



2023

Impact & Sustainability Report | [www.gaia.group](http://www.gaia.group)



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# Message from the Managing Director



## Unlocking the Power of Private Capital for Climate Action and Sustainable Infrastructure in Sub-Saharan Africa

### Dear Stakeholder/Investor,

I am proud to present the transformative opportunities that lie ahead in our shared mission to drive climate action and sustainable infrastructure development in Sub-Saharan Africa.

Sub-Saharan Africa faces a critical moment, where addressing climate change and building resilient, sustainable infrastructure is no longer just a goal, but an urgent necessity. The challenges in the region are substantial, but so too is the opportunity. By leveraging capital markets as a powerful enabler, we have a unique chance to change systems at scale and mobilise private capital towards impact investing.

At Gaia we are committed to bridging the gap between climate action, sustainable infrastructure, and the investment community. Our efforts are focused on creating high-impact, scalable financial solutions that not only mitigate the adverse effects of climate change but also promote inclusive

economic growth and long-term sustainability. All this while reducing inequalities, through working with communities and focusing on diversity, equity and inclusion. Through our work, we are unlocking opportunities for investors to participate in projects that generate measurable environmental and social returns, while also delivering competitive financial outcomes.

Private capital is pivotal in this equation. With traditional funding sources unable to meet the growing infrastructure and climate needs, the role of private investors has never been more vital. By aligning Gaia’s strategies with market innovations, such as green bonds, blended finance, and public-private partnerships, we can de-risk projects and provide a platform for investors to engage in impact investing with confidence.

We are witnessing a remarkable shift in how capital is deployed for the greater good, and Gaia is confident that this

momentum will continue. The convergence of climate-conscious investment strategies and the appetite for climate infrastructure is opening doors to systemic change in Sub-Saharan Africa. This is not only an investment in the future of our planet but also in the stability and prosperity of the communities we serve.

I invite you to join us in this journey as we scale up our impact, mobilise more private capital, and create lasting solutions to the pressing challenges facing the region. Together, we can drive the transition to a low-carbon, resilient economy and build a more sustainable future for generations to come.

Thank you for your continued support and commitment to impact investing.

Sincerely,

**Renier de Wit**  
*Managing Director*

Gaia Fund Managers



# About Gaia

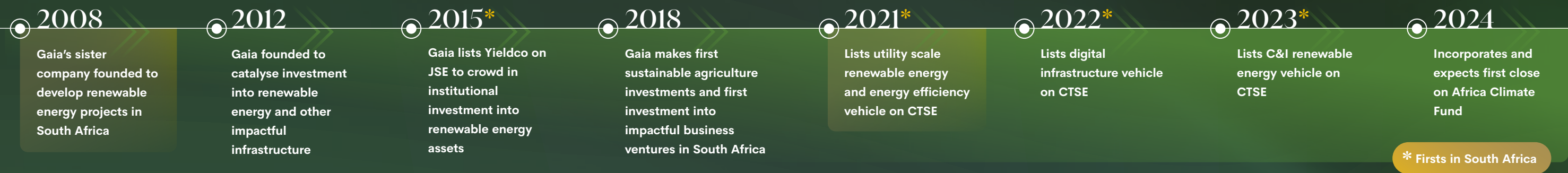
## Introduction

Gaia was formed and incorporated in Cape Town, South Africa, in 2012, for the purpose of facilitating the investment of long-term capital in renewable energy infrastructure projects in Southern Africa. Gaia has since expanded its focus to other impactful infrastructure, sustainable agriculture, and related private equity investments with an impact focus, core to our purpose.

Gaia is considered a leading impact specialist transaction team in Southern Africa and a first mover. The timeline below gives a few highlights of Gaia’s twelve-year history with a throughline of seeking investments which generate a positive impact across all the milestones.

## Mission

Gaia’s mission is to catalyse the climate and sustainable infrastructure transition through a sustainable project development cycle in Sub-Saharan Africa by making secondary investments in climate infrastructure, sustainable infrastructure, and agriculture projects, demonstrating one can profit with a purpose.



# Impact Team



**Tersia Lister**  
Chief Impact & Risk Officer  
CA(SA), MBA



**Kilian Schabort**  
Impact Associate  
BEng, MCom, CFA



**Elsa de Goode**  
Head of Operations  
B.Bibl., BIS Hons.

## Impact Team Scope

The Impact team oversee the development and implementation of the Gaia’s Environmental, Social & Management System, Impact and net zero strategy, impact measurement and management frameworks, risk assessment and mitigation strategies, ESG integration, and stakeholder engagement and communication plans for the Gaia investments.

With over 16 years in capital markets and corporate finance, Tersia leads the impact and net-zero strategies for Gaia’s infrastructure and agriculture funds across Sub-Saharan Africa. She is responsible for Gaia’s impact strategy, integrating ESG into the investment cycle, risk mitigation, and stakeholder engagement. Her career journey has shown her commitment to addressing poverty, inequality, a just transition, and climate change, specifically focusing on Sub-Saharan Africa.

Joining Gaia directly after university, Kilian used the financial and engineering knowledge gained to assist in the investment process into real assets. As it became clear that the market values quality reporting on sustainability and impact, Kilian started the impact monitoring and management process at Gaia. Over six years at the company, they have aided in the development and refinement of sustainability and impact monitoring and management from its inception.

Elsa joined Gaia Fund Managers in 2024, contributing her skills related to research methodology, analytical analysis, information- and knowledge management to optimise operations. Elsa has extensive experience of FTSE/JSE Responsible Investment indices, using ESG principles in the index design and promoting sustainable and transparent business practices. She is interested in the systemic importance of sustainability and impact thinking in investment decision making and practices.

## Partnerships

Beyond the in-house impact team, Gaia achieved its successes in the Impact space with critical partnerships throughout its history.



Worked with Gaia to create a platform, bringing impactful investments to institutional investors around Africa.



Signatory of PRI, allowing Gaia to follow best practice and compare with best in the world.



Accelerated Gaia’s SFDR Article 9 Africa Climate Fund and provided understanding of the needs of international investors.



Facilitated monitoring and engage our investees to improve impact.



Built our understanding on the European and international regulations on impact investing and how to show our impact.



# Gaia Sustainability & Impact Dashboard

Our investments are selected and managed not only to generate strong financial returns but also to create lasting social and environmental impact. Through rigorous ESG standards and targeted impact initiatives, we are building a more sustainable future, one investment at a time.

## Gaia Today

Highlights of the status of Gaia and its investments as a specialist impact infrastructure asset manager.

\$300 million  
capital deployed to date  
*R4.2 billion*

100%  
Impact Investments  
by mandate

2 Article 9 SFDR  
"Deep Green" fund  
*3rd expected 2024*

33  
Impactful investments  
currently managed

5  
Impact  
Investments completed

1  
Sustainable  
Investment exits

\$13.2 million New capital deployed 2023  
*R240 million*



## Sustainability Achievements

Refer to page 22 for Sustainability Factor results.

Our commitment to sustainable asset management

### Environmental Highlights

#### Climate Finance

R161 million into new renewable energy development in 2023

#### Net Zero

16 753 tonnes of CO<sub>2</sub>e emissions avoided among all portfolio companies in 2023\*

### Social Highlights

#### Female representation & 2X Challenge

69% Alignment among all portfolio companies

#### Jobs Maintained

1 850 FTE Jobs Maintained throughout Gaia's investments

### Governance Highlights

3 King IV Compliant listed vehicles

62% Number of portfolio companies with formal Risk Management policy

\* On total capital attribution basis. See Methodological Approach for details on page 46.

## Gaia's Impact Highlights

Maximising our positive impact viewed through our primary investment categories.



Climate Finance & Renewable Energy Infrastructure

1 Renewable Energy Developer  
Funded with growth capital



Transport Infrastructure

415km Reliable and safe roadways maintained



Digital Infrastructure

Affordable internet access provided  
\$1.20/Mbps Uncapped Internet Access



Sustainable Agriculture

Sustainably Farmed Hectares  
1 253Ha



Impact Ventures

Affordable, clean drinking water provided to 1+ million monthly customers

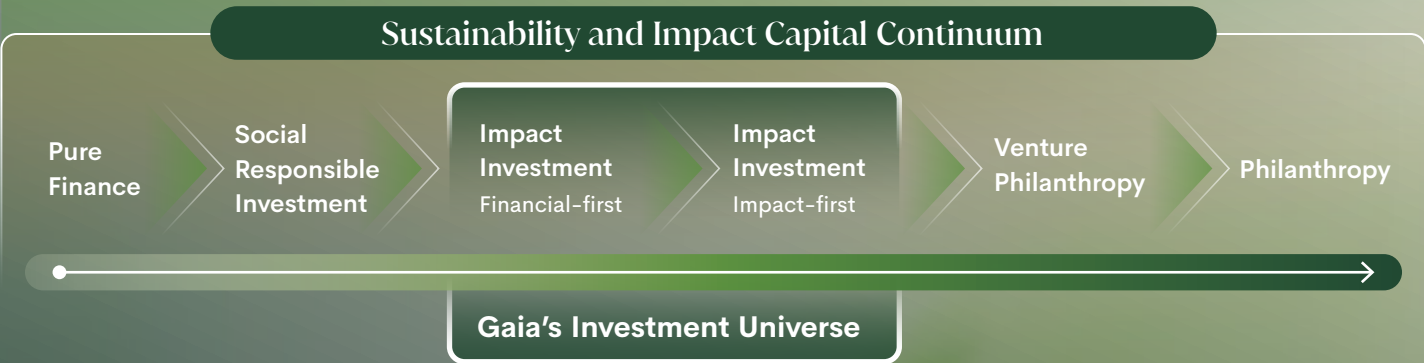


# Impact at Gaia

## Overview

Gaia is the Greek word for Earth and Gaia's mission is to drive positive change for the planet and its people by mobilising large-scale investment flows into **impactful solutions using catalytic and systemic and innovative funding structures unique to the capital markets**. These solutions are identified through an embedded systems mapping process, pioneered by the Gaia team's skills and experience. As an **advocate for climate action**, Gaia takes centre stage, playing our part in **reshaping the global energy paradigm**, focusing on Africa. Gaia supports the Paris Agreement objectives through unwavering dedication to climate mitigation.

Measurable impact is the core consideration on what investments we choose to make. Supporting this we consider the additionality of how we can affect change in the ecosystem. This includes the geographical replicability of the solutions and stewardship as asset manager and how we enhance the impact of the investments made. The continuum below demonstrates the degree to which generating a positive impact features in Gaia's capital allocation.



## Gaia's Impact Themes

Our investments are guided by a commitment to driving meaningful impact, focusing on sustainability, social equity, and long-term value creation. We aim to address pressing global challenges while fostering innovation and responsible growth across all our initiatives. The four themes below encompass the primary impacts that we are trying to achieve with our investments.

Climate Finance & Clean Energy	Basic Needs & Essential Resources	Food Security & Sustainable Agriculture	Innovation & Sustainable Infrastructure
Climate change is primarily caused by energy generation. Shifting towards a low-carbon economy mitigates climate risks, enhance energy access, and build a more sustainable future for communities and businesses.	Lack of access to basic needs like safe drinking water and essential resources lowers quality of life. Gaia seeks to provide these essential services affordably to underserved communities, promoting inclusivity and fostering long-term prosperity.	By strengthening agricultural value chains, promoting sustainable food production, and optimising resource use, it aims to ensure long-term food security, foster sustainable growth, and reduce environmental impact through more efficient and reliable access to nutritious food.	Resilient infrastructure and innovation is crucial for sustainable development, as it enhances connectivity, boosts economic growth, and improves access to essential services. This ensures that all individuals benefit from modern infrastructure and technological progress.

