



Maris

INVESTING IN GROWTH IN AFRICA



Mulitani, Mask distribution, Mozambique

ESG Annual Report 2020

REGISTERED OFFICE

CrossInvest Global Management Services Limited
Office FF01,
Endemika Business Park
Petit Raffray,
30715
Republic of Mauritius

REGIONAL OFFICES

Nairobi
Maputo
London

DIVISIONS

Agriculture, Food & Forestry
Renewables
Services
Gold
Properties

SHAREHOLDERS

84

BOARD OF DIRECTORS

David Morrison (Chairman)
Marc Beuls
Iwan Meister
Henry Obi
Raju Shaulis
Charlie Tryon (Chief Executive)
Harris Harjan
Harry Sutherland

MARIS PORTFOLIO OVERVIEW AS OF 31 DECEMBER 2020



COMPANY NAME	DIVISION	COUNTRY	MARIS OWNERSHIP	YEAR OF INITIAL INVESTMENT	TOTAL INVESTMENT	EXCLUSION LIST	ESG CATEGORY
ACACIA	PROPERTIES	SOUTH SUDAN	54%	2009	\$2,705,706	NO	MEDIUM - B
ALP	PROPERTIES	KENYA	13%	2016	\$6,961,346	NO	HIGH - A
COMMONER	GOLD	ZIMBABWE	80%	2013	\$3,357,819	NO	HIGH - A
EQUATOR ENERGY	SERVICES	KENYA	70%	2016	\$2,741,461	NO	MEDIUM - B
EQUATOR EQUIPAMENTOS	SERVICES	MOZAMBIQUE	100%	2020	\$446,000	NO	MEDIUM - B
ETC	AGRIS	SOUTH SUDAN	85%	2012	\$7,151,211	NO	HIGH - A
ETP	AGRIS	KENYA	85%	2018	\$550,000	NO	MEDIUM - B
EVERGREEN HERBS	AGRIS	KENYA	100%	2020	\$2,700,000	NO	MEDIUM/HIGH - B+
KGML	GOLD	KENYA	80%	2009	\$12,801,720	NO	HIGH - A
MMO	PROPERTIES	MOZAMBIQUE	75%	2012	\$980,772	NO	LOW - C
META KENYA	SERVICES	KENYA	50%	2020	\$250,000	NO	MEDIUM - B
META ANGOLA	SERVICES	ANGOLA	47%	2011	\$5,871,254	NO	MEDIUM - B
META RWANDA	SERVICES	RWANDA	50%	2016	\$618,296	NO	MEDIUM - B
META TANZANIA	SERVICES	TANZANIA	50%	2014	\$2,888,451	NO	MEDIUM - B
MULITANI	PROPERTIES	MOZAMBIQUE	100%	2013	\$5,454,433	NO	LOW - C
OSS	PROPERTIES	MOZAMBIQUE	100%	2009	\$6,976,331	NO	LOW - C
QSS	PROPERTIES	MOZAMBIQUE	100%	2013	\$7,629,535	NO	LOW - C
TATEPA	AGRIS	TANZANIA	18%	2012	\$3,818,191	NO	HIGH - A
VENICE MINE	GOLD	ZIMBABWE	90%	2015	\$7,101,347	NO	HIGH - A

This report aims to give an overview of the Maris Group's approach to Environmental, Social and Governance (ESG) management and to demonstrate the progress made by our portfolio companies. 2020 has been dominated largely by the global COVID-19 pandemic and this has had an impact on all our operations, our staff and the communities around us. The pandemic has imposed new type of risks to our companies and requires management to look at different ways of running operations. We are grateful that despite the pandemic, all our companies have been able to continue operations and to pay wages in full. Our portfolio companies have supported their communities through different initiatives from distributing masks made by local tailors to donating oxygen cylinders and equipment to local clinics.

In 2020 we saw our existing Environmental & Social Management System (ESMS) being further implemented and new elements were added as part of the Social Expert Review for which IBIS Consulting was contracted. The Social Expert Review of our portfolio, with a focus on the Gold and Agriculture, Food & Forestry divisions, combined several actions from the Environmental & Social Action Plan as part of the Maris Shareholders Agreement.

