

'CSR und Nachhaltiges Investieren in Afrika' Corporate Sustainability & Response-ability (CSR*): Investing in Africa

CRIC- KONFERENZ, Frankfurt am Main
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Founder, Growing Businesses Foundation



We must re-imagine & re-frame what it means to be African in this historical moment...

What is most important is that we seek to reframe the way that our minds 'see' the problem.

The **first** is to break from what Fanon called 'nauseating mimicry', namely the tendency to assume that solutions developed elsewhere are superior to those developed by Africans.

The **second** is the break from the assumption that nineteenth century social and economic sciences are adequate for addressing twenty-first century challenges.

The **third** break is about ending the love affair with a particular conception of 'modernity' which has resulted in our unsustainable state of world affairs!



What can we do differently?

build a new narrative of hope by harnessing a more ‘moral and spiritual way of war’ against imperialist ideals and institutions that operate on strategies of ‘defeat, destroy, devastate’.

By fostering narratives that draw on the power of ‘**remembrance**, **reverence**, and **resurrection**’ we are afforded the means to re-imagine hope through ‘radical love and revolutionary praxis’ . *Cornell West, 2017



1. Remembrance: re-remembering what it means to be **human** in this world



Africa offers not a new world order, but a place from where we all can engage in the process of remembering what it means to be human. A place that is grounded in a relational ethical imperative of becoming-with-others.

- **Radical relationality**: the power of the concept of *Ubuntu/Bumuntu* or *Iwa* (Yoruba), *Umunne* (Igbo) and *Suban* (Akan), *Ukama* (Shona)
- one cannot be a complete human being without the reciprocal affirmation of other human beings—*umntu ngumtu ngabantu*; ‘*Ugwu belu, egbe belu...*’
- it is a human being who makes another person a human being
- This relational view is extended also to non-living or transcendent beings ie environmental factors...

2. Reverence: re-claiming ownership of our 'cultural heritage...

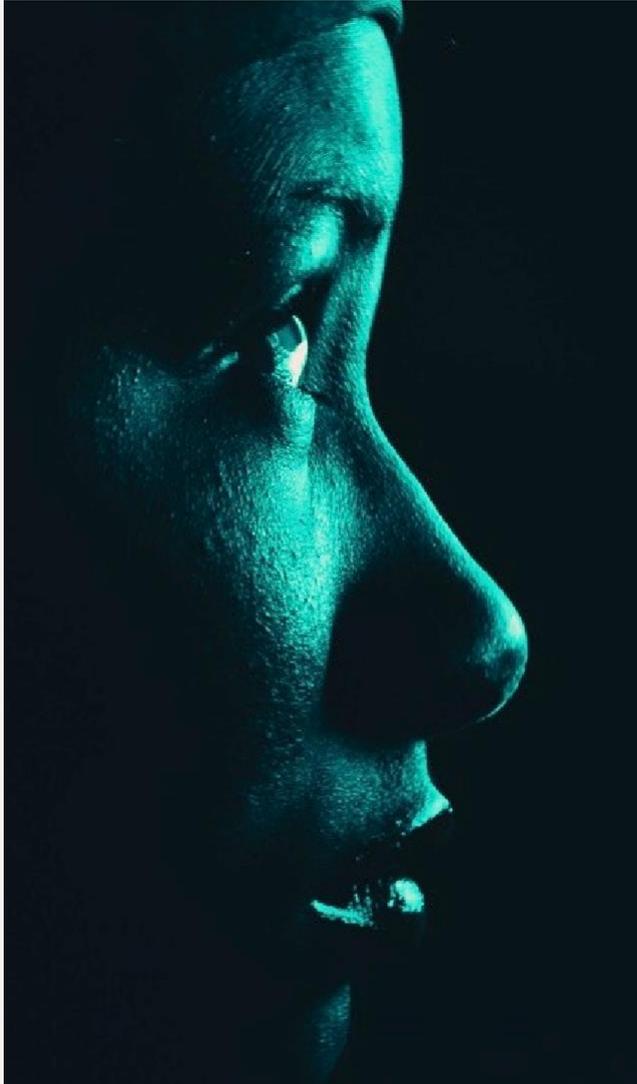
To deeply respect who we are to the extent that we can re-claim our context by re-claiming the deep cultural African traditions and forging ethical values and societal norms that honour and respect our existential entanglement, by drawing on the 'invisible fields of our hidden genius' - Ben Okri.

- acknowledge the reality of our woundedness i.e. embrace the concerns of stakeholders
- transform neoliberal value systems by appealing to the self-interest as well as the individual/communal interests i.e. the common good
- pay more attention to the core values of our employees and our local environment, host communities and traditional cultures because these warehouse our core value and ethical roots.

From: Mamphela Ramphela, Mark Swilling, Rika Preiser, Ndidi Nnoli-Edozien et al. 2020. *Towards new narratives of hope for fostering transformative African futures*. African Chapter of the Club of Rome Perspective Paper.



3. Resurrection: shared value, by leveraging modes of African leadership & community



We are called to combine our knowledge of the past and present with cultural, normative and ecological place-based practices to inform relational modes of governance that will bring the change we seek:

- Rethink economics' and in particular what this means for future trajectories of development
- Reinvent governance, in particular the design of state and political systems, including the balance between the public sector, the private sector and the commons;
- Redesign education, from the earliest age to the highest levels of tertiary education

Is it possible to imagine...?

*...a world in which development, business, job creation, access to credit, profit-making, etc. is enabled by **partnerships between Europe and Africa**, bringing positive social, economic and environmental impacts into every day living, starting with the way we do business, ie more inclusive, accountable and **equitable**.*

Yes, we can!



Partnership
is the new Green
& **Africa**
is key to the
EU Green Deal...

We are in a new leapfrog moment...



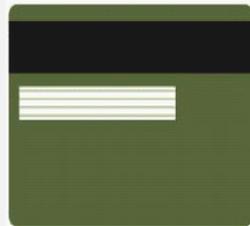
Cellphone (mobile)



Traditional phone



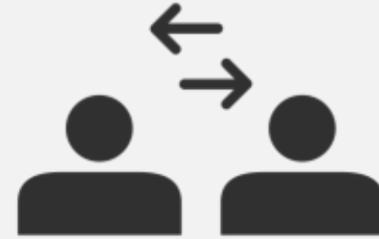
Mobile + Digital
(branchless Banking)



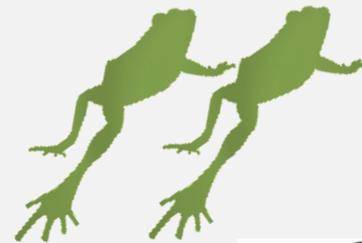
Magnetic
stripe card



Physical Bank
branches



Decentralized finance
(DeFi)
Based on blockchains



Bank-2- Peer financing

Source:



TòròNet Chain



AfriKairos
Empowering Businesses

It's time to embrace a new narrative...

Climate Change & Resource Scarcity



Climate change **increases the risk of hunger and poverty (SDG 1 & 2)** across much of Africa over the next 60 years. Businesses & governments facing are innovating and investing in response to this risk.

Demography



In Sub-Saharan Africa, where the **population is projected to double** by 2050, the population of **working-age people is growing** faster than in any other age group, offering opportunities for sustainable economic growth.

Urbanization



Africa is projected to have the **fastest urban growth rate in the world**: by 2050, Africa's cities will be home to an additional 950 million people. This offers great opportunities, but also significant ESG risks.

Knowledge Transfer



Africa's industrialization is rapidly progressing. The number of tech hubs across Africa grew by 40%, and knowledge transfer offers leapfrog opportunities. Increasingly, we see more innovation, incl. blockchain which opens new doors.

Inequality



The **gap between rich and poor is greatest in Africa than any other region.** The Reducing Inequality Index implies that it is possible for African countries to choose a path of equitable growth. This is an opportunity that excites the EU, presenting investment opportunities in Africa, creating new business opportunities that also protect their own markets.

The business case for sustainable investing...

Investors are looking at the overall impact of their investments

89 percent of investment managers indicate their firms will devote more resources to sustainable investing area in the next two years.

Governments (EU) are placing increased pressure on companies

By committing to SDG target 12.6, national governments have agreed “to encourage companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle”

ESG is a key consideration for business decision-making

More companies reconsider business relationships if they perceive companies are doing harm to the environment, society, economy and immediate host communities.

Financial rating agencies are extending their scope into ESG performance

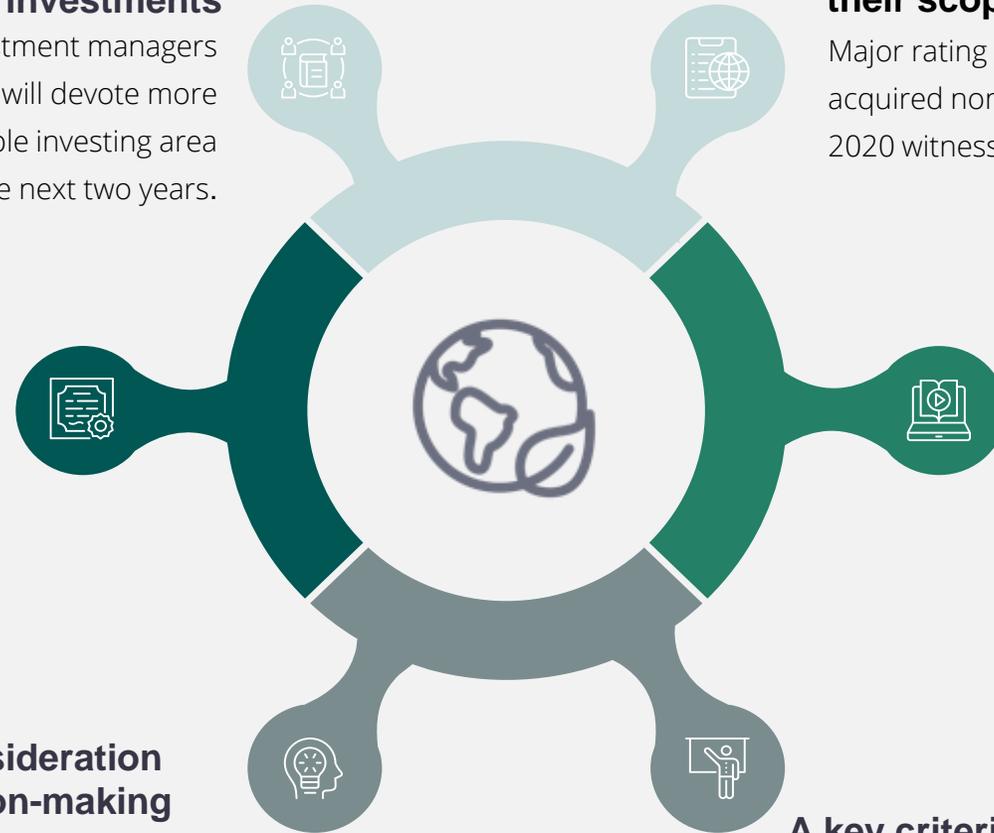
Major rating agencies (Moody's, ERM, S&P) acquired non-financial rating agencies in 2019. 2020 witnessed 17 ESG-related deals.

