

**Seraya Partners**

**Environmental, Social & Governance (ESG) and Responsible Investment Policy**

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Confidential

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## Definitions

Capitalised terms used herein shall have the following meanings:

- Authorisation** shall mean any consent, registration, filing, agreement, notarisation, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents.
- Authority** shall mean any national, supranational, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity.
- Environmental and Social Management System or ESMS** shall mean the part of the overall management system of Seraya that includes the relevant policies, organisational structure, planning activities, responsibilities, practices, procedures and resources for developing, implementing, achieving, reviewing and maintaining compliance with the ESG Requirements and which is dedicated to the structural improvement of the environmental and social performance of the Fund, satisfactory to the ESG Committee, and specifically targeted to identify and manage environmental and social risks and opportunities in the investment appraisal and while holding the investments management processes for:
- (a) ensuring compliance with the Exclusion List as attached hereto in **Schedule B**;
  - (b) assessing and categorising the environmental, social, labour, occupational and community health and safety risks associated with each investment of the Fund;
  - (c) verifying that the Fund and each of its subsidiaries complies with the ESG Requirements;
  - (d) agreeing upon an ESG Action Plan for investments by the Fund where non-compliance or other material concerns relating to the ESG Requirements have been identified; and monitoring, evaluating and reporting on a regular basis and at least annually on the compliance of said investments with the ESG Requirements and, if applicable, its ESG Action Plan, or any other actions found to be necessary to reach compliance, including any Remediation Measures.



<b>Environmental and Social Permit</b>	shall mean any environmental and/or social Authorisation required for the operations by the Fund and its subsidiaries.
<b>Environmental Law</b>	shall mean any law, rule or regulation (including international treaty obligations) concerning environmental matters and natural resource management applicable to the Fund and its Portfolio companies in any jurisdiction in which the Fund and/or its Portfolio companies operate.
<b>ESG</b>	shall mean environmental, social and governance.
<b>ESG Action Plan</b>	shall mean the ESG action plan agreed upon between Seraya and the ESG Committee in relation to an investment by the Fund, defining actions, responsibilities, deliverables, compliance indicators and a timeframe for the measures required to remedy the known non-compliances of the said investment with the ESG Requirements and for any other measure agreed upon, as amended from time to time.
<b>ESG Annual Report</b>	shall mean Seraya's annual report to the ESG Committee on the how the Fund and its subsidiaries are managing environmental and social risks and development impacts, which includes, reports on conformity with the ESG Requirements, planned mitigation and corrective actions, as well as the ESG impact achieved during the reporting period.
<b>ESG Committee</b>	shall mean the ESG decision-making authority of the Fund, comprising of [the key executives of the Fund including the Head of Sustainability.]
<b>ESG Construction Progress Report</b>	shall mean the Environmental, Social and Governance Construction Progress Reports that Seraya shall deliver to the ESG Committee, in a form and per the frequency defined in the ESMS, for all of the Fund's greenfield and brownfield projects.



**ESG Incident**

shall mean any environmental, social, governance, security, labour or health and safety incident, accident or circumstance with respect to any existing or proposed investment of the Fund that:

- (a) has, or could reasonably be expected to have, a material adverse effect or impact on the Fund, the environment, communities or the workforce of Seraya or the said investment;
- (b) which results in a loss of life, severe permanent injury, severe permanent damage to health or a material effect on the environment, or any COVID-19 related incident (cases or fatality);
- (c) which results in an adverse impact on human rights, fire, leakage of substances dangerous to human beings or the environment, labour strike, harassment, fraud, theft and corruption; or
- (d) involves or causes, or is reasonably likely to involve or cause, any material breach of the ESG Requirements.

**ESG Requirements**

shall mean:

- (a) Environmental Law;
- (b) Social Law;
- (c) Environmental and Social Permits;
- (d) ILO Basic Terms and Conditions of Employment;
- (e) ILO Core Labour Standards;
- (f) IFC Performance Standards 2012 or any subsequent version from the date published;
- (g) World Bank Group Environmental, Health and Safety Guidelines;
- (h) UN Guiding Principles on Business and Human Rights;
- (i) EDFI Principles for Responsible Financing;
- (j) the Listing Manual and the Code of Corporate Governance 2018; and
- (k) all applicable laws, rules, regulations, requirements and regulatory guidance in Singapore and the jurisdictions in which the Fund and its subsidiaries operate relating to securities laws, corporate governance,



anti-money laundering, countering the financing of terrorism, anti-bribery and corruption and sanctions.

