



Environmental, Social and Governance Policy

Introduction

Kasada is an independent real estate private equity platform dedicated to hospitality in Africa. Kasada is committed to generating sustainable, positive impact in the African economies and communities we invest in, while also ensuring the delivery of attractive, risk-adjusted returns for investors.

As hospitality is one of the largest employers on the continent and a significant source of revenue for national economies, we believe that it is key to Africa's socio-economic development, supporting job creation among underrepresented groups, the promotion of small enterprises and micro industries, and developing local talent. Hospitality and tourism not only creates jobs in the tertiary sector, they encourage growth in the primary and secondary sectors of industry through a multiplier effect. Money spent in a hotel helps to create jobs directly in the hotel, but it also creates jobs indirectly elsewhere in the economy. We believe that the hospitality industry has a responsibility to apply stringent environmental and social governance standards favoring low-carbon buildings, reduced water consumption, waste minimization and effective management, job security, gender and diversity, and responsible and ethical business conduct.

We see this undertaking as our responsibility with the support of our strategic partners and hotel operators, who have a critical role to play in realizing our environmental, social, and governance (ESG) ambitions.

1. Purpose, Scope & Applicability

Kasada's Environmental, Social and Governance (ESG) Policy (the "Policy") represents the Group-level¹ commitment and approach to ESG. Our Policy incorporates a set of ambitions, goals and objectives that recognize the sustainable development agenda and the need to exercise responsible corporate stewardship.

This Policy articulates our Group-level commitments towards ESG and the collective measures that we undertake in order to fulfil them. These measures are aligned to our strategy and to best-practice standards and frameworks. The Policy governs our approach with respect to ESG where our current and future investment decision-making, investment procedures, and other relevant activities are concerned and therefore, serves to complement our existing Group-level Investment Strategy and overall Fund Mandate. Kasada's ESG Policy is applicable at Group-level and extends to all our Funds under management as well as our portfolio of investments. The Policy is operationalized through Kasada's Environmental and Social Management System (ESMS) for Kasada GP Limited which is comprised of an ESMS Manual and supporting Annexures and is applicable throughout all stages of the investment lifecycle from origination to exit.

¹ "Group" shall include the Company and any entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Company, including their respective subsidiaries and predecessors, and "controls, controlled by or under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

2. Policy Objectives

Kasada's ESG Policy seeks to clarify the nature and extent of the ESG investment approach and measures that we intentionally adopt as a Group. Our ESG investment approach and measures have been developed with our strategic set of ESG ambitions and goals in mind and are fundamental towards shaping our Policy and its objectives. Our ESG Policy seeks to:

- Articulate and clarify our ESG philosophy and approach at Group-level;
- Outline our strategic ESG commitments and priority focus areas that we have identified to guide our intended ESG performance;
- Present the industry-recognized standards and frameworks to which Kasada, our Funds, and portfolio of investments are expected to align;
- Define our approach towards ESG integration and implementation through risk management and opportunity identification throughout our investment decision-making, investment procedures, and other relevant activities;
- Highlight the measures that we adopt in practice to hold ourselves accountable to the ESG commitments we make and activities we engage in; and
- Establish the basis for which we continuously seek to meaningfully contribute towards responsible investment conduct.

3. ESG Commitments

In order to fulfil the Group-level ESG ambitions, goals and objectives, we commit towards the following:

- Operating in alignment with the Group-level Exclusion List by investing within its parameters of permitted industries and activities;
- Upholding and adherence towards the laws, rules and regulations and the relevant international treaties and conventions of the countries in which we operate and / or have a presence within;
- Ensuring that our current and future investor ESG requirements are upheld and implemented throughout our investment procedures and activities at Group, Fund and Portfolio-levels;
- Maintaining a robust and effective Group-level ESMS that is receptive towards and consistently aligned with the dynamic landscape of industry best practice measures;
- Ensuring that the Group-level ESMS and its procedures are implemented with accuracy, consistency, and integrity at Fund-level and portfolio of investment-level;
- Allocating sufficient and appropriate financial and non-financial resources that are fit-for-purpose in support of the optimized implementation of the Group-level ESMS and its resultant ESG investment performance by way of a dedicated ESG Committee, ESG personnel appointments, periodic ESG Training, and other measures deemed necessary by the ESG Committee;
- Implementing dedicated measures towards the identification, management, and mitigation of ESG risks that surface throughout our investment procedures and other activities to limit overall Fund and Portfolio-level risk;
- Implementing appropriate measures required to track, measure, and periodically report on both ESG performance and underperformance at Fund and Portfolio-levels recognizing not only where

targets have been sufficiently met with, but also where we are required to reassess and improve our approach;

