





U3	Our	Story
UJ	Oui	Story

- 05 | Office Footprint
- 06 | Impact Highlights
- 08 | Message from the Managing Partners
- 09 | Our Investment Philosophy

10 | PORTFOLIO IMPACTS

- 11 | Portfolio Map
- 12 | Alignment with the Sustainable Development Goals

Alten Africa	13
d.light	16
Commercial Energy SA	21
Gigawatt Global	25
Red Rocket	28
Rensource and Virtus	33
ESCOTEL	37
Ahagold	40

- 44 | Our Investment Mandate
- 45 | About the Evolution I Fund
- 46 | About the Evolution II Fund
- 47 | Policies and Standards
- 48 | Guidelines and Exclusions
- 49 | Our Corporate Impact
- 50 | Our CSI in Practice
- 51 | Glossary of Terms
- 53 | Abbreviations and Acronyms





Inspired Evolution was established in 2007 as a specialised investment advisory business. Our principal climate-driven investment themes are:

- Developing and financing clean energy infrastructure projects;
- · Improving clean energy access; and
- Maximising growth in energy and resource efficiency.

Over the years, we have refined a set of core investment principles and competencies which underpin our investment approach, and which have helped us achieve our mission to bring positive and lasting impact to Africa's extraordinary people.

Guided by our values of leadership, innovation and sustainability, we have developed a credible track record of superior investor returns driven by agile and flexible strategies for making investments tailored to specific target markets, countries and regions within Africa.

This track record is bolstered by the skills and experience of our team who offer over 100 years of collective expertise in private equity and venture capital investing, technology innovation, climate finance and corporate governance.

Headquartered in Cape Town, we also offer international, regional and country offices in London, Nairobi, Abidjan and Mauritius, respectively. Our growing African advisory platform presence, resource base and networks underpin our proprietary deal origination and execution capabilities.



OUR MISSION

To bring positive, lasting impact to Africa's extraordinary people



OUR VALUES

Leadership Innovation Sustainability







FOR PLANET

3.56 TWh

Clean energy generated to date: current and past investments

8.90 m tCO_{2e}

Greenhouse gases avoided to date: current and past investments

1.2 GW

Total installed capacity of clean energy investments

IMPACT
HIGHLIGHTS:
INSPIRED
EVOLUTION
AND FUNDS
(COMBINED)

FOR PEOPLE



1,600

Fulltime Equivalent (FTE) permanent employees (Total) 429

Fulltime Equivalent (FTE) permanent employees (Female)

FOR PROFIT



2

Active funds

USD 310 million

Funds under management

19

Total investments

14

Countries with portfolio activities

11

Portfolio exits

5

Portfolio project sales

32x

Investment multiplier (third party co-investment leverage: debt and equity) 4

Investment sectors



Message from the Managing Partners

This impact report is a chance to reflect on why we do what we do. Simply put, we are helping to build a future Africa that is more resilient to climate change, has greater access to affordable, clean energy and uses resources more efficiently.

Preparing our investment impact report each year gives us an opportunity to take stock of what we have achieved for our investors and portfolio companies. In this report, we quantify the value of our investments and the returns we deliver. We continually monitor how well we have performed and how much we have contributed towards achieving our investment goals. The result of that monitoring offers a clear picture of not only our high-performance culture and commercial returns, but also, and equally important, the lasting positive environmental, social and governance impact we make in contribution to Africa's energy transition and resource security.

This year, we consider our impact through the eyes of members of our beneficiary communities.

In Kenya, the children of the Mutuku family are doing better at school because of our investment in d.light, which has now enabled the family, and 100 million more people, to have access to clean, reliable energy. In Burundi, our investment partner, Gigawatt Global, has donated a science, technology, engineering, and mathematics (STEM) centre to the Polytechnic University of Gitega, where the next generation of the country's solar engineers are being trained. And in Uganda, the Tororo solar photovoltaic (PV) plant is providing 36,200 people access to power and creating hundreds of jobs in the short- and long-term, and a new early childhood education facility for 120 local learners.

This is where real change happens: on the ground, in the communities around our portfolio projects. It is the People pillar of the four Ps that drive us: People, Planet, Principles and Prosperity. Together, those pillars form the compact which our professional team is inspired to meet every day.

And yet, while we are changing people's lives at community level, on a global level, we are facing an existential crisis. Our investments are linked directly to global efforts to promote the survival of our species. We cannot work in isolation. We must work together to meet the directives of the Paris Accord and its efforts to mitigate the significant risks of climate change. At Inspired Evolution, this is



Christopher Clarke

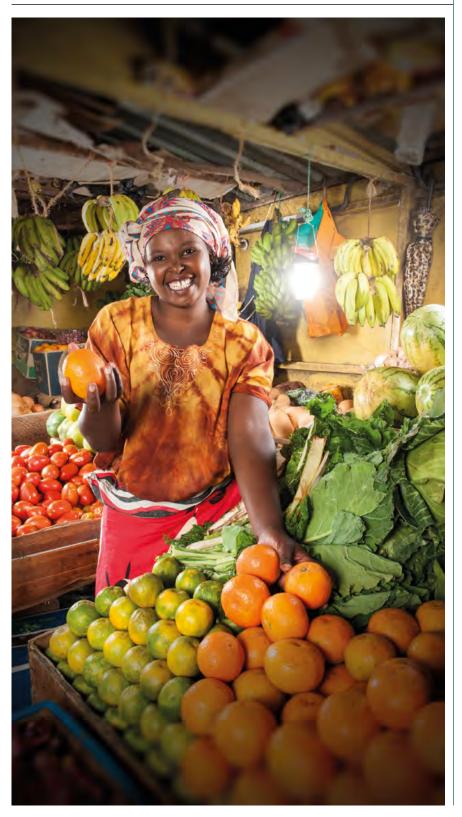


Wayne Keast

Africa's trusted advisory partner, building a more energy-resilient and resource-efficient future.

the canvas we use to tailor our funds and shape our investment decisions.

The partnerships we form and our philosophy of active investment management and value creation, including post-exit, deliver on our quest to enable access to energy for approximately 600 million people like the Mutuku family. It also enables us to help shape businesses and industries across Africa that need more affordable, reliable and cleaner power to build a prosperous future.



Our Investment Philosophy

Our investment philosophy is shaped by the need to find innovative responses in technology, production and business models to address the needs of a rapidly changing world and compromised environment.

We are bridging the funding gap by investing in clean energy infrastructure projects and technology-based growth companies that are enabling energy access and developing resource-efficient, reliable, affordable, disruptive solutions.

Our curious mindset helps us drive innovation. Our high-performance culture and multi-disciplinary skill set support our motivation to unlock transformation and to accelerate low-carbon, clean and sustainable energy generation across Africa.

PORTFOLIO IMPACTS



We identify and invest in scalable commercial opportunities across clean energy infrastructure, energy access and resource efficiency technology-based growth industries.

We currently manage two funds: Evolution I and Evolution II. Evolution I focuses on investments in the Southern African Development Community (SADC). Evolution II focuses on investments in the broader Sub-Saharan Africa region. These funds provide finance to businesses and projects developing clean energy infrastructure, enabling energy access and delivering energyand resource-efficient technology, and the value chains that support them. The funds prioritise investments in the most attractive, bankable regions across Sub-Saharan Africa. We also consider investments in other regions and frontier countries on a case-bycase basis, where the investment case is sufficiently compelling and investment risks can be mitigated.

Our investments target utility-scale grid-connected development platforms and projects that generate renewable energy, commercial and industrial (C&I) market initiatives, mini- and micro-grids as well as off-grid solutions.

Our succession funds, due for release in 2022, will be tailored and refined to improve and enhance the African energy transition investment opportunities to make even greater, longer-lasting impacts.

For more detail about the funds, refer to pages 45 and 46 in this document.

