

ADM Capital Climate Change Policy

General Statement

Changes to our increasingly erratic and warming climate have been recorded and these are, in part, driven by human actions, according to the scientific community. We believe that major shifts in consumption patterns, in technologies and in regulation will be required to drive the needed substantial and sustained reductions in GHG emissions. At the same time, we will need to adapt to our changing climates. We believe this represents both risk and opportunity to our portfolio companies and that as risk managers we must attempt to quantify the risk climate change represents to our investments, while as asset allocators we can play a role in supporting the transition to a low carbon and climate resilient economy.

Funds managed or advised by Asia Debt Management Hong Kong Limited (“ADM Capital”) have duties to source and supervise portfolio investments responsibly on behalf of investors in these funds. Climate change represents the single most important sustainability factor given its systemic nature and the material influence on global financial markets. Neglecting climate change analysis could cause the mispricing of risk and the misallocation of assets. As a result, to assist in ensuring a prudent investment process, we have adopted this Climate Change Policy to present ADM Capital’s vision as to how we can be better equipped as risk managers and contribute to mitigating and adapting to climate change. The Climate Change Policy, we believe, will assist us to generally operate as a more resilient, forward-looking and long-term driven global business, to map out our challenges and our mitigation strategy to address climate risks and to articulate the governance we have put in place to lead this approach.

ADM Capital is developing a roadmap to aid our implementation of this policy and to support us to align with the Task Force on Climate-related Financial Disclosures (TCFD). This policy will evolve with our climate-related initiatives, which will be reflected in our annual sustainability report.

[ADM Capital Foundation](#) (ADMCF) since 2006 has supported research, education and targeted action on climate and its related components such as land use, air pollution and water scarcity. Among the initiatives ADMCF has helped created that are relevant to this policy are the [Tropical Landscapes Finance Facility](#) for Indonesia, [China Water Risk, Clean Air Network](#) and [HK 2050 is Now](#). Each of these have involved wide engagement with relevant organizations working in the area of climate and the environment more broadly and formed a base of knowledge and research for ADM Capital.

PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

ADM Capital is continuously working towards improving its internal processes to manage climate related risks and opportunities, both at the portfolio company level and at the company level.

ADM Capital follows a systematic E&S process for all our investments to ensure material climate-related risks are managed to the best of our abilities. We have an Environmental Social Management System (“ESMS”) in place to provide a set of procedures, internal capacity and policies to identify, manage and report on ADM Capital’s exposure to

current and potential portfolio ESG risks. We identify climate-related risks as a component of our ESG risk assessments. An in-house ESG toolkit provides investment analysts with the ability to understand and better manage these risks at the earliest stage of our investment cycle. Our objectives from these processes include to:

1. ensure that ESG factors are part of the decision making throughout the investment cycle
2. support ADM Capital and clients to identify and manage ESG risk, as well as identify opportunity
3. create a framework to engage with clients and stakeholders on ESG standards
4. support performance monitoring and identify areas where ESG risk should be mitigated within a consistent approach across the funds
5. help ADM Capital capture the value of ESG integration and demonstrate its track record to investors and other counterparties