

# COMMUNICATION ON PROGRESS



REPORTING PERIOD FROM 04/2021 TO 04/2022

## **1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER**

I am pleased to confirm that CEE Group reaffirms its support of 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. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Detlef Schreiber

Chief Executive Officer

### **Contact**

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## 2. DESCRIPTION OF ACTIONS

### Human Rights

We are committed to a hiring process that is fair, objective, equitable, non-discriminatory and in compliance with all applicable legislation and good governance. Hiring is done on the principle of merit, and guided by values that support diversity, respect, integrity, and accountability. Our hiring process is designed to:

- Hire the best qualified individual for the position;
- Ensure the process is fair and based on merit and cultural fit within the organization in order to maximize the candidate's prospects for success in the organization; and
- Ensure that compensation is commensurate with experience, reflects market value of the position, internal equity within the organization and focuses on long-term value creation.

This is manifested in our *Recruitment and Selection Policy*.

Furthermore, we are committed to maintaining an environment that is safe and respectful; our shared success depends on it. Accordingly, we do not tolerate workplace discrimination, violence or harassment. All directors, officers and employees have a duty to ensure a safe and respectful workplace environment where high values is placed on integrity, fairness and respect. In order to achieve this goal, we have established a *Positive Work Environment Policy* which relies on everyone in our workplace and not only to refrain from these behaviors, but also to identify and report workplace discrimination, violence and harassment as it occurs.

The aforementioned policies are complemented by a *Code of Conduct and Ethics*, as well as a distinct *Whistleblowing Policy*. Despite these measures, we continuously strive to further improve our governance framework, encourage a culture of transparency and active dialogue across business units and employees, provide recurring training and offer complementary work benefits to our employees (e.g. health-checks, company bicycles, sports membership programs etc.).

### Labour

We seek to foster and maintain a reputation for honesty, openness, trust, integrity and professionalism. The confidence and trust placed in us by our clients and investors is something we value greatly and endeavor to protect. In many respects, our reputation is our most vital business asset. Accordingly, all of our activities should be conducted with honesty and integrity and in compliance with applicable legal and regulatory requirements.

We have adopted a *Code of Business Conduct and Ethics* and related policies and procedures (e.g. *Anti-Bribery and Corruption Policy* and *further compliance guidelines and processes*) in order to preserve our culture and to ensure compliance with legal, regulatory and fiduciary requirements applicable to our activities.

Since March 2020 businesses across the globe have been severely impacted by the uprise of the Corona Pandemic. Due to a highly digitalized business setup, we were able to allow all employees to immediately switch to remote work from home, while remaining fully operational as a business. Irrespective of the fact that we have recommended all employees to work at home, we have implemented strict measures to provide for a secure office space in cases where office presence cannot be avoided.

In addition, we have extended our employee benefit program, including a vast set of products and services that can be used at a discount, an extensive range of sports' programs at the discretion of each employee, a company medical doctor, language courses for an individual development, bicycle leasing for all employees and hybrid working for a better work-life-balance

## Environment

CEE Group is an international asset manager. We offer sustainable investment ideas with opportunities for long-term returns. Our range of services covers the acquisition of energy production projects and their long-term operation. We focus on equity investments, but can also provide debt-financing opportunities to investors. We serve institutional clients who choose the leader in quality offerings in the alternative investment market to benefit from our expertise gained over many years. We offer attractive investments in safe growth markets and attach great importance to working closely with investors in a spirit of partnership. We offer a comprehensive range of services for projects in the renewables sector. In doing so, we exploit the synergies of our network and our close collaboration with key industry players.

We believe that climate change and risk factors associated with the failure to meet global targets – as described in the Paris Accord or Agenda 2030 – will have severe impact on the global economy and society. One of the core aspects of the transition to a low- or zero-carbon economy lies in the energy transition away from fossil fuels to renewable energy sources. As a dedicated and committed investment manager of renewable energy assets, we try to lever our knowledge and organizational capacity to actively support and shape such transition. This is reflected in CEE's business model as an asset manager in renewable energies.