The EU continue to increase the pressure around sustainability

The number of regulatory actions more than tripled between 2016 and 2020. New sustainability regulations are being put forward at national and international levels. For instance, the EU taxonomy and the EU Green Deal influences how European businesses will view investments in Nigeria.

A key criteria in Knowledge Transfer from EU

An increasing number of companies consider ESG factors when considering whether or not to do business in Africa. This means there is an opportunity to partner between Europe and Africa



AfriKairos acts glocally (locally & globally):



Ex. CircularLagos

To prioritize Planet – People – Profits, action must be local and global. Lagos State is among the world's fastest growing mega-cities and home to Africa's largest businesses with an estd. population of 20million citizens. In Lagos, we created CircularLagos to support businesses and communities, environmentally, socially, economically.

CircularLagos

‘we are problem solvers, creators, entrepreneurs, and investors’



Stakeholder Workshop on Operationalizing Sustainability & Circular Economy Webinar

Delivered to you by AfriKairos and IOD on April 22, 2021 at 3pm (WAT)

This webinar introduces a range of perspectives on sustainability, circular economy, ESG Ratings and Integrated Reporting and also paves the way for a series of future



CEIP Circular Economy Masterclass - Lightning Round

Sponsored by AfriKairos and hosted by Lagos State Government and Circular Economy Innovation Partnership (CEIP)

CEIP Circular Economy Masterclasses are intensive hands-on programmes designed to introduce participants to key Circular



Lagos State Roundtable on Circular Economy: "Circular Lagos"

Sponsored by AfriKairos and organised by CEIP in partnership with the Ministry of Economic Planning & Budget, Lagos State. The Roundtable seeks to:

- Learn from leading countries emerging best practices and innovations in circular economy as Lagos State drive economic

Match Making

- ✓ We offer to be the bridge between entities to strive and create resilient companies with the knowledge, resources, and growth to expand and evolve globally.
- ✓ By linking companies across continents and markets, through consultancy, forums, and more, we create an environment of innovation where mentorship, growth, and learning can be implemented along with the integration of more sustainable thinking and entrepreneurship.





Case Study: Rising Tide Africa



The 4 Pillars of Rising Tide Africa



Rising Tide Africa also engages in educating and training women to become sophisticated angel investors through its Program, while offering them the opportunity to build a diversified portfolio of investments and receive mentoring from other women who are experienced angel investors.

* There is also the membership committee that engages new members, organizes events, masterclasses for members

Selected RTA Portfolio Companies

RTA currently has 20 companies in our portfolio



Bankly provides the personal & technological touch points for the unbanked with secure, decentralized and convenient digital financial services.



Oze is a mobile app and platform that provides SMEs with the data they need to grow their business and access credit.



Amayi Foods is creating affordable and tasty products to increase the convenience and speed of preparation of authentic African cuisine.



Seso global is a one stop shop for digital real estate transactions allowing for a secured end to end purchasing experience along the entire real estate value chain.



Migo.io is an embedded lending platform that enables companies to extend credit to consumers and small businesses in their own apps.



Nature's bounty owns the 'ReelFruit' brand of dried fruit and nut snacks. The company's products are sold B2C through retail stores and B2B to large-scale bakeries and FMCG companies



Automating domestic chores so that people can free up time for more productive and life-enriching activities. Eden assigns a well-trained concierge to supervise chores while clients monitor the status via the app.



Aruwa Capital Management A female-founded & led growth equity impact fund that aims to change the narrative for women as capital allocators, entrepreneurs, consumers & stakeholders in Africa & globally

Selected RTA Portfolio Companies



is building technology to connect emergency victims to first responders and hospitals in the community, ensuring they can receive proper care in a few minutes.



Creating quality, commercially viable films and television shows, for Nigerian and international audiences.



Nigerian digital media company creating super engaging content that African youth audience love.



A platform designed for local and international live TV channels, content distributors, film makers and independents TV producers to monetize premium, fresh and library content directly to consumers.



A platform that uses data to solve the inefficiencies of e-commerce for merchants and businesses in West Africa



Technology service company with vast experience in consulting, designing, procuring and installing enterprise grade wireless distribution networks, cloud based surveillance networks and wifi offload systems.



An African focused sports betting, gaming and entertainment company set out to bring betting to life in a safe responsible and ultimately sustainable way (done as a syndicate with Lagos Angel Network)



A ride sharing platform for professionals.



A platform harnessing the power of data and artificial intelligence to help school and parents intervene in real time to children's learning gaps.



An authentication technology that solution that protects shoppers from buying fake products by offering consumer intelligence, anti counterfeiting and provides manufacturers with a way to engage their consumers directly.



Omnibiz is a unified digital distribution platform enhancing traditional trade in developing markets.



A platform for democratizing access to investment for Africans in the diaspora and on the continent, who have traditionally been overlooked and undeserved.



2017



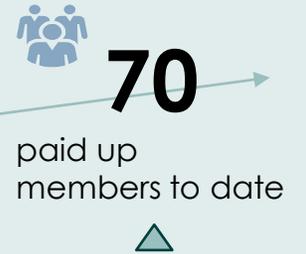
2018



2019



2020



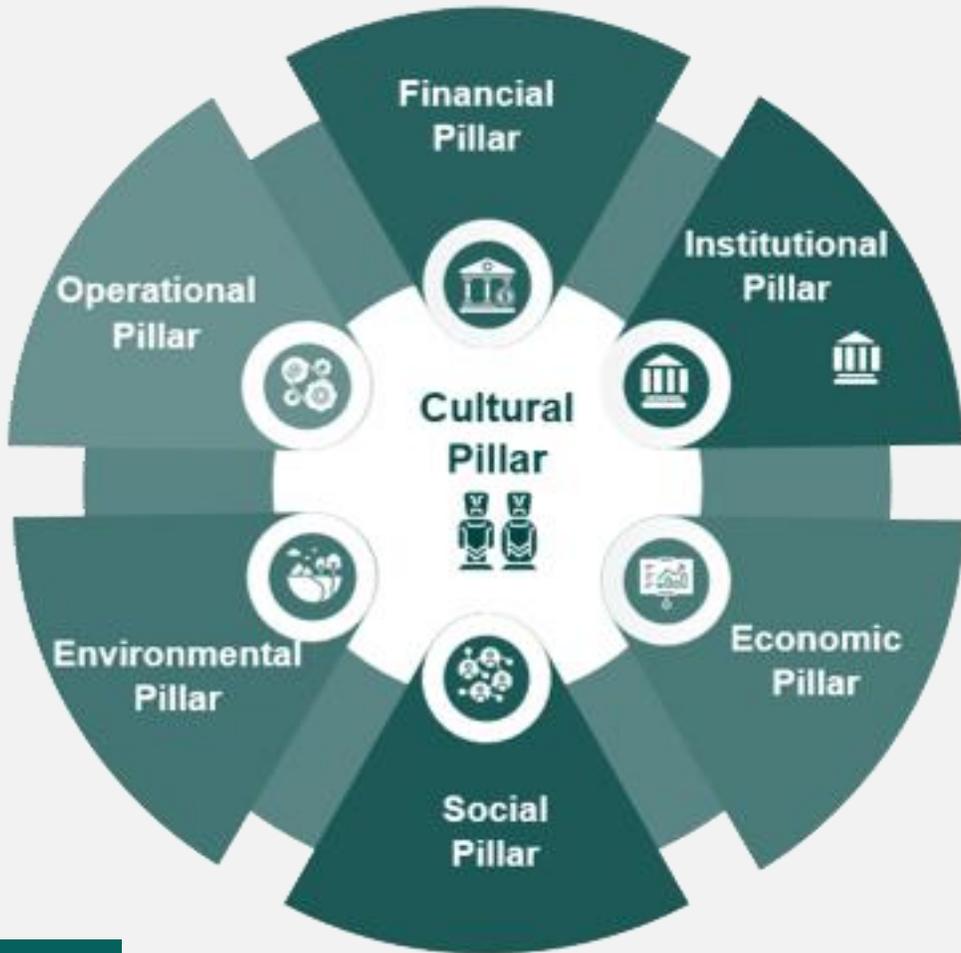
2021





HOW WE DESIGN CULTURE-FIT
SOLUTIONS

The Afrikairos-SevenPillars Approach



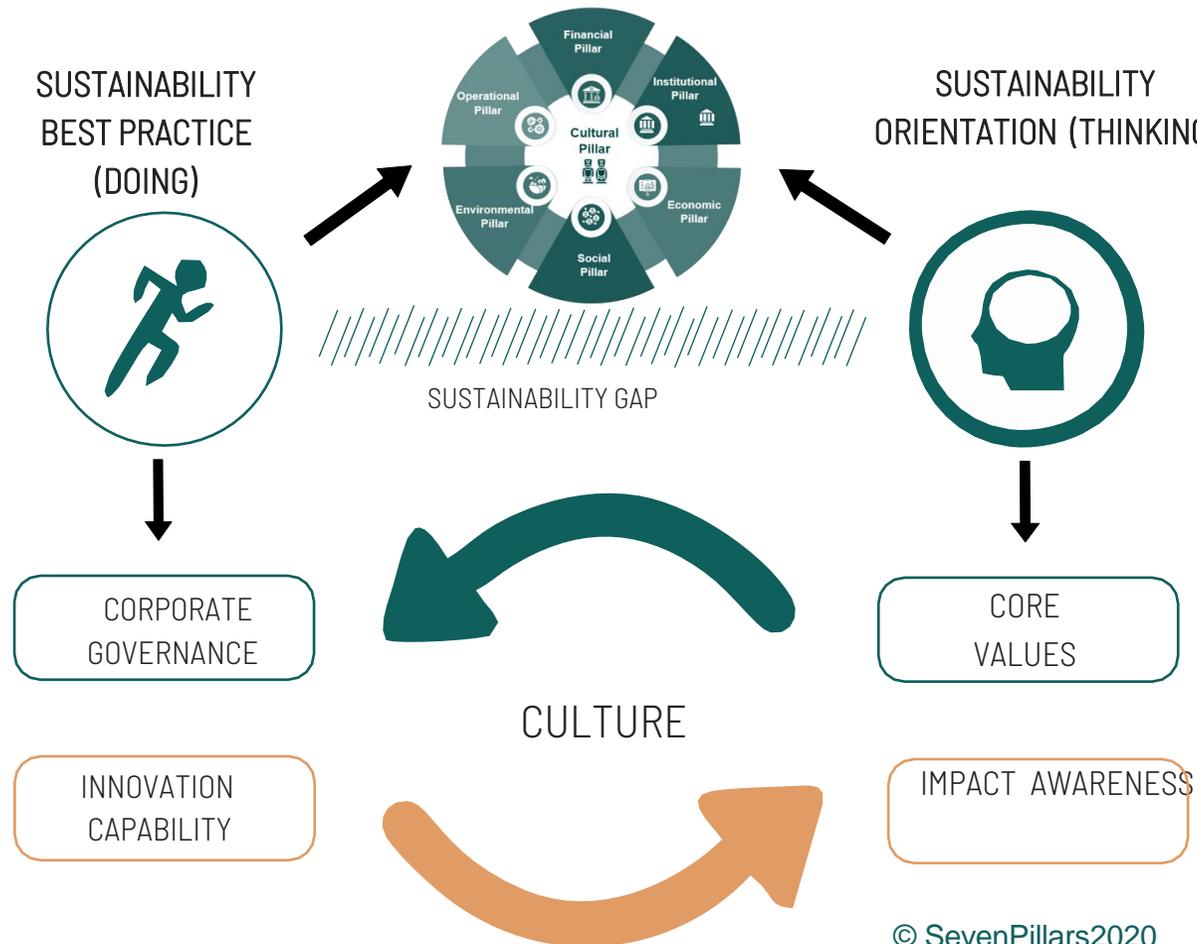
Sustainability, especially for us as Africans, requires leaning on indigenous wisdom passed down from past generations, to manage the present and safeguard the future.

