

Annual ESG Report 2016
The Silverlands Fund





Cover photographs, clockwise from top left:

1. STL Manager Stephen Maina in a field of barley at STL's Makete farm, Tanzania
2. Ester Kiwele, small-scale poultry farmer with BRAC Tanzania
3. Modest Shilinde, Poultry Manager at STL, Tanzania
4. Elizabeth Kuhlman packing grapes at SVL, Namibia

Welcome

Welcome to our 4th annual ESG report. Our business strategy is to produce attractive returns for our investors and to achieve a positive social and environmental impact in the locations where we invest. This report has two main functions: to report back on the Fund's impact and, to update investors on compliance with the fund's responsible investment code.

We would like to thank our investors for the opportunity to create a positive impact in communities across Southern and East Africa. We are proud of the positive legacy that the Silverlands Fund is creating.

Some of the highlights this year are:

- The fund's portfolio companies employ close to 7,000 people, up 30% from the number employed prior to the acquisition of these businesses. These jobs are estimated to benefit some 70,000 people.
- Food production has grown considerably since acquisition: fruit volumes produced are up 80% and grains production up a staggering 3.5x the figure prior to acquisition.
- 2,500 families are benefiting from our three community joint ventures, with each family expected to receive approximately \$1,000 as an average dividend in 2016. The JVs additionally create employment in these communities.
- The Silverlands Fund has built the first soya processing plant in Tanzania and close to 10,000 small-scale farmers are expected to grow soya beans in the 2016-17 season, up from close to zero before Silverlands invested in 2013. These farmers will benefit from soya's superior economics with a price of approximately \$500/tonne against a price of \$150/tonne typically achieved for their maize. Around two-thirds of these farmers are women.
- Over 3 million day-old-chicks have been sold to small-scale farmers in Tanzania over the last year, bringing improved productivity on small-scale poultry farms. This is up from zero as this was a newly developed business. A typical broiler chick from Silverlands Tanzania is expected to achieve maturity in 27-35 days against approximately 80 days for the Tanzanian "village chicken". Improved performance means improved economics for these small-scale farmers.
- The poultry training centre in Tanzania is up and running and being used to provide technical support for small-scale farmers.
- A well-known charitable foundation has awarded Silverlands Tanzania \$3.6m as grant funding to support the training and technical support of small-scale poultry farmers. They are also providing an amount for start up/expansion capital for small-scale poultry farmers who are working with Silverlands Tanzania to build their poultry businesses. The ~\$4m overall grant is aimed at accelerating the development of the small-scale poultry sector in Tanzania.
- Between 6,000 and 8,000 cattle are now being 'dipped' per week in Zambia through our community livestock improvement programme. Small-scale farmer calving rates have improved from 53% to 67% so that their herds are growing faster. Small-scale farmer cattle mortality rates have also improved substantially and are down from 5.8% to 1.7%.
- ESG reviews generate action points for portfolio companies and there were a total of 325 actions over the reporting period. Of these, 90% have been completed or are in progress.
- The portfolio companies' compliance against the Fund's Responsible Investment Code is up from 79% to 92%.

Finally, we have included some extracts from positive articles that have been written on the Silverlands projects as well as testimonies that we have received from Non-Government Organisations who have partnered with us to support small-scale farmers. It is humbling to read these testimonies as small-scale farmers explain the positive economic impacts that they are achieving through working with the Silverlands team.

Thank you again for your support and we hope that you enjoy reading the report.



Gary Vaughan-Smith
Chief Investment Officer

Glossary of Terms and Abbreviations

AZ	Hagiar Kim Estate as part of CBL Agri Zambia, Mazabuka, Zambia
CBL	Crookes Brothers Limited
CLO	Community Liaison Officer
CSI	Corporate Social Investment
EBS	EBS Advisory (Pty) Ltd
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ESG	Environment, Social and Governance
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental & Social Management Plan
IFC	International Finance Corporation
ILO	International Labour Organisation
IPM	Integrated Pest Management
JV	joint venture
KO	Komatipoort, Mpumalanga, SA
LT	Livestock Technician
MCS	Mpambanyoni Construction Supplies
MF	Mthayiza Farming, Mpumalanga, SA
MM	Murrimo Macadamias, Zambezia Province, Mozambique
MP	Mpambanyoni/Renishaw, KwaZulu Natal, SA
NAPL	Ndolela African Plantations Limited (now SNL)
NGO	Non-governmental Organisation
OW	Ouwerf, Western Cape, SA
PPE	Personal Protective Equipment
PS	Performance Standard (i.e. IFC Performance Standard)
QBV	Quinta da Bella Vista Limitada
RIC	Responsible Investment Code
SA	South Africa
SASL	Silverlands Agriculture Services Limited
SEMS	Social and Environmental Management System
SLIC	Silverlands Livestock Improvement Community
SNL	Silverlands Ndolela Limited (previously NAPL)
SRL	Silverlands Ranching Limited
STL	Silverlands Tanzania Limited
SVL	Silverlands Vineyards Limited
SW	Crookes Plantations Limited, including Bar J, Big Bend, Swaziland
SZL	Silverlands Zambia Limited
\$	US Dollar

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1 Introduction

This is the fourth Annual ESG Review of the Silverlands Fund. The aim of this report is to provide investors with an update on the Fund's social impact and review of ESG within the portfolio. The Fund's ESG annual reporting obligations are shown in Appendix 1.

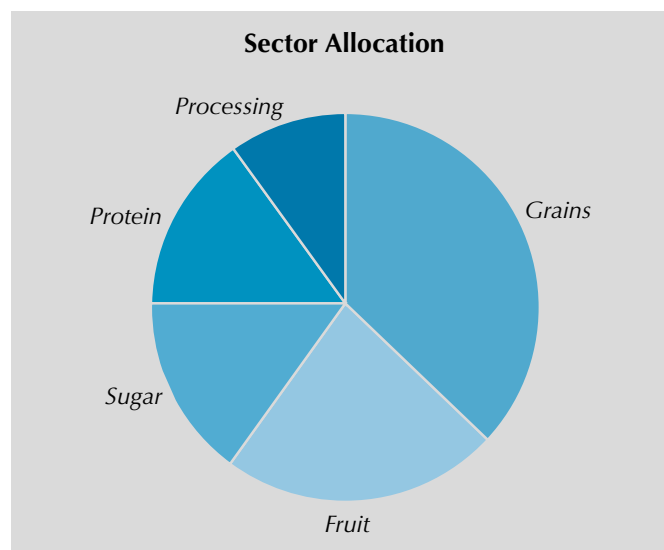
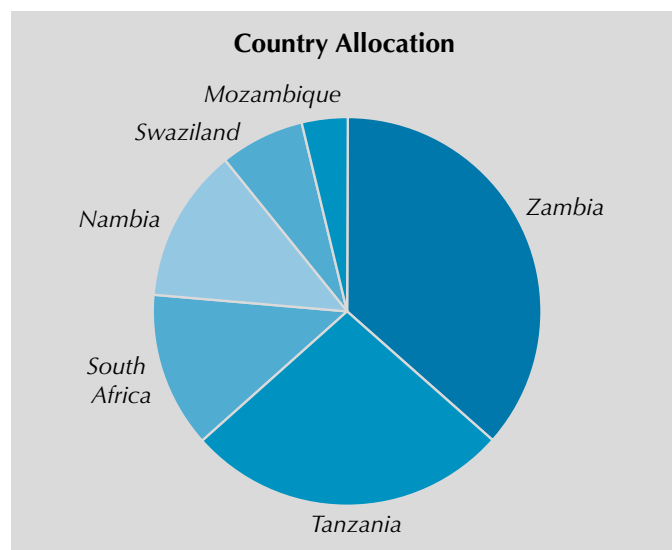
This report is for the period from 1st August 2015 to 31st July 2016. It provides summaries of each Portfolio Company's development impact, compliance with the Fund's Responsible Investment Code and progress against ESG Action Plans.

1.1 Silverlands Fund Portfolio Companies

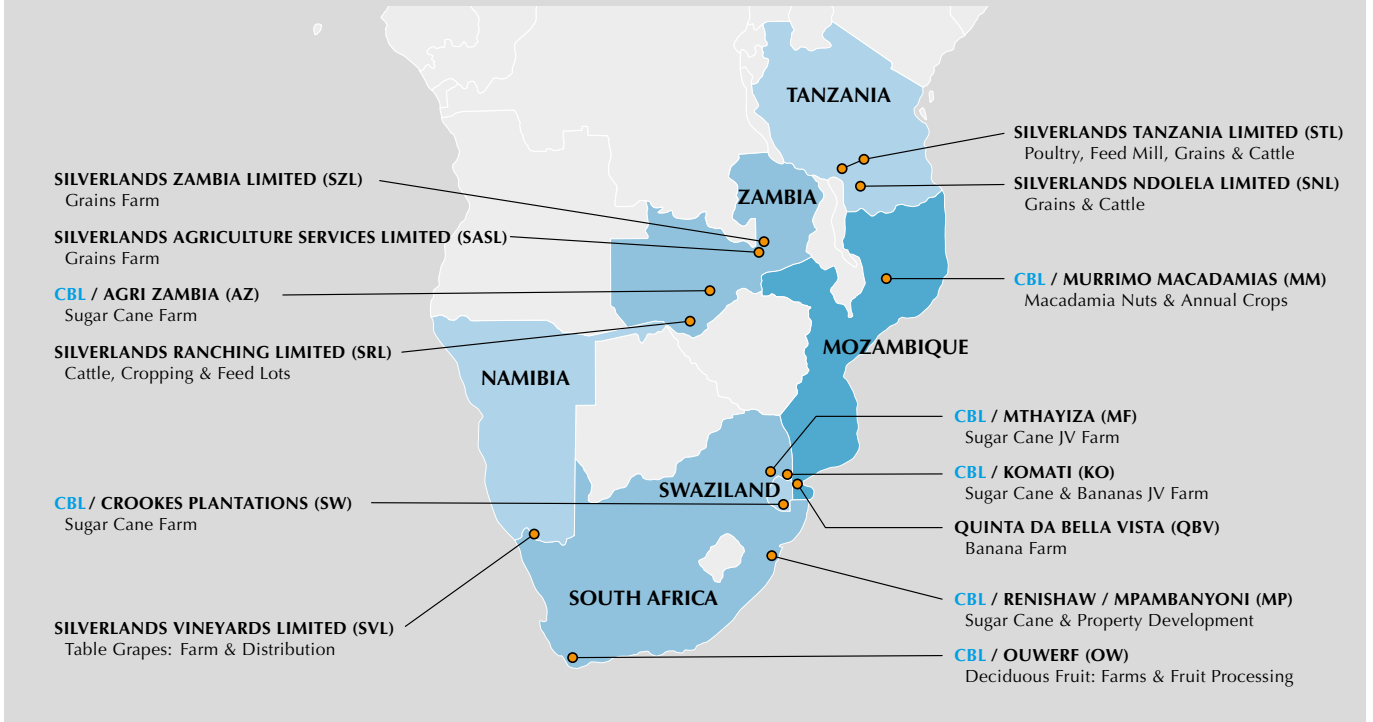
The Silverlands Fund is invested in eight Portfolio Companies across six countries in Southern and East Africa:

Portfolio Company Name	Abbreviation	Country	Business/Product
Silverlands Tanzania Limited	STL	Tanzania	Poultry, feed-mill, grains and cattle
Silverlands Ndolela Limited, previously Ndolela African Plantations Limited	SNL	Tanzania	Grains and cattle
Silverlands Zambia Limited	SZL	Zambia	Grains
Silverlands Agriculture Services Limited	SASL	Zambia	Grains
Silverlands Ranching Limited	SRL	Zambia	Cattle, cropping, feedlots
Quinta da Bella Vista	QBV	Mozambique	Bananas
Silverlands Vineyards Limited	SVL	Namibia	Table grapes and distribution
Crookes Brothers Limited	CBL	Zambia, Mozambique, South Africa, Swaziland	Sugar cane, fruit (apples, pears, bananas), macadamia, nuts, annual crops

1.2 Country and Sector Allocations



Location of the Silverlands Fund Portfolio Companies across Southern and East Africa



Newly planted vines being irrigated in Aussenkehr, Namibia

2 Developmental Impact

Our business strategy is to produce attractive returns for our investors and to achieve a positive social and environmental impact in the locations where we invest. We achieve positive impact through our business model by working with communities, as well as through the direct impact of employment, skills development and food production.

2.1 Community Impact

We achieve positive social impact in the communities within which we operate through two models: community joint ventures and the hub – out-grower model.

a) Community Joint Ventures

The Model:

Under this model, the business enters into a long term joint venture (JV) with a community which owns a farm, typically in an area where we already have farms. The JV is often 15-20 years long. The community lease the farm to the JV and the Silverlands business manages the farm and profit is shared with the community. The community typically receives 51-55% of the profits and the portfolio company the balance.

This model is attractive in that it is “capital-lite”: the portfolio company receives a stream of income without having to spend capital to buy the farm. From the community’s perspective, the farm is managed properly and the portfolio company trains community members and transfers skill over multiple years. The model works well for crops which require scale and are relatively “expensive” per hectare so that it is beyond the means of a small-scale farmer. The model works well in South Africa where a land transformation process is in place and there is a shortage of skills to manage the farms post-transition.

Impact:

JVs with communities benefit large numbers of families as profits are shared between the community and the management company. The fund has three JVs in South Africa, two in sugar cane and one in deciduous fruit. The JVs provide incomes to over 2,500 families, likely over 30,000 people. These families are expected to earn nearly \$1,000 each on average in 2016, an aggregate of nearly \$2.5m, from these JVs. Note that this is a “passive” income for these families – they can still have jobs elsewhere or manage their own businesses/farms.

Impact of Joint Venture Projects

Name of JV	Community	Number of Families Benefiting	Expected Total Profit in 2016	% JV Owned by Community	Income per Family
Mawecro Farming	Mawewe	558	\$3.6m	51%	\$3,309
Mthayiza Farming	Libuyile	1,964	\$1.0m	55%	\$272
Belleview	Ex-employees	10	\$0.2m	51%	\$10,455
Total or Average		2,532	\$4.8m		(Avg) \$981

Update on the JVs

- **Mawecro Farming:**

This was a substantial success in the year under review. Crookes Brothers had a 5 year lease on this farm and this has been replaced by the 20 year JV under which CBL receives 49% of the profits of the JV. This extension of period of operation from 5 to 20 years was valuable because this is a high quality and profitable farm. A new joint venture was signed with the Mawewe community in November 2015 and the JV company began operating in April 2016. The farm is highly profitable, having been previously managed by CBL and has a cropped area of around 1,800ha. In addition to this CBL own 160ha and continue to lease approximately 600ha in the same area so the JV provides synergies with existing operations. The negotiations with the community were prolonged but the end result very satisfactory. The approximate 550 families are expected to each receive around \$3,300 in the current financial year as dividends.

- **Mthayiza Farming:**

This JV is around 40 minutes' drive from the Mawecro JV and has been operating over several years. The relationship with the community is very strong and the community decided to expand the JV from 800 ha to 1,300 ha in 2016. This 50% increase to the JV was done without CBL needing to inject any further capital and highlights the "capital-lite" aspect of the business model. The JV is budgeted to make around \$1m in this financial year and benefits around 2,000 families.



The Mthayiza joint venture farming operation

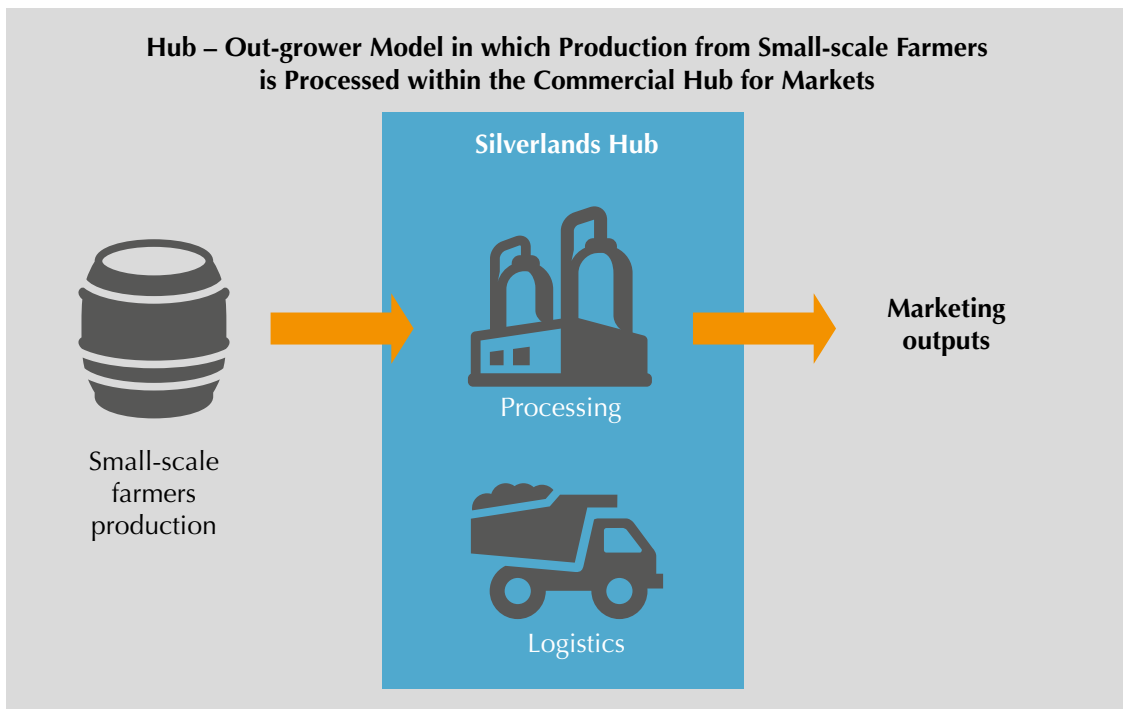
- **Bellevue:**

The finalisation of CBL's appointment as the strategic partner for the Bellevue deciduous fruit farm JV remains a work in progress after on-going delays from the Municipality and the Empowerment partner. Despite this, the group continues to operate the farm such that the orchards remain active and the facilities do not fall into disrepair through disuse. CBL are optimistic of the development impact of the JV once in operation.

b) Hub – Out-grower Model

The Model:

Under this model the farming ‘hub’ adds processing of a product and reaches out to small-scale farmers to help grow this product. The key to achieving a positive impact is to provide a market for a high value crop. By doing this the small-scale farmer can diversify from lower value crops and thus make a higher income. The hub can also provide technical support and training.



Maize and soya demonstration plots in the Iringa area, Tanzania

Tanzanian Business

The Tanzanian business helps two separate groups of small-scale farmers:

- 1) The grains farmers as they can now grow soya beans
- 2) The poultry farmers, as they now have access to high quality feed and chicks

- **The business case:**

We noted significant opportunity for poultry in Tanzania as poultry consumption was only 12% of South Africa's. Also, all soya cake was imported yet there are excellent conditions for growing soya in the south west of the country.

To make the most of this opportunity we conceived of an integrated agri-business including production, storage and processing. From 2012 to 2016, we have invested approximately \$50m to buy and improve properties to begin soya production, implement the first soya processing plant in Tanzania with accompanying storage capacity, and start a poultry operation.

This development has significant benefits for Tanzania because local soya production reduces the need for importing soya beans which were almost entirely sourced externally prior to Silverlands building the first soya processing plant.

The project has been successful and sales have grown rapidly. An IRR of over 20% is forecast and the social impact is expected to be substantial as explained below.

- **Tanzania Impact (1): Small-scale Grains Farmers**

STL has purchased crops from close to 10,000 small-scale farmers in 2016, up from around 5,000 in 2015.

- **Economic Impact**

By building the first soya processing plant in Tanzania, Silverlands has created a market for soya beans, a much higher value crop for small-scale farmers. Small-scale farmers typically grow maize and would average an income of around \$150/tonne for their maize. Silverlands pays \$500 per tonne for soya beans, which therefore provides an attractive alternative.

