GOLDING

Make a difference.

Sustainability Report 2022/23

Overview

Vision plus plan

I realise that something inside me has changed. In the first 15 years of Golding's history I was only focused on building a successful company with strong growth, a team of real experts and a global network. We kept on creating new ideas and plans. We developed them into a strategy which has ultimately been a great success for us and our clients. Now that we can safely say the company is well and truly established I personally have entered a new phase in my life. I find that I am spending more time thinking about very different things. I think about how we can give something back, share our success and have an even more positive impact.

So yes, we at Golding are setting off on a new journey. We will only discover where it takes us when we get there. Golding is not yet having the impact we all aspire to, but we have certainly made a start. I spend lots of time talking to many inspiring people, reading books, listening to fascinating speeches and realised that in addition to a good plan, something else is required. For two years we worked hard to define our vision and how to actually put it into practice. We have already positioned sustainability at the heart of our company and our product strategy. Now we are working steadily on integrating this vision into our day-to-day work, into how we behave and how we design our investment products. That makes me proud.

Making sustainability the beacon for our company and enabling it to play a defining role in our business is a big deal though. It consumes resources, requires concentration, takes time for people to think through the implications. Not only for the vision as a whole, but also for the details. It also releases enormous energy because it is such an important subject that means so much to many of us personally. To describe where we are at the moment we use the term "Whybration" because it captures that sense of questioning what we are about and what we do. And that is often as much about a feeling as it is about facts and figures. So for me the best thing is that we have discovered a common motivation and a broader meaning for what we do, which is both simple and challenging at the same time: we want to make a difference. Will you join us?

I would be pleased if you would do so.
Jeremy Golding

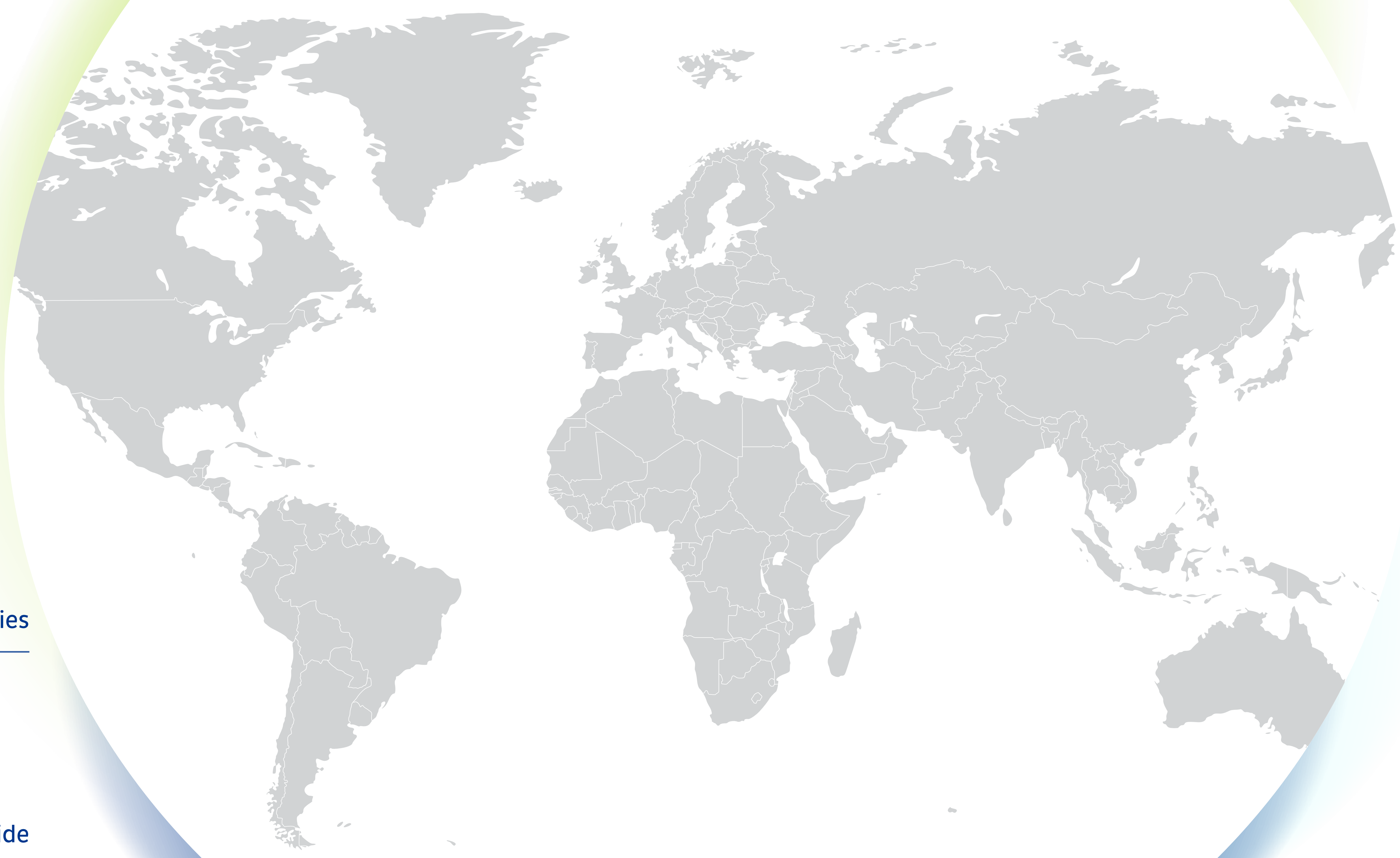
We invest in ideas

Golding Capital Partners is a respected specialist for alternative investments, with a team of more than 200 professional experts and assets under management of some €14 billion. Our tailor-made investment strategies ensure high-quality, diversified investment portfolios and increasingly focus on assets that contribute to a sustainable economy. Golding Capital Partners has established itself as a trustworthy partner for institutional investors looking for attractive, long-term primary and secondary investments in private equity, private credit, infrastructure and impact investing. Our more than 230 institutional investors include insurance companies, pension funds, foundations, family offices and ecclesiastical institutions, as well as banks, especially savings banks and cooperative banks. They all share our commitment to sustainability and social responsibility.

200+ employees from 17 countries

230+ institutional investors worldwide

14+ billion euros under management



We create
→ impact for generations.
local.regional.global.

Our vision puts sustainability at the heart of the Golding brand and so enables us to fulfil our responsibilities to our investors and partners in this additional dimension.

I am convinced that investments based on sustainability will be the long-term winners.

Dr Matthias Reicherter

What is the impact of "Make a difference" on Golding, its investors and partners?

Matthias Reicherter, Managing Partner and Chief Investment Officer, and Christian Schütz, Director ESG, were involved in developing Golding's new vision, as expressed in the slogan, "Make a difference". They are both responsible for ensuring that Golding really does make a difference on an everyday basis and throughout the company. What does that mean in practice? Here are five statements from each of them that set the bar for what they want to achieve.

Dr Matthias Reicherter
Managing Partner and Chief Investment Officer
and
Christian Schütz
Director ESG

What effect do your vision and "Make a difference" have on Golding's investments, if the ambition they suggest is taken seriously?

Dr Matthias Reicherter I believe that an investment which does not factor in sustainability considerations is not a good investment. Investments are exposed to risks that are tightly bound up with sustainability issues, like environmental issues, for example. We are convinced that investments which are clearly guided by sustainability principles have a better risk-return profile. Indeed, our investors are increasingly asking us to invest where we can have an impact. So in addition to our pure-play impact strategies, we are also reworking all our other investment strategies. My expectation is that in the years ahead, all Golding products will meet higher standards for sustainability. We started in 2018 with a list of exclusion criteria relating to sectors and business practices in which we do not invest, and made them a formal element of our investment policy in 2021. In recent years we have deliberately avoided new investments in oil and gas, for instance. They are performing well at the moment, it's true, but I believe they are at a high risk of becoming stranded assets.

Christian Schütz There is always plenty of ambition; that's not the problem. But for me that's not enough. We have to get a move on now, otherwise we'll still be here talking about the same ambitions in 15 years' time. My job, as I see it, is to insist on this discipline. I am convinced that as part of society, we have to take responsibility. Golding is in a good position as a company, with the leverage to change things. We can influence the thousands of companies we have invested in. In the field of alternative investments we are not just one small shareholder in a massive capital structure – we work directly with the people who control the businesses. We can leverage our position to raise awareness for sustainability.

> " We see ourselves as sustainability ambassadors. Our clients need our support to define a clear strategy and provide a framework for expectations. Also to keep it realistic. Christian Schütz

What leverage do you have for bringing about real change?

Dr Matthias Reicherter Our main lever is capital. We allocate up to two billion euros a year, so this empowers and compels us to make a big difference. We are in an incredibly privileged position, because in the course of our due diligence we gain deep insights into how our investment partners factor sustainability into their commercial assessments, processes and plans. We can see the progress that individual funds have made from their investment papers, point out alternatives, express our own wishes and also define specific conditions. And when the time comes for the next investment, we can compare what we agreed with what has been achieved in the interim. But more fundamentally, we are not just an aggregator and provider of capital, but also a conduit for others' opinions. Many of our clients, the pension funds or non-profit foundations in particular, consider that they are acting on behalf of a wider society. So for them we are also a trusted adviser.

Christian Schütz The key question is, whose job is sustainability? We sometimes hear: is it really part of the job description for a pension fund trustee to be worrying about that? Our position is absolutely clear that, yes, it is very much their job to be worrying about risks, and the positive and negative impact that their investments have. We see ourselves as sustainability ambassadors. Our clients are already somewhere along the sustainability pathway, it's unavoidable, and they need our support to define a clear strategy and a set of expectations. Also to keep it realistic. I see my role as a moderator, who can suggest targets and explain what can reasonably be achieved in the years ahead. My current focus is on conveying an understanding for that, both here internally and outside. And on working with others to increase the visibility of the topic across multiple generations.

Why now? We wanted to make progress first. Now we feel ready.

Christian Schütz

When you mention sustainability, what are the reservations you come across at Golding, and with your investors and partners?

Dr Matthias Reicherter Often it is the personal habits that are hard to change. I know that from how I behave myself. But sometimes it is a combination of different reasons. One issue for my own team, for example, is how we travel to conduct our investment activities. That represents a big opportunity for us to reduce the greenhouse gas footprint of our operating business, but at the same time we are all about personal trust and face-to-face contact. Of course we can cover a lot of ground with video calls, and we do. But before you sign up for an investment to commit several million euros, you want to meet the people involved. So we have to alter our travel habits step by step, which can consist of taking the train, for example. All this is far from a trivial matter for us. Golding is perceived as a familiar, friendly organisation. So we have to think hard about how our customers will see us in future if most of the contact takes place virtually. It's a question of getting used to new things.

Christian Schütz The younger colleagues and business partners are often thinking about it themselves already, so I don't have to do much to persuade them. But in our industry – as in society generally – it is mostly the older men who make the decisions, which means that certain ways of behaving are accepted as normal or even correct. The argument that strikes home even with these decision-makers, however, is that the way in which we deal with sustainability is already or is becoming a competitive factor. And this dawning recognition overcomes some of the reservations that they have about taking sustainability increasingly seriously. Our partners also want to hear from us where their weak spots are and what they can do better – and they enjoy having the chance to discuss things with us and get advice. To be honest, a lot of them are already very advanced, so the inspiration works both ways.

> We set up the Impact Task Force in order to address sustainability as a leading institution, not just a "bunch of amateurs". Christian Schütz

What milestones have you reached on your sustainability pathway that could be an inspiration to others?

Dr Matthias Reicherter We can only inspire other people if we work on ourselves and take it seriously. For Golding as an employer I would say we are already very well positioned, compared with the market. Good working conditions, flexible hours, a range of benefits, and a willingness to take people's different situations in life into account are already a standard part of the package. We are currently looking at how we can expand our corporate social volunteering and how we want to structure our charity activities going forward. So wherever you look, things are moving in the right direction. Which shows how the title of this report, "Whybration", is a good description of where we are at the moment.

> So far the communication about our activities has been rather piecemeal. Now we want to bring the topic to the forefront, ensure that it is really hard-wired into our organisation, and shine a light on it to make it fully visible. Dr Matthias Reicherter

Christian Schütz I'm very proud of our Impact Task Force. This working group aims to drive our company forwards on its transformation pathway. Importantly, not from a corporate perspective, but rather from the intrinsic motivation of the participants. The Impact Task Force has identified three main action areas. First, how do we as an organisation deal with environmental topics? Second, how do we create an atmosphere in which all employees feel comfortable? And third, what role does social structure play? These three topics form the parameters for our five-year strategy, and we have defined concrete actions to be taken for each of them. Our first step was to switch our entire fleet of company cars over to electric vehicles. We have also defined gender targets. This is a very active area: we are involved in the Fondsfrauen organisation, for example, which campaigns for equal career opportunities for women in the investment industry, we have explicitly modified our briefings for head-hunters to encourage applications from women, and we have introduced a mentoring programme specifically to enhance the career prospects of female employees.

At what point will Golding start to describe itself as a sustainable company?

Dr Matthias Reicherter One really great moment on our sustainability journey was when the penny dropped and our colleagues here realised that sustainability is a competitive advantage. A sharper focus and more success on the market. And suddenly Christian as ESG Director was one of the most sought-after opinion leaders in the company. For me, a company that wants to describe itself as sustainable must also demonstrate a level of staying power. We can certainly point to some achievements, like the fact that sustainability is now hard-wired into our vision and our brand, that we have a dedicated team, defined targets and decision-making criteria, which are backed up by analytics and ratings processes. But now we have to practice all this on a consistent basis over many years before we start congratulating ourselves in public.

