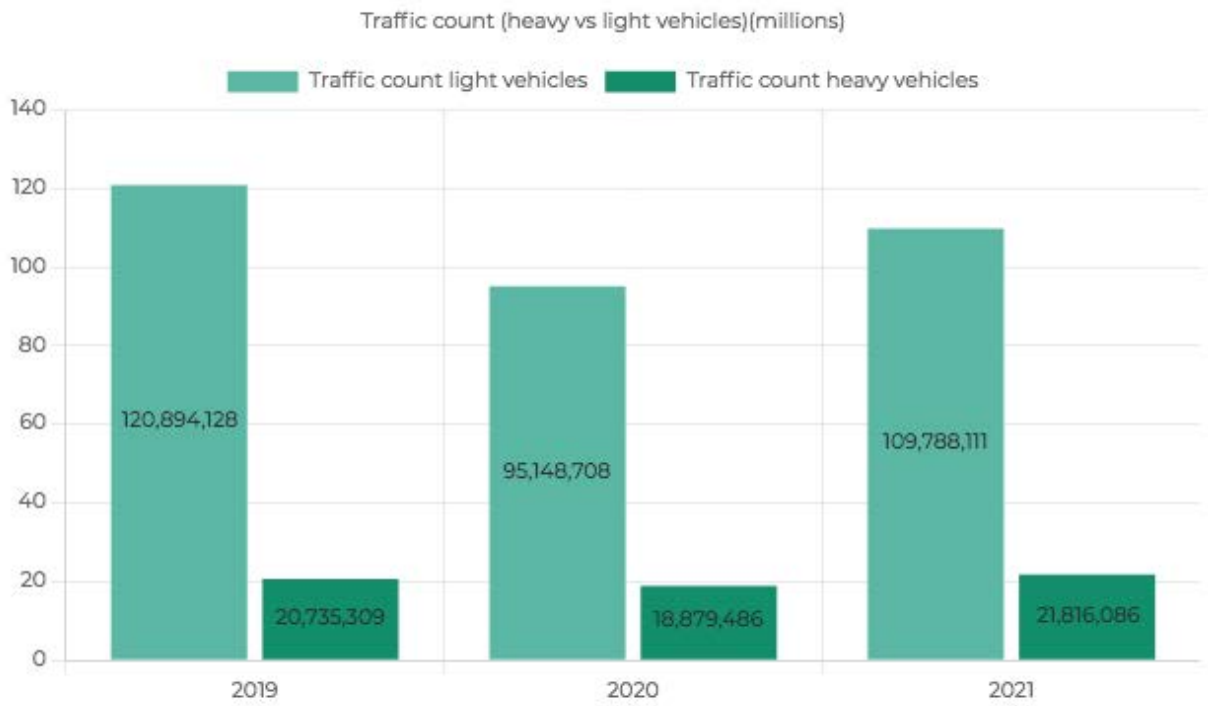
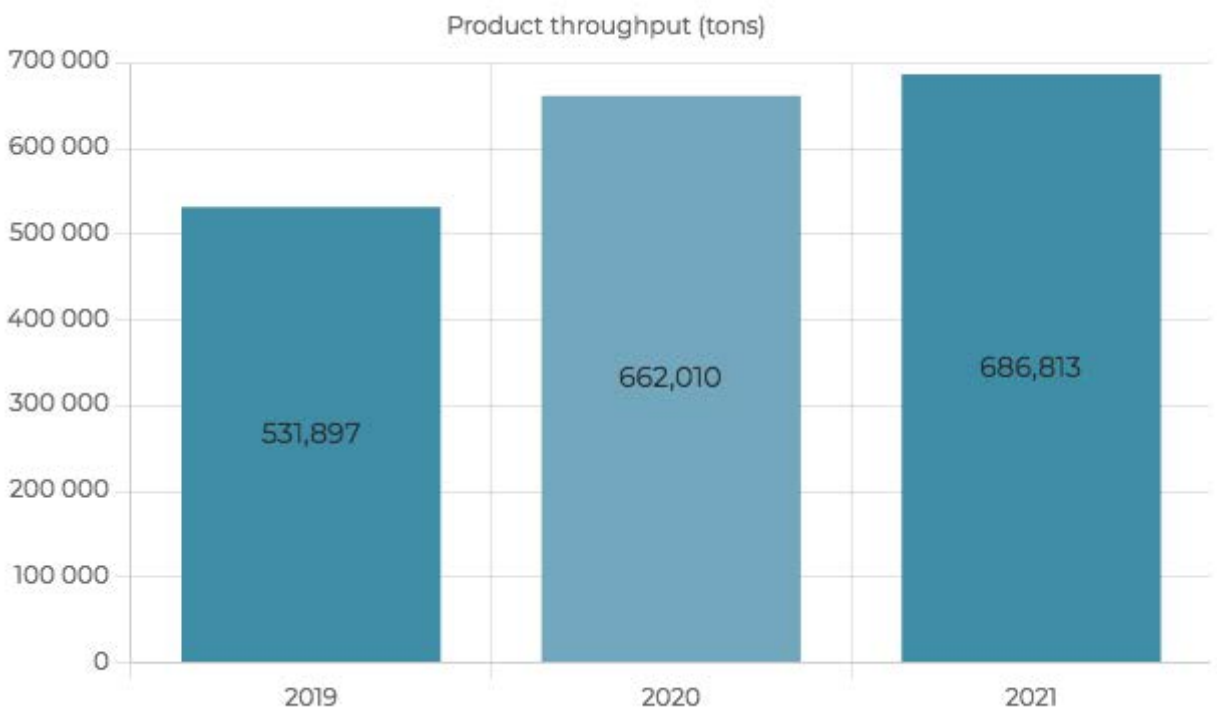
Number of passengers

30,207

Telecommunication towers owned

1,370

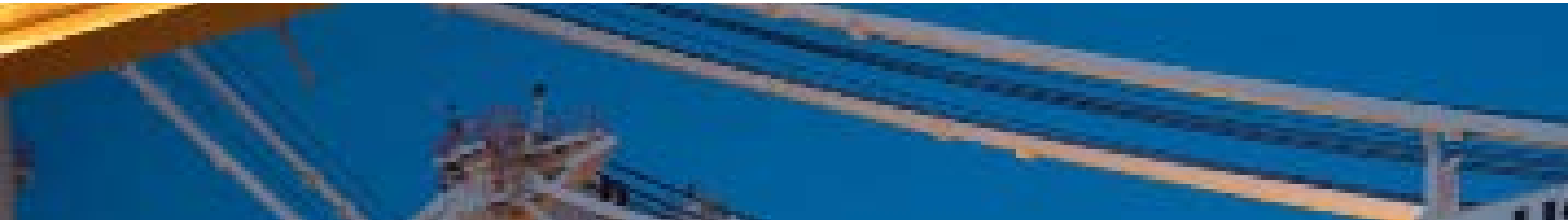
Total kilometres of road transport route



Infrastructure Capabilities

AIIM Overview

The OMAI Infrastructure portfolio is managed through AIIM. The portfolio proved resilient through the Covid-19 pandemic and is growing as we emerged out of the pandemic in 2021. The strong performance and positive outcomes achieved highlights the robustness of this asset class.

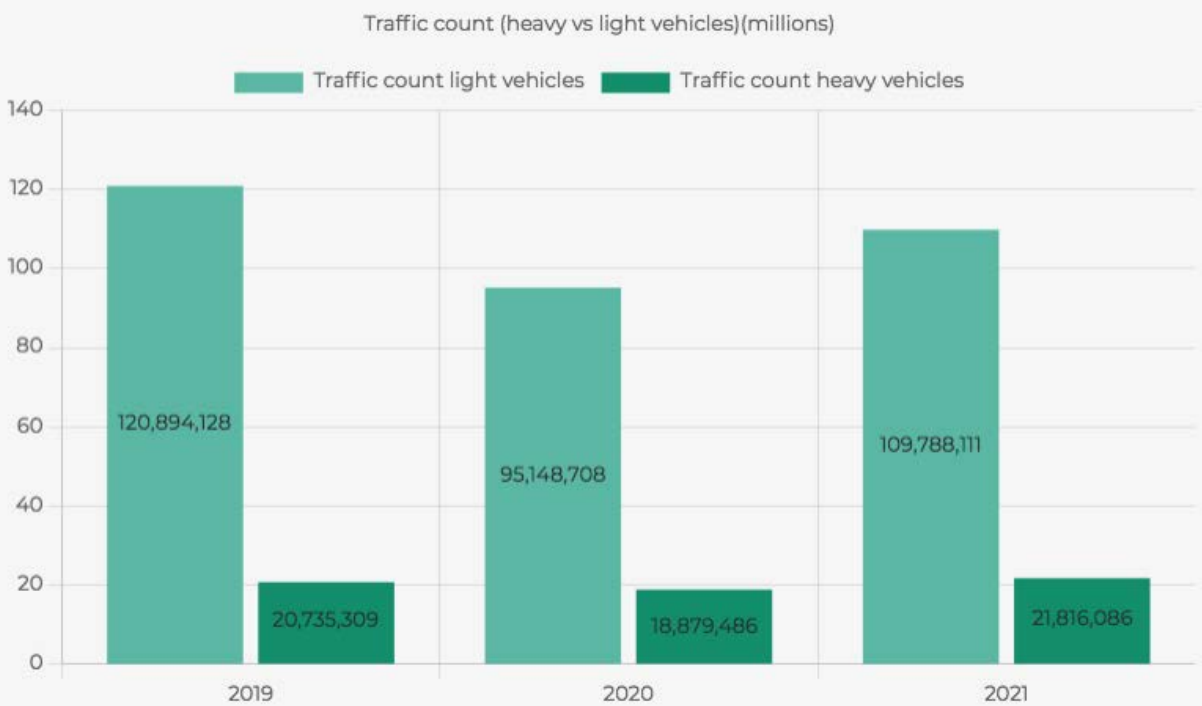
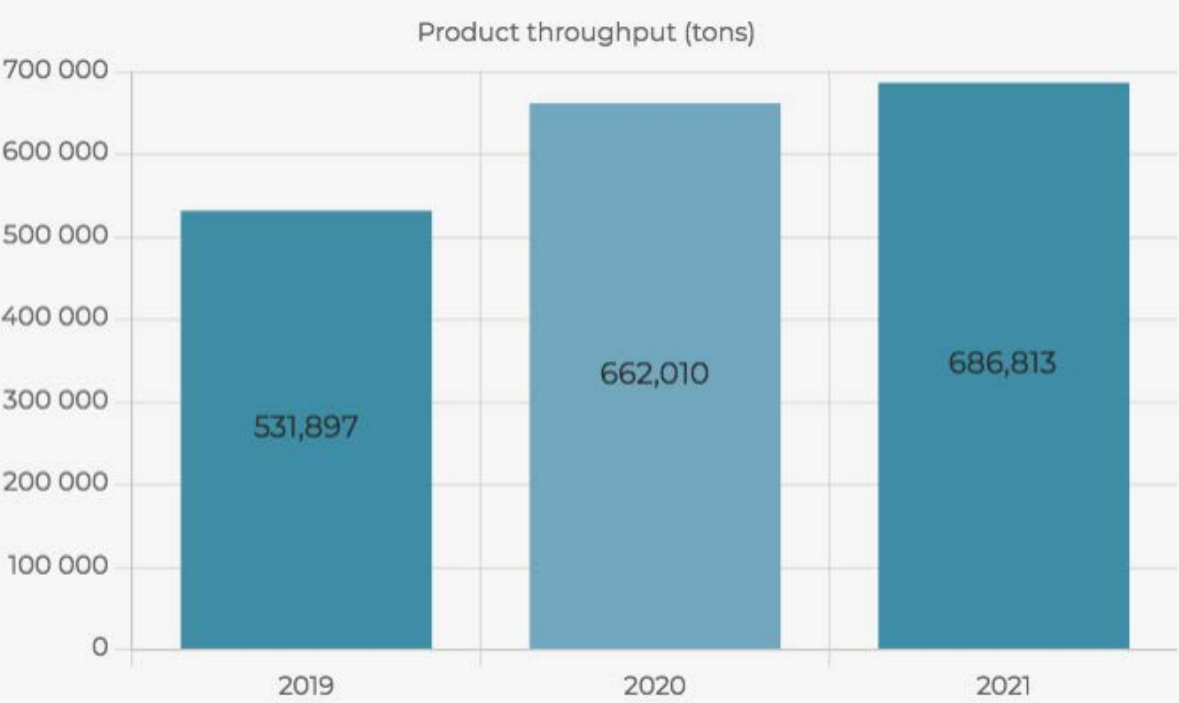


2,602,247
Number of passengers

30,207
Telecommunication towers owned

1,370
Total kilometres of road transport route

3,389,391
Number of passengers (2019)



Infrastructure AIIM Funds

AIIF2

The total number of vehicles using the road network has increased to pre-Covid levels and the digital infrastructure business has grown.

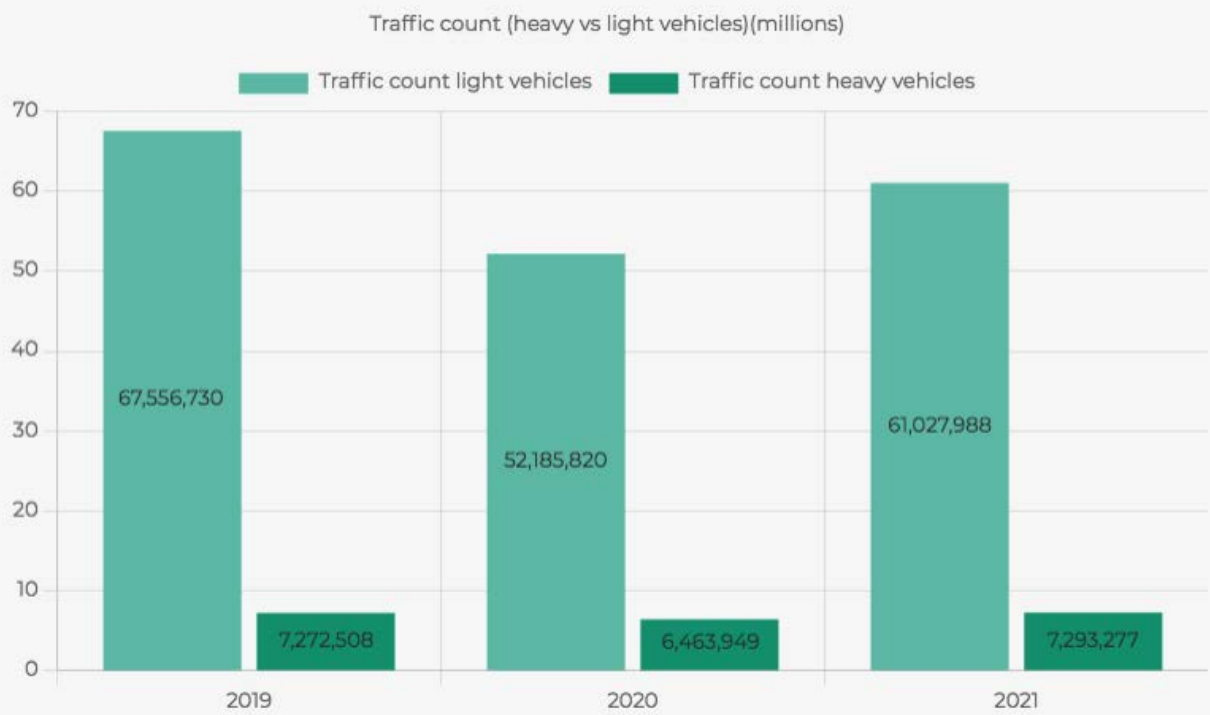


30,207

Telecommunication towers owned

385

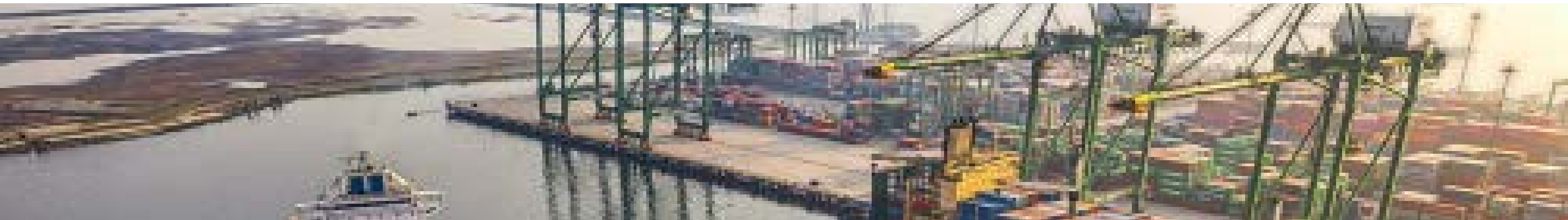
Total kilometres of road transport route



