



SPE Capital Sustainable Investment Policy STATEMENT

Purpose

The Sustainable Investment Policy of SPE CAPITAL (“**SPE Sustainable Investment Policy**”) articulates its commitment to integrating environmental and social considerations into its contributions to sustainable development in general, and its business activities.

SPE CAPITAL defines Sustainable Investment as meaning promoting long-term environment and social value creation alongside financial returns.

The Policy serves as the foundation within which the Environmental and Social Management System (“**ESMS**”) is anchored.

The SPE Sustainable Investment Policy aims to ensure that E&S risks are systematically identified, monitored, and mitigated, while also ensuring that E&S development opportunities are adequately considered as part of the company’s investment processes. The foundation on which opportunities for positive impact are assessed, measured, and monitored is the in-house Impact Measurement and Management System (“**IMMS**”).

Commitments

With particular focus upon E&S processes, SPE CAPITAL will, to the best of its abilities:

- Comply with applicable laws and regulations
- Integrate consideration of E&S issues into due diligence and investment decision-making processes
- Seek appropriate disclosure on E&S issues by the entities in which SPE CAPITAL invests
- Regard implementation of the SPE Sustainable Investment Policy as a work-in-progress
- Encourage dialogue on E&S issues between the relevant stakeholders to improve sustainable investment standards and promote E&S considerations
- Distribute this policy and related E&S information to all employees of SPE CAPITAL
- Report progress on E&S issues and initiatives annually to investors

Signatory to the Operating Principles for Impact Management¹ since June 2022, SPE CAPITAL commits to the purposeful integration of impact considerations throughout the investment life cycle demonstrating alignment with:

- Principle 1: Define strategic impact objective(s), consistent with the investment strategy
- Principle 2: Manage strategic impact on a portfolio basis
- Principle 3: Establish the Manager’s contribution to the achievement of impact
- Principle 4: Assess the expected impact of each investment, based on a systematic approach
- Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment

¹The Operating Principles for Impact Management provide a reference point against which the impact management systems of funds and institutions may be assessed.



- Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately
- Principle 7: Conduct exits considering the effect on sustained impact
- Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned
- Principle 9: Publicly disclose alignment with the principles and provide regular independent verification of the alignment

Through the SPE Sustainable Investment Policy statement, SPE CAPITAL will align itself with E&S international best practice standards, including:

- The IFC Performance Standards (PS) 2012, which are:
 - PS 1: Environmental and Social Assessment and Management Systems
 - PS 2: Labor and Working Conditions
 - PS 3: Pollution Prevention and Abatement
 - PS 4: Community Health, Safety and Security
 - PS 5: Land Acquisition and Involuntary Resettlement
 - PS 6: Biodiversity Conservation and Sustainable Natural Resource Management
- The AfDB Integrated Safeguards System and its Operational Safeguards (OS) which are:
 - OS 1: Environmental and Social Assessment
 - OS2: Involuntary Resettlement Land Acquisition, Population Displacement and Compensation
 - OS 3: Biodiversity and Ecosystem Services
 - OS 4: Pollution Prevention and Control, Hazardous Materials, and Resource Efficiency
 - OS 5: Labor Conditions, Health, and Safety

Review Procedure

SPE CAPITAL believes that E&S and Impact matters are material investment issues and should be considered as part of the investment process.

SPE CAPITAL will ensure that sufficient capacities and resources are mobilized to enable successful integration of E&S risk mitigation and signaling of opportunities for positive impact in its investment process:

1. Screening, Categorization, and Initial Impact Scoring

At the preliminary screening and scoring phase, a review of available E&S information related to the Target Company's industry and the business is conducted.

Verification against the Exclusion List ensures that the Target Company is not engaged in prohibited activities.

An Initial E&S Risk Rating Memo indicating the category of the targeted company (Cat A, Cat B, Cat C or Cat FI) is generated.

An initial Impact assessment and scoring according to the in-house IMMS is conducted. The findings are integrated into the deck presented before the investment Committee.

The E&S risks or red flags detected and the Initial Impact Assessment influence the extent to which the transaction is considered a good fit with the investment strategy and objectives and inform the scope of the Due Diligence required.



2. E&S and Impact Due Diligence

The E&S Due Diligence (“**ESDD**”) assignment is conducted by a third-party sustainability consultant with expertise in the industry and in the region to ensure that the Target Company is in compliance with the IFC PSs, AfDB OSs and any other reference framework deemed relevant.

The E&S performance and management organization of the Target Company will be compared to the E&S requirements. Identified gaps will be documented, and their significance discussed in terms of E&S risk in an ESDD report.

