ESG & Impact ('ESGI') Policy -

Code of Responsibility

Apis Growth Funds III

Introduction

Apis Partners, the Manager of APIS Growth Fund III and APIS Global Growth Fund III, ('Apis') believes that the importance of rigorous environmental, social, governance and impact ('ESGI') principles in building responsible and enduring relationships with partners and customers for sustainable value creation in growth markets cannot be overemphasised.

Maintaining solid ESGI principles in our target geographies has a significant developmental impact in these growth markets by improving the performance of companies and working conditions for workers and local communities, developing access to future capital, and also reducing investment risk. This includes high standards around financial inclusion, health and safety, environmental issues, social engagement, business integrity, corporate governance, as well as transparent accounting practices.

Apis also recognises that companies engaged in unsustainable activities or practices will be less profitable and sustainable in the medium to long term, and hence these companies are from the outset excluded from consideration in Apis' investment processes. On the other hand, companies that do conform to these principles are very likely to achieve superior investment returns as a result of their improved profitability and ultimately higher valuations at exit. This creates significant alignment between the core ESGI principles and the goal of providing superior returns to investors.

The Code of Responsibility (this 'Code') sets out Apis' requirements, recommendations and management systems to invest responsibly. Through this Code, Apis works closely with investee companies to make required improvements to build sustainable value creation into the core operations of their businesses; this starts with basic compliance requirements and works towards the adoption of internationally recognised standards of best practice.

Apis recognises that not every investee company will be in full compliance with this Code at the date of investment. In such cases, Apis will work with the investee company to develop an ESGI Action Plan (that seeks to achieve compliance) with clear deliverables in reasonable time frames, taking into consideration the risks and opportunities specific to that business and its size and resources.

Section 1 - Code of Responsibility

1. Apis Partners will not finance, either directly or indirectly, any activity on the specified Exclusion List and Fossil Fuel Exclusion List as outlined in Section 3, parts D & E.

2. Apis will maintain ESGI implementation systems as outlined in Section 2.

3. Every Apis investee company will:

    a. not finance any activity on the specified Exclusion List and Fossil Fuel Exclusion List as outlined in Section 3, Parts D & E;

    b. comply with the Requirements specified in Section 3, parts A, B, & C. For any Requirements that a portfolio company does not comply with, the company will agree to an ESGI Action Plan to address this;

    c. implement systems to ensure that the agreed ESGI Action Plan is implemented; and

    d. implement systems to ensure they remain in compliance with this Code.

4. As long as Apis is invested in a portfolio company, Apis will ensure that:

    a) any agreed ESGI Action Plan is implemented; and

    b) the business otherwise remains in compliance with the relevant provisions of this Code.

5. In the event Apis co-invests with other parties, Apis may elect to apply requirements differing from, but substantially similar to, those in this Code in order to harmonise the requirements of all investors.

Section 2 - ESGI implementation systems for Apis Partners

Apis Partners has formally incorporated ESGI implementation into all aspects of its undertakings as below, which also outlines the investment management systems that Apis shall establish and maintain for these:

- **Pre-investment analysis and the decision making processes**
  - Before engaging in detailed due diligence, Apis' investment team is required to complete an initial Exclusion List to prevent any investment in an Excluded Activity. This checklist will be completed in conjunction with the senior management of the proposed investee company
  - If the company passes these exclusion requirements, as part of the due diligence process, Apis will undertake a baseline assessment of its current ESGI performance, contribution, risks and compliance with Apis' ESGI Code, again in close collaboration with the company's management
  - The results of this ESGI baseline assessment will lead to an ESGI risk categorisation for the proposed investee company to reflect the magnitude of ESG and Impact risk, and is based on guidelines provided by the International Finance Corporation ('IFC') as well as Impact Frontiers' Risk dimension. These categories are:
    - *FI-3 / Low*: when the proposed portfolio company's existing or proposed operations includes, or is expected to include, business activities or financial exposure to business activities that predominantly have *minimal or no adverse* environmental or social impacts, AND assessed risks to impact are *unlikely* in terms of likelihood and *low* in terms of consequences
    - *FI-2 / Medium*: when the proposed portfolio company's existing or proposed operations includes, or is expected to include, business activities or financial exposure to business activities that have *potential limited adverse* environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented, AND assessed risks to impact are *somewhat likely* in terms of likelihood and *moderate* in terms of consequences
    - *FI-1 / High*: when the proposed portfolio company's existing or proposed operations includes, or is expected to include, business activities or financial exposure to business activities with *potential significant adverse* environmental or social risks or impacts that are diverse, irreversible, or unprecedented, AND assessed risks to impact are *likely* in terms of likelihood and *severe* in terms of consequences
  - The results of the ESGI baseline assessment will also provide input for an **ESGI Action Plan** that is articulated for the investee company. This includes specific impact goals and ESGI actions required to address any areas of non-compliance, with a timeframe and responsibilities that the investee company's management must agree to, before an investment can be made
  - Findings at this stage of due diligence may be shared with key stakeholders and investors to ensure full transparency on ESGI matters