This means developing a sustainability consciousness at the highest level of governance, proactively managing ESG RISKS at every level of business operations and also considering evolving regulations and laws.

The SevenPillars Approach to Sustainability builds on the Frankfurt Hohenheimer Leitfaden, advocates for the inclusion of all business functions, and the development of a sustainability culture that makes everyone an accountable stakeholder on the shared and/or corporate sustainability journey...

1. The Seven Pillars Approach: is designed to close the sustainability gap

Aligning Sustainability Thought and Action



It is our shared responsibility to **address the present conflict between people, planet and profit**. That means we need to shift from ticking boxes for reports to responsible and conscious decision-making in the realm of finance, production and consumption. For instance, circular economy initiatives should not just tick the box for recycled e-waste streams but rather finance business strategies that eliminate negative environmental impact, and create new job opportunities and lifestyles.

Investments in social, economic and environmental projects, requires us to confirm materiality among stakeholders, evaluate ESG risks, prioritize our actions, and set clear targets and timelines investors and donors can monitor.

2. The ESG-Rating/Sustainability gap

ISS ESG

ESG Corporate Rating

Company Information	Key Results	
Country South Africa	Rating D+	Decile Rank 6
ISIN ZAE000042164	Transparency Level High	Performance score 29.66
Industry Telecommunications	Status Not Prime	Prime Threshold C+

Absolute Rating

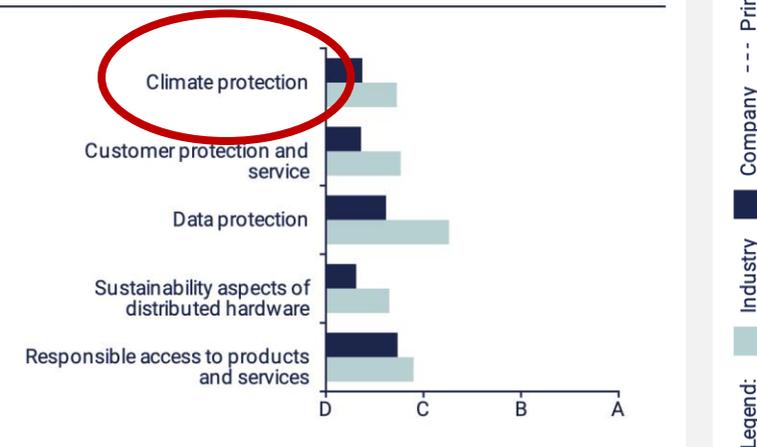
D- D **D+** C- C C+ B- B B+ A- A A+

The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively.

Example of Climate Protection Rating in African firms

- Often ESG Rating criteria do not properly assess the organizational impact and risks in African companies
- We need to acknowledge actual impact on climate change
- Estimate/Measure scope 3 emissions
- Disclose all methodologies
- Make this information externally verified with reasonable assurance and more than 80% scope
- Define a science based target
- Evaluate the action plan to achieve reduction targets

Key Issue Performance



3. The ESG regulatory gap, local & global

Align internal sustainability KPIs and regulatory compliance requirements

The private sector and public sector working collaboratively is required to help economies back on the growth trajectory. This requires evidence-based decision-making and partnerships on

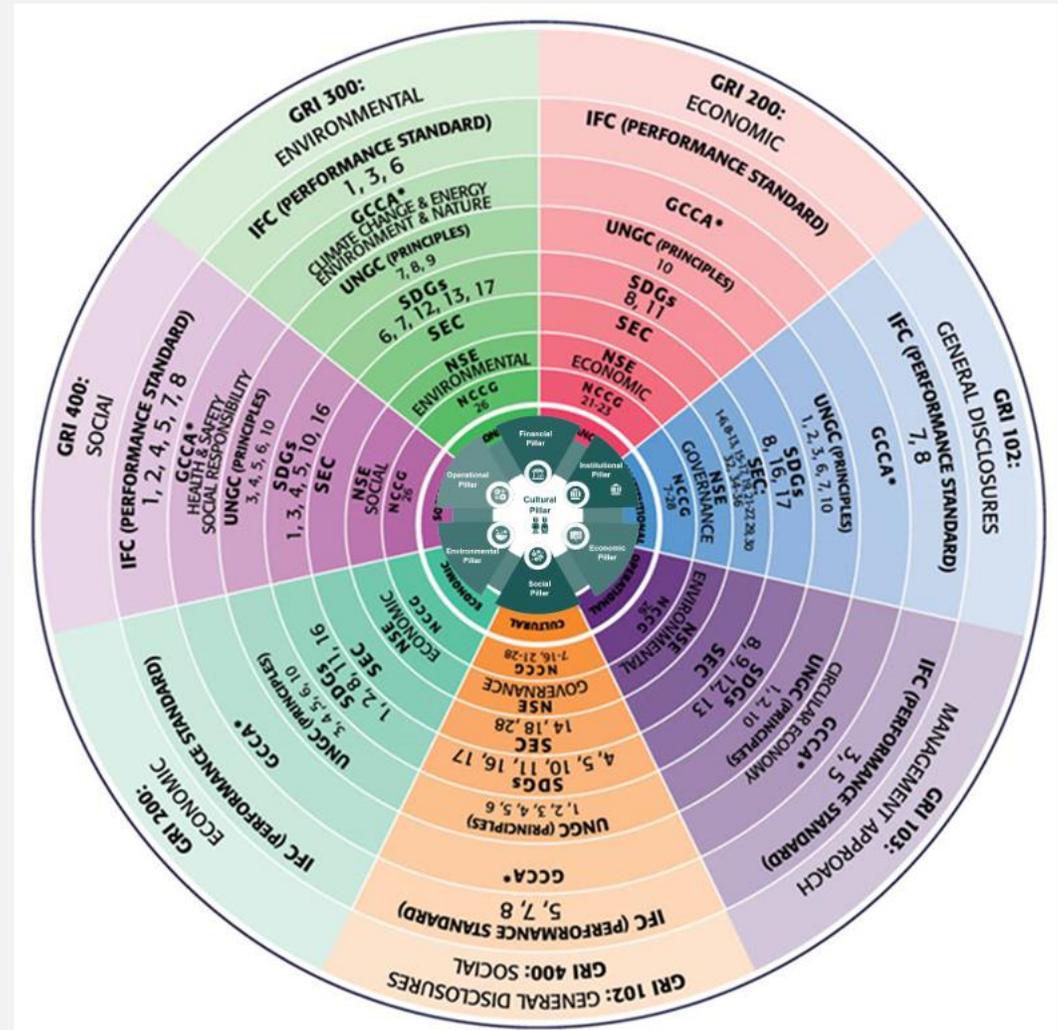
- Economic Growth, including the digital economy;
- Job Creation and Inclusive Growth
- Significant Social, Economic & Environmental Impacts

- ✓ **SEC** - Securities & Exchange Commission
- ✓ **GRI** - Global Reporting Initiative
- ✓ **IFC** - International Finance Corporation
- ✓ **UNGC** - United Nations Global Compact
- ✓ **SDG** - Sustainable Development Goals
- ✓ **NCCG** - Nigerian Code of Corporate Governance
- ✓ **NSE** - Nigerian Stock Exchange



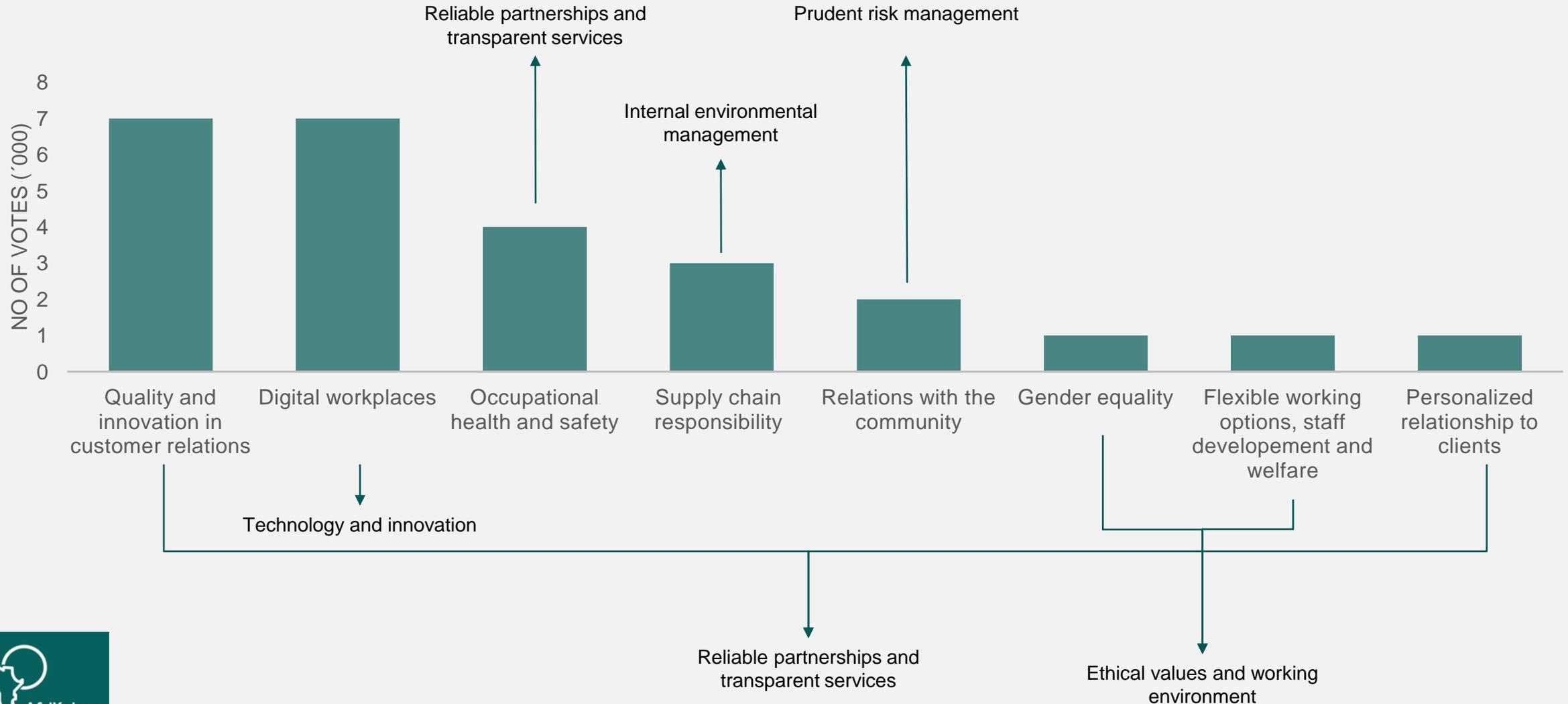
Value Chain & Supply Chain actors are often MSMEs...

