Responsible Investment Policy

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HELIOS RESPONSIBLE INVESTMENT POLICY

1. Our Firm

Helios Investment Partners (Helios) is the leading Africa-focused investment firm led and predominantly staffed by African professionals. Helios leverages deep local expertise, language skills and cultural affinity to engage with local entrepreneurs, managers and intermediaries on the continent. The firm's extensive local and global networks enable it to identify businesses opportunities and structure proprietary transactions. With a profound understanding of Africa's operating environment, a steadfast commitment to the region and a proven capability to navigate complexity, Helios has built a portfolio of market-leading businesses. These strengths make it the partner of choice for multinational corporations. Helios is a signatory to the UN PRI and 2X Global, and through Helios Climate has a dedicated Impact strategy underscoring its commitment to responsible investment.

At Helios, we believe our greatest contribution to regional development comes from building profitable, value-creating, environmentally and socially responsible private enterprises. By investing capital in African businesses, we foster economic growth, create employment opportunities, and strengthen supply chains, amplifying our impact across industries.

Helios' commitment to sustainability and responsible business practices was recognized with B Corp certification in 2020 and again in 2023 by B Lab, a leading sustainability organization. This certification affirms that Helios upholds the highest standards of corporate governance, transparency, accountability, and social and environmental performance, including in its investment strategy and activities.

2. Our Platform

The Helios platform is diversified through two strategic focus areas, namely:

- Helios Private Equity (PE): Investing in businesses that enable, are enabled by, or benefit from the confluence of technological innovation and demographics and generate growth with resilience focused on:
    - Consumer Non-Discretionary
    - Digital Infrastructure
    - Financial Services & Technology
    - Tech-Enabled Business Services

- Helios Climate (CLEAR): Investing in climate-focused businesses supporting Africa's contribution to global net zero goals and protecting populations from the effects of climate change, with a focus on five themes:
    - Green Energy Solutions
    - Green Transport
    - Sustainable Food & Agriculture
    - Resource Efficiency
    - Climate Enablers

3. Policy Objective and Scope

The objective of this policy is to define Helios's principles and standards for managing ESG risks and creating value in its investment activities, as well as establishing the ESG requirements for its portfolio companies. This policy communicates Helios' commitment to responsible investment internally and to external stakeholders, including partners and investors.

This policy applies to all newly raised funds and existing investments across the investment lifecycle, including all transactions executed under active funds managed by Helios. Helios has developed a detailed ESG management system (ESG-MS) that details how the standards and requirements contained within this policy will be implemented across the investment lifecycle.

Where appropriate, Helios may also look to develop issue specific policies to support the management and mitigation of ESG risks within an investment. These may relate to a specific topic e.g. diversity, equity and inclusion (DEI) and responsible sourcing, a particular sector e.g. telecoms, or a specific country.

4. Our Business Principles

Helios conducts its business to ensure that its investments create a sustainable and lasting environmental, social and economic impact within the communities in which its investee companies operate. The firm and its investee companies are committed to achieving this objective by adhering to Helios' five guiding business principles:

1. To be open and honest in all its dealings, whilst respecting commercial and personal confidentiality.
2. To be objective, consistent and fair with all its employees, contractors and stakeholders, and those of its investee companies.
3. To protect and promote the improvement of the environment by the businesses with which Helios and its investee companies work.
4. To attain healthy and safe working conditions for all employees and contractors of companies in which it invests and promote the health and safety of all those affected by companies in which it invests.
5. To comply with all applicable laws and employ management systems which effectively address ESG risk and realise ESG opportunities as a fundamental part of a company's intrinsic value.

5. Investment Decision Making

To invest wisely and generate our targeted investment returns, we apply the following considerations during the investment decision-making process, including:

- <u>Risk:</u> we believe that it is vital to understand the comprehensive set of risks which could affect an investment opportunity, particularly where these risks could create significant downside risk for the firm or applicable fund. Examples include:
  - Reputational risk – could this investment significantly impact the reputation of Helios, as well as key stakeholders such as LPs and regulators?
  - Negative externalities – could this investment create adverse negative impacts not accounted for in the core business model (e.g. through its supply chain, contractors or with its local communities)?
  - Liability – could significant potential legal liability arise due to this investment?
  - Climate – could the investment and its supply chain be exposed to any physical and transition risks that could negatively impact the company's revenues and profitability?