The Agriculture, Food & Forestry division has been restructured into Agris, a diversified agri-business operating in East Africa. Agris added Evergreen Herbs to its portfolio in 2020, a fresh herb producer with two farms just outside Nairobi. Following the external Environmental & Social Due Diligence that we undertook for both farms; the risk category was determined B+ (medium to medium-high) and an Environmental and Social Action Plan (ESAP) was agreed on for the company to implement.

In December 2020 Agris also approved investment in Evergreen Fresh, a company distributing fresh produce from other Agris companies and third parties. Initially, this company will only have a few trucks and uses the infrastructure of the existing companies within the group, such as the Evergreen pack shed. In future, as the company expands it will investigate having its own pack shed and distribution centre. For the start-up phase of the company, the ESG risk category will be B and this will be reviewed when the company expands over time.



COVID-19 IMPACT

The COVID-19 crisis has had a significant effect on all of our operations and our portfolio companies were challenged on the one hand to survive the economic fallout from the lockdowns, cutting cost to counter sharp reductions in revenues while on the other hand attempting to hold on to as many staff members as possible and to avoid redundancies wherever possible. Each company drafted a contingency plan regarding its staffing needs. Depending on the country of operation and the applicable Labour Laws, some or all the following measures have been taken to avoid redundancies:

- Allowing employees to work from home;
- Introduction of shifts;
- Sending employees on paid leave;
- Sending employees on unpaid leave; and ultimately
- Voluntary salary cuts.

The Group has managed to limit the impact of COVID-19 on employment but unfortunately 38 employees were laid off across a total of 2,605 as a result of the pandemic.

All our operational companies implemented COVID-19 policies in line with the national Ministry of Health guidelines. When guidelines were not available or lacking (such as in Tanzania) as per the guidelines of the World Health Organization (WHO) or Centre for Disease Control (CDC). The policies included some or all of the below measures:

- Awareness sessions for all employees that included do's & don'ts, spotting symptoms, how to maintain good personal hygiene, the importance of reducing physical contact and washing hands;
- Self-isolation for employees that tested positive or showed symptoms;
- Installation of prevention posters and handwashing guides;
- Handwashing zones installed at access gates, staff camps, access to other entry points;
- Temperature reading upon entry;
- Distribution of face masks;
- Introduction of additional, deep cleaning protocols including systematic disinfecting of public surfaces;
- Limited access, some companies did no longer allow external visitor to come during lock down if that was part of the host country's rules or only had meeting with a maximum number of people;
- Lower occupancy rates at offices to allow everyone to remain distance; and
- Hotel facilities only open to residents but not for walk-ins.

Many portfolio companies have taken initiatives to support their communities in their fight against COVID-19. QSS, Mulitani, OSS, Acacia, Karebe, Equator Services, MMO, META Tanzania and META Angola have given out face masks and hand sanitiser, whereby Mulitani, OSS and Karebe also supported local tailors who produced the masks. Karebe donated several oxygen cylinders and equipment to the Kapsabet County Referral Hospital, a district hospital serving Karebe's community. The company has furthermore provided wash stations in and around its immediate community.

CAPACITY

In the past year we have seen a growing awareness regarding ESG and sustainability throughout the Group. Not only do we have an increased capacity within the OpCos, the number of people within Maris who have bought into the culture of ESG is increasing too. With Alex Puxley having completed the Business Sustainability Management course with the Cambridge Institute for Sustainable Leadership in December and Ed Stiles leading a Carbon Footprint calculation project for the Group, we have two senior managers with increased interest and knowledge in sustainability issues.

Evergreen Herbs has appointed E&S officers and responsibilities are divided between the HR department and the compliance team. Maris E&S Officer Karijn de Bok is working with the Evergreen team on the implementation of the ESMS as well as the ESAP that was drafted by third parties as part of the ESDD of the two farms.

Unfortunately, due to the impact that COVID-19 has on Equatoria Teak Company, the company had to let go some of its employees and the EHS Officer was one of them. ESG is now being managed (temporarily) by Lot Chinyadza, the company's Silviculture Manager. Once business picks again, the EHS Officer will be rehired.

