

GEMCORP CAPITAL MANAGEMENT LIMITED

Responsible Investment Policy

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INTRODUCTION

Gemcorp Group (“**Gemcorp**”) was founded in 2014 and has developed its business strategy to address a significant untapped market, pursuing strong partnerships across the Emerging Markets (“EM”) that it focuses on. Gemcorp is led by a management team with over 25 years’ experience investing in Emerging Markets. Gemcorp is comprised of three business units, Gemcorp Capital Management Limited (“**Gemcorp Capital**”), Gemcorp Commodities Trading (“**GCT**”) and Gemcorp Industrials & Energy.

This Policy sets out the Responsible Investment approach adopted by Gemcorp Capital, which provides structured finance and private credit solutions to EM sovereigns, parastatals and growth focused corporates, as well as pursuing macro and public credit trading and private equity investments. This Policy sits alongside Gemcorp’s corporate policies, procedures and systems that are in place for investment, risk management, responsible sourcing and supply-chain management.

SCOPE

The Responsible Investment Policy covers all investment-related activities at Gemcorp Capital, with the exception of cash being held for the purpose of managing liquidity risks. The Policy is mandatory and applies to employees, long-term contractors and temporary staff of Gemcorp.

“Employee” is defined as any employee and shareholder of Gemcorp; employees, directors, consultants and/or officers of Gemcorp Capital; contractors, sub-contractors and/or temporary staff who are engaged to work under the supervision, direction or control of a Gemcorp entity.

All employees are required to review and comply with this Policy and seek clarification from a member of the ESG Oversight Team where there may be any doubt about its interpretation or application.

All employees are required to attend periodic ESG training, set up by the ESG Oversight Team. This training is facilitated by Gemcorp’s ESG advisor NorthPeak Advisory.

OVERSIGHT AND RESPONSIBILITIES

The ESG Oversight Team is responsible for monitoring and ensuring the use and effectiveness of this Policy, responding to queries in relation to it, reviewing and auditing internal systems and control procedures to ensure their ongoing effectiveness. This Policy, as well as Gemcorp Capital’s responsible investment processes, is reviewed by the ESG Oversight Team on an annual basis.

Beyond this, the ESG Oversight Team may also meet on an ad-hoc basis, should an urgent ESG issue arise.

The ESG Oversight Team comprises of personnel, listed below, from the Investments/Structuring, Legal & Compliance, Commodities Trading and Investor Relations/Fundraising teams at Gemcorp:

- Sally-Jane Miller – Global General Counsel
- Giles Hedley – Investor Relations
- Patrick Nyamangunda – Chief Compliance Officer
- Ginte Peyre – Compliance Manager

Gemcorp has partnered with a third-party, non-affiliated ESG Advisory firm (NorthPeak Advisory) to support Gemcorp and the ESG Oversight Team with reviewing and advancing Gemcorp Capital’s Responsible Investment approach on a continuous basis.

OUR APPROACH –

The consideration of material ESG and SDG (Sustainable Development Goal)¹ related information forms a core part of Gemcorp's investment process, both from a risk / return perspective and impact generation point of view.

Exclusions

As experienced EM investors, Gemcorp believes in implementing conduct and product-based exclusions across its investments. In practice, this is different for corporate and sovereign investments.

For corporate investments, Gemcorp assesses involvement in the following topics, which are in accordance with the IFC Exclusion List and applicable laws, directives and international conventions:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides / herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions
- Production or trade in alcoholic beverages
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length

For sovereign investments, Gemcorp excludes countries on sanctions lists administered by The Office of Foreign Assets Control (**OFAC**), EU and UK. The relevant Project Team must liaise with Compliance and the Head of Corporate Risk when conducting screenings on counterparties. Our screening approach is underpinned by robust business intelligence to support a zero-tolerance approach towards corruption and other relevant investment risks. This screening process is initially conducted as desk-based research and will then progress to on-site intelligence-led due diligence should the potential risk require further in-depth analysis.

