



Alterra Africa Accelerator (AAA) Manager Environmental, Social, Governance, and Impact (ESG&I) Policy

Version Control

Environmental, Social, Governance, and Impact Policy
Version 6.2
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Last Review by Alison Kieler

Individuals Responsible

Name	Title	Role
-	Partners	Overall oversight
Alison Kieler	Head of ESG & Impact	Document management, implementation
Elaine M’Nkubitu	ESG & Impact Senior Analyst	Document review, implementation

1. Alterra's ESG and Impact Vision

Alterra Africa Accelerator Manager (AAA Manager or Alterra) developed this Environmental, Social, Governance, and Impact (ESG&I) Policy based on a comprehensive view of sustainability. As an asset manager with fiduciary responsibilities, AAA Manager understands that ESG considerations go hand in hand with value creation and works with portfolio companies to identify, mitigate, and manage ESG risks so that they can be more resilient, innovative, and competitive. Alterra also recognizes the role of private capital in accelerating positive development impact, particularly in emerging markets, and works with portfolio companies to identify and build on impact-related opportunities.

2. Alterra's Commitment

To realize this vision, AAA Manager commits to the following:

- Ensure that ESG&I considerations are an integral part of investment processes,
- Ensure sufficient organisational ESG&I capacity and competency,
- Maintain and implement a robust ESG&I Management System (ESGIMS) in line with this Policy for all funds under management,
- Drive continual improvement on ESG&I matters at portfolio companies through an active management approach in line with this Policy's principles and standards, as applicable,
- Provide regular and transparent disclosures on ESG&I efforts to investors and other relevant stakeholders, and
- Regularly review and update the ESGIMS in line with best practice.

3. Policy Introduction

This ESG&I Policy establishes, at a high level, AAA Manager's approach to integrating ESG&I considerations throughout the investment process. It is the foundation of the more detailed processes and procedures found in Alterra's overall ESGIMS, which governs how AAA Manager identifies, mitigates, and manages ESG-related risks and incorporates impact-related considerations into the investment process. The ESG&I Policy and its associated ESGIMS apply to all Alterra investment activities and map to Alterra's Investment Handbook.

4. ESG&I Principles, Guidelines, and Standards

4.1. Guiding Principles

AAA Manager recognizes that material ESG risks can negatively impact company value and is committed to maintaining adequate resources to effectively manage ESG risks. In practice, this means identifying, mitigating, and managing ESG risks at companies in a manner consistent with local laws and regulations and with international standards. Alterra commits to working with portfolio companies to anticipate and appropriately manage adverse impacts on workers, communities, and the environment.

To contribute to positive development impact, AAA Manager will focus on four interrelated impact themes: quality job creation and skills development, women's empowerment, climate change mitigation and adaptation, and supply chain development. Alterra commits to collaborating with each portfolio company to develop specific, measurable, and commercially feasible impact goals and to report on progress against those goals in a consistent manner.

4.2. Applicable ESG&I Laws, Guidelines, and Standards

The ESGIMS is guided by applicable national and international guidelines and good practice standards. Alterra will work with all portfolio companies to continually improve ESG&I performance and, in particular, to align with the following:

- Applicable national and local ESG&I laws and regulations,
- The International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (2012),

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- The World Bank Group Environmental, Health and Safety Guidelines (2007), and
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (1998).

Where applicable, the Fund will also use the following widely accepted sustainability-related frameworks for guidance (non-exhaustive):

- [Sustainability Accounting Standards Board \(SASB\)](#) Standards,
- [International Organization for Standardization \(ISO\)](#) Certifications,
- The [International Financial Reporting Standards \(IFRS\) S2 Climate-related Disclosures](#),
- The [2X Challenge: Financing for Women](#), and,
- The [UN Sustainable Development Goals \(SDGs\)](#).

Alterra recognizes the importance of playing a leading ESG&I role within the private equity sector. AAA Manager is a signatory to UN Principles for Responsible Investment and is eligible to qualify as a 2X Challenge investment.

5. Policy Implementation

The Fund Manager is responsible for implementing the ESG&I Policy, which embeds ESG&I considerations into all steps of the investment process from pre-screening to exit. More details on implementation are provided in the Alterra ESGIMS.

5.1. Investment Process

Alterra will screen all pipeline deals against its Exclusion List and assign an initial ESG risk rating. ESG&I due diligence will be commensurate with the company's ESG risk level and will also identify opportunities to progress against targeted impact goals, particularly the Fund's four impact areas.

Assessment findings will inform an initial ESG&I Action Plan (ESGIAP), to be agreed with company partners. The final ESGIAP should be commercially feasible, and actions should be time-bound and tied to specific deliverables. Prior to investment, Alterra will incorporate ESG&I requirements and expectations in legal documentation between the Fund and the portfolio company.

Alterra uses an active ownership approach to promote continual progress on ESG&I, focusing on aspects that impact, or have the potential to impact, company value. Alterra monitors progress on ESGIAPs through ongoing engagement, updating ESGIAPs as needs or circumstances change.

5.2. Reporting

The Fund will produce quarterly ESG&I reports covering pertinent operational updates, ESG&I accomplishments and challenges, the status of all ESGIAPs, and contribution to development impact. The Fund will report material incidents on an ad hoc basis, as needed.

The Fund will also report on its own ESG activity, including any changes to Alterra's sustainability policies and procedures and internal capacity building initiatives.

5.3. Governance

Alterra maintains a dedicated ESG&I team including an ESG&I Manager and an ESG&I Officer to oversee the day-to-day implementation of the ESG&I Policy and the associated ESGIMS. Alterra will engage third party expertise and support from competent and qualified service providers, as and when required. All investment professionals must execute investment processes in line with the ESG&I Policy.

The Alterra Partners have overall accountability for the execution of the ESG&I Policy by ensuring that adequate resources are allocated and maintained and by ensuring that the ESG&I Policy reflects the organization's values and investor requirements.