

News release

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CDC Group commits US \$100 million to ETG Group, supporting the lives of farmers across Africa and Asia



- **Investment aims to support over 550,000 farmers in Africa, improving crop yields and farmers' livelihoods.**
- **ETG connects smallholder farmers to global markets – a key tool for delivering significant development impact, enabling the financial independence of local farmers and increasing the availability of food staples.**
- **This commitment marks one of CDC's largest corporate debt investments.**

CDC Group, the UK's development finance institution and impact investor, has announced a US \$100 million debt commitment to ETG, an agricultural conglomerate connecting smallholder farmers to global markets through its operations in 48 countries worldwide. The debt commitment will support the growth of ETG's food and agriculture business, and it will help ETG strengthen food value chains by expanding its logistic networks, boosting agriculture yields and the production of staple foods such as grains, rice and cocoa.

ETG has long standing relationships with over 550,000 smallholder farmers across Africa, it helps to significantly improve their livelihoods by providing consistent future demand for their produce through access to regional and global markets; this enables their business to grow and ultimately improve their way of life. Operating a two-way logistics model, ETG drops fertilisers at the farmgate - improving crop quality - and then picks up the farmers produce to sell on the global market. ETG also provides warehousing and distribution centres giving farmers flexibility to store and sell their produce at the optimal time, thereby increasing their income potential substantially.

Furthermore, farmers supplying produce to ETG benefit from training, expert farming support and mechanisation which all lead to significantly improved yields. Its team of agronomists guides farmers on production of higher margin cash crops and crop rotation to ensure year-round stability.

As part of the funding facility, CDC will support ETG's ongoing efforts towards implementation and alignment with international Environmental & Social standards with enhanced focus on supply chain risk management, safeguarding work and procedures. ETG has strong ESG credentials, recently

launching a data driven agricultural intensification pilot project in Kenya to improve farmer productivity whilst enhancing the environmental risk management and climate resilience of ETG Kenya's food staples.

Anish Jain, Chief Treasury Officer of ETG, said: "We are extremely grateful for the support of CDC Group. ETG is excited to expand its existing presence in various markets and further offer support to communities across our extended footprint. ETG puts special focus on the development of smallholder farmers, linking them with international markets by utilizing its proprietary end-to-end supply chain.

Given CDC's focus on ESG frameworks, this facility marks a solid achievement for ETG to further strengthen its world class supply chain and mitigate risks in its operations. Including this CDC capital commitment, ETG has one-third of the loan book linked with ESG and Sustainability standards."

Tony Morgan, Managing Director & Head of Private Equity and Corporate Debt at CDC Group, said: "Agriculture and rural development are vital engines that are accelerating Africa's economic transformation and meeting global food and health needs. As these sectors continue to evolve and grow exponentially, this shift will be bolstered by a diversified, technologically-enabled, and commercially-oriented agro-industry –one that connects Africa's markets regionally and internationally.

The food and agriculture sector is a fundamental part of the development agenda, increasing the availability and accessibility of agricultural goods brings more nutritious food to the market, with the longer-term goal of improved food security and nutritional outcomes in countries where we invest.

We are delighted to deepen our partnership with ETG and look forward to the tremendous impact and economic development that CDC's patient capital will support."

Emma Wade Smith OBE, Her Majesty's Trade Commissioner for Africa at the UK Department for International Trade, said: "Improving access to markets for Africa's farmers is critical to food security, across the continent and the world. It is also essential to sustain and improve the livelihoods of Africa's farmers and their families.

The positive impact of this CDC investment goes well beyond the hundreds of thousands of smallholder farmers – many of whom are women - whose lives will be directly and positively affected. It also speaks to the UK Government's ambition to be Africa's investment partner of choice, providing support for the long-term that sustains jobs and enables technology-driven improvements to the way we do business together."

At \$100 million, the capital we've provided to ETG marks one of the largest corporate debt investments in CDC history.

The long-term partnership between CDC and ETG brought about by this commitment is a testament to the catalytic role that the agriculture and rural development sector will play in Africa's next phase of growth, over the next decade. This US \$100 million commitment also contributes to UN Sustainable Development Goals (SDGs) 2 (Zero hunger) and 8 (Decent work and economic growth).



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About CDC

1. CDC Group is the UK's impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa.
2. CDC is a leading player in the fight against climate change and a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.
3. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of \$6.2bn. This year CDC aims to invest up to \$1.75bn in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.
4. CDC is funded by the UK government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.
5. CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

About ETG:

ETG has developed into a global player with a presence in 48 countries, spanning 5 continents.

The Group has a diverse portfolio of expertise across various industries, encompassing agricultural inputs, logistics, merchandising, food processing and supply chain optimization.

We are passionate about the upliftment of farming communities, an unhindered commitment since establishment in 1967. *As a company, ETG is focused on going beyond opportunistic trading by building local infrastructure, creating, and maintaining strong on-the-ground teams within our origin countries.*

For more information, please visit www.etgworld.com