Christian Schütz Firstly, when a net zero in terms of our GHG footprint is in sight for our operations. Secondly, when we have met our own gender targets and everybody thinks this is normal. Thirdly, when we can say that the investments we make also deliver an active contribution to our sustainability goals. Essentially it is always about responsibility and intergenerational justice, and as with our new vision, not just about reaching a certain level. Because it is not as if sustainability were at some point achieved and done with.

Make a difference

Isn't there another way? What can we do about it? How do we use the chances we have? "Make a difference" is more than a slogan for us. "Make a difference" is an appeal to look for the smarter solution, to enable better decisions and to make the more sustainable investment. We see it as a catalyst and an invitation to our customers and partners to share our vision.

Investment strategies with a special focus on sustainability

Our investment strategies focus on sustainability aspects in all asset classes. We classify these investment strategies as Article 8 or Article 9 products, based on whether they meet the requirements of the corresponding provisions of the European Sustainable Finance Disclosure Regulation (SFDR).

SFDR ART. 8

Golding Buyout Co-Investment 2023[1]

With this second generation of our proven buyout co-investment strategy we continue to provide access to a diversified portfolio of around 30 selected co-investments in buyout transactions in Europe and North America. Investments concentrate on the earnings potential of small and mid-market buyout transactions and are executed alongside experienced fund managers. The focus is on defensive sectors and business models, conservative capital structures and on having an edge in terms of information when the investment is made. Golding Buyout Co-Investment 2023 is classified as an SFDR Article 8 strategy. The promoted environmental and social characteristics are assessed using a range of indicators. They include the transparency of the investments from a sustainability perspective, a positive contribution to the UN sustainable development goals, the measurement and reduction of greenhouse gases by the investment and a positive contribution to equality and/or diversity objectives.[2]

Golding Private Debt Co-Investment 2021[3]

Golding Private Debt Co-Investment 2021 invests primarily in first-lien, senior corporate loans and is diversified across 20 to 25 transactions in Europe. The strategy is classified as SFDR Article 8, since it promotes environmental and social characteristics. Key differentiating features include linking the terms of the loans to sustainability criteria, reducing ESG risks by means of processes followed by both the borrower and the lender, transparency about sustainability aspects, and any potential positive contribution made to sustainability objectives like the UN SDGs.[4]

Golding Infrastructure Co-Investment 2023 [5]

The third generation of our established investment strategy is classified as an SFDR Article 8 strategy and provides access to a portfolio of selected co-investments in infrastructure projects. The strategy features broad diversification across geographies, risk categories and managers with a comparable target return[6] to a primary fund. Golding Infrastructure Co-Investment 2023 promotes environmental and social characteristics as measured by various indicators, such as the potential positive contribution to achieving the UN sustainable development goals, the measurement and reduction of greenhouse gases by the investment, and a positive contribution to equality and/or diversity objectives.[7]

1 The name Golding Buyout Co-Investment 2023 refers to the fund Golding Buyout Co-Investment 2023 SCS SICAV-FIAR, to which investors can subscribe as limited partners. NB: Some of the allocations mentioned represent internal forecasts. Only the investment limits described in the partnership agreement/ management contract are legally binding.

2 Notice: Only the investment limits and characteristics described in the partnership agreement/ management contract are binding.

3 The name Golding Private Debt Co-Investment 2021 refers to the fund Golding Private Debt Co-Investment 2021 SCS SICAV-FIAR, to which investors can subscribe as limited partners. NB: Some of the allocations mentioned represent internal forecasts. Only the investment limits described in the partnership agreement/ management contract are legally binding.

4 Notice: Only the investment limits and characteristics described in the partnership agreement/ management contract are binding.

5 The name Golding Infrastructure Co-Investment 2023 refers to the fund Golding Infrastructure Co-Investment 2023 SCS SICAV-FIAR, to which investors can subscribe as limited partners. NB: Some of the allocations mentioned represent internal forecasts. Only the investment limits described in the partnership agreement/ management contract are legally binding.

6 Past performance and forecasts are not a reliable guide to to future returns.

7 Notice: Only the investment limits and characteristics described in the partnership agreement/ management contract are binding.

The purchase of interests in the products represents an entrepreneurial investment, which in addition to the chance of income, also entails risks up to and including the total loss of invested capital. Further details about the risks of purchasing interests in the respective investment products can be found in the issue document. An investment decision should only be taken on the basis of the issue document, the partnership agreement or management contract, the subscription form, the most recent valuation (net asset value) and the last available annual report.

Golding Infrastructure 2022[8]

This fifth-generation fund follows our established investment approach and is classified as SFDR Article 8. It invests in a globally diversified portfolio of infrastructure assets, with a focus on Europe and North America. The conservative investment strategy is based essentially on highly profitable Core/Core Plus investments that generate increasing income[9], and will consist of commitments to around 15 primary funds with around 150-250 underlying, broadly diversified infrastructure projects. A selective allocation to co-investments and secondaries will optimise the strategy's cash flow profile. Golding Infrastructure 2022 promotes environmental and social characteristics by means of investments that provide and/or scale solutions with a positive impact on the environment and/or society.[10]

SFDR ART. 9

Golding Impact 2021[11]

This private equity fund of funds is classified as an SFDR Article 9 strategy. It takes a thematic approach and pursues clearly defined social and environmental impact objectives. Golding Impact 2021 makes commitments to growth capital funds in Europe, North America and emerging markets, and concentrates on funds seeking exposure to green solutions, sustainable food and agricultural technology and financial services. Commitments can also be made to funds that focus on investing in transformational business models to address global challenges. Golding Impact 2021 invests explicitly in businesses, organisations and funds that, in addition to financial returns, aim to make a concrete, positive and measurable social and environment impact. Since the fund's geographic investment focus extends beyond Europe, we are also making a contribution to establishing the EU requirements for sustainable investments as defined in the SFDR on a global basis.

8 The name Golding Infrastructure 2022 refers to the fund Golding Infrastructure 2022 SCS SICAV-FIAR, to which investors can subscribe as limited partners.
NB: Some of the allocations mentioned represent internal forecasts. Only the investment limits described in the partnership agreement/ management contract are legally binding.

9 Past performance and forecasts are not a reliable guide to to future returns.

10 Notice: Only the investment limits and characteristics described in the partnership agreement/ management contract are binding.

11 The name Golding Impact 2021 refers to the fund Golding Impact 2021 SCS SICAV-FIAR, to which investors can subscribe as limited partners.

The purchase of interests in the products represents an entrepreneurial investment, which in addition to the chance of income, also entails risks up to and including the total loss of invested capital. Further details about the risks of purchasing interests in the respective investment products can be found in the issue document. An investment decision should only be taken on the basis of the issue document, the partnership agreement or management contract, the subscription form, the most recent valuation (net asset value) and the last available annual report.

We don't invest in ESG and sustainability on our own. Our investors want to go in the same direction.

Wiebke Kuhne, Director,
Head of Institutional Clients – Germany & Austria
Insurers, Pension Funds

Golding's ESG analysis – Methodology

Ensuring alignment with ESG (environmental, social and environmental) and sustainability goals is a feature of our entire investment process. We examine them particularly closely at the time the investment decision is made. It is vital to be able to compare different investments, so as early as 2018 we worked with advisers to draw up a structure that we now use as a template for our decision-making process.

The analysis consists of five categories: ESG values, the integration of ESG within the organisation and in the due diligence process, plus the management of ESG aspects during the ownership phase and in the fund reporting.

In the course of our investment due diligence we collect answers to a total of 54 questions. The answers to the questions form the basis for our assessment according to 28 criteria on which the five categories are based.

Since introducing our ESG analysis we have evaluated more than 90 primary fund managers in terms of their sustainability profile using Golding's ESG questionnaire, and mapped their performance on a scale from 1 (insufficient) to 10 (leading). In addition to the Golding ESG assessment for investments, we screen for climate-related aspects, which we summarise in a separate climate assessment score.

We repeated the ESG assessment for our investments in 2022 to monitor how they develop over time and generate actionable insights.

Ranking of criteria on a scale of 1 to 10

Insufficient	1
Initial	2–4
Developing	5–7
Leading	8–10

The ESG assessment forms the basis for identifying sustainability risks. In our risk management we refer to the individual criteria and have defined minimum standards for the ESG quality of the investments we make.

Illustrative example

Scale: Insufficient, Initial (*), Initial (**), Initial (***), Developing (*), Developing (**), Developing (***), Leading (*), Leading (**), Best-in-class, [Investment]

Illustrative example	[Investment]
ESG values	**7.0**
Understanding, Motivation	9
Implementation	9
Leadership, Standards	9
ESG policy	7
Climate policy & positioning	1
ESG organisation	**6.2**
Responsibilities	10
Integration in processes	9
Expertise	7
Formalisation	2
Climate responsibilities	8
Consideration of climate risks & opportunities	1
ESG due diligence	**6.7**
Exclusion criteria	8
Standardisation	8
Methodology (materiality)	8
Contents, extent	9
Integration	9
Climate risk impact assessment (fund level)	1
Identification, monitoring of climate risks (asset level)	4
ESG ownership	**7.2**
Demands on investees	9
Monitoring process	9
Cooperation	9
Active ownership & recommendations (asset level)	8
Climate targets	1
ESG reporting	**7.8**
Process	8
Content	9
Integration in fin. reporting	6
Climate KPIs	9
Incident management	7
GOLDING ESG ASSESSMENT SCORE	**7.0**
Climate assessment score	4.1

Looking at the different asset classes reveals significant differences in how managers see their own role and how they approach ESG.

Private Equity / Buyout

In the private equity sphere it is common for the funds to hold significant equity stakes in their portfolio companies. This enables them to exert a greater influence over the businesses. It is clear that ESG plays an increasing role in investment decisions. After they have made an investment, more and more fund managers want companies to improve their ESG performance and take steps to bring this about. Geographical differences can be seen in the areas on which private equity fund managers concentrate. In our assessment for 2022 the fund managers in the USA gave a higher priority to social aspects such as diversity, equity and inclusion, whereas funds in Europe focussed more on environmental and climate issues.

Fund managers are increasingly supporting their investments with know-how. Our private equity partner Synova, for example, develops ESG materiality assessments for portfolio companies and helps its investments to refine their approach to managing ESG aspects, by means of software solutions to capture carbon emissions and technologies to promote awareness of sustainability among the workforce.

Other fund managers are engaged in developing methodologies for applying science-based targets to private equity and some, like the private equity fund manager Bregal, set timelines for their portfolio companies to define science-based targets for their own businesses.

Infrastructure

Our infrastructure partners have long been those with the strongest focus on ESG topics, compared with other asset classes. This is due to the long-term contracts and long investment periods typical of the asset class. In addition, infrastructure projects are often directly related to energy or social topics, so ESG aspects have a more direct impact here than in other sectors. For these reasons, infrastructure funds started integrating ESG aspects into their investment decisions earlier than other asset classes in the private market sector.

As demand for sustainable infrastructure has grown, infrastructure investment funds have increasingly focused on projects in the areas of renewable energies, energy efficiency, sustainable transport, water and waste management, and social infrastructure, such as educational and healthcare facilities.

At the infrastructure funds in our portfolio we are seeing a steady development and increasing importance of ESG, as evidenced by the number and scope of activities taking place. Stonepeak, one of our infrastructure managers, joined the Net Zero Asset Managers' Initiative in 2021 and has signed up to the statutes of the Task Force on Climate-related Financial Disclosures (TCFD). Since then the manager has increasingly aligned its portfolio companies with ESG considerations. A majority of them now report their own greenhouse gas emissions and 40% of Stonepeak's assets under management have defined a plan for cutting their emissions to net zero.

Private credit

Private credit funds often argued in the past that their relationship with borrowers was not sufficiently close and that they could not exert any significant influence over ESG aspects, because they did not hold equity in the companies. Fortunately, most funds have since shifted their position in this respect. We are increasingly observing that credit terms are linked to ESG objectives that support the implementation of ESG activities at the portfolio companies.

Private credit funds are also increasingly including ESG criteria in their investment decisions. This means in particular that they consider environmental and social risks and governance factors when making lending decisions and monitoring their credit portfolio. ESG due diligence is used to ensure that borrowers respect ESG standards and that ESG risks and opportunities are given appropriate weight.

This shows that the private credit industry is starting to play a more active role when it comes to integrating ESG factors into its investment decisions and lending processes.

In our own portfolio we have also observed examples of good practice in the asset class. Our private credit partner Ares has launched an ESG data gathering process to verify compliance with emissions targets by the companies in its European direct lending portfolio. Ares also supports the Task Force for Climate-related Financial Disclosures (TCFD) and recently published its first TCFD Climate Action Report, which underlines its commitment to improving the transparency of climate-related risks and opportunities. Bain Capital, another private credit manager, has developed performance indicators to track key ESG criteria across its entire portfolio. Bain Capital has also signed up to the UN PRI, so making a further commitment to responsible investing. The fund manager improved its own social performance by increasing the proportion of female employees from 20% in 2020 to 24% in 2022. It has also promised to spend US$100 million over ten years to promote social justice and combat racism.

Private credit funds are increasingly integrating ESG criteria into their investment decisions.

