

# Overall Impact Results: A Snapshot

## Sarona's Six Impact Objectives: Progress Report 2018 in Summary<sup>1</sup>

Every year, Sarona seeks to measure the overall progress of its portfolio companies. To aggregate the responses received from our portfolio companies, we continue to combine them into our six key impact objectives



### Creating Jobs

**187k** full-time positions at 229 eligible companies

**17k** jobs created during the year



### Empowering Women

**1/3** of full-time positions are held by women

**28%** of managers are women

**16%** of company board members are women



### Improving Job Quality

**\$7mm** average wages paid per company  
(or \$8.7k per employee)

**56%** increase in training, with an average of 593 employees  
trained per company

Over **94%** of employees receive health insurance or  
maternity/paternity leave



### Improving Governance

**98%** of companies comply with social and environmental  
regulations

**98%** of companies produced annual audited financial  
statements, providing greater transparency to shareholders

**\$573mm** in corporate taxes paid, sustaining local  
government services



### Reducing Environmental Footprint

**5GW** of clean energy generation capacity

**65%** of companies have policy statement documenting  
their commitment to the environment

**47%** of companies have a pollution prevention and waste  
management in place



### Contributing to Sustainable Communities

**211mm** clients benefitted from portfolio companies'  
activities, up from 136mm in 2017

**65k** suppliers providing goods and services to portfolio  
companies, including 33k smallholder farmers

<sup>1</sup> Please refer to Appendix A - Methodology - on how figures were obtained as well as for attribution considerations

# Appendix A : Methodology

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*Sarona's annual Values Report is the culmination of months of quantitative and qualitative data gathering from our underlying funds and investee companies.*

Annually, Sarona requests data relating to 22 pre-agreed Impact Reporting & Investment Standards (IRIS) metrics from all companies to whom our four portfolios have provided equity capital, either directly or indirectly through the underlying private equity funds. These four portfolios include: Sarona Frontier Markets Funds 1 & 2 as well as the Sarona Trade Finance Fund and the MEDA Risk Capital Fund (MEDA managed account).

There are 296 companies across Sarona's portfolios, of which 229 are active companies. The difference between these two figures are companies excluded from the impact survey as they are private debt investments held in pooled credit funds. Of the active companies, some have stopped operations and are also excluded from the impact survey which leaves us 229 companies that are active and operational. Of these, 192 provided impact data to Sarona, an 84% response rate. Sarona received this data through impact questionnaires we sent and/or ESG reports shared with Sarona. Sarona then cleaned and aggregated the data to allow for an analysis of the results.

To obtain a more complete picture of Sarona's impact, we modified our approach in 2016 to aggregating impact metrics across our portfolio companies. In previous years, we reported based only on the data provided by the underlying managers for their companies. Since 2016, in addition to the data supplied by the companies, we used an extrapolation technique to statistically estimate the data for companies that did not complete the questionnaire.

As a result, total figures for all 229 companies in this report are calculated as the sum of the responses from the 192 reporting companies plus the median of those responses multiplied by the number of companies that did not respond.

In addition to the quantitative data, we also collect qualitative data on the impact of our portfolio companies and funds. During 2018, we interacted with all our GPs and with a select number of their investee companies. The report includes 6 case studies which illustrate Sarona's impact across our investment mandates, regions, sectors and impact themes.

## Impact attribution considerations

This report reflects quantitative data relating to companies in their entirety, not pro-rata relating to Sarona's ownership. We believe Sarona has significant impact on the investment industry ecosystem and therefore calculating attribution is very challenging. For readers' information only, we own an indicative average of 4.2% of the 229 companies mentioned, whether directly or indirectly through funds.

Sarona investments	Count	Sarona weighted average ownership
Underlying funds	35	8.7%
Investment in companies through funds	229	3.5%
Direct investments in companies	14	6.1%