



IMPACT REPORT 2023-2024

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### Interview with Nabil Marc Abdul-Massih.

#### **CEO OF INOKS CAPITAL**

### What motivated you to enter the world of impact investing?

Witnessing first-hand the destructive forces of speculative financial markets on food crops, export, or local oriented economies, in Côte d'Ivoire (and West-Africa at large) during the mid- 1980s was quite formative in that regard. Conversely, I had an early realisation, which came to be a youth dedicated aspiration, that capital flows can and must be rather used as catalyst for constructive means and to drive positive impacts.

At INOKS, it only seemed natural from the outset that we sought to fend off negative externalities and to generate positive externalities on society, the environment and that for all stakeholders, directly or indirectly. This is us, our DNA, our mission and drives our future.

### What do you view as key in how INOKS' approach to impact and ESG has evolved over the years, since 2006?

Being an early adopter and practitioner, one of the key elements that INOKS has held onto since 2006 lays in looking beyond, and deeper than, just a snapshot of an Investee's Impact and ESG footprint at one point in time. We have always had the dedication to develop an approach to continuously collecting data to more accurately monitor the evolution of an Investee's footprint, and accordingly support and guide towards improvements. This better positions us, and the Investee equally, to make informed decisions and ultimately steer capital to where it most efficiently can be put to work for common Impact and ESG goals.

Continuously evolving this data driven approach and business solutions processes, we have also set to differentiate ourselves by purposely focusing on Agri & Food, shying away from speculation whilst supporting productivity, value addition, and improved livelihoods. While initially focussing in emerging markets, for the last six years we have expanded to mature economies, implementing the very same proprietary robust data driven processes, which have continuously evolved over nearly two decades.

In 2023, numerous macro global events, such as rising interest rates, inflationary pressures, and climate change shocks, affected the investment industry and the ability to raise and deploy capital, as well as mitigate risk.

### How did INOKS contend with these challenges within financial markets?

With our long track record of operating in very complex environments, INOKS is structurally well positioned to navigate volatile environments and to manage the diverse challenges. Our focus on non-speculative agri-food value chains, which fulfil basic subsistence needs, has protected us somewhat from some of these risks.

Nevertheless, 2023 was quite challenging, mostly in terms of convincing capital owners of our investment thesis and strategies' long-term resilience, uncorrelation, and delivering on sustainable impact and financial returns. Our competitiveness has been demonstrated over one, three, five or even fifteen-year plus relatable benchmarks.

These global shocks undoubtedly threatened climate resilience and food security, most acutely across the emerging and frontier markets in which INOKS operates.

Within this context, how does INOKS manage these realities as an asset manager and in terms of engagement with its investees?

What is key for this, and addressing the previous question too, is the hands-on "activist" management style of our strategy. We always seek very close engagement with our investees, to deeply understand their business, operational cycles, risks and opportunities sets, and the positive externalities that their activities can create and should generate. This close engagement allows us to align their activities to our impact themes, including climate resilience and food security, to maximise their positive impact while benefiting from opportunities arising from market-driven risk perception biases. To achieve this, it is critical that we provide stable access to capital, to support our investees in the mid to long-term for sustained impact generation and inherent self-capacity building beyond our investment horizon.



Apple cultivation and picking in Kazakhstan

### INOKS CAPITAL 2023/2024 IMPACT REPORT

### Looking forward, what challenges and opportunities do you see for the impact investing industry as a whole?

Impact (and ESG) or the whole sustainable finance industry, continuously faces significant challenges, not least due to greenwashing and impact washing, which has understandably resulted in reduced investor appetite. Ignoring these challenges would be akin to fall victim to a typical "ostrich syndrome".

In fact, instead of a challenge, we believe that this presents a big opportunity for those active players deploying tested and validated ESG compliant and Impactful strategies. This cohort can clearly and genuinely differentiate their strategies from those trend-followers surfing on misleading or unfounded claims of alignment or achievement. By contrast, the real ESG & Impact-driven cohort have to lead and must work together, as a community, to share experience (success and failure alike) to innovate, define and ultimately shape the future of ESG & Impact investing.

### And for INOKS, what does the near-term future look like in terms of opportunities for growth, partnerships, and solidifying our commitment to our impact mission?

We have amassed substantial know-how on the ground and take strength from it in shaping our near-term and long-term future.

We seek to deploy this knowledge and its resulting aptitudes across similar investment strategies in new markets and longer term horizons, such as venture capital and private equity. Particularly for tech-enabled services to support the quest for sustainable efficiencies (productivity, energy, resource, waste, emission) in the Agri & Food sectors and "Farm to Fork". This relates mostly to Agri Tech, Logistics Tech and Ed/Fin Tech at the service delivery and growth stages. This is where patient capital is much needed to address the challenges faced by consumers and producers in transitioning to "must-be" fairer, and not "can-be", and to more sustainable value chains.

We remain steadfast in our continuous learning and improving approach, constantly evolving our business processes. This ensures and solidifies our commitment to both our mission of positive impact creation and being a catalyst for constant innovation.



Nabil Marc ABDUL-MASSIH INOKS Capital SA



Onsite visit to agricultural SME in Zambia



### About **INOKS**

INOKS Capital is a Swiss asset manager, authorised and prudentially supervised by FINMA. We are proud of our 20-year history in managing collective investment schemes and segregated mandates with a global reach. We specialise in alternative credit and private debt strategies, channelling funding to support the growth of small and medium sized businesses, in Agriculture, Food & Trade Value Chains. Providing with direct financial and non-financial assistance.

#### Our Mission

At INOKS Capital, we view impact investment as a powerful tool for positive change, combining the generation of measurable impact with attractive financial returns while mitigating risks. Our mission is driven by purpose: to nurture sustainable transitions and foster lasting change by supporting companies to build efficient and sustainable value chains worldwide.

### Specialised in Emerging and Frontier Markets

We have global know-how across mature and emerging markets, with a strong presence in Africa, Eastern Europe, Central Asia, and Latin America. Headquartered in Geneva and Zurich – Switzerland, we have regional offices in Abidjan - Côte d'Ivoire, Hyderabad – India, and Pretoria – South Africa. In 2023, 100% of our capital was channelled to emerging and frontier markets.

### Multi-sectoral Impact Investment Strategies

Whilst a large proportion of our investment activity focuses on agriculture and food, we have experience across sectors, such as in financial and digital inclusion, tech-enabled platforms and services, and renewable energy.

### Impact and ESG since Inception

Impact and ESG are embedded in INOKS' DNA and drive its future. Since 2006, INOKS has followed a responsible and ethical investment approach, evolving a two-fold Impact ("Do Good") and ESG ("Do No Harm") framework and strategy in line with international standards. We support local value-added activities and resilient ecosystems through our Impact Themes: Poverty Reduction, Women Empowerment, Food Security and Environmental Quality/Climate Action. All funds we manage follow the Framework and are compliant with SFDR Article 9, ensuring that our investments are sustainable with environmental and/or social objectives and potential adverse impacts are identified and mitigated to do no significant harm. Further details can be found in the Impact Framework

### Committed to Impact Industry Best Practice

INOKS became a PRI signatory in 2010 and was one of the first 75 adopters of OPIM (Operating Principles for Impact Management), undergoing periodic third-party impact verification by Steward Redqueen to ensure ongoing OPIM compliance and improvements to Impact Measurement and Management. The third verification was successfully completed in September 2023. INOKS is a proud longstanding member of the GIIN and participated in the design of the Agriculture Impact Performance Benchmark.

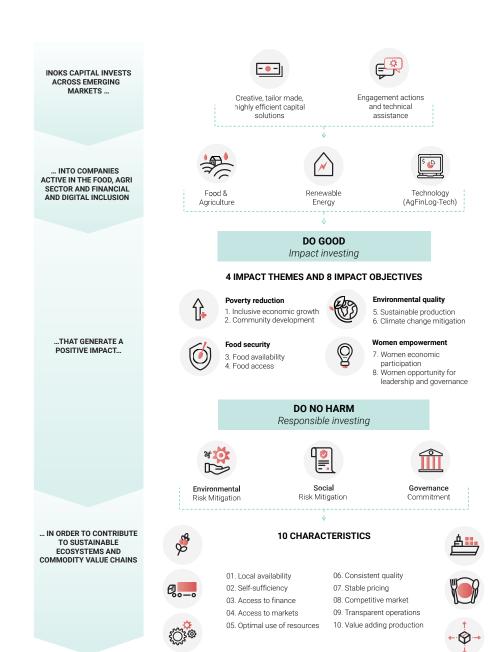


Figure 3: INOKS Capital's Theory of Change

### IMPACT AND ESG TWO-FOLD STRATEGY

### IMPACT INVESTING (DO GOOD)

We believe that efficient and innovative companies across commodity value chains hold significant potential to address the world's most pressing sustainability challenges. Guided by this ethos, our selection process focuses on identifying companies that actively contribute to solutions within the following critical impact areas.



