



metier

Responsible Investment Policy

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Glossary

Terms	Definition
Environmental	Where we refer to the environment or environmental factors, we refer to the quality and functioning of the natural environment and natural systems. This includes aspects related to biodiversity management, greenhouse gas (GHG) emissions and reductions, climate change and climate action, energy efficiency, water efficiency, changes in land use, pollution prevention and waste management.
Social	When we refer to the social factors, we refer to the rights, well-being and interests of people and communities. These include diversity, equality, inclusion, human rights, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, labour standards in the supply chain, the prevention of child and forced labour, diversity, relations with local communities, consumer protection, economic empowerment, training and skills development.
Governance	When we refer to governance or governance factors, we refer to the governance of Metier and its Portfolio Companies. Governance includes aspects such as board structure, leadership, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders.
ESG	When we refer to ESG, we refer to the inclusion of environmental, social and governance risks and impacts in the investment analysis, investment decisions and portfolio management.
Business Integrity (BI)	When we refer to business integrity, we refer to doing business ethically and transparently. This includes managing risks associated with bribery and corruption, conflicts of interest, money laundering and financial sanctions.
Impact	When we refer to impact, we refer to tangible positive outcomes such as decent job creation, improved environmental quality, gender equality and the creation of sustainable, socially responsible businesses that drive market development which ultimately benefits our broader communities, with the aim that such impact is measured, responsible and sensitive to all stakeholders. Impact is essentially the intentional desire to contribute to addressing economic, environmental and societal issues while having a measurable economic, social or environmental benefit.
Responsible Investment	As an investor, Metier considers ESG, BI and Impact issues when making investment decisions and influencing Portfolio Companies.

Fund/s	Funds refers to investment funds managed by Metier for purposes of pooling the capital commitments of investors and making investments in the equity and equity-related securities of portfolio companies.
Portfolio Companies	Portfolio Companies refer to the companies where the investors' capital has been invested.
2X Challenge	2X Challenge is a commitment on behalf of development financial institutions to collectively mobilise funding in private sector investments that provide women in developing countries with improved access to leadership opportunities, quality employment, finance, enterprise support and products and services that enhance economic participation and access.

1. Introduction

Since inception in 2003, Metier's core objective has been to contribute towards positive and sustained impact across Africa. Since then, the firm has made significant progress in defining what responsible investing means for Metier. This Responsible Investment Policy has been established to capture Metier's Environmental, Social and Governance (ESG), Business Integrity (BI) and Impact objectives.

Core to Metier's investment approach is an intentional focus on ESG, BI and Impact, which matches our values, principles and passion. This intentionality is reflected in our strategy to deploy transformative growth capital and sustainable capital investments across Africa. Metier invests in opportunities where we are able to deliver top quartile financial returns through proactive management and mitigation of ESG and BI risks and where we can create tangible Impact for society and the environment. These imperatives are achieved through the adoption of robust systems developed in partnership with our investors and benchmarked against best global standards.

Thus, our investments are aligned with the mandate and strategy of our Funds and are well positioned to address the many social and environmental challenges prevalent across Africa.

1.1 Purpose

The purpose of this policy is to articulate Metier's principles for and commitment to responsible investing, which are aligned to Metier's belief that business integrity, operational excellence, financial performance, ESG considerations and the achievement of positive Impact are inextricably linked.

As an investor, as far as it is under our control, we will use our influence to ensure that our Funds and their Portfolio Companies commit to the principles of this policy.

1.2 Policy Objectives

At Metier, we believe that an intentional approach towards responsible investing leads to more sustainable companies, improved operational performance and higher exit and valuation outcomes. Consequently, Metier is committed to being a responsible investor, and through this policy, seeks to:

- Clarify our philosophy on Responsible Investment as well as our alignment with current and future partners in relation to their ESG, BI and Impact priorities;
- Specify standards and frameworks to which Metier, its Funds and its Portfolio Companies are expected to align;
- Articulate our approach to mitigating financial, operational, reputational and other non-financial business risks for Metier, its Funds, investments and its investors resulting from ESG and BI matters;
- Identify ESG and BI opportunities that add value to the performance of our Portfolio Companies and create value for our investors;

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- Highlight our intention to create positive Impact in our areas of focus, in which we believe we can support and encourage our Portfolio Companies to drive significant value for their customers, employees, and broader stakeholder groups; and
 - Establish the basis of remaining an attractive employer for talented professionals who are aligned with our Responsible Investment philosophy and who desire to make a meaningful contribution to our continent.

