



Environmental, Social and Governance (ESG) - A Platform for Value Creation

Environmental

Environmental performance improvements have historically been the main area of focus for fund managers. This stems from the risk of exposure to financial penalties through permit exceedances or broader environmental impacts and inefficiencies.

We identify key environmental concerns in all our portfolio companies, and create an effective mitigation and monitoring programme which embeds accountability and performance improvements.

At a strategic level, we consider climate change as the key environmental risk for our portfolio companies. We are working towards improving resilience and collaborating with stakeholders to manage this risk. Other areas of high environmental risk in our portfolio include wastewater treatment and the management of hazardous and solid waste materials.

Social

Creating value on a balance sheet is only truly meaningful when it is accompanied by improved livelihood outcomes for employees and communities. Professionalising human resource management policies and systems is fundamental to improving working conditions and creating platforms for investing in people. Similarly, ensuring a social license to operate is an essential objective for any business and particularly those involved with land acquisition.

We understand the value of free and prior informed consent and we work towards ensuring all stakeholders have a voice at regular community, elders' or consultative forums. It is important to ensure all stakeholders are treated fairly and consistently which drives our commitment to embed social risk managers into each business.

Governance

Well-functioning and robust corporate governance creates the platform for transparency, accountability, and high-quality decision making, which fosters enhanced business integrity in each company. The means of achieving good corporate governance will vary at each company due to the nature of operations, the scale of the business, jurisdiction and the complexity of broader

decision-making processes. At 8 Miles we see governance mechanisms such as robust internal controls and a well-functioning Board as part of the solution. The other component is an executive team with integrity, leading by example and creating a culture of responsibility and ownership to ensure value is retained.

ESG Committee

At a fund level we operate an ESG Committee, as a sub-committee of our Investor Advisory Board, comprised of 8 Miles and LP representatives. This committee agrees amendments to ESG Policies and Action Plans, and agrees plans for thematic ESG assessments across our portfolio, such as climate change

measures, waste management, etc. The Committee monitors progress against each company's ESAP and provides guidance on specific country or portfolio company issues, including incident management or supply chain concerns.

Active Ownership means feet on the ground

The collective experience of 8 Miles in Africa has taught us that value creation requires the discipline of doing simple things well; applying proven best practice and transferring skills, recognising the local context, rather than re-inventing the wheel. Our "active ownership" philosophy means that we work closely, and on the ground, with management teams to design and implement

governance, culture and operational change programmes for local staff to engage with and deliver performance improvements. 8 Miles works side-by-side with the local teams, rather than through remote oversight, to implement these programmes within the business. We ensure best practices are appropriately localised, and local solutions are identified and implemented by portfolio company staff.

Environmental, Social and Governance (ESG) - A Platform for Value Creation...contd.

Sustainable Development Goals

The SDGs set the targets and framework for the private sector to understand how to address broader societal problems. The private sector has a clear mandate to deliver improvements in wellbeing, climate, decent jobs, resource management and ecosystems to

ensure we are meeting our commitments to invest responsibly and create more sustainable solutions. At 8 Miles we recognise the SDGs are an opportunity to focus and deliver responsible investment outcomes for Africa.

Development Impact

8 Miles creates positive social and development impact for employees, households and communities by investing for growth and actively working with companies to improve performance and working conditions. We recognise our responsibility extends to communities that are directly affected by our operations,

and work with them to deliver equivalent improvements. For example, the provision of on-site clinics, sanitation and clean drinking water for surrounding communities is a clear obligation to ensure health and wellbeing improvements.

Examples of recent achievements include:

1

Providing improved water quality and establishing low-cost water quality monitoring and reporting systems.

2

Partnering with a DFI to provide capacity building and HSE training programmes.

3

Improving food health and safety standards through new certification systems (SEDEX).

4

Delivering bespoke governance training to improve risk management procedures.

5

Setting up lean ESG Committees for companies to manage environmental, social and governance risks.

6

Collaboration by HR, HSE and quality teams across our portfolio companies to share ideas and programmes.

7

Developing modular Environmental and Social Management Systems (ESMS) with each portfolio company.