There have also been some shifts within the META Group and this will require re-introduction of some of our ESG initiatives to the new managers. This will be part of the objective for 2021 to develop divisional ESG strategies and translate the Maris Group ESMS into division specific ones.

In 2020 TATEPA has been in the process of recruiting a new EHS Officer. The new EHS Manager for TATEPA commenced per 1st of April. He was formerly employed by different international companies and he is replacing the EHS Officers at WTC and RAC. As those positions had not been filled for almost nine months, there is quite some work to catch up with. Maris E&S Officer Karijn de Bok has been working remotely with him to introduce the company's ESMS as well as the Maris reporting requirements. Due to travel restrictions it was not possible for the Maris E&S Officer to visit and a company visit and face to face training is one of the priorities for 2021.

GOVERNANCE

In 2020 Maris has developed and implemented a Tax Compliance Policy. This policy is applicable to Maris Group and its operational companies and states the objectives and spirit of Maris Group's approach to tax matters in the jurisdictions where we operate. All other existing policies have been reviewed as part of the Group's annual Business Integrity Review and all company directors and senior management have signed the anti-bribery statement again.

Maris and FMO also agreed about the terms of reference for the ESG Advisory Panel who meet four times a year two weeks ahead of the Maris Board meeting to discuss ESG topics related to potential and existing investments.



META Service and Maintenance Crew, Kenya



Kaia Village Inhouse Tailoring Workshop, Mozambique

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

PROGRESS ESMS DEVELOPMENT AND IMPLEMENTATION

At the end of 2020, 63% of the initial ESMS had been implemented.

The risk management standard was introduced in Q1 to all non-high risk OpCos. This standard outlines how to identify E&S risks (including regulatory compliance), how to assess risks and finally how to mitigate the risks. The same standard was already introduced to the mines and the agri-forestry division previously and these OpCos are required to further populate and review their risk registers.

The ESG reporting from Opco to Holdco is improving in terms of both quantity and quality of the data included in the reports. but reporting can be improved further. In order to formalize ESG reporting Maris has recently introduced a monthly reporting system. Companies are now required to upload certain documents on Dropbox at the end of each month, together with their management reports. It was felt that by doing so the Opco managers will start looking at ESG as being part of their overall management responsibilities.

Following the GAP analysis that took place last year a list of policies and procedures were identified that are required to complement the existing ESMS and to make sure Maris and its OpCos have the appropriate tools to manage existing and potential social risks. The following policies and procedures have been developed on Group level addressing social and human rights issues:

- Non Discrimination and Equal Opportunity Policy
- Retrenchment Policy and Procedure
- Supply Chain Management Procedure
- Human Rights Policy and Procedure
- GBVH Policy and Procedure
- Security Management Procedure
- Workers Accommodation Procedure
- Land Acquisition Policy and Procedure
- Influx Policy and Procedure
- Maris Stakeholder Engagement Plan Register

All elements have been approved by the Maris ExCo and these procedures will be implemented in 2021 by Maris E&S Officer Karijn de Bok throughout the Group.

Good progress has been made in Q3 and Q4 with the implementation of the E&S Action Plan for Evergreen Herbs that followed the Environmental Social Due Diligence that we commissioned last year as part of the investment screening process. The ESAP has proved to be a very useful tool, offering guidance and roadmap for E&S Management at a new company. Evergreen Herbs is addressing the non compliance issues identified during the ESDD while simultaneously implementing an ESMS to manage E&S issues long term. Responsibilities for E&S Management are divided between the company's MD, the HR Manager and the compliance team.

Equatoria Teak Company has developed a new CSR policy in which it links its activities to the Sustainable Development Goals. The new CSR policy is a required deliverable for the inception phase of the coffee project that was selected by the Dutch government and could be used as an example for other OpCos.