## Impact Management & Measurement Framework

Gaia uses best practices in our impact management and measurement ("IMM") framework to evaluate and report on impact. Gaia is in the process of adopting Environmental, Social, and Management Systems ("ESMS") for all our funds. The IMM framework is based on international industry conventions, primarily based around Impact Frontier's Impact Management Project with the UNSDGs. Supporting these, we include using principles from SFDR and EU Taxonomy as well as the 2X Challenge.

### Impact Management Project

The Impact Frontier's Impact Management Project ("IMP") offers a robust framework that helps organisations effectively measure, manage, and improve their social and environmental impact, ensuring impact is deeply integrated into decision-making processes.



### United Nations' Sustainable Development Goals

We have used the United Nations ("UN") Sustainable Development Goals ("SDGs") to identify where we are best positioned to contribute by virtue of our operating model and core strengths, ensuring our efforts are strategically focused on areas where we can make the most significant impact.



## Gaia's Additionality

Core to the reason why Gaia was founded in 2012 to provide growth capital in the sustainable infrastructure industry, **filling a funding gap by pioneering innovative structures where funding would not have existed. An active and efficient funding ecosystem** is required to accelerate sustainable infrastructure project development on the African continent. A vibrant secondary market would attract asset owners with products that match their risk and return requirements.

Gaia is a pioneer in strategically activating these previously excluded investors, crowding in more financial capital for African sustainable infrastructure. Gaia's strategy for financial additionality is to be a thought leader in the sustainable infrastructure and agriculture sectors, to crowd in private capital, especially long-term asset owners. So far, we have succeeded in attracting capital from pension funds, insurance companies, collective investment schemes and family offices. We aim to scale and fast-track our financial additionality through field building, engagement, education, demonstration effect, and collaboration with long-term asset owners and managers.



Impact at Gaia (continued)

SFDR Article 9 Funds & Impact-Linked Compensation

In 2023, Gaia has shown its commitment to Impact by voluntarily adopting the European Union’s Sustainable Finance Disclosure Regulation (“SFDR”) Article 9 “Deep Green” requirements in two of its funds with the third, mandatory Article 9 fund to be added in 2024. As the most stringent Impact and sustainability requirements, as of writing, this demonstrates to other asset managers that high impact standards are achievable with small teams.

Part of the Article 9 requirements includes reporting on Principal Adverse Impacts (“PAIs”) in an attempt to minimise any potential

harm of our investments. Going a step further, Gaia aims to adopt voluntary reporting on the PAIs of all of its investments by 2026 to ensure that maximising positive impact is combined with mitigating and reducing any potential negative impacts.

Gaia supports the movement to link impact to asset manager compensation. We believe that an Impact Linked Compensation (“ILC”) structure holds fund managers accountable to their stated impact goals, mitigate impact risks and puts impact first in fund decisions. Gaia has adopted an ILC structure for our latest fund, which will incentivise financial and impact performance by applying a two-part carried interest mechanism.

Recent Industry Collaborations

As a recognition of the Gaia secondary market innovative initiative, Gaia was invited in February 2023 by the One Planet Council in Paris and ADF and ADIA to contribute to the working group towards the New Global Financing Pact Summit in June 2023, delivering our recommendations to the Head of States in Paris.

During this process, Gaia was co-chairing a sub-group for sourcing action points to increase investments in sustainable infrastructure in developing and emerging markets.

Theory of Change for the Gaia Group

Impact on the Asset Management Landscape

The diagram below demonstrates the intended additionality and the impact that Gaia aims to create through its participation in the market as an asset manager.





Impact at Gaia (continued)

Gaia’s Investment Strategy

Diversification into high-quality real assets with an immediate, tangible impact.

Investment Case

Investment Strategy

Gaia primarily seeks long-term investment opportunities in the equity of high-quality real assets. These projects must adhere to Gaia’s risk-return, ESG and Impact requirements whereupon Gaia can apply our unique skill set to improve and optimise all aspects of the project.

- Pure secondary
- Brownfields
- Primary (Greenfield)



Investment category		Geography	Sub-category	Impact theme	Asset & structure	Vintage/ inception	Transactions/ investments
Infrastructure	Renewable Energy		On-grid (PPP)		Project Equity in Listed Vehicle	2020	2
			On-grid (PPP)		Project Equity in Luxembourg RAIF	2024*	0*
			Off-grid (C&I)		Listed Infrastructure REIT	2022	1
	Digital Infrastructure		FTTH Networks		Listed Infrastructure REIT	2021	14
	Transport Infrastructure		Toll road concession		Project Equity	2018	1
Agriculture	Primary Agriculture		Plant-based cultivation		Private Equity	2018	8
	Agricultural Processing		Plant-based food processing		Private Equity	2019	3
Impact Ventures	Impact Ventures		Various: Agri., Renewable Energy		Private Equity	2018	5

Refer to page 6 for Impact themes description.

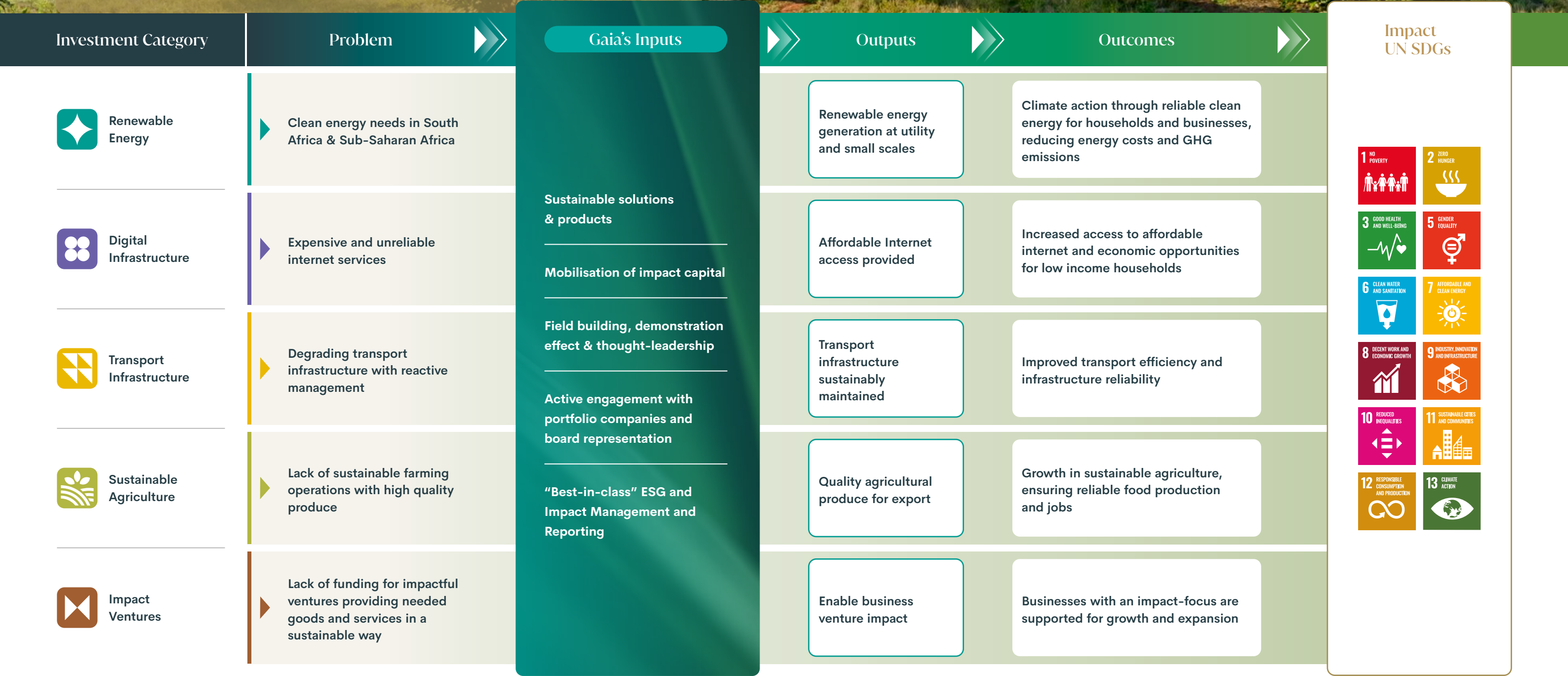
\* Expected 2024.



Theory of Change For Gaia’s Investments

Impact of Our Investments

The diagram below displays the intended impact that Gaia aims to create through its investments.





