



AG Capital

ESG FRAMEWORK

TAKING OUR ENTREPRENEURIAL RESPONSIBILITY SERIOUSLY

Signatory of:



This AG Capital ESG Framework constitutes a short version of the AG Capital ESG Policy which serves as detailed internal rules and procedures for the implementation of responsible investment procedures into the AG Capital investment process.

1. Background & Mission

We see the long-term value creation in our portfolio companies as our core mission and contribute to this through ongoing holistic support as well as active co-determination. We believe that value maximization goes hand in hand with best practice behavior on ESG issues, which is why responsible investing is integrated as an essential part of our investment process. We believe there is a general responsibility as a capital provider into the real economy to direct this capital into a direction that enables the sustainability transition.

AG Capital is committed to:

- Universality of human rights
- Diversity as well as equality irrespective of gender, origin, religion or sexual orientation
- Working conditions that go beyond the minimum standards set by law
- Protection of our natural resources and climate risk mitigation
- Adherence to proper business practices, especially regarding conflicts of interest, corruption and bribery as well as compliance to the fullest extent of legal, regulatory and tax regimes
- Highest standards of business ethics and proper corporate citizenship

AG Capital aims to contribute to the achievement of the UN Sustainable Development Goals (SDGs) through its activities.

In order to live up to these commitments, AG Capital undertakes to be both a responsible company and a responsible investor, which is reflected in our guiding principle: “Creating value. Living by values.”

AG Capital as responsible company

Being a responsible company includes setting a good example for our portfolio companies. AG Capital is, within its own operations, committed to environmentally conscious behaviour (e.g. through waste separation/recycling at its offices, efficient use of resources, such as electricity and water, reduction of unnecessary air travel and encouragement of commuting by public transport or bicycle), fair and respectful treatment of our employees and partners as well as best-practice governance structures.

AG Capital as responsible investor

Responsible investing is ensured at AG Capital through thorough due diligence for new investments as well as ongoing support for our portfolio companies and active representation on their boards, as further described in Section 2. below.

2. Our Approach to Responsible Investing

As a responsible investor we are a signatory to the UN Principles of Responsible Investment (PRI) and have embedded responsible investing procedures as essential elements into our investment process.

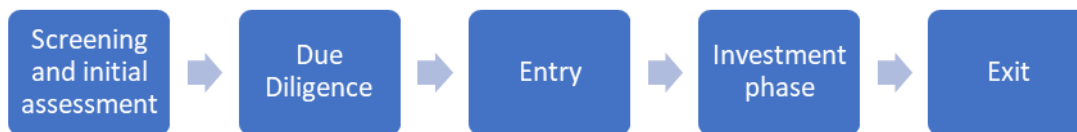
a. Investment restrictions (sectors / business activities)

AG Capital has defined a comprehensive list of industry sectors and business activities its funds will not invest in. These include, amongst others, any illegal business activities as well as companies that substantially focus on the following business activities (list exemplary and non-exhaustive):

- Tobacco and distilled alcoholic beverages
- Weapons and military equipment
- Gambling
- Pornography
- Fossil and nuclear energy
- Energy-intensive and/or high CO2-emitting industries
- Human cloning and genetically modified organisms (GMOs)
- Racist and/or anti-democratic media

b. ESG as part of our investment process

AG Capital has integrated responsible investment principles into its investment process.



The ESG Policy governs procedures throughout all investment stages, from deal sourcing to exit. At the initial stage, all potential investments are to be screened against defined exclusion criteria. ESG due diligence forms a part of the detailed due diligence phase and any findings are presented to the Investment Committee during the investment recommendation process.

With its portfolio companies, AG Capital aims to work towards improvements of environment, social and governance aspects during the investment phase, thereby enhancing value and ensuring best-in-class ESG compliance upon exit. Portfolio companies shall be required to report on their ESG performance and on defined ESG KPIs.

c. ESG Reporting

AG Capital aims to report to its investors on ESG activities on a regular basis and to comply with applicable transparency regulations.

3. ESG Ambassador

AG Capital will identify at least one staff member to act as an "ESG Ambassador" and be the first point of contact for all ESG matters.

4. ESG Committee

The ESG Committee consists of AG Capital’s Managing Directors and the ESG Ambassador(s) and will ensure senior management attention towards ESG matters. The committee will convene on a regular basis to discuss ESG topics relating to the fund and the portfolio as well as industry developments. External experts can be invited to such meetings on a case-by-case basis, when appropriate.

5. Other

The ESG Policy is to be complied with and followed by all employees of AG Capital. The Managing Directors will ensure compliance. The ESG Policy and this ESG Framework will be reviewed regularly and adapted as necessary.