



EMERGING CAPITAL PARTNERS

ECP ESG Sustainability Policy*

Our Vision

At ECP, we recognize that the company's most valuable asset is its ability to create value through its investments while promoting socially and environmentally responsible development. We pursue this vision by incorporating environmental, social, and governance (ESG) criteria into our investment decision-making as well as our ownership practices, thereby directly influencing investee companies to enhance their ESG performance.

Our Approach

ECP embeds ESG considerations into all steps of the investment process from pre-screening to exit. In assessing opportunities, we screen out investee companies on the International Finance Corporation (IFC) Exclusion List and ensure company compliance with the host country social and environmental requirements. We then categorize each investment according to its potential ESG risk profile at an early stage in the decision-making process, incorporating the IFC's Performance Standards as well as Commonwealth Development Corporation (CDC) guidance on corporate governance and business integrity as key parts of our ESG evaluation. Based on this categorization, we assign the proper level of ESG due diligence and internal resource allocation. In the case of high-risk ESG projects, we may turn to external consultants and independent experts for guidance.

Following this process, ECP integrates ESG considerations into all partnership agreements, prioritizing risk management strategies for the highest-impact risks and collaborating with investee companies to proactively reduce risks to human health and the environment. Where impact avoidance is not feasible, we strive to incorporate engineering and management controls to minimize the magnitude of adverse consequences.

Throughout the life of an investment, ECP evaluates a portfolio company's ESG performance on an on-going basis. ECP also conducts periodic monitoring visits when necessary. Portfolio companies report ESG concerns and improvements on a quarterly basis. In turn, we provide reports to our investors on a quarterly and annual basis. Through effective monitoring of our companies and their investments, we are able to identify areas of concern that require attention, as well as ways to achieve continued improvement and excellence in the companies' processes. Ultimately, we strive to see the investee companies implement their ESG policies.

Our Commitment

ECP management believes that ESG principles are a core part of responsible investing in emerging economies. In May 2010, ECP signed the United Nations' Principles for Responsible Investment (UNPRI), which provides a framework for investment professionals who believe ESG considerations affect the performance of investment portfolios and who seek the incorporation of sustainability within the investment process. At ECP, we view our commitment to ESG as a continual process of assessment and evaluation, and we are committed to updating our policies and procedures accordingly.

*Abridged