Portfolio Map



14 African countries | Multiple technologies, grid-tied, distributed and mini-grid | Off-grid and C&I

RENSOURCE/VIRTUS

Type Energy Infrastructure – mini-grids

Country Nigeria

Deal value USD 8.5 million (plus USD 10 million option)

Capacity 5 MW+

Stage Growth equity, construction and operation

Technology Hybrid PV Solar, batteries, gensets

Fund Evolution II

GIGAWATT GLOBAL

Type Energy Infrastructure – grid-connected

Country Burundi

Deal value USD 7.3 million

Capacity 8.6 MWp

Stage Development, construction and operation

Technology Solar PV grid-connected

Fund Evolution II

ESCOTEL/SAGEMCOM

Type Energy Infrastructure – services

Country Sierra Leone, Liberia
Deal value USD 20 million

Capacity 1,800 mobile towers (projected)

Stage Development, construction and operation Technology Hybrid PV solar, batteries, gensets

Fund Evolution II

COMMERCIAL ENERGY SA -----

Type Energy Infrastructure – C&I
Country South Africa, Namibia
Deal value USD 10.24 million
Capacity 100 MW+ (projected)

Stage Development, construction and operation

Technology Solar PV embedded rooftop

Fund Evolution II

ALTEN AFRICA

Type Energy Infrastructure – grid-connected Country Kenya, Namibia, Mozambique, Nigeria

Investment Up to USD 36 million Capacity 300 MW (projected)

Stage Development, construction and operation

Technology Solar PV Fund Evolution II

D.LIGHT

Type Resource Efficiency Growth – off-grid solar

home systems

Country Kenya, Uganda, Tanzania, Nigeria (predominantly)

.....

Investment USD 18 million

Capacity 25 million products sold to date
Stage Sales, installation and operation
Technology Solar PV, lights and electronics

Fund Evolution II

RED ROCKET HOLDING

Type Energy Infrastructure – grid-connected Country South Africa, Mali, Zambia, Eswatini

Deal value USD 31.7 million Capacity 2.5 GW (projected)

Stage Development, construction and operation Technology Solar PV, wind, hydro and biomass

Fund Evolution II

ABAGOLD

Type Resource Efficiency Growth – acquaculture

Country South Africa
Deal value ZAR 52.2 million
Capacity 515 tonnes sold (2020)

Stage Operation Fund Evolution I



Alignment with the Sustainable Development Goals

Our investment philosophy and active management approach are aligned with the Sustainable Development Goals (SDGs), to ensure that our local and regional impacts play a role in the global move towards responsible investment. While every investment has an impact that can be measured across multiple SDGs, for the purpose of this report, we have reflected where our portfolio companies have made the most impact during the year on the most closely aligned SDG.









ALTEN AFRICA

Alten RE Developments Africa B.V. (Alten Africa) is a bespoke solar PV independent power producer (IPP) platform that develops, constructs and operates utility-scale grid-connected projects located across Sub-Saharan Africa. The company is targeting the conversion of up to 300 MW of solar PV projects within the next five years.

Alten Africa is a 51%-owned subsidiary of Alten Energías Renovables, an experienced Spanish solar PV project developer. Evolution II holds the remaining 49%. Alten Africa's projects include:

- 47.1 MWp Hardap Project, Namibia (operating). Operations commenced in 2019. This is the largest IPP project in Namibia at the lowest tariff, offsetting the country's dependency on imported power.
- 55.6 MWp Kesses 1 Project, Kenya (advanced pre-financial close). The project is expected to reach financial close in February 2021 and commercial operations in November 2021.
- 157 MWp Middleband Solar One Project, Nigeria (advanced project in the pipeline).
- 38.7 MWp Cuamba Solar Project, Mozambique (advanced project in the pipeline).

The implementation of the Alten Group's environmental and social management system (ESMS) has guaranteed that identified negative impacts can be mitigated and positive development outcomes enhanced. The ESMS also ensures ongoing engagement with relevant stakeholders and authorities to develop community investment plans for both Hardap and Kesses solar PV projects.

SDG IMPACT

SDG 7: Affordable and clean energy

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



Alten Africa has enabled access to affordable and clean energy developments in emerging markets, serving the electricity needs of 70,000 people – around 3% of Namibia's current population – in its first project, Hardap, Namibia:

- Clean energy produced (reporting year) 116.6 GWh

Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Amsterdam, Netherlands
Geographical focus (operational)	Namibia
Geographical focus (construction and advanced development phase)	Sub-Saharan Africa (currently Kenya, Mozambique and Nigeria)
Reporting currency	USD
Evolution II commitment amount (total)	USD 35.6 million (Holding Company)
Evolution II funded amount (to date)	USD 29.2 million (Holding Company)
Ownership share of the investee's portfolio funded by the Fund	49% (Holding Company)
Investment year	2018

Financial impact	2020	
Turney (release ways)	USD 6.4 million (Holding Company)	
Turnover (sales revenue)	USD 6.9 million (Hardap, Namibia)	
FRITRA	USD 2.5 million (Holding Company)	
EBITDA	USD 6.0 million (Hardap, Namibia)	
Social impact	2020	
Permanent (direct) employment (total) #FTE	5 (Holding Company)	
Permanent (direct) employment (female) #FTE	2 (Holding Company)	
Board (total)	5 (Holding Company)	
Temporary (contract) employment (total)	7 (Hardap, Namibia)	
Board (total)	5 (Hardap, Namibia)	
Board (female)	1 (Hardap, Namibia)	
Environmental impact	2020	
Installed capacity	47.1 MWp (Hardap, Namibia)	
Clean energy produced (incremental in reporting year)	116.6 GWh (Hardap, Namibia)	
GHG emissions avoided (incremental in reporting year)	107,235 tCO _{2e} (Hardap, Namibia)	



KEEP OUR TOWN
CLEAN

COMMUNITY BENEFITS OF INVESTMENT

Powering Namibia for a quarter of a century

Over its lifetime, the Hardap solar PV plant will provide access to clean (renewable) and affordable energy to Namibians for a minimum of 25 years, supplying around 10% of national energy supply in a country that currently imports most of its energy from neighbouring South Africa. The project employed 700 workers during the construction phase, 94% of whom were residents from the local Mariental community. Now operational, the plant has created a total of nine jobs for Namibians, seven of which were employed by the operation and maintenance (O&M) operator, Sterling & Wilson, and two additional sub-contracted security guards.

The Namibian Minister of Mines and Energy opened the plant, endorsing the prioritisation and development of long-term socio-economic development (SED) relationships with the adjacent communities in the Mariental area. This SED policy, which was developed by Alten Africa prior to project implementation, identifies opportunities to maximise the positive impacts and build on shared value and sustainable development in and around the project area.







D.LIGHT

d.light Design Ltd (d.light) is a global leader and pioneer in delivering affordable and accessible off-grid solar-powered solutions with an ambitious goal to provide access to reliable energy for two billion people living in the developing world. In the last 13 years, d.light has sold over 25 million solar light and power products in 70 countries, improving the lives of over 100 million people and offsetting 23 million tCO_{2e} of greenhouse gases.

Headquartered in Nairobi, Kenya, d.light operates across Africa, China, South Asia and the United States, although its primary market is Sub-Saharan Africa. The company's product range includes solar-powered lamps created to replace kerosene lamps. These products are designed to improve health and safety and reduce carbon emissions.

d.light has developed and implemented PayGo, an innovative pay-as-you-go consumer financing model, which enables low-income households to pay for d.light products in small instalments on their mobile phone devices, further improving access to reliable energy.

SDG IMPACT

SDG 3: Good health and well-being "Ensure healthy lives and promote well-being for all at all ages."



To date, **d.light** has improved the health and well-being of around 100 million people through enhanced energy access comprising sales and distribution of quality solar (off-grid) products and services, substituting more hazardous kerosene-fueled lighting and improving safety in millions of rural homes.