- <u>Fit with the Helios culture:</u> we also believe it is important to understand if an investment aligns with our values and culture as a firm. Helios has placed ESG and Impact at the heart of its business since it was founded in 2004. They are key elements to Helios' five guiding business principles, as outlined above. These principles are embedded into the culture of our firm to manage risk and foster innovation through value creation, to ultimately increase financial returns for our investors. As a firm, we wish to build an investment portfolio that aligns with our ethical standards and company culture, as we believe that will create stronger and more sustainable long-term performance.

- Our ability to affect positive change: while there is a subset of companies which we will categorically avoid investing in or financing, for the vast majority of investments we find it less useful to base an investment decision on an "either or" exclusionary approach. Instead, if there are potential risks in an investment (e.g. human rights issues in a supply chain), we are rather far more focused on understanding our ability to 1) address and improve these risks, and 2) drive positive change and impact as a result. Where possible, we would rather be a force for positive change within a company, and through that process, potentially unlocking significant value.

We believe that investing wisely and creating inclusive long-term growth requires us to pay a higher level of scrutiny to areas where investments may create undue risks for our organization, or where we could potentially find disproportionate value through our ability to drive positive change in the business model. We are committed to fully considering these issues as a core component of our investment process because we believe it makes us better investors.

6. Our ESG, Impact and Value Creation Focus Areas

6.1 ESG

In order to appropriately consider ESG issues, we have outlined a list of ESG focus areas to which we will apply a higher level of scrutiny in assessing potential investment risks. These include:

- Significant risks to the health and safety of workers;
- Significant air emissions (including of greenhouse gases), use of water or generation of liquid effluents, generation of hazardous or other solid wastes or resource use inefficiencies;
- Adverse community health and safety impacts (including risks to health, welfare and economic opportunity);
- The acquisition and/or use of land that could affect the livelihoods and well-being of local communities (including as a result of increased food insecurity, or loss of access to natural resources (especially water) or traditional rights and practices) and/or results in economic displacement or involuntary resettlement;
- Activities in conflict and post-conflict areas where the company's presence and / or activities could exacerbate an already sensitive local circumstances which might lead to further or renewed conflict;
- Negative impacts on biodiversity, habitats or ecosystem services;
- Impacts on indigenous peoples (or other marginalised and vulnerable groups);
- Restricted opportunities for women and girls or otherwise increased gender inequality;
- Impacts on cultural heritage;

- Potential safeguarding[1] risks;
- Client protection in respect of investments made into financial service providers;
- Significant cumulative impacts or impacts that would be represented via supply chains; or
- Other significant negative environmental or social impacts.

6.2 Impact

In addition to mitigating ESG risks, we are committed to maximizing the positive impact of our portfolio companies to drive sustainable development and long-term value creation. Our impact strategy focuses on four key areas:

1. Job Growth & Economic Contribution: We support businesses that drive employment creation, skills development, and inclusive economic growth, particularly in underserved markets.
2. Climate Action: We promote energy efficiency, renewable energy adoption, and climate resilience, ensuring businesses integrate sustainable practices into their operations.
3. Diversity & Inclusion: We champion gender balance, inclusive leadership, and equitable opportunities, aligning with our 2X Global commitments and fostering diverse talent pipelines.
4. Financial & Digital Access: We invest in business models that enhance financial inclusion and digital transformation, ensuring broader access to essential services and economic participation.

By embedding these priorities into our investment approach, we seek to enhance resilience, create sustainable value, and drive positive social and environmental impact across our portfolio.

6.3 Value Creation

Increasingly ESG and impact are being applied as a lens for identifying and delivering potential value creation opportunities within companies, where we support our portfolio companies to identify, manage, and create value through ESG and impact opportunities across the investment lifecycle. Our approach both preserves and enhances value while unlocking opportunities to advance social equality, promote responsible business practices, and deliver measurable outcomes in key areas such as:

- Enhancing Efficiency: Reducing costs and waste by optimising operations, increasing the use of energy efficiency and renewable energy and finding commercial opportunities for waste streams.

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[1] Safeguarding involves any work or service which is exacted from any person under the menace of any penalty and for which that person has not offered themselves voluntarily, or that otherwise contravenes the requirements of the ILO Conventions. It also contravenes the requirements of the Gender-Based Violence Convention, or that otherwise involves the exploitation, abuse or harassment (being any form of unwanted verbal, non-verbal or physical conduct, whether by force or under unequal or coercive conditions) of any person that is directed at such person because of their perceived or real sex or gender, or that disproportionately affects people of a particular sex or gender, including the exploitation or abuse of a child.