To enhance sustainability performance and impact, vendors and suppliers should be incorporate as stakeholders & encouraged to adhere to minimum standards of professionalism, code of conduct and sustainable practices, underscored by periodic due-diligence on their processes, thus further mitigating third party ESG risk.



4. Closing the material impacts gap

Engaging stakeholders is key to identify material topics, measure and rank them



5. Closing the data integrity gap



The Seven Pillars Approach

Helps companies to implement a tailored sustainability solution, owned by employees and the board, in order to:

- Mitigate risks (including ESG, data integrity and reputational risks)
- Enhance positive impacts (social, economic, environmental)
- Increase financial performance and guarantee sustainable development through improved ESG rating and investor validation



Sustainability strategy development

Applying a change management approach to develop the authentic MTN Sustainability culture

- What are the key characteristics of the sustainability context you operate in?
- Where is your impact? (negative as well as positive)
- What is your current sustainability approach?
- What is material to your company? What are your sustainability goals?



Data collection, analysis and disclosure (Seven Pillars - Emex)

Disclosure according to global standards and benchmarks, backed by best in class systems deployed in devices and smartphones allowing effortless data entry/analysis

- Where are gaps in reporting according to ESG ratings?
- Which gaps can be fixed quickly? Where is need for improvement?
- Which data is currently collected? Which tools are used? What are staff capacities?

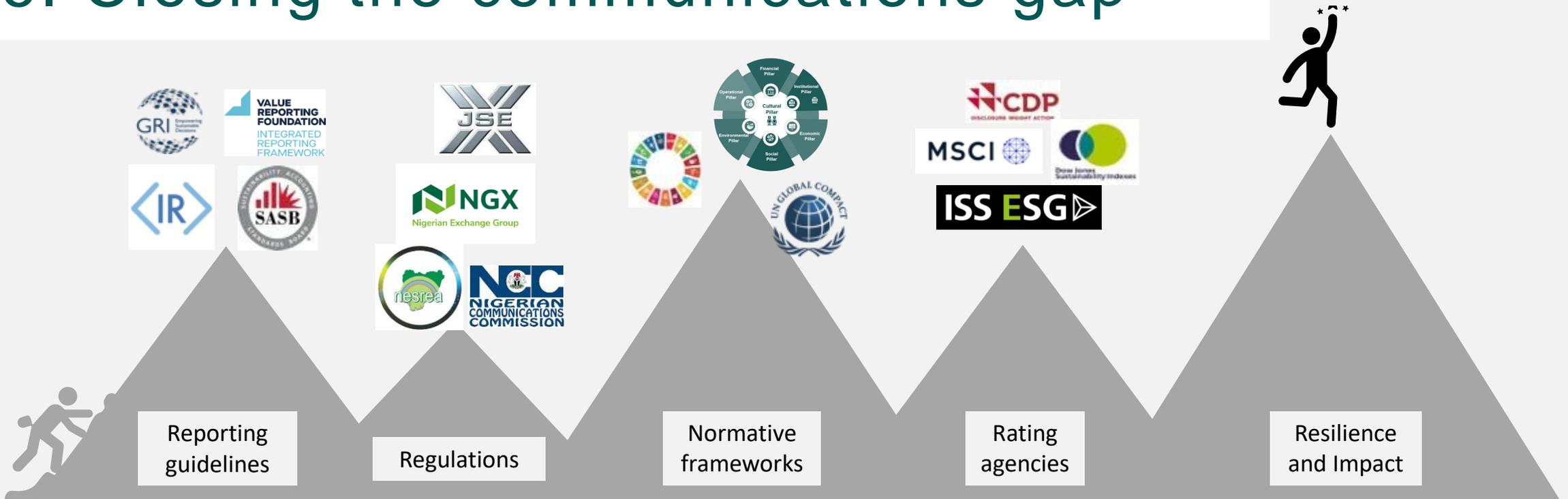


Sustainability driven innovation, positive impacts

Outlook and continuous improvements

- Increase impact by identifying new sustainable projects according to the strategic goals
- What impact and value do you want to bring in the future, including to EBITDA?
- What is the time frame for implementing your ESG impact and initiatives?

6. Closing the communications gap



Understand and meet your stakeholder expectations to choose your path



Build internal trust and achieve top performance based on capacity & a strong sustainability culture

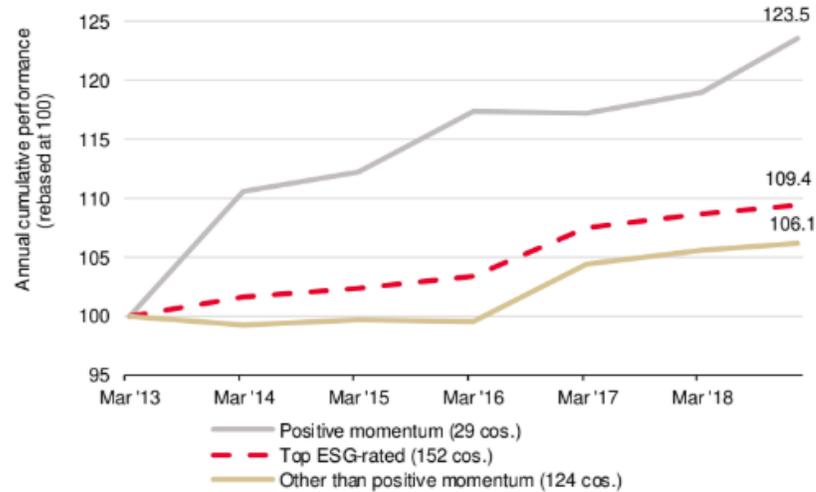


Communicate your performance efficiently to get recognition and leverage insights to innovate and win!

7. Influencing Markets

Companies with strong ESG ratings outperform others!

Stocks with improved ESG ratings (positive momentum) outperformed the top 30% ESG stocks

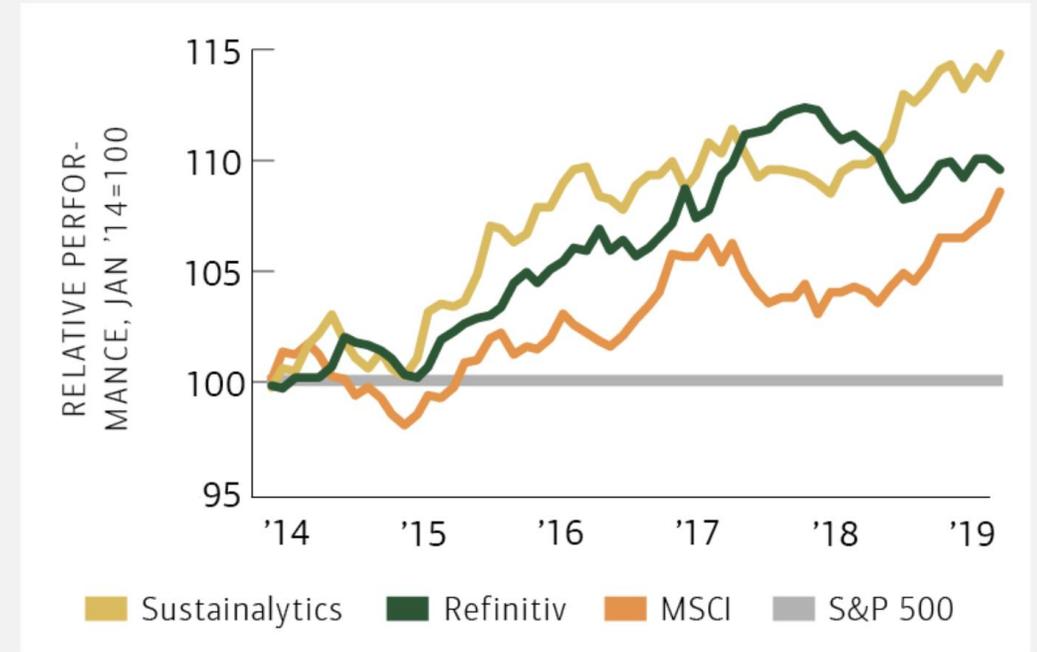


Source: SG Cross Asset Research/ESG (performance from March 15 '13 to Jan 15 '19 relative to STOXX 600)



Beating the benchmarks

Top ESG-ranked companies recorded better performance than the average S&P 500 company



Source: MSCI ESG Research LLC, Sustainalytics, Refinitiv, FactSet.

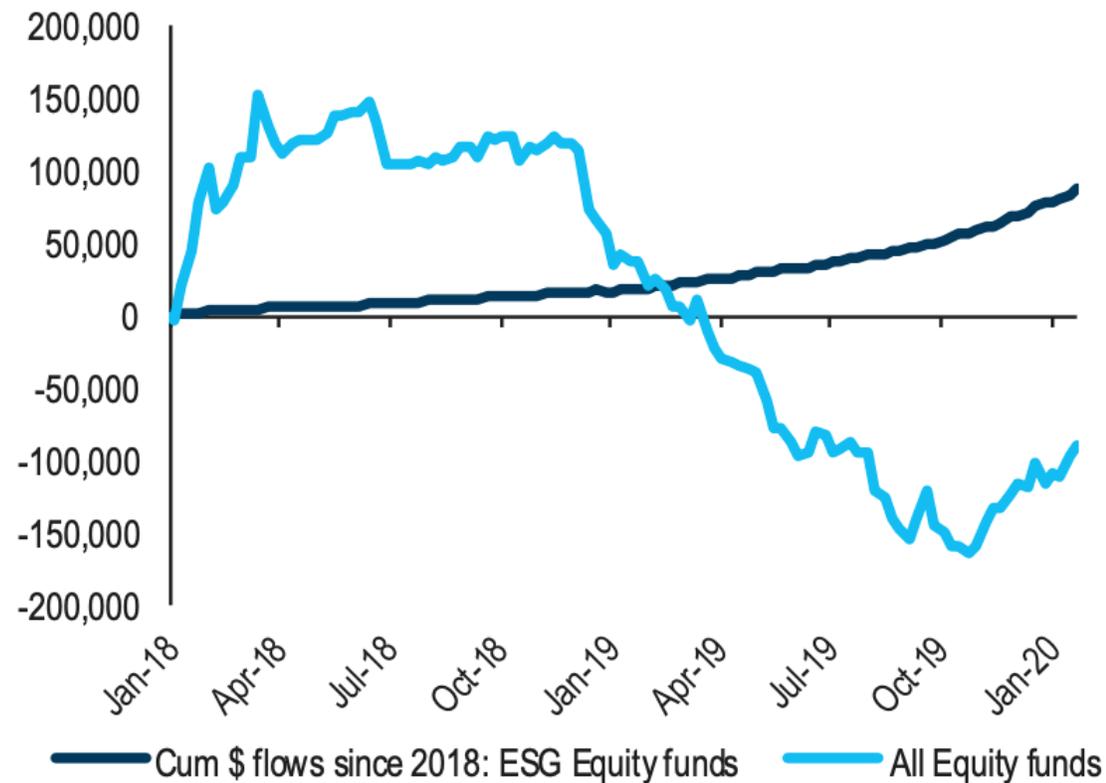
“Firms ignoring the climate crisis will go bankrupt”