<b>ESG Quarterly Report</b>	shall mean the environmental, social and governance information to be provided as part of, or in an annex to, Seraya's quarterly report to the ESG Committee, at least covering but not limited to the topics listed in Clause 8(b).
<b>ESGDD</b>	shall mean the environmental, social and governance due diligence process on potential investments by the Fund, as governed by the ESMS.
<b>Exclusion List</b>	shall mean the list of prohibited activities set forth in <b>Schedule B</b> hereto.
<b>Fund</b>	Seraya Partners Fund I, L.P.
<b>Fund Manager</b>	Seraya Management Pte Ltd (Singapore UEN 202012295W) ("Seraya")
<b>Higher Risk Activities</b>	<p>Higher Risk Activities include the following activities:</p> <ul style="list-style-type: none"><li>(a) all Category A activities (as defined under Section 3(b)(i)); and</li><li>(b) selected Category B activities (as defined under Section 3(b)(ii)) that may potentially result in:<ul style="list-style-type: none"><li>(i) Land Acquisition or Involuntary Resettlement;</li><li>(ii) risk of adverse impacts on Indigenous Peoples and/or vulnerable groups;</li><li>(iii) significant risks to or impacts on the environment, community health and safety, biodiversity, and/or cultural resources;</li><li>(iv) significant retrenchment of more than 20 percent of direct employees and recurrent contractors; and/or</li><li>(v) significant occupational health and safety risks.</li></ul></li></ul>



<b>IFC</b>	shall mean the International Finance Corporation, an international organization established in Washington, DC, USA, by articles of agreement among its member countries.
<b>IFC Performance Standards</b>	shall mean the IFC Performance Standards on Social and Environmental Sustainability (which can be downloaded here: <a href="http://www.ifc.org/performancestandards">www.ifc.org/performancestandards</a> ), including the technical reference documents known as the World Bank Group Environmental, Health, and Safety Guidelines or EHS Guidelines (which can be downloaded here: <a href="http://www.ifc.org/ehsguidelines">www.ifc.org/ehsguidelines</a> ).
<b>ILO</b>	shall mean the International Labour Organisation, the tripartite United Nations agency which brings together governments, employers and workers of its member states in common action to promote decent work throughout the world.
<b>ILO Basic Terms and Conditions of Employment</b>	shall mean the applicable requirements on wage, working hours, labour contracts and occupational health & safety issues, stemming from ILO conventions 26 and 131 (on remuneration), 1 (on working hours) and 155 (on health & safety).
<b>ILO Core Labour Standards</b>	shall mean the applicable requirements on child and forced labour, discrimination and freedom of association and collective bargaining, stemming from the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and covering: <ul style="list-style-type: none"> <li>(i) freedom of association and the right to collective bargaining;</li> <li>(ii) the elimination of forced and compulsory labour;</li> <li>(iii) the abolition of child labour; and</li> <li>(iv) the elimination of discrimination in the workplace.</li> </ul>
<b>Portfolio companies</b>	shall mean companies invested by Seraya Partners Fund I, L.P. and any funds or investment vehicles managed by Seraya
<b>Remediation Measures</b>	shall mean the measures as are necessary or appropriate to remedy the applicable breach or non-conformity with the ESG Requirements, including an appropriate timeframe for implementation of such measures, with respect to any existing investment by the Fund.



**Social Law**

shall mean any law, rule or regulation (including international treaty obligations) applicable in the jurisdiction in which the Fund and/or its subsidiaries operate concerning:

- (a) labour;
- (b) social security;
- (c) the regulation of industrial relations (between government, employers and employees);
- (d) the protection of occupational as well as public health and safety;
- (e) the regulation of public participation;
- (f) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights;
- (g) the protection and empowerment of vulnerable groups, indigenous peoples or ethnic groups;
- (h) the protection, restoration and promotion of cultural heritage;
- (i) International Bill of Human Rights; and

all other laws, rules and regulations providing for the protection of employees and citizens.



## 1. Overall approach to ESG and Responsible Investment

- 1.1 The ESG and Responsible Investment policy (“**Policy**”) outlines the approach to ESG factors, responsible investment and stewardship adopted by Seraya. It aims to integrate ESG factors into the investment process to promote sustainability and generate long-term value which aligns with the United Nations Principles for Responsible Investment (“**UNPRI**”) and other relevant international standards. Seraya shall ensure that all investments undergo rigorous ESG screening to identify and mitigate potential risks and enhance sustainability outcome.