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JOB

2,926 Portfolio company jobs

94% National employees



HOURS WORKED

7,013,525



GENDER BALANCE

31% female workers



TAXES AND ROYALTIES

USD 1.9m



WAGES

USD 7.7m



COMMUNITY CONTRIBUTIONS

USD 49k



OUTGROWERS SUPPORTED

> 14,000 farmers

OUR PEOPLE

In 2020 Maris employed a total of 2,926 individuals in 7 different countries and across 20 different companies. 49% of the positions were filled by permanent employees and 31% by female employees. This means 1% more permanent employees compared to 2019 and an increase of 6% in female employees. Furthermore, Maris Group employed 19 permanent employees in its three offices in Nairobi, Maputo and London. A total of 7,013,525 man hours were undertaken by the Group, 662,209 hours less than in 2019. Besides the COVID-19 pandemic, the closure of Karebe and coming to the end of the harvesting phase at ETC were the main causes for this reduction of hours.

OUR ENVIRONMENT

Maris companies are committed to respecting the environment in which they operate. The ESMS offers our companies a robust framework to identify and mitigate the potential risks that their operations pose on the environment. Where the requirements for environmental management in our host countries are limited, we adhere to international standards that exceed the local and national framework such as the IFC Performance Standards. Risk mitigation has been the focus in the past few years, in addition to compliance with the legal framework.

In 2019, companies started reporting different environmental data such as electricity and water use, and waste volumes. This has laid the foundation to monitor the environmental performance of the group. The Group will contract an external party in Q1 2021 to measure the carbon footprint of each operational company to provide us with a baseline which will give a clear overview of where the opportunities lie for the Group to improve our environmental footprint in the short term - the low hanging fruit - and also the long term.

The Agricultural, Food and Forestry division, Agris, focuses on the implementation of good international industrial practices to improve its environmental footprint. Evergreen for example collects rainwater from greenhouses to feed the dams, has a drip irrigation system implemented across the herb farm (rather than a sprinkler irrigation system which is less water efficient), fertilizer application happens using the drip irrigation system (rather than manual spraying which require higher quantities of fertilizer and may expose workers more) and the farms use early pest detection systems.

OUR COMMUNITIES

Maris companies spent a total of USD 49,803 on community programs which is low compared to previous years. This is no surprise in a year that has been dominated by the COVID-19 pandemic and on which financial results have been under pressure. The main contribution to the communities have been through initiatives aimed at helping local communities deal with the health challenges of COVID such as the organisation of awareness sessions, distributing face masks and hand sanitiser and the installation of handwashing stations. Karebe also donated several oxygen cylinders and other hospital supplies to the district hospital, which was well publicised on local media. From the almost 3,000 Group employees 94% are national employees of which the majority comes from our communities.

POST CYCLONE KENNETH EMERGENCY FUNDING

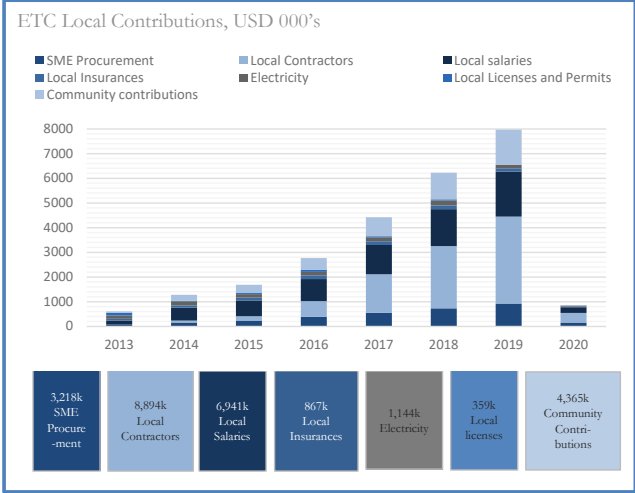
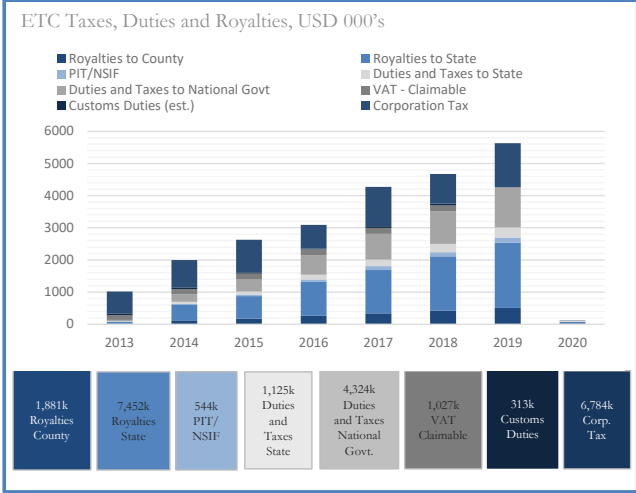
Tropical cyclone IDAI struck Mozambique and a number of inland counties in Africa in mid March 2019 causing widespread flooding and destruction across the southeast corner of the continent. Following this cyclone, the Maris portfolio companies in Northern Mozambique supported local communities in Tete by providing initial emergency support in the form of water and food supplies as well as storage in the OSS warehousing for these emergency supplies. In addition, the Maris opcos also provided specialized workers to help communities rebuild destroyed homes. Just over a month later, cyclone Kenneth followed and made landfall just above Pemba in Northern Mozambique. Most buildings did not survive Kenneth or the subsequent flash floods, mud slides and heavy rains. Malaria and cholera epidemics were reported, as well as a lack of shelter, food and clean water assistance, even months after the cyclone took place. In order to help the affected communities rebuild their lives and villages, FMO wanted to provide support by means of emergency funding.