Infrastructure AIIM Funds

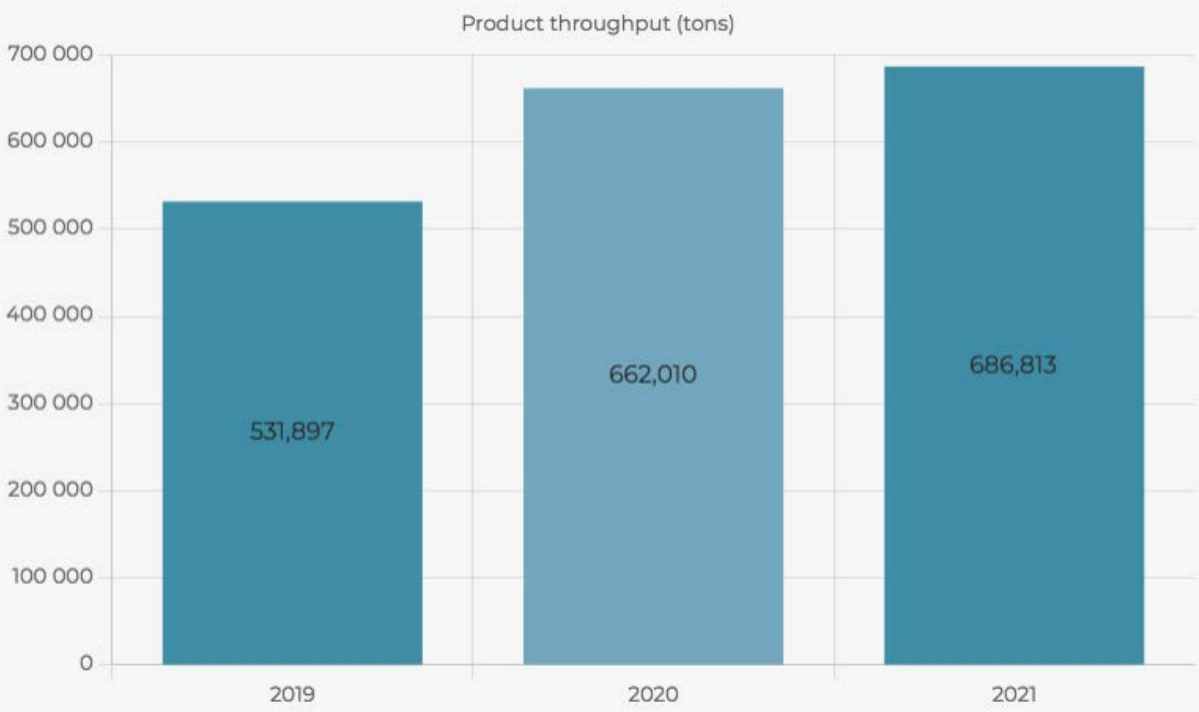
AIIF3

Globally, the air transport industry was severely impacted by the Covid-19 pandemic and passenger numbers have not yet reached 2019 levels. Fortunately, African Ports and Corridor Holdings saw a 24% increase in throughput tonnage in 2020 and has continued to grow.



2,602,247

Number of passengers



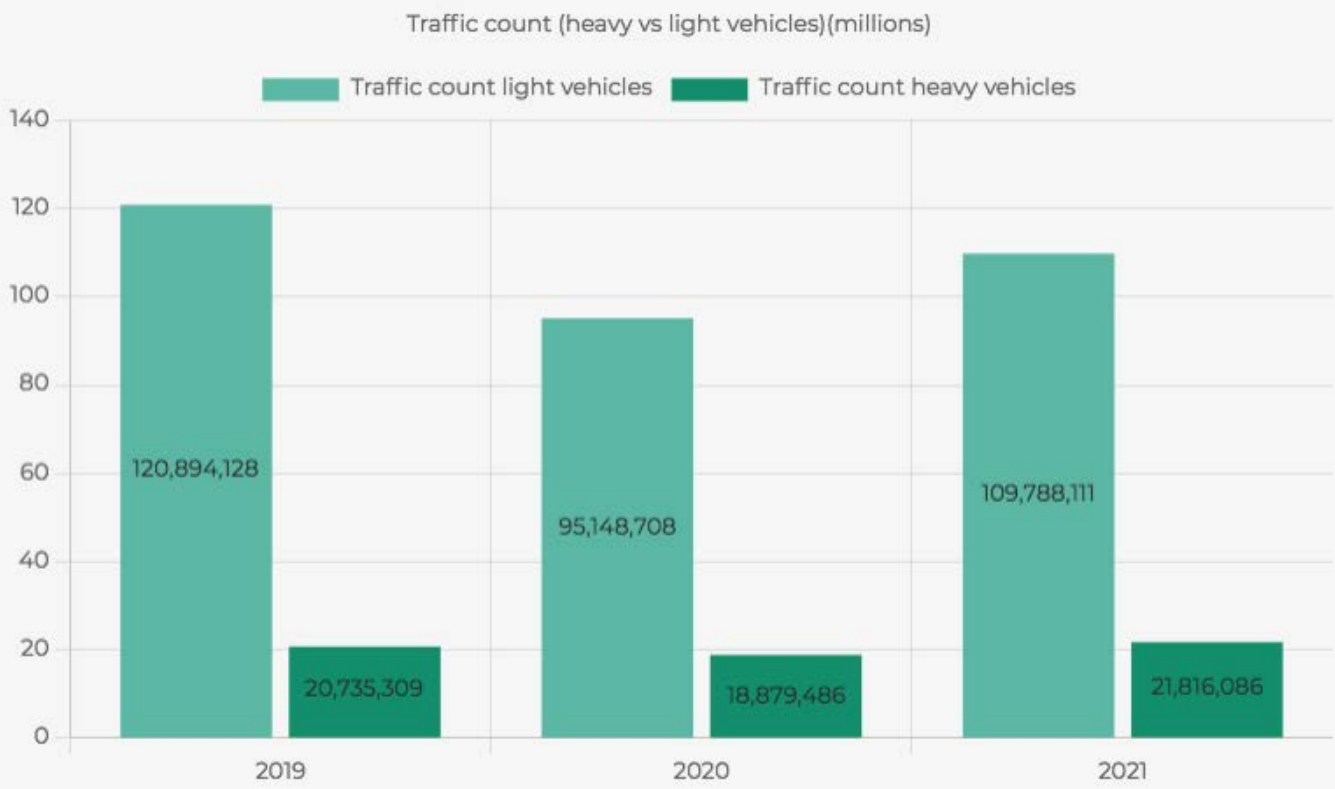
Infrastructure AllM Funds

IDEAS

The renewable energy infrastructure contribution by IDEAS is significant, with 26 utility-scale renewable energy facilities and 2 off-grid solar portfolio companies. This is evidenced in the Energy section of this report. However, this fund also includes a gas-fired power station, 100km of gas pipeline, 1,370km of road network, 108,143m² of social infrastructure building area and over 86,000 active fibre connections in its growing digital infrastructure footprint. The road network was impacted by Covid-19 but they have recovered to 2019 levels for heavy vehicles and are almost at the same volumes for light vehicles.

1,370

Total kilometres of road transport route



Education Overview

Education has the power to transform individuals, communities and societies. OMAI has been investing in quality affordable schools since 2011 through the Schools and Education Investment Impact Fund of South Africa (Schools Fund), and then launched Edufund in 2020. Through investments in the education sector, OMAI aims to improve the level of education in the country, while providing investors with an attractive risk-adjusted return. Learner numbers in the school’s portfolio increased by 4% and teachers employed by 9%. 54% of teachers are historically disadvantaged South Africans (HDSAs).



39

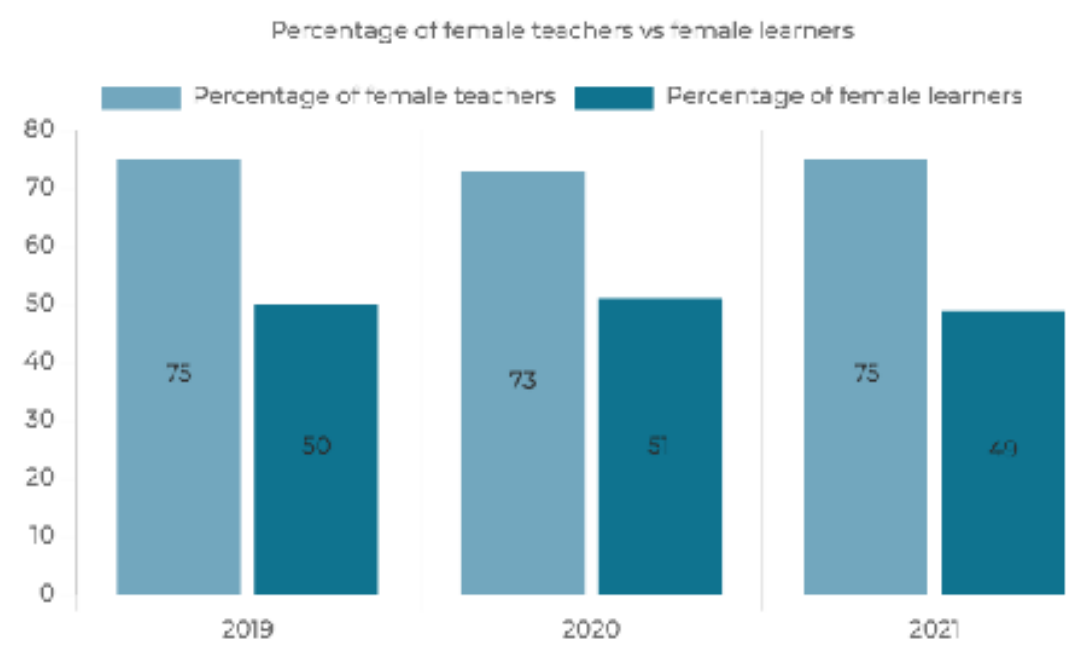
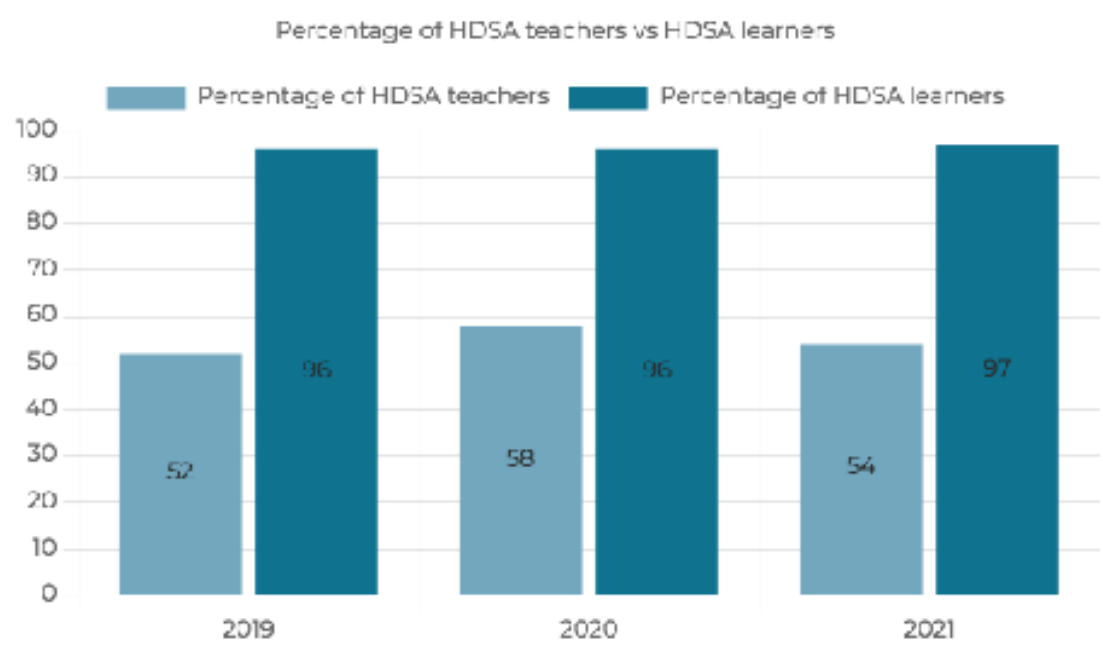
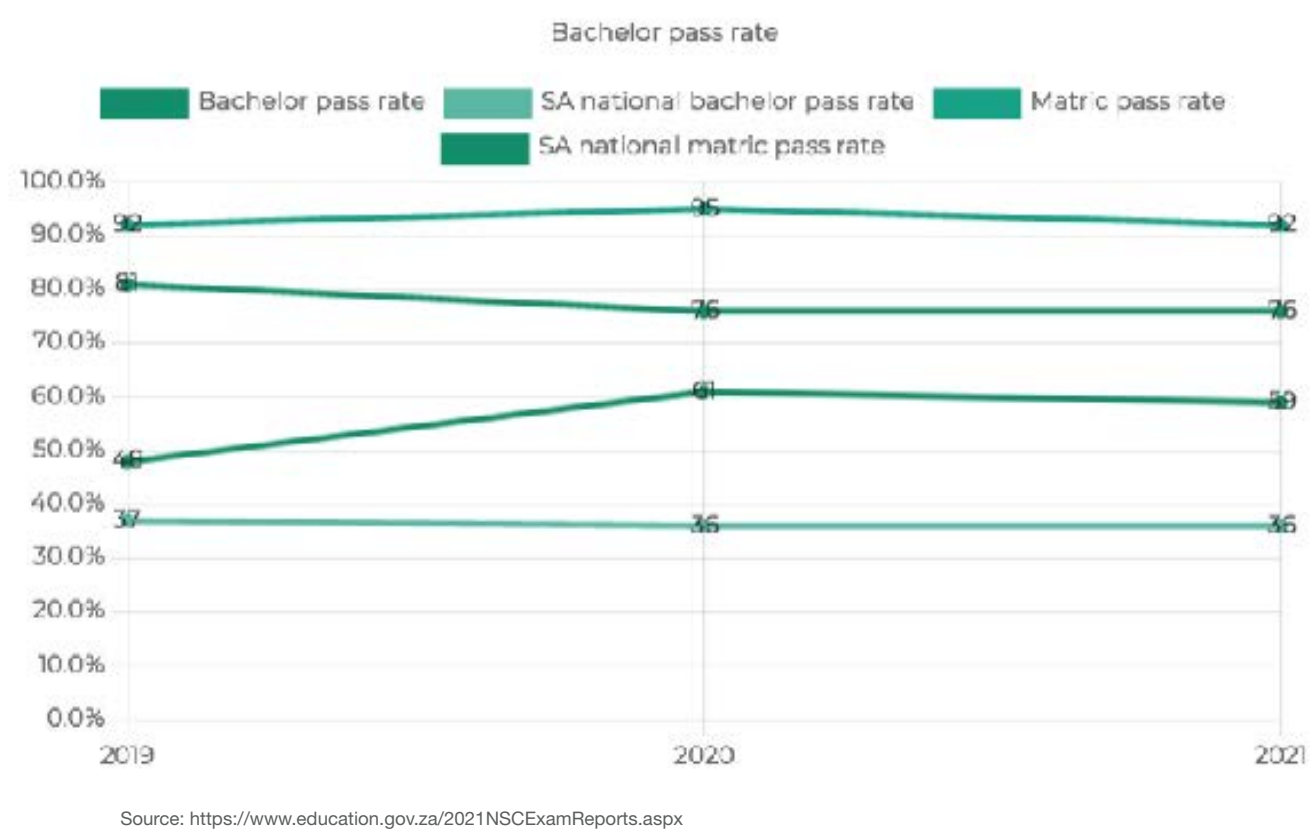
Number of schools

23,983

Total learners enrolled

1,125

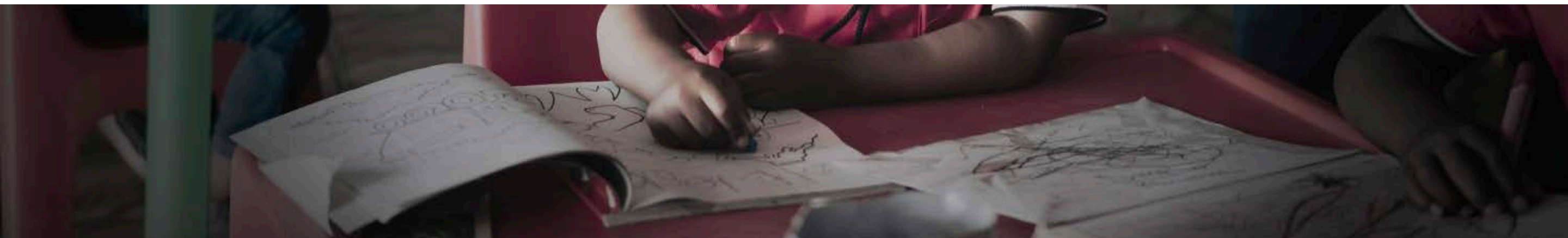
Total teachers



Education Capabilities

IMPACT INVESTING Overview

Education has the power to transform individuals, communities and societies. OMAI has been investing in quality affordable schools since 2011 through the Schools and Education Investment Impact Fund of South Africa (Schools Fund), and then launched Edufund in 2020. Through investments in the education sector, OMAI aims to improve the level of education in the country, while providing investors with an attractive risk-adjusted return. Learner numbers in the school’s portfolio increased by 4% and teachers employed by 9%. 54% of teachers are historically disadvantaged South Africans (HDSAs).



