



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	
	<p>Collaborative engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>
	<p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> </ul>

# RI TRANSPARENCY REPORT

## 2017

Albright Capital Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Private	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	✓	Private							✓
SG End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	✓	Private	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 09	Encouraging improvements in investees	✓	Private	✓	✓					
PE 10	ESG issues impact in selection process	✓	Private	✓						
PE 11	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 12	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 13	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 14	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 15	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 16	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 17	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 18	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 19	Approach to disclosing ESG incidents	✓	Private							✓
PE End	Module confirmation page	✓	-							

# Albright Capital Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

- Fund of funds, manager of managers, sub-advised products
- Other, specify
- Execution and advisory services

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

17

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Public

Gateway/Peering

General

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2016

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM			526	000	000
Currency	USD				
Assets in USD			526	000	000

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** How you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	>50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0



Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish our asset class mix as per attached image [Optional].

**Gateway asset class implementation indicators**

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Private equity
- None of the above

# Albright Capital Management

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

IFC Performance Standards

- Other, specify (2)

other (2) description

The Equator Principles

Other, specify (3)

other (3) description

FCPA and UK Anti-Bribery Act

None of the above

No

**SG 01.6** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The bedrock of our approach is to seek investments that have sustainable, positive economic benefits for our LPs and stakeholders affected locally. With regard to all investments, we look to identify potential adverse impacts. With certain exceptions, ACM avoids a prescriptive approach, opting instead to apply the ESG Guidelines in a principled and pragmatic fashion, based on all facts and circumstances, while recognizing that some risks and adverse impacts cannot be mitigated or justified and must be avoided. This approach provides ACM's Investment Committee, with active ASG guidance and participation (including the right of Secretary Madeleine Albright or her designees from ASG on the Investment Committee), with the necessary discretion to weigh all ESG factors in meeting the firm's fiduciary duties and maintaining the reputations of the firm and its shareholders.

**SG 02** **Mandatory** **Public** **Core Assessed** **PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

**SG 02.4** Additional information [Optional].

After many years of avoiding potential "advertising" issues on the advice of counsel, we are in the process of creating a website for our firm. We anticipate an emphasis on the integration of ESG and sustainable investment practices in our investment program to feature on our website, but as of this submission do not have a website up and running. The website will be located at [www.albrightcapital.com](http://www.albrightcapital.com).

**SG 03** **Mandatory** **Public** **Core Assessed** **General**

**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

As a registered investment adviser, ACM has adopted a Conflicts of Interest Policy that sets forth policies and procedures to implement ACM's legal and ethical requirements as a fiduciary for its investment advisory clients. ACM's policy identifies various circumstances that could potentially be deemed a conflict of interest, and provides for associated procedures intended to address the conflict of interest in a manner that is fair and equitable for ACM and its clients while ensuring that clients are not disadvantaged relative to ACM, including the disclosure of the same to its clients. Most of these are disclosed and agreed with investors in ACM's funds at the time of investment, with the balance to be disclosed and resolved with the Advisory Committee of investors in the fund if they arise. In addition, ACM's Policy covers the following specific matters: (1) placement agency costs, if any; (2) size of capital raise; (3) transaction fee offsets; (4) resolution of conflicts arising from conflicting mandates; (5) investment allocations; (6) follow-on rounds; (7) co-investments; (8) fees derived by affiliated parties; (8) shareholder-directorship appointments to portfolio companies (conflict in fiduciary duties); and (9) divestment timing of assets held by multiple funds of different vintages.

No

**SG 03.3**

Additional information. [Optional]

We would be happy to submit the Conflicts of Interest of Policy, which is too large to be included in these responses.

## Objectives and strategies

**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 05.2

Additional information. [Optional]

ACM has agreed to provide investors with quarterly reporting regarding the overall effect of its portfolio companies in furthering the achievement of the United Nations' Sustainable Development Goals. ACM also provides prompt notice upon becoming aware of any specific event involving any portfolio company that could reasonably be viewed to have a material positive or negative impact on the achievement of such Sustainable Development Goals.

## Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Chief Investment Officer**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
- Other role, specify (1)
  - Chief Compliance Officer**

Other description (1)

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

Other description (2)

ASG Members of ACM IC

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Negotiate ESG standards, implementation and reporting at investment origination stage; post-investment monitoring and engagement.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

Number

1

**SG 07.4** Additional information. [Optional]

Outside consultant provides support on SDG issues and reporting.

**Promoting responsible investment**

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 09.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

For the reporting period, we were relatively inactive in public fora as we focused on fund-raising. For the next period, we have allocated budget to attend and present at more events focused on SDGs in emerging and frontier markets (which is a new area of emphasis for us).

