

Responsible Investment Policy

Our conviction

- Golding Capital Partners (Golding) is one of Europe's leading independent asset managers for alternative investments. Our job is to construct diversified portfolios of buyout, private debt and infrastructure assets in order to generate sustainable income and attractive returns. Everything that we do is aligned with the interests of our investors. By investing in and lending to companies, and by means of our investments in private and public infrastructure entities and projects we have a far-reaching influence on society, i.e. on a large number of people and their natural environment. We consider it our responsibility to capitalize on our influence and contribute towards positive outcomes wherever we invest.
- It is our understanding that we can only fulfil this responsibility, when we integrate environmental, social and governance aspects (ESG) into our decision-making processes. We are convinced that this not only helps us to do justice to our position in society, but also results in improved risk management practices and an enhanced identification of value creation potential within our investments. Below, we have listed what we consider to be the key aspects of responsible investment (ESG).

Key aspects of responsible investment (ESG)

Environment (E)	Social (S)	Governance (G)
<ul style="list-style-type: none"> ▪ Environmental pollution / risks ▪ Resource management ▪ Greenhouse gas emissions ▪ Ecological footprint ▪ Conservation of nature 	<ul style="list-style-type: none"> ▪ Employee well-being ▪ Health and safety management ▪ Working conditions along the value chain ▪ Product integrity and safety ▪ Social responsibility 	<ul style="list-style-type: none"> ▪ Company values and business ethics ▪ Management and supervisory structure ▪ Compliance and risk management ▪ Governance in the value chain ▪ Stakeholder management and reporting

- We recognize the importance of addressing climate change and acknowledge the Paris Agreement as a significant international effort towards this goal. As responsible asset manager, we seek to consider climate-related risks and opportunities in our investment activities for example through specific exclusions and limitations based on activities and behaviours of portfolio companies for example for managed investment funds qualifying under Article 8/9 Sustainable Finance Disclosure Regulation (SFDR). Depending on the investment profile and sustainability objective of the respective managed investment fund, further measures may be applicable.
- Second, we put particular emphasis on climate-related aspects when evaluating managers by analysing their climate-related risk and opportunity management through a proprietary assessment tool. We have been supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021. We thus base our analyses on the framework developed by the TCFD and encourage our investments to follow the TCFD's recommendations.
- Our conviction is expressed by the fact that we have been a signatory of the United Nations Principles for Responsible Investment (UN PRI) since 2013. Those principles guide us as we integrate ESG aspects into our decisions and processes:
 1. We will include ESG topics in investment analysis and decision-making processes.
 2. We will be active owners and incorporate ESG issues into our ownership policies and practice.
 3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
 4. We will promote acceptance and implementation of the principles within the investment industry.
 5. We will work together to enhance our effectiveness in implementing the principles.
 6. We will report on our activities and progress towards implementing the principles.

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- It is important to us that our investments follow good governance practices and carry out economic activities in alignment with, for example, the OECD Guidelines for Multinational Enterprises and/or the UN Guiding Principles on Business and Human Rights.
- As signatory, we promote the principles and their implementation in a steady dialogue with our stakeholders. This also includes our employees. We therefore also strive to guarantee sustainability and responsibility in our internal workflows and our interactions with one another. Our social engagement is a vivid expression of our aspirations.
- As a matter of principle, we generally reject investments that are active, i.e. more than 10 % of their revenues are directly related to the following industries:
 - Production of or trade in weapons and/or ammunition used in war zones or military conflicts (we reject all investments which produce controversial weapons, applying 0 % revenue tolerance);
 - Production of or trade in pornographic products;
 - Production of nuclear energy;
 - Mining and trading of lignite or hard coal, and power plants substantially fuelled by coal
 - Prospecting, exploration and extraction of oil from oil shale, tar or oil sands;
 - Commercial logging of forests without consideration of sustainable forest management;
 - Cultivation and processing of tobacco;
 - Controversial forms of gambling: operating casinos, manufacturing equipment or other equipment for casinos or betting offices or companies that generate revenue through online betting;

and/or where the following activities are/have been known to take place:

- Activities involving forced labour and/or child labour in accordance with core labour standards of International Labour Organization (ILO);
- Activities that directly or indirectly violate human rights as defined by the UN Universal Declaration of Human Rights;
- Activities which are in serious and/or systematic violation of UN Global Compact principles;
- Investments that threaten to destroy or significantly degrade - without adequate compensation - designated protected areas or conservation areas.

