

**Africa50 Infrastructure Partners
Manager I Ltd**

**Environmental, Social and Governance
(ESG) Strategy**

*As approved by the Board of Directors on
21 October 2022*

Preamble

Africa50 Infrastructure Partners Manager I Ltd (the “Company”) is the fund manager of Africa50 Infrastructure Acceleration Fund I LP (the “Fund”), the latter being a pan-African closed-ended infrastructure fund established to make equity and quasi equity investments in infrastructure projects on the African continent. By investing in infrastructure, the Fund aims to promote sustainable economic growth, job creation, and improve the lives of people on the continent, while preserving natural resources for future generations in addition to creating value for shareholders. In line with its mandate from the Fund, the Company will manage the Fund’s investments and divestments in a manner that is consistent with the provisions of this ESG strategy (the “Strategy”).

Prioritizing ESG in how we do business means putting responsible value creation at the centre of all the Fund’s activities. Our goal is to be thoughtful and transparent about how we manage ESG risks through responsible use of physical resources, good community relations and sound and sustainable investing.

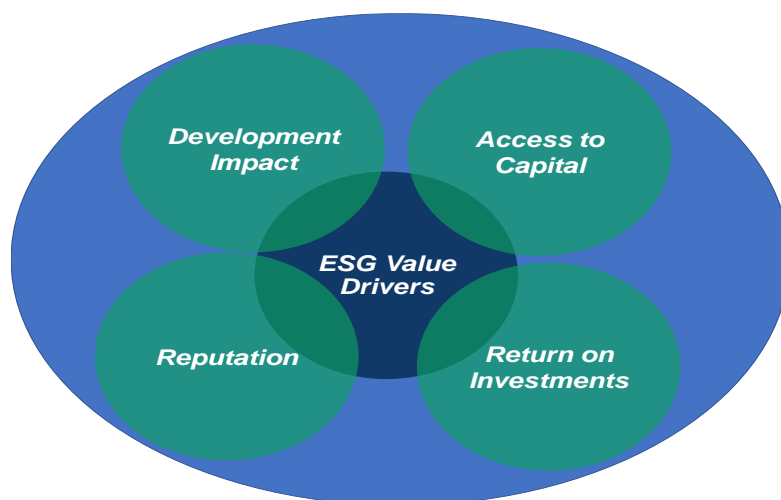
We believe that by approaching ESG concerns through this lens, the Fund will be better positioned for long term profitability as we earn and sustain government and community support as well as enhance brand value and credibility with the resultant effect of boosting our ability to secure additional investment capital for the Fund and attract world class partners with whom to execute our mandate.

1. Importance of ESG

The Company places a high level of importance on the implementation of Environmental, Social and Governance (“ESG”) best practice in the Fund’s business and that of the companies in which the Fund invests (“Portfolio Companies”). ESG factors form an integral part of the Company’s investment process when considering prospective investments. Often these factors are difficult to measure in monetary terms and therefore difficult to include in traditional financial assessments. Nonetheless, these factors have an impact on the risk and return of an investment, in addition to the reputation and perception of the Fund and its Portfolio Companies, and its corporate culture and ability to attract and retain top talent.

ESG directly impacts four core themes critical to the overall success of the Fund: a) Development Impact, b) Access to Capital, c) Return on Investment, and d) Reputation. This Strategy outlines how the Company sees ESG as a value driver in each of the above core themes and the specific activities that the Company focuses on to drive ESG performance and develop a competitive advantage in the market.

Figure 1 *ESG Value Drivers*



a. Development Impact

The Company and the Fund are committed to developing and investing in Portfolio Companies whose activities over the long term, positively enhance and change the lives of people in the communities, countries, and regions that they operate, and which place high importance on minimizing negative impacts on the environment. Typically, the development impact made by the Fund and its Portfolio Companies would include a combination of economic, socio-cultural, institutional, environmental, technological, and other types of measurable positive impacts. These positive impacts are also intended to contribute towards the achievement of the Sustainable Development Goals (SDGs), internationally agreed development goals, national development goals (as well as human rights as enshrined in constitutions), and national commitments to international conventions.

b. Access to Capital

With access to capital being highly competitive, the Company aims to strategically leverage the Fund’s ESG performance as a competitive differentiator in securing capital for the Fund’s investments. In so doing, the Company endeavours to build trust with investors through, at a minimum, meeting investor ESG requirements. This can only be achieved by developing and implementing both the strategic and operational mandates to demonstrate a strong ESG track record.

c. Return on Investment

As previously stated, ESG factors have a direct impact on the risk and return of an investment. These factors present both risks that need to be avoided or mitigated as well as opportunities that can be exploited or enhanced to create value. Value add opportunities that may present themselves include driving cost efficiencies, improving productivity, as well as driving specific risk management initiatives to avoid exposure to risk factors that could destroy value over time.