- **Better Agronomic Practices**

Aside from the economic impact, small-scale farmers are encouraged to rotate between maize and soya beans rather than mono-crop maize. Soya is from the legume family and maize from the grass family so the two crops are attacked by different fungi and viruses. Under a mono-cropping model, these fungi and viruses eventually embed themselves in the soil and the plot needs to be abandoned. The farmer then typically cuts down more woodland and starts again. Rotating crops is therefore much more sustainable for the farmer and the environment.

- **Soil Replenishment**

The legume family, of which soya is one, has a very useful property in that they extract nitrogen from the air and "fix" nitrates in the soil. "Nitrates" represent around 50% of a bag of fertiliser and are a key ingredient. Soya thus replenishes the soil and the maize planted the following year should achieve a better yield.

- **Technical Support**

STL works with various networks of small-scale farmers to help promote growing soya, to provide input on variety selection and to provide technical assistance.

This is often done through demonstration plots in the key areas.



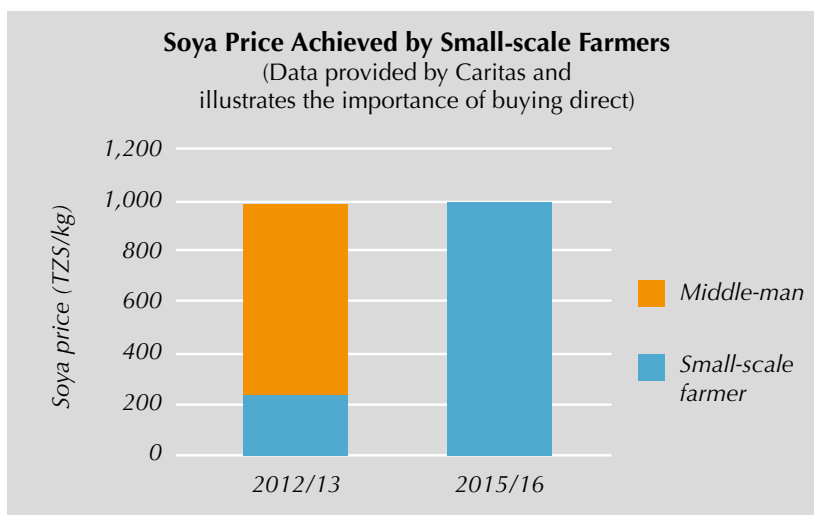
An NGO's soya demonstration plot

• **Working with NGOs**

STL works with local non-governmental organisations (NGOs), such as Caritas and Development of the Archdiocese of Songea (CDASO / Caritas), the Clinton Foundation, One Acre Fund, Catholic Relief Services and Cheetah Development who build capacity in small-scale farmers by providing training on production and marketing of crops. Small-scale farmers learn better farming techniques (e.g. alternating crops and zero-tillage) that improve soil quality, reduce water required, and reduce crop diseases. All these result in increased production and income.

• **Minimising the Effect of Middle-men**

Farmers are encouraged to market collectively which cuts out middle-men and earns the farmer a better price. STL provide the all-important market for the maize, soya and sunflower crops grown by small-scale farmers to produce our poultry feed. Contracted price commitments from STL enable farmers to confidently grow their crop knowing they have a market for their produce. It also ensures STL a supply of inputs.



STL staff visit farmers to communicate prices before the start of the season so farmers can plan their cropping. According to one NGO, Caritas, soya prices which farmers realise at the farm gate have increased by fourfold in the last 4 years, from TZS 250/Kg in 2012/13 to TZS 1,000/Kg this year.

Caritas reported that their farmers appreciate the good prices which are fixed regardless of market behaviour. The reliable market and good prices have increased the number of farmers working together to collectively market their production.

◦ Small-scale Production Purchased

In 2016, over 860 tonnes of soya was procured by STL from small-scale farmers (up from 80 tonnes in 2015). Buying maize from small-scale farmers also has a substantial impact in the region with over 5,000 tonnes (up from 4,400 tonnes in 2015) purchased from over 3,000 small-scale farmers.

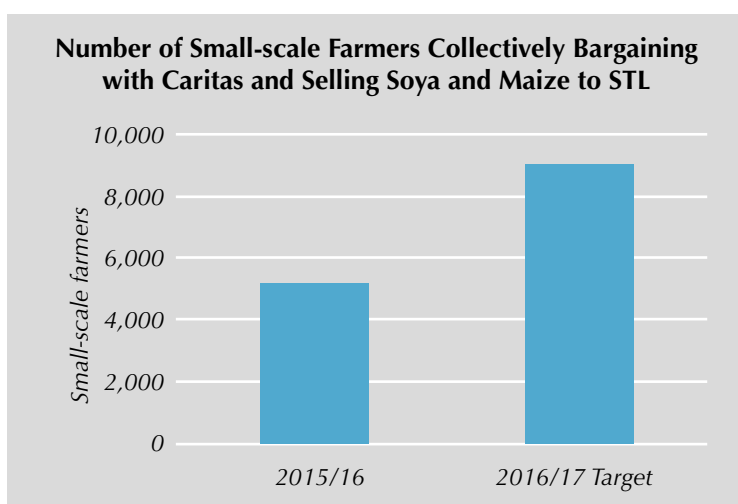
The following table shows figures for 2016 – almost 10,000 farmers grew close to 6,000 tonnes of crop for STL. The number of farmers is growing rapidly and was only around 3,000-4,000 in the previous year.

2016 Purchases from small-scale farmers (all NGOs combined)

Crop	Tonnes purchased	Number of Small-scale farmers
Maize	5,025	3,095
Soya	864	6,552
Total	5,889	9,647

◦ Working with Caritas

One of the NGOs who STL works closely with is Caritas, which has implemented a value chain project known as *Soya Ni Pesa*, across 50 villages in Namtumbo and Songea in southern Tanzania. Caritas provide training and encourage farmers to work in groups to procure inputs and to market collectively.





Madeus Deule (STL) discussing prices with small-scale farmers in Songea, Tanzania

◦ **Examples of Small-scale Farmer Testimonies**

The following is a selection of farmers who sold soya beans to STL in 2016 and reported how they spent their earnings.

Edmund Komba of Lipokela Village - 2,728 Kg soya beans, 4 acres (1.6 ha)

Renovated his house with new iron roof sheeting, paid school fees for his children attending secondary school, and purchased inputs for an increased area of cultivation next year.



Edmund Komba, small-scale farmer with Caritas, Tanzania

Antonia Zimbili of Matomondo Village - 2,400 Kg soya beans, 5 acres (2 ha)

Purchased a motorbike for transportation of the family.

Afidu Mchimbi of Mkongo Village - 1,880 Kg soya beans on 3 acres (1.2 ha)

Bought a water pump for establishing a vegetable garden and to start cultivating soya in the off-season for seed multiplication.

- **Tanzania Impact (2): Poultry Farmers**

STL is developing the poultry sector through better genetics, feed and training.

Broiler and layer day-old-chicks are sold to small-scale farmers who rear the poultry themselves. Better chick genetics and high quality feed results in faster growing, healthier and more efficient feed conversion.

- **Better Genetics**

The following table illustrates the time it takes for a chick to grow to full size (typically 1.2 Kg) in Tanzania. typically. The local “village chicken” takes around 80 days and the two breeds sold by STL take 27-35 days. This means that the farmer has to feed the chicken for a shorter period and therefore save substantial feed costs and improve his/her economics.

Breed	Days to reach 1.2 kg	Feather colour	Resilience
Village Chicken	80	Multi-coloured	High
Sasso	35	Multi-coloured	Medium
White	27	White	Low

- **New Training Centre**

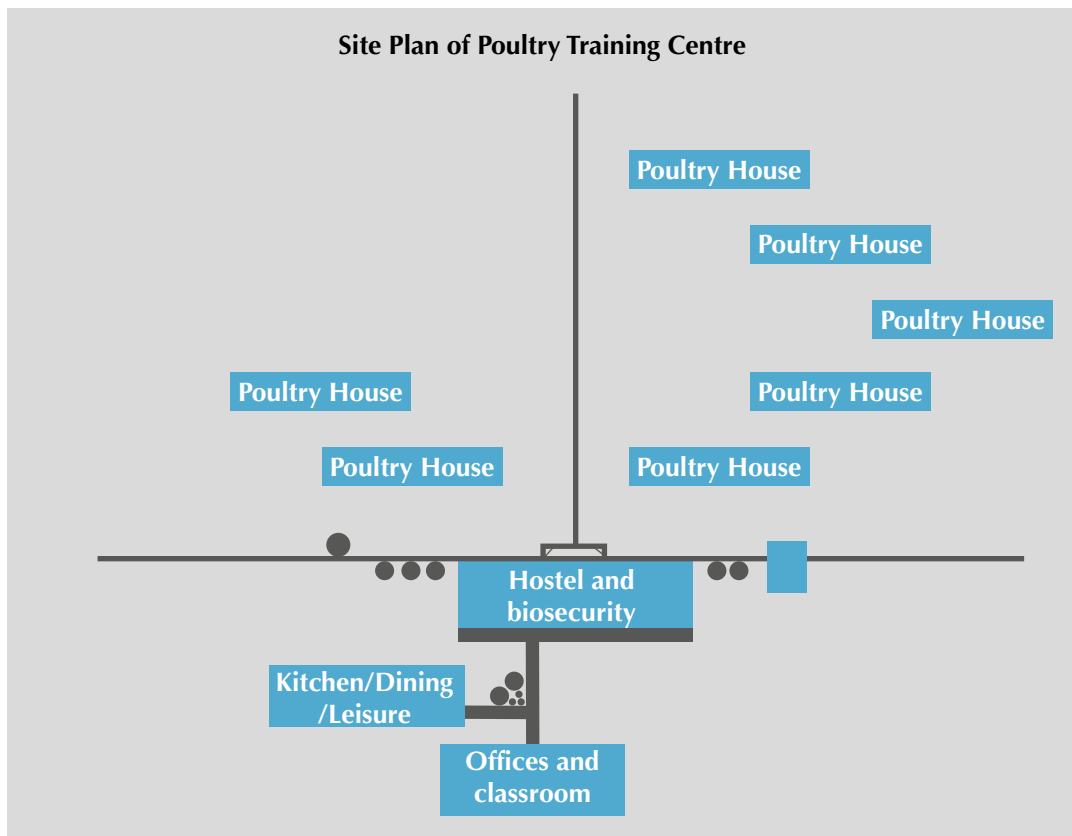
Small-scale farmers can learn improved poultry husbandry including hygiene, poultry health and feed quality through training. STL started training courses in 2015 and its new Poultry Training Centre started operating in October 2016. This will ramp up the provision of training to a range of stakeholders in the local poultry sector to improve hygiene, care of chicks, biosecurity and farming practices.



