APPIAN CAPITAL ADVISORY LLP

Appian ESG policies

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Section 1: Overview

Sustainability and ESG policies

Corporate citizenship

Appian believes responsible investing is not only the right thing to do, but also a requirement to creating long-term value in the mining sector. Consequently, Appian and its portfolio companies are committed to operating with the highest environmental, social, and corporate governance (ESG) standards.

When developed and operated properly, a mine delivers numerous benefits to its stakeholders, while reducing and mitigating adverse impacts on the environment. When done poorly, however, extractive companies earn the reputation of neglecting communities and governments and damaging environments in order to provide benefits to shareholders alone.

Often, engaging with the right groups of stakeholders can mean the difference between a successful project with community support and a project with lengthy delays that threaten (or prevent) its existence. In the mining sector, stakeholder engagement is particularly relevant given the proximity to and impact on local communities using resources such as water, energy, and land.

To be successful long-term, one needs to take a more holistic view on what defines a stakeholder. These are parties that, when consulted and collaborated with, ensure that a mining project delivers on behalf of all involved and can be the best version of that project possible. Such parties can include, but are not limited to:

- Employees, contractors, and business partners
- Communities directly affected by mining operations
- Advocacy organizations, including religious and environmental groups
- Small-scale miners
- Food and agriculture industry and farmers
- National, regional and local governments
- Indigenous peoples

Active and deliberate engagement, consultation, trust building, and delivery on commitments describe how Appian and its portfolio companies ensure that its projects are successful long term for all stakeholders.

PRI Principles for Responsible Investment

Since inception, Appian has been a signatory to the United Nations Principles for Responsible Investment. The six core principles are listed below, and more information can be found at http://www.unpri.org/.

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles
- Principle 6: We will each report on our activities and progress towards implementing the Principles

High social and environmental standards are critical elements of Appian's investment strategy and mandate. Prior to every investment, Appian undertakes a 360° due diligence process that reviews the social and environmental aspects. The review includes environmental impacts and mitigation strategies, rehabilitation and closure plans, local legislation and permitting requirements, and local community engagement and support, among others.

The ESG standards that mining companies hold themselves to can vary widely, depending on the values of the owners and operators, the culture of the organization, and the regulatory or permitting requirements of the jurisdiction. As believers that responsible investment is defined by an objective standard, Appian seeks to emulate global best practices regardless of the jurisdictions its portfolio companies operate in. The ICMM Sustainable Development Framework and the IFC Performance Standards are the standards and guidelines that Appian has identified as defining current best practice.

The ICMM Principles serve as a framework for sustainable development in the mining and metals industry. Established in May 2003 the principles respond to the key challenges identified by the Mining, Minerals and Sustainable Development Project's (MMSD) agenda for change. MMSD was a research project looking at how the mining and minerals sector could contribute to the global transition to sustainable development. The principles are industry leading and have been benchmarked against international standards. These include: the Rio Declaration, the Global Reporting Initiative, the Global Compact, OECD Guidelines on Multinational Enterprises, World Bank Operational Guidelines, OECD Convention on Combating Bribery, ILO Conventions 98, 169, 176, and the Voluntary Principles on Security and Human Rights.

The 10 ICMM Principles are listed below and more information can be found at https://www.icmm.com/.

- Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development
- Integrate sustainable development in corporate strategy and decision-making processes
- Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities
- Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks
- Pursue continual improvement in health and safety performance with the ultimate goal of zero harm
- Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
- Contribute to the conservation of biodiversity and integrated approaches to land-use planning
- Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals
- Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities
- Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance

Similarly, the IFC performance standards are listed below and are further defined at https://www.ifc.org/.

