OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

Disclosure Statement

September 2022

ALTERNATIVE INVESTMENTS

Old Mutual Alternative Investments Pty Ltd (OMAI) is signatory to the Operating Principles for Impact Management (the Impact Principles). This Disclosure Statement serves to fulfil OMAI's obligations pursuant to Principle 9 of the Impact Principles[1].

This Disclosure Statement affirms that OMAI's identified impact investments[2], including (a) impact strategy (b) policies and practices and (c) impact management systems, are managed in alignment with the Impact Principles. The reporting period for the purposes of this disclosure runs from 1 January 2021 through to 31 December 2021. Identified impact investing assets under management as at 31 December 2021 was USD 948 million.

OMAI will undertake an independent verification of our alignment to the Impact Principles on a bi-annual basis. The next verification will be undertaken in 2023.

Dean Alborough
Head of ESG
28 September 2022

[1] The sole purpose of this Disclosure Statement is to fulfil OMAI's obligations pursuant to Principle 9. This document shall not constitute and should not be construed as an offer, solicitation or invitation to buy or sell any securities, financial instruments or services whether described herein or otherwise, or as any prospectus or investment- related advice in relation thereto, nor is it intended to form the basis of a decision to participate in any investment. OMAI makes no guarantee or other promise as to any outcomes, including any financial or development impact results that may be obtained from the practices disclosed in this statement. While past performance may be analysed in this Disclosure Statement, past performance should not be considered indicative of future performance. Accordingly, OMAI shall not have any liability to any of the recipients of this Disclosure Statement, nor to any other party in connection with or arising in any way from, or in relation to, the information or any opinions expressed in this Disclosure Statement, and OMAI does not accept any responsibility whatsoever for any action taken, or omitted to be taken by any party on the basis of any matter contained in, or omitted from, the Disclosure Statement.
[2] Identified impact investments for the reporting period include the Impact Investing funds and African Infrastructure Investment Managers (AIIM) renewables investments.

Principle 1: Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social, economic, or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The strategic intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible expectation of achieving the impact objectives through the investment strategy; and that the magnitude (scale and/or intensity) of the expected portfolio impact is proportionate to the size of the investment portfolio.

Our commitment to responsible investment is central to our investment objectives and to fulfilling our fiduciary duties towards our shareholders and beneficiaries. We believe that embedding environmental, social and governance (ESG) thinking into our investment decision-making is critical if we want to create positive futures and sustainable, superior, risk-adjusted returns for our clients. We have adopted an ESG and Impact Management Framework to achieve our vision of continual improvement in ESG performance.

We apply an equal focus on risk management and positive impact outcomes. We seek to deeply understand the trade-offs posed by investments, being thoughtful in our investment decisions, purposefully acting to be part of the solution in facing global ESG challenges.

Our approach is underpinned by the following objectives:

- CREATION OF POSITIVE FUTURES - We want to create positive futures for those affected by our investments, resulting in improved living standards, education, housing, employment opportunities and stewardship of ecosystems in which we operate. To achieve this, we must move beyond a narrow focus on commercial/financial returns and proactively seek investment opportunities that create value through positive sustainability outcomes.
- SUSTAINABLE, RISK-ADJUSTED RETURNS - We undertake a holistic risk management approach by integrating ESG into our investment process. We strive for sustainable returns – returns that are achievable over the longer term; and we calibrate risk-adjusted returns – returns that have predicted and built in the cost of managing ESG risk and delivering improved ESG performance.
- GREEN ECONOMY - 'Green economic growth' refers to an economic growth path that is profit-driven but also socially inclusive, resource efficient and low carbon. The term has been adopted globally as a counter-concept to traditional industrial economic growth, which focuses on increasing Gross Domestic Product above all other goals. We actively support investments into this Green Economy.

To achieve meaningful, significant positive outcomes through our investment practices, OMAI has selected four key focus areas from a group-wide perspective. The four focus areas are:
CLIMATE CHANGE (see https://investingwithsignificance.com/climate-change/)

DECENT WORK AND ECONOMIC GROWTH (see https://investingwithsignificance.com/decent-work/)
DIVERSITY (see https://investingwithsignificance.com/diversity/)
GOVERNANCE (see https://investingwithsignificance.com/governance-focus/)

Under these broad focus areas, we find our asset classes provide opportunity for positive impact through the themes of energy, carbon, social aspects, infrastructure, housing, education and governance. We align these themes with specific United Nations Sustainable Development Goals and targets. Within each of the SDG categories selected, we have chosen specific metrics that we believe can best guide our efforts in these areas. Our investments are particularly aligned with the following SDGs: 1(indirectly), 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 16.

