AQUA CAPITAL

DISCLOSURE STATEMENT - OPERATING PRINCIPLES FOR IMPACT MANAGMENT

November 2022

Aqua Capital hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles").

This Disclosure Statement applies to the Aqua Capital's Fund II and Fund III. The total assets under management in alignment with the Impact Principles is approximately equivalent to USD950 million as of November 30, 2022.

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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 or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact 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 basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Aqua Capital is a private equity firm that manages investments in innovating, sustainable businesses across the Agribusiness & Food value chain. We are a thesis-driven team investing in fragmented markets with potential to build significant scale and strategic value.

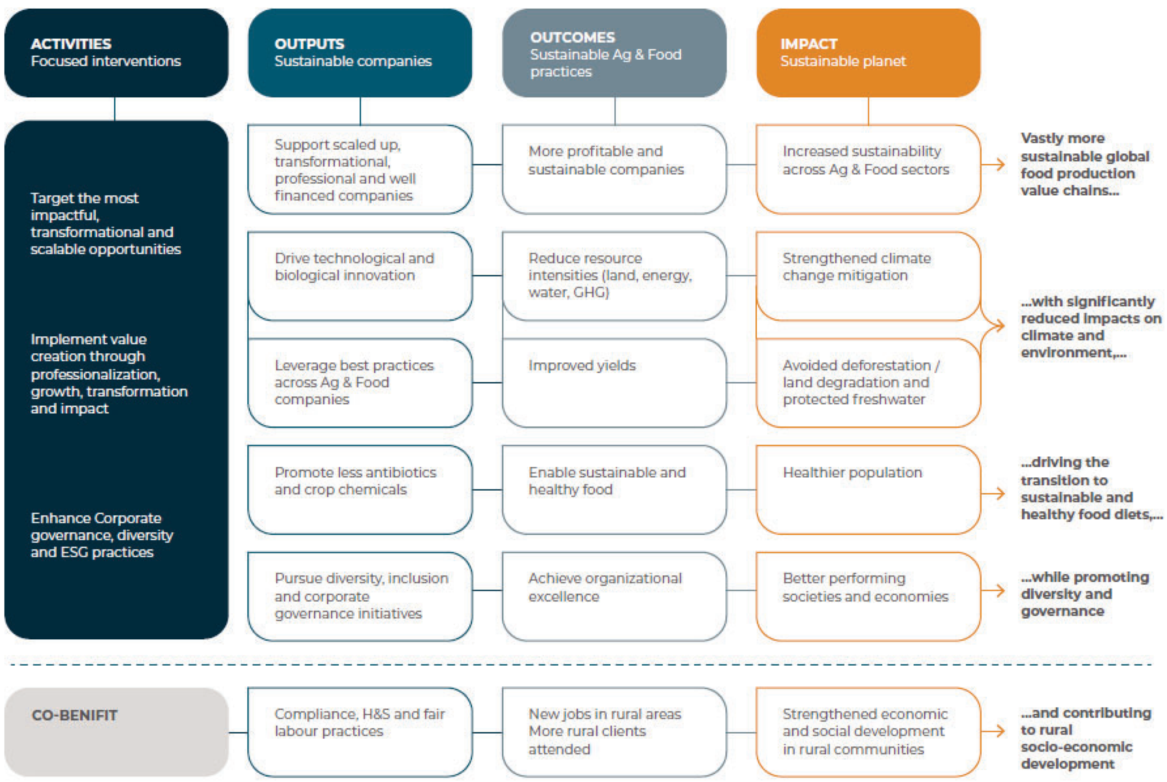
Since inception in 2011, we have considered ESG aspects of our investments with a well-structured risk management approach. Throughout the years we have transitioned to an impact and value creation strategy while continuing to prevent harmful practices creating our ESG+I (environmental, social and governance + impact) approach.

Aqua Capital' s ESG+I Vision

Aqua Capital's ESG+I vision is to transform Ag & Food sectors and companies in a manner that amplifies their sustainability and their positive impacts associated with climate change, food security and health & wellness.

Guided by this vision, Aqua Capital developed its Theory of Change (ToC) with the intent of achieving the following impacts: (i) increase sustainability across the Ag & Food sectors; (ii) strengthen the fight against climate change, while avoiding deforestation/land degradation and protecting freshwater; (iii) enable sustainable healthy foods targeting a healthier population; and (iv) contribute to better performing societies and economies, as detailed below.

