



**LIGHTHOUSE CANTON PTE. LTD.
RESPONSIBLE INVESTMENT POLICY**

v.2 2024

Document Revision History

This section represents the changing history of Responsible Investment Policy. The policy is periodically reviewed and revised, and updates are reflected in the most recent version of the policy, which is duly reviewed and approved, before its release to employees.

Revision History

Version	Date	Author	Scope/Description
1.0	01 September 2023	Shankhadeep Nath	Creation of Responsible Investment Policy
2.0	01 September 2024	Shankhadeep Nath and Arnav Kathuria	Added UN SDG integration, expanded stewardship guidelines, and enhanced sustainability outcomes framework

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1. Context and Mission

Lighthouse Canton Pte. Ltd. ("LCPL") became the signatory to the United Nations Principles of Responsible Investment (UN PRI) on 13 March 2023, highlighting the firm's dedication to Environmental, Social and Governance (ESG).

We strive to advance sustainable and inclusive economic growth by putting our clients' capital to work. We believe the integration of environmental, social and governance (ESG) factors plays an important role in active investment management, enabling us to unlock potential financial value by identifying risks and opportunities in a rapidly changing market.

As a responsible investor, LCPL endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our investment activities while addressing systematic sustainability issues that may impact long-term value creation.

Our ESG principles and investment approach set out below will guide us in our investment decisions and reflect our commitment to creating value for our investors through responsible investing and active stewardship practices.

2. Objective of the Policy

To establish a framework for the firm to undertake responsible investment decisions by factoring ESG issues and contributing to positive sustainability outcomes.

To establish a framework for the firm to effectively carry out its stewardship responsibilities through active engagement with investees and broader stakeholder participation.

To provide guidance on addressing systematic sustainability issues that may impact long-term value creation and portfolio performance.

To outline our approach to integrating sustainability outcomes aligned with relevant global frameworks, including the United Nations Sustainable Development Goals (UN SDGs).

The policy applies to external parties, who manage assets or funds on behalf of the firm and are also required to adhere to the policy.

3. Guiding Principles

The Principles for Responsible Investing are based on the premise that ESG issues can affect the performance of investment portfolios and investors should give them appropriate consideration to fulfill their fiduciary duty. In signing these Principles, LCPL publicly commits, where consistent with our fiduciary responsibilities, to the following:

1. To incorporate ESG issues into our investment analysis and decision-making processes while considering systematic sustainability risks and opportunities
2. To be active owners and incorporate ESG issues into our ownership policies and practices through comprehensive stewardship activities
3. To seek appropriate disclosure on ESG issues from the entities we invest in and endeavor to promote transparency on sustainability outcomes
4. To promote acceptance and implementation of the principles within the investment industry through policy engagement and collaboration with standard setters
5. To work with other signatories to enhance effectiveness in implementing the principles and address systematic sustainability issues through collective action
6. To report on our activities and progress towards implementing the principles including our contribution to positive sustainability outcomes

LCPL further endeavors to align our responsible investment activities with relevant global sustainability frameworks, including the United Nations Sustainable Development Goals (UN SDGs), where applicable to our investment mandate and fiduciary responsibilities.

4. Scope and Limitations

We strive to integrate ESG issues into all the funds managed by LCPL including Fixed Income, Listed Equities, Real Estate, Supply Chain Credit, and Venture Debt. However, there may be some funds wherein the integration may be limited due to asset class characteristics, investment strategy constraints, or market accessibility.

LCPL endeavors to implement stewardship activities across our investment portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on asset class, investment size, holding period, and level of influence over investee entities.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our funds, considering

investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific investment strategies.

Where ESG integration or stewardship activities face limitations, LCPL will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

5. ESG Integration

Our ESG integration approach permits a diversity of practice across different funds. As with other investment risks and opportunities, the financial materiality of ESG considerations may vary by issuer, sector, product, mandate, and time horizon. As such, our ESG integration approach needs to allow for flexibility across funds. Depending on the investment process, financially material ESG data or information may help inform the due diligence, asset selection, and/or monitoring processes of our funds, as well as our approach to risk management.

LCPL aims to consider systematic sustainability factors in our investment processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across our investment portfolio.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

The scope and methodology of ESG integration will be adapted to each asset class and investment strategy, considering our capacity to influence outcomes through stewardship activities and engagement practices.

5.1. Environmental Factors

We consider issues relating to the quality and functioning of the natural environment and natural systems, identified or assessed in responsible investment processes. Our

approach recognizes environmental factors as components of systematic sustainability issues that may impact long-term investment performance and contribute to broader sustainability outcomes.

5.1.1. Environment Risk

Environmental risk is increasingly recognized as a key global risk, with climate change at the forefront of these concerns. Environmental risk not only gives rise to reputational concerns but also bears a financial impact on the assets of their customers, through physical and transition risk channels.

- Physical risk arises from the impact of weather events and long-term or widespread environmental changes.
- Transition risk arises from the process of adjustment to an environmentally sustainable economy, including changes in public policies, disruptive technological developments, and shifts in consumer and investor preferences.

The firm in accordance with the guidance prescribed¹ by Monetary Authority of Singapore (MAS) on Environmental Risk Management, shall carry out following activities:

1. Incorporate environmental risk considerations in investment approach.
2. Establish appropriate processes and systems to monitor, assess and manage the potential and actual impact of material environmental risk on individual investments and portfolios on an ongoing basis.
3. Develop capabilities in scenario analysis to evaluate portfolio resilience and valuation under different environmental risk scenarios, in case of material environmental risk.
4. Disclose the approach to managing environmental risk and the potential impact of material environmental risk on managed assets in accordance with well-regarded international reporting frameworks.
5. Conduct training and capacity building for the staff to inculcate adequate expertise to assess, manage and monitor environmental risk in a rigorous, timely and efficient manner.

¹ MAS – Guidelines on Environmental Risk Management (Asset Managers) – December 2020

5.1.2. Identification

Fund manager to identify environmental factors affecting investments, including but not limited to climate-related risks and opportunities. Our approach will be guided by the Task Force on Climate-related Financial Disclosures (TCFD), now replaced by the International Sustainability Standards Board (ISSB) IFRS S2 standard. The same should be documented and updated from time to time.

Indicative Environmental Factors are:

- Climate change and carbon emissions
- Air and water pollution
- Biodiversity and pollution
- Deforestation
- Energy Efficiency
- Waste Management
- Water management
- Resource efficiency
- Transition climate risk and opportunities
- Ocean sustainability

The fund manager may consider other environmental factors based on asset class and/ or mandate of the fund. Where applicable, environmental factor identification will consider alignment with relevant sustainability frameworks and potential contribution to positive environmental outcomes.

5.1.3. Integration

The fund manager integrates the environmental factors into the investment strategy. The process of integration is to be documented and updated from time to time.

Indicative methods of integration are the mentioned below:

- Determine climate risk metrics or variables affecting your investments
- Positive best in class screening
- Negative screening
- Thematic Investment
- Stewardship engagement on material environmental issues
- Collaborative initiatives addressing systematic environmental risks

5.1.4. Evaluation

The fund manager evaluates the effectiveness of its integration of environmental factors. The evaluation report utilizes metrics to determine the level of achievement. Where feasible, evaluation will consider contributions to positive environmental outcomes and aligning relevant sustainability objectives.

5.2. Social Factors

We consider issues relating to the rights, well-being and interests of people and communities, identified or assessed in responsible investment processes. Our approach to social factors aims to support positive social outcomes, including those aligned with relevant United Nations Sustainable Development Goals.

5.2.1. Identification

Fund manager to identify social factors affecting investments. The same should be documented and updated from time to time.

Indicative social factors are:

- Product & Customer Responsibility
- Data Protection and Privacy
- Gender and Diversity
- Employee Engagement
- Community Relations
- Human Rights
- Labor Standards and Conditions
- Health and safety practices

The fund manager may consider other social factors based on asset class and/ or mandate of the fund. Social factor identification will consider potential contributions to gender equality (SDG 5), decent work and economic growth (SDG 8), and other relevant sustainability outcomes where applicable.

5.2.2. Integration

The fund manager integrates social factors into the investment strategy. The process of integration is to be documented and updated from time to time.

Indicative methods of integration are mentioned below:

- i. Screening
 - a. Positive/best-in-class screening
 - b. Negative screening (Refer to the exclusion section)
- ii. Thematic Investment
- iii. Stewardship engagement on material social issues
- iv. Collaborative engagement addressing systematic social risks

5.2.3. Evaluation

The fund manager evaluates the effectiveness of its integration of social factors. The evaluation report utilizes metrics to determine the level of achievement. Where appropriate, evaluation will assess contributions to positive social outcomes and relevant sustainability objectives.

5.3. Governance Factors

We consider Issues relating to the governance of companies and other investee entities, identified or assessed in responsible investment processes. Our governance approach supports the development of strong institutions and transparent governance practices, contributing to systematic sustainability outcomes.

5.3.1. Identification

Fund manager to identify governance factors affecting investments. The same should be documented and updated from time to time.

Indicative governance factors are:

- Board Composition
- Audit Committee Structure
- Bribery and corruption
- Executive Compensation
- Lobbying
- Political contributions
- ESG Strategy
- Cybersecurity processes, controls, and risk assessments
- Supply chain resiliency and responsibility

The fund manager may consider other governance factors based on asset class and/ or mandate of the fund. Governance factor identification will consider contributions to peace, justice and strong institutions (SDG 16) and other relevant sustainability outcomes where applicable.

5.3.2. Integration

The fund manager integrates governance factors into the investment strategy. The process of integration is to be documented and updated from time to time.

Indicative methods of integration are mentioned below:

- i. Screening
 - a. Positive/best-in-class screening
 - b. Negative screening (Refer to the exclusion section)
- ii. Thematic Investment
- iii. Stewardship engagement on material governance issues
- iv. Proxy voting aligned with governance best practices

5.3.3. Evaluation

The fund manager evaluates the effectiveness of its integration of governance factors. The evaluation report utilizes metrics to determine the level of achievement. Where feasible, evaluation will consider contributions to institutional strengthening and governance improvements that support long-term sustainability outcomes.

6. Asset-wise ESG consideration in the investment process

Refer to the Asset wise/ Fund wise ESG policy document.

