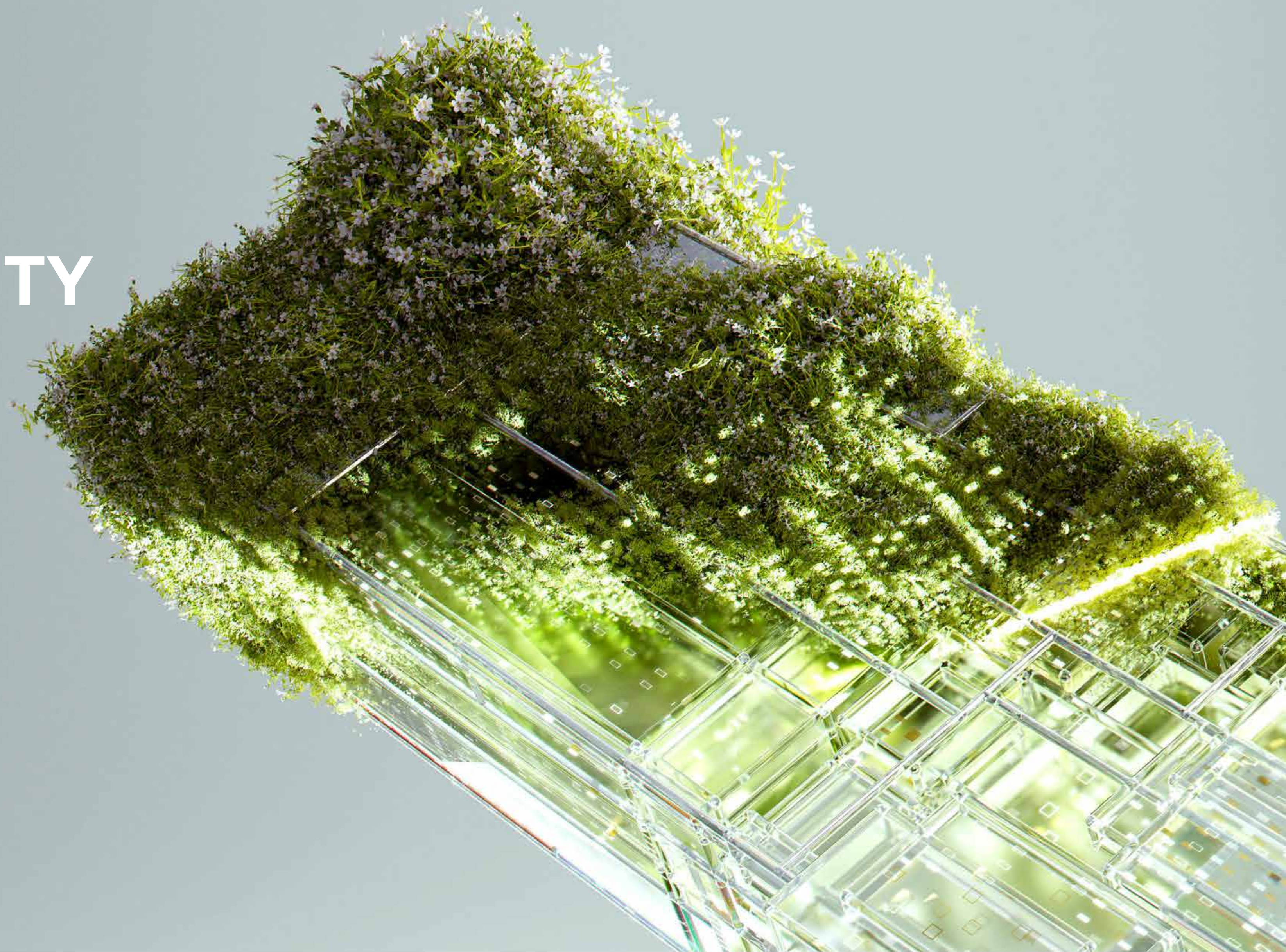


SUSTAINABILITY REPORT 2024

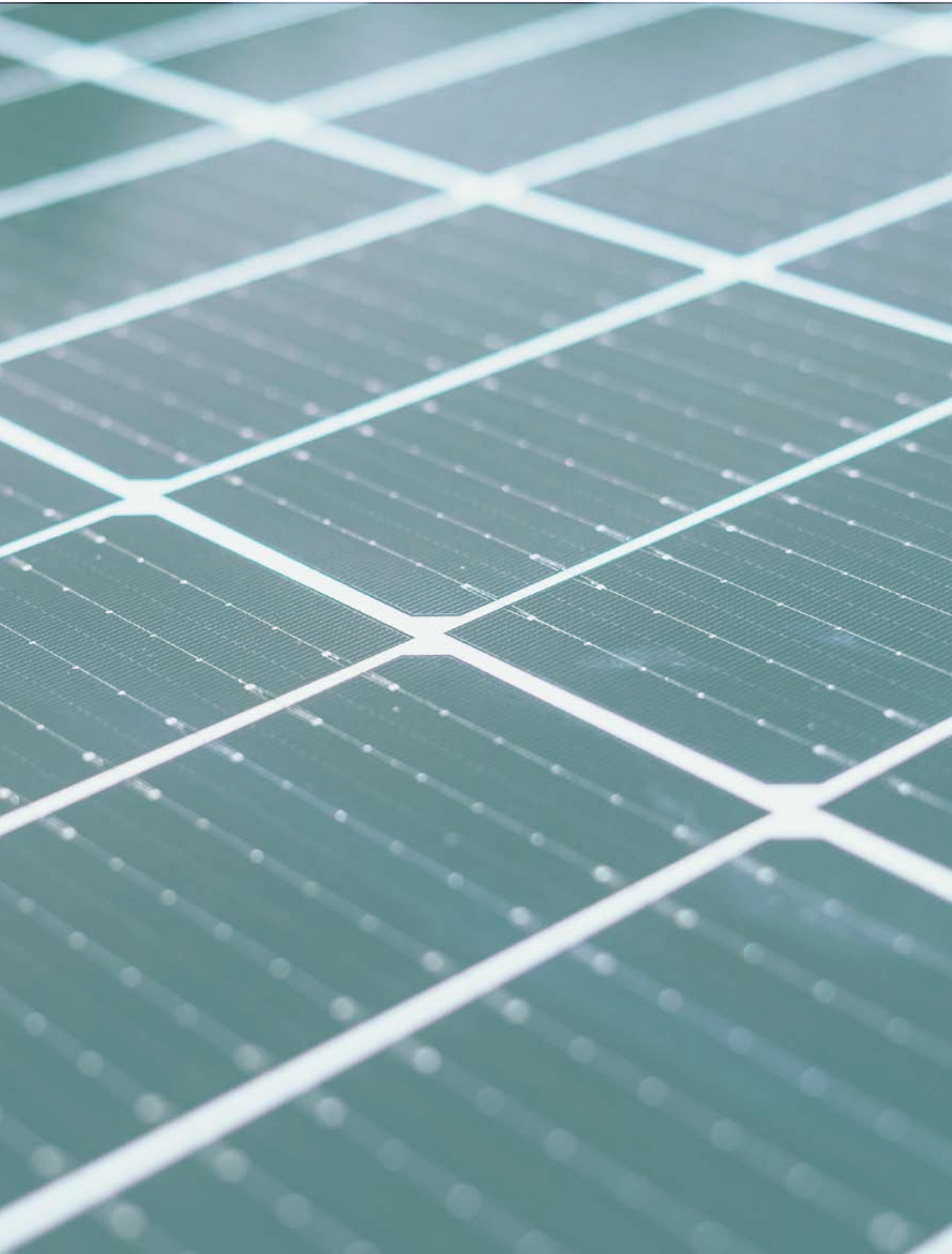


AFRICAN INFRASTRUCTURE INVESTMENT MANAGERS



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1. EXECUTIVE SUMMARY

Long before terms like impact investing and responsible management became industry buzzwords, African Infrastructure Investment Managers (AIIM) was at the forefront of integrating sustainability thinking and environmental, social and governance (ESG) principles into its investment decision-making.

As an Africa-focused, Africa-owned and Africa-operated infrastructure equity investment manager, AIIM has skin in the game when it comes to unlocking the potential within the African market. We see the development of Africa's infrastructure assets as a win-win for both the continent, and for investors who share our vision of a stronger, more equitable and sustainable Africa.

Since 2000, AIIM has been on a journey to successfully integrate ESG principles across our decision-making processes. Our first fund agreement referencing a comprehensive Environmental and Social Management System (ESMS), to address ESG requirements across AIIM's fund portfolios, dates back to 2010 when the African Investment Infrastructure Fund 2 (AIIF2) was launched.¹ Over the years, this approach has enabled us to deliver sustainable, risk-adjusted returns while displaying resilience in the face of growing global uncertainty and ever more severe climate change impacts.

In 2024, AIIM again reaffirmed its commitment to sustainable infrastructure investment, ensuring that financial success aligned closely with positive societal and environmental impacts. We continued to embed sustainability across Old Mutual Alternative Investment's five pillars for responsible management by speaking the language of investors and businesses. We continue to assess material ESG risks and the potential positive impact of every transaction, giving equal weight to these considerations alongside fundamental financial analysis, regulatory compliance and responsible business practice. This is how we generate sustainable, risk-adjusted returns while fostering a profitable and inclusive future for African economies.

Over the course of 2024 we continued to concentrate our efforts on four strategic priorities:

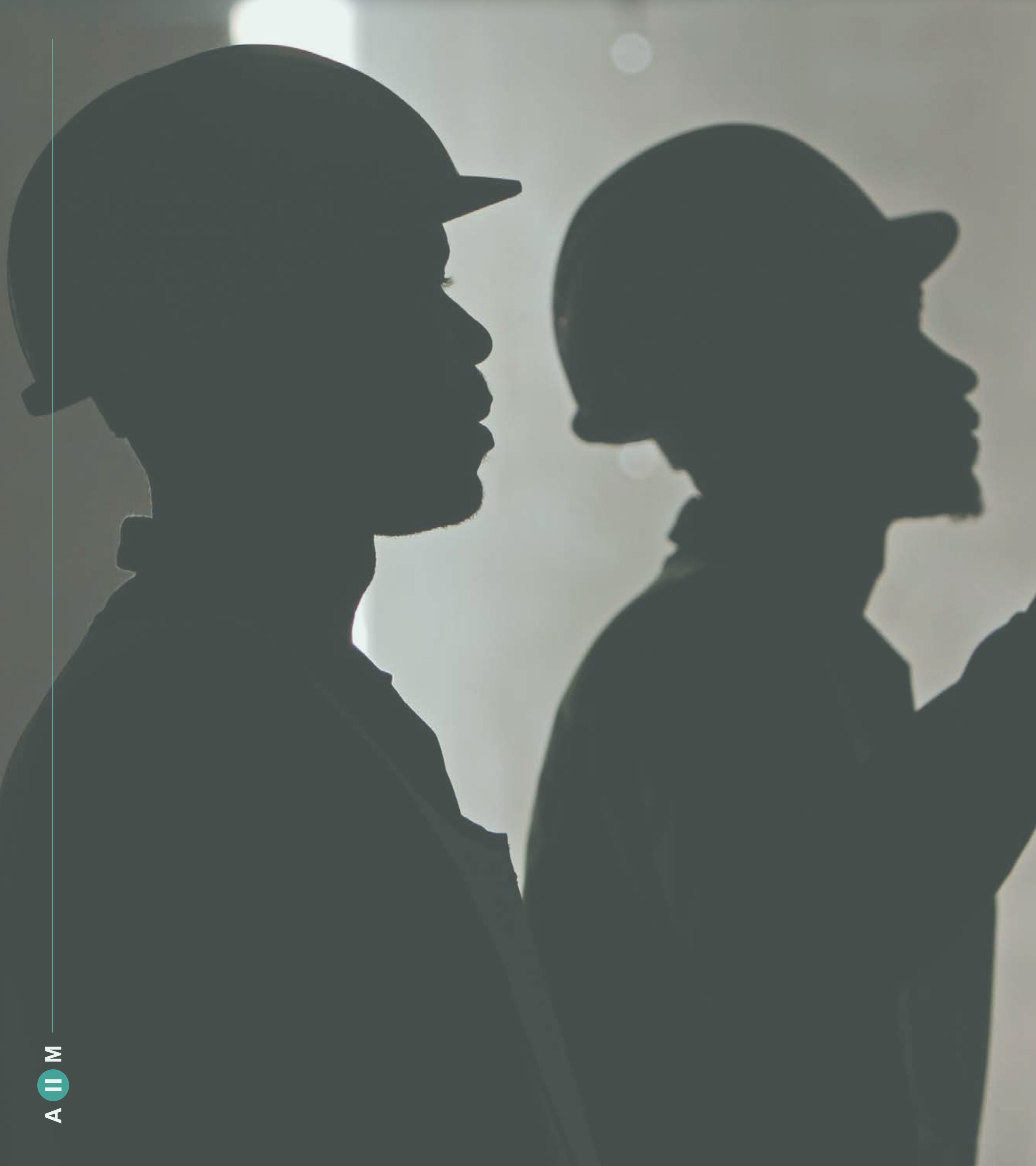
- Enabling **Africa's energy transition** by expanding investments in renewable energy projects to support Africa's shift towards sustainable energy sources.
- Building **digital infrastructure and connectivity** across the continent through strategic investments in data centres and related technologies.
- Improving Africa's **transportation networks and logistics** infrastructure to bolster economic growth and regional integration.
- Investing in projects that bring clear **social benefits and positively impact Africa's citizens** through job creation, greater diversity and inclusion, and by uplifting communities.