- Performance Standard 1: Assessment and management of environmental and social risks and impacts
- Performance Standard 2: Living and working conditions
- Performance Standard 3: Resource efficiency and pollution prevention
- Performance Standard 4: Community health, safety and security
- Performance Standard 5: Land acquisition and involuntary resettlement
- Performance Standard 6: Biodiversity conservation and sustainable management of living natural resources
- Performance Standard 7: Indigenous peoples
- Performance Standard 8: Cultural heritage

Post-investment, Appian and its portfolio companies undertake a gaps analysis to the relevant Performance Standards (whether ICMM or IFC) to identify where those standards should continue to be improved throughout Appian's investment period.

Policies

Appian encourages all portfolio companies to have well-developed policies and procedures. These well-developed policies provide benefits to Appian but mainly to the respective portfolio companies themselves.

The policies outlined below are not considered to be exhaustive and the messages contained simply outline the spirit and main themes to be considered when local management teams are preparing their own policies.

Policies help to manage legal risk and allow management teams to be confident that employees are aware of the various risks at the company along with the correct form of response to these risks.

Code of Conduct, ABC and Cybersecurity

Code of Conduct

The Code of Conduct is a statement of the principles of conduct and ethics that Appian and its companies commit to uphold in its business and operations. Its purpose is to:

- Outline the requirements to comply with applicable law;
- Provide standards of conduct;
- Promote fair and honest dealings with those with whom we do business;
- State a commitment to the environment and to the health and safety of the workplace, and to do our work in a socially responsible manner; and
- Promote a culture of honesty and accountability.

The principles and standards set out in the Code of Conduct should be supplemented by internal policies and procedures, which together establish a framework in which we can exercise our responsibilities.

These values are outlined in the Appian Code of Conduct Policy which covers the areas listed below. The implementation of the code at portfolio companies will be led by the CEO and supported by the Compliance Officer of the Company. Appian will support the roll out and training of staff across the organization by making the appropriate budget available and ensure the open lines of reporting to the Board and Shareholders as required.

A portfolio company's Code of Conduct should look to include:

- People and Safety
  - Health, Safety and Security
  - Inclusivity and diversity in the workplace
  - Anti-harassment
  - Expectations on people leaders
  - Human Rights
  - Data Privacy and Protection
  - Environment Stewardship
- Fraud, Bribery and Corruption, Conflicts of Interest
  - Dealing with Government Officials
  - Gifts and Hospitality
  - Political Contributions and Charitable Donations
  - Community Interactions
  - Insider Trading
  - Money Laundering
  - Ethical Hiring Practices
  - Tendering and Bidding Guidelines
  - Approvals Authorities

Anti-bribery & Corruption

Whistleblowing

'Whistleblowing' means the reporting by employees of suspected misconduct, illegal acts or failure to act at the Portfolio Company.

The aim of this Policy is to encourage employees and others who have serious concerns about any aspect of the Portfolio Company's work to come forward and voice those concerns.

'Whistleblowing' is viewed by Appian as a positive act that can make a valuable contribution to the Portfolio Company's efficiency and long-term success. It is not disloyal to colleagues or management to speak up. Appian is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life and in all of its practices.

The Policy is designed to ensure that employees can raise their concerns about wrongdoing or malpractice within the Portfolio Company without fear of victimisation, subsequent discrimination, disadvantage or dismissal.

It is also intended to encourage and enable employees to raise serious concerns within the Portfolio Company rather than ignoring a problem or 'blowing the whistle' outside.

Tendering and procurement

It is crucial that the tendering and procurement policy prepared by the Portfolio Companies focuses primarily on the following three concepts:

1. Value for money, efficiency and effectiveness;
2. Complying with local and international regulations; and
3. Results in a robust audit trail to support all purchasing decisions.

Further, Portfolio Companies should incorporate social, environmental and ethical considerations into procurement decisions wherever possible in order to make a positive contribution to the environment and the local community.

Regular internal and external audits

Doing regular internal and external audits provides insights into an organization's culture, policies, procedures, and aids board and management oversight by verifying internal controls and compliance.

The board of directors will agree with management for an external, reputable firm to carry out a bi-annual audit of the company's ABC, procurement, hiring and other practices to ensure compliance with international standards. We find that such independent reviews help our Portfolio Companies improve internal controls and ensure they are operating effectively and in compliance with best practices.

