



| LEA 02 | Disclosures: Mandatory | Reason for Interaction | Principle: PRI 1, 2, 3 |
|--|--|------------------------|------------------------|
| <p>Type of engagement</p> <p>Individual/ internal staff engagements</p> | <p>Reason for Interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific <input type="checkbox"/> We do not engage in internal staff <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific | | |
| <p>Type of engagement</p> <p>Collaborative engagements</p> | <p>Reason for Interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific <input type="checkbox"/> We do not engage in collaborative engagements <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific | | |
| <p>Type of engagement</p> <p>Service provider engagements</p> | <p>Reason for Interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific <input type="checkbox"/> We do not engage in service provider engagements <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific | | |

RI TRANSPARENCY REPORT

2020

Cordiant

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| ⚠ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|--|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO TG | | 🔒 | n/a | | | | | | | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Fixed income AUM breakdown | ✓ | Public | | | | | | | ✓ |
| OO 08 | Segregated mandates or pooled funds | 🔒 | n/a | | | | | | | ✓ |
| OO 09 | Breakdown of AUM by market | ✓ | Public | | | | | | | ✓ |
| OO 10 | Active ownership practices for listed assets | ✓ | Public | | | | | | | ✓ |
| OO 11 | ESG incorporation practices for all assets | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |
| OO LE 01 | Breakdown of listed equity investments by passive and active strategies | 🔒 | n/a | | | | | | | ✓ |
| OO LE 02 | Reporting on strategies that are <10% of actively managed listed equities | 🔒 | n/a | | | | | | | ✓ |
| OO FI 01 | Breakdown of fixed income investments by passive and active strategies | ✓ | Public | | | | | | | ✓ |
| OO FI 02 | Reporting on strategies that are <10% of actively managed fixed income | 🔒 | n/a | | | | | | | ✓ |
| OO FI 03 | Fixed income breakdown by market and credit quality | ✓ | Public | | | | | | | ✓ |
| OO SAM 01 | Breakdown of externally managed investments by passive and active strategies | 🔒 | n/a | | | | | | | ✓ |
| OO PE 01 | Breakdown of private equity investments by strategy | 🔒 | n/a | | | | | | | ✓ |
| OO PE 02 | Typical level of ownership in private equity investments | 🔒 | n/a | | | | | | | ✓ |
| OO PR 01 | Breakdown of property investments | 🔒 | n/a | | | | | | | ✓ |
| OO PR 02 | Breakdown of property assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO PR 03 | Largest property types | 🔒 | n/a | | | | | | | ✓ |
| OO INF 01 | Breakdown of infrastructure investments | 🔒 | n/a | | | | | | | ✓ |
| OO INF 02 | Breakdown of infrastructure assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO INF 03 | Largest infrastructure sectors | 🔒 | n/a | | | | | | | ✓ |
| OO HF 01 | Breakdown of hedge funds investments by strategies | 🔒 | n/a | | | | | | | ✓ |
| OO End | Module confirmation page | ✓ | - | | | | | | | |

| CCStrategy and Governance | | | | Principle | | | | | | General |
|---------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SG 01 | RI policy and coverage | ✓ | Public | | | | | | | ✓ |
| SG 01 CC | Climate risk | ✓ | Public | | | | | | | ✓ |
| SG 02 | Publicly available RI policy or guidance documents | ✓ | Public | | | | | | ✓ | |
| SG 03 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| SG 04 | Identifying incidents occurring within portfolios | ✓ | Public | | | | | | | ✓ |
| SG 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| SG 06 | Main goals/objectives this year | ✓ | Public | | | | | | | ✓ |
| SG 07 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 07 CC | Climate-issues roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 08 | RI in performance management, reward and/or personal development | ✓ | Public | | | | | | | ✓ |
| SG 09 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| SG 09.2 | Assets managed by PRI signatories | 🔒 | n/a | ✓ | | | | | | |
| SG 10 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| SG 11 | Dialogue with public policy makers or standard setters | ✓ | Public | | | | ✓ | ✓ | ✓ | |
| SG 12 | Role of investment consultants/fiduciary managers | ✓ | Public | | | | ✓ | | | |
| SG 13 | ESG issues in strategic asset allocation | ✓ | Public | ✓ | | | | | | |
| SG 13 CC | | 🔒 | n/a | | | | | | | ✓ |
| SG 14 | Long term investment risks and opportunity | ✓ | Private | ✓ | | | | | | |
| SG 14 CC | | ✓ | Public | | | | | | | ✓ |
| SG 15 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| SG 16 | ESG issues for internally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 17 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 18 | Innovative features of approach to RI | ✓ | Public | | | | | | | ✓ |
| SG 19 | Communication | ✓ | Public | | ✓ | | | | ✓ | |
| SG End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Fixed Income | | | | Principle | | | | | | General |
|-----------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| FI 01 | Incorporation strategies applied | ✓ | Public | ✓ | | | | | | |
| FI 02 | ESG issues and issuer research | ✓ | Private | ✓ | | | | | | |
| FI 03 | Processes to ensure analysis is robust | ✓ | Public | ✓ | | | | | | |
| FI 04 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| FI 05 | Examples of ESG factors in screening process | ✓ | Public | ✓ | | | | | | |
| FI 06 | Screening - ensuring criteria are met | ✓ | Public | ✓ | | | | | | |
| FI 07 | Thematic investing - overview | ✓ | Public | ✓ | | | | | | |
| FI 08 | Thematic investing - themed bond processes | ✓ | Public | ✓ | | | | | | |
| FI 09 | Thematic investing - assessing impact | ✓ | Public | ✓ | | | | | | |
| FI 10 | Integration overview | ✓ | Public | ✓ | | | | | | |
| FI 11 | Integration - ESG information in investment processes | ✓ | Public | ✓ | | | | | | |
| FI 12 | Integration - E,S and G issues reviewed | ✓ | Public | ✓ | | | | | | |
| FI 13 | ESG incorporation in passive funds | 🔒 | n/a | ✓ | | | | | | |
| FI 14 | Engagement overview and coverage | ✓ | Private | | ✓ | | | | | |
| FI 15 | Engagement method | ✓ | Private | ✓ | ✓ | | | | | |
| FI 16 | Engagement policy disclosure | ✓ | Private | ✓ | ✓ | | | | | |
| FI 17 | Financial/ESG performance | ✓ | Public | | | | | | | ✓ |
| FI 18 | Examples - ESG incorporation or engagement | ✓ | Public | ✓ | ✓ | | | | | |
| FI End | Module confirmation page | ✓ | - | | | | | | | |

| Confidence building measures | | | | Principle | | | | | | General |
|------------------------------|------------------------------------|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| CM1 01 | Assurance, verification, or review | ✓ | Public | | | | | | | ✓ |
| CM1 02 | Assurance of last year`s PRI data | ✓ | Public | | | | | | | ✓ |
| CM1 03 | Other confidence building measures | ✓ | Public | | | | | | | ✓ |
| CM1 04 | Assurance of this year`s PRI data | ✓ | Public | | | | | | | ✓ |
| CM1 05 | External assurance | ✓ | Public | | | | | | | ✓ |
| CM1 06 | Assurance or internal audit | ✓ | Public | | | | | | | ✓ |
| CM1 07 | Internal verification | ✓ | Public | | | | | | | ✓ |
| CM1 01 End | Module confirmation page | ✓ | - | | | | | | | |

Cordiant

Reported Information

Public version

Organisational Overview

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.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

| Select the services and funds you offer | % of asset under management (AUM) in ranges |
|--|---|
| Fund management | <input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50% |
| Fund of funds, manager of managers, sub-advised products | <input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50% |
| Other | <input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50% |
| Total 100% | |

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Canada

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

37

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2019

OO 04.2

Indicate your total AUM at the end of your reporting year.

Not applicable as we are in the fund-raising process

OO 04.4

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

| | |
|---------|---|
| OO 06.1 | Select how you would like to disclose your asset class mix. |
|---------|---|

- as percentage breakdown
- as broad ranges

| | Internally managed (%) | Externally managed (%) |
|--------------------------|------------------------|------------------------|
| Listed equity | 0 | 0 |
| Fixed income | >50% | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |
| Fund of hedge funds | 0 | 0 |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | 0 |
| Money market instruments | 0 | 0 |
| Other (1), specify | 0 | 0 |

| | | |
|--------------------|---|---|
| Other (2), specify | 0 | 0 |
|--------------------|---|---|

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

| | | | | |
|--------------|--|---------------|----------------|----------------|
| OO 07 | Mandatory to Report Voluntary to Disclose | Public | Gateway | General |
|--------------|--|---------------|----------------|----------------|

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

| | | |
|---------------------------|---------------------------|------|
| Internally managed | SSA | 0 |
| | Corporate (financial) | 100 |
| | Corporate (non-financial) | 0 |
| | Securitised | 0 |
| | Total | 100% |

| | | | | |
|--------------|------------------|---------------|----------------|----------------|
| OO 09 | Mandatory | Public | Peering | General |
|--------------|------------------|---------------|----------------|----------------|

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

| |
|-------------------|
| Developed Markets |
|-------------------|

0

| | |
|------------------|------|
| Emerging Markets | 100 |
| Frontier Markets | 0 |
| Other Markets | 0 |
| Total 100% | 100% |

OO 09.2 Additional information. [Optional]

The firm's primary focus has been on high-quality, neglected opportunities in emerging markets. Cordiant adds value for its investors through the detailed sectoral knowledge of its industry teams and an ability to provide tailored capital solutions to companies seeking growth capital.

