

Matanataki Pte Ltd
and
Matanataki Pacific Fund 1
Environmental and Social Management System

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Appendices

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- C: Initial ESG Screening Checklist
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Acronyms

AML	Anti Money Laundering
BREF	EU Best Available Technique Reference document
DRI	Director of Regenerative Impact
EDFI	European Development Finance Institution
EIB	European Investment Bank
EU	European Union
EHS	Environment Health and Safety
EPRP	Emergency Preparedness and Response Plan
E&S	Environment and Social
ESAP	Environmental and Social Action Plan
ESG	Environment Social Governance
ESGI	Environment Social Governance and Impact
ESMS	Environment Social Management System
ESS	Environmental and Social Standards
GAP	Gender Action Plan
GBVH	Gender Based Violence and Harassment
GCF	Green Climate Fund
GFCR	Global Fund for Coral Reefs
GIIP	Good International Industry Practice
IAP	Impact Action Plan
IFC	World Bank Group International Finance Corporation
IFC PS	IFC Performance Standards
IFPS	Initial Fiduciary Principles and Standards
ILO	International Labour Organization
IMC	Investment Management Committee
IMMS	Impact Measurement and Management System
IPCC	Intergovernmental Panel on Climate Change
IRIS+	Global Impact Investing Network free access platform for managing impact
KPIs	Key performance Indicators
LPs	Limited Partners
MPF1	Matanataki Pacific Fund 1
(M)SME	(Micro) Small Medium Enterprise
OECD	Organisation for Economic Cooperation and Development
PICS	Pacific Island Countries
SEAH	Sexual Exploitation Abuse and Harassment
TA	Technical Assistance
UN FAO	United Nations Food and Agriculture Organization
UN PRI	United Nations Principles for Responsible Investment
UN SDG	United Nations Sustainable Development Goals
WBG	World Bank Group

Environmental and Social Management System

1.0 General Introduction

1.1 Purpose and Scope

This Environmental and Social Management System (ESMS) has been developed for use by Matanataki Pte. Ltd. (MPL), Portfolio Advisor to Enyorra Private Equity Pte. Ltd. (the Fund Manager), and the Matanataki Pacific Fund 1 (MPF1). It contains the procedures for the management and integration of environmental and social aspects into investment activities of MPL and for MPF1. The ESMS and associated procedures manage the residual environmental and social risks after the programme vulnerability assessment and investment eligibility criteria have been applied by the investment team (feasibility study). The procedures are implemented by the Environmental and Social, and Impact team at MPL and the investment team of MPL. The procedures apply to all investments made into Matanataki funds where Matanataki Pte Ltd is the Portfolio Advisor.

The ESMS has been prepared with reference to the International Finance Corporation (IFC) Guidance Note on Financial Intermediaries 2023, IFC Performance Standards (PS) and Good International Industry Practice (GIIP) in particular, described by international lending partners. The ESMS has also been designed such that vulnerability reduction is central, reflecting GCF's Environmental Social Safeguards and Gender Policy among others.

Application of the ESMS policies and procedures ensures that MPL continually improves its Environmental and Social (E&S) performance through the control and management of E&S risks through the investment cycle (pre-screening through to exit) and by identifying opportunities for positive impact.

This ESMS should be read in conjunction with:

- Investment Management Standard Operating Procedures
- Impact Measurement Management System (IMMS)
- Compliance Manual – contains many of the policies referenced below

Policies

- Environmental, Social Governance and Impact (ESGI) Policy
- Climate Policy
- Biodiversity Policy
- Animal Protection Policy
- Child Protection Policy
- Code of Business Ethics and Conduct
- Conflict of Interest Policy
- Fraud & Corruption Prevention and Investigation Policy (also covering whistleblowing)
- Respect in the Workplace Policy (also covering sexual harassment)
- Whistle Blower Policy
- Gender Impact and Roadmap Guideline
- Human Rights Policy
- Indigenous Peoples Policy
- Data Protection and Privacy Policy

This ESMS will be reviewed at least once per year or when significant business process changes occur, to ensure the information contained herein is current and applicable.

This document should not be copied or distributed in any form without prior written consent from the Environmental, Social Governance Impact (ESGI) Partner.

1.2 Environmental Social Governance Impact (ESGI) Policy Requirements

The MPL and MPF1 ESGI Policy is provided in Appendix A. The policy reflects the ESGI commitments of MPL and of the Fund Manager, Enyorra Private Equity Pte. Ltd.

For the purposes of the ESGI Policy and ESMS, “G”, Governance is considered as the governance of Environmental (E) and Social (S) matters.

To deliver on the strategic goals of i. impactful investments ii. improving climate resilience and the health of coral reefs and iii. improving ESG risk management throughout the lifecycle of the investment, the following requirements will be applied to all investments:

- Compliance with national laws, regulations and international conventions and declarations on environment, labour, health and safety, social aspects and any standards that may be referenced therein.
- IFC Performance Standards (IFC PS).
- World Bank Group Environment Health and Safety (WBG EHS) General Guidelines and Good International Industry Practice standards (GIIP).
- Universal Declaration on Human Rights.
- International Labour Organization (ILO) Fundamental Conventions
- ILO Fundamental Principles and Rights at Work and ILO Basic terms and Conditions of Work (amended 2022).
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
- UN (6) Principles of Responsible Investment (UNPRI),
- 2 X Challenge Criteria.

And where applicable:

- UN FAO Principles for Responsible Investment in Agriculture.
- WBG EHS General Guidelines and sector applicable guidelines e.g. for Agribusiness, Waste Management and Tourism.
- IFC’s Good Practice Handbook on E&S risks in agro-commodity supply chains.

Impact measurement and monitoring will be aligned with the IMP/ IRIS+ Five Dimensions of Impact framework.

Fund-specific requirements will be included within the Policy as these evolve. Specific Requirements for the Matanataki Pacific Fund 1 (MPF1) are presented in Section 3.0 of the ESGI Policy. Notably these include:

- European Investment Bank (EIB) Environmental and Social Standards (EIB ESS) 2022
- Green Climate Fund (GCF) Initial Fiduciary Principles and Standards (GCF IFPS) 2014
- GCF Interim Environment and Social Safeguards of the Fund 2014 (GCF ESS)).
- To operate in a manner consistent with GCF’s Indigenous People’s Policy and GCF’s Information Disclosure Policy.

Each fund and its portfolio will apply applicable GIIP and EU Best Available Technique Reference Documents (BREFs) for pollution abatement.

It is noted that both the EIB’s ESS and the GCF ESS Policy build on IFC Performance Standards, for example climate risks are considered in terms of physical and transition risks with the dimensions of environmental and social vulnerability.

The Fund-specific requirements will be reviewed periodically dependent upon the investor base of the Fund and if necessary, supplemented with the written approval of existing Fund investors.

Note on the Application of GCF Environmental and Social Safeguards and Gender Policy

Within the SIDs context, MPFI applies the GCF ESS and Gender Policy

In practice, this means that environmental and social risk management procedures goes beyond regulatory compliance and financial materiality, and explicitly considers E&S vulnerability as a core risk dimension. Climate-related risks are assessed not only in terms of physical and transition risks to the investment, but also in terms of differential impacts on vulnerable groups, including women, Indigenous Peoples, informal workers, and climate-exposed communities.

Sexual Exploitation, Abuse and Harassment (SEA/SH) and Gender-Based Violence and Harassment (GBVH) are recognised as material, cross-cutting risks under GCF policy. These risks are therefore integrated into screening, due diligence, contractual requirements, incident management, and grievance mechanisms, and are not treated solely as part of gender programming or training.

1.3 Exclusion List

Reflecting on our Vision and Principles MPL and funds will not invest in companies, sectors or industries identified in our Exclusion List (Appendix B of ESGI Policy).

1.4 Organisation and Capacity

The Matanataki Internal ESGI Organisation is shown in Figure 1. The Roles and Responsibilities are further described within this section.

ESGI Partner is the nominated General Partner of Matanataki Pte Ltd and on the MPL Board of Directors. The ESGI Partner oversees the implementation of the ESMS and ensures that the procedures are integrated into the business and investment processes of Matanataki Pte Ltd and the funds. The ESGI Partner is responsible for communicating with investors and various stakeholders in addition to the Lending Partners' Investment Advisory Committee. The ESGI Partner has Stop / Go / Pause authority for each transaction for E&S reasons.

The *Director of Regenerative Impact (DRI)* and *ESG Manager* report to the ESGI Partner.