- Maintaining an internal and external-facing culture of transparency, accountability, and disclosure;
- Continuously leveraging the developments within ESG through evolving best practice standards, frameworks, innovations, and other industry-relevant guidance and resources;
- Ensuring that our ESG Policy is reviewed on a periodic basis and that improvements account for lessons learnt throughout implementation and user experience;
- Actively participating within relevant associations, thought-leadership platforms, industry initiatives, community-led engagements, and other forums that encourage ESG knowledge transfer.

4. ESG Focus Areas

Kasada's ESG focus areas are representative of the Group's ESG identity and Investment Mandate. We have considered these focus areas in light of those that are material to our investment activities considering the sector and geographies that we operate within, as well as the positive benefits that we wish to create throughout our investment opportunities. The following ESG focus areas will guide our Fund-level activity and Portfolio of investments:

- Environmental Focus Areas:
 - Resource efficiency and climate change
 - Responsible design, sourcing, production and consumption
 - Operational efficiency and waste management
- Social Focus Areas:
 - Gender and diversity, equity and inclusion
 - Local employment, staff training and job security
 - Community health, safety and security and sourcing from local suppliers
- Governance Focus Areas:
 - Responsible and ethical business conduct including compliance with legislation and consideration of human rights
 - Industry research, development and thought-leadership

As a Group, we recognize that our Portfolio of investments may incorporate other aspects that extend beyond our set of ESG focus areas. Kasada welcomes the inclusion of the additional ESG focus areas amongst its Portfolio and will seek to extend our guidance and support to the Portfolio of investments, as far as it is under our control, in ensuring that its Portfolio-targeted ESG performance is achievable.

5. Standards, Frameworks and Certifications

Kasada's ESG approach is guided and informed by a range of industry-recognized standards, frameworks, and certifications that we have identified. Kasada adheres to the standards, frameworks, and certification measures that are relevant to our ESG focus areas by way of incorporating its recommended measures into our Group-level management processes, Fund-level investment activities, and amongst our Portfolio. The set of standards, frameworks, and certifications include:

Standards

ESG Policy

- Applicable national and local E&S laws, rules, and regulations;
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (2012);
- The World Bank Group's IFC Environmental, Health, and Safety (EHS) Guidelines (2007);
- The World Bank Group's IFC Industry Sector Guidelines (2007 – 2016);
- The United Nations (UN) Principles for Responsible Investment (2006);
- International Labour Organisation (ILO) Labour Conventions and the ILO Decent Work Agenda (2015);
- United Nations Global Compact (2020);
- UN Guiding Principles on Business and Human Rights (UNGPs) (2011); and
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct (2023).
- The Sustainability Accounting Standards Board (SASB) Standard for Hospitality and Lodging (2022) of the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation.

Frameworks

In addition to the above, Kasada is guided by the following standards and frameworks that appeal towards our ambitions to create a positive impact across our ESG focus areas in the context of our operating industry and geographies:

- The UN Sustainable Development Goals (SDGs) (2015);

We seek to continuously improve our approach towards having a positive impact throughout our investments and intend to adopt further frameworks as we progress along our ESG journey.

Reporting Guidelines

Furthermore, our suite of standards and frameworks are complemented by a set of reporting guidelines that we adopt. These include:

- The Global Impact Investing Network's (GIIN) IRIS+ (2009); and
- The Global Reporting Initiative Standards (GRI) (2021).