Asset class implementation gateway indicators

| | | | | |
|--------------|------------------|---------------|----------------|----------------|
| OO 10 | Mandatory | Public | Gateway | General |
|--------------|------------------|---------------|----------------|----------------|

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

| | | | | |
|--------------|------------------|---------------|----------------|----------------|
| OO 11 | Mandatory | Public | Gateway | General |
|--------------|------------------|---------------|----------------|----------------|

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

| | | | | |
|--------------|------------------|---------------|----------------|----------------|
| OO 12 | Mandatory | Public | Gateway | General |
|--------------|------------------|---------------|----------------|----------------|

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers**Direct - Fixed Income**

- Fixed income - Corporate (financial)

Closing module

- Closing module

OO 12.2**Additional information. [Optional]**

Key themes we are addressing-which offer significant profit potential whilst aligning with SDGs-include (i) bridging the "digital divide" by bringing critical communications infrastructure such as mobile towers and fibre to less-served areas; (ii) improving food security by providing much-needed medium-tenor capital to farming enterprises that practice sound agricultural and ecological management (including development of bioenergy) (iii) removing transportation bottlenecks that increase pollution and sap economic opportunities and (iv) encouraging the development of new, cleaner energy supply.

ESG risk management is integrated throughout the investment process and is viewed as an important risk mitigant. Critical considerations such as gender are factored into our Impact Measurement & Management system, which supports and aligns with our robust investment value-creation processes.

Peering questions**OO FI 01****Mandatory to Report Voluntary to Disclose****Public****Gateway****General****OO FI 01.1**

Provide a breakdown of your internally managed fixed income securities by active and passive strategies

| | | |
|--------------------------|---|------|
| Corporate (financial) | Passive | 0 |
| | Active - quantitative (quant) | 0 |
| | Active - fundamental and active - other | 100 |
| | Total | 100% |

OO FI 01.2 Additional information. [Optional]

Cordiant believes that proper respect for ESG principles can optimize investment strategies, risk management, responsiveness in volatile markets, reduce costs for all parties engaged in investment activities, as well as strengthen stakeholder relations and improve a borrower's brand, reputation, and profitability.

Cordiant explicitly integrates ESG considerations into the investment process. Additionally, critical considerations such as gender are factored into our ESG Risk & Impact Management System, which supports and aligns with our robust investment value-creation processes. ESG risk management is integrated throughout the investment process and is viewed as an important risk mitigant, ensuring that companies in which Cordiant invests comply with appropriate laws and policies.

When looking to make an investment, Cordiant seeks to develop a plan allowing the company to secure meaningful, measurable, and independently verifiable development outcomes. Focus here can highlight practices that need to be improved even as it reduces investment risk. Cordiant employs an effective and transparent evaluation methodology and risk analysis process to identify companies with a sustainable competitive advantage.

We analyse ESG using internationally recognised environmental, social, and governance standards. The present Responsible Investment Policy & Technical Framework integrates our ESG risk and impact management process. It was drafted after extensive interactions with standard setters in the areas of ESG and impact investing, including Commonwealth Development Corporation (CDC), the European Investment Bank, the International Finance Corporation (IFC), Inter-American Investment Corporation (IIC), MIGA, the United States Agency for International Development (USAID), the United States Department of Agriculture (USDA), and the Overseas Private Investment Corporation (OPIC).

| | | | | |
|-----------------|------------------|---------------|--------------------|----------------|
| OO FI 03 | Mandatory | Public | Descriptive | General |
|-----------------|------------------|---------------|--------------------|----------------|

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

| Type | Investment grade (+/- 5%) | High-yield (+/- 5%) | Total internally managed |
|-----------------------|---|---|--------------------------|
| Corporate (financial) | <input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0% | <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% | 100% |

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

Cordiant

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types | Coverage by AUM |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

Cordiant's Internal Guiding Principles includes;

- Respect for Human Rights Policy: Including Fair Wages & Security
- Environmental Conservation & Sustainability
- Coal Mining and Coal-Based Energy Production Policy
- Respect for Gender Policy
- External Monitoring and Evaluation
- Risk Management: Reducing Business Risk
- Continuous Training Policy

Other RI considerations, specify (2)

Other description (2)

Cordiant's General Principles Business Integrity and Good Corporate Governance Cordiant endeavours to invest in companies that exhibit honesty, integrity and fairness in their business dealings. Cordiant works to promote, through its investments, international Best Practices in relation to corporate governance. Human Rights Cordiant seeks to ensure that human rights.

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

IMPACT MANAGEMENT

Cordiant has been very active to prevent "impact washing". We have been involved in the consultation phase of the IFC principles, in order to develop all-encompassing and well defined principles for impact. We are listed on the website, and are aligned with all of them.

- Please refer to the IFC website the website for Cordiant's name as we have been involved in the consultation phase during the development of the Consultation Draft of the Principles.

This is mainly due to the time we have spent on developing a detailed and granular Responsible Investment Policy Framework and due to our extensive engagement with similar initiatives (i.e. GIIN Impact Measurement and Management, new IRIS + Metrics, and other relevant working groups).

Cordiant's commitment to integrating environmental, social and governance (ESG) indicators into impact evaluation and due diligence. More than that, Cordiant's approach which identifies both social impact through alignment with the SDGs and environmental impact through Intended Nationally Determined Contributions (INDCs) under the Paris Climate Agreement is truly unique. A signatory of both the UN Principles for Responsible Investment (PRI) and the Global Impact Investors Network (GIIN), Cordiant truly "walks the talk".

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

ESG STRATEGY

Cordiant has a fiduciary obligation to generate an attractive risk-adjusted return for investors whilst managing financial and reputational risk. Included in these risks are the environmental and social impacts of investee companies. What is good for society also seems to be good for business. Data from McKinsey & Co, Boston Consulting Group and Merrill Lynch highlight the correlation between strong ESG performance and reduced earnings volatility and reduced incidence of default; Cordiant therefore believes that effective ESG analysis is an important contributor to effective risk management.

Analysis of environmental, social and governance considerations ("ESG") is a tool to mitigate investing risks and ensure companies in which Cordiant invests comply with appropriate laws and policies. Impact Investing is a framework for driving positive societal outcomes through the investment process. Cordiant differentiates the two.

Cordiant explicitly integrates ESG considerations into the investment process. Focus here can highlight practices that need to be improved even as it reduces investment risk. Cordiant employs an effective and transparent evaluation methodology and risk analysis process to identify companies with a sustainable

competitive advantage. We analyse ESG using internationally recognised environmental, social, and governance standards.

In addition, Cordiant has been developing **sectoral policies** for an in-depth due diligence framework that touches upon and aligns with the relevant certifications and principles of sustainable practices on the ground. That way, it is able to consistently and systematically apply best impact and risk management practices across sectors, industries and commodities. This is both time-effective and creates a lot of value for the borrowers, as through our investments, they become aligned with the applicable international standards that are relevant for their operations.

Cordiant's Internal Guiding Principles includes:

- Global Impact Investing Network (GIIN) Member
- Application of IFC Performance Standards
- Application of Equator Principles
- Alignment with UN Global Compact
- Respect for Human Rights Policy: Including Fair Wages & Security
- Environmental Conservation & Sustainability
- Coal Mining and Coal-Based Energy Production Policy
- Respect for Gender Policy
- External Monitoring and Evaluation
- Risk Management: Reducing Business Risk
- Continuous Training Policy

IMPACT MANAGEMENT & GENDER STRATEGY

It is important to look for out-of-the-box innovative strategies, so that it does attract investors and that it addresses practical issues that women are facing in already existing investments (mostly in EM), in supply chains, and thus to add corporations into the discussion (since they are the ones having global value chains).

Cordiant is deeply involved in the GIIN leading group for the development of a Gender-Lens Investing framework and ecosystem (i.e. listed as an expert contributor on the GIIN Navigating Impact Website).

Cordiant's investment mandate, the type of capital we provide, and markets it operates in, and the types of organizations we invest in- do require distinct gender lens engagement strategies and objectives.

As such, Cordiant is working towards researching innovative ways for investors to use gender as a value creation and long term opportunities creation- rather than as a constraint.

This is in line with our (i) main responsible and impact investment policy- to create a technical decision-making process- by which we consider individual characteristics and context of companies; including scale, location, technology, management capacity and commitment and track record.

Our engagement with companies starts when potential financing opportunities are identified and meet broader client financing requirements and to maximize progress towards impact needs and financial goals of the company. Then, focus the alignment with the investment process- from pre-screening to investment due diligence, approval, monitoring and reporting.

Gender Principles

- Increasing Equality in Agriculture
- Improving Connectivity for Women & Children
- Reducing Reliance on Kerosene and Solid Fuels
- Improving Gender Equality in Governance Processes
- Improving Gender Equality in Workplace Conditions
- Improving Gender Equality in Supply Chains

No

SG 01.6

Additional information [Optional].

Cordiant proactively engages with relevant actors to garner insight into existing and potential business, environmental and political risks that might arise as part of its operations. Adequately addressing these factors will

enhance Cordiant's front-end risk management and ensure a more nuanced and thoughtful approach to risk scenario analysis, pricing, and repayment risk.

| | | | | |
|----------|---|--------|-------------|---------|
| SG 01 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|

| | |
|---------------|---|
| 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.

Climate Policy

Cordiant's investment thesis is drawn upon the argument that ESG has a role in investment portfolios that extends beyond ethical considerations, particularly for investors interested in tilting toward safer opportunities. This is a way, for Cordiant, to manage important inherent risks to position itself to take advantage of emerging opportunities. Accordingly, Cordiant's investment strategy and frameworks are aligned with low-carbon transition objectives.

This strategy is consistent with Cordiant's ESG integration process as it contributes to an energy transition curve, as well as social and environmental progressive outcomes and opportunities.

Oil & Gas Sectors: Active Management: Inclusionary vs exclusionary strategies

We do however only invest in businesses with high standards of business integrity.