- The *Director of Regenerative Impact* is responsible for the design and implementation of achievable measurable and regenerative land and marine practices for Matanataki funds. The DRI leads the design, implementation, and continual refinement of regenerative land, marine, and watershed strategies across the Fund's pipeline and portfolio, ensuring these are practical, measurable, and aligned with MPF1's climate resilience and social equity mission.
- The *ESG Manager's* primary role is to identify, mitigate and manage ESG risks and identify impact (Gender) opportunities within the portfolio from pre-investment considerations, through the investment period and at exit.

The ESG Manager and DRI will work closely together and with the investment teams to ensure effective ESG risk management and realization of investment impact and value addition.



Figure 1: Matanataki Internal ESGI Organisation

The *ESGI Partner* is responsible for:

- Reviewing and agreement on the final ESG risk categorisation;
- Working with the investment team in negotiation and agreement of the ESAP and Impact plans, to ensure that these are appropriate to the risks and impacts identified;
- Sign-off the ESG inputs on IMARS, Enyorra's proprietary management software, or Trinity, Matanataki's proprietary management software or proprietary Excel™ data management tool;
- Sign-off of the ESG assessment and analysis in the Confidential Information memorandum (draft and final) presented to the Investment Committee; and
- Sign-off any ESG related conditions precedent or conditions subsequent for each investment prior to disbursement.

- Represent ESGI at the Investment Committee deliberations. Depending upon the topics, the ESGI Partner may ask the DRI or ESG Manager to attend the Investment Committee.

The DRI is responsible for:

- Identifying and shaping impact opportunities in line with MPL policy, MPF1's strategy, and investee business models, including through watershed and ecological assessments and the design and integration of regenerative approaches into pipeline company business plans.
- Working through due diligence and investment processes to refine impact theses, define goals, metrics, and targets with the ESG and Impact workflows, and including these within the investment committee materials and decision-making.
- Appointing and managing specialist consultants for project scoping, technical studies, due diligence, monitoring, and adaptive management of regenerative interventions.
- Supporting negotiations and agreement of legal documentation so that impact objectives and Regenerative Impact or action plans are embedded in investment terms and post-investment governance.
- Leading post-investment implementation of regenerative business practices with portfolio companies, providing senior guidance to owners and managers and using impact data to iterate and improve strategies over time.
- Overseeing and interpreting impact data with the Impact Associate, ensuring robust collection, analysis, and fund-level learning, and communicates results to fund leadership, investment committees, and other stakeholders; supports the refinement and continual improvement of regenerative design and implementation at the portfolio level.
- Designing and delivering training and knowledge-sharing for internal investment teams, portfolio company representatives, and community partners on regenerative practice, systems change, climate resilience, and social equity.
- Representing MPL and the Fund with external stakeholders, including investors, communities, and at responsible investment and impact forums, as a senior voice on regenerative and impact practice in the Pacific.

The ESG Manager is responsible for:

- Review, update, maintain and implement the Environmental and Social Management System (ESMS);
- Completing early stage and detailed ESG risk screening for each investment opportunity and accordingly, assign risk categories for each investment;
- During due diligence, conduct site visits, assess gaps against the Fund's E&S requirements / policies and identify opportunities for value addition and impact, and the development of appropriate Environmental and Social Action Plans (ESAPs);
- Appointment and management of specialist consultants, including for complex E&S due diligence and / or monitoring.
- Contributing to the evaluation of investment proposals, including via investment committee papers and meetings.
- Supporting negotiations with portfolio companies to ensure that ESG rights are embedded in legal agreements, including ESAPs (where appropriate);
- Post-investment, working with investees to develop, implement or otherwise improve their ESG management systems, policies and procedures, including the implementation of ESAPs (where relevant);
- Regular monitoring of investee compliance with MPL and the Fund ESG requirements and policies, including the implementation of agreed action plans and/or by attendance of ESG sub-committees of boards (as required);
- Development and delivery of ESG training programmes both for internal investment teams and for investee company representatives;
- Representing MPL and or the fund for ESG matters in communications or meetings with external stakeholders when requested by the ESGI Partner;
- Work on ad hoc projects. For instance, external communications on E&S, such as an annual E&S report and case studies highlighting E&S value addition; and
- Report serious violations, incidents, including safeguarding incidents, to LPs.

External Resources

External data resources will be utilised by the ESGI team. These form key components of the ESGI Toolbox. The data resources include, but are not limited to, those developed by ILO, IFC, DFIs, the IPCC and various NGOs including WWF. Specific resources are referenced in Section 2 and within the appendices to this document. These may be supplemented where new material and data sets become available.

Additionally local resources that may be accessed include those relating to local biodiversity, historical land-use and ownership, and indigenous peoples of the Pacific Island Countries (PICs).

Where needed external consultants or other specialist topic advisors will be appointed for specific roles or assignments for the management of ESGI. Such activities will include:

- Specialist topic training to be provided to MPL or fund personnel, or fund investee companies;
- Due Diligence of potential investments which are considered High Risk (A) and Medium Risk (B+ or B) (refer to Section 2);
- Delivery and implementation of specialist reports and studies required as part of the ESAPs, project requirements (e.g. Environmental Social Impact Assessments), Impact programmes including Gender Action Plans (GAPs), or Corrective Action Plans (CAPs) through the period of investment;
- External monitoring as maybe required depending on the risk category, due diligence recommendations and agreed ESAP.

Decision-making authority on environmental and social risks

The ESGI Partner holds independent authority to approve, pause, or reject any investment on environmental and social grounds.

Where a material environmental or social issue arises close to investment approval or during negotiations, the matter must be escalated to the Investment Committee with a clear recommendation from the ESGI Partner. If required, the ESGI Partner may elevate the issue to the Board. Investment approval cannot proceed unless the identified risks are adequately mitigated or an explicit waiver is approved by the Investment Committee and documented.

1.5 Capacity Building and Budget

To ensure effective implementation of the ESMS, it is necessary to allocate resources to prepare and distribute documentation and materials, train the team on the ESMS and Impact management. A budget for the ESGI and investment teams will be allocated to cover any potential costs; where possible Matanataki will seek investor TA support for this. MPL ensures the provision of training for all staff to fulfil their relevant responsibilities in relation to the implementation of the ESMS.

Relevant ESG training needs are identified through a structured process during annual performance reviews, jointly conducted by staff and their line managers. This ensures continuous capacity building aligned with evolving ESGI standards, stakeholder expectations, and MPL’s sustainability strategy. Identified needs are consolidated and integrated into the annual sustainability training plan.

While general training needs are identified for all employees, more technically oriented training programmes (e.g., environmental risk assessment, supply chain due diligence, human rights compliance, impact measurement, gender, and GBVH/SEAH) are prioritised for ESGI staff. These are aligned with evolving regulatory frameworks, international standards (e.g., IFC Performance Standards, OECD Guidelines), and investor expectations.

Typical training will include but will not be limited to:

<i>ESGI Team</i>	<i>Investment Team</i>	<i>Portfolio Company</i>
In-person DFI training provided by external consultants on E&S	In-house training on ESMS procedures, ESGI policy and related policies	Delivered by ESGI team on specific topics, including but not limited to, environment, occupational health and safety, social and labour conditions, risks of forced and child labour,

<i>ESGI Team</i>	<i>Investment Team</i>	<i>Portfolio Company</i>
requirements of specific topics including but not limited to: <ul style="list-style-type: none"> • cross-cutting vulnerability assessments, • climate change • GBVH and SEAH 	Specific ESG or Impact topics including but not limited to: <ul style="list-style-type: none"> • cross-cutting vulnerability assessments, • climate change • GBVH and SEAH GRM contact person will receive training on GBVH and SEAH in the context of GRM process.	GBV and SEAH, climate change, regenerative agricultural methods.
DFI ESG training webinars and workshops		External, technical assistance, on specific topics such as climate change and adaptation, gender, occupational health and safety.
IFC Sustainability Training and E-Learning Program (STEP) (https://olc.worldbank.org/content/sustainability-training-and-e-learning-program-step-self-paced)		
Frankfurt School's e-learning Master Class on EIB Environmental and Social Sustainability Management (https://www.frankfurt-school.de/home/international-advisory-services/fsdf-e-campus/EIB-ESSM)		

1.5 ESMS Review and Updates

This ESMS will be reviewed at least once per year or when significant business process changes occur, to ensure the information contained herein is current and applicable.