Poverty reduction



Food security



**Environmental quality** 



Women empowerment

### **ESG INVESTING (DO NO HARM)**

Recognising the potential adverse effects of economic activities on both the environment and society, the pursuit of positive impact must align with the imperative to reduce associated risks. INOKS Capital meticulously analyses companies' risk management practices to identify and mitigate potential pitfalls, thereby ensuring the viability of their operations. Complementing this approach, we maintain an exclusion list to unequivocally rule out activities that violate ethical and societal norms. Our company selection process relies on the company's adherence to international standards serving as a baseline for minimum safeguards and a commitment to further improve its performance in FSG areas:



### **Environmental risk mitigation**

(e.g. pollution, water use in stressed areas)



### Social risk mitigation

(e.g. health & safety protection, work contracts)



#### **Governance commitment**

(e.g. code of ethics, audit of financial statements)



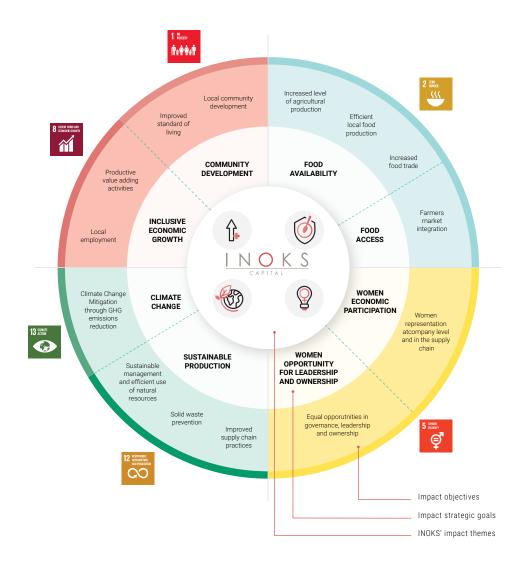


Figure 2: INOKS Capital's impact themes and strategic goals mapped to the SDGs

### July 2006

Inception of the CSTF strategy of short-term financing

#### August 2010

INOKS Capital becomes a signatory of the Principles for Responsible Investment (PRI) PRI Principles for Responsible

### March 2012

Introduction of ESG/SRI due diligence process

2006

2010

2012

### July 2016

Sustainability Policy to encompass INOKS' impact themes and implement ongoing impact assessments alongside the existing ESG due diligence

December 2016

Alignment of INOKS' E&S

requirements with IFC

Performance Standards

#### October 2013

Incorporation of ESG/Impact requirements in legal agreements by establishing an ESG/SRI engagement letter



2016

2013

### April 2016

Impact Committee is launched and Ouadia becomes INOKS' Impact advisor

#### October 2017

ESMS developed in partnership with OBVIAM OBVIAM



2017

2018

### **April 2017**

First Soft Condition Precedents developed to improve the E&S compliance with IFC Performance Standards of a cashew nut processor in Tanzania

#### October 2018

INOKS achieves Platinum Impact Business Model GIIRS Rating









### Our Impact Journey

CSTF - Commodity Short Term Financing

ESMS - Environmental and Social Management System

GIIN - Affiliations to the Global Impact Investing Network

GIIRS - Global Impact Investing Rating System

MEDA - Mennonite Economic Development Associates

NZAM - Net Zero Asset Manager Initiative

SRI - Socially Responsible Investment

SSF - Swiss Sustainable Finance

TA - Technical Assistance



### Mar - Dec 2019

Development of INOKS' Impact Framework in partnership with Steward Redqueen

steward redqueen

### September 2019

INOKS becomes one of the first 75 adopters of the Operating Principles for Impact Management



Operating Principles for

#### October 2019

Affiliations to GIIN and SSF networks



### May 2020

Capital Finance International Best Sustainable Impact Hedge Fund Manager Switzerland





Jun - Sept 2020 OPIM independent verification

2019

2020

#### Mar-Dec 2021

Compliance with the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy

#### Jan 2021 - Jun 2021

Development of INOKS' Impact Scoring, Sustainable Agri and Climate Change Mitigation Indexes

### Jan 2020 - Jan 2021

Development of INOKS TA Program and launch of first TA pilot project

2021

### January 2022

Internal Capacity Building on Gender Engagement, delivered by MEDA

#### September 2022

Arrival of 55 machines as a part of the MEDA Farmer Impact Grant to the 5 women-led rice cooperatives of our Ivorian investee

#### September 2023

Successful OPIM Independent Verification by Steward RedQueen

2022

#### October 2021

In partnership with MEDA a TA project was provided to our investee in Côte d'Ivoire to improve access to machinery for women rice farmers

#### February 2022

INOKS Capital becomes a signatory of the Net Zero Asset Managers initiative

#### March 2023

2023

GIIN launches the Agriculture Impact Performance Benchmark, with INOKS' participation in the Benchmark Design Team





## Our Global Reach

### SINCE INCEPTION

USD

6.7 Bn

Invested in

25+
countries

Supported

140+

Companies

Financed production, processing and trade of

35+
commodities

### **PORTFOLIO IMPACT IN 2023**

**6,116** direct jobs supported

100%

of employees receive a minimum wage. 92% are compensated above minimum wage

183,727 MT

56,949

Staple foods produced

smallholder farmers reached

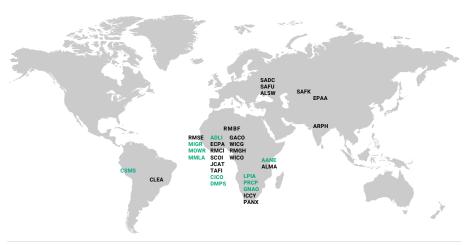
33%

of women-owned enterprises

**48%** of our investees

are women-led

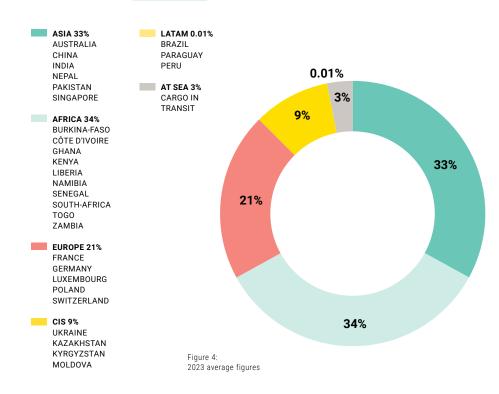
### MAP OF PORTFOLIO COMPANIES



**REPEAT BUSINESS** 

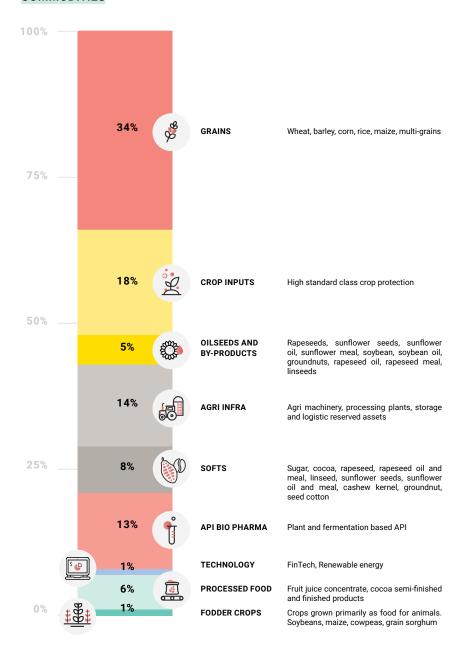
NEW TO 2023: CSMC, MIGR, MOWR, MMLA, ADLI, CICO, DMPS, LPIA, PRCR, GNAO, AANE

### 2023 PORTFOLIO ALLOCATION



### COMMODITIES

### VALUE CHAIN SEGMENTS



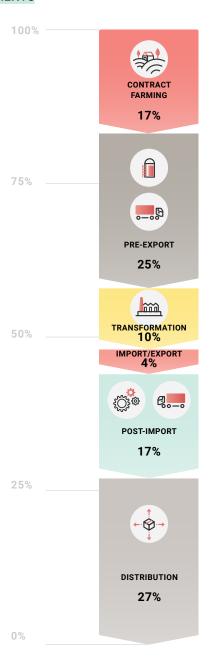


Figure 5: 2023 average figures



### Our Investees' Impact Across the SDGs

### **OUR GLOBAL REACH DURING 2023**

33 COMPANIES SUPPORTED 188M
CAPITAL
DEPLOYED

USD

30 COMMODITIES FINANCED 16
COUNTRIES
REACHED



Investee employees oversee drying of cashew kernels in Lomé, Togo

### **ACROSS ALL VALUE CHAIN SEGMENTS**

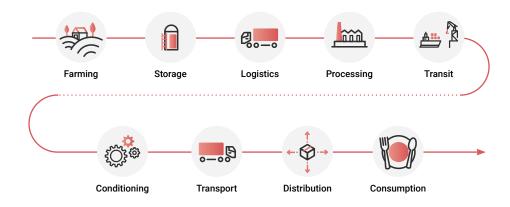




Figure 7: Number of investees per level of contribution to INOKS' impact themes

### **Poverty Reduction**

In 2023 we again channelled our entire capital allocation towards emerging and frontier markets, with a commitment to making tangible contributions aimed at alleviating poverty and bolstering the resilience of vulnerable communities. Our engagement supports cultivating opportunities for decent local employment and value-added activities, establishing safe and secure working environments, and increasing financial and digital inclusion.