Marck Carney, Governor UK Central Bank, The Guardian, 13 Oct 2019

8. Resilience follows from Sustainability...

Leverage ESG to secure social license to operate

Steady inflows to ESG funds stand in stark contrast to the outflows from the wider equity markets



Source: EPFR, Barclays Research

The SevenPillars Approach offers:

A people, culture & values centered approach

Data integrity and impact focus

Improved access to debt and capital markets

Quality engagement with stakeholders

Improve sustainability governance

Superior performance & business resilience

Opportunity to design culture-fit ESG solutions

Ex. SevenPillars Approach: customizing the ISS-ESG rating & FHG in Africa



Case Study #2: ESG Reporting with SevenPillars

A strong ESG score (and rating) is crucial for investment in today's markets.

With the SevenPillars Approach, we spanned Environmental, Social, and Governance metrics across the organization using the SevenPillars framework, but creating one streamlined platform for reporting, whilst ensuring accountability, decision-making and impact mapping...



Improved the visibility of positive/negative impact of our business



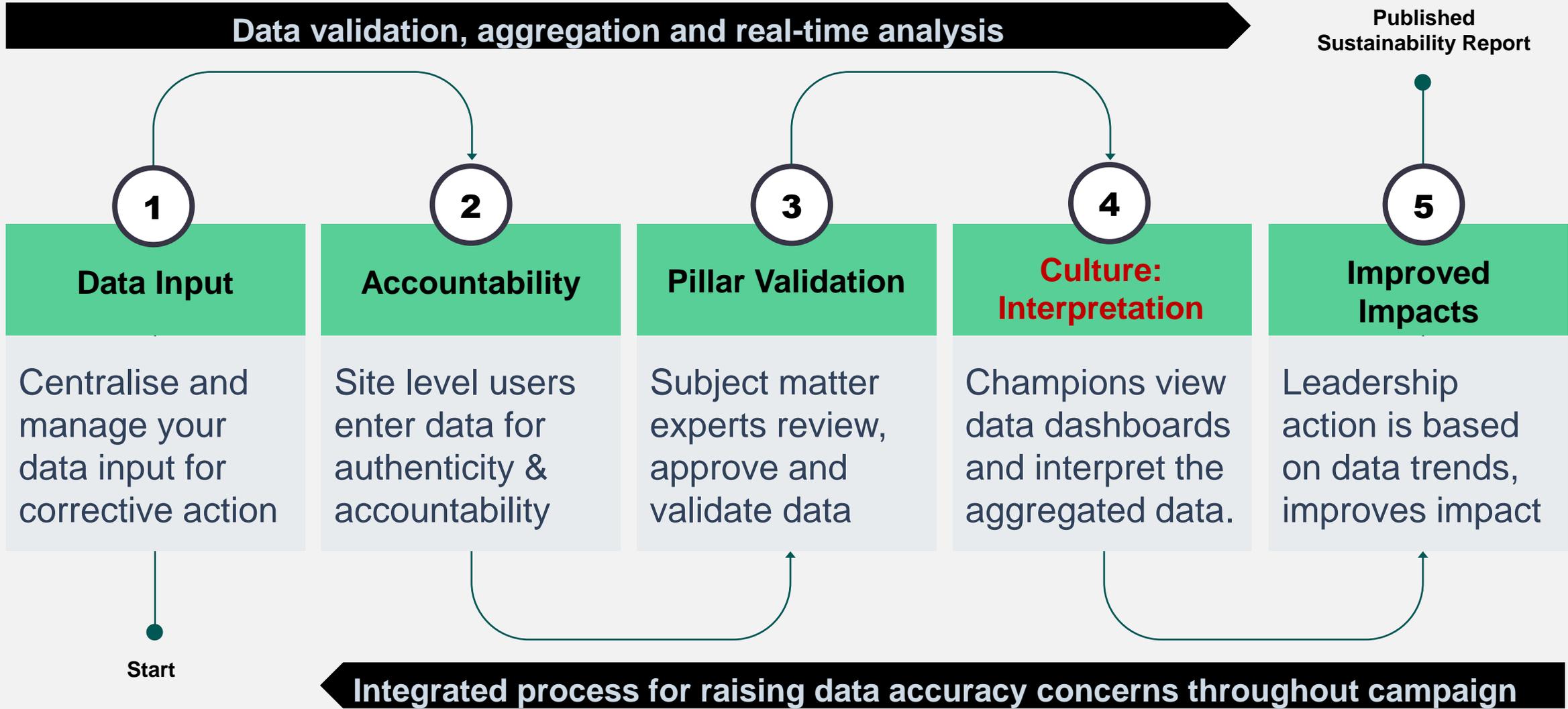
Enabled transparency & stakeholders' insights into business operations



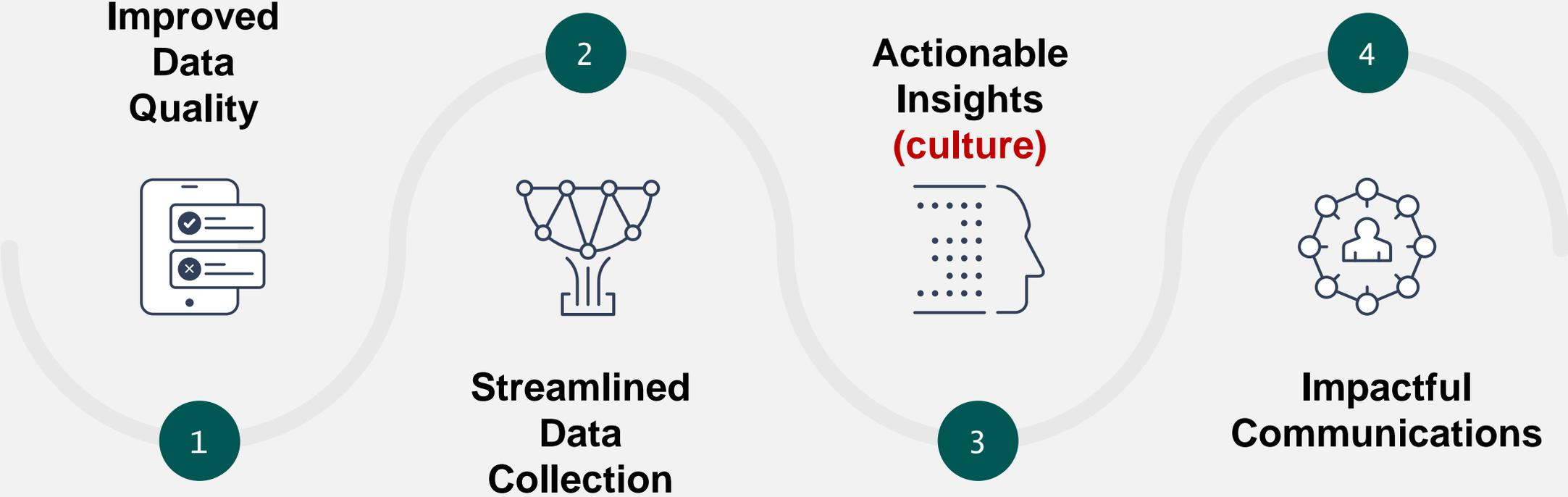
Leveraged qualified performance metrics to improve ESG impact

... so how did we integrate culture?

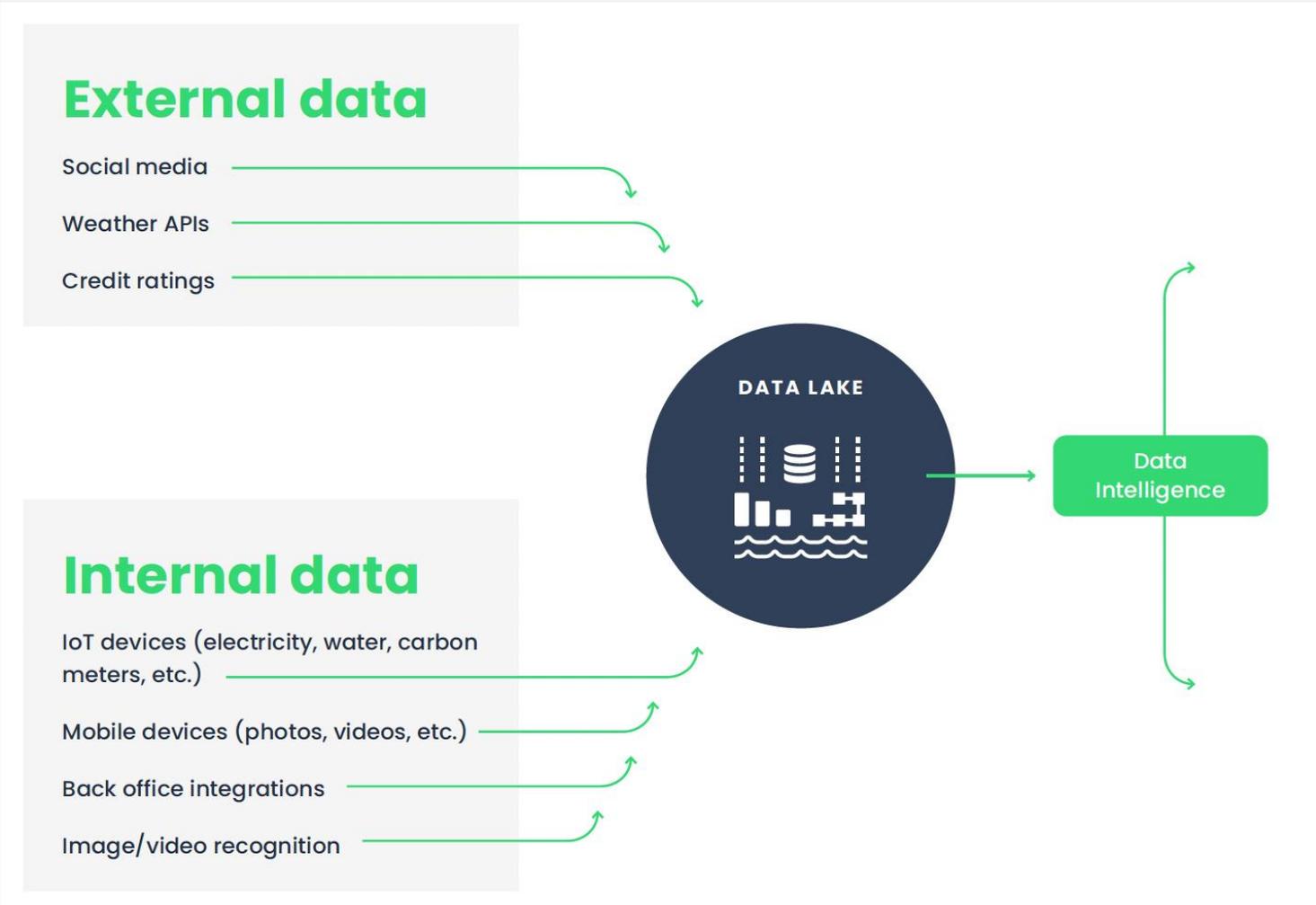
Lesson #1: Accountability, Culture & Impact