From a risk perspective, an effective risk management strategy shall be developed and fully integrated into the Fund’s activities to minimise exposure to potential ESG compliance issues and liability.

d. Reputation

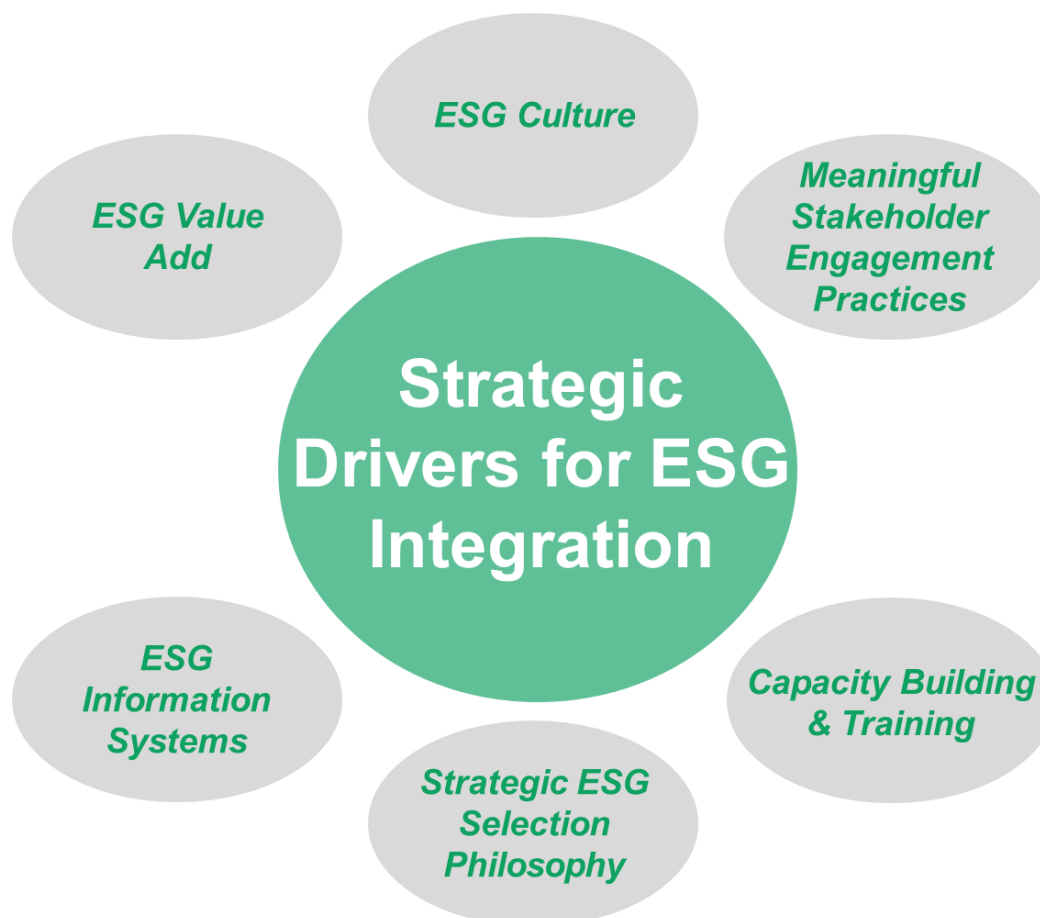
By effectively leveraging ESG factors, monitoring on-going performance against set objectives, and driving continual improvement, the Company seeks to create a differentiated position in the market and enhanced brand value. On this basis, disclosure and reporting of ESG practices are valuable in that they enable the Fund and the Portfolio Companies to demonstrate how risks are being managed, and opportunities enhanced, to drive value for the Fund's investments.

Implementing proactive and inclusive stakeholder engagement practices in how the Company manages the Fund's investment activities, and promoting the adoption of similar practices at the Portfolio Company level to enhance their social license to operate within their respective communities, should help to minimise potential for negative media exposure, business interruptions or litigation, and should drive better ESG outcomes by taking into account all stakeholder views.

2. Strategic Drivers for Integrating ESG

The section below outlines key areas that will be focused on to drive ESG integration and performance of the Fund and its Portfolio Companies.

Figure 2 Strategic Drivers for ESG Integration



a. Develop an ESG Culture

ESG efforts shall permeate all levels of the Fund’s activities. As part of this, the Company will work to ensure broad buy-in of the ESG value proposition. Organisational alignment of this value proposition shall be the imperative of the Company’s Board of Directors (the “Board”) and the Fund’s Investment Team.