39

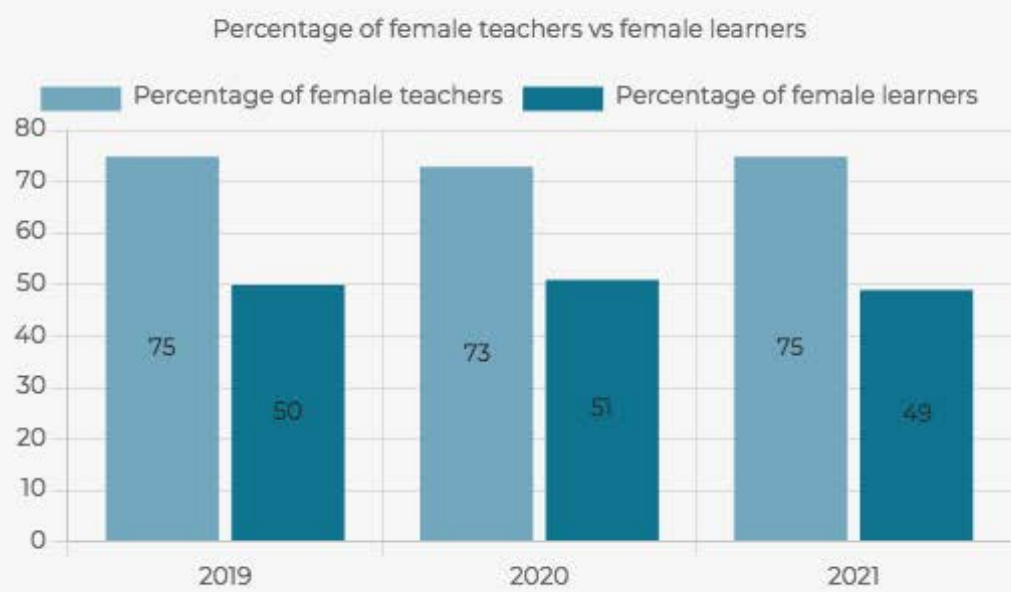
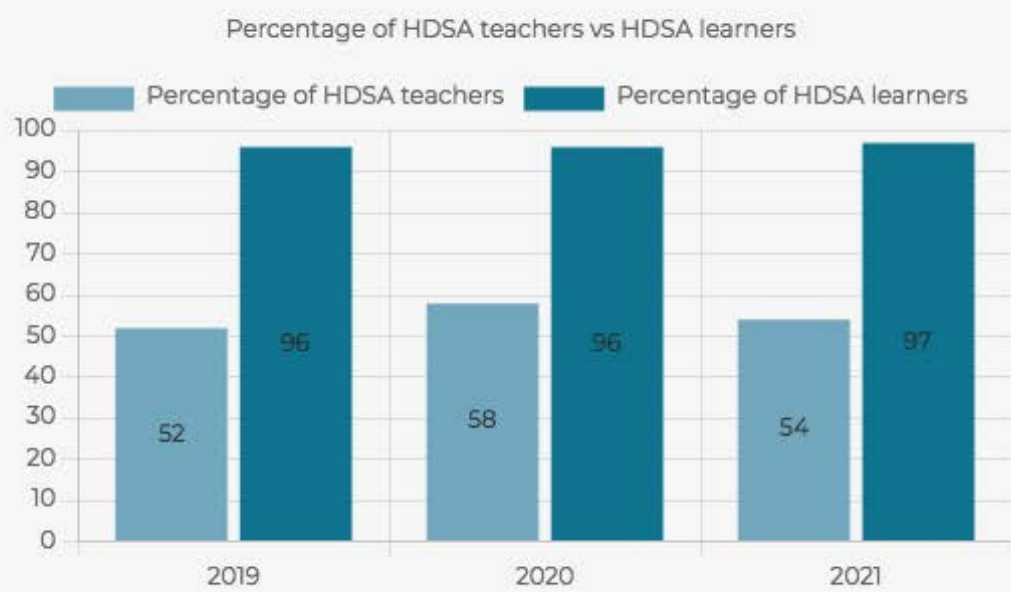
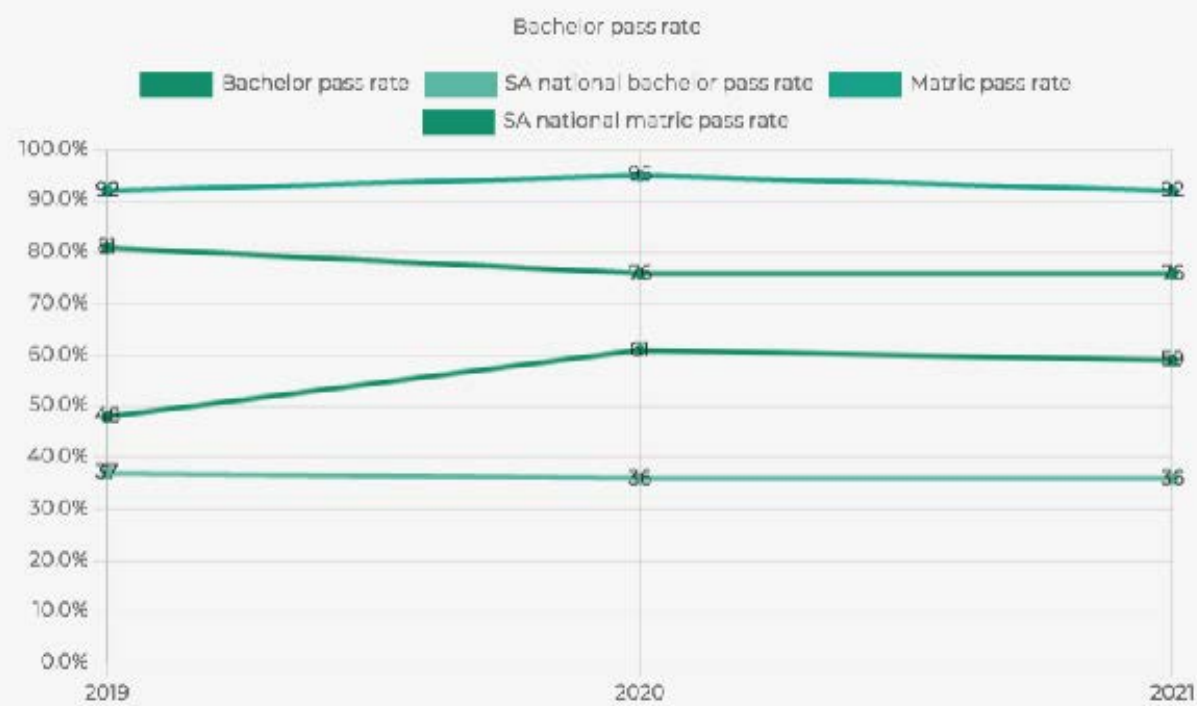
Number of schools

23,983

Total learners enrolled

1,125

Total teachers



Education Impact Investing Funds

SEIIFSA

The Schools and Education Investment Impact Fund (Schools Fund), provides quality education by creating access to affordable independent schools. Launched at the end of 2011, it is the first and largest education impact fund in South Africa.

The 37 schools in the fund are providing quality education to more than 23,000 learners, employing over 1,000 teachers.

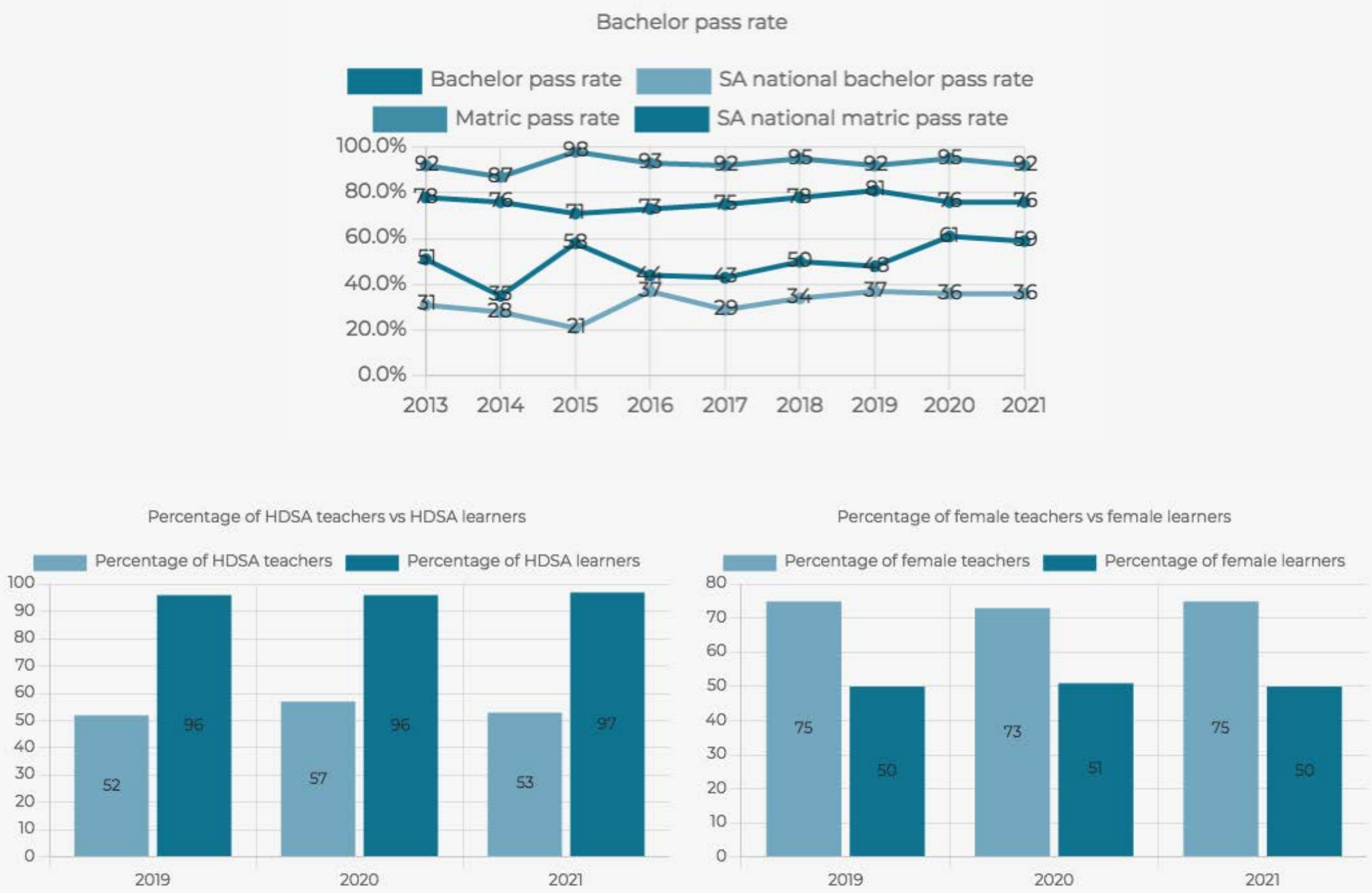
The quality of education is evident in the funds excellent matric pass rates since inception, far outperforming the national pass rates. 97% of all learners are from historically disadvantaged groups.



37
Number of schools

23,248
Total learners enrolled

1,067
Total teachers



Education Impact Investing Funds

EDUFUND

Edufund is the latest education investment offering by OMAI Impact Investing, with a mandate to invest in all forms of education and education related investments, including tertiary education and ancillary education services. The fund was launched mid-2020 with a first close of R300 million. Two investments were approved in 2021 and the fund now has four active investments. As of 2021, there were two operational schools (primary and secondary), with a total of 735 learners. Construction of a further four schools started in 2021 with these schools scheduled to open in 2022.

Edufund produced its first matric results in 2021 with a pass rate of 100% and a Bachelor pass rate of 91%.



2

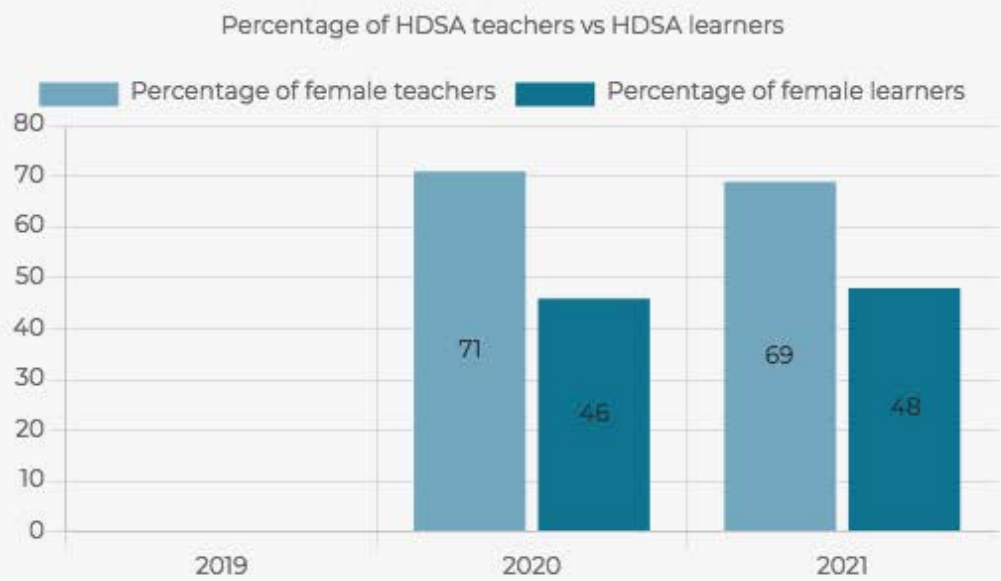
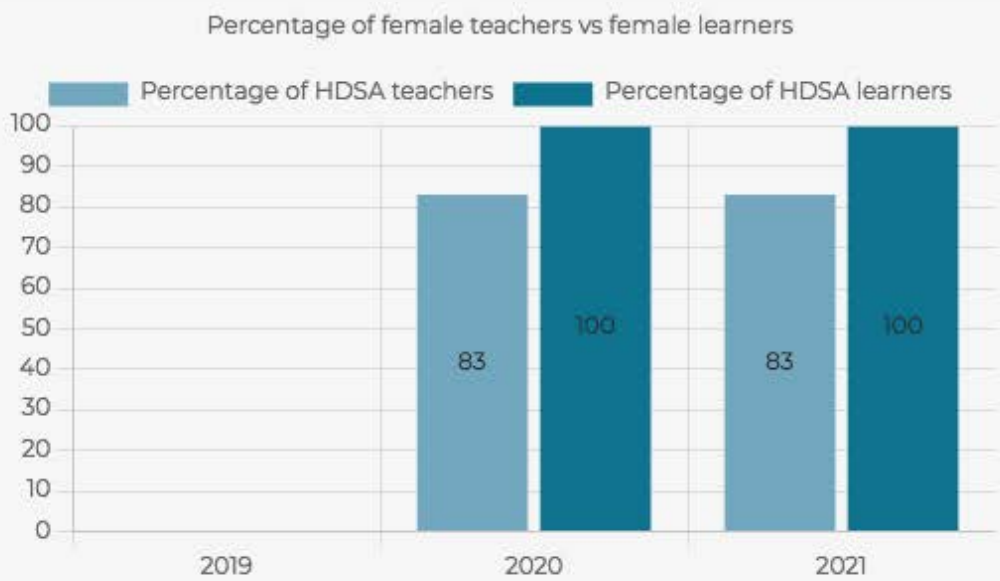
Number of schools