7. Exclusions

Exclusions by LCPL are based on the following:

- a. Our organization's values or beliefs regarding sectors, products or services
- b. Our organization's values or beliefs regarding regions or countries
- c. Mandate of the fund

- d. Alignment with sustainability outcomes and responsible investment principles

7.1 Sector Based Exclusion

- Development, production, maintenance, supply or trade of weapons
- Tobacco or other unhealthy additive items
- Mining and supply of Thermal Coal
- Gambling
- Animal fur & leather
- Adult Entertainment
- Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine decent work, gender equality, or strong institutions

A company is deemed to be based in a sector if more than 50% of the revenue as per the last audited financial year was generated directly or indirectly from such a sector.

7.2 Jurisdiction Based Exclusion

We restrict sovereign and corporate issuers based in jurisdictions that are involved in severe and systemic violations of Human Rights and thus restrict countries against which arms embargoes have been imposed by the United Nations Security Council. Countries on the global money laundering and terrorist financing watchdog, Financial Action Task Force list, that are subject to a "Call for Action" are also restricted.

We may also consider restrictions on jurisdictions that demonstrate poor performance on governance indicators or systematic violations of principles aligned with our sustainability outcomes framework.

A corporate issuer is deemed to be based in a jurisdiction where it generates more than 50% of the revenue as per the last audited financial year.

7.3 Mandate of the Fund

The fund manager may consider other factors based on asset class and/ or mandate of the fund.

Such exclusions must be periodically reported to the ESG Committee.

7.4 Exemption from Exclusion

In anytime the fund manager is of the opinion that the Exclusion requirement will be breached, the fund manager obtains prior approval from the ESG Committee and informs the relevant investor of such deviation prior investment. The ESG Committee will consider the potential impact on our sustainability outcomes framework when evaluating such exemptions.

8. Stewardship

We are committed to promoting and exercising effective stewardship among the companies represented in the portfolios we manage on behalf of our investing clients. We endeavor to maximize portfolio-level risk-adjusted returns, while we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

We evaluate companies' corporate strategies, investment and financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.

We seek to adhere to the apply the best practices identified in, and to comply with the requirements of, Singapore Stewardship Principles for Responsible Investors. The following seven principles are guidance to foster good stewardship in discharging responsibilities and creating sustainable long-term value for all stakeholders.

1. Develop and articulate stewardship responsibilities and governance structures.
2. Monitor investments regularly.
3. Stay active through constructive and purposeful engagement.
4. Uphold transparency in managing conflicts of interest.
5. Exercise rights and responsibilities on an informed basis.
6. Report on stewardship activities periodically.
7. Take a collaborative approach in exercising stewardship responsibilities where appropriate.

8.1 Stewardship Objectives

Our stewardship strategy strives to achieve the following:

- a. Contribute to best practice dissemination and drive a better integration of sustainability in our investees' governance, operations and business models;
- b. Trigger positive change concerning how investees are managing their impacts on specific topics paramount to the sustainability of the society and the economy;
- c. Support the investees in their own transition towards a more sustainable, inclusive and low carbon business model; and
- d. Encouraging investee companies to provide relevant and timely environmental risk data and/or clearer disclosures to improve data availability and consistency.
- e. Promote alignment with sustainability outcomes, including contributions to UN SDG principles where applicable, particularly in areas of gender equality (SDG 5), decent work and economic growth (SDG 8), industry innovation and infrastructure (SDG 9), and peace, justice and strong institutions (SDG 16)
- f. Prioritize specific ESG factors to be advanced via stewardship activities based on materiality and fund mandates
- g. Communicate stewardship efforts and results across the organization to feed into investment decision-making

8.2 Engagement Guidelines

8.2.1 Engagement Approach

Our stewardship strategy involves three activities:

1. Engagement with company management of companies we are invested in, especially in companies where we have control through private equity investments
2. Proxy voting at companies where we have voting authority
3. Collaborate, share insights and build best practices across the stewardship space

8.2.2 Engagement Prioritization

We may prioritize engagement based on:

- Material ESG factors affecting investments as identified in our ESG integration process
- Portfolio exposure and potential for positive impact
- Opportunities for collaborative engagement with other investors
- Alignment with fund-specific mandates and objectives
- Contribution to systematic sustainability issues

8.2.3 Stakeholder Engagement

Beyond investee companies, we may engage with:

- Other institutional investors through collaborative initiatives
- Industry bodies and standard-setting organizations
- Policy makers where appropriate to our investment activities
- Service providers and advisors on ESG-related matters

8.3 Proxy Voting Guidelines

8.3.1 Voting Approach

Where we have voting authority, our approach will consider:

- Board composition and audit committee structure - as identified in our governance factors
- Executive compensation matters that may impact long-term value creation
- ESG strategy proposals that are material to investment performance
- Resolutions related to bribery and corruption, lobbying, and political contributions as outlined in our governance factors framework

8.3.2 ESG Considerations in Voting

We may consider the following ESG factors in our voting decisions, where material:

- Environmental factors including those listed in Section 5.1.2
- Social factors including those listed in Section 5.2.1
- Governance factors including those listed in Section 5.3.1
- Alignment with sustainability outcomes and SDG principles where relevant

8.3.3 Voting Disclosure

Subject to client agreements and regulatory requirements, we may:

- Provide voting rationales upon client request
- Report on voting activities through appropriate channels (like newsletters)
- Disclose voting decisions in accordance with applicable regulations and best practices
- Pre-declare voting intentions publicly or privately prior to AGMs/EGMs where appropriate

8.4 Escalation

From time to time, it may be appropriate to escalate our stewardship activities in relation to an issue or a specific company.

We determine an appropriate escalation approach on a case-by-case basis. Where repeated engagement does not lead to improvement, or issuers consistently do not respond to our engagement requests, we may leverage the full toolkit available to an active manager, including but not limited to:

- Evolving our proxy voting policy to reflect our developing views on issues
- Escalating our voting on specific issues at specific company meetings
- Using other forms of active engagement (e.g., letter writing)
- Seeking to engage with members of the Board or other more senior company representatives
- Actively buy or sell shares or bonds
- Filing or co-filing shareholder resolutions where appropriate

In addition to our mentioned escalation approaches with specific issuers, we may also seek to expand our activities, for example by adding new thematic engagements to our stewardship framework or by increasing our voting expectations over time.

8.5 Collaborative Stewardship

Consistent with Singapore Stewardship Principle 7, we may take a collaborative approach where appropriate. This may include:

- Participating in investor initiatives aligned with our investment objectives
- Sharing insights and best practices with other responsible investors
- Supporting industry-wide improvements in ESG practices and disclosure
- Engaging in collaborative efforts to advance sustainability outcomes
- Making collaborative stewardship the default approach wherever possible

8.6 Policy Maker Engagement

Where consistent with our investment activities and client interests, we may engage with policy makers through:

- Industry association memberships
- Consultation responses on relevant regulatory matters
- Collaborative initiatives with other institutional investors
- Advocacy for sustainable finance regulations and SDG-aligned policy frameworks

Declaration: As stated in Section 10, LCPL is not a member of or supporter of any trade associations, think tanks, or similar bodies that conduct any form of political engagement beyond our investment-related activities.

8.7 Managing Conflict of Interest

Conflict of Interest may occur where the interest of a client or beneficiary is not the same as – or is not perceived to be the same as ours. A conflict of interest may sometimes arise in connection with stewardship activities. For example, acting in the interests of clients may indicate that an investor should choose to vote against management at a company or engage with that company; however, the pension fund of that company, or the company itself, may also be a client or potential client of the investor or part of the investor's parent organization. In the case of private markets investors, this could refer to cases of crossholdings or different exit time horizons.

The following are accepted methods of dealing with conflicts of interest:

- a. General or implied disclosure in documents and/or agreements that may have a material interest or a conflict in a transaction; or
- b. Specific disclosure of an interest or conflict to an investor either in writing and/or orally in the case of a highly sensitive transaction. Must demonstrate that it has taken reasonable steps (which must be clearly and explicitly documented) to ensure that any Client and/or Investor does not object (as opposed to merely notifying him/her) to that interest of conflict. In consequence, a written acknowledgement should be obtained from the Client and/or Investor as far as possible prior to any transaction; or
- c. Declining to transact.

9. Engagement Declaration

9.1 Political Engagement

LCPL is not a member in or supporter of any trade associations, think tanks, or similar bodies that conduct any form of political engagement.

9.2 Other Engagement

However, where consistent with our investment activities and client interests, we may engage with policy makers through:

- Industry association memberships related to responsible investment
- Consultation responses on relevant regulatory matters affecting our investment activities
- Collaborative initiatives with other institutional investors on sustainable finance matters
- Advocacy for responsible investment standards and frameworks

Such engagement activities are limited to matters directly related to our investment responsibilities and do not extend to broader political activities.

10. Disclosure

We endeavour to conduct regular reporting to clients on ESG risk assessment results, key ESG performance data including climate-related information for all asset classes, upon request.

We may publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

We may include the following in our regular reporting to client:

1. Any changes in policies related to responsible investment
2. Any changes in governance or oversight related to responsible investment
3. Stewardship-related commitments
4. Progress towards stewardship-related commitments
5. Climate-related commitments
6. Progress towards climate-related commitments

7. Commitments to other systematic sustainability issues
8. Progress towards commitments on other systematic sustainability issues
9. Sustainability outcomes and contributions to UN SDG principles
10. ESG risk performance and climate-related performance metrics
11. Alignment with sustainability frameworks and standards
12. Voting decisions and rationales for ESG-related resolutions

We may also disclose:

- ESG screening methodologies and any changes to ESG screens
- Climate risk metrics including exposure to physical and transition risks
- Portfolio alignment with Paris Agreement goals where applicable
- Stewardship activities and engagement outcomes

The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

11. Roles and Responsibilities

11.1 Board of Directors

The Board of LCPL has entrusted the responsibility of development, maintenance and implementation of this Responsible Investment Policy and affiliated policies and procedures (collectively "ESG Policy") with the ESG Committee.

The Board maintains ultimate oversight responsibility for:

- ESG strategy and policy framework
- Material ESG risks and opportunities
- Sustainability outcomes and commitments
- Stewardship activities and their effectiveness

11.2 ESG Committee

The Committee will have oversight of all responsible investment activities and the ESG policy of the firm to ensure that there are ESG considerations within the organization and its investment process.

The committee ensures that the ESG Policy adheres to relevant regulations and standards, establishes controls, monitors their implementation, and provides quarterly reports to the Board on progress and gaps.