Our approach

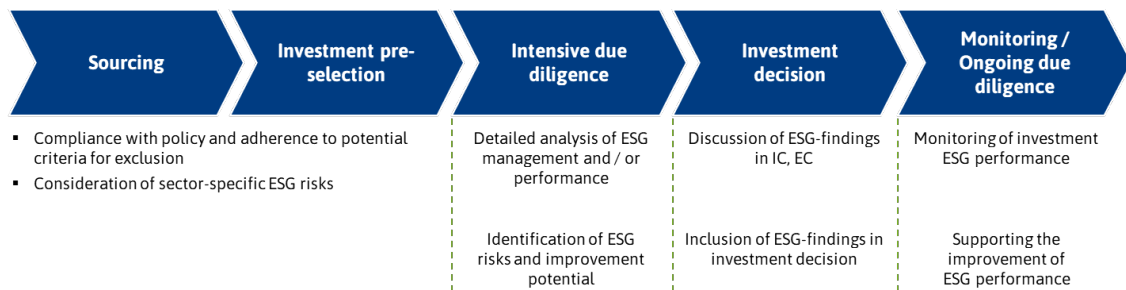
- Golding's ESG team is responsible for the operational management and control of our responsible investment policy. It is supported by an interdisciplinary team which consists of staff from various departments in order to ensure that perspectives of all stakeholder groups are involved in ESG management. The ESG team coordinates the inclusion of ESG criteria in the investment process and in our internal workflows, working closely with the wider investment team and the Management Board.
- By applying a consequent ESG and climate assessment for each of our fund investments and co-investments, we intend to ensure that all investments we make are aligned with our responsible investment commitment and ambitions.

ESG criteria in the investment process

- ESG aspects are taken into account both before and after the investment decision. A multi-stage management approach has been implemented, which is described below and which applies to all investments regardless of the actual type and/or origination channel.
- We are aware that for the fund-of-funds business Golding has only indirect influence on individual investments and hence needs to operate on a best-efforts basis. Furthermore, our influence on investments and partners is partly determined by the investment type and/or origination channel. For example, there is greater scope for exerting influence on direct investments or co-investments than on fund investments, for which typically a portfolio fund manager is involved in the process, operating between Golding and the individual company or project. In addition, when acting as a fund-of-funds manager, we cannot always guarantee availability of all

ESG-related information on specific companies or projects at the time we make our investment decision. ESG aspects are therefore handled in different ways, depending on the type of investment and as described below.

- **Fund investments:** We assess the ESG approach of the fund manager during the due diligence phase. We evaluate the extent to which the fund manager is committed to responsible investment and integrates ESG criteria in their processes and investment decisions, and factor this evaluation into our own investment decision. Upon a positive investment decision, we formally encourage the fund manager through side letters to enhance the ESG and climate management performance. Furthermore, we include a regular reporting requirement for a set of ESG key performance indicators (KPI) in our contractual agreements. To achieve tangible progress, we provide specific, prioritized recommendations for improvement (if any), based on the ESG and climate assessment conducted during the due diligence. Our recommendations are also supplemented by an anonymized benchmark against other fund managers. Over the lifetime of the investment, we keep in close consultation on recommended improvements and conduct regular updates of our ESG assessment in addition to monitoring a defined set of ESG KPIs as applicable.



- **Co-investments:** We seek to assess the ESG approach of the lead investor in alignment with our approach for fund investment, and we assess the ESG performance of the target asset at hand. To this end, the lead investor usually carries out an initial ESG assessment during the due diligence phase. We review the findings of this assessment (as well as underlying asset-specific ESG data) and match them against our own evaluation of asset-specific material ESG aspects and the asset’s management of these. The asset-specific ESG evaluation of co-investments includes an assessment of good governance principles. If the assessment carried out by the lead investor does not satisfy our principles, we reserve the right to request additional information or conduct our own ESG assessment. The results from (1) the assessment of the ESG approach of the lead investor and (2) the ESG management of the asset are together factored into our investment decision. During the monitoring phase we strive to stay in close and regular consultation with the lead investor in order to monitor and improve the ESG management of the asset.
- We set minimum ESG requirements for fund investments and co-investments which are based on our ESG assessment results. The requirements, which can vary for example reflective of demands set by the investing product or mandate, are monitored by the investment team, the ESG and Risk Management teams.
- We adopt a comprehensive and progressive approach to engage with the managers of our fund investments and co-investments on a continuous basis as part of our ongoing monitoring.
- The ESG assessments of investments are revisited and updated in regular intervals.
- Regardless of the type of investment and/or origination channel, we reserve the right to reject an investment if ESG information is not available or is inadequate and could consider escalation efforts in our engagement activities.

Transparency and communication

- In alignment with the SFDR we in particular disclose information about our policies on the integration of sustainability risks in our investment decision-making process and the nature and scale of our ESG and sustainability related investment activities, where applicable, on our website (www.goldingcapital.com), in our product documentation including pre-contractual documentation and marketing material as well as in

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periodical reports to our investors and prospective investors. Furthermore, we explain adverse sustainability impacts of our investments when and where applicable.

- As a signatory of the UN PRI we file an annual transparency report with the organisation, which i.a. includes ESG information about Golding and our investments.
- We also report to our stakeholders on our activities in the sphere of responsible investments as required.

Continuous improvement

- We consider the integration and management of ESG aspects to be a process of continuous improvement.
- We regularly evaluate our own ESG activities and optimise them as needed.

This policy

- This policy forms part of the Golding organisational manual and applies to the entire organisation as of its publication date. It is reviewed regularly and modified accordingly.