AQUA CAPITAL'S THEORY OF CHANGE

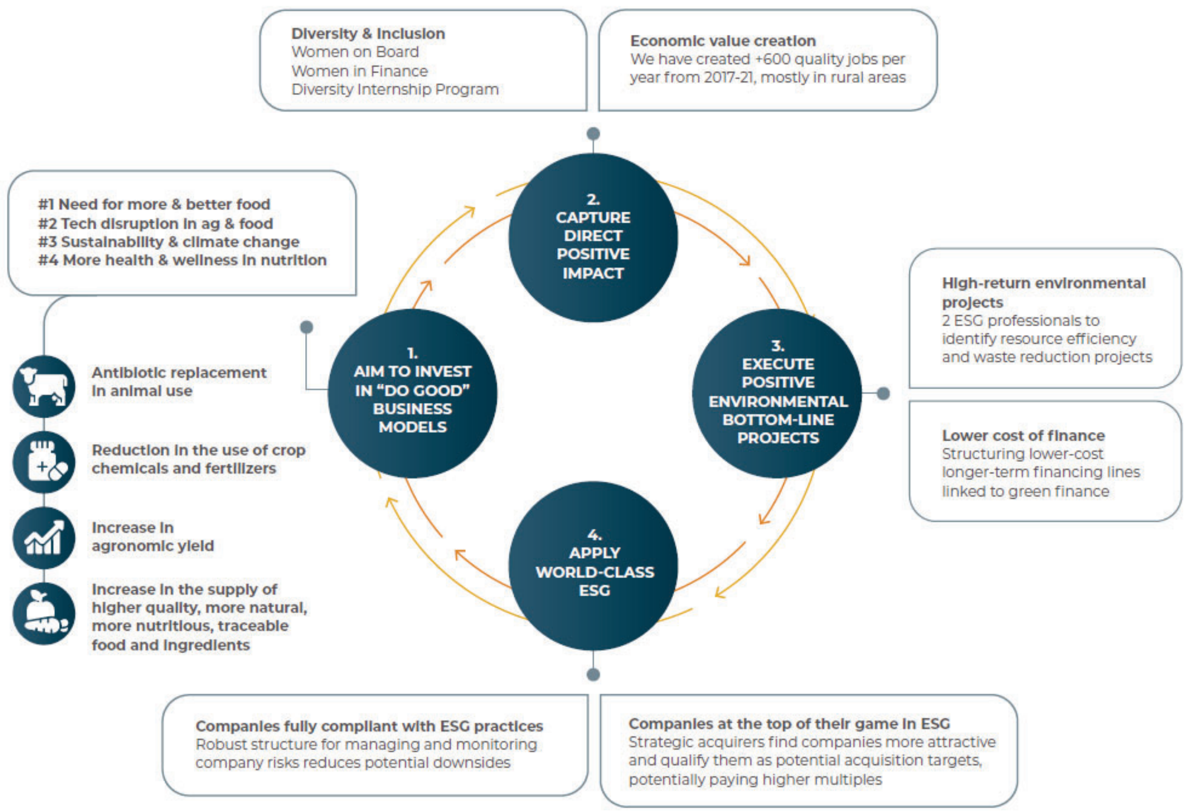


Throughout our investments' lifecycle we strive to achieve such impacts by developing three main activities: (i) targeting more impactful, transformational and scalable opportunities during the origination stage; (ii) implementing our PGTI (professionalization, growth, transformation and impact) methodology; and (ii) enhancing corporate governance, diversity and ESG practices. These activities are conducted in such a way to obtain the outputs and outcomes anticipated in our ToC to achieve the expected impacts.

Aqua Capital seeks transformational and impactful investments within the Ag & Food sectors, with a strong focus to fighting climate change, and that are naturally pruned to contribute to the UN Sustainable Development Goals (SDGs) #13 Climate action, #2 Zero hunger, #9 Industry, innovation and infrastructure and #12 Responsible consumption and production. Aqua works together with its portfolio companies to enhance their contribution to said SDGs while ensuring that they contribute to SDGs #5 Gender equality and #8 Decent work and economic growth.

