



Environmental, Social and Governance (ESG) & Impact Policy

1. Introduction

SilverStreet's ESG and Impact Policy articulates SilverStreet's strategic commitment to sustainable investing and is an integral part of SilverStreet's approach to investment. This policy covers SilverStreet's sustainable investment objectives, its ESG framework, the application of this framework pre- and post-investment and the reporting of progress against the sustainable objectives to investors. Associated policies include SilverStreet's Climate Change Policy and Anti-Bribery Policy. SilverStreet's ESG and Impact Policy is the responsibility of SilverStreet's Head of Impact and ESG. SilverStreet first adopted its Responsible Investment Code on 26 January 2011.

2. Definitions

References to "SilverStreet", "our", or "we" refers to SilverStreet Management S.à r.l., SilverStreet Management II S.à r.l. and SilverStreet Capital LLP. References to the Fund are to those funds managed or advised by SilverStreet, and references to the "General Partner" and "Alternative Investment Fund Manager" or "AIFM" are respectively references to the general partner and alternative investment fund manager of the relevant Fund.

3. Sustainable Investment Objective

SilverStreet's investment objective is to seek attractive returns for investors whilst achieving a substantial positive social, environmental and climate impact.

This sustainable investment objective is to be achieved by focusing investments on those parts of agricultural value chains where a positive social, environmental and climate impact is expected to be highest and by ensuring the implementation of this ESG and Impact Policy as an integrated part of the investment cycle.

Investments made by the Funds are aimed at addressing problems in an agricultural value chain, thereby enabling the entire chain. By investing to complete the value chain, one creates the opportunity for others in that value chain to increase production and profits, for example for smallholder farmers to increase their production. Coupled with this, the strategy involves skills transfer, capacity building and training of smallholder farmers in sustainable agricultural techniques, which have the benefit of substantially reducing the potential for soil depletion, desertification and deforestation, thus creating a substantial positive social, environmental and climate impact.

The key to achieving the positive impacts in SilverStreet's investment objective is to target segments where substantial impact can be achieved through the investments and actions. As an example, by investing in the seed sector and introducing training for smallholder farmers in conservation farming techniques at village level, multiple sustainability objectives can be met

simultaneously with the return objective namely, increased social impact through significant yield and income improvements, and reduced climate and environmental impacts by moving smallholder farmers from unsustainable “slash and burn” practices to conservation farming techniques, thereby reducing deforestation and soil damage.

Monitoring of the sustainable investment objective on an ongoing basis is aided by measuring the performance of the Funds’ investments against an ESG Scorecard and/or ESG Action Plan, further details of which are described below.

SilverStreet is committed to making responsible investments that are sustainable from an economic, ESG and developmental impact perspective. SilverStreet believes that this adds long-term value to its Funds, portfolio companies, employees, communities and investors.

SilverStreet aims to manage its Funds’ assets responsibly in order to:

- maintain or improve the environment and therefore the sustainability of each business;
- create substantial positive social, environmental and climate impacts for both the employees and the communities surrounding each business;
- not cause significant environmental, social or climate harm; and
- implement the highest international standards of corporate governance.

4. ESG Core Principles

To achieve this sustainable investment objective, the Funds commit to the four ESG Codes described in section 5 below, building on the following “ESG Core Principles”:

- to comply with all applicable laws and regulations in each jurisdiction where the Funds are invested;
- to minimise adverse impacts and enhance positive effects on sustainability factors. ‘Sustainability factors’ include environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;
- to commit to continuous improvements with respect to sustainability factors;
- to work over time to comply with the relevant international best practice standards, with appropriate targets and timetables for achieving them; and to employ management systems which effectively address ESG or sustainability risks and impacts and realise ESG and impact opportunities as a fundamental part of a company’s value.

5. ESG Codes

To establish a framework to achieve these sustainability aims and to apply these ESG Core Principles, SilverStreet and its Funds are guided by the following internal and globally recognised initiatives:

- SilverStreet’s own Responsible Investment Code;
- The International Finance Corporation’s Performance Standards;
- The UN Principles for Responsible Investment; and

- The UN Global Compact.

Our policy is to implement these codes and international standards as an integrated part of our investment decision-making, to monitor compliance with these standards in detail, to report such compliance back to our investors annually and, to identify and manage the principal adverse impacts of our investment decisions on sustainability factors.

Responsible Investment Code (“RIC”)

We adhere to our RIC (which was based on the responsible investment code for CDC Group PLC, the UK Government’s development finance institution), a full copy of which can be found in the Appendix. Our RIC defines the objectives, policies and management systems for sustainable and responsible investment with respect to the ESG Core Principles that each Fund and its underlying businesses aim to adhere to. It also includes an Exclusion List, which specifies businesses and activities in which SilverStreet’s Funds will *not* invest.

A summary of our RIC is shown in the table below.

