



The Cibus Fund Sustainability Policy

The Cibus Fund started in 2016 with the hypothesis that sustainability and commercial prosperity in the food and farming sector are inextricably linked. We believe an approach that reflects this is the only viable hope of both addressing the challenges we face in producing more food with limited resource, including land and capitalising on the investment opportunities in agriculture's changing landscape.

The two funds that make up the strategy are the Cibus Fund, which focuses on growth equity opportunities, and the Cibus Enterprise Fund, which prioritises agri-food tech investments (collectively, the 'Cibus funds'). Both share the principle that financial capital should be provided to companies that have found innovative ways to produce better food with fewer negative externalities and efficient resource use.

Our teams work with portfolio companies to increase sustainability, optimise resource use, reduce chemical use, reduce climate and disease risk, increase traceability and enhance food safety. We want to ensure our companies are well governed, pay fair wages, are gender balanced and provide a safe working environment. Fundamentally, we believe investment solutions that incorporate environmental and social ('E&S') opportunities and risks will deliver a competitive advantage to show improved long-term financial prospects.

SUSTAINABILITY STATEMENT

We face a perfect storm of depleted natural resources, climate risk, global population growth, an expanding middle class and rapid urbanisation. This presents both opportunities and material risks to manage in our investment portfolios. As a primary user of natural resources in many countries and with a dependency on weather, agriculture has an interest in greater attention to resource use and GHG emissions throughout the food value chain and the implementation of new technologies. The current coronavirus pandemic only highlights our major global risks, inequalities and tests the resilience of businesses and systems. A sustainability lens is critical to highlight these risks and opportunities as we navigate transition.

Sustainability Measurement and Reporting

The Cibus funds aim to invest in companies that have a positive impact on global agriculture. To achieve this, the Cibus team will, beyond commercial, legal and operational diligence, conduct an extensive sustainability review prior to any financial commitment.

Cibus works proactively with portfolio company management to add E&S value and improve governance practices via an Environmental and Social Action Plan ('ESAP'). Cibus believes data is integral to capture impact, as a result, ESG Key Performance Indicators ('KPIs') are set with companies to improve their sustainability performance and to identify ways for improvement.

Cibus analysts use a proprietary ADM Capital ESG Toolkit ('Toolkit') to understand sector specific knowledge of ESG risk factors. The toolkit generates a simple rating system, providing appropriate due diligence questions to integrate and support the analyst through KPI setting and ESAP development with companies. The toolkit is based on the Sustainability Accounting Standards Board's ('SASB') industry standards and MSCI's ESG ratings methodology.

The Cibus funds look to invest in companies that have an impact on at least one of the following criteria that align with the IFC Performance Standards ('IFC PS') and several of the 17 Sustainable Development goals ('SDGs'), a roadmap to sustainability encompassing almost every aspect of human and planetary wellbeing. These include 1, 2, 8, 10, 12, 13, 14, & 15.



Cibus key sustainability focus

- Emissions reduction
- Pollution reduction
- Water
- Soil preservation
- Biodiversity
- Ocean protection
- Animal welfare
- Community
- Poverty mitigation

The KPIs developed are company specific and may vary widely between companies depending upon the company's area of activity and may change over a company's life, as circumstances change. KPIs are measured and reported upon at board meetings and in annual business plans. Targets for individual portfolio companies for water use, emissions,



animal health (where relevant) and efficiency are monitored and, when targets are not met, the necessary steps are taken to hold the company management accountable and assist the management in reaching these sustainability goals.

The Cibus funds are looking to consolidate key KPIs and develop a fund-wide ESG & Sustainability Report. The ESG performance of the Cibus funds will be analysed in these reports. Some of the KPIs measured by the Cibus funds across its portfolio include:

- Staff turnover
- Minimum pay level; % above local minimum wage
- Women in the workforce: % of total; % of management; % on Board
- Number of OH&S breaches

The following KPIs are measured and reported on where relevant:

<i>Energy & Emissions</i>	<i>Including sources of energy & energy generation</i>
<i>Chemical use</i>	<i>Inputs including non-chemical alternatives</i>
<i>Water</i>	<i>Including water use, water source & water treatment</i>
<i>Packaging</i>	<i>Including type, source, recyclability</i>
<i>Waste</i>	<i>Including total waste, % used as by-product</i>
<i>Staffing</i>	<i>Including staff turnover, minimum pay level, diversity, staff training & advancement</i>
<i>Food safety</i>	<i>Including recalls & food safety breaches</i>
<i>OH&S</i>	<i>Including lost time injury frequency rates, recordable incident rates, fatalities</i>
<i>Governance</i>	<i>Including diversity of board & committees, range of staff levels on committees, average director attendance, independent directors on board, average age of board</i>
<i>Animal Health (Meat & Dairy)</i>	<i>Including feed Conversion Ratios (FCRs), manure produced per animal, manure treated, animal deaths, animal injury, productive cows, reproductive performance</i>
<i>Animal Health (Fish)</i>	<i>Including FCRs, water quality including pH levels, total dissolved oxygen levels and total suspended solids, animal deaths</i>

STATEMENT OF ENVIRONMENTAL, SOCIAL AND ETHICAL VALUES

General Policy Standard

The Cibus funds strive toward the IFC's Performance Standards on Social and Environmental Sustainability. These standards are as follows:

<i>Performance Standard 1:</i>	<i>Assessment and Management of Environmental and Social Risks and Impacts</i>
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<i>Performance Standard 2:</i>	<i>Labour and Working Conditions</i>
<i>Performance Standard 3:</i>	<i>Resource Efficiency and Pollution Prevention</i>
<i>Performance Standard 4:</i>	<i>Community Health, Safety, and Security</i>
<i>Performance Standard 5:</i>	<i>Land Acquisition and Involuntary Resettlement</i>
<i>Performance Standard 6:</i>	<i>Biodiversity Conservation and Sustainable Management of Living Natural Resources</i>
<i>Performance Standard 7:</i>	<i>Indigenous Peoples</i>
<i>Performance Standard 8:</i>	<i>Cultural Heritage</i>

General Policy Statement

The Cibus team aims to foster sustainable development through its own operations and also through its influence with companies in which it invests globally. The Cibus team believes this approach is critical to its fiduciary responsibility and maximises the value of its investments.

The Cibus funds strive to foster good corporate governance, respect for the environment, animal welfare, responsible labour policies, ethical business practices and, of course, compliance with local laws. The Cibus team believes all of these practices will benefit the local community, as well as ultimately improving business efficiency and performance so that the Cibus team can achieve its ultimate goal of attaining the maximum returns for its investors.

ADM Capital's founders and employees helped in establishing the ADM Capital Foundation ('ADMCEF') to support communities and conservation efforts in Asia and beyond. Through ADMCF research, all ADM Capital funds attention is drawn to ESG risks and solutions proposed to help ADM Capital act on perceived imbalances, where relevant. The ADMCEF emphasises ADM Capital's commitment to social and environmental standards.

ADM Capital Europe LLP (ADMCEU)'s founders and employees, as Investment Adviser to the Cibus funds have recently established the Cibus Foundation ('CF') to support organisations (charities or not for profit entities) and individual initiatives that are focused largely on the environment, restricting pollution, sustainability, animal and human health or welfare, improving farming communities, cutting food waste and improving recycling techniques. CF looks to focus attention to ESG matters that have a direct impact on agriculture and the farming environment.

The Environment

The Cibus funds are conscious of the environmental effects of their activities and those of its investments and recognise the need to minimise avoidable adverse environmental impacts where possible. The Cibus team continuously collaborates with portfolio company management teams to work towards better business practices and to improve the environmental and social impact of the Cibus funds and their investments.



The Cibus team works to ensure best practice in the funds and investment companies with regard to the environment and to ensure compliance with local laws and regulations. The Cibus team strives to lessen the footprint of global agriculture through investments that reduce input use, minimise waste, reduce packaging materials, promote recycling, reduce GHG emissions and, in general, consider the impact of their investments as well as its own daily operations. At a fund level, this includes monitoring travel, choosing train travel when possible and offsetting carbon emissions from both flights and train journeys.

Social Principles

The Cibus funds respect the protection of internationally proclaimed human rights and works to support these principles.

The Cibus funds recognise the importance of ensuring that their own and their investments' labour conditions, health and safety guidelines and wages are fair and are not less than those required by local laws. Further to this, portfolio companies are encouraged to improve working lives of their employees through good health and safety practices, means to air grievances and advancement opportunities.

Governance

The Cibus funds believe that sound governance is critical for its accountability, value creation and risk mitigation.

At the fund level, governance covers a broad range of corporate activities including board and management structures as well as policies, standards, information disclosure, auditing and compliance. Moreover, the same standard of governance is expected of our portfolio companies.

