

Admaius

CAPITAL PARTNERS



ESG & IMPACT POLICY

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INTRODUCTION

At Admaius Capital Partners (“Admaius” or “the Firm”) we believe businesses are pivotal in creating and delivering sustainable, socioeconomic value within their communities and markets of operations. Through our investment strategy we support leading entrepreneurs across our core African markets, to deliver this wider socioeconomic value, while also seeking competitive financial returns for our investors and end beneficiaries. Delivering positive impact and wider socioeconomic value is thus a key part of how we interpret our responsibilities and fiduciary duties. To achieve this, we systematically integrate environmental, social and governance (“ESG”) and impact across investment decision making and portfolio management processes.

OUR COMMITMENTS

We are committed to being an active owner and steward of capital rather than simply a shareholder. To the extent we have ownership and control, we’ work closely with our portfolio companies to ensure ESG risks and opportunities are effectively managed, while supporting each company in delivery of impact goals.

We are an impact investor with defined quantifiable impact objectives and metrics aligned to the UN SDGs. In line with the GIIN definition of impact investing we invest with the explicit intention of creating positive social and/or environmental outcomes from our investments, while seeking competitive financial returns.

We seek to work collaboratively with other industry participants and stakeholders, working towards best practice in impact investing, stewardship and ESG integration. For example, we benchmark and frame our practices against leading industry initiatives such as the 2X Challenge, and Operating Principles for Impact Management (OPIM).



We are a signatory to the UN PRI and report annually on our progress and alignment to their 6 principles. We also have commitments to ESG aligned LPs and DFIs regarding the extent of our ESG and impact alignment, ongoing stewardship, monitoring, reporting and excluded sectors / business activities.

OUR BUSINESS PURPOSE

We invest in Africa’s most innovative and transformative businesses of tomorrow, helping the continent diversify into sectors of technological innovation and enhanced human capital. We see opportunities for dynamic entrepreneurship, through supporting successful profitable companies that deliver lasting returns for investors and end beneficiaries. As we invest, we strive also to achieve lasting economic and social impact for the individuals with whom our companies intersect, through reducing gender inequalities within workforces, and supporting equality of opportunity, while minimizing our negative environmental and social externalities.

GUIDING PRINCIPLES

The following principles encompass Admaius' ethos which enable us to build competitive, ethical, and sustainable businesses. We will:

- Comply with all applicable local, state, and national regulations
- Meet and exceed, where reasonably practicable regulatory requirements
- Seek to invest for positive impact in line with our business purpose, commitments and firmwide SDG linked impact objectives
- Take a proactive risk-based approach to identifying and managing unintended ESG risks and negative impact, including minimizing negative externalities
- Provide adequate resources to implement our ESG and impact strategy, and ESMS
- Engage with and collaborate with wider stakeholders where possible to achieve our business purpose
- Provide stakeholders with reporting and information pertaining to our ESG and impact strategy and practices
- Remain politically neutral i.e. not favour any political party, group or individual over another
- Not permit the use of funds or resources to be used as contributions to any political campaign, party, candidate, or affiliated organization
- Not employ public officials to engage in political advocacy or lobbying on our behalf
- Not engage or invest in any entity or business engaged in activities listed within our exclusions list
- Not engage with entities and persons listed on UN Sanction Lists
- Not engage with entities and persons who have engaged in corruption and fraud
- Always act with respect for fundamental human rights as defined in the UN declaration of human rights

BEST PRACTICE

We work with our portfolio companies to ensure compliance with all applicable national and local regulations, and to integrate best practice into their operations. As a business committed to delivering impact and holistic, socioeconomic value, we are also committed to minimising adverse environmental and social ("E&S") impacts or externalities generated through our portfolio and value chains.

To achieve this, we leverage the following principles and standards of best practice (a non exhaustive list):

- Operating Principles for Impact Management ("OPIM")
- International Finance Corporation's Performance Standards ("IFC PS")
- World Bank Group's Environmental, Social and Health Guidelines ("WBG EHS")
- International Labour Organization's ("ILO") Core Labour Standards
- The United Nations ("UN") Declaration of Human Rights
- The United Nations ("UN") Guiding Principles on Business and Human Rights

INITIATIVE MEMBERSHIPS

The Firm is a member of the African Venture Capital Association (AVCA) and the East African Venture Capital Association (EAVCA), both of which are industry led bodies that support greater private investment in Africa and East Africa respectively. Our participation offers the opportunity for sharing of best practice and thought leadership amongst other Africa focused investment industry participants. This is in line with our spirit of collaboration in helping us and others achieve our common goals (especially impact goals linked to the UN SDGs).

To support our ongoing commitment to the UN PRI and efforts around investor stewardship linked to human rights we provide our explicit endorsement and support for the Advance initiative. This important initiative helps raise awareness of social risks and human rights in corporate value chains, as well as providing helpful resources to investors on how to best engage with companies to achieve this.