# Gaia's Sustainability Commitment

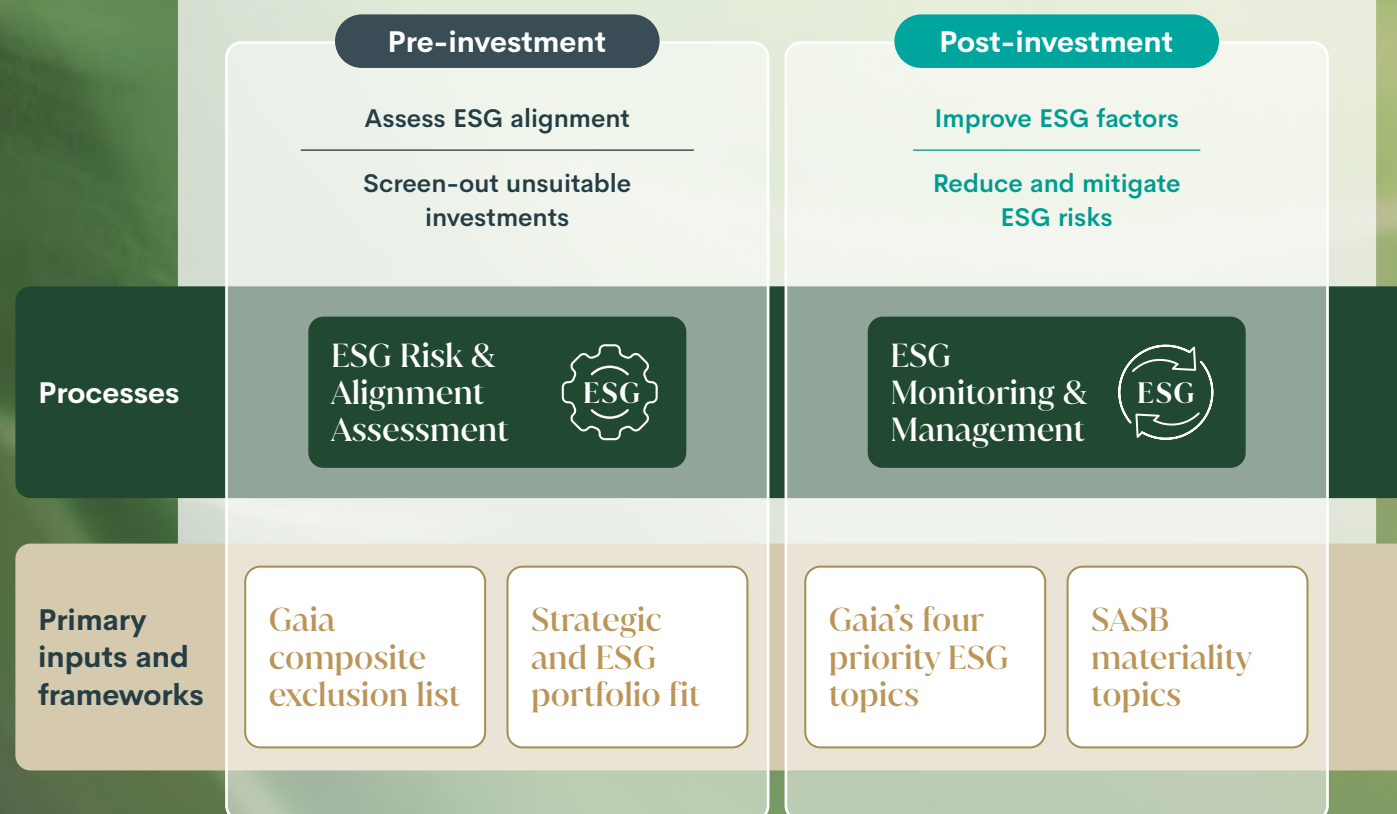
## Unscrambling Sustainability & Impact

Sustainability considers ESG (Environmental, Social, & Governance) factors that result in risk to the entity, especially those factors which affect the financial performance of the investment, and necessarily need to be managed. Addressing and improving upon these factors helps reduce risk and results in a business or entity that is more sustainable in the long run. Gaia also consider sustainably opportunities in our investment landscape that aligns with our impact mandate. Impact, on the other hand, is primarily focused on how an entity, through both core and auxiliary operations, can generate positive outcomes for people and the environment.

## Breaking Down Sustainability At Gaia

Gaia believes ESG principles are crucial to developing climate and socially resilient companies built on sustainable growth and reducing climate impact that deliver long-term value for investors. Furthermore, we recognise that investments often benefit from following sound social, environmental, and governance practices.

ESG analysis and management can improve profitability and manage risk, resulting in more resilient companies. By integrating ESG into the investment process we enhance our understanding of the investment risk, resulting in lower investment risk. Therefore, we are committed to responsible investment and integrating ESG considerations across all stages of the investment process, from screening to exit and operating principles.



## ESG Risk & Alignment Assessment



At Gaia we aim to catalyse investment into impactful assets and businesses. For this reason, we include ESG assessments pre-investment to screen out investments which go against Gaia's mission as well as to assess the ESG alignment of potential investments.

The primary inputs to pre-investment processes are Gaia's Composite Exclusion list and the ESG Portfolio Fit. The Composite Exclusion considered and adapts the IFC Exclusion list, the Harmonised EDFI Exclusion list, the BII Fossil Fuel Policy, the Government Pension Fund Global and Blackrock's EMEA Baseline Screens in the design of the Gaia Exclusion List.

The ESG Portfolio Fit has the purpose of obtain enough insights during the investment process to understand and add value to portfolio companies' sustainability. Furthermore, the Portfolio Fit and sustainability risks identified in the assessment are the basis of the Alignment assessment where Gaia scores investments. Based purely on sustainability factors, the ESG Alignment scores informs the inherent risk and how likely it is that the intended impact will be achieved.

## ESG Monitoring & Management



Once Gaia is invested in a business or entity, the continuous monitoring and management of ESG factors begins. The primary factors included in the management of sustainability include:

- Gaia's 4 Priority ESG Topics
- SASB Material Topics

Based on our view as an organisation we prioritised four ESG topics across all our investments, irrespective of the underlying. These are shown below. To ensure our investments are robust to ESG risks, we complement the four priority topics with the SASB material topics for each individual investment. See Methodological Approach for more information on Gaia's ESG monitoring and management.

## Gaia's Four Priority ESG Topics



## Gaia's Management Additionality

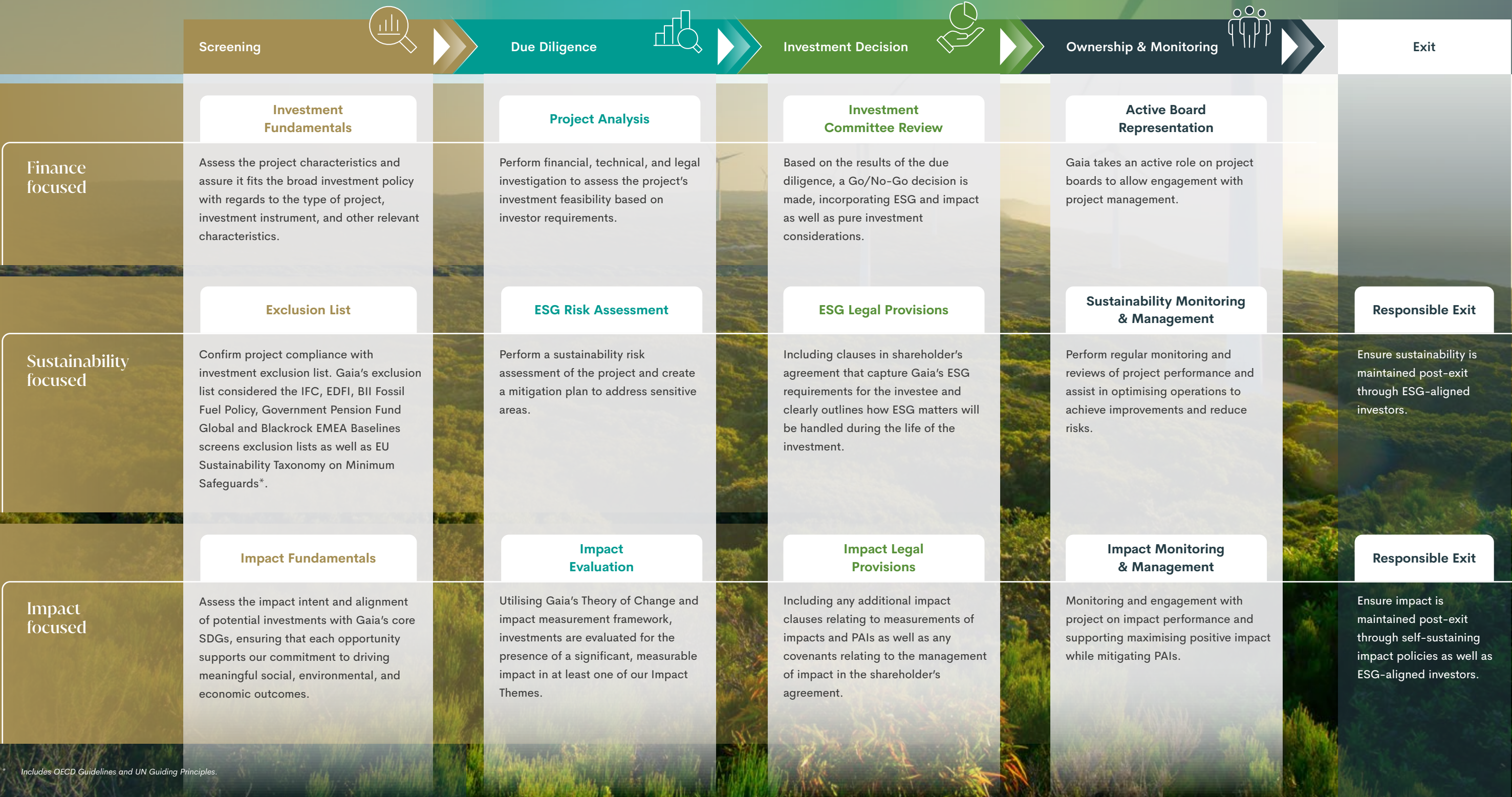
The ESG management of Gaia's investments is where we provide additionality to the sustainability of these entities. As shareholder and through investor stewardship, Gaia seeks to partner with our investee companies to provide financial, catalytic and strategic benefits. Through engagement, we help them implement best practices by offering tools, training, and expertise, managing ESG risk factors, ensuring minimum safeguards, implementing good governance practices, and measuring progress.

Gaia has identified four priority ESG topics, that we believe can most affect our ability to build strong companies of enduring value. Engagement includes practices like an ESG action plan, road map and board representation.



# Investment Process

Disciplined approach where ESG & Impact are fundamental to the investment process.



\* Includes OECD Guidelines and UN Guiding Principles.



# Investments, Impact & Alignment

This section of the report aims to provide a holistic view of Gaia's investments bringing in impact and sustainability factors. The table below provides a summary of the investment categories according to the degree of ESG alignment and impact. The impact of the investment categories is separated into the themes and objectives of each. Using the mapping of the Impact themes to the High Priority impacts that follows, the impact focuses of Gaia's investment universe is provided through a radial chart.

The impact metrics and target beneficiaries have been derived from the below themes and objectives based on the IRIS+ Core Metric Sets. Included in this detail is the potential negative impact SDGs for each investment category. These potential negative impacts give a basis on which to assess the impact risks of our investments and allows us to consider the holistic net impact of our portfolio, not merely focusing on the positive impact. These risks are considered in conjunction with the SASB Materiality mapping for each investment category.

## Focus Areas & Priority of Impact

### High Priority Impact SDGs

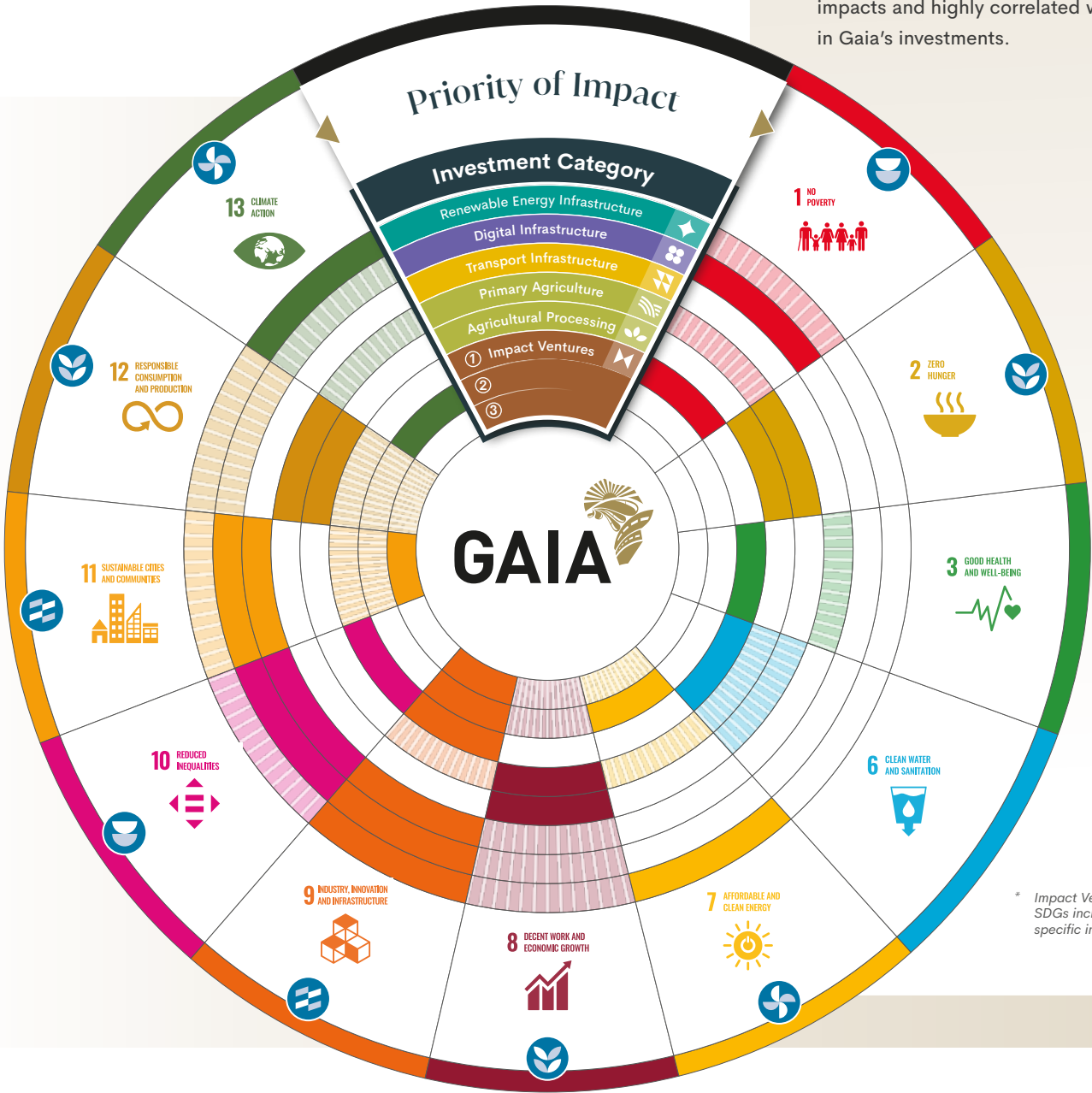
Impact areas of primary focus in measuring, managing, and maximising. These are based on the relevant Impact Themes\*.