As a manager and operator of long-term renewable energy assets, CEE is dedicated to deliver risk-adjusted returns that correspond with our investors' targets. We believe that ESG integration is having a positive real-world impact and hence the way we operate. Embracing ESG criteria into our processes helps us and our investors to create societal and economic value over the lifetime of our investments and to mitigate reputational, financial and operational risks.

We will continue to pursue a holistic ESG approach as integral part of our business model and strive for continuous improvement. We are dedicated to positively impact our environment and stakeholders on ESG criteria and proactively support the transition to a resilient, sustainable, low-carbon economy in line with the Paris Accord and the Agenda 2030.

## Anti-Corruption

CEE Group has implemented a robust governance framework to prevent and fight any form of corruption. Cornerstones of this framework is a vast set of policies (e.g. Anti-Bribery and Corruption Policy and further compliance policies, guidelines and processes, such as Code of Conduct and Ethics, Compliance Policy, Anti-Money Laundering ("AML") Policy, Inducement Policy, Delegation of Authority and Procurement Policy and further internal control measures) that govern the way we act as a good corporate citizen and that extend relevant criteria to our business partners (e.g. contractual standard clauses, systematic AML/KYC evaluations, recurring compliance and AML due diligence). Furthermore, the vast majority of our standard guidelines and criteria are applied to all our infrastructure assets. As we are managing and operating all our assets with own personnel, internal guidelines on other governance aspects (e.g. compliance, AML and risk) are directly impacting the way we operate our assets. As part of the implementation of an effective compliance function, CEE Group has appointed a dedicated compliance officer as of 01/2020 and in connection to the establishment of its' own AIFM a dedicated anti-money laundering officer in 08/2020.

In addition, CEE has implemented its' groupwide whistleblower system as another layer to strengthen and complement our anti-corruption framework.

### 3. MEASUREMENT OF OUTCOMES

#### Human Rights

Number of employees	60
Gender diversity <i>(self-reported gender)</i>	25 female (42%) 35 male (58%)
Average job tenure	6 yrs
Mean age	42
Age range	23 – 65
<i>under 30</i>	12
<i>30 to 39</i>	27
<i>40 or above</i>	31
Languages	German, English, French, Spanish, Greek, Russian, Dutch
Employees on parental leave	1
Training hours	+500 hrs

#### Labour

<ul style="list-style-type: none"> <li>▪ Retain existing HSS&amp;E (Health, Safety, Security &amp; Environment) personnel and increase the team with new HSS&amp;E staff: Retention ratio of 100%</li> <li>▪ Reworked risk assessment and emergency plans for 50+ wind/solar assets</li> <li>▪ Reaffirmed HSS&amp;E certification: yes</li> <li>▪ Reaffirmed ISO 27001 certification: yes</li> <li>▪ Reaffirmed ISO 45001 certification: yes (initial certification)</li> <li>▪ Lost-time injuries (for operations and construction): None</li> </ul>
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#### Environment

<ul style="list-style-type: none"> <li>▪ Production from renewable energies in 2021: 128 GWh</li> <li>▪ CO2e tons avoided: ~75.300</li> <li>▪ Number of renewable energy assets acquired in 2021: 10</li> <li>▪ Euros invested in renewable energy assets in 2021: €295M</li> </ul>
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#### Anti-Corruption

<ul style="list-style-type: none"> <li>▪ Conduct ABC / compliance checks on all counterparties of CEE Group</li> <li>▪ Initial compliance risk assessment and evaluation of measures to mitigate material risk factors as the case may be</li> <li>▪ Further integration of standard ABC clauses included in purchase agreements and agreements based on an initial counterparty risk assessment (in connection with our wind and solar assets):</li> <li>▪ Implementing all counterparties of CEE Group to our Compliance Ongoing Monitoring</li> <li>▪ Conduct deep-dive KYC/AML assessments on the investors of CEE's funds, counterparties of CEE Kapitalverwaltungsgesellschaft mbH (AIFM) and key counterparties of CEE's investments</li> </ul>
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Hamburg, 28.04.2022