Our intention is to maintain an integrated approach to ESG, BI and Impact ensuring a thorough understanding of risks and adverse effects, as well as value creation and positive impacts, to ensure that an investment is considered and managed in a holistic manner.

1.3 Scope and Applicability

This policy extends to the full range of investment activities carried out by Metier. The policy will be implemented with respect to all new Funds raised after its adoption and will also apply to existing investments in respect of recording, measuring and reporting on ESG, BI and our Impact.

2. Responsible Investment Guidelines

To support the achievement of the objectives laid out in this Policy, as far as it is under our control, Metier will:

- Ensure that its Funds and Portfolio Companies implement and maintain appropriate management systems which effectively address ESG and BI risks, as well as realise ESG, BI and Impact opportunities;
- Respect and proactively manage compliance of the Funds' and Portfolio Companies' operations with host country laws, rules and regulations applicable to all phases of the Portfolio Companies' assets and activities, including health and safety, social and environmental laws, regulations and international guidelines and requirements within a reasonably acceptable time frame and institute measures to ameliorate or eliminate related risks;
- Respect and proactively manage the alignment of both the Funds' and Portfolio Companies' operations with international conventions and treaties adopted by the host country and applicable to the Portfolio Companies' assets and activities;
- Incorporate climate change-related and other pressing environmental risks and opportunities appropriate to local contexts, as considerations into all investment assessments and documentation;
- Ensure that the identification, mitigation and management of environmental related risks are incorporated into Fund risk-management processes; and
- Measure and monitor greenhouse gas (GHG) emissions of Metier and its Portfolio Companies, and other key environmental impact indicators where appropriate to local circumstances, assess potential climate-related economic and social transition and physical risks and undertake efforts to combat climate change as appropriate to the size and nature of the Portfolio Companies, in addition to enhancing the climate change resilience of Metier and its Portfolio Companies.

More specifically, Metier and its Funds, as far as it is under our control, will encourage the Portfolio Companies over time to work towards compliance with:

- Equator Principles for Financial Institutions III (June 2013);
- 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 and ILO conventions covering the basic terms and conditions of employment, including the ILO Declaration on Fundamental Principles and Rights at Work;
- The Paris Agreement and the Task Force on Climate-Related Financial Disclosures (TCFD);
- United Nations Guiding Principles on Business and Human Rights;
- Organisation for Economic Co-operation and Development (“OECD”) Guidelines on Multinational Enterprises;
- OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (April 2016); and
- European Development Finance Institutions Principles for Responsible Financing.

Portfolio Companies are expected to achieve alignment with the specific ESG and sustainability-related policies and principles of our Funds, including avoiding any activities outlined in the Metier Exclusion List. To this end, as far as it is under our control, Metier will support Portfolio Companies in helping that they:

Environmental

- Make increased use of renewable energy and achieve reduction of energy intensity;
- Make efficient use of natural resources and protect the environment and biodiversity wherever possible;
- Support waste management and the concept of the circular economy;
- Support the reduction of GHG emissions which contribute to climate change; and
- Develop plans and systems to support climate adaptation and management of climate-related risks.

Social

- Respect internationally recognised human rights and conduct regular human rights due diligence in order to identify, prevent, mitigate and account for potential adverse risks/impacts as appropriate to the size and nature of the Portfolio Company and its supply chain; and
- Strive to ensure that levels of gender representation at management level seek to achieve alignment with the targets in the 2X Challenge framework.

Governance




- Have a Board of Directors separate from management to guide corporate strategy and protect interests of shareholders;
- Ensure appropriate allocation of ESG, BI and Impact responsibilities to relevant Board members and sub-committees, and in so doing ensure that ESG, BI and Impact topics receive appropriate coverage in Board meetings and agendas;
- Not engage in any corrupt, fraudulent, coercive, collusive or obstructive practices;
- Uphold high standards of business integrity and operate in accordance with international laws and good practice regarding corporate governance, good governance, financial reporting, tax compliance, accountability and transparency, especially in relation to the prevention of corruption, extortion, bribery and financial crimes;
- Comply with policies, procedures, systems and controls to identify and manage integrity risks, including anti-bribery and corruption, anti-money laundering and combating the financing of terrorism systems; and
- Promote Corporate Social Responsibility (CSR) and social development contributions in its activities.


3. ESG, Value Creation and Impact Focus Areas

At Metier, we understand that all our investments need to have a net positive Impact. Therefore, as part of integrating Impact into our investment approach and aligning with the UN Sustainable Development Goals ("SDGs"), we have identified priority ESG and Impact areas as a firm, as detailed in Table 1, that we will focus on and intentionally drive across all our Funds and Portfolio Companies. Additionally, as far as it is under our control, we will continue to gather data and report on performance in these areas, while working closely with our Portfolio Companies to achieve ongoing improvements.