The appetite for the kind of African infrastructure development exposure offered through our portfolios, and underscored by our well-defined sustainability and impact strategies, was particularly clear over the year in review as AIIM closed its African Infrastructure Investment Fund 4 (AIIF4) mandate. [Exceeding its target by 50%²](#), in a particularly challenging global environment, AIIF4 demonstrated the value investors attribute to climate mitigation opportunities, infrastructure needed for socio-economic growth and a manager that puts its money where its mouth is when it comes to gender diversity.

For AIIM, integrating ESG and impact thinking as a key investment consideration not only supports sustainable development across Africa, but also supports financial performance. In an uncertain world, our approach supports robust risk mitigation and compliance, while aligning with the values of investors and stakeholders.



1. [AIIM Sustainability Report 2023](#)
 2. Africa Private Equity News (2024, August 6). African Infrastructure Investment Managers closes fund at \$748m.



“As Africa’s economic resilience is bolstered, unlocking its economic prospects requires ensuring structural change of its economies, raising the productivity of agriculture, provision of electricity, accelerating infrastructure investments, supporting faster pace digitalisation, unleashing economic and job opportunities for women and youth, and driving industrialisation through greater mobilisation of the private sector.”

DR. AKINWUMI ADESINA

AFRICAN DEVELOPMENT BANK GROUP: [President](#)

2. A WORD FROM OUR CO-MANAGING DIRECTOR

Having travelled extensively, both within Africa and beyond our borders, I can attest to the complexities of trying to understand and learn a new culture - not to mention a foreign language. Fortunately, in Africa, where some estimate as many as 2 000 to 3 000 languages are spoken, we understand the importance of being heard, of listening and of creating space for a shared vision for the future.

This approach does not just play out in our communities and our social interactions, it is also heavily embedded in how we do business and the kinds of collaborative organisational cultures which thrive on our continent.

As co-MD of AIIM, I find myself at the forefront of not only shaping our approach to business, but providing strategic, commercial, operational and financial direction to the companies we hold in our portfolios. Fortunately, we can point these exciting African businesses to our approach to embedding sustainability and ESG into their strategic plans.

As part of Old Mutual Alternative Investments, we follow the organisation's five pillars for managing responsible businesses. Pillar Four deals with delivering global best-practice and this includes embedding sustainability practice across the business.

For us, sustainability sits with everyone, across all departments, competencies and layers of responsibility. We do not just rely on the sustainability professionals to raise a red flag or ask a pertinent question about social, environmental or governance concerns; it's everyone's job. This way we keep critical considerations front of mind in our investment decision making, and we also measure our own success as a business using this long-term lens.

How we embed this is through our Environmental and Social Management System. This approach covers the core bases that comprise our investment strategy:

- **Investment screening** – the process of identifying opportunities and weighing up risks and rewards, while carefully considering the ESG implications.
- **Due diligence** – using screening tools and risk assessment to determine impact metrics and targets upfront.
- **Transition** – merging ESG requirements into the investment plan of action and building in corrective action where needed.
- **Ongoing Management** – undergoing regular assessments and impact performance monitoring to help guide development and implementation.
- **Realisation** – supporting responsible exit procedures by sharing transparently with potential investors and demonstrating impact performance realised against targets.

Most importantly, we tailor these touchpoints to the specific focus areas and operational approach of our various business units, with the goal of heightening our overarching impact. This also encourages collaboration and builds greater understanding of both financial and non-financial considerations among our investment professionals.

At AIIM we use Pillar Four to gauge where we stand as a business when it comes to issues of sustainability. This way we can discern where we still need to improve and where we are getting things right. This validation is encouraging, but our eyes remain fixed on the real trophy: impact. That's when we know we are really making a difference.



VUYO NTOI

AIIM: Co-Managing Director



“Africa offers a substantial landscape for sustainable infrastructure investments. With AIIF4’s strategic focus on pivotal sectors and our regional expertise, we are poised to generate robust returns for our investors while significantly contributing to Africa’s sustainable development.”

OLUSOLA LAWSON

AIIM: [Co-Managing Director](#) - discussing the African Infrastructure Investment Fund 4 (AIIF4), which was closed in 2024

3. A WORD FROM OUR HEAD OF SUSTAINABILITY

In the world of impact investing, sustainable outcomes are a necessity – not just a ‘nice to have’. This is paramount when allocating funding to any alternative investment, but particularly when that commitment is in Africa where the needs are often greater and the impact manifold.

Our role as AIIM is to develop and manage private equity infrastructure funds across Africa. To achieve this ambition, we have the muscle of Old Mutual Alternative Investments and the broader Old Mutual Group behind us. Plus, we have a dedicated team of professionals at our disposal, experts in their fields who recognise that alternative investing in Africa carries even more significance than other, more infrastructure rich, parts of the world.

Talking about Just Transitions and cutting emissions is a critical discussion in Africa, which is increasingly being battered by the devastating impacts of climate change. Between 1970 and 2021, African nations bore the brunt of 35% of global climate-related weather fatalities³. Yet, Africa must continue to grow and develop in the face of

increasingly severe droughts, storms, floods and rising temperatures, but without the same economic levers to pull or infrastructure to fall back on as the developed countries.

This is why at AIIM we consider more than just the bottom line when we invest, we look at the broader ecosystem and ways in which we can make a positive impact through our allocations. We look for opportunities to move the dial on climate change-related issues, economic growth and the creation of decent work, as well as fostering diverse and inclusive workplaces. At all times, we strive to balance environmental and social risks with adherence to strict governance and ethical standards.

Finding these linkages is core to how we operate. Not just in 2024, but as we stretch our thinking and build new partnerships and collaborations across Africa in the years to come.



TANIA SWANEPOEL
AIIM: Head of Sustainability

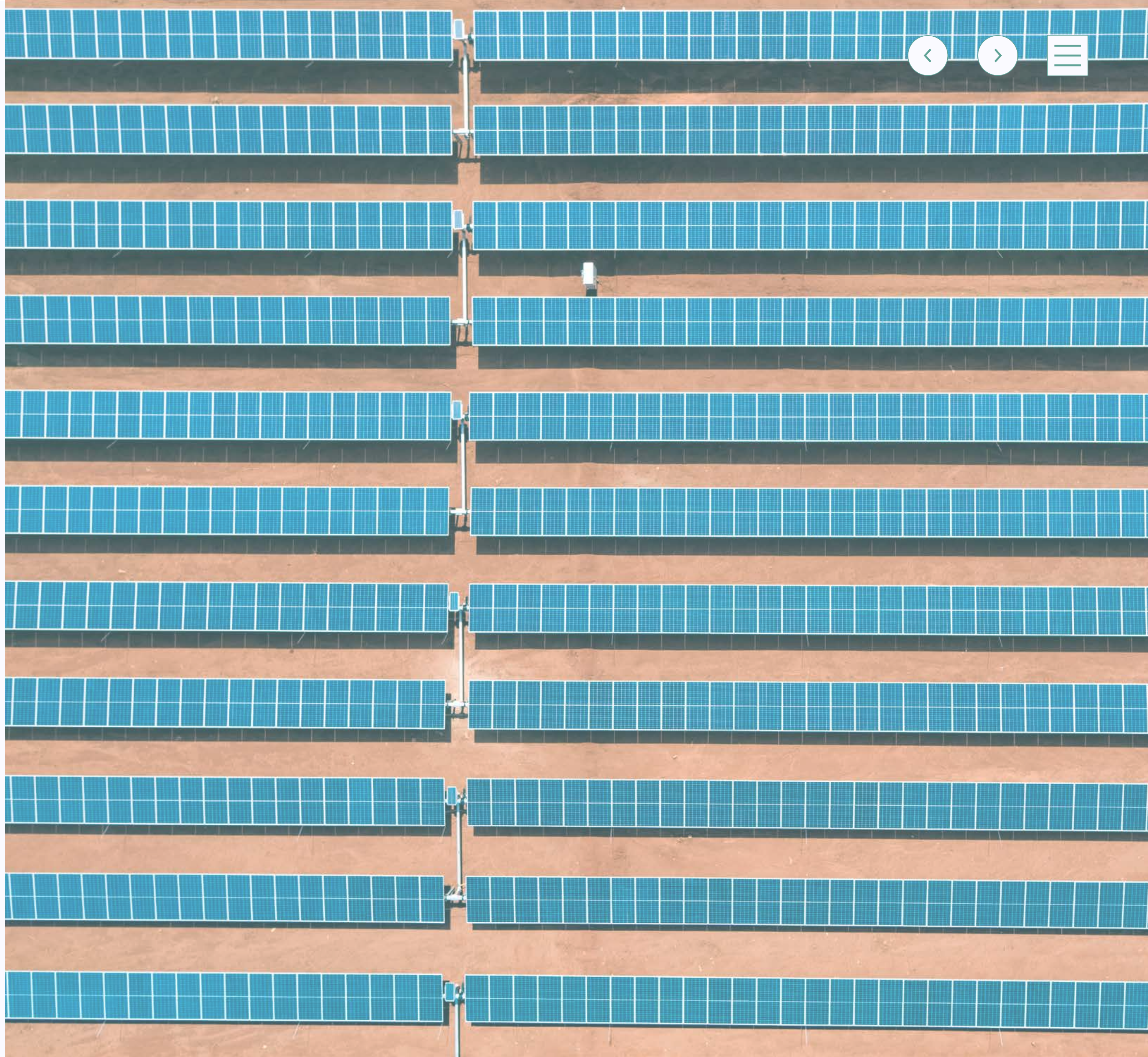
3. World Meteorological Organization (2024, September). [Africa faces disproportionate burden from climate change and adaptation costs](#)