Poultry house at the Poultry Training Centre



Layer hens in a poultry training house



◦ The Poultry Training Courses

STL will sell the feed and day-old-chicks to farmers, and provide the correct vaccination programme and technical support where required. A combination of theory and hands-on practical courses are offered to farmers. The typical course lasts 5 days after which certificates are provided to the attendees. Courses include the following content:

Poultry Management	Hygiene	Business Management
House design	Cleaning and fumigation	Planning
Brooding	Biosecurity	Record keeping
Feed	Bird health	Marketing
Water		Finance management
Vaccination		
Environmental management		

Specific topics can be covered and have been requested by various NGOs wanting to sponsor development of the poultry sector in Tanzania. Examples include:

- **Brooder:** To rear day-old-chicks up to 3-4 weeks then sell to other farmers. The most difficult phase of chicken rearing is up to 3 weeks.
- **Broiler:** To rear day-old-chicks or brooders up to age 4-6 weeks then sell for meat.
- **Layer:** To rear egg laying hens including egg handling and hygiene.
- **Basic business skills:** Business planning, marketing, managing finances.



Theory session attended by World Vision



Cleaning and fumigation practical

Non-local farmers will be able to reside at the poultry training centre in the hostel. The centre will also have kitchen, dining and entertainment facilities for attendees. In the theory sessions, time is spent in the classroom going through manuals with the farmers and answering questions at the end of each section. The comprehensive practical sessions include time in and around the poultry houses learning a multitude of skills including:

- Preparing poultry houses for chicks and nest box construction
- Receiving and placing chicks
- Mixing and administering vaccines
- Cleaning and fumigation

◦ NGO Support

STL have been contacted by World Vision, the World Poultry Foundation and the US Grains Council who are all eager to use the facility once fully operational.

The World Poultry Foundation and STL are finalising the plans for a project which will provide training and inputs to empower small farmer households with improved poultry production techniques. This project aims to increase household income, improve nutrition and empower women. The target is to reach 1 million small-scale farmer households across Tanzania within 4 years.

The ‘parent’ birds producing these day-old-chicks are being raised in new state of the art poultry houses, maximising animal welfare and minimising disease. To date, six poultry houses have been constructed, with a target capacity of 14 houses holding 10,000 chickens each and a hatchery with a capacity of 150,000 chicks a week.

- **Press Exposure: Tanzania**

The following article was written by IFU and appears on their website:

BRINGING ALONG DEVELOPMENT

21.10.2015 | UK based SilverStreet Capital has bought a number of titled farms in the Iringa region in Tanzania with the intention of transforming them into a commercially viable enterprise with a positive social impact.



Iringa, a town of just over 100,000 inhabitants, is located about 500 km South West of Dar es Salaam. As in much of rural Tanzania, many people in the surrounding areas are dependent on incomes eked from small plots on which they raise chickens and grow maize and other crops.

The UK based Investment Company SilverStreet Capital (via its Silverlands fund) has bought a number of titled farms in the Iringa region, intending to aggregate them into a sustainable business investing across the agricultural value chain whose operations are integrated with and work to the benefit of its surrounding communities.

– The poultry value chain is very undeveloped in Tanzania and we identified the key cause as being the poor quality of feed, which in turn was caused by a lack of the key ingredient: soya beans. By solving this problem we are enabling the whole value chain and this will have a considerable benefit to the lives of Tanzanian small-scale farmers and their families, said Luke Edwards, a Silverlands director.

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Article on IFU website, October 2015

Zambian Business

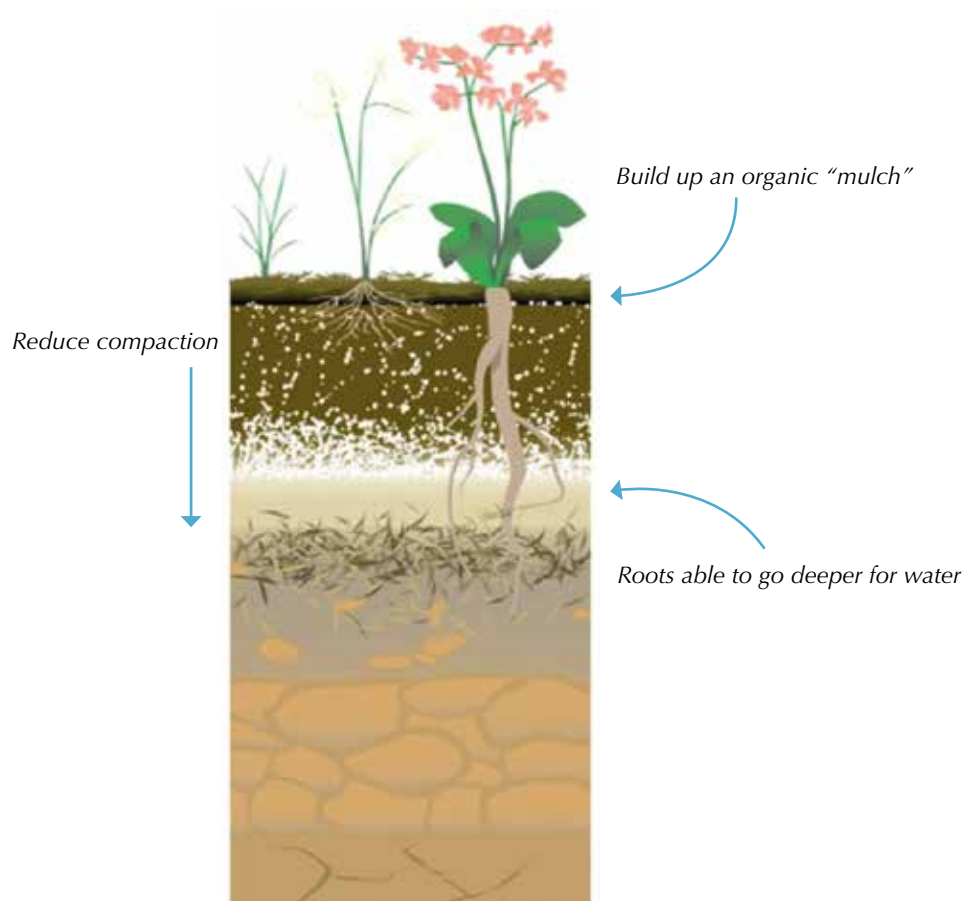
The Zambian business helps two separate groups of small-scale farmers:

- 1) The grains farmers to teach conservation agriculture, crop rotation and provide a market
- 2) The cattle farmers to reduce disease and provide a market

- **Zambia Impact (1): Cropping and Working with Small-scale Farmers**

SZL and SASL are surrounded by communal lands where there is significant smallholder agriculture. These farms plan to work with the NGO, Foundations for Farming, whose Chengelo training hub is located conveniently close to SASL. SASL, SZL and Foundations for Farming would partner to develop plots that show the benefits of conservation agriculture (e.g. zero-tillage and crop rotation) which would be used to train small-scale farmers. Improved yields achieved through better farming practices will result in more produce, for which SASL and SZL can provide a market.

Conservation Farming Techniques: Improving Productivity and Reducing Agricultural Risks for Small-scale Farmers



- **Zambia Impact (2): Silverlands Livestock Improvement Community (SLIC) Programme**

SRL is building feedlots and an abattoir, thus providing a market for small-scale farmer cattle in the area. It has entered into an out-grower programme over the last 2 years and this has been very successful.

A baseline study conducted in early 2014 determined that mortality rates within community herds surrounding Silverlands Ranching Limited (SRL) in Zambia were high due to tick-borne diseases and that calving rates were low. The baseline study also indicated a strong need for a reliable market for the communities' cattle. Providing a market to small-scale farmers is typically the key ingredient for achieving a sustainable developmental impact in agricultural communities. SRL's strategy is to develop feedlots and a processing facility, which are easily accessible to these communities, to add additional potential profitability to the business.

“Before we started dipping here our animals were dying from corridor disease and blackleg but with the coming of Silverlands and Musika these diseases have greatly reduced.”

Mr Chakasaala, Chairman of Njabalombe dip station

The Silverlands Livestock Improvement Community (SLIC) Programme was implemented to support communities and raise cattle production so that SRL would have access to an increased supply of cattle into its feedlots. The programme renovates disused cattle dips or implements new dipping facilities to combat tick-borne diseases, and provides technical and veterinary support to community cattle farmers to improve the health of their herds.



SLIC Livestock Technicians and Siambelele Headman (Shupa Mulenga, Davey Musuwa, Headman Andrew Siambelele, Enock Fundi and Aliness Phiri, Dec 2015)

SLIC is overseen by John Wessels and four full-time veterinary assistants called Livestock Technicians (LTs) who are employed by SRL and go into the communities on motorbikes to provide basic veterinary services and technical advice. In addition to the LTs, expert veterinary advice and training is provided by a professional vet, Dr Moosa, who also oversees the SRL herd.

The communities' involvement is an integral part of the sustainability of the programme. The community provides labour to renovate and maintain the spray races and dips. Each dip station is managed by a community committee. The cost of the day-to-day expenses of the programme (e.g. dip and lime) are paid for by the community through payments of a nominal fee per animal dipped (ZMK 1 or \$0.10/animal).