- **Roles, responsibilities, and post-investment portfolio management (ownership policies)**
  - ESGI responsibilities will be **assigned to a designated member of management** *(the "ESGI Manager")*, who is also a member of appropriate investment and governing bodies to ensure management level consideration of ESGI matters across the firm and managed funds / investee companies, as well as to a **suitably trained ESGI officer** (the "ESGI Officer"), who is responsible for the implementation of ESGI matters across these areas on a day-to-day basis
  - Progress against the agreed ESGI Action Plan will be monitored by **collecting, storing, validating and analysing data** from the investee company (or any applicable third party) on a **quarterly basis**, as well to ensure continued compliance with this Code
  - For monitoring, the Impact Reporting and Investment Standards (IRIS+) generally accepted performance metrics will be utilised where possible, though custom metrics will also be proposed where this is deemed necessary, developed in close conjunction with investee companies
  - Apis requires that investee companies **identify and record** any **serious incidents** that occur that result in loss of life, severe permanent injury or severe permanent damage to health, a material adverse environmental or social impact, or material breach of law relating to environmental, social or business integrity matters, including financial irregularities, as per this Code (further outlined in Section 3, part C)

- In the event that Apis considers there has been a breach of this Code by a portfolio company, Apis will investigate the matter and seek to resolve any breach together with that investee company, as appropriate. If discussions with the investee company do not adequately resolve the issue, Apis will consider a variety of options including third party investigations, negotiated settlements, contractual remedies and its future relationship(s) with the breaching parties

- **Feedback, reporting, and review**
  - Any ESGI data / learnings from the processes described will feed directly into **Apis' ESGI strategy and broader investment process** including any future Investment Committees (where for a potential investee company a ESGI baseline assessment is conducted and current metrics are identified)
  - A **comprehensive ESGI report** will be provided to key stakeholders and investors on no less than an **annual basis**. This will include an update on the implementation of the Code and ESGI strategy, and review of each investee company's ESGI performance and contribution
  - Any **serious incidents**, such as fatalities or breaches of law, within investee companies will be **reported immediately** to governing bodies and investors
  - Apis will provide a **grievance mechanism** through which stakeholders can report alleged breaches of the Code
  - At the time of exit of any portfolio company, Apis will conduct a **responsible exit review**. For the portolio company investment, this review will assess the impact achieved at exit, as well the extent to which ESG & Impact assumptions were met, as well as the ways in which Apis can help to enable continuing commitments to good international ESG & Impact practices after the investment is complete / exited
  - The suitability of the Code and these processes will be **actively reviewed**

Section 3 - Investee company requirements

A - Requirements for all businesses

Every Apis Partners fund portfolio company is required to:

- operate in compliance with applicable local and national laws including laws covering environmental impacts, labour rights, social issues, health and safety, corporate governance and those intended to prevent extortion, bribery, corruption and financial crime;
- operate in compliance with relevant and applicable national and international sanctions, including those of the United Kingdom (including Her Majesty's Treasury), the European Union, member states of the European Union, the United States, the Office of Foreign Assets Control of the US Department of Treasury ('OFAC'), the United Nations / the United Nations Security Council, the World Bank, and any Authority acting on behalf of any of them;
- implement and maintain an *ESGI management system*[1] which is appropriate to the size and nature of the business, and which ensures: a systematic approach to ESGI risk / opportunity assessment (including of customers / clients / borrowers / investees) and execution of related mitigants / improvements, regular monitoring and reporting on company ESGI progress and performance and the effectiveness of this management system, the implementation of relevant ESGI policies and any associated training required, and continuous improvements on ESGI matters,
  - this ESGI management system should be supervised by an ESGI Manager within each the company who is satisfactory to Apis Partners, and Apis Partners must approve any change to the company's ESGI Manager;
- implement and maintain an *Anti-Bribery and Corruption & Business Integrity ("ABC & BI") management system* which is appropriate to the size and nature of the business, and which ensures: a systematic approach to ABC & BI risk / opportunity assessment (including of customers / clients / borrowers / investees) and execution of related mitigants / improvements, regular monitoring and reporting on company ABC & BI progress and performance and the effectiveness of this management system, the implementation of relevant ABC & BI policies and any associated training required, and continuous improvements on ABC & BI matters,
  - this ABC & BI management system should be supervised by an Business Integrity Manager within the company who is satisfactory to Apis Partners, and Apis Partners must approve any change to the company's Business Integrity Manager;
- implement and maintain an *Anti-Money Laundering & Know Your Customer ("AML & KYC") management system* which is appropriate to the size and nature of the business, and that is in compliance with applicable national laws and regulations and consistent with international best practices, and which ensures: a systematic approach to AML & KYC risk / opportunity assessment (including of customers / clients / borrowers / investees) and execution of related mitigants / improvements, regular monitoring and reporting on company AML & KYC progress and performance and the effectiveness of this management system, the implementation of relevant AML & KYC policies and any associated training required, and continuous improvements on AML & KYC matters,
  - this AML & KYC management system should be supervised by an AML Manager within the company who is satisfactory to Apis Partners, and Apis Partners must approve any change to the company's AML Manager;
- implements and maintains adequate and proportionate policies and procedures to protect the security of the company's IT systems, and protect the personal data and the rights of individuals to privacy, including customer / client / end-user data and employee personal data;
- consider the implementation of, and implement client protection principles, such as Cerise+SPTF[2], as and when appropriate;
- assess the climate-related impact of, and assess the climate-related risks related to, its operations, and undertake efforts to mitigate climate change impacts and risks, as appropriate to the size and nature of its business, including by measuring emissions and considering an assessment of options and cost implications to transform towards climate-friendly and resilient production (as relevant to the size and nature of its business);

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[1] See IFC Performance Standard 1 for guidance: https://www.ifc.org/en/insights-reports/2012/ifc-performance-standard-1.

[2] See: https://cerise-sptf.org/about-client-protection/.

- ensure that any other companies in which the Apis Partners fund portfolio company acquires an interest in ("*acquired company*"), also complies with and maintains ongoing compliance with Apis' ESGI Policy (this policy),
  - for any potential *acquired company*, in the case of any areas of non-compliance with Apis' ESGI Policy at the time the interest is being acquired, an ESGI Action Plan, will be agreed with the *acquired company* and committed in a legally binding document by the *acquired company*, prior to the interest in the *acquired company* being acquired;
- regularly report on and provide Apis with the company's ESG & Impact performance data as requested, to fulfil the regulatory reporting requirements of the EU Sustainable Finance Disclsoure Regulation ("*SFDR*") and EU Taxonomy, for the purposes of Apis' own reporting requirements, and for the company's own internal ESG & Impact performance management;
- identify and record any serious incidents that occur such as those that result in loss of life, severe permanent injury or severe permanent damage to health, a material adverse environmental or social impact, or a material breach of law relating to environmental, social or business integrity matters, including financial irregularities, and as per this ESGI policy, and report any such incidents promptly to Apis Partners (as per the requirements outlined in Part C of this Policy); and
- ensure achievement of and continuous compliance with these requirements, this Policy, and the specific ESGI Action Plan drawn up for that company.

Working conditions and labour rights (as per the ILO Declaration on Fundamental Principles and Rights at Work *(formerly ILO's Core Labor Standards)*):

Every Apis Partners fund portfolio company is required to:

- implement and maintain a Human Resources policy / management system;
- explain, document, and make available in writing to each of their workers (or employees, including contracted and subcontracted workers), information regarding all of their working conditions and terms of employment, including their entitlement to wages and any benefits, prior to each worker's commencement of work respectively;
- not employ or make use of any form of forced labour[3] or harmful child labour[4] [5],
  - directors, employees, contractors, subcontractors, agents, or any Associates of each Apis Partners fund portfolio company are also required to not employ or make use of any form of forced labour or harmful child labour;
- ensure that it does not engage in any Safeguarding Violation[6],
  - each Apis Partners fund portfolio company is also required to ensure that any of its directors, employees, contractors, subcontractors, agents or any its Associates also do not engage in any Safeguarding Violation;
- pay wages which meet or exceed industry or legal national minima[7];
- not discriminate in terms of recruitment, progression, remuneration, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, colour, caste, disability, political opinion, sexual orientation, age, religion, national extraction or nationality /

[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] Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

[5] Persons may only be employees if they are at least 15 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.