4. COMPANY OVERVIEW

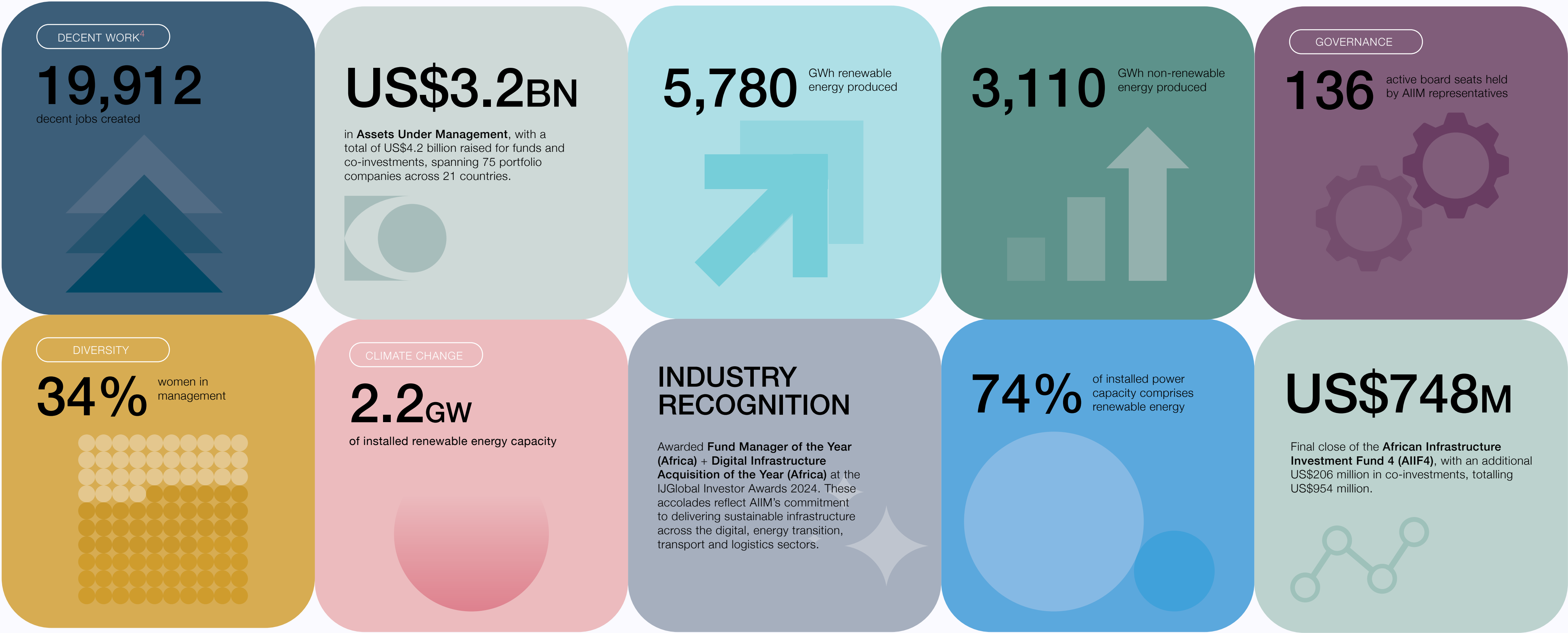
AIIM is a leading private manager of equity infrastructure funds that invest in projects across 21 African countries. Established in South Africa in 2000, AIIM is one of the early dedicated managers of infrastructure to be established on the African continent. Our proud legacy in the African investment space dates back more than 175 years, thanks to our close ties with the Old Mutual Group.

Over the years, AIIM has raised more than US\$4.2 billion for its fund mandates and co-investments, with current funds under management totalling US\$3.2 billion. The AIIM team has deployed capital into 75 portfolio companies and has achieved 30 exits for investors. These investments span cold storage, renewable energy, power generation, natural gas distribution, roads, ports, airports, telecommunications and digital infrastructure in portfolios designed to deliver long-term risk-adjusted returns.

In line with our sustainability and ESG commitments – and our overarching focus on climate change, diversity, decent work and governance - all AIIM investments are specifically tracked against social, environmental, health and safety and governance objectives with decarbonisation featuring strongly across our investments. Our robust impact and climate screening procedures incorporate supply chain and safeguarding risk factors into the investment process.



5. KEY ACHIEVEMENTS & MILESTONES



6. OUR SDG OBJECTIVES

As an Africa-focused investor, ALLM recognises the important role we play in building positive futures for our continent and its people. At the same time, we never take our eye of the ball when it comes to delivering superior and sustainable risk-adjusted returns.

The most recent [United Nations review of Africa's progress in addressing the Sustainable Development Goals \(SDGs\)](#) highlights the fact that less than 6% of the 32 measurable SDG targets are on track to be achieved across the African continent by 2030⁵. With Africa falling behind its global peers, greater investment is critical to help shift the dial on the continent's SDG targets and unlock a more positive and sustainable future for all. However, macro-economic factors, uncertainty and high debt are just some of the issues limiting investment inflows. Progress is also hampered by data gaps and the need for more robust systems to track performance.

Our decision-making approach is strongly aligned to positively impacting the SDGs within our remit. As such, our engagements both locally and internationally point to four cross-cutting themes which align closely with the United Nations' SDGs:

- **Job quality and the creation of decent work**
SDG 8 (decent work and economic growth)
- **Climate change**
SDG 13 (climate action), and SDG 7 (affordable and clean energy)
- **Diversity**
SDG 5 (gender equity) and SDG 10 (reduced inequalities)
- **Governance**
SDG 12 (responsible consumption and production) and SDG 16 (peace, justice and strong institutions)

Among the data we collect across all our portfolio companies, these specific SDG-aligned themes are carefully tracked.

In addition, our ESG and Impact Management Framework enables us to track the continued improvement in sustainability outcomes and ESG performance across our investments, with risk and impact both factoring in strongly.



5. African Union (2024). [2024 Africa Sustainable Development Report](#).

6.1. STANDARDS & GUIDELINES

At AIIM we are committed to applying world-class standards in health and safety, environmental management and protection, and social engagement across our portfolio. In addition to our guiding philosophy of investing, AIIM adheres to the applicable ESG laws and regulations of the jurisdictions in which we invest, including those laws implemented by host countries in line with their obligations under international law.

The primary internal ESG policies we adhere to include:

- Old Mutual Alternative Investments' 2021 ESG Policy
- AIIM's 2022 Climate Change Policy
- Old Mutual Alternative Investments' 2021 Modern Slavery Policy

AIIM applies best practice international ESG standards and guidelines as part of our processes, including:

- Country-specific ESG-related legislation
- United Nations Principles for Responsible Investment (participant status through Old Mutual Alternative Investments)
- 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

AIIM adheres to the following impact investing-related standards and guidelines:

- United Nations Sustainable Development Goals Impact Framework
- Global Impact Investing Network (GIIN) Framework (membership through Old Mutual Alternative Investments)
- IFC Operating Principles for Impact Management (signatory status)

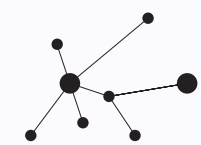


7. OUR IMPACT

As a responsible and sustainability focused manager, AIIM is guided by the simple mantra: Achieve positive outcomes and do no harm.

Our investment structures and decision-making processes are designed to deliver consistent, competitive returns to investors, while creating positive, long-term impact in the communities and environments in which we live and invest. We strive to make a constructive difference through our allocation of capital across Africa. We support this vision by measuring, reporting and managing relationships and reputational risks under our sustainability and ESG efforts.

- When it comes to **Environmental** impact, we consider employment practices and factors like resource and energy efficiency, biodiversity, pollution and air emission, ways in which to reduce harmful emissions and minimise waste and, of course, addressing the tangible impacts of climate change.
- On a **Social** level, our Sustainability Managers consider human rights in all its forms, from gender and diversity to supporting vulnerable or minority groups, maintaining strong relationships with communities and working hard to earn our social license to operate.
- **Economic** impact is gauged by consistent profitable growth which brings value to our shareholders. We keep an ever-present eye on current and emerging risks.
- **Corporate governance** remains the bedrock from which all companies should be operating. For AIIM that means robust accounting and disclosure practices, independent auditors and tight internal controls, including accountable board and subcommittee structures. Business integrity remains our north star.



Contributing to local communities

21 African countries serviced

6.2m tCO₂eq total emissions avoided

2,213MW renewable energy capacity

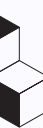
19,912 employees across the portfolio

64% women appointees to AIIM investment team 2019 - 2023

Active AIIM Funds

AIIF3

IDEAS



Investing in African infrastructure for 24 years

8 funds raised

4 funds fully realised

US\$4.2BN capital raised

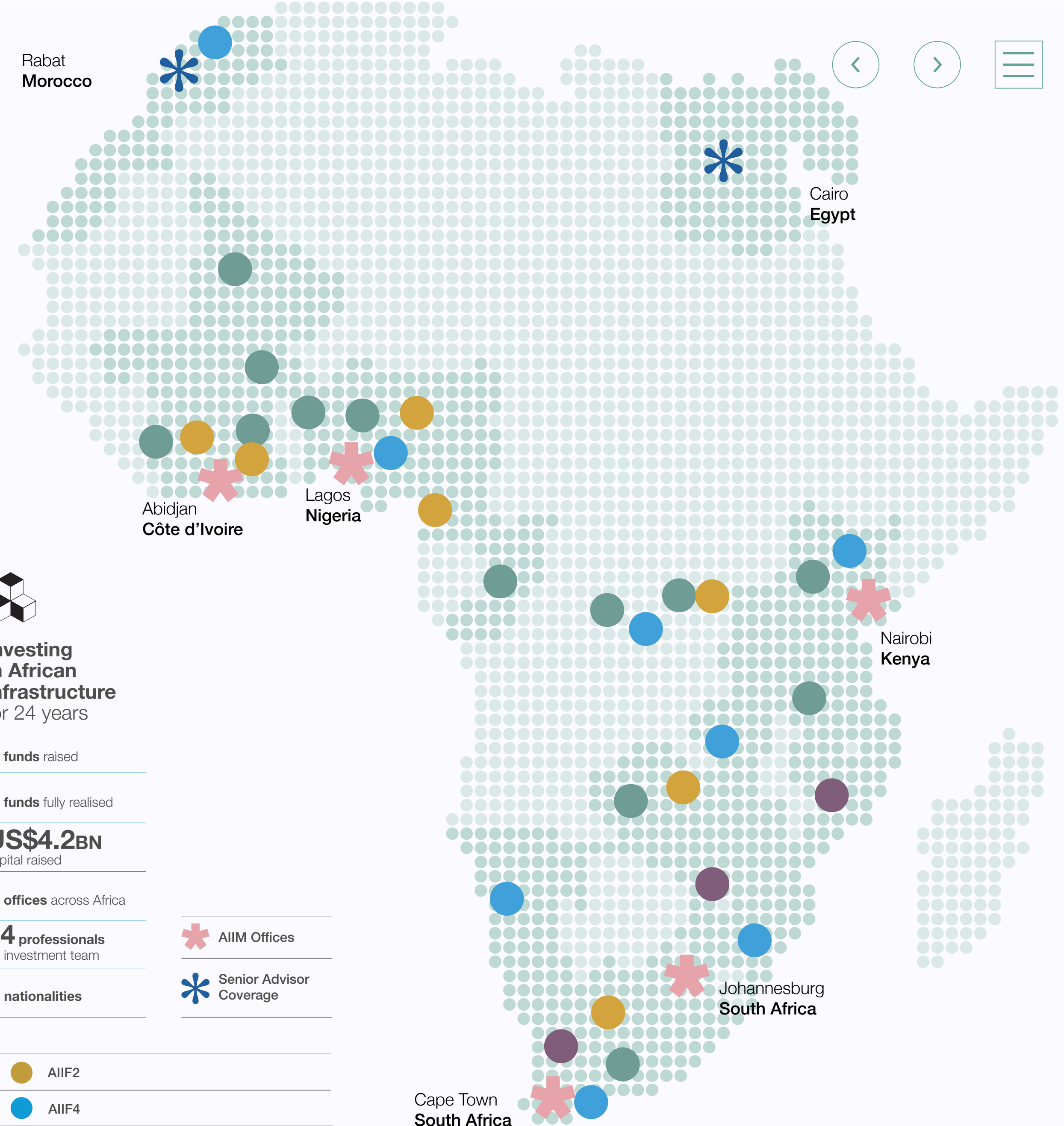
5 offices across Africa

44 professionals on investment team

7 nationalities

 AIIM Offices

 Senior Advisor Coverage



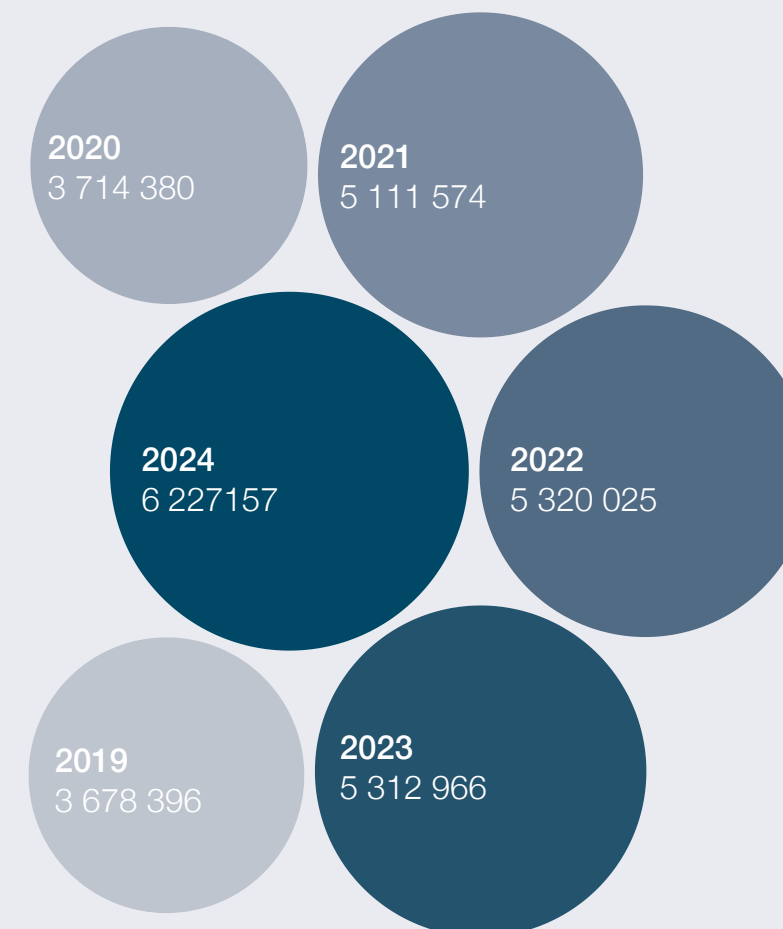
7. OUR IMPACT

Honing into our efforts over the past financial year, we have continued to invest in financially viable green technologies and impactful infrastructure projects that appeal to investors at large and specifically environmentally conscious clients and investors for whom African infrastructure projects represent a feasible and sustainable long-term focus.

