



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 &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</li> <li><input checked="" type="checkbox"/> To engage investor ESG expertise</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><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</li> <li><input checked="" type="checkbox"/> To engage investor ESG expertise</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>
	<p><b>Type of engagement</b></p> <p>Collaborative engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</li> <li><input checked="" type="checkbox"/> To engage investor ESG expertise</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> </ul>
	<p><b>Type of engagement</b></p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</li> <li><input checked="" type="checkbox"/> To engage investor ESG expertise</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

## 2014/15

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 2014-15 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	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	-	n/a							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

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	ESG advice and research when selecting investments	✓	Private	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	✓	Private	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	✓	Private	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

# 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	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	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

18

OO 03	Mandatory	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	Gateway/Peering	General
-------	-----------	-----------------	---------

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

31/12/2014

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

	trillions	billions	millions	thousands	hundreds
Total AUM			385	000	000
Currency	USD				
Assets in USD			385	000	000

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	0
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0
Fixed income – other	0	0
Private debt	10-50%	0
Private equity	10-50%	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	10-50%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 10.1**

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 11.1**

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Private debt
- Private equity
- Cash
- None of the above

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 12.1**

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

### **Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

### **RI implementation directly or via service providers**

#### Direct - Listed Equity incorporation

- Listed Equity incorporation

#### Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

#### Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

#### Direct - Other asset classes with dedicated modules

- Private Equity

### **Closing module**

- Closing module

# Albright Capital Management

## Reported Information

## Public version

## Overarching Approach

## 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.

## Responsible investment policy

<b>OA 01</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
--------------	------------------	------------------------------	----------------

**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

<b>OA 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	----------------------	--------------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes  
 No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes  
 No

<b>OA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,2</b>
--------------	------------------	----------------------	----------------

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<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

OA 04	Mandatory	Core Assessed	General
-------	-----------	---------------	---------

OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
---------	---

Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
---------	--

As a registered investment adviser, ACM has adopted a Code of Ethics that sets forth policies and procedures to implement ACM's legal and ethical requirements as a fiduciary for its investment advisory clients. Because of this fiduciary relationship, it is improper for ACM or its employees to use for their own benefit (or the benefit of anyone other than the client) information about the ACM's trading or recommendations for client accounts; or take advantage of investment opportunities that would otherwise be available for the ACM's clients. Also, as a matter of business policy, ACM wants to avoid even the appearance that the firm, its employees, or others receive any improper benefit from information about client trading or accounts, or from our relationships with our clients or with the brokerage community. ACM expects all employees to comply with the letter and spirit of its Code of Ethics. The Firm also expects that all employees will comply with applicable federal securities laws, especially those governing their fiduciary obligations to clients and the avoidance of any firm or personal conflict of interest.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
---------	--

Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
  - Biannually
  - Annually
  - Every two years or less
  - It is not reviewed
- No

## Governance and human resources

**OA 08**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 08.1**

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
- Other role, specify
  - Chief Compliance Officer**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Other role, specify
    - ASG Members of ACM IC**
      - Oversight/accountability for responsible investment
      - Implementation of responsible investment
      - No oversight/accountability or implementation responsibility for responsible investment

## Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

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
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
**Pacific Pension Institute**

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

- Basic
- Moderate
- Advanced
- 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

OA 11

Mandatory

Core Assessed

PRI 4



**OA 11.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2**

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
- Other, specify

No

# Albright Capital Management

## Reported Information

### Public version

### Direct – Private Equity

## 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.

## Overview

PE 04

Mandatory

Core Assessed

PRI 2

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 private investment opportunity that requires Investment Committee approval is subject to the veto of Secretary Madeleine K. Albright (through her designees from ASG on the Investment Committee) based on reputational or political risk grounds. Each ACM deal team will seek to identify and raise for consideration by the Investment Committee 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.

The deal team shall 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 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 any identified 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 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.) .

The deal team is required to inform ACM's Investment Committee of any instances of digression by the company's management from its ESG commitments. In the event, ACM shall actively engage the company in resolving non-compliance, utilizing all appropriate resources at its disposal (including ASG and its networks), as follows:

- With respect to private companies in which ACM holds a control position, ACM will take such actions as it reasonably believes will move the company toward best practices, consistent with guidance from the Investment Committee. We seek to remedy problems in a way best suited to the circumstances. In general, a material, intentional violation of specific undertakings will result in a change in management, personnel or operating procedures.
- With respect to private companies in which ACM does not hold a control position, but exercises substantial influence (shared control or ACM-structured mezzanine veto or credit rights), ACM will seek cure and remediation to the extent reasonably possible, using all appropriate points of leverage, consistent with its fiduciary obligations to investors.
- With respect to private companies in which ACM has acquired a security in a secondary sale and has no practical ability to influence behavior, ACM will seek to dispose of its investment in an orderly fashion, consistent with its fiduciary obligations to investors.

With respect to each private investment that constitutes a Special Situation, on at least an annual basis, the deal team will review all ESG commitments and efforts associated with the investment (if any) and report the status of the same to 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	Core Assessed	PRI 1,4,6
-------	-----------	---------------	-----------

PE 05.1	Indicate if your 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
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- No
- Not applicable as our organisation does not fundraise

### Pre-investment (selection)

**PE 07**

**Mandatory**

**Gateway**

**PRI 1**

**PE 07.1**

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. [Optional]

See answers above in PE 04.2 and PE 06.2

- No

**PE 09**

**Mandatory**

**Core Assessed**

**PRI 1,3**

**PE 09.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

#### **ESG issues**

- Environmental

List up to three typical examples of environmental issues

See PE 09.2

- Social

List up to three typical examples of social issues

See PE 09.2

See PE 09.2

**PE 09.2**

Additional information. [Optional]

**Environmental**

Where technically and financially feasible, ACM seeks to promote cost-effective measures in our portfolio companies to (i) improve resource efficiency (e.g., consumption of energy, water and other resources and inputs), 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.)