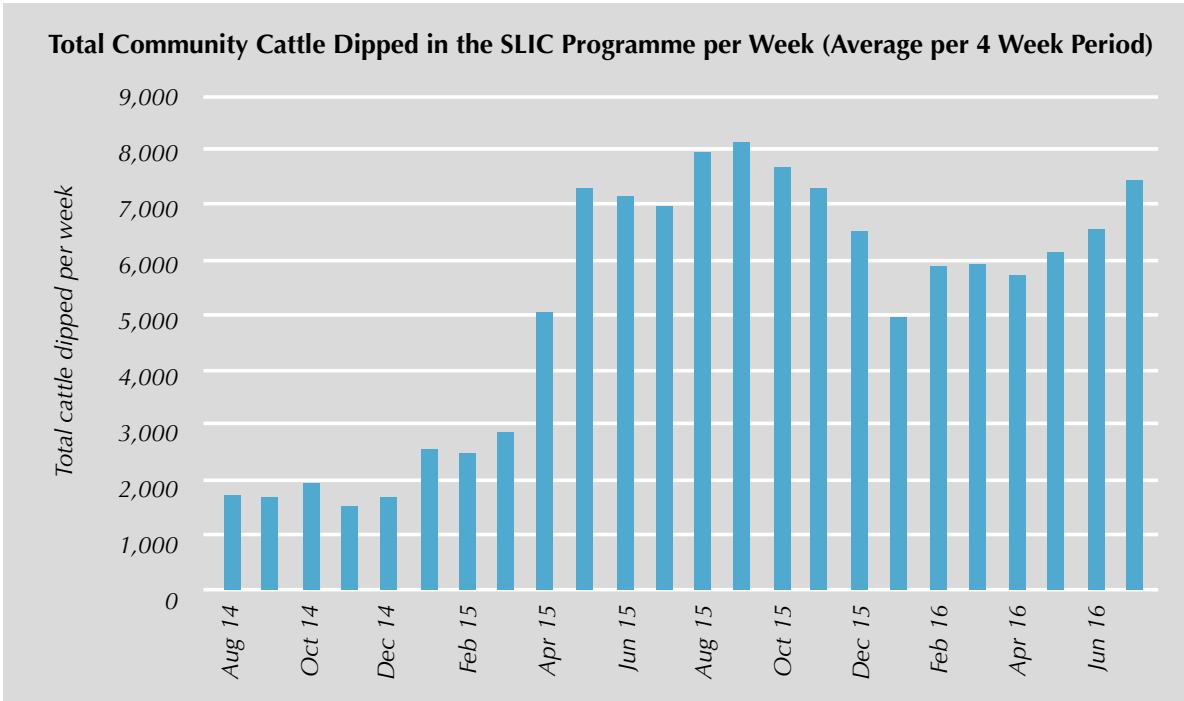
Members of the community who bring their cattle to the Chuundwe spray race

◦ **SLIC dipping volumes and benefits**

The response from the communities has been extremely enthusiastic. From the initial 2 dip stations in July 2014, frequent approaches by new communities has led to 13 dipping stations now being operational. Over 500 farmers benefit from the programme with between 6,000 and 8,000 head of cattle routinely dipped per week. As cattle are dipped weekly, in some months over 32,000 ‘dippings’ take place (e.g. in September 2015), which is an impressive logistical feat.



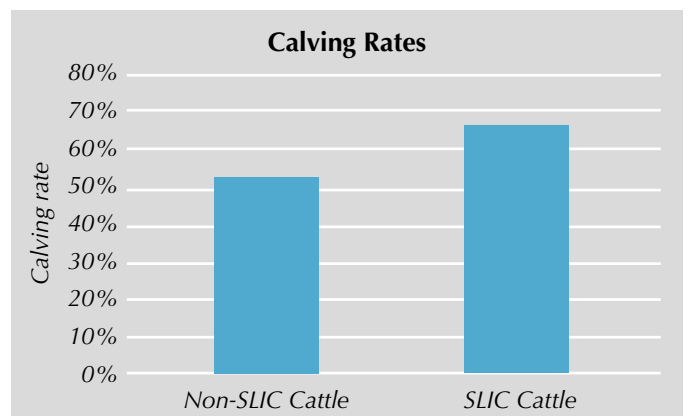
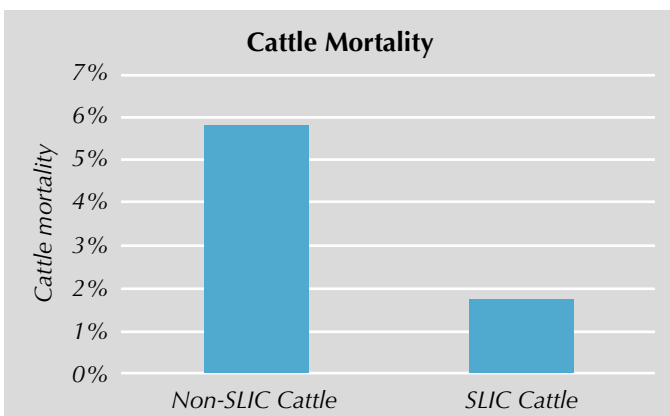
Location of SLIC Dipping Stations surrounding SRL



The number of cattle being dipped has stayed relatively similar over the last year, yet there are a number of distinct advantages with the increase in dipping stations which ensure the sustainability of the project:

- Cattle travel shorter distances to be dipped (1-2 Km versus over 10 Km).
- Farmers and their cattle benefit from more quality one-on-one interaction and advice from Livestock Technicians. In addition to dipping, the Livestock Technicians assist with dehorning, deworming, vaccinations, minor wound treatments and training cattle owners in herd management practices.
- Cattle are spread between dipping stations and maintenance of the dips is reduced.
- The natural seasonal trend in dip attendance is due to farmers focusing on planting crops at the start of the wet season.

Cattle Mortality and Calving Rates for Cattle in the SLIC Programme Compared to those Not in the SLIC Programme



Cattle mortality in the communities that are part of the programme are 1.7% which is considerably lower than those not in the programme (5.8%). Also, calving rates are notably higher for herds in the programme (67%) compared to those not in SLIC (53%). All SLIC cattle are currently being ear-tagged (funded by Musika) with a view to more rigorous monitoring in future.

Reduced mortality and improved calving rates have resulted in an average increase of household herd sizes from 17 to 18 cattle in the last year. Given average cattle prices received in the last year, this equates to the equivalent of an additional ZMW 2,923 (\$292) per household.



Tagging community cattle in the SLIC Programme



Cattle emerging from a spray race

◦ **SLIC Cattle in the SRL Value Chain**

As per the SRL hub – out-grower model, community cattle will be integrated into the SRL value chain project (feedlot and processing). Pedigree bulls have been placed in the communities by SRL to improve the genetics of the community cattle herds and thus the quality and weight of the cattle entering the feedlots.

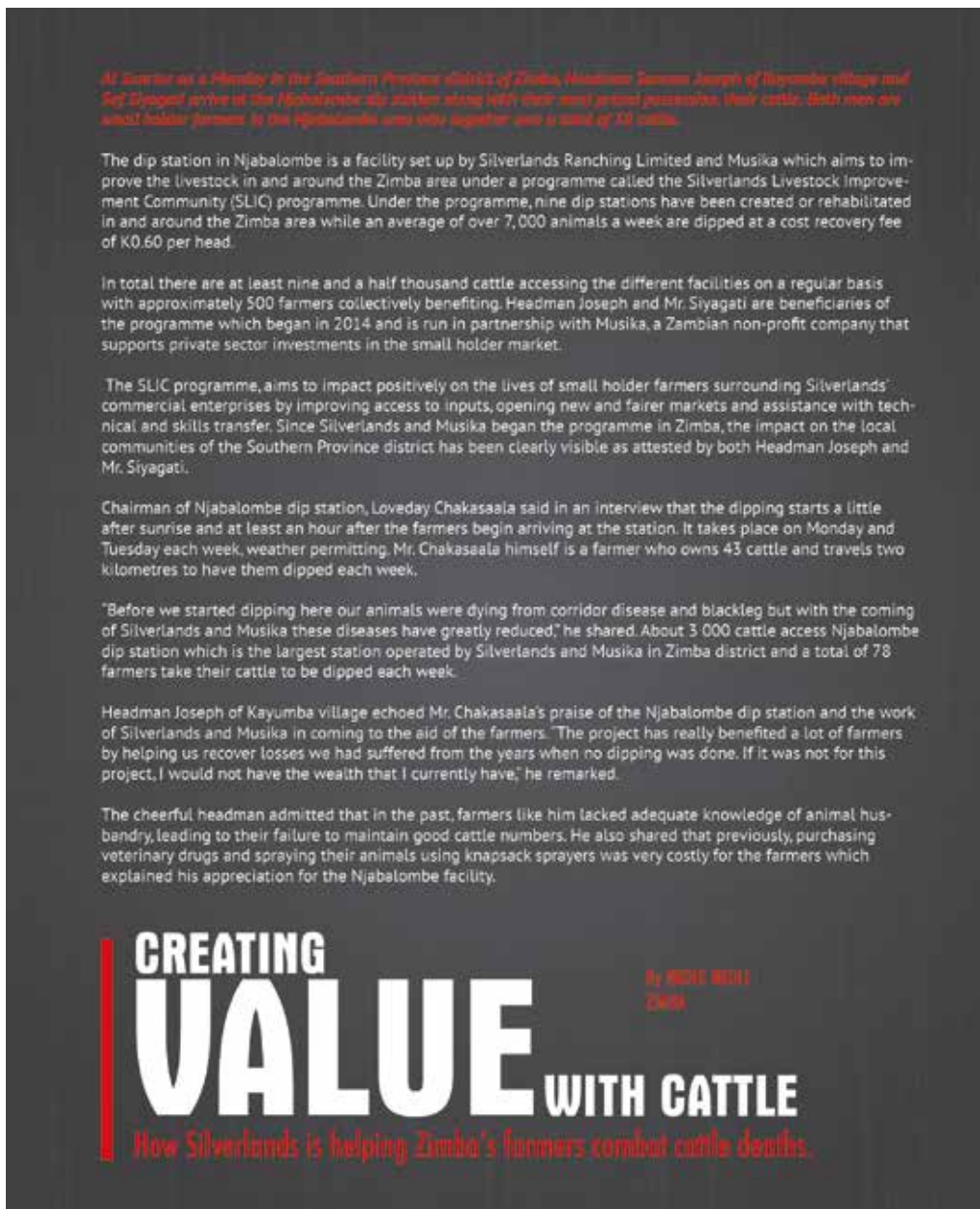
It is projected that 2,000 to 3,000 head per annum will be sourced from communities by 2020. SRL will develop a purpose-built feedlot to provide the necessary off-take. A trial feedlot is currently being filled with cattle purchased from the community.

