About the Portfolio Company

Pharande Spaces is one of the largest developers in the Pimpri-Chinchwad region of Pune District. Pharande, led by Mr. Anil Pharande, a civil engineer himself, has delivered multiple projects with a total saleable area of about 3.0 mn square-feet (sft), and is currently executing 4 projects with a development potential of 4.0 mn sft, out of which Altico Capital's portfolio covers about 3.5 mn sft. All the projects of Pharande Spaces are pre-certified as "2 to 4-star" green buildings by India's national rating for green buildings, GRIHA (Green Rating for Integrated Habitat Assessment).

Total facility ($ mn)	USD 53 million (in two separate facilities)
Projects in the portfolio	Woodsville II, III and IV; L-Axis; Puneville – all the 3 projects located in the Pimpri-Chinchwad Municipal Corporation (PCMC) jurisdiction, the second municipal corporation other than Pune Municipal Corporation (PMC) within the larger Pune District

Overview of Projects

#	Project	Area (acres)	Configuration, Saleable Area (mn sft)	# of units	Status
1.	Woodsville II, III and IV	10.1	8 blocks, Podium (P) + 12 Upper Floors (UF); 0.75 mn sft	351	Details pertain to Woodsville III only, 2 blocks ready for possession with others under various construction stages; Woodsville II, a completed project with some unsold inventory as collateral; Woodsville IV, at land stage (also a collateral);
2.	L-Axis	10.2	13 blocks, 2P + 12UF; 0.71 mn sft	615	3 blocks handed over the customers; 8 blocks under various stage of development; 1 block yet to commence;
3.	Puneville	25.0	18 blocks, P + 22UF; 2.03 mn sft	1530	All blocks under various stage of construction

Background information

Altico Capital appointed AECOM, a leading global consultancy in September 2016, to carry out detailed environment, health, safety and social (EHSS) due diligence (DD) based on applicable laws and regulations in India, and IFC's (International Finance Corporation) Environment and Social Performance Standards (PS) for the L-Axis project. A Corrective Action Plan (CAP) was developed to improve project performance ranging from improving environment, health and safety (EHS) standards at site to temporary housing and amenities for construction labour. Subsequently, the same exercise was carried out for the Puneville project.

Impact on Environment and Social Governance (ESG)

- Development of an Environment and Social Management System (ESMS) manual along with improvements to various policies and processes;
- Enhanced communication on importance of EHSS aspects to various stakeholders of the project through focus group discussions, workshops and training programmes;
- Setting up an environment cell ensure periodic monitoring of air, water and noise parameters at the project sites;
- Restriction on usage of ground-water for construction activities;
- Improvements in house-keeping and hygiene at site as well as temporary labour housing;

Altico Capital – Going Forward

Altico Capital has strengthened its internal asset management team to not only monitor projects from the project performance perspective (planned versus actual performance with respect to the business plan) but also from ESG performance at the project sites, and support its project partners through continuous improvement programmes such as specific technical workshops on safety, "compliance" monitoring etc. Altico Capital's pre-investment diligence includes a preliminary environment and social assessment (ESA), which enables readiness for enhancing EHSS performance of the portfolio even before the investment fructifies.

For any further information, please contact:
Subramanian Vijaykrishnan, Senior Vice President – Projects and Technical, Altico Capital India Private Limited
E subramanian.vijaykrishnan@gmail.com **I M** +91 8879213129 **I P** +91 22 67154000 (Board), 67154007 (Direct) **I F** +91 22 67154001

PT Natura Aromatik: Submission for *HKVCA ESG Award for Excellence*

Executive Summary

PT Natura Aromatik Nusantara ("Natura") is a manufacturer of aroma chemicals and natural extracts including flavors and fragrances. The management team is comprised of industry veterans with vast experience hailing from the industry's main competitors.

The Indonesian extracts and aroma chemicals industry was built on the strength of the Indonesian clove leaf oil (CLO) market. Indonesia makes up about 75% of the global market for CLO. While aroma chemicals and CLO-based extracts are produced globally, Indonesian manufacturers have a natural advantage due to their proximity – clove trees are indigenous to the nation. Indonesia is the largest consumer of clove bud, which is primarily used in its domestic *kretek* cigarette industry.

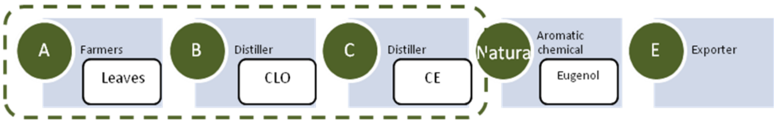
Clove farmers who originally only supplied the *kretek* industry are given the opportunity to process and sell by-products to the aroma chemicals and natural extract industry. CLO is derived and processed from the clove's leaf and stem, while the *kretek* industry primarily only uses the clove bud.

Natura entered the industry as the second player to offer the complete range of all three product segments: aroma chemicals, essential oils and extracts.

Thanks to its partnership program with a growing number of distillers and trading partners and success in building an industry-compliant manufacturing facility, Natura is in significant strategic position to make strong and positive impacts enjoyed by its upstream supply-chain stakeholders.

Impact to Supply Chain Stakeholders

Natura entered the industry when it was considered well-established outside Indonesia but considered nascent in the country. This allowed Natura to quickly become the second player in Indonesia to offer a complete range of all three product segments: aroma chemicals, essential oils and extracts. It reaches to the up-stream portion of the value chain via a partnership program with one of with a plantation company via a '*plasma* program' for supplies and distillation of clove leafs, citronella, and patchouli. This program (marked as 'C' in chart below) worked upstream with independent distillers (B) and farmers (A).



CLO = Clove Leave Oil
CE = Crude Eugenol

The growing industry provides an option for current CLO stakeholders beyond tobacco. The supply-chain currently allows previously unskilled workers (many of whom struggled to find clove opportunities outside the tobacco-supply chain) to earn higher than their regional's minimum wage.

Natura's pillars of value-added impact and sustained engine for growth:

Sustainable Economic Impact

- Natura operates in a parallel industry to tobacco's supply chain. It is **grooming and**, to certain extent, **converting the targeted eco-system from tobacco-ridden dependency to CLO economy.** The once was a wasted products of clove trees (mostly the fallen leaves) is now a new use of a crop
- With contract relationship with one of the plantation, Natura has created a **secured** ecosystem **that opens new employments reaches upstream** to the farmers and leaf gatherers
- **Increase livelihood and economic values.** Early documentations suggest unskilled workers can earn between IDR 1.3mn to IDR 1.7mn a month (in a district with minimum wage of IDR 1.52mn/ mo in 2017)

Supply Management and Community Development

- Natura has **trusted relationship with plantations**. One of them owns 621ha of land in Blitar, East Java, to produce plasma of clove leaf, distilling clove, citronella, and patchouli
- Natura also shares its technical knowledge to secure its supply chain, at the same time providing **employment for local communities, especially elderly people** in Blitar

Certified Manufacturing & R&D Facilities

- One of the two aroma chemical manufacturers that has the advance products of aroma chemical derivatives
- 1.5 ha facility located in Central Java
- **Industry compliance.** Complete Certifications: Kosher, Halal, C-TPAT, FDA, REACH, ISO-9000 and IEBA
- Strong R&D People and Team in aroma chemicals and essential oil industries

Background of "Natura"

PT Natura Aromatik Nusantara ("Natura") is a manufacturer of aroma chemicals and natural extracts ('flavors and fragrances').