### Priority Impact SDGs

Impact areas of secondary focus. These are synergistic with the High Priority impacts and highly correlated with them in Gaia's investments.

Investment Category	ESG Alignment*	Impact Themes	Impact Objectives
Renewable Energy Infrastructure			<div>Providing affordable utility-scale clean energy to energy grids with limited capacity</div> <div>Providing reliable clean energy for businesses and industry in areas with unreliable electricity supply</div>
Digital Infrastructure			<div>Providing reliable and affordable internet access with a focus on lower income communities</div>
Transport Infrastructure			<div>Maintain sustainable resilient transport infrastructure vital to the efficient movement of goods and people</div>
Primary Agriculture			<div>Supporting sustainable farming operations cultivating high quality plant-based produce</div>
Agricultural Processing			<div>Supporting agricultural processing operations with efficient and sustainable processes</div>
Impact Ventures			<div>1 Providing affordable clean drinking water in areas with poor access to clean water</div> <div>2 Develop new clean energy systems to provide affordable reliable energy to business and industry with unreliable supply</div> <div>3 Support businesses that are centred around sustainable infrastructure, innovation, and resource efficiency</div>

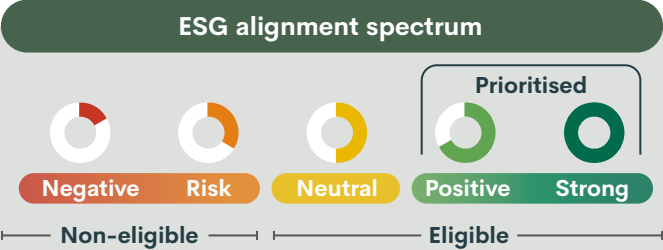
\* Average ESG Alignment rating of component.



\* Impact Venture High Priority SDGs include investment specific impact areas.

### ESG Alignment Indicator

The ESG Alignment indicator aims to summarise a complex of sustainability risks and opportunities into one simplified indicator. An explanation of this indicator is provided in the Methodological Approach starting from page 46.



### Impact Themes Key



Climate Finance & Clean Energy



Basic Needs & Essential Resources



Food Security & Sustainable Agriculture



Innovation & Sustainable Infrastructure



# 2023 Results Overview

In 2023, Gaia was successful in continuing to deploy impact capital and grow AUM with impact-oriented investments. While we are in the continuous process of monitoring and aligning ourselves with the various reporting frameworks, we believe our investments demonstrate a high, inherent degree of positive impact.

We are continuously looking for ways to enhance our impact and reduce negative impacts through engaging our investees and other stakeholders. In the coming year we will look to take this further and to find ways to incentivise our investees to seek ways to improve their overall impact.

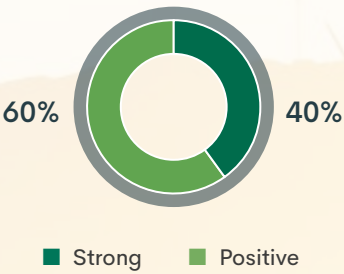


## ESG Highlights

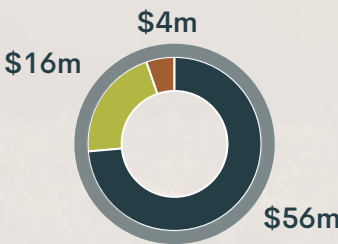
Gaia takes an active investor role, ensuring that the investees are aligned in terms of their sustainability practices. Our Alignment indicator confirms all investments have a Positive or Impact level of alignment.

Beyond this, Gaia is actively encouraging our investees to discuss ESG and improve their impact whether through ordinary business or through SED initiatives by assisting them in monitoring and measuring their key metrics.

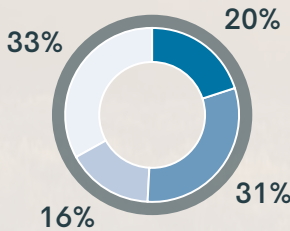
### ESG Alignment Composition



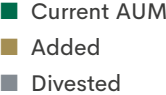
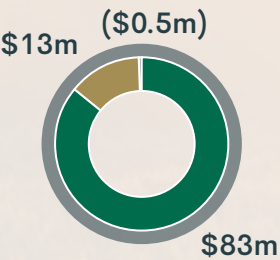
### Asset Class invested capital



### Primary Impact Theme Composition



### Current AUM and AUM added in 2023



## 2023 Impact Goals

### Total Impact Metrics

Based on key impact metrics, we have selected goals for the coming year. The goals are based on maximising the key metrics which are linked to creating the greatest positive impact. The key impact metrics for the entire investment portfolio are reported alongside while the investment specific key impact metrics are reported in the pages that follow.

- ✓ Goal achieved
- ▲ Above target
- ✗ Goal not achieved
- ▼ Below target

### Value of New Impact Investments in 2023

\$13 million achieved | \$21 million target

✗ ▼ 38%

### 2030 Net Zero Target

Total net CO<sub>2</sub>e emissions avoided by Gaia's investments

311 431 tonnes of CO<sub>2</sub>e in 2023<sup>1</sup>

✓ ▲ 1.5%

<sup>1</sup> Total net Scope 2 emissions avoided for the entities in which Gaia is invested. Total net Scope 2 emissions avoided on a attribution basis is 16 753 tCO<sub>2</sub>e for 2023. See Methodological Approach for details on page 46.  
<sup>2</sup> On pure cumulative basis.

### Employment

123 FTE Jobs added<sup>2</sup> | 1 850 FTE Jobs maintained<sup>3</sup>

69% Equity: % of portfolio companies that are 2X Aligned

✓ ▲ 27%

<sup>3</sup> On pure cumulative basis. 535 FTE jobs were maintained on total capital attribution basis. See Methodological Approach for details on page 46.

\$1.2mn

Community upliftment, Socio-Economic Development, and Economic Development spending in 2023

● ▲ N/A

## Into The Future

We aim to give the most holistic and fair picture of our investments. Going forward, we are consistently considering new impact metrics including those identifying our potential negative impacts as well as excluding those which do not enhance the overall understanding.

## Monitoring Tool

The metrics used for impact monitoring in this report are from the GIIN IRIS+ catalogue where possible. The IRIS+ Core Metric Sets are still being developed, especially in the infrastructure space and reporting for projects falling under Infrastructure, Transport, and Information, Communication, and Connectivity will become more standardised in the future.





Environmental Factors

Gaia focuses on investments that positively impact the environment, with a core mission centred on sustainability. Originally focused on renewable energy, our scope now includes infrastructure and agriculture projects with measurable positive impacts while ensuring sustainable environmental practices overall.



Social Factors

People are the core reason Gaia aims to create a positive impact: to create a healthy environment and a better standard of living for all to enjoy. We prioritise businesses that positively impact people, emphasising equal opportunities, women's empowerment, local hiring, and upskilling employees. Gaia aims to go beyond employment, impacting communities through supporting SED (Socio-Economic Development), ED (Economic Development), and community upliftment projects.



Governance Factors

Gaia advocates for strong governance at the board level of investees, focusing on risk, sustainability, and transformation. Due to the nature of family and small businesses, board diversity lags, particularly in women's representation. We actively engage our investees to set improvement goals.

2023 Impact Goals

2 908 tCO<sub>2</sub>e  
GHG Emissions  
Produced

19.7 ktCO<sub>2</sub>e  
GHG Emissions  
avoided\*

Gaia supports businesses that supply renewable energy to offset GHG emissions and encourages reducing non-renewable fuel use and reliance on coal-powered grids through renewable energy and efficiency improvements.

Water and Energy  
monitoring and management

In the face of climate change, Gaia supports sustainable solutions in production and consumption to mitigate and adapt to the effects thereof. Gaia promotes solutions that maximise resource efficiency through innovations like renewable energy self-production, rainwater storage, and materials recycling. We encourage investees to adopt responsible and efficient resource use.

\* See Methodological Approach 46 for how we calculate and account for GHG emissions.

2X Challenge Alignment

69%  
Companies  
Aligned

31%  
Companies  
not aligned

Total Employment

1 850 Jobs maintained\*

\* On pure cumulative basis. 535 FTE jobs were maintained on total capital attribution basis. See Methodological Approach for details on page 46.



Jobs composition



SED & Community upliftment spending

\$1.2 million

Formal risk management policy

62%  
with a formal risk  
management policy

38%  
without or with an  
informal policy

ESG & sustainability  
discussion at board level

39%  
regular formal  
agenda item

46%  
discussed  
occasionally

15% do not specifically discuss  
ESG & Sustainability

ESG policy

62%  
with a formal or  
informal ESG policy

38%  
without

Female board members

14% female board members



# Primary Agriculture



Description

The primary agriculture we invest into is plant-based farming producing high-quality fruit and vegetables for local and export consumption.