The ESG Committee is responsible for:

- Oversight of stewardship activities including engagement and voting
- Monitoring sustainability outcomes and SDG alignment
- Reviewing and approving ESG-related exclusions and exemptions
- Ensuring adequate ESG-related competence and training across the organization
- Overseeing climate risk identification and management processes
- Reviewing ESG reporting and disclosure practices

11.3 Fund Manager

At the fund level, the fund manager is responsible for overlooking the implementation of ESG Policy for the respective fund.

The fund manager is responsible for quarterly updates on implementation of the ESG policy to the ESG Committee. The committee at its discretion can request ad-hoc reports.

Fund Manager responsibilities include:

- Integrating ESG considerations into investment decision-making processes
- Conducting ESG due diligence and monitoring for portfolio companies
- Implementing stewardship activities including engagement and voting
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions
- Participating in collaborative stewardship initiatives where appropriate

11.4 Risk and Compliance Team

As per requirement, the team will actively assist the Board, ESG Committee and Fund Manager to carry out the responsibilities mentioned in the ESG policy.

The Risk and Compliance Team responsibilities include:

- Monitoring compliance with ESG policy requirements across all funds
- Ensuring adequate internal controls for ESG-related activities

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- Facilitating ESG training and capacity building initiatives
- Assisting with ESG reporting and disclosure requirements
- Coordinating with external ESG service providers and advisors



LIGHTHOUSE CANTON PTE. LTD.
LISTED EQUITIES
RESPONSIBLE INVESTMENT POLICY

v.2 2024

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This section represents the changing history of Responsible Investment Policy. The policy is periodically reviewed and revised, and updates are reflected in the most recent version of the policy, which is duly reviewed and approved, before its release to employees.

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1. Our Mission

LC recognizes that modern corporations have the capacity to shape tomorrow's leadership landscape. Through their operations and influence, they possess the potential to unlock a future characterized by sustainability, inclusivity, and diversity. Hence, it is imperative for us to support such entities by directing capital towards those that prioritize positive societal and environmental practices, thereby serving as exemplars for future generations. The Environmental, Social, and Governance (ESG) principles and investment methodology delineated below will serve as our compass in making investment decisions, underscoring our steadfast commitment to delivering value for our investors through responsible investing practices.

As a responsible investor, LC endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our listed equity investment activities while addressing systematic sustainability issues that may impact long-term value creation.

2. Our Guiding Principles

1. Our objective is to evaluate and factor ESG risks into all our investment decisions and adhere to IFC Exclusion List and Environmental and Social Categorization while considering systematic sustainability risks and opportunities.
2. Our goal is to remain a UNPRI signatory and fulfill its requirement with respect to the PRI annual reporting framework including our contribution to positive sustainability outcomes.
3. We endeavor to participate in working groups and associations to promote ESG policies through policy engagement and collaboration with standard setters.
4. We strive to adhere to, regularly monitor and periodically review our formal ESG investment process to ensure alignment with evolving best ESG practices and policies and address systematic sustainability issues through our investment activities.
5. LC endeavors to actively participate in voting at investee company board meetings whenever feasible, particularly regarding decisions likely to influence the ESG policies and practices of said companies and align with governance best practices.
6. LC further endeavors to align our responsible investment activities with relevant global sustainability frameworks, including the United Nations Sustainable Development Goals (UN SDGs), where applicable to our listed equity investment mandate and fiduciary responsibilities.

3. Scope and Limitations

This document focuses on investments in public companies across regions and industries and aims to invest in those that meet LC's ESG principles. LC has incorporated certain ESG criteria that we believe are important to making investment decisions. Given our limitations in influencing the management of our portfolio companies, the main scope for us is to ensure investment opportunities are properly assessed for their ESG before coming to an investment decision. Therefore, where LC determines that it has limited ability to influence and control the consideration of ESG issues in connection with an investment, LC will apply this ESG policy on a best reasonable effort basis.

LC endeavors to implement stewardship activities across our listed equity portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on investment size, holding period, and level of influence over investee entities.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our listed equity investments, considering investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific investment strategies.

Where ESG integration or stewardship activities face limitations, LC will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

4. Ownership and Responsibility

Fund Managers overseeing investments in equities are responsible for implementation and update of the ESG Policy, and the entire team is responsible for adherence to this Policy.

Fund Manager responsibilities include:

- Integrating ESG considerations into listed equity investment decision-making processes
- Conducting ESG due diligence and monitoring for portfolio companies
- Implementing stewardship activities including engagement and voting
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions
- Participating in collaborative stewardship initiatives where appropriate

5. ESG Considerations in Investment Process

LC aims to consider systematic sustainability factors in our listed equity investment processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across our equity portfolio.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

The scope and methodology of ESG integration will be adapted to each investment strategy, considering our capacity to influence outcomes through stewardship activities and engagement practices.

5.1 Initial screening

- LC strives to filter out listed equities with business activities listed on the IFC Exclusion List (see Appendix I), and will reasonably minimize, and ideally not recommend and completely avoid investments in such companies.
- After initial evaluations, LC will categorize investments based on their environmental and social impact, avoiding those with the highest concerns and conducting further due diligence on others as necessary.
- LC strives to apply a positive screening approach, actively seeking out companies that contribute to positive financial, environmental, or social outcomes, or a combination of all three.
- Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine decent work, gender equality, or strong institutions, will be subject to enhanced screening.
- For assets subject to negative exclusionary screens, we may consider engaging with the Responsible Investment committee to oversee the process.

5.2 Due Diligence

- LC's objective is to consider conducting both qualitative and quantitative evaluations from an ESG perspective on companies, as appropriate. This may include reviewing various operational aspects such as environmental practices, social initiatives, and governance structures.
- LC aims to identify key ESG issues in public companies, using suitable tools to guide its analysis.
- LC's goal is to conduct internal ESG evaluations, focusing on relevant ESG issues as part of its assessment process.
- LC intends to use publicly available information and appropriate sustainability platforms during its research to inform its understanding of compliance and significant ESG concerns.
- ESG due diligence will consider potential contributions to sustainability outcomes and alignment with relevant UN SDG principles where applicable.

5.3 Environmental Factors Assessment

- Climate change and carbon emissions exposure
- Air and water pollution management
- Biodiversity and ecosystem impact
- Energy efficiency and renewable energy adoption
- Waste management practices
- Water stewardship and management
- Resource efficiency and circular economy practices
- Transition climate risk and opportunities
- Ocean sustainability initiatives

5.4 Social Factors Assessment

- Product and customer responsibility
- Data protection and privacy practices
- Gender and diversity policies and performance
- Employee engagement and satisfaction
- Community relations and social impact
- Human rights compliance and policies

- Labor standards and working conditions
- Health and safety practices

5.5 Governance Factors Assessment

- Board composition and independence
- Audit committee structure and effectiveness
- Bribery and corruption prevention
- Executive compensation alignment
- Lobbying activities and transparency
- Political contributions and policies
- ESG strategy and integration
- Cybersecurity processes, controls, and risk assessments
- Supply chain resiliency and responsibility

5.6 Investment Decision

- At LC, our investment strategy aims to integrate ESG considerations broadly. By employing due diligence and utilizing various sources of publicly available data and insights, we strive to ensure that our investment decisions are guided by relevant ESG insights, aligning our practices with principles of sustainable and responsible investing.
- For each investment, relevant ESG representations, warranties, and covenants shall be incorporated into the investment memo.
- Investment decisions will consider the company's contribution to positive sustainability outcomes and alignment with systematic sustainability objectives where material.
- ESG integration methodology will be documented and updated to reflect evolving best practices and sustainability frameworks.

5.7 Monitoring

- LC aims to oversee ongoing compliance and evaluate its adherence to ESG criteria for listed equities holdings, adjusting as needed.
- LC endeavors to monitor ESG risks and incidents, assessing any occurrences to determine potential actions, which could involve adjustments to investments.
- LC seeks to inform clients about ESG considerations to support their decision-making processes and may share the list of ESG screens and any changes.
- Where feasible, monitoring will assess contributions to positive sustainability outcomes and relevant sustainability objectives.
- LC will track ESG performance metrics and climate-related performance indicators for equity holdings.
- Regular review of systematic sustainability issues that may impact portfolio performance and long-term value creation.

6. Stewardship and Engagement

We are committed to promoting and exercising effective stewardship among the companies represented in our listed equity portfolios. Our stewardship activities include:

6.1 Engagement Guidelines

- Material ESG factors affecting investments as identified in our ESG integration process
- Portfolio exposure and potential for positive impact
- Opportunities for collaborative engagement with other investors
- Alignment with fund-specific mandates and objectives
- Contribution to systematic sustainability issues

6.2 Proxy Voting Guidelines

Where we have voting authority, our approach will consider:

- Board composition and audit committee structure as identified in our governance factors
- Executive compensation matters that may impact long-term value creation
- ESG strategy proposals that are material to investment performance
- Resolutions related to bribery and corruption, lobbying, and political contributions
- Environmental and social resolutions aligned with our sustainability outcomes framework

6.3 Escalation Procedures

Where repeated engagement does not lead to improvement, we may leverage the full toolkit available to an active manager, including:

- Evolving our proxy voting policy to reflect our developing views on issues
- Escalating our voting on specific issues at specific company meetings
- Using other forms of active engagement (e.g., letter writing)
- Seeking to engage with members of the Board or other senior company representatives
- Actively buying or selling shares
- Joining collaborative engagements with other investors
- Filing or co-filing shareholder resolutions where appropriate

6.4 Collaborative Stewardship

We may take a collaborative approach where appropriate, including:

- Participating in investor initiatives aligned with our investment objectives
- Sharing insights and best practices with other responsible investors
- Supporting industry-wide improvements in ESG practices and disclosure
- Engaging in collaborative efforts to advance sustainability outcomes

7. Disclosure and Reporting

LC may include the following in our regular reporting to clients:

- ESG screening methodologies and any changes to ESG screens for listed equity investments
- Climate risk metrics including exposure to physical and transition risks
- Sustainability outcomes and contributions to UN SDG principles
- ESG risk performance and climate-related performance metrics
- Voting decisions and rationales for ESG-related resolutions
- Stewardship activities and engagement outcomes
- Portfolio alignment with sustainability frameworks and standards

The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

APPENDIX I

IFC Exclusion List

Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.

Production or trade in weapons and munitions¹.

