

ESG Policy Statement

ADM Capital 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.

Annex: ADM Capital Exclusion List

1. **ADM Capital will not participate or invest in any entity that has a controlling interest in a subsidiary or joint venture in:**
 - a) Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides¹, ozone depleting substances² PCBs³, wildlife or products regulated under CITES⁴ and transboundary movements of waste prohibited under international law⁵.
 - b) Activities in the nuclear fuel production cycle and production of or trade in radioactive materials.
 - c) Production of or trade in weapons and munitions⁶
 - d) Production of or trade in alcoholic beverages (excluding beer and wine)
 - e) Production of or trade in tobacco
 - f) Gambling, casinos and equivalent enterprises
 - g) Asbestos fibers⁷
 - h) Enterprises involved in human cloning for reproductive purposes
 - i) Pornography
 - j) Activities that contravene protections of biodiversity resources or cultural heritage⁸.
 - k) Commercial logging operations for use in primary forest
 - l) Drift net fishing or other practices damaging to the marine environment
 - m) Shipment of oil or other hazardous substances⁹
 - n) Child or other exploitative labor¹⁰
 - o) Coal prospection, exploration, mining or processing
 - p) Construction of new or refurbishment of any existing coal-fired power plant (including dual)
2. If during the term of an Investment, ADM Capital becomes aware of any substantial involvement of an Investment with any of the above, ADM Capital will make commercially reasonable efforts to correct the issue, by demanding a firm to end the involvement. If, despite this effort, the Investment remains substantially involved with any of the above, the General Partner will work to end the Investment as soon as practicable.
3. Other Investments may be added to the exclusion list from time to time.

¹ Reference documents include EU Regulation (EEC) No 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard

² Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicised 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, is available from IFC or EBRD

³ PCBs: Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

⁴ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. The lists of CITES protected species are available at www.cites.org/eng/app/index.shtml.

⁵ Reference to documents are: Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; Decision C(2001) 107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal.

⁶ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

⁷ In countries that are not EU Member States, EU accession or EU candidate countries, this does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%

⁸ Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.

⁹ This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance); tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU); and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used.

¹⁰ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. Harmful child labour means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral or social development.