

As a responsible investor, CDC aims to apply the same high standards of environmental and social (E&S) and business integrity practices across all our portfolio companies and investments. With a long history as a fund-of-funds investor and the financial services sector forming a large part of our portfolio, CDC is well placed to share experience and good practice with its intermediated portfolio clients.

In 2006, CDC provided a free-to-use toolkit aimed at private equity fund managers in emerging markets. The Toolkit is in its fourth iteration and continues to be both a practical building block for the development of a customised E&S management system, and an easy-to-use reference guide for assessing and managing E&S risks, impacts and opportunities.

CDC's ESG Toolkit for Financial Institutions (FIs), released in June 2021, has been developed as a parallel product specifically for FI clients – particularly commercial banks, microfinance institutions and fund managers who work closely with the sector. Like its predecessor, it provides practical guidance for FIs both at nascent and more advanced stages in the development and implementation of E&S and Business Integrity (BI) Management systems. It serves as a reference point for:

- Building management systems and integrating E&S considerations into the various stages of an FI's credit cycle.
- Managing sector-specific E&S risks and identify opportunities to make value-add propositions to the FI's clients;
- Guidelines on various E&S topics such as resource efficiency, managing supply chain risks and gender-based violence and harassment;
- Resource on how FIs can integrate climate-risk management into credit appraisal process, grow climate resilient portfolios and introduce gender-smart lens into the bouquet of products and services the FI offers.
- Checklists, templates, and further reference material to guide FIs across a broad range of both generic and specific E&S topics.
- Guidance on building BI management systems and addressing material BI topics such as anti-corruption; money laundering, corporate governance, whistleblowing etc.

The Toolkit will be updated regularly as practices and standards evolve. We hope you



find it useful and we also welcome any feedback. If you have any questions or suggestions, please email us on: [esgtoolkit@cdcgroun.com](mailto:esgtoolkit@cdcgroun.com)