TRIPLE JUMP

Responsible Investment Policy

April 2020

Contents

1. Purpose of the document

The purpose of this document is to outline Triple Jump BV's (TJ) approach to Responsible Investment (RI), which is broadly defined as investment activities conducted with the consideration of social and environmental issues alongside financial ones. This includes addressing both the ultimate environmental and social impacts targeted by Triple Jump's investment funds (e.g. financial inclusion) and the Environmental, Social, and Governance (ESG) issues that arise throughout an investee company's operations. The latter group includes issues that influence a company's ability to deliver on its commercial or impact objectives (e.g. client protection practices) and those that represent externalities that affect outside stakeholders (e.g. emissions).

Beyond containing TJ's policy commitment, this document covers the policy scope, how it relates to TJ's mission, the principles with which TJ aligns itself, and how RI is implemented throughout the organization. This policy forms the foundation of TJ's approach, but is considered a living document, as TJ continuously works on enhancing its RI practices and integrates feedback from its stakeholders. It is complemented by a dedicated Environmental and Social Management System (ESMS) document per business line and a series of position statements that steer TJ's choices and define us as an impact investor.

By implementing this policy, TJ is committed to the tenets of sustainable development. In addition to the commitment to corporate responsibility and the objective to generate positive impact through TJ's investments, the approach laid out in this policy is seen as smart business: TJ believes that only through consideration of the interests of all stakeholders can an investment manager thrive in the long term. This involves creating value and managing the risks for end-beneficiaries, investee partners, investor clients, staff, society at large, the environment, and all other parties with whom TJ interacts.

2. Scope

This policy is applicable to all of TJ's asset under management and all funds or mandates managed or serviced by TJ. The final responsibility of its enforcement lies with TJ's Executive Board, which conducts an annual review of the policy. However, its implementation is integrated throughout the entire organization and coordinated by a dedicated ESG and Impact team. The scope extends to all TJ's department and regional offices.

As an investment manager, TJ is committed to supporting the needs of its investor clients, provided they are aligned with the mission and approach established in this RI policy.

3. Triple Jump's Mission

While capital is not spread equally in the world, we believe that talent and potential are. Triple Jump's mission is *to go where investing capital empowers people and improves lives*. Our vision is that investing in entrepreneurship will unlock the potential to overcome global challenges. In particular, Triple Jump's investment activities aim to address the global challenges of poverty, inequality and climate change. To do so we invest in the three themes of financial inclusion, SME finance and sustainable energy.

The following three themes are those relevant to TJ's impact narrative. See the annex for simplified versions of the Theory of Change per theme.

Financial inclusion

An estimated 2 billion working age adults – more than half of the world's total adult population – do not use formal financial services and 73% of the poor are unbanked. Responsible financial services have the potential to improve the well-being of low-income individuals and households by helping them smoothing consumption, building resilience and investing in economic opportunities. To promote financial inclusion, TJ invests in financial service providers that reach those in need and implement stringent client protection practices. TJ's involvement includes supporting high-potential institutions with technical assistance to ensure compliance with high standards of financial and social performance. TJ's financial inclusion portfolio contributes to the following SDGs: 1.4, 5.a, 8.10, 10.b, and 11.1[1].

SME financing

It is estimated that small-to-medium enterprises (SMEs) employ half of all people in the world. However, SMEs are often too large for microfinance and too small for commercial banks, which has led them to being classified as the "missing middle". By supporting investment funds and financial institutions involved in SME financing, TJ seeks to catalyse job creation, economic growth and innovation in developing countries. Beyond the boost to the economy, employment growth is arguably a stabilizing and democratizing force. TJ's SME financing activities contribute to the following SDGs: 4.4, 5.a, 5.5, 8.3, and 10.b.

Sustainable energy and climate change

There are currently over one billion people globally that lack access to energy. In 2016, the United Nations enshrined access to energy as one of the universal foundations for sustainable development,

[1] See TJ's 2018 impact report for full overview of our contribution to the SDGs: https://triplejump.eu/wp-content/uploads/2018/10/2018-Triple-Jump-Impact-Report.pdf

underscoring its importance to all societies. The benefits, however, go far beyond electrification, as improved energy access has benefits on health, productivity, equality, and the environment. Triple Jump invests in privately-held businesses that provide products and services that increase the access to reliable and affordable energy for off-grid households and businesses in Sub-Saharan Africa. Products include technologies such as solar panels, which, besides providing electrification, displace fossil fuel based alternatives like kerosene lanterns. Not only are emissions being avoided in homes, they are not being released into the atmosphere. In aggregate, the growing trend in off-grid solar is helping to avoid millions of tons of carbon emissions and helps mitigate the effects of climate change. TJ's access to energy activities contribute to the following SDGs: 3.4, 5.b, 7.1, 8.2, 8.5, 12.5, and 13.2.