Our primary approach to impact measurement is the 'impact target' archetype as described by the International Finance Corporation. Measurement of relevant metrics is undertaken to assess progress or lack thereof.

To understand which metrics should be measured for positive impact, OMAI uses a Theory of Change approach. The Theory of Change explains the process of change that is expected to occur as a result of the activities that are implemented by the investment. It does this through outlining the change pathways toward a desired end impact, identifying the causal linkages along the pathways. We have mapped out Theories of Change at an asset class level for our impact investing activities.

OMAI also uses the dimensions of impact as defined by the Impact Management Project to establish the nature and extent of positive impact.

Principle 2: Manage strategic impact on a portfolio basis

The Manager shall have a process to manage impact achievement at the portfolio level, similar to that of managing financial returns. The objective of the process is to establish and monitor expected impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- OMAI implements asset class level Theories of Change which allow for identified impact pathways to be considered and tracked at a portfolio level.
- OMAI tracks data for identified impact metrics and uses an ESG data management system to store and manage impact data. This data is then aggregated at a portfolio level (see the ESG Performance section of the OMAI Sustainability Report www.investingwithsignificance.com).
- A review of portfolio level metrics and performance is undertaken annually. Within the OMAI Sustainability Report the impact data, aligned to the impact strategies, are aggregated, published and trends analysed.
- OMAI may consider aligning incentives of investment teams with impact achieved.

Principle 3: Establish the Manager's contribution to the achievement of impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- OMAI's contribution to positive outcomes and impact may arise from the provision or terms of finance, the role and active influence as an investor.
- OMAI will only make an investment into an identified impact investing sector when we believe that it will contribute meaningfully to development impact and/or meet the positive outcome requirements of the specific fund mandate.
- The Impact Management Project approach of measuring impact is implemented, which specifically considers the contribution that the investor makes to the impact.
- Where relevant to certain impact metrics, OMAI tracks the economic exposure that OMAI as a fund manager has in the investment and the percentage impact attribution that is apportioned to OMAI.
- OMAI investment managers actively engage with investee companies by doing regular site visits and meetings with management teams.
- OMAI has board representation on all equity investments.

Principle 4: Assess the expected impact of each investment. Based on a systematic approach

For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact differing from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow international best practice conventions.

- Under the four focus areas, OMAI implements standardised asset class level Theories of Change to drive impact.

- These Theories of Change are specifically aligned to relevant UN SDGs and their specific targets.
- Implementing the Impact Management Project approach OMAI considers the What, How, Who, How Much, Contribution and Risks of its impact investments.
- OMAI has a standardised set of impact metrics which are applied to like for like impact investments to ensure consistency. These metrics also take into consideration harmonisation of impact metrics work globally including IRIS+ and Harmonized Indicators for Private Sector Operations (HIPSO), including the Joint Impact Indicators (JII).

Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment

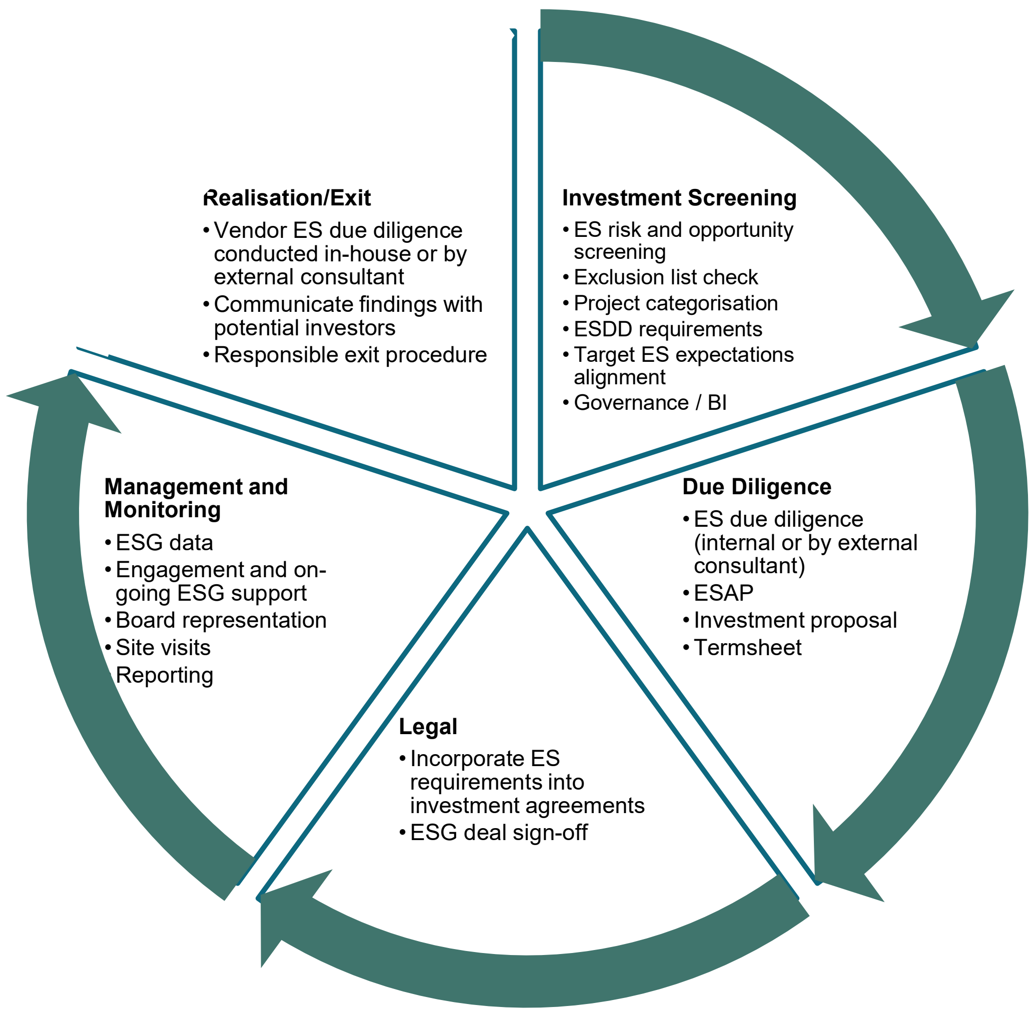
For all investments, the Manager shall seek to avoid, minimize, or mitigate potential negative effects by assessing and monitoring Environmental, Social and Governance (ESG) and other nonfinancial risks, as well as the performance of the investee in managing material ESG issues. Where appropriate, the Manager shall engage with the investee company to seek its commitment to take action to address potential gaps in current investee systems, processes, and practices, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, provide support where appropriate, and address unexpected events.

OMAI is committed to implementing best ESG international practice appropriate for the nature of our investments and managing ESG related risks. The following risk orientated international standards and guidelines are adhered to:

- Applicable country(s) ESG related legislation
- United Nations Principles for Responsible Investment (signatory status)
- United Nations Global Compact (participant status through Old Mutual Limited)
- United Nations Guiding Principles on Business and Human Rights
- United Nations Sustainable Development Goals
- Equator Principles
- International Finance Corporation Performance Standards
- International Finance Corporation / World Bank EHS Guidelines
- International Labour Organisation
- Task Force on Climate-related Financial Disclosures (TCFD)
- King IV Code for Corporate Governance

OMAI has developed and implemented an integrated ESMS as a robust and embedded approach to addressing environmental and social management requirements across our fund portfolios and a framework for more efficient and transparent ESG reporting to our stakeholders.

The ESMS is fit-for-purpose for each of our four capabilities; it is made up of a set of policies, procedures, tools and reporting guidance customised for the capability funds to help them identify, assess, manage and report on ESG risks associated with their assets and portfolio companies, and identify opportunities for positive impact. The ESMS is designed to fully integrate ESG into our investment lifecycle. The below diagram represents our ESMS process.



The ESMS allows us to:

- Integrate ESG issues directly into the investment decision-making processes;
- Set clear requirements for its portfolio companies to develop and implement ESG systems to ensure they can meet our ESG standards;
- Provide a framework for reporting and disclosure on ESG aspects to OMAI by our portfolio companies; and
- Work in partnership with our portfolio companies to help them identify and implement ESG opportunities and create sustainable value-adds to enhance their overall financial performance.