The Fund-specific requirements will be reviewed periodically dependent upon the investor base of the Fund and if necessary, supplemented with the written approval of existing Fund investors.

2.0 Environmental and Social Risk Management

2.1 Process Overview

ESGI activities are integrated into each stage of the Investment process and for the period of investment to exit. Refer also to the MPL *Investment Management Standard Operating Procedures* and *Impact Measurement and Management Section 4.0, Impact Strategy and Execution*. A summary of the key stages of the Investment workflow and main ESGI activities or deliverables is presented as Figure 2. These are presented in further detail through the remainder of this document.

Contextual risk, country-specific climate risk and human rights aspects – including those related to forced and child labour, gender discrimination, Gender Based Violence (GBV), freedom to protest – labour freedoms, regulatory risk, risk of corruption etc. per country of investment have been prepared and are reviewed annually. These assessments are refined through the diligence process with reference to the specific investment.

It is noted that Indigenous Peoples present and form the majority populations in the Small Island Developing States (SIDS) that are the investment focus of MPL and MPL funds. They are also the main counter-parties to MPL for each investment and are present in all investments as owners and beneficiaries. Indigenous Peoples' vulnerability is considered at a country level by use of the EDFI Contextual Risk screening tool in amongst other human rights risk. Specifically with reference to Indigenous World 2025 and updates, and whether ILO Normalex data base ILO 169 Indigenous Tribal Peoples Convention 1989 has been ratified.

Specific Gender Lens aspects through the deal flow are presented separately in Section 3.0.

Per the ESGI Policy (Appendix A), Matanataki has a zero tolerance to Gender Based Violence and Harassment, Sexual Exploitation Abuse and Harassment. These risks are regarded as material and cross-cutting within this ESMS.

Screening and risk categorisation explicitly takes into account the programme-level vulnerability assessment and the specific characteristics of Pacific SIDS contexts. This includes consideration of impacts on vulnerable groups; customary land tenure and resource rights; exposure to climate and disaster shocks; geographic remoteness; limited access to public services; informal and semi-formal labour arrangements; and risks of maladaptation. Investments that may exacerbate vulnerability or undermine climate resilience objectives are subject to enhanced scrutiny or exclusion.

Cross-cutting SIDS strengthening

The ESMS has been designed specifically for Pacific SIDS conditions and applies proportionate, context-appropriate measures that recognise small enterprise capacity constraints while maintaining robust protection for people, communities, and ecosystems.

Figure 2: Simplified Investment and ESGI Workflow

Stage	Key Investment Activities	Key ESGI Activities
1: Deal Screening Initial approval of IMC.	<ul style="list-style-type: none"> • Identification of pipeline opportunities – application of feasibility study (vulnerability assessment and eligibility criteria) • Initial investment screening including AML (Go/No Go) • Initial Pitch to Investment Management Committee (IMC) 	<ul style="list-style-type: none"> • Pipeline opportunities with initial ‘Go’ screening are screened against Exclusion Criteria and the ESGI Requirements. • Review of external public sources for corporate behaviour or key individuals (labour disputes, grievances, environmental incident etc.) • Initial ESG risk category indicated <p>Deliverables inform Initial Pitch (Confidential Information Memorandum) to IMC.</p>
2: Deal Evaluation 3: Deal Readiness Approval of IMC	<ul style="list-style-type: none"> • Letter of Intent • Review of Information Memorandum • Business Planning and detailed financial modelling • Final Screening • Draft term sheet 	<ul style="list-style-type: none"> • Further ESG assessment based upon the Information Memorandum, Sector Risks, and using available data sources. • ESG Screening Category revisited, ESG risks described • Outline Impact, Gender and Diversity opportunities • Development of ESGI DD requirements <p>Deliverables inform IMC paper</p>
3: Due Diligence Approval of IC	<ul style="list-style-type: none"> • Negotiate term sheet • Due Diligence streams: management capability and capacity, financial, legal, tax, ESG impact... • Investment Committee memo 	<ul style="list-style-type: none"> • For High and Medium Risk categories (A-B) Develop terms of reference (ToR) for ESG DD and Gender and Impact DD • Issue ToR to minimum 3 consultants, review on basis of agreed technical and financial criteria • Implement due diligence (external Cat A-B, internal Cat C) <p>Findings of due diligence inform:</p> <ul style="list-style-type: none"> • ESAP including requirements for further studies such as ESIA, ESMPs, Resettlement Action Plans, internal capacity building, E&S risk management, climate action plans ... • GAP, IAP¹ <p>Recommendations, ESAP and other action plans included within IC Memo</p>
4: Closing	<ul style="list-style-type: none"> • Drafting legal terms and agreement 	<ul style="list-style-type: none"> • ESAP, GAP, IAP to be negotiated and discussed with target to be included within the Investment Agreement • Legal clauses E&S, conditions precedent and conditions subsequent
5: Monitoring	<ul style="list-style-type: none"> • Monitoring and Reporting 	<ul style="list-style-type: none"> • ESAP, GAP, IAP implementation, review and monitoring of deliverables • Depending on risk category, monitoring in person • Annual monitoring and reporting requirements

¹ Refer to Section 3.0

Stage	Key Investment Activities	Key ESGI Activities
6: Exit	<ul style="list-style-type: none"> • Manage exit process – financial returns, legal docs • Manage security release 	<p>6 months prior to exit review the status of the action plans and any interim corrective action plans. Provide summary of ESG, Gender and Impact outcomes</p> <ul style="list-style-type: none"> • Prioritise exit actions based on above review and implement • Prepare exit report

2.2 Risk Categorisation

ESG Risk Categorisation

The evaluation of the potential ESG risk associated with a particular investment is iterative through the investment stages. The broad approach is to:

1. For each proposed opportunity check the sector and activities against the Exclusion List (*Appendix B ESGI Policy*).
2. Review the outcomes of the initial feasibility study including the vulnerability assessment
3. Prepare an initial risk categorisation based upon the contextual ESG risks
4. Refine the risk categorisation based upon the inherent risks identified and understood during the due diligence process
5. Avoid, Manage and Mitigate ESGI risks through the use of the Environmental Social Action Plan
6. Re-visit the risk assessment (1. to 5) where material changes in business occur and revise the risk categorisation if necessary.

The Matanataki Risk Categorisation framework (below) is based upon the risk categorisation framework of the Global Fund for Coral Reefs, and corresponds to the IFC Risk Categorisation, and EIB risk categories.

GCF/IFC Risk Category (EIB)	Description	Examples from Target Sectors
A (High)	<p>Business activities with potential <u>significant</u> adverse environmental or social risks and/or impacts that are diverse, irreversible or unprecedented.</p> <p>An indication for categorising an activity as “A” is that such impacts cannot be mitigated or remedied or only at significant costs.</p>	<p>Sustainable Ocean Production</p> <ul style="list-style-type: none"> • Large scale drift net fishing in the marine environment <p>Eco-tourism</p> <ul style="list-style-type: none"> • Large cruise line operations <p>Sustainable Infrastructure</p> <ul style="list-style-type: none"> • Hazardous waste management • Large off-shore energy
B+(Medium High)	<p>Business activities with <u>generally limited</u> potential adverse social impacts or risks that are site-specific and readily addressed through mitigation measures but having some specific features which can have significantly larger adverse social impacts.</p> <p>A good indication for categorising an activity as at least “B+” is an occurrence of any issue covered in the IFC PS 5 – 8 (resettlement, impact on biodiversity, indigenous peoples or cultural heritage).</p>	<p>Sustainable Ocean Production</p> <ul style="list-style-type: none"> • Sustainable fisheries, mariculture, and aquaculture <p>Eco-tourism</p> <ul style="list-style-type: none"> • Sustainable resorts <p>Sustainable Infrastructure</p> <ul style="list-style-type: none"> • Above ground waste management • Regenerative agriculture • Wastewater treatment • Small to medium scale renewable energy (excluding hydropower)
B (Medium)	<p>Business activities with potential <u>limited</u> adverse environmental or social risks and / or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.</p>	<p>Other</p> <ul style="list-style-type: none"> • General manufacturing
C (Low)	<p>Business activities with <u>minimal or no</u> adverse environmental or social risks and / or impacts.</p>	<p>Sustainable Ocean Production</p> <ul style="list-style-type: none"> • Supply chain traceability projects <p>Eco-tourism</p> <ul style="list-style-type: none"> • Small scall (SME) tourist activities <p>Sustainable Infrastructure</p> <p>Retrofitting sustainable infrastructure</p> <p>Technical Assistance</p>

Minimum E&S management expectations by risk category

Category C (Low Risk):

Compliance with national E&S laws and regulations; basic awareness of E&S risks; willingness to address issues if risks increase.