Production or trade in alcoholic beverages (excluding beer and wine).¹

Production or trade in tobacco.¹

Gambling, casinos and equivalent enterprises.¹

Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Appendix II

IFC Performance Standards²

The IFC Performance Standards are used to manage social and environmental risks and impacts to enhance development opportunities in emerging markets. The eight Performance Standards are summarized below:

Performance Standard 1: Social and Environmental Assessment and Management System

Performance Standard 2: Labor and Working Conditions

Performance Standard 3: Pollution Prevention and Abatement

Performance Standard 4: Community Health, Safety and Security

Performance Standard 5: Land Acquisition and Involuntary Resettlement

Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

Performance Standard 7: Indigenous Peoples

Performance Standard 8: Cultural Heritage

¹ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

² <https://www.ifc.org/wps/wcm/connect/3f3419f4-6043-4984-a42a-36f3cfaf38fd/IFC%2BPerformance%2BStandards.pdf?MOD=AJPERES&CVID=jkC.Eka&id=1322803957411>



LIGHTHOUSE CANTON PTE. LTD.

FIXED INCOME

RESPONSIBLE INVESTMENT POLICY

v.2 2024

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1. Our Mission

LC acknowledges that present-day corporations hold the potential to shape the future as leaders, wielding influence through their operations to foster a more sustainable, inclusive, and diverse world. Therefore, it is important that we support these enterprises by investing capital in those that champion positive societal and environmental practices, serving as exemplars for future generations. The Environmental, Social, and Governance (ESG) principles and investment methodology delineated below will serve as our compass in making investment decisions, underscoring our steadfast commitment to delivering value for our investors through responsible investing practices.

As a responsible investor, LC endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our fixed income investment activities while addressing systematic sustainability issues that may impact long-term value creation.

2. Our Guiding Principles

1. Our objective is to evaluate and factor ESG risks into all our investment decisions and adhere to IFC Exclusion List and Environmental and Social Categorization while considering systematic sustainability risks and opportunities.
2. Our goal is to remain a UNPRI signatory and fulfill its requirement with respect to the PRI annual reporting framework including our contribution to positive sustainability outcomes.
3. We endeavor to participate in working groups and associations to promote ESG policies through policy engagement and collaboration with standard setters.
4. We strive to adhere to, regularly monitor and periodically review our formal ESG investment process to ensure alignment with evolving best ESG practices and policies and address systematic sustainability issues through our investment activities.

3. Scope and Limitations

This document focuses on investments in corporate fixed income instruments across regions and issuer creditworthiness and aims to invest in those that meet LC's ESG principles. LC has incorporated certain ESG criteria that we believe are important to making investment decisions. However, given our limited role as a lender, our approach to incorporating some of our ESG findings will depend on our ability to influence the management of each investee company. Therefore, where LC determines that it has limited ability to influence and control the consideration of ESG issues in connection with an investment, LC will apply this ESG policy on a best reasonable effort basis.

LC endeavors to implement stewardship activities across our fixed income portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on investment size, holding period, and level of influence over investee entities.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our fixed income investments, considering investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific investment strategies.

Where ESG integration or stewardship activities face limitations, LC will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

4. Ownership and Responsibility

Fund Managers overseeing investments in fixed income instruments are responsible for implementation and update of the ESG Policy, and the entire team is responsible for adherence to this Policy.

Fund Manager responsibilities include:

- Integrating ESG considerations into fixed income investment decision-making processes
- Conducting ESG due diligence and monitoring for fixed income issuers
- Implementing stewardship activities where appropriate for fixed income investments
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions

5. ESG Considerations in Investment Process

LC aims to consider systematic sustainability factors in our fixed income investment processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across our fixed income portfolio.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

5.1 Initial Screening

- LC strives to filter out fixed income instruments of companies with business activities listed on the IFC Exclusion List (see Appendix I), and will reasonably minimize, and ideally not recommend and completely avoid investments in such companies.
- After initial evaluations, LC will categorize investments based on their environmental and social impact, avoiding those with the highest concerns and conducting further due diligence on others as necessary.
- LC strives to apply a positive screening approach, actively seeking out companies that contribute to positive financial, environmental, or social outcomes, or a combination of all three.
- Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine decent work, gender equality, or strong institutions, will be subject to enhanced screening.
- Sustainable Financing

- LC holds a favorable outlook towards issuers actively engaged in fostering positive financial and ESG outcomes, encompassing advancements in environmental, social, and governance aspects.
 - LC acknowledges issuances with clearly defined targets for ESG outcomes within the issuer or among its stakeholders in a positive light.
- When investing in bond markets, LC aims to consider relevant standards to assess the credentials of issuers' green and sustainable frameworks.
- The provision of sustainability-linked and green loans by LC may take into account the issuer's adherence to established principles and the robustness of their policies.
- LC plans to periodically review and possibly update its screening processes to incorporate material ESG factors in fixed income investments.
- LC seeks to prioritize sustainable financing instruments that demonstrate clear alignment with sustainability outcomes and contribute to addressing systematic sustainability issues.

5.2 Due Diligence

- LC aims to identify key ESG issues of assessed issuers using appropriate tools and resources.
- LC intends to utilize publicly available information and appropriate platforms during its research to identify significant issues.
- LC's objective is to consider relevant ESG factors in assessing the credit quality of fixed income investments, including assessing quantitative information on material ESG factors.
- Our due diligence is guided by IFC Performance Standards.
- ESG due diligence will consider potential contributions to sustainability outcomes and alignment with relevant UN SDG principles where applicable.
- Assessment of environmental factors including climate-related risks and opportunities, transition climate risk, biodiversity impact, and resource efficiency.
- Evaluation of social factors including product and customer responsibility, data protection, gender and diversity, employee engagement, human rights, and health and safety practices.
- Analysis of governance factors including board composition, audit committee structure, bribery and corruption, executive compensation, cybersecurity processes, and supply chain responsibility.

5.3 Investment Decision

- At LC, our investment strategy aims to integrate ESG considerations broadly. By employing due diligence and utilizing various sources of publicly available data and insights, we strive to ensure that our investment decisions are guided by relevant ESG insights, aligning our practices with principles of sustainable and responsible investing.
- For each investment, relevant ESG representations, warranties, and covenants shall be incorporated into the investment memo.
- Investment decisions will consider the issuer's contribution to positive sustainability outcomes and alignment with systematic sustainability objectives.
- ESG integration methodology will be documented and updated to reflect evolving best practices and sustainability frameworks.

5.4 Monitoring

- LC aims to oversee ongoing compliance and evaluate its adherence to ESG criteria for fixed income holdings, adjusting as needed.
- LC endeavors to monitor ESG risks and incidents, assessing any occurrences to determine potential actions, which could involve adjustments to investments.
- LC seeks to inform clients about ESG considerations to support their decision-making processes.
- Where feasible, monitoring will assess contributions to positive sustainability outcomes and relevant sustainability objectives.
- LC will track ESG performance metrics and climate-related performance indicators for fixed income holdings where data is available.
- Regular review of systematic sustainability issues that may impact portfolio performance and long-term value creation.

6. Stewardship in Fixed Income

- Recognizing the limited influence available through fixed income investments, LC will implement stewardship activities where appropriate and feasible, including:
- Engagement with issuers on material ESG issues where LC holds significant positions
- Collaborative engagement initiatives with other fixed income investors
- Support for sustainable finance standards and frameworks through industry participation
- Communication of ESG expectations to issuers during investment evaluation and ongoing monitoring
- Our stewardship activities in fixed income will focus on:
 - Promoting transparency on sustainability outcomes and ESG performance
 - Encouraging adoption of sustainable financing frameworks
 - Supporting improvements in ESG disclosure and reporting practices

7. Disclosure and Reporting

- LC may include the following in our regular reporting to clients:
 - ESG screening methodologies and any changes to ESG screens for fixed income investments
 - Climate risk metrics including exposure to physical and transition risks
 - Sustainability outcomes and contributions to UN SDG principles
 - ESG risk performance metrics for fixed income holdings
 - Stewardship activities and engagement outcomes where applicable
- The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

Appendix I

IFC Exclusion List

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions¹.
- Production or trade in alcoholic beverages (excluding beer and wine).¹
- Production or trade in tobacco.¹
- Gambling, casinos and equivalent enterprises.¹
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Appendix II

IFC Performance Standards²

The IFC Performance Standards are used to manage social and environmental risks and impacts to enhance development opportunities in emerging markets. The eight Performance Standards are summarized below:

- **Performance Standard 1:** Social and Environmental Assessment and Management System
- **Performance Standard 2:** Labor and Working Conditions
- **Performance Standard 3:** Pollution Prevention and Abatement
- **Performance Standard 4:** Community Health, Safety and Security
- **Performance Standard 5:** Land Acquisition and Involuntary Resettlement
- **Performance Standard 6:** Biodiversity Conservation and Sustainable Natural Resource Management
- **Performance Standard 7:** Indigenous Peoples
- **Performance Standard 8:** Cultural Heritage

¹ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

² <https://www.ifc.org/wps/wcm/connect/3f3419f4-6043-4984-a42a-36f3cfaf38fd/IFC%2BPerformance%2BStandards.pdf?MOD=AJPERES&CVID=jkC.Eka&id=1322803957411>



LIGHTHOUSE CANTON PTE. LTD.
REAL ESTATE
RESPONSIBLE INVESTMENT POLICY

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1. Our Mission

At Neovantage Innovation Parks, we hold a profound respect for the implications of our decisions on the environment and community. Our unwavering focus on creating value extends beyond economic considerations to include sustainable practices and operations.

Our mission is to build a greener, safer, healthier, and more inclusive ecosystem that benefits all our stakeholders. We strive to enhance the performance and resiliency of our buildings while minimizing environmental impact. We provide cutting-edge, energy-efficient, and sustainable real estate solutions. We prioritize active engagement with our occupiers, employees, and local communities. Through our social development programs, we promote health, well-being, training, and social impact. We uphold the highest standards of corporate governance, continually improving processes to align with global best practices. Emphasizing digital agility and technology, we strengthen governance, advance value creation, and ensure transparency and accountability for all stakeholders.

As a responsible real estate investor and developer, we endeavor to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our real estate activities while addressing systematic sustainability issues that may impact long-term value creation.

2. Our Guiding Principles

1. We will evaluate and factor ESG risks into all our investment decisions and adhere to ESG compliance stipulated by India officials while considering systematic sustainability risks and opportunities.
2. We will strive to adhere to the industry leading green building standards and seek alignment with sustainability outcomes and responsible investment principles.
3. We will remain updated on ESG best practices and strive to continually improve upon our own ESG Policy including our contribution to positive sustainability outcomes.
4. We further endeavor to align our responsible investment activities with relevant global sustainability frameworks, including the United Nations Sustainable Development Goals (UN SDGs), where applicable to our real estate investment mandate and fiduciary responsibilities.

