

Sustainability Newsletter

Volume 3

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About Norsad

“Norsad is an impact investor and private credit provider, and we offer tailor-made debt solutions to profitable growth companies in Africa. Our investment coverage is Sub-Sahara Africa, and our principal operational area is the Southern Africa region.”

Our purpose

We want to be intentional in the building of a better Africa and we aspire to positively impact the lives of 100 million Africans by 2030.

Our values



be **Passionate**

We are inspired to build a better Africa, and committed to positively impacting our communities and the environment.



Be **Authentic**

Be yourself. We keep it real with humility, conduct ourselves with professionalism and are guided by high ethical standards



seek **Growth**

We are active learners and constantly seek to improve, learning from others and from our experiences.



cultivate **Adaptability**

We are determined to be innovative in our thinking and execution, as we find ways to provide solutions and act on opportunities.



embrace **Collaboration**

Together we make the difference, and our diversity and partnerships makes us stronger.

Message from CEO: Norsad's Commitment to Gender



I am pleased to present the third volume of our sustainability newsletter which focuses on the role of women and the need for gender lens investing in Africa. As the world continues to recover from the Covid-19 pandemic, the role of women and the need for gender equality

cannot be ignored. As an impact investor, Norsad recognises the important role women play in Africa, and that by investing in women (both directly and indirectly), we can drive growth and transformation in society.

Norsad considers gender-based factors in the investment process to advance gender equality and assist with our investment decisions. We are guided by different global standards and the ongoing work being done to drive gender investing such as the 2X Challenge, which aligns with our values and our purpose to build a better Africa. Norsad is also committed to advancing diversity and equality throughout our business, including in the boardroom. Norsad is a founding signatory of the Board Diversity Charter (<https://boarddiversitycharter.com>), as part of our commitment to advancing diversity and inclusion and championing strong corporate governance.

In this issue, we will unpack the different approaches to gender lens investing that can be considered, as well as the incorporation of gender into our investment processes and the current performance of our portfolio.

Best regards,

Kenny Nwosu
Chief Executive Officer

Norsad is guided by the following initiatives:



Our Impact Themes





We select investments that contribute to solving social and environmental challenges, whilst still seeking market-related financial returns – “Profit with purpose.” We focus on generating social impact around four themes that are strongly aligned with our shareholder’s impact priorities and are aligned to several sustainable development goals (SDG’s).

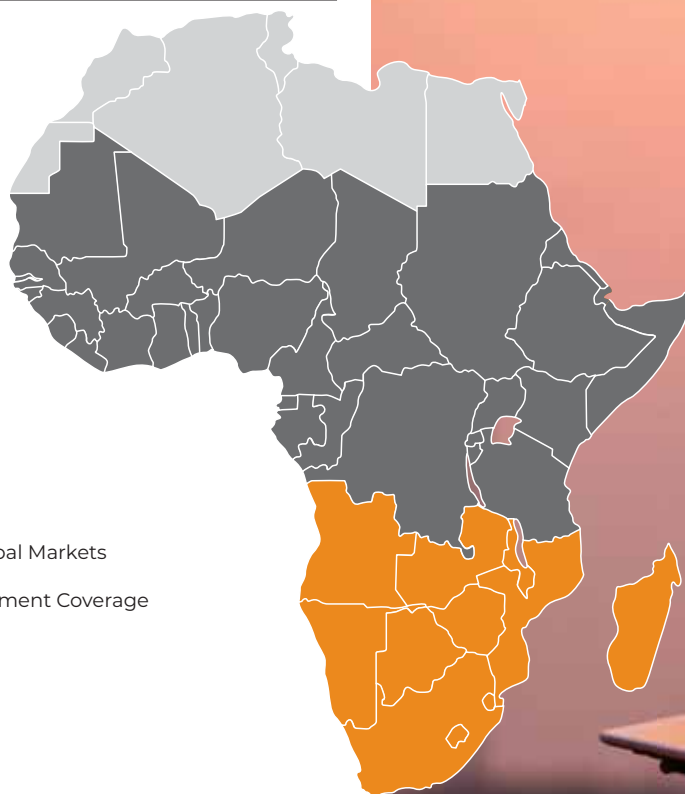
Sustainable livelihoods					
Financial inclusion					
Gender equality					
Climate and clean energy					



Our Coverage

We can lend to businesses in a diverse range of industries if there is a good impact case that supports our purpose to build a better Africa and aligns with the Sustainable Development Goals (SDGs). Our diversified impact approach gives preference to companies that support job creation, gender diversity, import substitution and exports, food security, global climate change mitigation and financial inclusion. Our emphasis and focus are themed as follows:

	Financial institutions
	Food value chain
	Social & Soft infrastructure .
	Industrials & Manufacturing



- Principal Markets
- Investment Coverage



Norsad has a track record of investing in Africa for over 30 years, principally in the Southern Africa region, and has achieved the following:



+ USD 500 million
invested



150+
investments



13
African countries

Currently in our portfolio:

10 366
Direct jobs supported

1 006
Youth employees supported

4 100
Women supported

Investing in women

By investing in women and girls, investors positively contribute to and promote the social and economic empowerment of women. GLI also positively contributes both directly and indirectly to various SDGs including:



In Sub-Saharan Africa, investing in women and girls' education, health and economic opportunities is fundamental to realising the human capital potential and promoting sustainable economic growth in Africa. The Covid-19 pandemic exacerbated existing gender gaps and inequalities, and now more than ever, there needs to be increased investment and focus on empowering women.