Anselme, Origination Analyst at INOKS, conducts onsite visit to cashew suppliers of our investee in Côte d'Ivoire

### **KEY INVESTEE METRICS**



#### LOCAL EMPLOYMENT AND IMPROVED LIVELIHOODS

6,116

direct jobs supported

**86%** of employees

**44%** of managers

were hired from local communities

100%

of employees receive minimum wage 92% are compensated above minimum wage

65%

of employees trained

### SUPPORTING VALUE-ADDING AND PROFITABLE ACTIVITIES

USD 913,870,699

in total revenue

USD 76,574,385

Total Revenue for **Smallholder Farmers** 

LOCAL VALUE **ADDITION** 1,138,692 MT

of food products conditioned and processed, from raw to finished or semi-finished products, enhancing local value generation

LOCAL COMMUNITY DEVELOPMENT

of investees have made medium to high contributions to community development



### **Impact Story**

### Supporting Smallholder Farmers' Livelihoods

Cenfrocafé is a Coffee Cooperative with a mission to be a sustainable and competitive organisation that provides services through its business divisions in both the domestic and international markets. Their goal is to improve the quality of life of its partners and collaborators. Currently it groups more than 2,800 families, associated with 124 base associations, in 11 networks, in the Provinces of Jaén, San Ignacio, and Bagua.

Location

Commodity

Value chain segment







STORAGE, PROCESSING, EXPORT OF GREEN COFFEE REANS

### EMPOWERING PERU'S COFFEE FARMERS: CENFROCAFÉ'S PUSH FOR FAIR VALUE IN A \$225B INDUSTRY

Despite the global coffee industry's value of \$225 billion in 2023, smallholder farmers, who produce over 70% of the world's coffee, face significant challenges like rising production costs, climate change shocks, and are often the most vulnerable to commodity price volatility. These farmers only receive 6-8% of the coffee's retail value, while intermediaries, roasters, and retailers take most profits, underscoring the market's inequity. In Peru, the ninth-largest coffee producer, approximately 225,000 smallholder farmers rely heavily on coffee, but many struggle with low market prices, volatile demand, and high production costs. In 2023, their incomes fell by 20%, while production costs surged by 30%, worsening their financial instability.

By providing services and opportunities to its partners, Cenfrocafé (CSMC) is helping to reshape the coffee value chain and ensure that farmers receive a fairer deal for their work.



Smallholder farmers in Northern Peru

Tell us about the origins of Cenfrocafé. What challenges did farmers face previously and how did they seek to address this through forming the cooperative?



There used to be many challenges, such as low coffee purchase prices, low productivity levels, poor management of old coffee plantations, limited quality controls, lack of infrastructure for both wet and dry processing, and difficulty in accessing international markets.

However, the main challenge was the global coffee crisis of the 1990s, which affected the incomes and livelihoods of thousands of coffee-growing families across Peru. This pushed us to create a cooperative where we could create supportive alliances with regional associations to provide essential agricultural technical services and social benefits to all of our members.

With CSMC, we have overcome all of these challenges. The creation of the cooperative has led to improved incomes for our members, which is essential for accessing basic services such as healthcare, education, and other local services.

# Tell us about CSMC today. What are the benefits for farmers in being a member of this cooperative compared to others?

Currently, we have 2,238 members, including 370 women. The average farm size is 2.63 hectares, with a total of 5,894 hectares. Farmers report receiving better incomes from their work, which has positively impacted their families' quality of life through accessing better housing and education for members and their children.

### How does the cooperative engage with the local communities in which it operates?

We are committed to improving the livelihoods for our members and communities. As part of this commitment, we have agreements with various district and provincial municipalities to support shared community projects, such as environmental care, productivity improvements for coffee producers, reforestation projects, and the rehabilitation and renewal of coffee plantations.

We also have agreements with technological institutes and the National University of Jaén. We have supported the development of educational institutions, health centres, and roads in the intervention areas of our associations; these actions are funded through our own resources and fair-trade premiums.

Please tell us about the coffee production process. We have seen annual increases in the amount of certified organic production, how have the farmers adapted their techniques from conventional production to sustainable agriculture and now organic certified?

Our coffee production is now certified 100% organic, which was not the case a few years ago. We have decided to ramp up our organic



Member of the Cenfrocafé Cooperative in Jaén Province

production in response to the price differences that we have observed. Another important consideration is the contrast in cultivation methods and enhanced attention that farmers who produce with organic methods implement.

Our members have quite positive opinions about organic coffee production compared to conventional methods. They are aware of the benefits of producing organic coffee, including both the higher quality and the differentiated pricing at the time of purchase. All of our members receive training for sustainable and organic programs. We have a technical team and a certification department that manage an annual training plan.

### What are the benefits of producing organic coffee?

The organic production provides significant benefits to the cooperative, the farmers, and their families.

For the cooperative, it leads to higher income, improved profitability per campaign, and access to specialty, sustainable, and organic coffee markets, strengthening its financial stability. The farmers benefit from better living conditions, improved production programs, and higher income from their harvests, with increased profitability per quintal of coffee and healthier housing conditions. The families also see improvements, including enhanced living conditions, better housing, and improved nutrition. These improvements have led farmers to

access to quality education, allowing many children of cooperative members to pursue careers in fields such as agronomy, forestry, environmental science, international trade, administration, accounting, and education, opening doors to better opportunities.

For instance, with 25 quintals, organic coffee generates S/ 5,500 in profit and a 26.83% profitability margin, while conventional coffee yields only S/ 3,750 and an 18.99% margin. Despite higher costs, organic coffee sells at a better price leading to higher overall earnings.



Manual sorting of coffee cherries

# What challenges does CSMC face and how does the cooperative overcome them and prevent them from negatively impacting farmers?

We operate in a highly competitive region, which presents challenges in sourcing parchment coffee from partners who pay prices well above the local market. The competition demands high-quality products that only farmers associated with serious cooperatives or associations, such as Cenfrocafe, can provide. Within the Cooperative, we have intrinsic costs and social expenses, such as technical assistance, certifications, and other social expenses. We believe we are providing fair prices to our partners, but there is still room for improvement.

We believe our partner farmers will not be negatively affected because the Cooperative deals more directly with the costs of international price fluctuations. We are progressing well and aiming to end the 2024 campaign year with positive results for.

Besides that, there are some risks related to the climate, and the fact that varieties are becoming increasingly sensitive to coffee pests, particularly coffee rust. Additionally we face a continued lack of water availability and labour shortages. Conditions in countries like Brazil, especially in their arabica coffee production, reflect similar challenges.



Cenfrocafé Facilities

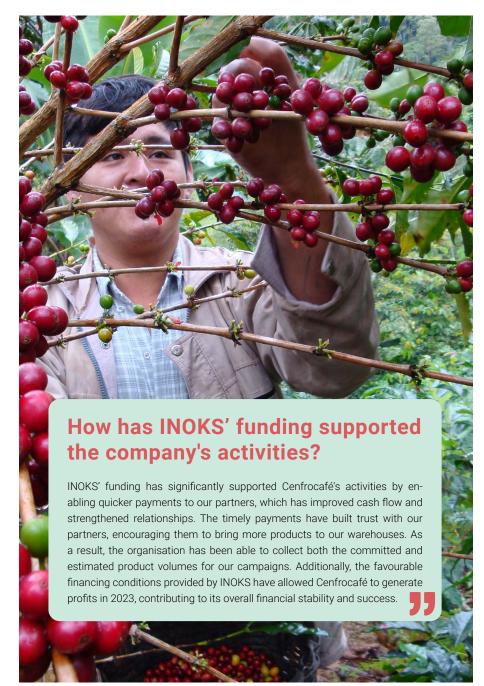
One of the most important effects of organic production is the integrity of the product, followed by its traceability, which helps us manage some of these risks. The composition of the bean contributes to both improved physical and sensory quality. It also helps control price volatility because we have the differentials that add to the average prices. The average differential for organic coffee is \$40.00, with an additional \$20.00 for fair trade.

# What does CSMC consider to be the most significant growth opportunity in terms of its operations and the future of coffee production and processing?

Our main opportunity lies in increasing productivity per hectare. Currently, we average 16 quintals per hectare (55.20 kg per quintal) of dry parchment coffee, but we believe we can reach 24 quintals per hectare (55.20 kg per quintal) within three years. This will allow us to expand our projections for coffee collection and commercialisation, and consequently, provide potential development of the coffee processing services at our facility in Uña de Gato.

### What does CSMC believe is the greatest opportunity for growth in terms of creating a coffee value chain that is fairer for producers and countries of origin?

With increased productivity and available resources (liquidity), we have the potential to harvest more dry parchment coffee and expand the processing of roasted and ground coffee for local, national, and international markets. Currently, our facility is operating at 40% capacity. We are selling roasted and ground coffee in Jaén and other regions of the country. Additionally, we are exporting via Nestlé to Bolivian markets and are considering entering the Argentine and Chilean markets.



Peruvian farmer picking coffee cherries

### **Food Security**

In 2023, 84% of our financing directly supported companies engaged in the agricultural sector (including agricultural production, processing, trading, or the provision of agri-inputs). Our aim is to increase food availability and access through improved productivity, resilient agricultural practices, local and sustainable food production systems, and efficient channels of food trade.

