



ESG and Impact Policy

Cibus Capital LLP and the Cibus Funds

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Owner: Georgina Thomas



1. INTRODUCTION

1.1 This policy applies to:

- (a) Cibus Capital LLP and its staff (the '**LLP**'); and
- (b) funds advised by the LLP (the '**Cibus Funds**' and together with the LLP, '**Cibus**').

1.2 This policy (the '**Policy**') was adopted on 25 June 2024 and supersedes any earlier version of Cibus' Environmental, Social and Governance ('**ESG**') and Impact Policy.

1.3 This Policy is reviewed annually and may be amended on an ad hoc basis if required.

2. ESG STATEMENT

2.1 The Cibus Funds were founded in 2016 in the belief that sustainability and commercial prosperity in the food and farming sector are inextricably linked. Cibus believes that without this link there is no viable hope of addressing the challenges we globally face in producing more food with limited resources. The Cibus Funds all share the philosophy 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.

2.2 The world is faced a convergence of challenges, including, depleted natural resources, climate risk, global population growth and rapid urbanisation. Cibus believes that these challenges present both material risks and opportunities within the investment sector.

2.3 'ESG' refers to a company's performance and management of environmental, social and governance issues. ESG is a risk and opportunities management tool used to assess and manage the impact of environmental, social and governance factors on financial returns. Cibus believes that it is vital to look at all of the Cibus Funds' portfolio companies ('**Portfolio Companies**') through an 'ESG lens' to maximise the value of its investments and uphold its fiduciary duties to its investors.

2.4 Cibus' ESG Team is dedicated to ensuring ESG accountability across the Cibus Funds and their Portfolio Companies. ESG is ingrained in Cibus' investment philosophy and associated risks and opportunities are quantified through measurement and reporting across the Cibus Funds' portfolios. Such reporting includes designing bespoke Environmental and Social Action Plans ('**ESAPs**') for each Portfolio Company, which includes targets and actions tailored to that investment. Further information on Cibus' ESG monitoring processes can be found in Cibus' Environmental and Social Management System ('**ESMS**') Policy.



2.5 Environmental

- (a) Cibus recognises that environmental risks and opportunities are prevalent across the Cibus investment mandate.
- (b) Environmental Risk and Opportunity:
 - (i) **Risk:** Environmental risk to a company refers to potential negative impacts on its operations, reputation and financial performance arising from environmental factors. These include regulatory non-compliance, resource scarcity, pollution incidents, climate change effects and stakeholder scrutiny of environmental practices, necessitating proactive management strategies to mitigate these risks.
 - (ii) **Opportunity:** Companies that effectively manage their environmental impact may benefit from cost savings, improved operational efficiency, access to differentiated markets and positive brand perception.
- (c) Cibus is aware of the environmental effects of their investments and recognises the need to minimise avoidable adverse environmental impacts where possible. Cibus strives to lessen the footprint of global agriculture through an investment strategy that helps improve companies' environmental performance. This includes improving resource efficiency, minimising waste, enhancing biodiversity and reducing GHG emissions. At the Portfolio Company level, environmental risks and opportunities are identified and monitored throughout the investment cycle. For Cibus, minimising adverse environmental impact of daily operations includes monitoring travel, choosing train travel when possible and offsetting carbon emissions from both flights and train journeys.

2.6 Social

- (a) Cibus recognises that social risks and opportunities are prevalent across the Cibus investment mandate.
- (b) Social risk involves issues related to labour practices, human rights, diversity, equity and inclusion, community relations and product safety. Companies with poor social performance may face legal and regulatory issues, labour strikes, consumer boycotts and damage to their brand.
- (c) Companies that prioritise social responsibility may attract and retain top talent, enhance their brand image, strengthen customer loyalty and contribute positively to the communities in which they operate.
- (d) Cibus is committed to upholding fair labour conditions, health and safety standards and equitable wages across internal operations of the LLP and within investments made by the Cibus Funds, ensuring they meet or exceed local legal requirements. Cibus actively engages Portfolio Companies to enhance the well-



being of their workforce by promoting robust health and safety practices, encouraging employee surveys and supporting the development of policies covering health and safety, child labour, modern slavery and socially responsible supply chain management.