The Systematic implementation of our ESG Risk Management System (ESMS) is also the key part of value creation, while protecting the interests of our shareholders. This implies that environmental, health and safety, and social compliance issues are not just a matter of fulfilling investors' requirements but constitute an essential part of our investment philosophy which will enable us to achieve superior shareholder performance through environmentally and socially sustainable operations. For all investments, the team seek to understand how the borrowers address (i) general factors, such as climate change and energy, through long-term plans and current initiatives; (ii) more technical factors such as how the company is managing the socio-economic impacts and environmental, health and safety risks of operating across the production line, and in different locations it operates.

The process, indicators and reporting elements detailed in the present guidance document allows for consistency and alignment with applicable international standards, including with the International Association of Oil & Gas Producers.

Coal Mining and Coal-Based Energy Production

Cordiant strongly believes that companies most exposed to coal-related activities should not be a part of our investment portfolio. This decreases environmental, social and reputational risks and generates positive impact though support of other forms of more sustainable and cleaner energy.

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.

Climate change risk management approaches. In other words, Cordiant focuses on "mitigation"-efforts to reduce greenhouse gas emissions, and to minimize the environmental risks. Additionally, Cordiant assess the potential investment's exposure to climate related risks such as drought, water scarcity, water uses and disposal, pollution, floods, and other important material risk factors, based on the industry in which the potential borrowers are operating.

As such, Cordiant agrees with the statement that risk is the combination of the likelihood of an event and its consequences.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

We do not publicly support the taskforce, but we are supporting other relevant and important initiatives in the field,

Engagements and Commitments to Impact Investing

- UNPRI-Ceres Sustainable Forest Initiative
- Original signatory of United Nations' Principles for Responsible Investing
- Original Signatory of the IFC Operating Principles for Impact Management
- Member of the Global Impact Investing Network (GIIN)
- Contributor to the GIIN's Gender Lens Framework
- Contributor to the GIIN's IRIS+ Framework & Impact Metrics
- New Member of the Blended Finance Taskforce's Sustainable Infrastructure Investor Club

**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

Our strategy is integrated within our ESG risk management framework and preliminary risk-exposure assessment.

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

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)
- We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

Cordiant has all the following documents internally, but do not disclose the processes for ESG risk management publicly.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- Your organisation's definition of ESG and/or responsible investment and its relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences

| | | | | |
|--------------|------------------|---------------|----------------------|----------------|
| SG 03 | Mandatory | Public | Core Assessed | General |
|--------------|------------------|---------------|----------------------|----------------|

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Initial responsibility for managing potential conflicts of interest is with the Investment Officer. Depending on the nature of the conflict of interest investment decisions are reviewed either the Internal Credit Committee and/or the External Investment Committee of Cordiant.

Business Integrity and Good Corporate Governance

Cordiant only invest in companies that exhibit honesty, integrity and fairness in their business dealings. Cordiant works to promote, through its investments, international Best Practices in relation to corporate governance. Good corporate governance practices minimize the exposure to reputational risks, while increasing profitability and returns on investment, as it maximizes opportunities for rising their quality. Based on the evidence that poor ESG exposures predict increased future statistical risks, new research indicates what Cordiant believes; that ESG is both a risk mitigant and a predictor of investing risk.

No

| | | | | |
|--------------|------------------|---------------|--------------------|----------------|
| SG 04 | Voluntary | Public | Descriptive | General |
|--------------|------------------|---------------|--------------------|----------------|

SG 04.1

Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

- Yes
 No

SG 04.2

Describe your process on managing incidents

E&S Safety Risk Evaluation: Preventive & Corrective Management Systems

Each sector in which Cordiant invests present its own set of Occupational Health and Safety (OHS) risks, which requires the team to systematically integrate health and safety prevention principles as part of the Due Diligence, Action Plans, as well as incorporating specific KPIs into Monitoring & Evaluation Reports.

E&S Safety Risk Evaluation

Each sector in which Cordiant invests present its own set of Occupational Health and Safety (OHS) risks, which requires the team to systematically integrate health and safety prevention principles as part of the Due Diligence, Action Plans, as well as incorporating specific KPIs into Monitoring & Evaluation Reports.

As a means to ensure that procedures for identifying hazards and assessing OHS risks in an accurate and timely manner are in place, Cordiant does assess each borrower's capacity, commitment and track record regarding OHS & EHS, as part of the preliminary and final due diligence. This is because it is the objective of Cordiant is to understand the main hazards and risks present within operations of each borrower and to be able to understand which standards are applicable in order to design an adequate OHS management plan and to prioritize management and corrective measures to mitigate, on a preemptive basis, such serious impacts.

After conducting an assessment of each borrower's policies, management plans and practices Cordiant evaluates whether they are designed and implemented in order to "eliminate and, where this is not possible, reduce, the level of risk to an acceptable level in accordance with Good International Industry Practices (GIIP)[1]". As such, both the World Bank Group General EHS Guidelines and the IFC OHS Guidelines are included in the process, on a systematic basis. Usually, the Safety Management System include the following elements;

- Management commitment and employee involvement
- Worksite analysis and hazard identification
- Hazard prevention and control
- Employee safety training

Action Plan & Mitigation Measures

Where appropriate, Cordiant develops Action Plans to ensure that any gaps are addressed. As part of the Action Plans, we thus ensure that the applicable Occupational Health and Safety (OHS) & Environmental Health and Safety (EHS) measures has been addressed and will be complied with.

As part of the process, we thus require borrowers to implement the measures internally within all affected operations.

Where OHS risks are high, Cordiant does consider bringing in consultants to advise us on the standard of companies' OHS management prior to investment. As such, Cordiant conducts the gap analysis and do request that borrowers comply with the agreed upon management measures.

Note that this is applicable to both contractors & supply chain.

The objectives of the Action Plan is basically to prioritizing the implementation of management and corrective measures. As such, the Standard Operating Procedure (SOP) agreed upon by the borrower will address the following;

1. Eliminating or reducing hazards : which includes the replacement of dangerous materials with less dangerous materials
2. Isolating or controlling hazards at their source
3. Minimising risks through the design and use of safe systems of work
4. Providing appropriate protective measures: which can include to prioritise measures aimed at reducing the risk for more than one person (collective protection) over those designed to protect a specific worker (personal protective measures).

Work Related Activities Incidents: Procedure Overview Investigation, Monitoring and Reporting

As per the above section, Cordiant does ensure that borrowers have adequate emergency planning and response provisions and procedures for the safety of workers, contractors, and, when appropriate, affected communities. Yet, incidents occurring during such work related activities must be reported to Cordiant within 3 days, for instance;

In addition, details of the incident required to be disclosed include the following;

5. Name of worker injured
6. Number of fatalities, lost time injuries or medical treatments (including their status (employee, contractor, visitor, member of the public)
7. Witnesses (including relevant staff)
8. Routine/non-routine activity being undertaken
9. Description of incident: factual statement of what happened
10. Scene inspection photos/notes- of each incident scene
11. Sequence of events pre-dating accident
12. Immediate cause
13. Unsafe acts in sequence
14. Unsafe conditions in sequence
15. Underlying causes of unsafe acts/conditions (initial view)
16. Root cause(s)
17. Interim preventive measures
18. Details of whether work has been suspended and whether restart has occurred or is planned to
19. Details of planned investigation, including timeline for mobilisation
20. Details of involvement from external agencies (Police, Health and Safety agencies, corrective / preventive action for EACH significant cause actioned, timed-bound plan (to be attached)
21. Other interim actions required cross-check to other activities / locations for lessons learned
22. Any negative publicity (including media) resulting from the incident?
23. Details of any immediate actions taken to secure repeat or escalation of the incident

Action Plan & Emergency Response Plan:

After investigation, Cordiant ensures that a corrective measures are included in an Emergency Response Plan & Action Plan.

Borrowers must have implemented and complied with such procedures to investigate all near misses and accidents and that effective corrective measures efficient in order to avoid future serious accidents.

This is also monitored through a subsequent Monitoring Report.

Objectives and strategies

| | | | | |
|-------|-----------|--------|-----------------------|---------|
| SG 05 | Mandatory | Public | Gateway/Core Assessed | General |
|-------|-----------|--------|-----------------------|---------|

SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

As the market evolves, so do we. This is because Cordiant is highly involved in initiatives in the impact investing field, which allows the team to keep the momentum of best practices and reviewing our processes accordingly.

SG 06

Voluntary

Public

Descriptive

General

SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Engagements and Commitments to Impact Investing • Original signatory of United Nations' Principles for Responsible Investing • Original Signatory of the IFC Operating Principles for

- Encouraging others to join a RI initiative
- Documentation of best practice case studies

Key performance indicator

Case Study Cordiant Capital – Principle 5
Cordiant has participated in the first IFC OPIM report as a case study.

- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Case Study Cordiant Capital – Principle 5
Cordiant has participated in the first IFC OPIM report as a case study.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 06.2

Additional information.

Case Study Cordiant Capital - Principle 5

Describe why your organization believes that there is strong promise for impact investing, including perhaps what you think is the business case for impact investing.

- Cordiant Capital believes that impact investing is increasingly gaining traction among return-driven institutional investors. What used to be almost exclusively the purview of development finance institutions, and a handful of foundations and endowments, is now being also seriously considered by pension funds and insurance companies. Should these institutional investors become fully engaged, the magnitude of development impact could increase many-fold, as the monies they manage eclipse those of all of the current impact investors.
- For this change to occur, institutional investors must feel confident that they will get a compelling financial return, that the risks are identified and well managed, and that the development outcomes reported by asset managers are meaningful, accurate, and independently audited.
- When deploying capital on behalf of pensioners and insurance policy holders, the manager's primary duty must always be a fiduciary one. But they can still achieve significant development impact by the choices they make with regard to geography, sectors, and specific companies. For example, a mobile tower deal in Latin America can deliver a compelling risk-adjusted financial return, and at the same time provide transformational connectivity for the small businesses, civil society organizations, and families that need them.
- Commercially-minded managers, like Cordiant, are best positioned to make this type of "systems-level" impact. When managing hundreds of millions of dollars, it is impractical to deploy capital in small increments. That is best left to the boutique, developmental firms that seek change and improvement at a granular level. Although vitally important, this seldom generates the commercial return that would make a portfolio of such entities attractive to return-seeking pension funds and insurance companies. However, Cordiant's large-scale investments into platforms such as mobile telephone networks, food processing facilities, wind mill farms, and transportation hubs can earn both attractive financial returns and also achieve meaningful and measurable development impact for large numbers of people.