Privacy and general data protection

It is vitally important that Portfolio Companies comply with local and international regulatory requirements in relation to privacy and general data protection.

A privacy policy provides Portfolio Companies with certain legal protections by openly disclosing how the company will handle and protect user information.

Cybersecurity

When a Portfolio Company is in the process of preparing a cybersecurity policy, it is vital to understand that there are several parties to consider. These include customers, employees, partners, and compliance agencies.

The policy should provide adequate information on the scope, data classification, management goals, responsibilities, and consequences.

Employees are usually perceived as “soft” targets and it is crucial that they are aware of the various Portfolio Company risks as a result of a breach of the cybersecurity policy along with their personal responsibilities.

Enforcement drives compliance with the Company’s policies; policy and procedure do not work on their own if they are violated. Arguably the most significant aspect of a Company’s policy, it dissuades those who would deliberately or accidentally violate policy rules.

Training employees on cybersecurity and having random phishing tests performed by an external IT firm are necessary to assess the resilience of the cybersecurity policies and maintain the integrity of the Company’s data and systems.

Section 2: Tailings storage facility management

Overall approach

While there is no direct return on investment from mine waste, Appian recognizes that the storage facilities, specifically Tailings Storage Facilities ("TSF"), pose one of the greatest risks and have the potential to have devastating impacts on communities, infrastructure, environment, and the company. Given that safety is a pre-condition for Appian's portfolio companies, safe and secure management of TSFs, through their life cycle from planning to closure, is mandatory for every project. The facilities must be planned, designed, constructed, operated and closed in compliance with all applicable laws and regulations and in alignment with international best practice in order to maintain societal, economic and environmental risks at acceptable levels and to prevent catastrophic failures.

Guiding references

Document	Author/Owner	Source
Dam Safety Guidelines 2007 – *2013 Edition*	Canadian Dam Association	https://www.cda.ca/EN/Shop_CDA/Product_List.aspx
Application of Dam Safety Guidelines to Mining Dams (2014)	Canadian Dam Association	
CDA Dam Safety Reviews – *Technical Bulletin* (2016)	Canadian Dam Association	
A Guide to the Management of Tailings Facilities – *Version 3.1* (2019)	Mining Association of Canada	https://mining.ca/documents/a-guide-to-the-management-of-tailings-facilities-version-3-1-2019/
Developing an Operations, Maintenance, and Surveillance Manual for Tailings and Water Management Facilities – *Second Edition* (2019)	Mining Association of Canada	https://mining.ca/documents/oms-guide-second-edition-2019/
Global Tailings Standard – *Draft for Public Consultation* (2019)	International Council on Mining & Materials (ICMM) / United Nations Environmental Protection (UNEP) / Principles for Responsible Investment (PRI)	https://globaltailingsreview.org/resources/

Roles and responsibilities

The Operator must not only take responsibility for the safe and secure management of their TSF, but seek to lead, innovate and pursue best practice. This is accomplished through establishment of a Tailings Management System (TMS), and a governance framework to assure the effective implementation and continuous improvement of the TMS. The TMS must interact with other systems, such as the environmental and social management system (ESMS), the mine-wide management system, and the regulatory system. Consult the Mining Association of Canada (MAC) Guide to the Management of Tailings Facilities (2017) for details on development and implementation of a TMS.

Effective implementation begins at the top, whereby the Board or senior management shall be responsible for approving TSF proposals (new facility), after deciding what additional steps shall be taken to minimize the risk or, for an existing facility, mandate additional steps to minimize risks.

A member of senior management shall be accountable for the safety of TSFs. This 'Accountable Executive' will ensure that the current phase of the TSF is executed to its stated intent and obligations, and that all TSF-related staffing, resources, permitting, documentation and reporting are available and completed. The Accountable Executive is responsible for ensuring design and operations are done in accordance with applicable best practice and guidelines.