3. Strategies

1. Target to establish Key Performance Indicators (KPIs) for Energy Efficiency and Savings (including both renewable and nonrenewable sources), Water Consumption Efficiency, and Waste Management.
2. Endeavor to set measurable targets for reducing energy consumption, water usage, and waste production through strategic initiatives aligned with global best practices.
3. Periodically audit facilities and operators to ensure adherence to established environmental management protocols and legal requirements.
4. Aim to produce and share quarterly, semi-annual, and annual environmental reports, prepared by on-site teams.
5. Aim to minimize reportable environmental incidents in operations while staying updated on legislative changes and maintaining compliance with relevant environmental laws.

6. We report targets on material ESG factors and related data to our investors through investor meetings. We may also report in aggregate through formal reporting at events.
7. Develop stewardship activities with tenants and occupiers to promote ESG best practices and sustainability outcomes within our properties.
8. Implement systematic sustainability risk assessment and management processes to address climate change, biodiversity, and social impacts across our portfolio.
9. Establish monitoring and reporting frameworks to track contributions to UN SDG principles, particularly those related to sustainable cities and communities (SDG 11), decent work and economic growth (SDG 8), and climate action (SDG 13).

4. Scope and Limitations

As a provider of Real Estate and Facility Management, with a strong focus on Sustainability and Innovation, we have integrated specific ESG criteria into our project development, management, and operations. However, as our role is primarily that of a developer and lessor, our ability to incorporate these criteria may vary depending on our influence over each tenant/occupier's management practices. Consequently, in cases where we have limited control, we will implement this ESG policy to the best of our reasonable ability.

We endeavour to implement stewardship activities across our real estate portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on property type, tenant relationships, and level of influence over occupier practices.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our real estate investments, considering investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific properties and developments.

Where ESG integration or stewardship activities face limitations, we will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

5. Ownership and Responsibility

Lighthouse Canton is responsible for overlooking the implementation and updating of the ESG Policy and the entire team is responsible for adherence to this Policy.

Our responsibilities include:

- Integrating ESG considerations into real estate investment decision-making processes
- Conducting ESG due diligence and monitoring for properties and developments
- Implementing stewardship activities with tenants and occupiers
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with ESG guidelines and green building standards
- Participating in collaborative initiatives to advance sustainable real estate practices

6. Enhancing ESG Practices and Compliance

We aim to consider systematic sustainability factors in our real estate investment processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across our real estate portfolio.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and industry (SDG 9)
- Peace, justice and strong institutions (SDG 16)

6.1 Environmental

- We aim to align our construction practices with environmental standards and explore obtaining certifications from recognized rating agencies.
- We strive to maintain high standards for air and water quality, waste management, and consider transitioning towards renewable energy.
- Our building designs are intended to prioritize energy efficiency and environmental friendliness, with a focus on minimizing environmental impacts and evaluating the use of safe materials.
- We plan to manage our resources in a way that supports the optimal functionality and longevity of major equipment, aiming to reduce waste and consumption.
- We explore implementing water conservation strategies that include water-saving technologies.
- Our waste management strategy is designed to minimize waste generation and promote resource efficiency, with a commitment to ensuring the safe disposal of all waste types.
- We support initiatives that promote environmental restoration and biodiversity, as appropriate.
- We plan to develop metrics to assess and potentially improve the efficiency of our operations, focusing on energy and water usage, waste management, and air quality.

6.1.1 Enhanced Environmental Factors

- Climate change mitigation and adaptation strategies including physical and transition risk assessment
- Carbon emissions reduction targets and monitoring across property portfolio
- Biodiversity conservation and ecosystem restoration initiatives
- Deforestation prevention and sustainable sourcing of construction materials
- Ocean sustainability considerations in coastal developments
- Circular economy principles in construction and operations
- Green infrastructure and nature-based solutions integration
- Environmental impact assessment aligned with sustainability outcomes

6.2 Social

- We aim to engage stakeholders to explore ways of enhancing wellness and supporting a healthy work environment. We will consider amenities that encourage well-being.
- We plan to explore community engagement through a variety of initiatives that may address health, education, and skill development, potentially in collaboration with local organizations.
- We aim to provide opportunities for stakeholders to participate in diverse activities that foster community engagement and enhance quality of life.
- We are committed to considering employment opportunities for locals and local businesses in various operational aspects to potentially support and strengthen local economies.

6.2.1 Enhanced Social Factors

- Gender equality and diversity promotion in tenant selection and community programs
- Community relations and social impact measurement
- Human rights compliance in construction and operations
- Labor standards and working conditions for all service providers
- Health and safety practices across all properties and developments
- Data protection and privacy for tenants and occupiers
- Affordable housing and inclusive development initiatives
- Social outcome measurement aligned with UN SDG principles

6.3 Governance

- We are committed to complying with the laws of the countries where we operate, encompassing various aspects but not limited to statutory reporting, property taxes, operational requirements, project development permits, and safety and environmental protocols.
- We engage in practices such as background checks and screenings on relevant parties to support transparency and integrity in our operations.
- We are committed to ensuring that companies or tenants meet or exceed regulatory compliance before commencing operations within our facilities. This may include obtaining necessary permits such as Consent for Establishment and Consent for Operations from State Pollution Control Boards (SPCBs), along with any other sector-specific permits or licenses mandated by regulatory authorities.
- We aim to develop and refine systems and processes to support policies that may include aspects like ethical standards, risk mitigation, and promoting an inclusive work environment.
- We strive to monitor tenants' ongoing compliance with laws and nudge management of the tenants to work towards continuous improvements on ESG matters, and to periodically produce environmental reports prepared by our on-site team.

6.3.1 Enhanced Governance Factors

- Board composition and audit committee structure for oversight of ESG matters
- Bribery and corruption prevention across all operations and tenant relationships
- ESG strategy integration and executive compensation alignment
- Cybersecurity processes, controls, and risk assessments for property management systems
- Supply chain resiliency and responsibility in construction and operations
- Transparency in political contributions and lobbying activities
- Stakeholder engagement and grievance mechanisms

- Governance practices that support peace, justice and strong institutions (SDG 16)

7. Stewardship and Engagement

We are committed to promoting and exercising effective stewardship among our tenants, occupiers, and service providers. Our stewardship activities include:

7.1 Tenant and Occupier Engagement

- Material ESG factors affecting property performance and tenant operations
- Opportunities for collaborative sustainability initiatives
- Green lease provisions and sustainability requirements
- Training and capacity building on ESG best practices
- Regular ESG performance monitoring and reporting

7.2 Community Engagement

- Local community consultation on development projects
- Social impact assessment and mitigation measures
- Partnership with local organizations for community development
- Support for local economic development and employment

7.3 Industry Collaboration

- Participation in sustainable real estate industry initiatives
- Sharing best practices with other real estate developers and investors
- Collaboration with green building certification bodies
- Support for policy development in sustainable urban development

8. Monitoring and Reporting

We aim to establish comprehensive monitoring and reporting frameworks that include:

8.1 Environmental Monitoring

- Energy consumption and carbon emissions tracking
- Water usage efficiency and conservation measures
- Waste management and circular economy metrics
- Biodiversity and ecosystem impact assessment
- Climate risk and resilience indicators

8.2 Social Impact Monitoring

- Community engagement and satisfaction surveys
- Local employment and economic impact measurement
- Health and safety incident tracking
- Tenant satisfaction and well-being indicators
- Diversity and inclusion metrics

8.3 Governance Performance

- Compliance monitoring across all properties and operations
- ESG training completion rates
- Stakeholder engagement effectiveness

- Transparency and disclosure quality

9. Disclosure and Reporting

We may include the following in our regular reporting to stakeholders:

- ESG performance metrics across our property portfolio
- Climate risk metrics including exposure to physical and transition risks
- Sustainability outcomes and contributions to UN SDG principles
- Green building certifications and sustainability credentials
- Community impact and social development program outcomes
- Tenant engagement and satisfaction results
- Stewardship activities and their effectiveness
- Alignment with sustainable real estate frameworks and standards

The specific content and frequency of such reporting will be determined based on stakeholder requirements, regulatory obligations, and industry best practices.



LIGHTHOUSE CANTON PTE. LTD.
SUPPLY CHAIN CREDIT
RESPONSIBLE INVESTMENT POLICY

v.2 2024

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1. Our Mission

Supply chains are the backbone of businesses – and by extension, sustainable supply chains are vital in the transition towards a greener, more inclusive, and diverse world. It is imperative therefore that Lighthouse Canton (“LC”) supports such transformation of supply chains by channeling capital into companies that encourage positive societal and environmental best practices in their supply chain practices. Our Environmental, Social and Governance (ESG) principles and investment approach set out below will guide us in our investment decisions and reflect our commitment to creating value for our investors through responsible investing.

As a responsible investor, LC endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our supply chain credit activities while addressing systematic sustainability issues that may impact long-term value creation across global supply chains.

2. Our Guiding Principles

1. Our objective is to evaluate and factor ESG risks into all our investment decisions and adhere to IFC Exclusion List and Environmental and Social Categorization while considering systematic sustainability risks and opportunities across supply chains.
2. Our goal is to remain a UNPRI signatory and fulfill its requirement with respect to the PRI annual reporting framework including our contribution to positive sustainability outcomes.
3. We endeavor to participate in working groups and associations to promote ESG policies through policy engagement and collaboration with standard setters in sustainable supply chain finance.
4. We strive to remain updated on ESG best practices and strive to continually improve upon our own ESG Policy and address systematic sustainability issues through our supply chain financing activities.

3. Scope and Limitations

The Supply Chain Credit Fund provides short-term debt facilities catered towards small-medium enterprises, mid-market and larger corporates that have significant revenue streams from cross-border transactions. LC has incorporated certain ESG criteria that we believe are important to making investment decisions. However, given our limited role as a lender, our approach to incorporating some of our ESG findings will depend on our ability to influence the management of each investee company. Therefore, where LC determines that it has limited ability to influence and control the consideration of ESG issues in connection with an investment, LC will apply this ESG policy on a best reasonable effort basis.

LC endeavors to implement stewardship activities across our supply chain credit portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on investment size, loan tenure, and level of influence over borrower entities.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our supply chain credit investments, considering investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific supply chain financing strategies.

