ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

1. **Purpose**

At AVA Capital PLC Limited also known as "AVA Capital PLC" we recognize that long-term business success is intrinsically linked to the health of our environment, the well-being of our communities, and the integrity of our governance. This comprehensive Environmental, Social, and Governance (ESG) Policy reflects our commitment to fostering sustainable, inclusive, and transparent business practices that create long-term value for all stakeholders, including investors, clients, employees, regulators, and the global community.

Our dedication to sustainability drives us to act responsibly and ethically, leveraging our financial platform to drive positive environmental change. Our business model is underpinned by a deep respect for the environment and a determination to foster a sustainable future. Recognizing the significant impact our operations can have on the planet, we are dedicated to leveraging our financial platform to drive positive environmental change. This policy outlines AVA Capital PLC's commitment to environmental stewardship and our strategic approach to ensuring a sustainable ecological footprint.

Our ESG framework guides us to:

- Develop innovative, sustainable financial products that support both economic prosperity and environmental well-being.
- Operate our businesses with ethical integrity, transparency, and respect for all stakeholders.
- Uphold strong consumer protection and responsible marketing practices.
- Collaborate with industry partners and stakeholders to drive systemic impact.
- Report our ESG performance regularly and transparently.

2. **Scope**

This policy is all encompassing, governing all investment strategies managed by AVA Capital PLC, across every asset class and client type. It also applies to the company's internal operations, corporate governance, and stakeholder interactions. This policy is mandatory for all employees, board members, subsidiaries, partners, and contractors across every business vertical.

3. **Policy Framework**

Our **Environmental Sustainability Policy** commits us to environmentally responsible practices across all our operations. The policy is aligned with the highest international standards, including:

- ISO 14001: Environmental Management System
- GHG Protocol: Corporate Accounting and Reporting Standard

- TCFD Guidelines: Task Force on Climate-related Financial Disclosures
- Securities and Exchange Commission (SEC) guidelines: Nigerian Sustainable Finance Principles (NSFP)

4. **ESG Principles**

Environmental Responsibility

Our business model is motivated by a deep respect for the environment and a determination to foster a sustainable future. Recognizing the significant impact our operations and investments, AVA Capital PLC is committed to leveraging its financial platform to drive positive environmental change. This dedication to sustainability guides our ethical and responsible actions, ensuring we make choices that benefit our customers, employees, investors, and the global community. As such, we are dedicated to:

- **Environmental Management System (EMS):** we aim to develop an Environmental Management System (EMS) that follows the Plan-Do-Check-Act model, ensuring continual improvement in our environmental performance. It includes specific procedures, guidelines, and records that document our processes. Regular assessments of our EMS aim to support effective decision-making, communication of results, and evaluation of training needs.
- **Promoting climate-conscious investment strategies:** by integrating climate-related risks and opportunities into our asset selection and portfolio management processes. We will encourage our merchants and partners to institute environmental impact measurement and management systems.
- **Supporting clients in the transition to a low-carbon economy:** by financing sustainable projects and advising on green bonds, ESG-linked instruments, and environmental innovation.
- **Reducing environmental footprints:** through energy-efficient office operations, digital transformation (paperless processes), and waste reduction. Transition to renewable energy sources for office operations, such as installing solar panels, Implement energy-efficient lighting, HVAC systems, and office equipment.
- **Conducting environmental due diligence:** as part of our investment assessments to avoid or mitigate financing activities that cause significant environmental harm. We are also committed to community engagement and contributions to promote diversity, understanding and respect.
- **Hybrid Work Model:** implement and expand the hybrid work model to reduce commuting-related emissions. This approach not only enhances employee flexibility and well-being but also significantly reduces commuting-related greenhouse gas emissions. By minimizing daily travel, the company lowers its carbon footprint, reduces traffic congestion, and contributes to improved air quality.

- **Employee Engagement:** by encouraging staff participation in environmental sustainability initiatives and volunteering programs. Promote digital documentation to reduce paper waste and encourage reusable containers for food and beverages.

Our Commitment to Diversity and Inclusion

AVA Capital PLC firmly believes that diversity is a catalyst for innovation, creativity, and long-term success. We are committed to building a workforce that reflects the vibrant and dynamic society we serve, with a deliberate focus on achieving gender balance and representation at every level – from the boardroom and management teams to our wider employee base. We recognize that diversity on its own is not enough; it must be paired with equity and inclusion to ensure every individual has fair access to opportunities, resources, and decision-making.

