

ESG Guidelines for

CAPITO

Capital Management

# ESG Guidelines for Capito Capital Management A/S

## 1. Introduction

- 1.1. Capito Capital Management A/S (“Capito”) is committed to upholding the highest integrity, professionalism, and compliance standards in all its business activities. This commitment includes Environmental, Social, and Governance (ESG) principles that drive sustainable growth, ethical business practices, and compliance with international regulations.



- 1.2. As a Danish Alternative Investment Fund (AIF), we integrate ESG considerations into our investment decisions, risk management, and stakeholder engagement in compliance with the EU Sustainable Finance Disclosure Regulation (SFDR), AIFMD, and Danish financial regulations.
- 1.3. We expect all our fund managers, portfolio companies, and stakeholders to adhere to the highest ESG standards, ensuring responsible investment practices.

## 2. Professional ESG Conduct

### 2.1. We encourage all employees, partners, and stakeholders to uphold the highest ESG standards by:

- **Environmental Conduct:**  
Reducing greenhouse gas emissions and carbon offset programs (if possible), and preventing marine pollution by adhering to the MARPOL Convention and proper waste management protocols.
- **Social Conduct:**  
Promoting a safe and inclusive workplace, with fair treatment for all employees and seafarers, and ensuring supply chain partners to comply with human rights and labour standards. Our social responsibility includes due diligence on supply chains, ensuring fair wages, working conditions, and antiexploitation policies. We require all supplier and contractors to sign an ESG Supplier Code of Conduct.
- **Governance Conduct:**  
Prohibiting bribery, fraud, and money laundering in compliance with Danish Anti-Corruption Law and ensuring transparent financial reporting and ethical decision-making. We require our portfolio companies to adopt ESG policies and regular reporting.

## 3. Ensuring ESG compliance across the organization

### 3.1. We integrate ESG compliance into all aspects of our operations through:

- **ESG Policies & Procedures:**  
We embed ESG factors into business strategies, risk assessments, and investment criteria.
- **Internal Training & Awareness:**  
We conduct mandatory ESG training for employees, suppliers, and investors.
- **Third-Party Due Diligence:**  
We vet suppliers, business partners, and investment portfolios for ESG risks.

### 3.2. Each department, from operations to legal and finance, is responsible for incorporating ESG best practices into our daily business conduct.

## 4. ESG transparency and accountability

### 4.1. To maintain transparency and investor trust, we aim to:

- **Annual ESG Reporting:**  
Publishing sustainability reports in accordance with EU Sustainable Finance Disclosure Regulation (SFDR).
- **Carbon Emissions Tracking:**  
Monitoring emissions through Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII).
- **Stakeholder Engagement:**  
Maintaining open communication with investors, regulators, and industry partners.

- 4.2. We aim to align with Task Force on Climate-related Financial Disclosures (TCFD) guidelines to ensure accurate, timely, and comparable ESG disclosures.

## 5. ESG compliance and enforcement

- 5.1. To uphold our ESG commitments, we enforce strict compliance measures, including:

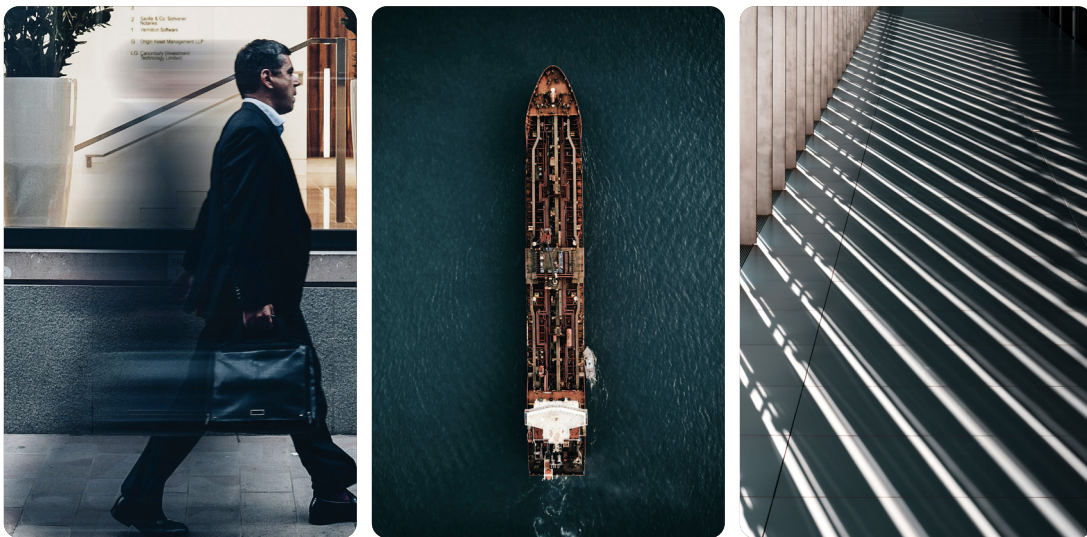
- **ESG Governance Committee:**  
We will oversee adherence to ESG standards and conducting regular audits. Our General Counsel act as our Chief ESG Officer to lead implementation efforts in accordance with the Sustainability Due Diligence Directive and the OECD Guidelines for Multinational Enterprises. Board-level oversight is ensured by having our General Counsel as member of the board to report on our ESG adherence.
- **Whistleblower Protection Policy:**  
Employees who report violations of our ESG Compliance Guidelines or any other regulatory breaches in good faith will be protected from retaliation.
- **Corrective Actions & Penalties:**  
We are addressing ESG non-compliance through investigations, remediation plans, and potential legal actions.

- 5.2. This guideline will be reviewed annually to align with regulatory changes and best practices, including evolving EU regulations and investor expectations.

## 6. Acknowledgment

- 6.1. All employees and partners must acknowledge that they have read, understood, and will comply with Capito's ESG Compliance Guidelines.
- 6.2. Compliance is essential for maintaining Capito's reputation, legal standing, and commitment to ethical business practices. Our enforcement mechanisms ensure that all employees, suppliers, and stakeholders align with our ESG Compliance obligations, strengthening Capito's reputation and longterm sustainability.

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“Sustainability is not just a commitment; it is a responsibility. At Capito Capital Management, we integrate environmental, social, and governance principles into every decision, ensuring long-term value for investors, society, and future generations.”