## 2. Governance and Oversight

- 2.1 The governance structure overseeing the implementation of this Policy includes the Board of Directors, Senior Management, Investment Committee, and ESG Committee and Specialists. These bodies shall ensure that responsible investment and stewardship practices are integrated across all levels of the organization and are regularly reviewed and updated to reflect evolving best practices.
- 2.2 **Board of Directors:** Provides strategic oversight and ensures alignment with overall corporate governance.
- 2.3 **Senior Management:** Implements and monitors responsible investment practices across the organization.
- 2.4 **Head of Sustainability:** responsible for Seraya and Fund’s ESG and responsible investment strategy and policies, the integration thereof in the overall business and operations of the Fund and ensuring proper operation and maintenance of the ESG Management System (“**ESMS**”).
- 2.5 **Investment Committee:** Integrates ESG considerations into investment decision-making processes.
- 2.6 **ESG Committee and Specialists:** Develops and maintains the ESG and responsible investment policies, support the investment teams in ESG matters, and ensures adherence to regulatory requirements and internal policies related to responsible investment.

## 3. Implementation and Operation of the ESG Management System

- 3.1 Seraya recognises the importance of ESG management, and is committed to upholding strong corporate governance, practice environmental stewardship, develop human capital and engage local communities to create long-term value for all stakeholders. In managing the Fund, Seraya shall comply with the following practices.
  - (a) Seraya shall ensure that the Fund complies with the ESG Requirements and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same. In this respect, Seraya undertakes to:
    - (i) promote integration of health, safety, security, social and environmental considerations regarding risks, impacts and opportunities in the Fund’s investment strategy and decision-making processes; and



- (ii) monitor the Fund's ESG performance and advise the ESG Committee on the outcomes arising from its monitoring of social, governance and environmental matters in accordance with the ESG Requirements.
- (b) Seraya commits to the Investment Code attached as **Schedule A** hereto, and implement and maintain with respect to the Fund's activities and institute and maintain control procedures consistent with the Investment Code.
- (c) Seraya shall establish, implement and maintain in all material respects, and use reasonable endeavours to continuously improve the ESMS, taking into account the environmental and social risks and opportunities identified in the investment appraisals for the Fund's investments.
- (d) Seraya shall implement all necessary internal controls to manage the ESG performances well, and in line with the ESMS. This includes integration of ESG matters in internal auditing and performance and impact reports of the Fund.
- (e) Where necessary, Seraya shall discuss proposed improvements and amendments to the ESMS with the ESG Committee and take into account the input of the ESG Committee before formally adopting amendments thereto.
- (f) The management team of Seraya shall comprise executives familiar with the ESG Requirements, the ESMS and applicable ESG Action Plans. Seraya shall also ensure:
  - (i) that its key executives receive annual induction and revision training in ESG matters, with the general aim of ensuring awareness and understanding with the ESG Requirements; and;
  - (ii) the key executives responsible for the Fund's investments receive recurrent training for continuous learning and deepening of understanding of ESG matters in accordance with good international industry practices.
- (g) As and when Seraya and/or the ESG Committee deems it necessary to achieve and ensure compliance with the ESG Requirements and commensurate with the magnitude and ESG risk level of the relevant investment, the Fund will contract with third parties or hire additional environmental and/or social staff, in consultation with the ESG Committee, to support the management team of Seraya in addressing ESG matters.
- (h) Seraya shall also reserve and make available a budget for resources required to manage the ESG performance of the Fund, in line with the ESMS. Such budgets shall be reviewed and agreed by the ESG Committee.

#### 4. Sustainability Report

4.1 Seraya shall issue a sustainability report for each calendar year.

- (a) The sustainability report shall describe the Fund's sustainability practices with reference to the



following primary components:

- (i) material environmental, social and governance factors;
  - (ii) policies, practices and performance;
  - (iii) targets;
  - (iv) sustainability reporting framework; and
  - (v) ESG Committee statement.
- (b) If any of the above primary components are excluded from the sustainability report, Seraya shall disclose such exclusion and describe what it does instead, with reasons for doing so.
- (c) In addition, the sustainability report shall outline the Fund's ESG management approach, initiatives and performance metrics for each calendar year.
- (d) The sustainability report shall also be prepared in accordance with recognized frameworks such as the Global Reporting Initiative ("**GRI**") and the Sustainability Accounting Standards Board ("**SASB**") or an alternative globally-recognised framework and disclosure practice, as determined by the ESG Committee from time to time.
- (e) If and to the extent the ESG Committee and/or Seraya deems it necessary, Seraya shall also appoint an external reporting consultancy firm to review the sustainability report.