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

| | |
|----------------|---|
| SG 07.2 | For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities. |
|----------------|---|

Cordiant has an in-house ESG & Impact Officer who is responsible for the coordination & implementation processes for all ESG & Impact management systems.

Responsibilities are shared with the CEO, Management, and Investment Officers.

The implementation stage involves the screening, gap-analysis, Action Plan Implementation, Compliance Monitoring, Evaluation of performance, and Reporting process. This is governed by an "ESG & Impact" Committee (internal).

If an issue arises that requires special attention then they are re-engaged.

Portfolio managers are also involved in assessing ex-ante risk and in monitoring the risk for the life of the investment.

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|----------------|--|
| SG 07.3 | Indicate the number of dedicated responsible investment staff your organisation has. |
|----------------|--|

| |
|--------|
| Number |
|--------|

6

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|-----------------|--|---------------|--------------------|----------------|
| 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

| |
|--------------------|
| Portfolio managers |
|--------------------|

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

Investment analysts

- 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 08 | Voluntary | Public | Additional Assessed | General |
|--------------|------------------|---------------|----------------------------|----------------|

SG 08.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

SG 08.1b

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a

RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our membership in the following organization underscores our engagement in stewardship;

- Membership in the Investor Initiative for Sustainable Forest - Specific focus Soy Production & Deforestation (Preventive management system in the agriculture policy)
- We have signed the Cerrado Manifesto

- Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 AVCA: Sustainability Committee
 France Invest – La Commission ESG
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change
 CDP Forests
 CDP Water
 CFA Institute Centre for Financial Market Integrity
 Climate Action 100+
 Code for Responsible Investment in SA (CRISA)
 Council of Institutional Investors (CII)
 Eumedion
 Extractive Industries Transparency Initiative (EITI)
 ESG Research Australia
 Invest Europe Responsible Investment Roundtable
 Global Investors Governance Network (GIGN)
 Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Cordiant is deeply involved in the GIIN working groups

- 24. Member of the Global Impact Investing Network (GIIN)
- 25. Contributor to the GIIN's IRIS+ Framework & Impact Metrics

In 2019, we decided to increase our engagement in the organisation by being a contributor to the **GIIN's Gender Lens Working Group, which was** for the development of a Gender-Lens Investing framework and ecosystem. As an impact investor in emerging markets, Cordiant understands the deep interlinkages of gender as it relates to the investment process, and more precisely as a factor of ESG analysis & Impact Management.

Our gender commitment focusses on how to advance women's economic empowerment throughout the investment lifecycle, by identifying interventions across the corporate value chain that would help optimizing the underlying social and economic value for the companies and markets in which we invest.

Since all needs, companies, investments, and markets are different, this framework is used as a guiding document, and it serves as a point of reference when elaborating a borrower's immediate strategy, with regards to its gender impact goals and risk management strategy. The objective of this policy is to incorporate elements that will drive value both in terms of the beneficiaries and the dimensions targeted.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Initiated collaboration

Cordiant's chairman contributed to the organisation of events

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Follows Research Updates (i.e Positive Impact Finance Principles)

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Apply their Principles and Standards within the Investment Process (ESG Integration)

- Other collaborative organisation/initiative, specify
Canadian Association for Impact Investing and Development (CAFIID)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Cordiant is now part of the CAFIID membership, as well as being an active investor in the Collaboration Committee.

- <https://www.cafiid.ca/about-cafiid>

Other collaborative organisation/initiative, specify

IFC Operating Principles for Impact Management

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Cordiant is a proud original signatory of the IFC OPIM. In addition to have been part of the whole consultation phase and process, the firm has volunteered to be part of the first anniversary report. .

Indeed, the IFC will publish a report at the WBG-IMF 2020 Spring Meetings (April 2020) about impact investing- included in it will be a section showing how Signatories to the Operating Principles for Impact Management are implementing the Principles.

Each of the nine Principles will consist of case study written by a Signatory about how it is being implemented. Each Principle can have up to two case studies, with up to 25 case studies in the report.

IFC will coordinate the production of the case studies, with the collaboraiton of Cordiant.

- <https://www.impactprinciples.org/signatories-reporting>

Other collaborative organisation/initiative, specify

New Member of the Blended Finance Taskforce's Sustainable Infrastructure Investor Club

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Cordiant is proud to collaborate with the Blended Finance Taskforce's Sustainable Infrastructure Investor Club. Accordignly, due to its active collaboration, the firm has been invites as being a panel speaker at the Berlin Infrastructure 2020 Conference. We will also continue to engage in similar panels, such as during the 2020 Spring Meetings.

- <https://www.blendedfinance.earth/members-partners>

Other collaborative organisation/initiative, specify

| | | | | |
|-------|-----------|--------|---------------|-------|
| SG 10 | Mandatory | Public | Core Assessed | PRI 4 |
|-------|-----------|--------|---------------|-------|

SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

Description

Global Impact Investing Network
Berlin Infrastructure Conference

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
 - Encouraged the adoption of the PRI
 - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

CAFIID / GIIN / UNPRI-Ceres Initiative for Sustainable Forestry (soy sector) / IFC OPIM

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description

PRI-Ceres Investor Initiative for Sustainable Forests

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

| | | | | |
|--------------|------------------|---------------|----------------------------|------------------|
| SG 11 | Voluntary | Public | Additional Assessed | PRI 4,5,6 |
|--------------|------------------|---------------|----------------------------|------------------|

SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes
- No

Outsourcing to fiduciary managers and investment consultants

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| SG 12 | Mandatory | Public | Core Assessed | PRI 4 |
|--------------|------------------|---------------|----------------------|--------------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Other, specify (1)

Describe how responsible investment is incorporated

When there is risks that we feel uncomfortable with or when necessary. If concerns seem highly material, consultants will be hired to evaluate and monitor environmental and social risks so that Cordiant can effectively recommend an appropriate action plan. Where necessary, the consultant will provide Cordiant with input on the risks and the steps necessary to mitigate these risks during the investment phase.

- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

SG 12.7

Additional information [Optional].

Risk Exposure & Consultants: Cordiant's Use of External Expertise

E&S Review & Procedures

As part of the E&S due diligence ("ESDD"), since Cordiant will retain the services of an experienced E&S consulting firm, familiar with the Applicable IFC & ISO E&S Standards

An E&S consultant will be used for all high-risk projects and/or any projects triggering IFC PS 5-8, and will typically be used for projects which are medium-high risk or where Cordiant does not have appropriate in-house expertise.

The following procedures apply as well:

If applicable (i.e. if the E&S Due Diligence uncovers gaps against the IFC Performance Standards), an E&S corrective action plan detailing mitigation measures or acceptable deviations from policy.

If applicable, a monitoring program and timetable, which can be included in the corrective action plan;

If relevant, institutional arrangements and capacity building for the portfolio company to comply with, and strengthen its management of, E&S policies.

Classification & Risk Exposure

Confirmation of the classification of the E&S risk presented by the portfolio company into one of the categories - A, B or C, depending on the nature and magnitude of the E&S impacts.

Category A investments will require an ESDD based on the IFC Performance Standards, and may require an E&S Impact Assessment ("ESIA") if applicable. (i.e. for greenfield / expansion projects). Th ESIA will examine the company operations' potential positive and negative impacts, compares them with those of feasible alternatives, and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve performance.

Legal Agreements

In all circumstances, as part of the legal drafting process, the Investment Officer and the E&S Officer will ensure that relevant legal language reflects the findings of the E&S due diligence as well as the corrective action plan, and thus- to define the organizational capacity and responsibilities of the investee company with respect to any corrective measures that need to be undertaken. They will also ensure that the investee company commits to sound E&S practices by signing an undertaking to that effect, either as part of the investment agreements or as a stand-alone undertaking

ESG issues in asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

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

Describe

It is integrated in all the areas of activities at Cordiant.

- Yes, in order to assess future climate-related risks and opportunities
 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 14 CC | Voluntary | Public | General |
|-----------------|------------------|---------------|----------------|

SG 14.6 CC

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|--|---------|-------------|--------------------|
| Exposure to carbon-related assets | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | | | |

SG 14.8 CC

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Non-Renewable Energy Policy:

Although the projects in the present industry are expected to bring economic and social benefits, the sector intrinsically involves different potentially complex and significant and diverse ESG risks and impacts, depending on the type of energy production-which are applicable to both the construction and operational phases (i.e. upstream, midstream, and downstream operations). Those inherent risks and impacts are likely to have material implications for long-term shareholder value, if transition to low carbon economy is not taken into account into the decision making process.

In this context, we integrate our existing corporate values, principles and policy commitment with reference to (i) quality of products; (ii) safety and reliability of operations; (iii) care for the environment and communities; (iv) engaging stakeholders; (v) respect for others and their rights; and (vi) innovative solutions.

Cordiant's Engagement Strategy & The development of company-wide proactive compliance strategy

Cordiant is committed to participating in dialogue with borrowers on the effects of their activities-the impacts, benefits, risks and trade-offs, as well as corporate responsibility or environmental, social and governance (ESG). The team employs a stepwise process to addressing ESG matters inherent in this industry. This is a central element of due diligence, investment structuring and on-going ownership and monitoring.