Table 1: Summary of SilverStreet’s RIC

RIC Section	Objectives
Environment	<ul style="list-style-type: none"> • Minimise adverse impacts and enhance positive effects on the environment • Make efficient and sustainable use of natural resources • Support the reduction of greenhouse gas emissions and the development of environmentally friendly technologies
Social	<ul style="list-style-type: none"> • Treat all employees and contractors fairly and respect their dignity, well-being and diversity • Support the protection of internationally proclaimed human rights and not be complicit with human rights abuses
Other Social Matters	<ul style="list-style-type: none"> • Be objective, consistent and fair with all stakeholders • Promote social development impact • Promote local food production • Ensure safe and healthy working conditions for all employees, contractors and others affected by the operations
Governance	<ul style="list-style-type: none"> • Exhibit honesty, integrity, fairness, diligence and respect in all business dealings • Promote international best practice in relation to corporate governance and work against corruption in all its forms, including extortion and bribery
Animal Welfare	<ul style="list-style-type: none"> • Ensure the fair treatment of animals
Management Systems	<ul style="list-style-type: none"> • Assess the impact of all new investments on ESG matters as an integral part of the investment process • Assign new investments a risk rating on ESG issues to determine the appropriate level of management and monitoring • Divisions to develop action plans of outstanding ESG issues with targets for improvements • Managers to work towards continuous improvements in these areas, with performance monitored • Divisions to adopt and implement policies relating to ESG matters • Report annually on ESG aspects • Monitor and record ESG incidents • Consider the RIC in all investment and divestment activities
Exclusions	<ul style="list-style-type: none"> • Production or activity involving forced labour or child labour

	<ul style="list-style-type: none"> • Production of or trade in any product or activity deemed illegal under applicable local or national laws or regulations, or banned by global conventions and agreement, such as certain hazardous chemicals, pesticides, pharmaceuticals and wastes, ozone depleting substances, endangered or protected wildlife or wildlife products • Production of or trade in arms, i.e., weapons, munitions or nuclear products, primarily designed or primarily designated for military purposes • Gambling, alcoholic beverages, illegal drugs, tobacco or tobacco-related products
--	---

Our RIC additionally references multiple other international conventions, standards and protocols as summarised in the table below. These include the International Finance Corporation (“**IFC**”) Environmental Health and Safety (“**EHS**”) guidelines and the IFC’s sector supplements for specific agricultural sectors.

Table 2: Summary of References in SilverStreet’s RIC

Organisation /Topics	Protocols
IFC	<ul style="list-style-type: none"> • IFC Performance Standards • IFC EHS Guidelines • IFC EHS industry sector guidelines e.g. annual and plantation cropping, livestock production
International Labour Organisation	<ul style="list-style-type: none"> • Minimum Age Convention from 1973 • Worst Forms of Child Labour Convention from 1999 • The Conventions on Freedom of Association and Collective Bargaining; Forced Labour; and Non-Discrimination
World Health Organization	<ul style="list-style-type: none"> • The international Good Manufacturing Practice standards for food and pharmaceutical products
United Nations	<ul style="list-style-type: none"> • Framework Convention on Climate Change • 2005 UN Anti-Corruption Convention
Management systems	<ul style="list-style-type: none"> • The International Organization for Standardization (“ISO”) 14000 series, including standards for environmental management systems (ISO 14001) and greenhouse gas emissions (ISO 14064-65) • The international occupational health and safety management system 18001
Organisation for Economic Cooperation and Development	<ul style="list-style-type: none"> • 2004 Principles of Corporate Governance
Conventions on pollutants and hazardous wastes	<ul style="list-style-type: none"> • The 2004 Stockholm Convention on Persistent Organic Pollutants • The 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal • The 1999 Montreal Protocol on Substances that Deplete the Ozone Layer
Endangered species	<ul style="list-style-type: none"> • The 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna

IFC Performance Standards

SilverStreet’s Funds also apply the eight IFC Performance Standards shown below. These cover the main ESG and sustainability factors, providing detailed guidelines and standards and provide excellent guidance in ESG risk management. They were developed by the IFC, part of the World Bank, over many years and represent the cumulative experience of the IFC in managing ESG risks across multiple investments in different sectors.

Performance Standards



U.N. Principles for Responsible Investment (“UNPRI”) and the U.N. Global Compact (“UNGC”)

SilverStreet is a signatory of the UNPRI and committed to implementing its six principles to incorporate and report on ESG issues in its investment decision-making and ongoing ownership and engagement policies.

SilverStreet’s Funds also adhere to the principles of the UNGC.

6. The Paris Agreement

SilverStreet and the Funds are committed to supporting the objectives of the Paris Agreement in multiple ways:

- i) By committing **to achieve net zero carbon emissions by 2040** to ensure that SilverStreet and its Funds contribute to the Paris Agreement’s goal of limiting temperature increases to well below 2 degrees Celsius¹;
- ii) By **investing into Least Developed Countries**², which are explicitly targeted under the Paris Agreement as requiring funding to support this agreement, and by pro-actively implementing high environmental and climate impact standards as an integral part of the investment strategy³;
- iii) By increasing these countries’ and the portfolio companies’ **abilities to adapt to the adverse impacts of climate change and to foster climate resilience**⁴, as targeted under the Paris Agreement;

¹ Paris Agreement 2015, Article 2 1(a).

² https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf

³ Paris Agreement 2015, Articles 3, 6, 7 and 9.

⁴ [IPCC 2018; Annex I: Glossary](#) - Reference: Page 557, IPCC 2018: Annex I: Glossary [Matthews, J.B.R. (ed.)].

- iv) By bringing **technology development and transfer** for both improving resilience to climate change and reducing greenhouse gas (“**GHG**”) emissions, a goal of the agreement⁵;
- v) By specifically targeting **capacity building** for sustainable food production. The parties to the Paris Agreement agreed to recognise “the fundamental priority of safeguarding food security and ending hunger, and the particular vulnerabilities of food production systems to the adverse impacts of climate change”⁶. In Sub-Saharan Africa, smallholder farmers represent the vast majority of farmed land. The Paris Agreement aims for capacity building in Least Developed Countries to support its goals⁷. SilverStreet estimates that 40% of non-energy related GHG emissions globally arise from land use related factors including deforestation, crop burning and soil degradation; and
- vi) **Supporting a “Just Transition”**⁸ by integrating workplace and community issues into climate related policies, strategies, investment decision making and engagement to ensure that activities related to transitioning to a lower carbon footprint does not have adverse social impacts.