## **5. Approach and Guidelines on Environmental, Social and Governance Factors**

### **Environmental Factors**

- 5.1 Seraya acknowledges the significant impact of environmental factors, including climate change, on long-term investment performance. Climate risk refers to the potential financial losses due to climate change impacts, such as extreme weather events and regulatory changes. Seraya shall assess climate risks through methodologies such as greenhouse gas ("**GHG**") emissions tracking and adherence to the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations.
- 5.2 Climate Risk Assessment:
- (a) GHG Emissions: Seraya shall track and evaluate the GHG emissions of the Fund and portfolio companies. This includes both direct (Scope 1) and indirect (Scope 2 and 3) emissions (to the extent possible), following the GHG Protocol.
  - (b) Temperature Change Projections: Seraya shall utilize scientific data to project potential temperature changes and their impacts on investments (where applicable).
  - (c) Regulatory and Market Analysis: Seraya shall stay informed about regulatory developments and market trends related to climate change to anticipate and mitigate risks.



## Social Factors

- 5.3 Seraya shall ensure that investments uphold human rights and promote social well-being. This includes evaluating companies on labor practices, community relations, and supply chain management. Investments will be assessed against frameworks such as the UN Guiding Principles on Business and Human Rights to ensure compliance and promote positive social outcomes.
- 5.4 Social Risk Assessment:
- (a) Human Rights: Seraya shall evaluate the human rights practices of portfolio companies, ensuring alignment with the UN Guiding Principles on Business and Human Rights.
  - (b) Labor Practices: Seraya shall assess labor practices, including working conditions, employee relations, and fair wages.
  - (c) Community Impact: Seraya shall consider the impact of portfolio companies on local communities, including health and safety, economic development, and social infrastructure.

## Governance Factors

- 5.5 Governance refers to the framework of rules and practices overseen by a board of directors to ensure accountability, fairness, and transparency in an issuer's interactions with stakeholders such as financiers, customers, management, employees, government, and the community. As part of Seraya investment due diligence process, Seraya typically evaluate the following aspects of a company:
- (a) Track record in capital allocation
  - (b) Quality, diversity, and composition of the board
  - (c) Alignment of incentives among controlling shareholders, minority shareholders, and management
  - (d) History of protecting minority stakeholder rights, especially during crises
  - (e) Ability to attract and retain talent
  - (f) Exposure to regulatory, market, and other risks
  - (g) Management of significant environmental and social risks
  - (h) Potential for successful expansion into new business areas leveraging existing strengths
- 5.6 Seraya's approach to assessing governance is holistic, recognizing that optimal governance models vary across markets due to differences in shareholder structures, regulatory environments, and legal frameworks. Seraya focus on the effectiveness of governance structures in line with best practices, believing that good governance enhances how companies manage environmental and social risks and opportunities. Seraya actively engage with portfolio companies to improve alignment with best practices, aiming to enhance shareholder value.



- 5.7 Seraya employs both a top-down and bottom-up approach to assess governance and sustainability factors. The top-down approach leverages Seraya's deep market knowledge to prioritize factors based on their potential impact on portfolio holdings. The bottom-up approach involves proprietary investment research supplemented by public information, third-party research, ESG metrics, forensic accounting, governance research, proxy advice, and other third-party data and ESG Information. Seraya also conduct meetings with key stakeholders such as company management, employees, customers and suppliers to evaluate management quality and business viability.
- 5.8 Seraya's investment professionals are responsible for integrating ESG assessments into research when it significantly affects investment theses or poses material ESG risks.