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately

The Manager shall use the results framework to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

- The ESG team have regular engagements with the OMAI asset managers' responsible for investments. These engagements include review of progress of an investment on the impact thesis.
- The OMAI ESG and Impact Framework outlines what data and how the data is collected, stored and analysed. The analysis of the collected data provides a view on progress of achieving impact.
- OMAI investments professionals are active on Boards and Subcommittees of investments. Through engagement in these governance forums oversight and monitoring of risk and positive impact is achieved. OMAI's preference is the establishment of an ESG Subcommittee within investee companies, where OMAI representatives directly engage on positive impact matters with investee company management.

Principle 7: Conduct exits considering the effect on sustained impact

The Manager shall, in good faith and consistent with its fiduciary responsibilities, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

OMAI has not yet had any exits out of the identified impact investing assets. OMAI has recently developed a Responsible Exit procedure. A responsible exit is the final phase of the ESMS and is critical in maintaining best practice ESG risk management and continuing the positive impacts achieved in a portfolio company. Given the resultant loss of control and engagement with the exited portfolio company, the two critical aspects for a responsible exit are establishing alignment with the buyer and providing an adequate handover of ESG information to the buyer. Specific objectives include:

- Maintain best practice ESG risk management
- Continued positive impact realisation
- Maximise the contribution good ESG performance can make to return on investment
- Potentially attract buyers aligned with good ESG performance

- Prepare credible ESG materials for exit
- Help the company answer questions from prospective investors, such as data which shows the extent to which business improvements have been achieved
- Ensure the company's ESG management system is self-sustaining
- Help mitigate post-exit reputational risks

A questionnaire and set of expectations are provided to the potential buyer in the exit process.

Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- Impact performance is discussed at regular engagement between the ESG Advisors and the OMAI asset managers of impact investing assets.
- Overall impact performance at fund level is also considered in regular investment team meetings.
- In line with Principle 9, OMAI has undertaken an independent verification of OMAI's systems and practice against the Impact Principles on a bi-annual basis. The findings of these verifications will be used to further improve OMAI's impact investing practice.

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Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the extent to which impact management systems are aligned with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall be publicly disclosed, subject to fiduciary and regulatory concerns.

- This Disclosure Note is OMAI's annual confirmation of the alignment of our procedures with the Impact Principles.
- OMAI presented an independent verification on its alignment with the Impact Principles in 2021, as per Appendix 1.
- OMAI intends to undertake independent verification every two years.

REGULATORY INFORMATION

Old Mutual Alternative Investments Proprietary Limited (Reg No 2013/113833/07) (FSP 45255) ("OMAI") is a licensed financial services provider, approved by the Registrar of Financial Services Providers (www.fsca.co.za) to provide advisory and/or intermediary services in terms of the Financial Advisory and Intermediary Services Act 37, 2002. OMAI is a wholly owned subsidiary of Old Mutual Limited and is a member of the Old Mutual Investment Group.

Investment portfolios are market-linked. Pooled products are either policy based, via a linked policy of insurance issued by Old Mutual Life Assurance Company (South Africa) Limited, which is a registered Insurer. Contractual rights and obligations of investors are set out in the relevant investor agreements and or mandates.

Unlisted investments have short term to long term liquidity risks and there are no guarantees on the investment capital nor on performance. It should be noted that investments may not be readily marketable. It may therefore be difficult for an investor to withdraw from a fund or to obtain reliable information about its value and the extent of the risks to which it is exposed. Market fluctuations and changes in exchange rates as well as taxation may have an effect on the value, price, or income of investments and capital contributions. Since financial markets fluctuate, an investor may not recover the full amount invested. Past performance is not necessarily a guide to future investment performance.

Old Mutual Investment Group is a member of the Old Mutual group. We outsource investment administration of our local funds to Curo Fund Services, 50% of which is owned by the Old Mutual Investment Group. All inter-group transactions are done on an arms lengths basis. Personal trading by staff is restricted to ensure that there is no conflict of interest. All directors and those staff who are likely to have access to price sensitive and unpublished information in relation to the Old Mutual group are further restricted in their dealings in Old Mutual shares.

All employees of OMAI are remunerated with salaries and standard incentives as are usual when managing alternative asset classes. Unless disclosed to the client, no commission or incentives are paid by the Old Mutual Investment Group to any persons other than its representatives.

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OMAI has comprehensive crime and professional indemnity insurance which is part of the Old Mutual group cover. For more detail and information on how to contact us as well as on how to access information please visit www.oldmutualalternatives.com or call us on 021 509 5022.

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