



AFRICAN INFRASTRUCTURE INVESTMENT MANAGERS



Environmental, Social and Governance Policy

December 2024

www.aiimafrika.com

A MEMBER OF  **OLDMUTUAL** ALTERNATIVE INVESTMENTS

1. INTRODUCTION

African Infrastructure Investment Managers (AIIM) is one of the largest alternative investment managers in Africa, managing investments in infrastructure, private equity, private debt and impact investing.

Central to AIIM's investment objectives and processes is our commitment to responsible investment and fulfilling our fiduciary duty as the custodian of client funds. In this regard, we consider the incorporation of environmental, social and governance (ESG) factors into our investment and ownership decision processes to support the pursuit of sustainable, superior risk-adjusted returns for our clients in a way that also creates positive futures.

2. PURPOSE

This ESG Policy outlines AIIM's commitment to the incorporation of ESG considerations into its day-to-day business activities as an operating entity, as well as investment and decision-making processes across the funds and investments under management.

3. SCOPE AND APPLICABILITY

This ESG Policy is applicable to AIIM, the funds it manages and assets in which it invests. Detailed climate, governance, labour and gender aspects are covered under specific governance, labour and gender related policies, which should be read in conjunction with this ESG Policy. The ESG Policy covers the full spectrum of ESG issues that are considered to materially influence the long-term success of AIIM and its investments. AIIM's ESG practices include risk management and positive impact.

4. COMMITMENTS

As part of this ESG Policy, AIIM endeavours to undertake the following:

- Integrate ESG factors into investment analysis and decision-making processes including ESG aspects associated with safeguarding risks, supply chain risk management and climate risk assessment;
- Monitor appropriate ESG factors in portfolio companies in which we invest, assessing and driving performance on these, both on a peer comparison (horizontally) basis and on a timeline basis (longitudinally);
- Obligate investee companies to incorporate the relevant ESG requirements;
- Develop and implement an environmental and social management system (ESMS) for each capability that meets the standards outlined in this policy;
- Identify and implement opportunities to use ESG aspects to enhance portfolio company performance;
- Act as a responsible steward of assets;
- Play an active responsible investment leadership role;

- Manage conflicts of interests;
- Collaborate with co-investors on material ESG issues;
- Develop and implement a monitoring and reporting framework to track ESG performance and support ESG disclosure and reporting;
- Deliver training to staff responsible for implementing the ESMS within each of the capabilities; and
- Provide regular disclosure regarding our responsible investment progress.

5. STANDARDS AND GUIDELINES

AIIM is committed to implementing best ESG international practice appropriate for the nature of its investments and relevant standards and guidelines include:

- Applicable country(s) ESG related legislation
- United Nations Principles for Responsible Investment (signatory status)
- United Nations Global Compact (participant status through Old Mutual Limited)
- United Nations Guiding Principles on Business and Human Rights
- United Nations Sustainable Development Goals
- Equator Principles
- International Finance Corporation Performance Standards
- International Finance Corporation / World Bank EHS Guidelines
- International Labour Organisation
- Task Force on Climate-related Financial Disclosures (TCFD), now administered by the International Financial Reporting Standards (IFRS)
- King IV Code for Corporate Governance
- Code for Responsible Investing in South Africa (CRISA)

Impact investments adhere to the following impact investing related standards and guidelines:

- UN SDG Impact Framework
- Global Impact Investing Network (GIIN) Framework (member status through Old Mutual Alternative Investments)
- Operating Principles for Impact Management (signatory status through Old Mutual Alternative Investments)

6. RELATED POLICIES

Other key internal ESG related policies that AIIM adheres to include the Climate Change Policy, Modern Slavery Policy and Old Mutual policies including the Maadili Charter (code of conduct), Managing Unfair Discrimination, Sexual Harassment and Bullying in the Workplace and various Human Resources and governance policies specific to a financial services business.

AIIM investments are expected to implement similar policies in line with best practice. Compliance with these standards and policies ensures that all aspects of ESG are

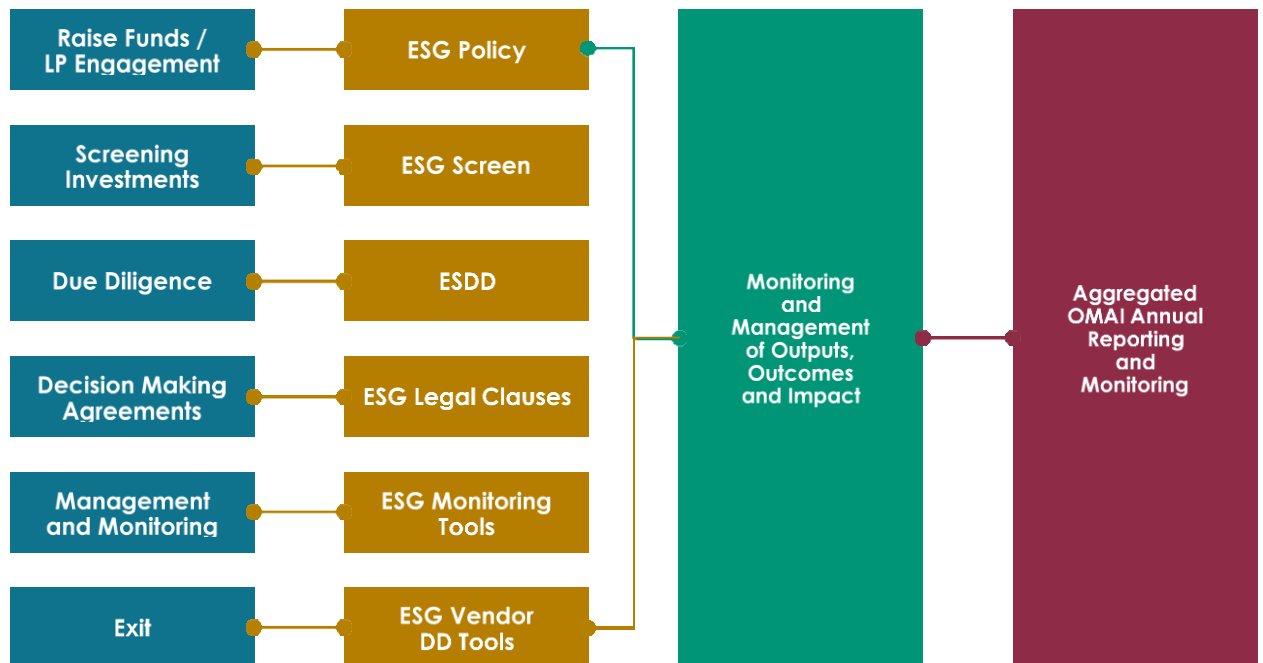
appropriately managed for AIIM investments.

