



Twelve Capital Corporate ESG Policy

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1. Introduction

Twelve Capital's business is impacted by the challenges of climate change and other factors related to sustainable development. Twelve Capital recognises that the financial industry has a significant role to play in the transition towards a more sustainable economy. Twelve Capital is therefore committed to including ESG (environmental, social and governance) aspects alongside economic considerations in the management of the Group and its investments.

ESG forms an integral part of Twelve Capital's corporate strategy. Our ESG commitment includes the following core principles:

- Twelve Capital's mission is to bring its independent, specialist expertise to unlock and exploit the potential to deliver sustainable investment returns in line with clients' investment goals and to ensure that clients' capital is put to good use.
- Twelve Capital is committed to investing in a responsible way by integrating environmental, social and governance factors alongside commercial and financial factors, during its investment due diligence, analysis and ongoing monitoring process.
- Twelve Capital seeks to become an employer of choice and develop an environment where professionalism, high standards and collaboration prevail.
- Twelve Capital's independence is aligned with the long-term aspirations and investment needs of its clients.
- Twelve Capital views itself as a long-term steward of its clients' capital. As an active investment manager through its extensive insurance industry expertise it takes the opportunity to take leadership on material industry issues and engages with the companies in which it invests

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 Capital's business.

2. Clients

Personal client relationships and transparency for customers

Trust is a key element of the relationship between Twelve Capital and its clients. In accordance with applicable regulations, Twelve Capital 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 Capital 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.

3. Products & Services

ESG innovation and product development

The companies and investment products in Twelve Capital's investment universe contribute to social and environmental resilience by providing capital and strong financial protection against natural catastrophes and other perils. Twelve Capital 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 Capital promotes mechanisms for disaster risk transfers and insurance to reduce the financial impact of disasters on Governments and Societies.

Twelve Capital uses market research, industry insight and analytics to ensure client needs are at the core of product design. Twelve Capital incorporates ESG principles in its Product Governance and Development processes and is committed to introducing minimum ESG standards to its product range.

ESG integration in investment process

Twelve Capital 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 asset classes, companies and regions. Twelve Capital integrates ESG criteria into its fundamentally driven, bottom-up approach to find attractive insurance transactions and securities.

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

Stewardship/active ownership

Twelve Capital commits to act as a good steward of assets held and managed on behalf of its clients. The firm recognises that clients expect alignment of Twelve Capital'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. Twelve Capital has a strong regard for the principles of good stewardship and is a signatory of the Principles of Responsible Investment (PRI).

Transparency & reporting

The vast majority of Twelve Capital's funds are compliant with "SFDR Article 8" (promotion of Sustainable Characteristics) of the EU Regulations. Additionally, Twelve Capital focuses upon the development of more advanced products, specifically addressing climate change adaption.

4. Governance, Compliance & Risk Management

Governance, business ethics, and integrity

Twelve Capital adheres to applicable governance principles across the Group, business and more specifically at Board and Senior Management levels. In particular, it aligns its clients' interests with its own and seeks to mitigate any actual or potential conflicts of interest. The Group employs independent non-executive Directors at both holding and operational entities and also incorporates checks and balances 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. Twelve Capital is working towards achieving a balance of independence, diversity of skills, knowledge, experience, perspective and gender. Twelve Capital seeks to establish an open culture with the highest standards of honesty and accountability, where employees will feel able to report any legitimate concerns that they have, confident in the knowledge that they will be treated seriously.

Compliance

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.

Risk management

Risk management addresses an environmental, social or governance event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the assets, financial situation or reputation of Twelve Capital or on the value of an investment related to the portfolios managed by Twelve Capital arising from an adverse sustainability impact.

Twelve Capital'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 Capital has implemented a risk matrix to identify and report the risks across the business, which is reviewed and updated on an annual basis. Twelve Capital manages six risk categories:

- Business risks
- Investment risks
- Financial risks
- Operational risks
- Sustainability Risks
- Reputational risks
- Local operating entity risks.

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

5. Corporate Sustainability

Economic performance, financial stability and resilience

Twelve Capital is committed to delivering sustainable returns for its clients over the long term. Environmental, social, and governance (ESG) factors preserve clients' assets and increase the quality of their investments. Additionally, Twelve Capital has a fiduciary obligation to consider 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.

Corporate culture and leadership

Twelve Capital promotes its Culture and Values and defines the behaviours that support them so that they can be applied and adhered to throughout the organisation. Twelve Capital is committed to building leadership capabilities by means of training and coaching.

Twelve Capital is dedicated to ensuring equality, diversity and inclusion principles (EDI) are applied to its recruitment practices and Twelve Capital wishes to increase awareness regarding these matters internally and externally and believes that such practices result in benefits to its organisational culture and has wider societal impact.

Health, safety, and well-being, are of paramount importance and Twelve Capital aims to promote mental health awareness through training and events, together with the development of initiatives.

Employee empowerment and talent development

Twelve Capital builds a constructive feedback culture and provides a forum where employees can share their views and opinions in order to enhance the performance of the organisation, along with their own personal and professional development. Twelve Capital empowers its employees to encourage a constructive and open work environment that enables staff to perform to the best of their ability.

Twelve Capital develops talent attraction, development and retention plans, which support 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 leave. The importance of developing ESG knowledge internally is also promoted.

Technology and data security

Twelve Capital strengthens its data security in order to maintain a stable, secure and scalable infrastructure. It collects, stores and processes personal or confidential data about employees, clients, investors, service providers and other third parties fairly, transparently and lawfully. Twelve Capital will take risk-based security measures against unlawful or unauthorised processing of personal data. IT security is maintained by multiple tiers of dedicated systems and processes. Firewalls protect the internal IT infrastructure. Primary and business critical systems are maintained with the latest security updates. All the security rules are defined in policies and handbooks. To stay at the forefront of digitalisation, Twelve Capital has established a robust data warehouse, which serves as the only source of “truth”. Staff are able to work remotely any time and are offered infrastructure enabling them to operate without any process interruptions. Twelve Capital has a Business Continuity Plan in place to ensure maintenance and continuity of the business processes in the event of major external incidents.

Operational energy efficiency and carbon reduction

Twelve Capital is committed to conducting its operational activities in an environmentally responsible manner in order to contribute to a more sustainable environment for future generations. The Group aims to lower its carbon impact by establishing a smart travel policy applicable to all employees and by becoming a paper-less company. By calculating the carbon impact of each travel and offsetting the carbon emissions, Twelve Capital is committed to continuous improvement in order to protect the environment.

Dialogue with key service providers

Twelve Capital treats its stakeholders respectfully and undertakes regular service quality reviews specifically to identify, manage (avoid or mitigate) and report risks. During this process, Twelve Capital also obtains information from its current key service providers on ESG implementation into their business and encourages them to become more active in this area. ESG criteria are integrated into Twelve Capital's service provider due diligence. It is also part of the review process undertaken by, for example, the Broker Review Committee, which regularly evaluates and when appropriate, aims to enhance and improve trade execution and management together with broker selection, approval and monitoring processes. Results are discussed with the applicable counterparties and if necessary improvements in their services and performance are sought.

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