



# **XOLARIS**

## **ESG STRATEGY AND POLICY**



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# INTRODUCTION

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Motive for ESG Policy and Strategy is firm belief of XOLARIS Group (XOLARIS) and all its entities that the value creation for all of its stakeholders and general society is the development of a sustainable and long-term approach for its business activities and require implementation of environmental, social and corporate governance (“ESG”) standards into all segments of its business activity, including investment, management, divestment, reporting disclosures, where possible and applicable.

XOLARIS believes that the incorporation of the principles of sustainability into its ESG Policy and Strategy will lead to a more balanced risk-return profile for its investments and a long term path of growth, profitability and sustainability.

ESG Policy and Strategy is part of overall Risk and Compliance framework in the company and it covers all activities on group and world-wide level. In order to pursue a responsible ESG strategy, XOLARIS’ Board of Directors is approving and monitoring implementation of ESG Policy and Strategy, working alongside senior management teams in order to strengthen the idea of importance and need of responsible and sustainable development of their businesses activities.

Policy and Strategy will be reviewed at least on annual basis, or more frequently if needed because of new events or change in group strategy. This is especially important, since ESG related risks are becoming more relevant and important for the future.

In order to practically implement and monitor ESG strategy, (XOLARIS) is delegating this activity to Chief Risk Officer on group level and respectively to Managing Directors (Risk) on AIFM levels. They are responsible for the promotion and effectiveness of strategy and will report, on a regular basis, to the senior management.

In addition, ESG culture will be communicated and fostered with all clients and external parties of XOLARIS group.



# DEFINITION

ESG is short for “Environment, Social and Governance”.

We integrate environmental, social and corporate governance (ESG) considerations into all business activities and processes, where applicable in firm belief that these factors can have an serious impact on long term financial performance.

Sustainability itself includes a clear commitment to developing concepts that are feasible in the long term. This relates first and foremost to products and services, but also to providing long-term support to our clients, partners and stakeholders in all matters relating to ESG potential impacts. The commitment to a sustainable business focus is thus a core component of overall Risk framework. In portfolio of assets we consider not only financial and profitability criteria but also how ecological, social and governance aspects are integrated, where applicable.



## ENVIRONMENTAL

possible negative impact on environment, pollution, carbon related aspects, poor management of potentially risky environmental projects and assets

## SOCIAL

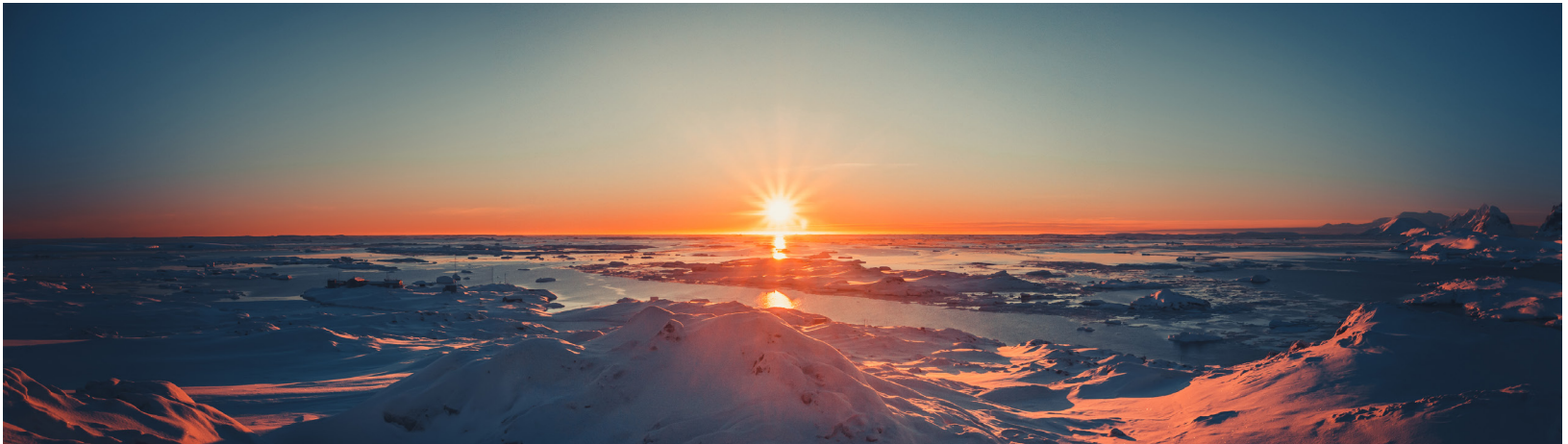
human rights, labor rights, community relations and workplace health and safety