4. Commitment

As an impact-focused investment manager, TJ is committed to:

1) Ultimately benefitting the end-clients of its investee companies through its investment activities;
2) Tracking and reporting impact;
3) Integrating the management of impact and ESG risks throughout the investment process, from strategy-setting to monitoring of results and exit;
4) Identifying and managing ESG risks and opportunities associated with each investee company;
5) Partnering only with companies that share TJ's commitment to managing ESG;
6) Seeking to continuously improve the ESG management of its portfolio companies when possible;
7) Requiring investee companies to adhere to or work towards compliance with international standards related to ESG;
8) Training all relevant employees in ESG processes;
9) Reporting serious ESG incidents to Fund investors;
10) Providing appropriate whistle-blowing or grievance mechanism for stakeholders to allow reporting of misconduct;
11) Promoting transparency and accountability with regard to corporate governance and tax;
12) Promoting and following best-practices and laws on know-your-client procedures, anti-money laundering, anti-corruption, and anti-bribery issues.

5. Standards and Principles

TJ is committed to the support of and alignment with international standards that shape TJ's overall RI approach[2].

Responsible Investment

TJ is a signatory of the *UN Principles for Responsible Investment* and *the Principles for Investors in Inclusive Finance*[3]. These principles outlines investors best practices in integrating ESG issues into investment practices. TJ reports annually to the UNPRI and our latest transparency report can be found here.

ESG

The IFC's Environmental and Social Performance Standards form the basis of our ESG requirements to our investees. These define our investees responsibilities for managing the environmental and social issues associated with their operations. This includes labor and working conditions, resource efficiency and pollution prevention, and community health, safety and security. They provide the framework for our ESG due diligence and advisory, particularly when investing outside of the financial inclusion sector (where we apply the sector-specific standards outlined the Social Performance Management section below. The IFC Performance Standards integrate more general standards such as the ILO Conventions or the Declaration of Human Rights.

Social Performance Management

Triple Jump strives to ensure that the financing we provide to financial institutions is translated into appropriate products that reach our target end-clients. We also ensure that investees reduce the risk of harm to these low-income entrepreneurs through issues such as over-indebtedness, client misinformation or high interest rates. Our social performance assessment of financial institutions is based on the *Universal Standards for Social Performance* and the *SMART Campaign's Client Protection Principles* and is operationalized through the use of the ALINUS SPI4 questionnaire[4]. TJ also actively participates with a leading role in working groups under the umbrella of the *Social Performance Task Force* (SPTF) to promote further harmonization among investors in social performance management practices. For our investments in the sustainable energy sector TJ endorses the *Global Off-grid Lighting Association (GOGLA) Consumer Protection Code*, and requires all investees to do so, as well.

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[2] These are the major standards for which TJ's activities are relevant but should not be seen as an exhaustive list.

[3] The full list of PRI and PIIF can be found in the annex. In the following sections, the principles will be shown in the left margin when applicable to the RI approach.

[4] An example of an ALINUS results dashboard can be found in the annex.