735

Total learners enrolled

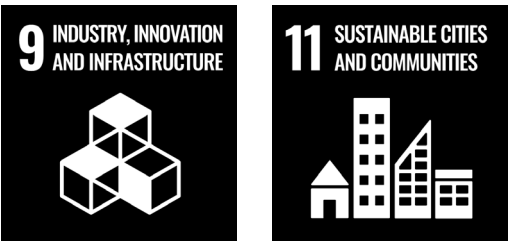
58

Total teachers



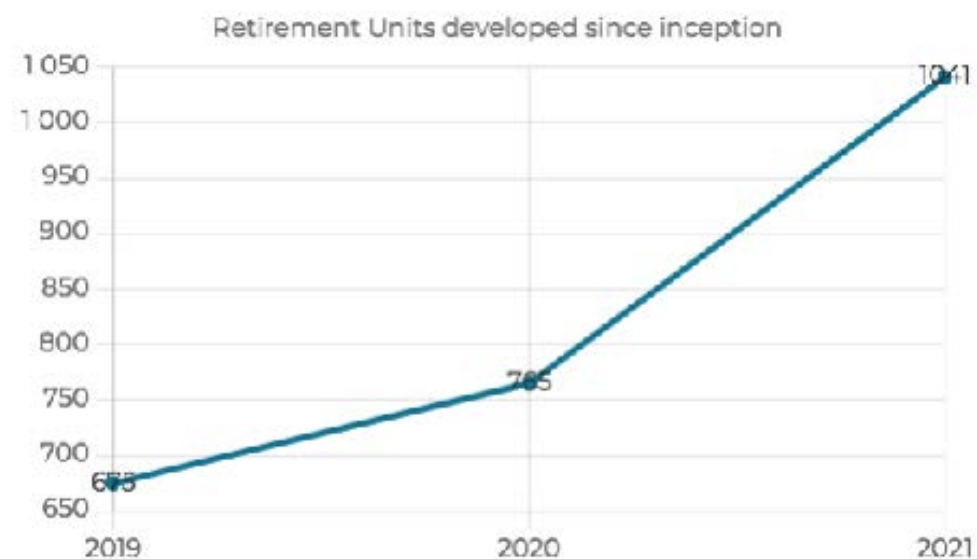
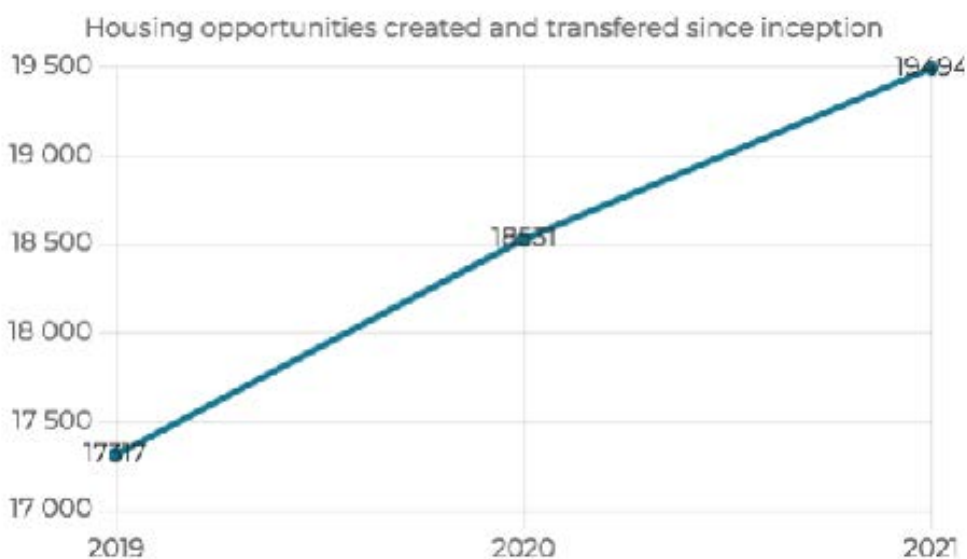
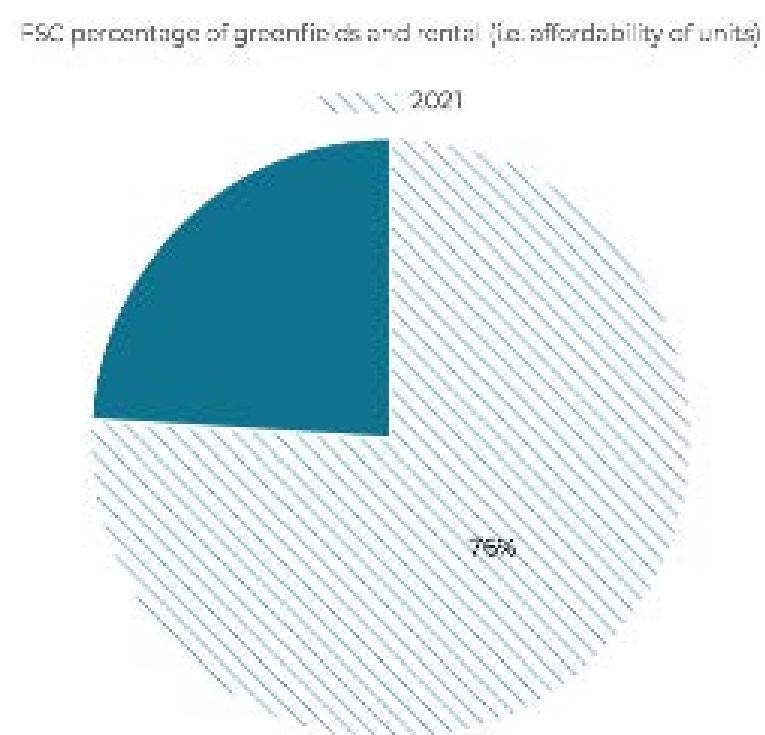
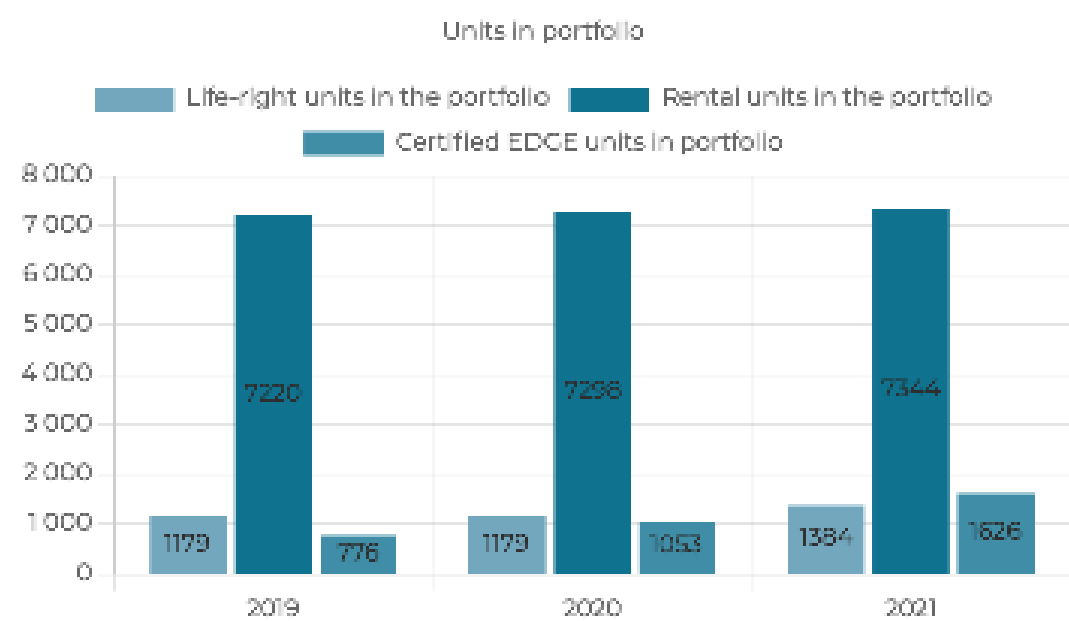
Housing Overview

Access to safe, adequate and affordable housing is one important part of transforming cities to be sustainable. OMAI aims to contribute positively to the housing backlog through its three housing funds. The Housing Impact Fund South Africa (HIFSA) and Old Mutual Rental Housing Investment Fund Two Ltd (OMRENT) focus on providing affordable residential accommodation and student beds. The Old Mutual Retirement Accommodation Fund (OMRAF) focuses on retirement accommodation for the middle- and upper market. Across the portfolios there was an increase of 11% in EDGE certified housing units, with 43% of the greenfields rental portfolio being EDGE certified. EDGE is a green building certification. This equates to operational savings in carbon emissions of 2,328 tCO2 equivalent per annum. HIFSA and OMRENT achieved affordability of 83% and 76% in 2021, providing housing units in terms of the Financial Sector Charter (FSC) to people earning less than R26,100 per month.



7,754
Student beds

76
Frail care beds



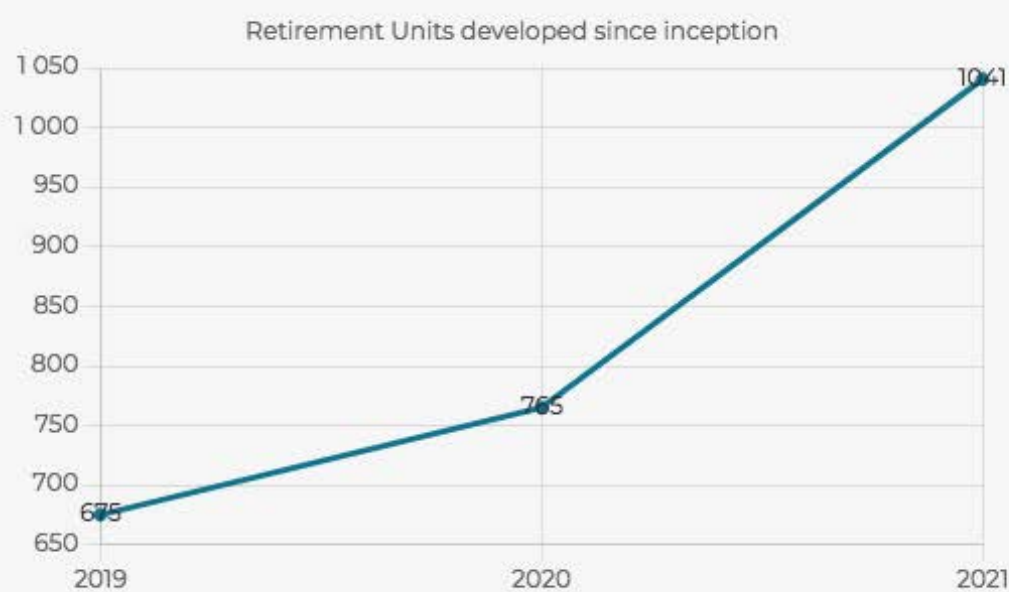
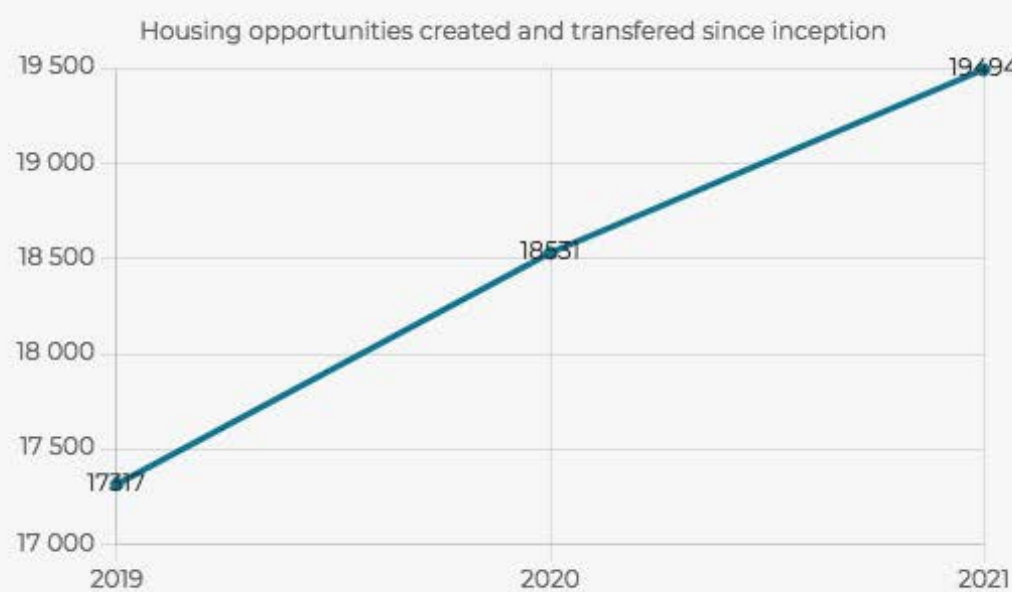
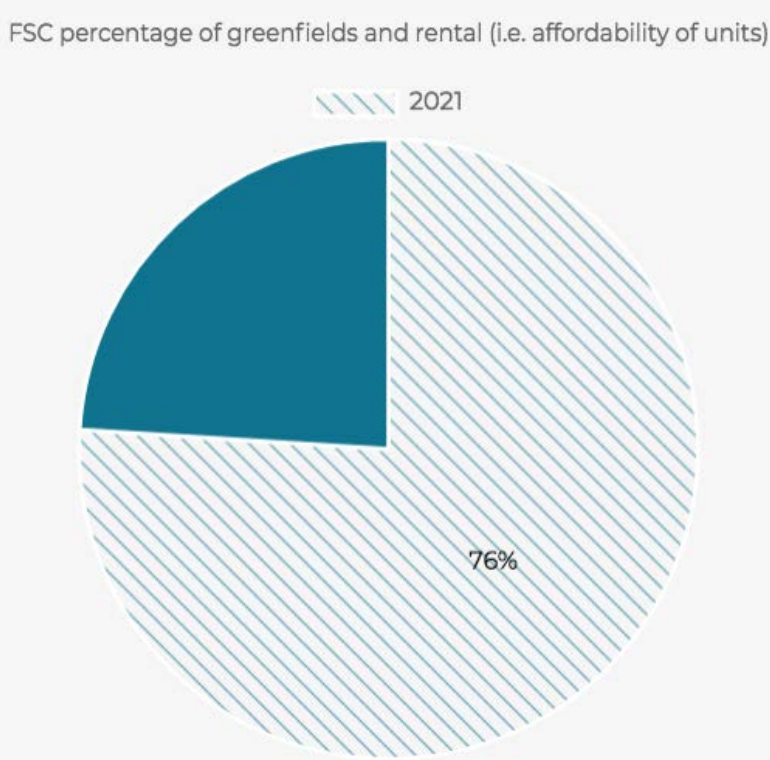
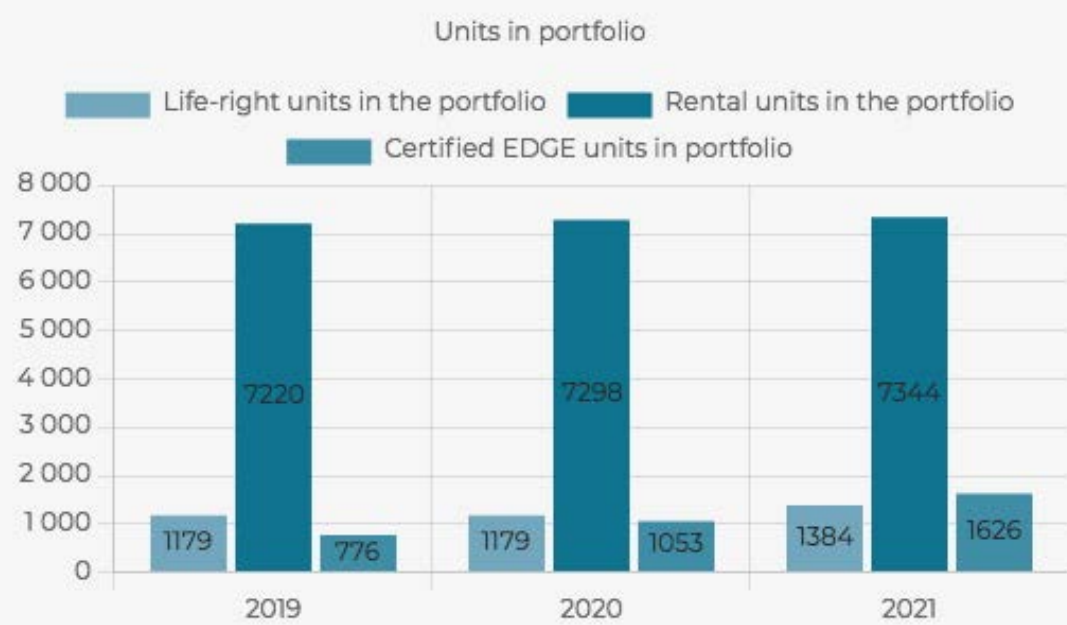
Housing Capabilities

IMPACT INVESTING Overview

Access to safe, adequate and affordable housing is one important part of transforming cities to be sustainable. OMAI aims to contribute positively to the housing backlog through its three housing funds. The Housing Impact Fund South Africa (HIFSA) and Old Mutual Rental Housing Investment Fund Two Ltd (OMRENT) focus on providing affordable residential accommodation and student beds. The Old Mutual Retirement Accommodation Fund (OMRAF) focuses on retirement accommodation for the middle- and upper market. Across the portfolios there was an increase of 11% in EDGE certified housing units, with 43% of the greenfields rental portfolio being EDGE certified. EDGE is a green building certification. This equates to operational savings in carbon emissions of 2,328 tCO2 equivalent per annum. HIFSA and OMRENT achieved affordability of 83% and 76% in 2021, providing housing units in terms of the Financial Sector Charter (FSC) to people earning less than R26,100 per month.

