

ESG and SDG Alignment Policy

EmergX Finance Corporation

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1. Introduction

EmergX Finance Corporation (EFC) commits to embedding Environmental, Social, and Governance (ESG) principles across all investment activities. This policy defines EFC's ESG integration, risk assessment, and impact strategy aligned with the UN Sustainable Development Goals (SDGs), particularly in emerging markets.

2. ESG Priority Areas

- SDG 7: Affordable and Clean Energy
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 13: Climate Action
- SDG 17: Partnerships for the Goals

3. ESG Integration Across the Investment Lifecycle

- Screening: ESG risk filter applied to all pipeline opportunities
- Due Diligence: Material ESG issues analysed before investment
- Structuring: ESG KPIs integrated into term sheets and fund mandates
- Monitoring: Regular ESG reporting and impact updates
- Exit: Review of legacy impact and sustainability profile

4. ESG Governance and Oversight

The Risk & Compliance Committee provides board-level ESG oversight. EFC ensures compliance with the Principles for Responsible Investment (PRI), IFC Performance Standards, and the UK Stewardship Code. ESG performance is evaluated quarterly and documented annually in an impact report.

5. Stakeholder Engagement

EFC consults with local communities, government partners, DFIs, and investors to ensure shared sustainability goals. Inclusion, gender equality, and climate resilience are core values throughout our capital deployment and project design.

6. Policy Review and Learning

This ESG policy is reviewed annually and updated based on evolving best practices, regulatory requirements, and stakeholder feedback.