## GOVERNANCE

Board composition, executive remuneration policies and appropriate enterprise risk and corporate management

# ENVIRONMENTAL POLICY AND STRATEGY

We understand that our activity and the activities performed by related companies might have a footprint on the environment and through its ESG Policy and Strategy we are targeting to minimize this impact, wherever is applicable and possible. XOLARIS is committed to foster an environmentally responsible behavior promoting these efforts also in its companies.



## XOLARIS HAS IDENTIFIED ITS ENVIRONMENTAL FOOTPRINT AS FOLLOWS:

- *Use of energy, water, natural resources and, in general, manufactured products;*
- *Production of waste;*
- *Emission of smoke and other polluting gases contributing to the greenhouse effect;*

## IN ORDER TO ACHIEVE THE TARGET OF MINIMIZE ITS ENVIRONMENTAL FOOTPRINT, XOLARIS ITSELF, AMONGST OTHER THINGS, WHERE APPLICABLE WILL BE PROMOTING AND FOCUSING ON:

- *Reducing the production of waste,*
- *Use in a more efficient way energy and natural resources,*
- *Increase the use of remote conferencing in order to minimize travel;*
- *Promote the use of renewable energy (i.e. solar energy, hydro, etc.) and the implementation of energy efficiency plans;*

All these actions will be implemented at XOLARIS and will be promoted in all the companies in group.

As part of business processes, XOLARIS will assess environmental related aspects during the pre-investment due diligence analysis and will encourage managers and employees of the invested companies, where applicable.



## SOCIAL POLICY AND STRATEGY

XOLARIS considers that social aspects are crucial in the investment and overall business activity for the effects that they may have on the different company's stakeholders. Taking this into account and extending to its companies, XOLARIS will, where applicable:

- *Promote the respect of internationally recognized human rights,*
- *Avoid, directly or indirectly, the use of forced labor or child labor,*
- *Promote the elimination of discrimination in respect of employment and occupation,*
- *Promote the equal opportunities and diversity principles,*
- *Monitor the health and safety risks related to work activities, with the aim to eliminate or minimize those risks,*
- *Promote a recruiting, developing and retaining system related to human resources able to create a working environment where the contribution of each employee is encouraged, recognized, respected and rewarded,*