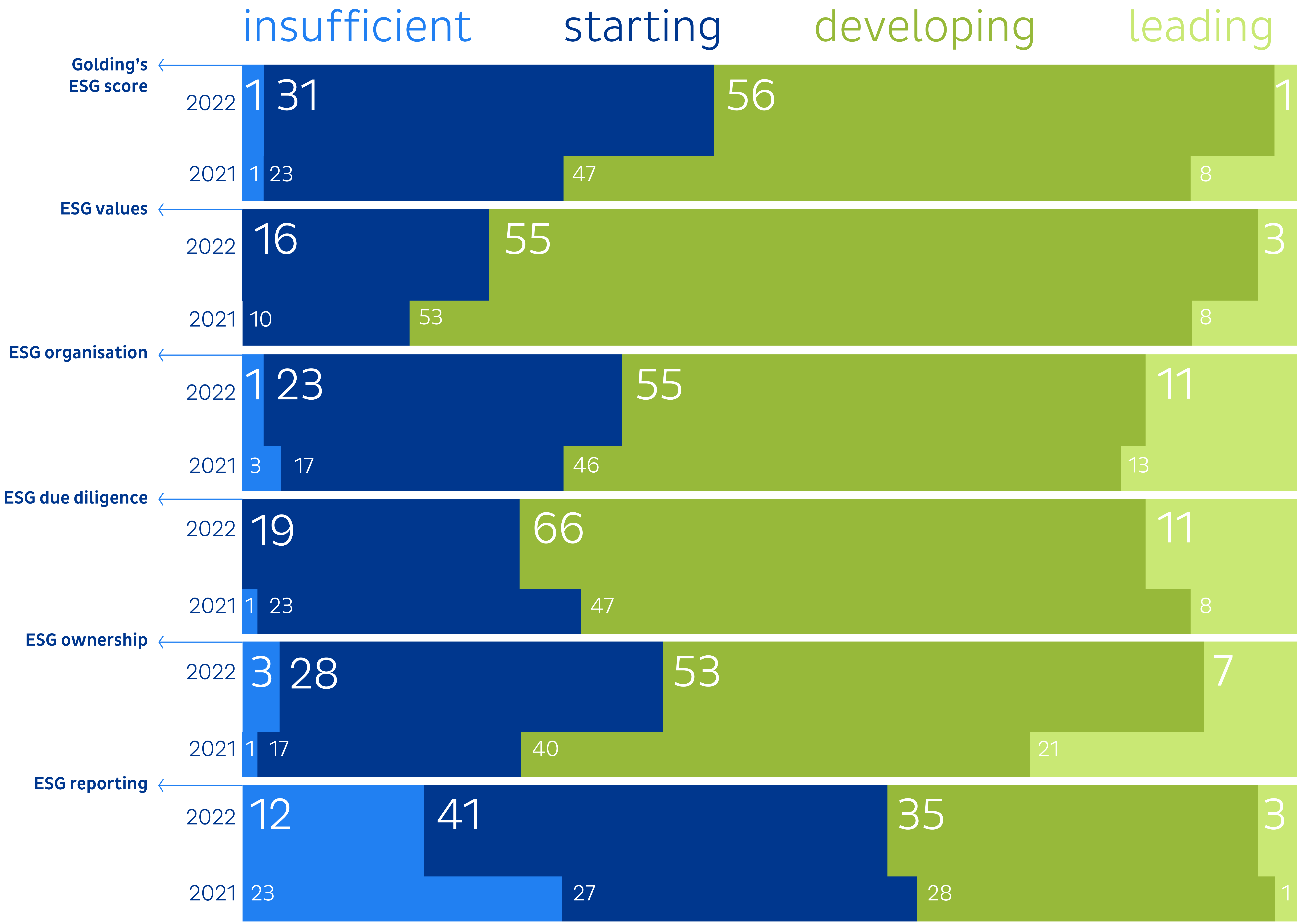
Re-assessment: process and results

In 2022 we updated all the ESG assessments for the first time and added criteria covering climate aspects to all ESG assessments.

This makes it possible to track the sustainability performance of our investments from this point onwards and makes our assessment transparent. Going forward we intend to update the ESG assessments for the investments on a regular basis.

The updated ESG ratings show that the investments have largely performed well with regard to sustainability issues.

Extending our analysis to include climate aspects did result in a lower ESG score for some investments, however, which we believe is due to the fact that private markets are only now starting to take climate topics more seriously.



25.2

billion plastic bottles saved in 2021

23.8

billion plastic bottles saved in 2020

ESG Case Study
from the private equity portfolio

Waterlogic is a leading global provider of hydration solutions for private households and businesses, with branches in more than 50 countries. The company provides a range of water dispensers, filters and accessories to ensure the delivery of high-quality purified drinking water. Waterlogic merged with Culligan, a portfolio company of BDT Capital Partners, in 2022 to form one of the largest providers of drinking water solutions in the world.

Waterlogic has already included ESG criteria in its business strategy and concentrates on seven core areas, including eliminating the use of plastic bottles and reducing carbon emissions. Its policy successes in 2020 included saving 23.8 billion plastic bottles. This figure improved again significantly in 2021, with 25.2 billion bottles saved. There were also positive developments in terms of carbon emissions, with a saving of 385.8 t CO_2e compared with the previous year.

Waterlogic has launched a global initiative to promote the health and well-being of its employees, with programmes covering mental health, nutrition and physical exercise. They underline its ambitions in terms of social responsibility.

The company has targets to become a leader in the field of ESG and has expanded the scope of its sustainability targets. It is concentrating more on implementing the principles of the circular economy and now manufactures its products out of 100% reusable or recyclable materials. A total of 27,350 water dispensers were refurbished in 2020, a year-on-year increase of 26%. The number of refurbished dispensers is set to rise again by 37% in the coming year.

Castik Capital, the former majority shareholder in Waterlogic, has announced that will be giving the company even more support in future to quantify its ESG goals and draw up individual ESG roadmaps. Castik and Waterlogic will work together through a stewardship programme to identify core areas and create opportunities to make a positive difference to society and the natural world. The merger between Waterlogic and Culligan also provides an additional impetus and enables the business to benefit from the added support of the fund manager BDT Capital Partners.

Golding's approach to climate risks and opportunities

In our Responsible Investment Policy we emphasise the importance of the goals defined in the Paris climate agreement, and in 2021 we decided to follow the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). Together, these two elements form the core of our approach to climate risks and opportunities at the level of our company and our investments.

GOVERNANCE

At Golding the management of climate-related risks and opportunities is distributed across various leadership levels. The Executive Committee has ultimate responsibility and determines the strategy for addressing climate-related aspects.

Within the investment process it is the Investment Committee, the Executive Committee and the Board of Directors (AIFM) that are responsible for climate matters. The ESG investment team works closely with the specialists in each asset class to manage the climate-related risks and opportunities of investments.

The Impact Task Force is in charge of climate-related activities in the company itself and takes steps to reduce carbon emissions from the operating business. The Executive Committee takes the decisions and is responsible for the level and development of greenhouse gas emissions.

STRATEGY

We factor climate-related risks and opportunities into the assessment of our investments. This entails looking at both physical risks and transition risks. These aspects can vary in terms of scope, materiality and timeframe, given the diversity of our asset classes, strategies and investments.

In 2021 we expanded our ESG analysis in order to identify climate-related risks and opportunities in our investing activities. We use the TCFD recommendations as a starting point and assess our partners in terms of how they deal with climate aspects.

RISK MANAGEMENT

When we added climate-related aspects to our ESG analysis we defined minimum requirements for new investments to reflect climate risks. In addition we engage with various initiatives working for greater disclosure of ESG performance indicators, such as the ESG Data Convergence Initiative and the working groups at Invest Europe and the BAI. On the basis of these activities, Golding has drawn up an ESG information request, which concentrates on climate aspects as well as other criteria. To pinpoint ESG risks we have developed ways to illustrate potential risk clusters, which is based on the materiality analysis for existing portfolios defined in the SASB standards. In the context of the portfolio this visualisation helps us to identify climate-related risks, and provides a foundation for the discussion of climate risks with the portfolio companies and fund managers.

METRICS & TARGETS

In addition to evaluating the investments in terms of climate aspects on the basis of the Golding ESG assessments, the key performance indicators are the carbon emissions of the individual investments and the emissions for the portfolio as a whole. When gathering ESG performance indicators we concentrate on the systematic recording of emissions in scope 1, 2, and 3 where feasible, based on the information available from the investments.

We have also devised a model to infer the potential volume of emissions, based on information available from listed companies, for instance, which enables us to make a reasonable estimate for portfolio companies that have not yet provided the information directly. Targets could be set in future on the basis of the performance indicators captured in this way.

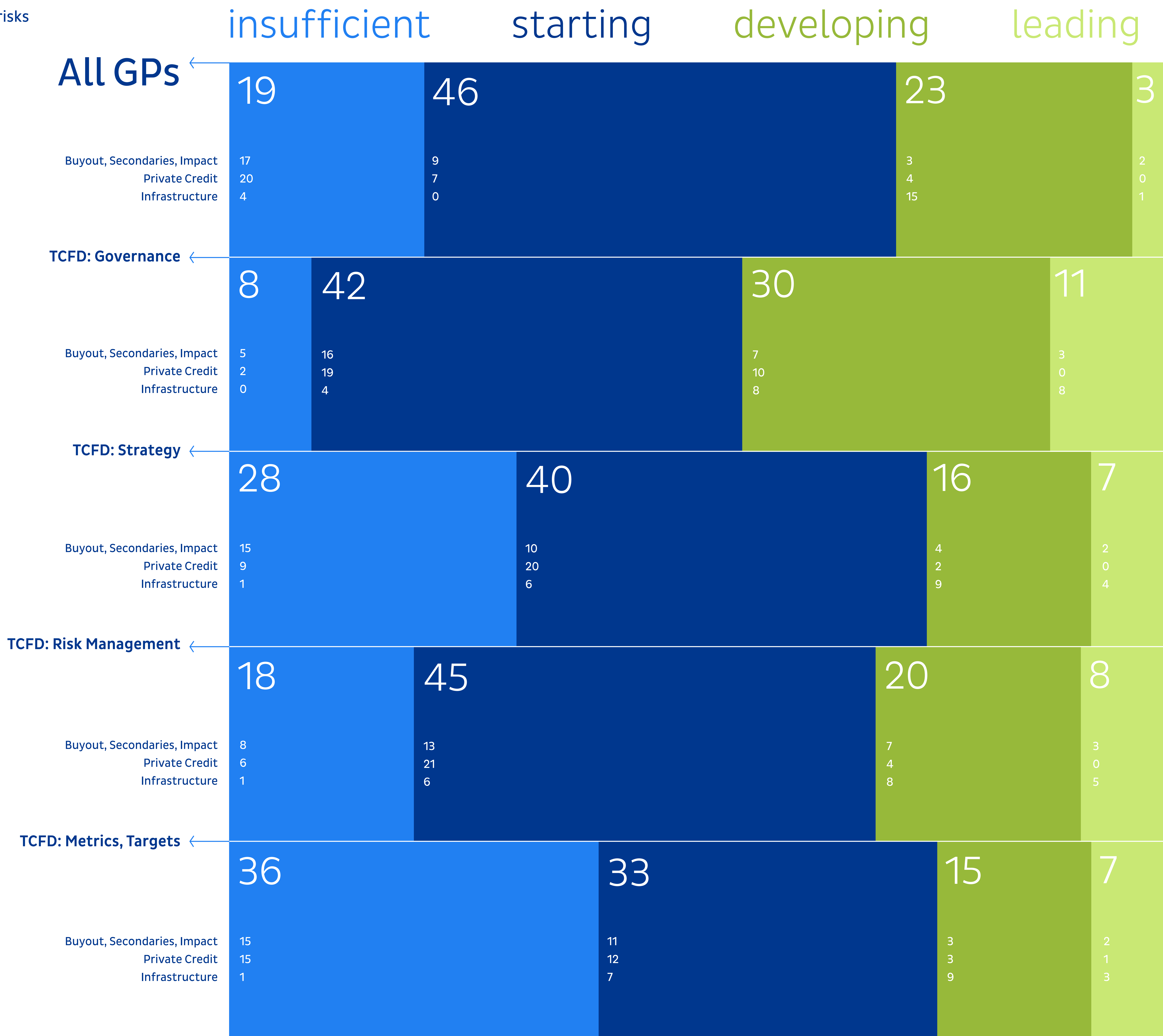
Climate focus

The Task Force on Climate-related Financial Disclosure (TCFD) has drawn up a reporting framework for climate risk disclosures aimed at capital markets, and provides recommendations on addressing climate risks and publishing climate-related information. Golding has supported the TCFD principles and recommendations since 2021.

In 2022 we included the four pillars of the TCFD in our ESG assessments. The climate analysis carried out by our partners and investments is also aligned with these four pillars.

Many of our partners are still at the beginning in terms of integrating climate aspects or setting clear targets for climate metrics. As far as the governance of climate-related risks and opportunities is concerned, our partners across all asset classes are now taking initial steps, but integration with risk management, reporting of performance indicators and the definition of clear climate-related targets are still much less widespread.

Climate aspects are integrated much better with infrastructure investments. More than 75% of the infrastructure primary fund managers achieved ratings at the higher end of Golding's climate assessment scores and have defined a strategy, risk management and performance indicators, in addition to the governance of climate matters.



Golding's contribution to developing sustainability in private markets

We believe that industry-wide initiatives and the development of joint solutions are the primary way to improve sustainability performance in the private markets. This is why we are involved with a number of working groups and initiatives, where we contribute to establishing and refining market standards. For ESG and sustainability reporting in particular, we see a concerted approach as the most promising pathway for making further progress in private markets.

ESG Data Convergence Initiative (EDCI)

The EDCI aims to drive convergence around meaningful environmental, social and governance metrics for private market investments. Golding is a member of the EDCI Net Zero working group, which defines EDCI standards for data requests and performance indicators for the decarbonisation of portfolio companies.

Invest Europe

At the European level we are involved with the work that Invest Europe does to promote ESG and sustainability in private markets. Golding is a member of the Invest Europe working groups on the SFDR and ESG reporting. Golding's information request for sustainability data from portfolio companies is based on the ESG reporting standard that was prepared and adopted by the Invest Europe ESG Reporting Initiative.