Impact Themes



Impact objective

Supporting sustainable farming operations cultivating high quality plant-based produce

Funding structure(s)

Long-term project equity and expansion equity in farming groups

Underlying

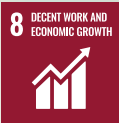
Primary agriculture development projects and primary agriculture component of farming groups

Geography

South Africa



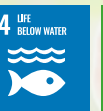
High Priority SDGs



SASB Materiality Industry  
Agricultural Products



SASB Material Topics



Principal Adverse Impact Areas

2023 Impact Goals

Primary Agriculture

- ✓ Goal achieved
- ▲ Above target
- ✗ Goal not achieved
- ▼ Below target

75%

Cultivars producing above benchmark yields<sup>1</sup>

● N/A

530

FTE Jobs maintained

✓ 8.4%

67%

of portfolio companies that are 2X Aligned

✓ 27%

75%

Cultivars using below benchmark water usage per tonne of yield<sup>2</sup>

● N/A

Impact Dimensions

Impact Focus

What

Food insecurity and lack of sustainability in production, lack of jobs

2

ZERO HUNGER

- South Africa has increasing levels of undernourishment with 3.8% in 2001 to 7.9% in the latest data<sup>3</sup>

- SDG achieved
- Challenges remain
- Significant challenges remain
- Major challenges remain
- Information unavailable



Zero Hunger: Trends in undernourishment (UN SDG long-term target of 2.5%)

8

DECENT WORK AND ECONOMIC GROWTH

- 32.1% unemployment in South Africa<sup>4</sup>

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

- Sustainable Consumption & Production

Target Beneficiaries

Who

Farming Operations in South Africa

Northern Cape

Western Cape

Mpumalanga



Contribute to achieving priority SDGs in South Africa

New farm developments on uncultivated land providing fresh healthy produce

Helping address unemployment in South Africa through expanded operations

- BFAP Baseline 2023. Link: <https://www.bfap.co.za/bfap-baseline-2023/>
- Water footprint benchmarks for crop production: A first global assessment, Mekonnen & Hoekstra, 2014. Linked: <https://www.sciencedirect.com/science/article/pii/S1470160X14002660>
- Latest data from 2022. Link: <https://www.fao.org/faostat/en/#data/SDGB>
- Link: <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q4%202023.pdf>

Scale of Impact

How much

2

ZERO HUNGER

- Agricultural yield per Ha relative to benchmark (see above)

8

DECENT WORK AND ECONOMIC GROWTH

- 1 784 Total Jobs Maintained throughout investments

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

- 1 253 Sustainable Hectares under cultivation
- All farms with sustainability certification Global Good Agricultural Practice (GAP)
- Cultivars using below benchmark water usage per tonne of yield (see above)
- 47% organic farm waste recycled
- 6.5% organic fertiliser contribution

13

CLIMATE ACTION

- 479 tCO<sub>2</sub>e Scope 2 GHG emissions (on attribution basis, excluding plant carbon sequestration)

Managing Risk

Risk

Potential of Lack of Impact



Operators are financially aligned in creating a sustainable farming operation that minimises inputs and maximises yields.

Potential of Negative Impact – PAIs



Some risk of adverse impact however the operators have or are busy putting policies in place to use less toxic agrochemicals and reducing non-organic fertilisers.

Gaia's Contribution

+ Contribution

Impact attributable to Gaia's investment

Valuable contribution as Gaia provides expansion equity capital in primary agriculture which is limited in South Africa.



# Primary Agriculture (continued)



## CASE STUDY

### RKO Oosthuizen



### Sustaining Communities through Responsible Farming

RKO Oosthuizen's Primary Agriculture is committed to producing high-quality table grapes and citrus while prioritising sustainable farming practices. With a focus on water conservation, the farm employs micro-irrigation systems and conducts regular inspections and maintenance of pumps and pipelines to prevent leaks.

Integrated pest management is at the heart of their operations, avoiding the use of red-level toxic agrochemicals. They consistently seek organic or low-toxicity methods to protect the soil, land, and water systems, ensuring a balance between productivity and environmental responsibility.



The farm is also dedicated to the well-being of its workers. Employees who live on the farm do so free of charge, with housing, water, electricity, and fruit provided at no cost. Permanent staff receive additional benefits, including income protection and funeral cover. The farm also offers a free on-site nursery for employees' children, creating a family-friendly environment. Seasonal workers benefit from transportation assistance, with the farm covering half of their commuting costs, and a daily packing bonus during the grape harvest season to support their income. Workers are offered opportunities for training in areas like chemical handling, tractor operation, and first aid, promoting skill development and career progression.

Beyond the farm, RKO Oosthuizen makes a significant impact on the wider community. They donate free fruit to local police services and old age homes, contributing to community well-being. They also assist employees with transport costs, covering half of the monthly taxi fare to nearby towns, ensuring better access to essential services. Additionally, the farm has provided training and educational opportunities, allowing previously disadvantaged employees to advance into management positions, reflecting their commitment to empowerment and personal growth.



18.2%  
above benchmark  
yield on total  
tonnage basis\*

\* Yield benchmark link.



42%  
percent female  
employees



121  
FTE Jobs per \$  
million revenue



96  
sustainable  
hectares under  
cultivation

100%  
of organic farm  
waste recycled

15%  
organic fertiliser  
contribution

## Impact Dimensions

Impact Focus

What

2 8 12

Supporting sustainable farming operations cultivating high quality plant-based produce.

Target Beneficiaries

Who

Communities in and around the farming operations on the Orange River in the Northern Cape of South Africa.

Scale of Impact

How much

See highlighted impact statistics above.

Managing Risk

Risk

Potential of Lack of Impact  
Low

Potential of Negative Impact  
Low

Gaia's Contribution

+ Contribution

Valuable contribution as Gaia provided expansion equity capital in primary agriculture which is limited in South Africa.





# Agricultural Processing



**Description**  
The agricultural processing we invest into is facilities processing and packaging of plant produce for local and export consumption.

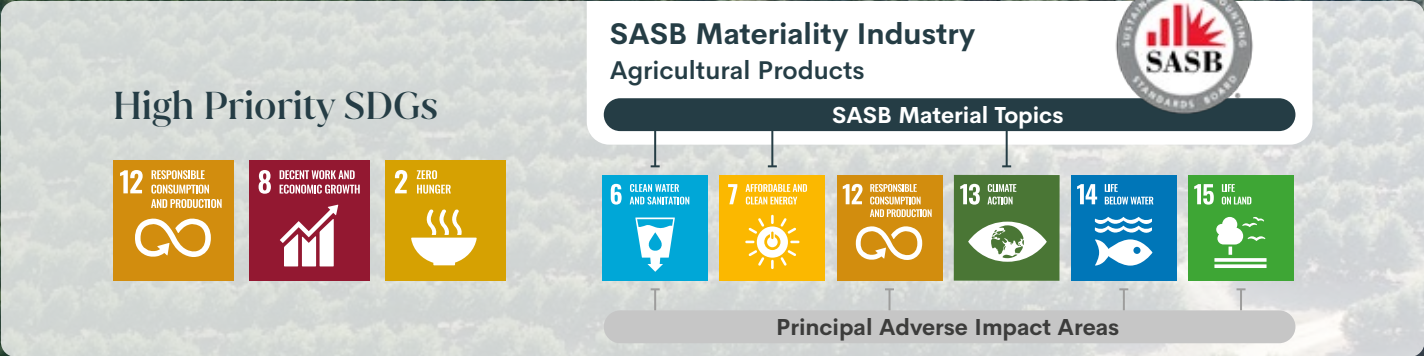
**Impact Themes**

**Impact objective**  
Supporting agricultural processing operations with efficient and sustainable processes

**Funding structure(s)**  
Long-term project equity and expansion equity in farming groups

**Underlying**  
Agri-processing facility development and secondary agriculture component of farming groups

**Geography**  
South Africa



## 2023 Impact Goals Agricultural Processing

- ✓ Goal achieved
- ▲ Above target
- ✗ Goal not achieved
- ▼ Below target

1.08%

**Unsound Packing Damage**

✓ 4.1%

659

**FTE Jobs maintained**

✗ 22%

67%

**of portfolio companies that are 2X Aligned**

✗ 33%

536

**litres of water per tonne of produce processed**

✗ 16%

Post harvest handling and storage loss target of 5.6%, average of Industrialised Asia, Europe & North America\*

\* <https://www.fao.org/4/mb060e/mb060e00.pdf>

Benchmark of 463L per tonne packed.\*  
\* <https://www.hortgro.co.za/industry-news/industry-water-benchmark-study-helps-manage-risks/>

## Impact Dimensions

**Impact Focus**  
□ What  
Food insecurity and lack of sustainability in production, lack of jobs  
**12 SUSTAINABLE CONSUMPTION & PRODUCTION**  
SDG 12 Indicator 12.3.1.a – Food Loss Percentage\*  
Europe & North America 9.19%  
World Average 13.23%  
Least Developed Countries (LDCs) 16.41%  
Sub-Saharan Africa 19.95%  
Southern Africa 20.37%  
\* Link: <https://unstats.un.org/sdgs/dataportal/database>

**Target Beneficiaries**  
○ Who  
Farming Operations in South Africa  
Northern Cape  
Western Cape  
Mpumalanga  
Contribute to achieving priority SDGs in South Africa  
Expanding packing, storage, and processing facilities which are sustainable, efficient, and reduce wastage, aiding SDG 12 & 2.  
Providing stable employment in rural South African communities with very high unemployment rates.

**Scale of Impact**  
≡ How much  
**8 DECENT WORK & ECONOMIC GROWTH**  
965 Total Jobs Maintained throughout investments  
**12 SUSTAINABLE CONSUMPTION & PRODUCTION**  
Organic farm waste recycled 67%  
**12 SUSTAINABLE CONSUMPTION & PRODUCTION AFFORDABLE AND CLEAN ENERGY**  
5.8% Energy consumption from renewable energy own generation

**Managing Risk**  
△ Risk  
Potential of Lack of Impact  
Strong alignment of operations to minimise food wastage and maximise sustainability.  
Potential of Negative Impact – PAIs  
Organisations are aiming to be sustainable and efficient but there is some risk due to packaging materials that are required.

**Gaia's Contribution**  
+ Contribution  
Impact attributable to Gaia's investment  
Significant contribution: there exists a need for expanded processing and storage capacity with the South African energy constraints and the export issues at South African ports.



CASE STUDY

Lucerne Agri Investments



Sustainable Agricultural Processing for Local and Export Markets

Lucerne Agri Investments (“LAI”) plays a key role in processing fruit and vegetables from surrounding areas, supplying both local and export markets. Across their two processing facilities, LAI handles a diverse range of produce, including avocados, tomatoes, plums, pears, persimmons, lemons, and clementines.

To ensure the highest quality standards, LAI employs state-of-the-art equipment and technology, allowing for precise quality control and minimising food wastage to the absolute minimum.



Their commitment to reducing environmental impact extends to packaging as well, with approximately 40% of their packaging by weight being recyclable, though final packaging decisions are often driven by retailers’ preferences.

In 2023, LAI installed solar panels at their main facility to reduce reliance on non-renewable energy sources, and they plan to implement solar battery energy storage systems (“BESS”) at their other facility in 2024. These initiatives reflect LAI’s long-term commitment to renewable energy and sustainable practices. In addition, LAI prioritises using local

service providers wherever possible, ensuring that their operations contribute to the surrounding community and support the local economy.

With 738 employees, LAI emphasises worker safety and well-being through robust safety protocols and risk management systems. Their packhouses maintain formal risk registers to identify key operational risks and outline mitigation strategies. This, combined with advanced technology, ensures the efficient, safe, and sustainable processing of produce for both local and international markets.



45%  
percent female employees



7.25%  
of energy requirements from own renewable generation\*

\* Panels installed in 2023.