Policy: Benefits of Renewable Energy Investments

Investing in low carbon energy transition assets is in itself a value added investment. For investors, it is a preferable alternative to fossil-fuel based energy production systems which are now categorised as "stranded assets". As well, it reduces the impacts on the environment and on biodiversity, compared to traditional sources of energy.

Alignment with Best Practices & Sustainable Development Goals

As part of its Fiduciary Responsibility and Responsible Investment Approach, Cordiant ensures that its business strategy is consistent with, and contributes to, the development goals, as expressed in the SDGs and Paris Agreement[4] on climate change. Investing in the clean and renewable energy sector thus allows Cordiant to be aligned with the sustainable development goals[5] (SDGs), including;

- SDG 7: Affordable and clean energy
- SDG 9: Industry, Innovation& Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

The scaling-up of national climate action plans, also known as Nationally-Determined Contributions (NDCs), and which represents a key opportunity to address a wide range of issues, by addressing investment gaps in the clean energy sector. Accordingly, by applying its ESG risk management system and Responsible Investment Process to the clean energy sector, Cordiant is systematically maximizing positive impacts while minimizing negative impacts.

Scope & Applicability of the Clean Energy Policy and Due Diligence Process

Although renewable sources are more environmentally friendly compared to non-renewables, the exact type and intensity of environmental risks and impacts varies depending on the specific technology used, the geographic location, and a number of other factors. By understanding the current and potential environmental issues associated with each renewable energy source, we can takes steps to effectively avoid or minimize these impacts as they become a larger portion of our electric supply.

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

Frequency

- Quarterly
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/when requested

Cordiant

Reported Information

Public version

Direct - Fixed Income

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.

ESG incorporation in actively managed fixed income

Implementation processes

| FI 01 | Mandatory | Public | Gateway | PRI 1 |
|-------|-----------|--------|---------|-------|
|-------|-----------|--------|---------|-------|

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

| Corporate (financial) | Screening alone | 0 |
|-----------------------|-------------------------------------|------|
| | Thematic alone | 0 |
| | Integration alone | 0 |
| | Screening + integration strategies | 0 |
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 100 |
| | No incorporation strategies applied | 0 |
| | | 100% |

Positive and Negative Screening

- Cordiant's Exclusion List
- Assessment and Management of Environmental and Social Risks & Impacts: Integration of IFC Performance Standards & Equator Principles for determining, assessing and managing environmental and social (E&S) risks.
- The IFC standards inform our Environmental and Social (E&S) due diligence framework that in turn creates the E&S Action Plans that are part of loan agreements
- The Equator Principles undergird the applicable risk management framework.
- GIIN / IRIS: Potential Anticipated Impacts

Thematic: Seeking Sectors Inherently Impactful

- Cordiant seeks exposure to themes that align with NDCs and SDGs, and hence, through Seeking Best Practices
- Sustainable production practices and modernization of agriculture
- Clean Energy
- Sustainable Transportation
- Information and Communication Technologies: Digital Communications
- Improving food security
- Increasing agricultural exports
- Generating renewable energy
- Increasing energy efficiency (and storage)
- Bridging the digital divide
- Integration of Firm-Level DD& GAP Analysis for an alignment with International Standards Application of IFC Performance Standards
- Occupational health and Safety Guidelines
- Environmental Health & Safety Guidelines
-

Condition Precedent & Loan Agreement:

- Action Plan: The ESMS incorporated as Compliance-based approach to the monitoring process

Cordiant's capacity in terms of **ESG Appraisal** and Management in being able to control, reduce, and mitigate material risks lies in our underlying procedure of integrating ESG as part of the In-Depth Due Diligence process. The DDQ and ESG form the core of the Investment Memorandums, decision-making process, and the loan agreements. This ensures a robust management system.

A clear understanding of the potential risks and impacts allows Cordiant to assess which IFC Performance Standard applies to a specific business strategy, and thereafter systematically engage in a discussion on the risk-profile of the firm.

As a means to do so, Cordiant has **developed sectoral technical guidance documents for an in-depth due diligence that touches upon and aligns with the relevant certifications and principles of sustainable practices on the ground.** That way, it is able to consistently and systematically apply best impact and risk management practices across sectors, industries and commodities. This is both time-effective and creates a lot of value for the borrowers, as through our investments, they become aligned with the applicable international standards that are relevant for their operations.

As such, **the first due diligence questionnaire, which is based on all SASB, IFC, and IRIS metrics,** provides a consistent framework through which to screen the compliance of a potential borrower.

The results of the Due Diligence reflects the potential investee's commitment to development impact and good ESG management. This is relevant to the issue of "**Green Washing**" whereby some firms speak the language of impact and ESG as a way of securing financing, but are not committed to either in practice. Hence, Cordiant conducts an internal E&S briefing as a final step in the Due Diligence.

If concerns seem highly material, consultants will be hired to evaluate and monitor environmental and social risks so that Cordiant can effectively recommend an appropriate action plan. Where necessary, the consultant will provide Cordiant with input on the risks and the steps necessary to mitigate these risks during the investment phase.

During the Gap Analysis, Cordiant reviews the DD Report and determines the requirements and mitigants necessary for closing the identified gaps. This stage is critical, as it highlights the firm's performance in managing its own E&S risks relative to an alignment with international standards (IFC).

This gap analysis also serves as the basis for the **subsequent ESMS & Action Plan**. Indeed, the team uses the report to determine the relevant remediation mechanisms (ESMS) that will be included in the Action Plan.

This action plan includes all **necessary measures to mitigate adverse outcomes**. This **Action Plan will be incorporated in the Loan Agreement package** (or the structure around it). It will clearly outline how ESG matters will be handled during the life of the investment in order to meet the Cordiant's requirements and expectations.

Monitoring & Evaluation are vital aspects of the process to ensure that the borrower's actions are consistent with the agreed- upon ESG plan. Monitoring is conducted either on a bi-annual or yearly basis- depending on the materiality of risks- and throughout the life of the loan. Cordiant conducts a yearly monitoring of the firms' performance through (i) the Annual Monitoring Report (AMR) which quantifies risks E&S indicators; (ii) the Action Plan which forms the compliance indicators and loan agreement; and (iii) the Developmental Impact Baseline Survey.

- Monitoring& Measurement of the Developmental Impacts
- Monitoring of Compliance with Action Plan& Mitigation Measures: Cordiant is responsible for developing an Action Plan (AP) with the borrower that will serve as a benchmark which is then used as a basis for monitoring compliance and progress.

As such, **covenants and conditions prior to disbursement include that borrowers;**

- Comply with all Applicable National Laws
- Comply with Applicable IFC Performance Standards
- Regular monitoring: Cordiant will stay informed and respond to new developments and/or risks by building on the relationship established during DD
- Commitment to Monitoring& Evaluation: The Borrower will agree to allow Cordiant to conduct baseline surveys & supervisory Monitoring & Evaluations (M&E), so to as to measure the firm's performance or underperformance of sector-specific impact & ESG performance indicators. Those include;
- Annual Monitoring Report Compliance
- Action Plan's Monitoring Indicators
- Agree to report on performance: This will serve towards Performance Evaluation Reports, as well as to assist the company to ensure its ongoing compliance with applicable standards, implementation of ESG Action plan and improvement of ESG performance.

| | | | | |
|-------|-----------|--------|---------------------|-------|
| FI 03 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 03.3 Additional information. [Optional]

Since the investment team as a whole is responsible for the legal agreement and the condition precedent, the information is shared from the preliminary assessment to post-decision (monitoring & evaluation).

(A) Implementation: Screening

| | | | | |
|--------------|------------------|---------------|----------------|--------------|
| FI 04 | Mandatory | Public | Gateway | PRI 1 |
|--------------|------------------|---------------|----------------|--------------|

FI 04.1 Indicate the type of screening you conduct.

Select all that apply

| | | | |
|----------------------------------|-------------------------------------|--|--|
| | Corporate (financial) | | |
| Negative/exclusionary screening | <input checked="" type="checkbox"/> | | |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> | | |
| Norms-based screening | <input checked="" type="checkbox"/> | | |

FI 04.2 Describe your approach to screening for internally managed active fixed income

Each potential investment is subjected to a multi-stage approval process with analysis of the ESG risks incorporated at the outset of the process. Cordiant assesses potential investments on a variety of levels, beginning with the sector (i.e. does it fit into Cordiant's preferred areas of focus?). The first step of screening is therefore rejecting undesirable investment categories and ensuring that all proposed investments do not show evidence of excluded/prohibited activities.

- By investing in sectors with already high potential for positive social, economic, and environmental impact, in addition to financial return considerations, Cordiant seeks companies that support our Impact Investor themes that include bridging the digital divide, food security and the modernisation of agriculture, enhancing energy security whilst reducing greenhouse gas emissions, improving transportation whilst reducing pollution and sustainable urbanisation. Hence, Cordiant seeks to invest in well- managed and commercially-minded enterprises that generate positive development outcomes.

FI 04.3 Additional information. [Optional]

PROCEDURES AND TECHNICAL METHODOLOGY

A structured business approach to ESG disclosure assists Cordiant in managing social, environmental and ethical risks and is increasingly seen as a priority and precondition to sustainable development efforts. Cordiant believes that proper respect for ESG principles can optimize investment strategies, risk management, responsiveness in volatile markets, reduce costs for all parties engaged in investment activities, as well as strengthen stakeholder relations and improve a borrower's brand, reputation, and profitability.

Each potential investment is subjected to a multi-stage approval process with analysis of the ESG risks incorporated at the outset of the process. Cordiant assesses potential investments on a variety of levels, beginning with the sector (i.e. does it fit into Cordiant's preferred areas of focus?). The first step of screening is therefore rejecting undesirable investment categories and ensuring that all proposed investments do not show evidence of excluded/prohibited activities.

