

ESG Exclusion Policy



SINGULARITY AMC LLP

Version 1.2

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1. Purpose & Context

Our environmental, social and governance (ESG) Exclusion Policy at Singularity AMC LLP (“Singularity”) outlines investment parameters by excluding specific sectors, companies, or practices that conflict with our values, fiduciary responsibilities, and obligations under internationally recognized frameworks, including the United Nations Principles for Responsible Investment (UNPRI), International Finance Corporation (IFC) Performance Standards, UN Global Compact (UNGC), the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Sustainable Development Goals (SDGs).

This policy strengthens our broader Responsible Investment (RI) Policy by explicitly specifying and managing ESG risks through defined exclusion criteria, thereby enhancing risk-adjusted returns and safeguarding the long-term interests of our investors and stakeholders. We actively discard investments that pose ESG risks and ensure the portfolio aligns with global standards, regulatory mandates, and investor expectations. Our ESG Exclusion Policy establishes:

- Clear, defined guidelines that explicitly illustrate our investment exclusions
- An organized strategy for uniform evaluation and decision-making before investment
- Holistic governance standards for oversight, monitoring, and exception management.

By adopting this exclusion policy, we preserve Singularity's reputation for integrity, fulfil our fiduciary duty, and guarantee that our investments substantially promote sustainable and responsible economic growth.

2. Scope of Application

This ESG Exclusion Policy applies universally across all investment strategies, investment vehicles, and portfolios directly managed or advised by Singularity. Specifically, the policy governs:

- Private Equity (PE): This includes growth-stage, late-stage, buyouts, and direct co-investments in which Singularity holds meaningful governance or contractual rights
- Listed Equity (LE): Actively managed and hybrid-listed portfolios, including private investments in public equity (PIPE) transactions, subject to our discretionary management and ESG governance
- Investment Vehicles: All Singularity-managed funds currently operational or in fundraising phases, including but not limited to SGOF I, SGOF II, SEF, and SFO
- Importantly, this policy applies across all assets under management (AUM), including invested capital, uncalled commitments, and cash, wherever Singularity exercises investment discretion or ESG governance influence.

Exclusion screening occurs systematically at multiple checkpoints:

- Pre-Investment: All potential investments undergo ESG exclusion screening, using standardized checklists and third-party ESG data providers
- Investment Team Oversight: Each IC memo must explicitly document the completion of the exclusion screening and confirm that no unresolved ESG breaches remain.
- Post-Investment: Continuous periodic monitoring ensures compliance with exclusion criteria throughout the investment lifecycle. Any breaches are escalated by established ESG escalation protocols.

This policy does not apply to third-party managed mandates where Singularity lacks meaningful ESG governance influence or contractual control over the mandate. Additionally, client-directed portfolios that explicitly waive ESG exclusions are considered outside the scope of this policy.

3. Exclusion Criteria

At Singularity, we exclude investments in sectors, companies, or business practices that pose significant ESG risks, conflict with international standards, or contradict our ethical principles and fiduciary responsibilities. The following categories outline our primary exclusions:

Category	Description	Rationale/Basis Exclusion
Controversial Weapons	Manufacture or distribution of weapons banned by international conventions (e.g., cluster munitions, landmines, biological or chemical weapons)	UN Global Compact, Ottawa Treaty, PRI Norm-Based Screening
Civilian Firearms & Ammunition	Production or wholesale of small arms and ammunition intended for civilian use	Investor mandate exclusions, elevated social risk
Tobacco & Nicotine Products	Production or large-scale distribution of tobacco, vaping products, or related inputs	WHO Framework Convention on Tobacco Control, public health risk
Adult Entertainment	Production or commercial distribution of pornography or sexually explicit media	Internal ethical screens; sensitive sector exclusions
Gambling & Betting	Companies primarily engaged in casinos, online betting platforms, sports gambling, or state-licensed lotteries.	ESG-linked behavioural risks and stakeholder exclusion mandates
Thermal Coal	Companies deriving >30% of revenues from thermal coal extraction or coal-based energy generation	Carbon risk, energy transition focus, IEA Net Zero alignment

Predatory Lending	Payday lenders or high-interest loan providers are exploiting financially vulnerable individuals	Financial inclusion risk; SDG-aligned exclusion
Human Rights Violations	Documented violations of core labor standards, including child labor, forced labor, or systemic discrimination.	ILO Conventions, UN Guiding Principles on Business and Human Rights
Non-Medical Animal Testing	Use of animal testing in cosmetics, household products, or similar consumer goods where alternatives exist	Ethical considerations and regulatory shifts (e.g., EU bans)
Indigenous Rights Violations	Projects that result in displacement, cultural destruction, or operate without Free, Prior, and Informed Consent (FPIC)	UNDRIP, SDG 16, IFC Performance Standards
Illegal Deforestation/Biodiversity Destruction	Business models driving illegal logging, destruction of critical habitats, or non-compliance with local environmental laws	Climate risk, biodiversity frameworks, SDG 15
Severe ESG Governance Failures	Entities with unresolved corruption cases, recurring governance violations, or systemic regulatory non-compliance	OECD Guidelines, PRI minimum requirements

4. Reviews and Updates

This policy will be reviewed annually or upon:

- Significant ESG regulatory changes
- LP feedback or audit findings
- Internal incident reviews