150  
FTE jobs attributable to Gaia’s investments#

# On long-term capital attribution basis.



1%  
unsound packing damage, significantly outperforming our post-harvest handling and storage losses of 5.6%

40%  
of packaging material used is widely recyclable, recyclable materials used wherever possible

96%  
of produce received is packed and dispatched for local and export markets



Impact Dimensions

Impact Focus



What

2 8 12

Supporting agricultural processing operations with efficient and sustainable processes.

Target Beneficiaries



Who

Communities around the processing facilities in the Western Cape of South Africa and customers in South Africa and internationally.

Scale of Impact



How much

See highlighted impact statistics above.

Managing Risk



Risk

Potential of Lack of Impact  
Low



Potential of Negative Impact  
Low



Gaia’s Contribution



+ Contribution

Beneficial contribution as Gaia provided expansion equity capital which is somewhat limited in South Africa.



# Renewable Energy

Description

The renewable energy infrastructure we invest into is firstly utility-scale projects providing energy to national energy utilities and power pools. The second type of infrastructure is the commercial and industrial (C&I) renewable energy and battery systems and the development thereof.

Impact Themes

Impact objective

Providing reliable affordable clean energy at utility and commercial scales in areas with strained electricity supply

Funding structure(s)

Long-term utility-scale project equity and pure asset ownership of C&I renewable energy systems

Underlying

Utility-scale renewable energy projects and C&I renewable energy systems

Geography

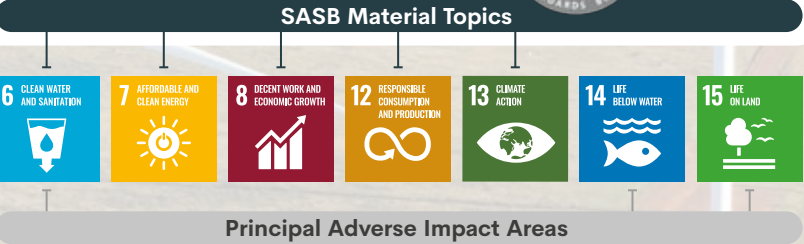
South Africa

Sub-Saharan Africa

High Priority SDGs

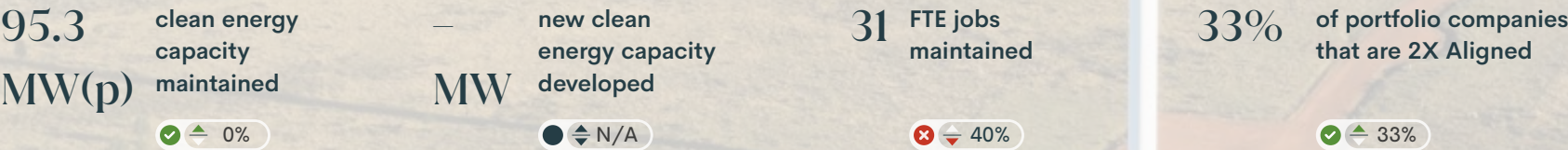


SASB Materiality Industry  
Electric Utilities & Power Generators



2023 Impact Goals  
Renewable Energy

- Goal achieved
- Goal not achieved
- Above target
- Below target



Impact Dimensions

Impact Focus

What

Lack of access to affordable, reliable, and sustainable energy

7 AFFORDABLE AND CLEAN ENERGY

Renewable energy share in South Africa is 3.9% (UN SDG long term target of 55%)\*

SDG achieved

Challenges remain

Significant challenges remain

Major challenges remain

Information unavailable

Target Beneficiaries

Who

Citizens, industry and businesses of South Africa

Map of South Africa

Scale of Impact

How much

7 AFFORDABLE AND CLEAN ENERGY

Average tariff – USD 0.10 per kWh

Renewable energy Annual Production and efficiency savings – 304 784 MWh

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

116 600 equivalent households powered

13 CLIMATE ACTION

GHG emissions offset – 19 586 tonnes of CO<sub>2</sub>e

Managing Risk

Risk

Potential of lack of impact

Investments are strictly limited to producing clean energy and efficient systems to help provide clean energy

Potential of negative impact – PAIs

Investments take significant measures to prevent harm to life on land and below water.

Gaia's Contribution

Contribution

Impact attributable to Gaia's investment

Gaia adds a significant contribution by funding new renewable energy developments and creating a secondary market for renewable energy assets. Through building innovative structures, Gaia provides institutions access to impact investments in renewable energy and energy efficient systems.



# Renewable Energy (continued)

## CASE STUDY

### Tsitsikamma Community Wind Farm



### Powering Sustainable Communities through Renewable Energy

The Tsitsikamma Community Wind Farm ("TCWF"), located in South Africa's Eastern Cape, plays a vital role in the country's renewable energy landscape. Built as part of the government's Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP"), TCWF generates clean, renewable electricity, reducing reliance on coal-fired power plants.

The facility's 20-year Power Purchase Agreement ("PPA") with the national power utility ensures a sustainable energy supply while supporting growing household and industry demands. By investing in TCWF, Gaia supports South Africa's green energy transition and helps reduce carbon emissions.



Beyond generating affordable renewable energy, TCWF is committed to community development. It funds early childhood development centres, supports local initiatives like the Wittekleibosch Community Gardens, and has restored the Oliver Tambo Community Hall, creating jobs and providing essential community spaces. The company invests 2.1% of its quarterly revenue into local development projects, facilitating bursaries, educational resources, and expanded local businesses. Free Wi-Fi, in partnership with a local ISP, reaches over 650 households, enhancing access to business, job, and educational opportunities.

TCWF actively manages environmental risks, including monitoring wind speeds to mitigate potential changes due to climate change. The facility also takes measures to minimise impacts on bird and bat populations, a common challenge for wind farms. Employees receive short-term incentive bonuses, study assistance, and contributions to their provident fund and group life cover, while their families can access free counselling sessions. With ongoing risk management and mitigation, TCWF remains focused on delivering renewable energy while ensuring minimal ecological disruption.



**0.7%**  
of revenue spent on providing student bursaries, school uniforms, teacher training, parental support, and educational resources



**58%**  
percent female employees



**\$12 200**  
spent on employee training and upskilling

**19**  
FTE jobs maintained



**2.1%**  
of \$30 million revenue spent on Socio Economic Development in the communities surrounding the wind farm in 2023



**17.3k tonnes**  
of CO<sub>2</sub>e offset through renewable energy generation attributable to Gaia's investment \*

\* On long-term capital attribution basis.



### Impact Dimensions

Impact Focus

What

7 9 13

Providing reliable affordable clean energy at utility-scale to a electricity grid with supply shortages.

Target Beneficiaries

Who

Citizens, industry and businesses of South Africa and the Tsitsikamma communities in South Africa's Eastern Cape.

Scale of Impact

How much

See highlighted impact statistics above.

Managing Risk

Risk

Potential of Lack of Impact  
Very low

Potential of Negative Impact  
Very low

Gaia's Contribution

+ Contribution

Beneficial contribution as Gaia provided secondary equity capital to help catalyse the renewables project development cycle.



# Digital Infrastructure



## Description

Gaia invests into secondary and brownfields broadband fibre networks and the related digital infrastructure to improve the affordable access to high-speed internet access, focusing on low-to-mid income communities.

### Impact Themes



### Impact objective

Providing reliable and affordable internet access with a focus on lower income communities

## Funding structure(s)

Long-term investment through listed infrastructure REIT

## Underlying

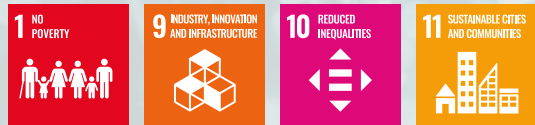
Broadband fibre networks in urban and peri-urban areas and associated digital infrastructure

## Geography

South Africa



## High Priority SDGs



## SASB Materiality Industry Telecommunication Services



### SASB Material Topics



### Principal Adverse Impact Areas

## 2023 Impact Goals

### Digital Infrastructure

- ✓ Goal achieved
- ▲ Above target
- ✗ Goal not achieved
- ▼ Below target

97% average network uptime

2%

Target of 99%.

\$1.20 price of cheapest package per Mbps

33%

Local price of R22/Mbps on unlimited package. Target of \$1.81.

38 FTE jobs maintained

15%

100% of portfolio companies that are 2X Aligned

0%

## Impact Dimensions

### Impact Focus

#### What

25% of South Africans are without internet access and are excluded from the digital economy

9

### INDUSTRY, INNOVATION AND INFRASTRUCTURE

- 74.7% Internet use in South African Population (UN SDG long-term target of 100%<sup>1</sup>)
- Average price of 1GB of mobile data in South Africa – \$1.81 (Cable, 2023<sup>2</sup>)
- Average cost of fixed broadband per Mbps per month – \$0.50 (Cable, 2023<sup>3</sup>)

The current access provided through mobile broadband subscriptions in South Africa is promising, however, the high cost of this access with modern connectivity needs is not sufficient for economic inclusion.

- SDG achieved
- Challenges remain
- Significant challenges remain
- Major challenges remain
- Information unavailable



### Target Beneficiaries

#### Who

Communities in South African provinces connected to affordable and reliable broadband fibre internet

Gauteng

KwaZulu-Natal

Western Cape

North West



Affordable and reliable uncapped fixed broadband connectivity is a more inclusive and affordable solution.

### Scale of Impact

#### How much

8

### DECENT WORK & ECONOMIC GROWTH

- Jobs created and maintained (see above)

9

### INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Connected homes – 34 940

10

### REDUCE INEQUALITIES

- Connections composition according to Living Standards Measure (LSM):
  - 30% Low
  - 39% Low-mid
  - 29% Mid
  - 2% High

### Managing Risk

#### Risk

Potential of Lack of Impact



The risk to achieving the desired impact is primarily in making customers aware of the total cost of their current connectivity and how, through broadband fibre networks, their cost of connectivity can reduce significantly.

Potential of Negative Impact – PAIs



The infrastructure is inherently a sustainable way to provide broadband internet access in the long term. The construction is done in a way to minimise any damage to life on land.

### Gaia's Contribution

#### + Contribution

Impact attributable to Gaia's investment

Aggressive initial expansion using debt financing has resulted in financially strained network owners and severely slowed expansion. Gaia helps create a sustainable development cycle catalysed by long-term equity funding in the South African fibre market.

1. Link: <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>  
2. Link: <https://www.cable.co.uk/broadband/pricing/worldwide-comparison/>  
3. Link: <https://www.cable.co.uk/mobiles/worldwide-data-pricing/>





CASE STUDY

Gaia Fibonacci Fibre REIT



Enabling Affordable, Sustainable Internet Access

Gaia Fibonacci Fibre REIT ("GFFR") is a listed entity focused on investing in fibre optic networks to provide affordable broadband access to low and middle-income communities.

By acquiring fibre networks and partnering with an experienced operator, GFFR ensures optimal performance of its assets while expanding internet connectivity to underserved areas.



Fibre infrastructure is more sustainable and resilient than wireless technologies or copper wires, requiring half the maintenance and lasting over 20 years. Made primarily from silicon, fibre optic cables have a lower environmental impact compared to alternatives that rely on resource-intensive mining and chemical processes. While GFFR's fibre networks are environmentally sustainable, the company carefully manages potential risks, using minimally intrusive construction methods to reduce disruptions to soil and ecosystems during installation.