- Driving Performance: Improving productivity through the delivery of initiates that enhances employee engagement, as well as increasing diverse leadership, in line with our 2X Global commitments.
- Strengthening Market Position: Responding to the increased demand for sustainable products and services, as well as externally communicating the sustainable practices of the business to its key stakeholders.

7. Commitments

Helios commits to applying industry best ESG practices to its investment activities as set out in the Reference Framework listed below:

- IFC Performance Standards (2012);
- World Bank Group (WBG) Environmental Health and Safety (EHS) General Guidelines;
- WBG EHS Sector Specific Guidelines;
- International Labour Organization (ILO) conventions signed and ratified by the host country, including ILO conventions covering core labour standards, ILO 190 Violence and Harassment Convention and ILO conventions covering the basic terms and conditions of employment, including the ILO Declaration on Fundamental Principle and Rights at Work;
- 2X Global;
- United Nations Guiding Principles on Business and Human Rights;
- Organisation for Economic Co-operation and Development (OECD) Guidelines on Multinational Enterprises;
- European Development Finance Institutions Principles for Responsible Financing;
- Cerise+SPTF Client Protection Standards;
- UK Bribery Act and Foreign Corrupt Practices Act (“FCPA”); and
- Applicable national and local ESG laws and regulations.

In addition, Helios consults third-party guidelines and resources where applicable as part of its investment approach, such as the:

- UN Principles of Responsible Investment;
- IFRS Sustainability Disclosure Standards;
- Sustainability Accounting Standards Board (SASB) Standards;
- ILO Decent Work Agenda;
- IFC / EBRD workers’ accommodation guidelines;
- FMO Corporate Governance Toolkit for Corporates (including Family-owned Businesses);
- Responsible Investment in Technology Investor Guidelines for ESG Risk Management (KFW/DEG);

- Organisation for Economic Co-operation and Development (OECD) Privacy Principles;
- The Initiative Climat International (iC International); and
- Sustainable Development Goals.

We have defined certain types of companies and associated ESG related activities that we will avoid investing in or financing – these are businesses and/or activities which we think do not reflect the trajectory of a changing world, are fundamentally misaligned with our values or those of our investors, and/or for which we have limited to no ability to affect business model change. As such, Helios does not provide financing to companies with activities or characteristics mentioned in the Helios ESG Exclusion List (see **Annex 1**)[2], which is aligned to the IFC Exclusion List, Harmonized EDFI Exclusion List and Harmonised EDFI Fossil Fuel Exclusion List.

To ensure the consistent application of responsible practices across its operations, Helios integrates ESG criteria throughout the investment process. This is achieved through an ESG-MS aligned with the requirements of the reference framework outlined above. The ESG-MS is regularly updated to reflect Helios' business activities and the risks associated with its investments. It includes the following processes and requirements:

- Integration of corporate governance policies and procedures into the investment process.
- Screening of potential transactions for eligibility against the firm's ESG Exclusion List (see **Annex 1**).
- Evaluation of ESG risk exposure and assignment of an appropriate risk categorization.
- Assessment of ESG risks related to a company's products, services, and business model.
- Definition of mitigation measures to minimize adverse ESG impacts and ensure compliance with Helios' standards.
- Incorporation of ESG due diligence findings as a key factor in Investment Committee (IC) decision-making.
- Agreement on an ESG Action Plan (if applicable) with portfolio companies, outlining measures to enhance operations and risk management, tailored to the scale and nature of their business.
- Monitoring of portfolio company compliance with Helios' ESG standards, including adherence to mutually agreed ESG Action Plans. Tracking defined impact metrics for each investment in alignment with the firm's Impact Strategy.
- Routine ESG performance reporting to investors, including disclosure of material ESG-related incidents and grievances as per agreed timelines.
- Support for portfolio companies in continuously improving their ESG management and performance.

[2] The Exclusion List may differ at the individual Fund level taking into account the requirements of Limited Partners.

- Re-evaluation of ESG risk exposure for follow-on investments and adjustment of mitigation measures as necessary.
- Promotion of responsible exits by identifying and mitigating residual ESG risks and highlighting the impact achieved.
- Implementation of an internal ESG training plan, updated annually.
- Providing access to remedy for rights-holders affected by Helios' business activities or those of its portfolio companies.