- Total number of units sold (reporting year)1,643,935
- Total number Solar Home Systems sold (reporting year)261,755





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Investment theme	Resource Efficiency	
Geographical focus (headquarters)	Nairobi, Kenya	
Geographical focus (operational)	Sub-Saharan Africa (currently Kenya, Uganda, Tanzania and Nigeria)	
Reporting currency	USD	
Evolution II commitment amount (total)	USD 18 million (of a total USD 41 million co-investment round)	
Evolution II funded amount (to date)	USD 18 million (of a total USD 41 million co-investment round)	
Ownership share of the investee's portfolio funded by the Fund	12.4% (28.1% co-investment), on a fully diluted basis	
Investment year	2018	

Financial impact	2020
Turnover (sales revenue)	USD 94.4 million
EBITDA	USD 11.0 million
Corporate income taxes	USD 3.2 million
Other payments made to Government	USD 22.8 million
Social impact	2020
Permanent (direct) employment (total) #FTE	979
Permanent (direct) employment (female) #FTE	251
Board	7 (total), 1 (female)
Senior management	143 (total), 35 (female)
Environmental impact	2020
Installed capacity	48 MWp
Clean energy produced (reporting year)	52.0 GWh
GHG emissions avoided (reporting year)	1.4 million tCO _{2e}



Lighting a path to prosperity for the Mutuku family

OF INVESTMENT

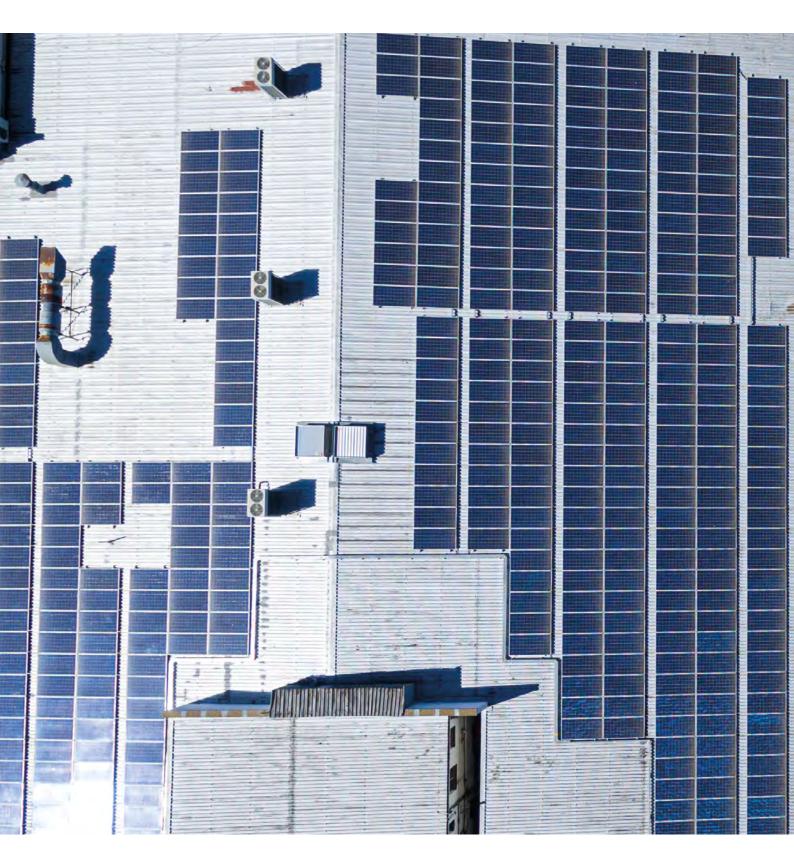
Globally, d.light products have enabled 21 billion hours of productivity. More than 25 million children are able to study under the light of a solar powered lamp, and customers have saved at least USD 4 billion in energy costs, freeing up money that can be better used for education, health and activities that can generate an income.

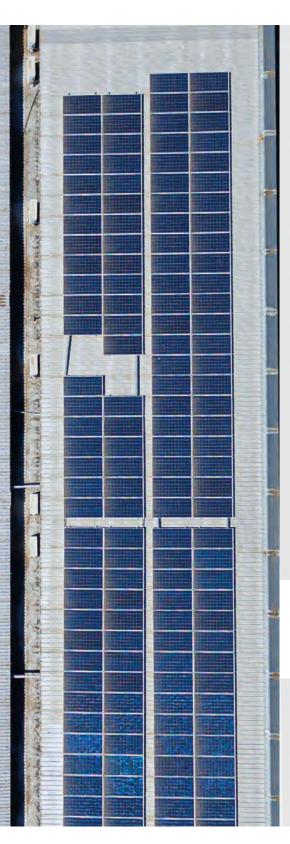
One such family is the Mutuku family who live just outside Nairobi, in Kenya. The family lives 600 metres from an electrical utility transformer and yet they had no access to electricity. In 2017, the family heard about the D30 system, a pay-as-you-go solar home system that has three LED lights, a radio, mobile phone charger and torch. D.light products include solar TVs, which research has found enables families to be entertained, informed and

more connected with global events, while also reducing stress levels. After paying KES 2,565 (USD 25) upfront, and monthly instalments of KES 280 shillings (USD 2.62) for just two years, the family now has access to free, continuous solar energy from solar PV and battery storage products. They have saved a significant amount of money and their children are able to study at night with the use of reliable and safe lighting products, which has a positive impact on their school results.

The Mutuku family is one of 100 million d.light customers living in under-served villages around the world who have been able to access energy without waiting years to join a national grid. More than the socio-economic benefits, d.light has also positively impacted the planet. Its customers have generated 165 gigawatt hours (GWh) of renewable energy, and more than 23 million tons of CO_{2e} has been offset, since inception.

This simple technology, combined with Inspired Evolution's USD 41 million equity co-investment, has opened up a world of possibilities for many African families and individuals.









COMMERCIAL ENERGY SA

Commercial Energy SA (Pty) Ltd (CESA) invests in the distributed solar industry through its relationships with project developers, solar installers, and engineering, procurement and construction (EPC) contractors across the Common Monetary Area (South Africa, Namibia, Lesotho, and Eswatini). It targets C&I and large-scale residential market segments above 50 KWp and typically below 1 MWp. Larger installations require a generation licence in South Africa.

CESA enters into power purchase agreements (PPAs) with its customers who pay only for the amount of solar energy they consume, according to an agreed price, indexed to the rate of consumer price inflation for the duration of the PPA, which is typically 20 years.

SolarAfrica Energy (SolarAfrica) is CESA's development and asset manager. SolarAfrica works with sales partners to originate new C&I projects. This partnership is enabled by a cloud-based software platform called Unifii. Unifii streamlines the interaction between parties through a standardised development workflow aimed at producing project design and assessment criteria. In so doing, it drives down costs, passing savings to customers in the form of lower energy tariffs. This virtuous cycle of scale and efficiency achievable under Unifii is central to SolarAfrica and CESA's market differentiation as a leading C&I development and financing platform.

Once construction is complete, CESA buys eligible projects from SolarAfrica at an agreed yield (i.e. internal rate of return) linked to the credit score of the customer. CESA aims to offer its clients savings of 20–40% compared with electricity tariffs charged by the South African national utility, Eskom.

SDG IMPACT

SDG 11: Sustainable cities and communities "Make cities and human settlements inclusive, safe, resilient, and sustainable."



Commercial Energy SA (SolarAfrica) believes in a future where cities provide opportunities for all, with access to basic services like clean, affordable, safe and reliable energy, with technology that enables customers to save 20–40% in electricity costs.

•	Installed capacity	10.14 MWp
•	Clean energy produced (reporting year)	.10,325 MWh

GHG emissions avoided (reporting year)......9,499 tCO_{2e}

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Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Centurion, Gauteng Province, South Africa
Geographical focus (operational)	Common Monetary Area (currently South Africa and Namibia)
Reporting currency	USD*
Evolution II commitment amount (total)	USD 10.2 million
Evolution II funded amount (to date)	USD 6.8 million
Ownership share of the investee's portfolio funded by the Fund	51%
Investment year	2019

^{*(}USD/ZAR rate = 14.65)