7,754
Student beds

76
Frail care beds



Housing Impact Investing Funds

HIFSA

The Housing Impact Fund South Africa (HIFSA) was established in 2010 to make commercially viable investments into the affordable housing sector to achieve large scale housing impact.

The portfolio consists of:

- 23 greenfields projects containing some 40,000 potential housing opportunities, including two retirement villages. A total of 892 housing units were transferred in 2021, bringing the total since inception to 19,425.
- 13 rental portfolios, including specialized student accommodation.
- End-user mortgage book with 1,599 loans, 78% of which are in the affordable market.

7,754

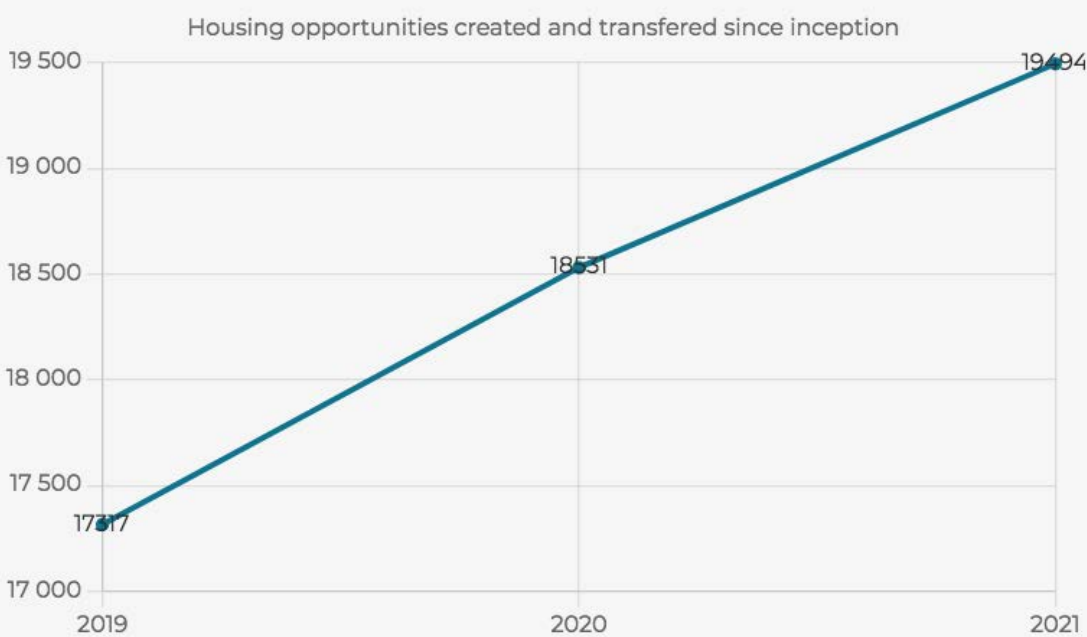
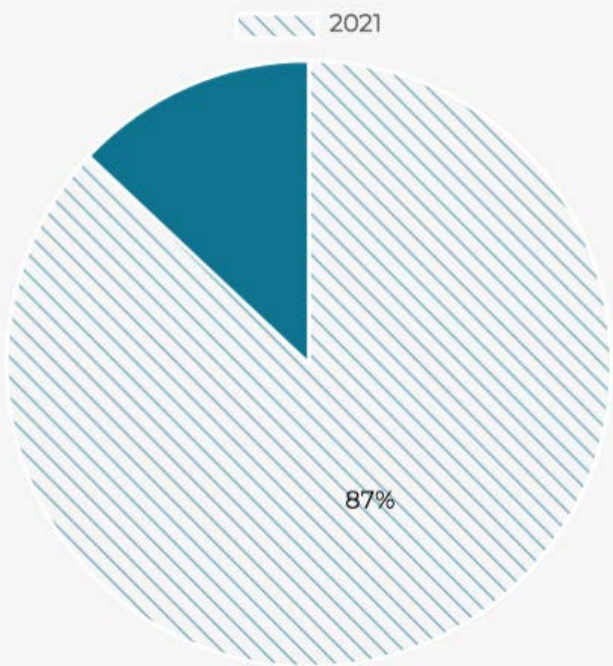
Student beds

6,676

Rental units in the portfolio



FSC percentage of greenfields and rental (i.e. affordability of units)



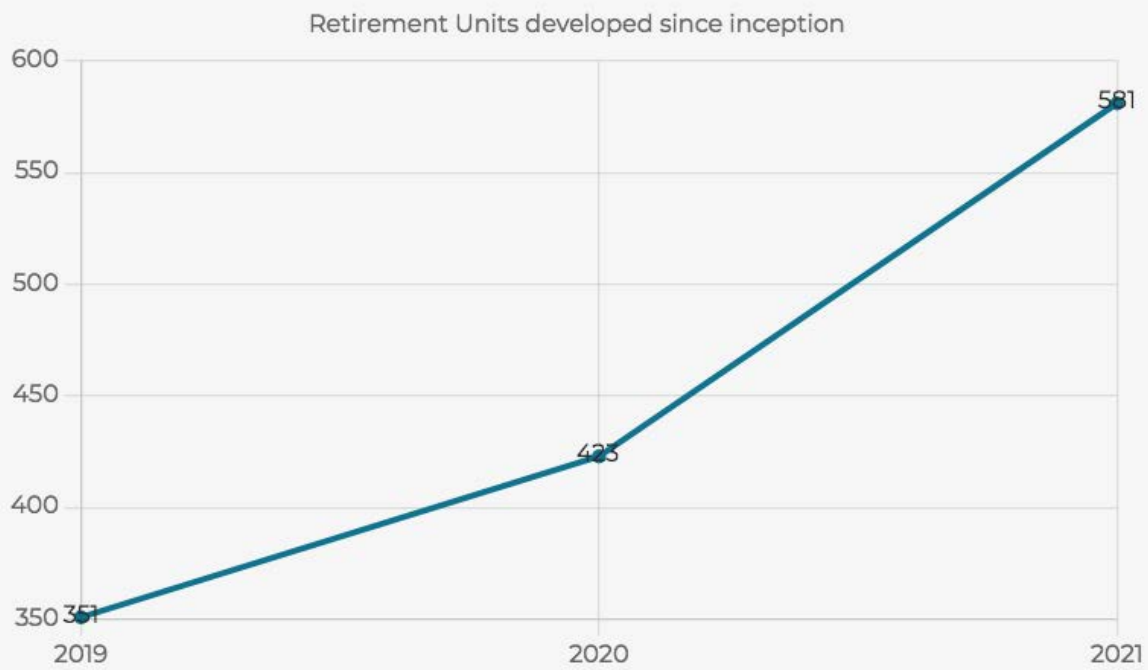
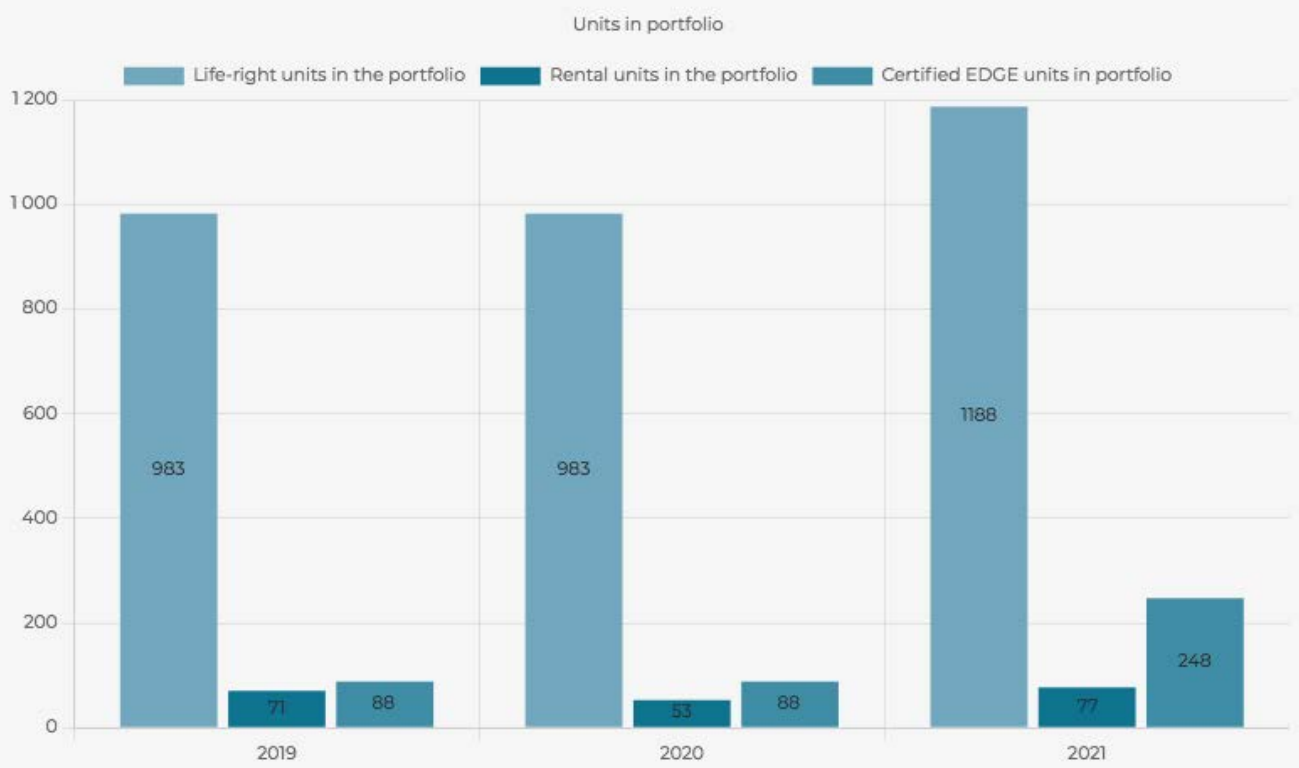
Housing Impact Investing Funds

OMRAF

The Old Mutual Retirement Accommodation Fund (OMRAF) aims to address the unique accommodation needs in the South African retirement market by investing in retirement accommodation development and acquisitions. As of December 2021, the fund had six investments which included life-right, sectional title, rental and freehold assets. Retirement units developed increased by 36% in 2021, while rental units increased by 45%. A new development was concluded in 2021, which added 160 life right units to the portfolio. Preliminary EDGE certification was received on 248 retirement units.

30

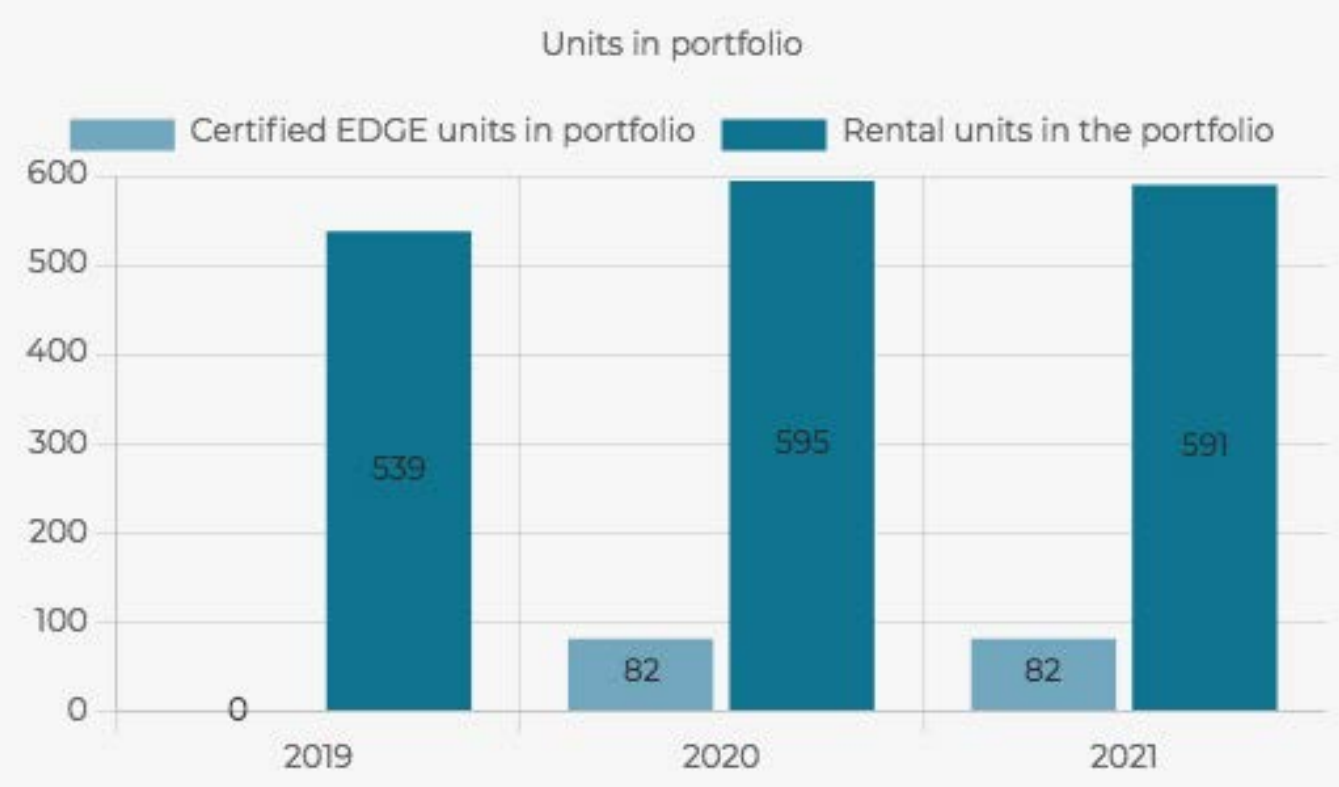
Frail care beds



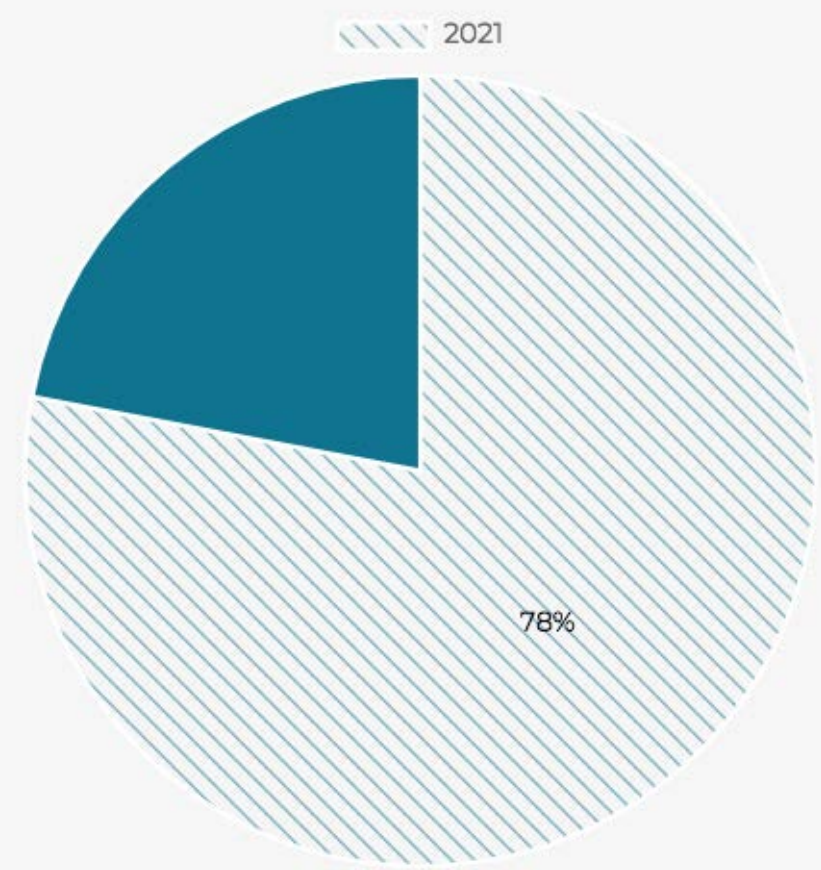
Housing Impact Investing Funds

OMRENT

Old Mutual Rental Housing Investment Fund Two Ltd (OMRENT) aims to acquire and hold residential property for the purpose of letting, focusing on the affordable market. As of December 2021, the fund had four investments comprising of 591 rental units. A further investment was approved in 2021 to acquire 188 rental units in Kuilsriver, Cape Town. The affordability of the OMRENT units is at 78%. 82 units achieved EDGE green building certification which translates into a saving in carbon emissions of 75 tCO2 equivalent per annum.



FSC percentage of greenfields and rental (i.e. affordability of units)



Health and Safety Overview

Sadly, OMAI had 7 fatalities in 2021 associated with a telecommunications business. OMAI ESG Advisors are actively engaging portfolio companies on mitigating health and safety risks. While there has been an overall decrease in the number of lost time injuries (LTI) and the days lost to injury, the LTI rate increase associated with a decrease in total hours worked, is cause for concern and will be an area of focus. Occupational health and safety training has increased steadily since 2019, which is encouraging.