The Accountable Executive or delegate shall appoint and have regular communication with the Engineer of Record (EOR), the qualified engineer responsible for confirming that the TSF is designed, constructed, operated, and decommissioned in alignment with applicable regulations, statutes, guidelines, codes, and standards. Typically, the EOR is a person nominated by the design engineering firm. Further EOR duties and qualifications are laid out in MAC (2017) and the Canadian Dam Association (CDA) Application of Dam Safety Guidelines to Mining Dams (2014).

A site-specific Responsible Tailings Facility Engineer (RTFE) who is accountable for the integrity of the tailings facility, liaises with the EOR, Operations and the Planning teams and reports to the Accountable Executive shall be appointed for each project by the Operator. The RTFE has clearly defined, delegated responsibility for management of the tailings facility and has appropriate qualifications compatible with the level of complexity of the TSF.

Design

A pre-requisite for a safe and secure TSF is a robust design. This is achieved through engagement of an engineering firm with relevant expertise to perform the design in accordance with internationally recognized best practice guidelines, which must include at a minimum the consequence classification and corresponding design criteria prescribed by CDA (2014). The dam consequence classification shall be assigned at all stages of the facility and, in addition to the guidelines, the classification selection must consider potential impacts to the business, including costs associated with lost production and clean-up; damage to corporate reputation; and legal action.

Designs shall suit facility and mine requirements, be cost-effective, have the lowest risk possible, incorporate social and environmental performance standards, minimize water and energy use, and be designed for closure while considering minimum long-term post-closure liabilities and potential for useful land usage at the end of the Life of Mine (LOM). Closure plans and anticipated costs must be included as part of the design and their feasibility must be demonstrated.

At the onset and key stages of the project, a comprehensive alternative analysis of all feasible sites and technologies for tailings management with the goal of minimizing risk to people and environment, while considering relative costs, shall be undertaken. Dewatered or ‘dry stack’ tailings deposition alternatives, or a hybrid of methods, shall be considered in all tailings disposal option analyses. An independent senior technical engineer with relevant expertise or an Independent Technical Review Board (ITRB) for classifications of “High” and above shall be engaged at the onset to review the alternatives assessment and continue to provide review and support throughout the entire life cycle.

Construction

The quality and adequacy of the construction (initial and operational raises) process shall be managed by implementing Quality Control (QC), Quality Assurance (QA) and Construction vs Design Intent Verification (CDIV). CDIV shall be used to ensure that the design intent is implemented and is still being met if the site conditions vary from the design assumptions. All must be approved and overseen by the RTFE and EOR.

A constructability review appropriate for the project must be assigned and completed during the final design stage. The review shall verify whether or not the issued-for-construction documents are coordinated, complete and buildable, and if the construction schedule, resources and management team are adequate. The review shall be coordinated by the Accountable Executive.

Operations

A dedicated management system must be established and maintained for each TSF and the RTFE assigned to each facility must be provided with the appropriate staff, technical support, financial resources and time to ensure a sustainable, environmentally acceptable and safe operation of the facility. All personnel operating, maintaining and monitoring the facility must be properly trained in their duties, consistent with these objectives. Operational procedures and requirements shall be outlined in an Operations, Maintenance and Surveillance (OMS) Manual that shall be updated annually and prepared in accordance with best practices, including MAC’s 2019 Guide to Developing an OMS Manual for TSFs, clearly provide the context and critical controls for safe operations, and be reviewed for effectiveness. The EOR and RTFE shall provide access to the OMS Manual and training to all personnel involved in management of the TFS.

Monitoring and performance management

Each project shall have a comprehensive performance monitoring program for the TSF that allows full implementation of the Observational Method and covers all potential failure modes.