[6] "Safeguarding Violation" means any action or series of actions that (i) 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 Core Labour Standards; (ii) contravenes the requirements of the Gender-Based Violence Convention (ILO Convention 190 (Violence and Harassment)), 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; or (iii) involves the exploitation or abuse of a child.

[7] See http://www.ilo.org/dyn/travail/travmain.home for guidance.

national origin, ethnic origin, social origin, marital status, membership of workers' organisations, legal migrants, or HIV status[8];

- adopt an open attitude towards workers' organisations and respect the right of all workers to join or form workers' organisations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace[9], and allow consultative work-place structures and associations which provide employees with an opportunity to present their views to management;
- provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive and clearly documented terms of employment[10]; and in situations where workers are employed in remote locations for extended periods of time to ensure that such workers have access to adequate housing and basic services;
- shall not undertake any collective dismissal (more than 10% of the workforce and/or more than a total of 50 employees), without first developing and implementing a plan to mitigate the adverse impacts of retrenchment, in line with IFC Performance Standard 2[11], and in line with national laws, regulations, and good industry practice, and based on the principles of non-discrimination and consultation, which is to be reflected in any final retrenchment plans,
  - any developed retrenchment plans should be shared with Apis Partners prior to implementation, for information purposes and good order; and
- respect the International Bill of Human Rights[12], in line with the UN Guiding Principles on Business and Human Rights[13], to the extent possible.

Intra-company reporting

Every Apis Partners fund portfolio company is required to:

- provide an appropriate grievance mechanism that is available to all workers (including contracted and subcontracted workers) and, where appropriate, other stakeholders, through which they can report any ESGI (including gender-based violence and harassment ('GBVH')) / ABC & BI / AML & KYC matters[14]; and
- implement a procedure for the reporting of wrongdoing and misconduct in the workplace that includes protection and confidentiality (if required) for the reporter, and appropriate disciplinary action for anyone found to harass the reporter.

[8] As covered by the ILO Equal Remuneration Convention (No. 100) and the ILO Discrimination (Employment and Occupation) Convention (No. 111), allowance could be made where positive discrimination is mandated in law and is intended to address a historical imbalance. See: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_Ilo_Code:C100 and https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_Ilo_Code:C111.

[9] As defined by the ILO Freedom of Association and Protection of the Right to Organise Convention (No. 87) and the Right to Organise and Collective Bargaining Convention (No. 98). See: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087 and https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C098.

[10] See IFC Performance Standard 2 for guidance: https://www.ifc.org/en/insights-reports/2012/ifc-performance-standard-2.

[11] See IFC Performance Standard 2 for guidance, and in particular paragraphs 18 and 19: https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-2-en.pdf - see also IFC's Good Practice Note: Managing Retrenchment: https://www.ifc.org/en/insights-reports/2000/publications-gpn-retrenchment.

[12] See https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights for guidance.

[13] See https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf for guidance.

[14] See IFC Performance Standard 2, and in particular paragraph 20: https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-2-en.pdf - see also the "Effectiveness Criteria for Non-Judicial Grievance Mechanisms" within the UN Guiding Principles on Human Rights: (http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

Business integrity

Every Apis Partners fund portfolio company is required to:

- uphold high standards of business integrity and honesty, and promote transparency and accountability grounded in sound business ethics;
- adopt and implement policies to prevent extortion, bribery, fraud, corruption and financial crime in accordance with local law requirements and international best practice, including employee training programmes and appropriate due diligence procedures to evaluate the integrity and business history of persons and entities with whom they wish to transact;
- create, implement, and maintain a whistleblowing mechanism, which allows for anonymous complaints, communicates clear timelines for resolution, communicates assurance (confidentially, independent investigation, protection from adverse consequences for complaints made in good faith), and clear monitoring requirements (through the maintenance of a confidential register);
- properly record, report and review financial and tax information[15];
- establish corporate governance practices appropriate to the size and nature of the business;
- deal with regulators in an open and co-operative manner; and
- use information received from its business partners only in the best interests of the business relationship and not for personal financial gain by any worker.

Customer protection and conduct

With respect to its clients / customers / borrowers / investees, every Apis Partners fund portfolio company is required to ensure it is fully transparent in the pricing, and terms and conditions of any provided financial products and services, and that it employs respectful collection practices, and adopts high ethical standards in the treatment of its customers.