Where adverse, red-flag issues arise in connection with the screening process, and/or such investment falls within the Exclusion Criteria, we will exclude the investment from our investment universe.

Gemcorp's Exclusion Criteria is maintained by Compliance and is reviewed every six months unless a specific event necessitates an out-of-cycle review.

Integration

If an investment has been cleared through Gemcorp's Exclusion Criteria, the ESG Oversight Team and the relevant Project Team will conduct further due diligence, with a view to identify and assess material ESG risks, gaps and opportunities. The Project Team is responsible for gathering data and performing an assessment of the ESG risks and opportunities of a particular transaction, leveraging the resources that Gemcorp Capital offers. These resources include but are not limited to:

- **Databases** such as RepRisk, LexisDiligence and the World Bank Sovereign ESG Data Portal.
- **Business Intelligence Reports** to gain a deep understanding of the governance structures and reputation of counterparties pertinent to a transaction. These reports are commissioned from a panel of providers selected by Gemcorp's Head of Corporate Risk.
- **Technical Consultants** to provide bespoke due diligence and reporting on specific sectors and/or commodities (e.g., telecoms, gold).

¹ [The SDGs](#) are a set of 17 global sustainable development aspirations for 2030 and seek to mobilize global efforts to improve living standards and opportunity for everyone, within the boundaries of the planet.

- **On-site Due Diligence** supported by Gemcorp staff based in emerging markets.
- **Gemcorp’s Proprietary ESG Questionnaire**

Gemcorp is currently implementing a Responsible Investment Framework that aims to standardise the ESG Integration process. This has already been applied for certain investments, but it is Gemcorp’s intention to have this finalised and rolled out across all investments going forward.

The information and data collected from these data resources is fed into the due diligence preparation for the Gemcorp Capital Engagement Committee and Investment Committee Memorandums, presented by the relevant Gemcorp Project Team. The intention is to ensure that all ESG risks are considered alongside the feasibility and commercial rationale of the relevant transaction, and that information is obtained upfront and at an early stage of the investment process.

When conducting their due diligence on ESG risks, the Project Team also identifies proposed mitigants. Mitigants will vary according to risk and investment type but must be viable, enforceable and targeted at the specific risk(s) identified and be able to have a benchmark on which to monitor and report. Examples of common ESG mitigants include the existence of policies, oversight, and quantitative reporting. This results in an assessment that includes the identification of ESG risks and mitigants, as well as the potential impact these may have on the investment performance, all of which is subsequently factored into the overall investment decision.

Gemcorp also recognises that the nature of ESG factors considered, and the materiality of these factors will vary according to the type of investment. The Project Team will leverage both industry standards and their own EM experience to identify, and assess financially material ESG factors for a potential investment. For corporate investments, Gemcorp may look at the relevance and performance on the following ESG factors:

Environmental	Social	Human Capital	Business Model	Leadership & Governance
<ul style="list-style-type: none"> • Climate Change • Air Quality • Energy Management • Water & Wastewater Management • Waste & Hazardous Materials Management • Ecological Impacts 	<ul style="list-style-type: none"> • Human Rights & Community Relations • Customer Privacy • Data Security • Access & Affordability • Product Quality & Safety • Customer Welfare • Selling Practices & Product Labelling 	<ul style="list-style-type: none"> • Labour Practices • Employee Health & Safety • Employee Engagement, Diversity & Inclusion 	<ul style="list-style-type: none"> • Product Design & Lifecycle Management • Business Model Resilience • Supply Chain Management • Materials Sourcing & Efficiency 	<ul style="list-style-type: none"> • Business Ethics • Competitive Behaviour • Management of Legal & Regulatory Environment • Critical Incident Risk Management • Systematic Risk Management

Impact

Given our EM focus, we recognise our ability to make a positive and lasting impact on the EM communities and economies invested in. However, Gemcorp is not an impact manager and our investment funds are not impact-focused vehicles. For investments where Gemcorp sees strong impact potential, we are committed to monitoring and reporting on this where applicable.