FMO approached Maris to discuss possibilities to join efforts in providing post cyclone relief in the areas of Maris's operations that had been hit hard by one of the cyclones. FMO and Maris jointly decided on supporting the reconstruction of 12 schools in Mucojo a coastal village just above Pemba. FMO supported the project with EUR 50k and Maris dedicated in kind management time and local hires, as well as storage space in its warehouse in Pemba. In addition, Maris takes care of the coordination of logistics and transport where required. To rebuild the schools, Maris contracted the Nema foundation, a Mucojo based charity, focusing on supporting the communities with education, health care as well as sustainable local small businesses with training and funding. In the past months, the Nema team has managed to finish the rehabilitation of 16 classrooms and 10 latrines in Guludo Ningaia Lumuamua Manica and Crimise Each school now has 34 functional classrooms and 2 latrines (one for boys and the other for girls).

The following pages show the contributions that four of our companies in the Agriculture, Forestry and Gold divisions made in the past years to the local economies. The Venice Mine slide was newly created while the other three slides (Karebe, ETC and TATEPA) are updated version of the slides that had been shared previously for ETC and Karebe. The Karebe impact slide has been updated for 2018 and 2019 as well.

ETC ECONOMIC IMPACT

ETC has contributed **USD 49.2m** to the South Sudanese economy in the period 2013-2020.

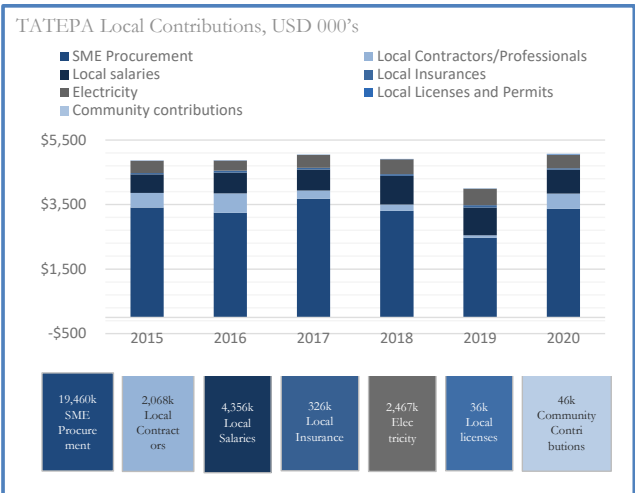
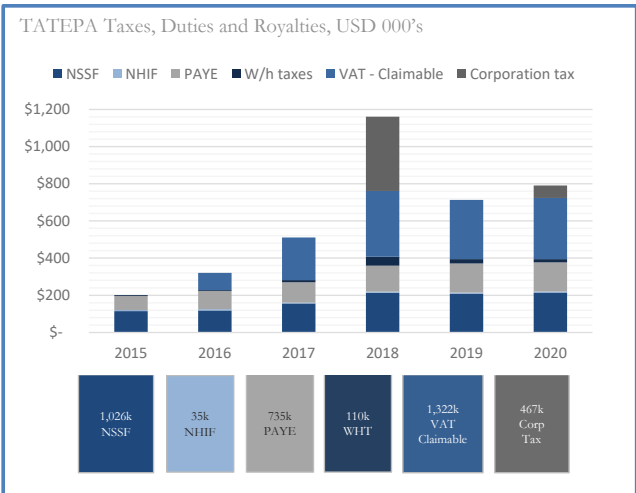


