



## COMMUNICATION ON PROGRESS (COP)

Reporting period from 02/2021 to 02/2022

Your contact  
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### 1. Statement of continued support by the Chief Executive Officer (CEO)

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

In this Annual Communication on Progress report, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture, and daily operations. We are also committed to share this information with our stakeholders using our channels of communication.

Yours sincerely,

Dr. Alexandra von Bernstorff

Managing Partner

## 2. Description of the measurements

### Human Rights

Luxcara was founded in 2009 by two women. Being hired by Luxcara is always decided by qualifications, regardless of gender or other personal attributes. However, due to the positive experience with high diversity, it is consciously encouraged in the team composition. During the reporting period, we welcomed nine new team members and now proudly look at 13 nationalities, 15 languages spoken, and gender distribution of 23(m) to 22(f) to 0(x).

Nevertheless, we do not want to rest on our encouraging record, but to always keep learning and improving. Luxcara continues to pursue a strict zero-tolerance policy with regard to discrimination in the company and encourages the use of the anonymous whistleblower system. The promotion of female employees through cooperation with the Women of Wind Energy initiative continues to be supported by the management.

### Labor standards

Luxcara and all business partners remain committed to the Business Partner Code of Conduct, in particular to respecting the labor and human rights and rejecting any form of corruption. Excelling minimum wage standards has always been indisputable for us. In the reporting period, Luxcara actively encourages business partners to raise awareness of this issue, also regarding subcontractors.

Luxcara was quick to respond to the changing situation and workplace demands during the Covid-19 pandemic. All employees shifted their work completely to the home office in mid-March 2020. This was possible mainly due to the already existing infrastructure for remote and home office. Since then, there has been an explicit recommendation to make use of the home office offer.

To optimize the employees' workplace, Luxcara has enabled all employees to use the ergonomic equipment in the home office. Surveys were also conducted to determine the need for additional equipment, and noise-canceling headsets were purchased, among other things. In addition to this, Luxcara sends every month each team member a healthy box with seasonal fruits and vegetables to the home office. With this, Luxcara aims to encourage a healthy diet in the team and to state that the well-being of the team members matters to the management.

In case employees work from the office, a hygiene concept has been implemented for our office, which allows employees to safely work from the office. This concept is constantly reviewed by Luxcara and adapted to the applicable regulations and the current situation. Luxcara also offered the flu vaccination to the employees, a safety measure that we consider important, especially in Covid times.

Luxcara is aware that working from home can bring challenges for the employees. Taking action on that, in 2021, Luxcara offered the workshop "Mental well-being in home office" to the employees in cooperation with the Fürstenberg Institute. Based on the insights derived from the workshop, measures were implemented to bring some of our "team spirit feeling" to the home office of our team members. With the idea of recreating the coffee break that would normally happen in the office and inspired by our Swedish business partners, Luxcara implemented a virtual "Fika." This allows our team to virtually meet, have a break, and keep in touch with an informal chat, not only work-wise.

Likewise, Luxcara implemented the virtual active break. Once a week all team members are welcome to join a break with stretching and relaxing body movements, conducted by a fitness specialist. Besides the health



benefits this activity brings, it gives additional virtual space for interaction – and a whole lot of fun shaking hips with your colleagues.

## Environmental protection

Luxcara's core business is the creation of investment opportunities in renewable energies. As an active asset manager, we are committed to the optimal maintenance and upkeep of the plants every day, thus contributing to the energy transition through our core business. In the reporting year, we supplemented the reporting to our investors with key figures that indicate and contextualize greenhouse gas avoidance. Furthermore, from 2021 Luxcara got the recognition to be aligned with the Green Bond Principles, and the Green Loan Principles from the International Capital Market Association (ICMA). Having this recognition assures our current and future investors that Luxcara's investments are directed to green projects that will bring environmental and social benefits.

Internally, Luxcara continues to use a detailed recycling system for improved waste management. Furthermore, Luxcara purchases only green electricity for its office space and uses recycled paper. Beverages are purchased exclusively in glass bottles.

In September 2021, Luxcara got involved in the Hamburg-wide social action day "Wi mook dat" (We make it). Under the guidance of the non-profit company "Stiftung Ausgleich Altenwerder," the Luxcara team members tended fruit trees, cleared the meadow and surrounding ditches from the area, and harvested the ripe fruit.

During the reporting period, Luxcara continued to actively promote renewable energy as a board member of the Renewable Energy Network Hamburg (EEHH). In addition, we are a network partner of the Environmental Partnership Hamburg.

Moreover, all offered Luxcara funds comply with the standards provided for articles 8 and 9 from the Sustainable Finance Disclosure Regulation (SFDR) from the European Union (EU). Article 8 products are defined to promote environmental or social characteristics or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. Article 9 products are defined to target sustainable investments where a financial product has sustainable investment as its objective.

## Fighting corruption

In addition to the position against all forms of corruption set out in the Code of Conduct, Luxcara developed a Whistleblower Policy during the reporting period to facilitate team members raising their voice in case of any doubts on proper business behavior.

Transparency forms the basis of trust in the relationship with our investors and business partners. To be recognized aligned with the Green Bonds and Loans Principles, Luxcara has obtained a Second Party Opinion (SPO) with an external third party. Such SPO has a validity of three years from the emission date.

## 3. Measurement of the results

- Human rights:
  - Diversity in the team
    - 22 female / 23 male (self-reported gender)
    - Nationalities: 13
    - Spoken languages: 15
    - Age range: from 25 to 55
    - Management gender diversity 50% female / 50% male
- Labor standards:
  - Occupational accident rate: Two minor occupational accidents were recorded in the period under review. We are pleased with the lack of long-term absences due to illness during the reporting period.
  - Proportion of signed Code of Conduct from business partners: 100%
  - Rate of participation in flu vaccination: 10 out of 45 employees
  - Healthy boxes delivered to team members during the reporting period: 293
- Environmental protection:
  - Clean energy production: More than 1,836 GWh of clean energy was produced during the reporting period. It would take 15 million trees to achieve the amount of CO2 emissions avoided as a result.
  - Sustainable Finance Disclosure Regulation: Luxcara complies with articles 8 and 9
  - Green Finance: Luxcara obtained the Second Party Opinion (SPO) recognizing that the activities developed in Luxcara are aligned with the Green Bond and Loans Principals from the ICMA
- Anti-corruption:
  - Proportion of signed Code of Conduct from business partners: 100%
  - Progress development in the Whistleblower Policy: 100%

Hamburg, 10.03.2022