



Twelve Capital Corporate ESG Policy

Table of Content – Twelve Capital Corporate ESG Policy

1. Purpose	3
2. Introduction	3
3. Investment Management, Products and Clients	3
4. Corporate Management	4

1. Purpose

This policy outlines Twelve's approach to include ESG (environmental, social and governance) aspects alongside economic considerations in the management of the Group and its investments. The Corporate ESG policy remains under ongoing review and development across the Group.

2. Introduction

The financial industry has a significant role to play in the transition towards a more sustainable economy. Twelve is committed to including ESG (environmental, social and governance) aspects alongside economic considerations in the management of the Group and its investments. ESG principles are deeply ingrained in our organisation, shaping how we operate and make decisions at every level.

While the Board of Directors and Management are responsible for the ESG Strategy the ESG Committee acts as a separate body to ensure progress is monitored and measured on an ongoing basis.

Our ESG commitment includes the following core principles:

- Environment: Twelve Capital's business is impacted by the challenges of climate change and other factors related to sustainable development. Twelve aims to actively support society's adaptation and increased resilience to climate change, focusing on investing in insurance providers and Insurance-Linked Securities. Moreover, Twelve is committed to reduce its own carbon footprint.
- Social: Twelve wants to be an employer of choice and foster an environment where professionalism, high standards and collaboration prevail. We look to expand our diversity and strive to offer an environment which is inclusive, respectful and fun to work. Twelve extends its social responsibility to the wider community we operate in, and aims to give back by means of donations or personal engagement.
- Governance: Twelve views a robust governance, compliance and risk management as the foundation of all of its activities. Twelve has a fiduciary obligation, and ensures that all short-, medium- and long-term risks (including ESG) are considered in our investment decisions and how we run our business, in order to act in the best interest of clients, employees and other stakeholders. Twelve is committed to maintain trust by being a transparent and reliable partner.

The ESG topics covered in this policy were determined through a materiality assessment as being the most relevant for clients and internal stakeholders, encompassing impacts on sustainable development and efforts to mitigate risks and utilise opportunities to develop Twelve's business. The material topics are grouped into our core business "Investment management, products and clients" as well as overarching "Corporate Management."

3. Investment Management, Products and Clients

Societal resilience and closing the protection gap

The companies and investment products in Twelve's investment universe contribute to social and environmental resilience by providing capital and strong financial protection against natural catastrophes and other perils. Twelve aims to leverage its knowledge of the insurance industry and its position as a leading insurance investment manager with a clear focus on climate change adaptation. Twelve promotes mechanisms for disaster risk transfers and insurance to reduce the financial impact of disasters on Governments and Societies and is committed to actively contribute to the development of investment solutions and increasing investment capacity to close the protection gap.

Innovative and sustainable products and services

Twelve makes clients central to its product development processes and uses market research, industry insight and analytics to ensure their needs are at the core of product design and in line with evolving regulatory requirements. Twelve incorporates ESG principles in its Product Governance and

Development processes and is committed to uphold minimum ESG standards for its product range and lead the development of more advanced products, specifically addressing climate change adaptation.

ESG integration in the investment process

As a signatory of the Principles of Responsible Investment (PRI), Twelve Capital is committed to adopt and implement the six principles for Responsible Investment. Twelve has developed a proprietary ESG analytics framework allowing the firm to identify ESG-related risks and opportunities by integrating ESG factors into its investment processes across all asset classes, companies and regions. Twelve integrates ESG criteria into its fundamentally driven, bottom-up approach to find the most attractive insurance transactions and securities. Twelve Capital has a strong regard for the principles of good stewardship of assets held and managed on behalf of our clients and recognises that clients expect us to align Twelve's approach with their own investment beliefs, policies and guidelines. Twelve Capital seeks to be an active shareholder by encouraging good governance and a high standard of corporate practices via its stewardship activities. An importance to develop ESG knowledge internally is also championed.

More detailed information on the approach towards ESG integration in the investment process can be found in the [ESG Investment Policy](#) and in [Twelve Capital's Stewardship Policy](#). These form the basis for investment decisions and ensure that Twelve's core values are included into its investment and stewardship practices and individual behaviours. The ultimate responsibility to oversee Twelve's ESG Investment approach resides with the Investment Oversight Committee (IOC).

Transparent and reliable client partner

Trust is a key element of the relationship between Twelve and its clients. In accordance with applicable regulations, Twelve acts honestly, fairly and professionally at all times and in accordance with its clients' best interests. Communication with its clients must be 'fair, clear and not misleading'. Twelve informs its clients about the incorporation of ESG into its business strategy and investment process and collects feedback from clients regarding their expectations and ESG preferences with a view to mutual engagement and an active exchange around ESG topics.