Total Taxes Duties and Royalties (2013-2020)
USD 23.4m

Total Local Contributions (2013-2020)
USD 25.8m

WTC ECONOMIC IMPACT

WTC has contributed **USD 32.5m** to the Tanzanian economy in the period 2015-2020.

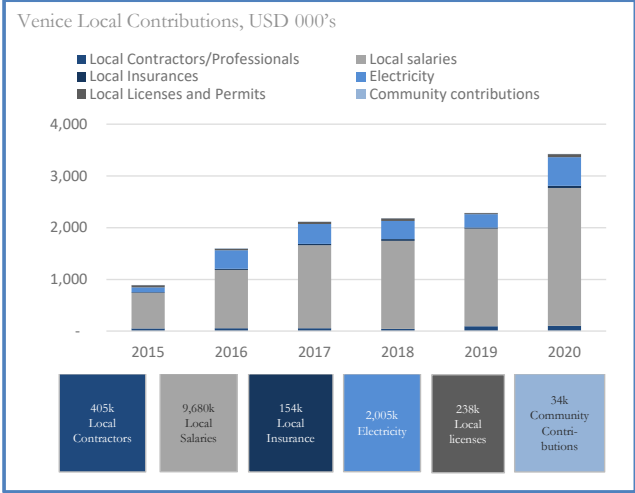
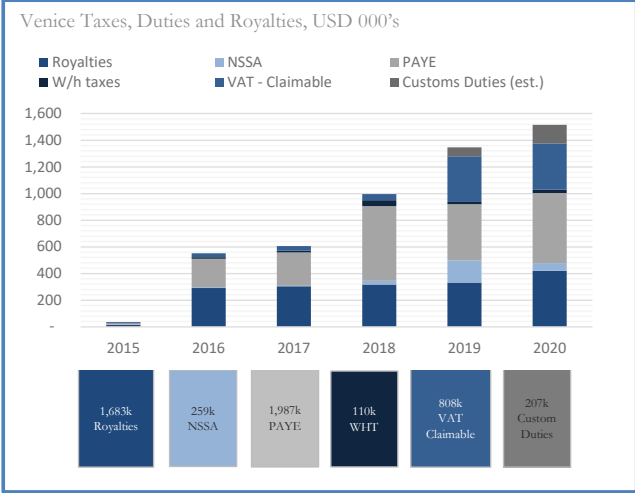


Total Taxes Duties and Royalties (2015-2020)
USD 3.7m

Total Local Contributions (2015-2020)
USD 28.8m

VENICE ECONOMIC IMPACT

Venice has contributed **USD 17.5m** to the Zimbabwean economy in the period 2015-2020.