Bundesverband Alternative Investments (BAI)

Our engagement with the German industry association BAI particularly focuses on the regulatory aspects of sustainability, which currently means above all the Disclosure Regulation (SFDR) and its practical consequences for the actors in private markets. In addition to our contributions to working groups, like the round table to discuss the principal adverse sustainability impact indicators (PAI) defined in the annex to the SFDR, we are also involved in the regulatory process via the BAI, where we contribute to the workshops on sustainable finance and ESG and discussion forums about the implementation and implications of the SFDR.

Bundesverband Beteiligungskapital (BVK)

At the German private equity association (BVK) we are a founding member of the Impact Investing working group, which promotes standards for private markets.

A structured reporting framework is vital for identifying sustainability risks and opportunities, particularly in private markets.

Wolf Heselich, Director, Head of Reporting

“We don’t intend to let ourselves be pushed about by ideologies or political pressure.”

Volker Schmidt-Lafleur and Ariane Dohle, Head Managing Director and Managing Director of the pension scheme for tax advisers in North Rhine-Westphalia, are responsible for a total of four pension funds.

From our clients’ perspective: how important is sustainability for the work of a sector-specific pension scheme, and how is factored into the investment strategy? To what extent is sustainable investment even possible there? Volker Schmidt-Lafleur and Ariane Dohle give us some insights into how they handle this highly dynamic subject.

Of course we recognise the relevance of sustainability, but we prefer to address the topic calmly and pragmatically. We are a pension scheme for tax advisers and have a very clear assignment, which we believe is already sustainable per se; and that is to take care of retirement benefits for our members and their surviving dependants. In the context of this assignment we have to meet certain requirements, namely security, yield and liquidity. And within these requirements we also take sustainability into account as an additional factor. Partly in the way we organise our own corporate governance, and partly via the capital investments that we choose to make. We have been working on a sustainability strategy of our own for some time now, but there was one important prerequisite. We don’t intend to let ourselves be pushed about by ideologies or political pressure, because we have to proceed with caution; we have to get our trustees and lots of other people on board, and our first responsibility will always be to provide retirement benefits.

What we observe is that sustainability is not just a megatrend, but already seems to be becoming the new normal. It is a topic that we are faced with unavoidably and with increasing regularity, when our trustee explicitly ask us how sustainable our capital investments are, for instance. We have a very acute sense of our responsibility as investors, but for precisely that reason it is important to see what sustainability really means for our activities, what opportunities it creates and where we think that things are being taken too far. We do not see sustainability as an end in itself and certainly don’t want to be seen using sustainability to polish our image. What good would that do us? All we would do would be to lose credibility.

And at the same time we must not forget that for all our ambitions, we must not bite off more than we can chew, because we are a lean organisation and do not have our own sustainability department. We can’t treat sustainability as something separate from our overall responsibilities, and we certainly cannot put it on a higher level than our main tasks. We have to handle it in a way that works for us. So we listen to what all our partners have to say, we get advice from external experts and we discuss the topic in all our decision-making bodies. If we look at the ESG approach, then we come to the conclusion that it is the E that causes us the greatest difficulties. With our structures it is not easy to lay down rules governing how individuals should behave with regard to the environment. On the other hand, we have found out that the S and G elements of sustainability work well for us and in some cases are already well in place. We have strived for many years now to create a good working atmosphere, to offer good social benefits, give employees personal freedoms and enable them to take advantage of childcare, part-time working and various other programmes. Also because these are part and parcel of a modern workplace. They represent sustainable benefits for our employees and for our own performance.

In our investments the E has a bigger role to play, but we do not let ourselves get carried away by high spirits and euphoric expectations. If there is one thing we would like to see, it is better metrics for gauging the effectiveness of sustainability and impact investing. Reliable, raw data that enables us to judge what really makes sense for us. Apart from GHG measurements, which certainly do shine a light on one partial aspect of the issue, we see hardly any hard and fast data that would enable us to take decisions and avoid any suspicion of greenwashing. That is why we engage in dialogue with our partners. Golding is one of those who took our sustainability strategy seriously from the outset and made us some sensible suggestions. So we get input from Golding and others and can learn from them, because these companies spend much more time thinking about the subject than we ever could with the resources available to us.

Nobody has to persuade us that a sustainable investment is fundamentally a good idea. We along with everyone else have long discovered that in the long run, sustainability doesn't come at the expense of returns, it enhances them. And we are doing things for ourselves at the same time, for example by dedicating considerable time and expense to drafting a strategic sustainability policy that covers all areas of our pension fund operations. Not only that, we have also developed a separate strategy paper for our investments.

Adopting absolutist positions goes against our understanding of pluralism.

Our partners commit to abide by our guidelines. At the moment we are deliberately not setting them any binding targets, but we do tell them what our expectations are. We want to see positive developments, from year to year, and if we do not see signs of real progress, then those concerned have to give us a proper explanation. Of course we have to understand how an assessment comes about and what it is based on, and in every new selection process we look at how a manager deals with sustainability criteria.

The bottom line is that sustainability has to be substantiated. We are not interested in activity for the sake of it. And we don't want to get on the bandwagon for some green ideas that may not turn out to be as green as they appear at first sight. It is simply not our job to debate whether electric vehicles and wind turbines make sense or not, to take one example. We have absolutely no intention of becoming evangelical about it, because that is not who we are and it makes us rather uncomfortable. Our organisation includes different people with different opinions and different situations in life. And we want it to stay that way. Adopting absolutist positions goes against our understanding of pluralism. So it doesn't work for us to say "either you are with us or against us", and not to tolerate any dissent, as if there were no middle ground, no room for compromise any more. We see our responsibility as being precisely in this middle ground, which gives us some assurance that sustainability is really changing things and we are taking some serious steps forward. And that is how we feel about impact investing too. We are pleased if we can make a difference and contribute to more sustainability, but at the moment the term seems to us to be used rather too broadly. Here too, we would like to see definitions and metrics that help us to make decisions and to understand what exactly the impact of our investments is supposed to be. At our pension fund we are approaching the topic gradually, starting with introductory presentations to our trustees and lots of meetings to hear what the practitioners have to say. Calmly and pragmatically, as we do.

Nina Freudenberg
Director Impact Investing, Golding Capital Partners
and
Dr Andreas Nilsson
Head of Impact, Golding Capital Partners

What does the Golding style of impact investing look like?

Nina Freudenberg and Dr Andreas Nilsson manage one of the most exciting areas at Golding: they examine markets and business models worldwide for opportunities to make impact investments. In this joint interview they explain what they mean by “impact”, talk about the challenges and chances they are faced with, and describe how their investors feel about it.

The term “impact investing” is broadly defined and can cover lots of things. What does it mean to you?

Nina Freudenberg / N. F. For me personally it means investments that I can be proud of. That I can talk about to people on the street and everyone understands why they have a positive effect. Those obvious cases that don’t need much explanation.

Dr Andreas Nilsson / A. N. For many investors globally it matters how their returns are generated. They should be earned in a way that is consistent with their personal values or those of the investment firm, and which help to make a better future. Our own definition of impact investing is narrower than that commonly found on the market:

ESG tries to eliminate the negative. Impact accentuates the positive.

Nina Freudenberg and Dr Andreas Nilsson have been part of the impact ecosystem as a team for more than ten years.

it means investments in companies, which particularly via the products and services they sell make a significant contribution to mitigating climate change, biodiversity loss and global inequality.

How does this Golding style of impact investing work in practice?

N. F. First and foremost, impact investing should deliver the same financial performance as “conventional” products. We invest in businesses where the product supports the delivery of concrete sustainability goals. They include alternatives to certain chemicals, for example, to pesticides or packaging material. Technologies that are needed for the energy transition and which offer real added value. Impact investing is a core element of the strategy and goes further and deeper than ESG criteria. ESG looks primarily at the risks associated with an investment. They also include the new risks resulting from climate change, water shortages and biodiversity loss. Here at the impact team we look at the opportunities that arise at the same time. We have a clear strategy for the sectors, regions, target groups and so on that we invest in, and look for companies that will profit from the ongoing transition to a sustainable world. That can be big companies that want and have to improve their own footprint by means of technological upgrades or that are looking to acquire businesses that make their product portfolio more sustainable; governments that are using bans and subsidies in an attempt to keep the Paris targets alive, and customer groups that feel strongly about sustainability. These trends are clearly visible in the market and we expect them to produce an investment opportunity that will define the decades ahead.

A. N. The global community has agreed on a number of key challenges facing the world in the form of the UN Sustainable Development Goals (SDGs). Out of this larger set we concentrate on those that are amenable to private commercial intervention. We have based our impact strategy on three main criteria. First, scalability: products and services should be capable of scaling quickly and grow faster than the market.

Second, competitive pricing: we do not believe that technologies will become a long-term, mass-market success just become some customers are prepared to pay extra for a more sustainable alternative. So products must also be available at a lower cost than comparable less sustainable alternatives. In many areas it is still common to hear about a "green premium", as is the case with sustainable aviation fuel, for example, which is more expensive than kerosene. This difference has to be reversed, by means of new technologies, innovation, government intervention, etc. A given technology becomes interesting for us when it has reached this point. Third, market volume: we are not looking for small, regional, niche solutions, but for things that contribute to transforming the big markets. We are looking for business models that will prosper over the long term. Regardless of the prevailing interest rates or inflation environments, and the conflicts that are taking place around the world. This analysis has led us to focus on the sectors of renewable energies, resource efficiency, food and agricultural technology and financial inclusion.

The impact sectors will have strong tailwinds for the next ten years.

What are the challenges that you are confronted with?

A. N. Firstly, we have to state clearly what the concept means for Golding. The official definition from the Global Impact Network is not enough for us. "Generate impact" is still too vague. I have a PhD in social finance and I have heard so many different definitions. What is important and to whom? And when we say we are solving important problems, then here too, there will be very different opinions about what is important. So for us it is about topics with a global dimension, what are known as "first order issues". Secondly, impact investing is still fairly new and it is not always possible to measure the impact itself precisely. There is no objective way of saying whether an investment in Indian agricultural technologies has more impact than an investment in a recycling business in Norway. For us the important thing is that all the investments go through the same strict selection process.

N. F. Some investors are concerned that they need a greater risk tolerance in order to make impact investments. There is one point I like to make here. Our society and our economy are currently in flux. This also means that some of the investments traditionally considered to be "safe" are suddenly exposed to enormous risks, which have not yet been factored into many people's risk assessments. Of course we want to invest in innovative businesses. This means that our portfolio companies are comparatively young. So a fund of funds is the perfect product for this market. We have analysed the performance data for individual private equity funds and funds of funds. And the results show that for growth capital investments in particular, a fund of funds helps to achieve greater diversification and so reduce risk significantly. From an impact perspective this approach is also ideal, because we need a large number of different technologies to become more sustainable.

Do impact fund managers need a different skill set in order to analyse, assess and explain the business models? Or is it a different way of thinking they need?

A. N. Within the impact team we have discussions every day about what the right models are and what a useful contribution from financial investors could look like in this area. Our strategy is the result of ten years of discussion and debate about the better answer. Literally, every day.

Impact investing seems to call for a high level of personal engagement in many areas? Where does your motivation come from?

A. N. For me the driver is extreme curiosity.
N. F. For me you could say a sense of justice. My parents are both doctors, and I spent part of my childhood in Burkina Faso with them. There I saw at a young age what it means to grow up in less privileged circumstances. Money is not an end in itself for me, but always implies a social responsibility.

Can you say that impact investing is growing?

A. N. It is on the rise, it is unstoppable and it is coming from all directions. Investors who rejected the idea two years ago are now coming back to us and want to hear what we have to say again. Awareness is increasing. Our aim is to put together an all-inclusive package for investors. Impact management and reporting are a new topic, and one which is evolving very quickly. On the investment side we are also seeing a large and growing universe of impact funds. Of course it helps here that we have been screening the market for ten years and have developed a corresponding level of expertise.

N. F. Sustainability aspects are playing a bigger role in all asset classes. I believe that at some point, impact investing will cease to be a separate idea and become standard across the board. We are at the start of a great journey. In the short term it is convenient to keep on investing as usual. In the same topics that have been around for 20 years, with a proven track record, in the same fund managers, ideally just in Europe. But the product markets for impact investing are newer and the funds are younger. These are conversations that we often have to have with investors at the outset. For some people, new things just do feel riskier. And so one of our aims is to enlighten people about this perception of risk.

Our impact pathway ensures that all the investments go through a defined process before we define them as impactful.

How do you feel about the fact that Golding has now defined sustainability and impact as core values?

A. N. It's great for us. We feel a sense of pride, but also of responsibility, because we want to do it right and make sure it permeates every area of the organisation. And we also have to prove that this kind of investment makes sense for pension funds, insurance companies and other institutional investors. The good thing is we have evidence that it does. We have already been investing for ten years as a team and have a very good track record. And of course we want to build on that.

N. F. I could no longer work for an organisation that sees sustainability as something marginal, that they try out for a while, but is not really championed by anyone. Not least because I would be worried that the organisation wouldn't be around for much longer. We can see that lots of people at Golding are thinking about it and trying to take the next step, and above all, that the partners are absolutely determined to make a success of impact products. At the same time I really hope that we can continue to be leaders in this field and keep developing the market.

Portrait of a primary impact fund
Lightrock Climate Impact Fund

The Lightrock Climate Impact Fund is one of the investments in Golding Impact 2021. The fund is classified as SFDR Article 9 and invests in business models and technologies with a connection to climate change in five target areas: energy transition, decarbonisation of industry, sustainable food and agriculture, sustainable transport and enabling technologies. Every portfolio company is intended to have a quantifiable impact, directly or indirectly, on emissions of greenhouse gases (GHG) and climate change.