Aqua believes that impact is an important source of value creation and has developed a specific ESG+I approach for value creation, based on four pillars: (i) aim to invest in "do good" business models; (ii) capture direct positive impact; (iii) execute bottom-line environmental projects; and (iv) apply world-class ESG, as described below. This approach is applied to every portfolio company regardless their level of impact.

ESG+I APPROACH FOR VALUE CREATION



<u>Aim to invest in "do good" business models</u>

Ag & Food sectors have a critical role to play in the significant reduction of global GHG emissions through more sustainable products and practices, as well as in improving food production efficiency. Aqua Capital's investment strategy aims to invest in companies that can drive positive-impact outcomes while maximizing financial performance.

<u>Capture direct positive impact</u>

Diversity, inclusivity and good governance are key to build lasting, sustainable, and high performing organizations. We promote gender equality and the inclusion of women at all levels and have an unwavering commitment to outstanding corporate governance in every investment. As company builders, a natural by-product of Aqua Capital's stewardship is the distribution of direct economic value, through developing companies, suppliers and producers which encourage the use of best practices and technology, creating high quality jobs and consequently developing the regions in which we operate. These regions are mostly rural areas, of significant importance to developing countries.

Execute bottom-line environmental projects

Aqua Capital also seeks opportunities to help the planet through identifying emissions reduction and resource efficiency projects, with high returns (>30% IRR). Once identified, we bring experts into the field to systematically execute these sustainability related projects across our portfolio.

Apply world-class ESG

Aqua Capital works closely with portfolio companies not only to ensure full compliance with ESG+I best practices and to monitor its sustainability-related risks, but also to encourage and drive its companies to position themselves at the forefront of this critical agenda.

PRINCIPLE 2:

Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor 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.

Aqua Capital systematically monitors ESG+I indicators semi-annually, based on IRIS+ and Global Reporting Initiative (GRI), from all its portfolio companies and analyzes the performance at a company level, fund level and portfolio level. Key monitored ESG+I indicators are energy and water consumption (absolute terms and intensity), GHG emissions (absolute terms and intensity), full time employees (male and female) and economic value distributed.

Annually, Aqua conducts an assessment of its impact results in order to understand how they are aligned with the United Nations Sustainable Development Goals (SDGs) and related targets, as well as its contribution on a portfolio and company levels.

Aqua's ESG+I team helps portfolio companies identify and implement positive environmental bottom-line projects with high financial returns and monitors the implementation at a company and portfolio level. The identification and implementation of these projects are part of the ESG+I team's targets, which are used as one of the criteria considered in the staff's annual bonus. Besides these specific projects, we support our portfolio companies to implement impact initiatives and practices that improve agricultural productivity of their agricultural suppliers and clients. Initiatives include providing technical assistance to increase productivity and reduce environmental risks and impacts of farmers, such as milk suppliers or providing bio-inputs for soy, corn and coffee growers, all of which are monitored by Aqua's ESG+I team. We also help companies analyze the avoided GHG emissions at a portfolio level when implementing such initiatives.

Every portfolio company has corporate targets that influence the company's collective annual bonus. The ESG+I targets are defined by the company and reviewed by Aqua, and are part of the corporate targets.

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

Aqua Capital has a well-developed approach to operations focused on value creation and based on the professionalization, growth, transformation and impact (PGTI) methodology. It engages itself in the operation of all its investments ensuring that the right people are involved in the company. Aqua has three main professional figures for every portfolio company to ensure the operation: lead partner, execution leader and operating partner, which interact directly with the company and Aqua's other functional departments. The lead partner is a person from Aqua's senior management team that is responsible for the company's oversight, provide strategic guidance and participates of the board of directors; the execution leader supports the lead partner, provides operational guidance, supports the company on key processes and executes Aqua's internal processes; and the operating partners are specialist with deep knowledge of areas that are critical to the company, such as legal, PMO, information technology, internal controls, people and ESG+I.

All four pillars of the PGTI methodology are important to enhance the company's impacts, by promoting the company's sustainable development. The impact pillar is embedded in the entire investment cycle, and during the monitoring stage most of its work happens and this is when Aqua can contribute the most to achieve impact.

