

ESG-PRINCIPLES

The following guidelines represent the ESG principles that CAM Alternatives as Investment Advisor and Luxembourg Investment Solutions S.A. as AIFM apply in the investment process for their funds of funds.

ESG principles have also become increasingly important in the asset class of alternative investments in recent years. Through their active role as shareholders in generating value in the company, private equity fund managers are generally able to identify ESG opportunities and risks at an early stage and manage them proactively. CAM Alternatives has been taking ESG criteria into account in the investment process since 2010 and has thus also taken account of its clients' increasing ESG requirements. At the beginning of 2019, CAM Alternatives became an UNPRI signatory as a separate and independent company underlining our long-term commitment to the following principles:

- We are convinced that the implementation of ESG criteria in the investment philosophy of CAM Alternatives supports and even improves the risk-adjusted return on investments in the long term.
- We specifically take ESG criteria into account in our investment process as well as in the analysis and selection of investment opportunities.
- We expect appropriate transparency in the implementation of ESG principles and reporting of any ESG issues by the companies and fund managers with whom we work and in whom we invest.
- We promote the acceptance and exchange of ESG principles in the alternative investment industry and pursue the goal of continuously improving the implementation of ESG in our investments and in our own company.

Together with our employees, we strive as a company to minimize our impact on the environment, to assume our social responsibility and, as an owner-managed company, to lead by example with open and good corporate governance.

CAM Alternatives – Status and goals for own ESG principles

- Further development of the already established ESG governance structure at CAM Alternatives
- Active consideration and evaluation of ESG criteria in the investment process as a relevant decision factor
- Implementation of ESG principles in the independent risk process
- Maintaining active communication with fund managers/investments about the need for ongoing consideration of ESG criteria
- Continuous development of the methodology for analyzing and ensuring the ESG compliance of our funds and co-investments
- Introduction of an annual ESG reporting for our LPs to inform them about the ESG status in the portfolio and its development

CAM's ESG guidelines and processes are reviewed annually to ensure that they are up to date, adapted and continually developed.



Signatory of UNPRI

CAM Alternatives has been taking the United Nations Principles for Responsible Investment (UNPRIs) into account when evaluating investment opportunities since 2010. In early 2019, CAM Alternatives signed the UNPRIs as a separate and independent company.

CAM Alternatives sees itself as a "responsible investor" which means that ESG factors are considered during the investment process, but do not serve as an exclusive selection criteria for the investment decision:

	Profit-Orientated	Responsible	Sustainable	Impact-First	Philanthropy
	Achieving competitive returns				
	Control of ESG risks				
	Focus on ESG investment opportunities				
	Focus on investments with measurable impact				
ESG Focus	No or only limited focus on ESG criteria	ESG approach varies between broad consideration of ESG factors and explicit exclusion of certain activities or products (negative screening)	Focus on investment themes where social and/or environmental concerns offer commercial opportunities	Focus on social and/or environmental investment issues by potentially foregoing normal market returns	Focus on social and/or environmental investment issues with a possible no-return potential

ESG in the investment process

CAM Alternatives' investment selection process is also based on the UNPRI rules, taking into account various ESG factors and excluding certain activities or investment areas. Information on ESG-relevant activities of target investments is collected and processed at different points in time and at different levels.

The ESG influencing parameters on the investment are examined, with CAM Alternatives following the UNPRI guidelines and proposals for relevant ESG factors.

CAM Alternatives ESG Guidelines

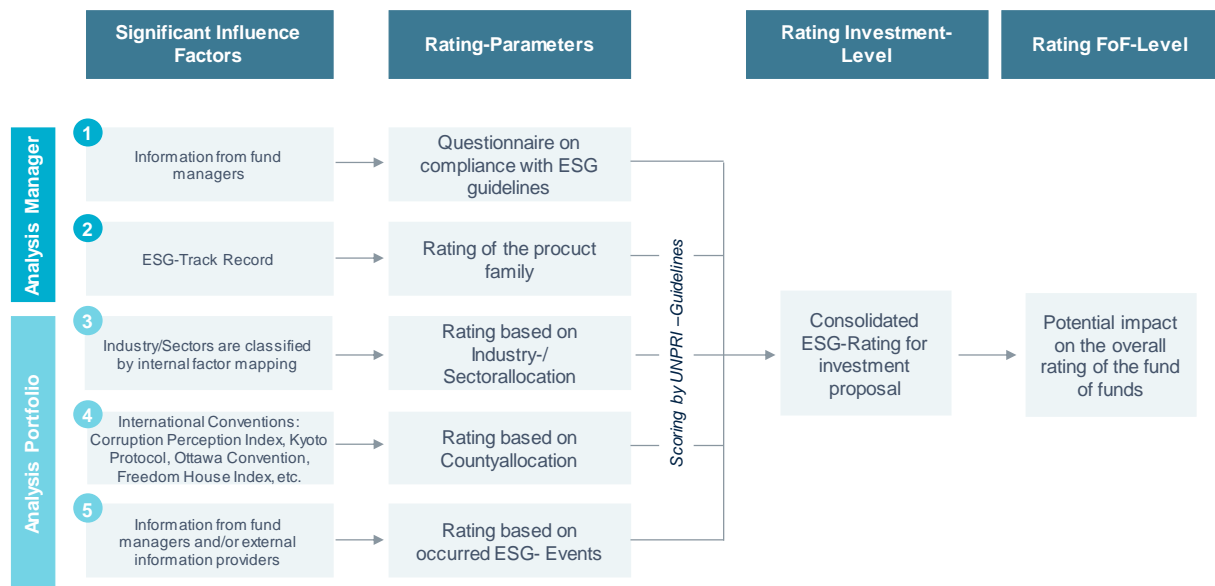
Environmental	Social	Governance
<ul style="list-style-type: none"> • Air and water pollution • Biodiversity • Climate change • Deforestation • Ecosystems services • Energy efficiency • Hazardous materials • Land degradation • Resource depletion • Waste management • Water scarcity 	<ul style="list-style-type: none"> • Customer satisfaction • Data protection and privacy • Diversity and equal opportunities • Employee attraction and retention • Employee engagement • Government and community relations • Human capital management • Human rights • Indigenous rights • Labour standards • Labour management relations • Marketing communications • Product misselling • Product safety and liability • Supply chain management 	<ul style="list-style-type: none"> • Accounting standards • Anti-competitive behaviour • Audit committee structure • Board composition • Bribery and corruption • Business ethics • Compliance • Executive remuneration • Lobbying • Political contributions • Risk management • Separation of chairman and CEO • Stakeholder dialogue • Succession planning • Whistleblower schemes

Quelle: PRI (2020), Technical Guide for Limited Partners: Responsible Investment in Private Equity, www.unpri.org

The analysis and evaluation of the potential target fund investment under ESG aspects regularly includes the following audit steps.

- With the help of a detailed ESG questionnaire, the potential target fund manager is asked to provide various details on the consideration of ESG factors as part of the due diligence:
 - First, the level of the GP is recorded (e.g. is the manager a signatory of the UNPRI, is there an ESG policy or exclusion list, what resources are available for ESG, etc.)
 - In addition, information is queried at the level of the investment process (review of ESG criteria when selecting portfolio companies, ongoing ESG monitoring of investee companies, handling and communication in the event of ESG incidents, regular ESG reporting, etc.).
- Based on the answers received from the target fund manager, an assessment is made using the CAM Alternative Scoring Model. In addition to information on the manager, this evaluation also includes information from the current portfolio (e.g. country and industry rating, how the manager handles historical ESG incidents, etc.). In addition, a rating for the manager's target portfolio is calculated and included in the evaluation.
- The results of the ESG analysis are documented and evaluated in the Investment Memorandum, discussed in the Investment Committee and considered in the investment decision.

CAM Alternatives ESG Guidelines



ESG Responsibility

The management of CAM Alternatives is ultimately responsible for implementing an appropriate ESG approach, not only at company level but also for the invested assets entrusted by the firm's clients.

Organizationally, the management has established an ESG Committee to monitor and further develop the ESG approach. This committee issues corresponding guidelines and recommendations for implementation to the management and monitors their implementation. The recommended guidelines and processes are approved by the management.

The investment team is primarily responsible for the consideration of ESG factors in the investment activities of CAM Alternatives. CAM's ESG Officer, who is independent of the investment team, verifies compliance with ESG requirements in specific investment cases.

At the corporate level of CAM Alternatives, each employee of the company is responsible for the implementation and consideration of ESG factors in their daily work. In doing so, the management supports them with appropriate incentives and assistance. In addition to an annual training session on ESG, CAM Alternatives' various measures for implementing general compliance and specific ESG principles are documented in the organization handbook. The organization handbook is known to every employee and must be observed by them.