Where ESG integration or stewardship activities face limitations, LC will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

4. Ownership and Responsibility

The Fund Manager is responsible for implementation and update of the ESG Policy, and the entire team is responsible for adherence to this Policy.

Fund Manager responsibilities include:

- Integrating ESG considerations into supply chain credit decision-making processes
- Conducting ESG due diligence and monitoring for borrower companies and their supply chains
- Implementing stewardship activities where appropriate for supply chain credit investments
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions
- Promoting supply chain sustainability best practices among borrowers

5. ESG Considerations in Investment Process

LC aims to consider systematic sustainability factors in our supply chain credit processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across global supply chains.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

The scope and methodology of ESG integration will be adapted to supply chain financing, considering our capacity to influence outcomes through lender requirements and engagement practices.

5.1 Initial Screening

The Fund will not invest in companies with business activities listed on the IFC Exclusion List (see Appendix I) and such companies will be filtered out at the time of screening.

After initial evaluations, LC will categorize investments based on their environmental and social impact, avoiding those with the highest concerns and conducting further due diligence on others as necessary.

LC strives to apply a positive screening approach, actively seeking out companies that contribute to positive financial, environmental, or social outcomes, or a combination of all three.

LC also abstains from investing in companies engaged solely in commodity trading without direct end-consumer involvement, as such business models carry heightened risks of fraudulent activity. These companies are excluded from consideration prior to the commencement of due diligence.

Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine decent work, gender equality, or strong institutions, will be subject to enhanced screening. Supply chain practices that contribute to systematic sustainability issues such as forced labor, environmental degradation, or human rights violations will be carefully evaluated and may result in exclusion.

5.2 Due diligence

LC plans to employ a broad ESG assessment tool to gain insights into the business models and ESG practices of companies.

The areas of focus in the ESG assessment may include general business operations and how companies integrate ESG considerations into their practices.

LC's due diligence efforts could involve:

- Exploring how companies consider ESG factors in their business relationships and practices.
- Reviewing the general alignment of companies with ESG standards and regulatory requirements.
- Engaging with company management to understand their approach to ESG challenges and opportunities.

ESG due diligence will consider potential contributions to sustainability outcomes and alignment with relevant UN SDG principles where applicable.

5.3 Supply Chain-Specific ESG Assessment

- Supply chain resiliency and responsibility across the value chain
- Labor standards and working conditions throughout supply networks
- Environmental impact assessment including carbon footprint, waste management, and resource efficiency
- Human rights compliance and monitoring systems
- Anti-corruption and ethical business practices
- Supplier diversity and local economic development
- Traceability and transparency in supply chain operations
- Climate risk management and adaptation strategies

5.4 Environmental Factors Assessment

- Climate change impact and carbon emissions across supply chains
- Resource efficiency and circular economy practices
- Waste management and pollution prevention
- Biodiversity impact and ecosystem conservation
- Water stewardship and management
- Sustainable sourcing and procurement practices
- Transition climate risk and opportunities

5.5 Social Factors Assessment

- Product and customer responsibility throughout supply chains
- Data protection and privacy practices
- Gender equality and diversity in supply chain operations
- Community relations and social impact
- Health and safety practices across supply networks
- Fair trade and ethical sourcing practices

5.6 Governance Factors Assessment

- Board composition and supply chain oversight
- Cybersecurity processes and supply chain security
- Bribery and corruption prevention across supply networks
- Executive compensation alignment with sustainability outcomes
- Supply chain governance and risk management systems

5.7 Investment Decision

The investment evaluation process at LC aims to systematically consider ESG factors. This involves reviewing findings from ESG assessments as part of the overall evaluation process. Highlighted ESG risks are considered in order to integrate them into the decision-making framework. These risks are regarded as important elements in assessing the viability and sustainability of potential investments, ensuring that ESG considerations are factored into strategic decisions.

For each transaction, relevant ESG representations, warranties and covenants shall be incorporated into deal documentation.

Investment decisions will consider the company's contribution to positive sustainability outcomes and alignment with systematic sustainability objectives where material.

ESG integration methodology will be documented and updated to reflect evolving best practices and supply chain sustainability frameworks.

Loan terms may include ESG-linked covenants and performance indicators where appropriate.

5.8 Monitoring

Aim to oversee regulatory compliance among portfolio companies and strive to support continuous improvement in ESG practices within portfolio companies. LC also aims to furnish investee company with a copy of IFC Performance Standards for their information (See Appendix II).

Where feasible, monitoring will assess contributions to positive sustainability outcomes and relevant sustainability objectives. LC will track ESG performance metrics and supply chain sustainability indicators for borrower companies where data is available. Regular review of systematic sustainability issues that may impact supply chain performance and long-term value creation. Monitoring of supply chain ESG incidents and their resolution. Assessment of borrower progress on supply chain sustainability commitments and targets.

6. Stewardship and Engagement

Recognizing the limited influence available through short-term debt facilities, LC will implement stewardship activities where appropriate and feasible, including:

- Engagement with borrowers on material supply chain ESG issues
- Collaborative engagement initiatives with other supply chain finance providers

- Support for supply chain sustainability standards and frameworks through industry participation
- Communication of ESG expectations to borrowers during loan evaluation and ongoing monitoring
- Promotion of responsible supply chain practices through loan documentation and covenants

Our stewardship activities in supply chain credit will focus on:

- Promoting transparency on supply chain sustainability outcomes and ESG performance
- Encouraging adoption of sustainable supply chain management frameworks
- Supporting improvements in supply chain ESG disclosure and reporting practices
- Advancing responsible consumption and production practices (SDG 12)

7. Supply Chain Sustainability Framework

LC recognizes the critical role of sustainable supply chains in achieving global sustainability goals. Our approach includes:

7.1 Supply Chain Risk Assessment

- Identification of systematic sustainability risks across supply networks
- Assessment of climate change impacts on supply chain resilience
- Evaluation of social and human rights risks in supply chains
- Analysis of governance and corruption risks in supply chain operations

7.2 Positive Impact Promotion

- Support for suppliers implementing sustainable practices
- Encouragement of local sourcing and community economic development
- Promotion of circular economy principles in supply chain operations
- Advancement of gender equality and diversity in supply networks

7.3 Collaborative Initiatives

- Participation in industry initiatives for sustainable supply chain finance
- Collaboration with other lenders on supply chain ESG standards
- Support for multi-stakeholder initiatives addressing supply chain sustainability

8. Disclosure and Reporting

LC may include the following in our regular reporting to clients:

- ESG screening methodologies and any changes to ESG screens for supply chain credit investments
- Supply chain sustainability metrics and performance indicators
- Climate risk metrics including exposure to physical and transition risks across supply chains
- Sustainability outcomes and contributions to UN SDG principles
- ESG risk performance metrics for supply chain credit holdings
- Stewardship activities and engagement outcomes where applicable
- Supply chain ESG incident reporting and resolution

The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

Appendix I

IFC Exclusion List

Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.

Production or trade in weapons and munitions¹.

Production or trade in alcoholic beverages (excluding beer and wine).¹

Production or trade in tobacco.¹

Gambling, casinos and equivalent enterprises.¹

Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Appendix II

IFC Performance Standards²

The IFC Performance Standards are used to manage social and environmental risks and impacts to enhance development opportunities in emerging markets. The eight Performance Standards are summarized below:

Performance Standard 1: Social and Environmental Assessment and Management System

Performance Standard 2: Labor and Working Conditions

Performance Standard 3: Pollution Prevention and Abatement

Performance Standard 4: Community Health, Safety and Security

Performance Standard 5: Land Acquisition and Involuntary Resettlement

Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

Performance Standard 7: Indigenous Peoples

Performance Standard 8: Cultural Heritage

¹ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

² <https://www.ifc.org/wps/wcm/connect/3f3419f4-6043-4984-a42a-36f3cfaf38fd/IFC%2BPerformance%2BStandards.pdf?MOD=AJPERES&CVID=jkC.Eka&id=1322803957411>



LIGHTHOUSE CANTON PTE. LTD.
VENTURE DEBT
RESPONSIBLE INVESTMENT POLICY

v.2 2024

Document Revision History

This section represents the changing history of Responsible Investment Policy. The policy is periodically reviewed and revised, and updates are reflected in the most recent version of the policy, which is duly reviewed and approved, before its release to employees.

Revision History

Version	Date	Author	Scope/Description
1.0	1 st September 2023	Shankhadeep Nath and Randy Poh	Creation of Responsible Investment Policy
2.0	01 September 2024	Shankhadeep Nath and Arnav Kathuria	Added UN SDG integration, expanded stewardship guidelines, and enhanced sustainability outcomes framework

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1. Our Mission

We believe that today's startups hold the potential to become tomorrow's industry leaders. Leveraging technology, these startups possess the ability to drive transformative change, unlocking a future characterized by sustainability, inclusivity, and diversity. By harnessing innovation and embracing forward-thinking approaches, startups can play a pivotal role in shaping a better, greener, and more equitable future. It is imperative therefore Lighthouse Canton ("LC") supports these startups by channeling capital into such companies that encourage positive societal and environmental best practices serve the act as role models for the future generation. Our Environmental, Social and Governance (ESG) principles and investment approach set out below will guide us in our investment decisions and reflect our commitment to creating value for our investors through responsible investing.

As a responsible investor, LC endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our venture debt activities while addressing systematic sustainability issues that may impact long-term value creation in the innovation ecosystem.

2. Our Guiding Principles

1. Our objective is to evaluate and factor ESG risks into all our investment decisions and adhere to IFC Exclusion List and Environmental and Social Categorization while considering systematic sustainability risks and opportunities in early-stage and growth companies.
2. Our goal is to remain a UNPRI signatory and fulfill its requirement with respect to the PRI annual reporting framework including our contribution to positive sustainability outcomes.
3. We endeavor to participate in working groups and associations to promote ESG policies through policy engagement and collaboration with standard setters in sustainable innovation financing.
4. We strive to remain updated on ESG best practices and strive to continually improve upon our own ESG Policy and address systematic sustainability issues through our venture debt activities.

3. Scope and Limitations

Given our focus on venture capital-backed early stage and growth companies, we have incorporated certain ESG criteria that we believe are important to making investment decisions. These criteria are chosen for their relevance to our investment goals. Incorporating ESG considerations helps us mitigate risks and enhance long-term sustainability for our investments. However, given our limited role as a lender, our approach to incorporating some of our ESG findings will depend on our ability to influence the management of each investee company. Therefore, where LC determines that it has limited ability to influence and control the consideration of ESG issues in connection with an investment, LC will apply this ESG policy on a best reasonable effort basis.