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

### Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1** Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG 12.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

Exclusion of certain sectors (e.g., extractive activity or high-carbon intensity projects, such as coal-fired electricity facilities)

We do not consider ESG issues in strategic asset allocation

**SG 12.3**

Additional information. [OPTIONAL]

For each private investment, the deal team identifies specific measures to mitigate/avoid any identified adverse ESG impacts and the adoption of ESG standards and undertakings designed to meet ESG best practices, such as the following: (1) Labor: Measures to (i) support the payment of appropriate minimum wages and benefits to employees based on relevant local and industry factors; (ii) provide a safe and healthy workplace and right to collective bargaining; (iii) provide fair treatment, non-discrimination and equal opportunity, (iv) ensure there is no forced labor, especially vulnerable categories such as migrant workers or children, including management of the supply chain to avoid child labor; (2) Ethical Business Practices; (3) Human Rights: and (4) Environment: impact assessment, action plans, and public disclosure and monitoring, including technically and financially feasible, cost-effective measures to (i) improve resource efficiency (e.g., consumption of energy, water and other resources and inputs, with a focus on the portfolio company's core business activities), and (ii) reduce GHG emissions (e.g., design and operation of equipment assembly and operation, alternative project locations, adoption of renewable or lower carbon energy sources, sustainable agriculture, forestry and livestock management practices, the reduction of fugitive emissions and the reduction of gas flaring.)

# Albright Capital Management

## Reported Information

Public version

Direct – Private Equity

## PRI disclaimer

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## Overview

PE 04	Mandatory	Public	Core Assessed	PRI 2
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**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

**PE 04.2** Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

Each ACM deal team will seek to identify any ESG risks and the deal team's assessment of their materiality and prospects for improvement, including the following:

- Where an alternative source of capital is used by a potential investee company to negotiate against integrating ESG goals in the investment, this fact shall be included in the assessment;
- Particularly for companies located in challenging operating environments, an assessment of the portfolio company's governance structures and the capacity of these structures in the areas of compliance, audit, risk management and potential conflicts of interest;
- Whether the portfolio company's compensation and other policies align the interests of owners and management;
- An assessment of a portfolio company's compliance with internationally recognized labor rights; and
- For companies operating in sectors that raise heightened risks of adverse environmental or other ESG impacts (for example, companies with activities that increase net GHG emissions), an assessment by the deal team, working with ASG, of the company's operations as measured against appropriate performance standards or best practices (such as the IFC Performance Standards) for companies operating in such sectors, with the selection and application of such standards to be determined by the Investment Committee.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

PE 05	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PE 05.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PE 05.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

From PPM of most recent fund: ACM believes that, in EM private investments, fulfillment of fiduciary duty and generation of attractive risk-adjusted returns can only be achieved through integration of ESG risk and opportunity variables. ESG factors have a material impact on financial results. In ACM's case, among other processes, Secretary Albright aligns her reputation with Limited Partners in the Fund through her right to veto any proposed Special Situation investment on political risk, ethical or reputational grounds.

ACM's priority is fulfillment of fiduciary duty. ACM believes that principled and pragmatic integration of ESG considerations into an EM investment process is essential to accomplish that goal by mitigating political and other risks associated with an investment. ACM also knows that difficulties, and criticism, are part of working in emerging markets.

ACM, in concert with ASG, has developed an ESG Policy to inform internal debate and judgment in committing Fund capital and the firm's reputation to investment in emerging markets. The ESG Policy sets forth a series of guidelines drawn from various sources (the "ESG Guidelines"), including ACM's Statement of Values, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Companies, the UN Principles of Responsible Investment ("UN PRI"), the Equator Principles adopted by the world's leading commercial banks for project financing activity, the performance standards and industry-specific guidelines developed by the International Finance Corporation and development community (as updated from time to time, the "IFC Performance Standards"), and other sources of evolving best practices in the investment management industry.

The bedrock of our approach is to seek investments that have sustainable, positive economic benefits for our Limited Partners and stakeholders affected locally. With regard to all investments, ACM looks to identify potential adverse impacts. With certain exceptions, ACM avoids a prescriptive approach, opting instead to apply the ESG Guidelines in a principled and pragmatic fashion, based on all facts and circumstances, while recognizing that some risks and adverse impacts cannot be mitigated or justified and must be avoided. This approach provides ACM's Investment Committee, with ASG guidance (including the right of Secretary Madeleine Albright, or her designee(s) from ASG on the Investment Committee, to veto a proposed investment on these grounds), with the necessary discretion to weigh all ESG factors in meeting the firm's fiduciary duties and maintaining the reputations of the firm and its stakeholders.

ACM considers the ESG Guidelines before making any investment. Because the disclosure of information, particularly in emerging markets, is always imperfect, ACM anticipates that new information impacting the ESG Guidelines may come to light following investment, particularly in secondary investments. As explained in greater detail below, there may be situations in which its investment may offer an opportunity to improve a situation that would otherwise result in the exclusion of an investment from ACM's portfolio. ACM, acting through the Investment Committee, will decide whether our intervention can result in improvement, mitigation, or when appropriate compensation for damage that could not be avoided, and if ACM concludes that it can make material improvements by making or retaining an investment, that investment will be regarded as not "inherently" likely to violate the ESG Guidelines. Progress will be reviewed as necessary and no less often than quarterly.