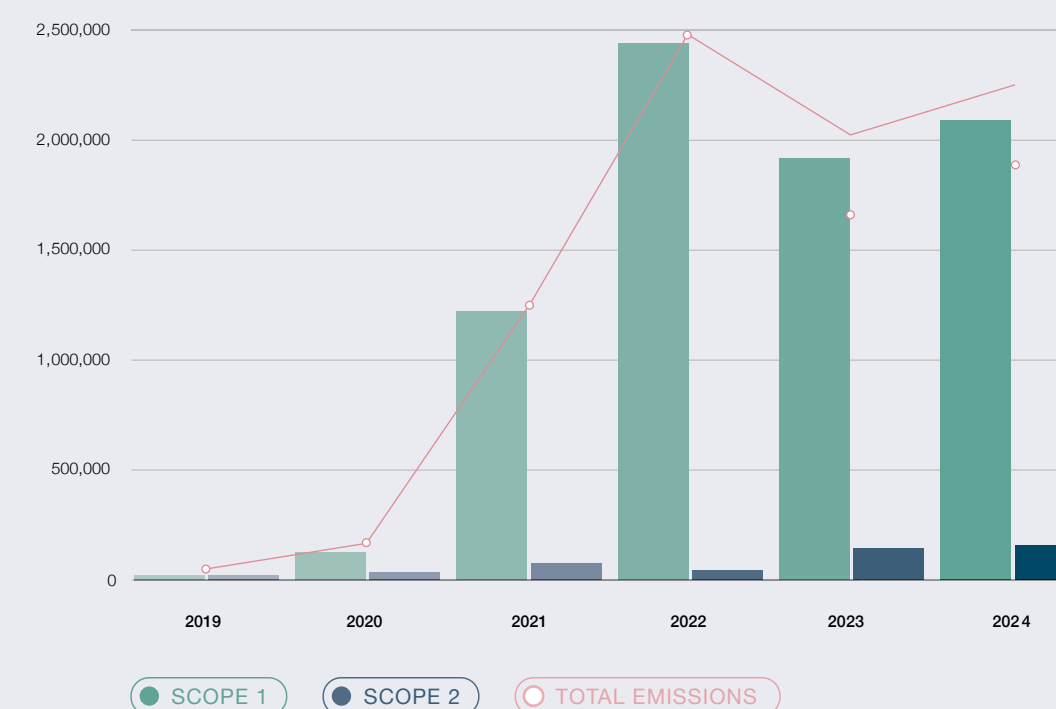
We have embedded impact investment considerations into our investment life-cycle through our ESMS, as such, we have integrated impact management and monitoring into our existing ways of working. As a signatory to the Operating Principles for Impact Management (the Impact Principles), we are committed to the Impact Principles as stated in our latest disclosure statement. Our alignment was independently verified in 2021, 2023 and 2024. In addition, BlueMark has independently verified the extent of AIIF4's alignment with impact investing and ESG industry best practise and AIIF4 received a gold rating.



Total Emissions Avoided (tCO₂e)

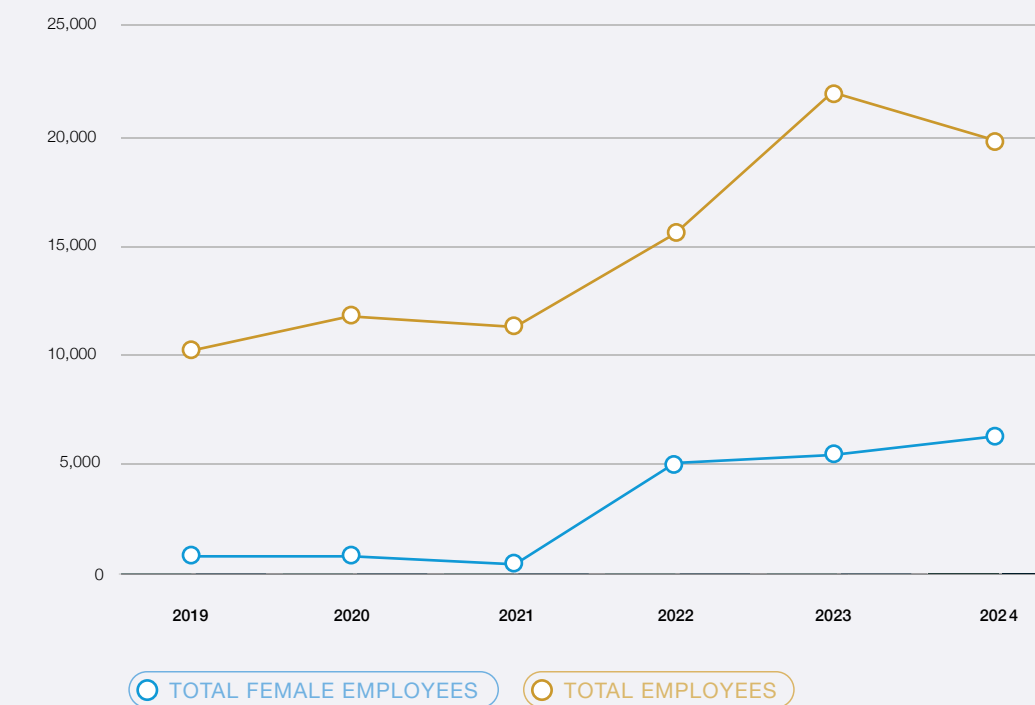


Total Emissions (tCO₂e)



Scope 1 refers to emissions which come directly from sources owned or controlled by AIIM. Scope 2 covers indirect emissions from the producers used by the company.

Gender inclusivity across the AIIM portfolio



SOURCES: In measuring ESG impact metrics, AIIM sources raw data directly from our portfolio companies, which we check and collate in order to calculate Scope 1 and 2 emissions and report.



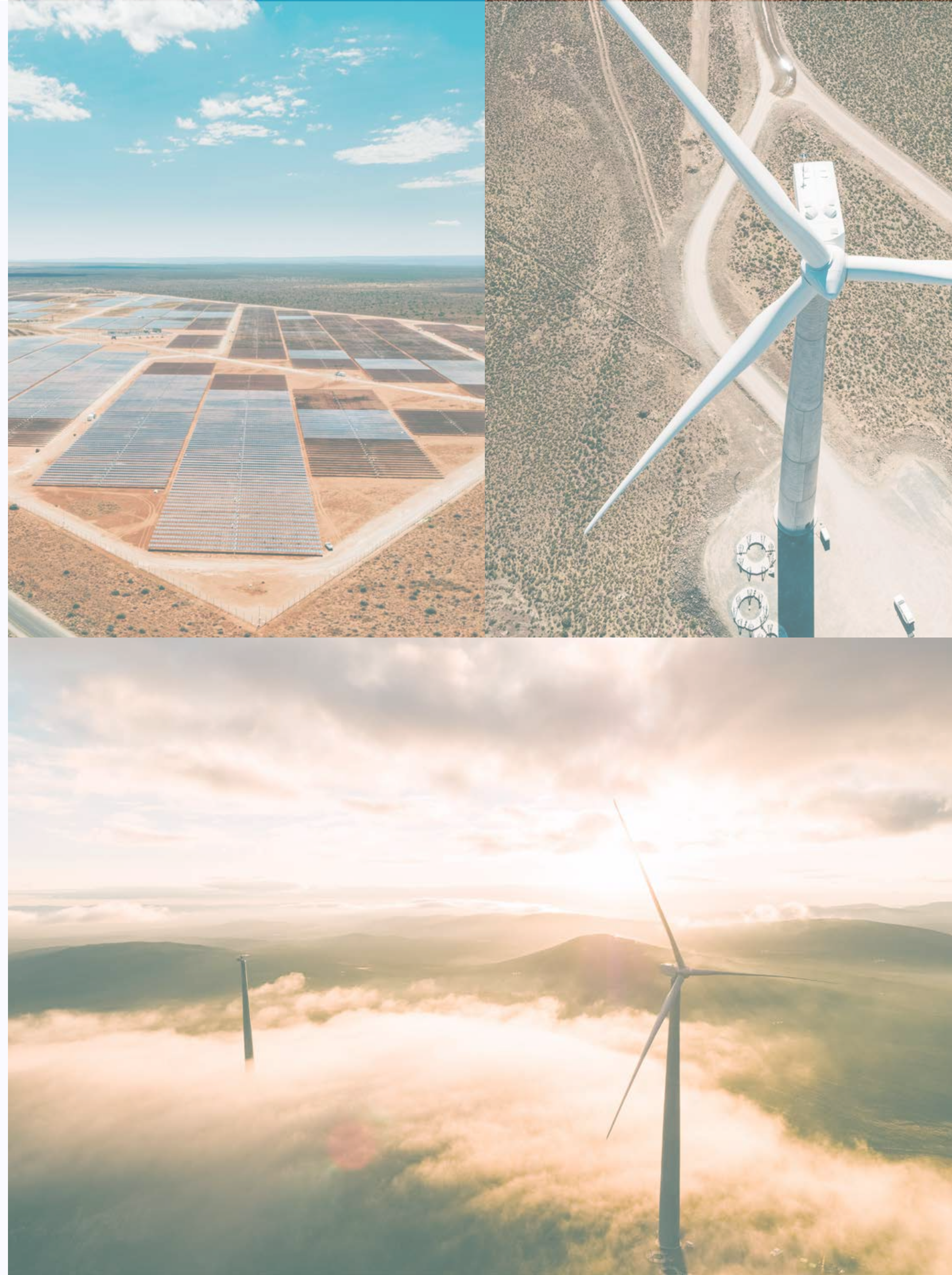
7.1. HOW WE MEASURE IMPACT

In gauging the impact and positive sustainability outcomes associated with our investments, measurement is key. However, while data offers a quantifiable snapshot of progress made and new areas for focus, it is seldom reflective of the whole story. For this we need context. Context about the business in question, the sector it forms part of, its challenges and opportunities, goals and the SDGs which each business is best positioned to address.

It is easy to get bogged down in data or become selective as to which metrics to consider. For this reason, AIIM's sustainability managers are fully integrated into the investment process, working alongside deal professionals at each stage, from screening to exit. This combines financial know-how and ESG insights which help to identify risks to sustainability and impact as well as identifying specific and actionable opportunities.

Using a *Theory of Change* approach, which attempts to look into the future and determine how specific outcomes and impacts can be achieved when interventions are put in place, the combined forces of our ESG and investment teams work together to drive the positive change they want to create as part of the investment. Whether the focus lies in mitigating climate change, increasing access to digital connectivity, providing more cold storage capacity, maintaining road networks, enhancing diversity or building robust governance structures, these impact pathways are mapped from the outset to create initial goals.

Measuring our way to achieving those outcomes is where the data comes in. We collect data directly from our portfolio companies and then manage and track that data in our own data management systems.