Through a fund that it advises, Capsquare Asia has invested in a controlling stake in Natura since February 2015.

Natura has completed its own manufacturing facility with industry-compliant standards.

Land and building size: 12,471 m2 and 9,750m2. Manufacturing employees: 57 out of 87 people.

Certifications	2017	2018
Kosher	✓	✓
Halal	✓	✓
C-TPAT	✓	✓
FDA Registration	✓	✓
REACH	✓	✓
ISO - 9000	✓	✓
IEBA	✓	✓
ISO - 22000		✓

Aroma Chemicals Indoor Production Facility

Capsquare's Approach

Extraction Production Facility

Capsquare Fund 1 (CAPF1)'s early thesis on Environmental, Social and Corporate Governance ("ESG") is focused on commitment towards improvement and compliance of ESG standards through the following principles:

- Making investee companies institutional-friendly, through compliance with accounting practices standard;
- Quickly recognizing low-hanging fruits (based on capacity, capability and cost) and implementing risk mitigation action plans;
- Embodying Capsquare's spirit of '*Doing Well while Doing Good';*
- Empowering entrepreneurship and collaboration.

PT Iwan Tirta: Submission for *HKVCA ESG Award for Excellence*

Executive Summary

PT Iwan Tirta ("IT") is committed to empowering and providing assistance to its *Batik* motif artisans – predominantly women – to achieve sustainable economic growth while subscribing in fair practices complying with local regulations and promoting health awareness.

Batik is an important part of Indonesia's heritage that typically takes the form of artful fabrics that require a specific set of skills in craftsmanship and diligence to create. *Batik* has been included in UNESCO's *Representative List of Intangible Cultural Heritage of Humanity*. Historically, the industry faces a number of challenges: a) sub-scale businesses, b) environmental impact due to the *batik* production process, and c) lack of innovation to ensure continued relevance for *batik* in the modern society.

Through Capsquare's investment, IT has addressed these issues by: a) building up a professional team that implements modern management system, and b) developing of a "plasma partnership program" by encouraging artisans to be IT's production partners and providing working capital support. This allows IT the ability to scale up while improving the livelihood of IT's plasma partners and minimizing environmental impact.

With the success of IT's plasma partnership program and, in parallel, IT's continued success in building a strong brand equity and luxury positioning that commands good profit margins, IT is proud to showcase its success in delivering positive impact in the communities of its stakeholders while delivering consistent return to its investors.

Footprint vs Impact

Front end: IT has multiple collaborations with local foundations that focus on training and empowering women and the disabled through special-edition collections that are sold in IT's galleries. Portion of the proceeds typically are funneled to the foundation as development funds.

Back end: IT provides a plasma partnership program and a central facility to support the operation of IT's artisan plasma partners. The program offers some initial funding, business stewardship and purchase commitments at fair prices (approximately 150% above the industry average). A total of 868 *Batik* artisans (out of which 96% are women) are employed by the partners.

The main production area is located in the Pekalongan district of Central Java – one of Indonesia's largest production hub for *Batik* – and has a production footprint that represents only 0.06% of Pekalongan's total production footprint and 1.1% of number of centers. Despite the small footprint, IT is able to generate significant impact on the community.

KPI	District of Pekalongan	IT	%
Quantity Produced (p.a.)	22 mn pieces	12K to 14K	0.06%
# of Plasma centers	502	6	1.10%
Profit margin earned by partners	42% earns between -5% to 20% 58% earns c 20%	>30%	>150%

* Pekalongan data is processed from various sources, between 2012-2016

Key Initiatives since Capsquare's Inception

2014: Established a 1,000 sqm training and meeting facility dedicated for all plasma partners with proper materials handling and storage and a clean and refined work spaces

2015: R&D initiatives to develop organic coloring to lower waste pollution. Conducted training for waste water awareness.

2016: Reviewed waste water treatment with 3rd party assistance from Sucofindo lab and PT International Ecosystem via International Enterprise Singapore (IES)

2017: Provided assistance to partners in obtaining required permits and licenses from the Ministry of Environment and Forestry

Pre-Investment

No proper SOP (labeling and storage) and no awareness of hazardous materials.

Poor quality of working space with low safety measures.

Post-Investment

Increased awareness of hazards, implementation of SOP including labeling of materials.

SOP for weekly cleaning. Electricity re-wiring, anti-mosquito fogging.

Background of Iwan Tirta

PT Iwan Tirta ("IT") is a luxury retail company known for its *Batik* motif fabrics, fashion, home décor and accessories. Its brand, ***Iwan Tirta Private Collection***, has a legacy of being deeply rooted within Indonesian heritage and craftsmanship. IT is well-known for its rich, bold and eye-catching *Batik* motif designs produced with the highest quality.

IT is a subsidiary of its parent company, PT Mahakarya Warisan Nusantara ("MWN") – a luxury retail platform with a blend of Javanese and Western influences. MWN has two other subsidiaries including Arbor & Troy (focuses on high-end American classic furniture and home décor) and Sabbatha (produces exotic designed handbags and accessories). Through a fund that it advises, Capsquare Asia has invested in a controlling stake in MWN since January 2014.

Capsquare's Approach

Capsquare's early thesis on Environmental, Social and Corporate Governance ("ESG") is focused on commitment towards improvement and compliance of ESG standards through the following principles:

- Making investee companies institutional-friendly, through compliance with accounting practices standard;
- Quickly recognizing low-hanging fruits (based on capacity, capability and cost) and implementing risk mitigation action plans;
- Embodying Capsquare's spirit of '*Doing Well while Doing Good*';
- Empowering entrepreneurship and collaboration.

Restructuring of United Food Holdings Limited (stock code: AZR), a Singapore Exchange listed company.

Cavendish Investment Corp. (CIC), is a Private Equity management company, we mainly manage and advice on the investments of our clients that concentrate mostly in the South East Asia region. One of the investment was of a SGX listed company, CIC was given the mandate of advising and assisting in the execution of the restructuring of the invested company, United Food Holding Limited (UFH).

UFH is a listed company on the SGX, it mainly focuses on the production and supply of soybean products, animal feeds and pigs of quality breeds in Mainland China. However since July 2015 their main soybean processing business was shut down due to environmental regulations and concerns. The business interruption has caused serious financial stress, environmental liabilities as well as social liabilities to UFH.

For the restructuring process the following were advised by CIC to the company: (i) the enhancement of the existing management team (ii) diversification of revenue generating units - acquisition of an environmentally sustainable business and/or asset (iii) risk mitigation - the disposal of the suspended business that had the associated environmental risks and labor dispute risks.