Specific initiatives to illustrate these multiple approaches to supporting the Paris Agreement include:

- Adoption and building of sustainable energy sources such as solar and hydro-electric power;
- In respect of smallholder farmers who represent the large majority of farmed land in Sub-Saharan Africa, the introduction of improved seed and training in conservation farming techniques to raise food production, reduce carbon emissions and to reduce deforestation;
- Introducing new technologies and irrigation methods to reduce and monitor water requirements; and
- Implementation of SilverStreet and the Fund’s ESG Codes. For example, the UNPRI, UNGC and the IFC Performance Standards require the incorporation of ESG issues into investment analysis and ownership policies (e.g. UNPRI principles 1 and 2) and the undertaking of initiatives to promote greater environmental responsibility (e.g. UNGC principle 8, and IFC Performance Standard 3). The ESG Codes include the Framework Convention on Climate Change, the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer and the ISO standards for environmental management systems (ISO 14001) and greenhouse gas emissions (ISO 14064-65).

In order to measure this degree of alignment with the objectives of the Paris Agreement, SilverStreet will assess those GHG principal adverse impacts by assessing the Climate and other Environmental-Related Indicators in section 8.

⁵ Paris Agreement 2015, Article 10.

⁶ Paris Agreement 2015, introduction.

⁷ Paris Agreement 2015, Article 11.

⁸ https://sustainabledevelopment.un.org/content/documents/22101ijtguidanceforinvestors23november1118_541095.pdf

Each portfolio which will be majority owned by a Fund managed or advised by SilverStreet (each a “**Controlled Investment**”), will be required to report directly to SilverStreet on the adverse impact indicators.

Data for each adverse impact indicator in respect of all portfolio companies will be sourced directly from the following sources (in each case, where such data is available):

- management of the portfolio company;
- research performed by SilverStreet’s Impact and ESG team;
- analysis or advice from external consultants;
- publicly available data;
- environmental impact assessments; and/or
- scientific/academic papers.

A forward-looking climate scenario is not currently used by SilverStreet to assess the risks associated with climate change. Climate scenario analysis is relevant for all of SilverStreet’s investment decision-making and engagement. SilverStreet is working towards designing a scenario model to be implemented in the investment cycle from 2022. This scenario will be used to:

- inform investment decision-making, including identify opportunities and risks;
- support investee companies to mitigate and adapt to climate related risk; and
- report on the Funds’ exposure to climate related risk.

SilverStreet adopts longer term strategic goals to improve key environmental aspects, with some examples that are significant contributors to the Funds’ operations shown in the diagram below, Protecting the environment and utilising the most climate smart techniques is critical to the long-term success of our businesses. By adopting more efficient and environmentally friendly methods, we aim to increase production, lower costs, raise incomes and reduce negative impacts on the environment. SilverStreet has a separate Climate Change Policy (a copy of which is available on request) and aims to support the reduction of greenhouse gas emissions.



7. Our Philosophy on Responsible Investing

We believe that if value is created then a sustainable infrastructure can be built, permanently raising living standards for communities, mitigating negative environmental impacts, and creating a multiplier effect across local economies to increase overall prosperity. Our goal is to help build

sustainable businesses that survive SilverStreet's Funds' involvement and strengthen local economies.

SilverStreet seeks to address the root causes of development challenges by realising some of the associated investment opportunities, informed by the following underlying objectives:

7.1 Building profitable businesses

Our approach to building profitable businesses is guided by the following premises:

- ***Profits are essential to produce sustainable impacts:*** Building successful commercial operations is at the core of our social impact strategy, informed by the belief that business success underwrites the sustainability of the human and climate development that we seek. We bring infrastructure, capital, and world-class expertise to pursue returns.
- ***Long-term risk mitigation and diversification:*** SilverStreet sees its ultimate impact in decades rather than years. To deliver on our long-term approach, we mitigate risk through meticulous site and business selection. Our metrics include climate and geography; access to water, transport, and labour; community willingness; and political risk management. Our portfolio is diversified geographically, by sector and across various climate zones.
- ***Long-term investment partners:*** We are patient investors not wishing to pursue short-term profits at the expense of long-term benefit.

7.2 Operating responsibly

We are committed to operating responsibly by pursuing ethical business practices and ensuring responsible environmental management by way of the following:

- ***Ethical business practices***
 - Aside from our ESG Codes, SilverStreet and the Funds adhere to international accounting standards and have strong anti-bribery and corruption policies and training. We support honest and transparent governance and reporting standards.
 - In adopting high ESG standards, we monitor each of the adverse impacts outlined in section 8 below. We also conduct annual external reviews and publish reports of ESG compliance of the Funds' portfolio.
 - The aim is for each portfolio company to have a corporate social investment programme, donating toward community projects such as schools, bursaries, clinics and agricultural education centres.
- ***Climate and environmental responsibility***
 - *Efficient water use:* Using efficient irrigation infrastructure, minimising wasted water and monitoring water usage.
 - *Reducing energy use:* Implementing clean energy solutions, for example solar and hydroelectric power developments, to help reduce reliance on fossil fuels and unreliable grids.
 - *Improving soils:* Improving the soils on our properties and those of smallholder farmers which reduces erosion and agrochemical use and has a carbon benefit.
 - *Biodiversity benefits:* Conserving biodiversity on our properties and raising the productivity on smallholder farmland to reduce deforestation of woodlands which helps to conserve biodiversity on a wider area than we directly manage.