## 6. Responsible Investments

- 6.1 In connection with any proposed investment by the Fund, Seraya shall comply with the following requirements.
- (a) Before the Fund undertakes any investment, Seraya will screen the investment opportunity against the Exclusion List, as reflected in **Schedule B** and other eligibility criteria as it may determine, taking into account the Fund's investment strategy, so as to identify potential material adverse environmental, health and safety, social (including community, labour and human rights), governance and security risks and/or impacts associated with the proposed investment.
- (b) Seraya will also categorize each prospective investment as early as feasible at the outset of its due diligence assessment in order to determine the nature and level of the required environmental and social assessment, information disclosure and stakeholder engagement required. In its categorization, Seraya takes into consideration the type, nature, location, sensitivity and scale of the investment, so that Seraya's assessment is proportional to the significance of the investment's potential environmental and social risks and impacts. Seraya determines the investment's category on the basis of the investment's component presenting the highest environmental or social risk and potential impacts (including direct, indirect, cumulative and induced impacts, as relevant, in the project area). The categories are as described:
- (i) Category A: A prospective investment is categorized A if it is likely to have significant adverse environmental and social impacts that are irreversible, cumulative, diverse or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works and may be temporary or permanent in nature. Seraya will exclude all projects assessed as Category A.
- (ii) Category B: A prospective investment is categorized B if:
- it has a limited number of potentially adverse environmental and social impacts;
  - the impacts are not unprecedented;
  - few if any of them are irreversible or cumulative;



- they are limited to the project area; and
  - they can be successfully managed using good practice in an operational setting.
- (iii) Category C: A prospective investment is categorized C if it is likely to have minimal or no adverse environmental and social impacts.
- (c) When undertaking due diligence for any proposed investment by the Fund, Seraya will also undertake the following due diligence for ESG purposes (the “**ESGDD**”):
- (i) identify and assess the environmental, health and safety, social (including community, labour and human rights), governance and security risks, impacts and opportunities implied by the investment opportunity’s operations, and ability to comply with the ESG Requirements,
  - (ii) assess the abilities and commitment of the Fund to manage and mitigate the risks, close the compliance gaps and realise the opportunities to create value and impact;
  - (iii) identify concrete actions for closing these gaps and realising the opportunities; and
  - (iv) in addition to the above:
    - for all potential investments with identified medium and/or high ESG risks, particularly for those assessed to involve Higher Risk Activities, Seraya will appoint adequately qualified and independent external ESG experts to provide an opinion on measures to mitigate ESG risks; and
    - for greenfield projects and brownfield projects, Seraya will also assess if an environmental and social impact assessment should also be conducted.
- (d) On the basis of the actions identified in the ESGDD, Seraya will prepare a draft ESG Action Plan, which shall set out all identified material breaches / non-conformity with the ESG Requirements, together with associated recommendations, mitigation actions, deliverables, timelines and responsibilities.
- (e) Seraya shall:
- (i) provide the ESG Committee with copies of the ESGDD report and any proposed ESG Action Plan for a proposed investment, accompanied by reasonably supporting documentation;
  - (ii) discuss and consult with the ESG Committee on the ESG Action Plan, as part of the discussions and assessment of whether the Fund should proceed with the investment; and
  - (iii) update the ESG Action Plan to take into account the input and recommendations of the ESG Committee.

The final ESG Action Plan should include a timeframe for implementation of the recommendations



and mitigation actions. The members of the ESG Committee shall be entitled, upon request, to review and comment on any final ESG Action Plan for an investment.

- (f) The Fund shall only make an investment if:
  - (i) any identified environmental, health and safety, social (including community support), governance and/or security risk and/or adverse impacts and/or performance has been resolved in accordance with the ESG Requirements; or
  - (ii) an ESG Action Plan has been put in place (and agreed to by the ESG Committee) for purposes of so mitigating the identified environmental, health and safety, social (including community support), governance and/or security risks and/or impacts and/or performance within a reasonable timeframe.
- (g) Seraya will use its best efforts to ensure that the Fund and its portfolio companies establish, implement and maintain in all material respects, and continuously improve, policies that address applicable ESG Requirements.
- (h) Seraya shall ensure that there are properly qualified managers or officers (including externally contracted personnel) responsible for managing health, safety, security, social and environmental risks and impacts of each of the Fund's investments.
- (i) Seraya shall take steps to ensure, including through express clauses in the Fund's legal documentation with facility managers, suppliers, contractors and other counterparties, that all of the Fund's investments, whether in the development, construction, or operation & maintenance phases, comply with the ESG Requirements and/or, where applicable, the relevant ESG Action Plan designed to mitigate against any ESG risks and non-compliance.

6.2 Sustainability Outcomes: Seraya shall prioritize investments that deliver positive sustainability outcomes. This includes supporting projects and companies that contribute to the Sustainable Development Goals (SDGs). Regular monitoring and reporting will ensure that investments align with sustainability objectives and deliver measurable impact.

## **7. Stewardship**

7.1 Stewardship, also commonly known as active ownership, is the use of investor rights and influence to protect and enhance the overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend.