Lightrock was spun out of the LGT Group in 2020 and established as an independent impact investing platform. With more than ten years of investment experience, Lightrock has demonstrated its commitment to impact investing and its long-term perspective. Lightrock follows a systematic, in-depth approach to integrate impact criteria into its value creation processes and its reporting.

The Golding impact pathway: Our logic model from investment to impact

Investment theme	Energy transition	Sustainable transportation	Decarbonising industries	Enabling technologies and solutions	Sustainable food and agriculture
Investment opportunity area	_ Energy efficiency _ Batteries & fuel cells _ Renewable energy _ Storage & distribution	_ Shared mobility _ Sustainable marine and aviation _ Electric vehicles	_ Sustainable materials _ Green industrial processes _ Carbon capture and storage _ Recycling & waste _ Circular economy	_ Climate advisory _ Automation & smart data for climate _ Emissions tracking	_ Hydroponic farming _ Green inputs _ Protein alternatives _ Reforestation & land use
Output indicators*	_ Energy savings through products/services sold _ Number of batteries sold across different use cases _ Renewable energy generation capacity sold/installed _ MV managed through a smart grid	_ Number of passengers _ Ratio of passengers shifting to public transportation _ Occupancy rates of public transportation _ CO_2e intensity per trip/km travelled _ Distance travelled by (electric) vehicles	_ Volume of carbon-intensive materials replaced (tonnes) _ Number and capacity of units sold/installed to reduce GHG emissions _ GHG emissions sequestered _ Amount of virgin input material replaced	_ Number of clients served/advised _ $ in assets advised on/insured against climate-related risks _ Number of retail clients served _ Number of corporate clients served	_ GHG intensity per unit/volume produced _ Volume of sustainable inputs sold _ Amount of chemical use avoided _ Number of products sold _ Area of land sustainably managed
Impact	7 Improved energy efficiency 7 Increased share of renewable energy	7 Improved energy efficiency 7 Increased share of renewable energy	3 Good health and well-being 9 Retrofit industries 12 Reduce waste 8 Resource efficiency	12 Sustainability reporting	2 Reduced food waste 12 Sustainable food production 15 Biodiversity, degradation, sustainable forestry

Impact metrics

GHG emissions: Reduction and avoidance of GHG (tonnes)

Resource efficiency: Reduction in materials used and waste generated (tonnes)

* indicative/not exhaustive

Sample portfolio company in the Lightrock Climate Impact Fund

Mainspring – Impact GHG emissions reduction

7 Increased share of renewable energy

Mainspring was founded in 2010 and is based in Menlo Park, California. The company has developed a linear generator that is intended to replace diesel-powered generators for customers such as supermarkets, because it can be operated with a variety of fuels.

The technology is comparable to a conventional generator (simple, low-cost, turnkey manufacture), but has a greater operating efficiency, is cleaner and works at lower temperatures. With proven technology, a wide range of intellectual property, full order books and an outstanding leadership team from Stanford University, Mainspring is in an excellent position to grow strongly as it goes forward.

⟶ THE CHALLENGE

Increasing demand for electricity and the need to integrate renewable energies represent huge challenges for the power grid. Load balancing and ensuring reliable supply become more difficult. Decentralised electricity generators are already in use, especially in the form of commercial back-up generators, but also as decentralised power plants, such as those fuelled by gas or a combination of gas and steam, to cover peak loads. Compared with Mainspring's product, however, the current technologies have drawbacks in terms of cost, grid management and power monitoring, emissions of greenhouse gases and nitrogen oxide, efficiency and the flexibility to use clean energy sources.

⟶ SOLUTION

The linear generator from Mainspring is an important technology for the decarbonisation of the power production process and can be operated flexibly with various fuels, including natural gas, but also non-fossil biogas, ammonia and hydrogen. It is software-controlled and responds quickly to load changes, making it an ideal solution for covering peak loads and integrating renewable energies.

Mainspring makes a vital contribution to the integration of renewable energies and secure power supplies for its customers.

Golding's ESG building blocks – Visualising sustainability, ESG risks and opportunities

ESG and sustainability analyses need dependable, objective information. ESG assessments for our partners and investments form the basis, which we supplement with additional ESG building blocks over the lifetime of the investment.

- The United Nations Sustainable Development Goals
- ESG risks in a portfolio context: ESG Risk Heatmaps
- Stranded asset risk analysis: EU taxonomy eligibility and decarbonisation scenarios
- GHG emissions in the portfolio: Measurements and estimates of our portfolio footprints
- ESG data gathering and reporting

Our blueprint: the United Nations Sustainable Development Goals (UN SDG)

In the Agenda 2030 the United Nations adopted 17 interlinked objectives for sustainable global development. These sustainable development goals are intended as "a shared blueprint for peace and prosperity for people and the planet, now and into the future".[1]

The SDGs cover society, politics and economics and provide a valuable template that can be used in investment analysis, portfolio construction and for answering questions about impact investing.

Golding's investment process is also aligned with the SDGs. Used as a sustainability benchmark, the focus is on whether and to what extent investments can be expected to make a positive contribution to the SDGs. The goals of gender equality (SDG 5) and climate action (SDG 13) are considered in all investment decisions, regardless of the sector, region or asset class. Whether any positive contribution to the other SDGs is expected depends among other things on the asset class and the individual investment.

The question of whether an investment can be expected to have a positive impact on one or more of the SDGs forms part of our due diligence process and investment decision. How the positive effects towards the SDGs actually materialise over the course of the investment forms the basis for our regular sustainability assessment, and serves as a benchmark for assessing the sustainability aspects of the investment.

Cross-cutting global sustainability goals:

- SDG 5: Achieve gender equality and empower all women and girls
- SDG 13: Take urgent action to combat climate change and its impacts

Other global sustainability goals, including those that are particularly relevant to the infrastructure sector:

- SDG 6: Ensure availability and sustainable management of water and sanitation for all
- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 8: Decent work and economic growth
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
- SDG 10: Reduce income inequality within and among countries
- SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable
- SDG 12: Ensure sustainable consumption and production patterns

1 https://sdgs.un.org/goals

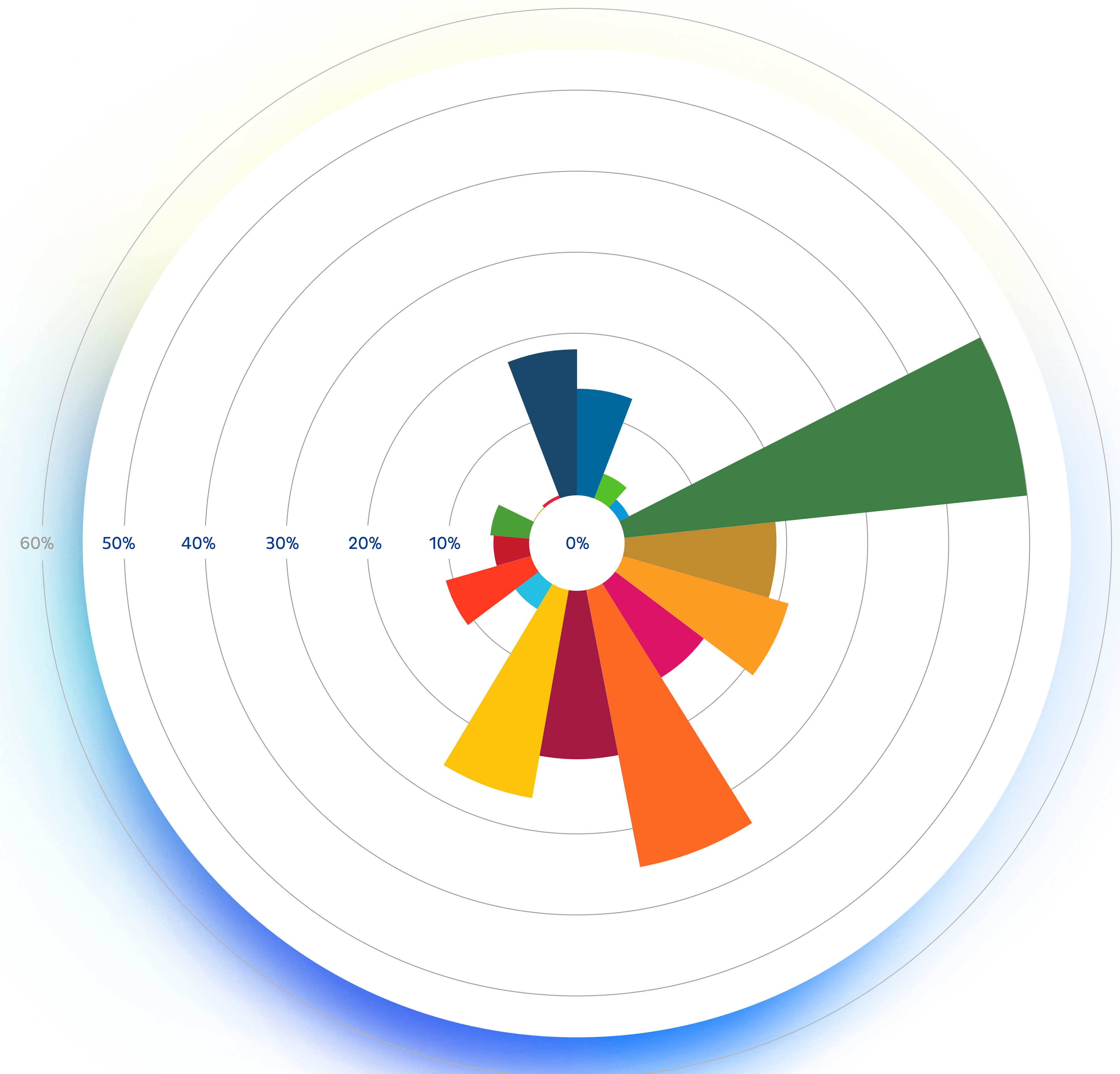
Contribution by investments to the SDGs using Golding Infrastructure 2020 as an example

More and more companies are integrating the UN SDGs into their business practices and thinking about how their activities contribute to achieving these goals.

This is particularly true of infrastructure companies, which work via a wide range of partnerships, and are assessing how they can make a concrete contribution to the sustainability agenda. In many cases the SDGs are directly relevant for their focus of their operations.

We looked at the SDGs that our investments report on themselves and have plotted these on an illustrative basis for the portfolio of the Golding Infrastructure 2020 fund[1] This analysis not only shows the SDGs that are typical for the sector, but also the more general goals such as gender equality and decent work and economic growth.

1 The name Golding Infrastructure 2020 refers to the fund Golding Infrastructure 2020 SCS SICAV-FIAR.



Portfolio SDG allocation in % of total portfolio value

- No poverty 0.1%
- Zero hunger 0.0 %
- Good health and well-being 6.9%
- Quality education 6.5%
- Gender equality 11.4%
- Clean water and sanitation 5.7%
- Affordable and clean energy 25.8%
- Decent work and economic growth 20.1%
- Industry, innovation and infrastructure 34.0%
- Reduced inequalities 13.7%
- Sustainable cities and communities 21.8%
- Responsible consumption and production 19.4%
- Climate action 50.0%
- Life below water 2.4%
- Life on land 3.9%
- Peace, justice and strong institutions 12%
- Partnerships to achieve the goals 18.3 %

Portfolio companies can contribute to one or more SDGs.
Each SDG can therefore account for up to 100% of the entire invested capital.

ESG risk heat maps – representation of potential ESG risks in a portfolio context, with private credit as an example

In the alternative investment space in particular, and during the typical phase of portfolio construction, it is a challenge to consider the ESG risks holistically in the context of the portfolio. In order to track potential ESG risks we have developed a method based on the main ESG aspects as defined by the Sustainable Accounting Standards Board (SASB). Our ESG risk map serves as a blueprint for existing investments and secondary transactions, forms the basis for our ESG analysis of co-investments and outlines the agenda for meetings with our investment partners to discuss ESG matters.

The ESG risk heat maps build on the sector classification of the investee companies in the portfolio, which we have assigned to the SASB sectors and which represent the potential risk concentrations on the basis of the portfolio valuation on the reporting date.

SASB INSIDE

ESG Risk heat map für Golding Private Debt 2020[1] (as of 31.12.2022)

Environment	GHG emissions	8%
	Air Quality	7%
	Energy Management	45%
	Water & Waste Water Management	11%
	Waste & Hazardous Materials Management	6%
	Ecological Impacts	3%
Social Capital	Human Rights and Community Relations	3%
	Customer Privacy	27%
	Data Security	46%
	Access & Affordability	14%
	Product Quality & Safety	17%
	Customer Welfare	16%
	Selling Practices & Product Labelling	32%

Human Capital	Labor Practices	8%
	Employee Health and Safety	12%
	Employee Engagement, Diversity & Inclusion	50%
Business Model & Innovation	Product Design & Lifecycle Management	38%
	Business Model Resilience	2%
	Supply Chain Management	12%
	Materials Sourcing & Efficiency	10%
Leadership & Governance	Physical Impacts of Climate Change	17%
	Business Ethics	30%
	Competitive Behaviour	32%
	Management of the Legal & Regulatory Environment	0%
	Critical Incident Risk Management	6%
	Systematic Risk Management	33%

1 The name Golding Private Debt 2020 refers to the fund Golding Private Debt 2020 SCS SICAV-FIAR.

Stranded asset risks – Taxonomy eligibility and scenario analysis for the decarbonisation of energy production, with infrastructure as an example

To meet the targets set in the Paris climate agreement and limit global warming to a maximum of 1.5° C, existing technologies have to be replaced by emission-free alternatives.
Investments in infrastructure – particularly in energy supplies – are mainly made in one of four segments: Energy/utilities, transport & logistics, digital, and social infrastructure.
We use two main methods to analyse stranded asset risks in the infrastructure sector.