Corporate governance

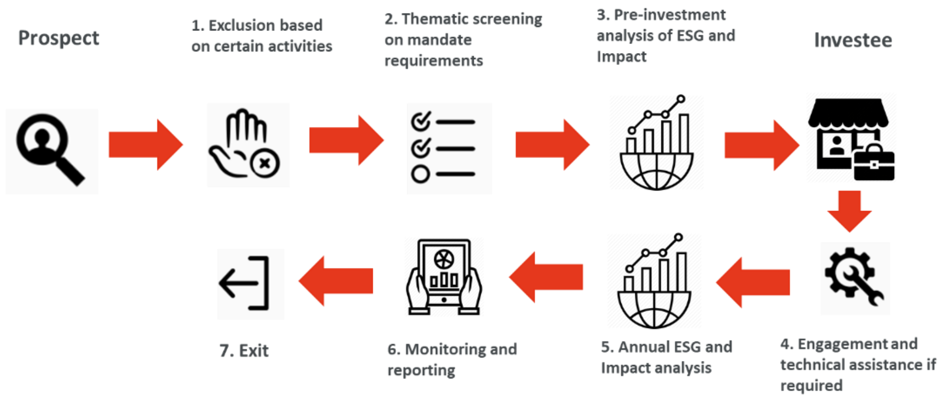
As an investment manager, TJ is committed to complying with the *Principles of Fund Governance* established by the Dutch Fund Association (DUFAS). The objective of this code is to provide additional guidelines to guarantee investors that investment managers operate in an ethical manner, with due care and in the best interest of the investors. The Supervisory Board assesses compliance based on a number of factors, including the report issued by the Compliance Officer, which notes, among other things, whether any conflicts of interest have been identified.

Regulatory compliance

TJ is a regulated investment firm under the supervision of the Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB). TJ's business operations must satisfy the obligations under the Alternative Investment Fund Managers Directive (AIFMD) and the 2004 Markets in Financial Instruments Directive (MiFID II), which include, for example, minimum capital requirements, organizational requirements to minimize conflicts of interest, and checks on reputation and experience of Board and Management. TJ also must comply with all the relevant regulations in the countries in which it has regional offices.

6. Implementation

Throughout the different phases of the investment process, TJ integrates social and environmental issues into decision-making, both pre- and post-investment. This section provides a general overview of our RI approach, but there are also separate, more detailed Environmental and Social Management System (ESMS) documents available per business line.



Exclusion based on controversial activities

PIIF 4

PRI 1

For each fund that is launched, TJ works with investor clients to determine the suitability and scope of an exclusion list, both of which depend on the requirements of the client and the fund mandate. As the majority of TJ's investments are in financial intermediaries, exclusion lists are intended to restrict the financing activities of investee clients and are integrated into contracts.

PIIF 4

PRI 1

Thematic screening

TJ's funds aim to achieve developmental impact by investing according to certain themes, including high-level ones like financial inclusion and SME financing, but also includes sub-themes like financial innovation, housing, female entrepreneurship, or rural communities. A fund's impact themes are agreed-upon with investors prior to its launch. Investment Officers screen every prospective investment according to its fit with a given fund mandate. Once invested in, a company's on-going eligibility is revisited if a subsequent investment is proposed or if there are significant changes.

PRI 1

Due diligence

After a company has met minimum mandate requirements, due diligence is conducted from both an ESG and impact perspective, which includes assessing a company's exposure to and management of ESG issues and estimating its expected impact. The assessments are based on a desk review, using information provided by prospective clients and are verified by site visits. The results are summarized and sent to the Investment Committee (IC) who uses the information to help determine a company's suitability for financing. Depending on the mandate and the ESG risks identified, the ESG and Impact analysis is conducted by Investment Officers or ESG & Impact Officers. Each assessment is reviewed by the ESG & Impact team who provides an advise to the IC. Those assessed as falling below a certain minimum threshold are not considered for investment. As new sustainability topics become relevant, TJ's ESG and Impact framework is adapted and all relevant teams re-trained. To assess ESG and Impact performance, TJ uses one of three approaches, depending on if an investee is a financial institution, investment fund, or non-financial company. Each approach is elaborated in detail in its own ESMS document.

<u>Financial institutions</u>

For a financial institution (FI) serving micro entrepreneurs in developing countries, the equivalent of its ESG and Impact performance is its Social Performance Management (SPM). The Universal Standards for Social Performance Management (USSPM) and the SMART Client Protection Principles are the industry standards in inclusive finance for assessing how an FI manages the social issues associated with serving the 'Base of the Socioeconomic Pyramid'. Using the ALINUS questionnaire developed by Cerise, TJ's SPM framework is aligned with the USSPM and assesses FIs on six dimensions: Define and monitor social goals; Ensure Board, management, and employee commitment to social goals; Design products, services and delivery channels that meet clients' needs and preferences; Treat clients responsibly; Treat employees responsibly; and Balance financial and social performance. The ALINUS tool yields a final rating out of 100.

