



Spear Capital

ESG POLICY

August 2022



Table of Contents

1	Environmental, Social and Governance Policy	2
1.1	Purpose and Scope	2
1.2	Objectives	2
1.3	Standards and Guidelines	3
1.4	Responsibilities	3



1 Environmental, Social and Governance Policy

1.1 Purpose and Scope

Spear Capital (Spear) aims to positively impact the community and environment in which its investments operate. We consider the management of Environmental, Social and Governance (ESG) issues as being critically important as an investment consideration to mitigate risk, protect capital and create value. Therefore, we are committed to working in close partnership with our Portfolio Companies to understand, reduce and manage the ESG risk exposure and opportunities to which it, and its investors, are exposed throughout the investment process. This approach allows us to manage ESG risks and opportunities in a deliberate manner, thereby enhancing long-term returns for our investors whilst fulfilling our fiduciary roles.

Spear also recognizes that within the constantly evolving business environment in which our investee companies operate, responsible investing is vital to building sustainable businesses. ESG matters are, therefore, considered during the investment appraisal process and continue to be monitored and reported on during the investment holding period. We also take into consideration the expected future ESG impacts of assets in our investment analysis, to positively contribute to the sustainable development of the SADC as a whole. In this way, investee companies are required to conduct operations in such a way that meet the interests of all stakeholders including shareholders, employees, customers, and the societies in which they operate. These fund expectations are monitored and reported on a regular basis to ensure on-going performance and continual improvement throughout the investment lifecycle.

The Spear ESG Policy is enabled through the Spear Environmental and Social Management System (ESMS). The ESMS outlines how Spear integrates and manages ESG aspects in its investment analysis and decision making processes, and how Spear works in partnership with its investee companies to drive individual ESG performance, to maximise value for its investors and the long-term sustainability of these businesses.

The scope of this policy covers all investments that Spear makes through the Funds it manages.

1.2 Objectives

Spear undertakes to:

- Incorporate ESG issues into investment analysis and decision making processes;
- Require Portfolio Companies to develop and implement ESG Management Systems that meet the standards outlined in this Policy
- Seek appropriate disclosure on ESG aspects by Portfolio Companies;
- Work in partnership with Portfolio Companies to help them 'unlock value' from ESG management through addressing linkages between material issues and company strategy in a way that generates commercial benefits; and



- Drive the positive impact of our fund and investment portfolio through measuring and reporting on the social impact of the businesses we invest in and using such information to inform SPEAR processes and decision making.

1.3 Standards and Guidelines

Spear commits to act in accordance with internationally accepted principles and good practice standards, with respect to ESG considerations, when conducting its business. We will ensure that our business activities and processes are conducted in accordance with the [United Nations Principles for Responsible Investment \(UNPRI\)](#). As part of this, Spear requires the following at both a fund and portfolio company level:

- Operate in accordance with national and local environmental and social laws and regulations;
- Do not conduct any activities listed on the [International Finance Corporations \(IFC\) Exclusion List](#);
- Operate in accordance with good corporate governance and business ethics, including anti-corruption, anti-fraud, transparency and internal and external stakeholder engagement best practices;
- Implement a transparent, publicly available and easily accessible grievance mechanism to allow both internal and external stakeholders to report complaints at both a fund and portfolio level;
- Apply relevant aspects of the IFC Performance Standards and the [World Bank Group Environmental, Health and Safety \(EHS\) Guidelines](#) to its business activities; and
- Develop and operate an Environmental and Social Management System (ESMS) in line with the [IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts](#).

The extent of the application of the requirements mentioned above depends on the level of ESG risk associated with the business activities of the Portfolio Company.

1.4 Responsibilities

All Spear investment professionals involved in the activities of Spear's funds and the underlying investment portfolios have a duty to ensure that those activities in which they are involved are undertaken in a manner that is ethical and socially and environmentally responsible.

Overall accountability for this ESG Policy and the associated ESMS sits with the Spear Managing Partner. Spear's ESG Officer is responsible for the day-to-day implementation and oversight of the ESG Policy and associated ESMS. The Deal Principle is responsible for the E&S risks associated with a transaction and the management thereof. They have the ability to designate members of the deal team to share responsibility of monitoring an investments relevant E&S risks on behalf of Spear, and the day-to-day management thereof. Deal teams are able to involve the ESG Officer to support them when required.

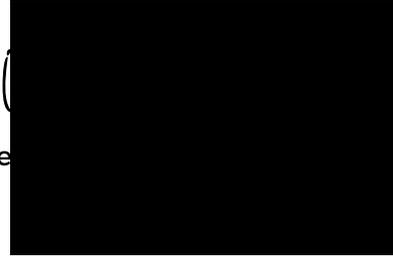


Allocation of necessary resources, whether budgetary or allocation of staff time, are made available to ensure that the necessary capacity is available to effectively oversee and implement the requirements of the ESMS.

Approved by:

Name: Martin Soderberg

Signature



Position: Managing Partner

Date: 25 August 2022