

INVESTING IN SUSTAINABLE LIVELIHOODS



I am pleased to present the fifth volume of our sustainability newsletter which focuses on our continued commitment to investing in sustainable livelihoods and the promotion of decent work. At Norsad, our mission extends beyond financial returns. It encompasses making a positive and lasting impact on the communities where we operate.

Sub-Saharan Africa (SSA) is a land of promise and opportunity. It is a region brimming with potential, from its youthful and growing population to its abundant natural resources. Yet, it also faces several challenges, including poverty, unemployment, and environmental concerns.

Unemployment is a significant driver of poverty and income inequality. The SSA unemployment rate for 2022 was 6.75%, showing a steady increase from 5.5% in 2013. Youth unemployment across SSA has soared to 12.35% in 2022, presenting a serious risk to the promotion of an inclusive economy and society.

Poor job quality remains a pressing issue worldwide, but particularly in SSA where over 70% of workers are in vulnerable employment against the global average of 46.3%. A substantial part of this vulnerable workforce consists of women, categorized as contributing family workers, highlighting the importance of the global drive for gender parity.

At Norsad, we understand the integral role we jointly play in overcoming these socio-economic challenges. Our commitment to SSA is driven by our belief that we can be a force for good, a catalyst for change, and a partner in progress.

In this issue, we will look more closely at these issues and how Norsad contributes to sustainable livelihoods, as well as the important role investors play in bridging the unemployment gaps and trends currently experienced.

Best regards,

Kuda Mukova
Head of Impact and Sustainability

About
Norsad

"Norsad is an impact investor and private credit provider that offers tailor-made debt solutions to profitable growth companies in Africa. Our investment coverage is Sub-Saharan Africa, and our principal operational area is the Southern Africa region."



Our Purpose

"To Build a Better Africa". We are intentional in our financing activities towards the building of a better Africa, and we aspire to positively impact the lives of 100 million Africans by 2030.

Our Values



Be Passionate



Be Authentic



Cultivate
Adaptability



Seek Growth



Embrace
Collaboration

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:



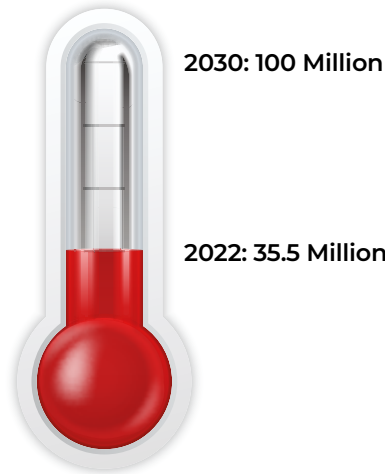
Our Focus Sectors

Norsad has a track record of investing in Africa for over 33 years, principally in the SSA region. We focus on high-impact sectors including:



Our Target:

To Impact 100 Million Lives by 2030

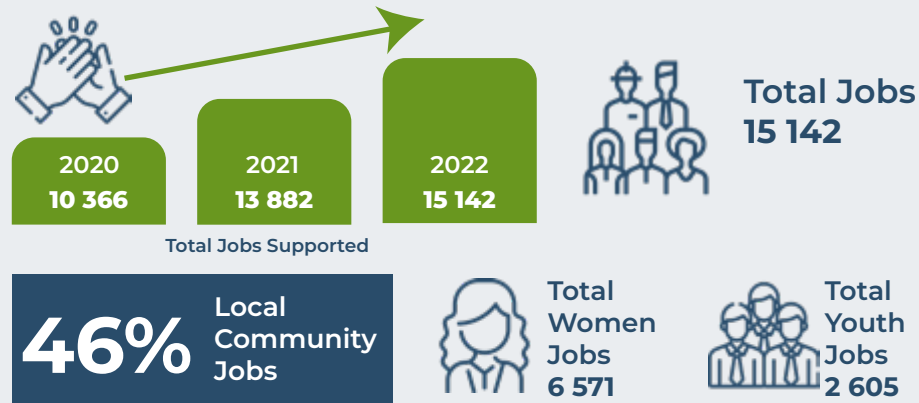


Jobs Per Sector



Sustainable Livelihoods in Numbers

As of December 2022, Norsad had US\$235 million Assets Under Management, of which US\$56.5 million was disbursed in 2022. Through our investments, we have contributed towards job creation and sustainable livelihoods across the portfolio:



Training in 2022



Investing in Sustainable Livelihoods and Decent Work

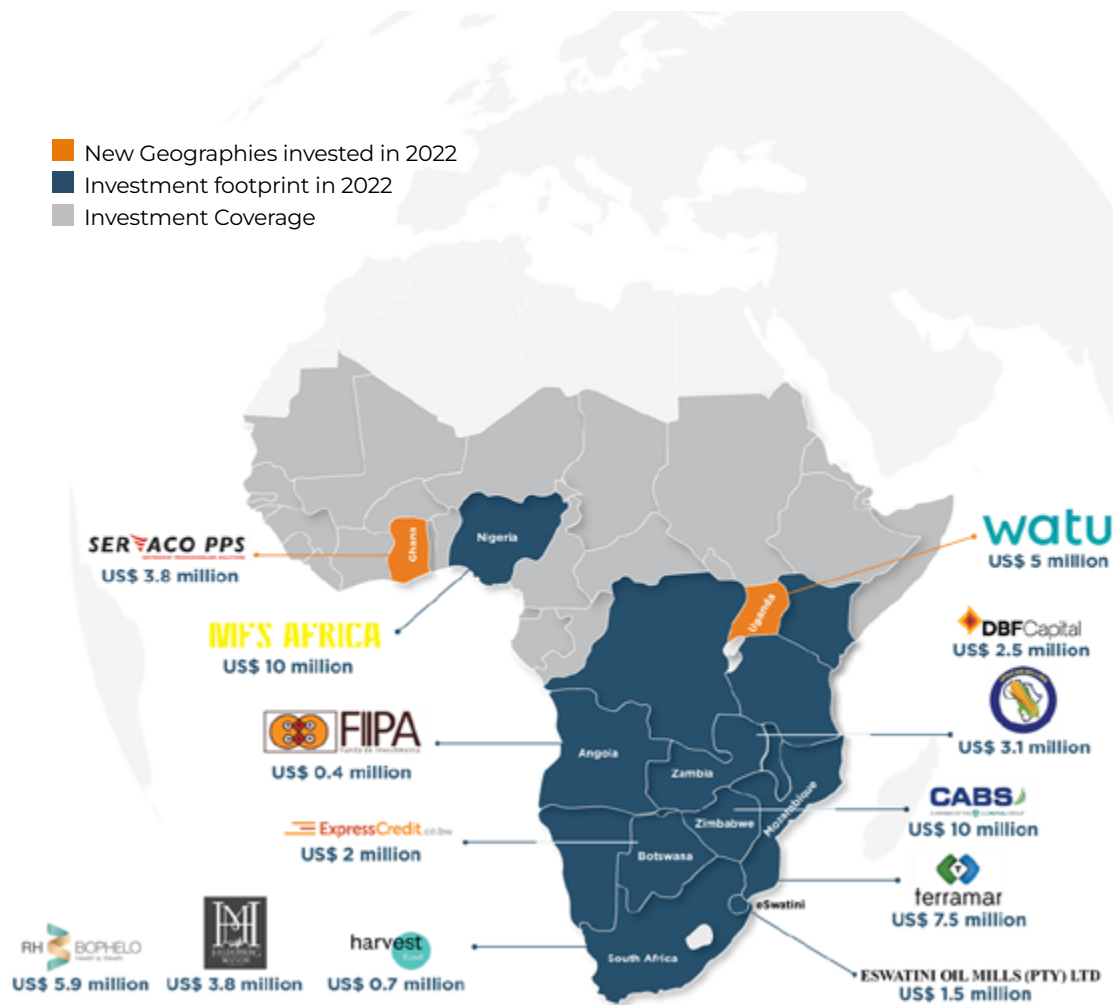
It is a means of generating income, reducing poverty, and increasing social cohesion. Employment not only enables individuals to actively participate in the economy, but also instils a sense of value and fosters community upliftment. Through employment, individuals have the opportunity to develop new skills and knowledge through training, which subsequently improves their productivity, expands their prospects, and contributes to economic growth. In addition, employment generates tax revenue for governments, providing increased funding for public services such as healthcare, education, and infrastructure development. This, in turn, leads to improved living standards and a better quality of life for citizens.

70%
of SSA workers in
vulnerable employment

Organisation as work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men.

Satisfied employees are
up to
20%
more productive.

Decent work underpins Norsad's impact theme of Sustainable Livelihoods, and we believe investors have a key role to play in socio-economic development. Beyond meeting basic needs, investments must be linked to the potential to raise productivity and income and building long-term wealth for employees. Satisfied employees are linked to business growth, building sustainable businesses and de-risking investments.



Unemployment & Underemployment lie at the core of poverty. For the poor, labour is often the only asset they can use to improve their well-being. Hence, the creation of productive employment opportunities is essential for achieving poverty reduction and sustainable economic and social development.

Outcomes

- Increase in sustainable jobs
- Increase in skill levels
- Increase in productivity
- Increased access for lower income and previously excluded individuals and businesses
- Increase in pay-levels
- Sustainable businesses
- Increase in revenue
- Increase in local procurement

Norsad has recently embarked on an exciting journey with one of our strategic partners, Swedfund, to build our capacity and understanding of 'Decent Work' and how we can support our portfolio companies in fostering sustainable livelihoods. Swedfund has produced a handbook with a practical toolkit to support investors and their portfolio companies to close the gap between achieving minimum compliance and decent work standards. The Good Practice Handbook on Decent Work provides investors and portfolio companies with practical guidelines on how internationally recognised labour standards can be translated into practical projects, programmes, and workplace initiatives that support the achievement of decent work.

At Norsad we strongly believe that our impact is leveraged through the strong relationships we build with our stakeholders, particularly with our portfolio companies and our partners.

Norsad is committed to building on our contribution to sustainable livelihoods and supports our portfolio companies to improve their resilience and sustainability. We work closely with our portfolio companies by providing technical assistance and training to improve internal business processes and awareness around key issues. We also encourage and support reporting on sustainable livelihood metrics by our portfolio companies which enables us to track and monitor performance.

Shareholder &
Strategic Partner

Swedfund

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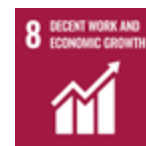
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Our Impact

Direct SDGs



InDirect SDGs



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