LC endeavors to implement stewardship activities across our venture debt portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on company stage, investment size, and level of influence over startup management.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our venture debt investments, considering investment mandates,

fiduciary responsibilities, and the materiality of ESG factors to specific innovation sectors and company stages.

Where ESG integration or stewardship activities face limitations, LC will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

4. Ownership and Responsibility

The Fund Manager is responsible for implementation and update of the ESG Policy, and the entire team is responsible for adherence to this Policy.

Fund Manager responsibilities include:

- Integrating ESG considerations into venture debt decision-making processes
- Conducting ESG due diligence and monitoring for the portfolio company
- Implementing stewardship activities where appropriate for venture debt investments
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions
- Promoting ESG best practices among portfolio companies
- Supporting innovation in sustainable technologies and business models

5. ESG Considerations in Investment Process

LC aims to consider systematic sustainability factors in our venture debt processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities for innovative companies.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

The scope and methodology of ESG integration will be adapted to portfolio companies, considering the evolving nature of business models and their potential for positive impact.

5.1 Initial Screening

The Fund will not invest in companies with business activities listed on the IFC Exclusion List (see Appendix I) and such companies will be filtered out at the time of screening.

After initial evaluations, LC will categorize investments based on their environmental and social impact, avoiding those with the highest concerns and conducting further due diligence on others as necessary.

LC strives to apply a positive screening approach, actively seeking out companies that contribute to positive financial, environmental, or social outcomes, or a combination of all three.

Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine innovation for sustainability, gender equality, decent work, or strong institutions, will be subject to enhanced screening. Particular attention will be given to innovative technologies and business models that address systematic sustainability challenges and contribute to positive environmental and social outcomes.

5.2 Due diligence

LC aims to evaluate investee companies using an internal ESG framework, considering various key criteria.

LC plans to distribute and review an ESG questionnaire tailored for the specific nature of companies, integrating responses into its broader ESG assessment process. The questionnaire aims to cover essential ESG domains.

The due diligence of LC's Venture Debt practices shall also include:

- Reviewing investees' ESG policies and compliance with relevant licenses, focusing on environmental, health, and safety aspects.
- Considering KYC checks to verify adherence to ESG criteria.
- Potentially conducting interviews with management to understand their focus on and approach to ESG issues and assessing alignment with ESG goals.

ESG due diligence will consider potential contributions to sustainability outcomes and alignment with relevant UN SDG principles where applicable.

5.3 Innovation-Focused ESG Assessment

- Assessment of innovative technologies' potential for positive environmental and social impact
- Evaluation of business models' contribution to sustainable development
- Analysis of scalability and potential for systematic positive change
- Review of intellectual property and technology ethics considerations
- Assessment of data privacy and cybersecurity practices for tech startups

5.4 Environmental Factors Assessment

- Climate change mitigation potential through innovative solutions
- Resource efficiency and circular economy principles in business models
- Environmental impact of technology development and deployment
- Energy efficiency and renewable energy integration
- Waste reduction and sustainable production practices
- Biodiversity conservation through technological innovation

5.5 Social Factors Assessment

- Product and service accessibility and inclusivity
- Data protection and privacy safeguards
- Gender equality and diversity in founding teams and workforce
- Community impact and stakeholder engagement
- Labor standards and working conditions

- Health and safety considerations for innovative products and services
- Educational and skill development contributions

5.6 Governance Factors Assessment

- Board composition and startup governance structures
- Ethical AI and algorithm development practices
- Cybersecurity processes and data governance
- Intellectual property protection and fair licensing
- Anti-corruption and ethical business practices
- Transparency in technology development and deployment
- Stakeholder engagement and responsible innovation practices

5.7 Investment Decision

The investment evaluation process at LC aims to systematically consider ESG factors. This involves reviewing findings from ESG assessments as part of the overall evaluation process. Highlighted ESG risks are considered in order to integrate them into the decision-making framework. These risks are regarded as important elements in assessing the viability and sustainability of potential investments, ensuring that ESG considerations are factored into strategic decisions.

For each transaction, relevant ESG representations, warranties and covenants shall be incorporated into deal documentation.

Investment decisions will consider the startup's potential contribution to positive sustainability outcomes and alignment with systematic sustainability objectives where material. Special consideration will be given to companies developing innovative solutions to address UN SDG challenges. ESG integration methodology will be documented and updated to reflect evolving best practices in sustainable innovation financing.

5.8 Monitoring

Aim to oversee regulatory compliance among portfolio companies and strive to support continuous improvement in ESG practices within portfolio companies. LC also aims to furnish investee company with a copy of IFC Performance Standards for their information (See Appendix II).

Where feasible, monitoring will assess contributions to positive sustainability outcomes and relevant sustainability objectives. LC will endeavor to track ESG performance metrics and innovation impact indicators for portfolio companies where data is available. Regular review of systematic sustainability issues that may impact company performance and long-term value creation. Assessment of technology development progress and its alignment with sustainability commitments. Monitoring company growth and scaling in alignment with ESG principles.

6. Stewardship and Innovation Support

Recognising the unique characteristics of venture-backed startups, LC will implement stewardship activities where appropriate and feasible, including:

- Engagement with startup management on material ESG issues and sustainability opportunities
- Support for ESG framework development in early-stage companies

- Connection with ESG expertise and sustainable innovation networks
- Collaborative engagement initiatives with other venture debt providers and venture capital firms
- Promotion of responsible innovation and ethical technology development

Our stewardship activities in venture debt will focus on:

- Supporting startups in developing robust ESG frameworks appropriate to their stage and sector
- Encouraging adoption of responsible innovation practices
- Promoting diversity and inclusion in startup teams and operations
- Facilitating knowledge sharing on sustainable business model development

6.1 Innovation for Sustainability Framework

LC recognizes the critical role of innovative startups in addressing global sustainability challenges. Our approach includes:

6.1.1 Sustainable Innovation Assessment

- Identification of technologies and business models addressing systematic sustainability issues
- Assessment of scalability potential for positive impact
- Evaluation of innovation's contribution to UN SDG objectives
- Analysis of technology's potential for transformative change

6.1.2 Responsible Innovation Promotion

- Support for ethical technology development practices
- Encouragement of inclusive innovation that benefits diverse communities
- Promotion of circular economy principles in startup business models
- Advancement of climate-tech and social innovation solutions

6.1.3 Ecosystem Development

- Participation in sustainable innovation networks and initiatives
- Collaboration with venture capital firms on ESG best practices
- Support for startup ecosystem development aligned with sustainability goals
- Knowledge sharing on responsible innovation financing

7. Disclosure and Reporting

LC may include the following in our regular reporting to clients:

- ESG screening methodologies and any changes to ESG screens for venture debt investments
- Innovation impact metrics and sustainability performance indicators
- Climate risk metrics including exposure to physical and transition risks
- Sustainability outcomes and contributions to UN SDG principles
- ESG risk performance metrics for venture debt holdings
- Stewardship activities and engagement outcomes with portfolio startups
- Innovation for sustainability case studies and success stories
- Portfolio alignment with sustainable innovation frameworks and standards

The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

Appendix I

IFC Exclusion List

Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.

Production or trade in weapons and munitions¹.

Production or trade in alcoholic beverages (excluding beer and wine).²

Production or trade in tobacco.²

Gambling, casinos and equivalent enterprises.²

Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Appendix II

IFC Performance Standards²

The IFC Performance Standards are used to manage social and environmental risks and impacts to enhance development opportunities in emerging markets. The eight Performance Standards are summarized below:

Performance Standard 1: Social and Environmental Assessment and Management System

Performance Standard 2: Labor and Working Conditions

Performance Standard 3: Pollution Prevention and Abatement

Performance Standard 4: Community Health, Safety and Security

Performance Standard 5: Land Acquisition and Involuntary Resettlement

Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

Performance Standard 7: Indigenous Peoples

Performance Standard 8: Cultural Heritage

¹ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

² <https://www.ifc.org/wps/wcm/connect/3f3419f4-6043-4984-a42a-36f3cfaf38fd/IFC%2BPerformance%2BStandards.pdf?MOD=AJPERES&CVID=jkC.Eka&id=1322803957411>



LIGHTHOUSE CANTON PTE. LTD.
PRIVATE EQUITY
RESPONSIBLE INVESTMENT POLICY

v.1 2024

Document Revision History

This section represents the changing history of Responsible Investment Policy. The policy is periodically reviewed and revised, and updates are reflected in the most recent version of the policy, which is duly reviewed and approved, before its release to employees.

Revision History

Version	Date	Author	Scope/Description
1.0	01 September 2024	Shankhadeep Nath and Arnav Kathuria	Creation of Responsible Investment Policy

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1. Our Mission

Private equity represents a unique opportunity to drive transformative change in portfolio companies through active ownership and strategic value creation. We believe that today's private companies hold the potential to become tomorrow's industry leaders, wielding significant influence through their operations to foster a more sustainable, inclusive, and diverse world.

Therefore, it is imperative that Lighthouse Canton ("LC") supports these enterprises by channeling capital into companies that champion positive societal and environmental practices, serving as exemplars for future generations while creating superior long-term returns for our investors. Our Environmental, Social, and Governance (ESG) principles and investment approach set out below will guide us in our investment decisions and reflect our commitment to creating value through responsible investing and active ownership.

As a responsible investor, LC endeavors to contribute to positive sustainability outcomes aligned with global frameworks, including relevant United Nations Sustainable Development Goals (UN SDGs). We seek to promote sustainable development through our private equity activities while addressing systematic sustainability issues that may impact long-term value creation in our portfolio companies.

2. Our Guiding Principles

1. Our objective is to evaluate and factor ESG risks into all our investment decisions and adhere to the IFC Exclusion List and Environmental and Social Categorization while considering systematic sustainability risks and opportunities in private companies.
2. Our goal is to remain a UNPRI signatory and fulfill its requirement with respect to the PRI annual reporting framework, including our contribution to positive sustainability outcomes.
3. We endeavor to participate in working groups and associations to promote ESG policies through policy engagement and collaboration with standard setters in private equity and ESG best practices.
4. We strive to remain updated on ESG best practices and continually improve upon our own ESG Policy and address systematic sustainability issues through our private equity activities.