Quantitative performance objectives (QPOs) must be established for each TSF to help define and guide critical management objectives for the facility. These may include, but not be limited to:

- Minimum tailings slurry density (solids content)
- Minimum beach-above-water widths (maintenance of pond away from tailings dam)
- Minimum available freeboard
- Maximum tolerable rate of change and absolute values ('trigger levels') for piezometric, seepage and deformation monitoring data

QPOs must be consistent with design intent, criteria and regulatory requirements. Each QPO should be specific to the TSF, readily measurable, achievable under expected conditions, relevant to the stewardship of the facility, and time-bound. Monitoring data shall be analyzed at the frequency outlined in the OMS to assess the performance of the facility. Performance outside the expected ranges shall be addressed swiftly through critical controls or trigger response action plans (TARPs). Results shall be reported at the frequency required to meet company, regulatory and public disclosure requirements.

Each active TSF shall be subjected to routine technical inspections and reviews. The routine inspections shall be conducted by suitably qualified and experienced operation site personnel, in compliance with OMS Manual requirements. The reviews will comprise, at a minimum, an annual dam safety inspection (DSI) conducted by the EOR or by a suitably qualified and experienced independent geotechnical engineer and, per CDA (2014), a Dam Safety Review (DSR) every three to five years (classification dependent). Finally, the ITRB (or person) shall perform a review at key stages to provide an expert, independent opinion as to whether or not the TSF design and current and/or anticipated performance demonstrate an acceptable level of care, from geotechnical, hydrotechnical and environmental perspectives and with reference to accepted international practice.

Risk and Emergency Preparedness

A Formal Risk Assessment (FRA) procedure must be followed for all phases of the TSF lifecycle. The FRA must be updated as appropriate in response to significant design, construction, operation and closure milestones or events. During operation, the FRA should also be revised every time the LOM plan is updated. Risk assessments are to be transmitted to the ITRB for review, and all risks considered as unacceptable must be addressed with urgency.

Each site must develop and implement a site-specific Emergency Response Plan (ERP) based on credible tailings facility failure scenarios and the assessment of potential consequences. Employees, site contractors, public sector agencies, first responders and at-risk communities should be engaged to participate in emergency planning and implementation.

Section 3: The Appian Way Charitable Foundation

THE APPIAN WAY

Background

The Appian Way Charitable Foundation ('AWCF') is the philanthropic vehicle of Appian Capital Advisory LLP. Appian Capital Advisory LLP regards social, environmental and governance standards as crucial elements within all investment opportunities and portfolio companies.

The main focus area of the AWCF is children, women and the disenfranchised, and the Foundation is seeking to contribute to the health and equal education of the children in the communities and principal regions Apian invests into with the aim of unlocking the wider benefits and with contributing to lifting people out of poverty, improving long-term environmental stability and health and empowering women and girls.

With this aim in mind, the AWCF will be looking to support projects that will create the maximum impact for each dollar spent. To start with, the Foundation will assist Appian's portfolio companies in allocating capital into the most impactful social projects.

Vision

AWCF's vision is to contribute to the relief of poverty primarily in the regions that Appian operates through, amongst others, the advancement of education for the public benefit of all, thus contributing to a world where every person is living and working to their full potential.

Mission

Our mission is to promote the well-being of people by supporting projects focused on, but not limited to, the improvement of education and health and the advancement of children and women in countries where Appian operates.

We aim to support the growth of innovative effective education practices, with a particular focus on supporting underserved populations, by guiding our portfolio management companies in sponsoring innovative projects in areas of greatest need to give opportunities to children and young people from disadvantaged backgrounds and difficult circumstances, in order to improve their chances of attaining success and leading fulfilling lives.

Values

Our values are at the heart of everything we do.

Integrity – AWCF and its trustees will act with integrity, adopting values and principles which help achieve the organisation's charitable purpose.

Partnership – We believe that working collaboratively with our portfolio companies and local and community organisations will enable us to develop creative solutions and services to help achieve our charitable goals.

Flexibility – We are flexible and agile, ensuring that we continually adapt and improve our service.

Unbureaucratic – We aim to be able to rapidly respond to needs in the local communities and enable our portfolio companies to focus on their charitable activities.

Excellence – We seek to attain the highest standards in all our activities.