When assessing the impact of our investments, the Project Team will look at the investment’s potential contribution to the UN SDGs. We approach the SDG assessment on both a pre and post-investment basis to ensure regular feedback throughout the investment process lifecycle. The degree and nature of impact (e.g., direct or indirect) is described and documented in our SDG mapping document. For corporate investments, this looks to measure how its products, services or activities are aligned with the SDGs, and their underlying targets.

For sovereign investments, SDG performance is also reviewed but given that the SDGs were originally designed for governments, the link between the country performance on the SDGs and the impact of the investment is not estimated currently. The majority of Gemcorp’s sovereign investments include a trade finance and procurement structure, which naturally creates a tangible impact element to the transactions on which we gather data (for example, volumes of trades across different commodity types).

Investment Decision

The Project Team will include the above assessments and any supporting documentation in Gemcorp Capital's Engagement Committee Memorandum, which is presented to the Engagement Committee for consideration. The role of the Engagement Committee is to appraise the screening and ESG analysis – alongside other investment and risk factors – and to determine what, if any, further due diligence is required or additional mitigants need to be put in place. This further due diligence may require the use of an independent third-party ESG consultant who would have the necessary experience in a specific region or sector to provide additional data and information on a transaction.

The Engagement Committee may meet more than once to allow for an updated Memorandum to report on specific due diligence findings. Once a transaction is approved by the Committee, the Project Team must update its assessments as directed and present an Investment Memorandum, where ESG risks are included for final approval by the Investment Committee. It is ultimately the responsibility of the Investment Committee to ensure that each transaction is within both our and our investors' risk appetite and that it adheres to our Responsible Investment Principles.

Both Committees consist of investment personnel, (the sponsor investment person responsible for a presented transaction is not allowed to vote) risk and control functions, with voting requiring a majority for quorum.

Monitoring and Engagement

Gemcorp's investment approach has always been hands-on and focuses on the importance of maintaining a collaborative and inclusive discussion with all relevant stakeholders throughout the financing (equity or debt) term. This supports ongoing compliance with our risk appetite and legal/regulatory obligations, and to continually assess the implementation and effectiveness of any mitigants or remedial actions agreed through our investment process.

The Project Team has ongoing dialogue with investees to monitor the performance of the financial investment as well as the performance of the management team. This engagement ensures that Gemcorp maintains regular and invaluable insight into how a stakeholder is being managed. From this approach, Gemcorp is able to recommend, where necessary, global ESG standards across its investee companies and to perform risk assessments when flagged and necessary.

Where investees show little or no improvement in flagged ESG-related areas, the Project Team, who can leverage support from the ESG Oversight Team will flag to the Investment Committee any such non-compliance, with a view to address the ESG issues raised. The ESG Oversight Team will then support the Project Team and Investment Committee to put in place an Improvement Plan to address the ESG issues with the investee company, and to engage external consultants if necessary, to monitor and provide solutions to ensure that the ESG risks are sufficiently mitigated so as not to jeopardise the company's day-to-day running and impact on all stakeholders involved.

Given the illiquidity of Gemcorp's investments, where an investee has been found to not be acting upon the Improvement Plan, Gemcorp does not (necessarily) consider it feasible to divest. Rather, Gemcorp will continue to communicate expectations with the investee, and at the end of the investment period, where another round of financing may be required, Gemcorp may choose not to refinance the debt or require a higher interest rate to accommodate increased risks due to material ESG issues not being sufficiently addressed.

In circumstances where Gemcorp holds an equity position, the process remains the same as described above, but is strengthened by the additional influence that equity provides. However, holding equity positions may also result in Gemcorp possessing voting rights. Any internal voting is actively discussed and the impact of such assessed by the relevant Gemcorp Capital Investment Team. The ESG voting process is included in the Engagement Committee and/or Investment Committee, and is conducted in with a focus on the ESG risks and opportunities highlighted in the investment analysis and decision-making process.