Category B (Medium Risk):

At a minimum, investees are expected to have or develop:

- Basic E&S management procedures proportionate to enterprise size;
- Compliance with national labour laws and core ILO standards;
- Worker grievance access that is confidential and non-retaliatory;
- A code of conduct covering non-discrimination and SEA/SH;
- Commitment to implement agreed ESAP and/or Gender Action Plan actions within defined timeframes.

Category B+ (Medium-High Risk):

All Category B requirements, plus enhanced management measures, external due diligence, and targeted action plans addressing identified risks, including climate and vulnerability-related risks.

The B+ category has been adapted from European Development Finance Institutions' (EDFI) categorisation. Investments which have identified actual or potential risks under PS5-8, that can be addressed through specific measures.

For business activities involving investments in financial institutions or through delivery mechanisms involving financial intermediation, the risk category is labelled 'FI'. This is sub-divided into:

- FI-1: where an FI's existing or proposed portfolio includes or is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible or unprecedented.
- FI-2: where an FI's existing or proposed portfolio includes or is expected to include financial exposure to business activities with potential limited adverse environmental or social risks or impacts that are few in number, generally site specific, largely reversible and readily addressed through mitigation measures. Or, includes a very limited number of businesses with activities with potential significant adverse environmental or social risks or impacts that are diverse irreversible or unprecedented.
- FI-3: where an FI's existing or proposed portfolio includes or is expected to include financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.

It is noted that at Fund level, Matanataki Pacific Fund 1 (MPF1) will not invest in Risk Category A opportunities. Accordingly, MPF1 is categorised as FI-2, financial intermediary of Medium Risk.

Technology Risk Profile

Technology Risk Profile	Description
High	Activities which, due to their inherent complexity and characteristics, are dependent on the utilization of technology and cyber world such as internet for more than 50% of its annual revenue and sophisticated cyber protection is required for the continuity of the business; for example, the business generates 50% of its revenue from e-commerce, or remote computing, and will require detailed technology resilience assessment by independent experts.
Medium	Activities which utilise technology and cyber world for their operation, but technology application is straight forward whereby less than 50% of its revenue is dependent on cyber security. Expert second opinion or limited review may be advisable.
Low	Activities which typically have minimal or no cyber exposure.

2.3 ESGI Screening

Investment Screening and Initial Risk Categorisation

Investment Stage	ESGI Activity	Question
Deal Screening	Screen against the MPL and Fund Exclusion List	Is the investment excluded Yes / No? If no, the investment should not proceed.
	Red Flags in the public domain (web-based review of news, annual reports, NGOs, land-use sensitivities, legal non-compliance, GBVH, SEAH). Check publicly available information for adverse impacts to local communities, environment or social impacts relating to the investment.	Are red flags present? Are they current, or have they been resolved? Should the investment proceed Yes / No?
Initial Risk Categorisation	Refer to country, including climate-related and sector-specific risks to provide preliminary risk-categorisation. Reference the outcomes of the vulnerability assessment, Identify the applicable IFC Performance Standards (or others as applicable to the particular fund).	IFC FIRST for Sustainability (E&S Sector Risks), BII Toolkit – Sector Profiles, EDFI Contextual Risk Tool Is Investment Risk Category A? If yes, the investment for MPF1 should not proceed as described.

The decision on Red Flag Go / No Go is made by the ESGI Partner.

Matanataki has developed a risk categorisation tool (Appendix B). Inputs to the tool are updated through the early-stage screening and investment readiness stages to refine the understanding of the risks as more specific information about the deal is obtained.

Investment Readiness

Investment Stage	ESGI Activity
Deal Evaluation Deal Readiness	Additional information will be requested. This may include the Information Memorandum; Response to initial question list and document request (Appendix C); Initial interviews with Target personnel.
	Further assess contextual risks –EDFI Contextual Human Rights Risk Tool including biodiversity and climate risk. IFC GMAP, Climate risk tools.
Risk Categorisation	<ul style="list-style-type: none"> • Identify the key ESG risks and potential Impact and Gender Opportunities. • Review risk categorisation in light of the additional information. • Prepare required scope for ESGI due diligence
IMC Memo	Prepare contribution to IMC memo highlighting key ESG risks and opportunities, risk category and ESG due diligence requirements.
	Prepare Terms of Reference for ESG Due Diligence, Impact and Gender Review (Appendix D) or other material studies required according to risk categorisation.

2.4 ESGI Due Diligence

The assessment framework comprises international and national applicable ESG-related legislation and the MPL and fund ESGI Policy Requirements (refer to Section 1.2) in addition to any sector specific standards that may be applicable.

Topics to be considered at a minimum include those reflected in the IFC Performance Standards and EIB Environmental and Social Standards:

- ESG Risks and Impacts Management, Compliance
- Labour and Working Conditions
- Health & Safety
- Pollution Prevention and Resource Efficiency
- Climate and Climate Change
- Community health safety and security
- Stakeholder Engagement
- Land acquisition and involuntary resettlement
- Biodiversity Conservation & Ecosystems
- Sustainable Natural Resource Management
- Vulnerable Groups, Indigenous Peoples and Gender
- Cultural Heritage

For risk categories B and above, an external specialist consultant will be appointed to complete the ESGI due diligence against the assessment framework.

Due Diligence

Internal ESG&T due diligence actions are dependent on the level of risk and case- specific circumstances.

- ESG Category C (Low ESG risks): All proposed transactions with a Category C classification are required to comply with host country legislative and regulatory requirements and MPL and Fund requirements. A desk-based due diligence will be undertaken using the standard questionnaire (Appendix E) refined for the appropriate sector and scale of enterprise.

At a minimum the investment will be asked to warrant that it has all relevant EHS permits and is in compliance with the applicable National Social and Environmental Laws and regulations and, if applicable, the IFC Performance Standards and EIB E&S Standards. The investments will be monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required.

- ESG Category B (Medium ESG risks): (1) Verify (by means of document inspection and/or discussions with the relevant authorities) that the company has all relevant EHS permits and is in compliance with applicable National Social and Environmental Laws and regulations. (2) If applicable, check that the company's activities are consistent with the IFC Performance Standards and EIB E&S Standards. (3) Investigate and resolve any specific issues of concern. (4) Engage an independent expert to undertake a focused due diligence.
- ESG Category B+ (Medium to High) and Category A (High): Per risk category B above and prepare terms of reference for detailed ESG DD against the assessment framework by an external consultant.
- Technology (T) Risk Profile High (or Medium): Determine the scope of work for a review or opinion by an independent expert.

External Consultants

External ESG (& T) due diligence will be completed by an independent expert / consultant on ESG risk category B, B+ and A².

The ESG DD will identify the need for additional studies in the case of development projects. These may include internationally acceptable Environmental and Social Impact Assessments (ESIAs) and accompanying resettlement and biodiversity plans among others that provide the regulatory and social licenses to operate. Where ESIAs, livelihood plans, resettlement plans, environmental and social management plans, construction management plans etc. have been prepared as part of the preparation phase of the specific project investment, these will be reviewed by the independent consultant as part of the due diligence for completeness.

Confirmation of risk categorisation will be made by the independent consultant.

- Generic elements required for a ESG DD report are presented in Appendix F. It is expected that the ESDD content may be adapted according to the nature of the 'target' and topics covered.

² MPF1 will not be investing in Risk Category A opportunities.

- Generic Table of Contents for Biodiversity Plans, Stakeholder Engagement Plan, Resettlement Plans, Livelihood Restoration Plans in accordance with good international practice are presented in Appendix G.

The key deliverables from the External Due Diligence will be the i. Report and ii. the Environmental and Social Action Plan (ESAP) and iii. contributions to the Gender Action Plan and Impact Action Plan. The ESAP and other action plans will form part of the legal investment agreement.

Climate

An initial review of country and sectoral climate change risks will be made through contextual analysis elements in deal screening and readiness.

During due diligence further evaluation will be made of the physical and transition risks, with additional social and environmental dimensions, likely to affect the company. This assessment will be made in alignment with the international Taskforce for Climate-related Financial Disclosures (TCFD) and using the vulnerability assessment framework. Where possible Green House Gas emissions of the company will be advised.