We assess our performance holistically across the entire set of assets for which we have stewardship, specifically to answer the following questions on a regular (annual) basis:

1. What is our aggregate environmental and social impact across the assets we own for those factors considered relevant?
2. What strategies do we have in place and what actions are we taking to improve the factors measured in 1 above?
3. Over time, are we improving impact and delivering against targets?

7. ESG ASSESSMENT AND MANAGEMENT

Key steps in the incorporation of ESG considerations across the AIIM portfolio is illustrated below.



8. ROLES AND RESPONSIBILITIES

The implementation of this Policy is the responsibility of all members of the AIIM team. Oversight and support for the implementation of this Policy is provided by the appointed Head of Sustainability. The Head of Sustainability will on an annual basis evaluate the E&S capacity needs of each capability and make recommendations to the AIIM Managing Directors, as required.

9. AIIM EXCLUSION LIST

Although each Fund that AIIM manages may have its own specific Exclusion List agreed with the respective Limited Partners, AIIM applies a minimum exclusion list to all funds under management. AIIM will not finance any activity, production, use of, trade in, distribution of or involving:

1. Forced labour² or child labour³
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a) Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - c) Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
3. Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
4. Destruction⁴ of High Conservation Value areas⁵
5. Radioactive materials⁶ and unbounded asbestos fibres
6. Certain fossil fuel investments (see detailed AIIM Climate Change Policy for fossil fuel exclusions)

² Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

³ Persons may only be employed if they are at least 15 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art.2), unless local legislation specifies compulsory school attendances or the minimum age for working. In such cases the higher age shall apply.

⁴ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁵ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see <http://www.hcvnetwork.org>).

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

7. Pornography and/or prostitution
8. Racist and/or anti-democratic media
9. In the event that any of these following products form a substantial part of an investment's primary financed business activities (not more than 10% of their consolidated balance sheets or earnings):
 - a) Alcohol beverages (except beer and wine);
 - b) Tobacco;
 - c) Weapons and munitions; or
 - d) Gambling, casinos and equivalent enterprises

Signed

Signed by:

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Olusola Lawson
Co-Managing Director AIIM

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REGULATORY INFORMATION

Old Mutual Alternative Investments (Pty) Ltd (Reg No 2013/113833/07) (FSP 45255) is a licensed financial services provider, approved by the Registrar of Financial Services Providers (www.fsb.co.za) to provide advisory and/or intermediary services in terms of the Financial Advisory and Intermediary Services Act 37, 2002. Old Mutual Alternative Investments (Pty) Ltd is a wholly owned subsidiary of Old Mutual Investment Group Holdings (Pty) Limited and is a member of the Old Mutual Investment Group.

Investment portfolios are market-linked. Pooled products are either policy based, via a linked policy of insurance issued by Old Mutual Life Assurance Company of South Africa Ltd, which is a registered Long Term Insurer. Contractual rights and obligations of investors are set out in the relevant investor agreements and or mandates.

Unlisted investments have short term to long term liquidity risks and there are no guarantees on the investment capital nor on performance. It should be noted that investments within the fund may not be readily marketable. It may therefore be difficult for an investor to withdraw from the fund or to obtain reliable information about its value and the extent of the risks to which it is exposed. Market fluctuations and changes in exchange rates as well as taxation may have an effect on the value, price, or income of investments and capital contributions. Since financial markets fluctuate, an investor may not recover the full amount invested. Past performance is not necessarily a guide to future investment performance.

Old Mutual Investment Group is a member of the Old Mutual group. Accordingly, Old Mutual and Nedbank are related entities. We outsource investment administration of our local funds to SS&C Administration Services SA, 35% of which is owned by the Old Mutual Investment Group. All inter-group transactions are done on an arms lengths basis. Personal trading by staff is restricted to ensure that there is no conflict of interest. All directors and those staff who are likely to have access to price sensitive and unpublished information in relation to the Old Mutual group are further restricted in their dealings in Old Mutual shares. All employees of the Old Mutual Investment Group are remunerated with salaries and standard incentives. Unless disclosed to the client, no commission or incentives are paid by the Old Mutual Investment Group to any persons other than its representatives.

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