

caplantic

ESG-POLICY

GENERAL INFORMATION

Caplantic GmbH is a joint venture of NORD/LB, Talanx AG and Bankhaus Lampe. The key competences of Caplantic include products and services in the fields of alternative assets, private equity and financial solutions, especially the structuring, the guidance and the management of investment products in illiquid asset tiers, such as airplanes, ships, real estate, infrastructure, renewable energy sources and private equity. Caplantic sees itself as an interface between investors, who are interested in capital investments and/or credit investments and the corresponding risk patterns and reports, and the originators of such assets.

With the ESG-Policy at hand Caplantic aims to underline its strict consideration of sustainability, regarding environmental-, social- and governing factors (Environmental, Social, Governance = ESG) into the corporate culture and business processes.

ETHICAL PRINCIPLES

The cooperative and responsible collaboration with clients, shareholders, investors and business partners represents the foundation of sustainable success at Caplantic.

The company's "Ethical Principles" were introduced as early as 2015 and function as a company-internal code of conduct. They are binding to co-workers and the executive board alongside the general regulatory and supervisory guidelines and thereby give an account of Caplantic's ethical and social system of values. In addition to general

behavioural guidelines, the “Ethical Principles” further advise individuals on how to deal with conflicts of interest and benefits in kind.

INITIATIVES AND MEMBERSHIPS

Taking responsibility implies committing inwards as much as outwards. For this reason, Caplantic intended to make its responsible engagement more transparent for outsiders by signing the Principles for Responsible Investment (PRI). Caplantic thereby pledges to implement the six principles of the PRI and to report on activities and developments regarding its implementation annually.

Being a signatory of the PRI, Caplantic has decided to incorporate ESG aspects that are in alignment with the interests of the PRI into the company’s operational sector. Since the appointment of an ESG representative, the implementation is concentrated and coordinated efficiently by one individual within Caplantic. The task field of the ESG representative involves examining the practicability of recommendations and action patterns as suggested in the PRI and applying appropriate measures into the line of business.

In the private equity business unit, Caplantic has created a Responsible Investment Committee (RIC), that comes together at least semi-annually and in case of urgent matters. Decisions made at meetings held by the RIC intend to expand and improve the implementation of the PRI in the private equity sector. The RIC consists of the Cologne-based executive board including the responsible chief executive and the ESG representative of Caplantic.

Aside from that, Caplantic is an active member of the Bundesverband Alternative Investments (BAI) (engl. Federal Association of Alternative Investments) and of the Bundesverband Deutscher Kapitalgesellschaften (BVK) (engl. Federal Association of German Corporations) in which the company exchanges information on branch-specific and regulatory topics with other members. Acting as a perpetual member of

the Commission for Investors at the BAI Caplantic deals with current regulations and with ongoing legislative procedures on both German and European level. However, being active on these information platforms most importantly allows Caplantic to be aware of early developments and changes in ESG regulations.

HUMAN RESOURCE POLICY

The name Caplantic is linked to high quality consulting and service. For this to be continuously ensured to clients and partners, Caplantic's management team creates incentive programs for employees, that are aimed at maintaining an appreciative and comfortable working environment. These include regular in-company and external training opportunities, flexible working schedules such as home-office times, contributions to childcare expenses and the support of employees' physical activity and overall fitness.

The company's compensation system is comprised of both fixed and variable components. Rewards and benefits are granted to those behaving responsibly in the workplace in accordance with the "Ethical Principles" and in line with sustainable corporate success.

ENVIRONMENTAL PROTECTION

The significance of the cautious use of resources at Caplantic has led the company to adopt a travel policy that is binding for all employees. It expects travellers to use public transportation in preference and further supports employees, who travel more frequently, by providing them with a "BahnCard" (discount card for train tickets).

During the daily office life all employees are aware of a sustainable consumption particularly with regards to water, paper and energy.

INVESTMENT PROCESS

Caplantic is convinced, that in the context of opportunity and risk profiles, ecological, social and corporate factors have a substantial influence on the long-term success of Alternative Assets and Private Equity. For this reason, ESG topics have become an integral part of every Due Diligence Examination. The general partner must reveal to what extent ESG factors were considered and incorporated in the investment process.

During side letter negotiations with the general partner, Caplantic places high value on the inclusion of a self-drafted ESG clause. This way the general partner recognizes the duties, that arise for Caplantic due to the PRI. Furthermore, Caplantic advises the general partner to sign the PRI himself and to support and implement the objectives of the PRI.

Being a signatory of the PRI Caplantic has obligated itself to generally exclude investments in and involvements with producers of cluster bombs and antipersonnel mines and therefore explicitly verifies the adherence to the exclusion in the Due Diligence. The adherence to other conditions is currently being examined.

Caplantic acknowledges individual requirements that investors might have in respect to ESG standards and exclusion criteria and takes account of these in the investment process.

The investment analysis and decision recommendation prepared by Caplantic for its clients is influenced both by the quality of responses to ESG related questions and the degree of transparency that the general partner offers.

MONITORING AND REPORTING

It is normally agreed upon that the general partner provides Caplantic with a quarterly report on the corporation, portfolio companies or target funds followed by an informed

risk analysis. In addition to that exchanges of information with the general partners take place frequently throughout the year. Subjects may include economically relevant questions and ESG-related issues.

Depending on individual requirements and necessities of investors, monitoring activities can be enhanced to deliver additional information. For instance, immediate notifications in case of changes in the general partner's ESG-Policy or changes in risk evaluation within the defined ESG criteria for portfolio companies.

Caplantic creates the ESG reporting for investors successively and according to their expectations. The goal is to provide each investor with an annual ESG reporting containing scorings and ESG evaluations on portfolio companies and the general partner.

Last changes made March 1st, 2019