



CLIMATE TRANSPARENCY REPORT 2020

SilverStreet Capital LLP

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-CODE57BF-01A9-4091-A855-041F193E402A/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Private				
SG 13.5 CC	✓	Private				
SG 13.6 CC	✓	Private				
SG 13.7 CC	✓	Private				
SG 13.8 CC	✓	Private				
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	✓	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	-	Private				
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	SilverStreet Capital LLP
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% Farmland Internally Managed
Signed PRI Initiative	2017
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	33% from 38 Voluntary indicators

SilverStreet Capital LLP

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Risks

Due to the nature of the agriculture sector, the identification and management of climate related risks is integral to all investment decisions, and throughout the holding period. The principle climate-related risk for SilverStreet Capital's portfolio companies is climate variability - the risk that our businesses in the agricultural sector will suffer due to unpredictable weather, changes in the environment or seasons, water security, and temperature changes.

Temperature Variability

To mitigate against possible changes in temperature, SilverStreet Capital exclusively invests in the best possible locations for the production of each crop or animal. This protects our production against changes in the environment.

Water Use

All our operations manage their water use and take extreme care to minimise volumes used. Technologies to aid in water management and improve water use efficiency include flow meters, variable speed drive pumps (VSDs), drip and micro-sprinkler irrigation systems, soil moisture probes, weather stations, evaporation pans and automation methods.

We, additionally, practice minimum tillage on our farms, and teach this to smallholder farmers. This results in increased moisture retention in the soil, reducing irrigation needs and enhancing drought tolerance in lower rainfall years.

Energy Use

We continue to implement clean energy solutions, and solar and hydroelectric power developments to help reduce reliance on fossil fuels and unreliable grids. This includes a solar power facility in Namibia and a hydro-electric power facility in Tanzania.

Opportunities

Globally, agriculture is under pressure to produce more, on the same area of land, and with less resources. The majority of the world's population growth between now and 2050 will come from Africa, with estimates from the UN showing an increase from around one billion people now to over two billion in 2050. Most countries have food deficits already and a huge sustainable increase in yield productivity is necessary to meet future food requirements. This challenge presents a unique opportunity to use strategically invested capital to fix some of the challenges in the various crop value chains. Specifically, to raise productivity sustainably without perpetuating agricultural practices that harm the environment. This can be achieved through investment into products and practices that can increase yields for smallholder farmers across Sub-Saharan Africa, without the need to increase land areas, which results in vast greenhouse gas emissions.

To achieve this smallholder farmers need access to:

- markets to enable them to grow higher value crops;
- high quality improved seed;
- training in conservation farming techniques;and
- storage facilities.

Using a hub out-grower model, it is possible to integrate these solutions into a centralised investment. In this model a business 'hub' is established that includes processing of a higher value product and provides assistance to smallholder farmers to help grow this product. The hub can also provide technical support, training and improved inputs - enabling farmers to reach their production potentials sustainably. This innovative, and integrated solution has proven successful in galvanising markets, raising incomes and reducing unsustainable land practices.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

We identify, monitor and manage climate related risks in the short-, medium-, and long-term. This depends on the risk or opportunity that we have identified. For example, changing crop varieties to better suit changing environments is a seasonal decision. Water security, and protecting our investments from changes in rainfall, is a significant infrastructural development, for example building a dam. We therefore utilise >20 year timescales.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

SilverStreet Capital identifies and manages climate-related risks through all stages of the investment process due to the integral nature of climate risks in the agricultural sector. Creating efficiencies, reducing negative impacts, and reducing risks of climate change permeates all our strategic decisions.

- During screening we exclude businesses that are not situated in optimal locations for agriculture.
- While conducting due diligence we further this analysis with the help of specialised agricultural teams that conduct soil, location and risk analyses on the investment, ensuring the best possible environments for specific cultivars.
- Throughout asset management, SilverStreet Capital continues to ensure investments assess and manage climate related risks and impacts.

SilverStreet Capital has drafted a climate change policy that will commence implementation in Q2 2020, although many actions are intrinsic to business operations and are being implemented. The policy commits SilverStreet Capital to support portfolio companies to:

- be energy efficient and reduce carbon emissions, with specific attention to on-site renewable opportunities;
- work towards reducing agricultural practices that emit carbon, such as soil tillage and land clearing;
- monitor and manage water use efficiently;
- continually adapt to be more resilient and robust to changing climates, such as reassessing crop varieties, irrigation technology, and other such measures; and
- support our stakeholders such that they are less vulnerable to climate change. This includes teaching conservation farming techniques and increasing access to modern crop and livestock varieties to smallholder farmers in our networks.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Climate risks are integral to our investment strategy. Therefore, all board members assume responsibility of assessing and mitigating against climate related risks.

- SilverStreet Capital team members (who include board members from each portfolio company), receive regular reporting on climate related risks. For example, a weekly dam level report ensures that water security and related risks are monitored and managed accordingly.
- Climate related issues are fundamental risks in the agricultural sector. They are consistently identified and monitored by the boards of each portfolio company. All portfolio company boards have committed to SilverStreet Capital's Responsible Investment Code, which explicitly states that businesses should "minimise adverse impacts and enhance positive effects on the environment; support the reduction of greenhouse gas emissions; and encourage the development of environmentally friendly technologies".

In addition to the above, SilverStreet Capital has drafted a climate change policy that will formalise the constitution of a 'Climate Change Committee'. The committee will convene on a quarterly basis and shall comprise four persons, including SilverStreet Capital's Managing Partner, ESG Head and two other persons from the Investment Team. The team will:

- support their adherence to the goals proposed by The Paris Agreement;
- promote and incentivise sustainable business practices within these businesses and amongst their stakeholders;
- identify, monitor and manage climate-related impacts, risks and incidents in the short, medium and long-term;
- assign climate-related responsibility to senior management in portfolio companies; and
- report biannually to the GP boards of the Funds in relation to climate-related mitigation, impacts, risks and incidents.

SG 07.7 CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Due to the nature of the agricultural sector, assessing and managing climate-related issues is integral to almost every operational decision. This ranges from regional seasonal changes to microclimate changes, or company use of water.

Portfolio company General Managers / CEOs:

- Implement board-level decisions.
- Provide the boards with suggestions relating to e.g. variety choice.
- Lead on-the-ground identification and decision-making relating to climate aspects.
- Keep abreast with climate- and efficiency-related developments and new technologies in their sectors.

Agricultural managers:

- Oversee the monthly reporting (to the portfolio company General Manager, and the SilverStreet Capital Head of ESG) of the usage of: water, electricity, fuels, agrochemicals; waste disposal; adherence to the company's conservation plan, etc.

HR / ESG / Community Liaison Personnel:

- Manage and report on all social aspects relating to the business, with General Manager oversight. E.g. community engagement relating to water use.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

Climate-scenario analyses are performed on potential and existing investments as required.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

Assets are spread across various countries in Africa. The SilverStreet team monitors and routinely updates risk assessments, that include ESG risks, for each country of interest in Africa. These risk assessments are utilised at due diligence stage for future investments.

