



Capital Four
Communication on Progress 2018

Period covered by our Communication on Progress
November 2017 to November 2018

Scope of reporting

- Includes a statement by the chief executive officer expressing our continued support for the UN Global Compact and its principles
- Description of actions and measurement of outcome related to Human Rights
- Description of actions and measurement of outcome related to Labour
- Description of actions and measurement of outcome related to Environment
- Description of actions and measurement of outcome related to Anti-Corruption



Statement of continued support by the Chief Executive Officer

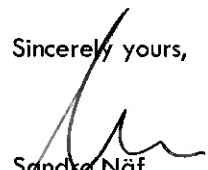
To our stakeholders:

I am pleased to confirm that Capital Four reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. As an investment manager we also integrate the Capital Four ESG Policy throughout our investment process. We use our ESG Policy as a framework to develop the four issue areas in human rights, labour, environment and anti-corruption.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Sandor Naf
CEO, partner

Description of actions

Human Rights

Assessment

We have ensured workers and employees are provided safe, suitable and sanitary work facilities and that we do not participate in any form of forced or bonded labour or child labour. We do provide safe and sound working conditions.

Implementation

Upon commencement of employment, every employee is given an overview of the firm's policies and procedures, which includes a code of conduct, ESG and anti-money laundering policies, along with the employee handbook which outlines the employee's rights and benefits. At least annually and upon appropriate occasions our ESG Committee educates all employees within the organization on ESG matters and ESG market standards.

Measurement of outcome

Measurements of outcomes are assessed by our HR department, by our management and by our ESG Committee.

Labour

Assessment

The Company complies with minimum wage standards and offers pension contributions and health insurance to permanent fulltime employees. In addition hereto the Company offers permanent fulltime employees to participate in the Company's long term incentive program.

We offer full salary for maternity leave of 7.5 months and paternity leave 4 months (according to standards set by the Danish financial collective agreement) and our company is represented by 3/5 men and 2/5 women. Capital Four offers 6 weeks of holiday per year to permanent fulltime employees.

Ergonomics have a high priority and every employee's needs relating to ergonomics are met as best as possible.

The Company supports all employees in developing skillsets and further professional development on an ongoing basis, hereunder supporting all employees in purchasing relevant and professional literature and journals.

Finally, the Company offers a VPN online access to facilitate a home office to permanent fulltime employees. This is done to give the permanent fulltime employees flexibility with respect to work-life balance.

Implementation

Culture has a high priority within our organization and to support this our employee handbook is regularly updated and fully implemented in our organization. We seek a very transparent and inclusive culture. For example, all employees are updated immediately after board meetings with insight into the firm's strategic initiatives, key performance indicators including P&L developments. Also, the strategic directions are determined during an off-site including all employees and are reliant on inputs from employees.

Measurement of outcome

HR has a strong commitment to support employees on a daily basis. This is further supported by annual employee reviews with the employee and his/her direct report where targets and performance is discussed and agreed upon by both parties.

Labour and health issues have a high priority within our organization and we accommodate beyond market standards.

Environment

Assessment

Capital Four strives to minimize the environmental impact of activities. During 2018 we have put a focus on decreasing the carbon dioxide footprint.

Implementation

One method is going paperless when having internal meetings within the organization.

In addition, we recycle ink cartridges and plastic and glass bottles, furthermore office waste (such as paper, cardboard and old IT-equipment) is sorted and water usage is decreased by the installation of water aerators.

Measurement of outcome

It has been noticeable that going paperless has decreased the amount of paper consumption as well as use of ink cartridges and waste of elements. Since this initiative was implemented the Company's paper consumption has decreased by approximately 66%¹.

¹ This estimate is measured as paper consumption per employee and is our approximation. We are in a process calculating a precise percentage.

Anti-Corruption

Assessment

On an ongoing basis we assess the risk of Capital Four being misused to anti-money laundering and financing of terrorism. We assess the risk of bribery, corruption and anti-money laundering pursuant to our internal policies and procedures when we conduct business.

Implementation

We have a great focus on carrying our risk assessment and Know Your Customer-procedures on every current and potential client. Internally, we have in place a whistleblower system for any suspicion of financial compliance violations within our organization.

Measurement of outcome

Carrying out risk assessment and Know Your Customer-procedures on clients and having own whistleblower system in place catches suspicious circumstances relating to compliance violations.