Going forward, training will be required to change the mind-sets of small-scale farmers from only selling old or sick cattle to rather selling younger cattle which are valuable for a feedlot. The higher calving rates and low mortality rates are integral to this adjustment.

We have seen it to be a very effective programme and desire that it continues and that if possible more stations could be opened.

Mr. Chisengele, Head Teacher at Njabalombe Primary School

- **Press Exposure: Silverlands Ranching**
 - [Proflight article on SRL](#)



Article from Proflight Inflight Magazine

Extract:

The cheerful headman admitted that in the past, farmers like him lacked adequate knowledge of animal husbandry, leading to their failure to maintain good cattle numbers. The setting up of feedlots this year and an abattoir next year by Silverlands will be transforming because it will provide a local market for small-scale cattle farmers. When that happens, the farmers will truly appreciate the real value of healthy cattle and the good returns to be realised from having healthy stock.

The knowledge that we have received from Silverlands staff has made us change our traditional style of managing our cattle. We appreciate the work that the Silverlands Manager Mr Wessels has done, especially that he leaves us the community to take the lead in all the programmes instead of telling us what to do.

Mandalena Mwaami

- Article in NGO Newsletter in Zambia (Musika)



Extract:

Mandalena Mwaami, 51, explained that since registering her 17 animals on the scheme she managed to increase her herd to 23 animals. The single mother of six observed that from the time Silverlands introduced the livestock service centres, there was a reduction in ticks and disease outbreaks resulting in an increased calving rate. Before joining the scheme, three of her animals had died.

- [Article on IFU Website](#)

CATTLE ARE THE DRIVING FORCE

21.10.2015 | As the demand for beef in Zambia grows, the UK based Investment Company SilverStreet Capital is building a beef enterprise in order to create a sustainable business and bring development to Zimba in the Southern Province of the country.



It is impressive. After a two-hour drive north east from Livingstone along dusty, bumpy roads one comes upon a newly constructed dam wall. A kilometre long and 19 metres high, it rises from the flat, dry landscape.

– The best cattle-producing areas, such as Southern Zambia, are generally drier than others, and we wanted to improve water security as well as be able to plant pastures and produce fodder for our cattle, said Mark Winwood, the General Manager of Silverlands Ranching.

40,000 lorry loads of soil went into the wall, providing capacity for up to 14 million m³ of water. An 11 km electricity transmission line has also been put in to power the dam's four-turbine pumping station which will move water through the farm's newly laid irrigation pipes.

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SRL Article on IFU website, October 2015

2.2 Direct impact

a) Impact through Employment: Expansion of Existing Businesses

Our Portfolio Companies are key employers in their operating areas. Since making the investments, the number of people employed by each Portfolio Company has increased, and most increases have been substantial.

Silverlands now employs close to 7,000 people, up 30% on the number employed (approximately 5,500) when the businesses were purchased. The table below shows the employment increase by business. In all of the businesses apart from SVL and CBL (which were already large employers), numbers employed have increased by a multiple of the original number, typically three- to four-fold.

Increase in Employment

Portfolio Company	Number of Employees			
	At purchase	Current	Change	Increase
Silverlands Tanzania	248	684	+ 436	2.8 x
Silverlands Ndolela	78	208	+ 130	2.7 x
Silverlands Zambia	53	239	+ 186	4.5 x
Silverlands Agriculture Services	16	274	+ 258	17.1 x
Silverlands Ranching	86	236	+ 150	2.7 x
Silverlands Vineyards	1,655	1,805	+ 150	1.1 x
Crookes Brothers*	3,440	3,537	+ 97	1.0 x
TOTAL	5,576	6,983	+ 1,407	1.3 x

*CBL numbers adjusted for farm sales, outsourcing seasonal workers and for one-off developmental hires on new projects.

By employing more people, we put more money into our surrounding communities. Using STL as an example, the annual salary spend increased from \$119,000 to \$2,420,000 in 3 years. This is a sizable increase in finances injected into the surrounding community. Residents in the area have noticed a radical increase in development in Ifunda town near the STL developments.

Salary Spend

Portfolio Company	Annual Salary Spend				\$ Value of Current Annual Salaries
	Currency	At purchase	Current	Increase	
Silverlands Tanzania	TSH	191m	5,276m	27.6 x	2.4m
Silverlands Ndolela	TSH	148m	1,166m	7.9 x	0.5m
Silverlands Zambia	ZMW	0.5m	11.5m	12.0 x	1.1m
Silverlands Agriculture Services	ZMW	0.1m	9.3m	93.0 x	0.9m
Silverlands Ranching	ZMW	0.7m	11.1m	8.6 x	1.1m
Silverlands Vineyards	NAD	40.1m	52.9m	1.3 x	3.8m
Crookes Brothers	ZAR	95m	143m	1.5 x	9.8m
TOTAL				(Avg) 24.3 x	19.6m



CBL's Murrimo Macadamias property, 325 jobs created by redeveloping a derelict farm



STL's Makota Farm. STL has created over 400 jobs in poultry and grains farming

Our impact through additional jobs created and household persons benefiting

Portfolio Company	Business/Product	Country	Employees			Job Creation Effect from Employment	Household Person Impacted	Total Impact
			Permanent & Seasonal	Permanent	Seasonal	Direct, Indirect, Induced Jobs (3x perm. jobs)	Employment (9x total employment)	
Silverlands Tanzania	Feed, poultry, grains and cattle	Tanzania	684	319	365	957	6,156	7,797
Silverlands Ndolela	Grains and cattle	Tanzania	208	63	145	189	1,872	2,269
Silverlands Zambia	Grains	Zambia	239	190	49	570	2,151	2,960
Silverlands Agriculture Services	Grains	Zambia	274	123	151	369	2,466	3,109
Silverlands Ranching	Cattle, cropping, feedlots	Zambia	236	176	60	528	2,124	2,888
Silverlands Vineyards*	Table grapes and distribution	Namibia	1,805	161	1,644	483	16,245	18,533
Crookes Brothers	Sugar Cane, Fruit, Macadamias	SA, Swaziland, Mozambique, Zambia	3,537	2,151	1,386	6,453	31,833	41,823
TOTAL			6,983	3,183	3,800	9,549	62,847	79,379

Note: QBV is not yet operational and therefore does not have any employees.

*Expected for the height of the harvest in December 2016.

b) Skills development

Through training our employees, we improve the skills base in the long term within our operations and also more broadly within the communities in which we operate. A wide range of training is provided, including:

- **Safety:** fire-fighting, health and safety, safe handling of chemicals, first aid.
- **Operators:** tractor, forklift, knapsack, chainsaw, combine harvesters.
- **General agricultural skills:** plant production, irrigators, crop and orchard monitors, sprayers.
- **Livestock:** biosecurity, cattle handling, poultry production, Poultry Training Centre “training the trainers”.
- **Finance, IT:** payroll, Excel, tax, capital allowances, internal auditing.
- **Other:** health and wellness days, “Shine Project”, peer educator training, crèche.

The “Shine Project” provides staff training at the CBL deciduous farms on, for example, employee health and wellness, basic financial management and drug abuse awareness.



Poultry layer training course: seeing laying boxes in a commercial setting

c) Increasing production

Across all our farms, production for the last cropping season totalled nearly 700,000 tonnes.

Food production has risen substantially since Silverlands bought the farms: fruit production is up 80%, row crops (mostly grains and soya) is up over three-fold and cattle sales are up three-fold. STL produces over 3m chicks, up from zero and, 16,000 tonnes of feed, up from zero

Production Volume Summary

Product	Year Prior to Acquisition	Current Year	Change	Multiple of start value	Cropping Area (ha)
Livestock					
Cattle	778	2,344	1,566	3.0 x	
Day Old Chicks	-	3,100,000	3,100,000		
Processing					
Poultry Feed (t)	-	15,900	15,900		
Row Crops					
Barley (t)	460	2,390	1,930		280
Seed maize (t)	1,401	738	-663		196
Soya Beans (t)	125	6,267	6,142		2,341
Potatoes (t)	-	630	630		40
Wheat (t)	6,614	10,194	3,580		1,073
Silage (t)	-	10,000	10,000		250
Row Crops Total (t)	8,600	30,219	21,619	3.5 x	
Plantation Crops					
Sugar Cane (t)	552,728	601,155	48,427	1.1 x	6,394
Fruit Crops					
Grapes (t)	3,198	3,076	-122		197
Deciduous Fruit (t)	14,900	31,486	16,586		2,805
Bananas (t)	12,618	19,829	7,211		434
Fruit Total (t)	30,716	54,391	23,675	1.8 x	
Total Crops (t)	592,044	685,765	93,721	1.2 x	14,010

d) Reducing Imports and Carbon Footprints

Our farms increase locally grown produce and therefore reduce import requirements. This benefits the local economies and also reduces the carbon footprint of transportation. In Zambia, at full projected development, we expect to add 10% to Zambia's wheat production. Growing seed maize in Tanzania reduces the need to import it from Zambia. Before we began STL and implemented the first poultry feed mill, Tanzania was importing its entire soya requirement. We are now focussing on increasing small-scale farmer production so we can buy locally (see Hub – Out-grower section below), and plan to purchase approximately 30,000 tonnes of soya by 2021. The carbon footprint of this soya would be substantially greater if we were importing it from outside Tanzania.