7.2 Seraya recognises that active engagement with portfolio companies is key in promoting sustainable business practice, improving transparency and enhancing long-term value creation. The following outlines the key methods in which Seraya actively engages in stewardship activities with the portfolio companies:

- (a) Regular Dialogues: Seraya shall maintain ongoing communication with portfolio companies to discuss ESG issues, set expectations and monitor the ESG progress and performance.



- (b) Proxy Voting: Seraya shall exercise voting rights at shareholder meetings to support ESG resolutions and influence corporate behaviour.
- (c) Collaborative Initiatives: Seraya shall participate in industry collaborations and initiatives to amplify the impact of stewardship activities.

7.3 Criteria for prioritising engagement: Engagement efforts will be prioritised based on the materiality of the ESG issues, the size of the investment and the potential for impact. Seraya shall also look to engage other key stakeholders, including policymakers and industry leaders, to influence positive change.

7.4 Approach to escalation: If initial engagement efforts do not yield satisfactory results, Seraya shall escalate the issue through steps such as filing shareholder resolutions, collaborating with other investors and if necessary, divesting from the particular investment.

## **8. Supply Chain and Responsible Procurement**

8.1 Seraya recognises that a reliable and responsible supply chain helps to optimise the portfolio companies' operations, safeguard business continuity and mitigate ESG risks. In relation to the portfolio companies' supply chain and procurement practices, Seraya shall, as part of the overall ESMS, put in place the following practices.

- (a) To ensure best practices and high-quality services throughout the supply chain, Seraya shall assess the track record, quality and reputation of potential suppliers and partners. As part of the aforesaid assessment, Seraya shall also consider the suppliers and counterparty's sustainability policies, performance, procedures, accreditations and certifications are also considered in the assessment to mitigate supply chain risks.
- (b) Seraya shall implement a Supplier Code of Conduct to implement the Fund's sustainability values across its supply chain. Key suppliers shall be required to abide by the code, which shall outline expectations related to business conduct, anti-corruption, labour practices, safety and health, as well as environmental management. These suppliers will also be subject to a due diligence screening process which seeks to identify any key risks or adverse news.
- (c) In relation to the Fund's greenfield and brownfield projects, Seraya shall agree on "safe-work" practices and statements with the project contractors and, where applicable, sub-contractors. Such "safe-work" statements shall be continually reviewed and updated from time to time, for alignment with industry best practices and legal and regulatory changes.

## **9. Quality and Safety of the Fund and Portfolio companies' Offerings**

9.1 As a fiduciary of investor assets, Seraya shall put in place Business Continuity Management ("BCM") policies to ensure the resilience and continuity of its business operations.

9.2 Additionally, Seraya acknowledges that its portfolio companies are involved in mission- critical operations.

- (a) Accordingly, Seraya shall oversee the Portfolio companies in putting in place BCM policies to



ensure the resilience of the Portfolio companies' operating assets.

- (b) Seraya shall oversee the Portfolio companies in carrying out regular BCM exercises (whether directly or through the facility managers and property managers appointed for each data centre) to prepare for, prevent and mitigate risks through measures such as robust power outage scenario planning, as well as fire and pandemic drills.

## **10. Employees and Occupational Health and Safety**

10.1 Seraya recognises that people are at the core of its and the Fund's business, and commits to investing in a motivated and competent workforce. Seraya shall put in place the following practices.

- (a) Seraya and the portfolio companies shall prepare and abide by a Pledge of Fair Employment Practices, setting out the principles on which Seraya and portfolio companies shall recruit, retain and reward employees.
- (b) Seraya adopts an egalitarian-meritocratic approach in the building of its team. Seraya will not condone discrimination at any level within the firm based on ethnicity, gender, creed, culture, belief and socioeconomic backgrounds.

## **11. Monitoring and Reporting**

11.1 Seraya shall be responsible for monitoring and reporting on the Fund's compliance with the ESG Requirements, subject to the oversight and supervision of the ESG Committee. Seraya will report regularly to the ESG Committee on ESG matters, in accordance with the following.