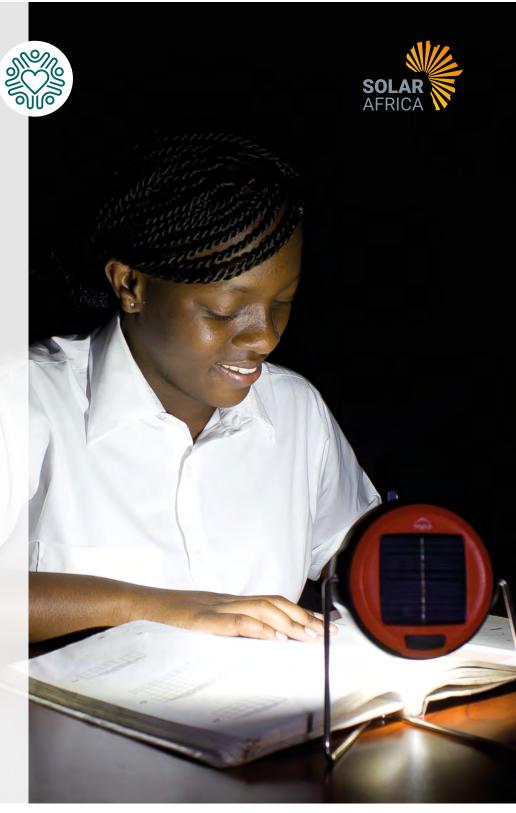
Financial impact	2020
Turnover (sales revenue)	USD 805,825
EBITDA	USD 698,598
Other payments made to Government	USD 65,411
Social impact SolarAfrica (asset manager for CESA)	2020
Permanent (direct) employment (total) #FTE	28
Permanent (direct) employment (female) #FTE	9 (88)
Board	3 (total)
Senior management	7 (total), 3 (female)
Environmental impact	2020
Installed capacity	10.14 MWp
Clean energy produced (reporting year)	10.3 GWh
GHG emissions avoided (reporting year)	9,499 tCO _{2e}

COMMUNITY BENEFITS OF INVESTMENT

Making it easier to learn

SolarAfrica, asset manager of CESA, partnered with Inspired Evolution on a joint corporate social responsibility initiative for the year. For many years, SolarAfrica has supported NEA Foundation as their preferred charity. Through the Foundation, SolarAfrica selected a small school and surrounding community as the beneficiaries of solar products from d.light, the global market leaders delivering affordable solar-powered solutions designed for off-grid use in developing countries and households around the world.

Over 200 d.light S500 solar lights were distributed to disadvantaged school children and educators at Laerskool Generaal Beyers in Pretoria West. The remaining solar lights were handed over to a small community in Westford, Tshwane, which has had no access to electricity. Westford is home to many students, educators and children like Rosie, a pre-primary learner at Thando Community Creche. With this donation, Rosie and many others in Westford now have access to a source of light, which will improve the daily lives of each community beneficiary.







GIGAWATT GLOBAL BURUNDI S.A.



GIGAWATT GLOBAL

Gigawatt Global (GWG) is a US-Israeli solar PV developer specialising in frontier markets. The company is building the first grid-connected solar PV project development by an independent power producer (IPP) in Burundi, called **Gigawatt Global Burundi S.A.** (referred to as the **Mabuga Project**). Construction on the 8.6 MWp Mabuga Project started in 2020 under the lead of EPC contractor, Voltalia. Gigawatt Global will continue to oversee the construction and operation to completion.

Evolution II closed the equity investment and construction bridge loan in January 2020. This ground-breaking financing structure brings together a consortium of funders committed to closing Africa's energy gap and finding innovative energy solutions in under-developed markets. The Renewable Energy Performance Platform (REPP) provides a matching construction bridge loan and subsequent subordinated loan on refinancing. Evolution II holds a majority shareholding in the project.

This is a pioneering project in many ways. It opens up the independent power production market in Burundi and draws in funders and credit enhancement providers to realise a complex but strategically important clean energy generation project for the country.

SDG IMPACT

SDG 5: Gender equality

"Achieve gender equality and empower all women and girls."



Gigawatt Global promotes gender equality and empowerment of all women and girls, targeting the upskilling and employment of local Burundian women, and the deployment of solar power as part of a social and economic development program with the distribution of 100 solar lanterns to local families.

- Gender and equality policies are in place.
- Women are actively encouraged and trained to work for the project.
- During the construction phase, the HSE officer of Voltalia invited women on the plant to discuss gender-based issues and implemented a policy of treating women equitably and with respect.
- Number of insourced jobs (female) #FTE (reporting year) 31

2020

Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Jerusalem, Israel
Geographical focus (operational)	Burundi
Reporting currency	USD
Evolution II commitment amount (total)	USD 7.3 million
Evolution II funded amount (to date)	USD 4.4 million
Ownership share of the investee's portfolio funded by the Fund	65.6%
Investment year	2019

Financial impact	2020
Turnover (sales revenue)	Under construction
EBITDA	Under construction
Other payments made to Government	Under construction
Social impact	2020
Insourced jobs (estimated #total during construction phase)	162
Insourced jobs (estimated #female during construction phase)	31
Board (total)	3
Environmental impact	2020
Installed capacity	8.6 MWp
Clean energy produced (reporting year)	Under construction
GHG emissions avoided (reporting year)	Under construction

COMMUNITY BENEFITS OF INVESTMENT

Building the next generation of solar engineers

Burundi is one of the world's poorest countries. Just 8% of the population has access to electricity. Expanded access to energy will help to drive much-needed economic growth in the country.

The 8.6 MWp grid-connected solar PV project in Gitega was voted the 2020 electrical engineering power (EEP) Africa Project of the Year, in recognition of the plant's potential to increase Burundi's total installed capacity by 15%. The Mabuga Project, which began as a feasibility study in 2015, will deliver power to Burundians under the 25-year PPA with the government of Burundi, making a significant impact to the country's development and the lives of its citizens. Locally, the project has created approximately 250 jobs for labourers from surrounding communities, including nine permanent jobs and 31 additional insourced jobs, all filled by women. The project is not only providing access to energy for the country but is also helping to create a new generation of solar engineers, thanks to Mark Gelfand, a Boston-based Gigawatt Global investor. Mark donated a STEM centre to the Polytechnic University of Gitega, Burundi's secondlargest city. Gigawatt Global is working with the university's engineering department to develop solar training for its graduates.

On a more local level, the Mabuga Project sponsored 214 washing and soap dispensing stations for the Mubuga and Mirama areas, a contribution worth USD 20,710. The washing stations were placed in schools, health clinics, churches and in the Mubuga market to support hygiene measures during the COVID-19 pandemic. Each station comprises a locally manufactured 40-litre water container and a tap, and 5-litre bottles of liquid soap. Implemented in May 2020, this initiative was supported by UNICEF and the International Committee of the Red Cross. Inspired Evolution continues to work closely with Gigawatt Global on the roll-out of socio-economic development plans and community initiatives in and around the Mabuga Project area.







RED ROCKET



RED ROCKET

Red Rocket Holding Ltd (Red Rocket) is an integrated renewable energy independent power producer (IPP) constructing, developing and operating over 2.5 GW of utility-scale, grid-connected wind, solar and hydro projects across Sub-Saharan Africa. Red Rocket was launched in mid-2020 as a result of a successful management buy-out of Building Energy's Africa business, in partnership with Evolution II. Evolution II holds a majority shareholding in the reconfigured IPP platform alongside management.

Red Rocket's management skill set offers unique agility and differentiated bid strategies with best-in-class demonstrated renewable energy bid and implementation success, particularly under public procurement concessions. The team combines proven renewable energy technology selection with innovation and optimised technical project development to offer full integration through its IPP platform solutions.

The joint venture has resulted in the recapitalisation and repositioning of Red Rocket to become one of Africa's leading emerging renewable energy IPPs. The buy-out deal leveraged the networks and resources of Development Finance Institutions (DFIs) and international investors, together with local leading South African alternate investment institutions active across Africa.

SDG IMPACT

SDG 17: Partnerships for the goals

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



Red Rocket builds local and global partnerships that lead to innovative technological developments and responsible investment in emerging markets.

Inspired Evolution partnered with existing management to buy out Building Energy's Africa business to form Red Rocket with Evolution II holding a 70% controlling stake. Red Rocket projects also involve local community ownership structures on the back of public procurement processes run by governments, whose balance sheets are in turn bolstered by bilateral and multilateral agencies. Red Rocket demonstrates the powerful dynamic partnerships forged between governments, private sector, local communities, civil society and global finance institutions which are crucial in building successful African renewable energy infrastructure.

Red Rocket's operational solar PV project in Tororo, Uganda, is a notable example of how government, private sector, local communities, civil society and funders can work together to drive sustainable progress. Through these partnerships, ordinary Ugandans have gained access to clean, reliable and affordable power.