As such, every Apis Partners fund portfolio company is required to adopt the following protection and conduct obligations whilst providing financial product and services to its customers:

- *Appropriate product design and delivery*: to take adequate care to design products and delivery channels in such a way that they do not cause customers harm, and design products and delivery channels with customer characteristics taken into account;
- *Transparency*: to communicate clear, sufficient and timely information in a manner and language that customers can understand, so that customers can make informed decisions, including providing transparent information to customers on pricing, and terms and conditions of products specifically;
- *Responsible pricing of products*: to set pricing, and terms and conditions in a way that is affordable and proportionate to customers, while allowing for commercial sustainability, and strive to provide positive real returns on any customer deposits;
- *Fair and respectful treatment of customers:* to treat customers fairly and respectfully, not discriminate in the provision of services and products, be proactive about a positive customer experience, ensure adequate safeguards to detect and correct corruption as well as aggressive or abusive treatment by staff and agents (particularly in the case of any loan sales and debt collection processes); and
- *Prevention of over-indebtedness (lending / credit / consumer finance companies)*: to take adequate care in all phases of their credit process to determine that clients have the capacity to repay without becoming over-indebted. In addition, providers will implement and monitor internal systems that support prevention of over-indebtedness and will foster efforts to improve market level credit risk management (such as credit information sharing).

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[15] All Apis Partners fund portfolio companies are required to report to International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS).

B - Additional requirements for specific activities

If the activities of an Apis Partners fund portfolio company (the company's own activities, or the activities that the company enables through their customers / clients / borrowers / investees) involve or could be reasonably expected to involve any of the following activities or matters:

- significant risks to the health and safety of workers or to other stakeholders, including affected communities;
- significant air emissions (including 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 wellbeing of local communities (including as a result of increased food insecurity, or bringing about the loss of access to natural resources (especially water) or traditional rights and practices) or result in economic displacement or involuntary resettlement;
- activities in conflict and post-conflict areas where the company's presence or activities could exacerbate already sensitive local circumstances which might lead to further or renewed conflict;
- business activities in fragile or conflict affected areas;
- negative impacts on biodiversity, habitats or ecosystem services[16];
- impacts to Indigenous Peoples (or other marginalised and vulnerable groups);
- restricted opportunities for women and girls or otherwise increased gender inequality;
- impacts to cultural heritage;
- significant cumulative impacts or impacts that would be represented via supply chains; or
- other significant negative[17] environmental or social impacts,

then Apis requires that the relevant "**IFC Performance Standards**"[18] should be implemented (and any requirements of the relevant IFC Performance Standards should be met), an appropriate stakeholder engagement plan should be developed[19], an environmental and social impact assessment should be undertaken (depending on circumstances this may include an impact assessment, audit or other process), and/or an issue specific action plan (e.g. a resettlement action plan)[20] should be developed for such activities.

- Any developed stakeholder engagement plans, environmental and social impact assessments / audits, or issue specific action plans should be shared with Apis Partners prior to implementation, for information purposes and good order.

[16] As defined in IFC Performance Standards 6, paragraph 2. https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-6-en.pdf These include but are not restricted to (a) provisioning services such as food or timber; (b) regulating services such as water flow regulation; (c) cultural services such as sacred sites; and (d) supporting services such as soil formation.

[17] Activities with potential significant adverse social impacts which are diverse, irreversible or unprecedented.

[18] "IFC Performance Standards" means the International Finance Corporation (IFC) 2012 Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety (EHS) Guidelines) which may be downloaded from the IFC website: (a) IFC Performance Standards: http://www.ifc.org/PerformanceStandards; and (b) World Bank Group EHS Guidelines: http://www.ifc.org/EHSGuidelines.

[19] See IFC Performance Standard 1 for guidance: https://www.ifc.org/en/insights-reports/2012/ifc-performance-standard-1.

[20] Should be carried out in line with Apis' Requirements and the appropriate IFC Performance Standards: http://www.ifc.org/PerformanceStandards.

In addition, if an Apis Partners fund portfolio company was to provide any of the following (or equivalent) products to any of its clients / customers / borrowers / investees:

- a Project Finance Loan with an amount equal to or higher than USD 5,000,000 (or its equivalent in any other currency) AND which has a tenor / duration of 36 months or more;
- a Project-Related Corporate Loan with an amount equal to or higher than USD 5,000,000 (or its equivalent in any other currency) AND which has a tenor / duration of 36 months or more;
- any transaction where the total project cost / total product value is equal to or higher than USD 10,000,000 (or its equivalent in any other currency) AND which has a tenor / duration of 36 months or more;
- a Corporate Loan that is a Non-Project Related Corporate Loan (e.g. working capital / revolving facilities) with an amount equal to or higher than USD 5,000,000 (or its equivalent in any other currency) AND which has a tenor / duration of 36 months or more (including revolving facilities); or
- a Trade Finance product of any amount and any tenor / duration,

then Apis requires that the relevant "**IFC Performance Standards**"[21] should be implemented for each such instance of the above product provision (i.e. for each individual client / customer / borrower / investee receiving such a product) ahead of each such instance of these products being provided.