- (a) Seraya will deliver to the ESG Committee, in a form and per the frequency defined in the ESMS, an ESG Construction Progress Report, which may be integrated in an over-arching construction progress report, for all of the Fund's greenfield and brownfield projects which are under the development and construction phase.
- (b) Within 45 days after the end of the first three quarters in each calendar year, Seraya will deliver to the ESG Committee, an ESG Quarterly Report, which shall set out the Fund's overall progress on various ESG-related metrics.
- (c) Within 90 days after the end of each calendar year, Seraya will deliver to the ESG Committee, an ESG Annual Report, which shall comprise the quarterly report for the fourth quarter of said calendar year, summarise the material issues raised in the ESG Quarterly Reports, and also set out any material action points requiring the ESG Committee's determination.
- (d) The templates of the ESG Quarterly Report and ESG Annual Report will be agreed with the ESG Committee from time to time, and incorporated in the ESMS.
- (e) Within three days after becoming aware of the occurrence of any material ESG Incident, Seraya shall also notify the ESG Committee of such ESG Incident, specifying:



- (i) the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom;
- (ii) the measures being taken, or plans to be taken, to address the risks arising from the ESG Incident and prevent any future similar event.

Seraya shall also keep the ESG Committee updated of the on-going implementation of the aforesaid measures.

- (f) Within ten days of a request by any member of the ESG Committee, Seraya shall provide such information as is reasonably requested by that party to confirm that the Fund is in compliance with the ESG Requirements or, where applicable, the ESG Action Plans put in place to mitigate and address ESG non-compliance.

## **12. Education and Continued Learning**

12.1 Seraya acknowledges that education and continued learning are essential to incorporating positive investment concepts into the research and analysis of investment value. Seraya shall:

- (a) **Provide Ongoing Training:** Regular training programs for staff on ESG issues and responsible investment practices.
- (b) **Encourage Professional Development:** Support attendance at relevant conferences, seminars, and workshops.
- (c) **Promote Knowledge Sharing:** Foster a culture of knowledge sharing within the organization to stay abreast of the latest developments in ESG and responsible investment.



**SCHEDULE        A**  
**INVESTMENT CODE**

1. The Fund will use its best endeavours to ensure its portfolio companies will commit to continuous improvements with respect to management of the health, safety, security, social, governance and environmental matters and work overtime to apply relevant good international industry practices with appropriate targets and timetables for achieving them.
2. Therefore, Seraya will procure that the Fund and its portfolio companies implement and maintain management systems which effectively address ESG risks and realise ESG opportunities as a fundamental part of the Fund's value creation and to act in accordance with the following principles:
  - (a) Ensure full alignment with its ESG Requirements and ESMS.
  - (b) Procure that the Fund and portfolio companies' business and operations are undertaken within a defined timeframe towards compliance with:
    - (i) IFC Performance Standards (2012);
    - (ii) UN Guiding Principles on Business and Human Rights;
    - (iii) ILO Basic Terms and Conditions of Employment; and
    - (iv) ILO Core Labour Standards.
  - (c) Respect and proactively manage compliance of the portfolio companies' operations with host country laws, rules and regulations applicable to all phases of the Portfolio companies' assets and activities.
  - (d) Respect and proactively manage alignment of the portfolio companies' business and operations with international conventions and treaties adopted by the host country.
  - (e) Minimise adverse impacts and enhance positive effects on the environment and all stakeholders (including employees and any affected communities) as relevant and appropriate, of the portfolio companies.
  - (f) Encourage the Fund and its portfolio companies to make efficient use of natural resources and to protect the environment wherever possible.
  - (g) Support the reduction of greenhouse gas emissions.



- (h) Encourage the operations of the Fund and its portfolio companies to be carried out in accordance with good international industry practices<sup>1</sup>, recognise and, as appropriate, promote the social aspects of the development impact from the Fund's activities.
- (i) Consider the potential for positive impacts and opportunities from the business activities of the Fund and its portfolio companies.

3. In addition, Seraya, in managing the Fund, shall:

- (a) Respect all internationally recognised human rights and conduct regular human rights due diligence in order to identify, prevent, mitigate and account for potential adverse risks/impacts as appropriate to the size and nature of the Fund's business.
- (b) Strive to ensure that the ratio of men to women (in management positions) develops positively/approaches an equilibrium over the medium to long term.
- (c) Assess climate impact and undertake efforts to combat climate change as appropriate to the size and nature of the business, and to enhance climate change resiliency of the Fund's investments.

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<sup>1</sup> Including the range of internationally certifiable environmental standards issued by the International Organization for Standardization ("ISO"), the ISO 14000 series, notably including standards for environmental management systems (ISO 14001) and greenhouse gas emissions (ISO 14064-65), as may be amended from time to time. See [www.iso.org](http://www.iso.org).