### **KEY INVESTEE METRICS**



### **FOOD AVAILABILITY**

### **AGRICULTURAL YIELDS**

2023 was a year of small relative growth for our investees, with an average **0.76% increase** in yields on the main crop produced across all INOKS investees

### SMALLHOLDER FARMERS

56 949

smallholder farmers were reached, with **52 637 trained** and provided with technical assistance

**STAPLE FOOD PRODUCTION** 

183 727 MT

of staple crops produced (rice, maize, wheat...)

LOCAL PRODUCTION, LOCAL SALE

40%

of INOKS' investees products are sold locally

427,695 MT

of agriculture and nutritious food products distributed locally or exported



Processing and Storage Facility in Liberia



### **Impact Story**

### Contributing To Food Access and Availability

Modern Mills of Liberia (MMLA) produces and sells both flour and animal feed. The company imports wheat from Europe and South America, processes it into flour, and supplies it to bakeries, food and beverage companies, and other customers across Liberia. A by-product of the flour production, wheat bran, is also produced and used for animal feed. MMLA operates a processing plant to meet Liberia's local demand for flour, which was previously reliant on imports.

Location

Commodity

Value chain segment





WHEAT



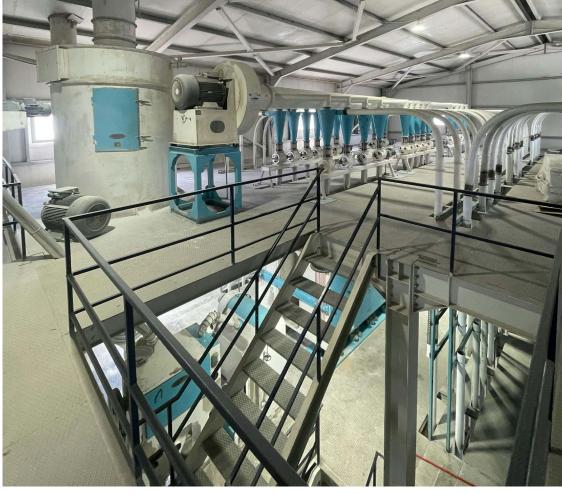
**IMPORTATION & PROCESSING** 

#### MMLA'S ROLE IN STRENGTHENING LIBERIA'S FOOD SECURITY

Despite significant developments over the last decade, the West African nation of Liberia faces significant concerns around food insecurity and malnutrition for its population. Modern Mills of Liberia (MMLA) our Liberian investee contributes to food security through the importation of wheat into the country and local value-added activities through operating a factory and warehousing facility to produce and store wheat flour, wheat bran and animal feeds for onward domestic sale.



Warehouse Facility in Liberia



Wheat Processing Facility in Liberia

### What is the company's history, mission, and growth plan over recent years?



We started in 2016 importing wheat, milling it to produce flour and wheat bran, with a purpose to cater to the needs of the Liberian population with local wheat processing. In 2022, we produced 21,021 tons of flour. Thanks to market growth and increased consumer acceptance, our production rose to 31,204 tons in 2023. As of July 2024, we have produced 15,238 tons.

We added a feed mill in November 2022, and are now processing wheat bran and providing quality animal feed to small farmers who previously lacked access.

In terms of supporting domestic agriculture and food businesses, with our increased capacity, we no longer need to import flour, as everything is now processed locally. The addition of animal feed as one of our locally produced products is encouraging farmers to raise more chickens and other livestock due to the readily available local feed supply, which multiplies our positive impact increasing the local food availability.

# In addition to local value addition generated through the processing activities of MMLA's milling plant, the company also plays a crucial role in supporting decent employment for Liberians. How does the company support job creation?

We are very pleased to currently employ 90 permanent and 33 temporary employees, and we are particularly happy as most of them are people from the local communities. We have also been actively increasing women's representation in the workforce, including in middle and upper management, with the goal of achieving 30% of the total workforce. And progress is encouraging as 31 of our staff are women, including 3 in managerial positions.

We don't stop there, the company has implemented yearly training initiatives aimed at employees' capacity building and boosting job proficiency. These programs encompass both departmental and specialised training, ensuring

that each employee receives at least three distinct training sessions annually.

We also extend these training initiatives to include our customers, for example providing training to smaller farmers on how to effectively feed their chickens, increasing efficiency and egg production, or providing some bakeries with training to make better and more nutritious bread



Feed Mill Machine in Liberia

#### WHEAT TO FLOUR TRANSFORMATION















### **IMPORT**

The grain is imported from established international suppliers into Monrovia and transported to MMLA's facilities.

### **CLEANING AND STORING**

The grain is cleaned to remove impurities and then stored according to its quality.

### **WASHING AND SORTING**

The grain is screened and separated by size, shape and weight of the kernel.

### CONDITIONING

Conditioning takes place before the milling commences in order to produce uniform moisture content and to prevent breakup of the grain.

### **GRISTING**

Different batches of wheat grains are blended to make a mixture capable of producing the desired flour.

### **MILLING**

Milling includes separating the bran and germ from the endosperm, grinding and purifying to produce the finished flour product.

### **PACKAGING & DISPATCHING**

The final products of flour and wheat bran are packaged and forwared for storage or transportation to distributors.

Pandemics, climate change and geopolitical shocks have shaken agrifood systems and markets over recent years and have contributed to increased food insecurity across the world to different degrees of severity.

What external challenges has MMLA faced and what actions has the company taken to ensure supply and allow for sustainable growth?

The past two years have been challenging with price fluctuations and freight availability. These and many other hurdles we have managed effectively by maintaining a good balance between stock depletion and stock renewal, which allowed us to have enough buffer to handle any freight shortages and manage price fluctuations.

Additionally, by adding the feed mill, we are now utilising wheat bran that was previously wasted and processing it to grow the poultry market to increase demand and sell more feed, which has added an additional revenue source.

Furthermore, we invested in installing solar power allowing us to reduce costs and therefore enhancing our competitiveness.

How does MMLA evaluate its contribution in the domestic market and to food availability and access across the country?

One thing that we have not mentioned is our emphasis on selling high quality products. We have become the largest player in the market due to the superior quality of our products compared to the competition.

Food availability in the country depends highly on rice imports. With our increased capacity for flour, we provide an alternative to rice across the country so that the food supply is not reliant on a single commodity.

Something else worth mentioning is that, to date, we have not differentiated our strategy for distribution into rural or urban areas, but we are currently planning to expand our sales team to explore additional harder to reach regions, so that these areas and communities also benefit from having more variety.



Wheat Flour Production Lines in Liberia



Bags of Flour and Wheat Bran

### **Environmental Quality**

This impact theme focuses on climate change mitigation and adaptation, and resource efficiencies. Our investees follow sustainable agricultural practices or support the transition within their supply chains, provide or use sustainable energy solutions, or implement waste and recycling management systems. We support companies to improve their footprint or develop solutions that contribute positively to the environment.



Legume farmer and on-field agent in Zambia

### **KEY INVESTEE METRICS**



### ENVIRONMENTAL POLICY IN PLACE

14

investees have an environmental policy in place

### RESOURCE EFFICIENCY TARGETS

5

investees have set clear targets to improve resource efficiency (water and energy efficiency and/or waste reduction targets)

### INFLUENCE OVER SUPPLY CHAIN

14

investees have medium to high influence over their supply chain to improve sustainable practices among suppliers of raw materials



### CLIMATE CHANGE MITIGATION MEASURES

39%

of our investments towards companies active in agricultural production contribute to the mitigation of climate change through the establishment of advanced agricultural practices to reduce GHG emissions (zero or reduced tillage, increased soil organic matter, use of organic fertiliser, shallow flooding, etc.).

### RENEWABLE ENERGY

61%

of the total energy consumed by 2023 portfolio's companies was from renewable sources (mainly sugarcane-based ethanol, the biofuel with the lowest WTW GHGs emission profile able to replace gasoline).



### **Impact Story**

### Advancing Access to Clean Energy

MPower distributes solar appliances and equipment in Africa, improving the access to affordable energy allowing communities and business to be more self- sustainable, less reliant on the traditional grid power, often unreliable and expanding the use of clean energy.

Location

Commodity

Value chain segment





**SOLAR PANEL** 



IMPORT, STORAGE & SALES/DISTRIBUTION

#### **CLEAN ENERGY**

43% of Africans - over 600 million people - lack access to reliable electricity, with rural areas facing the starkest energy poverty. Poor infrastructure not only limits daily life but also restricts economic opportunities and educational progress. With the rapidly growing energy demands across the continent, there is a risk of increased dependence on fossil fuels. However, Africa holds enormous renewable energy potential, with abundant solar, wind, and hydro resources that can drive a green transition. Investing in solar infrastructure, in particular, could be transformative, supporting economic growth while reducing reliance on carbon-intensive sources. With enough investment to harness sustainable energy solutions enabled by modern tech efficiencies, Africa can bridge the access gap and build a resilient, green future to achieve the region's energy development and climate goals in unison.

Our investee MPower is helping lead this transition by providing solar appliances and equipment to underserved communities, bringing affordable, reliable energy to businesses, households, and communities across the continent.



Solar Energy in Togo



Solar panels for EnergyHubs in Zambia

### What types of products and services does MPower provide and how has the company scaled its activities in different markets?

MPower is dedicated to providing clean and sustainable energy solutions across emerging markets, with a particular focus on Africa. Our product portfolio includes solar home systems, EnergyHubs, and larger systems designed to meet the energy needs of households, businesses, and communities.