Accountability – We take responsibility for using resources efficiently, achieving measurable results and being accountable to our partners and the people we aim to support.

Professionalism – We have a charitable heart and a commercial head, and we carry forward the best attributes of both.

Selection Criteria for potential sponsorship projects

We will ask each new portfolio company to provide information on the company's previous ESG budget and projects supported (social, environmental and community plan) and set up a call with the point persons for each project.

We will then ask each portfolio company to submit a list of projects considered for potential sponsorship. The projects need to be benchmarked against the selection criteria developed by the AWCF.

Benchmarking Criteria used to select projects to be sponsored/invested in:

Criteria #	Parameters	Level of importance	Maximum value (multiplier x 1.0)	Average value (multiplier x 0.7)	Minimum value (multiplier x 0.4)	Explanation / Reference
1	Does the project cover the 3 sustainability areas (social, environmental, economically feasible)?	Qualifying	Covers all 3	Covers 2 out of 3	Covers 1 out of 3	Benchmarking methodology (socially fair, environmentally right, economically feasible)
2	What is the direct return? (job opportunities for participants etc)		High	Medium	Low	Qualitative criteria
3	What is the total number of beneficiaries (people)?		≥ 50%	≤ 50%	≤ 25%	Based on inhabitants of the area(s) where the portfolio company operates
4	What is the cost benefit of the project (value / beneficiaries)?					
5	How far from the portfolio company operations is the project located?		≤ 15 km	≤ 50 km	> 50 km	
6	Short-term vs long-term impact of the project		Long-term	Medium-term	Short-term	Does the project have a longer-term impact?
7	Participation rate from Appian portfolio company compared to other parties		< 50%	≥ 50%	≥ 75%	Participation rate in monetary and percentage terms
8	How many partners are there in the project?		> 1	= 1	0	Having one or more partners in addition to Appian portfolio company is important
9	What is the regional impact / global reach?		Federal	State/ Regional	Local/ Municipality	Although the impact of the project should be mainly regional, is there a wider global reach?
10	How long has the project been in existence?		≥ 10 years	≥ 5 years	< 5 years	An older project tends to be more stable and less likely to falter

Interaction with portfolio companies

We will set up quarterly calls with the ESG representatives at each portfolio company to monitor progress of the charitable investments, ensure that the budget guidelines are adhered to and track progress towards achieving our mission.

We will also set up quarterly Trustees' meetings to review progress and budget spend. For these Trustees' meetings, we will request short write-ups on each project and a full report once a year.

For any questions/information on The Appian Way Charitable Foundation, please contact: Barbara Muehleisen (bmuehleisen@appiancapitaladvisory.com; +44 20 7004 0950).

Section 4: Due Diligence Q&A

How does Appian see "value add" of integrating ESG considerations into the investment management process?

In essence proper ESG management is integral to value creation at our investments, and risks related to ESG matters can represent material reductions in valuations and our ability to operate the business, As such Appian has a diligent process to managing these ESG considerations as part of our proactive management approach to investing in the mining sector.

While a mining project can present a favorable investment opportunity, Appian is acutely aware that, if the social and environmental challenges faced by project development are not properly considered and managed, the project will not be successful in the long-term without a social license to operate. Mining requires all stakeholders to support the project in return for the greater social and financial benefit that a mine can bring to local communities and governments. The Appian team is aware of the continuous need for a social license to operate and ensures all projects and investment opportunities evaluated have a well-established and long-term workable social license.

A core focus of Appian's due diligence process is a review of safety standards and operating protocols, to ensure best operating standards and the ongoing protection of Appian and our Limited Partners' reputations. For Appian to successfully execute its long-term investment strategy, uninterrupted operating success is required and any health and safety issues that would risk the reputation and sustainability of our business cannot be left to chance.

What is Appian's strategy of integrating ESG considerations into the investment process?