- EU taxonomy eligibility of the investments
- Scenario analysis: comparison with the Net Zero by 2050 scenario of the International Energy Agency for investments in the energy generation sector

The EU Taxonomy defines a frame of reference for environmentally and climate-friendly activities and designates activities to combat and adapt to climate change (taxonomy-eligible activities). If the activities also comply with additional criteria, they are considered to be taxonomy-aligned in accordance with the EU Taxonomy for environmental sustainability.

We also use the list of activities in the EU Taxonomy for the analysis of infrastructure portfolios and to assess the stranded-asset risk.

64% of the Golding Infrastructure 2020 portfolio was taxonomy-eligible as of 31.12.2022.

Taxonomy eligibility is determined by reference to the sector classification of the portfolio company/project on the basis of the NACE[1] sectors and is supplemented by the TICCS[2] classification for infrastructure investments. On the basis of this classification and the available categories of activity listed in the EU Taxonomy, we determined whether portfolio companies and projects are taxonomy-eligible. The analysis as of the reporting date is based on the enterprise value of active transactions in the portfolio.

Taxonomy eligibility

Sector allocation of portfolio companies and projects (according to NACE)	Yes	No
Energy supplies	36%	2%
Transport and storage	8%	1%
Water supplies: waste water and waste disposal	8%	
Information and communication	4%	24%
Construction	3%	
Manufacturing	3%	3%
Education and training	2%	2%
Health and social care		2%
Art, entertainment and leisure		1%
Total	64%	35%

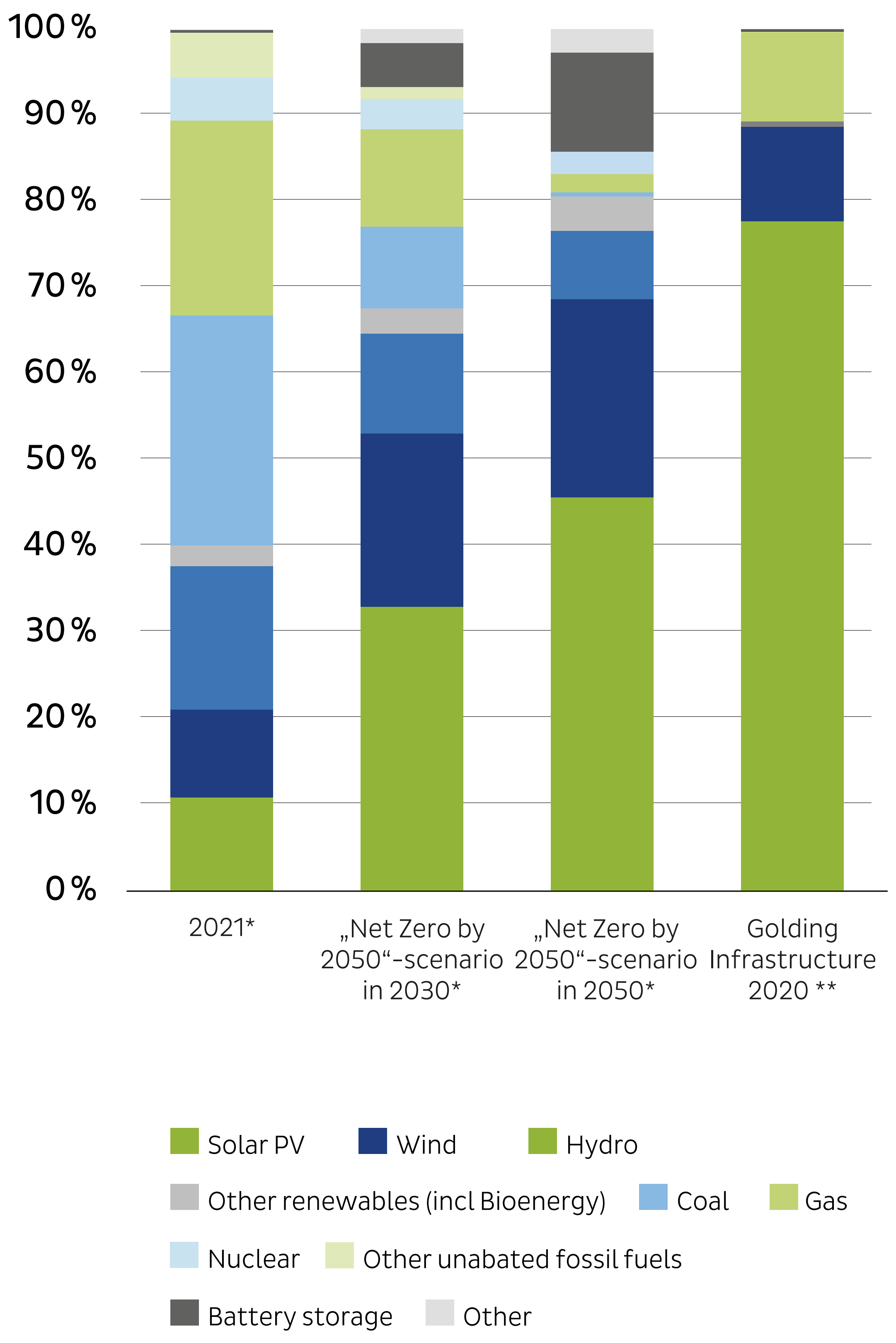
The comparison between the portfolio and the scenarios for the energy transition is another way in which we can evaluate the risks and future viability of the infrastructure investments. The work of the International Energy Agency (IEA) has produced detailed scenarios for energy generation that can be used to benchmark investments in this sector. The IEA Net Zero by 2050 scenario shows power generation by source in the years 2030 and 2050 on the assumption that the targets set in the Paris agreement are met. We use this presentation as a benchmark for our portfolio investments in energy generation.

1 NACE: Nomenclature statistique des activités économiques dans la Communauté Européenne, the European system for the classification of economic activity.
2 TICCS®: The Infrastructure Company Classification Standard, developed by EDHECInfra

33% of the Golding Infrastructure 2020 portfolio was invested in energy generation activities as of the reporting date 31.12.2022 (by fair value of the active transactions in the portfolio). The sources of power generation in the portfolio stemmed to almost 90 % from renewable energies and to around 10% from activities fuelled by gas.

The IEA Net Zero by 2050 scenario envisages that renewable energies will account for a share of 68% in 2030 and that gas will account for 11%, as measured by installed generation capacity.

Energy generation – comparison with net zero scenarios



* Percentage distribution of installed capacity for power production in IEA "Net Zero by 2050 "- scenario (worldwide)
** Percentage distribution of the fair value of active transactions in energy production activities in the Golding portfolio, as of 31.12.2022

The GHG footprint of the portfolio – Reporting by portfolio companies and estimates for private equity / buyout investments

The quality of information about sustainability factors is improving gradually for alternative investments. Nonetheless, only slightly more than 20% of private equity investments report on information such as GHG emissions. We are working to continuously improve the depth and quality of ESG information by gathering data on ESG aspects from portfolio companies. In 2022 we developed a method for estimating the GHG footprint of investment portfolios. It is based on the recommendations of the Partnership for Carbon Accounting Financials (PCAF) and the Initiative Climat International (ICI) for private equity investments.

If we do not have information about scope 1 and 2 emissions at the level of the portfolio companies, we work with available emissions information about companies with a similar type of activities (data based on: Refinitiv-Eikon). We adjust the average scope 1 and scope 2 greenhouse gas emissions in the respective sectors in line with the size of the investments in the portfolio, defined by their revenue, and extrapolate the results for the portfolio as a whole.

Applying this method to the Golding 2018[1] strategy in 2022 produces an estimated GHG footprint of 12,206 tonnes of CO_2e, which represents an intensity of 36.9 tonnes of CO_2e per million euros of net asset value.

This estimate gives us a rough idea of which investments in the portfolio are responsible for most of the emissions. It also helps us to keep obtaining better information directly from our investments. We cooperate closely with the working groups such as ESG Data Convergence Initiative the ESG working group at Invest Europe to improve the quality and coverage of sustainability data.

1 The name Golding Buyout 2018 refers to the fund Golding Buyout 2018 SCS SICAV-FIAR.

ESG data collection and reporting, with Golding Buyout 2018 as an example

Full and reliable information about the key ESG performance indicators are vital for the ESG analysis, for ongoing monitoring and for the dialogue with our investment partners.

Golding campaigns for standards for ESG reporting in the context of private markets. We are a member of the ESG Data Convergence Initiative, which brings together more than 325 general and limited partners in support of harmonised ESG reporting standards for portfolio companies. We engage with the ESG Reporting Guidelines Working Group at Invest Europe in favour of the standardised reporting of key ESG indicators by the investments.

In 2022 we collected ESG information from portfolio companies based for the first time on ESG reporting templates that we had developed in cooperation with Invest Europe. Even though the process of making ESG information available is still at an early stage in many areas of private markets, more than 50% of the portfolio companies in the Golding Buyout 2018 portfolio were already able to supply ESG data.

Golding Buyout 2018:

- 22% of the portfolio companies were in a position to report their GHG emissions for 2022.
- 9% of the portfolio companies already have a GHG reduction target.
- 31% of portfolio companies have disclosed information for 2022 on the percentage of female employees. At the reporting companies, women represent on average 32% of employees.
- 32% of the portfolio companies have reported on women in leadership roles in 2022, with an average share of women managers of 19%.
- 41% of portfolio companies have provided information about HR policies. 71% of the companies that provided information about their policies had a diversity and inclusion policy. 60% of the reporting companies have policies in place to prevent discrimination and support equal opportunities.
- Nearly 80% of the reporting portfolio companies were able to make disclosures on the principles of the UN Global Compact and the OECD Guidelines for Multinational Companies and confirm that they had complied with these principles and guidelines.
- 60% of the reporting portfolio companies could provide information on the number of work-related accidents.

ESG information varies widely between companies. We continuously improve the quality of information by standardisation and coordination with other private market actors.

Sustainability at Golding is multifaceted. We ask compelling questions, both of ourselves as a company and in our role as an investor.

Fabian Golland, Senior Associate Investments

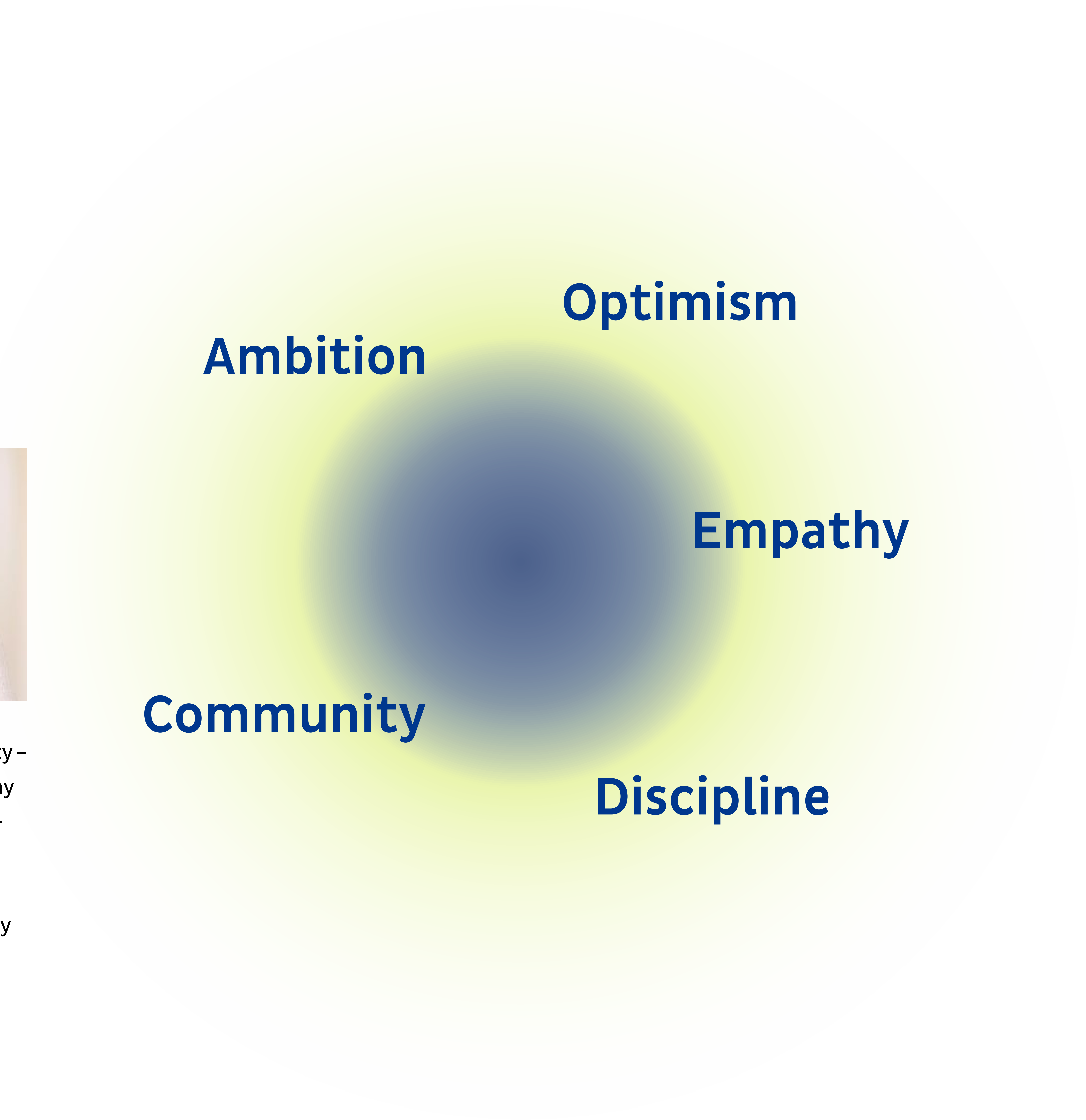
Values make working together valuable

In the course of developing our vision and taking the decision to put sustainability at the heart of our corporate culture, we also revisited our system of values and made some refinements. This gives us a strong foundation that employees, clients and partners can use to calibrate their assumptions.