Our market entry strategies are carefully tailored to the unique conditions of each country. We have adapted our approach based on the local consumer financing landscape and the current energy system, with grid access, power prices and reliability impacting the attractiveness of the different products. We also offer innovative payment solutions like payroll deductions, which make solar energy more accessible.

In markets with a higher percentage of off-grid populations and less reliable grid power, such as Zambia and Togo, our focus has been on providing robust solar home systems and EnergyHubs that offer consistent energy access. In contrast, in markets where grid connectivity is more prevalent, but power reliability and prices vary, like Ghana, we emphasise backup power solutions and hybrid systems that can complement existing grid access.

Half of the population of sub-Saharan Africa lives without access to the traditional power grid or where supply is often interrupted. Common off-grid alternatives are diesel generators or wood-burning stoves to power businesses and households. How does MPower engage customers on the topic of purchasing a clean energy replacement?

Frustration with unreliable energy access has driven many people to seek and learn about alternative solutions. While challenging circumstances such as extended power outages and loadshedding naturally draw people to us, we also actively engage in marketing and outreach activities to raise awareness about the benefits of clean energy.

We conduct product presentations in communities, join events, host radio shows in local languages, and leverage online marketing and social media to reach a wider audience. We do this by ourselves and also in close partnership with our partners and other stakeholders.

Through these efforts, we not only address immediate energy needs but also educate communities on the long-term financial savings, health benefits, and environmental impact of switching to solar energy. Our comprehensive approach ensures that more people are informed about and have access to sustainable energy solutions.

### Access to energy in rural areas is often even more intermittent. How has MPower supported localised energy access for the most underserved communities and businesses?

In rural areas, many communities have been disappointed by unreliable services and companies in the past and therefore gaining trust is of utmost importance. We understand that investing in a solar solution is a significant decision, as it often represents a substantial financial commitment. At MPower, building and maintaining trust is at the core of our approach. Our commitment to reliability has resulted in a high share of returning customers who know they can depend on us for consistent and quality service.



Mounted Solar Panels in Cameroon



Anselme Affoumou, INOKS Origination Analyst, meets the MPower team in West Africa

The EnergyHubs initiative was born out of a need to provide decentralised, reliable energy solutions that can serve as a nucleus for community development. To date, MPower has deployed 13 EnergyHubs in Zambia, with 11 of these powering rural health centres for free.

EnergyHubs not only provide electricity but also function as solar-powered business hubs, supporting local economies by working with local employees and entrepreneurs. These hubs have become vital community assets, enabling health centres to operate efficiently, supporting local businesses, and fostering economic growth in remote areas. The impact of these hubs extends beyond just providing energy—they are catalysts for broader social and economic development within the communities they serve.

By delivering dependable solar solutions and offering consistent after-sales services, we've earned the trust of the communities we serve. This trust is not just about providing energy; it's about ensuring that our customers feel confident in their investment and supported by a partner dedicated to meeting their long-term energy needs.

A key element of MPower's success is leveraging partnerships with multiple local stakeholders. How has this approach worked to differentiate the company from other solar providers in the region?

These partnerships have allowed us to build trust within communities, understand their unique energy needs, and provide tailored solutions that resonate with them. By working closely with local partners and stakeholders, we ensure that our products and services are not only technically sound but also culturally and economically appropriate, giving us a competitive edge over other clean

energy providers who may not have the same level of local insight and involvement.

Another positive aspect is that by closely working with local partners on one end and manufacturers on the other end we are able to quickly implement improvements on the products.

### What's next for MPower in terms of business growth and harnessing tech innovation for fuelling the future of the clean energy transition in emerging markets?

Looking ahead, MPower plans to expand its reach to additional African markets while continuing to innovate and improve its offering. We are exploring providing additional financing solutions, particularly targeting small and medium-sized enterprises (SMEs) and supporting the growth of e-mobility solutions.

In terms of technological innovation, we are focused on enhancing our digital tools, particularly by streamlining remote monitoring for all solar installations. This will allow us to optimise system performance, reduce downtime, and provide proactive maintenance, ensuring that our customers enjoy reliable and uninterrupted energy access.

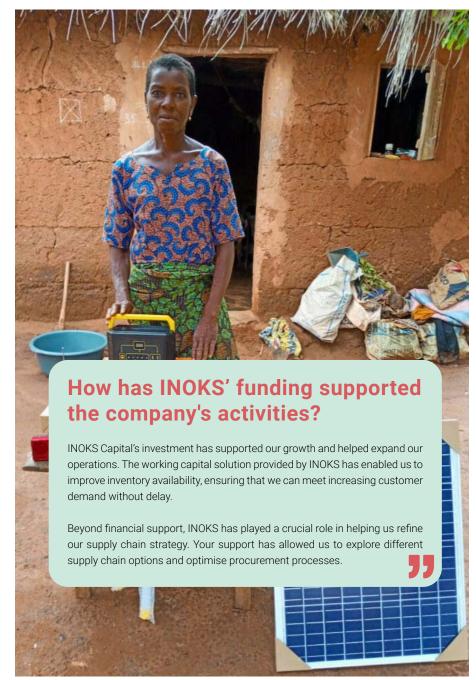
### Are there any other key achievements during the last year that you would like to share with us?

In 2023, we have been able to carry out many impactful projects. One of the projects we are particularly proud about – and a project that has been supported by INOKS - is to bring solar energy to over ten hospitals and health centres in Ghana and Togo.

Overall, our most significant achievements have been the growth and development of our team. We are now a strong and motivated group of 60 staff members across all our markets, united by a shared mission to drive the clean energy transition in Africa. This expansion is particularly meaningful when we reflect on our beginnings at the end of 2017, when MPower was just an idea brought to life by the three co-founders.



MPower team and product offering



MPower Customer of Solar Panel for her household

### Women **Empowerment**

This impact theme focuses on climate change mitigation and adaptation, and resource efficiencies. Our investees follow sustainable agricultural practices or support the transition within their supply chains, provide or use sustainable energy solutions, or implement waste and recycling management systems. We support companies to improve their footprint or develop solutions that contribute positively to the environment.



## DIRECT JOBS SUPPORTED FOR WOMEN 1,088

WOMEN SMALLHOLDER FARMERS REACHED

19,056

accounting for 33% of total SHFs

TRAINING FOR WOMEN SMALLHOLDER FARMERS

99%

of women SHFs received training

% WOMEN IN SENIOR MANAGEMENT

28%

AVERAGE % WOMEN IN BOARD OF DIRECTORS

15%

% women-owned enterprises 33%

(2X Challenge Criteria)

% WOMEN-LED ENTERPRISES 48%

(2X Challenge Criteria)



Women farmers of Togolese investee



### **Impact Story**

### Championing gender lens for greater inclusion

Lupiya is a Zambian digital lending company committed to increasing financial inclusion for marginalised populations with a particular focus on women's financial inclusion, for whom Lupiya provides tailored products such as 'Lupiya for Women'.

Location

Sector

Value chain segment





**FINTECH** 



LOANS FOR PRODUCTIVE USE

### **WOMEN EMPOWERMENT**

Currently, around 80% of Africans still lack access to formal financial services, and cash-based transactions remain prevalent across Sub-Saharan Africa, with digital financial services expanding but not yet widely adopted. In Zambia, financial inclusion rates have risen impressively over the past decade, reaching approximately 75% by late 2023. However, this growth has been largely driven by mobile money adoption rather than banking services, with rural and remote areas remaining underserved. Only 10% of Zambia's rural population utilises banking services, highlighting a significant gap between urban (84%) and rural (around 57%) financial inclusion rates (2023). For Zambian women specifically, whilst financial inclusion has seen remarkable gains in recent years, entrenched barriers persist.

Lupiya, a woman-owned Zambian fintech, addresses these barriers by providing loans and savings solutions across the country to underserved communities. By specifically supporting women, Lupiya helps to challenge gender norms and bridge the inclusion gap.



AfriDelivery's MD (an SME borrower of Lupiya), Lupiya's CEO, and INOKS' ESG specialist, on a site visit

Lupiya offers a range of financial solutions to traditionally underserved customers, especially microentrepreneurs and small to medium businesses. How do Lupiya's products support financial inclusion and local entrepreneurship?



As entrepreneurs who have firsthand experience with the challenges of financial exclusion, we designed Lupiya's products to make financial access possible for everyone in Zambia and the broader African region.

We have forged collaborations with both global and local partners such as Mastercard, Yango, Accelerating Impacts of CGIAR Climate Research for Africa (AICCRA/CGIAR) and BookNow. These development and commercial partners illustrate the extent of our efforts to reach financially excluded customers, enabling us to help microentrepreneurs and businesses grow. Our ambition is to transition as many microenterprises into SMEs as possible.

We utilise partnerships to reach prospective borrowers and tailor our products to their financial needs. For example, our partnership with Yango provides working capital for fuel purchases for drivers, our collaboration with Booknow aims to open up access for market micro-traders, and our partnership with AICCRA focuses on scaling solar irrigation.

Additionally, our work with Business Member Organisations allows us to effectively serve SMEs that fall into the "missing middle" conundrum.

Which products that you offer are of most interest to women? Has Lupiya tailored any products or services to unlock the potential of women entrepreneurs?