2020

Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Cape Town, South Africa
Geographical focus (operational)	Sub-Saharan Africa (currently South Africa, Mali, Zambia and Eswatini)
Reporting currency	USD*
Evolution II commitment amount (total)	USD 31.7 million
Evolution II funded amount (to date)	USD 21.8 million
Ownership share of the investee's portfolio funded by the Fund	70%
Investment year	2020

^{*(}USD/ZAR rate = 14.65)

Financial impact	2020
Turnover (sales revenue)	USD 8.2 million
EBITDA	USD 1.7 million
Corporate income taxes	USD 156,110
Other payments made to Government	USD 768,185
Social impact	2020
Permanent (direct) employment (total) #FTE	44
Permanent (direct) employment (female) #FTE	18
Board	4 (total), 0 (female)
Senior management	20 (total), 6 (female)
Environmental impact	2020
Installed capacity	91.0 MWp (Kathu and Tororo: operating) 150.8 MW (Kruisvallei and Roggeveld: under construction)
Clean energy produced (reporting year)	200.5 GWh
GHG emissions avoided (reporting year)	184,416 tCO _{2e}



COMMUNITY BENEFITS OF INVESTMENT

Leveraging partnership to power up Red Rocket

During the construction phase, Red Rocket's Tororo solar PV project in Uganda employed 306 local workers and six local vendors. Now in the operational phase, the project employs 20 permanent workers. The project feeds into the grid, providing 10 MWp of power to around 36,200 people. This is significant on a national scale, but on an individual level, the impact is even more meaningful.

Jessica Mukimba is a 28-year old storekeeper and site cleaner on the plant. With the income she earns working on the project, Jessica is able to pay school fees for her seven-year-old son. She has bought a goat to add to her livestock herd and has also been able to build a thatched house.

The last time Geoffrey Othieno was employed was in 1973 when his then employer closed down. He ventured into smaller-scale agriculture, but lost the land over the years. When the Tororo project was built, Geoffrey was employed as a flagman and traffic controller. With the income he earns, he can take care of his family and pay school fees.

Kenneth Osike lives with his wife and two young daughters. He is employed on the plant as a manual labourer. When famine hit the Tororo region in 2016, Kenneth was able to provide sustained support to his immediate and extended family with the income he earns from the project. He was also able to buy a cow, and rice and groundnuts for his small plantation.

Francis Owori is a talented carpenter who runs a roadside store near the Tororo plant. The site's management noticed his work and approached him to make some custom furniture for the plant's facilities, with the potential for more commissions from the plant in future. He believes that these opportunities have enabled his business to thrive.

Tororo's Corporate Social Investment includes the construction of an early childhood development centre in Asignet 'A' Village, and the provision of furniture and textbooks for the centre. This centre offers opportunities for 120 local learners to learn to read, write, master maths and develop their cognitive skills as part of Red Rocket's commitment to impacting the community.











RENSOURCE / VIRTUS

Rensource Holdings Inc. (Rensource) has been providing solar off-grid solutions to small and medium enterprises (SMEs) and large urban outdoor markets throughout Nigeria since 2015. Rensource's business is to develop, finance, manage and operate critical clean energy infrastructure for its clients.

In particular, the company is providing alternative solar hybrid power solutions to market traders whose traditional dependence on generators pollutes and often causes fatal fires in tightly packed environments, such as informal markets.

Virtus Energy Solutions Limited (Virtus), a bespoke holding company, finances and owns the mini-grid assets that have already been installed or will be installed at the informal markets by Rensource. This model enables the supply of clean, safe and reliable electricity to the market traders.

Evolution II acquired a 7.4% interest in Rensource and a 44% equity stake in Virtus. Together, this portfolio investment aims to roll out micro utilities across 12 informal markets hosting SMEs in eight provinces in Nigeria.

SDG IMPACT

SDG 13: Climate action

"Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy."



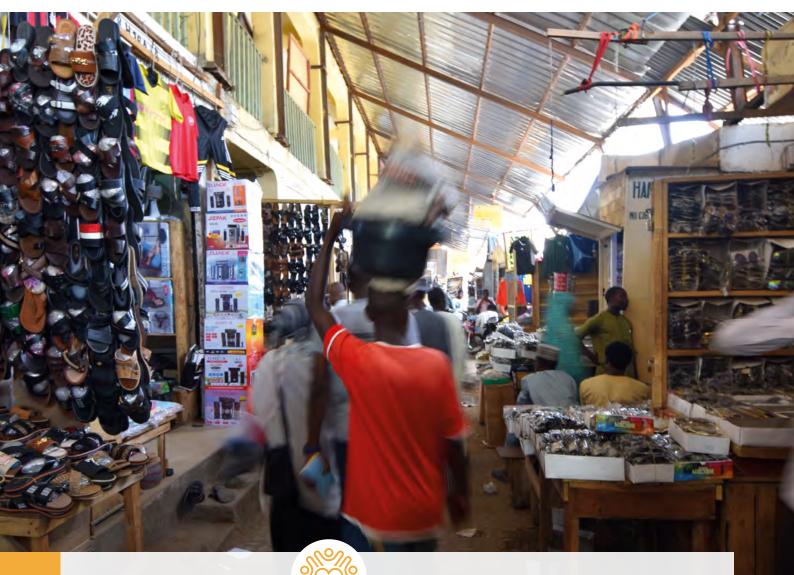
Rensource is addressing climate action through the development, financing, management and operation of critical clean energy infrastructure for traders in informal markets across Nigeria, by providing alternative clean, safe and reliable energy solutions.

- Clean energy produced (reporting year):
 Rensource: 357.81 MWh/Virtus: 79.93 MWh
- GHG emissions avoided (reporting year):
 Rensource: 719 tCO_{2e}/Virtus: 153 tCO_{2e}

2020

Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Delaware, USA
Geographical focus (operational)	Nigeria
Reporting currency	USD
Evolution II commitment amount (total)	Rensource: USD 3.0 million Virtus: USD 4.5 million
Evolution II funded amount (to date)	Rensource: USD 3.0 million Virtus: USD 1.0 million
Ownership share of the investee's portfolio funded by the Fund	Rensource: 7.4 % Virtus: 44 %
Investment year	2019

Financial impact	2020
Turnover (sales revenue)	Rensource: USD 1.0 million Virtus: USD 52,882
EBITDA	Rensource: USD -4.3 million Virtus: USD -25,472
Other payments made to Government	Virtus: USD 3,628
Social impact	2020
Permanent (direct) employment (total) #FTE	Rensource: 51 Virtus: 8
Permanent (direct) employment (female)	Rensource: 17
Temporary (contract) employment #FTE	Rensource: 34 (total), 8 (female)
Senior Management	Rensource: 6 (total), 2 (female)
Environmental impact	2020
Installed capacity	Rensource: 1.903 MWp Virtus: 0.568 MWp
Clean energy produced (reporting year)	Rensource: 357.81 MWh Virtus: 79.93 MWh
GHG emissions avoided (reporting year)	Rensource: 719 tCO_{2e} Virtus: 153 tCO_{2e}



COMMUNITY BENEFITS OF INVESTMENT

Cleaning up at 'Mini Africa'

The Sabon Gari market in Kano state, Nigeria, is so big some refer to it as 'Mini Africa'. Twelve thousand stores cover every square metre of the market, which stretches over several kilometres of trading space. It's a busy, vibrant exhilarating environment that has become a must-see in the area.

But one environmental factor was less than welcome: fumes, pollution and fires caused by the generators that traders used to power their stalls. Around 72% of the shops used small petrol and diesel generators. This presented a significant health and safety hazard. In response, the Federal Government of Nigeria launched the Energising Economies Initiative to find innovative energy infrastructure solutions.

In response, Rensource recruited and trained 100 engineers, administrative staff and craftsmen to install its micro-grid energy utility at the market. The investment enhanced the skill set of the recruited trainees, and vastly improved the lives and safety of the traders at the market, providing not only safe power and lighting but also air conditioning and refrigeration to traders who need it.





ESCOTEL

Inspired Evolution, Norfund and Sagemcom have participated in a USD 35 million equity investment to establish and finance ESCOTEL (Mauritius) Ltd (ESCOTEL), an energy services company currently focused on Sub-Saharan African countries which helps local Orange mobile operators to transition to a lower carbon infrastructure, improve operating efficiency and reduce costs. The investment enables the modernisation and hybridisation of existing power systems of Orange's telecom sites with the supply, installation, and operations of solar and storage power systems.