For the first step UFH was able to locate and appoint new directors with international experiences in operating successful environmentally sustainable businesses to the existing board of directors and management team. With such the culture and the direction of the company has altered to focus on not simply just the financial results but on sustainable developments of the company. Secondly, together with the new management of the company we were able to identify specific targets for potential acquisitions. One of the acquisition that is pending SGX and shareholders' approval is for an environmentally sustainable business that produces organic animal feed additives and owns renowned patents in the PRC. Not only is the target's business a compliment to the company's existing business, the production process is environmental sustainable while producing ZERO waste water. By completing this acquisition the company would be able to adopt and update their own environmental compliance process with the more sustainable one. Thirdly, with the disposal of the suspended business the company would be able to mitigate the potential environmental and social labor liabilities while savaging any investment cost that was invested into this business sector. Currently the disposal is also pending the SGX and shareholders' approval.

With the above stated strategy the company is currently on the right track to achieving sustainable development and returning sustainable value to society. Clearly the shareholders and the public have taken notice; the share price of the company had a 52 weeks low of SGD 0.025 per share compared to its current price of SGD 0.38 per share.

HKVCA ESG Award of Excellence 2017

It is a great honor to participate in the competition of HKVCA ESG Award of Excellence 2017. CDH Investments was established in 2002 and is one of the leading alternative investment fund managers focused on China today with US$17 billion of assets under management, as of September 30, 2017. CDH has invested in more than 200 companies and has helped more than 60 companies successfully list on international and domestic stock exchanges. CDH focuses on creating a positive alignment of interests with our portfolio companies to ensure that we have significant influence in the ESG management and growth of our portfolio companies. Since 2014, CDH has implemented a robust ESG management system, which requires ESG due diligence for every project before investment and continuously provides ESG support to our portfolio companies after investment. Below is an introduction of one of our invested projects:

Project Background

CDH invested in Nanfu Battery, one of the world's top five alkaline battery manufacturers, in 2014. Nanfu's plant is located at Nanping City, Fujian Province, China, and covers a total area of around 180,000 m^2. Prior to investment, CDH conducted rigorous ESG due diligence and developed an environmental and social action plan for Nanfu based on the results. One environmental risk we identified was that Nanfu's previous wastewater treatment system was very poor and could not operate stably. In addition, we identified that the paints used in Nanfu's traditional production process contained hazardous organic solvents.

ESG Initiatives after Investment

After investment, CDH supported Nanfu to implement the environmental and social action plan. We conducted a series of ESG initiatives to reduce pollutant discharge, improve environmental, health and safety conditions at the workplaces, enhance energy and resource efficiency, as well as make better community relationships.

For example, CDH supported Nanfu to invest around RMB 4 million to upgrade the wastewater treatment system by installing membrane filtration facilities, chemical treatment facilities, ion exchange facilities, and automatic control and monitoring systems. With the operation of the new facilities, Nanfu could recycle over 90% of the nickel (~20 kg/day) and water (~120 ton/day) from the wastewater and greatly reduce the discharge of wastewater and pollutants.

To correct the paint problem that CDH identified in our ESG due diligence process, CDH encouraged Nanfu to collaborate with its paint suppliers to develop environmental friendly water-based paints that avoid use of hazardous organic solvents. Additionally, CDH supported Nanfu to install upgraded painting equipment to further reduce emissions of volatile organic compounds and employees' exposure to hazardous substances.

Don't hesitate to contact Stuart Schonberger (stuarts@cdhfund.com) from CDH Investments or Jianhua Wang (jianhua.wang@greenment.net) from Greenment (CDH's ESG consultancy) if you have any questions. Thank you very much for your time and consideration.

CDH Investments

CVC Capital Partners

Softex INDONESIA

HKVCA ESG Award of Excellence application

Background

As a responsible investor, CVC Asia is a strong proponent of integrating ESG into our overall investment process. Over the past 3-4 years, we have enhanced our ESG program, initially focusing on strengthening our due diligence and post-deal 100-day plan processes. Over the past year, we have shifted our attention to improving the ESG practices and reporting of our portfolio companies.

Our main objectives are to 1) standardize the ESG approach across the portfolio while recognizing the differences of each industry and geography, and 2) ensure that the results are measurable and quantifiable. To achieve this, we engaged Turnkey Group, an ESG advisory firm which also has an innovative sustainability data platform. We decided to first test out the Turnkey platform through a pilot program at one of our portfolio companies – Softex Indonesia.

Founded in 1941, PT Softex Indonesia ("Softex" or "the Company") manufactures and sells paper-based personal care products in Indonesia. Softex is the 2nd largest player in the overall baby diaper and adult diaper markets, and the 3rd largest player in the feminine care market. In 2016, Softex generated gross revenue of c.Rp4,000 billion (c.US$300 million). Funds advised by CVC Asia invested in Softex in January 2016 and is currently the second largest shareholder with a c.40% stake in the business.

Phase 1 of the Softex pilot was conducted between Apr-Sep 2017, cumulating in Softex earning The Planet Mark certification (see attached). There were also valuable lessons learned which can be applied to future projects. We are currently in discussions with Turnkey on Phase 2 of the project at Softex, as well as rolling out the program to the next batch of 3-4 CVC portfolio companies in Asia.

Softex's ESG Program

Together with CVC Asia, Softex embarked on its sustainability journey in April 2017. The initial focus in Phase 1 of the project was on energy and water consumption at its two manufacturing facilities in Tangerang and Sidoarjo. With the help of the Turnkey consultants, Softex embedded the ESG data collection, monitoring and reporting processes into its Standard Operating Procedures.

The comprehensive data captured into the Turnkey system then enabled Softex to evaluate the energy and water intensity performance by site, and identified several areas for improvement. Management has since developed action plans which aim at reducing consumption by up to 10% in 2018. This ESG data has also facilitated the reporting of environmental KPIs consistent with the Global Reporting Initiative (GRI) framework, as well as the HKEx's and SGX's newly implemented ESG reporting requirements.

Furthermore, Softex has initiated a program to reduce company carbon footprint by a minimum of 2.5% annually based on Softex' 2016 total carbon footprint of 24,144 $tCO2_e$. With the above initiatives and carbon reduction commitment, Softex has been certified by The Planet Mark, an internationally recognized sustainability certification body. In addition, Softex is participating in Acre of Rainforest project by donating part of The Planet Mark certification fee to Cool Earth – an organization that works alongside indigenous villages to halt rainforest destruction.

Going forward, CVC will continue to support Softex's efforts in the following areas:

1. Increase the number of environmental KPI measured, including materials consumption, waste, logistics & supply chain and business travel;
2. Capture social metrics and health & safety indicators onto the data platform;
3. Upgrade its production facilities with new and more energy efficient equipment; and
4. Consider the implementation of ISO-14001 environmental standards as part of the Company's longer-term ESG objectives.