The ESAP will contain at least two climate-related elements requiring:

- i. Baseline GHG Scope 1,2 and limited 3 (e.g. using GHG Protocol, or UN FCC emissions calculator) to be prepared within 18 months of the investment, where the investment is in an existing operational entity;
or
- ii. For a new operational entity an estimate of GHG emissions and use of Best Available Technology Not Entailing Excessive Cost (BATNEEC), good international industrial or agricultural practices to optimise resource efficiency, minimise carbon emissions and encourage use of renewable resources; and
- iii. Climate strategy for investment aligning with TCFD recommendations – Governance, Strategy, Risk, Metrics and Targets.

External resources that support good practice will be used. These include but may not be limited to:

Climate Change External Resource	Website
The GHG Protocol	https://ghgprotocol.org/
UN FCC Emissions calculator	https://unfccc.int/climate-action/tracking-and-recognition/measure-your-emissions
BII Toolkit for Climate Change	https://toolkit.bii.co.uk/climate-change/

Note: Once the portfolio is established, Matanataki intends that portfolio GHG emissions', expressed in carbon dioxide equivalents per ton, (tCO₂e), \$/CO₂e, shadow price may be used in financial modelling to evaluate the overall exposure of the portfolio to medium term transition risk.

Technology Resilience

MPL will work with the management of portfolio companies to assess the technology resilience of the company and to adopt the best practices to ensure that the company and customer data are well protected in day-to-day business operations against threats in the cyber world. This will be a separate due diligence stream from ESGI but is mentioned here for completeness.

3.0 Gender

3.1 Process Overview

As described in MPL’s ‘Gender Impact Roadmap & Guidelines’, Gender Lens Investing (GLI) is key to the investment strategy of MPL. MPL and the Fund MPF1 investments will be aligned with 2X Challenge criteria. Each deal will be assessed against the following attributes:

- Gender composition of the shareholders and leadership
- Commitment to gender-diverse and equitable workforce
- Commitment to gender-inclusive value chain
- Commitment to offering and designing products or services that consider the distinct needs of women as a consumer segment
- Commitment to ensuring their operations so no harm to women in the community.

Gender is considered as both a risk and opportunity in all stages of the deal flow (refer to Figure 3). Reference documentation among others includes: “A Fund Manager’s Guide to Gender Smart Investing” published by IFC & CDC in 2020.

Appendix H presents the Gender Due Diligence Questionnaire to be used during due diligence. The responses will inform a preliminary Gender Gap Assessment Appendix I. Where necessary, an external consultant will be appointed to conduct a more in-depth workplace and gender assessment.

Post investment and for portfolio wide management MPL and MPF1 will introduce best practice to:

- i. Enhancing gender balance and diversity at a leadership level
- ii. Remove gender bias from career progression
- iii. Adopt a zero-tolerance policy to workplace bullying, Gender-based Violence or Harassment (GBVH), Sexual Exploitation Abuse and Harassment (SEAH) or discrimination of any kind.
- iv. Work to improve the workplace culture
- v. Establish effective mechanisms where workers may report incidents of discrimination and gender-based violence without fear of retribution, and that such incidents are investigated in accordance with established policies.
- vi. Provide support for survivors of domestic violence and GBVH or SEAH.
- vii. Provide proper and safe sanitation and natal facilities for female employees
- viii. Offer time management and work-life balance training for women employees regardless of marital status
- ix. For carers (of children or elderly) provide tools and training to enable them to work remotely or on flexible terms
- x. Encourage the portfolio company to remove the gender bias in sourcing from vendors and suppliers; to adopt a gender lens when selecting vendors and suppliers.

On exit:

- for M&A: the continuity of gender smart practices of the enlarges NewCo should be included within the M&A terms.
- For Trade: *ceteris paribus*, prefer a buyer who has already adopted gender smart practices, or who is committed to adoption and continued gender smart practice post transaction.

SEAH is treated as a standalone operational risk within the ESMS and is integrated into ESG screening, due diligence, contractual requirements, incident management, and grievance mechanisms, in addition to gender equality and empowerment objectives.

3.2 Gender Pre-Investment and Screening

MPL will broaden the deal origination network to include sources such as the Women’s Charter, diverse trade associations, and conferences aimed at women. MPL will:

- (a) Remove unconscious gender bias in opportunity sourcing by:
 - Expanding deal origination networks to include women’s groups and diverse community sources.

- Actively searching for companies serving women consumers, attending trade fairs/conferences to surface opportunities for female leadership and agency.
- (b) Capture women's path to leadership through founder stories and relational context, not just statistics.

Figure 3: Gender within the Deal Flow

Stage	Guide	Actions
Deal Origination	Remove unconscious bias in researching the investment opportunities	<ul style="list-style-type: none"> • Broaden deal origination network to include Women’s Charter of a local Chamber of Commerce or similar organisation • Identify trade associations and groups that support businesses serving women • Participate in conferences that cater for female audience (PEWIN or 100 Women in Finance) • Attend trade fairs for women consumers to identify companies and products for women and children
Deal Participation	Ensure balanced participation of female and male investors when forming the deal team	Ensure equal participation and opinion of all genders are considered.
2: Deal Evaluation 3: Deal Readiness	Ensure Gender Smart Lens has been applied to the deal evaluation	<ul style="list-style-type: none"> • Gender risk elements are considered within the country specific contextual risk • Include deal analysis with respect to the 2X challenge criteria. • Understand where impact may be made by improving against the 2X Challenge Criteria within the company e.g. improving ratios female to male within Shareholders, Board, Management, Employees • Pay ratios etc. • Identify potential female focused impact with respect to company products <p>Deliverables inform IMC paper</p>
Approval of IMC		
3: Due Diligence	<ul style="list-style-type: none"> • Include a gender gap assessment as part of the due diligence • Direct Operations and within Supply Chain (at least Tier 1 contractors) 	<p>Covering gender risks and impacts relating to:</p> <ul style="list-style-type: none"> • Roles and responsibilities • Workforce demographics (composition, roles and responsibilities, age profile, full-time part-time profile etc) • Employment Contracts, Rights and benefits • Workplace policies on Gender Based Violence, Sexual Exploitation Abuse and Harassment (GBVH, SEAH) • Survivor centred grievance mechanisms • Workforce pay policy and implementation • Products • Customer demographics <p>Findings of due diligence inform:</p> <ul style="list-style-type: none"> • Gender and Impact Action Plans (GAP, IAP) – targets and metrics. Elements of the GAP may be incorporated into the overall ESAP. <p>Recommendations, GAP / IAP included within IC Memo</p>
Approval of IC		

Stage	Guide	Actions
4: Closing	<ul style="list-style-type: none"> • Drafting legal terms and agreement • Be mindful of inherent bias 	<ul style="list-style-type: none"> • ESAP and GAP / IAP to be negotiated and discussed with target to be included within the Investment Agreement • Legal clauses E&S, conditions precedent and conditions subsequent • Ensure that final outcomes does not discriminate against any gender group
5: Monitoring and Reporting	<ul style="list-style-type: none"> • Ensure that the ESAP, GAP and IAP are being implemented • Monitor and continually review actions and outcomes • Report progress 	<ul style="list-style-type: none"> • ESAP, GAP, IAP implementation, review and monitoring of deliverables • Depending on risk category, monitoring in person • Annual monitoring and reporting requirements
6: Exit	<ul style="list-style-type: none"> • Manage exit process – financial returns, legal docs • Manage security release 	<p>6 months prior to exit review the status of the ESAP, GAP and IAP and any interim corrective action plans. Provide summary of ESG and Impact outcomes</p> <ul style="list-style-type: none"> • Prioritise exit actions based on above review and implement • Prepare exit report

3.3 Gender Due Diligence

MPL and the fund will Gender Due Diligence on each deal. It will be primarily delivered by the in-house team using the questionnaire presented in Appendix H. This will supplement information that may be obtained through the ESDD particularly with respect to IFC PS2 and EIB ESS 7.

The data obtained from the Gender Due Diligence questionnaire will be used to prepare a preliminary assessment of the gender diversity risks and gaps present in the target investee company. The gender gap and relational assessments will be integrated into due diligence, focusing on both exclusion and emerging female agency. Consultations will include with the Rights Holders and Stakeholders i.e. stakeholders beyond the boardroom. MPL will

- (a) Apply gender lens to assess gaps from shareholders to board, C-suite, workforce, products, and customer to identify and find areas for influence.
- (b) Ensure the deal team includes gender experts, is equally balanced in terms of gender participation and checks if investment opportunities meet 2X Challenge criteria.
- (c) Identify gaps; if a company falls short of targets (e.g., few women in leadership), help strategize ways to boost women's roles through Standard Operating Procedures, targeted promotions, or sourcing new talent.