We recognise that some Portfolio Companies and Funds may have benefits for society and the environment that extend beyond these focus areas. In these cases, specific Portfolio Company and Fund Impact themes linked to the SDGs will be identified and monitoring of each investment against specific themes will take place. This ongoing collection and monitoring of company and portfolio level ESG and Impact data is an important part of risk management, opportunity identification, and Impact tracking activities matching our commitment to measure, manage and transparently report such progress.

Table 1: Metier's Priority ESG and Impact focus areas

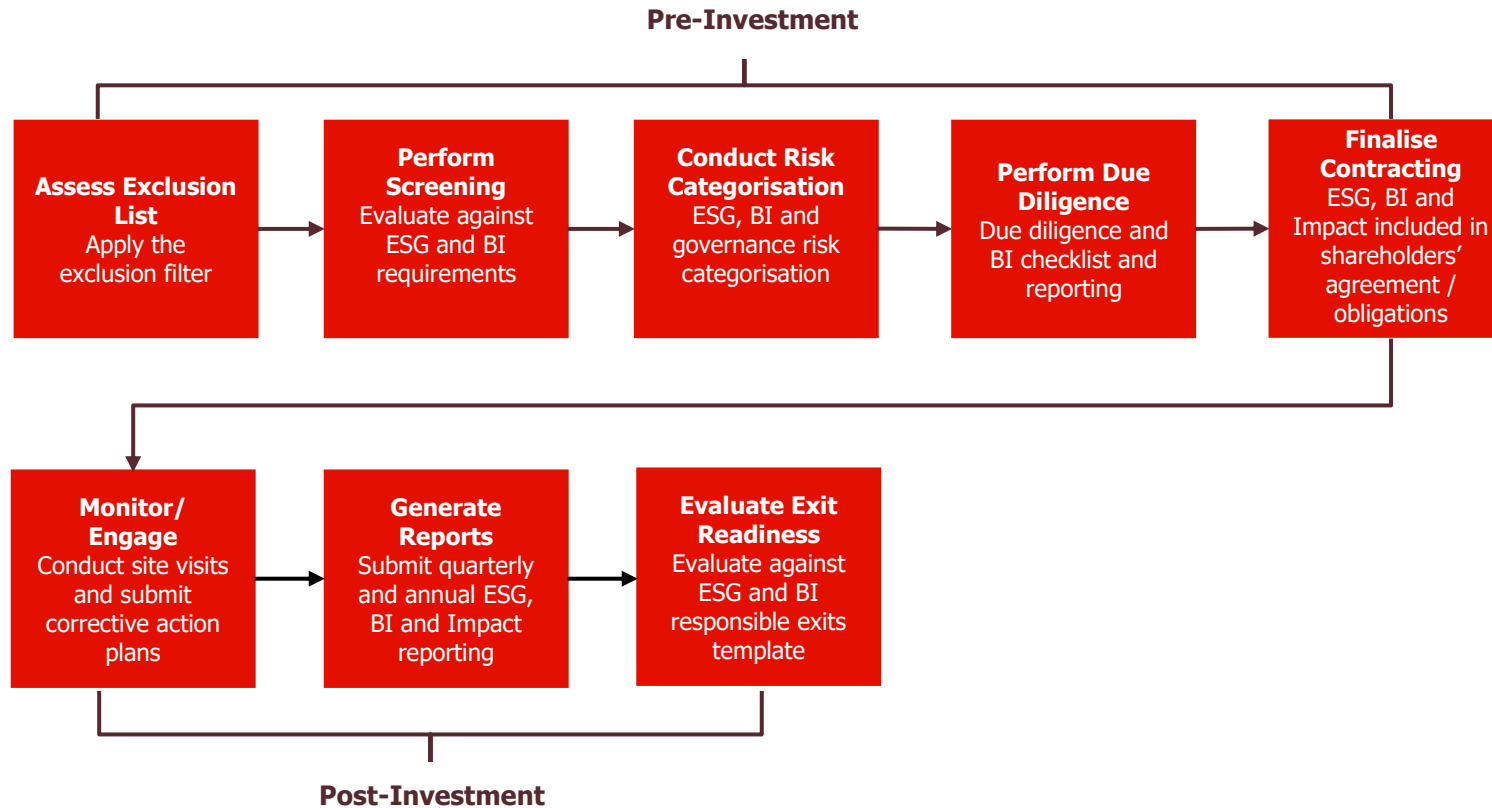
<i>SDG</i>	<i>Focus Area</i>	<i>Description</i>	<i>Specific SDG Targets (Numbering herein is as per SDG guidelines)</i>
	Gender Equality	<ul style="list-style-type: none"> • Eliminate discrimination against women and girls. • Eliminate the gender wage gap. • Establish equal employment opportunities for both men and women. • Improve representation of women as owners, business leaders and managers. • Increase number of products and services designed and delivered for women. • Have a sexual harassment prevention policy and complaints mechanisms in place, as well as a clear reporting procedure and template to report to the Fund. 	<ul style="list-style-type: none"> • 5.1: End all forms of discrimination against all genders, disability, color, race, nationality, ethnicity, religion, sexual orientation or national origin amongst others. • 5.5: Ensure women's full and effective participation and equal opportunities for leadership, managerial positions and at all levels of decision-making. • 5.c: Adopt sound policies to promote gender equality and empowerment of women at all levels.
	Job Creation and Quality	<ul style="list-style-type: none"> • Ensure that all employees earn a living wage. • Support employee education and training programs • Promote products and services that enable and/or catalyse broader business activities. • Target stakeholders in low-income populations in order to create jobs and support economic development. • Consider benefits to broader economies and communities throughout the investment process. 	<ul style="list-style-type: none"> • 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services. • 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
	Responsible Consumption and Production	<ul style="list-style-type: none"> • Adopt and develop sustainable practices in harmony with nature. • Integrate sustainability information into reporting cycles. • Focus on sustainable development impact that creates jobs, promotes local culture and products. 	<ul style="list-style-type: none"> • 12.2 Manage sustainably and make efficient use of natural resources. • 12.4 Achieve environmentally sound management in accordance to agreed international frameworks and minimise adverse impacts on human health and environment.