HKVCA ESG Award of Excellence 2017 – Submission by EQT

EQT's investment in ELEVATE drives business and societal impact through innovative sustainability solutions

About ELEVATE – www.elevatelimited.com

In February 2016, EQT (a leading global alternative investments firm with around EUR 37 billion in raised capital across 24 funds) acquired a majority stake in ELEVATE. Now the leading business risk and sustainability solutions provider, ELEVATE delivers improved organizational performance through sustainability and supply chain social compliance assessment / auditing, consulting, program management and analytics. ELEVATE shapes the industry with innovative solutions to complex problems, by designing and implementing customized programs and technology that provide complete insight into risk and improve supply chain and sustainability performance. ELEVATE maintains its global headquarters in Hong Kong, with additional offices and teams totaling over 400 employees in Australia, Bangladesh, Brazil, China, Germany, India, Japan, Mexico, Pakistan, Singapore, Turkey, UK, USA and Vietnam. ELEVATE's geographic reach for its assessment and auditing work extends to more than 110 countries.

EQT's ESG Initiatives Fueling ELEVATE's Growth and Success – www.eqtpartners.com

Having a long-term, responsible and sustainable approach to ownership is EQT's way of creating value, for investors, in portfolio companies and society at large. Genuine management of ESG factors is fundamental to business success and strong investment performance with a sustainable mindset to business enables EQT to address a changing environment that constantly gives rise to new opportunities and risks. EQT's investment in ELEVATE has focused on ESG-related initiatives and improvements that have benefitted ELEVATE in three main areas: organic and inorganic growth, supporting infrastructure and industry recognition.

1. Organic and inorganic growth

EQT has supported a significant increase in the number of countries / volume of ESG related audits conducted by ELEVATE since acquisition with its financial, intellectual, human, social and relationship capital.

Selected KPI	FY2016	FY2017LE
No. of social compliance audits conducted per year	9,339 (+12% YoY)	12,000 est. (+29% YoY)

With EQT's support and resources, ELEVATE has also been able to acquire key industry players and expand its offering. In early 2017, CSR Asia, a Hong Kong based company supporting businesses with sustainability strategy and reporting through advisory, networks, events and intelligence, was acquired. CSR Asia further diversifies ELEVATE's strategic consultancy offering to include ESG strategy and reporting, and extends to new geographies including Singapore, Japan and Australia. CSR Asia is now delivering world-class sustainability reports to align with Hong Kong and Singapore stock exchanges' sustainability requirements.

In August 2017, ELEVATE acquired San Francisco based Laborlink, a mobile platform that establishes a two-way communication channel for workers to share their viewpoints in real-time, and for organizations to have clear visibility of worker well-being in their supply chains. Alignment with ELEVATE expands the Laborlink link scale from engagement with c1.5 million workers to the potential for implementation with all ELEVATE audits and over 4.5 million workers per year.

2. Supporting infrastructure as the platform for sustainable growth

EQT investment and ESG initiatives have also enabled the infrastructure formation necessary to sustain growth. This includes (a) restructuring the senior management team and the addition of two SVPs to oversee operations and product / analytics; (b) investment in quality and ethics campaign focused on a new global head of quality and ethics, improvement in audit quality and improved report turnaround time (8.9 days in 2016 to 7.8 days in 2017, a 12% reduction); anti-corruption measures; (c) enhanced data security protection; and (d) the launch of a refreshed ELEVATE brand and new website to reflect the company's current market positioning, diversification and growth, and aspirations under its Full Potential Plan.

3. Award winning industry recognition

In April 2017, ELEVATE's Malaysia Workplace of Choice Programme received the Sedex award for "Most Innovative new programme". The project aims to protect foreign migrant workers from exploitation and promotes safe and fair working conditions in Malaysia's vital electronics industry. Malaysia's large electronics industry faces a wide array of issues regarding labor practices, the main challenge being to ensure ethical working conditions for the large number of foreign migrant workers. These ethical breaches can often be attributed to factories that employ workers through an intricate system of labor brokers that exploit workers through excessive recruitment fees, passport retention, falsified job information, contracts in other languages, etc. ELEVATE's Programme assists in ensuring fair and safe labor practices, workers surveys, grievance mechanisms as well as a series of innovative educational and capacity building practices in the industry, and has achieved the following positive impact/results:

- 23 electronics factories enrolled covering 46,000 workers, 50% being foreign migrant workers from 12 different Asian countries
- 2,761 workers surveyed to date, 68% of whom are foreign workers – all findings providing valuable insights to worker perspectives on the recruitment, hiring and employment management process
- 78% of factories have reimbursed excessive recruitment fees or developed internal policies to prevent these practices; 79% of factories have made progress on passport retention
- Third party independent helpline for workers launched in late 2016 in 10 languages

Hahn & Co.'s ESG Initiatives in Korea's Cement Industry

Overview

Established in 1962, Ssangyong Cement (the "Company") is Korea's largest integrated cement producer commanding a 24% market share and a nationwide presence. In 2016, the Company recorded revenue and EBITDA of US$1.9 billion and US$319 million, respectively, and is listed on the KOSPI with a market capitalization of approximately US$1.8 billion. Hahn & Co. acquired a controlling stake of the Company in April 2016 and currently owns 77.4% of the Company.

ESG Initiatives

We believe that a strong dedication to environmental conservation initiatives is extremely important as a private equity investor who focuses on environmentally sensitive industries like cement manufacturing, which involves a considerable amount of energy utilizing fossil fuels and the exploitation of underground stones.

We are particularly proud of our environmental conservation initiatives at Ssangyong Cement, not only because of the future savings that its shareholders and our limited partners will benefit from, but more importantly from the fact that environmental and energy issues which had remained unresolved under prior corporate ownership will now be resolved under private equity ownership which benefits the overall standing of the private equity community in Asia, especially with respect to ESG.

Since the acquisition, Hahn & Co. has led a variety of ESG initiatives which required a fundamental change in the day-to-day operations, as well as, a significant financial investment. Summarized below are three initiatives which required a financial commitment of US$156mm which was more than double the Company's earnings the fiscal year prior to Hahn & Co.'s acquisition.