Evolution II committed USD 20 million, alongside USD 10.85 million from Norfund and USD 4.15 million from Sagemcom Energy & Telecom, a recognised player in the telecom and energy services business. Sagemoom also acts as equipment supplier, EPC contractor and operation and maintenance (O&M) provider to ESCOTEL.

As an energy-for-service company, ESCOTEL takes over the telecom operator's existing power generation equipment, makes the necessary upgrades and operates the systems, charging a monthly fee for the electricity provided.

SDG IMPACT

SDG 9: Industry, innovation, and infrastructure "Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation."



ESCOTEL prioritises industry, innovation and infrastructure that promote sustainable technologies. The ESCOTEL investment entails the supply, installation, operations and maintenance of decentralised solar and storage hybrid power systems for an initial portfolio of Orange telecom sites in Sierra Leone and Liberia, with expansion plans for other countries. These upgrades ensure equal and universal access to information and telecom services to build stable and prosperous societies across Africa.

- Inspired Evolution, Norfund and Sagemcom have participated in a USD 35 million equity investment to establish and finance ESCOTEL in partnership with Orange as telecoms mobile operator.
- - Ownership share of the investee's portfolio funded by the Fund54%





INVESTMENT INFORMATION

2020

Investment theme	Clean Energy Infrastructure
Geographical focus (headquarters)	Mauritius
Geographical focus (operational)	Sub-Saharan Africa (currently Liberia and Sierra Leone)
Reporting currency	USD
Evolution II commitment amount (total)	USD 20.0 million
Evolution II funded amount (to date)	USD 16.2 million
Ownership share of the investee's portfolio funded by the Fund	54%
Investment year	2020

FINANCIAL AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

Financial impact	2020	
Turnover (sales revenue)	USD 0.6 million	
EBITDA	USD -390,000	
Corporate income taxes	USD 216,000	
Social impact	2020	
Permanent (direct) employment (total) #FTE	90 ESCOTEL Liberia48 ESCOTEL Sierra Leone	
Permanent (direct) employment (female)	6 ESCOTEL Liberia 2 ESCOTEL Sierra Leone	
Senior Management (Total) (Female = 0)	3 ESCOTEL Liberia 3 ESCOTEL Sierra Leone	
Temporary (contract) employment (total)	33 ESCOTEL Sierra Leone	
Temporary (contract) employment (female)	1 ESCOTEL Sierra Leone	
Environmental impact	2020	
Installed capacity	Liberia: 3.74 MWp Sierra Leone: 10.50 MWp	
Clean energy produced (reporting year)	Liberia: 1,452 MWh Sierra Leone: 5,830 MWh	
GHG emissions avoided (reporting year)	Liberia: 11,498 tCO _{2e} Sierra Leone: 5,703 tCO _{2e}	

COMMUNITY BENEFITS OF INVESTMENT

Green is the new Orange

Michel Hubert, CEO of ESCOTEL says, "Mobile devices are the key to digital transformation, economic progress and development in the developing world, providing much-needed access to education, healthcare, economic development and entertainment in Africa."

However, outdated and inefficient mobile infrastructure can do more harm than good in the longer term. Global partnerships with progressive operators like Orange enable local operators and businesses to reduce their reliance on fossil fuels and transition to more accessible clean energy infrastructure.

Not only that, through Orange's mobile connectivity, more women, small businesses and entrepreneurs have been able to transact using mobile money services. Orange has been able to provide mobile connectivity for Sierra Leonians in nearly 1,000 new localities, offering access to data, voice and financial services – many for the first time. Previously only about 50% of Sierra Leone's population were connected.

As part of their commitment to impact in Sierra Leone, Orange's Free Quality Education Agenda provides hygiene packs for girls, coding skills through the Super Coder Academy and solar kits for school children to enhance their learning.



ABAGOLD



ABAGOLD

Abagold Ltd (Abagold) is one of the largest producers of abalone in Africa. Founded in 1991, Abagold is an integrated and sustainable agribusiness with core competency in and focus on aquaculture. The company produces internationally renowned premium quality abalone at its 620-ton facility in Hermanus, South Africa. Through its adoption of resource-efficient farming methods, the company is an industry leader. Abagold helps to meet demand for this endangered species by farming and distributing abalone sustainably, substituting the illegally harvested wild supply.

Evolution I deployed expansion capital to grow operations on a new adjacent site using new and sustainable farming methods. Abagold has expanded its geography, now operating in Oman and South Africa. Abagold has diversified its revenue, trading in both USD and ZAR, and in product offering with the production of abalone and animal feed, to become a diversified sustainable aquaculture business.

SDG IMPACT

SDG 8:

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

ABAGOLD promotes decent work and economic growth in South Africa through development, education and training, and the provision of social benefits to the communities around its plant in Hermanus, South Africa.

- Total number of permanent full-time employees, fixed-term employees, board members and senior management (reporting year)......381
- Agri-Seta approved six graduates and three interns; part of Abagold's top talent to be developed for future growth within the business.
- Corporate income taxesZAR 6.2 million (reporting year)





INVESTMENT INFORMATION

2020

Investment theme	Resource Efficiency (Aquaculture)
Geographical focus (headquarters)	South Africa
Geographical focus (operational)	South Africa
Reporting currency	ZAR
Evolution II commitment amount (total)	ZAR 52.5 million
Evolution II funded amount (to date)	ZAR 52.5 million
Ownership share of the investee's portfolio funded by Evolution I	15%
Investment year	2010

FINANCIAL AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

Financial impact	2020
Turnover (sales revenue)	ZAR 203 million
EBITDA	ZAR 43 million
Corporate income taxes	ZAR 6.2 million
Social impact	2020
Permanent (direct) employment (total) #FTE	381
Permanent (direct) employment (female) #FTE	119
Board	8 (total), 1 (female)
Senior management	9 (total), 1 (female)
Environmental impact	2020
Capacity	515 tonnes of sustainably grown abalone
Clean energy produced (to date)	1,631 MWh
GHG emissions avoided (to date)	1,501 tCO _{2e}



OF INVESTMENT

Going for Gold

Abagold plays an active role in the community by contributing to the development of the talent pipeline in Hermanus. It does this by providing skills development support for small businesses and education opportunities for tertiary and early childhood learners, through the Abagold Development Trust.

As part of Abagold's procurement policies, the company spent more than ZAR 25 million to support small, medium and micro enterprises (SMMEs) in the local community.

The Abagold Development Trust is actively involved in ongoing community engagement and investment in the community. The Trust is currently supporting six bursary students studying in various disciplines, namely Nursing Science, Computer Science, BA Law, BCom Accounting and Music.

In partnership with the Youth Employment Service (YES) programme, Abagold has allocated 21 students to support early childhood development centres in 12-month learnership contracts targeted specifically at previously disadvantaged groups. These students were placed in projects in the surrounding communities of Mount Pleasant, Hawston and Zwelihle.

Our Investment Mandate

We are pioneers in the transformation of the energy landscape in Sub-Saharan Africa. Over 14 years, we have invested in more than 1,500 MW of renewable energy generation projects.



As one of the first dedicated clean energy fund managers in Sub-Saharan Africa, we are pioneers in transforming the energy landscape on the continent, drawing on our deep local market knowledge, strong regional networks and proven international investment capabilities in technology and infrastructure.

We focus on active investment management and integrate best-in-class environmental, social and governance management (ESG) investment policies, standards and guidelines. We also advise on a broad range of exit strategies to create maximum post-investment value, supported by a mandatory commitment to sustainable development that improves access to energy for beneficiary communities. Our investment decisions are informed by rigorous composite market, regulatory and bankability criteria to identify investment-grade countries and portfolio companies.

Investment sectors

We have built a diverse investment portfolio that achieves superior risk-adjusted returns while maximising development financial, social and environmental outcomes for local partners and beneficiary communities. Over the past 14 years, we have contributed to developing more than 1,500 MW of renewable energy generation projects. We have recorded multiple successes in utility-scale

competitive public-private procurement environments, and in the financing of private-to-private commercial and industrial installations.