53,101,109

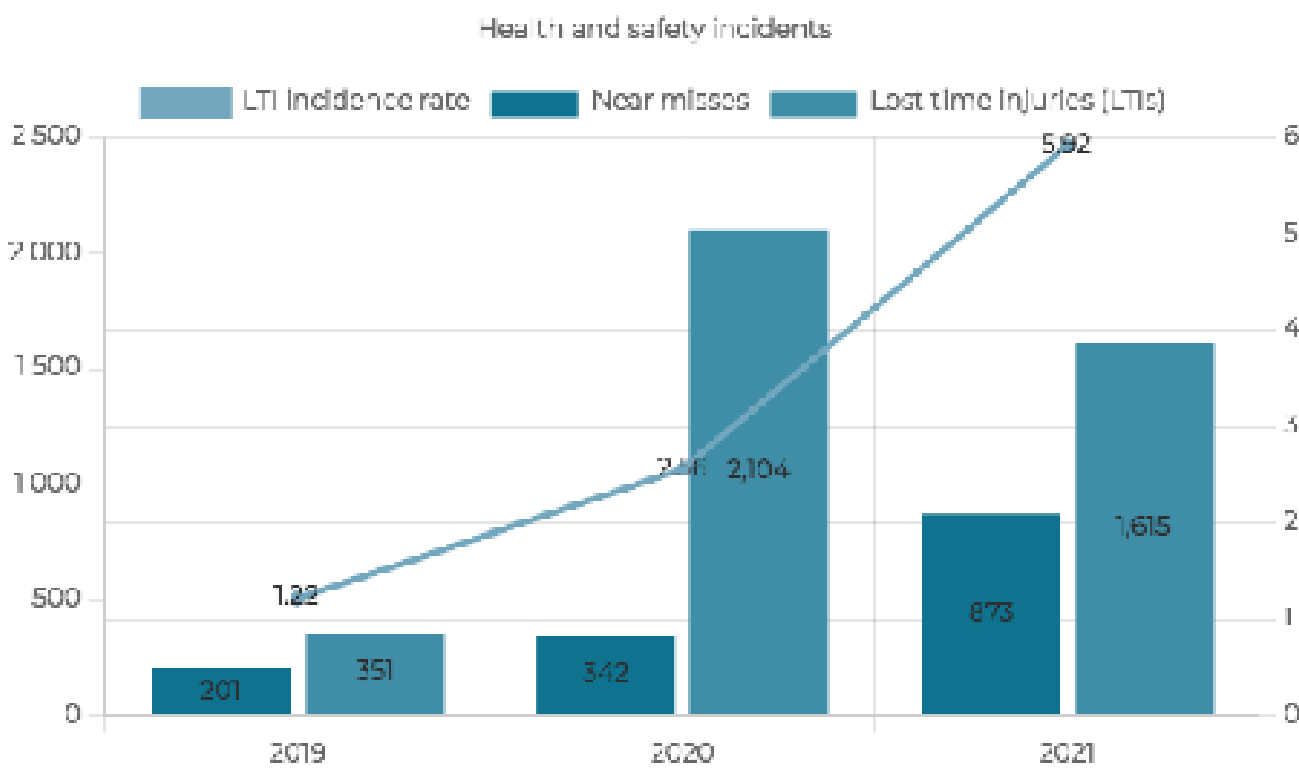
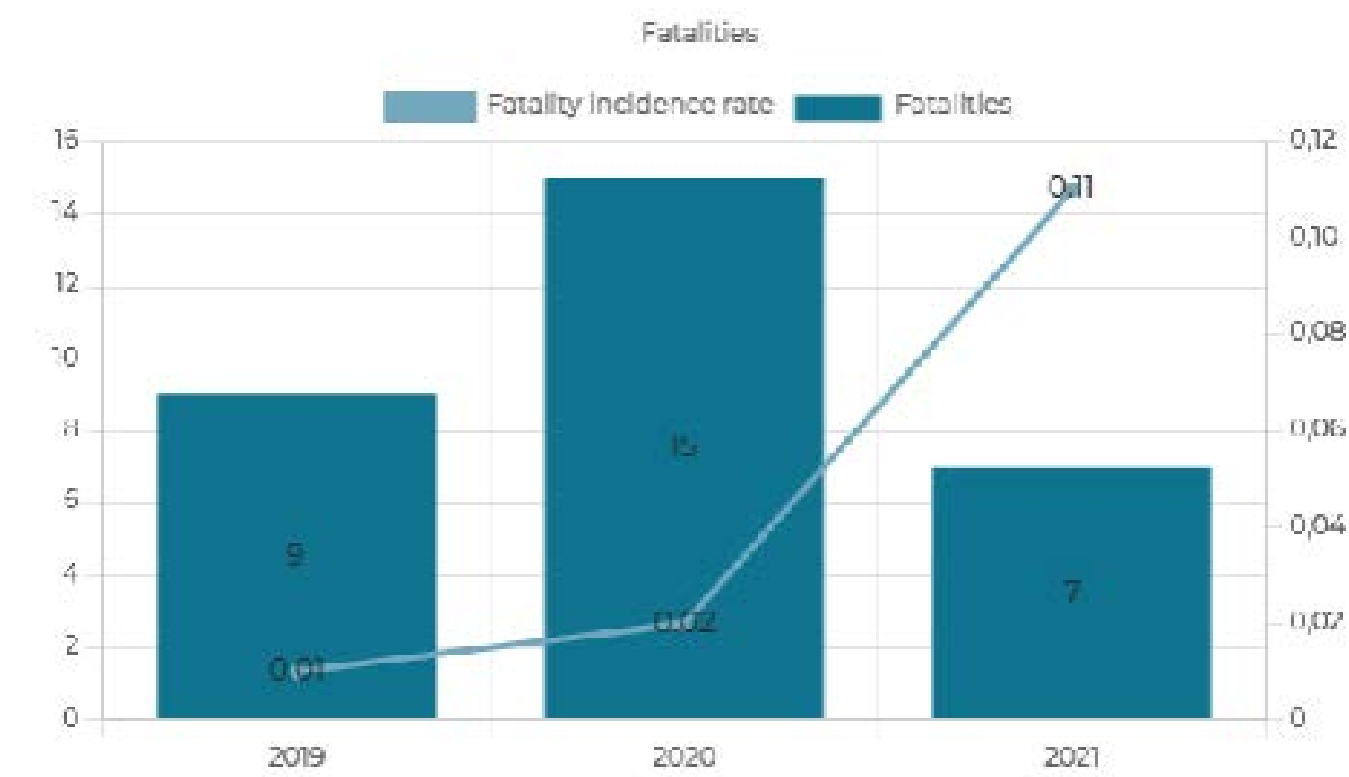
Total hours worked

1,885

Total days lost due to injury

91,934

Total OHS training hours



Health and Safety Capabilities

AIIM Overview

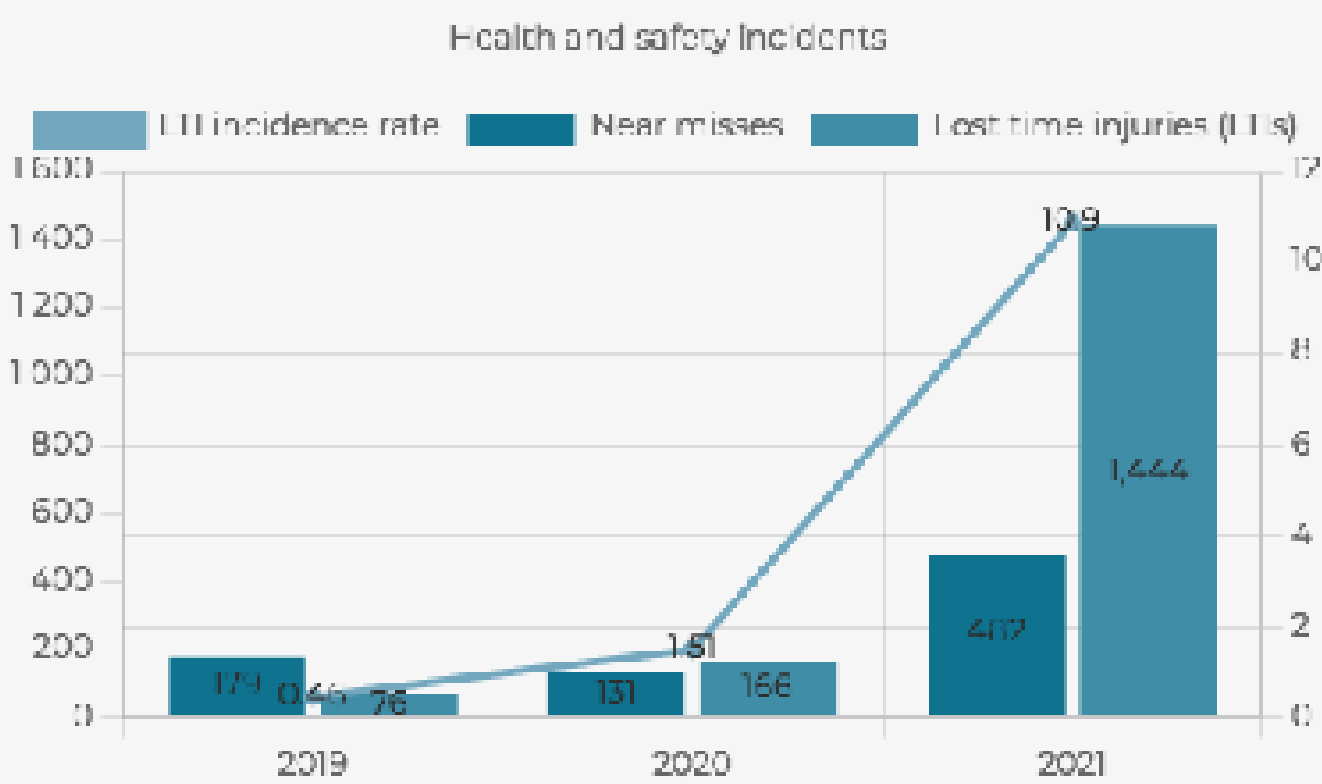
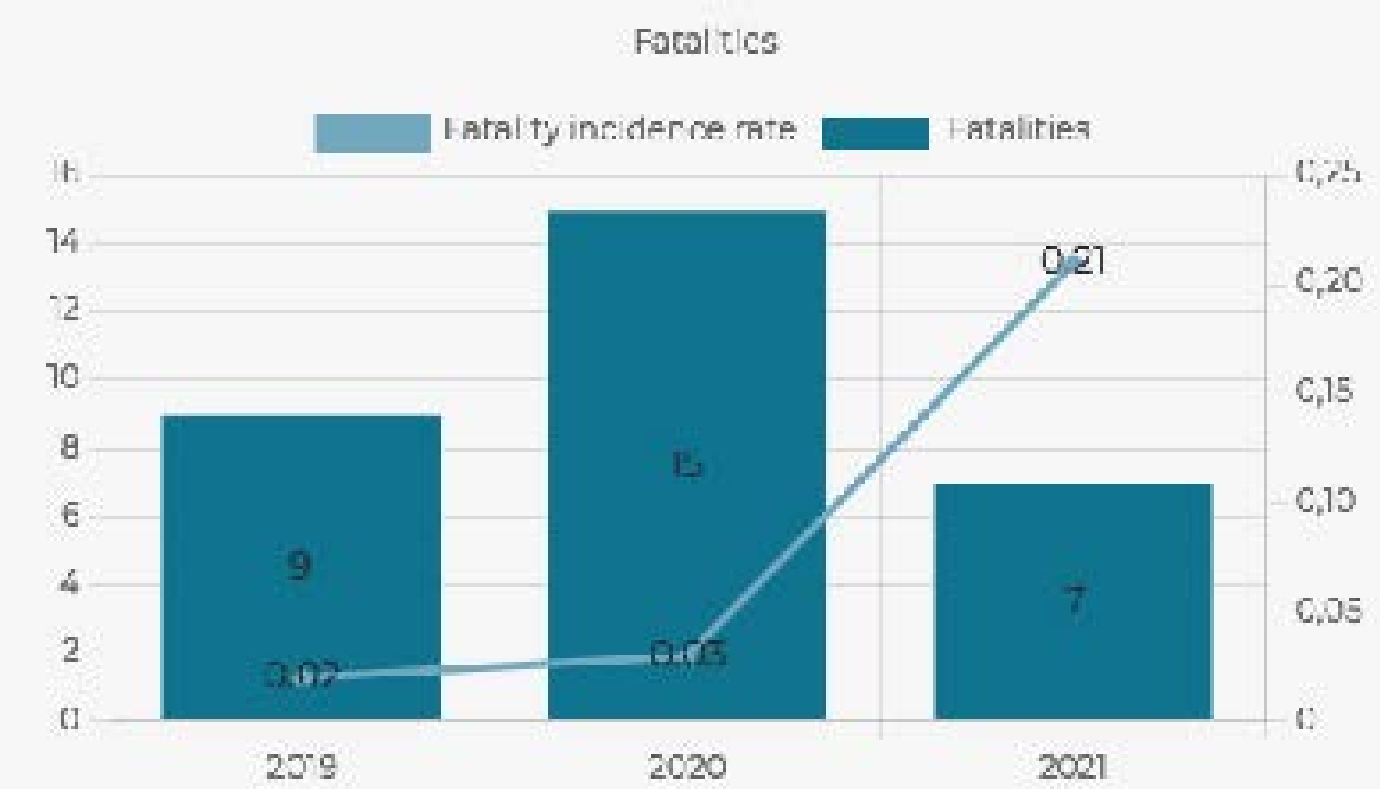
Sadly, AIIF2 had 7 fatalities in 2021 associated with the telecommunications business in AIIF2 with none recorded for AIIF3 and IDEAS. The increase in the number of lost time injuries (LTI), days lost to injury and the associated LTI rate, is cause for concern and will be an area of focus. ESG Advisors are actively engaging portfolio companies on mitigating health and safety risks. Occupational health and safety training hours has increased relative to hours worked which is encouraging.



18,253,408
Total hours worked

750
Total days lost due to injury

58,265
Total OHS training hours



Health and Safety AllIM Funds

AIIF2

Sadly, AIIF2 had 7 fatalities in 2021 associated with IHS operations. Although the number of lost time injuries has decreased, the days lost to injury and lost time injury rate has increased for the fund. Note the only H&S data included for IHS is the number of fatalities as reported up to June 2021.



2,197,033
Total hours worked

78
Total days lost due to injury

2,397
Total OHS training hours



Health and Safety AIIM Funds

AIIF3

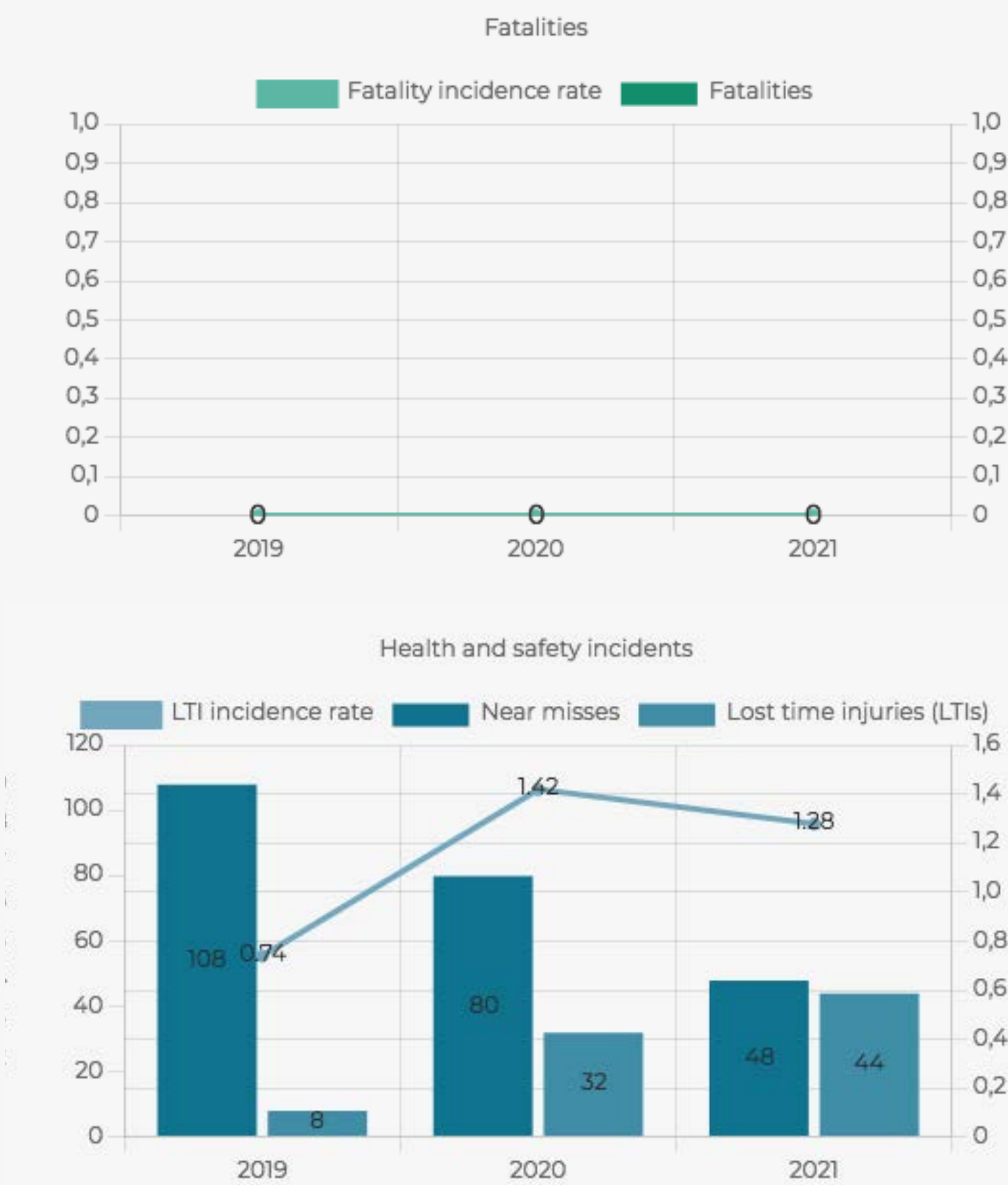
AIIF3 has had zero fatalities and although the number of LTIs has increased compared to 2020, the LTI rate has decreased and the OHS training hours has increased six-fold. This is an encouraging H&S performance.