- (e) Cibus respects the protection of internationally recognised human rights and works to support these principles. Each Portfolio Company must comply with the Ten Principles of the UN Global Compact and such compliance is included in each Portfolio Companies' ESAP.
- (f) Information on the LLP's approach to human rights social factors can be found in the Cibus Modern Slavery Policy.

2.7 Governance

- (a) Cibus recognises that governance risks and opportunities are prevalent across the investment sphere.
- (b) Governance risk refers to issues related to corporate governance, including executive compensation, board structure, shareholder rights and transparency. Companies with weak governance may face legal and financial risks, as well as a lack of investor confidence.
- (c) Strong corporate governance can lead to better decision-making, increased investor trust, improved access to capital and long-term sustainability.
- (d) Cibus believes that sound governance is critical for accountability, value creation and risk mitigation. As an investment adviser, the LLP has established certain minimum corporate governance principles that it looks for Portfolio Companies to uphold. These minimum standards are set out in the Cibus Portfolio Company Governance Policy which is adopted at a Portfolio Company level for majority-owned assets.
- (e) The Cibus Portfolio Company Governance Policy covers a broad range of governance matters including board and management structures as well as policies, standards, information disclosure, auditing and compliance.
- (f) Cibus considers its reputation for integrity and fairness as one of its most valuable and carefully protected assets. The LLP expects its staff to practice the highest moral and ethical standards in all their business activities. This includes honesty and integrity when working with other staff, the general public, business associates, governmental and regulatory authorities.
- (g) Cibus is committed to promoting equal opportunities in employment and creating workplace culture in which diversity and inclusion is valued and everyone is treated with dignity and respect. As part of Cibus' zero-tolerance approach to discrimination in any form, equal treatment will be provided to individuals regardless of age, disability, gender reassignment, marital or civil



partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. Please see the LLP’s Diversity, Equity and Inclusion Policy for further detail.

3. **IMPACT STATEMENT**

- 3.1 Cibus believes ‘impact’ means the intentionality to invest in and support Portfolio Companies in generating positive social and environmental outcomes.
- 3.2 Cibus’ overall impact goal is to “reduce the impact of the agricultural industry on our planet and people and support a sustainable, equitable and secure future food system.”
- 3.3 Intentionality is a core element of Cibus’ investment philosophy and Cibus prioritises the measurement and management of its impact. Further information on how Cibus measures and reports on the impact of Portfolio Companies can be found in Cibus’ ESMS Policy.
- 3.4 Cibus’ specific impact objectives, as set out in the table below, stem from Cibus’ Theory of Change. The Theory of Change is a strategic framework that outlines the causal pathway between activities and desired outcomes, guiding the planning, implementation and evaluation of initiatives. Further information on the Theory of Change can be found in Cibus’ ESMS Policy.
- 3.5 Cibus’ Theory of Change aligns the investment strategy with key goals, stakeholders and measurable effects from the United Nations Sustainable Development Goals:

Topic	Impact Objective
Sustainable Crops	Increasing production of healthy and sustainable crops
Sustainable Land-Use	Increasing conservation and restoration of land
Sustainable Livestock	Increasing sustainable livestock production
Healthy Soils	Improving agricultural soil health
Biodiversity	Protecting biodiversity in land and enhancing biodiversity in production or consumption
Sustainable Water	Improving agricultural water quality/water use practices
Reduced GHGs	Mitigating greenhouse gas emissions from agricultural activities
Increased Nutrition	Improve nutritional quality of life for animals and humans
Reduced Agrochemicals	Reducing the use of nitrogen fertilisers/damaging pesticides in farming
Reduced Waste	Reducing the amount of agricultural / aquaculture / food system waste
Better Labour	Increasing agricultural / food system labour welfare