Beyond improving connectivity, GFFR creates positive social impacts by partnering with local educational centres to house its active equipment, providing these institutions with rental income at no cost. Looking ahead, GFFR is addressing power outages in South Africa by implementing solar-battery solutions to ensure that 90% of its networks can operate during blackouts within the next 24 months. These efforts reflect GFFR's commitment to both sustainability and community upliftment.



83% of connected homes in low and low-mid LSM areas\*

66% of total Homes connected

\* Living Standards Measure. Link: <https://fas.usda.gov/data/south-africa-understanding-living-standards-measure-segmentation-south-africa>



39% percent female employees

2X Challenge Aligned



38 FTE jobs maintained

Impact Dimensions

Impact Focus

What

1 9 10 11

Providing reliable and affordable internet access with a focus on lower income communities.

Target Beneficiaries

Who

Primarily lower LSM communities in South African provinces of Gauteng, North West, Western Cape, and KwaZulu-Natal.

Scale of Impact

How much

See highlighted impact statistics above.

Managing Risk

Risk

Potential of Lack of Impact Low

Potential of Negative Impact Very low

Gaia's Contribution

+ Contribution

Significant contribution as Gaia provides long-term equity capital to help catalyse the fibre network development cycle.





# Transport Infrastructure



**Description**  
Gaia invests into critical transport infrastructure needed for economic development and inclusion.

**Funding structure(s)**  
Long-term project equity

**Impact Themes**

**Impact objective**

Maintain sustainable resilient transport infrastructure vital to the efficient movement of goods and people

**Underlying**  
Toll Road Concessions

**Geography**

South Africa

**SASB Materiality Industry**  
Engineering & Construction Services

**High Priority SDGs**

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

**SASB Material Topics**

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

15 LIFE ON LAND

**Principal Adverse Impact Areas**

## 2023 Impact Goals Transport Infrastructure

- ✓ Goal achieved
- ▲ Above target
- ✗ Goal not achieved
- ▼ Below target

0.49 Accidents per million vehicle kilometres

320 Total roadway closure in hours

20 FTE jobs maintained

100% of portfolio companies that are 2X Aligned

## Impact Dimensions

**Impact Focus**

What

Degrading transport infrastructure with historically reactive management

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Trends in Logistics Performance Index: Infrastructure Score (UN SDG Indicator)

South Africa has degrading Infrastructure Score (2022\*)

3 GOOD HEALTH AND WELL-BEING

Traffic Deaths indicator – South Africa at 24.5 deaths per 100 000 population with a long-term target of 3.5

**Target Beneficiaries**

Who

South African citizens and industry who rely on the efficiency and affordability of the road transport routes.

**Scale of Impact**

How much

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

415km of roadway maintained.

3 GOOD HEALTH AND WELL-BEING

0.036 fatal accidents per million vehicle kilometres

11 SUSTAINABLE CITIES AND COMMUNITIES

Partial roadway closure time – 2 484 hours

**Managing Risk**

Risk

Potential of Lack of Impact

There is low risk of lack of impact considering this type of infrastructure is so crucial to the transport of goods and people across South Africa with a lack of efficient rail transport.

Potential of Negative Impact – PAIs

Due to the nature of the automotive market in South Africa, nearly all the traffic will be internal combustion engine vehicles. This implies an inherent risk that use of the transport infrastructure will lead to GHG emissions.

**Gaia's Contribution**

+ Contribution

Impact attributable to Gaia's investment

Minor contribution by Gaia relating to the team's expertise and involvement in the project ensuring sustainable management.

\* Link: <https://lpi.worldbank.org/international/global>





CASE STUDY

N3 Toll Road Concession



Supporting Critical Transport Infrastructure and Community Development

The N3 Toll Road Concession ("N3TC") operates and maintains a 415 km stretch of one of South Africa's most vital transport routes, linking Johannesburg and Durban.

This road is essential for economic activity, as land transport dominates due to rail inefficiencies. Ensuring the safe and reliable operation of the N3 supports the movement of goods and people, playing a key role in the country's economy.

While road maintenance is carbon-intensive, N3TC reduces environmental impact by recycling old asphalt, lowering



material waste. The concession has also implemented solar power at its regional office and is exploring further solar solutions. Recycling initiatives are ongoing at all toll plazas, with litter collected along the route also recycled, contributing to a more sustainable infrastructure system.

N3TC is committed to community development through numerous Social Economic Development ("SED") and Corporate Social Investment ("CSI") projects. These include training programmes, employee wellness initiatives, and bursaries for staff children. The concession partners with rural

communities to support 40 development and skills initiatives, provides bursaries to 8 schools and 10 students, and offers learnerships to disabled individuals. Additional initiatives include food security, early childhood development, and youth programmes, uplifting communities along the N3.

Though the direct impact may be more limited compared to other Gaia projects, the N3 Toll Road remains a vital infrastructure investment, supporting both sustainability efforts and community development.



40  
Community Development Initiatives supported



50%  
percent female employees

36%  
female board members



20  
FTE jobs maintained



\$598k  
spent on Corporate Social Investment and Socio-Economic Development in 2023

\$160k  
spent on employee upskilling and training in 2023



Impact Dimensions

Impact Focus

What

9 10 11

Maintain sustainable resilient transport infrastructure vital to the efficient movement of goods and people.

Target Beneficiaries

Who

South African citizens and industry who rely on the efficiency and affordability of the primary highway between the industrial hub of Johannesburg and the major port city of Durban, South Africa's 1st and 3rd most populated cities.

Scale of Impact

How much

See highlighted impact statistics above.

Managing Risk

Risk

Potential of Lack of Impact  
Low

Potential of Negative Impact  
Medium

Gaia's Contribution

+ Contribution

Somewhat significant contribution as Gaia helps to actively manage and optimise the project.



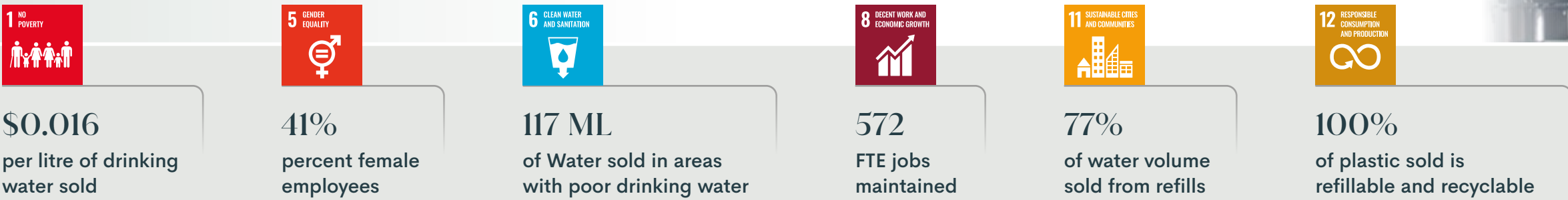
CASE STUDY

Oasis Water

Delivering Clean Drinking Water and Reducing Environmental Impact

For over 17 years, **Oasis Water** has been dedicated to providing clean, safe drinking water, improving quality of life and promoting health. What began with the simple idea of refillable water has grown significantly, and today Oasis serves over 1 million customers each month.

Driven by a **commitment to innovation and sustainable infrastructure**, Oasis Water is actively engaged in research and pilot projects to upgrade water purification systems at over 370 retail stores. These upgrades aim to replace existing



Impact Dimensions

Impact Focus	Target Beneficiaries	Scale of Impact	Managing Risk	Gaia's Contribution
<div>What</div> <div>6 9 10 11</div> <div>29% of South Africa's 958 water supply systems are in a critical state, having a Blue Drop score of 31 or less (Blue Drop Report, 2023).</div> <div>Providing affordable clean drinking water in areas with poor access to clean water in a sustainable way.</div>	<div>Who</div> <div>South Africans in areas with poor water supply systems and water quality.</div>	<div>How much</div> <div>See highlighted impact statistics above.</div>	<div>Risk</div> <div>Potential of Lack of Impact Low</div> <div>Potential of Negative Impact Low to medium</div>	<div>+ Contribution</div> <div>Valuable contribution as Gaia provided flexible capital for significant expansions within tight deadlines.</div>



equipment with more energy- and water-efficient technology, ensuring the company continues to deliver clean water while reducing its environmental footprint. In addition to these advancements, Oasis is incorporating renewable energy solutions, such as solar panels, inverters, and battery packs, at select retail locations and manufacturing plants. These efforts are part of a long-term sustainability strategy designed to balance essential resource delivery with environmental responsibility.

Beyond their core business, Oasis Water also invests in people and communities. They provide **learnership programmes** and

offer internships that have led to full-time employment opportunities. Oasis Water fosters a supportive workplace culture through social gatherings and provides important benefits to their employees, including a **pension fund**, **funeral cover**, and **life insurance**. These initiatives underscore Oasis Water's broader commitment to social impact, ensuring both their employees and the communities they serve are supported.



# Methodological Approach

## Introduction

This page outlines the systematic framework and techniques employed to assess and measure the social, environmental, and financial outcomes of Gaia’s investments. This is crucial in providing transparency and rigour to the evaluation process, ensuring stakeholders have a clear understanding of how impact is assessed and quantified. By detailing the methods, data sources, and analytical tools used, this section establishes the foundation for the credibility and reliability of the impact assessment. Furthermore, it serves as a roadmap for the replicability of similar evaluations in future investments.

## Impact framework

Gaia used Impact Frontier’s Impact Management Project (“IMP”) framework to break down the impact of each investment category<sup>1</sup>. The IMP breaks impact into five dimensions: the impact itself, the stakeholders, the degree of change, the depth, the risks to achieving the desired impact, and Gaia’s role in catalysing this impact. Gaia applied the IMP template to assess the various impacts, which are summarised in this report. The United Nations (UN) Sustainable Development Goals (“SDGs”) were used to categorise these impacts<sup>2</sup>.

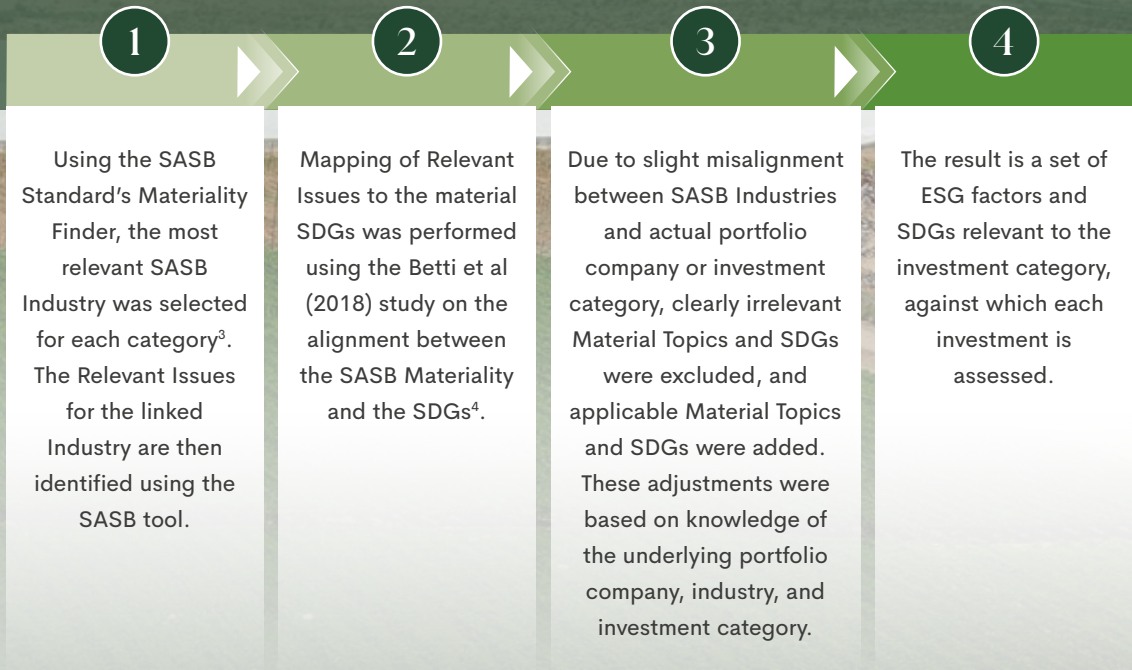
## Principal adverse impacts (“PAIs”)

Identifying the PAIs of an investment ensures a balanced view of portfolio companies and projects. This provides a starting point from which improvements and risk mitigation processes can be implemented to reduce negative impacts. The PAIs are based on the material SDGs identified in the materiality mapping above. Any SDGs where the investments could have a significant adverse impact were noted, along with other relevant potential adverse impact SDGs, based on SDG targets, indicators, and understanding of the investments.