“I think it’s right that we have the confidence to adjust our values from time to time. That’s the only way they can stay valid and be a vigorous part of value-based management. I see the “new” values as an evolution of what came before; they draw much more on the intrinsic motivation of our employees.”
Daniel Boege,
Partner and Head of Buyout

“I think it’s good that the values were developed from many different perspectives. That makes them really valuable, and not just a fig leaf or a management tool.”
Thorsten Birke,
Managing Director and Head of Institutional Clients International

“Employees want to take responsibility – at many levels. At the same time many of them want their work to be meaningful. Sharing common values is always an expression of respect for what we achieve together too. And by that we also mean the relationships with our partners and clients.”
Carola Schinke,
Director HR/Recruiting



Golding's path to a more sustainable corporate culture

Golding set up an Impact Task Force at the end of 2021. This internal working group is dedicated to making sustainability an integral part of the company and to encouraging employees to apply this yardstick in their day-to-day activities.

Initial results include internal policy measures to reduce GHG emissions from operations and the foundation of a network to support female staff and managers.

The team is made up of six employees from different departments and locations, and concentrates on three main topics.

→ Environmental protection and climate action

→ Support Golding's development into the employer of choice for everyone regardless of gender, sexual orientation, age, ethnic or social background, religion or disability

→ Active, systematic social engagement

44% Proportion of women at Golding

15 Number of social projects sponsored

3 Number of years in which the GHG footprint of our operations has been calculated and offset by a financial contribution to climate action

Golding's Impact Task Force thinks up ideas and makes suggestions to help Golding assume its corporate environmental and social responsibility, and so to be a company whose sustainable activities have a tangible and measurable impact. Golding would like to inspire its business partners to take a similar path.

The first projects have already resulted in concrete outcomes. In cooperation with the service provider ClimatePartner, Golding has calculated its full GHG footprint, taken the first operational steps to reduce emissions and made a financial contribution to climate action by supporting projects that protect the climate.

The working group also set up an internal organisation called Women@Golding, which aims to support all the company's female employees. The organisation intends to ensure equal opportunities by helping women to realise their full career potential and empowering them to make their voices heard at Golding and in the industry. Women@Golding is a platform to improve networking among female employees, which in turn is intended to contribute to a greater diversity of perspectives and experience, as well as to higher productivity and more innovation. By developing and implementing these activities on a small scale, and by joining the Fondsfrauen network, the biggest professional association of women working in the finance industry in German-speaking countries, Golding has already taken the first steps along this path.

Examples of other initiatives:

Company Bike
We introduced the Company Bike scheme in 2022 to motivate our employees to come to work by bike. At the same time we installed a bike pump and charging sockets for e-bikes on the office premises. More than 20 people have already taken up the offer.

Electricity
Also in 2022 we changed the terms of our electricity supply contract and now only receive green power, which helps to reduce the GHG emissions of our operating business.

Car & Travel Policy
Employees who are entitled to a company car have since last year only had the option of choosing a fully electric vehicle. We are currently working on concepts that will enable these colleagues to make use of alternatives offerings, so that the emphasis is less on the use of new cars. Our travel policy is also aligned with sustainability. We strive to make our business travel as efficient as possible by arranging as many meetings as possible during a business trip, for example, using video conferences for individual meetings where appropriate and making train travel the preferred alternative to taking a flight.

It can be done if you want.

49%

Recruitment ratio for women across the company from January 2022 to June 2023

Dorothea Sztopko is the new Chief Operating Officer at Golding. Here she speaks candidly about her appointment as the first female partner in the company's history, and provides some tips for companies that want to appeal more to women.

The aim must be not to need any gender targets in the foreseeable future.

Golding has very deliberately set itself ambitious gender goals. What role did these strategic goals play in your decision to join the company?

In addition to Golding's success story over the past 20 years, what attracted me was the prospect of helping to lead Golding going forward. When I had the first meetings with Jeremy Golding the strategic gender targets had not yet been fully defined, and they wouldn't have been the main reason for my decision to join Golding either. However, these targets do show clearly how Golding is making itself fit for the future across various dimensions. I had a good feeling from the outset, because at Golding I can make things happen. When I leave the office in the evening, I want to have the feeling that I have made an impact and made a difference with my team. That's what is most important to me.

Do companies have to address women differently to attract them to a management position?

I think that women are more intuitive in their decisions and that companies should take this into account. They want to make a positive contribution, and sustainability is definitely an important part of that. Companies need to relate to these aspects, they have to encourage women and point out what differences they can make. Then ultimately, the decision is intuitive. Many women applying for jobs have told me what they can't do and what they have never done before, instead of concentrating on their strengths. Women can do any job if they have the right skill set, acknowledge their own strengths and know themselves well. But I also believe that the way to attract leaders is by signalling a willingness for a new broom, and depends less on the gender or the age. It still takes courage though. And Golding specifically supports that with initiatives like Women@Golding. My experience has been that if you want to have a career as a woman, you can.

You were the first female partner at Golding. Do you consider yourself a role model?

On the one hand, yes, because it shows we are taking the targets seriously and things can change. And I certainly intend to do my best to be a good role model. On the other hand, there can be no question of tokenism, firstly because another female colleague joined a few months after me, and secondly, because I believe that a good mixture of men and women, of different cultures, experiences and backgrounds, is a great enrichment for a company. Ambitious targets are good, but the aim surely has to be to make such targets superfluous in the foreseeable future. In my opinion it is not about reaching exact 50:50 parity, but rather about just having a normal and natural mix. I have held management positions in big companies since I was 26 and I have worked all over Europe. In many other countries where they don't speak German this is not even an issue; in some cases there were more women in leadership positions than men. Management essentially comes down to having the ability to treat people as individuals.

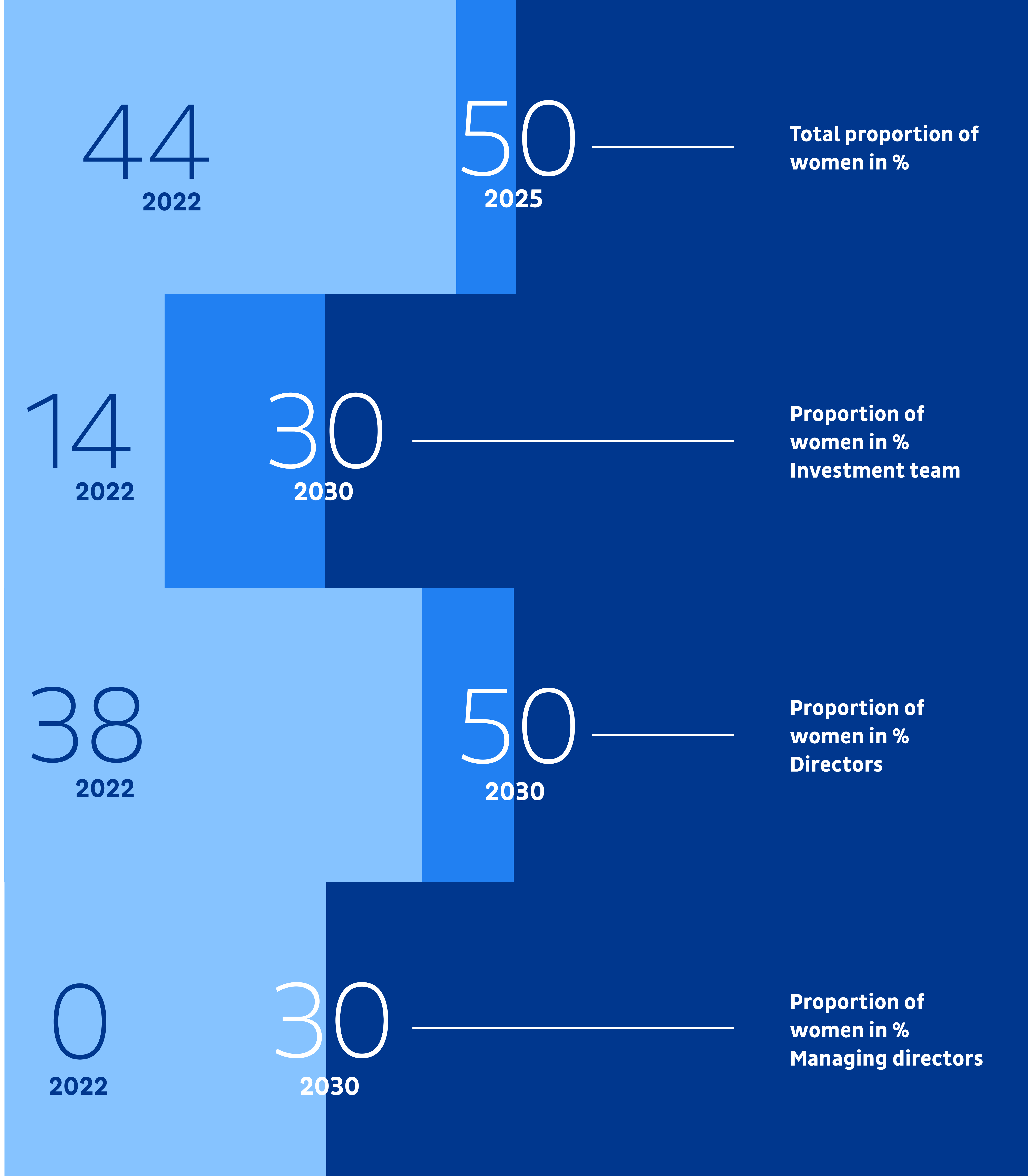
Golding's Gender Pay Gap Study 2022 and Gender Diversity Targets

Diversity and inclusion are important aims for Golding. In 2022 we defined our ambitions, particularly to encourage female employees and to increase the proportion of women at Golding in the future. The graph on the right shows the four targets that Golding has set.

In 2022 we looked in more detail at the question of whether there is a gender pay gap at Golding, and if so, how big it is. We also examined potential structural differences in salary levels between men and women.

In order to make the results of the gender pay gap study more precise, we compared the percentage difference in the average basic salary of the men with that of the women for all the departments at Golding at each organisational level – to the extent that there were both female and male employees at the respective level.

To aggregate the results for the company as a whole we calculated the mean of the percentage differences, weighted by the corresponding number of women (in FTE) as a proportion of the total number of the women included in the analysis (also in terms of FTE).



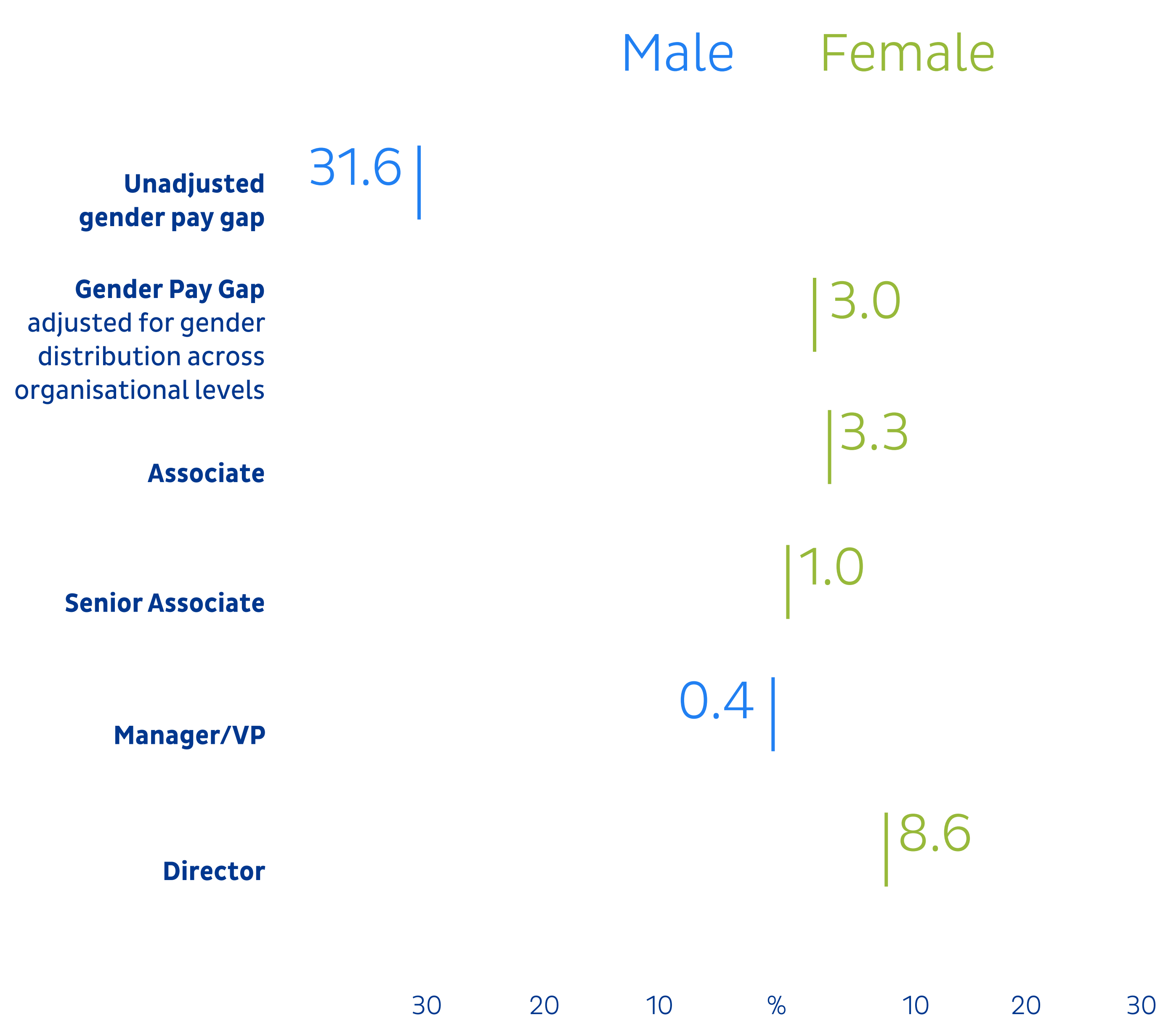
Our study shows that Golding does not pay men and women differently.

Our findings show that the unadjusted gender pay gap of 31.6% for the entire organisation is due to the distribution of women employees across the different organisational levels.

Taking this gender distribution across the different organisational levels into account, there is a negligible gender pay gap in favour of the female employees.

Analysis of basic pay within the different organisational levels confirmed our expectation that the remuneration of our employees is not a function of gender.

Golding Gender Pay Gap Study 2022



"We have so much more to do with the Impact Task Force."

I'm Thomas Fiebiger, Director Institutional Clients at Golding, and part of the Impact Task Force because I want to make things happen. After two years of the Impact Task Force at Golding, it is time for me personally to take stock. Here I would like to talk about the idea behind the Impact Task Force, mention some of the successes I am proud of, and flag up the areas we urgently need to improve.

Let's be honest. The way our whole industry behaves is not as sustainable at it likes to make out. The products of our industry, i.e. the investments, and the way that the individuals involved behave, in terms of travel for example, could all be much more sustainable. We allocate a lot of capital and earn good returns, and we are a long way from making full use of all the opportunities that gives us do something meaningful. That can be investments in smart ideas for the future, but even more social engagement would also be a good idea. I can't change the whole industry. But I applied to join Golding's Impact Task Force because I want to play a part in making Golding as an organisation and us, the people who work here, more sustainable. In our daily doing. And because I believe that we absolutely have to support the fact that our management launched an initiative like this, which is intended to assist the business on its journey to become an impact company.

> The Impact Task Force sees itself as an internal think tank.

Our task is to identify the themes that we want to take forward, to examine them carefully and turn them into workable concepts. There are no limits to the ideas we can develop. And ultimately we negotiate our proposals with the partners. At the same time we want to inform and inspire our colleagues, and catalyse their own intrinsic motivation. I'm glad that the Impact Task Force exists, but after two years working on sustainability I definitely have to say that there is still so much we have to do. Of course I am very proud that we agreed that 50% of the managers should be women in seven years' time. And I'm also proud that within such a short time we have turned Golding into a modern employer with flexible working arrangements in line with people's individual situation in life. But looking forward, I say we can't stop there. In my opinion, we have to get our GHG footprint down, for example. And we need to expand the scope of our social engagement. We have to raise awareness of topics like well-being and mental health, and find space for them in our everyday lives at the company. There are six members of the Impact Task Force, and I am the oldest at nearly 40. The others are all between mid-20 and mid-30. People from this generation often live their lives more consciously anyway, and attach less and less importance to status symbols. Most of our young colleagues don't have drive to work in a big fancy car or take a plane for a few meetings in Frankfurt. This is one of the areas where our discussions get most intense. I understand that some business matters can't just be sorted out in a video call and that some personal meetings are necessary. But for business trips in Germany I would like to make it the rule that people take the train rather than flying. In this respect I am quite impatient.

> We are engaged in a process that just takes some time. Unfortunately.

I am well aware that we are engaged in a process that still takes some time. Things can't be changed overnight, especially when it comes to personal habits and privileges.

> The Impact Task Force is a force for integration within the company.

Our initiative deals with the whole company and we consult with colleagues from very different departments, from HR to accounting. And often we get feedback from people who say that our work gives Golding a competitive advantage – both in the eyes of investors and partners, and from the perspective of potential new employees. I would like to leverage this force for integration. By regularly rotating its members we must make sure that the Impact Task Force itself stays fresh and continues to be a platform for new ideas. That way we can integrate more people and ensure that the winds of change keep blowing, also from different directions. This power to bring people together is also behind my greatest wish: for more social engagement! We have already presented a proposal for this, an agreement with concrete numbers. I think we should set aside a really tangible share of our company profits to finance social projects, and also transfer a relevant percentage of our carried interest as an endowment to a Golding Foundation. Let me be clear about this: the partners are grateful for the input and have already decided that three to five per cent of the carried interest pool for future products will go to social projects. And in our industry I think that is something very special. So I really hope that we will be able to inspire other people to set up something similar. Because at the end of the day my wish is very simple: that Golding should start making a difference now, so that sustainability as a standard practice becomes more credible throughout the sector in the medium term.

2020
per person = 6.5 t

2021
per person = 5.0 t

2022
per person = 5.2 t

Golding's GHG footprint: 2020, 2021 and 2022

We revised our responsible investment policy in 2021 and put more emphasis on climate action. One element of this was to appoint Climate Partner, a sustainability advisory firm, to measure the GHG footprint from our operating business. Working with an interdisciplinary team, Golding collected the information required to calculate emissions of greenhouse gases from our operating business for the financial years 2020, 2021 and 2022.

The scope 3 emissions resulting from business travel were lower in the years 2020 and 2021, due to the strict travel restrictions in place during the covid-19 pandemic that began in 2020. In the financial year 2022, emissions from business travel accounted for almost 46% of Golding's total GHG emissions from operations.

Our efforts to reduce emissions had a positive impact and are visible in the size of our GHG footprint. The first projects to reduce our operating GHG emissions, which have already been completed, were to change the sourcing of our electricity supply to renewable energy whenever possible, to switch the fleet of company cars to electric vehicles, and to focus more on rail travel on routes which have train connections.

The number of train journeys more than doubled in 2022 compared with the previous year. Over 80% of the train journeys taken by our colleagues in 2022 were on routes for which a flight connection would also have been an option.

We made a financial contribution to certified climate action projects for the equivalent amount of GHG emissions from our operations. In a company-wide vote our colleagues chose a combination of projects to protect the rain forest in Columbia and Brazil and a regional afforestation project in Germany. ClimatePartner recommended projects for 2020 and 2021 that protect around 400 hectares of rain forest, which is equivalent to the area covered by some 575 football pitches. In addition, around 1,300 trees have been planted in Germany to date.

	2020		2021		2022	
Sources of emissions	Tonnes of CO_2e	%	Tonnes of CO_2e	%	Tonnes of CO_2e	%
Scope 1	56.8	9.5	47.7	8.2	27.4	3.7
Scope 2	201.8	33.6	194.2	33.5	116.6	15.8
Scope 3 (without category 15, investments)	341.6	56.9	338.1	58.3	594.3	80.5
Total	600.2		580.0		738.3	

For our financial contribution to climate action in 2022 we supported a wind power project in Chile and the planting of trees in Austria. Our contribution to the project in 2022 enabled an estimated amount of renewable energy to be generated to supply roughly 575 Chilean households with electricity. More than 800 trees were also planted in Austria with our support.

Assuming social responsibility has always been part of the corporate culture at Golding.

Our commitment to making a positive social impact is reflected in our long-standing support for various social welfare organisations. We believe we have a responsibility to give something back to society and to help people less fortunate than we are. Last year we partnered with both local and regional initiatives as well as organisations with a global remit.

LichtBlick Seniorenhilfe e.V.

More and more elderly people find that their pension is not sufficient, although they have worked all their lives. Many of them only have barely enough to live on and their situation is made all the more precarious by high inflation. LichtBlick Seniorenhilfe e.V. supports around 25,000 retired people in need – quickly, on a long-term basis and without red tape.

The team led by Lydia Staltner provides assistance to elderly people from all walks of life and does so with great empathy. Because financial poverty can often lead to social exclusion as well. This makes the great work done by LichtBlick all the more important, and we are glad that Golding can help support it.

Ambulances for Ukraine

Following the Russian invasion of Ukraine, the Ukrainian Free University (UFU) in Munich launched a call for donations to finance the purchase of used ambulances and transfer them to Ukraine. Our employees made individual donations to support this humanitarian mission. Together with a donation from Golding, this financial support enabled the purchase of used ambulances that were presented to the UFU for transport to Ukraine in April 2022.

Condrobs

Condrobs is an important meeting point in Bavaria for children, young people and young adults who have got into difficulties, because of addiction or violence, for example. The association provides advice and street work to help the individuals concerned and their families to prevent addiction and violence, as well as with other problems.

Pure Water for Generations

PURE WATER FOR GENERATIONS

Water is of fundamental importance for our lives. It surrounds us all day, but many people no longer notice how precious it is. To reinforce the bond between people and water, Pascal Rösler, founder of the non-profit organisation Pure Water for Generations e.V., and his team have made it their responsibility to teach the youngest members of society about the significance of water. During the summer of 2022 the association organised Water School Days at 50 schools and showed a total of 2,500 children aged from nine to fifteen what they can do to show their appreciation for water. The founder and chair of the association, Pascal Rösler, and his team of four to six associates created the events to help children learn to be mindful about water and also about themselves – a day spent by, in and on the water.

OneDollarGlasses

According to the WHO, 850 million people in the world need glasses but cannot afford them, or have no optician in their local area. The result is children who cannot learn and adults who cannot work and provide for their families. OneDollarGlasses aims to ensure basic optician services for everyone in the world. The association provides a very local service. Because they are poor, people in the countryside can often not afford to travel into town, so the team from OneDollarGlasses comes to them in their village. People's eyes are tested on site and the right glasses are made for them immediately afterwards. At the same time, OneDollarGlasses trains local people how to make the glasses and carry out the optometric tests. The production and sale of the glasses provides them with an income. Project countries include Bolivia, Brazil, Burkina Faso, India, Kenya, Malawi, Peru, Myanmar and Columbia.

Bazar Luxembourg

The Bazar International de Luxembourg is the biggest international charity fundraising event in Luxembourg, and is held every year to generate funding and sponsorship for charitable organisations all over the world.

It is organised exclusively by volunteers from different nationalities, cultures and traditions, who work together towards a joint goal: to help people in need, whereby the emphasis is on people suffering from poverty, violence and/or social isolation, and to support and empower women and girls. The Bazar International combines fundraising for charities and non-profits with the organisation of an entertaining, colourful, multicultural event featuring food and drinks, arts and crafts, music and dance, which attracts thousands of visitors every year to the LuxExpo exhibition centre The Box.

Golding sponsored the German stand with a donation to the Institute for Music & Indigenous Art Development (IMAD) in Cape Town, South Africa.

Donations not gifts

At the Golding Investor Days 2022 in Munich there were informative presentations for our investors and plenty of opportunities for networking.

We were supported during the three-day conference by high-calibre speakers, and to show them our thanks we made donations to an organisation of their choice. The following organisations received donations:

- **AllBright Stiftung** A foundation to promote more women and diversity in executive business positions
- **United24** The initiative of the President of Ukraine, specifically the medical aid channel
- **Childhood Trust** Charity that aims to alleviate the effects of poverty on children and young people in London
- **PURE WATER FOR GENERATIONS e.V.** Association to improve and maintain the quality and quantity of water
- **SOS Kinderdörfer** Relief organisation for children in need
- **Rotary Club Bochum-Mark Projektfonds e.V.** Non-profit club to sponsor and support young people
- **Deutsche Krebshilfe** Foundation to sponsor projects and initiatives in the field of cancer research
- **Roca** Organisation to fight incarceration, poverty and racism

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The investment programme is only open to knowledgeable investors within the meaning of the Luxembourg Law of 23 July 2016 relating to reserved alternative investment funds (RAIF) and who are professional investors within the meaning of the Luxembourg Law of 12 July 2013 on alternative investment fund managers (AIFM) or, to the extent that the legislation applicable to such investors allows the distribution of shares in this investment programme to them, particularly those who qualify as semi-professional investors in Germany or qualifying private investors under Austrian or Swiss law. The interests may not be offered for sale or sold within the USA or for the account of US persons or to people resident in the USA.

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Munich, September 2023

Additional information for investors in Switzerland

Qualified investors

Fund interests may only be offered in Switzerland to qualified investors within the meaning of Article 10 (3) and (3ter) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 as amended, including high net-worth individuals and private investment vehicles set up for them after opting out in accordance with Article 5 (1) of the Swiss Federal Act on Financial Services of 15 June 2018 as amended ("qualified investors").

Agent in Switzerland

The fund's agent in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, 8002 Zürich.

Payment agent in Switzerland

The fund's payment agent in Switzerland is Helvetische Bank AG, Seefeldstrasse 215, 8008 Zürich.

Obtaining fund documents

The issue document, the fund's articles of association and other documents and/or information relating to the fund, especially quarterly and/or annual reports, may be obtained by qualified investors free of charge from the agent in Switzerland.

Place of performance and jurisdiction

For fund interests offered for sale in Switzerland the place of performance and jurisdiction is the agent's place of business.

Country of origin

The country of origin of the collective investment scheme is the Grand Duchy of Luxembourg.

GOLDING

Make a difference.

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