Initiative 1: Environmental Cleaning	
Description	• Voluntary cleaning of legacy soil contamination in the vicinity of the Company's industrial sites, which had remained unresolved for decades due to the prior ownership by the Ssangyong Group, which used to be Korea's 6th largest conglomerates in the past
Hahn & Co.'s efforts	• Hahn & Co. recommended a review of the sites, a soil cleaning plan, and ultimately approved the plan that required US$25 million of investment
Progress	• Environmental cleaning process started in early 2017 and is expected to be fully completed by 2020
Impact	• This initiative is regarded as the first-ever voluntary environmental recovery project of substantial scale led by a private equity firm in Korea • Although there is no immediate economic savings expected from this initiative, it is expected to contribute to the intrinsic value of the Company by enhancing the corporate image as Korea's leading environmentally conscious cement company
Reference	• *Attachment 1*: News article published by Kangwon Domin Ilbo on 3rd July, 2017
Initiative 2: Energy Recycling	
Description	• Recycled heat power generator and Energy Storage System (ESS) that would substantially reduce energy consumption during the manufacturing process, leading to a reduction of CO_2 emissions
Hahn & Co.'s efforts	• Hahn & Co. recommended and approved US$114 million of capital investment. The project was financed primarily by an additional capital investment led by Hahn & Co.
Progress	• Both the recycled heat power generator and ESS are currently being installed and is expected to commence operations in 2018
Impact	• Estimated electricity savings of 280GWh, 19% of the Company's total consumption • Estimated CO_2 emission reduction of 130k tCO_2eq
Reference	• *Attachment 2*: News article published by the Bell on 13th July, 2017 • *Attachment 3*: Photo of recycled heat power generator
Initiative 3: Alternative Energy	
Description	• A project to upgrade production facilities to maximize energy efficiencies by converting from coal to alternative fuels, as well as employing advanced eco-friendly production processes
Hahn & Co.'s efforts	• Hahn & Co. recommended and approved over US$17 million of capital investment, financed primarily by an additional capital investment led by Hahn & Co.
Progress	• The new facilities include a kiln burner and cooler as well as several PGR cement mills which have been installed and in operation since November 2017
Impact	• Estimated decrease in coal consumption of 400k tons, approximately 35% of the Company's total consumption • Estimated CO_2 emission reductions of 28k tCO_2eq
Reference	• *Attachment 4*: Photo of kiln burner, kiln cooler and PGR cement mills

Sagreen – integrating ESG practices with value creation

Company background

- Sagreen is a mobile-on-demand health food company with initial salad products and footprint in three large cities in China (Shanghai, Suzhou and Hangzhou with total population of 42 million[1])
- Currently offering salads with various price points and free delivery, Sagreen provides convenient and affordable access to healthy eating

ESG initiatives

Lightspeed China has worked with Sagreen on the following ESG initiatives:

- Changing packaging materials from plastic to biodegradable material
  - The biodegradable material also has lower cost than plastic, allowing Sagreen to pass on the cost saving to its customers as well as donating part of the cost saving to rural area K-12 students' lunch program
- Improved design for the packaging to change salad containers from disposable one-time-use boxes to desirable storage containers for long-time use
- Upgraded Sagreen's source of supplies to certified farms using sustainable method and residual pesticide level that is far lower than the national level

Re-usable dressing bottle

Re-usable dressing bottle

Re-usable salad box

Source : GP Note: 1. As of 2010 from the sixth Chinese national survey

Company Description	• In June 2016, Navis has invested in ISA which is a leading producer of premium quality eco-friendly bovine full-grain leather for the footwear industry globally. • Established since 1995, ISA is head-quartered in Macau and currently operates three (3) state-of-the-art manufacturing facilities (tanneries) in China (Heshan), Vietnam (Ho Chi Minh) and the U.S.A (Mississippi) with total capacity of 8.5million sqft per month • Company has exhibited strong growth historically, driven by increasing demand for eco-friendly leather and growing share of wallet. For FY2016, company has achieved US$156 million sales. LWG "GOLD" with grade-A traceability, ISO9001, ISO14001, ECOL2 • ISA's main customers comprises reputable global shoe brands such as Timberland, Wolverine and Clarks with extensive geographic presence spanning across Asia, and North and Central America
ESG Initiative 1 *Waste Management*	**Issue Identified** • Hazardous waste storage area is not well organized, lack of secondary containment • Inconsistent labelling for hazardous waste, mixture with non-hazardous items **Action plans** • Defining types of hazardous wastes and separating storage following the local requirements. Established secondary containment (i.e. empty drums placed under roof with concrete barriers raised designed to prevent spills from reaching soil area) • Standard labels on all drums to ensure consistency and compliance **Benefits** • Ensuring best practices on waste management handling, full compliance to local environmental laws & regulations.
ESG Initiative 2 *Chemical Management*	**Issue Identified** • No dedicated storage facility designed for large quantity of dangerous chemicals • Lack of proper labelling for imported chemicals in local languages • Insufficient secondary containment provided to chemicals in storage area **Action plans** • Working with chemical suppliers to ensure standard label in local languages as well • Improving & digging drainage system and collecting pool where chemicals are stored, implementing 2nd containment pallets • Construction license for a dedicated storage has been obtained and shall be completed by April 2018 **Benefits** • Improve the safety SOP
ESG Initiative 3 *Safety and occupational hazard*	**Issue Identified** • Electrical and fire safety hazard • Lack of safety practise by employees during production process • Poorly ventilated factory with risks of heat stress for production workers **Action plans** • Respective labelling put in place, implementing training to ensure awareness. Periodic inspection to ensure safety systems are functioning properly • Reinforcement of PPE requirements • Capex investment in cooling fans and water cooler for re-tanning **Benefits** • Prevent direct costs of health and safety failures as well as legal, regulatory and reputational risks. • Ensuring better shareholders return via retention of key human capital assets
ESG Initiative 4 *Air emission*	**Issue Identified** • At R&D section and colour kitchen the work environment heavy odour • Air emission treatment for R&D hand spray booth insufficient **Action plans** • Installed at different location in the colour kitchen section exhausting fan with chimney 16m higher • Installed 2 scrubber (washing device) after hand spray booth with chimney 16m high **Benefits** • Prevent direct costs of health and occupation disease • Improved the environment, reducing the pollutants discharge

NOMINATION FORM: HKVCA ESG Award of Excellence 2017

Name of Organization (Headquarter Location):	**Medica Synergie Pvt. Ltd. (Kolkata, India)**	*Year Founded*	**2007**
Website URL (if available):	**www.medicahospitals.in**	*Current Headcount of Employees/Staff*	**4,370**
Annual Revenues (2017) in USD Mn:	**68 Mn**	*Name of Investor:*	**Quadria Capital**

About the Company: Medica Synergie is the largest and fastest growing hospital chain in eastern India, operating over 1,200 beds across nine hospitals in seven cities in one of India's most underserved and underpenetrated regions in terms of access to quality healthcare facilities. The region is characterized by a large population base (over 450 million), poor healthcare indicators and weak healthcare infrastructure (3.9 beds/ 10,000 people). Furthermore, low healthcare spend by the government shifts the burden of providing quality healthcare to private players.

Medica's key social objectives are to increase access to high quality, yet affordable healthcare services as well as generate employment opportunities for talent in eastern India, one of India's most under-served region which is generally neglected by national private hospital chains. Medica focuses on creating impact for all its stakeholders – local community, employees, and business partners via multiple initiatives like free medical camps, health drives, implementing environmental friendly practices, special programs/schemes for the senior citizens, education and job creation opportunities for the under privileged and blue collared workers.