8. Principal adverse sustainability impacts

SilverStreet considers adverse impacts of its investment decisions on sustainability factors and will provide a principal adverse sustainability impacts statement on its website.

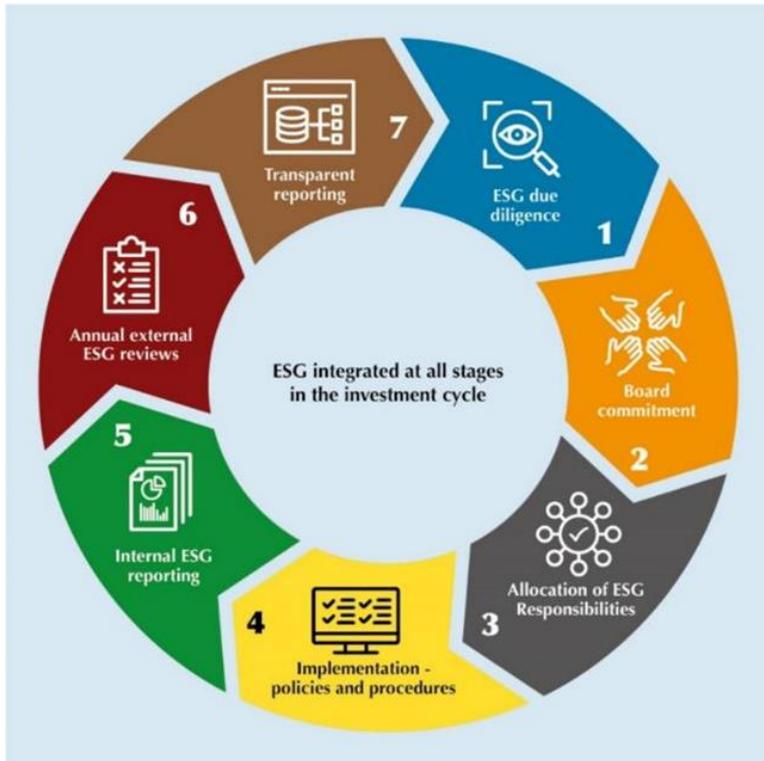
Principal adverse impacts that we consider are detailed in the RIC, shown in the Appendix, and include:

- i) **Climate and other Environmental-Related Indicators**
 - Greenhouse gas emissions
 - Carbon footprint
 - Greenhouse gas intensity
 - Exposure to companies in the fossil fuel sector
 - Share of non-renewable energy consumption and production
 - Energy consumption intensity per high impact climate sector
 - Activities negatively affecting biodiversity sensitive areas
 - Emissions to water
 - Hazardous waste ratio
 - Investments in companies without water management policies
 - Exposure to areas of high-water stress
 - Investment in companies producing chemicals
- ii) **Social and Employee Matters including Respect for Human Rights, Anti-Corruption and Anti-Bribery**
 - Violations of UN Global Compact principles
 - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles
 - Unadjusted gender pay gap
 - Board gender diversity
 - Exposure to controversial weapons
 - Investment in companies without workplace accident prevention policies
 - Lack of grievance policy/complaints handling mechanism related to employee matters
 - Lack of anti-bribery and anti-corruption policies

Principal adverse impacts are identified and prioritised as part of the integrated ESG process detailed in section 9 of this document.

9. Implementation of the ESG & Impact Policy

ESG and impact is integrated at all stages of SilverStreet's investment cycle:



9.1 Pre-Investment Due Diligence

Prior to any acquisition of a business, SilverStreet’s investment team identifies whether there are any sustainability risks or possible impact opportunities for each prospective acquisition. SilverStreet may also use specialist external consultants to help assess specific sustainability risks. Investment opportunities in specific parts of an agricultural value chain may imply a greater positive social, environmental and climate impact and these would be favoured over comparable investments with lower impact potential.

Each due diligence exercise includes compiling an “ESG Scorecard” to assess the portfolio company’s compliance with the ESG Core Principles, including its impact on sustainability factors, and, in the case of Controlled Investments, to construct an “ESG Action Plan” that will enable improvements over time should the investment proceed. This ESG Scorecard is based on the detailed categories of ESG risk factors shown in the RIC in the Appendix.

This initial ESG and impact assessment is an integral part of SilverStreet’s due diligence and overall risk and value creation assessment of the business. If material ESG issues or sustainability risks are identified during the due diligence process, SilverStreet will advise against investing if they cannot be resolved within a reasonable budget or, SilverStreet would initially prioritise those actions that are the most material from the ESG Action Plan.

ESG and social impact considerations are included in investment papers, which are presented to, and considered by, the SilverStreet Investment Committee, which includes the Head of Impact and ESG as a voting member. The Investment Committee must give its approval before any investment

is recommended to the General Partner or Alternative Investment Fund Manager for its consideration.

SilverStreet subsequently considers whether it deems the risk(s) unacceptable, and therefore may reject the investment opportunity on those grounds or determines that any risk(s) identified can be addressed, managed or rectified during its ownership.

For companies that are not Controlled Investments, SilverStreet's goal will be the same, namely compliance with SilverStreet's ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy, although the timing of achievement of these goals will need to take account of the fact that it is not a Controlled Investment.