The Impact Due Diligence (“**IDD**”) is conducted according to the IMMS themes, to assess the potential Impact that can be achieved through the investment and to enable SPE CAPITAL to compare / prioritize opportunities and offer support in its decision-making on which opportunities to measure and report on. An Impact Action Plan (“**IAP**”) is generated, listing the recommended actions to address the DD findings.

An E&S and Impact Action Plan (“**ESIAP**”) shall be defined and implemented with a view to improve the level of control of E&S risks and pursuit of opportunities for positive impact by the Target Company, ensuring compliance with the Operating Principles for Impact management, the IFC Performance Standards and the AfDB Integrated Safeguards System and Operational Safeguards.

3. Action Plan in Agreements

The Investment Team shall agree with the Target Company on the ESIAP implementation schedule, including defined target dates for completion.

The implementation schedule will be tied to the investment schedule in such a way as to ensure that actions identified in the E&S and Impact Due Diligence process are treated prior to the signing of the transaction agreement.

4. Clearance Note

A Clearance Note is issued indicating that ESDD and IDD reports have been prepared, that the Investment Team and the Target Company have convened on an appropriate ESIAP, that the budget allocated for the ESIAP by the Target Company has been clearly identified, and that the Target Company is aware of, and committed to, the ESIAP.

5. Supervision Monitoring and Record Keeping

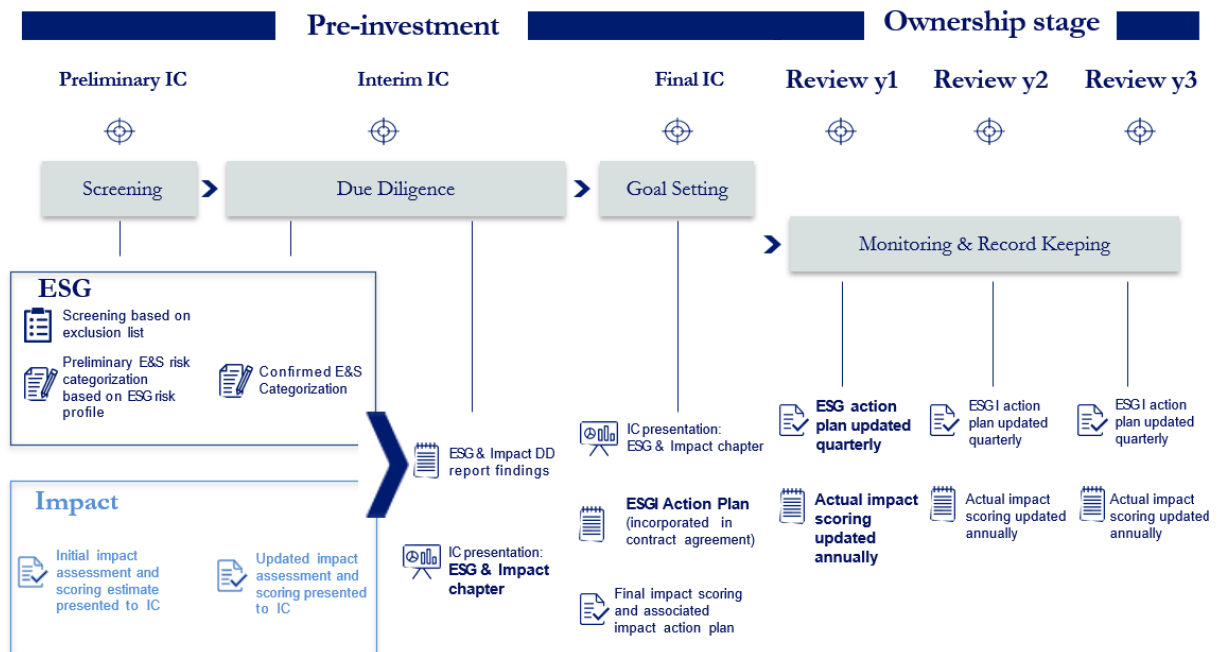
Once the investment is closed, Portfolio Company monitoring and performance reporting is kicked off.

Periodic site visits and monitoring calls are to be carried out by SPE CAPITAL’s Environmental, Social, Governance and Impact Team (“**ESGI Team**”) or by an external consultant to assess ESAP implementation and provide assistance and guidance on issues that arise post-closing.

Impact Scoring is conducted on an annual basis and reported on through an annual impact report, ensuring alignment with the Operating Principles for Impact Management.



Full integration of E&S & Impact in the investment process



Additional Reference and Supporting Documents for Policy Implementation

ESMS manual
HR Policy
Gender Strategy and Action Plan
Grievance Mechanism

Name: Edouard Pontet
Title: Managing Director
Signature: