

Environmental, Social and Governance Policy

XSML Capital (XSML) are partners in growth for entrepreneurs in frontier markets in Africa. We provide expertise, network, and bespoke financing, geared to nurture local talent, and bring durable and fair prosperity in underserved markets. Our vision is to create a pan-African investment firm that is the capital provider of choice for growing small and medium-sized companies (SMEs).

XSML is committed to address environmental and social issues associated with lending and investments and to increase the opportunities for environmentally and socially acceptable or sustainable economic development, minimize exposure to environmental/social/financial risks and respect human rights¹.

Policy

XSML continually endeavours to ensure effective social and environmental management practices in all its activities, products, and services. We apply good governance standards to achieve this with a special focus on the following:

- XSML has developed and implemented a Social and Environmental Management System to proactively integrate and maintain social and environmental standards across our activities;
- Ensuring that all activities undertaken by XSML are consistent with the applicable social and environmental legislation of the countries in which we invest as well as to international standards used by our investors such as the IFC Performance Standards on Environmental and Social Sustainability (these national laws and international standards combined are referred to as the Applicable Requirements);
- Ensuring that all projects are reviewed against the Applicable Requirements;
- Financing projects or companies only when they are expected to be designed, built, operated and maintained in a manner consistent with the Applicable Requirements;
- Making best efforts to ensure that all investments are operated in compliance with the Applicable Requirements on an ongoing basis, during the currency of the Company's financing;
- Ensuring transparency in its activities; and
- Ensuring that the management and the shareholders of the client companies understand the policy commitments made by XSML in this area.

This Policy has been communicated to all staff and is available to all stakeholders of XSML through our website.

4 January 2024

¹ As covered in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights