



Environmental, Social & Governance Policy Framework

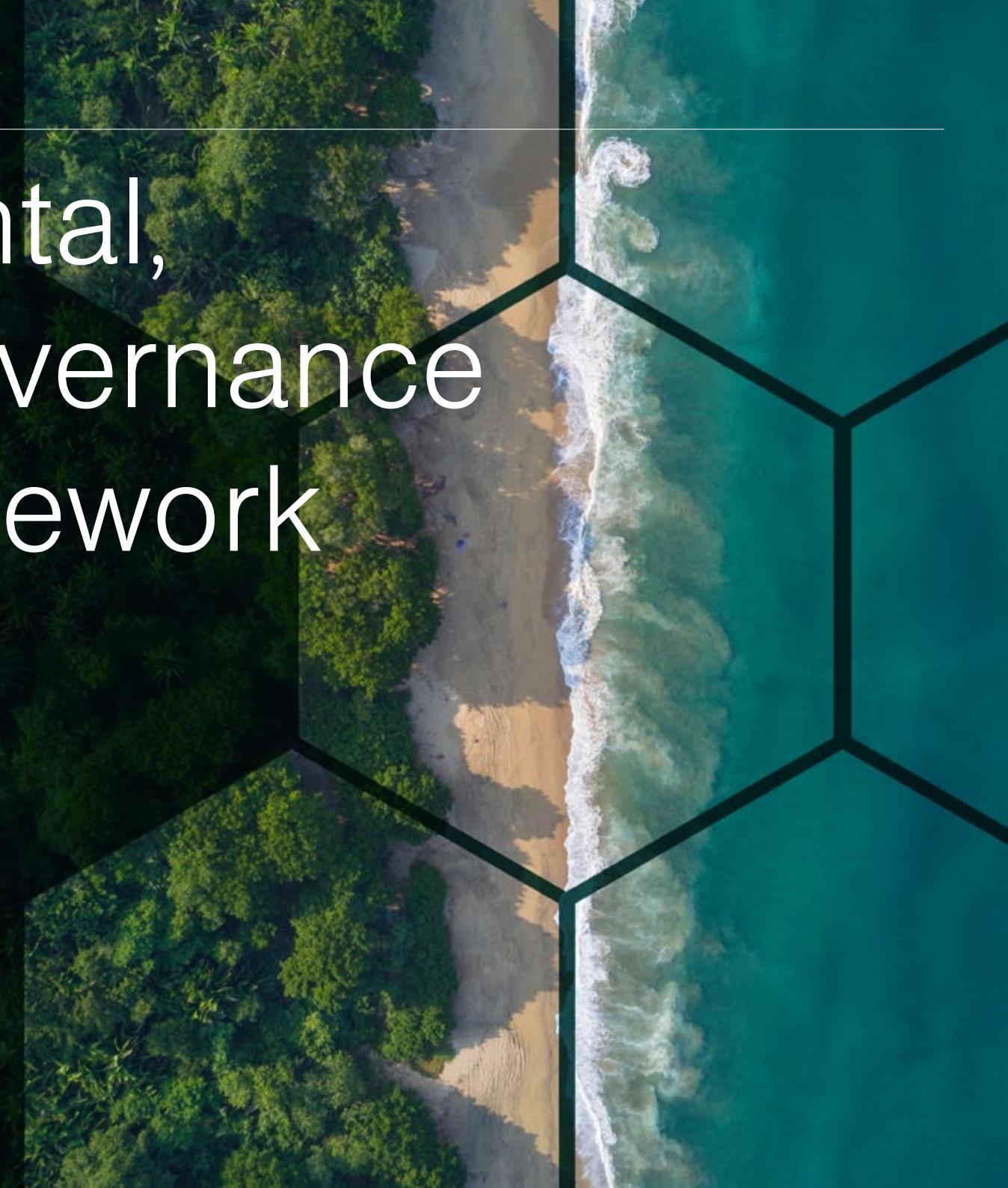
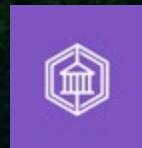
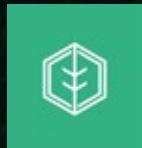


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1.0

Introduction



1.1

Setting The Context

The energy sector has consistently supported economic development and global prosperity through providing numerous opportunities for improving the standard of living of people worldwide.

Today, the energy sector has an even more pivotal role in mitigating environmental and climate change challenges as well as showcasing advancement with regards to social and governance issues.



As the leading developmental institution within the Arab energy space, we understand the powerful potential and complex risks that surround the energy sector.



Moreover, we are fully mindful of our responsibility to recognize our impact and actively mitigate it through tangible actions, including guiding our member countries, partners and wider stakeholders to continuously ameliorate their performance in the ESG realm. Being fully cognizant of the fact that global populations increasingly face challenges that interfere with good livelihood, health, and other fundamental human rights, we recognize the importance of our role in supporting people who work with us and the myriad communities that count on our involvement.

Environmental, Social, and Governance (ESG) indicators are increasingly becoming deciding factors on how well a business operates. We reflect upon this concept by coupling our relatively long history of investing and financing the energy transition in the MENA region with the institutionalization of ESG-related policies and frameworks within APICORP. An add-on aim related to the above is to continue leading our region's corporate practices towards a more formal inclusion of ESG considerations in both the internal modus operandi and the manner with which the bottom line is generated. Notably, we do this with the reassurance that all of our member countries are parties to the Paris Agreement, the tenets of which have prompted serious considerations of major transitions to renewable energy worldwide.

Alongside changes to the way we are governed, APICORP has embarked on a business strategy that internalizes sustainability best practices that include integrating evolving mechanisms for risk assessment and mitigation as well as the application of a stricter ESG-centric evaluation toolkit. In addition, internal performance monitoring and reporting is also a point of focus for us, with the all-too-important plans for APICORP to work with its stakeholders on improving data quality and modelling capabilities in order to measure the path to our ambitious objectives.

We are encouraged by the fact that some energy-efficient changes are already bearing fruit at APICORP in the form of reduced emissions and energy consumption, as well as clean energy production. This is a direction we aim to continue to take very seriously and will continue to build upon, with even greater scope and speed. Moreover, our keenness to remain an employer of choice also comes into play here, as well as our strong focus on governance, ethical behaviour, transparent disclosures, and anti-corruption efforts.

From a value-creation standpoint, integrating ESG factors in lending and investment activities will not only facilitate identifying key risks and opportunities in an ever-changing market, but will also help us explore innovative financing solutions and instruments for an even longer list of partners in the energy sector. This includes the issuance of green and sustainability bonds, which can accelerate the adoption of sustainable business models and present institutions with incentives to monitor their impact and take on a more proactive responsibility vis-à-vis ESG issues.

Equally importantly, we are well-positioned to continue to play a prominent role in driving the ESG agenda at the national level in our member countries based on our unparalleled long history and deep experience in the energy space. A key strength of APICORP in this regard is our world-renowned research and knowledge sharing activities as well as our unique position in advising key policy makers within government and regulatory circles.

As we develop a structured approach to support the institutionalization of ESG practices, we remain mindful of how critical this current stage is within the realm of ESG, in general, and climate change, in particular. With our continuously evolving practices at APICORP, we are taking ever confident strides toward accelerating recovery, development, and growth, as well as building a roadmap that will further our advancement in achieving the UN set Sustainable Development Goals for the mutual benefit of humankind.

By acting now, we can have a better understanding of our future and make the world a better place to live for the generations to come.



1.2

Purpose of APICORP's ESG Policy Framework

The purpose of APICORP's ESG policy framework is to solidify and institutionalize our commitment to environmental restoration, social responsibility, robust governance, and ethical operations.



It outlines how APICORP identifies ESG objectives as well as builds a foundation from which governance will be undertaken and management actions will stem.

More specifically, the framework details ESG objectives and the related key criteria that are most relevant to APICORP and its stakeholders as well as delineates how the attainment of these objectives and criteria are to be achieved. The integration of ESG into APICORP's existing governance structure is also outlined in the framework, including how we define ESG-related structures, roles and responsibilities. Notably, this sets the tone, and the overall approach, to integrating ESG factors in lending and investment activities, in addition to our internal modus operandi (including raising ESG awareness).

Moreover, the framework provides guidance on identifying, measuring, managing, monitoring, and reporting on ESG risks and opportunities. It also presents APICORP's position on key ESG issues relevant to our business and that of our stakeholders including our approach to voluntary disclosures and reporting, which draw references from key international standards.



As a continuously evolving and dynamic document, APICORP's ESG policy framework will be a central guide to everything that we do and aspire to be. Over time, we strive to continuously improve on our approach, considering the application to various asset classes and setting new objectives for our performance. Indeed, it is envisioned that this ESG policy framework, including its evolution in the coming period, will serve as a catalyst for the effective internalization of ESG in the Arab world's energy sector for the betterment of the world.



2.0

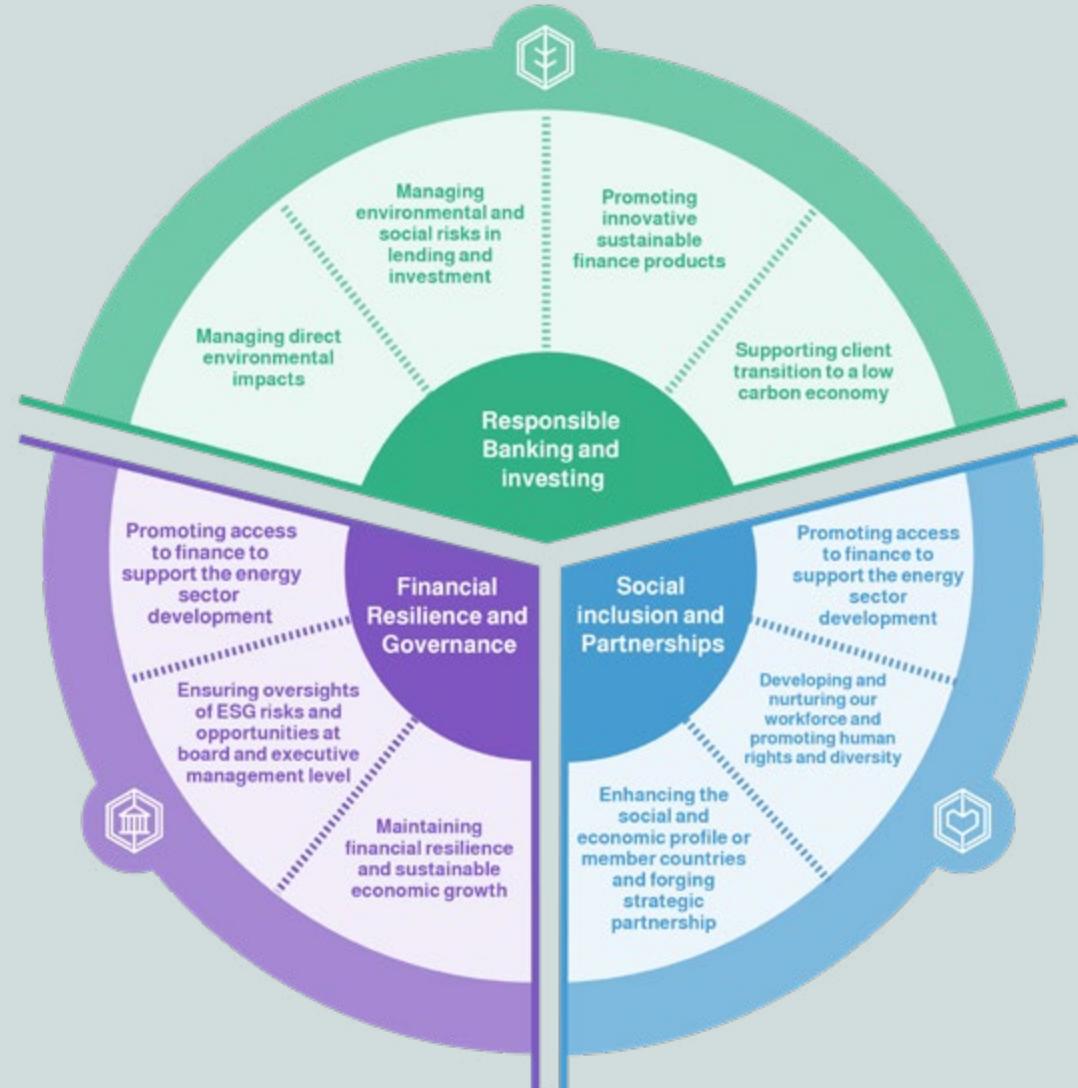
APICORP's ESG Objectives



As part of **APICORP's 2020-2024 strategy**, we are continuously working toward expanding our sustainability framework and integrating specialized practices that support sustainable value creation.

We started this journey by setting the overarching objective of integrating ESG principles and practices across our footprint at different levels and in various areas of operation.

Consequently, and in line with this corporate strategy and our mandate to support the energy sector, we began to map out and examine important, tangible milestones that we would like to reach, and the central mechanisms required to make them attainable. Throughout the process, we have also taken into consideration our strategic objectives, governance structure, risk evaluation and mitigation techniques, and major technology trends that affect our decision-making cycles.



This resulted in the formulation of an ESG framework that covers **three main pillars:**



Pillar 1: Responsible Banking and Investing:

APICORP has set clear ambitions to manage both its direct and indirect environmental and social impacts through the lending and investment portfolios. APICORP also strives to identify and assess ESG risks, promote sustainable financial products/instruments and support client transition to a low carbon economy.



Pillar 2: Social Inclusion and Partnerships:

APICORP aims to promote access to finance and investment to support the development of the wider energy sector. APICORP also contributes to the social and economic well-being of its member countries through advocating green energy projects as well as forges strategic partnerships to promote its sustainability agenda. APICORP strives to develop and nurture its workforce as well as supports upholding human rights and diversity among its financing/investment partners, employees, and suppliers.



Pillar 3: Financial Resilience and Governance:

APICORP's solid governance mechanisms, and strong risk management framework helps the organisation maintain its financial resilience and sustainable growth. The oversight of ESG risks and opportunities at the board and management levels coupled with dynamic and proactive engagement through research and advocacy supports APICORP's role as a key player in development of the energy sector.

3.0

APICORP Integrated Sustainability Governance



3.1

Overview

APICORP is committed to the highest standards of corporate governance in line with global industry best practices.

Embedding ESG governance at the board level and within the management committees reinforces our commitment to enhancing our ESG credentials. Integrating sustainability and governance supports implementing APICORP's ESG policy objectives with a greater concentration on Financial Resilience and Governance.

A sustainable governance structure will enable us to streamline ESG considerations across our portfolio and help us actively manage goal-setting and reporting processes, strengthen relations with stakeholders, and ensure overall accountability.

A summary of the sustainability governance structure, and the associated roles and responsibilities, that drive ESG forward within the organisation is outlined below.

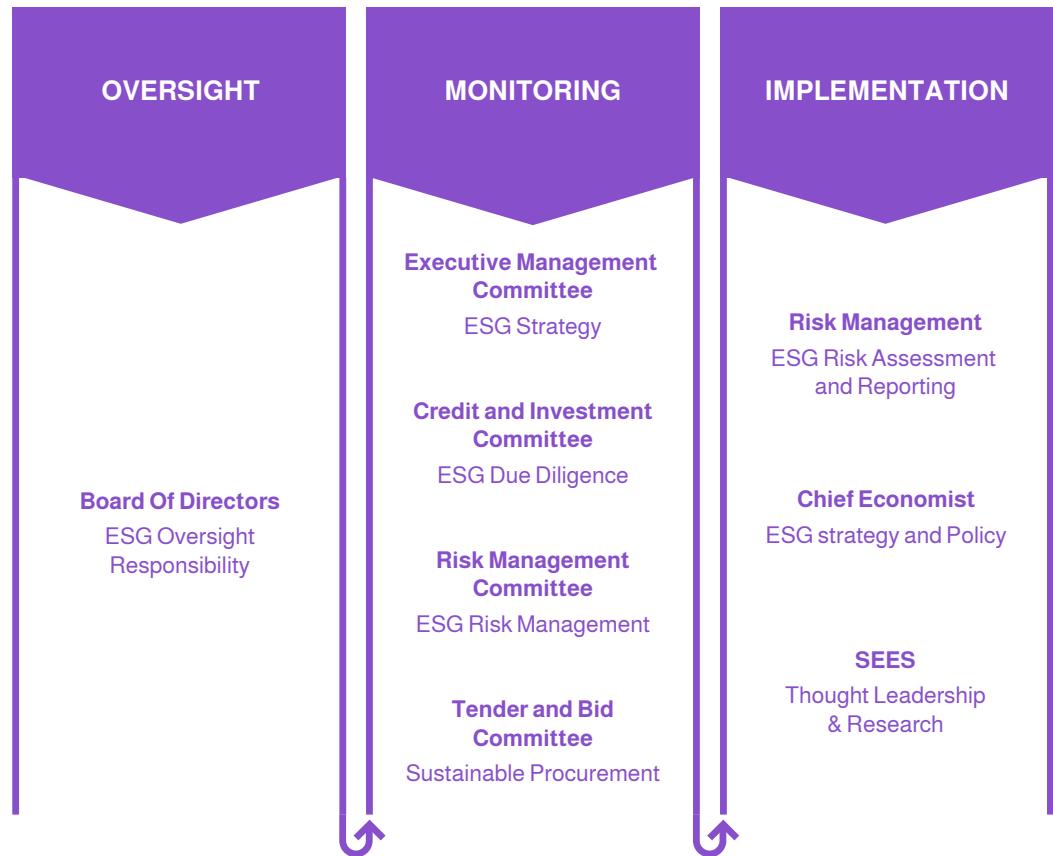


3.2

Sustainability Governance Structure

Global standards and international best practices have clearly emphasised the important leadership role of boards and executive management in driving the sustainability agenda in financial institutions.

A defined decentralised cross-functional governance structure ensures that ESG principles are implemented effectively and embedded in the corporate culture.



3.3

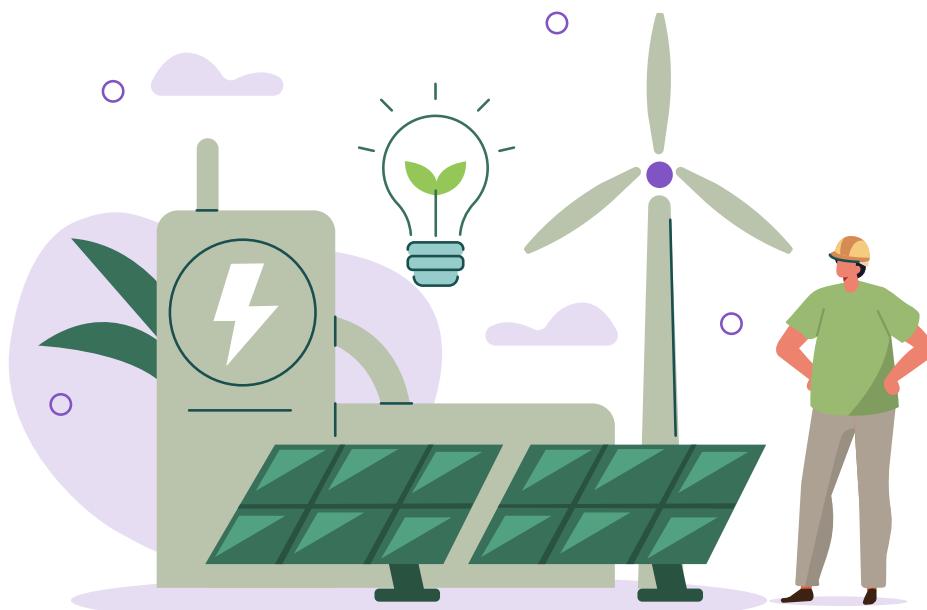
Roles and Responsibilities

Each of the representative committees and departments within APICORP's governance structure has a vital role to play, with duties ranging from developing to implementing to overseeing ESG-related plans and actions on a continuous basis.



3.3.1 Oversight: Board of Directors

APICORP's Board of Directors exercises active oversight on all of the corporation's core business activities. The Board is responsible for reviewing and approving the corporation's ESG strategy, framework, policies, and initiatives. Additionally, the Board maintains the ultimate oversight responsibility over ESG-related risks and approving appropriate mitigation measures.



3.3.2 Monitoring: Board Committees

Executive Management Committee

(Composed of APICORP's Executive Management Team)

Formulates and implements the ESG strategy, framework, policies and initiatives; sets and achieves ESG commitments and targets; and monitors and reports on execution and adherence.

Credit and Investment Committee

(Composed of the CEO, Chief Economist, CFO, Head of Corporate Banking, Head of Investments, Head of Risk & Compliance, Head of Portfolio Management, and Head of Legal)

Reviews ESG assessment across the lending and investment portfolios; and evaluates ESG-related risks and business opportunities in line with APICORP's mandate, strategy, and overall risk appetite.

Risk Management Committee

(Composed of the CEO, Chief Economist, CFO, Head of Corporate Banking, Head of Investments, Head of Risk & Compliance, Head of Portfolio Management, and Head of IT)

Assesses the ESG risk review framework; integrates ESG risks into existing risk frameworks and policies; evaluate ESG risks that may impact APICORP's portfolio; and monitors key ESG risk metrics at organisational and business unit levels.

Tender and Bid Committee

(Composed of a representation from Risk Management and Compliance, Finance, and Administration)

Incorporates ESG considerations into the process of supplier selection.

3.3.3 Implementation

Chief Economist

The Chief Economist reports directly to the CEO and is in charge with guiding APICORP's ESG program, driving the organisational ESG policy, supporting the formulation of ESG-related KPIs in line with the corporation's strategy, facilitate relevant information sharing with internal and external stakeholders, and monitoring and reporting on the overall ESG impact progress against established ESG goals and in future, ESG targets.

Strategy, Energy, Economics and Sustainability (SEES)

The SEES department reports to the Chief Economist and is responsible for driving thought leadership within the ESG space and support in ESG policy review.

Risk Management

ESG risk management is positioned within the Risk Management and Compliance department which reports directly to the CEO and the Board Audit and Risk Committee. The ESG risk management function is responsible for the ESG risk management and compliance with ESG policies in addition to conducting ESG risk reviews, enhanced assessments, and ESG risk analytics reporting. This function will liaise with portfolio management, Corporate Banking, Investments, and other operational functions in order to ensure ongoing monitoring of portfolio companies and those under considerations.



3.4

ESG Awareness and Training

APICORP strongly encourages an ongoing learning and awareness process when it comes to ESG at the board, executive management, and staff levels.

As ESG trends and standards continue to evolve in line with the risks and opportunities, multi-level awareness and training has become crucial and are undertaken proactively within the organization. These enable us to establish a common understanding of ESG issues, support the internalization of the latest practices and trends, and develop the expertise needed to act upon the myriad agendas and decision-making processes of key stakeholders.

In addition to our annual employee training programs, which cover topics including Anti-Money laundering, market leading governance frameworks, and business-specific programs, APICORP will develop robust sustainability-related training programs to ensure awareness among its employees.



4.0

Integrated ESG Risk Management Approach



Risk management is an integral component of APICORP's sustainable growth plan, which enables us to minimize the impact of risks that could affect the attainment of our strategic objectives.

Risk management is also instrumental in maintaining our financial and operational resilience, upholding our governance standards, and strengthening our ability to access capital markets and raise funds which support in achieving our ESG objectives.

APICORP has carefully formulated a framework that guides and defines how risks (including those related to ESG) are measured and managed. At the corporate level, it reflects the appetite of the Board of Directors and executive management towards credit, market, liquidity, and operational risks. At the business level, specific policy guidelines are defined for each business unit that address key areas of risk relevant to their primary activities. Independent and thorough risk reviews are also conducted for each new business transaction, namely investment and financing.

APICORP's ESG policy framework provides insights on identifying, measuring, managing, and monitoring relevant risks across everything that we do. To further facilitate the process, an ESG toolkit shall be used to evaluate prospective and current portfolio companies to make lending and investment decision. In particular, the toolkit supports APICORP in classifying ESG risks into three distinct levels:



To further facilitate the process, an ESG toolkit shall be used to evaluate prospective and current portfolio companies to make lending and investment decision.



High risk

Businesses or transactions which typically involve activities with significant adverse ESG impacts which are sensitive, diverse, or unprecedented. A potential impact is considered sensitive if it may be irreversible (such as loss of a major natural habitat), affects vulnerable groups or ethnic minorities, involves involuntary displacement and resettlement, or affects significant cultural heritage sites.



Medium risk:

Businesses or transactions which typically involve activities with specific ESG impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures and international best practice. Potential adverse environmental impacts on human populations or environmentally important areas, in this category, are less adverse than those of the high-risk transactions.



Low risk:

Businesses or transactions which typically involve activities with minimal or no adverse ESG impacts.

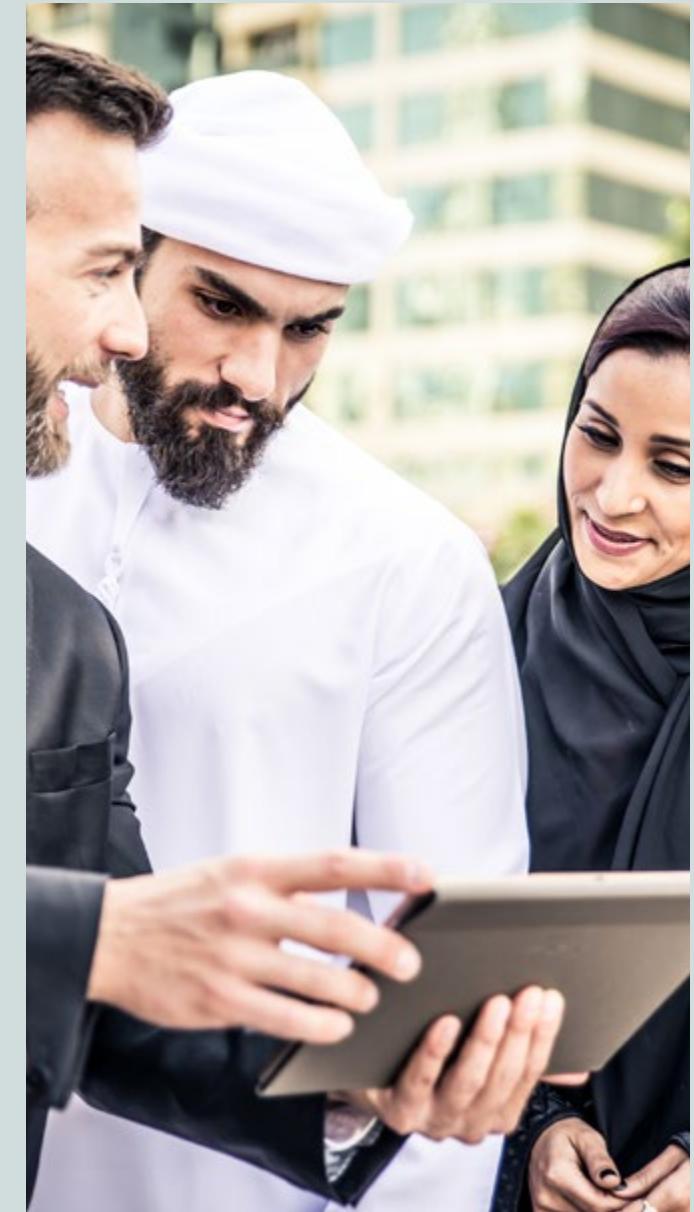
The ESG toolkit shall support APICORP in qualifying and quantifying the ESG performance of companies, projects, and transactions, thereby providing a powerful ex-ante and ex-post means to oversee and monitor ESG risks in both lending and investment activities while also supporting the positive engagement with clients and investee companies on key ESG topics.

When relevant risks are expected to be relatively low for the client, business activity, industry or geography, APICORP will undertake a standard evaluation of ESG risks as part of its existing assessment processes. If, however, during this assessment process, the client, business activity, industry or geography is identified as high or medium risk, then enhanced assessment will be conducted.

The enhanced assessment includes a comprehensive analysis of the client or investee companies' approach to ESG risk management at the corporate level and the specific ESG impacts at the project and transaction levels. The evaluation process assesses projects and transactions in alignment with the International Finance Corporation's (IFC) Performance Standards and sector-specific Environmental, Health and Safety (EHS) Guidelines that address topics including, but not limited to, resource efficiency, pollution prevention, and health and safety.

For each of the key ESG criteria identified, APICORP will review the client's commitment in the form of policies and targets, assess the efficiency of the measures deployed to uphold their obligations while managing ESG risks, and evaluate quantitative indicators to determine performance trends. The evaluation is based on publicly available information, including companies' websites, annual reports, sustainability reports, third-party reports, etc., as well as direct engagement with clients and investee companies. The latter being especially important given the relatively early stage of ESG reporting for many of our clients and investee companies.

APICORP may also assign external ESG consultants and subject matter experts to advise on projects that may be deemed of complex nature.



5.0

The Integration of ESG Factors in Lending and Investing Activities



APICORP follows a structured approach to integrate ESG principles in lending and investment activities that involves identifying material issues that affect business decisions and follow-up on these issues within the assessment processes and subsequent credit/investment reviews.

Notably, this comprises measuring key ESG risks and opportunities, in addition to monitoring and reporting on APICORP's ESG performance.



6.0 Financing and Investing in Energy Transition



APICORP is committed to supporting the energy sector's transition to a low-carbon economy and limit the impact of climate change in line with the objectives of the 2015 Paris Agreement.

As such, we provide our member countries and partners with access to the financing and investment they need to sustainably develop the energy sector.

Our approach includes supporting the emergence and/or use of efficient technologies that can optimize the development of the energy sector and facilitate the formulation of energy efficiency and low or no carbon solutions, thus contributing to an overall reduction in greenhouse gas emissions (GHG). We also aim to expand the share of green financing in our lending and investing portfolios and influence energy-related national policies, advise on financing solutions for low carbon and energy efficiency strategies, and support our clients' transition to a low carbon economy.

Even though navigating climate change is an evolving journey, we believe that integrating ESG factors in our assessment processes in lending and investing activities will actively support our partners in achieving this strategic objective. And in line with the above, we shall continue to vigorously apply our ESG assessment across all of our financing and investment activities and evaluate the ESG performance while emphasizing material, relevant issues within the energy sector.



Notably, APICORP's ESG assessment extends beyond climate change and covers key ESG factors that are material for the energy sector and are aligned with leading performance standards.

In particular, partners that we finance and invest in will be evaluated per their level of commitment, active policies, and existence of tangible targets toward reducing their GHG emissions; the efficiency of the measures deployed to mitigate their environmental impact; as well as performance indicators that assess the evolution of their ESG performance trends. We shall continuously review each company's ESG performance on an annual basis and monitor the corporation's overall portfolio performance in an aggregated manner.

This will allow APICORP to actively manage risks and identify opportunities across the full spectrum of financing and investing activities.

Overall, we will continue to support energy-based partners that are committed to sustainable energy sourcing; reducing the intensity of their operations and investing in carbon capture technologies; eliminating flaring and adhering to the highest environmental standards; and are actively working to mitigate ESG risks.



6.1

Sectoral Themes

In addition to streamlining ESG evaluation and monitoring across all our pipeline and portfolio companies, APICORP will adhere to the following with regards high-risk areas within the energy sector:



Coal-Fired Power

Using coal as fuel is a major contributor to rising carbon dioxide and GHG emissions. APICORP does not have any coal-related assets and will not finance projects related to coal, including clean coal.



Oil Sands

Impact of oil sands on the environment are significant, and GHG emissions for oil sands extraction and processing are significant. APICORP does not have any assets related to oil sands, and will not finance assets related to oil sands in the future.



Fracking

Hydraulic fracking may have a negative impact on the environment and climate change due to the resulting large amounts of methane emissions and may also hamper the quality of water sources. APICORP follow a prudent approach and apply an enhanced assessment when considering projects related to fracking. Furthermore, APICORP would like to examine the potential financing of emerging technologies in fracking that can support the move away from hydraulic fracking.



Arctic Oil

Oil exploration in the Arctic Circle is considered one of the main threats against the area's ecosystems. APICORP does not have any assets in the Arctic and will not finance projects within the Arctic region.



Nuclear

Although considered a clean energy source, APICORP will only finance nuclear power generators that adhere to the highest international safety standards (including the IAEA's Safety Standards). Notably, APICORP does not have any assets in the nuclear space, nor does it have any such assets in its pipeline of projects.



Mining

Mining hosts a significant number of risks related to the environment (biodiversity, ecosystem, water management, mine waste, etc.), social (human rights, land use, resettlement, community safety, etc.), and governance (legal and regulatory compliance, transparency, etc.). APICORP follow a prudent approach and apply an enhanced assessment when considering projects related to mining.

7.0

APICORP's Position on Key ESG Issues



At APICORP, we understand that embedding ESG practices across our portfolio means starting with our own house. Some key topics in this area include managing our direct environmental impact; making positive contributions toward curbing climate change and minimising environmental impact; preserving and championing human values; encouraging employee engagement and development; ensuring diversity and inclusion; and advocating positive change through distinguished research and governance.



7.1 

Direct Environmental Impact

APICORP aims to manage its direct environmental impact beyond basic compliance with applicable environmental laws and regulations.

Fundamentally, we will ensure effective monitoring, managing, and reporting on our progress to minimise GHG emissions and energy consumption. In addition, and starting with our headquarters, we inaugurated a plan to upgrade the infrastructure of our buildings to sustainable, energy efficient structures by installing solar panels and other energy-saving technologies. Supplementary initiatives include the deployment of water saving mechanisms; striving to optimize waste management and the wider implementation of recycling initiatives; and plans to increase responsible paper use by utilizing electronic platforms as an alternative means for document sharing and archiving.



7.2

Climate Change Risks and Opportunities

APICORP recognises the deep-rooted risks that climate change poses on the global and local levels, and we strive to support a transition to a low-carbon, climate-resilient economy by alleviating climate-related risks across our operations, supply chain and client transactions.



Moreover, we shall adhere to best practice reporting mechanisms by drawing on references from the Task Force on Climate-related Financial Disclosures (TCFD).

As a trusted source of research and analysis on the energy sector in addition to being a respected advisor to our member countries and partners, we recognize our responsibility to raise awareness on climate change and the significance of energy transition among key stakeholders including governments, investors, and operators. In February 2020, we were invited by The Clean Energy Ministerial (CEM) to participate in the drafting of a joint finance sector statement on the “Key Financing Principles for Carbon Capture, Utilization, and Storage (CCUS).”

APICORP's participation in the drafting of these principles serves two objectives:

1 Supporting a proven technology that is critical for the energy industry's transition.

2 Aligning our efforts with the expectations of increasingly ESG-focused stakeholders.

Moving forward, we will continue to finance and invest in companies focused on renewables, along with ventures offering low-carbon technologies and solutions. We will also explore the potential of sustainable liability-side financial products such as green, social, and sustainability bonds, transition bonds/sukuk, and loans.



7.3

Human Values and Communities

APICORP aims to identify, analyse, and manage human rights risks within its own operations and supply chain, as well as lending and investment portfolios.

Key human rights considerations are being integrated into our assessment processes referencing internationally-recognized principles including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Modern Slavery and Child Labor and the International Labour Organisation's (ILO) Fundamental Conventions.

We also directly support development initiatives across the MENA region including community-based projects that promote thought leadership, skill development, water and environmental awareness, culture and arts, and more. Additionally, and through our proactive participation in the boards of our investee companies, we have undertaken projects to drill water wells, upgrade school labs, and support food banks.



7.4

Employee Engagement and Development

Much of APICORP's success lies in its ability to attract and retain a talented and diverse group of highly qualified professionals who are intrinsic to our next decade of growth.

As such, we aim to create individualised employee-development plans to specifically enrich core competencies and address any developmental needs for staff across all departments. The plans proactively manage different talent groups to optimize performance and achieve potential. This includes providing employees with in-person and online training, individualised coaching and feedback, as well as direct exposure to industry trends through conference participation and tailored programmes with international strategic partners. We will also regularly improve our own online training module on ESG to raise awareness at the organisation-level.



7.5

Diversity and Inclusion

At APICORP, we celebrate the rich multidimensionality of our workforce and look to ensure that diverse perspectives and opinions are respected and encouraged.

An inclusive work environment that empowers team members regardless of race, ethnicity, gender, age, religion, and disability, is fostered across the organisation. To solidify this, the principles of inclusiveness, fairness, and equal opportunity are embedded within APICORP's employment policies and practices. This is also further supported by our whistleblowing and grievance mechanisms.



7.6

Thought Leadership, Advisory, and Governance

Part of APICORP's 2020-2024 strategy is a key pillar that revolves around providing advisory services to Arab governments and stakeholders on energy policy and national energy strategies in addition to enhancing and promoting thought leadership in the sector using a variety of knowledge products.



Notably, this pillar is driven by our vision is to become the trusted, leading source of analysis and intelligence on the Arab, and MENA energy sector as well as ensuring that APICORP is recognized as a leading developmental institution in this space.

In line with the above, APICORP is always striving to continue to bring together regulators and national oil companies (NOCs), along with members of the private sector, financial institutions, and civil societies in order to deepen understanding of the opportunities and challenges that exist as well as leverage cross-countries know-how to define and drive effective policy change.

We are also committed to meeting the highest standards of governance in line with international best practices in addition to improving transparency and accountability to deliver value for all stakeholders. Consequently, we have established, and advocate for, a robust governance framework that effectively addresses the roles and responsibilities of the Board and management and provides structures, policies, and tools to ensure our sustainable long-term growth.



We are also committed to meeting the highest standards of governance in line with international best practices in addition to improving transparency and accountability to deliver value for all stakeholders.

8.0

Reporting Approach



Transparency and disclosure are fundamental elements of APICORP's ESG policy framework. We will undertake voluntary public reporting, at least annually, on our ESG-related lending and investment activities and progress to all stakeholders through the corporate website and annual reports.

Our voluntary disclosures and reporting approach will continuously draw references from leading international standards, including: Task Force on Climate-related Financial Disclosures, The Principles for Responsible Investment, The Principles for Responsible Banking, and The Equator Principles, amongst others.

Internal reporting to the Board of Directors is conducted annually and will include ESG disclosures and updates on the integration of ESG factors in lending and investment activities. These conclusions will be integrated in APICORP's annual report.





9.0

Appendix



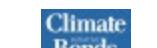
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International ESG Standards and Frameworks Covering APICORP's ESG Objectives





Responsible Banking and Investing

Objectives	Criteria	SDGs	International Standards
Managing direct environmental impacts.	<ul style="list-style-type: none"> Energy use GHG emissions Water consumption Waste management 	 	   <p>Climate Disclosure Standards Board</p>
Managing environmental and social risks in lending and investment activities as well as identifying opportunities.	<ul style="list-style-type: none"> The integration of ESG factors in lending and investment decisions Addressing climate change risks in the lending and investment portfolio Addressing human rights risks in the lending and investment portfolio 	  	 <p>Principles for Responsible Investment</p>  <p>Task Force on Climate-Related Disclosures</p>        <p>Climate Disclosure Standards Board</p>
Promoting innovative sustainable financial products	<ul style="list-style-type: none"> The integration of ESG factors in lending and investment decisions Addressing climate change risks in the lending and investment portfolio Addressing human rights risks in the lending and investment portfolio 	  	     
Supporting clients transition to a low carbon economy	<ul style="list-style-type: none"> Financing and investing in renewable energy 	 	 <p>Principles for Responsible Investment</p>  <p>Task Force on Climate-Related Disclosures</p>      <p>Climate Disclosure Standards Board</p>



Social Inclusion and Partnerships

Objectives	Criteria	SDGs	International Standards
Promoting access to finance to support the energy sector development.	<ul style="list-style-type: none"> Access to finance 	 	 
Developing and nurturing our workforce as well as encouraging human rights and diversity.	<ul style="list-style-type: none"> Employee training and development Employee health and well-being Diversity and inclusion Human rights Responsible procurement 	 	 International Labour Organization  
Enhancing the social and economic profile of member countries as well as forging strategic partnerships.	<ul style="list-style-type: none"> Promotion of social and economic development Stakeholder engagement 	 	  