## SCHEDULE B EXCLUSION LIST

1. The Fund will not finance any activity, production, use of, trade in, distribution of or involving forced labour<sup>2</sup> or harmful or exploitative forms of child labour<sup>3</sup>.
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - (a) Ozone-depleting substances<sup>4</sup>, PCB's (Polychlorinated Biphenyls)<sup>5</sup> and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals subject to international phase outs or bans (Rotterdam Convention, Stockholm Convention)<sup>6</sup>;
  - (b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES)<sup>7</sup>; or
  - (c) Unsustainable marine and coastal fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length), which are harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations
4. Destruction of High Conservation Value areas<sup>8</sup>
5. Activities prohibited by legislation under host country in whose territory the project is located or by international conventions relating to the protection of biodiversity resources or cultural resources, such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological

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<sup>2</sup> Forced labour means any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty (including any kind of forced or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements, or labour by trafficked persons).

<sup>3</sup> For purposes of this List, harmful or exploitative forms of child labour means the employment of children under the age of 18 for work which by its nature or the circumstances in which it is carried out is likely to jeopardize their health, safety or morals. However, if the laws or regulations of the country in which the project is located provide, in conformity with the International Labour Organization's Minimum Age Convention, 1973, that children at least 16 years of age may be employed for such work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity, then child labour means employment of children for work that does not comply with these laws and regulations.

<sup>4</sup> Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized "ozone holes." The Montreal Protocol on Substances that Deplete the Ozone Layer 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 the United Nations Environment Programme, <https://ozone.unep.org/treaties/montreal-protocol>

<sup>5</sup> PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985.

<sup>6</sup> United Nations 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; World Health Organization Recommended Classification of Pesticides by Hazard. A list of pharmaceutical products subject to phase outs or bans is available at [https://www.who.int/medicines/areas/quality\\_safety/safety\\_efficacy/pharm\\_restrictions/en/](https://www.who.int/medicines/areas/quality_safety/safety_efficacy/pharm_restrictions/en/). A list of pesticides, herbicides and other hazardous substances subject to phase outs or bans is available at <http://www.pic.int/TheConvention/Chemicals/AnnexIIICChemicals/tabid/1132/language/en-US/Default.aspx>

<sup>7</sup> The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). A list of CITES listed species is available from the CITES secretariat, <https://www.cites.org/eng/disc/species.php>

<sup>8</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>)



## Diversity<sup>9</sup>

6. Radioactive materials<sup>10</sup> and unbounded asbestos fibres, whether or not bonded
7. Pornography and/or prostitution
8. Racist and/or anti-democratic media
9. In the event that any of the following products form a substantial part of a project's primary financed business activities<sup>11</sup>:
  - (a) Alcoholic Beverages (except beer and wine);
  - (b) Tobacco;
  - (c) Weapons and munitions, including paramilitary materials; or
  - (d) Gambling, casinos and equivalent enterprises
10. Coal prospection, exploration, mining or processing
11. Oil exploration or production
12. Standalone fossil gas exploration and/or production
13. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests
14. Production or trade in wood or other forestry products other than from sustainably managed forests
15. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)<sup>12</sup>
16. Transport and related infrastructure primarily<sup>13</sup> used for coal for power generation
17. Crude Oil Pipelines

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<sup>9</sup> Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <https://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <https://www.ramsar.org/>; Convention Concerning the Protection of the World Cultural and Natural Heritage - <https://whc.unesco.org/en/convention/>; Convention on Biological Diversity - <https://www.cbd.int/>

<sup>10</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

<sup>11</sup> For companies, "substantial" means more than 10 % of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio volumes.

<sup>12</sup> Noncompliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL) or International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers 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. [http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-\(MARPOL\).aspx](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-(MARPOL).aspx)

<sup>13</sup> "Primarily" means more than 50% of the infrastructure's handled tonnage.



18. Oil Refineries
19. Construction of new or refurbishment of any existing coal-fired power plant (including dual)
20. Construction of new or refurbishment of any existing HFO-only or diesel-only power plant<sup>14</sup> producing energy for the public grid and leading to an increase of absolute CO2 emissions<sup>15</sup>
21. Any business with planned expansion of captive coal used for power and/or heat generation<sup>16</sup>

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<sup>14</sup> For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.

<sup>15</sup> I.e. where energy efficiency measures do not compensate any capacity or load factor increase.

<sup>16</sup> This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.