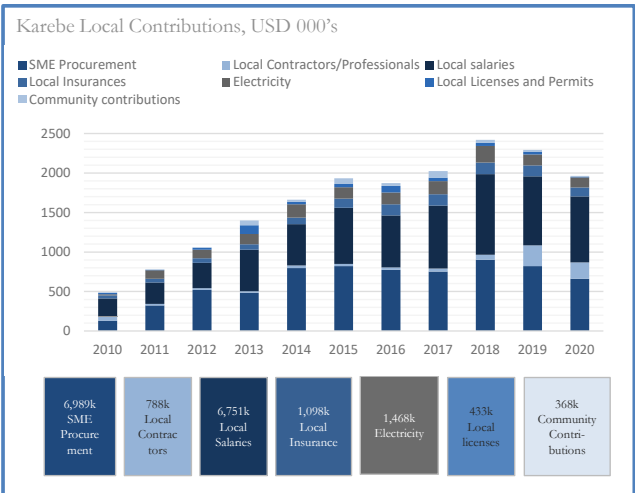
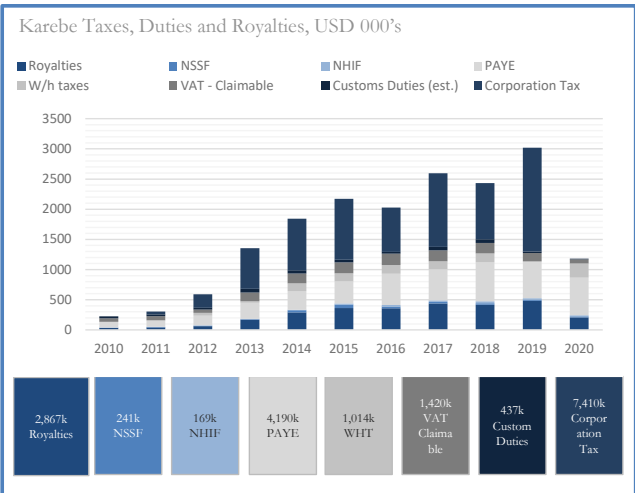


Total Taxes Duties and Royalties (2015-2020)
USD 5.0m

Total Local Contributions (2015-2020)
USD 12.5m

KAREBE ECONOMIC IMPACT

Karebe has contributed **USD 36.1m** to the Kenyan economy in the period 2010-2020.



Total Taxes Duties and Royalties (2010-2020)
USD 17.7m

Total Local Contributions (2010-2020)
USD 18.4m



Post Cyclone Kenneth Relief Funding, Mulitani Mozabique



Acacia Village, Acacia FC, South Sudan

CONTEXT

After a discussion with the local community in July 2020, Acacia Village undertook to sponsor and support a local Juba football team: Acacia FC. Acacia Village believes in the benefits of sport to communities and broader society. Sport can often act as an enabler of social cohesion, particularly where communities might face a particular set of hardships (poverty, communal tensions, risk of violence). Teamwork, physical exertion, problem solving are all required to some degree for successful sports teams, both on and off the pitch.

South Sudan is emerging from a period of acute economic and social difficulty. Civil war and communal violence have dominated the national narrative since 2013, with dire implications on the country's humanitarian situation (food security, women's rights, medical & education access). A strong civil society will aid in the rebuilding of the country's socio-economic structures. Strong communal relations – particularly in the relatively cosmopolitan capital, Juba - will help to provide a platform from which civil society actors can give voice to national, regional and local issues. This will help to frame a more developmental agenda as the political situation stabilises.

The relevance of sport? Whether it's basketball, football or rugby, team-based, competitive (non-violent) activities can enable communities to develop strong, organic relationships. Such a platform ultimately provides societal actors with a more coherent, less fractured political voice, which can help contribute to a more resilient national future.

THE INITIATIVE

Local football teams often lack the funds to buy certain critical items to engage in matches or even casual training. Boots, balls, kits, tournament fees are often prohibitively expensive, resulting in early barriers to entry. To help illustrate this, we have spent nearly \$3,000 on essential items and fees over the past few months; most teams unfortunately do not have access to this kind of funding.

Acacia Village and representatives from Acacia FC sat down to devise a team formation roadmap, identifying critical hurdles. Balls and boots were prioritised as necessary items to allow for initial training and team selection. Off the pitch, the team's coach drove squad recruitment and started to plan for training sessions prior to competitive play.

Before Acacia FC's first tournament, we agreed to purchase a set of kits for the 23-man squad. More than anything, this helped to instil a sense of togetherness in the squad, and allowed the team to stand out on the pitch during match days. Clean drinking water was provided to the team on weekends, and Acacia FC ultimately achieved a highly respectable 3rd placed finish.