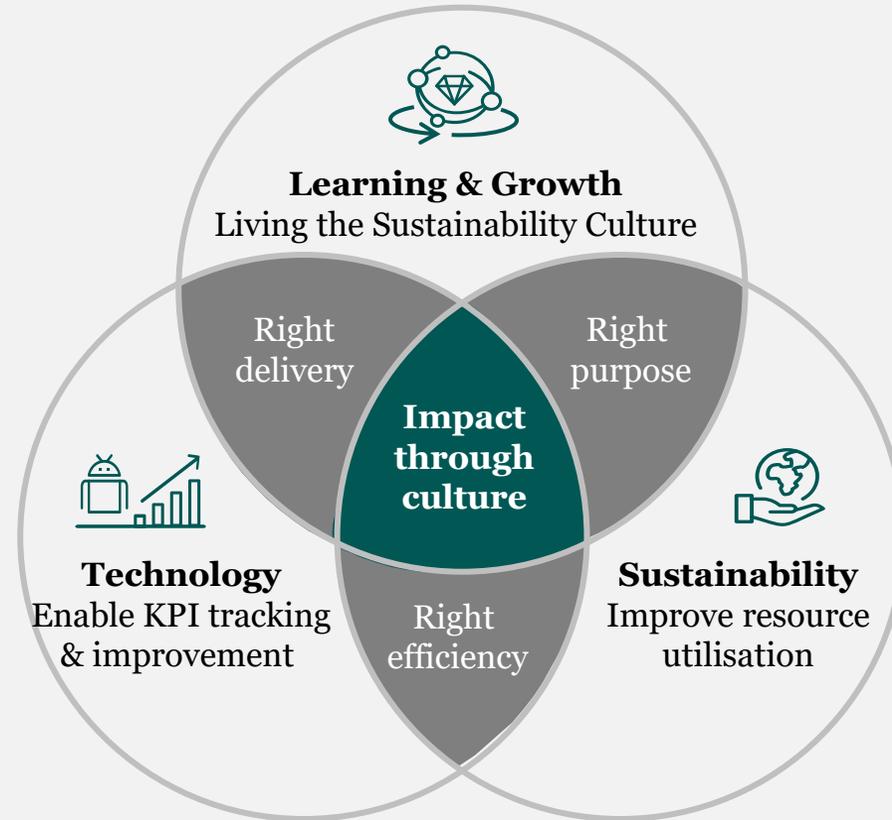
Lesson #2: Data, Culture & Communication



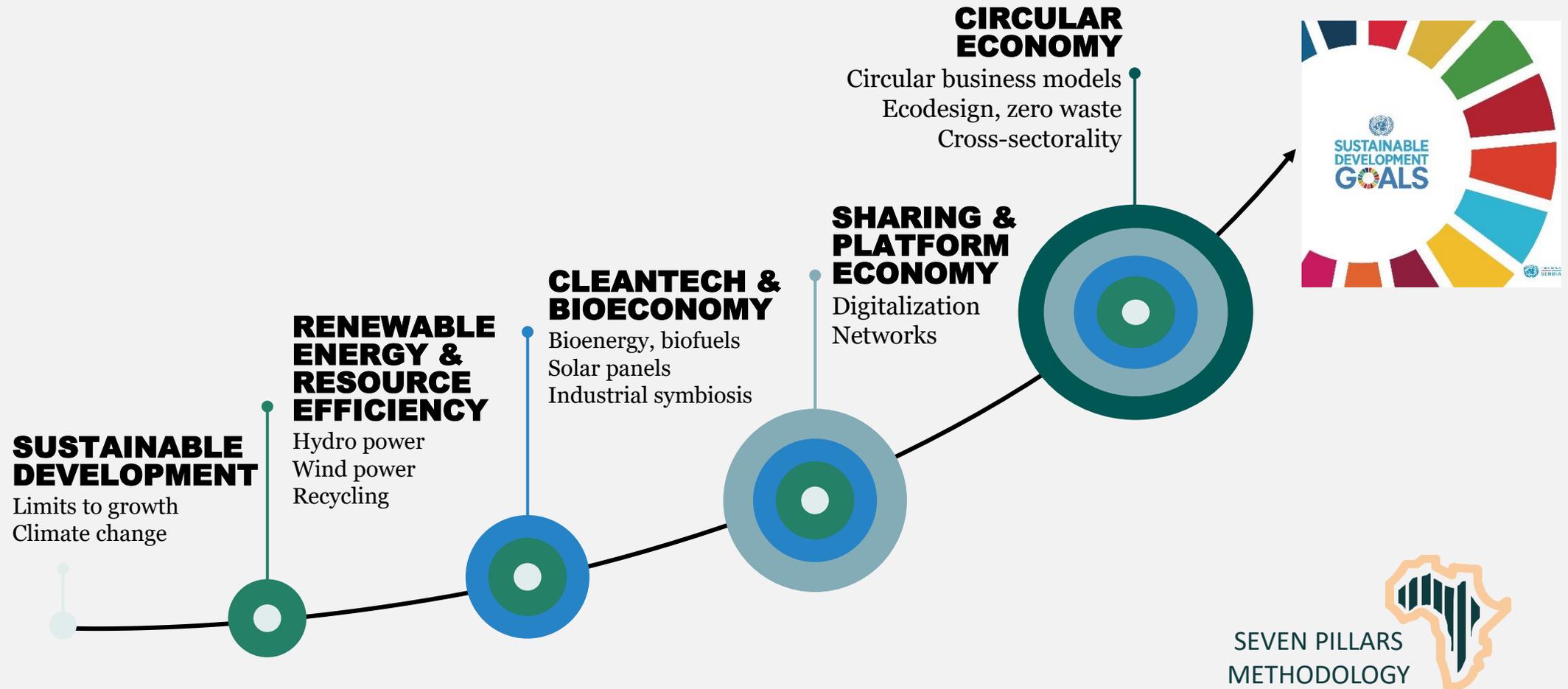
Lesson #3: Technology, Culture & People



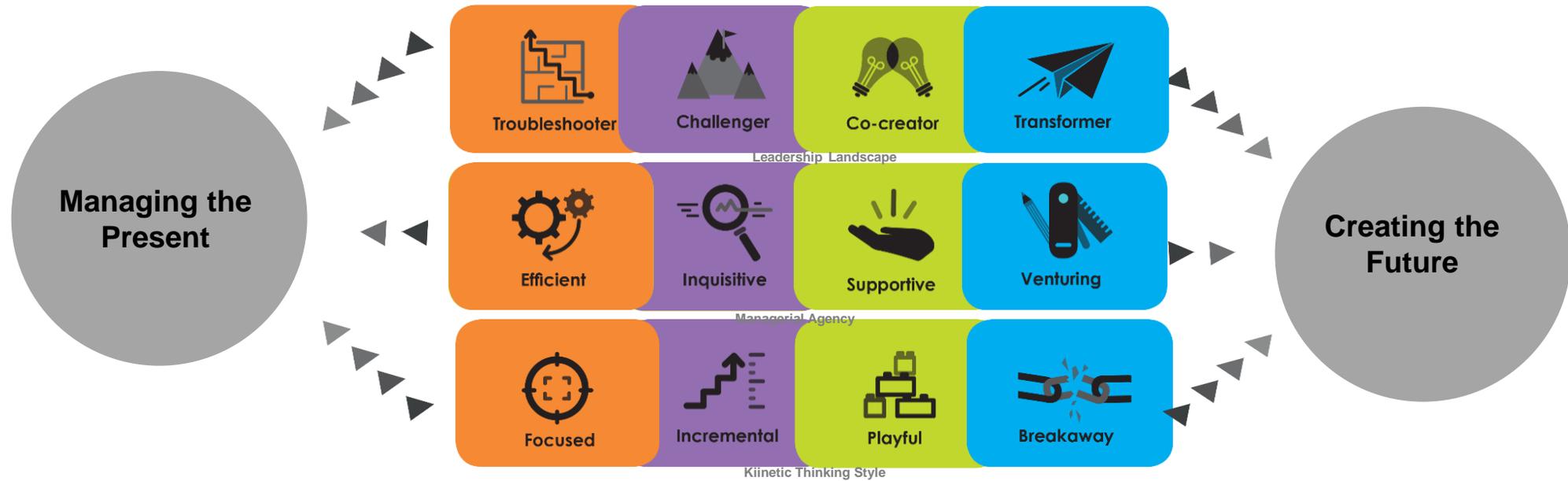
a. We aligned our Sustainability Mandate with Culture & Impact