Implementation. Each deal team is required to identify specific measures and contractual undertakings to mitigate or avoid any identified adverse ESG impacts and practices and the adoption of ESG standards and undertakings designed to enhance ethical behavior and compliance with ESG best practices in a prospective portfolio company's operations, such as the following:

Labor: Measures to (i) support the payment of appropriate minimum wages and benefits to employees based on relevant local and industry factors (e.g., labor market, cost of living, risks to worker safety, overall level of benefits, job security and local labor law rights, existence of collective bargaining or legal minimum standards, and similar factors); (ii) provide a safe and healthy workplace in conformance with law (or, if deficient in the view of the Investment Committee, such other labor standards as it may direct); and, consistent with applicable law, to respect the rights of employees to decide whether or not to join a union and engage in collective bargaining; (iii) provide fair treatment, non-discrimination and equal opportunity in its hiring and promotion practices, and (iv) ensure there is no forced labor, especially vulnerable categories such as migrant workers or children, including management of the supply chain to avoid child labor; Ethical Business Practices: The implementation and oversight of strict policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and similar laws in other countries, irrespective of whether such laws exist in the countries in which the portfolio company operates; Human Rights: Human rights due diligence prior to the investment as well as plans for mitigating adverse impacts and procedures to regularly follow up on the implementation and results of the plan; adoption of measures to promote respect for human rights of those affected by the company's activity, such as measures to promote local community development; and Environment: Environmental impact assessment, action plans, and disclosure and monitoring, including technically and financially feasible, cost-effective measures to (i) improve resource efficiency (e.g., consumption of energy, water and other resources and inputs, with a focus on the portfolio company's core business activities), and (ii) reduce GHG emissions (e.g., design and operation

of equipment assembly and operation, alternative project locations, adoption of renewable or lower carbon energy sources, sustainable agriculture, forestry and livestock management practices, the reduction of fugitive emissions and the reduction of gas flaring.) .

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

PE 07	Mandatory	Public	Gateway	PRI 1
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**PE 07.1** During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

**PE 07.2** Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

See answers above in PE 04.2 and PE 06.2

- No

PE 08	Mandatory	Public	Core Assessed	PRI 1,3
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**PE 8.1** Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

**PE 8.2** Describe how this information is reported to, considered and documented by the Investment Committee or similar.

Each deal team is required to include its ESG assessments required under the ACM ESG Policy (described herein), and Secretary Albright can veto the proposal if she believes it poses ethical, reputational or political risks. Post-investment, ESG progress and initiatives are monitored and presented to the IC on a quarterly basis.

## Post-investment (monitoring)

PE 11

Mandatory

Public

Gateway/Core Assessed

PRI 2

PE 11.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 11.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 11.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

### ESG issues

- Environmental  
 Social  
 Governance  
 We do not set and/or monitor against targets

No

PE 11.4

Additional information. [Optional]

### Environmental

For investments with particularly sensitive environmental issues, we identify KPIs in diligence. For example, with respect to our investment in Eco-Stim (discussed above in Question PE 09.2), the key performance indicators are the resource reductions that it can attain, such as water and chemical usage, and the company's success rate in predictive mapping of productive new stages.

### Social

For each of our portfolio companies, a key performance indicator is meeting internationally recognized labor standards, such as (i) the payment of appropriate minimum wages and benefits to employees based on relevant local and industry factors (e.g., labor market, cost of living, risks to worker safety, overall level of benefits, job security and local labor law rights, existence of collective bargaining or legal minimum standards, and similar factors); (ii) a safe and healthy workplace; (iii) fair treatment, non-discrimination and equal opportunity in its hiring and promotion practices, and (iv) no forced labor, especially vulnerable categories such as migrant workers or children, including management of the supply chain to avoid child labor.

### Governance

For all of our portfolio companies, a key performance indicator is zero instances of a failure to detect a prohibited payment that would violate FCPA or UK Bribery Act.



PE 12	Mandatory	Public	Core Assessed	PRI 2
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**PE 12.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 12.2** Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

**PE 12.3** Additional information. [Optional]

We are not always in a position where we can negotiate the implementation of best practices on ESG matters. When we acquire interests on a secondary basis, we do so with an eye toward increasing the investment and gaining a position of influence, but this does not always happen.

## Communication

PE 18	Mandatory	Public	Core Assessed	PRI 6
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**PE 18.1** Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

**PE 18.5** Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

**PE 18.6**

Indicate your organisation's typical frequency of disclosing ESG information to your clients(LPs)/beneficiaries.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

**PE 18.7**

Describe the ESG information and how your organisation proactively discloses it to your clients (LPs)/beneficiaries. [Optional]

We report on ESG issues to our limited partners in accordance with our ESG Policy and agreements with such investors. We note that we are subject to confidentiality obligations to other shareholders and investee companies. We would not make ESG information public until such time as we have a large data set which can be presented in a generic fashion.

- No proactive disclosure to the public or to clients (LPs)/beneficiaries