By investing in sectors with already high potential for positive social, economic, and environmental impact, in addition to financial return considerations, Cordiant seeks companies that support our Impact Investor themes that include bridging the digital divide, food security and the modernisation of agriculture, enhancing energy security whilst reducing greenhouse gas emissions, improving transportation whilst reducing pollution and sustainable urbanisation. Hence, Cordiant seeks to invest in well- managed and commercially-minded enterprises that generate positive development outcomes (see below).

In keeping with our chosen set of Performance Standards, Cordiant has implemented a thorough process for screening investments aimed at achieving E&S Objectives. This process systematically draws from (i) IFC Performance Standards for ESG risk management (ii) Sustainability Accounting Standards Boards (SASB) standards; and (iii) IRIS Metrics[1] managed by the Global Impact Investor Network (GIIN) for Developmental Impact Performance Management. The strategy involves Cordiant proactively engaging with borrowers on ESG matters, through active monitoring of the evolution of ESG risks and compliance with agreed-upon mitigation measures and Action Plans, throughout the life of the investments.

Preliminary Due Diligence: Identification & Assessment of Environmental and Social Risks & Impacts

1. Development Impact Assessment

- Assessment of Business Contribution to Development Impact
- Assessment of Business Contribution to Sustainable Development Goals

2. Industry ESG Risk Profile & Score: Quantification of ESG industry risks

- ESG integration in internal credit rating
- ESG Risk Evaluation & Discussion

Note that Cordiant has been developing sectoral policies for an in-depth due diligence framework that touches upon and aligns with the relevant certifications and principles of sustainable practices on the ground.

That way, it is able to consistently and systematically apply best impact and risk management practices across sectors, industries and commodities. This is both time-effective and creates a lot of value for the borrowers, as through our investments, they become aligned with the applicable international standards that are relevant for their operations. As such, the remaining assessment procedure used for an alignment with international standards includes the following steps;

Final Sectoral Due Diligence & Assessment of Performance Against IFC Standards

1. Firm-Level ESG Risk Identification

- E&S Risk Categorization (IFC)
- Identification of Applicable IFC Performance Standards

2. Firm-Level Due Diligence: Application of Sectoral Technical Procedures for a Consistent and Integrated Risk Management System

- Application of in-depth Operational Due Diligence (DD no1): Evaluation of ESG Risks Management Systems
- Applicable Occupational health and Safety Guidelines (IFC)
- Applicable Environmental Health & Safety Guidelines (IFC)
- Applicable Sustainability Accounting Standards (SASB)
- Other industry standards, as relevant (by sector)

3. Firm-Level Risk Assessment: Application of IFC Performance Standards:

- Application of General IFC Performance Standards Due Diligence (DD no2)
- GAP Analysis for Alignment with International Standards

4. Firm-Level Development Impact Assessment: Impact Quantification & Monitoring Reports

- Application of the Impact Measurement & Management Framework: Based on the new Global Impact Investing Network IRIS+ metrics (DD no3)
- Applicable Harmonized Indicators for Private Sector Operations (HIPSO)
- Application of Relevant Gender ESG & Impact Metrics (DD no4)

After agreeing upon a potential borrower's financial, ESG and Impact goals, and applying best practice, Cordiant works with the owner of the company to develop an E&S Action Plan that includes all necessary measures to mitigate adverse outcomes

Monitoring & Evaluation are vital aspects of the process to ensure that the borrower's actions are consistent with the agreed-upon ESG plan. Monitoring is conducted either on a bi-annual or yearly basis- depending on the materiality of risks- and throughout the life of the loan. Cordiant conducts a yearly monitoring of the firms' performance through (i) the Annual Monitoring Report (AMR) which quantifies risks E&S indicators; (ii) the Action Plan which forms the compliance indicators and loan agreement; and (iii) the Developmental Impact Baseline Survey

Final Assessment & Decision Process

1. Post Due Diligence:

- ESG Debriefing
- Elaboration of the ESMS& Action Plan

2. Monitoring & Evaluation: Reporting Framework

- Annual Monitoring Reports (AMR)& Evaluation of Compliance
- Development Impact Annual Monitoring Report
- Action Plan Compliance Monitoring& Evaluation Process
- Annual Monitoring Report& Baseline KPI's for ESG Disclosure

4. Loan Agreement & Fund Protection

5. Conditions Precedent: Loan Agreement Prior to Disbursement

HEALTH, SAFETY PROCESS & INCIDENT MANAGEMENT SYSTEM

Each sector in which Cordiant invests present its own set of Occupational Health and Safety (OHS) risks, which requires the team to systematically integrate health and safety prevention principles as part of the Due Diligence, Action Plans, as well as incorporating specific KPIs into Monitoring & Evaluation Reports.

E&S Safety Risk Evaluation:

- Management commitment and employee involvement
- Worksite analysis and hazard identification
- Hazard prevention and control
- Employee safety training

Work Related Activities Incidents:

- Systematic Application of the Procedure for Investigation, Monitoring and Reporting of OHS Incidents
- Action Plan& Emergency Response Plan:
- Corrective measures are included in an Emergency Response Plan& Action Plan. Borrowers must have implemented and complied with such procedures to investigate all near misses and accidents and that effective corrective measures efficient in order to avoid future serious accidents.

Monitoring & Evaluation:

- Compliance with Subsequent Monitoring Report

| | | | | |
|--------------|------------------|---------------|----------------------------|--------------|
| FI 05 | Voluntary | Public | Additional Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------------|--------------|

| | |
|----------------|--|
| FI 05.1 | Provide examples of how ESG factors are included in your screening criteria. |
|----------------|--|

- Example 1
- Example 2
- Example 3
- Example 4
- Example 5

| | |
|---------|-------------------------|
| FI 05.2 | Additional information. |
|---------|-------------------------|

See the previous answer and additional explanation.

| | | | | |
|-------|-----------|--------|---------------|-------|
| FI 06 | Mandatory | Public | Core Assessed | PRI 1 |
|-------|-----------|--------|---------------|-------|

| | |
|---------|---|
| FI 06.1 | Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments. |
|---------|---|

| Type of screening | Checks |
|---|---|
| Negative/exclusionary screening | <input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |
| Norms-based screening | <input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |

(B) Implementation: Thematic

| | | | | |
|-------|---|--------|-------------|-------|
| FI 07 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|-------|---|--------|-------------|-------|

FI 07.1

Indicate what proportion of your thematic investments are (totalling up to 100%):

- Green/SDG bonds linked to environmental goals
- Social/SDG bonds linked to social goals
- Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)
- Other

Specify

ESG investments

%

100

FI 07.2

Describe your organisation's approach to thematic fixed income investing

A structured business approach to ESG disclosure assists Cordiant in managing social, environmental and ethical risks and is increasingly seen as a priority and precondition to sustainable development efforts. Cordiant believes that proper respect for ESG principles can optimize investment strategies, risk management, responsiveness in volatile markets, reduce costs for all parties engaged in investment activities, as well as strengthen stakeholder relations and improve a borrower's brand, reputation, and profitability.

Each potential investment is subjected to a multi-stage approval process with analysis of the ESG risks incorporated at the outset of the process. Cordiant assesses potential investments on a variety of levels, beginning with the sector (i.e. does it fit into Cordiant's preferred areas of focus?). The first step of screening is therefore rejecting undesirable investment categories and ensuring that all proposed investments do not show evidence of excluded/prohibited activities.

By investing in sectors with already high potential for positive social, economic, and environmental impact, in addition to financial return considerations, Cordiant seeks companies that support our Impact Investor themes that include bridging the digital divide, food security and the modernisation of agriculture, enhancing energy security whilst reducing greenhouse gas emissions, improving transportation whilst reducing pollution and sustainable urbanisation. Hence, Cordiant seeks to invest in well- managed and commercially-minded enterprises that generate positive development outcomes (see below).

Seeking Inherently Impactful Sectors

- Sustainable production practices and modernization of agriculture
- Clean Energy
- Sustainable Transportation
- Information and Communication Technologies: Digital Communications
- Other sectors, as appropriate

Cordiant's ESG analyst then identifies an investment's potential impact:

Seeking Best Practices & Impact Themes: Environment, Health and Quality of Life

- Improving food security
- Increasing agricultural exports
- Generating renewable energy
- Increasing energy efficiency (and storage)
- Bridging the digital divide

•

| | | | | |
|-------|-----------|--------|---------------|-------|
| FI 08 | Mandatory | Public | Core Assessed | PRI 1 |
|-------|-----------|--------|---------------|-------|

| | |
|---------|--|
| FI 08.1 | Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines.. |
|---------|--|

- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

| | |
|---------|--|
| FI 08.2 | Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents. |
|---------|--|

The following are **subsets** of all potential IRIS & HIPSO development impact metrics that Cordiant tracks, where applicable, during the life of an investment.