9.2 Post-acquisition implementation phase

SilverStreet seeks to ensure that its portfolio companies' Boards take responsibility and accountability for all ESG-related topics. SilverStreet will seek to appoint representatives to the portfolio company Board.

Upon acquisition, the Board of any portfolio company that is a Controlled Investment will agree in writing to adhere to SilverStreet's ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy and, to implement the ESG Action Plan. The ESG Action Plan may also include any requirements set by external providers of political risk insurance and finance plus any requirements identified in environmental audits or assessments during the due diligence process. A Board representative from the portfolio company would be assigned overall responsibility for oversight of management's implementation of ESG (as summarised in section 10 below: "ESG Team").

Subsequent to this, each portfolio company that is a Controlled Investment will commence implementation of the ESG Action Plan and agree financial resources required and milestones for completion. Each Controlled Investment will be required to establish its own Social and Environmental Management System ("**SEMS**" or "**ESMS**") to implement policies and procedures to manage environmental, social and governance risks. The overriding aim, however, is for ESG monitoring and compliance to be embedded into the day-to-day management of the portfolio company and to this end, the aim is for ESG deliverables to form part of the managers' annual KPIs. The implementation of the SEMS/ESMS is commented upon in more detail below.

For companies that are not a Controlled Investment, SilverStreet's goal will be the same, namely compliance with SilverStreet's ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy, although the timing of achievement of these goals will need to take account of the fact that it is not a Controlled Investment.

Where required, ESG consultants will be appointed by portfolio companies to develop the appropriate environmental documentation required for the portfolio company's country of domicile, whilst also satisfying the IFC Performance Standards. Terms of reference will be approved by the portfolio company's Board in consultation with SilverStreet prior to submission to local environmental authorities. Environmental Audits ("**EAs**") and Environmental and Social Impact Assessments ("**ESIAs**") are conducted in accordance with IFC Performance Standards.

9.3 Post-acquisition monitoring and measurement

Following the implementation phase of SilverStreet’s ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy and, the ESG Action Plan, as part of SilverStreet’s active ownership approach, SilverStreet aims to maintain regular dialogue with its portfolio companies, through formal Board meetings and meetings and correspondence between SilverStreet and the relevant ESG representatives. SilverStreet aims to visit portfolio companies regularly as part of this process.

SilverStreet implements an annual ESG review of each portfolio company’s performance against SilverStreet’s ESG and Impact Policy. This may be done by an external ESG specialist as an annual ESG “audit” although use of an external specialist may alternate with internal annual reviews based on a cost/benefit analysis. During this annual review, the ESG Scorecard will be revised and the ESG Action Plan updated to take into account progress made during the reference period including on the adverse sustainability impacts (outlined in section 8 above). Where there has been no reduction in an adverse sustainability impact during a reference period, then this is reported on and the ESG Action Plan for the forthcoming year adjusted as required.

The ESG Scorecard will include financial and reputational risks and reports on any community development projects run by the portfolio companies. It should attempt to assess compliance with the SilverStreet ESG and Impact Policy across the whole portfolio by assigning a score taken from the individual portfolio company’s scorecards.

9.4 Social and Environmental Management Systems (“SEMS” / “ESMS”)

A SEMS/ESMS identifies ESG and sustainability risks and puts in place procedures to manage the risks. Key risks are reported to management and the boards.

The aim is to integrate management of ESG factors into a company’s day-to-day operations. Over time, businesses move from an implementation phase to one in which it finesses the management of ESG.

As part of the SEMS/ESMS, a portfolio company would likely have a suite of 40 or more policies and procedures guiding the management in ESG matters. The table below shows examples of policies and procedures. Certain policies and procedures (e.g. those relating to livestock) may only be relevant for certain operations.



Topic	Policy / Procedure	Topic	Policy / Procedure
Employees	HR Handbook	Resources	Chemicals
	Induction		Integrated Pest Management
	Grievances		Fumigation
	Whistleblowing		

	Medical Transport Training Incident reporting HIV Policy Recruitment Collective bargaining		Gas Hydrocarbons Soil Waste Water (volume) Archaeological Finds
Community	Stakeholders External grievances Security (training in human rights)	Biodiversity	Conservation Aquatic Monitoring Water Quality Testing
Emergency	Emergency Preparedness Dam Emergency Evacuation	Livestock	Animal welfare Biosecurity Vaccinating
Climate	Climate change plan	Food safety	Hygiene Nuts and allergens Product recall
Equipment	Operating Crop drier Silos Working at heights Workshop Tyre repair	Governance	Anti-bribery and Corruption Legal Purchasing Cyber threats Permits and authorisations

9.5 Transparency with Investors

SilverStreet adopts a policy of full transparency. Annual ESG compliance reports on portfolio companies are made available to investors. An Annual Impact & ESG Report is published by SilverStreet in respect of all portfolio companies held by its Funds.

An annual ESG investor day is held, aimed at Investor ESG specialists, to provide detailed discussions on ESG implementation and the annual impact and ESG reviews. ESG specialist visits to portfolio companies are relatively regular and an open approach is adopted to learn from best practice elsewhere.

SilverStreet also informs investors about incidents involving portfolio companies that result in loss of life, material effect on the environment or material breach of law and, any corrective actions taken. Responses might include reviews of company procedures, the enforcement of current or new procedures, training for staff, for example on health and safety and corrective actions.