ESG+I is a part of each step for value creation: (i) planning, which includes the elaboration of the 180 day-plan, the business plan, and the long-term value creation plan; (ii) tactical execution with key projects; (iii) operational execution with goal alignment, and (iv) exit preparation. Aqua ensures that every portfolio company has a designated employee responsible for implementing the ESG+I agenda, who works together with Aqua's ESG+I staff and operating partners to structure and implement such agenda; and monitors the implementation of the company's ESG+I action plan that is prepared after the pre-acquisition ESG+I due diligence, ESG+I indicators and the companies ESG+I management system using a specific scoring system, as well as the implementation of bottom-line environmental projects.

Aqua understands that it is important that the portfolio companies take responsibility for the ESG+I agenda. Capacity building and knowledge sharing is extremely important for this, and Aqua conducts several workshops with portfolio companies to enhance knowledge sharing: Value creation day, CXOs forums, performance excellence week and ESG+I forums, enabling the sharing of best practices, portfolio company interaction and strategic planning.

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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 varying 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 best practice.

ESG+I aspects are considered throughout the entire investment cycle starting at the origination and pipeline construction. Therefore, for any origination theme and related investment opportunities, Aqua reviews the broad industry and identifies synergies of the thesis/target with Aqua's Theory of Change and the UN SGDs, and if it has potential to generate impacts expected by Aqua. To systematically assess the expected impact of each investment, as well as to help identify actions that can enhance impacts and create value, we have developed the "Aqua Impact Assessment tool", which consists of four steps:

(i) Step 1 – negative screening: which has the objective to ensure that the investment target does not violate Aqua Capital's exclusion list or present major negative risks and impacts which might jeopardize the impact intent in our ToC;

(ii) Step 2 – ToC and SDG alignment – which has the objective of identifying which impacts of the ToC the investment is most aligned with, separating the main impact and secondary impacts. During this step we also identify which are the SDGs that the potential investment contributes to;

(iii) Step 3 – impact classification – based on a matrix developed by the Impact Management Project[1] and adapted to Aqua's investments, we analyze the five dimensions of impact for the main impact identified during step 2. For each of the impact dimensions there is a score from 1 to 5, and with the average of these scores we determine if the investment lies in one of the following categories: "may cause harm", "does cause harm", "act to avoid harm", "benefits stakeholders", or "contributes to solutions";

(iv) Step 4 – ESG+I value creation approach – where we identify the level of alignment of the investment to each of the four pillars of the ESG+I value creation approach, determining if it has "low", "medium" or "high" alignment, besides bringing a list of value creation examples for each pillar.

During the ESG+I due diligence we also identify potential impact initiatives, and the scoring system is applied to obtain the company's baseline and used as comparative to assess the company's performance evolution.

As previously mentioned, Aqua helps portfolio companies to identify and implement positive environmental bottom-line projects with high financial returns, for these Aqua maps potential projects

[1] IMP: https://impactmanagementproject.com/

using a prioritization matrix by analyzing environmental and financial impact, complexity and cost, which categorizes the projects in: (i) low complexity and high impact, (ii) low complexity and low impact, (iii) high complexity and high impact, and (iv) high complexity and low impact.

PRINCIPLE 5:

Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice.9 As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Before investing in a company, Aqua ensures that the target does not violate the ESG+I policy and its exclusion list and carries out a strict ESG+I due diligence which is developed by specialized consultants using the IFC Performance Standards and the applicable legislation as benchmarks. The investment's potential environmental and social (E&S) risks are categorized using risk categories similar to the IFC's (A – High, B - Medium and C – Low risks). At the due diligence stage, Aqua Capital also assesses the capability of the potential investee to implement the necessary adjustments to reduce or eliminate any identified E&S related risks, including climate related, and generate positive impact opportunities.

The results of the ESG+I due diligence are described in a report that includes an ESG+I action plan aimed at bringing the company to full compliance. These actions and corporate governance actions are included in the post transaction 180-day plan, which includes key priorities to be implemented in the short term, as well as other medium- and long-term actions that shall be implemented while the company is in the portfolio.

Once the investee enters the portfolio, Aqua Capital monitors ESG+I progress using tools and engaging with the portfolio companies, by conducting regular meetings and reviewing evidences to understand progress regarding the implementation of each ESG+I action plan; monitoring over 40 key performance indicators (KPIs), semi-annually, that are compatible with IRIS+ and GRI platforms, and analyzing these KPIs at a fund and investee level; evaluating and monitoring its portfolio ESG+I performance using the "scoring system", which provides scores for seven main topics addressing risks and positive impacts (ESG management system, licenses and permits, environmental aspects, occupational health and safety, employment and working conditions, other social aspects, and supply chain management), besides assessing investee's ESG+I performance through third-party certifications, encouraging and supporting investees to obtain the Great Place to Work (GPTW) and the EcoVadis seals[2]. Aqua also works together with its investees to identify and implement positive impact projects that are financially feasible and monitors the implementation and performance of each project periodically.