Yes, we have a product called Lupiya4Women. For this, we take deliberate steps in understanding women-owned businesses and structuring offerings around the unique circumstances of women entrepreneurs, which is a relatively new phenomenon in the region.

As a result of the nascent stage of women enterprises, we have lowered requirements around historical records, for example. Instead of only considering women entrepreneurs with more than 3 years of financial records, we lower this threshold and consider other risk mitigation mechanisms. These include offering lower loan amounts to help build credit history and providing access to guaranteed markets by leveraging technical support through our NGO partner network to lower the risk of default.

To further empower women in business, we conduct training sessions and ensure our marketing efforts target platforms that are easily accessible to women entrepreneurs.

This approach has allowed us to unlock the potential of women entrepreneurs by making financial products more accessible and tailored to their specific needs.

The African continent is reported to host the highest number of women entrepreneurs in the world: in sub-Saharan Africa, approximately every one in four women starts or manages their own business. Can you give us a snapshot of women entrepreneurs and their businesses that Lupiya serves within Zambia?

Women entrepreneurship, while still developing in Africa, is steadily rising. Lupiya is dedicated to supporting the growth and success of women entrepreneurs across Zambia and to design products that appeal to and empower female enterprises.

Women-led businesses supported by Lupiya span a wide range of industries. However, we have observed a higher concentration in sectors such as agriculture, trade, and manufacturing. For example, women entrepreneurs in sustainable furniture manufacturing, cold food storage to reduce waste, food processing, and in trade businesses. These businesses not only provide economic opportunities but also contribute positively to the social fabric by offering alternative skills and employment in underserved communities.



Lupiya's Co-founder and CEO, Evelyn Kaingu, visiting an agri-SME borrower in Zambia

Has the company identified any consumer behavioural tendencies that are specific to women borrowers?

Generally speaking, when comparing women-led businesses to those led by men, a few differences are evident.

Women tend to exhibit slightly better repayment rates, showing a cautious approach to projections and a phased growth strategy.

**Women entrepreneurs often request lower loan** amounts compared to their male counterparts, reflecting their cautious approach to scaling their businesses.

**Shorter tenors and loans** that align closely with their immediate business needs are also favoured by women clients, ensuring manageable repayment schedules.

Repayment behaviour, loan amounts, tenor and type are the most notable differences.

Despite the high level of entrepreneurship, it is widely understood that women often face hurdles in access to capital, especially loans or credit to support business growth. Globally, it is estimated that there is roughly \$1.7 trillion financing gap for women-owned SMEs.

Has Lupiya noticed any specific reasons that inhibit women's access to finance in Zambia or more broadly across the continent?

At both the national (Zambian) and regional (African) levels, Lupiya has observed several challenges and trends that inhibit women's access to finance. These include:

- ① Limited Collateral: Many women lack ownership of assets that are traditionally required as collateral for loans, making it difficult for them to access formal financial services.
- Cultural and Social Norms: Societal expectations and gender roles often restrict women's participation in economic activities, limiting their financial independence and access to credit.
- ① Financial Literacy: There is often a gap in financial literacy among women, which affects their ability to navigate the financial system effectively and make informed decisions about loans and investments
- ① **Digital Divide**: In many areas, women have less access to digital technologies, for example relying on their male partners' mobile phones, which increasingly play a critical role in accessing financial services, especially with the rise of fintech solutions such as ours.
- ① Discriminatory Lending Practices: In some cases, traditional financial institutions may have biases or policies that disadvantage women, such as requiring a male guarantor for loans.

### What processes has Lupiya implemented to overcome this potential perceived gender bias?

Lupiya has implemented several internal processes and systems to support entrepreneurial access to finance for women.

- @ Gender-Sensitive Credit Scoring Models: Lupiya has developed and adopted credit scoring models that consider the unique challenges faced by women entrepreneurs, such as lack of collateral or shorter credit histories. These models are designed to assess creditworthiness based on business potential and alternative data sources, rather than relying solely on traditional metrics.
- Inclusive Loan Assessment Processes: The loan assessment process at Lupiya has been structured to ensure inclusivity, with a focus on reducing any unconscious biases. This includes training for loan officers to recognise and counteract gender biases during loan evaluations, ensuring that women receive fair consideration.
- Tailored Financial Products: Lupiya offers financial products specifically designed for women entrepreneurs, considering their distinct needs and challenges. These products often come with more flexible terms, such as lower interest rates, longer repayment periods, or reduced collateral requirements, making it easier for women to access finance.
- Partnerships with Women-Focused Organisations: Lupiya actively collaborates with organisations that support women entrepreneurs, such as women's business networks and advocacy groups. These partnerships help Lupiya to better understand the needs of women entrepreneurs and to reach more female clients who might otherwise be excluded from traditional financial services.
- Financial Literacy and Business Training: Recognising that financial literacy is a significant barrier for many women, Lupiya provides financial education and business training programs. These programs empower women with the knowledge and skills needed to manage their finances effectively and to grow their businesses.

Lupiya is leading the charge for promoting gender equity in company leadership and across its workforce. How has the company embedded diversity and inclusive practices into company culture?

Lupiya practises equal opportunity employment, uses gender-neutral job descriptions, and actively recruits women through partnerships with women-focused networks.

The company promotes women into leadership roles and ensures female representation in decision-making, supported by mentorship. Ongoing education is key - regular training and open dialogues on diversity and inclusion are essential to maintain an inclusive culture and address emerging challenges.

Lupiya also engages in community development, advocating for women in finance and actively participating in industry forums to promote gender diversity.



### 59

### **Alternative Trade Financiers and Aggregators**

An Alternative Trade Financier (ATF) is a broad umbrella term that encompasses any intermediary that provides trade or supply chain finance solutions to businesses, particularly for micro, small and medium-sized enterprises (MSMEs). The category includes non-bank financial institutions and trade finance providers, fintech's, tech-based B2B/B2C platforms, digital credit providers, small banks and forfaiting institutions. All tend offer more flexible and tailored financial products, such as through products like loans or invoice financing.

The ATFs that we seek through this mandate especially target microentrepreneurs and MSMEs; entities that historically have lacked access to traditional financial services. As SMEs are the backbone of the economies in many of the markets in which we operate, the ATFs provide

a critical service to support and facilitate trade and finance for these businesses, which drive economic activity particularly across underserved or vulnerable population groups. Many ATFs also seek to incorporate environmental, social, and governance (ESG) criteria into their funding decisions, encouraging sustainable and responsible business practices.

Aggregators are defined as companies that aggregate goods and services with the intention to provide to mass market. They may also offer financing to their buyers or suppliers, but their main activity is the purchase or sale of physical products. Many of these enterprises develop or utilise tech-enabled platforms to facilitate their activities and capture accurate data, enabling greater efficiencies and value chain transparency.



Entrepreneur in her sewing workshop, working with a solar powered sewing machine

### WHY WE INVEST IN ALTERNATIVE TRADE FINANCIERS AND AGGREGATORS

### Promoting financial inclusion

ATFs and Aggregators support SMEs and microentrepreneurs in overcoming traditional barriers to growth. Many MSMEs had limited or no prior access to financial services. This inclusion enables small entrepreneurs to build a track record and credit history, which allows them to unlock additional financial services. This enables businesses to scale, create jobs and stimulate local economies

### Market access for small producers

In many developing countries, small farmers or manufacturers often struggle to access larger markets due to fragmented supply chains, lack of infrastructure, and limited market knowledge. Aggregators can support overcoming this challenge by aggregating products from multiple small producers and selling them to larger markets, helping increasing revenues.

### Innovative financial models

ATFs often use innovative technology to offer their services through offline and online channels. These platforms make financing more accessible and efficient, removing physical barriers and allowing businesses in remote or underbanked regions to access funds, without the need to travel to physical branches.

### Tailored and efficient funding

By building alternative processes and systems to assess risk, which are tailored to these enterprise types, ATFs and aggregators can provide flexible financing solutions to companies and markets where traditional banks have not reached.

### Focus on specific sectors or groups

ATFs often specialise in financing specific sectors that traditional banks might consider too risky or complex, such as agriculture, renewable energy, or informal trade. Others have strong social impact motivations and focus on reaching populations in remote rural areas or target women's financial inclusion. playing a pivotal role for the local economic growth in many developing countries.

### Job Creation and Inclusive Growth

Through their financing and non-financial assistance, ATFs contribute to job creation and the growth of local ecosystems. Aggregators provide small producers or farmers with tools, technology, and platforms to increase knowledge sharing and improve market linkages across domestic and international markets.

### Our **Contribution**

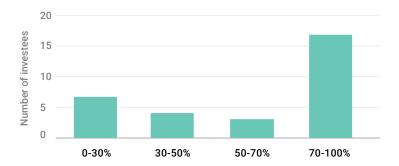
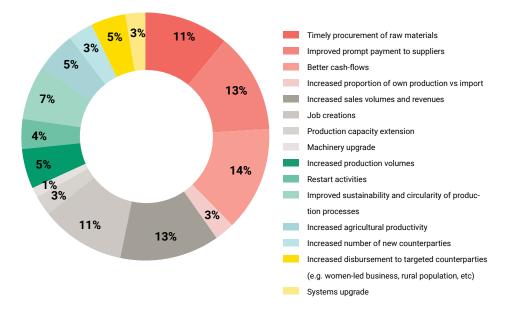


Figure 8: INOKS Capital's financing contribution to investee vs other financiers



Achievements directly attributed to INOKS' financing

### Our **Additionality**

### **FINANCIAL ADDITIONALITY**

#### **OUR FINANCIAL VALUE-ADDED CONTRIBUTIONS**

**Expanding Capital Markets:** In 2023, we allocated investments into 11 emerging markets and 22 frontier markets, where access to capital for agribusinesses is often constrained. The move aimed to stimulate and nurture capital markets that were previously underdeveloped in these regions..

