

ESG Policy Statement

ADM Capital believes that we can help foster sustainable development through our own operations and also through our influence with companies in which we invest in the Asia Pacific region.

ADM Capital primarily works in the emerging markets where the challenges we face such as environmental degradation, corruption, urbanisation, are particularly acute. ADM Capital strives to foster good corporate governance, respect for the environment, responsible labour policies and ethical business practices. We believe these practices will benefit local communities where we lend, as well as ultimately improve business efficiency and performance of the companies we finance so that we can attain maximum returns for our investors. It goes without saying that we and the companies we finance must comply with applicable national law, including those laws implementing host country obligations under international law. We believe that integrating robust Environmental and Social (E&S) management into our investment process strengthens our investment decision-making and delivers increased value to investors.

Additionally, we are aware of the role ADM Capital can play in both mitigating and adapting to our changing climate. Scientific evidence shows that changes to our increasingly erratic and warming climate are in part driven by human actions. The Intergovernmental Panel on Climate Change (IPCC) report indicates that greenhouse gas (GHG) emissions are at historically high levels and, if left unchecked, the impacts to our economy, environment and society may be significant. This represents a global risk to economies, markets and communities. We believe that major shifts in consumption patterns, technologies and regulation will be needed to drive substantial and sustained reductions in GHG emissions. At the same time, we will need to invest to adapt to our changing climates. We believe these shifts represent both risk and opportunity to our portfolio companies and that ADM Capital can help support the transition to a low carbon and climate resilient economy, both from a climate mitigation and a climate adaptation perspective.

Consequently, ADM Capital has established this ESG policy and an overarching Environmental and Social Management System (ESMS) to guide our ESG integration process. The ESMS documents our financing process and combines the elements that enable us to integrate ESG in our activities as follows:

- We also follow the Exclusion List of the IFC and any other exclusion criteria required by our funds.
- We use a proprietary ESG toolkit based on the Sustainability Accounting Standards Board's (SASB) industry standards and MSCI's ESG ratings methodology to screen our opportunities for E&S risks and opportunities.
- All ADM Capital projects are managed according to IFC Performance Standards (and others where relevant) throughout the investment process. This starts with strategy setting through to investment origination checked against an exclusion list, structuring, due diligence, monitoring, reporting and on to exits.

- We engage with prospective clients throughout the due diligence stage and identify areas of E&S progress for the term of our financing. We believe these will contribute to helping them manage their risks and opportunities over time.
- We identify specific KPIs for new investments and also seek to track E&S KPIs across the portfolio. These are monitored and reported to our Executive Committee and investors to show value add of the ADM Capital E&S integration in a transaction and across the portfolio.
- We empower our investment team to address E&S questions in a systemic manner and with the companies we finance throughout the financing cycle. We include our ESG expectations in our financing documentation.
- An ESG Committee reports to the ADM Capital Executive Committee and supports implementation of the ESMS, reinforces ongoing staff training, helps review our E&S exposure from a portfolio perspective, and evaluates and introduces new policies and procedures, where relevant.

Emphasising ADM Capital's sustainability commitment and starting this journey, in 2006, ADM Capital established the ADM Capital Foundation (ADMCF) with a focus on stemming environmental degradation and improving local livelihoods. This allows us to view needs first-hand and to act on perceived imbalances. Our research in particular, provides guidance in terms of both risk management and value addition. ADMCF also provides E&S advisory support to ADM Capital.

ADM Capital was one of the first signatories to the UN-backed Principles for Responsible Investment (PRI) in Asia in 2008 and remains committed to these principles in its investment activities. In July 2020, PRI granted ADM Capital an A+ rating, the highest possible score, for Strategy and Governance and an A rating for Fixed Income – Corporate Non-Financial. This score is an independent recognition of ADM Capital's attention to sustainable investing and its Environment, Social and Governance (ESG) integrated investment process.