As the next steps, we further develop the team's identity by purchasing a second string kit (in case of colour clashes with the first), promoting them on social media platforms, and assisting with more advanced training items, such as cones and ladders. We are currently exploring ways in which we can help support the wider football system in Juba, as well as promoting more regional fixtures in 2021. Of course, Acacia FC has aspirations of winning their first tournament in the new year!

Our companies continued to report Lost Time Injuries (LTIs) and Medical Treatment Injuries (MTIs) in 2020 as per the Incidents and Non-compliances Standard. A MTI is classified as a work-related injury or illness requiring doctor-prescribed medical treatment, but that does not result in loss of work time. Whereas a LTI does result in loss of work time with the criteria being: restricted work of <30 days, lost time of < 15 days, brief hospitalization (<48 hours). For the year 2020 the Group recorded a total of 372 incidents including 1 environmental incident and 1 work related fatality. Both incidents were reported as serious incidents and Serious Incident Reports have been submitted by senior management after thorough investigating took place in both cases with senior management of the operational companies and Maris involved.

From the 372 incidents 370 incidents were Occupational Health & Safety incidents with 39 considered LTIs. With a total of 7,013,525 hours worked this brings the LTI incident rate for 2020 to 1.1138. The LTI incident rate is quite high compared to the 2019 rate of 0.8623 but lower than the LTI incident rate of 2.75 for 2018. Another 331 MTIs were reported, compared to 43 in 2019. The majority of the MTIs were reported for by Evergreen (298 MTIs) and consist of minor finger cuts that occur in the grading department and the greenhouses when cutting the herbs.

The following 3 incidents are considered Serious Incidents:

- Venice reported a fatal incident that happened on 25th January. A company employee working in the Venice mining department had been AWOL from work for two days. It later transpired that he had entered the Whatcheer area to mine illegally. This area is not operational and the employee therefore had no reason to be there. He was among a group of seven people that was discovered by the police in the early morning on 25th while it was dark. The police confronted the group and the men subsequently fled towards the dam. The search team later found his gumboots which pointed them in the direction of the dam where his body was found. His body was then taken to Kadoma General Hospital. Following the incident, the area has been fenced off and secured to avoid illegal entry and security teams of the company now patrol the area. Awareness training on the dangers and illegality of entering such areas is to be given to all Venice staff. Fortunately control of the area has been greatly assisted by the removal of illegal miners.
- An environmental incident took place at Venice on January 23rd. An emergency pond breached due to excessive rain and water flowed out of the fenced area. A herd of seven cattle drank water from a pond that was formed 100 meters from the emergency pond. The water was tainted with cyanide which had spilled from the main slimes dam, which killed two cows. Venice invited the Environment Management Authority (EMA) to come and investigate and Venice was issued a 200 USD fine. Venice informed and compensated the owners of the cattle for their loss and the emergency dam was modified and repaired to be able to contain more water.
- On the 21st August, employee of Mahesh & Tirth, ALP's main contractor, was killed on the building site at ALP West, Tilisi. All operations on site were immediately closed by M&T. A third party was engaged by the contractor (MNTCL) to conduct an investigation to determine the root cause of the accident and to propose mitigation measures to identified gaps. The immediate cause of the accident was a crush of the victim inside the mixing chamber drum of the batching plant by the mixing blades when the machine was switched on by the operator. The casualty had no time to leave the confined space and thus became tangled in the concrete mixing process. The investigation concluded that safety measure and procedures were in place but not adhered to. Risk Assessment and Job Safety Analysis had been conducted but they did not capture works in confined spaces especially that of the mixing chamber drum of the batching plant, the revolving drum of the concrete trucks and the concrete mixer. The emergency response team had also not been trained to handle such an incident and the emergency response plan had not foreseen this kind of incident. MNTCL paid compensation to the dependents of the deceased as per the Kenya Work Injury Benefit Act 2017. Internal procedures were reviewed and an examination of the company's equipment on site to evaluate their risk status has been undertaken by a third party. All workers will be trained by an external Safety Trainer.

All Serious Incidents have been reported to the Maris Board during the year.



Equatoria Teak Company, Excelsa coffee seedlings, South Sudan

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