On climate change we will look for ways to participate in initiatives that put pressure on governments to act with urgency. So far, we have signed a UN PRI investor statement established by the UN PRI, and will continue to look for other ways in which we can engage on this via the UN PRI collaboration platform.

POLICY AND SCOPE

Our ESG and impact policies are detailed below. We aim to deliver consistently on our commitments, balancing competitive financial returns with positive impact and ensuring each transaction is aligned with the values and priorities of the Firm. Please note the below policies cover 100% of our assets under management.

OUR APPROACH TO IMPACT

As an impact investor we have moved away from a traditional focus solely on shareholder value and bottom-line returns to a holistic stakeholder value-driven model. We believe this approach intrinsically delivers socioeconomic value which benefits the wider community and helps address select systemic failures perpetrated by a shareholder-centric approach. In line with our core theory of change, we have aligned our impact thesis to several of the UN SDGs. The table below summarizes the SDG link to each of our core thematic sectors.

Key SDGs defining the impact objective for each thematic sector	Admaius Capital Partners' thematic sectors
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		Financial services	Healthcare	FMCG	Education	Digital infra / B2B services
All sectors	SDG 5 Gender equality	Y	Y	Y	Y	Y
All sectors	SDG 8 Decent work & economic growth	Y	Y	Y	Y	Y
Sector dependent	SDG 1 No poverty	Y				
Sector dependent	SDG 3 Good health and wellbeing		Y			
Sector dependent	SDG 4 Quality education				Y	
Sector dependent	SDG 9 Industry, innovation and infrastructure					Y
Sector dependent	SDG 12 Responsible consumption & production			Y		

Anchoring our impact objectives and efforts to the SDGs helps galvanize and socialize our commitment to achieving lasting social and economic impact through our portfolio. This also allows collective buy-in to our common objectives from investors and investee companies. Across all investments we have impact objectives linked to:

- SDG 5 gender equality (a gender lens investing approach): **We seek to empower women with new technologies and equal opportunities for economic participation and leadership**
- SDG 8 decent work and economic growth (our private sector development focus): **We look to encourage private sector growth and development through entrepreneurship and digital innovation**

These two goals define our impact thesis, stewardship priorities, and KPIs across all sectors in which we invest. We supplement these with additional objectives and metrics linked to an additional SDG which varies by sector as shown above. Each investment is reviewed by Admaius to ensure it is able to deliver positive impact in line with this core impact thesis, while simultaneously delivering strong financial performance. Through this approach, Admaius believes it will be able to build market-leading businesses which create inclusive value for all stakeholders.

OUR APPROACH TO ESG

Please note the below objectives apply to us as a firm (i.e. at the GP level) and to the extent we have control and/or ownership are also the objectives we encourage for our portfolio companies (i.e. what applies to us, applies to them)

ENVIRONMENT (INCLUDING CLIMATE CHANGE)

Our objectives and commitments

- To seek to minimize and avoid negative environmental externalities, including emissions, energy, pollution, and waste.
- To promote sustainable use of natural resources, energy use efficiency, resource efficiency and effective waste management practices.

- To conduct operations in compliance with all applicable environmental laws and regulations, across all regions of operation.
- To go beyond legal compliance and seek alignment to best practice environmental standards and guidelines by reviewing standards and codes as they develop, and seeking to incorporate them into Admaius' and/or portfolio companies' operations where relevant.
- To minimize our contribution to climate change (i.e., our impact on the climate).
- To ensure we are resilient and adequately prepared for climate change (i.e. for the impact of the climate on us), including managing our climate risks and opportunities in line with recommendations of the Task Force on Climate Related Financial Disclosure ("TCFD").
- To seek continuous improvement through reviews of our environmental performance and identification of opportunities to reduce our environmental footprint.
- To report on our environmental performance regularly to internal and external stakeholders.

SOCIAL (INCLUDING HUMAN RIGHTS)

Our objectives and commitments

- To treat employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, colour, disability, health status, political opinion, sexual orientation, age, religion, social or ethnicity.
- To have a safe, respectful, and inclusive culture with rigorous work systems and procedures to protect direct and indirect employees, and zero tolerance towards bullying and harassment.
- To require key stakeholders to sign up to the Firm's ESG and Impact practices and Code of Conduct as part of employment or engagement respectively.
- To ensure the safety of communities we intersect with through risk assessments, stakeholder engagements and grievance mechanisms that allow for anonymity and impartiality.
- To conduct operations in compliance with all applicable social laws and regulations, within all regions of operation. This includes a requirement for all partners, portfolio companies, suppliers, and other relevant third parties to meet all applicable local and national employment, and health & safety regulations.
- To go beyond legal compliance and seek alignment to best practice standards and guidelines by reviewing relevant standards and codes as they develop and seeking to incorporate them into Admaius' and/or portfolio companies' operations where relevant.
- To act with respect for all internationally recognized human rights including the international bill of human rights, the UN Guiding Principle for Business and ILO core labour standards.