Strategic Driver Objectives:

- Ensure executive buy-in and support for ESG;
- Embed an ESG driven culture throughout the Company’s management of the Fund’s activities; and
- Ensure effective Board oversight by ensuring that the Company’s directors have ESG competencies.

b. Drive Meaningful Stakeholder Engagement Practices

The Company recognises the importance of effectively engaging key stakeholders of the Fund and its Portfolio Companies on the ESG integration process. Stakeholders are people or groups with an interest in the success of the Fund and its Portfolio Companies. Furthermore, stakeholders include those people or groups that are impacted by the Fund’s investment decisions or activities. An effective stakeholder engagement process will seek to facilitate improved decision making and outcomes, as well as reducing opposition to change and soliciting advocates for ESG at the Fund and its Portfolio Companies.

Strategic Driver Objectives:

- Develop an inclusive stakeholder engagement process as part of the overarching ESG management system to drive feedback, learning, and continual improvement;
- Ensure effective and periodic communication of the Fund’s ESG progress and material issues arising, to the Board and the Fund’s investors as appropriate; and
- Drive transparency and accountability through regular disclosure of information on ESG performance at the Fund and its Portfolio Companies.

c. Capacity Building and Training

The Company recognises that, without effectively embedding ESG strategies, policies, commitments, and management system components into its management of the Fund, key ESG objectives may not be realised to their fullest extent. Training and capacity building of the Board and the Fund’s Investment Team is therefore viewed as a long-term, systemic investment for the Company, specifically targeted at building an ESG culture and creating awareness around such issues, as well as developing and enhancing key competencies to support the effective integration of ESG in the Fund and its Portfolio Companies.

Strategic Driver Objective:

- Commit to supporting the building and enhancing of the ESG capacity of relevant Company organisation resources, through targeted training and capacity building exercises, where gaps in skills or experience are identified, and on behalf of the Fund, encouraging project sponsors, the Fund's co-investors and partners to do the same.

d. Integrate a Strategic ESG Selection Philosophy

Closely linked to the development of an ESG culture is upfront planning to integrate ESG considerations into the selection of prospective investments. Whilst ESG risks and opportunities as a whole can be identified during the initial screening or ESG due diligence stages, the Company shall, in particular, also consider ESG culture / behavioural alignment risks during the pre-investment assessment processes to determine the extent to which potential Portfolio Companies being considered for the Fund's investment are committed or willing to address ESG issues identified.

In an effort to protect and enhance value from each investment, the Company shall drive systematic identification and assessment of key ESG risks and opportunities for all prospective Fund investments. This shall include setting out minimum required ESG standards (i.e., reference framework) that determines the extent to which a Portfolio Company is aligned with the Fund's ESG requirements. To the extent feasible, each prospective Fund investment will be assessed against this reference framework, and any gaps identified will be incorporated into an ESG action plan for implementation pre- or post-investment.

Strategic Driver Objectives:

- Ensure effective ESG screening and due diligence of prospective Fund investments including assessment of material ESG risks and opportunities against a prescribed ESG reference framework; and
- To the extent feasible, assume a stewardship role in promoting good ESG practice before and after investment, and encourage project sponsors, the Fund's partners and co-investors to do the same.

e. Establish Effective ESG Information Systems

The Company recognises the importance of having a robust ESG monitoring, evaluation and reporting approach to effectively understand, assess, and demonstrate on-going ESG performance. This will enable the Company to gauge progress on agreed ESG objectives and activities, drive ESG performance, and ensure continual improvement (where possible). In addition to this, it will provide the Company with the necessary information to be able to demonstrate the ESG performance of the Fund and its Portfolio Companies to the Fund investors and other stakeholders.

Strategic Driver Objective:

- Develop effective ESG monitoring and reporting systems to drive on-going ESG performance against set objectives and disclosure of ESG results to the Fund's investors and other stakeholders.

f. Support ESG Value Add Initiatives

The Company is committed to identifying and actively managing selected ESG value add initiatives to enhance the performance of the Fund and its Portfolio Companies. As part of this, the Company shall work with project sponsors, the Fund's co-investors and partners to deliver practical and effective solutions to assist the Fund's Portfolio Companies to achieve meaningful results and long-term benefits from an ESG perspective. This involves identification of ESG value add opportunities on an investment-by-investment basis.

Strategic Driver Objective:

- Provide technical assistance and support project sponsors, the Fund's co-investors, partners and Portfolio Companies in driving selected ESG value add initiatives (including use of technical partners on specific ESG focus areas where relevant).