6,871,963
Total hours worked

159
Total days lost due to injury

24,838
Total OHS training hours



Health and Safety AllM Funds

IDEAS

IDEAS has had zero fatalities however the significant increase in the lost time injury rate and days lost to injury requires focus and improvement. Unfortunately, there has also been a decrease in the number of OHS training hours recorded.



9,184,412

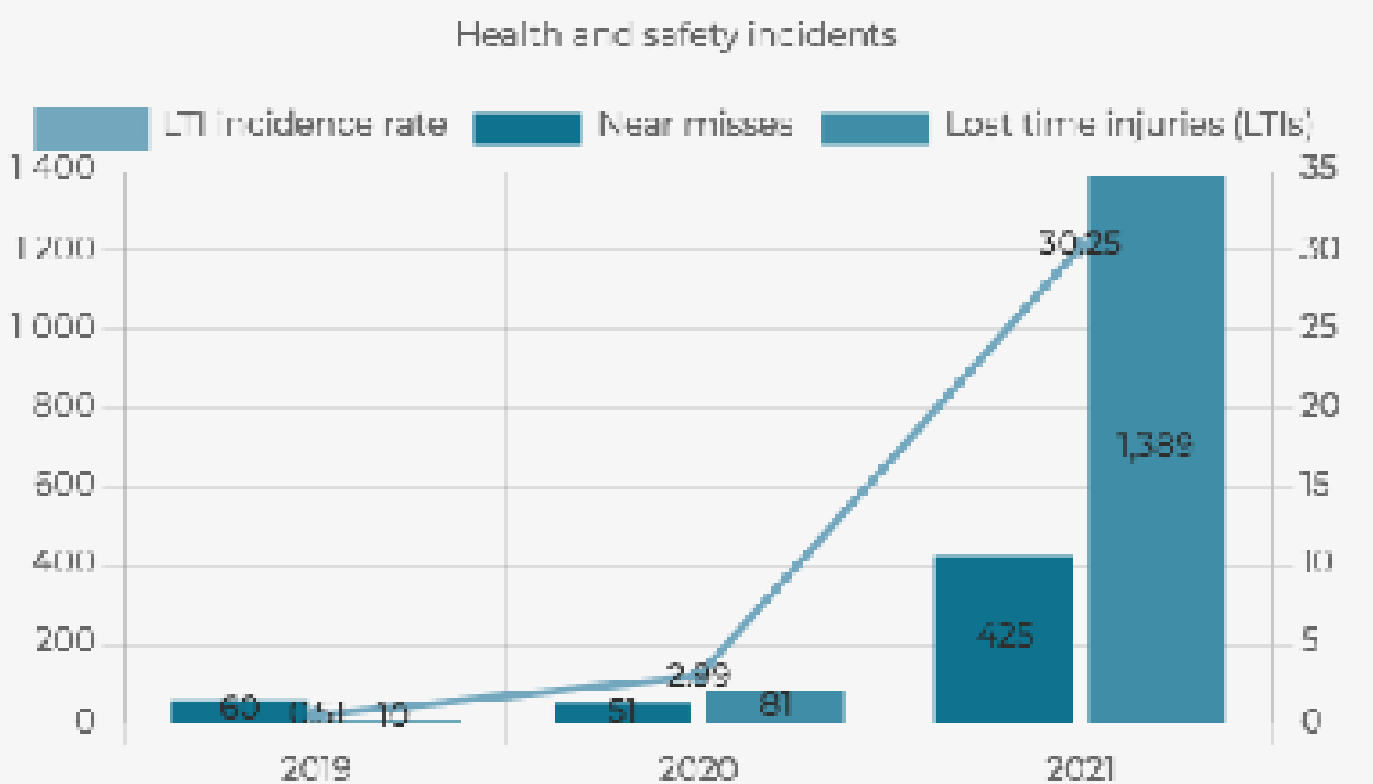
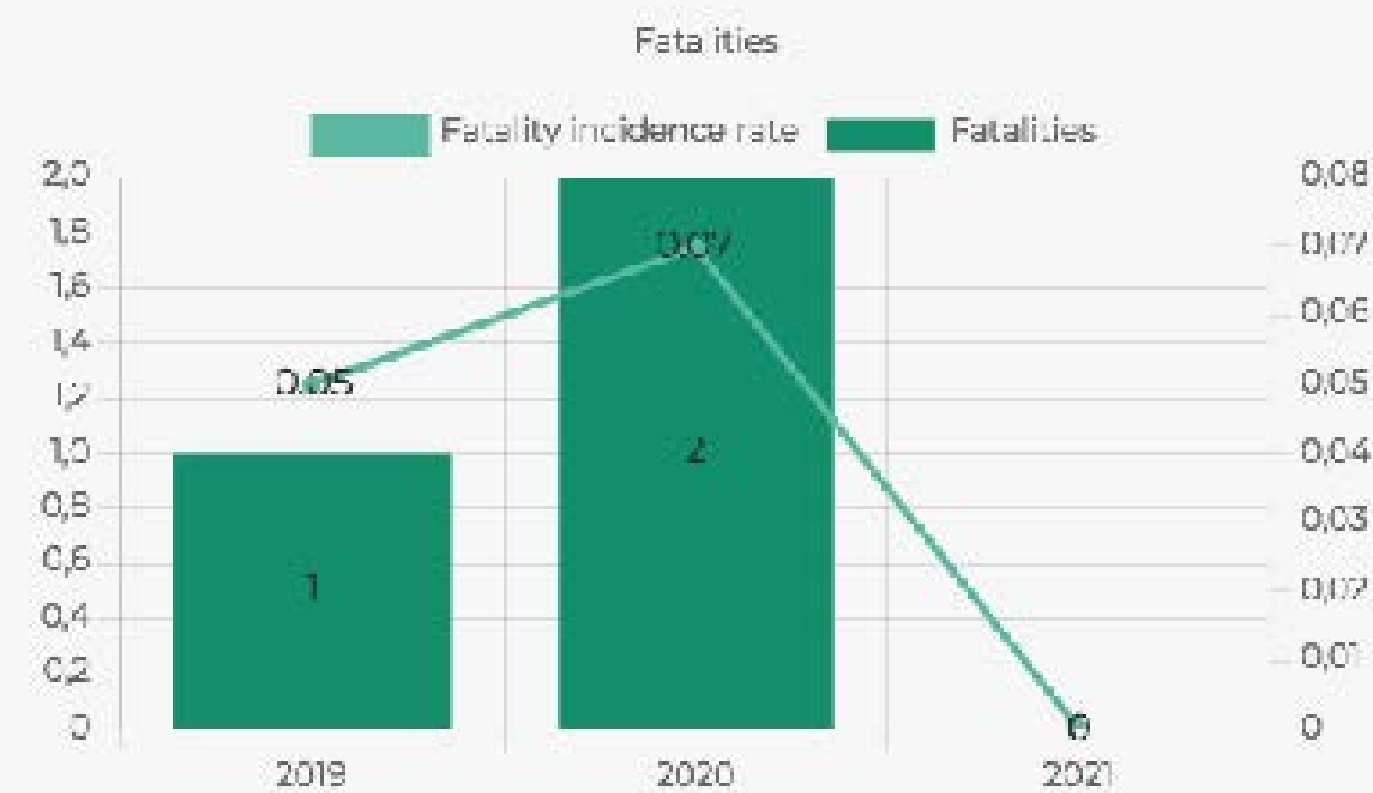
Total hours worked

513

Total days lost due to injury

31,030

Total OHS training hours



Health and Safety Capabilities

OMPE Overview

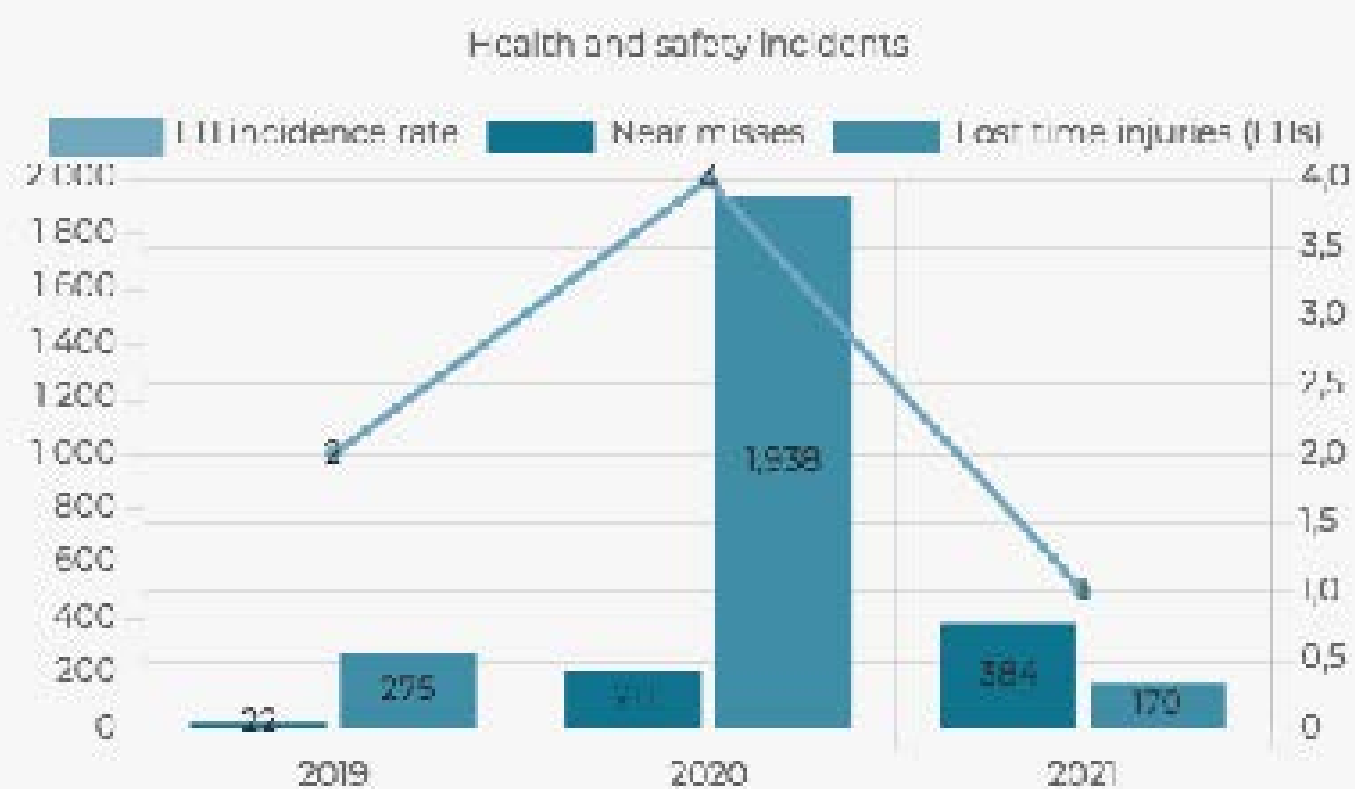
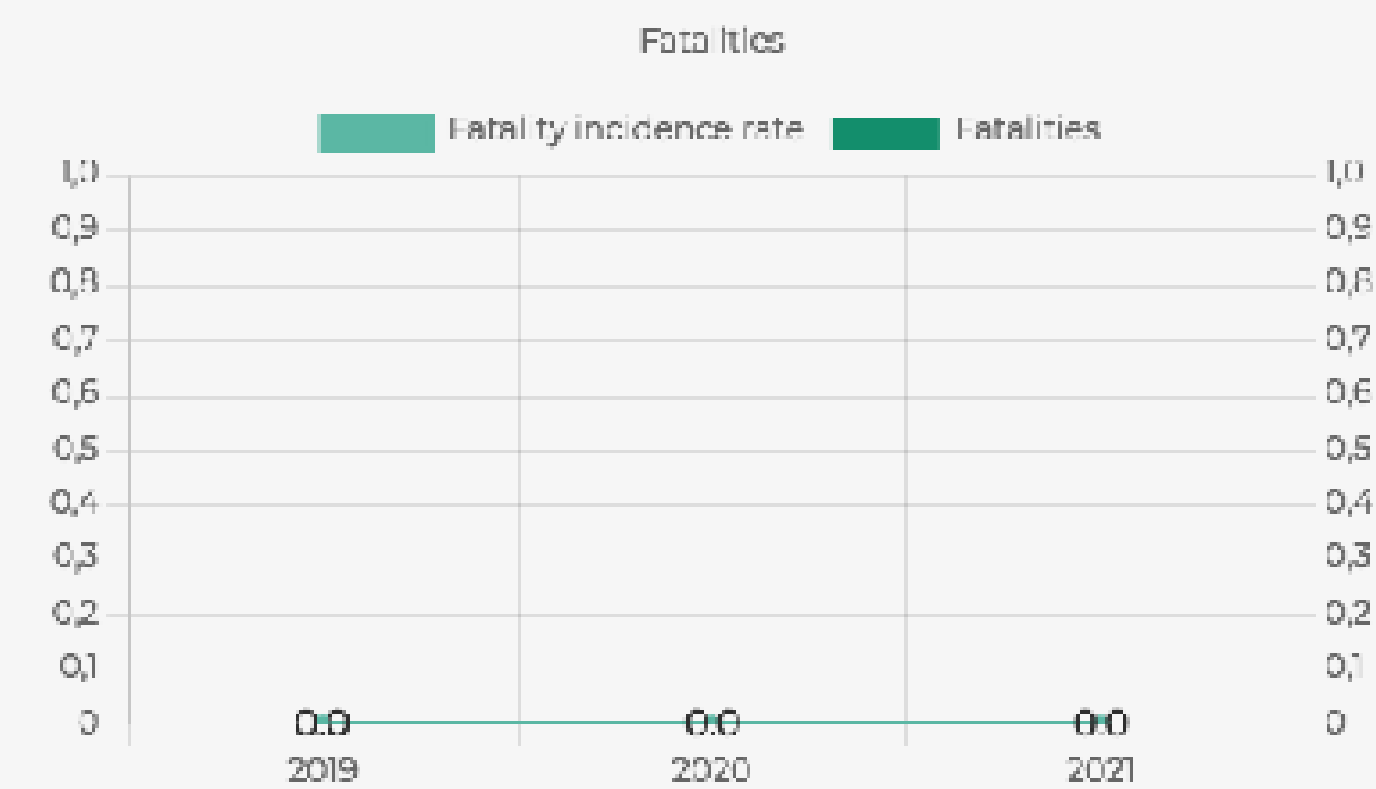
There were no fatalities reported for 2021 across OMPE investments. The data over the last three years shows a level of consistency in reported hours worked, days lost due to injuries and health and safety training provided. However, there is inconsistency in near misses and lost time injuries reported. Reported lost time injuries in 2021 were 170 resulting in a lost time injury rate of 0.99 which is a decrease from previous years.