In any such cases, any requirements of the relevant IFC Performance Standards should be met, for example in form of specific due diligence taken to evaluate compliance in meeting the IFC Performance Standards (and / or any other applicable ESGI requirements, including those specified within this Policy), or in the form of an ESGI Action Plan being developed for each such client / customer / borrower / investee, in each case also involving adequately qualified independent ESGI experts if necessary.

- For any such developed client ESGI diligence reports or client ESGI Action Plans, the Apis Partners fund portfolio company must also ensure that any client due diligence recommendations or ESGI Action Plans are implemented by each such client, and any due diligence findings or developed ESGI Action Plans should also be shared with Apis Partners, for information purposes and good order.

[21] "IFC Performance Standards" means the International Finance Corporation (IFC) 2012 Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety (EHS) Guidelines) which may be downloaded from the IFC website: (a) IFC Performance Standards: http://www.ifc.org/PerformanceStandards; and (b) World Bank Group EHS Guidelines: http://www.ifc.org/EHSGuidelines.

C - ESGI events

The Company represents and warrants, as of the date hereof and on the date that the Notes are issued to Apis, that none of the following events, actions, matters or circumstances have arisen in relation to the Company or any of its Affiliates (and every Apis Partners fund portfolio company is required to (and the Company shall) promptly (and within three (3) days) notify Apis Partners in writing of the occurrence of any of the following events, should they occur):

- any breach of the company's Anti-Bribery & Corruption Policy or the Anti-Money Laundering Policy;
- any breach of law relating to environmental, social or business integrity matters, including financial irregularities and plans for corrective actions, or any inquiry from a government enforcement authority, international organisation or non-government organisation concerning a suspected breach of law;
- any international sanctions related violations / any "Sanctionable Practice"[22] which has occurred or is likely to have occurred in relation to the company;
- any "Safeguarding Violations"[23] which have occurred in relation to the company;
- any "Forced Labour Indicators"[24] which have occurred in relation to the company;
- any breach or expected breach of the Exclusion List requirements (as outlined in Part D of this Policy) or Fossil Fuel Exclusion List (as outlined in Part E of this Policy) by the company, and / or by any of the company's customers / clients / borrowers / investees;
- any cyber-security-related matter;
- any incident involving the company that results in loss of life, severe permanent injury or permanent damage to the health of any person;
- any incident involving the company which has a negative impact on the environment or the health, safety and security situation (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination);
- any incident involving the company of a social nature (including without limitation any violent labour unrest or dispute with local communities), which has or would have a negative effect on the social and cultural context; or
- any other social, labour, health and safety, security or environmental incident, accident or circumstance having, or which could reasonably be expected to have, a material adverse impact on the implementation or operation of the company,

in each case, specifying the nature of the incident, accident, or circumstance, and any effect resulting or likely to result therefrom.

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[22] "Sanctionable Practice" means conducting any business activity or transaction with an entity, individual or country which at or during the time of such business activity or transaction is included on the lists of sanctioned entities, individuals or countries published and updated from time to time by relevant and applicable national and international sanctions, including those of the United Kingdom (including Her Majesty's Treasury), the European Union, member states of the European Union, the United States, the Office of Foreign Assets Control of the US Department of Treasury ('OFAC'), the United Nations / the United Nations Security Council, the World Bank, and any Authority acting on behalf of any of them.

[23] "Safeguarding Violation" means any action or series of actions that (i) 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 Core Labour Standards; (ii) contravenes the requirements of the Gender-Based Violence Convention (ILO Convention 190 (Violence and Harassment)), 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; or (iii) involves the exploitation or abuse of a child.

[24] "Forced Labour Indicator" means any indicator set out in the "ILO Indicators of Forced Labour" publication available at: https://www.ilo.org/publications/ilo-indicators-forced-labour.