With respect to oil and gas, the balancing of environmental and social factors will continue to be the subject of debate. Even as countries and markets evaluate energy production and consumption to account for the impacts of climate change, broad reliance on oil and gas will continue for the foreseeable future. Nevertheless, better investment and operating decisions can be made with respect to oil and gas drilling and production to reduce environmental costs, including GHG emissions. In particular, hydraulic fracturing and well stimulation, generally referred to as "fracking", generally magnifies the harmful effect of O&G development because the process requires more horsepower, more well drillings, more stages per well and up to 10 times more in water usage per well.

With these factors in mind, in 2014 ACM made an investment in Eco-Stim Energy Solutions, Inc., a US company that provides an integrated field service offering to O&G exploration and production companies in the emerging markets. Eco-stim combines best practices from the O&G field services industry with a greener and more cost effective (lower resource usage) approach to producing hydrocarbons in unconventional plays in the emerging markets. Using state-of-art equipment and technology, the company offers a service bundle that includes field management, well stimulation and intelligent completion and mapping techniques, which reduce the number of required stages by 50-75% (reducing overall horsepower requirements, resource usage and footprint of drilling activity) and increase the probability of placing productive wells and stages; additional cost and resource reductions, include water usage (up to 30%), fuel consumption (40%), chemical usage (equivalent range as for water), and GHG emissions (almost 70%) relative to standard methods of well stimulation services per well. In addition, at ACM's request, the company offers expertise to assist customers with the capture of fugitive methane gas, further reducing GHG emissions from the O&G drilling activity.

It is important to note that these advanced technologies and services are being provided primarily to E&P companies operating in emerging markets, serving as an example to local market and government participants of best ESG practices in O&G field operations. For a video demonstration of the company's service offering, please see [https://www.youtube.com/watch?v=pcb32nKi\\_2g](https://www.youtube.com/watch?v=pcb32nKi_2g).

**Social**

Meeting social goals through private investment in the emerging markets - particularly under-invested markets --is not difficult. ACM welcomes opportunities that have strong direct or indirect social goods as these tend to lower political risk and increase the likelihood of success. ACM considers multiple social, labor and human rights issues in due diligence as an integral part of its investment decision.

For example, in 2014, ACM increased its investment in HTA, which owns, operates and/or builds telecom towers in certain markets of Sub-Saharan Africa, enabling the continued growth of wireless telephony on a continent with limited or non-existent fixed line telephony. Specifically, HTA offers positive environmental and social benefits to its target markets by (i) consolidating tower infrastructure use between operators (reducing tower footprint through co-location of competing telephone operators' equipment on the same towers), (ii) increasing communication network coverage beyond the most densely populated areas, (iii) lowering the cost of communications solutions to the consumer by reducing capital and operating costs of operators, and (iv) increasing subscriber penetration. Given the very poor level of wire-line telecommunications networks in the target markets, wireless is the primary source of both voice and data. The ability to achieve rapid market penetration for these services directly impacts increased communication, access to information and greater and more efficient economic activity. Lastly, HTA's continuing roll-out involves material capital investment in a severely under-invested part of the world, generating direct and indirect employment resulting from site construction, maintenance and operations.

**Governance**

As an emerging market investor, ACM frequently encounters opportunities to invest in companies in very difficult operating environments, particularly where the legal institutions are underdeveloped and/or there is a history of government involvement in economic activity, often leading to rent-seeking behavior.

In 2014, ACM engaged one of its portfolio companies, in which we had made previously a structured minority investment, to implement a comprehensive, "zero tolerance" compliance regime intended to ensure compliance with the ethical business standards reflected in the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, irrespective of whether these laws apply to the company. We had negotiated specific contractual rights at the time of investment, and required their thorough implementation through the engagement of a specialist, international financial systems compliance unit of a Big Four audit firm, a review by outside counsel, and the subsequent adoption of a series of measures intended to detect and prevent non-compliance as well as ensure that the corporate culture is firmly anchored by the zero tolerance policy of the company on these matters.

## Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
-------	-----------	-----------------------	-------

**PE 13.1** Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

**PE 13.2** 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 13.3** Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

### ESG issues

Environmental

List up to three example targets of environmental issues

See PE 13.4

Social

List up to three example targets of social issues

See PE 13.4

Governance

List up to three example targets of governance issues

See PE 13.4

We do not set and/or monitor against targets

No

<b>PE 13.4</b>	Additional information. [Optional]
----------------	------------------------------------

**Environmental**

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.

<b>PE 14</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
--------------	------------------	----------------------	--------------

<b>PE 14.1</b>	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
----------------	---

Yes

<b>PE 14.2</b>	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

**Communication**

<b>PE 20</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	----------------------	--------------



**PE 20.1**

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

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

**PE 20.5**

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 20.6**

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

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

**PE 20.7**

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

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. We do report on ESG issues to our limited partners in accordance with our ESG Policy and agreements with such investors.

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