34,208,067
Total hours worked

1,128
Total days lost due to injury

11,896
Total OHS training hours



Health and Safety OMPE Funds

FUND IV

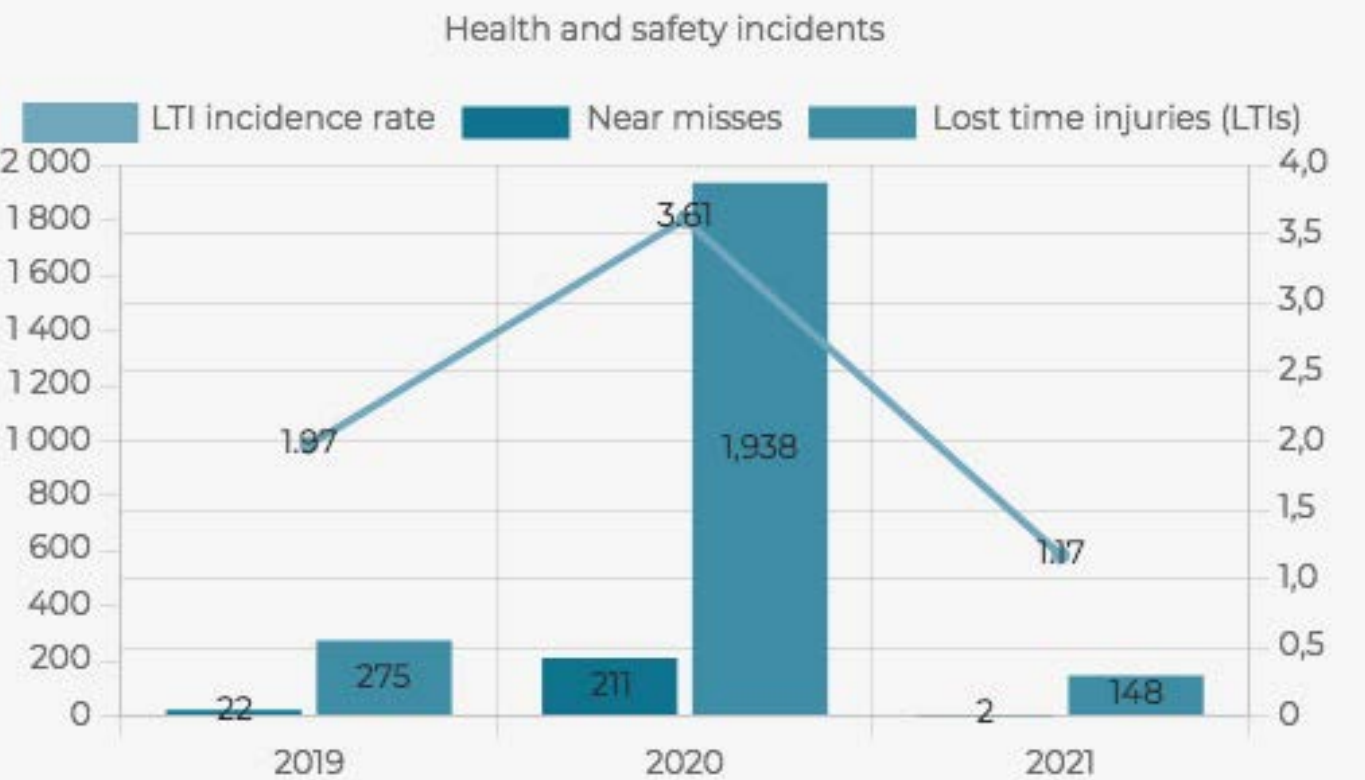
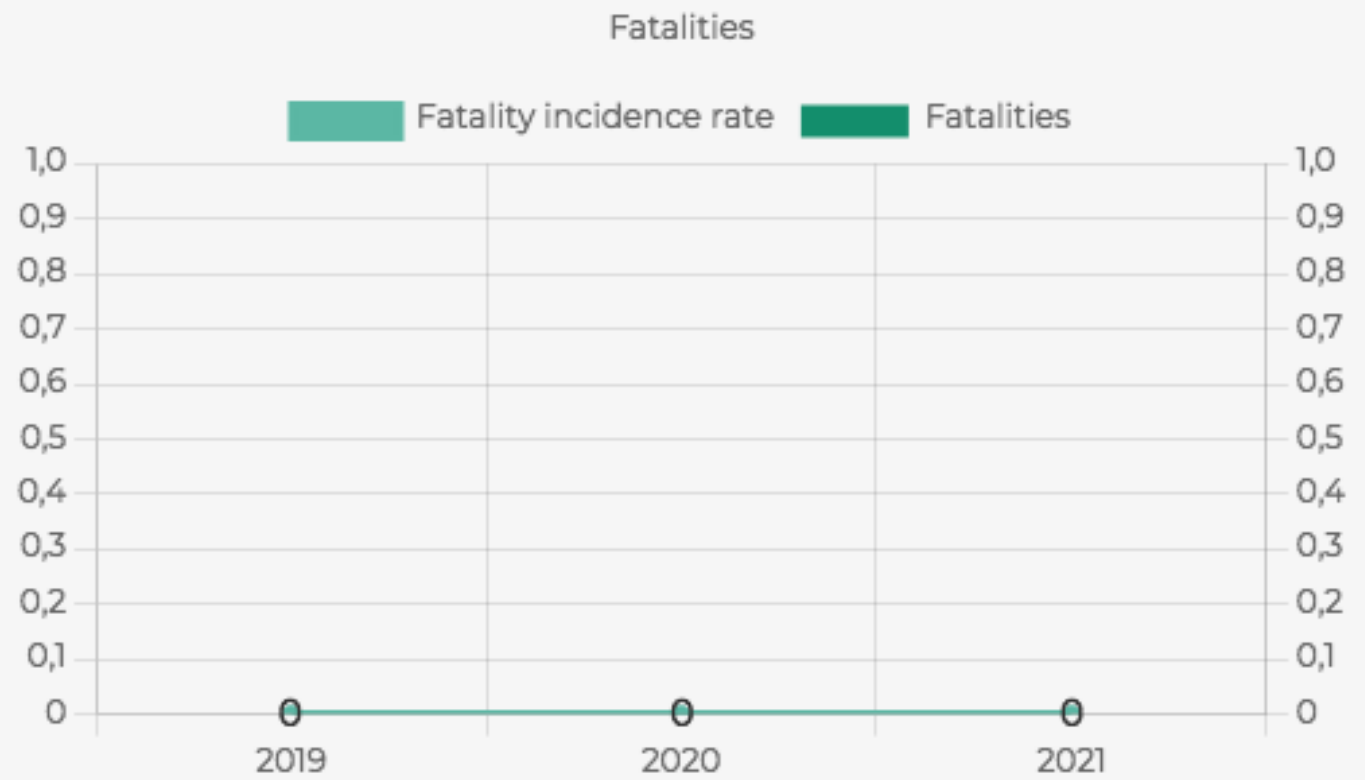
The days lost due to injuries decreased from 1,245 in 2020 to 998 in 2021. While this decrease may in part be due to the reduced number of hours worked over the year, lost time injuries were reported as 148 with a lost time injury rate of 1.17, which is a decrease from previous years.



25,317,250
Total hours worked

998
Total days lost due to injury

2,732
Total OHS training hours



Health and Safety OMPE Funds

FUND V

There were no fatalities reported in 2021. There were 22 lost time injuries, with a lost time injury rate of 0.49 and 130 days lost due to injury. A total of 9,164 hours of health and safety training was provided to employees through 2021.



8,890,817

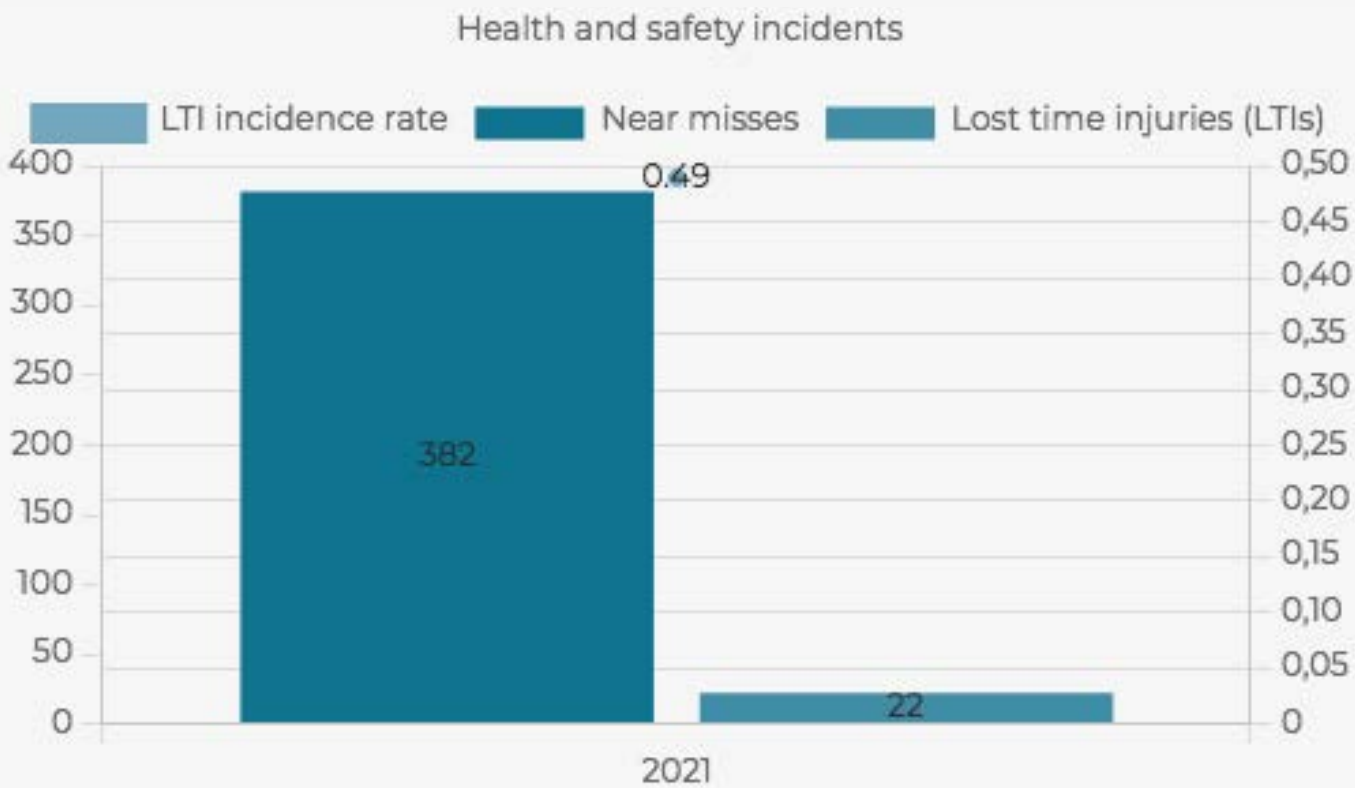
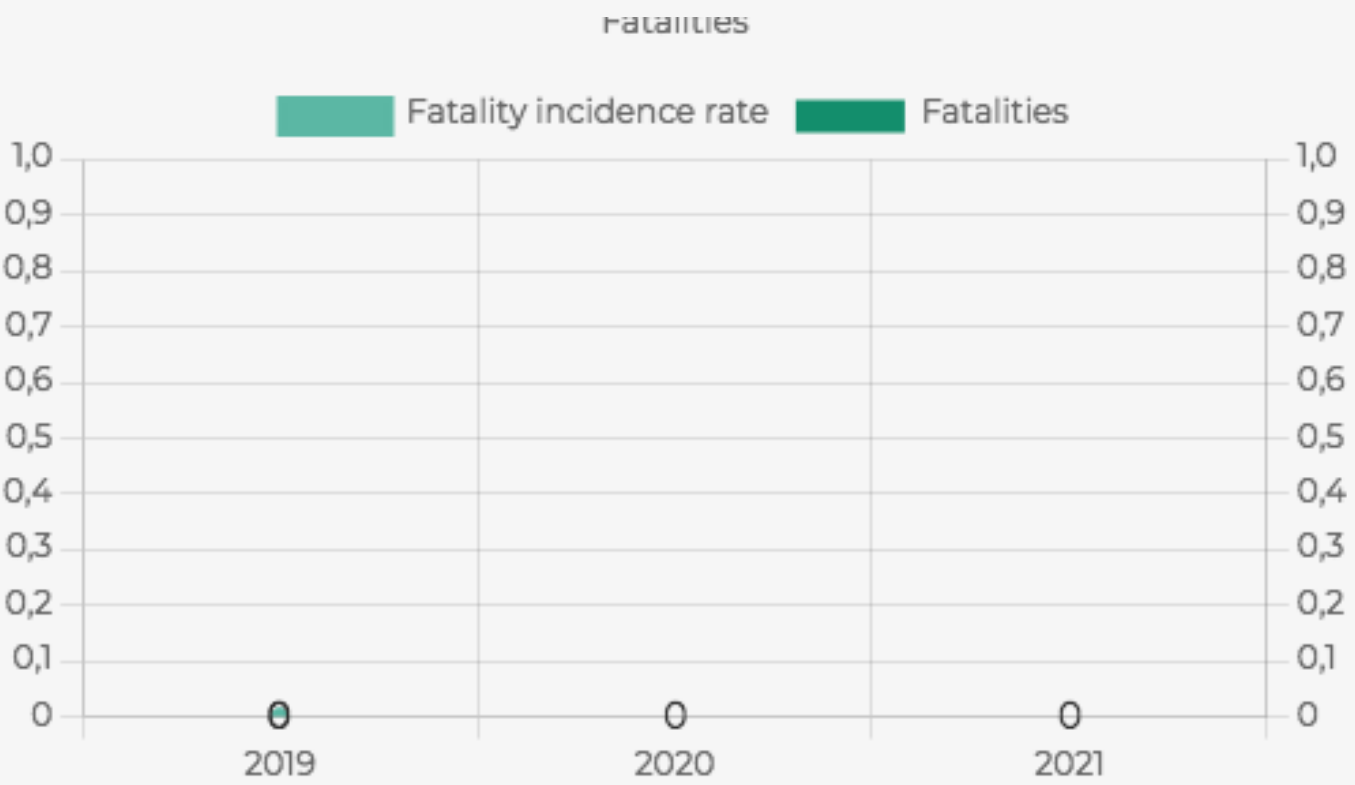
Total hours worked

130

Total days lost due to injury

9,164

Total OHS training hours



Hybrid Equity

Hybrid Equity is a new capability within Old Mutual Alternative Investments, with Fund I recently launched. The fund provides financing to broad-based black economic empowerment (BBBEE) shareholders as the direct investments, who take up shareholding in portfolio companies. The data below represents the portfolio companies that Hybrid Equity backed parties invest in and therefore are viewed as secondary or indirect performance.

From a carbon perspective, the investments within the fund had a Scope 1 footprint of 376,510 tCO₂e, Scope 2 footprint of 88,119 tCO₂e and Scope 3 footprint of 642 tCO₂e. Therefore, the total carbon footprint for the fund in 2021 was 465,271 tCO₂e. One of the portfolio companies, through renewable energy generation, achieved a carbon reduction of 1,468 tCO₂e.

Fund I supported 25,934 employees as at December 2021, of which 23% were female and 28% of management were female. Overall, 88% of employees were historically disadvantaged South Africans (HDSAs). Management within the portfolio companies had 9% HDSA females and 20% HDSA males.

Within the portfolio companies there were 3 fatalities and 310 lost time injuries, with a lost time injury rate of 0.75. Total days due to lost time injuries was 4,399 while 1,854 training hours on health and safety were delivered in 2021 to employees and contractors.



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The following table provides additional details of the Funds referred to in this document.

For further details, please visit <https://www.oldmutualalternatives.com/our-funds/> or <https://aiimafrica.com/our-funds/>

Fund Name	Legal nature	Domicile
Managed by African Infrastructure Investment Managers (Pty)Ltd		
• IDEAS Managed Fund (IDEAS)	Policy*	South Africa
• African Infrastructure Investment Fund 2 Partnership (AIIF2SA)	En commandite partnership	South Africa
• African Infrastructure Investment Fund 2 (Mauritius) (AIIF2M)	Company	Mauritius
• African Infrastructure Investment Fund 3 (AIIF3)	En commandite partnership	South Africa
Managed by Old Mutual Alternative Investments (Pty)Ltd		
• Old Mutual Private Equity Fund IV (OMPE Fund IV)	En commandite partnership	South Africa
• Old Mutual Private Equity Fund V (OMPE Fund V)	En commandite partnership	South Africa
• Education Investment Impact Fund of South Africa (EduFund)	Company	South Africa
• Old Mutual Retirement Accommodation Fund (OMRAF)	Company	South Africa
• Schools and Education Investment Impact Fund South Africa (SEIFSA)	Vesting Trust	South Africa
• Housing Impact Fund South Africa (HIFSA)	Vesting Trust	South Africa
• Old Mutual Rental Housing Investment Fund Two Limited (OMRENT)	Company	South Africa
• Hybrid Equity Fund I	En commandite partnership	South Africa

* Policy issued by Old Mutual Life Assurance Company (South Africa) Limited

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INVESTING WITH SIGNIFICANCE

OMAI Sustainability Report



ALTERNATIVE INVESTMENTS