Filling Financial Gaps: In 2023, INOKS Capital provided vital support to 16 companies that had previously grappled with significant barriers in securing the necessary financing from local or international sources.

Supplementing Funding: INOKS Capital's financing opened doors for 9 counterparties, enabling them to access additional funding, fostering their growth and development.

#### NON-FINANCIAL ADDITIONALITY

#### **OUR NON-FINANCIAL VALUE-ADDED CONTRIBUTIONS**

Sustained Dialogue on Impact: We maintain ongoing dialogues with counterparties with investees on Impact and ESG topics. This engagement is formalised through an Impact and ESG Engagement Letter, which outlines established impact targets and initiatives and corrective ESG actions to address during each facility period, which are tailored to the specifics of each investee's activities. The aim is to increase knowledge of Impact and ESG factors on their business, drive better impact outcomes, and enhance overall impact and ESG performance.

Engagement actions: During the reporting year, INOKS established new engagement actions with 10 investees to strengthen E&S risk management and address potential adverse impacts across our investees' activities:

- Social Risk Mitigation: Considerable focus has been placed on IFC Performance Standard 1 to support investees in introducing E&S risk matrices, management systems, policies and accompanying procedures, and tracking of E&S KPIs, including those applicable to the Principle Adverse Impact SFDR reporting requirements. Some interventions have been targeted on enhancing exclusion lists in line with international standards, and E&S checklists for onboarding counterparties. These interventions support the identification and mitigation of risks across other applicable performance standards. With regards to Performance Standard 2, we intervened and supported in for example, strengthening working contracts for direct employees and suppliers; introducing sustainable standards, such as supplier codes of conduct and sustainable procurement certifications; and policies and procedures around human rights, gender equality and supplier risk mapping.
  - We initiated over 31 action lines in these areas during the reporting period.
- Governance Enhancement: In line with the IFC Corporate Governance Guidelines, we have introduced 8 actions related to formalising good governance structures and policies, as well as the functioning and diversity in the Board of Directors. These actions are designed to improve decision-making processes





### Our Engagement In The Ecosystem

### SMARTER CLIMATE FARMERS CHALLENGE

Our commitment to support sustainability and climate resilience across agricultural value chains spans beyond our investment strategy.

Between August-October 2023, where we were delighted to participate in the Smarter Climate Farmers Challenge, a start-up competition organised by the World Economic Forum's open innovation platform and global innovation ecosystem, UpLink, where our team supported with their expertise across sustainability topics and our experience screening for opportunities.

UpLink launches competitions to tackle global pressing issues in line with the UN Sustainable Development Goals. The aim is to source, identify and scale-up high-quality submissions from entrepreneurial start-ups, in complex areas such as circular economy and urban transformation, empowering vulnerable communities, food ecosystems in arid climates, or water pollution.

The Smarter Climate Farmers Challenge was a call directed at start-ups offering innovative and climate-smart solutions, to improve food production, promote better living standards, respond to climate change and lead to the efficient care of the planet's resources within agri-food ecosystems. An purpose that aligns with our mission to drive sustainable change and support agricultural companies that face all manner of climate change shocks and vulnerabilities.

INOKS' CEO, Nabil, and ESG Lead, Isabella, represented INOKS in this challenge as an ecosystem partner, along with other leading investment funds, corporates and NGOs. This participation was in two parts: as an Expert Reviewer and in the Selection Committee of the winning enterprises.

As Expert Reviewers, we evaluated submissions made by innovative enterprises, assessing their business models, track record, and evidence of impact contribution to the focus areas. The challenge had a successful turnout receiving over 250 submissions and a representation from all over the globe. We evaluated solutions to urgent climate-related issues in agriculture through various approaches, such as regenerative agriculture, precision irrigation, crop management, food loss efficiencies, and carbon sequestration.

Only the solutions with the highest scores were debated amongst the Selection Committee, who ultimately selected the 12 winning enterprises. Out of these 12, some stood out as top innovators for a variety of reasons and some impressed INOKS' colleagues with thoughtful contributions to advance a sustainable and climate-smart agricultural model, such as:

- Offering inclusive solutions to rural resilience, such as AMAATI, which operates in Ghana at the intersectionality of climate and gender, reviving degraded soils and training women to cultivate, process and market nutrient grains.
- Propagating efficient water usage, such as the solar-powered drip irrigation solution for farmers, developed by Spowdi in Sweden and deployed across Africa and Asia..
- Harnessing technology for bio alternatives to agrochemicals, such as the Argentinian enterprise UNIBAIO, which deploys biodegradable microparticles to be used as sustainable agri-inputs.
- Supporting circular agricultural practices to reduce wastage and promote soil health, such as BillionCarbon in India, through converting agri-food waste into bio-fertilisers.

By participating in this challenge, INOKS broadened our understanding of innovations around climate resilience and reinforced our dedication to advancing impactful investments. Our engagement reflects our commitment to reducing environmental and social disparities by uplifting small-holder farmers, promoting sustainable practices, and addressing the pressing impacts of climate change.

Through these efforts, we continue to embrace our role as catalysts for transformative impact, pursuing a future that is both equitable and sustainable.

More information on the Top Innovators in the Smarter Climate Farmers Challenge can be found on the UpLink website.

### **INTERVIEW WITH CITYWIRE**

In an interview with Citywire in January 2024, our CEO, Nabil Marc Abdul-Massih, shared insights into how INOKS Capital navigates market volatility and positions itself for sustainable growth. The conversation underscored the importance of proactive risk management, diversification, and strategic asset allocation as key strategies in today's uncertain economic landscape.

Nabil emphasised that the firm employs two main approaches to mitigate risk. First, by diversifying investments beyond traditional asset classes, the company explores alternative and uncorrelated opportunities to buffer against market fluctuations. Second, the firm maintains a defensive positioning by carefully managing its exposure to riskier segments, ensuring that the portfolio can weather potential downturns while still capturing growth opportunities. Nabil also highlighted the importance of remaining agile and responsive to global economic shifts, underscoring the value of a well-rounded, disciplined investment philosophy.



Nabil Marc ABDUL-MASSIH explaining INOKS Capital's approach to investing



Additionally, Nabil discussed how the Ukraine war has influenced the firm's food-focused fund. The conflict served as a wake-up call, emphasising the importance of investing in sectors that are resilient to geopolitical disruptions. The firm has adapted by prioritising investments in sustainable agriculture and supply chain innovations, recognising the need for stability in global food systems. This approach aligns with the broader mission of mitigating risks while pursuing impactful, long-term opportunities in essential industries.

These discussions provided a comprehensive overview of how the management drive a strategy that seeks to balance risk and opportunity, intending to protect investor interests and secure long-term return.

### 68 INOKS CAPITAL 2023/2024 IMPACT REPORT

## **Participation** in Industry Events and Conferences

Throughout 2023-2024, we actively engaged with our industry peers and partners, leveraging conferences as platforms to deliberate on the intricacies and potential of impact investing, with a special focus on the finance of agri food systems including fintech and renewables.

3-5 October 2023

## GLOBAL IMPACT INVESTING NETWORK (GIIN) INVESTOR FORUM, Copenhagen

As a dedicated member of the GIIN, INOKS Capital attended the GIIN Investor Forum, joining a distinguished gathering of impact investors to discuss translating net zero.

October 2023

## OLAM, Swiss Fair for Agriculture and nutrition, St. Gallen

With over 300,000 visitors annually, OLMA is the most popular public fair in Switzerland. Over 600 exhibitors present a wide range of products, services and specialities.

October 4 - 5, 2023

## Global Impact Investing Network (GIIN) Investor Forum, The Hague

As a dedicated member of the GIIN, INOKS Capital attended the GIIN Investor Forum, joining a distinguished gathering of impact investors to discuss translating net zero commitments into real climate progress.

08- January 2024

### Citywire Switzerland

INOKS Capital has been participating in a special feature on Citywire Switzerland about Private Market Investments connected with Food. 1 February 2024

#### Davos

#### Africa Collective Davos week

INOKS Capital was pleased to speak during the event in a breakfast rountable during the Africa Davos event.

March 11-12 2024

### Super Return Private Credit, London

INOKS Capital actively engaged in the landmark Super Return Conference focusing on Private Credit investments and market opportunities and challenges.

April 11th 24

### Luxembourg

EIF and INOKS Capital have been announcing EIF Support INOKS Capital's New Strategy to Foster European Union Agricultural Transition, please see under the link the original press release from EIF: https://www.eif.org/InvestEU/news/2024/eif-and-investeu-back-inoks-capital-run-fund-for-sustainable-food-systems.htm

### April 23-24 2024

### BAI Alternative Investment conference, Frankfurt

INOKS Capital participated in the annual BAI Alternatives conference in Germany which is the leading Alternatives gathering in the region.