TJ also applies proprietary tools to assess balanced returns and interest rates, executive compensation, ESG risks related to digital services. While some aspects of corporate governance are addressed in the USSPM framework, the bulk of this analysis is done by the Finance and Control team as part of the Know-Your-Client (KYC) process. This involves carefully screening key people in the company and examining the governance structure.

Broadly-speaking, a high SPM rating means that an FI has strong policies and programs in place to promote financial inclusion that benefits end-clients. Furthermore, a separate component also considers the management of ESG issues by end-borrowers, who can be involved in high risk activities. However, given the limited data availability at this level, a high-level exposure rating based on a sectoral analysis is used.

Investment Funds

Through the Dutch Good Growth Fund (DGGF), TJ and other institutional investors, provide the start-up capital for funds that plan to invest in SMEs in developing countries. The ESG assessments of funds focus on the policies in place to manage the ESG risks posed by pipeline SMEs, primarily by applying the IFC Performance Standards and with the use of an exclusion list. Unlike with FIs, client protection is less emphasized, as pipeline SME clients are less vulnerable in such a setup, which entails funds taking significant stakes in them and benefitting from sustained growth.

The impact analysis focuses on the potential impact generated by pipeline SMEs, focusing on job creation, female entrepreneurs, youth entrepreneurs, and those based in fragile states. An impact projection on these four dimensions is determined and used in the investment decision. Furthermore, qualitative aspects are considered, such as the potential for exceptional impact, signifying positive outcomes beyond the three core dimensions. The degree to which the investment is considered “additional” is also considered, with the intention of preventing the crowding out of local funding sources.

Non-financial companies

TJ’s investments in non-financial companies aim to support sectors that positively influence specific sustainability themes, such as sustainable energy. The ESG and Impact indicators selected to assess such companies thus depend on the fund theme and sectors of focus but are always based on the IFC Performance Standards. For the EEGF, TJ’s sustainable energy fund that launched in December 2019, the assessment framework also includes indicators developed by the Global Off-Grid Lighting Association, which address topics specific to off-grid energy access. In general, the indicators selected for non-financial companies take into account all stakeholders that are materially affected by a company's operations, both positively and negatively.

PRI 2

Active ownership and engagement

TJ is a long-term investor and takes an active role in the development of a company. This is especially important when an equity stake is taken, which is managed by a separate team that follows guidelines for responsible ownership and exit. Typically for each equity investment, an Environmental and Social Action Plan is developed in cooperation with the prospective investee that lays out a 3-5 year improvement roadmap that will be carefully overseen by the TJ ESG team. If needed, technical consultants are brought in to help with specific topics. Upon exit, the Investment Team drafts an exit proposal that addresses the risk of mission drift, the continuity of impact, and the appropriateness and quality of the buyer. This is reviewed by the ESG and Impact team prior to being submitted to the IC.