Some of the key ESG initiatives that are driven by the hospitals across various facets are:

a) Shared Priorities Towards Environment:

Medica proactively engages with its stakeholders to ensure that its business approach is informed and it builds a positive relationship with environment it affects:

- *Implementation of Environmental & Social Management System:* In accordance with IFC performance standard, company has developed and **implemented the environmental and social management system** at its hospital units to identify and mange company's exposure to the environmental and social risks. The management system is also compliant **ISO 9001, ISO 14001 and OHSAS 18000**

- *Eastern India's First Certified Green Operation Theatre:* Medica is the **first hospital in Eastern India with Certified Green Operation Theatre** for safer, greener and more advanced anesthesia protocol, infection control protocols and initiatives aimed at reducing environmental pollution

- *Conservation of Natural Resources:* The company has **stated objectives and reduction targets** for key **environmental aspects**. As a result, the company continuously monitors, records and reports usage of water and other air emissions and designs programs to achieve these targets. Additionally, the teams consciously strive to use sustainable materials for building construction (for new hospitals) and/or operations.

b) Partnering with Communities Where It Works and Lives:

Medica constantly strives to increase access to high quality healthcare services and products at affordable prices for those who need it the most. However, it further realizes that its decisions can have an enormous impact on communities and hence aim to make a positive transformative impact on the communities it operates in

- *Supporting the underprivileged:* Medica continuously drives multiple social benefit programs aimed at underprivileged. The management ensures that healthcare is not denied to local population who cannot afford to pay for it. Medica's hospitals offer low priced bed categories and spend over **US$ 1.5 million in discounts** on an annual basis. This results in over 30% of patient pool coming from low income population. Each year company treats **over 125,000 underprivileged patients either free of cost or at discounted rates**. The company also conducts **free medical camps** and provides **insurance schemes** to various sections of the underprivileged through Caddies Program (free health check-up and medicines) and Project Buddha (free doctor consultation to below poverty line patients). Medica also aims to service the senior citizens in the neighborhood by **providing priority appointment, home** care services and special medical treatment packages to over **500 senior citizens**

- *Women Empowerment Programs:* Medica has transformed thousands of lives through evidence-based programs that focus on expanding women's economic opportunities, increasing women's rights to quality education, and providing equal opportunities to them. The company consciously strives and has preference to employ women at its hospitals for both clinical and non-clinical work. Today, over **55% of the staff** is **constituted by women** employees. Additionally, each year, the company **provides scholarships** and **job guarantee** to tribal girls from the surrounding communities to study nursing.

- *Right to Immediate Quality Care:* Medica believes that everyone has the right to quality care in case of emergency. As a result, the company launched an accident rescue and medical assistance programme in Kolkata in 2012 and further expanded it to two more cities (Ranchi and Jamshedpur) where the program plays a critical role in providing assistance to many road accident trauma victims across three cities. The company operates ambulances, stationed at various locations across the city, and in case of an accident **transfers the victims to the closest hospital (non-Medica hospital in majority of cases) free of cost**. Till date, the company has **transported over 15,000 accident** victims free of cost.

Catalyzing Social Impact in Pakistan through Medium and Small Enterprise Banking

Pakistan is an underbanked market with tens of millions of unserved customers. The country is a gateway to central Asia with an important role in the One Belt One Road scheme, with the China-Pakistan Economic Corridor (CPEC) project promising continued economic growth, trade, and development. Khushhali Microfinance Bank was set up in 2000 by the government of Pakistan. KMB's objective was to provide microfinance to the rural poor, in particular loans to small farmers. After a successful start, KMB's progress had plateaued after 10 years, with low profitability and slow growth. Its product portfolio was too narrow and its lending was spread too thin with very small loan sizes meeting only part of its customers' requirements.

After shareholders decided to restructure KMB's ownership, responsAbility Investments (rA) along with a consortium including United Bank Limited and other PE firms bought a controlling stake in 2012. At the time, the bank had a balance sheet of USD 92 million and operating at a mid-single digit ROE. With a head office in Islamabad, it had branches across most of Pakistan's provinces with a particular focus on Punjab.

A set of changes were introduced in the areas of strategic planning, governance, product offering, and operations. This has turned the bank around, with 2017 YTD annualized loan growth reaching 37%, a strong deposit base covering 100% of the loan portfolio, and a healthy ROE providing firm support to future growth – resulting in a balance sheet just short of USD 500 million USD as of September 2017. The Consortium partners and the KMB management team collaborated closely to drive these changes.

At responsAbility, having worldwide experience as partner to microfinance- and SME banks, we recognized the importance of transforming the bank from a narrow-based group lender to a diversified financial institution. To this end we took several initiatives. We introduced and nominated a senior microfinance bank transformation expert to the Board of the bank, providing crucial guidance on strategic and operational matters including business planning, profit-center driven branch management, deposit strategy, and product development. As a renowned corporate governance expert, he contributed to bringing Board procedures to international standards. We also identified and guided the appointment of a seasoned product development consultant to drive the development of a new SME loan product.

These initiatives had a massive ESG impact. It allowed the replacement of informal sources such as local moneylenders that charge exorbitant interest rates for short term loans. Savings and money transfer offer an interest-paying safe store of money and low cost remittances from urban to rural areas. More specifically:

- A tripling of the average loan size is allowing the bank to serve its customers more fully and further reduce their dependence on informal loan sharks, even as the bank has doubled its number of customers to more than 600 thousand.
- Profit-driven branches means increased financial intermediation, with lower cost of funds which ultimately supports lower cost loans to borrowers, based on increasing deposits-to-loans ratio from ~65% to 100%.
- MSME loans are being offered from more than 50 branches in 2017 and hundreds of staff members have been trained in MSME credit assessment. With up to 3 million MSMEs lacking access to appropriate financial services, the new product is contributing to filling an immense demand for such financing among Pakistani entrepreneurs.

responsAbility, as long-term PE investor in the field of development investments, is committed to further support KMB to achieve the bank's ESG and financial objectives over the next few years. This commitment is not only applied to KMB but to all responsAbility's investments, following the principles captured in its corporate ESG Policy.

HKVCA ESG Award of Excellence 2017: Grand Royal Group/TPG

Myanmar, while rich in natural resources and human potential, suffers from lack of high quality infrastructure and broad access to clean drinking water. According to the World Health Organization, over 33% of the population lack access to clean drinking water and in some regions the problem is more acute. Based in Myanmar, The Grand Royal Group, following TPG's investment in December 2015, has further integrated ESG as a value creation lever in a region that is in need of environmental and social leadership.

Grand Royal is the leading distillery in Myanmar, with 2,000 employees, two distilleries and two bottling plants. In addition to producing high-quality beverage products, Grand Royal has been driving innovations in water purification and access in a region that requires it.

TPG's investment in Grand Royal has included a broad range of ESG value creation initiatives from waste water improvements to clean energy to reporting standards to employee engagement, which have not only improved productivity and operations, but has also increased product quality, attracted and retained talent and differentiated the brand in the marketplace.

Water Purification and Quality Enhancement

Grand Royal's Yangon distillery is the only major distillery in Myanmar that treats 100% of waste water. With help from TPG's guidance and expertise on the ground, Grand Royal returns treated water to local sources at substantially higher quality levels than legal minimums. The process is subject to both internal and external monitoring to ensure not just compliance with Myanmar law, but also to the satisfaction of local residents, who are part of the monitoring committees. Through this process, Grand Royal reduces the Chemical Oxygen Demand (COD) from 60,000 milligrams per litre (mg/l) to a mere 200 mg/l. The waste water treatment system is also generating bio-gas to be used in Grand Royal's boilers and organic matter is collected and sold to local fish farms for animal feed.