		<ul style="list-style-type: none"> • Ensure the sustainable management and efficient use of natural resources. • Consider environmentally sound practices to minimise adverse impacts to human health and environment. 	<ul style="list-style-type: none"> • 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse. • 12.6 Encourage companies to adopt sustainable development practices and integrate sustainable information into reporting cycles. • 12 b Develop and implement tools for sustainable practices that create jobs and promote local culture and products. • 12 c Minimise possible adverse environmental impacts in a manner that protects the vulnerable and affected communities.
	<p>Climate Action</p>	<ul style="list-style-type: none"> • Foster climate resilience, minimise adverse impacts of climate change and reduce GHGs emissions. • Integrate climate change measures into policies and planning. 	<ul style="list-style-type: none"> • 13.1: Strengthen resilience and adaptive capacity to climate-related hazardous activities and natural disasters in all host countries. • 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation and impact reduction. • 13.a: Implement commitments undertaken by Portfolio Companies in the context of meaningful mitigation actions and transparency on implementation thereof.

4. *Responsible Investment Procedures & Approaches*

Metier has developed a range of procedures to ensure that a Responsible Investment approach is integrated throughout every stage of the investment process. These procedures are supported by guidance documents (policies, manuals, tools and templates) contained in the Metier Environmental, Social and Impact Management System (ESIMS) Manual.

Metier Responsible Investment Approach



As part of Metier's responsible investment approach, Metier will embed training on responsible investing principles and procedures in the existing internal training programme, under which the investment team is trained weekly on various modules as part of continuous improvement. Metier will also continue to provide regular ESG, BI and Impact related training to its employees and Portfolio Companies.

5. *Our Approach to Engagement and Active Ownership*

Metier is committed to a constructive dialogue on ESG, BI and Impact topics with investors, Portfolio Companies and other stakeholders. This includes encouraging transparency on ESG, BI and Impact performance as well as advocating for the importance of managing ESG, BI risks, opportunities and impacts for the overall success of the business. At Portfolio Company level, engagements and ownership for monitoring and driving ESG, BI and Impact commitments will continue to be led through the ESG/Social and Ethics Committees, typically consisting of members of the Board, management, ESG and BI Officers. With our commitment to best practice and learning, this policy statement and its application are subject to review and amendment at least every two years.

Through the Advisory Boards and ESG sub-committees that are established for the various Funds, Metier commits to actively manage ESG and BI risks, opportunities and impacts adequately and effectively, and to implement the required measures to ensure this. Responsible Investment is a standing agenda item at Metier's holding company board meetings and throughout its Portfolio Companies.

