



Capital Four
Communication on Progress 2019

Period covered by our Communication on Progress
November 2018 to October 2019

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,



Sandro Näf

CEO, partner

Description of actions

Human Rights

Assessment

We ensure employees are provided safe, suitable and sanitary work facilities and confirm that we do not participate in any form of forced or bonded labour or child labour.

Implementation

Every employee is given an overview of the firm's policies and procedures, along with mandatory annual compliance training, which covers the firm's code of conduct and anti-money laundering policies. All employees attend information meetings throughout the year to better acquaint themselves with all aspects of Capital Four, such as investment, research, trading, human resources and ESG. An employee handbook has been created which outlines the employee's rights, benefits and expected behavior.

Measurement of outcome

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

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Labour

Assessment

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

We offer full salary during maternity leave of 7.5 months and paternity leave of 4 months (according to standards set by the Danish financial collective agreement). In addition to the mandatory 5 weeks annual leave, Capital Four offers permanent full-time employees an extra week of holiday per year. Employees also receive paid leave of absence to attend certain unplanned personal and family-related matters.

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 attending relevant training courses, obtaining professional qualifications and subscribing to relevant and professional literature and journals.

The Company offers employees facilities to accommodate working from home or remotely, where required. 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 which includes all employees and are reliant on inputs from the employees.

In 2019, Capital Four created a working group to facilitate a safe and healthy working environment. Based on the results from an internal survey on the working environment, appropriate actions were initiated to support a sounder work environment. The working group consists of a representative from Human Resources and an employee representative elected by the employees.

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We believe a diversified workforce is key to our firm and is an area which we continue to focus on both during the hiring process but also in our daily engagements. Currently, 13 different nationalities are represented, to mention just one aspect of diversity.

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 are discussed and agreed upon by both parties.

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

A mentorship program has been created to further develop individuals' career and professional development.

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Environment

Assessment

Capital Four strives to minimize the environmental impact of activities.

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.

Recently, the use of single-use water bottles has been replaced with tap water resources for all employees in an effort to reduce the use of plastic in the office.

Video or telephone conferencing is encouraged to replace local and long-distance meetings when appropriate.

Subsidized transit passes are available for employees to encourage the reduction of carbon emissions in commuting.

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.

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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.