Social Responsibility

Our business model is sustained by upholding human rights, promoting social equity, and contributing to inclusive growth through our operations and services. We strive to be an optimal employer to our workforce and a valued partner to our communities, making decisions that serve the best interests of all our stakeholders. We recognize our employees as our greatest asset, as each individual brings distinct perspectives, skills, and experiences that enrich our culture and strengthen our collective achievements.

This commitment includes:

- **Encouraging diversity, equity, and inclusion (DEI):** across our workforce and leadership teams. We contribute to our communities by creating wealth and promoting socio-economic development. We also promote inclusion with our fair employment practices; giving women and men equal opportunities at employment, career advancement, and working conditions. aiming for a minimum of 40% representation from each gender by 2027. We are committed to creating a work environment that values and enforces respectful communication and cooperation among all employees, teamwork and employee participation, ensuring representation of diverse perspectives, flexible work schedules to support work-life balance and accommodate individual needs.
- **Compensation and Benefits**: we believe that a safe and inspiring workplace, along with a competitive compensation package, is the foundation for attracting and retaining top talent. To that end, we offer comprehensive benefits to all regular full-time employees, including but not limited to paid holiday, vacation, sick time, retirement savings plans and medical coverage. Additionally, our generous equity compensation program that empowers every team member, cultivating a deep sense of ownership and shared success.
- **Engaging with stakeholders transparently and respectfully:** including clients, regulators, communities, and employees. We are committed to investing in initiatives that foster economic inclusivity and create shared value for society. Evaluating how projects, investments, or operations affect local communities. This involves identifying potential displacement risks, effects on livelihoods, health, and education, as well as

opportunities to generate positive social outcomes through capacity-building and community development initiatives.

- **Assessing social risks in all transactions**: ensuring compliance with national and international labor laws (fair wages, safe working conditions, non-discrimination, and the prohibition of forced or child labor) and customer data protection. Safeguarding client and stakeholder information by applying strict data privacy policies, adhering to relevant regulations and investing in secure digital infrastructure to prevent misuse or unauthorized access.
- **Community engagement and development:** this is achieved by partnering with Non-Governmental Organizations (NGOs), funding social programs, offering internships to underrepresented youth, and contributing to charitable causes. All these represents our commitment to eradicating poverty in our society and enhance the sustainable development goals (SDGs).
- **Promoting financial inclusion and literacy:** by partnering with NGOs and educational institution to deliver financial literacy programs. Workshops and training sessions on essential topics like savings, budgeting, responsible borrowing, digital finance, and investment awareness. We also provide mentorship programs, internship placements, and graduate trainee opportunities that introduce young people to career paths in finance and business management.
- **Health and Safety: t**he health and safety of our employees, stakeholders and partners are of the utmost importance to us. We support the fight against childhood diseases by supporting local hospitals and charities aimed at prevention, treatment and research.

Governance Principles

Our Board of Directors, senior management, and employees are fully committed to upholding the highest standards of ethics, integrity, and transparency. This dedication is essential for ensuring accountability in all our operations and investment.

Our commitment to sustainability and long-term value creation is rooted in robust governance structures and practices. We continually refine our comprehensive programs to manage operational risks and ensure compliance with all applicable laws, regulations and corporate governance codes.

We believe that strong governance is crucial to creating and preserving value for our shareholders and stakeholders. The Board of Directors fulfils its mandate through its committees, meeting regularly to provide effective oversight and guidance.

We are committed to:

- **Maintaining an independent and well-structured Board of Directors**: The organization recognizes that strong governance is the foundation of a credible ESG strategy. To this end, we are committed to maintaining a Board of Directors that is independent, diverse, and well-structured, ensuring that it provides effective oversight, accountability, and strategic direction on all aspects of the ESG program. The organization ensures that its ESG program not only meets regulatory expectations but also creates sustainable long-term value.