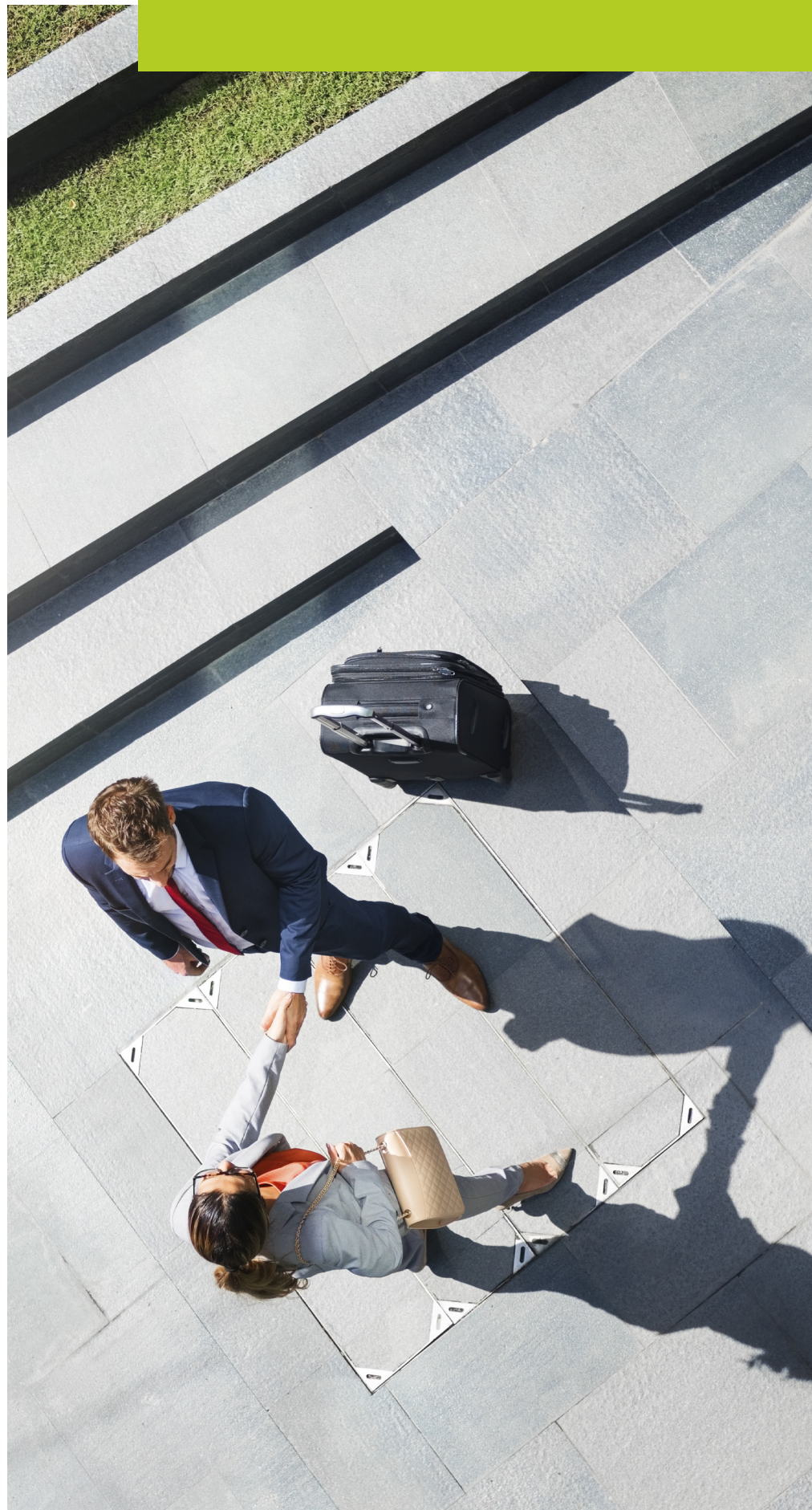
**XOLARIS CONSIDERS THAT PRINCIPLES AS TRANSPARENCY, FAIRNESS AND MERITOCRACY SHOULD INSPIRE ITS ACTIVITY AND SHALL BE PROMOTED ALSO AMONG ITS COMPANIES, ALL MANAGERS AND EMPLOYEES ARE ASKED TO PROMOTE THE RESPECT OF THESE PRINCIPLES NOT ONLY FOR WHAT CONCERNS ITS HUMAN RESOURCES (RECRUITMENT, TRAINING, DEVELOPMENT AND REWARDS) BUT ALSO FOR WHAT CONCERNS THE MANAGEMENT OF THE BUSINESSES OF ITS COMPANIES.**



# GOVERNANCE POLICY AND STRATEGY

XOLARIS understands that governance issues are crucial for an efficient management of a business, and taking this into account, XOLARIS will where applicable:

- *Will act honestly, fairly and with respect in the execution of its business;*
- *Will respect all applicable laws and will comply with the best international standards regulating financial and asset management industry;*
- *Will adhere to applicable regulations and promote cooperation with the financial supervising authorities,*
- *Will adhere to the proper standards of transparency and accountability in order to reach adequate standards of business ethics,*
- *Will integrate into its overall Risk and Compliance framework relating the long term responsible investing;*
- *Will implement procedures, controls and reporting in order to better perform its activity, using systems of internal control and risk management covering matters relating environmental, social and ethical topics,*
- *Will prevent the use of any information derived from its activity for personal financial gain by any employee or manager,*
- *Will identify the potential conflicts of interests arising during its activity, trying to avoid them or treating them properly in line with the agreements with stakeholders and industry best practice.*





# REPORTING POLICY AND STRATEGY

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XOLARIS pays special attention and focus on timely, proactive and comprehensive ESG assessment and reporting.

Depending on complexity and nature of business activities we communicate closely and proactively with all stakeholders including external Asset managers and outsourcing partners where applicable. Reporting both internally and externally is made on regular basis, where applicable.

ESG reporting is integral part of overall Risk management reporting framework.



## CONTACT US

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