As part of our investment restrictions, we do not invest in greenfield natural gas-fired generation projects unless coupled with renewable energy (and storage) as a hybrid facility, but subject to our emissions performance standards. We also do not invest in primary fossil fuels like coal and oil, nor in any fossil fuel-based generation projects (including discard coal).

Investment themes

We specialise in two principal investment themes, including the value chains that support them:

- Clean (renewable) energy infrastructure development and project finance; and
- Energy access, and energy and resource efficiency growth investments.

As we work towards crafting our next-generation investment funds, our investment themes remain relevant to Africa's energy transition and net-zero climate commitments. We are looking to broaden our climate mitigation clean energy track record with mandates and strategies that scale energy transition investments, which will look to include adaptation and other crucial climate-related finance themes.



About the **Evolution I** Fund

Evolution I is a 2008-vintage, 10-year closed-ended fund focused on equity and equity-related investments in clean energy infrastructure and environmental industries, the latter focusing on energy and resource efficiency across select sectors such as agribusiness, waste and environmental remediation, and water. Fully invested by the end of 2014, Evolution I comprised a portfolio of innovative companies and power projects run by seasoned professional teams developing game-changing technologies and business models.

In total, the portfolio was made up of 12 investments representing approximately 918 MW of renewable energy generation assets and three growth equity businesses. Evolution I has exited 11 portfolio investments and achieved five underlying renewable energy project sales to date. We are proud to be associated with these investments that all remain financially stable going concerns with embedded impact-orientated business strategies.

Evolution I in numbers

Vintage 2008

Fund size USD 94 million (comprises ZAR and USD commitments)
Status Active: One remaining exit; to be wound down in 2021
Geography Southern African Development Community (SADC)

Evolution I portfolio investments

- Abagold
- African Power Company (AFPOC)
- Demeter Organic Fertiliser
- EnviroServ
- Fifth Season Investments, De Aar Solar Capital
- Gibson Bay Wind Farm
- Red Cap Kouga Wind Development Company
- Red Cap Wind Farm
- RUSTMO1 Solar Farm
- SIRAC, Cape Town
- Slimsun Swartland Solar Park
- Slimsun Too Swartland Solar Park





About the **Evolution II** Fund

In June 2019 we successfully achieved final close on Evolution II, our second fund. Building on the lessons and top-quartile performance of our predecessor fund, Evolution II is positioned as Africa's next generation climate mitigation and energy transition fund.

Evolution II is a USD 216 million, 10-year closed-ended fund with a specialised mandate to invest in clean energy infrastructure, energy access, and energy-and resource-efficiency growth investment opportunities across Sub-Saharan Africa.

Investment jurisdictions are evaluated against growth prospects, ease of doing business, certainty in policy and regulations, political stability and bankability. Evolution II investors comprise international DFIs, institutional investors and family offices.

Evolution II has made seven portfolio investments to date with USD 148 million invested, committed and reserved for follow-ons.

Evolution II in numbers

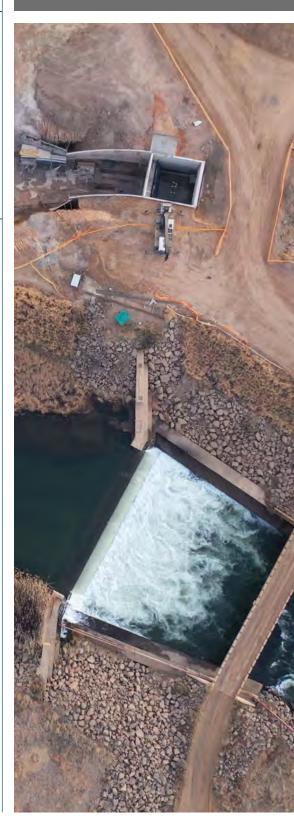
Vintage 2017

Fund size USD 216 million

Status Active: Currently investing **Geography** Sub-Saharan Africa

Evolution II portfolio investments

- Alten Africa
- Commercial Energy SA
- d.light
- Gigawatt Global
- Red Rocket
- · Rensource/Virtus
- ESCOTEL



Policies and Standards

Our investment philosophy and mandate guide which projects and companies we target and invest in. These investments are further assessed using a series of policies, standards and guidelines. These are critical benchmarks that represent global best practice in responsible investing. They are the monitoring points by which we evaluate our own commitment to making investment decisions aligned with globally benchmarked investment standards.

Environmental, Social and Governance Management (ESG)

We manage ESG risks to drive impact performance which translates into better financial and improved environmental and social risk mitigation, delivering positive impact. We integrate ESG risk management processes into all phases of the investment and development cycles. Through our bespoke environmental and social management system (ESMS), our team is also committed to monitoring ESG compliance in our own internal investment advisory operations. This means we walk the talk when we evaluate our investee companies, driving them and ourselves towards continuous improvement and enhanced ESG performance.

Our ESMS incorporates the relevant policies, organisational structure, planning activities, responsibilities, practices, procedures and resources for developing, implementing, achieving, reviewing and maintaining compliance with the ESG framework set to meet our and our investors' environmental, social and governance requirements.

Environmental and Social (E&S) Policies and Standards

We monitor and report on progress and assess our funds and their portfolio impacts against these policies and standards to ensure investments remain globally relevant and compliant in all jurisdictions.

- Applicable local and international E&S laws and regulations
- Basic Terms and Conditions of Employment
- Core Labour Standards
- International Finance Corporation (IFC) Performance Standards
- African Development Bank's (AfDB's) Integrated Safeguards System
- UN Guiding Principles on Business and Human Rights
- European Investment Bank (EIB) Environmental and Social Standards
- UN Principles for Responsible Investment



Policy-driven investors

Our policies and standards are also compliant with, and subject to, minimum global best-practice as prescribed by our key policy-driven international development finance investors, currently:

- Global Energy Efficiency and Renewable Energy Fund (GEEREF)
- Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)
- SIFEM AG
- African Development Bank (AfDB)
- SWEDFUND International AB
- FINNFUND
- CDC Group plc
- KLP Norfund
- European Investment Bank (EIB)

Guidelines and Exclusions

Our differentiator as a specialised fund manager is our passion for a more progressive environmental, social and governance approach to active investment management, paired with measured development outcomes. This approach offers improved risk management and value creation for investee companies and fund investment performance. Through strict implementation of select exclusion activities, we are able to reduce investment and reputational risk, and potential long-term liabilities, improving risk-adjusted investment returns and the quality of life for communities across the continent while protecting its natural environment.

In our primary and fundamental role as financial fiduciaries for our investors, we adopt best-practice guidelines in our approach to responsible investment. These guidelines enable us to optimise our efforts to mitigate negative climate change impacts, empower communities, and build resilient energy infrastructure that can transform Africa's energy future.

Our integrated investment strategies in this specialised asset class generate financial returns alongside social and economic returns. This lies at the heart of impact investing and our commitment to the Sustainable Development Goals (SDGs). The SDGs guide every aspect of our ESG impact framework. This commitment enables us to align our workstreams and contribute to being an international catalyst for accelerating Africa's energy transition while improving energy access and wise resource use for its people.

In particular, in the spirit of SDG17: Partnerships for Goals, we actively seek to build lasting partnerships with governments, co-investors, entrepreneurial partners, local communities and other key stakeholders. These partnerships empower us to deliver on our impact mandate in pursuit of improved and more equitable development outcomes.



Our investment decisions are also guided by an integrated list of excluded and prohibited activities, projects and/or materials, aligned with the stricter of various external exclusions, including:

- a) IFC's list of excluded activities/ projects;
- b) European Development Finance Institution's (EDFI) list of excluded activities or projects;
- Swedfund Schedule III's excluded activities list:
- d) The GEEREF exclusion and restriction list; and
- e) The restricted sectors published on the EIB's website.

Updated periodically, these lists include selected categories, projects, investment components and sectors that influence our investment criteria.

The integrated list is a key component of our bespoke ESMS which is dedicated to improving environmental and social performance in a systematic and structured way. The ESMS enables us to appraise and manage fund portfolio investments by identifying and avoiding, minimising or mitigating negative environmental and social risks and enhance positive development opportunities.

Our Corporate Impact





Responsible practices don't only happen within our portfolio companies. They form part of our internal company ethos. We practice what we preach. We consider the impact of our own daily operations and ensure transparency about what we are doing ourselves to mitigate climate change, protect the environment and care for our staff.