## Materiality Monitoring & Mapping

The method used to identify the material topics of investments needs to be unbiased to ensure Gaia recognises any adverse impacts, positive impacts, or sustainability risks. The method used aims to be as rigorous and objective as possible.

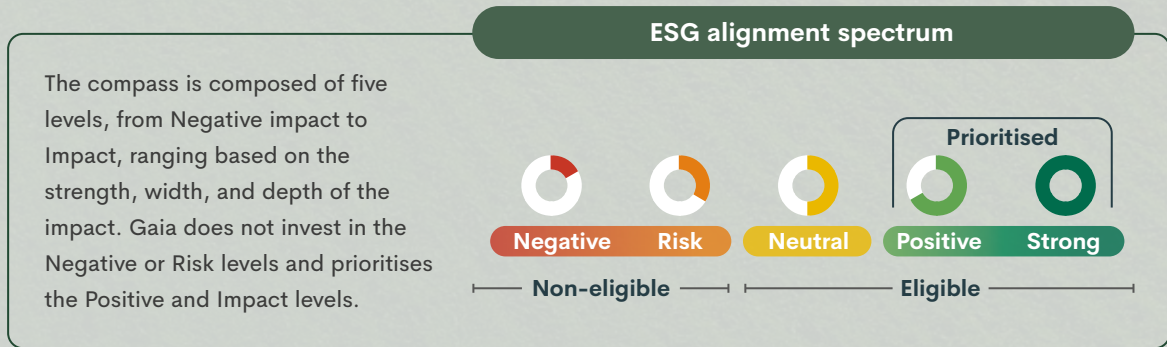
The process followed for each investment is detailed below:



Using these material impact areas, we perform sustainability risk assessments and impact risk assessments. Based on this, we also derive the alignment scores for the investment categories.

## ESG ALIGNMENT COMPASS

Gaia uses the UN SDGs alongside the IMP framework to measure and assess its impact objectives. Through the alignment compass, Gaia assesses and reports on the sustainability risks of businesses or projects. Together with impact measures, these provide a more comprehensive assessment of both ESG and impact.



1. Link: <https://impactfrontiers.org/norms/>.  
2. Link: <https://sdgs.un.org/goals>.  
3. Link: <https://sasb.org/standards/materiality-finder/find/>.  
4. Betti, Gianni and Consolandi, Costanza and Eccles, Robert. (2018). The Relationship between Investor Materiality and the Sustainable Development Goals: A Methodological Framework. Sustainability. 10. 10.3390/su10072248.



# Methodological Approach (continued)

## 2X challenge

As part of its DEI initiatives, Gaia supports empowering women in its portfolio companies, measured against the 2X Challenge of 2X Global<sup>1</sup>. The criteria of the 2X Challenge outline what is required at both the portfolio company and fund levels to claim compliance<sup>2</sup>.

At the portfolio company level, Gaia assessed alignment based on employment criteria, including the percentage of women in the workforce, depending on the industry, and a quality indicator.

- "Infrastructure and Power" sector for all infrastructure investments (30% employment requirement).
- "Agribusiness and Food" sector for all agri-related investments (40% employment requirement).

Impact ventures, newly acquired or with a single employee, were not assessed at this stage, and reporting on these investments will begin in 2024. Where no clear quality indicator was available, the investments were designated as not aligned with the Challenge.



## Job creation

Job creation is a critical impact in the context of South Africa's high unemployment levels. Gaia categorised direct jobs as those within the portfolio company or employed by the parent company. Indirect jobs were outsourced positions fully committed to the portfolio company. Job creation was measured using full-time equivalent ("FTE") jobs, calculated as follows:

**FULL-TIME EQUIVALENT = FULL-TIME JOBS + PART-TIME JOBS \* 0.5 + SEASONAL JOBS \* 0.5**

## Impact attribution

To ensure Gaia does not overstate or understate its impact, a fair share of impacts is attributed to each investment based on the proportion of long-term capital provided by Gaia. This is particularly relevant for metrics like job creation and emissions produced or avoided.



## Household energy consumption

For the calculation of household equivalents powered, the average annual South African household electricity usage of 2 614 kWh was used<sup>3</sup>.



## GHG scope 2 emissions

Scope 2 emissions assessments included fuel and electricity used by each investee. The GHG emissions were measured using the standard metric, tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). The GHG emissions equivalent for electricity purchased was obtained from Eskom's Carbon Footprint Report 2021, using the constant of 1 058.2478 tCO<sub>2</sub>e/GWh consumed<sup>4</sup>. Carbon intensity constants for fuel were 2.606 kgCO<sub>2</sub>e/L for diesel and 2.305 kgCO<sub>2</sub>e/L for petrol<sup>5</sup>.

1. Link: <https://www.2xchallenge.org>.  
2. <https://www.2xchallenge.org/2xcriteria>.  
3. Link: <https://shrinkthatfootprint.com/average-household-electricity-consumption/>.  
4. Link: <https://www.eskom.co.za/wp-content/uploads/2022/09/2021-Carbon-Footprint-Report.pdf>.  
5. Link: <https://carbonfootprinting.org/wp-content/uploads/2022/02/4-Fuel.pdf>.



## General reporting and metrics

IRIS+ metrics were used where available, along with other necessary metrics. Portfolio companies acquired in the final three months of 2023 or with limited operating history were excluded from calculations. Data was linearly annualised if needed, and missing or incorrect data was omitted from statistics.

## Valuations, transactions & currency values

Valuations were based on listed fund values or audited financial statement valuations, typically using discounted cash flow models or net asset values. If financial statements were outdated, valuations were discounted to the report date using a 15% interest rate for South African assets.

This report uses US Dollar as the reporting currency, with conversions based on the transaction or valuation date, or year-end exchange rates for continuous cash flows.



# Investee Engagement

## Introduction

Gaia is a long-term investor that aims to drive positive change in the investment landscape through financial and managerial additionality. The additionality Gaia brings as a manager comes through active investee engagement and stewardship. To support this, Gaia has partnered with Proof, a platform used to monitor impact and engage with investees to help improve their impact. One of the tools we use in this process is our ESG and impact questionnaire.

## Purpose

The primary purpose of our investee questionnaire is to engage our investees and monitor their management's focus and alignment on sustainability, impact, and our priority ESG topics. By surveying investee management, we gain insight into their strategy and how ESG is integrated into future plans. This formal data collection allows Gaia to perform gap analyses, identifying where we can assist portfolio companies beyond traditional operational and financial support.

The second purpose of the questionnaire is to standardise data collection on ESG and impact-related topics. This ensures consistency and transparency in how Gaia obtains investee data, making it replicable and comparable across our portfolio. This data is then used for reporting on the portfolio companies and Gaia's overall impact.

## Structure

The questionnaire begins by introducing investees to Gaia's current positioning and views on impact and ESG, as well as where Gaia is focusing its efforts to create positive change. The first set of questions examines the policies that investees have implemented and their priorities on broad ESG topics, including sustainability, diversity, equity, and inclusion ("DEI"), good governance, climate action, and net-zero commitments.

While a portfolio company's ability to create impact on these topics depends on the nature of the business, Gaia actively engages investees to maximise their positive contributions in these areas, aligning them with Gaia's priority impact themes.

The remainder of the questionnaire addresses specific topics. It begins with environmental impact, including water and energy usage, awareness, savings, and carbon footprint. Next, social impact is covered, including job creation, employee remuneration, social economic development ("SED"), community upliftment, and employee benefits. Governance practices such as director composition, diversity, and risk management are also assessed. Finally, questions tailored to each company's investment category and KPIs are included.

## Results

The results of the questionnaire are summarised in this report annually. This process will be revised to become a quarterly survey over the next 12 months to ensure more timely engagement. A full set of questionnaire results is available upon request.



# Appendix A

## The United Nations (UN) Sustainable Development Goals (SDGs)



End poverty in all its forms everywhere.



Ensure availability and sustainable management of water and sanitation for all.



Reduce inequality within and among countries.



Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.



End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.



Ensure access to affordable, reliable, sustainable, and modern energy for all.



Make cities and human settlements inclusive, safe, resilient, and sustainable.



Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and halt biodiversity loss.



Ensure healthy lives and promote well-being for all at all ages.



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



Ensure sustainable consumption and production patterns.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.



Take urgent action to combat climate change and its impacts.



Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Achieve gender equality and empower all women and girls.



# Appendix B

## List of Abbreviations

<b>AUM</b>	Assets Under Management
<b>BN</b>	Basic Needs
<b>C&amp;I</b>	Commercial & Industrial
<b>CF</b>	Climate Finance
<b>CSI</b>	Corporate Social Investment
<b>CSR</b>	Corporate Social Responsibility
<b>DEI</b>	Diversity, Equity, and Inclusion
<b>DNSH</b>	Do No Significant Harm
<b>ED</b>	Economic Development
<b>EIA</b>	Environmental Impact Assessment
<b>ESG</b>	Environmental, Social, and Governance
<b>EU Taxonomy</b>	A classification system clarifying which investments are environmentally sustainable
<b>FTE</b>	Full-Time Equivalent
<b>FS</b>	Food Security
<b>GHG</b>	Greenhouse Gas
<b>GIIN</b>	Global Impact Investing Network
<b>IMP</b>	Impact Management Project

<b>IRIS+</b>	A system for impact investors to measure, manage, and optimise their impact (created by GIIN)
<b>ISP</b>	Internet Service Provider
<b>LSM</b>	Living Standards Measure
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>PAI</b>	Principal Adverse Impact
<b>PPA</b>	Power Purchase Agreement
<b>PPP</b>	Public-Private Partnership
<b>PRI</b>	Principles for Responsible Investment
<b>REIPPPP</b>	Renewable Energy Independent Power Producer Procurement Programme
<b>REIT</b>	Real Estate Investment Trust
<b>RKO</b>	RKO Oosthuizen
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SDG</b>	Sustainable Development Goal
<b>SED</b>	Socio-Economic Development
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>UN</b>	United Nations
<b>ZAR</b>	South African Rand