7.2. WHAT IMPACT LOOKS LIKE: THE CASE OF NOA

Targeting a net-zero future:

Through our strategic partnership with a team of seasoned renewable energy veterans, we established NOA Group Holdings, a South African independent power producer (IPP) and energy trader, in December 2022. Our ambition with NOA is to facilitate South Africa's transition towards a net-zero future by supplying businesses with clean, cost-effective renewable energy.

The timing of NOA's establishment was strategic, given the intense loadshedding and deepening national electricity capacity crisis in South Africa at the end of 2022. We capitalised on the regulatory shift in July 2022, which allowed private entities to self-generate electricity without a license and connect to the national grid in order to supply multiple customers via wheeling arrangements. Wheeling involves transmitting electricity using transmission lines which the entity does not own.

Through NOA we played a pivotal role in pioneering the aggregation business model, combining a dispersed portfolio of wind, solar and battery storage assets to distribute power to multiple customers via a single trading interface. This approach supports the rapid scaling up of renewable adoptions while addressing the needs of commercial and industrial users.

Our approach delivers a host of benefits, including:

- Enhanced reliability and renewable penetration through the blending of generation profiles from geographically and technologically diverse assets.
- Giving consumers access to economies of scale. We enable smaller energy consumers to benefit from large, utility-scale wind and solar projects at South Africa's best renewable resource sites.
- Contracting flexibility. By offering power purchase agreements for as short as one year – a far cry from the typically 15-year (or more) contracts in the market – our investment in NOA effectively lowers the barriers to entry for commercial and industrial customers.

To meet South Africa's net-zero ambitions, an estimated 150 GW of renewables and 125 GWh of storage will be needed by 2050, requiring investments of more than US\$220 billion. NOA has a crucial role to play in this regard. As our Investment Director, Ed Stumpf, emphasises: *"We believe a business model such as NOA's is imperative to rapidly scale the adoption of renewable energy in South Africa. The electricity we are supplying in this way is not only green but significantly more affordable. Ultimately, that translates into industries that have become unviable, such as beneficiation of minerals, becoming viable again."*



7.2. WHAT IMPACT LOOKS LIKE: THE CASE OF NOA

Key milestones in 2024

Over the course of the 2024 financial year, NOA recorded notable progress and strategic wins under our guidance. These included:

- Financial close on 239 MW of wind projects, including both NOA-owned assets and third-party facilities. The standout among these was the 140 MW Ishwati wind project, the first major wind project in South Africa to reach financial close with the buyer of the power being a start-up trading company. For the market, this is a significant game changer. The landmark deal closed in 2024 and was publicly announced in early 2025.
- Progress continued on Khauta Solar, NOA's flagship 500 MW solar project. The project is now fully permitted and has secured grid access.
- More than 1.2 TWh of customers were contracted to the platform with leading clients spanning the mining, data centres, healthcare and property sectors. Leading names included Netcare, Old Mutual Properties, Redefine Properties, Tronox, Teraco and Manganese Metal Company.
- Electricity trading licence approval was received from regulator NERSA on 31 January 2025, after a year of fulfilling all the required regulatory steps.
- Significant capital commitments were secured, including ZAR3.1 billion in equity funding from AIM and ZAR420 million in mezzanine funding from Old Mutual Alternative Investments Hybrid Capital.

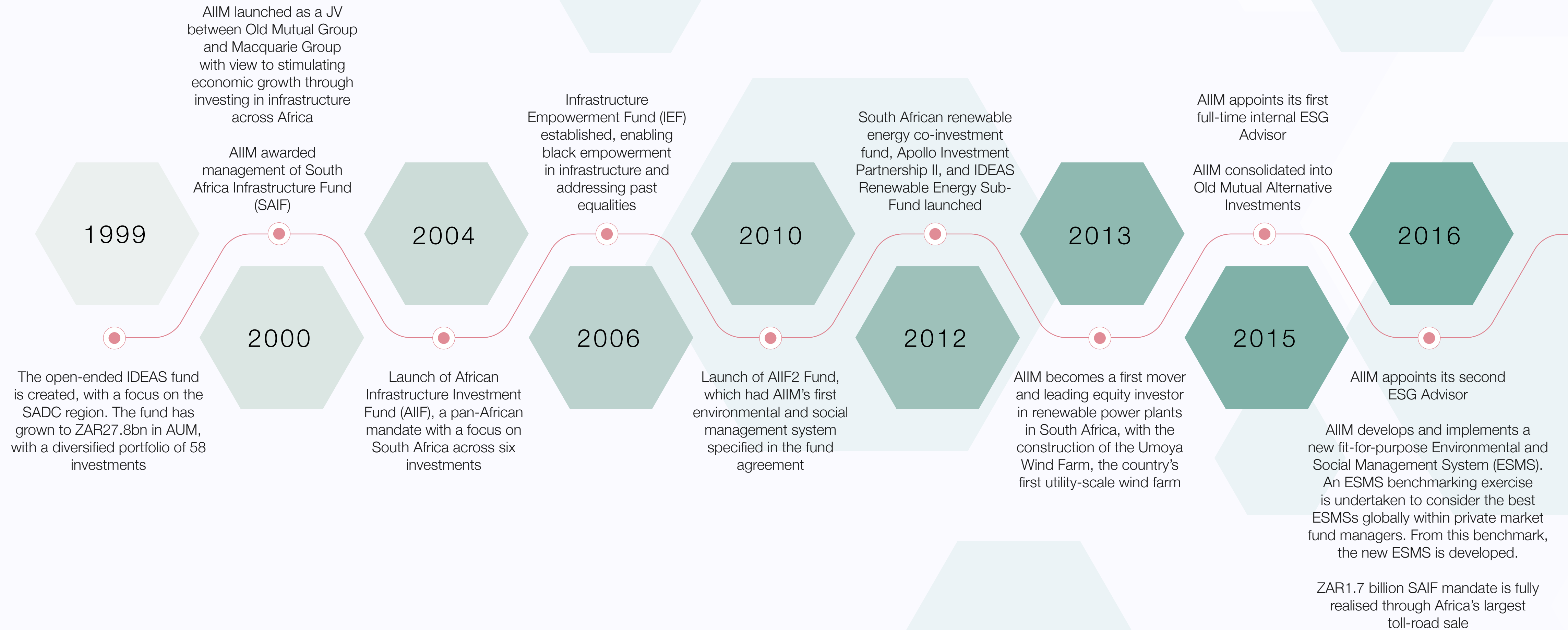


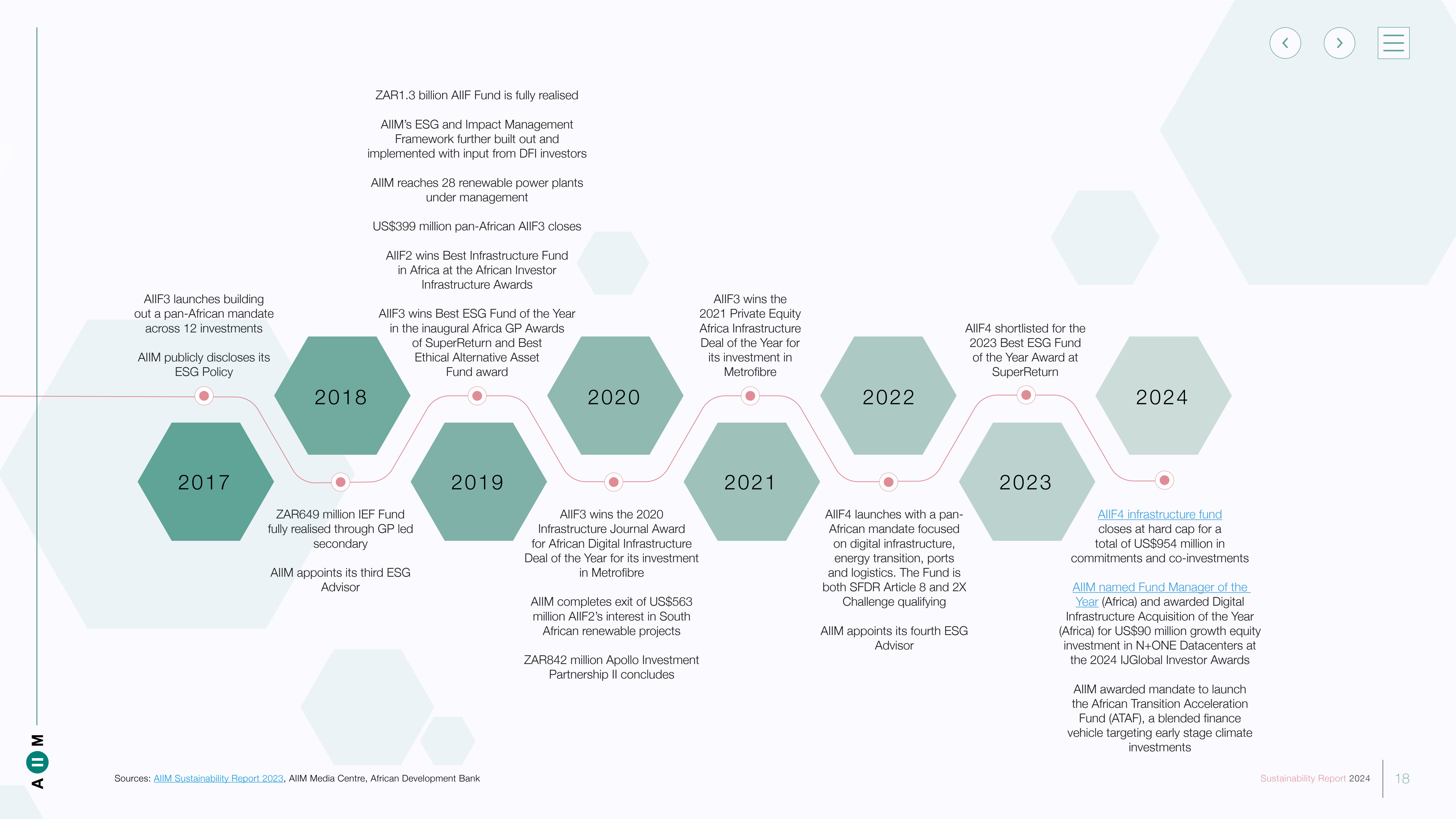
Momentum in 2025 and beyond

Looking towards the next financial year, the intention is to:

- Increase equity commitments to ZAR3.9 billion.
- Financial close on the 500 MW Khauta Solar project, with a target set for the first half of 2025.
- Undertake additional capital raising of approximately ZAR8 billion in mezzanine, guarantees and senior debt to support further growth of the platform.
- Build out a total platform comprising some 2.5GW of wind and solar generation derived from both NOA's own assets and third-party options, together with around 1.1 GWhr of Battery Energy Storage System by 2030.

7.3. OUR SUSTAINABILITY & ESG JOURNEY





7.4. WHAT IMPACT LOOKS LIKE: THE CASE OF N+ONE

Africa's digital transformation:

We believe digitisation is a key driver of economic growth and efficiency increases, including services like smartphone data access, digital media, mobile connectivity, e-commerce, online payments and cross-border trade.

Building a thriving digital economy in Africa starts with the right infrastructure, including a reliable power supply, fast internet connectivity, and secure local data storage facilities. As a key investment focus for us, digital infrastructure is crucial to unlocking the continent's digital potential and capitalising on the steep rise in data consumption across Africa.

With demand for data centres on track to exceed 1GW by 2030, we see an urgent need for long-term investment. As a result, we have been steadily building a portfolio of assets across the digital infrastructure landscape to help close the funding gap.

