



This Position Statement affirms Climate Fund Manager's commitment to respecting human rights, and to providing access to remedy where needed. It forms an integral part of Climate Fund Manager's Responsible Investment Framework. The principles and commitments contained in this Statement apply to all aspects of Climate Fund Manager's business operations and to all investments.

## **CORPORATE COMMITMENT TO HUMAN RIGHTS**

Climate Fund Managers (CFM) recognizes the centrality of human rights to sustainable development and ensuring fair distribution of development opportunities and benefits. CFM is committed to operating in accordance with all international legal requirements and agreements, including the International Bill of Human Rights; the ILO Core Conventions; the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

CFM refrains from providing support for activities that may contribute to violations of a state's human rights obligations, and seeks to support the protection and fulfilment of human rights. CFM upholds the principles of accountability and the rule of law, participation and inclusion, and equality and non-discrimination. Arrangements for respecting human rights are incorporated into CFM's governance structure, risk framework, and policies including the Human Resources Policy, the CFM Code of Conduct, the Responsible Investment Policy and the Gender Policy.

Human rights considerations are also incorporated into all aspects of the investment lifecycle and in CFM's business relationships. CFM works only with those companies who are able to demonstrate that they have the necessary measures in place to uphold the corporate duty we all share to respect human rights.

## **HUMAN RIGHTS IN THE INVESTMENT PROCESS**

Consideration of human rights in the investment process starts with due diligence. If a specific human rights concern is identified, expert advice will be sought and the results will inform the investment decision-making process. CFM does not invest in any projects or support any activities that may cause or contribute to human rights violations.

All project companies and their supply chains are expected to adhere to the same standards as those adopted by CFM. Project companies must avoid or otherwise minimise adverse impacts on all people. They must pay particular attention to avoiding the potential for disproportionate impacts on any group of people as a result of their gender, age, ethnicity, disability, socio-economic status and/or other personal characteristics. This includes vulnerable groups such as women, children and Indigenous Peoples for whom special measures may be required to respond to specific human rights vulnerabilities.

CFM requires meaningful, effective, and informed participation of stakeholders in the formulation, implementation, monitoring and evaluation of project activities. We conduct ongoing monitoring and evaluation to make sure that the projects continue to uphold our commitments.

## **EMPLOYMENT AND HUMAN RIGHTS**

CFM is an equal opportunity employer and aims to eliminate all forms of unfair discrimination in the recruitment and selection of staff, as well as in relation to all other aspects of labour and working conditions. All CFM assets are obliged to uphold commitments to equal opportunity and non-discrimination in hiring and employment practices, and to implement measures for protecting the labour and working conditions of people working for and on behalf of the all assets. This includes third party workers and those in the supply chain.

## **HUMAN RIGHTS IN THE SUPPLY CHAIN**

CFM recognizes that it and its investee companies rely on global, diverse and often complex supply chains. CFM further recognizes that there are potential risks associated with human rights in these supply chains, in particular regarding labour and working conditions, gender, and vulnerable persons. We apply a human rights lens to the due diligence screening of all potential investments and require investee companies to implement measures for managing, monitoring and reporting potential risks. CFM acknowledges that this is an emerging global issue and is committed to adopting new international guidance and to working with experts in the field as part of our commitment to responsible investment.

## ACCESS TO REMEDY

CFM takes feedback from its external stakeholders very seriously and operates a grievance mechanism for the receipt of feedback, concerns and complaints from external stakeholders. This mechanism is available on the CFM website. In addition, every project also has a grievance mechanism that can be accessed locally. This is designed with CFM's local communities in mind. All grievances are responded to and followed up to achieve closure and will be communicated internally as required to share learnings. Additionally, an internal grievance mechanism is in place at CFM which is available to all staff, and provides a formal means for raising concerns of any nature. All grievance mechanisms are designed and managed in accordance with the effectiveness criteria set out in Principle 31 of the United Nations Guiding Principles on Business and Human Rights.

## REALISING HUMAN RIGHTS THROUGH OUR INVESTMENTS

Through the investments it makes, CFM has the opportunity to deliver positive impacts that enable people to fulfil their human rights.

Access to energy can reduce poverty, increase livelihood opportunities, and contribute to improvements in health and standards of living. The right to a standard of living adequate for health and wellbeing is in itself a human right enshrined in the Universal Declaration of Human Rights 1948 (Article 25). By providing improved access to energy through Climate Investor One, CFM can help to catalyse development and empower people to take action to realise their human rights.

In 2010, the UN General Assembly and the Human Rights Council formally adopted into international law, the right to safe and clean drinking water and sanitation. However, many people still lack access to safely managed drinking water services and sanitation facilities. Water scarcity, poor water quality and inadequate sanitation negatively impact food security, livelihood choices and educational opportunities for poor families across the world. CFM's second managed vehicle, Climate Investor Two, provides opportunities that enable people to realise their human right to safe water and sanitation.

## DEFINITION OF HUMAN RIGHTS

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination (source: United Nations).

All human rights are interrelated, interdependent and indivisible. They are often expressed and guaranteed by law, in the form of treaties, customary international law, general principles and other sources of international law. International human rights law sets out obligations on States to act in certain ways or to refrain from certain acts, so as to promote and protect the human rights and fundamental freedoms of individuals or groups. Business can impact all human rights both positively and negatively.



## GOVERNANCE

Primary responsibility for upholding the commitments contained in this Position Statement rests with the CFM Management Board of Directors.

## COMMUNICATION & DISCLOSURE

This Position Statement is communicated internally to all CFM staff and to the staff of the Project Companies. It is also disclosed externally via the CFM website.

## REVIEW

This Position Statement will be reviewed on an annual basis and updated as needed.