



# Communication on Progress

Prepared September 2022

Prepared for:

**UN Global Compact**

United Nations

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New York, NY 10017, United States

## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

September 2022

To our stakeholders:

I am pleased to confirm that Solum Partners reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Solum Partners aims to be a good steward of the land, a responsible producer of food, and a conscientious member of the communities in which we invest. One of the things I love most about the food and agriculture sector is the pride that our many stakeholders take in each of our farms. We are all committed to playing a positive role in changing food production for the better. I am proud of the actual positive impact our teams on the ground continue to generate every day.

The food and agriculture sectors will be critical contributors to the sustainable circular economy. We at Solum believe that our food production systems must continue to evolve to meet the nutritional demands of a growing population. That said, we recognize the pressures that modern agriculture places on our natural world. We are encouraged by the positive changes taking place across the value chain to address the key issues on this front, including limiting the emissions footprint of the food chain and protecting our natural resources. We will continue to do our part to limit the emissions intensity of our operations, enhance the terrestrial systems in which we operate, and preserve our water resources. We look forward to engaging with our stakeholders in the coming years to continue to progress these initiatives.

Sincerely,



Colin Butterfield

CEO

Prepared by:

**Solum Partners LP**

Communication on Progress (COP)

Period covered by Communication on Progress (COP)

From October 2021 – September 2022

## DESCRIPTION OF ACTIONS

### Human Rights

- **Assessments, policy, and goals:** Solum Partners continues to promote human rights policies internally and across portfolio companies.
- **Implementation:** Solum Partners works directly with portfolio companies to ensure that human rights are protected and promoted.
- **Measurements of outcomes:** Portfolio companies are audited annually on a multitude of metrics to include on metrics related to human rights. They receive quantitative scores and guidance on how to further promote human rights.

### Labour

- **Assessments, policy, and goals:** Solum Partners strives to promote good labour practices across all portfolio companies. We specifically define goals related to fair treatment, compensation, forced & child labour, and working conditions. In April 2022, Solum Partners formalized its commitment to equal opportunity and diversity by adopting a Diversity, Equity and Inclusion Policy.
- **Implementation:** Solum Partners works directly with portfolio companies to ensure that good labour practices are promoted and that workers enjoy a safe and healthy working environment.
- **Measurements of outcomes:** Portfolio companies are audited annually on a multitude of metrics to include several metrics related to labour and working conditions. They receive quantitative scores and guidance on how to further promote good labour practices and conditions.

### Environment

- **Assessments, policy, and goals:** Solum Partners works with portfolio companies to promote environmental best practices with a specific focus on soil, water, industrialization, and the natural world.
- **Implementation:** Solum Partners works directly with portfolio companies to ensure environmental best practices are implemented and monitored.
- **Measurements of outcomes:** Portfolio companies are audited annually on a multitude of metrics to include on metrics related to the environment. They receive quantitative scores and guidance on how to further improve their interactions with the local environment and critical ecosystems.

### Anti-Corruption

- **Assessments, policy, and goals:** Solum Partners maintains robust anti-corruption policies across all portfolio companies.
- **Implementation:** Solum Partners works directly with portfolio companies to ensure anti-corruption policies are implemented.
- **Measurements of outcomes:** Portfolio companies are audited annually on a multitude of metrics related to their anti-corruption policies and procedures. They receive quantitative scores and guidance on how to further promote anti-corruption policies and best practices.

## MEASUREMENT OF OUTCOMES

As active owners and managers, Solum Partners incorporates ESG issues into our ownership policies and practices, striving to maximize the impact additionality of our ownership. We conduct a baseline ESG audit on every asset and, based on the results of the baseline audit, we create an actionable ESG and sustainability plan for the business. We are focused on continuous improvement in the ESG condition of every asset during our ownership.

We believe it is critical to maintain strong governance and oversight across all aspects of our portfolio and Solum is committed to regular disclosure and reporting on our sustainable investment initiatives. We conduct regular ESG check-in calls and work directly with our operational management team to progress ESG initiatives. Annual audits are conducted to confirm progress and lead to an updated action plan.

Based on the 33 criteria identified in the Solum Scorecard, Solum has created an auditing rubric that defines the scoring process and framework for each of the specific criteria. Ultimately, this rubric enables us to identify areas for improvement and to provide specific goals to each of the management teams. These goals are intended to evolve and become more refined over time as the industry's understanding of best practices advances. This refinement will lead to increasingly sophisticated goals and requirements for each of the 33 criteria.

In 2022, Solum began collecting an additional 30 quantitative metrics, such as Scope 1 and 2 emissions and total irrigated water volume, that will help our teams set targets for more efficient resource use over time.

This rubric also enables us to calculate an ESG audit score for the ESG condition of each asset in our portfolio. This enables consistent tracking and scoring over time as well as the ability to compare the performance of assets across different strategies and geographies.