



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

May 2023

I. Introduction

At Scantime Energy, we invest in a wide breadth of industries and often in businesses that provide essential goods and services critical to the economy. With this depth and breadth of experience comes the understanding that maintaining a social license to operate is central to preserving capital, mitigating risk, and creating long-term value. Fundamentally, we believe strong environmental, social and governance (“ESG”) practices drive enhanced economic value to our business and ensure the sustainability of our operations well into the future. Most importantly, operating a business with strong ESG principles is simply the right thing to do. We have a long history of embedding ESG considerations into both our investment decisions and our operations. We believe this philosophy creates an inherent alignment of interest between us, our investors, and other stakeholders. This ESG Policy defines the purpose, scope, principles, and responsibilities that underpin our ESG strategy.

II. Purpose

This Policy is intended to outline the ESG principles that Scantime Energy apply to the management of their operations and how ESG considerations are integrated into the investment lifecycle to mitigate downside risk and capitalize on value opportunities.

III. Scope and Application

This Policy applies to Scantime Energy, their employees, as well as all their controlled portfolio companies. Scantime Energy employs a common set of ESG principles across its business, while recognizing that the geographic and sector diversity within our portfolio requires a tailored approach to implementation.

We define material ESG factors as those that have the potential to have a direct, substantial impact on an organization’s ability to create, preserve or erode economic value, as well as environmental and social value for itself and its stakeholders. Where we make a control investment, we seek to work with our portfolio company to integrate and monitor material ESG risk and opportunities.

Where Scantime is an investor in an entity that it does not control, we make commercially reasonable efforts to ensure that the operations of that entity are managed in a manner consistent with our ESG principles. We will also seek to share best practices across our portfolio companies where possible.

IV. Principles

We have established organization-wide principles that govern our overall approach to ESG, and the implementation of those principles is tailored to each investment based, among other things, on the business activity, location and industry of operation, and investment type. Our Scantime-wide ESG principles are:

1) Mitigate the impact of our operations on the environment

- a) Strive to minimize the environmental impact of our operations and improve our efficient use of resources over time
- b) Support the goal of net-zero greenhouse gas (GHG) emissions by 2050 or sooner

2) Ensure the well-being and safety of employees

- a) Foster a positive work environment that respects human rights, values diversity and does not tolerate workplace discrimination, violence or harassment
- b) Operate with leading health and safety practices to support the goal of zero serious safety Incidents

3) Uphold strong governance practices

- a) Operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics
- b) Maintain strong stakeholder relationships through transparency and active engagement

4) Be good corporate citizens

- a) Ensure the interests, safety and well-being of the communities in which we operate are integrated into our business decisions
- b) Support philanthropy and volunteerism by our employees

V. Roles and Responsibilities

Scantime's Governance and Nominating Committee formally oversees our ESG strategy and is responsible for reviewing and approving material ESG initiatives, disclosures, and reports and making recommendations to the Scantime Board on ESG-related matters. Scantime has established an ESG Steering Committee, comprised of senior level executives across the various business groups.

The ESG Steering Committee is responsible for managing organization wide ESG initiatives, staying focused on the latest ESG trends, participating in ESG-related industry meetings, and coordinating with teams across Scantime to share best practices.

Scantime also have established a formal ESG Working Group that comprises of individuals across functional groups and is responsible for executing on ESG initiatives at the manager level and providing guidance to our investment teams, operating professionals, and portfolio companies.

Our senior leadership team supports the investment and business operations teams in executing on initiatives aimed at improving operational and environmental performance across the portfolio.

The management teams of our portfolio companies have primary responsibility for the management of ESG considerations within their operations. All controlled portfolio companies are required to maintain and follow a systematic program to manage activities in accordance with this Policy.

VI. ESG and the Investment cycle

Scantime consider material ESG factors throughout the investment lifecycle, starting with due diligence of a potential investment through to the exit process. In February 2020, Scantime became familiar to the United Nations-supported Principles for Responsible Investment ("PRI") to formally demonstrate our ongoing commitment to ESG integration. We undertake the following steps for each potential investment:

1) Due Diligence

During the diligence phase we utilize our operating expertise and Scantime's ESG Due Diligence Guidelines to identify material ESG risks and opportunities relevant to a specific investment. In completing these assessments, we leverage industry-leading frameworks, such as the Sustainability Accounting Standards Board ("SASB") engagement guide as well as third-party technical consultants, where appropriate. Key factors typically considered during a review of a potential acquisition include, but are not limited to, bribery and corruption risks, health and safety risks, and environmental risks and opportunities.

2) Investment Decision

Detailed memorandums provided to the Scantime investment committee outline the merits of the transaction and include considerations on potential ESG risks, mitigation strategies and opportunities. All investments are approved by the investment committee and the committee considers any material ESG considerations in their evaluation.

3) Onboarding

Portfolio companies utilize our program implementation framework to develop and operationalize an ESG strategy tailored to their business. The framework guides the development of core program elements, including defining an appropriate governance structure, identifying relevant stakeholders, conducting a materiality assessment, and establishing associated workplans to manage risks and opportunities.

4) Ongoing Monitoring

ESG strategy and program implementation will be reviewed on an annual basis with our controlled portfolio companies. ESG considerations are expected to be reviewed on an ongoing basis and periodic reporting of key performance indicators (“KPIs”) to both the Board of Directors and Scantime senior management are required.

VII. Related Scantime Policies

This ESG Policy is supplemented by several other governance documents that apply to our business and how we are operate and can be found on the Scantime Energy website here:

<https://www.scantimeenergy.co.za/responsibility>.