D - Exclusion List

Based on guidelines provided by European Development Finance Institutions ('EDFIs') and the International Finance Corporation ('IFC'), Apis Partners fund portfolio companies **will not engage in**, **either directly or indirectly** (including without limitation through the activities of any of their customers / clients / borrowers / investees which is not a natural person), any activity, production, use of, trade in, distribution of, involving:

- Production of, or activities involving harmful or exploitative forms of forced labour[25] or harmful child labour[26] [27];
- Production of, or trade in any products, activities, or materials deemed illegal under host country local or national laws or regulations or international conventions and agreements, or subject to internationally agreed phase-outs or international bans as defined in global conventions and agreements such as certain:
  - ozone depleting substances[28], PCBs (Polychlorinated Biphenyls)[29], and other specific, hazardous[30] pharmaceuticals, pesticides / herbicides or chemicals, or other hazardous substances;
  - wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES)[31]; or
  - unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometres in length.;
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;
- Production of, or trade in arms / armaments / weapons / munitions of any kind i.e. explosives, weapons, munitions, ammunitions or nuclear products primarily designated for military /police purposes, including controversial weapons such as anti-personnel mines / landmines / cluster munitions and / or any other similar weapons, nuclear weapons and ammunitions, and biological and chemical weapons of mass destruction, and also sporting weapons;
- Production of, use of, or trade in radioactive materials[32];
- Production of, or trade in unbonded asbestos fibres;
- Production or activities that destroy[33] high conservation value areas[34];
- The deforestation or the burning of vast natural ecosystems for the purpose of land clearance;
- Commercial logging operations for use in primary tropical moist forest;
- Production or trade in wood or other forestry products other than from sustainably managed forests;
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples;

[25] 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.

[26] Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

[27] Persons may only be employees if they are at least 15 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.

[28] "Ozone Depleting Substances" (ODS): 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. As specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, see www.ozone.unep.org, as may be amended from time to time.

[29] PCBs or 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.

[30] As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants ("POPs"), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, see www.pic.int; the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int and WHO Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous); or Ib (highly hazardous) www.who.int/publications/i/item/9789240005662; as may be amended from time to time.

[31] As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time.

[32] This does not apply to the purchase and use of medical equipment, quality control (measurement) equipment, or any equipment where the radioactive source is trivial and / or adequately shielded.

[33] Destroy means the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or modification of a habitat in such a way that the area's ability to maintain its role is lost.

[34] 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).

- Production or activities involving significant altercation, damage or removal of any critical cultural heritage[35];
- Production or activities which result in limiting people's individual rights and freedom, or violation of human rights[36];
- The exploitation of diamond mines, and commercialisation of diamonds, when the host country has not adhered to the Kimberley, or other similar international agreements (actual or to be formed), on similar extractive resources[37];
- Production and / or distribution of racist and / or anti-democratic media;
- Pornography, adult entertainment, and / or prostitution;
- High-end cosmetic procedures and surgeries;
- Speculative and / or unregulated use of cryptocurrencies;
- AI where it poses "unacceptable risk" as defined in the EU AI Act 2021;
- Social media targeting children and other vulnerable people, and dating apps;
- The research, development or technical applications relating to electronic data programs or solutions, which are intended to enable illegal entry into electronic data networks or illegal downloads of electronic data;
- Products and services primarily designed for national security and intelligence services where there is a reasonable risk of human rights abuses;
- Prisons and detention centres; or
- Animal and human cloning, and human cloning for reproduction purposes, embryonic stem cells, or genetically modified organisms (including the financing of research, development or technical applications in relation to these).

In addition, Apis Partners fund portfolio companies **will not engage in** any business (either directly or indirectly), if any of the following activities represents a substantial[38] portion of such business:

- Production of, or trade in alcoholic beverages (excluding beer and wine);
- Production of, or trade in tobacco or tobacco related products; or
- Gambling, gaming casinos and equivalent enterprises.
- Private, fee-charging schools and equivalent enterprises[39].

In addition, for microfinance activities, Apis Partners fund portfolio companies **will not engage in** (either directly or indirectly) any of the following:

- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products; or
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples (as defined in Standard 7 of the IFC Performance Standards), without full documented consent of such Peoples.

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

[36] As specified in the Charter of Fundamental Rights of the European Union.

[37] 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.

[38] "Substantial" means either more than 10% of consolidated balance sheet or revenue, or more than 10% of underlying portfolio volumes.

[39] Private, fee-charging schools that provide education from kindergarten (or equivalent) to the final year prior to tertiary level education, or companies that primarily provide educational services to private, fee-charging schools such that they resemble private fee-charging schools.