General Cross-Sector Indicators:

- Community Development Contributions (CSR)
- Direct Employment - Construction Phase
- Direct Employment - Operations and Maintenance
- International Sustainability Certification (ISO)
- Payments to Government

Agribusiness

- Amount of Hectares of Land (i) Indirectly Controlled (ii) Directly Controlled
- Amount of Hectares Under Sustainable Agriculture Practices
- Amount of HA preserved
- Amount of forest replanted
- Average Agricultural Yield
- Improved Market Linkages: Number of individual farmers Reached throughout the Supply Chain
- Amount Disbursed for project-related CSR programs (yearly)
- Amount of Water Recycled
- Amount of Solid Waste Recycled for Energy Production
- Export Sales Revenue
- Farmer Sales Revenue

Clean Energy

- Power Distribution Estimation Methodology
- Power Production
- Ratio: Grid / Total Amount Produced
- Local Grid: Number of Beneficiaries

Information & Communication Technologies

- Number of Fixed Data Subscriptions
- Number of Fixed Voice Subscriptions
- Number of Mobile Subscriptions

| | | | | |
|-------|-----------|--------|---------------------|-------|
| FI 09 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

| | |
|----------------|--|
| FI 09.1 | Indicate how you assess the environmental or social impact of your thematic investments. |
|----------------|--|

- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

| | |
|----------------|------------------------------------|
| FI 09.2 | Additional information. [Optional] |
|----------------|------------------------------------|

Impact Evaluation: Assessment of Business Contribution to Development Impact (Positive Screen)

During this Phase, Cordiant's ESG team works closely with the Investment Team. As part of its due-diligence, Cordiant uses Impact Reporting Investment Standards (IRIS) developed by the GIIN to establish a baseline survey. Those are used in conjunction with the IFC's "Harmonized Development Results Indicators (HIPS) for Private Sector Investment Operations". Cordiant selects which relevant subset of cross-sector & sector-specific performance metrics are aligned with the objective of the company. The objective is to have measurable and quantifiable nonfinancial returns, to monitor Cordiant's own performance in terms of development impact, as well as to monitor the performance of its borrower companies from one supervision to the next.

Monitoring & Evaluation

Monitoring & Evaluation are vital aspects of the process to ensure that the borrower's actions are consistent with the agreed-upon ESG plan. Monitoring is conducted either on a bi-annual or yearly basis- depending on the materiality of risks- and throughout the life of the loan. Cordiant conducts a yearly monitoring of the firms' performance through (i) the Annual Monitoring Report (AMR) which quantifies risks E&S indicators; (ii) the Action Plan which forms the compliance indicators and loan agreement; and (iii) the Developmental Impact Baseline Survey.

26. Monitoring & Measurement of the Developmental Impacts
27. Monitoring of Compliance with Action Plan & Mitigation Measures: Cordiant is responsible for developing an Action Plan (AP) with the borrower that will serve as a benchmark which is then used as a basis for monitoring compliance and progress.
28. Annual Monitoring Report (AMR)

| | | | | |
|--|--|--|--|--|
| (C) Implementation: Integration | | | | |
|--|--|--|--|--|

| | | | | |
|-------|-----------|--------|-------------|-------|
| FI 10 | Mandatory | Public | Descriptive | PRI 1 |
|-------|-----------|--------|-------------|-------|

At every stage of the process, cordiant includes the ESG risk-management components:

29. Cordiant Structuring Group: Thematic and Sectoral Decisions (SDG alignment)
30. Credit Analysis : Internal ESG Credit score and Impact Summary
31. Weekly Updates& Meetings: Collaboration and open discussions between all investment team members - Raising any ESG issues, concerns or red flags
32. Preliminary Approval: Raising both credit, financial and ESG issues.
33. Portfolio Fit, Macro Allocation, and Sector Outlook
34. KYC Screens& Impact Investing: Including ESG Due Diligence and Development Impact Survey
35. Final Approval: ESG Debriefing
36. Internal Credit Committee: Final ESG Concerns raised.
37. External Credit Committee

Final Assessment & Decision Process

After agreeing upon a potential borrower's financial, ESG and Impact goals, and applying best practice, Cordiant works with the owner of the company to develop an E&S Action Plan that includes all necessary measures to mitigate adverse outcomes. This Action Plan will be incorporated in the Loan Agreement package (or the structure around it). It will clearly outline how ESG matters will be handled during the life of the investment in order to meet the Cordiant's requirements and expectations.

Post-Investment Support

We believe that we have a responsibility, as impact investors, for our investments to serve these dual purposes of stewardship and wealth creation. Accordingly, we engage with management on important issues, whether environmental or economic. This collaboration serves to obviate or minimize adverse impact on the environment or to the local population and workers. Hence, when possible, our ESG officer will collaborate with businesses to set up mitigation measures through readily accessible "remedies toolkits".

Technical Assistance & Capacity Building Support

Cordiant is committed to understanding the challenges & identifying the solutions that may foster the quality of the investment while fostering the value of the company

Cordiant uses a collaborative, active and dynamic approach borrowers or investee companies can be incentivized to improve ESG standards and practices and achieve development outcomes.

- Access to Technical Service Providers
- Specialized Technical Experts by Sectors
- Increases Investment Monitoring

Corporate (financial)

Cordiant's capacity in terms of ESG Appraisal and Management in being able to control, reduce, and mitigate material risks lies in our underlying procedure of integrating ESG as part of the In-Depth Due Diligence process. The DDQ and ESG form the core of the Investment Memorandums, decision-making process, and the loan agreements. This ensures a robust management system.

Firm-Level ESG Risk Evaluation & Due Diligence (Negative Screen)

A clear understanding of the potential risks and impacts allows Cordiant to assess which IFC Performance Standard applies to a specific business strategy, and thereafter systematically engage in a discussion on the risk-profile of the firm.

As a means to do so, **Cordiant has developed sectoral technical guidance documents for an in-depth due diligence that touches upon and aligns with the relevant certifications and principles of sustainable practices on the ground.** That way, it is able to consistently and systematically apply best impact and risk management practices across sectors, industries and commodities. This is both time-effective and

creates a lot of value for the borrowers, as through our investments, they become aligned with the applicable international standards that are relevant for their operations.

As such, the first due diligence questionnaire, which is based on all SASB, IFC, and IRIS metrics, provides a consistent framework through which to screen the compliance of a potential borrower.

FI 10.3

Additional information [OPTIONAL]

For each potential project, Cordiant's applies the International IFC Environmental & Social Standards as baseline "Guiding Principles";

PS 1. Assessment and Management of Environmental and Social Risks & Impacts

- In keeping with our chosen set of Performance Standards, Cordiant has implemented a thorough process for screening investments aimed at achieving E&S Objectives. This process systematically draws from (i) IFC Performance Standards for ESG risk management (ii) Sustainability Accounting Standards Boards (SASB) standards; and (iii) IRIS Metrics managed by the Global Impact Investor Network (GIIN) for Developmental Impact Performance Management. The strategy involves Cordiant proactively engaging with borrowers on ESG matters, through active monitoring of the evolution of ESG risks and compliance with agreed-upon mitigation measures and Action Plans, throughout the life of the investments.

PS 2. Labour and Working Conditions

- Cordiant strives to uphold international labour standards. Through carefully screened investments, Cordiant seeks to promote fair treatment, non-discrimination, and equal opportunity for workers. Cordiant also seeks to promote safe working conditions and to avoid the use of forced labour and the exploitation of vulnerable workers.

PS 3. Resource Efficiency and Pollution Prevention

- Cordiant seeks to avoid or minimise adverse impacts on the environment by investing in companies and projects that avoid or generate minimal pollution as a result of business operations. Cordiant seeks to invest in companies that use resources, including energy and water, in a sustainable fashion and whose operations involve a net reduction in greenhouse gas (GHG) emissions compared to the common regional, sector or industry standards observed.

PS 4: Community Health, Safety and Security

- At deal origination, Cordiant seeks to identify and anticipate community and employee health and safety hazards related to the investee company's operations and to ensure that the investee company has measures in place to avoid their potential adverse impacts.

PS 5. Land Acquisition and Involuntary Resettlement

- Cordiant seeks to avoid displacement and minimize adverse social and economic impacts from land acquisition or restrictions on land use.

PS 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources

- Cordiant seeks to protect and conserve biodiversity and to identify the potential adverse effects a project may have on ecosystems. Cordiant seeks to promote sustainable management of natural resources by investing in companies that have adopted practices that respond to conservation needs.

PS 7. Indigenous Peoples

- Cordiant strives to ensure that investee companies undertake to anticipate, avoid or minimise the adverse impacts of their operations on communities, including those of indigenous peoples.

PS 8. Cultural Heritage

- Cordiant seeks to avoid investing in companies and projects that pose a threat to cultural heritage. Cordiant endeavours to identify cultural heritage aspects, as they may relate to the project locale, during due diligence.

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| FI 11 | Mandatory | Public | Core Assessed | PRI 1 |
|-------|-----------|--------|---------------|-------|

| | |
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| FI 11.1 | Indicate how ESG information is typically used as part of your investment process. |
|---------|--|

Select all that apply

| | Corporate (financial) | | |
|---|-------------------------------------|--|--|
| ESG analysis is integrated into fundamental analysis | <input checked="" type="checkbox"/> | | |
| ESG analysis is used to adjust the internal credit assessments of issuers. | <input checked="" type="checkbox"/> | | |
| ESG analysis is used to adjust forecasted financials and future cash flow estimates. | <input type="checkbox"/> | | |
| ESG analysis impacts the ranking of an issuer relative to a chosen peer group. | <input type="checkbox"/> | | |
| An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in. | <input type="checkbox"/> | | |
| The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed. | <input type="checkbox"/> | | |
| Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation. | <input type="checkbox"/> | | |
| ESG analysis is integrated into portfolio weighting decisions. | <input checked="" type="checkbox"/> | | |
| Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits. | <input checked="" type="checkbox"/> | | |
| The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark. | <input type="checkbox"/> | | |
| Other, specify in Additional Information | <input type="checkbox"/> | | |

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| FI 12 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

| | |
|---------|---|
| FI 12.1 | Indicate the extent to which ESG issues are reviewed in your integration process. |
|---------|---|

| | Environment | Social | Governance |
|-----------------------|--|---|---|
| Corporate (financial) | <input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

Corporate (financial)

Cordiant's Environmental and Social Due Diligence framework was modelled after the IFC Performance Standards on Environmental and Social Sustainability, as well as CDC's Investment Code on ESG. The Due Diligence Questionnaires includes relevant questions to the applicable Performance Standards (to the borrower's activities). Those include;

- Labour and Working Conditions
- Resource Efficiency and Pollution Prevention
- Community Health, Safety and Security
- Land Acquisition and Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Indigenous Peoples
- Cultural Heritage
- Business Integrity and Good Corporate Governance

Cordiant follows a set of procedures with respect to the screening of investment opportunities and its engagement with investee companies in matters related to ESG risks. In order to systematically screen investment opportunities against environmental and social risk criteria.