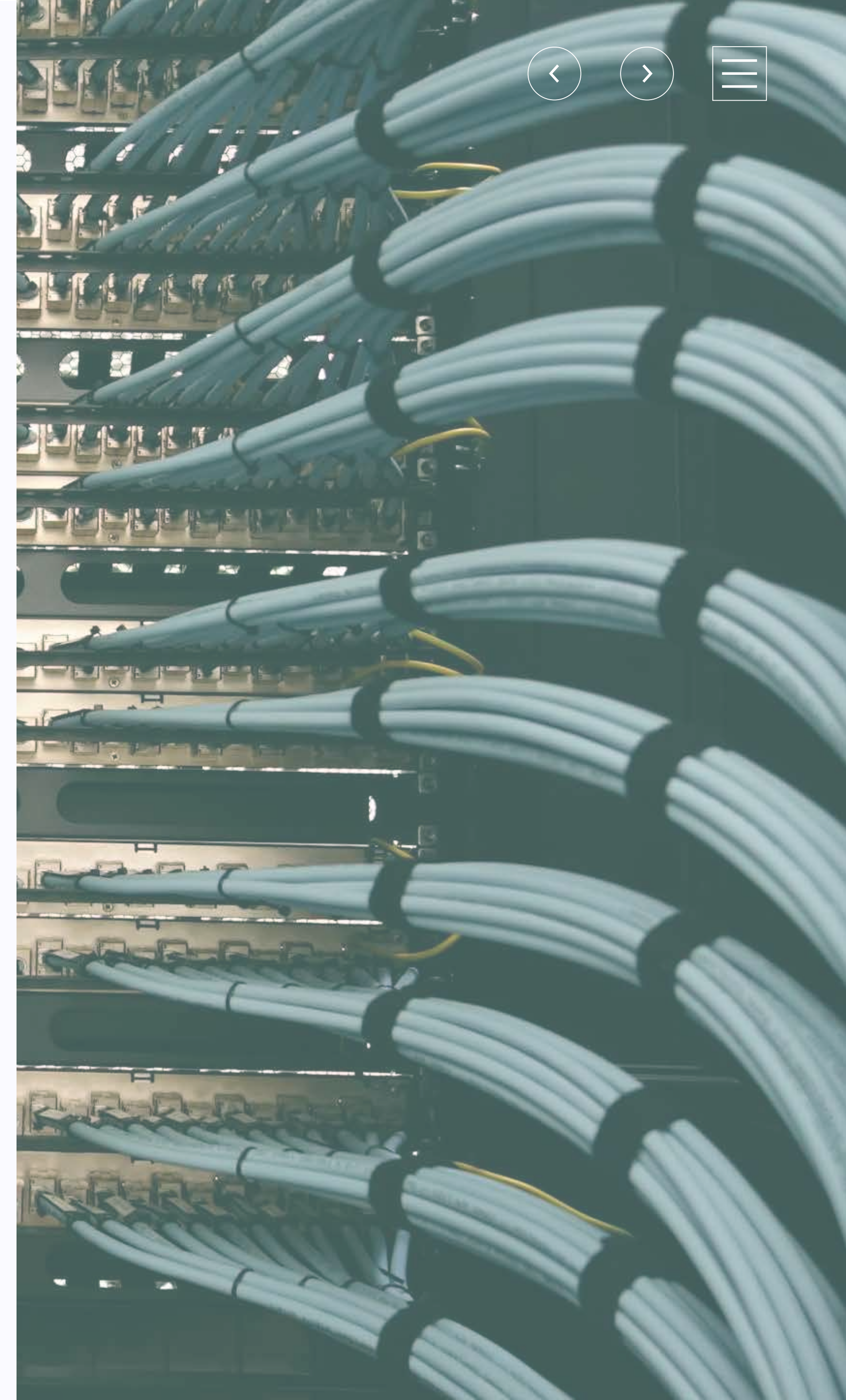
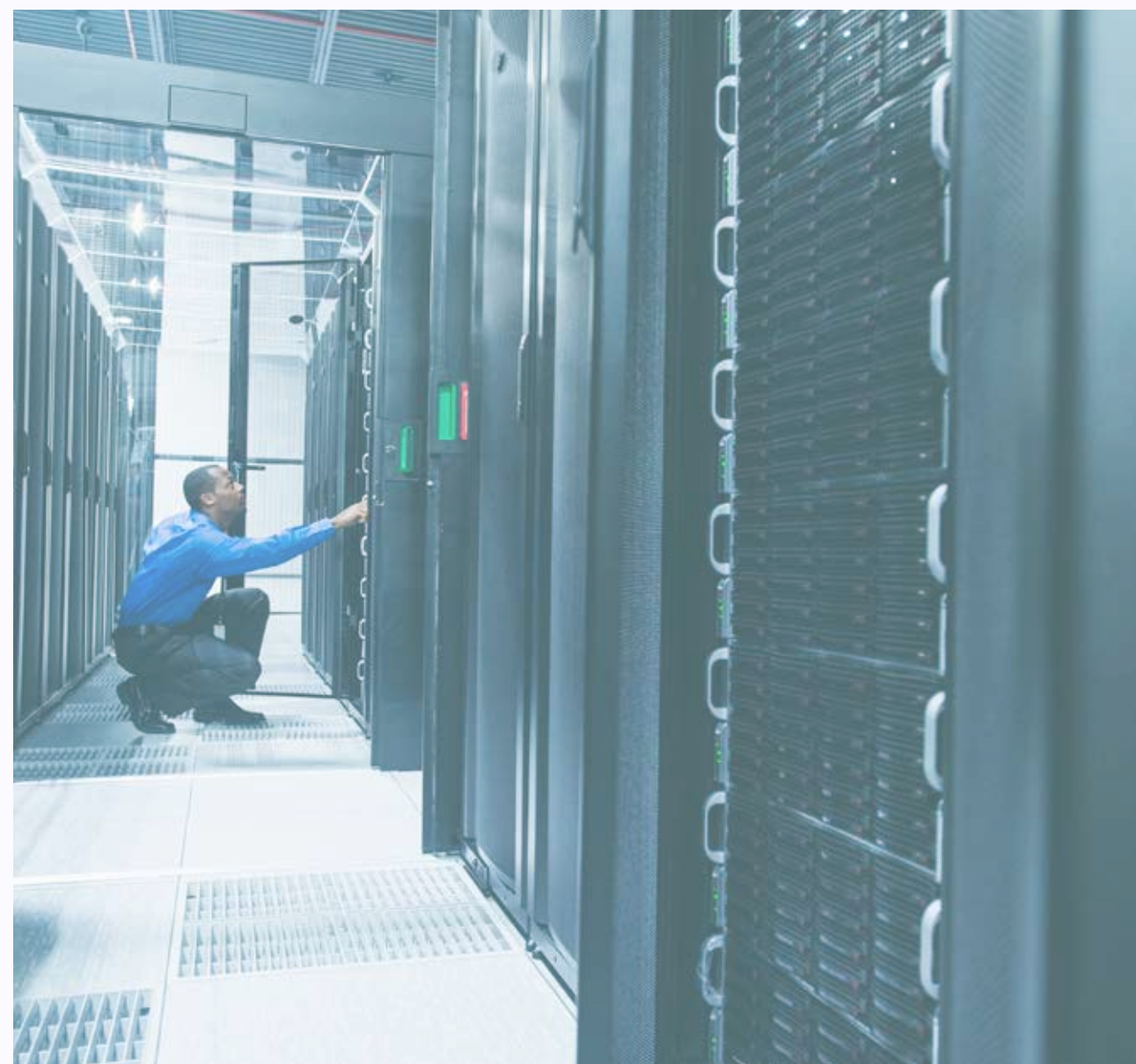
In 2023, we invested in N+ONE, the leading carrier-neutral data centre operator in Morocco that provides world-class infrastructure for businesses across multiple sectors. Our aim is to support the expansion of the business into other African countries and accelerate digitalisation across the continent.

Morocco was identified as a strategic market early on - not just for its fast-growing digital economy, but because of its location at the crossroads of Europe, Africa and the Americas. Strong government support for IT development, rapid fibre rollout and growing corporate demand have all made Morocco a prime destination for digital investment. The country's recent formulation of the Digital Morocco 2030 strategy will further accelerate this growth. The strategy is aimed at job creation and provision of an ecosystem to launch a digital economy. The 2030 FIFA Soccer World Cup, which will be co-hosted by Morocco, will also provide the perfect platform to showcase the country's digital advancement.

Through our partnership with N+ONE, we are expanding existing the campuses in Morocco and launching a new campus in Senegal.

According to our Investment Director Moritz Thompson: *"We're aiming to build a truly pan-African platform that delivers trusted data solutions across the continent and supports the growing need for local data storage and processing."*

Beyond the fundamental role that data centres play in any digital economy, data resiliency and cyber security are of ever-growing importance. The electricity blackouts experienced in Portugal and Spain in April 2025 serve as a reminder of how critical contingency plans are and why a defensive IT strategy is so essential. This need is fuelling the colocation trend, whereby organisations house their own servers and computer hardware in third-party-operated data centre locations equipped with disaster recovery services. N+ONE provides just such a service, thereby protecting businesses from the critical disruptions to which businesses with on-site IT infrastructure are vulnerable.



7.4. WHAT IMPACT LOOKS LIKE: THE CASE OF N+ONE

Across this critical digital ecosystem, our impact includes:

Providing critical digital infrastructure for socioeconomic transformation: Infrastructure and connectivity are the dominant challenges to digital services trade in Africa and digital trade is inextricably linked to digital infrastructure. We believe that digital services have the potential to transform the entire economy. The Moroccan government has certainly recognised that N+ONE will make a critical contribution to Morocco's digital strategy.

Supporting local enterprises: N+ONE provides a local solution to the Moroccan enterprise market through colocation or managed cloud services according to customer needs.

Supporting data sovereignty: Currently, Africa's data is largely stored outside the continent, however it is critical that sensitive data does not cross countries and continents. Digital independence also means reduced costs and improved resilience. With the continent experiencing several major subsea cable disruptions over the past 18 months, we recognise that onshoring data reduces the vulnerability to intercontinental traffic disruptions.

Expanding access to education by boosting digital literacy:

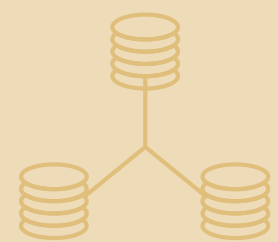
We recognise that access to the internet unlocks a host of high-quality online education that was previously restricted to a privileged few.

Prioritising energy efficiency: Where possible our focus lies in designing facilities that can run on renewable energy. This is particularly critical in an industry known for its high energy use. Cognisant of the energy requirements of the industry, we jointly believe in minimising electricity consumption in the first place and then sourcing as much as possible from renewable energy sources. Morocco's ongoing market liberalisation is going to provide better opportunities to maximise the use of sustainable power generation.

Creating jobs: Data centres and cloud computing infrastructure should go hand in hand with the relevant skills development, a crucial focus area for both us and N+ONE. In fact, N+ONE has a longstanding training and mentoring programme to develop the local workforce. The company recruits and trains personnel to build the workforce that Africa's digital economy needs. Data centres create employment opportunities for skilled workforce and support Morocco's transition from the primary and tertiary sectors to services.

3

Number of **data centres**



9,000

Data centre M²



1.53

Data centre Power Usage Effectiveness (PUE)



7.5. OUR PEOPLE



TANIA SWANEPOEL

Head of Sustainability

BSc Hons (Engineering & Environmental Geology)

“We all have the power to affect positive change no matter how large or small our sphere of influence.”



SYLVIE AMANI

Sustainability Manager

BSc MSc (Safety, Environment)
EMBA

“Sustainability: building a prosperous Africa in harmony with its resources, its people and its future.”



REINETT MOGOTSHI

Sustainability Manager

BSc Hons (Environmental Analysis & Management)

“The voices that shaped me were rarely in the spotlight. That’s why I believe impact must be intentional because silence shouldn’t mean invisibility.”



DAVID BAUDAINS

Sustainability Manager

BSc Hons (Environmental & Geographical Science)

“As we grow our business, our goal is to bring everyone with us: Our diverse communities, our public and private sector stakeholders, our AIMM people. And, critically, we will not act to compromise the planet, its resources, or future generations whilst doing so.”



HELGA PHEIFFER

Business Integrity Advisor

LLB, Admitted Attorney

“It’s about business integrity and doing the right thing. In the words of Albert Einstein, ‘The world will not be destroyed by those who do evil, but by those who watch them without doing anything’.”

7.6. HOW WE EMBED GOVERNANCE & ETHICS

Research into the appetite for sustainable and ESG-focused investment particularly among institutional investors in 2024⁶ did yield the emergence of some concerning trends away from the long-term thinking required of a truly responsible investor. This may reflect the particular pressures in the world market and a more short-term disposition over the past year, but for true sustainable investors the tenets of ESG and long-term value remain undiminished.