E - Fossil Fuel Exclusion List

Based on guidelines provided by European Development Finance Institutions ('EDFIs') Apis Partners fund portfolio companies **will not engage in**, **either directly or indirectly** (including without limitation through the activities of any of their customers / clients / borrowers / investees which is not a natural person), any of the following Fossil Fuel[40] activities:

a) Mining, prospecting or exploring for Fossil Fuels; and

b) Producing, processing or refining Fossil Fuels or using waste heat from the burning of Fossil Fuels, including:
   - Coal / thermal coal prospection, exploration, mining, processing and trading;
   - Oil exploration, extraction, production or trading, inc. unconventional oil (e.g. fracking, oil / tar sands, shale oil);
   - Oil refineries and oil refining; &
   - Standalone fossil gas exploration, extraction, production and trading, including unconventional gas (e.g. fracking, shale gas related assets)[41].;

c) Generating power or heat using Fossil Fuels, storing or transmitting that power or heat or refurbishing or rehabilitating power generation plants that use Fossil Fuels, including:
   - Construction of new or refurbishment, retrofitting and rehabilitation of any existing coal-fired power plant / power facilities, including dual power plants, or of any coal-fired heating stations or cogeneration facilities, as well as associated stub lines;
   - Construction of new or refurbishment, retrofitting and rehabilitation of any existing heavy fuel oil (HFO)-only or diesel-only, dual-fuel HFO or diesel/gas and HFO or diesel/renewable hybrid power plants[42] ;
   - Diesel-only decentralised energy solutions (including mini grids and commercial / industrial installations), or diesel / renewable hybrid decentralised energy solutions (including mini grids and commercial / industrial installations)[43], or stand-alone diesel generators;
   - Construction of new or refurbishment, retrofitting and rehabilitation of any existing gas-fired power plant / power facilities; &
   - Any business with planned expansion of captive coal used for power and / or heat generation[44].;

d) Storing, transporting, distributing or trading in Fossil Fuels, or developing, acquiring, constructing, operating or maintaining any infrastructure for the storage, transport, distribution of, or trade in, Fossil Fuels, including:
   - Transport and related infrastructure (road, rail, port) where the primary use (>50% of handled tonnage) is for fossil fuel / coal for power generation;
   - Oil transportation and storage, inc. oil / crude oil pipelines, and oil distribution, including petrol stations; &
   - Gas transport, storage, refining and distribution, including import/export infrastructure, and processing facilities (except for liquid petroleum gas (LPG) for cooking and heating purposes in some specific cases[45]).;

e) Carbon capture, use, transport and storage;

f) Engaging in Fossil Fuel Dependent Heavy Industry[46];

g) The production, provision, or financing of goods, equipment, services or other outputs (including advisory or financial services and utilities) for exclusive use in connection with any activity referred to in (a) to (f) above (e.g. a company that exclusively provides construction services for oil exploration activities, or a company that exclusively manufactures machine parts for use in coal-fired power plants), or an activity that exclusively serves the extraction or production of fossil fuels (e.g. a solar plant for a coal terminal); or

h) the improvement of the efficiency, health and safety or environmental and social standards of any business engaged in any activity referred to in (a) to (f) above

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[40] "Fossil Fuel" means any fossil fuel including coal, oil (including heavy fuel oil, light crude oil or diesel) or gas (including liquefied gas).

[41] Gas extraction from limnically active lakes is excepted from this exclusion.

[42] This does not apply to new or existing HFO-only or diesel-only power plants 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.

[43] This does not apply to diesel / renewable hybrid decentralised energy solutions where: (i) A renewable-only solution has been proven as not offering sufficient reliability or cost efficiency; (ii) The diesel element is supplementary and is subsidiary to and enabling, the renewable energy project, whilst maintaining on average over time a minority share (<50 % of power generation from fossil fuels in hybrid systems with the remaining portion from renewable energy and batteries); (iii) The majority of "expected" generation should come from renewables (i.e., actual production may differ based on primary energy resource, e.g., wind, solar or hydro); (iv) The specific greenhouse gas emissions of the project are lower than 500kg CO2equivalent/MWh.

[44] This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.

[45] The specific cases of permissible LPG for cooking and heating purposes, including associated facilities for sourcing, transport, storage, bottling and distribution are where: (i) This is substituting other higher carbon intensive fuel sources; (ii) There is no economically and technically viable renewable energy alternative; (iii) The LPG is used for cooking and heating purposes only (industrial uses are excluded); (iv) There is a clear impact case in improved living standards, reduced air pollution and increased health of consumers compared to alternative fuel sources.

[46] Fossil Fuel Dependent Heavy Industry means industrial processes that: (a) need high temperatures that can only be achieved through burning Fossil Fuel (such as manufacturing cement, ceramics, glass and paper); or (b) use Fossil Fuel as feedstock but that do not produce fuels (such as manufacturing steel, detergents, waxes, lubricants, white oils and paint).