These risk ratings determine the necessary level of due diligence into various ESG aspects and help Cordiant decide whether or not to engage a specialist. Cordiant employs a relevant subset of CDC's due diligence questions to evaluate, manage and monitor ESG risk, capturing all areas covered by the IFC Performance Standards, as well as the UN Principles for Responsible Investment's guide for ESG integration in investing. The investment officer will monitor the ESG risks as they evolve over the course of the investment via follow-up conversations with the client and monitoring site visits, as warranted.

Cordiant's objectives at deal origination include identification and evaluation of environmental and social impact risks relevant to the project. A clear understanding of the potential risks and impacts allows Cordiant to gauge the likelihood and degree of a negative impact associated with an investee. A relevant subset of CDC's ESG due diligence questions are employed to obtain the required information.

Cordiant's decision to invest is based on the investee's ability to anticipate and put in place measures to avoid, mitigate or minimize the negative impacts. The investee's willingness to put in place a set of avoidance, mitigation or minimization measures is also assessed and factored into Cordiant's decision to support its operations with a capital investment.

Both positive and negative screening is the approach used by Cordiant to discriminate high risk deals. This is done through IFC's Social and Environmental Categorization, Intentionality, Risk Assessment, and finally the agreed upon Management System and Action Plan for controlling, reducing, and mitigating material risks.

38. Prioritization and sequencing at the country level assessment: When possible, Cordiant shall make investments in a way that is compatible with the state of development of each country, based on the priorities and stresses of the affected communities.
39. Ensure compliance with the exclusion list: Ensure all investments comply with any applicable lists of excluded/prohibited activities.

40. Preliminary due diligence: Consider the country and sector. As part of our preliminary due diligence, Cordiant considers ESG risks in relation to IFC performance standards and requirements for best practices.
41. Investment opportunities are rigorously assessed on a variety of levels, including;
42. The identification of firm-level ESG-related value drivers and material ESG-related risks; and identify possible areas for future development and management. This is done through an in-depth process of ESG due diligence and analysis of risks, and that, also via on-site visits.
43. The findings from on-site visits and outcomes of interviews and discussions with borrower companies and the affected communities form the core of the Due Diligence ESG report, and also set the tone for ongoing engagement and relationship building with the company.
44. When appropriate, and especially in the agri-business sector, due diligence is also conducted on prospective contractors and operators to ensure appropriate ESG policy is considered.
45. Monitor and, where necessary, ensure that borrowers' actions are consistent with the agreed-upon ESG related policies and practices set forth at fund formation;
46. Build a common understanding with the company's key ESG aspects to be managed and assess the company's willingness and capacity to address them.
47. Build an action plan to address all issues and opportunities, as well as responsibilities and training. This is for means of identifying prospects for improvement, competitiveness, and value creation.
48. Positive screening and monitoring of Developmental Outcomes

| | |
|---------|-----------------------------------|
| FI 12.3 | Additional information.[OPTIONAL] |
|---------|-----------------------------------|

Outputs and outcomes

| FI 17 | Mandatory to Report Voluntary to Disclose | Public | Additional Assessed | General |
|-------|---|--------|---------------------|---------|
|-------|---|--------|---------------------|---------|

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| FI 17.1 | Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance. |
|---------|---|

Select all that apply

| | | | | |
|---|-------------------------------------|------------------------------|--|--|
| | | Corporate (financial) | | |
| We measure whether incorporating ESG impacts portfolio risk. | <input checked="" type="checkbox"/> | | | |
| We measure whether incorporating ESG impacts portfolio returns. | <input type="checkbox"/> | | | |
| We measure the ESG performance/profile of portfolios (relative to the benchmark). | <input type="checkbox"/> | | | |
| None of the above | <input type="checkbox"/> | | | |

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| FI 18 | Voluntary | Public | Descriptive | PRI 1,2 |
|--------------|------------------|---------------|--------------------|----------------|

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| FI 18.1 | Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year. |
|----------------|--|

- Example 1
- Example 2
- Example 3
- Example 4
- Example 5

| | |
|----------------|-------------------------|
| FI 18.2 | Additional information. |
|----------------|-------------------------|

Cordiant's capacity in terms of ESG Appraisal and Management in being able to control, reduce, and mitigate material risks lies in our underlying procedure of integrating ESG as part of the In-Depth Due Diligence process. The DDQ and ESG form the core of the Investment Memorandums, decision-making process, and the loan agreements. This ensures a robust management system.

Firm-Level ESG Risk Evaluation & Due Diligence (Negative Screen)

A clear understanding of the potential risks and impacts allows Cordiant to assess which IFC Performance Standard applies to a specific business strategy, and thereafter systematically engage in a discussion on the risk-profile of the firm.

As a means to do so, Cordiant has developed sectoral technical guidance documents for an in-depth due diligence that touches upon and aligns with the relevant certifications and principles of sustainable practices on the ground. That way, it is able to consistently and systematically apply best impact and risk management practices across sectors, industries and commodities. This is both time-effective and creates a lot of value for the borrowers, as through our investments, they become aligned with the applicable international standards that are relevant for their operations.

As such, the first due diligence questionnaire, which is based on all SASB, IFC, and IRIS metrics, provides a consistent framework through which to screen the compliance of a potential borrower.

The results of the Due Diligence reflects the potential investee's commitment to development impact and good ESG management. This is relevant to the issue of "Green Washing" whereby some firms speak the language of impact and ESG as a way of securing financing, but are not committed to either in practice. Hence, Cordiant conducts an internal E&S briefing as a final step in the Due Diligence.

After agreeing upon a potential borrower's financial, ESG and Impact goals, and applying best practice, Cordiant works with the owner of the company to develop an E&S Action Plan that includes all necessary measures to mitigate adverse outcomes. This Action Plan will be incorporated in the Loan Agreement package (or the structure around it). It will clearly outline how ESG matters will be handled during the life of the investment in order to meet the Cordiant's requirements and expectations.

As such, covenants and conditions prior to disbursement include that borrowers;

- Comply with all Applicable National Laws
- Comply with Applicable IFC Performance Standards
- Regular monitoring: Cordiant will stay informed and respond to new developments and/or risks by building on the relationship established during DD
- Commitment to Monitoring & Evaluation: The Borrower will agree to allow Cordiant to conduct baseline surveys & supervisory Monitoring & Evaluations (M&E), so to as to measure the firm's performance or underperformance of sector-specific impact & ESG performance indicators. Those include;
 - AMR
 - Action Plan's Monitoring Indicators
 - Agree to report on performance: This will serve towards Performance Evaluation Reports, as well as to assist the company to ensure its ongoing compliance with applicable standards, implementation of ESG Action plan and improvement of ESG performance.

As a means to ensure that procedures for identifying hazards and assessing OHS risks in an accurate and timely manner are in place, Cordiant does assess each borrower's capacity, commitment and track record regarding OHS & EHS, as part of the preliminary and final due diligence. This is because it is the objective of Cordiant is to understand the main hazards and risks present within operations of each borrower and to be able to understand which standards are applicable in order to design an adequate OHS management plan and to prioritize management and corrective measures to mitigate, on a preemptive basis, such serious impacts.

Cordiant

Reported Information

Public version

Confidence building measures

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.

Confidence building measures

| | | | | |
|--------|-----------|--------|---------------------|---------|
| CM1 01 | Mandatory | Public | Additional Assessed | General |
|--------|-----------|--------|---------------------|---------|

CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 01.2 Additional information [OPTIONAL]

External Monitoring and Evaluation

In addition to internal monitoring, evaluation and the use of external consulting services, as appropriate, Cordiant VII (the Fund)'s monitoring, evaluation methodology, and reporting will be audited by a third party; to be selected by a competitively bid RFP process.

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| CM1 02 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

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|--------|-----------|--------|-------------|---------|
| CM1 03 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 03.1

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04**Mandatory****Public****Descriptive****General****CM1 04.1**

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured

CM1 04.2b

Selected data will be assured

What data will be assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
 - Strategy and Governance
 - Direct - Fixed Income
- We do not plan to assure this year's PRI Transparency report

CM1 04.2a

Provide details related to the assurance that will be conducted

Expected date the assurance will be complete

03/04/2021

Who will conduct the assurance

CEO

Assurance standard to be used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

| | | | | |
|---------------|------------------|---------------|--------------------|----------------|
| CM1 05 | Mandatory | Public | Descriptive | General |
|---------------|------------------|---------------|--------------------|----------------|

CM1 05.1 Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance
- Direct - Fixed Income

Who has conducted the assurance

PwC

Assurance standard used

- ISAE/ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ISAE/ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Specify

PwC

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Please provide:

Link to external assurance provider's report [URL]

<http://www.cordiantcap.com>

Link to original data source (if public) [URL]

<http://www.cordiantcap.com>

| | | | | |
|--------|-----------|--------|-------------|---------|
| CM1 06 | Mandatory | Public | Descriptive | General |
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| | |
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| CM1 06.1 | Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year) |
|----------|--|

What RI processes have been assured

- Data related to RI activities
- RI policies

Specify

Sectoral Policies and Processes

- RI related governance
- Engagement processes
- Integration process in listed assets
- Screening process in listed assets
- Thematic process in listed assets
- Other

When was the process assurance completed(dd/ mm/yy)

01/01/2020

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

Specify

GIIN Membership team
Internal CEO Approval & Investors (Clients) Approvals

| | | | | |
|--------|-----------|--------|-------------|---------|
| CM1 07 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)