The Cibus funds' implementation and administration of corporate governance processes include:

- nomination, appointment and monitoring of directors;
- board and advisory committee meetings;
- corporate governance processes relating to portfolio and SPV companies; and
- conflicts of interest.

Ethical Conduct

The Cibus funds consider its reputation for integrity and fairness as one of its most valuable and carefully guarded assets. It insists on honesty and integrity in all aspects of its business operations. ADM Capital strives to avoid conflicts of interest, and to act lawfully and ethically.

The Cibus funds expect its employees to practice the highest moral and ethical standards in all its business activities. This includes honesty and integrity when working with other



company employees, the general public, business associates, governmental and regulatory authorities. ADM Capital expects its employees to maintain the confidentiality of information entrusted to them by the company, investors or others involved in any business dealings.

The Cibus funds value the diversity of its employees and is committed to equal opportunity and fair compensation in all aspects of employment to all employees without regard to sex, race, national origin, religion or sexual orientation. The Cibus team seeks to ensure that these values are held by portfolio companies.

Exclusions

- 1) The Cibus funds do not participate in investments in an entity with a controlling interest in a subsidiary or joint venture with substantial involvement in:
 - a) 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, PCBs, wildlife or products regulated under CITES and transboundary movements of waste prohibited under international law;
 - b) production of or trade in tobacco;
 - c) activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage;
 - d) commercial logging operations in primary tropical moist forest or agricultural activities that involve degradation of primary forest;
 - e) production of or trade in forestry products other than from sustainably managed forests;
 - f) animal factory production where animal welfare is not taken into consideration;
 - g) trade in goods without required export or import licenses or other evidence of authorisation of transit from the relevant countries of export, import and, if applicable, transit;
 - h) drift net fishing in the marine environment using nets, or other practices damaging to the marine environment or local communities, as determined by the Cibus funds; and
 - i) production or activities involving harmful or exploitative forms of forced labour/harmful child labour (see ADM Capital Europe LLP's Modern Slavery policy).

- 2) The Cibus funds adopts exclusion sectors listed in the Guernsey Green Fund Rules (published in 2018), which includes participation in a controlling interest in an investment with substantial involvement in:
 - a) Uranium mining for nuclear power;
 - b) Any fossil fuel-based power generation including: gas, 'clean' coal and other coal;
 - c) Efficiency upgrades to greenhouse gas intensive power sources – e.g. clean coal technology;



- d) Energy savings in fossil fuel extraction activities – emission reduction requirements require a rapid phase-out of all fossil fuel usage. Anything that helps to extend the life of fossil fuel usage is excluded;
 - e) Landfill without gas capture;
 - f) Waste incineration without energy capture;
 - g) Rail lines where fossil fuels [carried as cargo on the trains] account for more than 50% of freight
- 3) In addition, the General Partner to the Cibus funds, Cibus Investments Limited, will not participate or invest in an investment if such participation or investment would cause the Cibus funds to become involved in violations of the human rights that are specified by the United Nations' Universal Declaration of Human Rights, and labour rights as specified by the United Nations/International Labour Organisation ('ILO') core conventions and such involvement could be known to General Partner with reasonable commercial effort. If during the term of the investment, the General Partner becomes aware of any violations of the specified human rights involved in an Investment, the Cibus funds will make a commercially reasonable effort to address the issue with the relevant party, demanding a firm effort to correct the violation and take precautionary actions in order to prevent involvement with the specified human rights violations in the future.

Legal Disclaimer

The 'Cibus funds', comprise Cibus Clara Fund LP and Cibus Fund LP, Cibus Enterprise Fund LP and any other entities managed by Cibus Investments Limited. The Cibus funds are managed by Cibus Investments Limited (the 'General Partner') which is advised by ADM Capital Europe LLP ('ADMCEU'). ADMCEU is part of the ADM Capital group of entities which manage and advise various funds ('ADM Capital'). Those members and employees of the ADM Capital Group who are involved in advising the Cibus funds are referred to as the 'Cibus team'.

No person has been authorised in connection with any offering of the Cibus funds to give any information or to make any representations in connection with the Cibus funds other than as contained in the final private information memoranda for each of the limited partnerships comprising the Cibus funds. Prospective investors should note that the performance of the Cibus funds will be independent and separate from the results of other funds and investments managed or advised by ADM Capital. The information presented should not be relied upon for any investment decision or determination as to whether or not to invest in any Cibus funds.