Given Gemcorp Capital's focus on private credit and fixed income investing, we have primarily limited scope to participate in proxy voting given the lack of equity participation in transactions. However, this

can occur for our strategic and opportunistic transactions (as well as some Convertible positions) that are included in our pipeline considerations by the investment team on an ad hoc basis. To the extent that a Client has delegated to Gemcorp the authority to vote proxies relating to public or private equity and debt securities, Gemcorp expects to fulfil its fiduciary obligation to the Client by monitoring events concerning the issuer of the security and then voting the proxies in a manner that is consistent with the best interests of that Client and that does not subordinate the Client's interests to its own. Gemcorp has established a Proxy Voting Committee consisting of the same members as the Investment Committee to consider any issues related to proxy matters. Gemcorp's proxy voting approach is documented in our Proxy Voting Policy, which is available upon request.

In circumstances where Gemcorp Capital is not the sole investor, we will also look to work with other strategic EM investors to engage investees on a collaborative basis. It is critical to ensure there is close alignment on ESG investment principles and a similar view on how risks and opportunities are considered and measured. This process starts by having a similar alignment of investment strategies and a familiarity of regional focus; collaborative investing with co-investors requires a top-down approach to ensure all parties are comfortable with a similar ESG framework and integration process. The ESG Oversight Team will, if necessary, arrange sessions with a co-investor's ESG Team/Committee to understand their ESG risk management approach and where work may be needed to reach a mutual approach in engaging with investees.

Reporting

Together with the Project Team, the ESG Oversight Team provides ad-hoc reporting to the Committees, and, where requested, Gemcorp Capital's investors and other relevant stakeholders. Gemcorp recognises that each investor can have bespoke ESG (and impact data where relevant/possible) reporting requirements and will endeavour to accommodate these requests. However, Gemcorp, if requested, is able to provide reporting on:

1. Proportion of portfolio with specific ESG Risks and Opportunities
2. Proportion of portfolio by impact theme
3. Number of engagements and proportion by theme
4. Engagement outcomes
5. ESG activities undertaken during the year

Gemcorp is looking to merge these individual elements of reporting above into an "Annual Portfolio ESG & Impact Report", which can be periodically distributed to relevant stakeholders.

The ESG Oversight Team is also responsible for making any applicable regulatory disclosures and for annual reporting in accordance with UN PRI requirements.

Gemcorp's third-party ESG Advisor will also provide a secondary opinion regarding any ESG-related reporting, ensuring that quantitative and qualitative information shared in the reports is accurate and transparent.

TRAINING & AWARENESS

Given the ever-evolving nature of the Responsible Investment space and our internal processes, we actively look for opportunities to continue building our internal ESG capabilities and skills. Gemcorp provides all staff with ESG training (both in-person and online).

Gemcorp encourages its staff to participate in industry workings groups on Responsible Investment and to attend seminars and conferences on relevant topics. Gemcorp will review ESG training requirements on an ongoing basis.

The ESG Oversight Team will work with our third-party ESG Advisor to ensure any additional specific training that may be required. The ESG Oversight Team is responsible for ensuring all internal ESG practices are kept up to date and communicated with Gemcorp.

As of August 2023, the entire firm is currently in the process of completing our third-party ESG Advisory's online ESG training programme. The last on-site firm-wide ESG training took place in London, November 2022.

INDUSTRY AFFILIATIONS

Gemcorp became a signatory to the UN PRI on 1 April 2021, and supports their six principles for Responsible Investment, as reflected throughout this policy. The principles are as follows:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

RECORD KEEPING

All records relating to this Policy must be retained for a minimum of seven years.

CONTACT INFORMATION

For any questions in relation to this Policy, please contact the ESG Oversight Team. Please email: esgcommittee@gemcorp.net or investor@gemcorp.net.