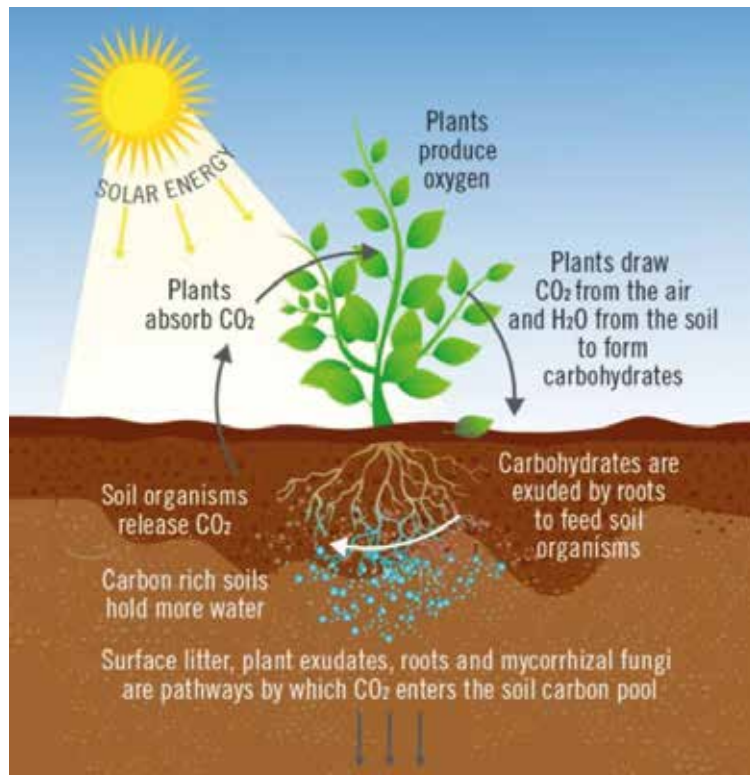
Apples and pears are sold through Two-a-Day (of which CBL own 19%) into 65 different countries. The volume into the African market increased from 5% of total sales in 2009 to 25% in 2013. Therefore Two-a-Day are selling product with a lower carbon footprint.



Sorting apples, Two-a-Day, South Africa

Our farmers also practice zero/minimum tillage which maximises carbon retained in the soil as organic matter. This has the benefit of minimising carbon dioxide and other greenhouses gases which are released from the soil into the atmosphere.

Soil Carbon Cycle: This illustrates the importance of zero/minimum tillage farming



e) Increasing Access to High Yielding Seed

We aim to improve other farmers' yields through the production of high quality seed which is robust in the local conditions. In Tanzania, the 1,400 tonnes of seed maize produced in 2015/16 may be used to plant 56,000ha of maize grown by small-scale farmers. There are plans to produce 150ha (4,500 tonnes) of seed potatoes at STL's Makete farm. This could result in 1,800ha of potatoes being planted and if each farmer grows 0.25ha, then our seed will reach 7,200 farmers.

f) SMEs

A number of contractors have directly benefited from our developments. A few case studies follow:



Hilary Lupumbwe, SNL Contractor, was previously working as a manager in a construction company. He now owns his own construction company contracted to SNL in Tanzania and has given jobs to 19 local community members. His personal income has increased 1.7 times and with his increased wealth he plans to build a new house and plant a hectare of timber trees.

Another SNL contractor, **Shija Maega**, provides meals to SNL workers and company visitors. She used to work by herself, but now employs two other women. She is grateful to now earn a regular income and will concentrate on financing her children's studies.



JJ Mhapa transports feed and day-old-chicks for STL. Before he started transporting for STL he had 4 trucks and employed 6 people. He now has 6 trucks and a workforce of 10. By expanding his business, he has been able to pay school and university fees for his 6 children, and improve his quality of life.

g) Tax Contributions

Portfolio Company	Country	Tax Paid
STL	Tanzania	Nil
SNL	Tanzania	Nil
SZL	Zambia	\$1,655
SASL	Zambia	Nil
SRL	Zambia	Nil
QBV	Mozambique	Nil
SVL	Namibia	Nil
CBL	South Africa, Swaziland, Mozambique, Zambia	ZAR 25.3m

Nil values are because companies had tax credits or were in a loss position for tax purposes. All data is for the financial years ending December 2015, except CBL which is March 2016. CBL: tax value excludes taxes paid on operational and capital expenditure.

3 Managing ESG Aspects

3.1 ESG Responsibility

The board of each Portfolio Company has signed up to the Silverlands Responsible Investment Code (RIC) which references the IFC Performance Standards (PS) and CDC's Code of Responsible Investing. A member of the board of each Portfolio Company has been assigned the responsibility for ESG. The following individuals are responsible for ESG at a board level: Elisha Chivero (STL), Simon Morgan (SNL, SZL, SASL and QBV), Harvey Leared (SRL) and Kevin Liddle (SVL). CBL's board has a separate Social and Ethics Committee which is accountable for ESG issues and is attended by SSC's ESG Manager, Julia Wakeling. ESG responsible individuals present at each board meeting.

The on-the-ground ESG responsible personnel have been involved in the annual reviews of risk assessments which encompass all ESG risks for each farm. Procedures are adapted as necessary and implemented to manage the full range of ESG aspects. ESG personnel collate key data into monthly ESG reports to keep senior management and the General Partner routinely informed of progress at each farm. The General Partner oversees all ESG topics across all Portfolio Companies.

SSC is encouraged with the allocation of ESG responsibility both within SSC and each portfolio company. The following personnel across the group have ESG duties:



Chris Sherlock, Edwin Doeg, Julia Wakeling (SSC)
Partner SSC, General Partner Board Member, ESG Manager



Dr Ben Moshi (STL and SNL)
Community Liaison



Janet Sanders (STL + SNL)
ESG Manager Tanzania



Madeus Deule (STL)
HR Assistant and CLO



Sheryl Bradnick (STL)
Poultry Training Manager



Enesi Luvanda (STL)
Poultry Trainer



Jeremiah Mazengo (SNL)
Operations Manager



Sharon Mwelwa (SZ Group)
HR/ESG Manager Zambia



Chipuya Simooya (SZ Group)
HR/ESG Executive Assistant



Arthur Mwale (SZL)
HR/ESG Assistant



Chris Simpasa (SZL + SASL)
Community Liaison Officer



Lameck Hakanomba (SASL)
HR/ESG Assistant



Francine Matanda (SRL)
HR/ESG Assistant



Ross Trotter (CBL)
Group Services Manager



Estie du Plessis, Michelle Holthausen, Lewona Heyn (SVL)
ESG Manager and Assistants

QBV: Vacant as operations are yet to initiate.

3.2 Social and Environmental Management Systems

The board of each portfolio company has committed each company to adopt and implement a Social and Environmental Management System (SEMS). In each SEMS, ESG risks have been identified, procedures are implemented to manage the risks, and key ESG aspects are reported to management monthly and the board quarterly.



3.3 Key Strategic Thinking

Our strategic thinking regarding key environmental and social aspects is as follows:

a) Climate Resilience

We only invest in farms which are in the optimal growth areas for the crops we aim to produce. Variety selection is also crucial in ensuring crops are resilient to climate variations. Our farmers are informed by their own experience as well as industry trials. This is not just for the crops that we grow – sugar cane, soya, maize, beans, macadamias, wheat, barley, etc. crops, but also for the livestock we tend. Our cattle are suited to the dry climate of southern Zambia, and the poultry are the best genetics for rural Tanzania – they also have an appearance which is culturally valued.

b) Waste Management

As per the IFC Performance Standards, we ensure that we dispose of our hazardous waste such as old chemical containers, used oil and oil filters, with registered hazardous waste disposal facilities. Identifying such companies outside of South Africa is a challenge in itself. We are grateful to MIGA who recognised this difficulty and held a workshop in Zambia in December 2015 to bring relevant stakeholders together to brainstorm options. However, affordable solutions are yet to be realised. Currently this service is extremely expensive. Our farms will use pelletisers to condense the volume of the containers which will hopefully reduce transport and thus disposal costs.

We hope to implement recycling initiatives across all our operations. SVL and CBL are currently leading the way with this. Finding service providers in remote areas is hard. We welcome DFIs assistance in suggesting recycling options from what they have noted across their portfolios. There may be possibilities to initiate small plastic recycling initiatives in surrounding communities.

c) Water Management

The global change predictions are for water scarcity to increase in southern and east Africa. To overcome this, we have taken time to select investments in the right areas. For example, in Central Zambia both our cropping investments straddle significant rivers, and we avoided farms in the Mkushi area which is already oversubscribed from an irrigation perspective.

The only way to operate is to ensure the most efficient use of water. To this end we utilise irrigation schedules prepared by expert consultants and aim to implement tools to most precisely manage irrigation. For example drip and micro irrigation, soil moisture probes, weather stations and automatic irrigation equipment.

d) Land Management

Good soil management ensures the long term sustainable growth of our investments. Our farmers implement minimum tillage techniques which increase soil organic matter, improve soil structure and reduce erosion and nutrient leaching. In addition to this, contours are carefully marked out by consultants and erosion control methods are implemented where needed. Intercropping markedly improves yields. Poultry manure is used as a natural fertiliser at STL. Soil and leaf analyses are used to inform fertiliser programmes to ensure only the correct amount of fertiliser is applied.



Separate waste stream bins at SVL



Minimum tillage at SZL: the new soya crop planted within the residue of the previous crop.

e) Power Provision

To minimise the amount of power we require, we minimise the amount of water used (see above), as pumping water is our greatest energy requirement. Energy efficient variable speed drive (VSD) pumps are implemented at all new operations and when old pumps are replaced. They not only reduce the amount of power required, but also typically require less maintenance.

Solar power initiatives are implemented where feasible. SVL have developed over 200 kW of solar power. On a smaller level, SRL are using solar energy to power remote boreholes and housing which are far from the grid. A frustration experienced across all operations is theft of solar panels which are of great value to rural communities. At SNL we are upgrading the mini hydro power facility to generate 800 kW. The electricity will be used to power irrigation pumps and pivots, other farm management energy requirements and a soya extruder.



New solar panel project at SVL



Pivots at SNL will be powered by hydro power

f) Community Engagement

Our aim is to create a positive impact in the communities in which we operate. A major value-add we provide is via our hub – out-grower model (see detail above). To understand and manage the communities immediately surrounding our farms, we appoint community liaison personnel to regularly interact with our neighbours. We provide direct investment into these communities through educational health days and Corporate Social Investments such as donations and assistance to improve water provision, schools, clinics, police stations, roads, etc.

3.4 ESG Training

A number of our individuals responsible for ESG in Portfolio Companies come from a human resources background. Courses have been attended and a range of training has been provided and will be ongoing to ensure that these people have a detailed understanding of ESG topics and how to manage them.