Further information regarding SilverStreet's ESG and impact approach as well as the results from the latest annual reviews can be found in SilverStreet's Annual Impact and ESG Report available at: <https://www.silverstreetcapital.com/annual-reports>

10. ESG Team

SilverStreet has a Head of Impact and ESG who is supported by an internal impact and ESG team and external ESG consultants. The Head of Impact and ESG is a voting member of SilverStreet's Investment Committee and has an equal vote to other team members. Decisions are made by a majority vote of all members of the Investment Committee.

Each portfolio company has personnel responsible for ESG. These individuals oversee ESG aspects by managing the SEMS that has been implemented. This includes assessing progress against the ESG Action Plan, updating ESG and potential sustainability risks, reviewing and implementing procedures and, collating and reporting ESG data to senior management and the General Partner / AIFM. As an example, if progress has not been made on an action point related to improving housing standards then the person responsible would follow up internally to understand why this had not happened and report back to SilverStreet on the current status and likely timing as to when the action will be completed. SilverStreet oversees all ESG implementation across all portfolio companies.

11. ESG Training

On-going ESG training is provided where needed for management and employees with key ESG responsibilities. Example topics might include: an ESG overview; the IFC Performance Standards; the Fund's RIC; SEMS implementation; monthly reporting; stakeholder engagement; and discussions to ensure an understanding of the Environmental and Social Action Plans.

Appendix

SILVERSTREET'S RESPONSIBLE INVESTMENT CODE

This Responsible Investment Code applies to funds managed or advised by SilverStreet Capital LLP ("**SilverStreet Funds**"). SilverStreet first adopted its Responsible Investment Code on 26 January 2011.

Sustainable private sector development requires responsible business management of environmental, social and governance ("**ESG**") matters.

This Responsible Investment Code defines the principles, objectives, policies and management systems for sustainable and responsible investment with respect to the SilverStreet Funds.

It also includes an exclusion list, which specifies businesses and activities in which the SilverStreet Funds will *not* invest.

1. CORE PRINCIPLES

The SilverStreet Funds, and the businesses in which their capital is invested, will:

- comply with all applicable laws and regulations (including Luxembourg and UK laws);
- as appropriate, minimise principal adverse impacts on sustainability factors and enhance positive effects on the environment, workers, and all stakeholders. 'Sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery;
- commit to continuous improvements with respect to sustainability factors;
- work over time to comply with the relevant international best practice standards,⁹ with appropriate targets and timetables for achieving them; and
- employ management systems which effectively address ESG and sustainability risks and realise ESG opportunities as a fundamental part of a company's value.

2. OBJECTIVES AND POLICIES

In order to achieve the Core Principles, the SilverStreet Funds are managed in accordance with the following objectives and policies:

2.a. THE ENVIRONMENT

Objectives

- To minimise adverse impacts and enhance positive effects on the environment, as relevant and appropriate, from the businesses in which the SilverStreet Funds' capital is invested.
- To encourage the businesses in which the SilverStreet Funds' capital is invested to make efficient and sustainable use of natural resources, for example soil, land, livestock, forestry, biodiversity and water and, to take a preventive and precautionary approach to protect the environment wherever possible.
- To support the reduction of greenhouse gas emissions which contribute to climate change from the businesses in which the SilverStreet Funds' capital is invested.¹⁰

⁹ As referenced in this Investment Code and as may develop over time.

¹⁰ In line with the 1994 United Nation Framework Convention on Climate Change and the associated 2005 Kyoto Protocol ("UN Framework Convention"), see www.unfccc.int/2860.php as may be amended from time to time.

- To encourage the development of environmentally friendly technologies.
- To ensure the fair treatment of animals.

Policy

Businesses in which the SilverStreet Funds' capital is invested will:

- operate in compliance with applicable local and national laws (as a minimum);
- assess the environmental impact of their operations as follows:
 - identify potential risks and appropriate mitigating measures through an environmental impact assessment where business operations could involve loss of biodiversity or habitat, emission of significant quantities of greenhouse gases, severe degradation of water or air quality, substantial solid waste or other significant negative environmental impacts;¹¹ and
 - consider the potential for positive environmental impacts from business activities; and
- take appropriate actions to mitigate environmental risks, ameliorate environmental damage, and enhance positive effects as follows:
 - where an activity is assessed to present significant environmental risks, work over time to apply the relevant IFC policies and guidelines,¹² if these are more stringent than local legislation, with appropriate targets and timetable for improvements; and
 - work over time to comply with international environmental best practice standards;¹³
- Ensure the fair treatment of animals according to local and international guidelines, as appropriate.

2.b. SOCIAL MATTERS

2.b.i. LABOUR AND WORKING CONDITIONS

Objectives

- To require the businesses in which the SilverStreet Funds' capital is invested to treat all their employees and contractors fairly and to respect their dignity, well-being and diversity.
- To require the businesses in which the SilverStreet Funds' capital is invested to work over time towards full compliance with the International Labour Organization ("ILO") Fundamental Conventions¹⁴ and with the United Nations ("UN") Universal Declaration of Human Rights.¹⁵
- Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

¹¹ Activities with potential significant adverse environmental impacts which are diverse, irreversible or unprecedented.

¹² The 2006 International Finance Corporation ("IFC") Policy and Performance Standards on Social and Environmental Sustainability ("Performance Standards") and the 2007 IFC Environmental, Health and Safety Guidelines ("IFC EHS Guidelines"), as may be amended from time to time. IFC EHS Guidelines include general guidelines and industry sector guidelines for forestry, agribusiness / food production (including fisheries), general manufacturing, oil and gas, infrastructure, chemicals (including pharmaceuticals), mining and power. See www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards and www.ifc.org/ifcext/policyreview.nsf/Content/EHSGuidelinesUpdate.