The outcomes of the gender risks and gap assessment will be discussed with the target company and a Gender Action Plan will be developed with the target company (refer to Section 4.0). Typically, a Gender Action Plan will require company alignment with at least two 2 X Challenge criteria; Board level, C-Suite representation of women; gender responsive products or services; and in cases serving women (e.g. women healthcare), require expansion of product portfolio for female consumers.

Depending upon the size and nature of the target company, it may be appropriate to use an external consultant to complete a standalone gender due diligence or assessment. This will be at the discretion of the ESGI Partner.

3.4 Gender Post-Investment and Exit

Through the investment period MPL will work with the company per the ESGI Action Plan and monitoring programme described in Section 4.0. However, with respect to the Gender Action Plan MPL will:

- Facilitate regular council/circle meetings for collective sense-making, storytelling, and progress checks.
- Support ongoing training for naming/healing gendered harms, reconciliation, and innovation in workplace culture.
 - (a) Create regular forums for mixed-gender dialogue, storytelling, and learning, rooted in Pacific and Indigenous ceremonial forms.
 - (b) Provide ongoing gender equity training for all staff, including male advocates, and monitor not just progress against quotas, but emergence of new language, metaphors, and leadership modalities.

In exits, MPL will share ceremonies and stories of transformation publicly. Priority will be given to successor owners/partners who show kincentric and difference-respecting values, embedding succession planning/training to sustain gender impact.

- (a) Document and share stories of gender transformation through public results and ceremonies.
- (b) Select buyers/partners who demonstrate leadership in gender equity and commit to continue gender-responsive policies and practices.

4.0 ESGI Action Plans

Environmental and Social Action Plans, Gender Action Plans and Impact Action Plans are key deliverables from the Due Diligence Phase.

The findings of the due diligence should be discussed with the company. Where the due diligence has identified gaps with the applicable laws and MPL and Fund requirements ('Applicable Requirements') an ESAP and / or Gender Action Plan and Impact Action Plan will be developed and agreed. It will detail specific measures required to 'close the gaps' or to meet regulatory requirements.

- For Category B and B+ investments, at a minimum, within a six month time period from disbursement. MPL will require:
 - adherence to national labour laws and labour standards referenced in the MPL policy
 - and the presence of a functioning E&S risk management system, including GRM, and GBVH SEAH policy and procedures
- Some items may be sufficiently material that they should be actioned prior to the investment – Conditions Precedent
- Some items may be sufficiently material but can be completed post investment within a specified time period – Conditions Subsequent

In the case of new project developments measures may include the need for additional studies such as Environmental Social Impact Assessments (ESIAs), or topic-specific studies relating to the development planning (eg. Biodiversity plans, livelihood restoration, resettlement plans) or implementation of the development such as construction management plans.

The ESAP may include gender-related actions, and 'impact' and value addition measures but this will depend on the complexity of the deal and company operation; a Gender Action Plan and Impact Action Plan may be separate documents.

Each action plan will describe actions that are specific, measurable, achievable and realistic within a specific timeframe (SMART). Each action will relate to a specific gap or risk identified in the due diligence; there may be more than one action required to manage a specific risk or deliver on an opportunity.

In addition to being SMART, each action will be:

- cross-referenced to the specific IFC Performance Standards and Fund-specific assessment standards;
- allocated a resource with responsibility for its implementation;
- provided an indicative budget or cost estimate if required;
- provided with clear descriptions of the agreed deliverable that will deem the action completed or closed.

A template action plan is provided as Appendix J.

The action plan(s) will form part of the legal investment agreement. The consequences of failure to implement elements of the action plan should be considered within the legal agreement.

5.0 ESG Legal Clauses

All investment agreements will contain appropriate E&S representations, warranties, and covenants requiring that the portfolio companies comply with all material aspects of the host country's environmental, health, safety, and social requirements embodied by state general laws and implementing agencies.

In addition, portfolio companies must be compliant with any requirements set by MPF and the Fund in connection with its potential investment ('Applicable Requirements'). Through the period of investment, the portfolio company must be able to demonstrate compliance with the Applicable Requirements to the satisfaction of MPL and the Fund, although the opinion of third parties such as regulatory agencies can be sought.

Where compliance cannot be demonstrated at the time of investment, an ESAP and / or Gender and Impact Action Plan must be agreed to for the investment to proceed. The plan must specify all the necessary actions to bring an investment/company into compliance. A target completion date for each specified action must also be agreed upon and covenanted in agreements signed with the target company, its subsidiaries, and affiliates. In all cases, E&S legal rights should be enforceable at the operating company level.

MPL will ensure the inclusion of suitable ESG clauses in the investment legal agreement – refer to the ESG drafting guide Appendix K. The ESG clauses typically address the following:

- Confirmation of ESDD and any other associated studies such as separate Gender due diligence in the representation and warranties
- Compliance with Applicable Requirements
- Monitoring
- Addressing non-compliance

ESGI Non-Compliance

Where a portfolio company fails to comply with MPL and fund ESGI Policy or any other ESGI clauses stipulated in the investment agreement (or equivalent instrument), MPL will agree with the portfolio company on remedial measures to be implemented to achieve necessary compliance.

The legal agreements will have clauses to manage failure to re-establish compliance, or in any event of non-compliance where an agreement on remedial measures cannot be reached.

6.0 ESGI Monitoring and Reporting

Specific objectives for ESGI monitoring through the lifetime of the investment include:

- Assisting the portfolio company to meet its E&S compliance obligations and commitments, including implementing any action plans agreed, through training delivery if necessary, disseminating best practices, sharing lessons learned, and joining board seats when needed;
- Enabling MPL to stay informed and to have the ability to respond to any risks or unplanned events arising from E&S performance by the portfolio company;
- Building and maintaining a good working relationship with the portfolio company; and
- Creating value related to E&S performance will contribute to better business performance.

MPL will collect information following its Data Protection Policy (Compliance Manual Annex VI 14.3) which can be modified from time to time.

MPL will monitor and manage the ESGI and Technology Resilience aspects of an investment throughout its involvement with the portfolio company. Active monitoring will compliance with legislation and commitments, and the implementation of agreed action plans (ESAP, GAP, IAP etc.).

Incidents that may occur from time to time will be monitored. Any serious incidents that may result in casualties, fatalities, safeguarding incidents (e.g. gender-based violence and harassment (GBVH), modern slavery, and child exploitation), a material effect on the environment, or material breach of the laws, environmental incidents (e.g. explosion, fire, leak, etc.) and other social issues (e.g. workers strike, community protest, retrenchment) or cyber incidents will be recorded and investigated in accordance with the '5-Whys assessment' or equivalent. Refer also to Section 6.3 Reporting, Significant Incidents.

Periodic monitoring and review of all portfolio companies will be conducted to ensure that:

- any required actions to mitigate potential environmental and social issues associated with the portfolio company are implemented according to the agreed schedule; and
- the E&S risk profile of the transaction has not changed.

An E&S monitoring and reporting plan will be agreed at the time of investment with the portfolio company. Elements of the monitoring and reporting plan will include: i) Kick Off call ii) Regular update calls with an agenda to track the progress of the action plans and any related deliverables; iii) On-site monitoring visits by the MPL ESGI and / or Technology Resilience team or external consultant; iv) frequency of reporting ESGI performance to MPL which will be at least annually.

MPL will report on an annual frequency to the Investors – Annual Monitoring Report – ESGI data from the portfolio.

6.1 Monitoring

E&S performance will be monitored for the duration of the investment. It will be used to:

- Assess compliance with the Action Plans;
- Establish whether previous non-compliance or pending actions have been addressed;
- Identify corrective action plans (CAPs) based on potential additional studies (e.g., legal periodic inspection reports, external monitoring audits);
- Gather, analyse data and collect and evaluate information in order to review performance and progress against the agreed parameters, with MPL staff, and external stakeholders such as Investors.

Monitoring of ESGI will primarily focus on compliance with the requirements of the ESAP- or GAP-related covenants included within the investment/legal agreements.

- Where E&S or Gender issues are identified during monitoring, such as a company's non-compliance with the ESGI clauses stipulated in the legal agreement, the ESG Manager or DRI will follow up with the company to resolve these in a reasonable timeframe and possibly engage external consultants.