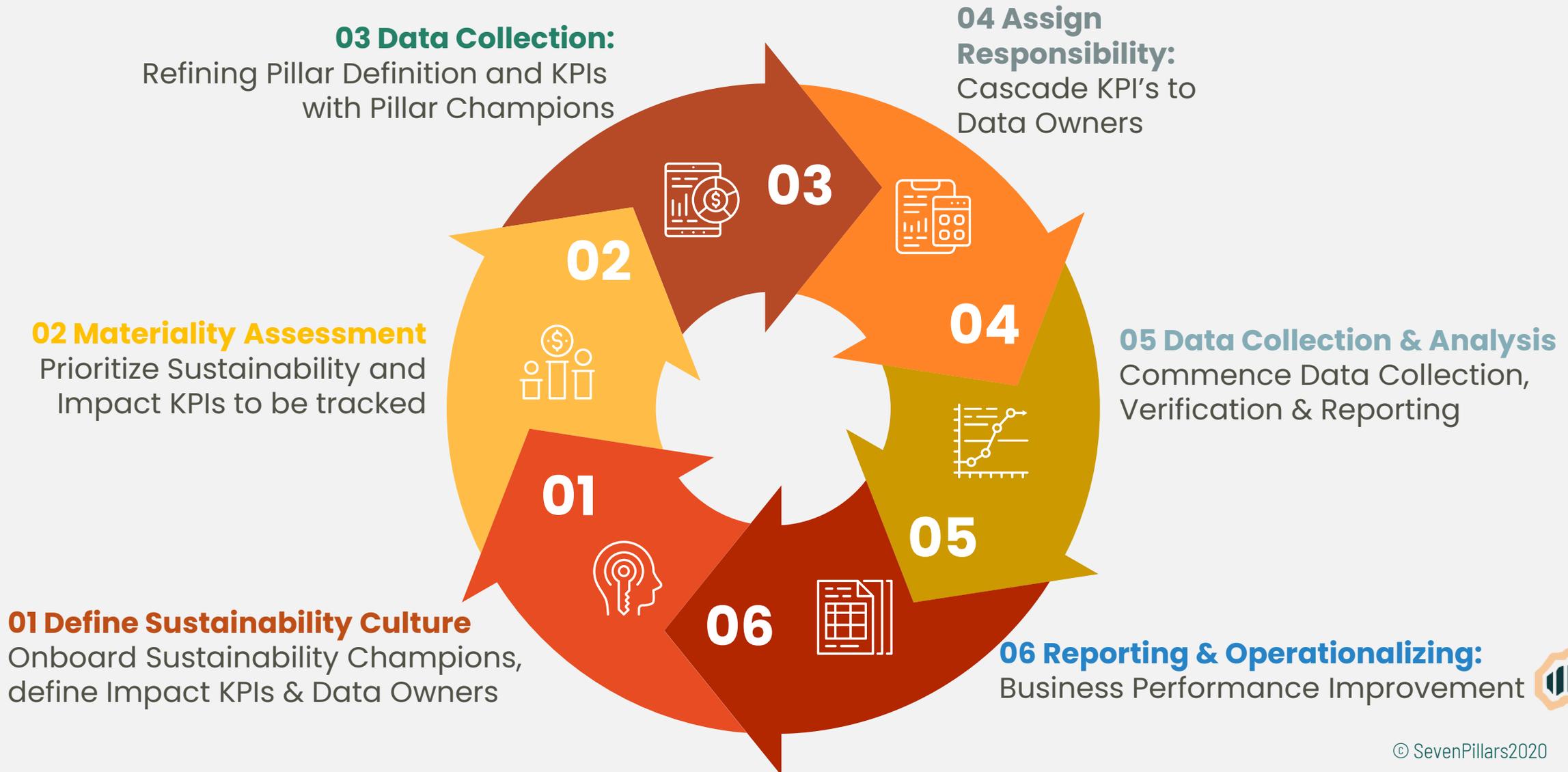
b. We prioritized Material Impact & Sustainability KPIs



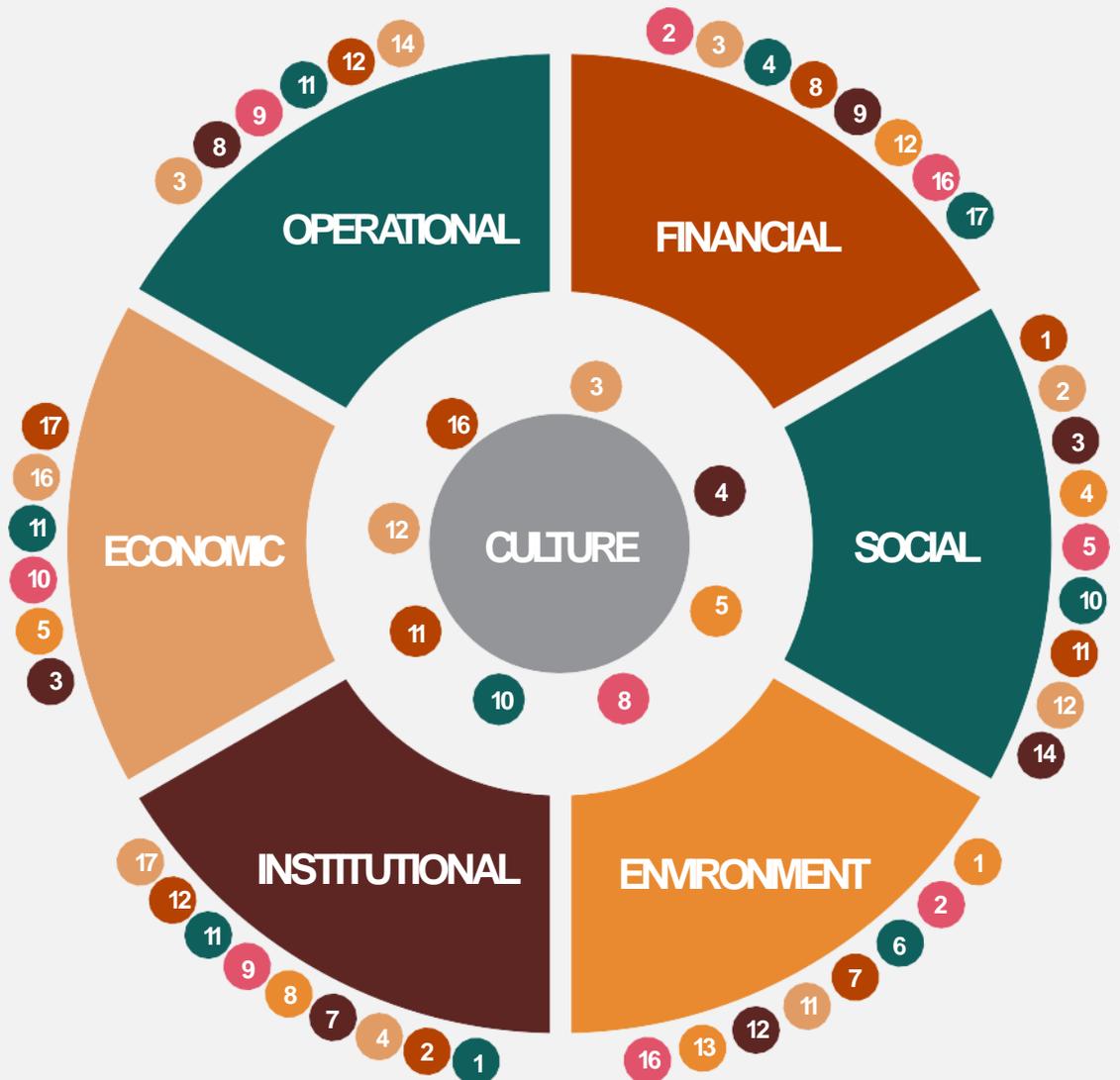
c. We leveraged Kinetic Thinking to build synergy....



d. We customized Sustainability Management Systems



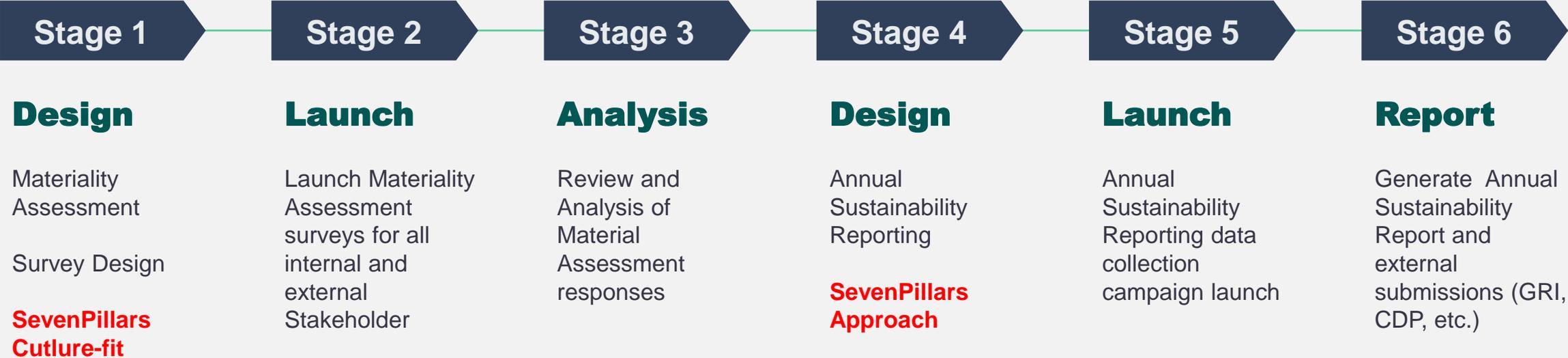
e. We aligned and embedded Impact & Culture



Embed Sustainability Culture
The external reporting culture is anchored in Corporate Culture (thinking and doing), with clear accountability among the Sustainability Pillar Champions.



Lesson #4: Design with Culture-fit in mind





GROWING BUSINESSES FOUNDATION

Where did it
all begin?





WHY?

According to the World Bank, 41% of the African population are living under the poverty line. The situation in Nigeria mirrors this as 40 percent of the total population, or almost **83 million people**, live below the country's poverty line of 137,430 naira (\$381.75) per year..

Source: World Bank



Click [here](#) to explore more on our website



WHAT?

For 21 years, Growing Businesses Foundation (GBF) combats poverty and create wealth at the base of the economic pyramid in Nigeria by promoting sustainable economic development led by socially responsible businesses and individuals.

Click [here](#) to explore more on our website

ABOUT US



*Sustainable Development led by
Socially Responsible Businesses and Individuals
...SINCE 1999*





ABOUT US



HOW?

GBF enhances collaboration amongst businesses, governments and non-profit organisations to create opportunities for people at the BOP through training, financial empowerment and research with a strategic focus on entrepreneurs, women and youth.

Click [here](#) to explore more on our website

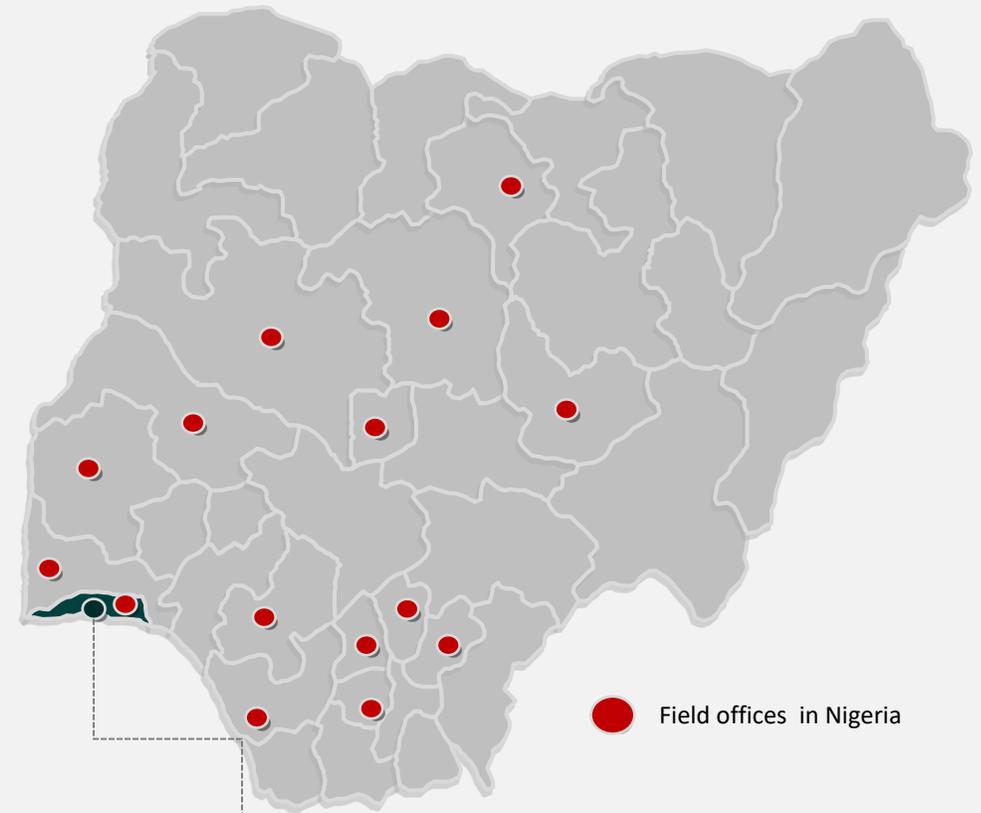




WHERE?