At a minimum, Helios requires portfolio companies to comply with all applicable legal and regulatory ESG requirements in the jurisdictions where they operate. They must also meet ESG obligations outlined in investment agreements, taking commercially reasonable steps to anticipate known or expected regulatory changes.

In cases of non-compliance with this policy, Helios will make all reasonable efforts to:

1. Enforce ESG commitments by asserting its rights under investment agreements, including specific performance or similar remedies; and/or
2. Exit the investment under commercially reasonable terms, considering liquidity, market constraints, and fiduciary responsibilities.

8. Roles and Responsibilities

Staff involved in management and investment activities at Helios are expected to act in accordance with the Responsible Investment Policy and processes set out in the ESG-MS. However, ESG responsibilities are divided between several key roles:

- ESG and Impact Committee: The ESG & Impact Committee provides strategic oversight and guidance on ESG and Impact matters within the firm and across deal teams who manage portfolio companies. The primary purpose of the Committee is to align the firm's ESG and Impact initiatives with its mission and objectives, ensuring that ESG considerations are effectively integrated into investment practices, portfolio management, and corporate operations.
- ESG & Impact Officer: ESG & Impact Officer carries responsibility for the development and implementation of the firm’s ESG & Impact strategy and ESG-MS, including all policies, procedures, and tools as well as leading diligence efforts and value creation initiatives.
- ESG & Impact Team: The ESG & Impact Team supports the Deal Team in the ESG screening and due diligence and monitoring of transactions / portfolio companies by providing advice and capacity building.
- ESG, Impact & Finance Reporting Lead: The ESG, Impact & Finance Reporting Lead is responsible for the collection, review and reporting of ESG and Impact related data collected from the portfolio companies.
- Head of Talent: The Head of Talent leads all human capital initiatives across the investment lifecycle of portfolio assets. This includes supporting both deal teams and portfolio companies in driving DEI initiatives and our 2X commitment.
- Climate Team: The Climate Team are dedicated members of the CLEAR Deal Team, supporting the delivery of the Funds climate objectives. They are responsible for the

climate screening and the monitoring of CLEAR's portfolio companies during CLEAR's hold period.

- Senior Climate Advisor: The Senior Climate Advisor advises on CLEAR's overall climate strategy, ensuring it is informed by the latest global trends. Moreover, the senior advisor sits on the CLEAR IC and scrutinizes each deal's climate credentials in detail to ensure they fit CLEAR's climate mandate.

- Deal Team: The Deal Team is responsible for applying the ESG-MS requirements to the applicable transactions and engaging with portfolio companies on applicable ESG standards and requirements. Throughout the investment process, the Deal Team in conjunction with the ESG Team and the Portfolio Operations Team carry responsibility for a transaction's ESG due diligence and implementation of the corrective measures with the portfolio company in case it does not comply with such ESG standards and requirements.

- Portfolio Operations Team: The Portfolio Operations Team together with the Deal Team and the ESG Team are responsible for monitoring portfolio company ESG performance over time. They work with the portfolio company to ensure strategic alignment and focus including alignment to the Helios Responsible Investment Policy requirements and principles.

- Investment Committee: The IC carries final responsibility for ratifying the ESG risk assessment from the due diligence assessment and any corrective measures in the ESG Action Plan. The IC can overrule conclusions and recommendations from the Deal Team and/or the ESG & Impact Officer, defining additional requirements, up to and including declining the suitability of the investment.

- Compliance Officer: The Compliance Officer that the applicable ESG standards and requirements are adequately included in a transaction's legal agreement. This should fortify the investment team's leverage to keep a portfolio company to the commitments and agreed mitigation measures and to act in case of any breaches of law or activities contrary to this policy.

- External Specialists: External Specialists may work in collaboration with the Deal Team and the ESG Team to perform support services such as ESG due diligence assessments for high-risk investments, assist with the investigation of serious incidents occurring at investments, where required; and/or support Helios and its portfolio companies in training and capacity building on key ESG aspects.

9. Policy Ownership

The maintenance of this policy falls under the responsibility of the ESG & Impact Committee. This policy is reviewed by the ESG & Impact Officer on an annual basis.