Appendix – Gemcorp Capital’s Responsible Investment Approach

Responsible Investment Approach

Stewardship

	Non ESG	Negative Screening	Norms-Based Screening	Positive Screening	ESG Integration	Sustainability Themed	Impact Aligned	Impact First	ESG Engagement	ESG Voting	ESG Advocacy	
Primary Objective	Competitive Returns	Values-Based Alignment			Competitive Returns	Competitive Returns / Impact Generation		Impact Generation	Competitive Returns / Impact Generation			
Gemcorp’s Investment Process		Yes	Yes		Yes		Yes	No	Yes	Where applicable	Where applicable	
Details		<p>Conduct and product-based exclusions implemented, particularly in emerging markets where social and governance risks require regular assessment.</p> <p>Exclusion of certain industry sectors, countries and companies from our investment universe, in accordance with the IFC Exclusion List and applicable laws, directives and international conventions. This includes sanctions lists administered by OFAC, EU & UK.</p> <p>The Project Team must liaise with Legal & Compliance to conduct screening of a transaction against Gemcorp Capital’s Exclusion Criteria.</p> <p>Gemcorp Capital’s ESG risk assessment and screening is underpinned by robust business intelligence to support a zero-tolerance approach towards corruption and other relevant investment risks.</p> <p>Exclusions Criteria reviewed on a 6-month basis.</p>				<p>ESG risks and opportunities embedded in idea generation and investment due diligence process.</p> <p>Gemcorp maintains a variety of resources for the Project Team to collect information on ESG risks and mitigants.</p> <p>The Project Team is responsible for gathering data and performing assessments of the ESG risk profile of a transaction.</p>		<p>Investee UN SDG alignment and other impact areas are assessed on a periodic basis and documented.</p> <p>Although impact is assessed and focused on, it is not Gemcorp Capital’s primary investment objective.</p> <p>Many of Gemcorp Capital’s investee companies have robust ESG and Impact frameworks (e.g. accountability and transparency on supply chain practices, employee benefits and governance structures).</p>	<p>Gemcorp Capital’s investment themes in emerging markets incorporate several key UN Sustainable Development Goals, generating a large degree of impactful outcomes. Whilst Impact is not the first investment priority for the firm, the Investment Team should always identify, where relevant, the potential contribution to the Sustainability Goals.</p>	<p>Financially material ESG factors and Impact factors monitored by the Project Team, supported by the ESG Oversight Team.</p> <p>Active engagement with investees who show little / no improvement in flagged ESG factors.</p> <p>Gemcorp Capital’s investment approach has always been particularly hands-on.</p>	<p>Internal voting is actively discussed and the impact of such assessed by the relevant Gemcorp Capital Investment Team. ESG issues considered in line with the risks and/or opportunities identified during investment due diligence.</p> <p>Proxy voting is governed by Gemcorp’s Proxy Voting Policy, with responsibility delegated to Gemcorp’s Proxy Voting Committee.</p>	<p>Conducted with the assistance of Gemcorp Capital’s independent ESG advisory, NorthPeak Advisory.</p> <p>ESG performance evaluation defines Gemcorp Capital’s future and its sustainability practices; ESG activism allows for meaningful change that is monitored and reported on in a consistent manner.</p> <p>Coordinating the adoption of Gemcorp Capital’s ESG framework means sustainability for the firm, and for the underlying portfolio companies.</p>

Key Highlights

- ESG information forms a core part of Gemcorp Capital’s investment process both from a risk / return perspective and impact generation.
- Gemcorp Capital maintains ongoing dialogue with relevant stakeholders throughout the investment cycle.
- Risk assessment and screening underpinned by:
 - Business intelligence to support a zero-tolerance approach towards corruption.
 - Local presence to capture political/social context.
 - Ongoing engagement with impact investing community.
- Dedicated compliance and sustainability team oversees compliance, measurement and reporting throughout the process.
- Commit to regular reviews and external validation processes with independent advisors providing assurance on Gemcorp Capital’s investment impact and ESG standards.
- It is vital to demonstrate true output and impact, both positive and negative, through a robust and replicable reporting process, and by holding assets means leading active engagement directly.
- Gemcorp Capital does not introduce ESG risk scoring or quantifiable scorecards; we use screens and investee companies’ risk assessments as tools to integrate into our investment processes to flag material risk, and to identify opportunities on which to act for the best interests of investors and all stakeholders