

Sustainability related disclosures

Disclaimer

References to “SilverStreet”, “our” and “we” refers to SilverStreet Management S.à r.l., SilverStreet Management II S.à r.l. and SilverStreet Capital LLP.

Policies on the integration of sustainability risks

SilverStreet’s investment objective is to seek attractive returns for investors whilst achieving a substantial positive social, environmental and climate impact.

SilverStreet’s philosophy of achieving a substantial positive social, environmental and climate impact through its investment means that the identification and management of sustainability risks, as well as opportunities, forms an integral part of SilverStreet’s initial due diligence process and ongoing monitoring. A sustainability risk is an environmental, social or governance (“**ESG**”) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

Sustainability risks are identified, monitored and managed by SilverStreet in the following manner:

- a) Prior to any acquisition of a business, SilverStreet will identify any sustainability risks, using the support of specialist external consultants where relevant. The investment team will compile an “ESG Scorecard” assessing the portfolio company’s impact on sustainability factors (including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) and, in the case of portfolio companies which are expected to be majority owned by a Fund managed or advised by SilverStreet (each a “**Controlled Investment**”), construct an “ESG Action Plan” to enable improvements over time should the investment proceed. Each investment is subject to approval by the investment committee which will review the ESG Scorecard and which includes SilverStreet’s Head of Impact and ESG as a voting member.
- b) Upon acquisition, each portfolio company which is a Controlled Investment will be required to establish its own social and environmental management system (“**SEMS**” or “**ESMS**”) to implement policies and procedures to manage environmental, social and governance risks, and is expected to include ESG deliverables as part of management’s annual KPIs. SilverStreet will seek to appoint representatives to the portfolio company Board whose responsibilities will include overseeing management’s responsibilities for implementing ESG action points and addressing ESG and sustainability risks. Any portfolio company which is a Controlled Investment will be obliged to adhere to SilverStreet’s ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy and, to report back on this annually. For companies that are not Controlled Investments, SilverStreet’s goal will be the same, namely compliance with SilverStreet’s ESG and Impact Policy, Climate Change Policy and Anti-Bribery Policy, although the timing of achievement of these goals will need to take account of the fact that it is not a Controlled Investment.
- c) Post-acquisition, SilverStreet aims to maintain a regular dialogue with its portfolio companies and to conduct an annual ESG review of each portfolio company’s performance against SilverStreet’s ESG and Impact Policy. During this annual review, the ESG Scorecard will be revised and the ESG Action Plan updated to take into account progress made during the reference period including on the adverse sustainability impacts. This will include a risk assessment of any financial and reputational risks and reports on any community development projects run by the portfolio companies.

Further details of the process for identifying and integrating sustainability risks in investment decision-making is contained in our ESG and Impact Policy which can be found on our website.

Consistency of remuneration policy with integration of sustainability risks

SilverStreet incorporates the identification and management of sustainability risks consistent with this policy into the performance evaluation process and ultimately to remuneration.

A key aspect of SilverStreet’s remuneration policy is to encourage employees to act like long-term shareholders and support SilverStreet’s performance and partnership culture to create a sustainable

business, and to maintain high ESG standards. Individual performance is transparently and rigorously assessed against a combination of financial and non-financial targets in order to determine appropriate total compensation that will attract and retain key talent.

Central to SilverStreet's remuneration policy is an alignment with SilverStreet's business' strategy, objectives, values, its Responsible Investment Code and long-term interests of investors. Variable remuneration awards are linked to the degree of an individual's adherence to SilverStreet's sustainability principles including its Responsible Investment Code.