- **Ethical Business Conduct**: Our directors, senior management, and employees embody the highest moral and ethical standards. To support our ethical culture, we are implementing two key initiatives: an Open-Door Policy, which encourages direct and honest communication to address concerns and resolve issues promptly, and a whistleblower email, which provides an anonymous channel for reporting suspected compliance violations, unethical behaviour or fraud. These measures underscore our unwavering commitment to ethical business practices and our dedication to fostering a workplace built on trust, respect, and integrity, where open communication and accountability thrive. Our dedication to ethics is reflected in:
- our comprehensive Code of Ethics that guides the actions of all employees, management and directors;
- building our business and relationships on a foundation of honesty, reliability and integrity; and
- treating clients and coworkers with fairness, respect and dignity while conducting business honestly and ethically.
- **Complying with all Securities and Exchange Commission (SEC) rules and relevant regulatory frameworks**: by adhering to all applicable environmental laws and regulations. Publicly disclosing our environmental performance in our annual report, anti-corruption measures, whistleblower protections, and risk-based internal controls. We are also committed to upholding transparency and disclosure standards by providing accurate, timely and comprehensive information to clients. Ensuring accurate and timely ESG disclosures to investors, regulators, and stakeholders in line with SEC and international reporting standards.
- **Integrating ESG considerations into enterprise risk management**: Aligning portfolio strategies with ESG principles by prioritizing sustainable investments, green finance instruments, and companies with strong ESG ratings. Incorporating ESG-related risks such as climate change, regulatory shifts, and reputational risks into the organization’s risk registers and risk appetite framework. Embedding ESG due diligence into the evaluation of investment opportunities and capital allocation decisions. Projects and investments will be screened not only for financial viability
- **Training Employees and Executives on Ethical Conduct, ESG Risks, Financial Crime Prevention (AML/CFT/CPF), and Regulatory Developments**: Our training framework covers the following areas:
- **Ethical Conduct:** Embedding a strong ethical culture by training staff on codes of conduct, conflict of interest policies, whistleblowing procedures, anti-bribery measures, and responsible decision-making. This ensures that integrity guides all interactions with clients, regulators, and stakeholders.

- **ESG Risks:** Providing awareness and specialized modules on environmental, social, and governance risks, such as climate change impacts, human rights considerations, data privacy, and governance best practices. This empowers employees to integrate ESG principles into daily operations and strategic planning.
- **Financial Crime Prevention (AML/CFT/CPF):** Conducting regular training on anti-money laundering (AML), countering the financing of terrorism (CFT), and counter-proliferation financing (CPF). This includes understanding red flags, transaction monitoring, due diligence obligations, and reporting procedures in line with both local regulations and global standards.
- **Regulatory Developments:** Ensuring employees and executives stay up to date with evolving laws, guidelines, and supervisory expectations issued by regulators. This ensures compliance, reduces regulatory risks, and enhances organizational resilience.
- **Leadership and Executive Focus:** Tailored executive training programs to strengthen Board and senior management capacity in setting the tone from the top, overseeing ESG strategy, and ensuring effective governance of compliance and risk frameworks.
- Implementing a robust whistleblowing policy: The organization is committed to maintaining the highest standards of integrity, accountability, and transparency. To support this commitment, we have established a robust whistleblowing policy that provides a safe and confidential channel for reporting unethical behavior, illegal activities, financial crime, or breaches of company policies and procedures.

5. **Implementation & Oversight**

Our ESG policy is embedded in AVA Capital PLC's day-to-day activities through clear governance, measurable targets, and organization-wide collaboration.

- The Board of Directors and Executive Management Team are responsible for overseeing ESG activities across all business units and aligning ESG metrics with performance targets.
- Implementation is carried out by our Chief Sustainability Officer (CSO), in close partnership with our Chief Investment Officer (CIO), and Chief Financial Officer (CFO).
- The Audit & Risk Management Unit shall monitor ESG compliance, conduct periodic risk reviews, and report findings to the Board and regulators.

6. **Monitoring and Reporting**

ESG monitoring and reporting involve the continuous tracking, assessment, and disclosure of an organization's ESG-related performance and impacts. It is a critical component of sustainable corporate governance and reflects a company's commitment to transparency, accountability, and responsible business practices.

- ESG metrics and KPIs will be developed to track progress and ensure accountability.
- Publish an annual ESG report detailing performance, targets, progress, and material impacts in alignment with global disclosure standards.

- Continuous feedback mechanisms to evolve ESG strategies in response to stakeholder concerns, regulatory changes, and emerging trends.

7. **Review and Updates**

This policy will be reviewed annually or in response to material changes in regulatory expectations, global ESG standards, corporate strategy, or stakeholder input.