The Group's ESG Policy framework (i.e. Corporate ESG Policy, ESG Investment Policy & Stewardship Policy) is published on the Twelve Capital's website and is subject to regular review.

Twelve is committed to providing timely and relevant external communication and reporting of its ESG investment efforts, in line with regulatory requirements. Twelve may provide supplemental ESG-relevant information via its website, the fund management company's website the Fund's prospectus, the Fund's Annual Audited Financial Statements, or any other type of bespoke ESG Reporting.

4. Corporate Management

Trustworthy and financially sound organisation

Twelve aims to run a strong, diversified and sustainable business that can deliver consistent returns for all relevant stakeholders and in line with its fiduciary obligation. To this end, Twelve considers environmental, social, and governance (ESG) factors to preserve the client's assets, increase the quality of their investments and deliver sustainable returns. Additionally, Twelve develops its business in line with its fiduciary obligation, including considering all short, medium-, and long-term risks in its investment decisions in order to act in the best interest of clients, employees, and other stakeholders.

Sound governance, compliance and risk management

Twelve views a robust governance, compliance and risk management as the foundation of all of its activities. The Group employs independent non-executive Directors at operational entities and also ensures appropriate checks and balances are implemented via its risk and compliance functions. The Boards are tasked with effective oversight of sustainability and other ESG issues ensuring that individual responsibilities are allocated appropriately throughout the Group.

The Group has three operational entities that are subject to regulatory oversight and which are required to comply with applicable directives, guidelines, standards and policies. All employees regardless of their function within the business are required to adhere to the policies and procedures in place, in particular the fundamental basis for the Group's business is to treat its customers fairly and ethically. A compliance monitoring program has been established to assess compliance with and mitigation of regulatory risks across the business. ESG principles are incorporated where possible. The compliance team monitors the application and effectiveness of compliance procedures, including management of conflicts of interest, the receipt and use of material non-public information, inducements and personal account trading. Further detailed requirements are contained in the Twelve Capital Group Compliance Manual and relevant local compliance manuals and employee handbooks.

Twelve's risk management framework identifies, assesses, manages and reports on all risks which are relevant to the Group's activities taking account of the nature, scale and complexities of the risks in each of its business areas. Twelve has implemented a risk matrix to identify and report the risks across the business, which is reviewed and updated on an annual basis. Twelve manages seven risk categories:

1. Business risks
2. Investment risks
3. Financial risks
4. Operational risks
5. Reputational risks
6. Sustainability risks
7. Additional local operating entity risks

Twelve believes that actively managing and including sustainability risks into the investment decision-making process as well as into the corporate risk management framework adds value to both, investment performance of products and the long-term financial performance of the company.

Diverse and inclusive culture

Twelve is committed to ensuring equality, diversity and inclusion of employees within the organisation, maintaining an open culture with the highest standards of honesty and accountability, and a flexible work environment that supports and is conducive to the health and well-being of individuals.

Twelve is working towards achieving a balance of independence, diversity of skills, knowledge, experience, perspective and gender, particularly amongst its senior management team. Twelve empowers its employees to encourage a constructive, open and flexible work culture that enhances the performance of the organisation and enables staff to perform to the best of their ability. Twelve supports culture development and aims to promote mental health awareness. Moreover, Twelve is committed to increase leadership capabilities and reduce unconscious bias by means of trainings, coachings, and self-organisational reflection.

Attracting and developing talent

Twelve wants to be an employer of choice by fostering an environment where professionalism, high standards and collaboration prevail. Twelve develops robust talent attraction development and retention plans, which enable the current and next generation at Twelve Capital to succeed. Employees are encouraged and supported to perform to their full potential and to contribute to the success of the organisation. Personal and professional development is encouraged and supported via training, financial support (contribution to training program fees) and paid study leaves.

Dialogue with service providers

Twelve treats its stakeholders respectfully and is obliged to have regular service quality reviews in place specifically to identify, manage (avoid or mitigate) and report risks. During this process, Twelve also obtains information from key service providers on ESG implementation in their business and

encourages them to become more active in this area. ESG criteria are integrated into Twelve's service provider due diligence.

Efficient and sustainable operations

Twelve is committed to conducting its operational activities in an environmentally responsible manner in order to contribute to a more sustainable environment for future generations. Data centres run 100% on renewable energy. The Group calculates its carbon footprint and introduces relevant measures, such as applying a smart travel policy applicable to all employees. Twelve aims to become a paper-less company. In addition to an internal reduction of printing of documents, Twelve encourages its stakeholders not to print out disseminated materials by extending e-mail signatures with ESG promotion language.

Giving back to the community

As a responsible corporate citizen, Twelve values the wider community in which it is embedded. Twelve has a history of giving back by means of donations to select organisations and is committed to expand its engagement. To this end, Twelve considers paid time off for volunteering of employees and community service events.

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