Other competing distilleries in the country treat 50% of their output, while others pump their untreated output directly into local rivers, which is why their cost per gallon is lower than Grand Royal's. The company is also working with its largest three suppliers to have them invest in similar waste water treatment technologies. To guide future efforts, Grand Royal has set a waste water treatment goal of 20% above legal quality target, and a 20% water usage reduction goal.

Energy Efficiency & Renewables

Energy represents a significant cost for Grand Royal, approximately $5M annually, and TPG helped drive a number of efforts to reduce consumption and increase efficiency. Three projects currently underway include: the use of solar panels to generate renewable electricity, increase in bio-gas usage and generation and the use of steam turbines instead of diesel generators. On the customer side, Grand Royal regularly repurchases glass from local recycled bottle suppliers, which provides value to customers.

To guide future efforts, TPG has worked with management to set aggressive energy reduction goals including: 30% energy efficiency and 20% reduction in fossil fuel use (e.g. coal). Grand Royal also provides electricity to 800 homes since 2015 between Lake Pote and The Kone villages which are nearby the distillery.

Recognition & Support

Grand Royal received a Certificate of Recognition for Outstanding Corporate Social Responsibility in Myanmar in late 2016 and was honored by the American Ambassador and other members of the Chamber of Commerce. Grand Royal was rewarded for its transparency, good governance and sustainable business practices in partnership with TPG which will serve as a model for companies in Myanmar to follow. The World HRD Congress also recognized Grand Royal as Dream Employer of the Year as well as Best Employer in 2017.

The company was also the first distillery group in Myanmar to achieve ISO 14001 Environmental Management Standard Certification in April 2017, through a rigorous multi-year process focused on leadership in regards to its waste water management and innovation.

Grand Royal has been an active participant in TPG's ESG Program since joining the portfolio and has reported on its key ESG opportunities and risks for several years. TPG has also supported management in publically reporting its sustainability efforts, case studies, metrics and goals on its website. For more information, see Grand Royal's website.

ESG is part of the company culture from the top down: "striking a balance between looking after the development of our employees, the interests of our shareholders while minimizing our social impact and reaching out in meaningful ways to disadvantaged sections of society is key." Sanjay Gupta, CEO.

Tsing Capital - China Environment Fund(CEF) - ESG Case Study 2

Company Name	Enevate Corporation	Location	California, USA	Sector	Energy Storage
CEF Invested in	2012	No. Employee	40-50	Rev. Range 2016	N/A

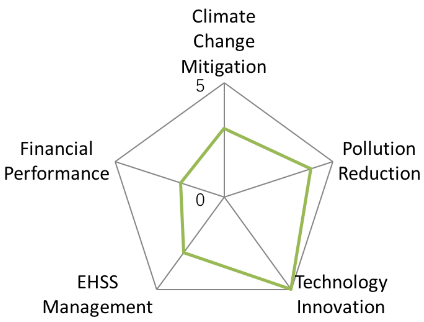
Company Introduction

Enevate Corporation is a leading advanced Lithium-ion (Li-ion) battery company with its global headquarters in Irvine, CA. Founded in 2005 at the University of California, Enevate was spun out in 2008 so that it could focus on next-generation Li-ion batteries for high volume applications.

Patented breakthrough HD-Energy Technology® delivers 4X the anode energy density than that of conventional Li-ion batteries. Enevate battery Charge to 90% in 15 minutes and 50% in just over 5 minutes—8X faster than conventional batteries and more than 5X faster than the best "fast-charge" Li-ion batteries. All of this is possible without sacrificing energy density as is normally the case in conventional graphite batteries.

Company's ESG Overview

Note: this ESG performance radar chart is made based on Tsing Capital's knowledge and experience within the same industrial sector and semi-quantitative assessment according to information collected from Enevate.



Environmental and Social Impacts

The main target market for Enevate's advanced lithium-ion battery technology is for electromobility solutions including electric propulsion automobiles. Electrification of the world's fleet allows for utilization of renewable resources and energy sources with lower environmental impacts. This will help to massively reduce greenhouse emissions. In addition, electric vehicles require fewer moving parts which allows for less service and waste associated with oil changes and part replacement. Enevate's goal for deployment of the technology to the marketplace is through licensing. The business model and operation of Enevate are in alignment with the following United National Sustainable Development Goals (SDGs):

Tsing Capital's Value Creation

Following IFC ESG Guidelines, Tsing Capital established a formal Environmental & Social Management System (ESMS) to assess, monitor and improve the EHSS performance of portfolio companies. The value we created together with investees include:

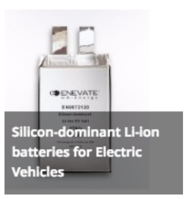
- Assessing and improving EHSS management level;
- Engaging and guiding portfolios to align their long-term business vision with UN SDGs;
- Introducing proper green financing resources to support company growth and development; and
- Promoting awareness of sustainability within invested industries by working with supervising government authorities and professional consultants.

Major ESG Improvement since Investment

- Enevate established a comprehensive environmental and social sustainability plan in 2017, which sets clear company-wide goals and priorities in the areas of emissions, company operations, and health and well-being.
- Enevate adopted numerous goals and commitments, which sets a company-wide baseline from which it can continue to innovate and explore new ideas for the greater good. By providing a foundation for improved reporting and accountability, Enevate is dedicated to create a stronger plaftform for better assessing true company-wide impacts and results. For example, maintain zero number of notices of violation by government agencies, maintain air emissions at or below quantities that do not require permitting of equipment, etc.
- Enevate's silicon-dominant Li-ion battery which has achieved key global safety and quality certifications—including UN 38.3, UL 1642, UL 2054, CTIA/IEEE 1725, IEC 62133, and IEC 61950—for smartphone and other consumer applications.

Awards

- Consumer Electronics Show (CES) 2018 Innovation Awards Honoree in three categories—Vehicle Intelligence & Self-Driving Technology, Eco-Design and Sustainable Technologies, and Tech for a Better World



- Frost & Sullivan Technology Innovation Leadership Award 2016

Tsing Capital - China Environment Fund(CEF) - ESG Case Study 1

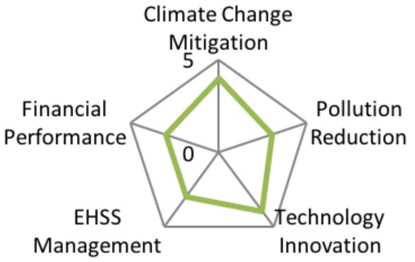
Company Name	Eternal Energy Management Co. (EEMCO)	Location	Quanzhou, Fujian, China	Sector	Energy Efficiency
CEF Invested in	2012	No. Employee	51	Rev. Range 2016	USD 10-20 M

Company Introduction

Founded in 2010 in Fujian, EEMCO is a Clean Thermal Energy total solution provider, using patent protected technology in ultra-low emission coal powder boilers, providing EPC (Energy Performance Contracting), EMC (Energy Management Contracting) & ERS (Emission Reduction Contracting) services to industrial customers and residential compound. EEMCO's system is the only coal fired system that is recognized by the Ministry of Technology and Ministry of Environmental Protection. Key projects including the biggest boiler room in Yinchuan for residential heating, the largest CHP project in Xiamen and PPP project with Shanxi government.

