

# **Draft Human Rights Policy**

AFC Capital Partners

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Role	Name	Designation	Date
<b>Author</b>	Arome Sule	ESG Consultant, AFC Capital Partners	17/11/2023
<b>Reviewed by:</b>	Ziyanda Mpakama	Associate Vice President, AFC Capital Partners	
<b>Reviewed by:</b>	Ayaan Adam	CEO, AFC Capital Partners	
<b>Approved By:</b>	ACP Board	ACP Board of Directors	

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## 1. WHAT ARE HUMAN RIGHTS

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

## 2. CORPORATE COMMITMENT TO HUMAN RIGHTS

African Finance Capital Partners (ACP) recognizes that failure to protect and respect human rights undermines not just the wellbeing and dignity of individuals but also damages the wellbeing of economies and societies. The Universal Declaration of Human Rights is clear that 'every individual and every organ of society' has a responsibility to promote and protect human rights. As noted in the UN Guiding Principles on Business and Human Rights, this responsibility also applies to companies and investors.

Protecting and respecting human rights is also central to our duties as a Fund manager, given that human rights issues can have a material impact on our investments. For example, human rights issues can present operational risks (e.g., delays to projects, interruptions to business continuity, loss of a company or a project's social license to operate), regulatory risks etc.

AFC is committed to operating in accordance with all international legal requirements and agreements, including the ILO Core Conventions; the ILO Declaration on Fundamental Principles and Rights at Work, the international Covenant on Economic, Social and Cultural Rights, and the United Nations Guiding Principles on Business and Human Rights.

ACP refrains from providing support for activities that may contribute to violations of a state's human rights obligations and seeks to support the protection and fulfilment of human rights. The Ruggie Principles state that business enterprises should respect human rights, meaning that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

ACP upholds the principles of accountability and the rule of law, participation and inclusion, and equality and non-discrimination. Arrangements for

respecting human rights are incorporated into ACP's governance structure, risk framework, and policies including the Human Resources Policy, and the Gender Policy.

Human rights considerations are also incorporated into all aspects of the investment lifecycle and in ACP's business relationships. ACP will only work with those companies who are able to demonstrate that they have the necessary measures in place to uphold the corporate duty we all share to respect human rights.

### **3. HUMAN RIGHTS IN THE INVESTMENT PROCESS**

Consideration of human rights in the investment process starts with due diligence. If a specific human rights concern is identified, expert advice will be sought, and the results will inform the investment decision-making process. ACP will not invest in any projects or support any activities that may cause or contribute to human rights violations.

In line with the Ruggie Principles, ACP commitment applies to all our investments, in all asset classes and in all geographies. It applies to adverse impacts that we may cause directly through the investments that we make, and to the human rights impacts that the companies or entities in which we invest may cause, may contribute to, or be directly linked to, through their own operations or business relationships. ACP will operate and invest in projects in many different countries. We recognize that situations may occur if local and national laws and regulations conflict with internationally recognized human rights standards. In these situations, we are committed to upholding the highest standards to the greatest extent possible.

All project companies and their supply chains are expected to adhere to the same standards as those adopted by ACP. Project companies must avoid or otherwise minimize adverse impacts on all people. Particular attention must be paid to avoiding the potential for disproportionate impacts on any group of people because of their gender, age, ethnicity, disability, socio-economic status and/or other personal characteristics.

ACP requires that stakeholders participate in the formulation, implementation, monitoring, and evaluation of project activities. We conduct ongoing monitoring and evaluation to make sure that the projects continue to uphold our commitments.

#### **4. EMPLOYMENT AND HUMAN RIGHTS**

Employment and human rights are closely linked. Employment is a fundamental human right, and human rights principles apply to all aspects of employment, including recruitment, hiring, promotion, training, compensation, and termination. ACP is an equal opportunity employer and aims to eliminate all forms of unfair discrimination in the recruitment and selection of staff, as well as in relation to all other aspects of labor and working conditions.

#### **5. ACCESS TO REMEDY**

Feedback from external stakeholders matters a lot to ACP and therefore operates a grievance mechanism for the receipt of feedback, concerns, and complaints. Every project will have a grievance mechanism that can be accessed locally. All grievances are responded to and followed up to achieve closure and will be communicated internally as required to share learnings.

Additionally, an internal grievance mechanism is in place at ACP which is available to all staff and provides a formal means for raising concerns of any nature. These currently include processes that allow our people and third parties to report concerns of suspected unethical or illegal behavior, including any human rights issues or violations related to our investments.

#### **6. REALISING HUMAN RIGHTS THROUGH OUR INVESTMENTS**

ACP will take advantage of the investments it makes to deliver positive impacts that enable people to fulfil their human rights.

We are committed to integrating human rights issues (as one aspect of wider sustainability and governance issues) into our investment analysis and decisions across all our portfolios. We are also committed to using our influence as fund managers to engage with the companies we invest in to protect and respect human rights. Evaluating and efficiently handling human rights is an integral part of our investment process, and we actively work with

investee companies, other investors, and with wider stakeholders to ensure we protect and respect human rights.

## **7. GOVERNANCE**

The CEO and the ACP Senior Management Team is responsible for the oversight of our approach to human rights. The board of ACP will also be briefed on human rights risks and opportunities from time to time (at least yearly).

## **8. COMMUNICATION & DISCLOSURE**

This Policy Statement is communicated internally to all ACP staff and to the staff of the Project Companies. It is important to strengthen our own assessment and monitoring of human rights issues in our portfolios including through the education of colleagues. We have been successful at managing human rights issues internally, however, we need to ensure that we have a consistent, coherent, and fully informed approach across all our portfolios.

## **9. REVIEW**

This Policy Statement will be reviewed on an annual basis and updated as needed.