Appian has been integrating ESG considerations into the investment process since its inception. Through Appian's due diligence and detailed investment review process, all environmental and social qualities of a project are analyzed to ensure that any potential investment adheres to international best practices as outlined by the International Finance Corporation ("IFC") World Bank standards. Any issues identified by the Appian team in relation to ESG standards may lead to an investment decline. Both pre and post investment, Appian seeks to develop collaborative relationships with all stakeholders, enabling local communities and governments to benefit from the development of a mining operation.

What is the structure and experience of Appian's Investment team to integrate ESG?

Appian's investment team consists of experienced operating executives who have previously held senior management positions at global mining companies, and have experience across social, environmental and sustainability matters. These executives will advise on the level of risk related to ongoing ESG issues and how to mitigate these. These senior technical executives guide our diligence and investment process. As part of the investment process, in certain situations we will bring in specific expertise to review complex matters if deemed necessary by our experienced in-house technical/operating teams. It is important to note that Appian will not take undue ESG risk and any complex situations will result in a decline from the Investment Committee.

How does Appian identify, assess and prioritize ESG factors and risks?

Appian uses a mixture of our in-house operating experience and external consultants to assess and prioritize ESG issues. These are ranked as very high priority internally and assessed in our weekly and monthly meetings with our portfolio companies.

We take a probabilistic approach to scenario analysis ranking the impacts and likelihood of any ESG issues identified. Appian will not take undue ESG risk and any complex situations will result in a decline from the Investment Committee.

In essence proper ESG management is integral to value creation at our investments, and risks related to ESG matters can represent material reductions in valuations and our ability to operate the business, As such Appian has a diligent process to managing these ESG considerations as part of our proactive management approach to investing in the mining sector.

How does Appian assess jurisdictions?

There are certain jurisdictions in which Appian does not invest. There were a series of considerations made before deciding which countries were not included on the list and negative ESG factors were included within this.

What is the level of ESG-related engagement with portfolio companies?

Appian is a pro-active manager, and our portfolio managers have weekly calls with the CEO and COO of our portfolio companies. The ESG matters are put at the front of the agenda for our meeting and we proactively address these issues upfront to manage these aspects of the operations.

How does Appian manage ESG concerns?

Appian seeks outright control over our investments and an ability to define a budget focused on ESG aspects. As such, we are able to tightly manage ESG issues and allocate additional resources as needed.

How does Appian collaborate with other stakeholders to push for an ESG oriented agenda?

Both pre and post investment, Appian seeks to develop collaborative relationships with all stakeholders, enabling local communities and governments to benefit from the development of a mining operation. Value creation at Appian's portfolio companies is not viewed as one-sided, but rather as a great opportunity to give back to local communities and the environment through the execution of social programs and the adherence to top tier environmental standards practised by major mining companies globally.

How does Appian assess the results of engagement efforts?

Appian shares the key achievements made at each portfolio company as part of our annual sustainability report. This sustainability report is shared with all clients. Appian tracks ESG metrics at all portfolio companies and shares key findings with clients annually.

How does Appian get validation of the ESG metrics verified?

ESG metrics are validated during diligence as described above. We use a range of consultants on a case-by-case basis that are experienced with the IFC performance standards and to any deficiencies and the ability for Appian to close any gaps, managed by Appian's experienced operating members of our investment team. These workstreams are part of the approved budget for the investment and factor into our returns analysis.

What are Appian's ongoing initiatives or plans to improve ESG reporting efforts?

Appian is continuously reviewing and improving our reporting efforts. An example of this is our Annual Sustainability Report. 2020 was the first period where this was produced.

Does Appian collaborate with other industry parties dedicated to improve ESG reporting standards and guidelines?

Appian ensures that any potential investment adheres to international best practices as outlined by the International Finance Corporation ("IFC") World Bank standards. Alongside this, Appian has been a member of the UNPRI since our inception.

Please also see the ESG section on our website (https://appiancapitaladvisory.com/esg/esg-overview/) and our Annual Sustainability Report which provides detailed case studies from our portfolio companies.