Company's ESG Overview

Note: this ESG performance radar chart is made based on Tsing Capital's knowledge and experience within the same industrial sector and semi-quantitative assessment according to data collected from EEMCO.



Environmental and Social Impacts

- The business model and operation of EEMCO are in alignment with the following United National Sustainable Development Goals (SDGs):

- Impact Data of Four Selected Projects

ANNUAL REDUCTION COMPARED TO CHAIN GRATE BOILERS

PROJECT	**Coal (t)**	**GHG (t CO_2e)**	**Dust (t)**	**SO_2 (t)**	**NO_x (t)**
DALI	3,407	8,860	16.6	33.2	24.9
SEVEN	585	1,520	2.74	5.5	4.1
PUCHENG	11,320	29,431	43.9	87.9	65.9
XINGYE	3,921	10,196	16.5	32.9	24.7

Tsing Capital's Value Creation

Following IFC ESG Guidelines, Tsing Capital established a formal Environmental & Social Management System (ESMS) to assess, monitor and improve the EHSS performance of portfolio companies. The value we created together with investees include:

- Assessing and improving EHSS management level;
- Engaging and guiding portfolios to align their long-term business vision with UN SDGs;
- Introducing proper green financing resources to support company growth and development; and
- Promoting awareness of sustainability within invested industries by working with supervising government authorities and professional consultants.

Major ESG Improvement since Investment

- EEMCO established a comprehensive environmental management system which has been certified to ISO14001:2004 standard in December 2015. The certification covers all the environmental management activities related to EMC projects. Formal EHS performance monitoring procedure and management review control procedure were implemented to monitor and measure the effectiveness of the management programs and the compliance status with relevant legal obligations and regulatory requirements.
- EEMCO adopted a proper human resources policy, and provide proper working relationship, working conditions and terms of employment to the employees, which aims to comply with laws and regulations of China. Such as providing full range of social insurances and housing fund to employees, formalizing employee benefit management procedure and attendance management procedure.
- EEMCO is dedicated to pursue sustainable development performance and impacts through technology innovation, such as reducing GHG emission, conducing periodical environmental monitoring, achieving gender equality at working places, etc.

Awards

- Awarded as National Key Environmental Protection Practical Technology and Demonstration Project
- Key Recommended Energy Management Contract Company in 13th Five-Year-Plan

Warburg Pincus Submission for HKVCA ESG Award of Excellence 2017

Warburg Pincus is proposing that its investment in e-Shang Redwood (ESR) be considered for the HKVCA ESG Award of Excellence 2017.

Warburg Pincus is committed to responsible investing that encourages environmental sustainability, social responsibility, and effective corporate governance (ESG). The firm has adopted the Guidelines for Responsible Investment developed by the American Investment Council (formerly the Private Equity Growth Capital Council). Warburg Pincus has a well-established ESG program, which it continues to expand both internally and with portfolio companies, that supports the implementation of these guidelines. Warburg Pincus considers ESG issues in its Firm operations, in reviewing investment opportunities, during due diligence, in the course of monitoring existing investments, and when serving on the boards of its portfolio companies. An effective ESG program enables Warburg Pincus and its portfolio companies to better manage risk, improve efficiency, reduce costs, maintain strong stakeholder relations, and build more valuable, competitive, and sustainable entities. The firm's work with ESR is a compelling example of its commitment to ESG initiatives.

ESR is one of the leading "pure-play" pan-Asia logistics real estate platforms, focusing on developing and managing institutional-quality logistics facilities that cater to third-party logistics ("3PLs") providers, e-commerce companies, bricks-and-mortar retailers, cold-chain logistics providers and industrial companies. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world's preeminent investors including APG, CPPIB, Goldman Sachs, Morgan Stanley, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region with approximately 9 million square metres of projects owned, managed and under development across China, Japan, Singapore, South Korea and India, with capital and funds management offices in Hong Kong and Singapore. Current assets under management are valued at over USD$ 8 billion.

Warburg Pincus works with the team at ESR to maintain and advance the company's commitment to environmentally sensitive development and operations across its facilities. The company implements sustainable design and construction measures such as energy efficient lighting and wastewater management systems so as to minimize the environmental footprint of its buildings and to provide long-term benefits to customers and local communities. As part of this effort, ESR is planning and implementing over a dozen large-scale solar projects at its sites in Japan and China. In Japan, ESR has completed 4.75 megawatts of solar power panels on the rooftops of its assets and is developing a further 9.85 megawatts, all under the government-sponsored feed-in tariff programme whereby Japanese utilities commit to purchase the generated electricity of qualifying developments over 20 years. With additional pipeline assets undergoing permitting, the ESR rooftop solar programme will be one of the largest new rooftop solar programmes in Japan, sufficient to power on average between 10,000-15,000 homes at peak generation. In China, the company installed a 248 KW solar energy system on the rooftop of the Redwood Beijing Distribution Center. These projects not only generate clean energy that helps to mitigate air pollution, but create revenue streams from otherwise underutilized areas (i.e., rooftops) and cut energy costs.

ESR strives to have its buildings meet and, in some cases, exceed locally and internationally recognized sustainable development and operational standards, such as the Global Real Estate Sustainability Benchmark (GRESB). GRESB is known for its rigorous assessment of the sustainability performance of real estate companies and funds worldwide. ESR has recently achieved Leadership in Energy and Environmental Design ("LEED") Gold certification for two of its projects in China, both located in proximity to Shanghai due to their innovative design and construction using a high level of regionally sourced and recycled materials as well as their optimised energy performance (reducing energy consumption) through the efficient design / quality of the facilities, using energy-efficiency equipment and the use of individual meters to monitor the electrical and water consumption of each leasable space as well as public areas. Both projects are anticipated to have energy costs savings of close to 50%. LEED is the world's most widely recognized and used standard for measuring the performance of green buildings. Four additional logistics facility projects in China exceeding 340,000 sqm, are targeted to achieve LEED certification.

In addition to ensuring that the physical aspects of its facilities minimize their environmental impact, Warburg Pincus and ESR also seek to incorporate socially responsible design considerations within many of ESR's parks such as increased bicycle storage areas, safe bicycle and pedestrian paths, social amenities such as a children's nursery and relaxation lounges for employees working in the parks, and other aspects which will improve the working environment. ESR places great importance in creating a harmonious and desirable work space with the goal of attracting and retaining employees whilst enabling stay at home parents to re-enter the work force and further contribute to society.