PIIF 5

PRI 3, 6

Monitoring and reporting

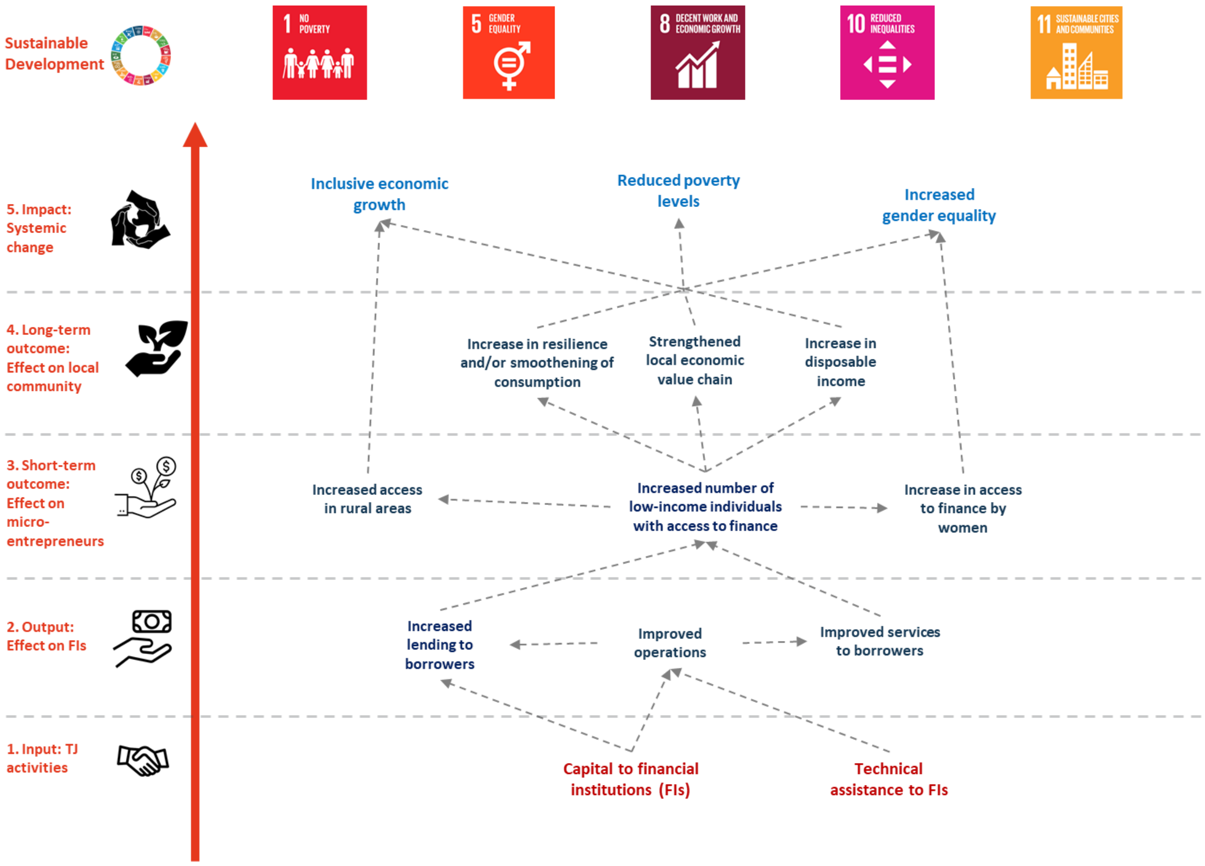
TJ monitors the ESG and Impact performance of its investments on an on-going basis, using information provided directly by investee clients. An overall reassessment is done annually or if there is a subsequent investment proposal. For FIs and non-financial companies, outreach figures are sent to TJ monthly. Investment Officers also visit FI clients for all renewals and are able to verify implementation on the ground. For fund investments, TJ receives an annual ESG and Impact report from the fund manager.

TJ is fully transparent about its activities and reports to its investor clients in a quarterly communication, which contains the latest impact metrics specific to each fund. For the majority of funds, clients receive, as a baseline, information on the average ESG/SPM score for each fund, the overall outreach to micro entrepreneurs, and the percentage of outreach that is female and rural. Annually, TJ reports its integrated ESG and Impact performance in an Impact Report.

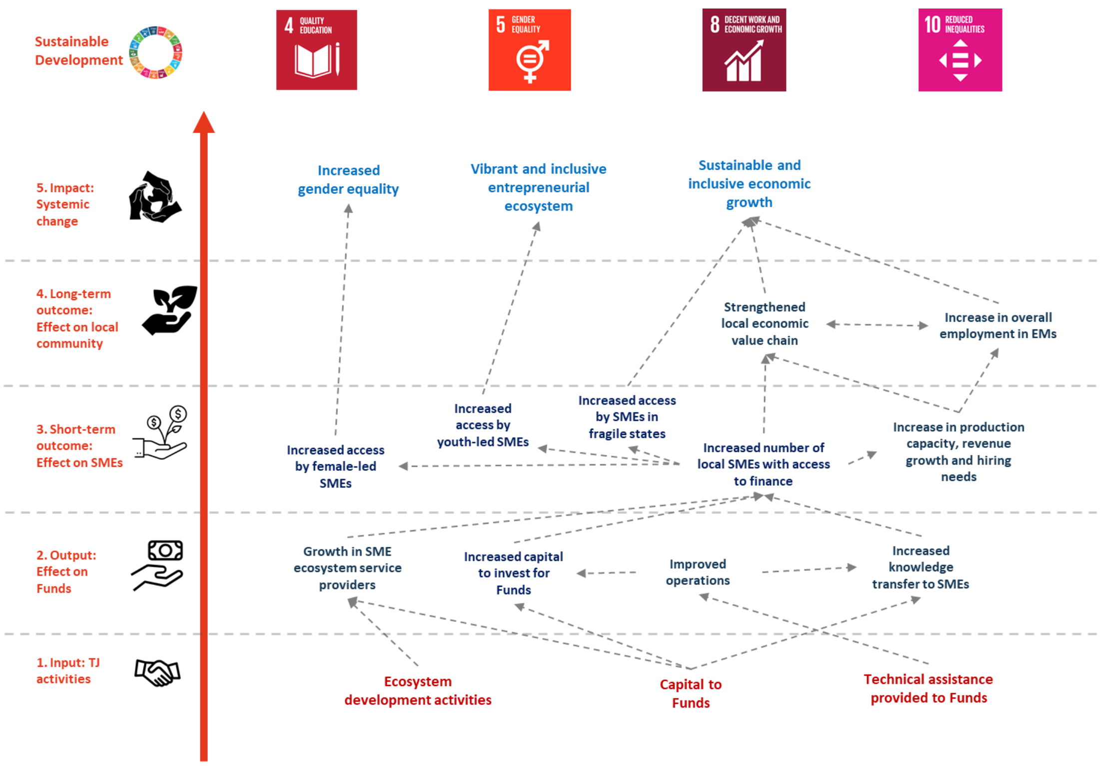
7. Annex

Simplified Theory of Change per business line

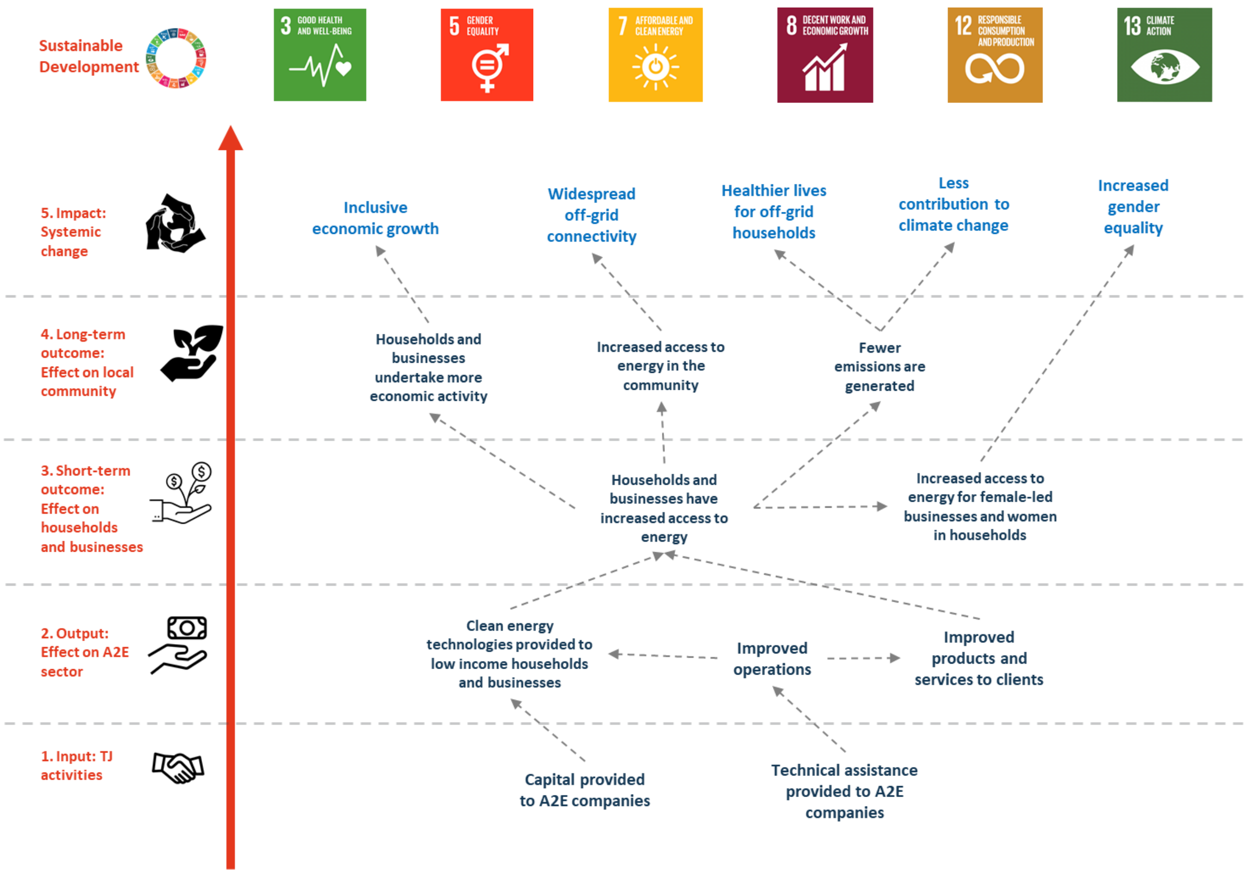
Microfinance



SME finance



Sustainable energy



UN Principles for Responsible Investment

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

UN Principles for Investors in Inclusive Finance

1. Range of services: We will actively support retail providers to innovate and expand the range of financial services available to low income people in order to help them reduce their vulnerability, build assets, manage cash-flow, and increase incomes.
2. Client protection: We believe that client protection is crucial for low income clients. Therefore we will integrate client protection in our investment policies and practices.
3. Fair treatment: We will treat our investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes.
4. Responsible investment: We will include environmental, social and corporate governance (ESG) issues in our investment policies and reporting.
5. Transparency: We will actively promote transparency in all aspects.
6. Balanced returns: We will strive for a balanced long-term social and financial risk-adjusted return that recognizes the interests of clients, retail providers, and our investors.
7. Standards: We will collaborate to set harmonised investor standards that support the further development of inclusive finance.

ALINUS SPI4 – Dashboard

CERISE

ALINUS GENERIC SOCIAL DASHBOARD

HORIZON		Guyana		
NBFI	Regulated	Microfinance activities since 1998	Data as of:	31-Dec-15
			Date of Due Diligence:	13-Sep-16

MISSION STATEMENT

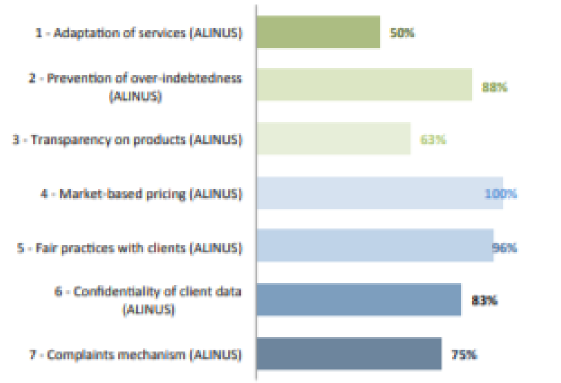
