

DRAFT EARLY DISCLOSURE

The following information is published on the AGR13 website 30 days prior to the signing of AGR13’s participation in the facility .

Transaction name	Sustainable Linked-Loan (“SLL”) Commodity Trader facility
Publication date	11 April 2023
Sector	Multi-commodity sourcing and trading
Country and region	Multi-country, Africa
Deal overview	<p>The proposed deal entails a USD 20 mln participation from the Partnerbank in a sustainability-linked facility for a leading Africa-centric agricultural commodities trading company, in which Agri3 will take a non-funded USD 10 mln risk participation to increase the size of the facility and catalyze commitments from other commercial banks.</p> <p>The SLL will be used for general working capital requirements that are related to the company’s sourcing operations in Africa and will include several impact KPIs, which have elements related to AGR13’s three impact areas. AGR13 further intends to support a specific smallholder related program in one of the countries of operation of the company through its TA facility.</p>
Description of the activities	<p>The facility will be used to support the overall working capital needs related to the daily business activities of sourcing and trading agricultural commodities, yet through the KPIs, the company commits to several impact areas, such as zero deforestation in high risk supply chain, or climate agriculture practices in smallholder farmers.</p>
Expected impact	<p>Forest protection and restoration</p> <ul style="list-style-type: none"> ○ Zero deforestation commitments in high deforestation risk supply chains and commitments to plant trees, both in agroforestry systems as well as community forests. <p>Sustainable agriculture</p> <ul style="list-style-type: none"> ○ Commitment to provide extension services to 1mln smallholder farmers including training on better agricultural, social and/or climate smart practices. There will be an opportunity to support this through Technical Assistance by AGR13. <p>Rural livelihoods</p>

	<ul style="list-style-type: none"> o Positive potential impact on rural livelihoods by improving income and food security through extension services, provision of inputs and access to finance, while also focusing on women empowerment. The company is also implementing a Living Income Assessment to monitor living income gaps and identify interventions to close the gaps.
<p>E&S risks and mitigants</p>	<p>The initial assessment highlights key risks in:</p> <ul style="list-style-type: none"> • Country Risks and Governance • Human rights / Supply chain – particularly related to 3rd parties ESG risk assessment and management and should take into account recent exposes of sexual harassment in African commodity supply chains • Biodiversity – risks related to deforestation of untraceable 3rd party supply or commodities, conversion of other eco-systems, deforestation in other countries (medium risk) <p>The transaction incorporates multiple high risk supply chains, involving smallholder farmers in high-risk countries (significant operations in African countries like Tanzania, Zambia, Malawi or Mozambique,) and therefore it must be assumed that there are associated reputational and E&S risks such as biodiversity, child and forced labour, gender, EHS and community safety risks. The company appears to have comprehensive risk identification, mitigation and monitoring systems and procedures to address these risks which will be further reviewed during due diligence.</p>
<p>Contact details of fund manager</p>	<p>Parties can express their views on the proposed transaction to the Fund Manager by contacting info@agri3.com within 30 days of the publication date of the notice.</p>