- To monitor for any heightened risks that may relate to child labour, forced labour, modern slavery, and/or human trafficking, either at the company or within its supply chain.
- To take steps to assess and anticipate risks arising from the company's activities and seek to avoid adverse impacts where possible and take mitigative measures where not possible.
- In line with our business purpose and core impact objectives we seek to advance fundamental human rights linked to SDG 5 (reducing gender inequalities within workforces,) and SDG 8 (supporting equality of opportunity) through all investments we make.

GOVERNANCE

Our objectives and commitments

- To conduct operations in compliance with all applicable governance laws and regulations, across all regions of operation.
- To go beyond legal compliance and seek alignment to best practice standards and guidelines by reviewing relevant standards and codes as they develop, and seeking to incorporate them into Admaius' and/or portfolio companies' operations where relevant. This includes laws and international best practice standards relating to board governance, compliance, anti-bribery, and corruption practices.
- To carry out an assessment of corporate governance and each board's willingness to engage on ESG and impact pre-investment to ensure alignment of the target company board with our Firm wide objectives.
- To remain politically neutral at all times.
- To act honestly, fairly and with respect in the execution of our business.
- To promote transparency and accountability grounded in sound business ethics
- To clearly define procedures and controls, with appropriate checks and balances in company management structures.
- To keep proper records, including internal records of all investment, financial, legal, and structural matters
- To identify, monitor and seek to manage potential conflicts of interest that may arise during the course of business activities.
- To set clear objectives and select appropriate ethical frameworks, establishing clear enunciation of responsibility and accountability, sound business planning, clear boundaries for acceptable behaviour, and performance evaluation measures.

APPENDIX A: FIRMWIDE EXCLUSION LIST

Admaius Capital has developed a general exclusions list which clearly outlines activities it will not engage in or support through its portfolio companies. Admaius Capital will not engage with businesses involved in the:

- a) Production or extraction of fossil fuels (coal, oil and gas)
- b) Production or activities involving harmful or exploitative forms of forced labor and child labor
- c) Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements
- d) Production of or trade in weapons and munitions, including paramilitary materials
- e) Production of or trade in alcoholic beverages (excluding beer and wine)¹
- f) Production of or trade in tobacco¹
- g) Gambling, casinos, and equivalent enterprises¹
- h) Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora²
- i) Production of or trade in radioactive materials³
- j) Production of or trade in or use of unbonded asbestos fibers⁴
- k) Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest
- l) Production of or trade in products containing polychlorinated biphenyls (PCBs)⁵
- m) Production of or trade in pharmaceuticals subject to international phase outs or bans⁶
- n) Production of or trade in pesticides/herbicides subject to international phase outs or bans⁷
- o) Production of or trade in ozone-depleting substances (ODS) subject to international phase-out⁸

¹ This does not apply to subproject sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a subproject sponsor's primary operations. Where there is, or reasonably may be, any doubt as to whether or not a company or a sponsor is "substantially involved" in this activity, the matter shall be referred to the Board of directors or investment committee or equivalent body responsible for approving the Company's investments.

² A list of CITES species is available from websites of multilateral institutions such as ADB and IFC.

³ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where [the Fund] considers the radioactive source to be trivial and/or adequately shielded.

⁴ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

⁵ A group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁶ A list of pharmaceutical products subject to phase-outs or bans is available from websites of multilateral institutions such as ADB and IFC.

⁷ A list of pesticides and herbicides subject to phase-outs or bans is available from websites of multilateral institutions such as ADB and IFC.

⁸ Chemical compounds that react with and deplete stratospheric ozone, resulting in the widely publicized ozone holes. The Montreal Protocol lists ODS and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol—includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates—is available from websites of multilateral institutions such as ADB and IFC.

- p) Drift net fishing in the marine environment using nets in excess of 2.5 kilometers long
- q) Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples
- r) Involuntary resettlement of people, households, firms or private institutions⁹
- s) Production, distribution or trade in pornography
- t) Activities and operations that include prostitution
- u) Trans-boundary trade in waste products, except for non-hazardous waste destined for recycling¹⁰
- v) Marine and coastal fishing practices, such as large scale pelagic drift net fishing and fine net fishing, harmful to unwanted vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats

⁹ "Involuntary resettlement" means any permanent or temporary impact on any people, households, firms or private institutions ("affected persons"), being any of (a) an adverse effect on their standard of living, (b) their right, title or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources, or any other movable or fixed assets being acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily or (c) their business, occupation, place of work or residential or habitat being adversely affected, with or without displacement, in each case as a result of any of (i) an acquisition of land and other fixed assets (ii) a change in use of land or (iii) restrictions imposed on land in each case arising from an Investment by the Company.

¹⁰ As defined by the Basel Convention. See www.basel.int