- Depending upon the complexity of the issues identified during monitoring an updated ESAP or CAP may be required in addition to increased frequency or reporting or monitoring.
- MPL will work with the management of portfolio companies to enhance the Technology Resilience of the company based on findings during the due diligence

On-site monitoring visits may be conducted by the in-house team, or by an external specialist consultant and will depend upon the risk category of the investment. Generally, low to medium risk categories (C and B) will be conducted in-house, with medium to high-medium (B and B+) conducted (or led by) external consultants.

- For risk category B and above the frequency of on-site monitoring will be at least annual.

Where ESAP or GAP items are overdue in terms of their agreed timeframes:

- items classified as high priority/importance actions will require Investment Committee approval for a 'waiver' or 'extension' in order to postpone the action item and grant a new deadline.
- items of lower priority may have deadline adjustments jointly agreed upon by the ESGI Partner and ESG Manager.

Any significant change in the portfolio company's business activities will be reported to the ESG Manager by the Investment team and / or portfolio company. Where necessary, the Risk Categorization and ESAP may be reviewed and updated as a result. External stakeholders will be updated as necessary in this event.

6.2 Exit Monitoring – Residual Risks

Six months prior to the full exit from an investment, the following actions will be taken by the ESG Manager, DRI and ESGI Partner:

- Review of the original ESDD documentation, ESAP, GAP, IAP etc against the current status. Remaining actions should be prioritized for completion prior to exit in agreement with the company;
- Where these actions cannot be, or have not been completed, an explanatory report should be prepared for review and consideration by the ESGI Partner and the Investment Committee. The IC may provide a waiver in this regard or seek some other form of contractual agreement with the company.

6.3 Reporting

Incident classification, escalation and reporting

Incidents are classified as Minor, Significant, or Serious (including fatalities or severe harm).

Serious ESGI Technical Resilience Incident means: any significant social, labour, health and safety, security or environmental incident, accident, or circumstance relating to the portfolio company, that (i) results in loss of life, severe permanent injury, or permanent damage to health, (ii) a material adverse environmental or social impact, or material breach of law relating to E&S matters, (iii) any explosions, spills that result in material pollution and environmental contamination requiring to be reported to regulators (iv) labour unrest (v) dispute with local communities, (vi) any incident with adverse impact on human rights or any sexual exploitation and abuse and sexual harassment (SEAH) incident (vii) cyber incidents that have or have the potential to have material impact on the portfolio company or, release of any personal data held in breach of GDPR regulations and / or (viii) an event with high reputational risk.

Any Serious Incident must be reported by the portfolio company to MPL within 72 hours of occurrence. MPL will determine whether notification to the Green Climate Fund (GCF) is required, in consultation with the ESGI Partner, and will notify GCF without delay and no later than 48 hours after MPL becomes aware of the incident, in line with GCF requirements.

Serious Incidents automatically trigger enhanced supervision, senior management oversight, and, where necessary, corrective action plans and independent investigation.

Each Serious Incident will be investigated and reviewed in accordance with '5-Whys' root cause analysis in order to be 'closed-out'. If necessary, a police or regulators report may also be included in the final report pack.

Each incident report will include the following:

- Nature of the incident;
- Significance to the Fund of the incident;
- Areas where additional information is required;
- Corrective and preventative actions to be taken by the Company and timelines;

The Investment Committee and Investors will be informed of the on-going implementation of the corrective and preventative actions.

Quarterly Reporting

Notwithstanding the above, a quarterly summary report will be prepared for the Investment Committee which details the status of each ESAP, GAP and IAP in progress.

Any issues arising will be addressed in discussion with the ESGI Partner, the Investment Team and the Company.

Annual Reporting

Impact KPIs are described in the *IMMS Section 5.0* and in the *MPL Gender Impact and Roadmap Guideline* and include those relating to Climate Adaptation and Resilience, Gender and other Environmental Socio-economic factors. These will be tracked through the period of the investment and reported annually to the IC.

Portfolio companies will report their agreed annual KPIs to MPL within 30 days of the financial year end (December 31) to facilitate portfolio reporting.

On behalf of the Fund Manager, MPL will compile a portfolio report of agreed KPIs, annual disclosure requirements within 3 months of financial year end, to be shared with the relevant external stakeholders including Investors. This will also include a summary of complaints received and their resolution.

7.0 Whistle Blowing, Grievance and Redress Mechanism

Matanataki's investigation framework is a comprehensive, restorative approach to addressing organisational incidents, focusing on systemic learning and continuous improvement. The framework covers a wide range of potential disruptions, including fraud, compliance violations, ethics breaches, GBVH, SEAH, client complaints, and operational incidents, and is guided by principles of independence, objectivity, confidentiality, due process, and thorough documentation.

The initial complaint is logged and a confirmation of receipt of the complaint is made to the complainant. The investigation stages include: an initial assessment, systematic evidence gathering, witness interviews, document review, and findings analysis and ultimately redress if appropriate. Each incident will be treated as an opportunity for organisational growth, cultural refinement, and regenerative evolution.

The resolution process emphasises actionable strategies, executive review, and continuous tracking to ensure preventative measures and ongoing institutional learning.

Our detailed Investigation Policy and Procedures (Complaint and Grievance) can be found in Chapter 8 of our Basic Fiduciary Manual (2025-02-17_MPL_MPF1_Basic Fiduciary Manual.pdf) and within the Compliance Manual (2025-03-01).

Records of complaints, whistle blowing or use of the project specific grievance redress mechanism will be reported annually to as part of the Annual Monitoring Report (refer to Section 6.0).

7.1 Whistle Blowing

The MPL Whistle Blowing Policy is presented in Appendix L.

An employee or member of MPL staff or associate may report certain types of 'wrong doing' as a 'whistle blowing disclosure' or 'protected disclosure'. Examples of acts of 'wrong doing' include:

- a criminal offence, for example fraud
- someone's health and safety is in danger
- risk or actual damage to the environment
- a miscarriage of justice
- the company is breaking the law, for example does not have the correct insurance
- covering up of wrong doing

Whistle blowing does not include complaints of bullying, harassment, or other complaints to do with employment. These should be made under the Grievance Redress Mechanism.

A 'Whistle Blowing Disclosure' may be made in writing or by phone call to a Director of MPL or if preferred, to the legal counsel of MPL, anonymously if required. The Whistle Blower will be protected against any form of harassment, intimidation, discrimination or retaliation for making such a report in good faith.

MPL will promptly conduct an investigation into matters reported, keeping the informant's identity as confidential as possible consistent with our obligation to conduct a full and fair investigation. The timeline for response is within 30 days but will depend upon the nature of the issue. The informant will be advised on the timeline once the complaint has been processed.

Whistle Blower Hotline Telephone Number:

In House Legal Counsel, Matanataki Pte Ltd
+679 345 0215

7.2 Grievance Redress Mechanism

Public Communication to Matanataki Pte Ltd.

Members of the public may report alleged misconducts (including maladministration, discrimination, retaliation, fraud, corruption, collusion, coercion, obstruction, money laundering and terrorist financing) related to Matanataki's investments and potential investee companies to Matanataki's in house Legal Counsel, via a written communication to:

Public Complaints:

Email: complaints@matanataki.com
 Mail: Complaint Officer, 27 Waikalou Road, Deuba, Serua Province, Fiji

All communications received from external third parties (e.g. NGOs, neighbours) concerning a particular portfolio company will be for the attention of the Complaint Officer. Complaints should detail:

- name and contact details – unless anonymous
- clear description of complaint
- relevant documents or evidence supporting the complaint
- what is expected in terms of resolution.

The Complaint Officer will record the communication, acknowledge the communication to the third party, analyse and investigate the complaint and respond to the third party within 30 days.

All complaints submitted to the Complaint Officer shall be treated as confidential, unless the complainant indicates otherwise in writing. Matanataki has zero tolerance towards retaliation, abuse including GBVH and SEAH or any kind of discrimination.

- Where the external complaint is anonymous best efforts will be made to investigate the complaint and publish the findings on the MPL website.

The Complaint Officer shall acknowledge receipt of each complaint as per the Basic Fiduciary Manual.

Submitting and resolving complaints through Matanataki's complaints and whistle blowing mechanism shall not replace or impede the complainants' subsequent access to other redress mechanisms.

Matanataki Pte Ltd Staff

All full time and part-time MPL staff and external associates may make a complaint under the complaints / grievance procedure detailed in the Human Resources Handbook and presented in Appendix M.