¹³ Including the range of internationally certifiable environmental standards issued by the International Organization for Standardization ("ISO"), the ISO 14000 series, notably including standards for environmental management systems (ISO 14001) and greenhouse gas emissions (ISO 14064-65), as may be amended from time to time. See www.iso.org.

¹⁴ The ILO Fundamental Conventions are the Conventions on Freedom of Association and Collective Bargaining; Forced Labour; Child Labour; and Non-Discrimination, as may be amended from time to time. See www.ilo.org/ilolex/english/docs/declworld.htm for the texts of these Conventions and a list of the countries that have ratified each of them.

¹⁵ See www.un.org/Overview/rights.html

Policy

Businesses in which the SilverStreet Funds' capital is invested will:

- comply with applicable local and national laws (as a minimum);
- not employ or make use of forced labour of any kind;
- not employ or make use of harmful child labour;¹⁶
- pay wages that are reasonable and which also meet or exceed industry or legal national minima;
- treat their employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status;
- allow consultative work-place structures and associations which provide employees with an opportunity to present their views to management; and
- for remote operations involving the relocation of employees for extended periods of time, ensure that such employees have access to adequate housing and basic services.

2.b.ii. HEALTH AND SAFETY

Objectives

- To attain safe and healthy working conditions for employees and contractors of the businesses in which the SilverStreet Funds' capital is invested.
- To safeguard the health and safety of all those affected by the businesses in which the SilverStreet Funds' capital is invested.

Policy

Businesses in which the SilverStreet Funds' capital is invested will:

- comply with applicable local and national laws (as a minimum);
- assess the health and safety risks arising from work activities; and
- take appropriate actions to eliminate or reduce risks to health and safety as follows:
 - where an activity is assessed to present significant health and safety risks,¹⁷ work over time to apply the relevant IFC policies and guidelines,¹⁸ if these are more stringent than local legislation, with appropriate targets and timetable for improvements; and
 - as appropriate, work over time to comply with international best practice standards for health and safety and, the substitution of hazardous materials;¹⁹
 - adopt an HIV/AIDS policy

¹⁶ As defined by the ILO C138 Minimum Age Convention from 1973 and the ILO C182 Worst Forms of Child Labour Convention from 1999. See www.ilo.org/ilolex/english/docs/declworld.htm

¹⁷ Activities that could have a severe health or safety impact for workers or affected communities.

¹⁸ The IFC Performance Standards and the IFC EHS Guidelines, as may be amended from time to time. IFC EHS Guidelines include general guidelines and industry sector guidelines for forestry, agribusiness / food production (including fisheries), general manufacturing, oil and gas, infrastructure, chemicals (including pharmaceuticals), mining and power. See www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards and www.ifc.org/ifcext/policyreview.nsf/Content/EHSGuidelinesUpdate.

¹⁹ Including OHSAS 18001, the international occupational health and safety management system specification, and industry specific international good practice standards related to the safety of product use, e.g. the international Good Manufacturing Practice ("GMP") standards for food and pharmaceutical products promoted by the World Health Organization ("WHO"), see www.who.org.

2.b.iii. OTHER SOCIAL MATTERS

Objectives

- To be objective, consistent and fair with all stakeholders of the businesses in which the SilverStreet Funds' capital is invested.
- To recognise and, as appropriate, promote the social development impact from the businesses in which the SilverStreet Funds' capital is invested.
- To promote local food production.

Policy

Businesses in which the SilverStreet Funds' capital is invested will:

- ensure adequate involvement and consultation of local communities in the preparation and development of the project, including honest and transparent communication of the impacts of the project;
- take account of their impact on employees, contractors, the local community and all others affected by their operations as follows:
 - identify potential adverse effects and appropriate mitigating measures through a social impact assessment in cases involving resettlement, critical cultural heritage, indigenous peoples, non-local labour or other issues where the negative impact could be significant;²⁰ and
 - consider social development contributions; and
- take appropriate actions to mitigate risks,²¹ ameliorate negative impacts, and enhance positive effects.

2.c. GOVERNANCE: BUSINESS INTEGRITY AND GOOD CORPORATE GOVERNANCE

Objectives

- To ensure that the SilverStreet Funds, and the businesses in which the SilverStreet Funds' capital is invested, exhibit honesty, integrity, fairness, diligence and respect in all business dealings.
- To enhance the good reputation of the SilverStreet Funds.
- To promote international best practice in relation to corporate governance in the businesses in which the SilverStreet Funds' capital is invested and, working against corruption in all its forms, including extortion and bribery.²²

Policy

The SilverStreet Funds, and the businesses in which their capital is invested, will:

²⁰ Activities with potential significant adverse social impacts which are diverse, irreversible or unprecedented.

²¹ As relevant, by applying IFC Performance Standards on Land Acquisition and Involuntary Resettlement; Indigenous Peoples; and Cultural Heritage; as may be amended from time to time. See www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards.

²² Including the 2004 Organisation for Economic Cooperation and Development ("OECD") Principles of Corporate Governance, as may be amended from time to time. See www.oecd.org.

