



Climate Policy

LeapFrog Investments was founded 15 years ago to drive delivery of essential services to emerging consumers, helping them to rise and achieve greater security, dignity, and opportunity.

As climate change threatens communities globally, we also have a duty and opportunity to support pathways out of poverty that deliver rapid decarbonisation of all sectors of industry. This challenge, the Just Transition, is central to LeapFrog's portfolio management and future fund strategies.

LeapFrog was recently identified as the exemplar of a Just Transition private equity fund by the G7 Taskforce for Impact Investing, for its work to ensure "improved financial inclusion facilitates a transition to clean technologies like electric vehicles, smart homes, and improved business processes".

Already, LeapFrog companies reach 342 million people in emerging markets of whom 249 million are low-income emerging consumers. By 2030, we aim to reach 1 billion emerging consumers, 25% of the world's low-income people. As spending power for this group soars to US\$30 trillion by 2025, these consumers will transfigure and realign the global economy, and have the potential to drive dramatically more and better investment in new green companies and projects.



Mobilising institutional capital towards the SDGs and a Just Transition, co-authored with senior leaders from the World Bank, IFC, Green Finance Institute, European Climate Fund, and CDC, lays out a roadmap for how responsible investors can address poverty and climate simultaneously.

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LeapFrog portfolio companies are supporting the transition to a low emissions future through a number of initiatives, for example:



CarDekho, one of India's leading autotech platforms, aims to be a key enabler of India's transition to electric vehicles and helps low-income consumers upgrade from diesel and petrol vehicles.



HD Bank, a major Vietnamese lender, has launched a Green Bank targeting major green economic development projects such as renewable energy and high-tech agriculture.



Interswitch, one of Nigeria's largest payments platforms, provides key access points, via its agency network, to mobile money accounts and a merchant portal that facilitate the roll out of pay-as-you-go solar kits to regional areas.



Shubham Housing Finance offers home loans to low-income customers in India including slum dwellers, allowing them access to formal housing with grid-connected power as well as better access to LPG, which reduces carbon emissions and other harmful effects of alternate cooking fuels.



MedGenome, India's leading genetic diagnostics, research and data company, has centralised the analysis of genetic samples through its "lab in the cloud" approach, reducing the need to transport biological samples and the associated carbon footprint.



Goodlife, East Africa's largest retail pharmacy chain, has developed a one-stop health hub store format with locations closer to customers, helping to reduce the transport carbon footprint required for patients to access treatment.

LeapFrog has committed to best-in-class ESG practices at a firm-wide level, including the following measures:

1. LeapFrog will support portfolio companies to achieve net zero GHG emissions by 2050, aligned with the IPCC's global target to limit warming to 1.5°C by 2100. This includes accounting for Scope 1, 2, and where material Scope 3 emissions; setting interim targets to reduce CO2 emissions before 2050; the reduction of real emissions over offsets, and; providing data and information to achieve net zero targets.
2. LeapFrog is a Principles for Responsible Investment signatory and supports best-in-class ESG practices at our portfolio companies through its Responsible Investment Code, informed by the IFC Performance Standards and the UN Global Compact Principles.
3. LeapFrog funds will comply with the Sustainable Finance Disclosure Regulation, and LeapFrog Emerging Consumer Fund IV has committed to the standard set out in Article 9 of that legislation.
4. New portfolio investments shall implement the Task Force on Climate-Related Financial Disclosures recommendations where practicable.

5. LeapFrog is reducing in-house emissions, which are primarily associated with travel and our global office network. Measures include replacing air travel with greener alternatives like virtual meetings, reducing business travel, staying at low carbon hotels, limiting multi-stop flights/flights to nearby destinations, the use of renewable energy in our offices, and energy efficiency initiatives. LeapFrog is targeting a 30% reduction in direct emissions per employee from travel and office use by 2030. LeapFrog additionally purchases verified carbon offsets to support a net zero firm footprint, which are independently validated and verified to recognised global standards, including the Verified Carbon Standard (VCS), the Gold Standard, the American Carbon Registry (ACR) and the Climate Action Reserve (CAR).
6. Through our impact team, we continue to not only ensure accurate and consistent measurement of ESG across our portfolio companies, but also run training workshops and education initiatives across portfolio management teams to help embed new practices, such as calculating carbon footprints and identifying climate risks and opportunities.

LeapFrog is committed to supporting the Just Transition to help cement a decarbonised, sustainable model for economic development. We will continue to work alongside portfolio companies to deliver these and other projects, as a climate champion and long-term leader in global growth markets.