

SPARK+
AFRICA

INVESTING IN
MODERN COOKING

Spark+ Africa Fund

E&S and Impact Policy

1. Introduction

Three billion people, almost 40% of the world’s population, rely on solid fuels such as charcoal, wood, dung and coal to cook their food, contributing to negative effects on the environment, global climate and health. Women and girls who often spend hours cooking and collecting fuel, are disproportionately affected. And while the global access-deficit has remained at three billion since 2000, Sub-Saharan Africa’s deficit has grown due to population growth, increasing from 585 million in 2000 to over 860 million in 2016. Ten of the top 20 access-deficit countries are in Africa.

Spark+ Africa Fund SCSp (“Spark+” or the “Fund”) is an impact investment fund formed by a Swiss asset management firm, Enabling Qapital, and Dutch foundation, Stichting Modern Cooking, with support from a US-based non-profit organization, the Clean Cooking Alliance (“CCA”). The Fund has been developed to invest in access to clean, efficient and modern cooking solutions for rural, peri-urban and urban communities in base-of-the-pyramid (“BoP”) markets throughout sub-Saharan Africa.

Spark+ has assigned the responsibility of the execution of the environmental and social (E&S) Policy to its Co-Investment Directors, Peter George and Xavier Pierluca with Peter George holding primary responsibility as the Fund’s ESG Director. Gerald Njugi is the investment officer designated to support the implementation of the E&S policy.

2. Purpose of the Policy

Spark+ is indirectly exposed to environmental and social (E&S) risks through the activities of its investees, which can represent a financial, legal and/or reputational risk. Due to the fact that Spark+ is an impact investment fund and serves as a financial intermediary, its E&S risks associated with its internal operations are limited to managing aspects related to E&S risks management, the labor and working conditions of employees and consultants of its investment advisor (Enabling Qapital), AIFM (Woodman) and General Partner (Spark+ General Partner Sarl), and its resource efficiency management. Both types of risk (indirect from its investees and direct from Spark+ own practices) will be managed in accordance with this E&S and Impact Policy.

3. Environmental & Social Commitments

Spark+ recognizes the importance and relevance of E&S risks management to our business. In this regard, Spark+ is committed to identifying and addressing E&S risks associated with its activities by adopting sound E&S management. Specifically, Spark+ is committed to the following:

- Minimizing adverse environmental impacts of its activities on the environment and all stakeholders, and enhancing positive effects;
- Investing in line with the applicable local and international environmental and labour requirements, particularly the IFC Performance Standards, AfDB Integrated Safeguards

System, AfDB Exclusion List, the Harmonized EDFI Exclusion List and EDFI fossil fuel exclusion list;

- Promoting compliance with Good International Industry Practice (GIIP), including IFC General and Sector Specific EHS Guidelines, ILO Core Conventions and Basic Terms and Conditions of Employment;
- Promoting compliance with all applicable laws and regulations on consumer protection, in particular, but without limitation, in the area of financial services. Microfinance Institutions are expected to generally comply with the SPTF Universal Standards for Responsible Inclusive Finance;
- Encouraging portfolio companies, as appropriate, to promote positive development impact through implementation of E&S and Impact policies and consumer protection principles;
- Monitoring and reporting on E&S performance of investees in a transparent, credible and timely manner to all relevant stakeholders;
- Supporting the reduction of greenhouse gas emissions through its business operations;
- Promoting the UN Guiding Principles on Business and Human Rights;
- Promoting global impact by adhering to the UN SDGs.

4. Spark+ ESMS

Based on its commitment to identifying and addressing E&S risks associated with its activities, Spark+ developed an Environmental and Social Management System (ESMS). It provides a framework with supporting policies, plans, procedures and tools, and procedures. Through the ESMS, Spark+ took best practices steps, including: defining roles and responsibilities, risk review procedures, regular monitoring & reporting, grievances management procedures. The ESMS enables Spark+ to improve its E&S performance through the systematic control and management of the organization's E&S risks and responsibilities through:

- Identifying E&S risks and responsibilities over which it has control or influence;
- Developing actions plans and procedures to respond to and manage significant E&S risks and responsibilities;
- Facilitating compliance with E&S policy, and legislative and other obligations (such as host country legislation); and
- Measuring progress in achieving improved E&S performance.

The ESMS has been designed in accordance with the IFC Performance Standards on Environmental and Social Sustainability.

5. Policy Scope

This E&S and Impact Policy will be applied to Spark+, its investees and stakeholders.



Date: 10 March 2022

Peter George

Manager, Spark+ Africa Fund SCSp



Date: 10 March 2022

Xavier Pierluca

Manager, Spark+ Africa Fund SCSp