ABOUT US

GBF is present in all 36 states in Nigeria



Lagos
The GBF head office is in Lagos



Since 1999, GBF has directly impacted the lives of **over 2 million** people and **over 2,300** communities across Nigeria through our projects, served by 220 field staff



The GBF head office is in Lagos with field offices across 15 States in Nigeria

Click [here](#) to explore more on our website





WITH WHO?

At GBF we recognize that working with various organizations that share our common goal is essential in tackling poverty in Nigeria, thus ensuring that our interventions are targeted and effective - these are a few of our esteemed partners

ABOUT US



Click [here](#) to explore more on our website

THE GBF METHODOLOGY

Over the years, GBF has executed its mission under the framework of the project types below which make up the GBF methodology, our way of doing things . The following provides an overview of process breakdown and impact.



Microfinance Projects

These are projects where the beneficiaries are recruited, trained and empowered with loans to promote growth in their businesses.

Impact: In 21 years, we have administered over 800m loans with over a 94% average repayment rate.



Door to Door Projects

Under these projects, beneficiaries receive FMCG goods to sell and repay it's cost, thus expanding their business. Whilst selling these products door to door in their communities, these beneficiaries also advocate for sustainability

Impact: Over 900 communities reached and currently touching over 400.000 households in 16 states across Nigeria



Employment Opportunities Projects

These are projects where GBF discovers by scoping the areas, engages with stakeholders and possible beneficiaries, training beneficiaries in specific work categories and lastly connects them to meaningful work.

Impact: Over 11,000 actors identified for employment opportunities.

GBF PROCESS

EMPOWERMENT

ADVOCACY & STAKEHOLDER ENGAGEMENT



RECRUITMENT



Access to Products through loan/Product



Entrepreneurial Training



Research/Scoping exercise



Access to Financial Services and digital technology



Loan Management/Handholding



Loan Transfer to Funder

21 YEARS OF IMPACT

- Operations: 2,300+ Communities
- Impacted: 2 million: Nigerians since Establishment
- Capacity Building And Technical Assistance services: 200,000+ Micro-entrepreneurs
- Managed: N1.5Billion+ Microfinance Investment Portfolios

MONITORING AND EVALUATION

OUR METHODOLOGY

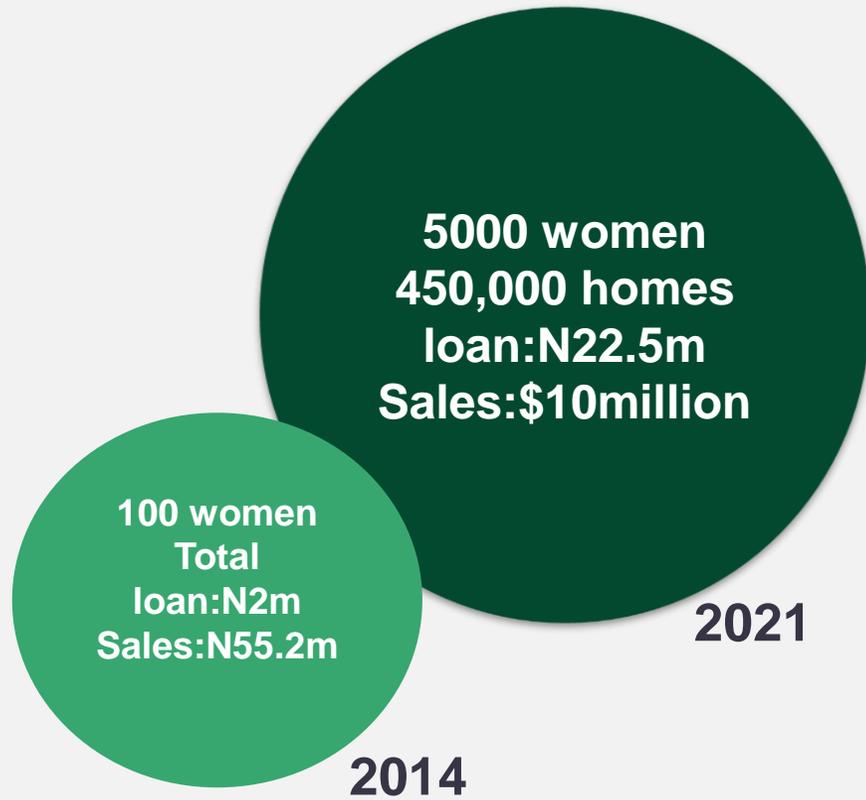
SUSTAINABLE FINANCE means...

97% average
repayment rate

**But access to Capital
has remained an issue...**



DOOR TO DOOR PROJECT: SHAKTI Women Empowerment Project success story



This started as a CSR project for our partners, the projects success in penetrating the rural market was significant, as the personal intervention element prove more effective as a marketing tool than the typical marketing & advertising tools. Thus, increasing their touchpoint in areas previously foreign to them.

Objectives: Empower Underprivileged Women (Social Objective)
Extend Direct Reach into Untapped Markets (Business Objective)
Brand Building Through Local Markets (Brand Objective).

8% ↑



Despite the severe economic downturn in Nigeria in 2020 due to the pandemic, sales still went up from N3.7b in 2019 to N3.98b in 2020 without an increase in women entrepreneurs.



900+

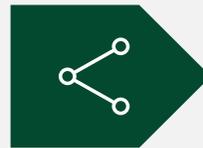
Present in over 900 communities in Nigeria

DESCRIPTION



Shakti: Rural Women Empowerment Program.
Main Partner: Unilever
Date: 2014 – ongoing

GBF'S ROLE



GBF's core function was to identify, select, verify and train these prospective Shakti entrepreneurs (women) in order to transform them into self-sustaining entrepreneurs.

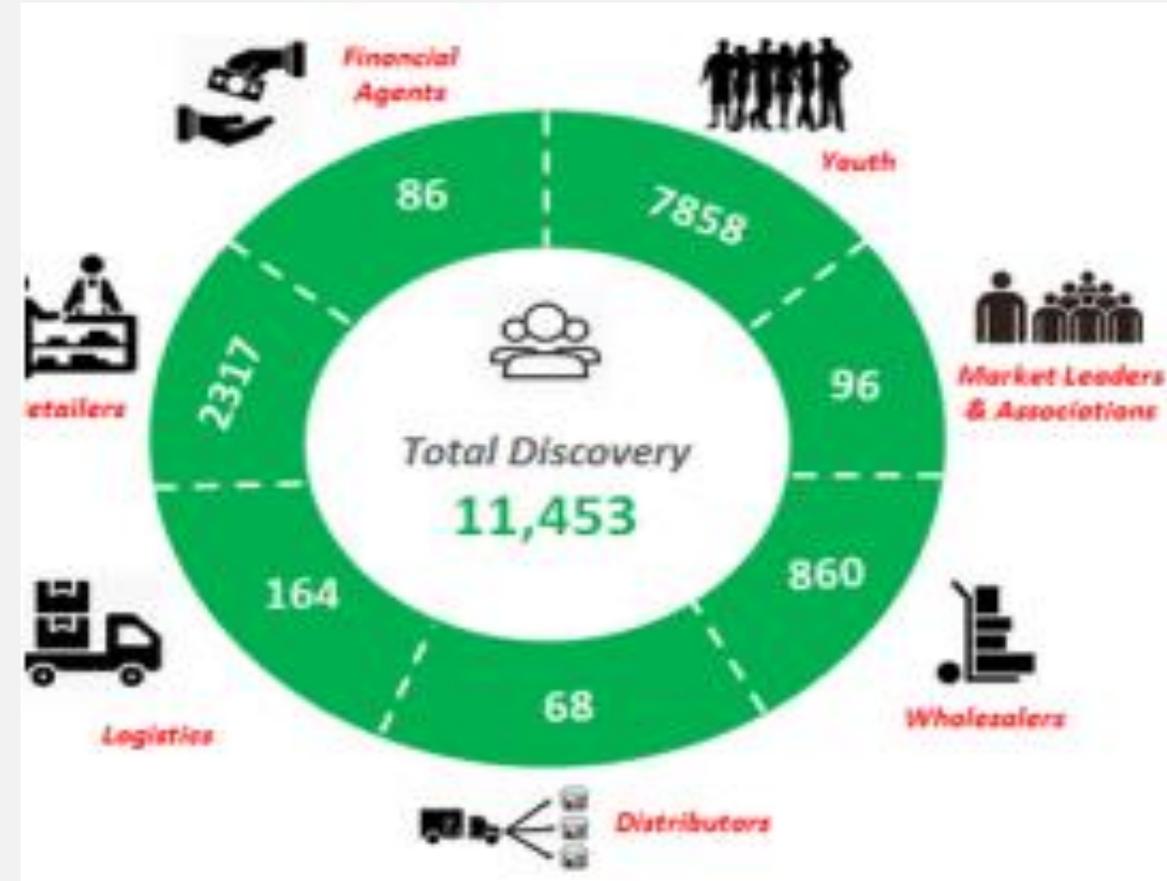


EMPLOYMENT OPPORTUNITIES: CONNECT TO WORK

NIGERIAN YOUTH

CONNECT TO WORK

Objective: The main objective is to connect 100,000 Nigerian youth to meaningful and dignified work.



GBF'S ROLE

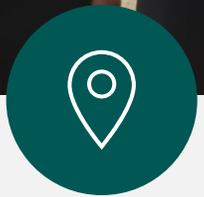
GBF's Role: GBF's core function is to conduct market audits; identify white spaces and recruit youth (and women) as beneficiaries of this project. OUR EXTENSIVE TRUST NETWORK AT THE BASE OF THE PYRAMID MAKES THIS POSSIBLE.



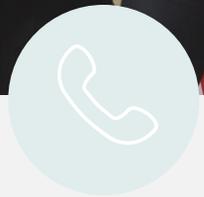
Faced by the magnitude of the unknown, we are led to the edge/limits of what analysis [and 'reality'] can do and then we point beyond—to what can and must be done by the human spirit.

Meadows, D. H. 2008. Thinking in systems. Earthscan, London, UK.





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