Disclaimer: *This policy will be implemented on a commercially reasonable basis and in accordance with applicable in-country regulations. In cases where local laws or regulations prevent full implementation, adjustments shall be made to ensure compliance while maintaining the policy's intent to the extent possible.*

Annex 1 Helios ESG Exclusion List

Scope: All investments across Helios, regardless of ownership stake, are subject to this standard list of exclusions, which applies to all Helios strategies. However, there may be additional exclusions specific to certain funds such as Helios Climate Fund.

Application: Deal Teams will screen out deals that fall within the "exclusion" categories as part of initial deal review. These are deals that we will not pursue as a policy matter. For deals that are high risk (Cat A) or medium/high risk (Cat B+) but fall within the "parameters for additional review", the Deal Team, supported by the ESG & Impact Officer and Compliance Officer at Helios, will determine, the extent of ESG due diligence required, before significant resources are spent on other diligence items. This process and output will be documented in the Early Warning Memo and presented to the Investment Committee (IC).

Investment Exclusions:

1. Forced labour[3] or child labour[4].

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, including but not limited to:
   a) Ozone depleting substances, PCB's (Polychlorinated Biphenyls) 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 with the Basel Convention and the underlying regulations or waste incineration (other than forestry or agricultural waste used for biomass power schemes) and processing of toxic waste (other than landfill gas (or other waste gas) waste-to-energy schemes or flaring). Where waste incineration related to forestry or agricultural waste used for biomass power schemes and processing of toxic waste related to landfill gas (or other waste gas) waste-to-energy schemes or flaring is envisaged (i) extensive due diligence has to be performed in order to avoid any reputation risk to the Partnership and its Investors (ii) additional studies and project monitoring should be performed by the Portfolio Company; and (iii) such project should be capable of participation in the Clean Development Mechanism[5] under the Kyoto Protocol[6].

4. Destruction[7] of High Conservation Value areas[8].

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[3] Forced labour 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.
[4] Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.
[5] http://cdm.unfccc.int/index.html
[6] http://unfccc.int/2860.php/
[7] 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.
[8] 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).

5. Radioactive materials[9] and unbounded asbestos fibres.

6. Production or use of or trade in hazardous materials such as radioactive materials, nuclear reactors and components thereof, unbounded asbestos fibres and products containing PCBs[10].

7. Any business relating to pornography and/or prostitution.

8. Racist and/or anti-democratic media.

9. Trade in wildlife or wildlife products regulated under CITES[11].

10. Marine and coastal fishing practices, such as blast fishing, large scale pelagic drift net fishing and fine mesh net fishing, harmful to unwanted vulnerable and protected species in large numbers and damaging to the marine biodiversity and habitats.

11. Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances[12] and other hazardous substances subject to international phase-outs or bans or production, commercial-scale use, trade, storage, or transport of products containing polychlorinated biphenyls; and hazardous chemicals.

12. Destruction[13] of critical habitat[14] or commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.

13. Production and distribution of racist, anti-democratic and/or neo-Nazi media, or with the intent to discriminate part of the population.

14. Religious organisations.

15. Psychiatric hospitals involving custodial facilities.

16. Purchase of land or real-estate investment except where it is directly associated with investments (e.g. of land for the construction of a power plant).

17. Investment in real-estate activities with the aim of making profit on sales in the short term.

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[9] 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.
[10] PCBs: Polychlorinated biphenyls, a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985
[11] CITES: Convention on International Trade in Endangered Species or Wild Fauna and Flora.
[12] Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ODs and their target reduction and phase-out dates.
[13] Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the habitat's ability to maintain its role (see footnote 36) is lost.
[14] Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

18. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented Free, Prior, and Informed Consent (FPIC) of such peoples.

19. Production or trade in: weapons, munitions or paramilitary materials, tobacco or tobacco related products; or alcoholic beverages (excluding beer and wine).

20. In the event that any of these following products form a substantial part of a project's primary financed business activities:[15] a) Alcohol beverages (except beer and wine) b) Tobacco c) Weapons and munitions; or d) Gambling, casinos and equivalent enterprises.

21. Any activity involving significant alteration, damage or removal of critical cultural heritage[16].

22. Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley agreement[17], or other similar international agreements (actual or to be formed), on similar extractive resources.

23. Live animals for scientific and experimental purposes, including the breeding of these animals.

24. Ammunition and weapons, military/police equipment, infrastructure or correctional facilities, prisons.

25. Commercial concessions over, and logging on tropical natural forest; conversion of natural forest into a plantation.

26. Purchase of logging equipment for use in tropical natural forests or high nature value forest in all regions; and activities that lead to clear cutting and/or degradation of tropical natural forests or high nature value forest.