Certificates

To reinforce our ESG commitments and assurance of our performance, Kasada seeks to maintain ESG compliance and performance in good standing with the following certifications:

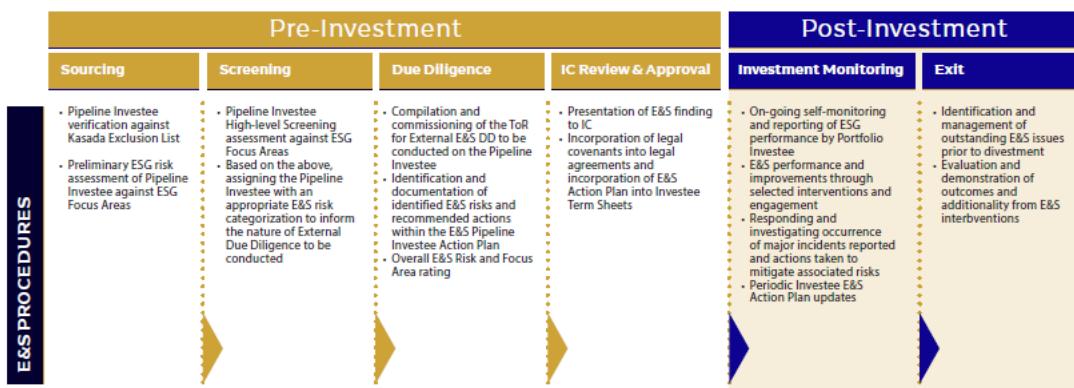
- The World Bank Group's IFC Excellence in Design for Greater Efficiencies (EDGE) (2014);
- International Organization for Standardization (ISO) 14001 and 45001;
- The Global Hotel Security Standard of Safehotels Alliance; and
- GreenKey Global.

6. Investment Approach and Procedures

Kasada's approach towards investments is representative of the ESG ambitions and goals we strive towards achieving, the ESG commitments that we pledge to uphold, and the ESG focus areas that we seek to influence. These elements collectively shape our ESG investment approach and procedures which are governed by our Integrated ESMS.

Kasada's GP-level ESMS describes how ESG considerations are factored into our investment decision-making, investment procedures, and other relevant activities. The Integrated ESMS is comprised of Kasada's ESG Policy, Manual, and supporting Toolkit and provides technical guidance on assessing the ESG focus areas throughout each stage of the investment lifecycle by outlining the specific procedures to be undertaken, tools and templates to be used, and criteria to be applied when determining suitability for Kasada investment.

Kasada's ESG investment approach and procedures are illustrated below:



Kasada's investment acquisition activities catalyze greenfield projects and major construction/refurbishment activities. Kasada recognizes the importance of ensuring that responsible corporate stewardship is exercised across the Group and all its activities. In upholding our ESG commitments where investment activity catalyzes construction / refurbishment activities, Kasada undertakes an approach which requires that our Project Management Contractors (PMCs) and Engineering Procurement and Construction (EPC) contractors and subcontractors adhere with the necessary legal and regulatory compliance measures as indicated within the Environmental and Social Management Policy for Construction that is operationalized through the Kasada Environmental and Social Management System-Construction (ESMS-C).

7. Kasada Exclusion List

Kasada undertakes to ensure that its investment activity operates within the parameters of permitted industries and activities as recognized through the exclusions established by the community of international Development Finance Institutions. Kasada's Exclusion List defines that types of investments that the Group will not invest in and has been developed in compliance with the International Finance Corporation (IFC) Exclusion List (2007) and Harmonized European Development Finance Institution (EDFI) Exclusion List (2011), and Harmonised EDFI Fossil Fuel Exclusion List (2020) and can be made available upon request.

8. Roles and Responsibilities

This Policy is operationalized through the Environmental and Social Management System (ESMS) including related policies and procedures, toolkits, manuals, codes of practice, standards of business conduct, and so on. The commitments contained in the Policy are the responsibility of all Kasada staff (not limited to members of the ESG Committee).

The ESG Manager, who provides guidance and oversight of ESG activities, and is ultimately responsible for the day to day use of the ESMS and its various supporting tools and procedures.