



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABILITY POLICY

## (Abridged Version)

### Our Vision

One of the most valuable long-term assets of Emerging Capital Partners (ECP) is its investment reputation. ECP's commitment to creating value through investments is paralleled by its commitment to environmental and social sustainable development. Consequently, by incorporating environmental, social and governance criteria into ECP's investment decision-making and ownership practices, ECP directly influences companies to improve performance in these areas.

### Our Approach

ECP's approach to effective management of ESG issues entails embedding ESG considerations into all steps of the investment process from pre-screening to exit. ECP reviews all investee companies against the IFC Exclusion List, as well as for compliance with host country social and environmental requirements. ECP incorporates the IFC's Performance Standards and CDC Group's guidance on corporate governance and business integrity as part of a guiding framework for ESG evaluation. All ESG conditions of investment are incorporated into partnership agreements.

ECP prioritizes risk management strategies and collaboration with investee companies in order to reduce the risk to human health and the environment while focusing on the prevention of irreversible and/or significant impacts. When impact avoidance is not feasible, ECP does its best to incorporate engineering and management controls to reduce or minimize the possibility and magnitude of undesired consequences.

In conducting our assessment of investments, we take care in ensuring that each investment is categorized according to its potential ESG risk profile at an early stage in our decision-making process. Based on this categorization, ECP assigns the proper level of ESG due diligence and allocation of internal resources. In the case of high-risk ESG projects, ECP may turn to external consultants and independent experts for advice and guidance.

ECP monitors and evaluates the ESG performance of its investments on an ongoing basis throughout the life of an investment. Portfolio companies report ESG progress and improvements on a quarterly basis. In turn, ECP reports to its investors on a quarterly and annual basis. ECP conducts periodic monitoring visits when necessary. Through effective monitoring of our companies and their investments, we are able to identify areas requiring our attention and enable us to find ways to achieve continual improvement and continued excellence in our processes, and ultimately in the implementation of our ESG Sustainability Policy.

### Our Commitment

ECP believes ESG principles are a core part of Responsible Investing (RI) in emerging economies. In April 2010, ECP signed the United Nations Principles for Responsible Investment (UNPRI). The Principles for Responsible Investment provide a framework for investment professionals who believe ESG issues can affect the performance of investment portfolios and seek sustainable approaches in the investment process. ECP views its commitment to ESG as a continual process of assessment and evaluation and will update its policies and procedures accordingly.