



YOUR PARTNER IN A NEW DAWN OF GROWTH

ESG Policy

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1. INTRODUCTION

The following document aims to provide a concise summary to our investors and investee companies around Eos Capital Proprietary Limited's ("Eos") approach to environmental, social, and governance ("ESG") issues and our ESG commitments.

2. EOS CAPITAL'S ESG POLICY & COMMITMENT TO ESG BEST PRACTICES

Eos is a private equity fund manager based in Namibia, it is 100% Namibian owned and manages the Allegrow Fund Proprietary Limited ("Allegrow" or "the Fund"). Allegrow's main objective is to make unlisted investments in Namibian companies and act as a catalyst to facilitate investee companies achieve their full potential, including their ESG potential, to uplift the Namibian economy in a sustainable manner.

2.1 EOS Capital's Commitment to Responsible Investment

Eos is fully committed to developing, implementing, and continuously improving the management of ESG issues within all our investments and investment activities. Eos Capital's main focus is on upskilling Namibia's labour force and facilitating employment creation. Eos is committed to sustainable development and believes that activities that are harmful to the environment and social development can affect the overall performance of our investments and portfolio companies.

2.2 EOS Capital's Approach to Managing ESG Issues

The Eos ESG Policy details the policy, procedures, reporting and review processes that will be followed by Eos to evaluate the ESG performance of potential investment opportunities and to monitor the ongoing ESG performance of our portfolio companies.

2.3 ESG & VALUE CREATION

Implementation of the Eos Capital's ESG Policy provides the following value-add opportunities to the Fund's portfolio of investments, including improving both the financial and non-financial performance of our investments, such as:

Increases the Financial Performance/Profitability of the Investment:

- Assists the investment team in taking into consideration ESG risks and impacts from an early stage of the investment process (assists investment committee with the

development of ESG components of the initial screening, due diligence studies and risk categorization);

- Allows for more favourable and transparent deal negotiations and deal structuring (by enabling the investment team to leverage the ESG performance of the investment to invest at a lower cost, and to exit the investment with higher returns);
- Contributes to the value creation strategy for resource optimization and management (generates indirect profits by streamlining mitigation actions hence reducing costs and liabilities);
- Generates innovative financial products and services to capture ESG opportunities (strengthens brand value, attracts new clients and new markets);
- Positions the company for additional institutional capital mobilization; and
- Results in more cost-effective management and production systems.

Improves the non-financial performance of the investment:

- Allows for the measuring and the improvement of ESG performance of each investment and subsequently enhancing the Fund's reputation;
- Assists with the identification of workplace and process risks/hazards and the elimination or reduction of the identified risks/hazards through engineering controls and employee training on how to avoid/mitigate job site risks/hazards;
- Improves quality control and occupational health and safety practices (reduces near misses, accidents and fatalities, but also contributes to reducing insurance premiums for workers' compensation);
- Improves stakeholder engagement (i.e. clear and transparent communication between stakeholders and managers through stakeholder engagement policies and procedures);
- Enhances compliance with host country legislation and international ESG requirements;
- Establishes a company's social license to operate; and
- Allows for analysis and comparison between companies using critical metrics often omitted from the financial position and performance of a company.

Please visit our website for further information regarding our investment process, including the management of ESG issues.

Please do get in touch with us by phone or email should you wish to learn more about our approach to ESG as part of our value-added investment approach.