Financial Resilience and Governance

Objectives	Criteria	SDGs	International Standards
Maintaining financial resilience and sustainable economic growth.	<ul style="list-style-type: none"> Financial resilience Risk management Sustainable economic growth Corporate governance Prevention of corruption 	 	   
Ensuring oversight of ESG risks and opportunities at the board and executive management level.	<ul style="list-style-type: none"> Sustainability governance Climate change board oversight Human rights board oversight 	  	  
Promoting policy engagement, advocacy, and research.	<ul style="list-style-type: none"> Policy engagement and research 		    

9.2

Reference to Key Standards and Taxonomies Internalized in the Development of APICORP's ESG Objectives and Framework



Standards & Taxonomies	Description
Climate Disclosure Standards Board	<p>The Climate Disclosure Standards Board is a non-profit organisation working to provide material information for investors and financial markets through the integration of climate change-related information into mainstream financial reporting.</p> <p>https://www.cdsb.net/</p>
Global Reporting Initiative	<p>The Global Reporting Initiative (GRI) is an international, not-for-profit organisation working in the public interest towards a sustainable global economy where organisations manage their economic, environmental, social, and governance performance and impacts responsibly. Corporate and public sector reporters in over 90 countries use the GRI Guidelines. More than 24,000 reports have been registered in GRI's Sustainability Disclosure Database</p> <p>www.globalreporting.org/Pages/default.aspx</p>
Principles for Responsible Banking	<p>The Principles for Responsible Banking are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement.</p> <p>Over 206 banks have now joined this movement for change, leading the way towards a future in which the banking community makes the kind of positive contribution to people and the planet that society expects.</p> <p>https://www.unepfi.org/banking/bankingprinciples</p>
Principles for Responsible Investment	<p>Principles for Responsible Investment (PRI) is an international network of investors working together to put the six principles into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system.</p> <p>www.unpri.org/</p>
Sustainability Accounting Standards Board (SASB)	<p>The Sustainability Accounting Standards Board (SASB) is a UN nonprofit U.S. based organisation on a mission to create and disseminate accounting standards that reporting issuers can use to disclose material sustainability factors in filings with the Securities and Exchange Commission. SASB identifies sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry through a materiality map which details 26 sustainability issues across 10 sectors.</p> <p>www.sasb.org/</p>

Standards & Taxonomies	Description
Task force on Climate related Financial Disclosures (TCFD)	<p>Financial Stability Board – Task Force of Climate-related Financial Disclosures (FSB TCFD) is a voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The Task Force considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries. The Task Force aims to develop climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.</p> <p>www.fsb-tcfd.org</p>
The Climate Bonds Initiative	<p>Climate Bonds Initiative is an international organisation working solely to mobilize the largest capital market of all, the 100 US\$ trillion bond market, for climate change solutions. The organisation promotes investment in projects and assets necessary for a rapid transition to a low carbon and climate resilient economy. The strategy is to develop a large and liquid Green and Climate Bonds Market that will help drive down the cost of capital for climate projects in developed and emerging markets; to grow aggregation mechanisms for fragmented sectors; and to support governments seeking to tap debt capital markets. Climate Bonds Initiative is an investor-focused not-for-profit.</p> <p>www.climatebonds.net</p>
The European Commission Action Plan on Sustainable Finance and associated regulatory proposals	<p>The EU action plan on sustainable finance (Sustainable Finance Action Plan), adopted by the Commission in March 2018, stems from the EU's commitment to channel private financial flows towards investments that support the Paris Agreement target of a neutral-carbon economy by 2050, and more broadly the United Nations Sustainable Development Goals. The Action Plan is part of the Commission roadmap, also known as "the European green deal," aimed at mitigating climate change, reducing pollution, and protecting biodiversity.</p> <p>https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance_en</p>
The Equator Principles	<p>The Equator Principles (EP) is a risk management framework adopted by financial institutions to determine, assess and manage environmental and social risk in project finance. The IFC developed a set of standards and principles on social and environmental sustainability, intending to provide a minimum standard for assessment to support responsible risk decision making. The development of such principles has increased the attention and focus on social and environmental responsibility and has consequently promoted the integration of ESG risks into investment decisions.</p> <p>www.equator-principles.com/</p>

Standards & Taxonomies	Description
The Green Bonds Principles of the International Capital Markets Association	<p>The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The GBP are intended for broad use by the market: they provide issuers with guidance on the key components involved in launching a credible Green Bond; they aid investors by promoting availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market towards expected disclosures that will facilitate transactions.</p> <p>www.icmagroup.org/green-social-and-sustainabilitybonds/green-bond-principles-gbp/</p>
The Green Loan Principles of the Loan Market Association	<p>The green loan market aims to facilitate and support environmentally sustainable economic activity. The Green Loan Principles (GLP) have been developed by an experienced working party, consisting of representatives from leading financial institutions active in the syndicated loan market, with a view to promoting the development and integrity of the green loan product.</p> <p>https://www.lma.eu.com/documents-guidelines/documents/category/green--sustainable-finance</p>
The UN Guiding Principles on Business and Human Rights	<p>The United Nations Guiding Principles on Business and Human Rights (UNGPR) provide guidance on a corporation's responsibility to respect human rights.</p> <p>https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf</p>
The UN Sustainable Development Goals (SDGs)	<p>The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.</p> <p>https://sdgs.un.org/goals</p>

10.0

Forward Looking Statement

Some of the statements contained in this material may be forward-looking statements or statements of future expectations based on currently available information. Such statements are naturally subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. APICORP does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such statements. Therefore, under no circumstances whatsoever will APICORP be liable to any party for any decision made or action taken based on the information and/or statements in this material or for any related damages.