The case for gender equality and women empowerment has strengthened in recent years, particularly its role as a driver of growth and innovation. Gender diversity and equality in companies has the potential to result in long-term value creation, stability, and greater returns. Gender lens investing (GLI) considers the good and bad of financial investments on women and girls while

recognising the investments potential to generate financial returns and advance gender equality at the same time. A variety of gender-focused financial initiatives have emerged including gender bonds and private equity funds focusing on gender equality.

At a management level, it is estimated that 5% of Chief Executive Officers in Africa are women, slightly higher than the global average of 4%. In Africa, it has also been found that technology firms led by women experience a 35% higher return on investment than those led by men, a finding that has also been echoed in other sectors ¹. In addition to leadership and management challenges, access to finance for women is a challenge, with male entrepreneurs 60% more likely to receive funding for their pitches than female entrepreneurs, highlighting the gender bias. In addition to funding challenges, it is estimated that there is a USD 42 billion funding gap for female entrepreneurs in Sub-Saharan Africa, however, if this gender gap is bridged, there is potential to gain USD 316 billion in GDP across Africa.

In the region, the financing gap for women is estimated to be USD 20 billion but is likely higher given the number of informal women-owned businesses ². Women entrepreneurs continue to receive only a small percentage of capital available for SME investment across Africa, despite the amount of capital available. Norsad's investment in financial institutions promotes financial inclusion which has benefitted women SMEs and women in general through increased financial access, which has a positive contribution to their livelihoods and communities.

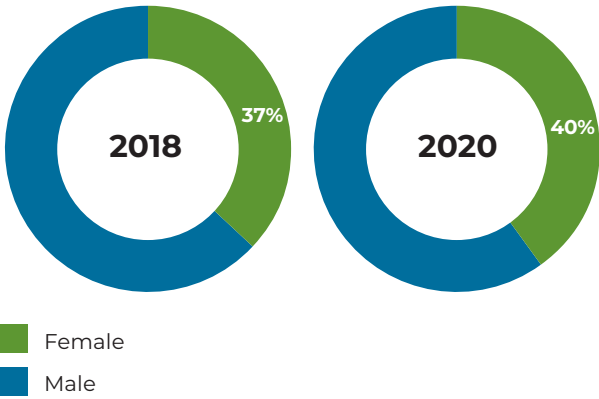
¹ <https://www.theafricareport.com/66365/women-led-businesses-is-missing-ingredient-to-maximizing-african-entrepreneurship/>

² <https://www.issuelab.org/resources/21889/21889.pdf>

Norsad's contribution to women

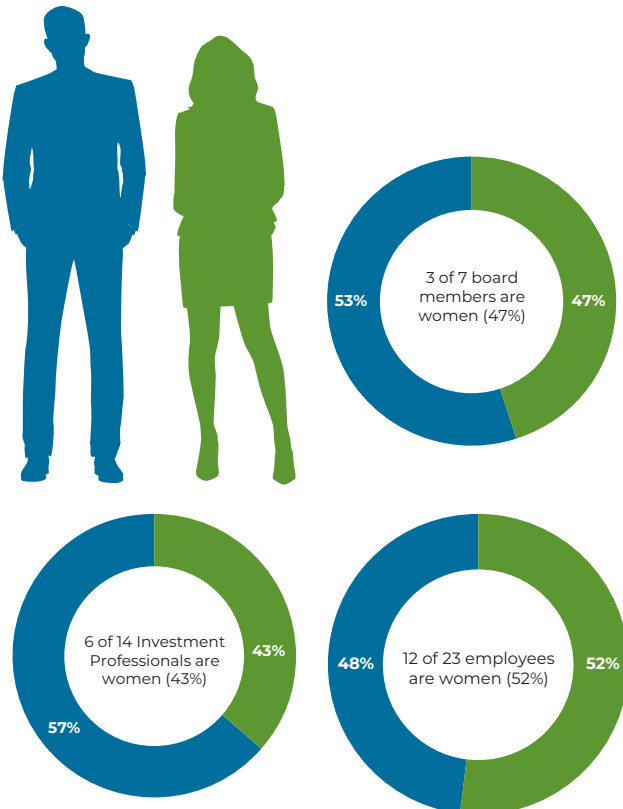
Women in the workforce

As part of our commitment to promoting gender equality, an assessment of our portfolio was conducted to determine our current portfolio's gender performance and to allow us to identify potential areas of improvement in both our current and future investments. Norsad's portfolio has seen a modest increase of 8% of women in the workforce over the last three years as indicated below.



Women at Norsad

At Norsad, we are ensuring the active involvement of women in our company as highlighted below:



Financial inclusion

23,470

SME Loans provided to women by Norsad Investee companies in 2020



USD 70 million

Value of SME Loans provided to women by Norsad Investee Companies in 2020



Looking forward

To ensure we honour our commitment to gender-focused investments, Norsad has aligned with the 2X Challenge criteria and set specific targets to ensure the number of women supported by our portfolio continues to grow. Although we have identified specific targets and KPI's, we aspire to increase training, particularly for women, obtain technical assistance from our partners and shareholders, and ensure our investment team is well versed on how to incorporate gender-focused investments into our portfolio.

CONTACT US

Norsad Finance Limited • Botswana Office

T · +267 (0) 316 0860 W · www.norsadfinance.com
 P O Box 1476 ABC · Plot 54366 Peelo Place · Western Commercial Road · Central Business District · Gaborone · Botswana

Norsad Finance Limited • South African Office

T · +27 (0) 11 326 6644 No. 4 Upper Ground Floor · Katherine & West Building · 114 West Street · Sandton Johannesburg 2031 · South Africa