On-the-ground refresher training has been conducted with management, ESG responsible individuals and any new key personnel on site. Topics covered include: an overview of ESG, the IFC Performance Standards, the Fund's Responsible Investment Code, Social and Environmental Management System (SEMS) adaptation and implementation, monthly reporting, stakeholder engagement, resettlement (where relevant), as well as discussions to ensure understanding of all actions in Environmental and Social Action Plans.

We are grateful for the provision of training by a number of LPs. Numerous webinars have been attended by SSC. The following training was attended in the last year:

Course	Attendees
IFU Focus Africa Workshop (Nairobi) Nov 2015	Julia Wakeling (SSC), Janet Sanders (STL), Madeus Deule (STL), Jeremiah Mazengo (SNL), Sharon Mwelwa (SZ Group)
Resettlement Planning and Livelihood Restoration (UK) Nov 2015	Edwin Doeg (SSC)
CDC ESG Course (Nairobi) Nov 2015	Julia Wakeling (SSC), Janet Sanders (STL) and Ross Trotter (CBL)
CDC ESG Course (Johannesburg) June 2016	Sharon Mwelwa and Chipuya Simooya (SZ Group)
Poultry production course (KwaZulu Natal, South Africa) August 2015	Sheryl Bradnick (STL)
Train-the-trainer course (in Makota, by KwaZulu Natal Poultry Institute) February 2016	Sheryl Bradnick, Enesi Luvanda and 13 other STL poultry trainers.



Train the trainer course for poultry trainers at Makota

In the coming year plans are to focus on on-the-ground training and implementation of stakeholder engagement and reporting, and anti-bribery and corruption. Also attention will be given to developing systems to monitor our progress and further demonstrate the impact of our portfolio companies going forward.

4 Annual ESG Review

4.1 Overview

In 2013, 2014 and 2015 the Fund commissioned independent reviews of Crookes Brothers Limited (CBL). In 2015, as requested by investors, independent reviews of all Portfolio Companies were also performed. These were performed by South African ESG consultant, EBS Advisory (Pty) Ltd (EBS).

In 2016, the review was performed internally by SilverStreet Capital (SSC), specifically by Chris Sherlock, Edwin Doeg and Julia Wakeling. Julia brought her specialist ESG experience to the team in October 2015 when she was hired as ESG Manager. The value in performing the review internally is that the ESG Manager has become intimate with ESG aspects within every Portfolio Company. This has further improved training of Portfolio Company personnel, and implementation of ESG actions. As per OPIC Consent obligations, in 2017 the annual review will once again be performed independently. A detailed ESG review was performed on each Portfolio Company. Below is a brief summary of each of these reviews. Readers that require more detail with regards to the ESG performance of Portfolio Companies are invited to refer to the individual reports.

4.2 ESG Monitoring and Due Diligence Visits in 2015-16

Regular visits have been made to all portfolio companies to assist with a wide range of ESG related topics, such as monitoring progress, training staff, assisting with the implementation of Social and Environmental Management Systems (SEMS), and guiding surveys to quantify impact. The final portfolio company Due Diligence was performed on QBV in December 2015.



Silverlands Zambia, Winter Wheat

ESG Visits During the Reporting Period

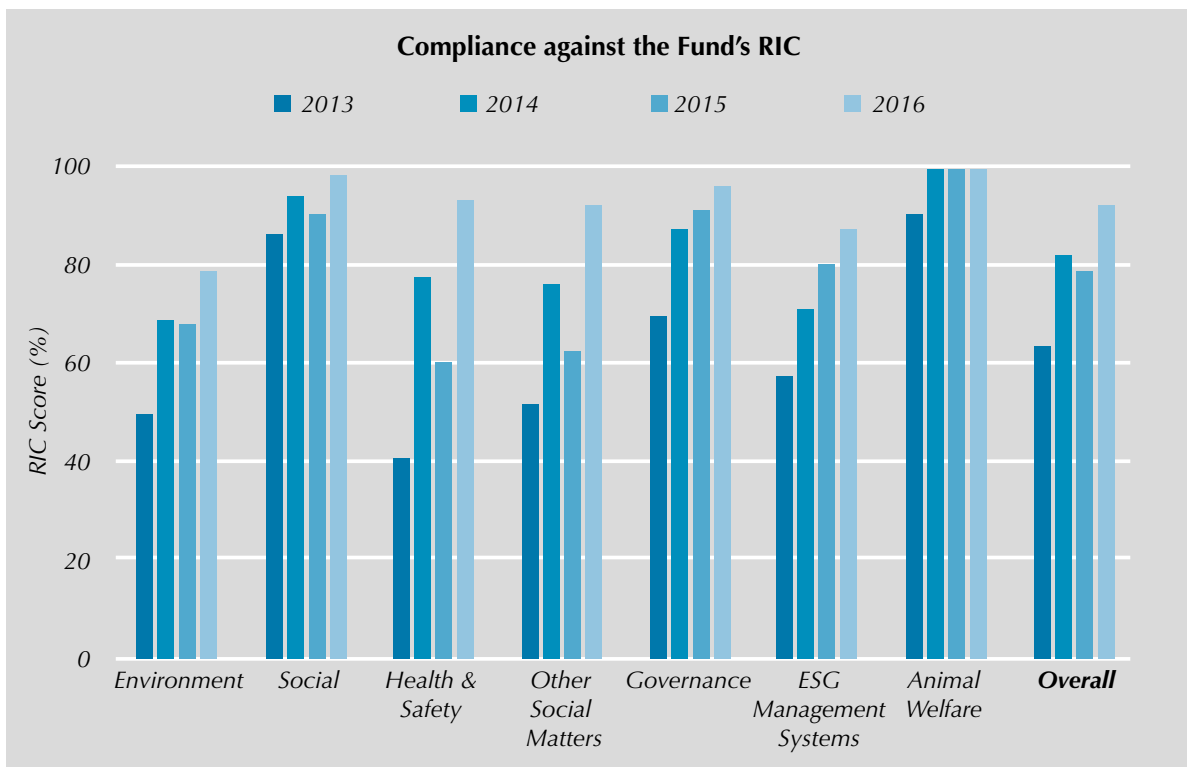
Date	Properties	Type of Visit	Participants
July-August, 2015	STL, NAPL, SRL, SZL, SASL, CBL	2015 Annual Review	EBS, SSC, CBL
October 2015	SVL	Monitoring	SSC
	STL, SNL	Monitoring, training, SEMS implementation	SSC
November 2015	CBL head office	SEMS workshop	CBL, EBS, SSC
December 2015	SVL	Investor visit	OPIC, The Church Pension Fund, Cook Foundation
	SRL, SZL, SASL Lusaka workshop	Monitoring, training, SEMS implementation Workshop on disposal of hazardous waste in Zambia MIGA-ZEMA	SSC MIGA, SZ Group, CBL, SSC
	QBV	Due Diligence	SSC
January 2016	CBL Deciduous	Training at the Agriforum	CBL, SASL, SNL, SSC
February 2016	QBV	EIA meeting	CBL, SSC
	SVL	Monitoring, training, SEMS implementation	SSC
	SASL, SZL	Livelihood Restoration, monitoring, training, SEMS implementation	SSC
March 2016	STL, SNL	NGO and small-scale farmer engagement, monitoring, training, SEMS implementation	SSC, BRAC, Clinton Foundation, Caritas
April 2016	SRL, SASL	Planning SLIC survey, training, SEMS implementation	SSC, Musika
	CBL head office	SEMS workshop	CBL, SSC
May 2016	SVL	Annual ESG Review	SSC
	CBL head office	Social and Ethics Committee meeting, SEMS workshop	CBL, SSC
June 2016	STL, SNL, SZL, SASL, SRL	Annual ESG Review	SSC
July 2016	CBL all estates	Annual ESG Review	CBL, SSC

4.3 Compliance with the Fund's Responsible Investment Code

The Fund's Responsible Investment Code (RIC) is divided into 7 sections. Each year Portfolio Companies are scored against the various topics. We are proud to report that overall there has been a general positive trend in compliance by all Portfolio Companies. Scores for each Portfolio Company are detailed in the sections which follow and in the individual reports for each Company.

Compliance Against the Fund's RIC

Section Summary	2013 %	2014 %	2015 %	2016 %	% Change
Environment	49	69	68	79	11 ↑
Social	86	94	90	98	8 ↑
Health & Safety	40	78	60	93	33 ↑
Other Social Matters	52	76	62	92	30 ↑
Governance	69	87	91	96	5 ↑
ESG Management Systems	57	71	80	87	7 ↑
Animal Welfare	90	100	100	100	-
Overall	63	82	79	92	13 ↑



a) Progress Against Previous Action Plans

In addition to compliance with the Fund's RIC, each Portfolio Company has made significant progress on action points raised in previous ESG reviews.

Portfolio Company Progress Against Previous Action Plans

Portfolio Company	Number of Actions	Completed	In Progress	Outstanding
Silverlands Tanzania	90	70	16	4
Silverlands Ndolela	25	7	13	5
Silverlands Zambia	20	8	10	2
Silverlands Agriculture Services	19	5	11	3
Silverlands Ranching	60	44	11	5
Crookes Brothers	111	60	36	15
Total	325	194	97	34
		60%	30%	10%

This table includes actions raised by OPIC/MIGA and from 2014 and 2015 annual reviews, and excludes QBV and SVL which are new operations and were not reviewed in 2015 or before.

Appendix 1: Reporting Obligations of the Fund

The Offering Document for SilverStreet Private Equity Strategies SICAR, Silverlands Fund provides that the General Partner will produce an annual ESG Report which will cover:

- (a) The development and implementation of environmental and social management systems including completed training,
- (b) ESG performance, including compliance with the Investment Code;
- (c) The corrective measures taken and/or still required with regard to the issues listed in the ESG Action Plan; and
- (d) Information on development impact, including any out-grower schemes.

Additionally a number of Limited Partners have signed Side Letters with the General Partner in which the General Partner has committed to the following reporting obligation:

We shall provide an annual report to any Investor who requests such a report on our implementation of the Investment Code and the performance of our investee companies against the Investment Code. The report shall include any issues, targets and a timetable for improvements, and performance over time against such targets and timetable.



Healthy community cattle near Silverlands Ranching, Zimba, Zambia



High Noon, South Africa, Deciduous Fruit



Silverlands Ndolela, Tanzania, Soya