Despite the noise in the market, AIIM remains committed to addressing Goal 16 of the UN SDGs through our adherence to robust governance and ethical practices. We recognise that good governance lies at the heart of a sustainable business and that business integrity is significantly growing in both importance and complexity, which increasingly requires an expert hand and dedicated resources to help meet the growing list of requirements. It is, however, worth the effort since such an approach inevitably delivers returns for all stakeholders, including shareholders, lenders, employees, suppliers and communities on a shared value basis.

It is for this reason that AIIM, as a responsible investor, keeps governance front of mind across our investment decision-making process and through our role as active stewards of the assets we hold. This focus on governance is twofold:

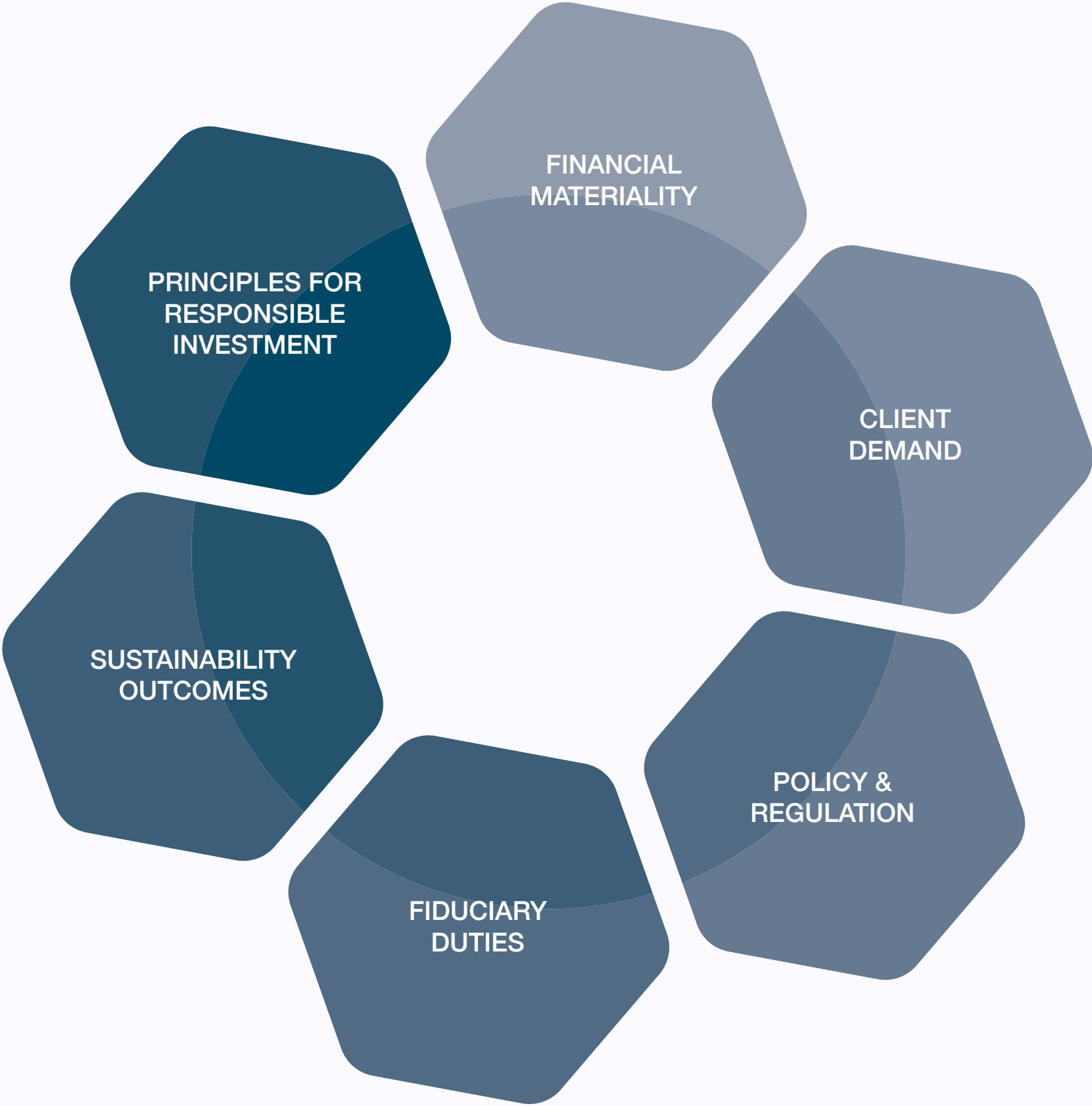
- We assess the material governance of each potential investee company/assets as part of investment due diligence.
- Each fund is structured to recommend investment opportunities to an investment committee which is made up of diverse and experienced individuals, as well as independent members. Our AIIF4 investment committee, for instance, has seven members of which four are independents. These individuals rigorously interrogate every transaction we enter. The result is a robust and transparent investment decision-making process.

Keeping it responsible and ethical

As a member of the Old Mutual Group, AIIM's ethics management is informed by regulations and guidelines including the Companies Act, King IV, the United Nations Global Compact principles and best practice guidelines. We adhere to the Code for Responsible Investing in South Africa 2.0 and the five voluntary principles for stewardship and responsible investment. As a signatory to the United Nations' Principles for Responsible Investment (PRI) through the Old Mutual Group, we balance the management of overlapping forces which must be thoughtfully considered when entering any responsible investment.

In line with global best practice, and ever mindful of our stewardship obligations to investors, stakeholders and the planet, our organisation-wide corporate governance principles, frameworks and risk management practices ensure we make choices that align with our purpose, values and strategy.

AIIM has constituted a Board consisting of three directors. The Board meets four times a year and reports into Old Mutual Alternative Investments.



Source: United Nations Principles for Responsible Investment

7.7. WHAT IMPACT LOOKS LIKE: THE CASE OF CCH

Protecting Africa's food security:

At AIIM, we are proud to hold a controlling stake in Commercial Cold Holdings (CCH), a two-year-old pan-African cold-chain solutions company that is investing in Africa's cold storage infrastructure to increase food security and quality for the continent. CCH currently operates 10 temperature-controlled warehouses in South Africa and Namibia, handling fish, vegetables, meat and chips with a capacity of around 160 000 pallets.

Globally, the temperature-controlled logistics sector is being driven by both growing populations (with food consumption outpacing the rate of population growth) and the continued globalisation of trade, which in turn is fuelled by consumer demand for a broader range of products. While harvests are seasonal, demand for products such as fruit or meat are year-round, necessitating the need for additional storage as a buffer. As a result, centres of production and consumption are further separated leading to increased demand for cold storage logistical hubs.

Temperature-controlled logistics is critical for food security in Sub-Saharan Africa but the sector in Africa lags the rest of the world due to insufficient investment, a lack of expertise and underdeveloped infrastructure to support cold-chain penetration. The sector is also energy-intensive, requiring stable power and efficient refrigeration systems.

The infrastructure gap has resulted in significant post-harvest losses and inadequate food preservation. Temperature-controlled logistics is crucial in addressing this challenge. As Jurie Schoeman, Chief Operating Officer of CCH, explains: *"In Africa we've got countries that can produce excess food and neighbouring countries where there's hunger. So, how do we preserve food in one country and move it to the other, or export that and generate some revenue for that country?"*

We believe in CCH's strategic focus to acquire or develop facilities with enhanced barriers to entry. This approach is rooted in their long-term goal to build a truly pan-African platform through bolt-on acquisitions and organic growth.

Key achievements to date:

- Acquisition of Commercial Cold Storage (CCS), and their six warehouses, from Oceana in April 2023.
- Acquisition of Sequence Logistics in July 2023 and integrating the associated warehouses with the six from CCS to create the CCH platform.
- Operationalisation of greenfield development CCH Greenbushes in Gqeberha (Port Elizabeth) in August 2024.
- Acquisition of iDube Cold Store in KwaZulu-Natal's Industrial Development Zone, Dube Trade Port in August 2024.
- Conversion of 50% of the 28 000-pallet position facility in Epping, Cape Town, to handle fruit exports to the European Union, the East and the United States. *"This move,"* explains Schoeman, *"will also balance seasonal fishing in summer and fruit in winter to ensure optimal utilisation of the warehouse and keeping prices to customers competitive".*
- Rollout of a new Enterprise Resource Planning (ERP) and Warehouse Management System (WMS) to provide advanced customer solutions.
- Food Safety Systems Certification (FSSC) across the CCH group to increase operational and food safety compliance. This also reduces the need for some customer audits, thereby saving time, money and resources.
- Centralisation of planning and maintenance, with the long-term goal of optimising asset management and infrastructure investment. Sustainability Manager David Baudains explains: *"The team has done an enormous amount of work over the last couple of months to formalise a corporate environment and social management system so that they can all have the same set of standards. Implementation will now roll out to all existing business and recent additions."*



7.7. WHAT IMPACT LOOKS LIKE: THE CASE OF CCH

- The creation of a dashboard to track electricity consumption and other metrics of each warehouse in real time. *“This allows CCH to optimise electricity demand and consumption, and we are on track to achieve one of our medium-term goals to reduce energy consumption by 18% within 24 months,”* says Schoeman. The system can also track energy intensity while it allows the team to account for overall differences in consumption that might incur.
- In line with AIIM’s sustainability focus areas, we are particularly pleased to note that in what is a traditionally male-dominated industry, women now make up approximately 17% of the CCH workforce and represent 29% of all levels of management. Across the group, key roles are filled by women who continue to contribute to the success of CCH.
- Over the past two years, AIIM and the CCH team have focussed on various ESG aspects including policies, procedures and standards which are applicable to all businesses under the CCH banner. This covers energy efficiency, carbon management, waste and water management, food security and community engagement. Energy Partners is playing a critical role in assisting CCH to formalise its approach in line with International Finance Corporation standards.

Looking ahead

- Plans are advanced to expand on the current 5MW of rooftop solar and actively explore wheeling options to increase renewable energy penetration. Wheeling involves the transmission of electricity, mainly renewable energy, from one location to another across the grid.
- CCH’s goal to reduce energy consumption by 18% in 24 months is on track, thanks to further energy efficiency projects. We expect this goal to be met by December 2025.

As CCH continues to grow and diversify the business from predominantly frozen only to chilled product lines like fruit, and other value-added services, AIIM is cognisant of the increasing impact this will have on the environment in which CCH operates. A prime example is electricity demand, which is significantly higher for foodstuffs such as fruit, compared to frozen products. As a result, CCH’s prioritisation of plant efficiency is both strategically sound and essential from a sustainability perspective.



7.8. WHAT IMPACT LOOKS LIKE: UTILITY-SCALE RENEWABLE ENERGY

Bulk renewable energy at scale: An IDEAS Managed Fund, ACED and EIMS collaboration

Since 2010, our ZAR27.8 billion IDEAS Managed Fund (IDEAS), along with investee businesses African Clean Energy Developments (ACED) and Energy Infrastructure Management Services (EIMS Africa), have completed and manage 17 majority-owned utility-scale renewable energy projects, with an additional four projects under construction.