5. We commit to active ownership and stewardship of our portfolio companies, leveraging our influence to drive positive ESG outcomes and long-term value creation.

3. Scope and Limitations

This document focuses on investments in private companies across regions, industries, and development stages, ranging from growth capital to buyout transactions. LC has incorporated specific ESG criteria that we believe are important to making investment decisions and managing portfolio companies' post-investment.

Given our role as an active owner with significant influence over portfolio company management, we have enhanced capabilities to implement ESG improvements and drive positive change. However, the extent of our influence may vary depending on our ownership stake, board representation, and specific investment structures.

LC endeavors to implement stewardship activities across our private equity portfolio, recognizing that the nature and extent of stewardship tools and engagement may vary depending on company stage, investment size, ownership percentage, and level of influence over portfolio company management.

Our approach to addressing systematic sustainability issues and contributing to sustainability outcomes will be applied proportionately across our private equity investments, considering investment mandates, fiduciary responsibilities, and the materiality of ESG factors to specific sectors and company stages.

Where ESG integration or stewardship activities face limitations, LC will seek to identify alternative approaches to responsible investment implementation and will transparently communicate any constraints to relevant stakeholders.

4. Ownership and Responsibility

The Fund Manager is responsible for implementation and update of the ESG Policy, and the entire team is responsible for adherence to this Policy.

Fund Manager responsibilities include:

- Integrating ESG considerations into private equity investment decision-making processes
- Conducting comprehensive ESG due diligence and monitoring for portfolio companies
- Implementing active stewardship and value creation initiatives in portfolio companies
- Tracking and reporting on ESG metrics and sustainability outcomes
- Ensuring compliance with fund-specific ESG guidelines and exclusions
- Driving ESG improvements and best practices in portfolio companies through board representation and active management
- Supporting portfolio companies in developing robust ESG frameworks and capabilities

5. ESG Considerations in Investment Process

LC aims to consider systematic sustainability factors in our private equity investment processes, recognizing that issues such as climate change, biodiversity loss, social inequality, and institutional governance challenges may present both risks and opportunities across our portfolio companies.

Our ESG integration approach seeks to support positive sustainability outcomes where appropriate, with reference to areas aligned with relevant United Nations Sustainable Development Goals (UN SDGs), including:

- Gender equality and diversity (SDG 5)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Peace, justice and strong institutions (SDG 16)

The scope and methodology of ESG integration will be adapted to each investment, considering our capacity to influence outcomes through active ownership, board representation, and stewardship activities.

5.1 Initial Screening

The Fund will not invest in companies with business activities listed on the IFC Exclusion List (see Appendix I), and such companies will be filtered out at the time of screening.

After initial evaluations, LC will categorize investments based on their environmental and social impact, avoiding those with the highest concerns and conducting further due diligence on others as necessary.

LC strives to apply a positive screening approach, actively seeking out companies that contribute to positive financial, environmental, or social outcomes, or a combination of all three.

Activities that may significantly contradict our commitment to UN SDG principles, particularly those that undermine decent work, gender equality, or strong institutions, will be subject to enhanced screening.

For assets subject to negative exclusionary screens, we engage with our Responsible Investment Committee to oversee the screening process to ensure consistency and thoroughness.

5.2 Due Diligence

For all potential Private Equity investments, we endeavour to identify material ESG factors when assessing risks and opportunities for value creation. Material ESG factors are discussed by the investment committee and used to identify remedial actions for 100-day plans and impact investment pricing and terms.

Once material ESG factors have been identified, we endeavour to conduct site visits and in-depth interviews with management for all of our potential PE investments. Furthermore, we:

- Conduct desktop review using an ESG checklist for initial red flags
- Send detailed ESG questionnaires to target companies
- Hire third-party consultants to conduct technical due diligence on material ESG factors
- Conduct detailed external stakeholder engagement where appropriate
- Incorporate ESG due diligence findings in relevant investment process documentation

Our investment committee takes ultimate responsibility for ensuring all ESG due diligence is completed in the same manner as other key due diligence activities.

ESG due diligence will consider potential contributions to sustainability outcomes and alignment with relevant UN SDG principles where applicable.

5.3 Private Equity-Specific ESG Assessment

- Assessment of management team's commitment to ESG principles and sustainability
- Evaluation of current ESG policies, procedures, and governance structures
- Analysis of ESG risks and opportunities specific to the business model and industry
- Review of stakeholder relationships including employees, customers, suppliers, and communities
- Assessment of regulatory compliance and potential ESG-related liabilities
- Evaluation of ESG-related competitive advantages and differentiation opportunities
- Analysis of capital requirements for ESG improvements and their impact on returns

5.4 Environmental Factors Assessment

- Climate change impact and carbon emissions across operations
- Resource efficiency and circular economy opportunities
- Environmental compliance and potential liabilities
- Energy efficiency and renewable energy integration potential
- Waste management and pollution prevention practices
- Water stewardship and management systems
- Transition climate risk and adaptation strategies
- Biodiversity impact and ecosystem considerations

5.5 Social Factors Assessment

- Product and service safety and quality standards
- Data protection and privacy practices
- Gender equality and diversity in workforce and leadership
- Employee engagement, satisfaction, and retention
- Community relations and social impact
- Human rights compliance throughout operations
- Labor standards and working conditions
- Health and safety practices and incident rates
- Supply chain social responsibility

5.6 Governance Factors Assessment

- Board composition, independence, and effectiveness
- Audit committee structure and oversight capabilities
- Anti-bribery and corruption policies and controls
- Executive compensation alignment with long-term performance
- ESG strategy integration and executive accountability
- Cybersecurity processes, controls, and risk assessments
- Supply chain resiliency and responsibility
- Transparency in reporting and stakeholder communication
- Risk management systems and internal controls

5.7 Investment Decision

The investment evaluation process at LC systematically considers ESG factors alongside traditional financial and strategic considerations. This involves reviewing findings from comprehensive ESG assessments as part of the overall evaluation process. Material ESG risks and opportunities are integrated into the decision-making framework and are regarded as important elements in assessing the viability and sustainability of potential investments.

For each transaction, relevant ESG representations, warranties, and covenants shall be incorporated into deal documentation, including specific ESG improvement commitments and performance targets.

Investment decisions will consider the company's potential contribution to positive sustainability outcomes and alignment with systematic sustainability objectives were material.

Special consideration will be given to companies with strong ESG foundations or significant potential for ESG-driven value creation.

ESG integration methodology will be documented and updated to reflect evolving best practices in private equity ESG management.

5.8 Monitoring

Post-investment, LC aims to oversee ongoing ESG performance and support continuous improvement in ESG practices within portfolio companies. We actively work with

management teams to implement ESG improvement plans and track progress against established KPIs.

Where feasible, monitoring will assess contributions to positive sustainability outcomes and relevant sustainability objectives.

LC will track comprehensive ESG performance metrics and sustainability indicators for portfolio companies, including:

- Environmental performance indicators (energy, emissions, waste, water)
- Social performance metrics (employee satisfaction, diversity, community impact)
- Governance improvements (board effectiveness, compliance, transparency)
- Progress on UN SDG contributions and sustainability commitments

Regular review of systematic sustainability issues that may impact company performance and long-term value creation.

6. Stewardship and Value Creation

Recognising our position as active owners with significant influence, LC implements comprehensive stewardship activities including:

- Board representation and active participation in strategic decision-making
- Development and implementation of ESG improvement plans with portfolio companies
- Regular engagement with management teams on material ESG issues and opportunities
- Support for ESG capability building and training within portfolio companies
- Integration of ESG performance metrics into management incentive structures
- Facilitation of ESG best practice sharing across our portfolio

Our stewardship activities in private equity focus on:

- Driving operational improvements that enhance both ESG performance and financial returns
- Supporting portfolio companies in developing robust ESG governance structures
- Implementing systematic ESG monitoring and reporting systems

- Enhancing stakeholder engagement and transparency
- Identifying and capturing ESG-related value creation opportunities
- Preparing portfolio companies for potential ESG-related exit premiums

7. Exit and Portfolio Management

When engaging with potential buyers of PE investments, we:

- Share our firm's ESG risk assessment methodology
- Provide the outcome of our latest ESG risk assessment on the portfolio company
- Share key ESG performance data and improvements achieved during our ownership
- Highlight ESG-related value creation initiatives and their impact on company performance

We regularly engage with investors on the material ESG factors of our portfolio through:

- Formal reporting processes including quarterly and annual ESG updates
- Regular meetings with investors to discuss material ESG factors and performance
- Immediate notification of any serious ESG incidents through formal reporting channels

We report targets on material ESG factors and related data to our investors through: -

- Committee meetings and investor calls
- Annual investor meetings with dedicated ESG performance sessions
- Quarterly ESG performance dashboards and scorecards
- ESG-focused investor newsletters and updates
- Ad-hoc reporting on significant ESG developments or incidents
- Portfolio company ESG case studies and success stories
- Integration of ESG metrics in standard financial reporting

8. Disclosure and Reporting

LC may include the following in our regular reporting to clients:

- ESG screening methodologies and any changes to ESG screens for private equity investments

- Portfolio company ESG performance metrics and improvement initiatives
- Climate risk metrics including exposure to physical and transition risks
- Sustainability outcomes and contributions to UN SDG principles
- ESG value creation case studies and success stories
- Stewardship activities and their impact on portfolio company performance
- ESG-related exits and valuation impacts
- Portfolio alignment with sustainable investment frameworks and standards

The specific content and frequency of such reporting will be determined based on client requirements, fund mandates, and applicable regulations.

Appendix I

IFC Exclusion List

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions¹.
- Production or trade in alcoholic beverages (excluding beer and wine).¹
- Production or trade in tobacco.¹
- Gambling, casinos and equivalent enterprises.¹
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Appendix II

IFC Performance Standards²

- The IFC Performance Standards are used to manage social and environmental risks and impacts to enhance development opportunities in emerging markets. The eight Performance Standards are summarized below:
- **Performance Standard 1:** Social and Environmental Assessment and Management System
- **Performance Standard 2:** Labor and Working Conditions
- **Performance Standard 3:** Pollution Prevention and Abatement
- **Performance Standard 4:** Community Health, Safety and Security
- **Performance Standard 5:** Land Acquisition and Involuntary Resettlement
- **Performance Standard 6:** Biodiversity Conservation and Sustainable Natural Resource Management
- **Performance Standard 7:** Indigenous Peoples
- **Performance Standard 8:** Cultural Heritage