The social mission is to provide sustainable efficient financial services to all financial excluded population, specially micro entrepreneurs, and small farmers to contribute to poverty alleviation and to achieve decent life for themselves and their families.

SOCIAL OBJECTIVES

- Increased access to financial services
- Poverty reduction
- Employment generation
- Development of start-up enterprises
- Growth of existing businesses

ALINUS SCORES IN SOCIAL PERFORMANCE: 66%

ALINUS SCORE IN CLIENT PROTECTION: 79%



Comments on ALINUS SOCIAL PERFORMANCE RESULTS

Strong "responsible practices": client protection, decent work conditions, balanced financial and social objectives.
"Client focused management" could be more clearly defined in the business plan. Efforts to conduct market research and collect client feedback could be reinforced.

Comments on ALINUS CLIENT PROTECTION RESULTS

Horizon could better adapt services through collecting client feedback (satisfaction surveys) and better defined collateral policies. Also, pricing tranpsarency should be improved. Although the operating environment does not promote transparency disclosure of prices, efforts could be made to discuss at national level with the Microfinance Association to lobby for better transparency on prices (see new regulation).

RESPONSIBLE FINANCE INITIATIVES

smart	Endorser?	Yes
smart	Certified?	No
miX	Reporting of social data?	Irregular reporting

MOST RECENT SOCIAL EVALUATIONS

	Agency	Date	Result
Social Rating	Planet Rating	30-juin-14	3+

Use of poverty assessment tool: No

ORGANIZATIONS THAT COOPERATED IN THE DEVELOPMENT OF ALINUS FRAMEWORK FOR SOCIAL PERFORMANCE REPORTING