[2] GPTW is a global workplace culture certification firm; EcoVadis is a global sustainability assessment platform.

PRINCIPLE 6:

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) 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.

Aqua Capital is improving the assessment of the expected impact of each investment and how it monitors these impacts. Aqua monitors the ESG+I progress of its portfolio company using different tools and with determined periodicities.

Quarterly, we monitor the completion of the ESG+I action plan that was prepared during the due diligence and evaluate the company's ESG+I performance using our "scoring system", which is filled by the portfolio companies and Aqua revises the answers provided, adjusts the company's scores, and gives feedback on the main issues and improvement opportunities.

Semi-annually, the portfolio companies report their ESG+I KPIs (key performance indicators), which are compatible with IRIS+ and GRI platforms and allows Aqua and companies to track the progress on their ESG+I performance based on quantitative data. With these KPIs we monitor the performance of impacts related to gender equality, economic growth, responsible consumption, climate actions, among others.

As mentioned, Aqua helps portfolio companies implement resource efficiency and GHG emission reduction projects that are financially attractive. During this process the ESG+I team estimates the project's results before implementation and monitor the results of each project on an ad hock basis, comparing the achieved results to what was initially estimated.

Aqua Capital conducts an assessment per portfolio company, describing their performance following the ESG+I approach for value creation and listing the contribution of each portfolio company to six SDGs: #2 Zero hunger, #5 Gender Equality, #8 Decent work and economic growth, #9 Industry, innovation and infrastructure, #12 Responsible consumption and production, and #13 Climate action, whenever possible comparing the previous year. Aqua prepares a specific version of its ESG+I report with a summary department of the process and results for each of its funds, containing confidential information, which is sent to the investors, and each investee receives a simplified version with the chapter that brings information on the performance of said company. A public version of this report is also elaborated and made available to all stakeholders.

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PRINCIPLE 7:

Conduct exits considering the effect on sustained impact.

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

Through the application of the PGTI methodology, Aqua demonstrates how impact is an important step of the company's value creation bridge and that it can improve exit multiples. Since the company's inception Aqua works on its 4 pillars ESG+I approach for value creation: (i) "Do good business", (ii) capture direct positive impact, (iii) execute bottom line environmental projects, and (iv) apply world class ESG.

The improvement of the company's ESG+I management system and performance allow Aqua to sell the company to structured buyers that are concerned with impact, and Aqua includes impact in the materials prepared for the exit, ensuring that the buyer understands and sees the importance of the company's impacts. Some exit examples are the sale of Fertiláqua to ICL Group and Puravida' s sale to Nestlé, which are companies with a known record in sustainability. Even after the exit Aqua keeps contact with the companies inviting them to ESG+I related events.

The decision to exit a company is discussed by the investment committee, and the ESG+I team assesses the companies exit readiness, by analyzing the level of completion of the ESG+I action plan, the improvement of its scoring system, main risks and impacts being addressed and how the effects of the exit can affect the sustainability of the impacts.

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.

Aqua has matured as a firm over the years and its approach has developed, transitioning from a ESG risk management approach to an approach that incorporates impact. Over the last few years Aqua worked on its strategy in order to improve its impact proposition, creating its theory of change and undergoing third party impact assessments, which have been used to review and enhance Aqua's ESG+I system, which is constantly updated to promote scalability and keep up with market requirements.

We monitor KPIs in a semi-annual basis to understand the companies ESG+I performance during the mid-year and determine necessary actions to correct and improve company and Aqua procedures, and we are restructuring KPIs to better reflect the impacts intended in the ToC. We also monitor the companies ESG+I system quarterly, using the "scoring system", which provides us an overview of how the company's procedures are working, and we provide feedback to the companies on how they can improve their ESG+I system.

PRINCIPLE 9:

Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.

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

This is Aqua's first disclosure describing its alignment to the Operating Principles for Impact Management, and we intend to provide an independent verification by year end 2023.