Together they represent one of the largest renewables portfolios in South Africa with over 1.6GW of renewable energy operational or under construction and more than 1.1GW approaching financial close. This translates to around 20% market share within South

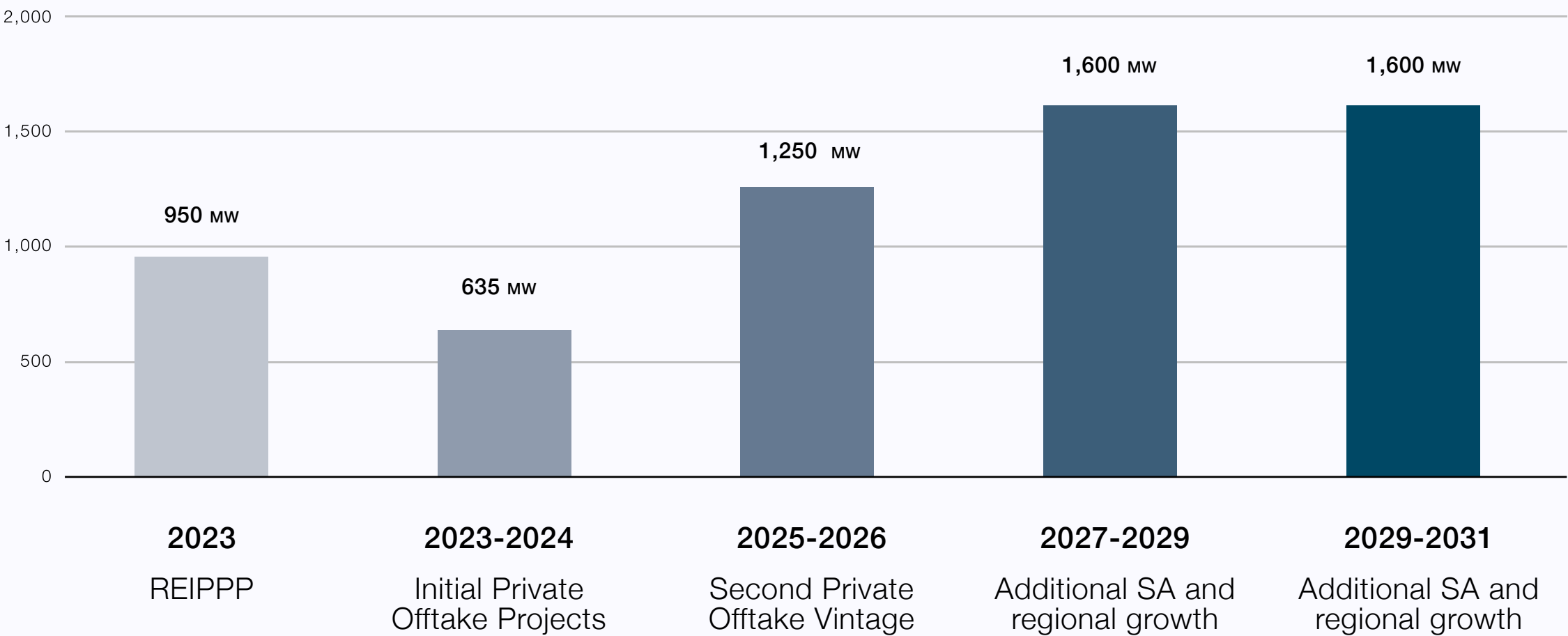
Africa’s renewable energy market that now includes projects in both the Renewable Energy Independent Power Producer Procurement (REIPPP) programme and private offtake projects in the Commercial and Industrial market.

In 2024, the IDEAS-ACED-EIMS team achieved the financial close of its Northern Cluster Wind projects, comprising Ishwati Emoyeni, Khangela Emoyeni and Umsinde Emoyeni in the Western and Eastern Cape. At a combined 432MW, the three projects are collectively one of the largest wind farms in Southern Africa. Putting this into context, the 432MW is equivalent to 200MW of Eskom coal-fired power, which would mitigate 20% of one loadshedding stage through this single renewables project.

On the back of these successes and given the expected growth in the renewables market as well as structuring for various efficiency benefits, plans to formally integrate the ACED and EIMS teams and bring the projects they are responsible for into a new single holding company is well under way.

The team expects to close an additional 3GW+ by 2030, for a total in excess of 6GW. This capacity would position the new energy company to maintain or hopefully grow market share in the renewable energy space and potentially secure the top spot for large-scale utility renewable energy development.

Platform growth to 2030 in MW



Source: AIIM

7.8. WHAT IMPACT LOOKS LIKE: UTILITY-SCALE RENEWABLE ENERGY

The combination of the ACED and EIMS teams have brought together these market leading development and facilities management expertise into a united, single focus energy company. They work under one roof and now comprise more than 50 operations managers and 25 development and transaction experts. Attention is squarely focused on getting the fundamentals right, building on operational and development skills and synergies, and creating a competitive and unified energy company that will service the bulk power needs of a diverse customer base, including traders and miners, as well as big corporate customers and government.

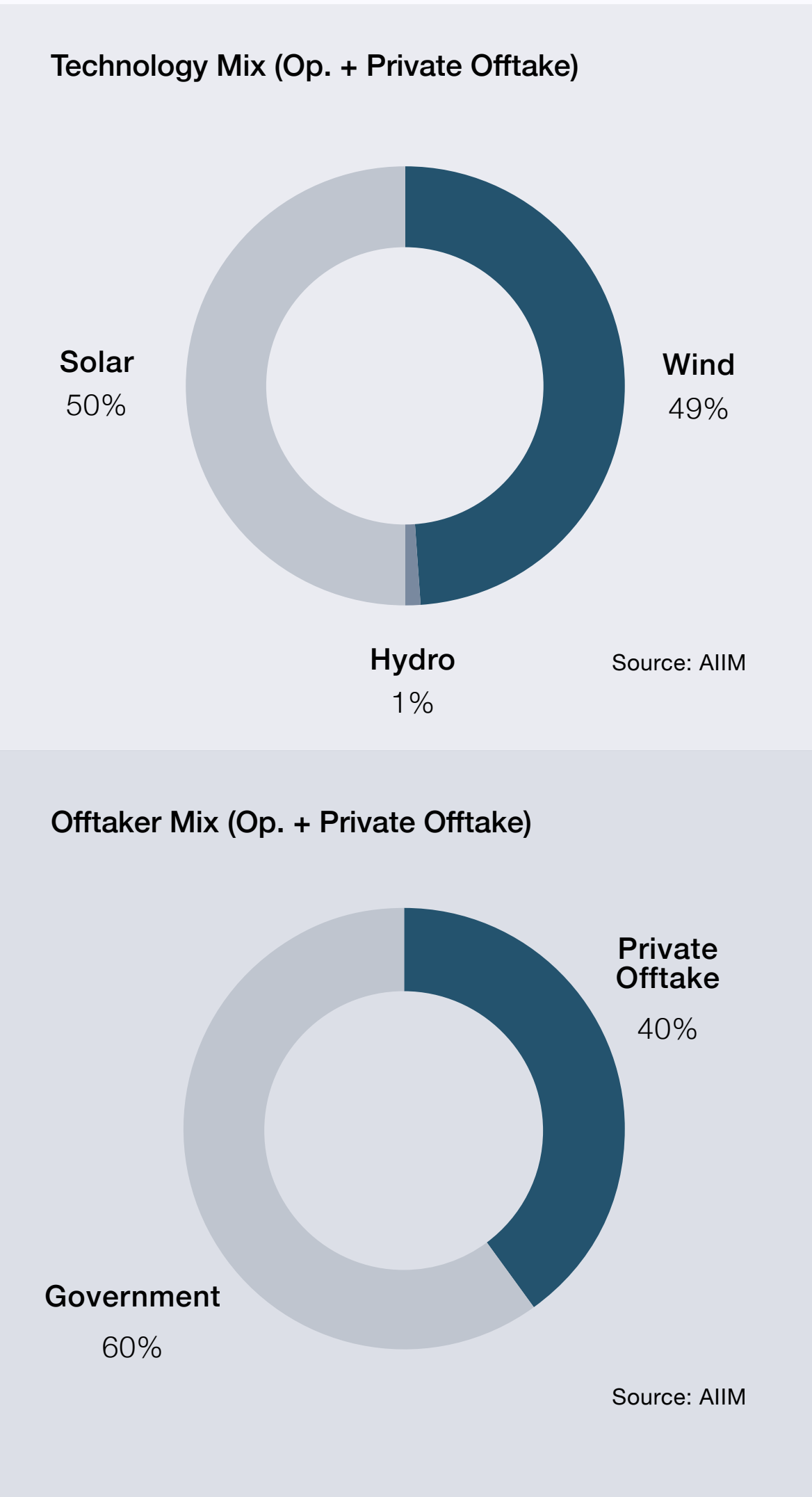
Private offtake booms

ACED and EIMS, and the soon to be formed single entity, sits within IDEAS — South Africa’s largest domestic infrastructure equity fund, with interests in solar and wind facilities, as well as toll roads, open-access fibre, public-private partnerships and waste management.

IDEAS Portfolio Manager Sean Friend explains that the renewable energy market in South Africa is continuing to develop rapidly and demonstrates an accelerating growth profile. *“We had the REIPPP programme that did 10GW of generation capacity over the past 10 years and, in the last 30 months, the commercial and industrial or private offtake market has gotten around 4.5GW.”* he says.

With the teams competing head-to-head with global renewable energy utility providers with deep pockets, Friend believes that investors are attracted to local know-how offered by a domestic energy company. *“We really want to maintain having a national champion. We think it’s important that there is South African capital in the electricity sector,”* he says.

From a sustainability and ESG perspective, renewable energy covers all the bases when it comes to advancing South Africa’s Just Energy Transition. Impact opportunities include injecting investments into communities together with social spending, much-needed employment and skills development.



7.8. WHAT IMPACT LOOKS LIKE: UTILITY-SCALE RENEWABLE ENERGY

Constraints and opportunities

Despite the progress being made, renewable energy faces challenges securing access to the Eskom grid. These constraints are being addressed by Eskom as the state-owned power utility restructures the national grid. Friend explains that with more connection capacity *“the more renewables we can put on the grid. There isn’t a shortage of capital and there isn’t a shortage of sites in the country, but there is a shortage of grid access.”*

In terms of storage, one of the biggest challenges facing the reliability of renewable energy in the power mix, Friend says that each of the operational plants already has a grid connection, which makes the installation of lithium battery infrastructure an attractive product line for the future. *“We will be able to install batteries at each of those sites as an expansion project, effectively shifting load to dispatch when it is more profitable and necessary to do so,”* he explains.

Emerging South African regulatory changes are also well advanced and will bring positives to the wholesale – or merchant – electricity trading market; further underscoring the importance of battery storage as part of the ongoing business case for renewable energy platforms like the ACED and EIMS consolidation.

As the wholesale market evolves, we project that industry consolidation is highly probable. Fortunately, this new venture is also well placed to increase its market share through acquisitions as the industry inevitably consolidates; making this a truly sustainable platform for people, planet and IDEAS investors.



8. OUR AGENDA FOR 2025

AIIM ended the 2024 financial year in impressive form, as the newly named Fund Manager of the Year: Middle East and Africa, as judged at the 2024 Infrastructure Investor Annual Awards. Together with the successful US\$954 million AIIF4 close in 2024, the year ahead looks poised to continue positively impacting Africa’s future through sustainable infrastructure investments.

The launch of AIIM's newest pan-African investment vehicle – the African Transition Acceleration Fund (ATAF) – in February 2025, continued to highlight the support and opportunity inherent in addressing Africa’s energy transition finance deficit through innovation, commitment and sustainable thinking. ATAF will focus on early-stage and scaling up investments across three core energy transition themes: clean electrons, clean molecules and sustainable transport.

For AIIM Head of Sustainability Tania Swanepoel, the interest among investors looking for sustainable African exposure is encouraging. “While previously Africa and emerging markets more broadly were not part of the strategic asset allocations of some investors, there is an increased willingness to look at new growth areas. Applying strong ESG and impact standards across all investments ensures we can achieve these outcomes sustainably and inclusively,” she says.

With over two decades investing across key markets in Africa - from South Africa and Morocco, to Kenya, Nigeria, Ghana, Côte d’Ivoire, Senegal and Egypt - AIIM’s track record and strong on-the-ground local presence is essential to driving sustainable infrastructure investment at scale. “You cannot underestimate the importance of having the right experience,” says Swanepoel. “With our pan-African team, we are able to consider a range of factors like regulatory frameworks, ESG risk, level of economic and political stability, as well as economic size and growth trajectory.”

This is reflected in the performance of the AIIF4 fund, which exceeded its target by 50% in July 2024, becoming the largest African infrastructure fundraise of the last three years⁷. New investors were split between global institutional capital and development finance institutions. While development finance institutions have been investing in Africa for decades, the additional commitment from institutional capital is a major validation of Africa's potential and the trust placed in AIIM's sustainable approach to impact investing.

In 2025, AIIM's Sustainability Managers will continue to work alongside their investment colleagues to support the integration and collaboration between ESG, impact and the investment process. By mid-2025 we expect to have a dedicated integrated data management system in place to service the needs of our Sustainability Managers and investment professionals.



7. Petersen, A-L.S. (2024, August 8). AIIM raises \$954m in ‘biggest African fundraise in the last three years’.

9. DISCLAIMER

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For more detail and information on how to contact us as well as on how to access information, please visit www.aiimafrica.com or call us on +27 21 670 1234.

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

For further details, please visit: www.oldmutualalternatives.com/our-funds.

Fund name	Legal Nature	Domicile
• 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
• African Infrastructure Investment Fund 4 (AIIF4)	En commandite partnership	South Africa

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



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