6. *Measuring, Evaluating & Reporting on our ESG and Impact Performance*

Over and above identifying and managing ESG and BI risks, Metier is committed to measuring and demonstrating the positive effects of our investments on areas that are most relevant to us, our investors and the local jurisdictions in which our investments operate. Our efforts in capturing and disclosing these impacts will be guided by key principles and guidelines informed by the Global Reporting Initiative Framework, the Taskforce for Climate Related Financial Disclosures ("TCFD") and SDGs, amongst other globally recognised reporting standards and frameworks, and will enable us to benchmark our investments across Funds. Metier may invoke other local or international guidelines with respect to our ESG, BI and Impact performance as deemed appropriate.

In addition, we undertake to report and disclose our progress on the application of this policy on an annual basis to our investors.

7. *External Collaborations*

Metier is a signatory to the 2X Challenge, and has aligned with the FMO Green Label Framework, an initiative aligned with our ambitions to grow our "Green" portfolio, which is aimed at investing in Portfolio Companies that enable and support resource efficiency, climate adaptation and the management of their GHG emissions. In line with our "Green" portfolio ambitions, Metier and its Funds will aim to align with the TCFD framework. The TCFD alignment will be primarily against the four pillars recommended by the Taskforce:

- Strategy: align by identifying opportunities to reduce GHG emissions across the portfolio, where it is within our control, and by enhancing the climate change resilience of Metier and its Funds;
- Governance: ensure accountability through considering and taking responsibility for Metier and its Funds' climate impact at the Board and executive management levels;

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- Risk management: establish processes to identify, assess, and manage climate-related risks; and
 - Metrics: measure progress against the emission reduction target by tracking Fund metrics. These metrics will be reported in our annual reports.

As our Responsible Investment practices evolve, we will consider memberships of or alignment with other organisations and standards. Through these memberships, as well as engagement in/representation on other forums, we will seek to ensure that we remain up to date with evolving best practice in Responsible Investing.

8. Governance of Responsible Investment

Metier has put several ESG, BI and Impact governance measures in place, both for our own operations, as well as for our Portfolio Companies. These include:

- The responsibility to oversee the implementation of this Responsible Investment Policy which lies with Metier’s directors.
- Dedicated professionals who provide guidance and oversight of ESG, BI and Impact activities, and who are ultimately responsible for the use of the ESIMS and its various supporting tools and procedures throughout the investment lifecycle. This includes activities such as participation in the Transaction Forums, Investment Committee meetings and related processes, the implementation of ESG, BI and Impact investment appraisal activities; developing the monitoring and reviewing mechanisms; generating routine and ad hoc reports for senior management and investors; reviewing ESG, BI and Impact appraisal tools to identify areas for improvement; and overseeing the ESG, BI and Impact due diligence for high-risk or more complex projects.
- Investment professionals who are responsible for undertaking activities related to the pre-investment process and the contracting and post-investment support. This to ensure that any material ESG, BI and Impact issues are addressed in the investment appraisal process, duly recorded, included as part of the contracting process, regularly monitored and measured during the investment process, and reported on as part of the value creation process from inception to realisation.
- The incorporation of ESG, BI and Impact issues for discussion at Portfolio Company boards, including board oversight on climate change-related matters.

Furthermore, each Fund has/will have:

- A designated ESG Manager within the deal team that has oversight over the implementation of ESG, BI and Impact management at Fund level.
- An ESG and Impact sub-Committee that steers the Fund’s strategy and the way in which specific ESG, BI and Impact areas are to be approached, addressed and conducted; provides strategic guidance in relation to ESG, BI and Impact management; approves policies that

operationalise the ESG, BI and Impact strategy of the Fund; and advises on the implementation and execution of the Responsible Investment Policy.

- Support of qualified external consultants, contracted on a case-by-case basis, where professional advice is sought on ESG, BI and Impact matters of material importance.

With regards to climate change and aligning with the recommendations of the TCFD, the ESG Manager will be responsible for climate change-related matters and will communicate these matters to the board/board sub-committee and relevant members of management.

9. Regular Revision of the Responsible Investment Policy

Metier recognises that this policy, with its associated tools and processes, will need to be reviewed on a regular basis to ensure it continues to help us meet our ESG, BI and Impact ambitions, remains consistent with our investment beliefs and priorities, and is relevant given changing market regulations and expectations. As a consequence, and to comply with our commitment to continuous improvement, we undertake to update and review this policy every two years.

Approved by:

Name: _____

Position: _____

Signature: _____

Date: _____

Approval and Version Control

	Date	Name	Position	Signature
Created:	15 December 2022			
Reviewed:	9 March 2023			
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