Portfolio Companies

Through contractual obligations, Matanataki requires its portfolio companies to establish effective complaint and whistle blowing mechanisms in accordance with the requirements in the IFC Performance Standard 1 and EIB Environmental and Social Standard 2 to address any concerns raised to Matanataki portfolio companies with regards to ESG risks and impacts of portfolio companies' business activities. MPL also requires that the company advise all stakeholders of the complaints and whistleblowing mechanisms.

GBVH or SEAH Complaints

If an individual experiences or becomes aware of a situation involving GBVH or SEAH they are encouraged to use the complaints procedure noting the following:

- Affected individuals may be requested to contact a designated person for support and counselling to ensure confidentiality – prioritising the rights, needs and wishes of the survivor, victim.
- Confidentiality is maintained throughout the complaints process; breaches of confidentiality may result in disciplinary action.
- All parties are safeguarded against professional disadvantage under the presumption of innocence; precautionary measures such as staff transfer or paid leave may be implemented until the complaint is resolved.
- Depending on circumstances a qualified specialist may provide counselling, mediate GBVH and SEAH cases and provide post- mediation support.

SEAH-related grievances are handled using a survivor-centred approach. Confidentiality, informed consent, survivor choice, and protection from retaliation are paramount. Access to support services, including referral to local or national survivor support organisations where available, does not depend on the initiation or outcome of a formal investigation. Survivors may choose whether and how to pursue a complaint, and may withdraw at any time.

Project Level

Where projects are initiated and on-going as standalone investments or as an element of portfolio company activity, a project-specific Grievance and Redress Mechanism (GRM) will be established, appropriate for the Rightsholders and Stakeholders in line with IFC guidance, specifically IFC Good Practice Note No.7, September 2009, ‘Addressing Grievances from Project Affected Communities’. The elements of the project level grievance mechanism are presented in Figure 4. All Rightsholders and Stakeholders will be advised of the GRM through the project-specific Stakeholder Engagement Plan communication channels.

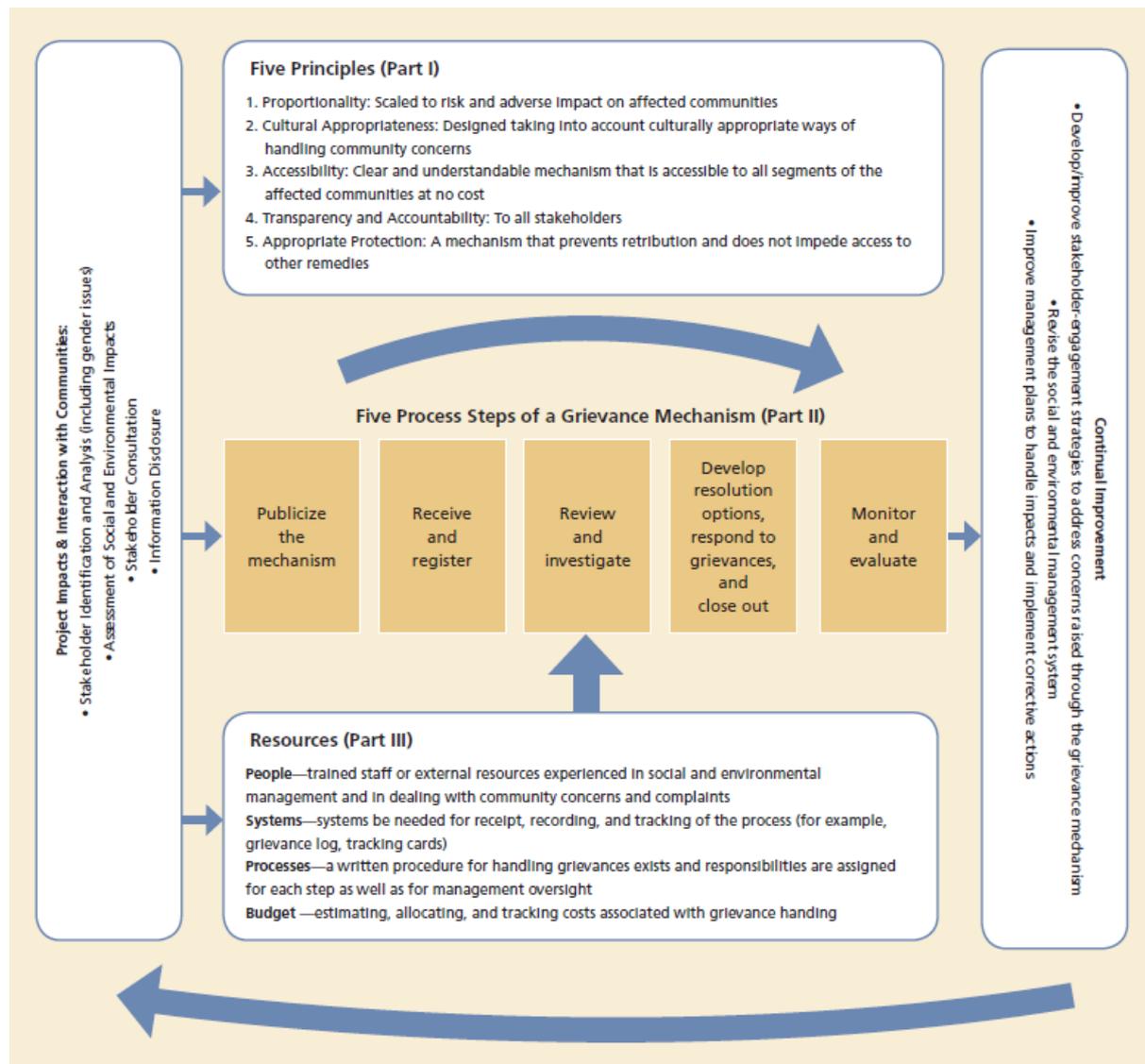


Figure 4: Design Elements Project Level Grievance Mechanism³

³ IFC Good Practice Note No. 7, Addressing Grievances from Project Affected Communities’ September 2009.

8.0 Emergency Preparedness and Response

Existing Enterprises

Where MPL or portfolio companies have a physical presence, an Emergency Preparedness and Response Plan (ERP) will be a mandatory requirement. Elements of the EPRP are presented in Appendix N and will be included where relevant to the particular property, location and enterprise.

Project EPRP

An emergency preparedness and response plan will be a mandatory for all new developments, i.e. project construction activities. It will cover not only onsite construction activities but off-site activities, such as transport which might result in community or environmental impact.

9.0 Record Keeping and Continual Review

All documents and records relating to the ESMS – ESGI due diligence, related studies and assessments, action plans and monitoring reports – will be retained for a minimum period of 7 years.

The ESMS will be reviewed periodically, at least annually, to ensure that it remains relevant and effective over time. This involves recording potential difficulties with operational aspects of the implementation of the ESMS throughout the year; reviewing the scope of the procedures to ensure that emerging ESG risks of investments are detected and identified during the due-diligence process; and updating the framework to reflect revisions in applicable national laws on environment, health, and safety.

The ESMS will be reviewed and approved by the ESGI Partner to ensure that it is integrated into MPL standard operating procedures.

10.0 Information Disclosure

The MPL ESGI Policy will be made available on the Matanataki website as part of MPL's commitment to transparency.

This ESMS Manual, excluding Appendices, will be made available to Investors for publication.

Finalised ESG Due Diligence reports and associated action plans for ESS Category B and above will be made available to Investors 10 working days prior to Capital Calls. These may be redacted or edited to remove confidential or sensitive commercial or proprietary information.

Approval

This ESMS has been reviewed and approved for use by MPL ESGI Partner on 27th January 2026:



Jodi Smith

ESGI Partner, Director / CEO, Matanataki Pte Ltd, Founding GP, Matanataki Pacific Fund 1

Appendices

A: ESGI Policy (including Exclusion List)

B: Risk Categorisation Tool Template (Excel™ Workbook separately provided)

C: Initial ESG Screening Checklist

D: Example Terms of Reference ES(G)DD and, Terms of Reference for Impact and Gender Review

E: ESDD questionnaire (desk-based)

F: Generic ESDD Table of Contents



Matanataki

G: *Table of Contents: Biodiversity Plan, Resettlement Plan, Livelihood Restoration Plan*

H: Gender Due Diligence Questionnaire

I: Table of Contents Gender Gap Assessment

J: ESAP Template

K: ESG Legal Clauses Drafting Guide

L: Whistle Blowing Policy

M: Matanataki Pte Ltd Complaints Procedure

N: Emergency Procedures Response Plan Elements