- comply with all applicable laws and promote international best practice,²³ including those laws and international best practice standards intended to prevent extortion, bribery and financial crime;
- not provide improper benefits to customers, agents, contractors, suppliers, employers or to government officials;
- uphold high standards of business integrity and honesty;
- deal with regulators in an open and co-operative manner;
- prohibit all employees from making or receiving gifts of substance in the course of business;
- prohibit the making of payments as improper inducement to confer preferential treatment;
- prohibit contributions to political parties or political candidates, where these could constitute conflicts of interest;
- properly record, report and review financial and tax information;
- promote transparency and accountability grounded in sound business ethics;
- use information received from its partners only in the best interests of the business relationship and not for personal financial gain by any employee;
- clearly define responsibilities, procedures and controls with appropriate checks and balances in company management structures; and
- use effective systems of internal control and risk management covering all significant issues, including environmental, social and ethical issues.

3. EXCLUSIONS

The SilverStreet Funds' capital will not be invested in the following businesses or activities:

- production or activity involving forced labour or child labour;
- production of or trade in any product or activity deemed illegal under applicable local or national laws or regulations, or banned by global conventions and agreement, such as certain:
 - hazardous chemicals, pesticides, pharmaceuticals and wastes;²⁴
 - ozone depleting substances;²⁵ and
 - endangered or protected wildlife or wildlife products;²⁶
- production of or trade in arms, i.e., weapons, munitions or nuclear products, primarily designed or primarily designated for military purposes;
- production of, use of or trade in unbonded asbestos fibres;²⁷
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length;
- Cross-border trade in waste and waste products unless compliant with the Basel Convention;
- production and distribution of racist, anti-democratic and/or neo-Nazi media;
- Destruction of Critical Habitat^{19b}; or
- Production or activity involving forced labour or child labour.

²³ Including the 2005 UN Anti-Corruption Convention, see www.unodc.org/unodc/en/treaties/CAC/index.html; the 1997 OECD Anti-Bribery Convention, see www.oecd.org; and, as relevant, the 2005 Extractive Industries Transparency Initiative ("EITI"), see www.eitransparency.org; as may be amended from time to time.

²⁴ Including those specified in the 2004 Stockholm Convention on Persistent Organic Pollutants ("POPs"), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, see www.pic.int; and the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int; as may be amended from time to time.

²⁵ As covered in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, see www.ozone.unep.org, as may be amended from time to time.

²⁶ As covered in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time.

²⁷ This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

The SilverStreet Funds' capital will not be invested in businesses for which the following activities or products are, or are intended to be, a significant source of revenue:

- gambling;
- alcoholic beverages;
- illegal drugs;
- pornography or prostitution; or
- tobacco or tobacco related products.²⁸

4. MANAGEMENT, MONITORING AND REPORTING SYSTEMS

Where the General Partner has effective control or significant influence over portfolio companies²⁹ through the SilverStreet Funds, it will procure that such portfolio companies sign an undertaking confirming that they will operate in line with the Responsible Investment Code.

The General Partner will, in these cases where it has effective control or significant influence establish and maintain management systems (e.g. SEMS / ESMS) for ESG matters³⁰ which:

- assess the impact of all new investments on ESG matters as an integral part of the investment appraisal process;
- give new investments a risk rating using the ESG Scorecard on ESG issues to determine the appropriate level of management and monitoring;
- if an investment is made despite identified shortcomings in relation to identified ESG issues or sustainability risks, or if any issues should arise during the investment period, assist the portfolio company concerned to develop an “ESG Action Plan” to address such issues, with appropriate targets and timetable for improvements;
- require the managers of portfolio companies to work towards continuous improvements in these areas, with targets for improvements as appropriate;
- encourage the managers of portfolio companies to adopt and implement policies relating to SilverStreet’s ESG and Impact Policy, particularly where businesses entail significant risks;
- monitor portfolio companies’ performance against SilverStreet’s ESG and Impact Policy and their progress towards the ESG Action Plan and targets for improvements;
- ensure that each portfolio company produces an annual ESG report that is discussed and approved by the directors of the portfolio companies;

^{19b} Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the habitat’s ability to maintain its role is lost. Critical Habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered species as defined by the IUCN Red List of Threatened Species or as defined in the relevant National legislation; areas having significance for endemic or restricted –range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

²⁸ Except, in the case of tobacco and alcohol production only, with an appropriate timeframe for phase-out.

²⁹ The General Partner will be deemed to have significant influence over a Portfolio Company where the Partnership has (i) an ownership interest in the Portfolio Company in excess of 50%, which is presumed to be a level that allows for participation in the financial and operating policies of a Portfolio Company (if the percentage is lower but gives rise to the same participation, this will also meet the definition of significant influence); or (ii) board representation to a level that allows for participation in determining the financial and operating policies of the Portfolio Company; or (iii) rights to influence the financial and operating policy decisions of the Portfolio Company pursuant to a shareholders’ or similar agreement.

³⁰ Further guidance on ESG management systems and assessments is provided in CDC’s Toolkit for Fund General Partners, see www.cdcgroup.com. Guidance on environmental and social management systems and assessments is provided in IFC Performance Standard 1, see www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards. ISO 14001 is a certifiable international standard to help organisations minimise how their operations negatively affect the environment, see www.iso.org.

- monitor and record incidents involving portfolio companies that result in loss of life, material effect on the environment or breach of law and, promote appropriate corrective actions; and
- consider this Responsible Investment Code in all investment and divestment activities.

To demonstrate the implementation of the Responsible Investment Code, the General Partner will:

- report annually to limited partners on the implementation of the ESG management systems and on the performance of portfolio companies against this Responsible Investment Code in a reasonable and transparent format;
- set targets for improvements where appropriate; and
- as soon as possible inform limited partners about incidents involving portfolio companies that result in loss of life, material effect on the environment, or material breach of law, and any corrective actions taken.