Our Corporate Social Investment (CSI) strategy is geared towards demonstrating our own commitment to facilitating environmental and social benefits that accompany the financial returns we generate for investors.

Our legacy is to ensure that our high-impact culture is supported at the highest levels of portfolio company management and continues, post-exit. This enables us to augment our own CSI efforts within beneficiary communities, beyond simple compliance. In this way, we can enhance our own social licence to operate and to act as an engine for rural socio-economic growth and a facilitator of the SDGs.

Our CSI in Practice

2019-2020

In partnership with Commercial Energy SA (SolarAfrica) and Gigawatt Global (Burundi), we purchased quality off-grid d.light solar products which were distributed to over 1,000 homes. These replaced unsafe and environmentally harmful candles, kerosene lamps, and fossil-derived lighting sources and directly improved quality of life for recipients.

SDG IMPACT

SDG 3 (good health and well-being)

SDG 7 (access to affordable and clean energy)

SDG 13 (climate action)

SDG 17 (partnership for the goals)

2020-2021

In partnership with the University of Cape Town (UCT), we are empowering the next generation of researchers doing cutting-edge research into technology-based solutions and their application to the energy transition. In 2020, we collaborated with Prof. Harro von Blottnitz from UCT's Chemical Engineering Department to empower the next generation of researchers to help advance sustainable development in South(ern) Africa, specifically focussed on access to modern clean energy and the energy transition. In 2021, we elected to sponsor Ongezwa Mbaba, a female postgraduate student embarking on a research thesis on best-practice Life Cycle Assessment (LCA) on the emerging green hydrogen economy.

This project will show how hydrogen derived from solar PV and wind power could transform the South African industrial economy towards low greenhouse gas (GHG) emissions. This research could pave the way towards cost-effective green hydrogen production and its application in various industrial sectors and mobility infrastructure.

We also provide annual financial support to the Mauritius Marine Conservation Society (MMCS), a marine conservation non-governmental organisation (NGO) focused on education and scientific knowledge and networks for improved marine ecosystem health in Mauritius.



Glossary of Terms

NOTE: The Global Impact Investing Network (GIIN) launched IRIS+ in 2019, which is a comprehensive system for impact investors to measure, manage and optimise their impact. Globally, IRIS+ is the generally accepted system for measuring, managing, and optimising impact. The codes and definitions used in our own glossary are aligned (as far as possible) with the impact measurement and management glossary defining technical terms and core concepts used in IRIS+ (https://iris.thegiin.org/glossary/).

TERM	DEFINITION	
Board (female)	Board of Directors: Female (ID: Ol8118).	
Board (total)	Board of Directors: Total (Ol1075).	
Clean energy produced (reporting year)	Energy Generated for Sale: Renewable (PI5842) refers to the amount of renewable energy generated and sold to offtakers during the reporting period.	
Community development and SED contributions	Community Development and Social Economic Development (SED) Contributions refer to the amount of money spent by the client towards activities that benefit local communities during the reporting period. This indicator captures the breadth of development effects that International Financial Institutions (IFIs) and Development Finance Institutions (DFIs) wish to measure and is easily reportable by clients. It yields data that IFIs may use for further analysis on client contributions as they deem fit, including possibilities for referencing contributions for community benefit against total project cost, turnover, profit, or total number of beneficiaries.	
Corporate income taxes	The sum of corporate income taxes transferred to the government by the organisation during the last calendar year.	
CSI contributions	Corporate Social Investment (CSI) contributions refer to the amount of capital spent on projects that are external to the normal business activities of a company and not directly for the purposes of increasing company profit; supported by company resources to benefit and uplift communities and its environment.	
EBITDA	EBITDA (FP1657) means earnings before interest, taxes, depreciation, and amortisation during the reporting period. For the financial service sector, profit before tax can be used as an alternative indicator.	
Evolution I	Evolution I is a 2008-vintage, USD 90 million, 10-year closed-ended fund focused on equity and equity-related investments in clean energy and select environmental industries across the SADC region.	
Evolution II	Evolution II is a 2017-vintage, USD 216 million, 10-year closed-ended fund focused on equity and equity-related investments in clean energy infrastructure, energy access, energy and resource efficiency growth investments across Sub-Saharan Africa.	

Evolution II commitment amount (total)

Refers to the total investment amount approved for the portfolio company.

Evolution II funded amount (to date)

Refers to the actual amount funded to date for the portfolio company.

Geographical focus (headquarters)

Location of organisation's headquarters (OD6855), refers to the address of the organisation's legally incorporated headquarters.

Geographical focus (operations)

Location of organisation's operating facilities (OD1777) refers to the address of the organisation's operating facilities. Operating facilities can include manufacturing, distributing, or other operating functions.

GHG emissions avoided (reporting year)

GHG emissions refer to any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere. The amount of GHG emissions avoided during the reporting year is reported in tonnes of carbon dioxide equivalent (tCO2e).

Installed capacity (MWp or MW)

Installed capacity refers to the intended full-load sustained output of a facility such as a power plant.

Other payments made to Government

Other payments to Government (FP5261), i.e. sum of all other taxes and fees transferred to the government during a calendar year, e.g. sales taxes, withholding taxes, net VAT, royalties, dividends, licence fees, etc. Any direct subsidies or other cash transfers from the government to the company should be deducted.

Permanent (direct) employment (female) #FTE

Refers to the total number of Full-time Female Employees: Female (ID: Ol6213).

Permanent (direct) employment (total) #FTE

Permanent Employees: Total (Ol8869) refers to the total number of people employed by the organisation as of the end of the reporting period. The sum of all paid full-time and part-time employees. Part-time jobs are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to a 0.6 FTE job). Seasonal or short-term jobs are prorated on the basis of the portion of the reporting period that was worked (e.g., a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal one full-time job.

Portfolio company

Refers to the full name of the company or legal entity into which the Fund directly invests.

Reporting currency

Reporting currency (OD5990) refers to the national currency used to report currency figures, based on the International Organisation for Standardisation (ISO) Currency List.

Sector

Sector (PD8808) refers to the sector(s) in which the organisation focuses and seeks to influence, e.g. Energy, Financial Services, Infrastructure/Facilities Development, etc.

Senior management (female)

Full-time Employees: Female Managers (ID: OI1571).

Senior management (total)

Full-time Employees: Managers (ID: OI8251).

Turnover (sales revenue)

Sales Revenue (PI1775) refers to the value of the revenue from sales of the organisation's products/services during the reporting period, i.e. sales revenue resulting from the ordinary operating activities of an organisation. Commonly referred to as earned revenue.

Abbreviations and Acronyms

C&I	Commercial and Industrial	MW	Megawatts
CSI	Corporate Social Investment	MWh	Megawatt-hour
DFI	Development Finance Institution	MWp	Megawatt peak
E&S	Environmental and Social	NGO	Non-governmental Organisation
EBITDA	Earnings Before Interest, Taxes,	O&M	Operation and Maintenance
	Depreciation and Amortisation	PPA	Power Purchase Agreement
EDFI	European Development Finance Institution	PV	Photovoltaic
EEP	Electrical Engineering Power	REPP	Renewable Energy Performance Platform
EPC	Engineering, Procurement and Construction	SADC	Southern African Development Community
ESG	Environmental, Social and Governance	SDG	Sustainable Development Goals
ESMS	Environmental and Social Management System	SED	Socio-economic Development
GHG	Greenhouse Gas	SMEs	Small- and Medium-sized Enterprises
GIIN	Global Impact Investing Network	SMMEs	Small, Medium and Micro Enterprises
GW	Gigawatts	STEM	Science, Technology, Engineering,
GWh	Gigawatt-hour		and Mathematics
HQ	Headquarters	tCO _{2e}	Tonnes of Carbon Dioxide Equivalent
ICRC	International Committee of the Red Cross	TWh	Terawatt-hour
IFI	International Finance Institution	UCT	University of Cape Town
IPP	Independent Power Producer	USD	United States Dollar (Currency)
KWp	Kilowatt peak	YES	Youth Employment Service
LCA	Life Cycle Assessment	ZAR	South African Rand (Currency)
MMCS	Mauritius Marine Conservation Society		