Peanuts stored and processed by South African investee

### INDUSTRY PARTNERSHIPS AND AWARDS

INOKS Capital's commitment to excellence and impactful investing continues to be recognised through a series of notable achievements in the 2023-2024 period.

In addition, our commitment to generating positive social, environmental, and financial impact earned us a place in the esteemed ImpactAssets 50™ for the fifth consecutive year now, starting 2020, 2021, 2022, 2023 and 2024. This recognition is a testament to our unwavering pursuit of meaningful change and our continuous inclusion in the IA 50 list emphasises our standing as a leader in impactful investing across diverse geographies, asset classes, and impact areas



Grain storage facility in Kazakhstan

### **ECOSYSTEM PUBLICATIONS & REPORTS**

In 2023-24, INOKS Capital also participated in and/or sponsored various publications and reports to raise awareness of impact investing and ensure that the sector continues to flourish.

IFZ Sustainable Investments Study, by Prof. Dr. Manfred Stüttgen und Brian Mattmann, 2023 Featuring INOKS Capital, this study offers insights into the regulatory landscape of sustainable investments in the European

Union and Switzerland...

- Private Asset Impact Fund (PAIF), Report.
   Tameo, 2023
  - Featuring INOKS Capital, this report provides insights into emerging market impact investment funds, including key terms, financial performance, and impact trends.

- IA 50 2024 Manager (ImpactAssets 50 list)
  - Featuring INOKS Capital for the fifth time in a row in the global esteemed IA 50 Manager list.
- GTR (Global Trade Review) Directory (2023-2024)
  - Featuring INOKS Capital, the 19th edition of the GTR Directory offers 2,000+ industry contacts worldwide, distributed at conferences and online.



Grain storage facility in Kazakhstan

#### **AFFILIATIONS**



### ALTERNATIVE INVESTMENT MANAGEMENT **ASSOCIATION (AIMA)**

A global association representing the alternative investment industry, fostering collaboration and providing insights. www.aima.org/about.html



### SUSTAINABLE FINANCE GENEVA (SFG)

A platform in Geneva driving sustainable finance initiatives and knowledge-sharing to promote environmental and social responsibility.

www.sfgeneva.org



### PRINCIPLES FOR RESPONSIBLE INVESTING (PRI)

An international network advocating for responsible investment practices to address environmental, social, and governance (ESG) issues.

www.unpri.org



#### **EUROSIF**

An advocate for ESG integration and sustainable finance practices across Europe.

www.eurosif.org



### FORUM NACHHALTIGE GELDANLAGEN (FNG)

Germany's sustainable investment forum working to advance ESG integration and sustainable finance practices.

www.forum-ng.org/en



### SWISS-AFRICAN BUSINESS CIRCLE (SABC)

A platform fostering business relationships between Swiss and African companies for mutual economic growth. www.sabc.ch/fr/accueil



### SWISS SUSTAINABLE FINANCE (SSF)

A Swiss network promoting sustainable finance to align financial industry activities with environmental and societal goals. www.sustainablefinance.ch/



### GLOBAL IMPACT INVESTING NETWORK (GIIN)

A worldwide organisation enhancing impact investing's effectiveness and scale to address global challenges.





### OPERATING PRINCIPLES FOR IMPACT **MANAGEMENT (OPIM)**

A framework outlining industry standards for managing and measuring impact investments.

www.impactprinciples.org



### IA 50 MANAGERS (IA)

A resource highlighting top impact investment fund managers creating positive social and environmental impact alongside financial returns.

www.impactassets.org



### SWISS IMPACT INVESTMENT ASSOCIATION (SIIA)

An association driving the growth of impact investing in Switzerland to generate both profit and purpose. www.siia.ch



### ALTERNATIVE CREDIT COUNCIL (ACC)

An industry body within AIMA, focusing on private credit and advocating for its role in institutional portfolios www.acc.aima.org



### THE NET ZERO ASSET MANAGEMENT INITIATIVE

A collaborative effort by asset managers committed to aligning investment portfolios with net-zero emissions.

https://www.netzeroassetmanagers.org/



#### IMPACT EUROPE

A network at the intersection of finance and purpose, driven by knowledge and focused on impact.

https://www.impacteurope.net/

#### **DONATIONS PARTNERS**



### SIDRA CAPITAL

A Saudi Arabian financial institution offering innovative investment solutions across various sectors.

https://sidracap.com/



#### STEWARD REDOUEEN

A consultancy specialised in sustainable business practices, offering expertise in areas such as ESG and impact measurement.

https://www.stewardredgueen.com/



### AGORA GLOBAL

An organization working on projects related to sustainability, environment, and social impact to create positive change.

https://www.agoraglobal.org



### MENNONITE ECONOMIC DEVELOPMENT ASSOCI-ATES (MEDA)

A non-profit organization focused on creating business solutions to alleviate poverty in underserved communities. https://www.meda.org/



### **BRITISH INTERNATIONAL INVESTMENT**

A leading investment group providing financial solutions and investment opportunities.

https://www.bii.co.uk/en/



### **EUROPEAN INVESTMENT FUND**

One of the largest investEU partner helping to improve access to finance for European smaller companies and mid-caps..

https://www.eif.org/index.htm







### **CIVITAS MAXIMA**

An organisation working to bring justice for victims of international crimes and human rights abuses through legal representation.

https://civitas-maxima.org/fr/

#### FONDATION ARCHE DES ABEILLES

A foundation dedicated to beekeeping and environmental conservation efforts.

https://www.mielsdestephanie.ch/

### **LEADER POUR LA PAIX**

An initiative working towards peacebuilding, conflict resolution, and social harmony.

https://www.leaderspourlapaix.org/

#### LIVE TO LOVE

A global network of individuals and organisations engaged in humanitarian and environmental projects to improve lives.

https://www.livetolove.org/



### Our **Governance**

INOKS Capital is primarily owned by its longstanding partner and CEO, Nabil Marc Abdul Massih along with a family office (Jersey based).

### **COLLEGIAL MANAGEMENT**

The Management team is comprised of the Executive Committee consisting of three members: Nabil Marc Abdul Massih, Nicolas Malky and Ivan Agabekov; plus, the Extended Management: Ludovic Brûlé and Ursula Nitschke.

The Executive Committee makes decisions collaboratively on all aspects of strategy, investment, and daily operations as co-ClOs. A majority consensus is required for all decisions.

- Nabil Marc Abdul-Massih serves as the Chief Executive Officer
- Nicolas Malky fulfils the role of Chief Operating Officer
- Ivan Agabekov takes on the responsibilities of Chief Financial Officer
- Ursula Nitschke oversees Marketing and Investor Relations
- Ludovic Brûlé fulfils the role of Head of Corporate Functions

### **BOARD OF DIRECTORS**

The Board of Directors is constituted by six members: two independent, two representing shareholders, and two executives. The balance of skills, experience, cultural diversity, and international backgrounds facilitates effective oversight and guidance of INOKS Capital's strategy within its geographical scope. The Board adheres to all FINMA stipulations and Swiss regulations, including the Swiss domicile requirement for the Vice-Chair and for the majority of its members.

The Board of Directors convenes a minimum of four times annually. In 2023, it convened four times, with a commendable attendance rate of 100%.

Member	Gender	Function	Independence	Birth	Date of first appointment	Fields	Geography
Hani Baothman	М	Chairman	Representing minority shareholder	1969	2013	Engineering, Investment, Development	Europe Asia
Olivier Nicod	М	Vice Chairman	Independent	1978	2014	Compliance, Business law	Europe America
Muhammad Currim Oozeer	М	Member	Non independent (Sidra Capital)	1971	2013	Finance	Asia
Philippe Perles	М	Member	Independent	1961	2019	Sales, Consulting, Investment	Europe
Nabil Marc Abdul-Massih	М	Executive Member	Majority shareholder	1975	2009	Commodities, Investment	Europe Africa
Ivan Agabekov	М	Executive Member	Non independent	1978	2013	Commodities, Investment, Law	Europe Africa



Ukrainian sunflower fields

### **BUSINESS ETHICS**

Given its operational scope and global presence, INOKS Capital is exposed to potential ethical risks. The Compliance Department ensures that all decisions made by staff members are in line with both national/sector-specific regulations, directives, and internal protocols. The Company upholds the FinSA code of conduct (Article 7ss FinSA), which undergoes annual review and requires acknowledgment from all new staff members.

During 2023-2024, employees participated in the yearly anti-money laundering (AML), rules of conduct (including anti-bribery) and cross-border activities training sessions conducted by OA Legal, demonstrating the Company's unwavering commitment to upholding ethical standards.



Brazilian Sugarcane Investee conducts Incident Response Training for employees

### **THANK YOU**

We wish to thank everyone who contributed directly or indirectly to this report and in particular:

- Our investees for their availability
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- Our Impact Committee members for their resourcefulness

If you have any questions or comments about the content of the report, please contact:

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This report was written by INOKS Capital's employees. The disclosed information is a result of INOKS' internal analysis and opinions. It reflects INOKS' impact and activities and is made available for general information purposes and to contribute to greater transparency within the impact investing industry. The report aims to demonstrate as accurately as possible the impact of INOKS Capital's activities. It does not reflect the views of third parties, including those of our partners. Data is primarily collected from the companies within INOKS Capital's portfolio and is subject to information availability.