27. Production or trade in wood or other forestry products other than from sustainably managed forests.

28. New palm oil plantations.

29. Any business with a political or religious content as its principal purpose.

30. Coal mines, construction of new and extension of any existing coal fired thermal power plants and land based coal infrastructure (e.g. terminals, railways).

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[15] For portfolio companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions (banks), "substantial" means more than 10% of their underlying portfolio

[16]Consists of internationally and nationally recognised historical, social and/or cultural heritage

[17] The Kimberley Process Certification Scheme (KPCS) is a certification standard for diamond production that concerns governments; the diamonds are controlled at each stage of the production chain, from extraction through to retail of the finished product. The KPCS was created to prevent and stop conflict diamond trade. It is designed to certify the origin of diamonds from sources which are free of conflict fuelled by diamond production. Member states adhere to adopt national laws on the issue, and to put in place the necessary export and import control mechanisms to implement the KPCS. More than 75 countries involved in the production, commercialization, and transformation of diamonds participate

In addition, Helios funds will also not invest in a Portfolio Company engaged in any of the following activities:

1. coal prospection, exploration, mining or processing
2. oil exploration or production
3. standalone fossil gas exploration and/or production[18]
4. transport and related infrastructure primarily[19] used for coal for power generation
5. crude oil pipelines
6. oil refineries
7. construction of new or refurbishment of any existing coal-fired power plant (including dual)
8. construction of new or refurbishment of any existing HFO-only or diesel-only power plant[20] producing energy for the public grid and leading to an increase of absolute CO2 emissions[21]
9. any business with planned expansion of captive use of coal[22] used for power and/or heat generation.

Areas and issues for additional review:

As part of our risk categorization process and aligned with our ESG policies, Deal Teams will also undertake greater focus and scrutiny, through ESG due diligence on new investments, where the business activities could potential be associated with:

- significant risks to the health and safety of workers;
- significant air emissions (including of greenhouse gases), use of water or generation of liquid effluents, generation of hazardous or other solid wastes or resource use inefficiencies;
- adverse community health and safety impacts (including risks to health, welfare and economic opportunity);
- the acquisition and/or use of land that could affect the livelihoods and well- being of local communities (including as a result of increased food insecurity, or loss of access to natural resources (especially water) or traditional rights and practices) and/or results in economic displacement or involuntary resettlement;
- activities in conflict and post-conflict areas where the company's presence and / or activities could exacerbate an already sensitive local circumstances which might lead to further or renewed conflict;
- negative impacts on biodiversity, habitats or ecosystem services;
- impacts on indigenous peoples (or other marginalised and vulnerable groups);
- restricted opportunities for women and girls or otherwise increased gender inequality;
- impacts on cultural heritage;

18 Gas extraction from limnically active lakes is excepted from this exclusion.
19 "Primarily" means more than 50% of the infrastructure's handled tonnage.
20 For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.
21 I.e. where energy efficiency measures do not compensate any capacity or load factor increase.
22 "Captive Use of Coal" means the use or consumption of coal for power or heat generation (or both), which power or heat is self-consumed by the Borrower, but excludes the use or consumption of coal to initiate chemical reactions (such as metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, to the extent that there is a lack of feasible and commercially viable alternatives.

- potential safeguarding risks[23];
- potential risks associated with client protection in investments made into financial service providers;
- significant cumulative impacts or impacts that would be represented via supply chains; or
- other significant negative environmental or social impacts.

Following the completion of ESG due diligence and further understanding of the extent of potential ESG risks, if Helios is unable to affect positive change to address and improve these potential issues through an Environmental and Social Action Plan (ESG-AP) agreed with company management, then Helios 'will not proceed' with the proposed transaction.

23 Safeguarding involves any work or service which is exacted from any person under the menace of any penalty and for which that person has not offered themselves voluntarily, or that otherwise contravenes the requirements of the ILO Conventions. It also contravenes the requirements of the Gender-Based Violence Convention, or that otherwise involves the exploitation, abuse or harassment (being any form of unwanted verbal, non-verbal or physical conduct, whether by force or under unequal or coercive conditions) of any person that is directed at such person because of their perceived or real sex or gender, or that disproportionately affects people of a particular sex or gender, including the exploitation or abuse of a child.