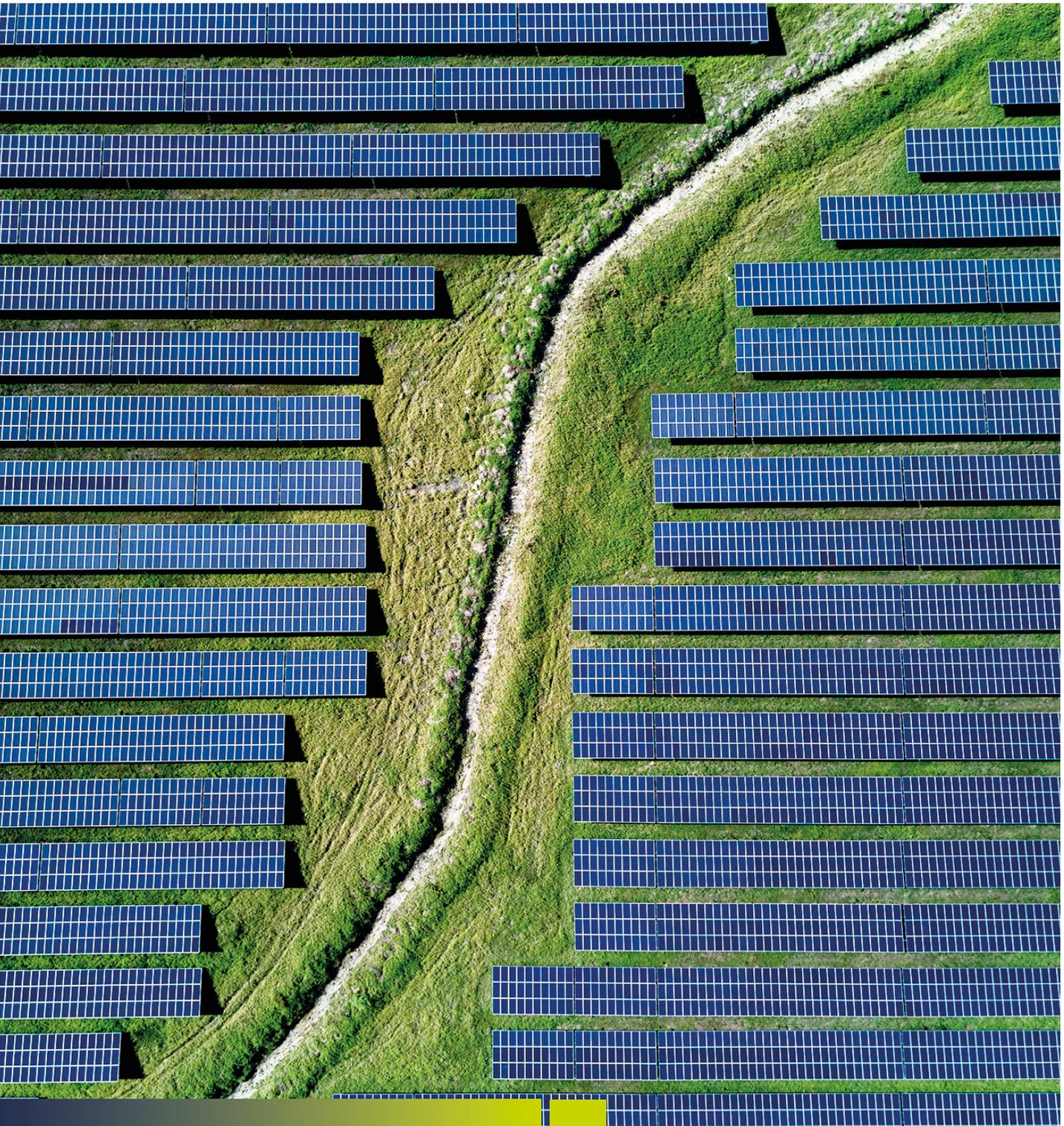




MPC Capital



# ESG REPORT 2022

MPC Capital AG



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### Cover photo

"Paradise Park" in Jamaica generates 51 megawatts of green energy and is gently embedded in existing habitats.



With customized investment solutions, MPC Capital is making a positive contribution to the decarbonization of maritime infrastructure.

“By integrating ESG topics into our investment process, we assume responsibility for the social and environmental challenges of today’s world but also create long-term value for investors and other stakeholders.”

# OUR RESPONSIBILITY

**Dear investors and partners,**

Sustainability has become a mainstream issue for today's society – and one that has major ramifications for every area of life. Sustainable corporate governance is becoming increasingly important, not merely so that businesses can take on responsibility but so that they can actually remain viable as we head into the future.

As an asset and investment manager, we have a long track record of maintaining dialogue with our stakeholders. By integrating environmental, social and governance (ESG) aspects into our corporate and investment processes, we are thus able to share responsibility for the social and environmental challenges of our age. Together with and on behalf of our stakeholders, we are safeguarding the future of our company, creating long-term value for our investors and helping to decarbonise the global economy.

For many years our focus involved developing and providing investments that are fit for the future: renewable energy projects that are essential to the energy transition, ships with alternative drive technologies to decarbonise global trade yet further, and real estate that meets high standards of sustainability.

Our foundation "Elbstiftung", set up back in 2005 with the aim of supporting educationally disadvantaged young people in our home city of Hamburg, is another way in which we demonstrate responsibility.

As a quoted company our destiny depends on the trust that our employees, customers, shareholders, business partners and the public place in our actions and integrity. Because transparency promotes such trust, we are delighted to present to you our company's first Sustainability Report, which aims to give our stakeholders a clear picture of our company and a deeper insight into our material sustainability-related topics.

The Management Board of MPC Capital AG



**Ulf Holländer**  
Chairman



**Constantin Baack**



**Dr Philipp Lauenstein**

# About this report

This is the first ESG Report of MPC Capital AG "and it covers" the reporting period from January 1 to December 31, 2022.

The report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI). The GRI index can be found at the end of this report.

The disclosures and data in this report have not been audited by a third party. The period for annual sustainability reporting is the same as for our financial reporting.

## SCOPE OF REPORTING

MPC Capital, as an investment manager and co-investor, focuses on the initiating and management of investment solutions (investment vehicles) in the three asset classes Real Estate, Renewables and Shipping. The business activities of the MPC Capital Group are divided into a product generating unit (MPC Capital) and real asset management services units (management units).



ESG reporting includes all companies in which the MPC Capital Group can directly or indirectly influence financial and operating policy.

It therefore covers the activities of MPC Capital and the management units, but not those of the investment vehicles, which in many cases publish their own ESG reports.

Please contact us for further information about this report and its contents:

 **IR contact**  
ir@mpc-capital.com

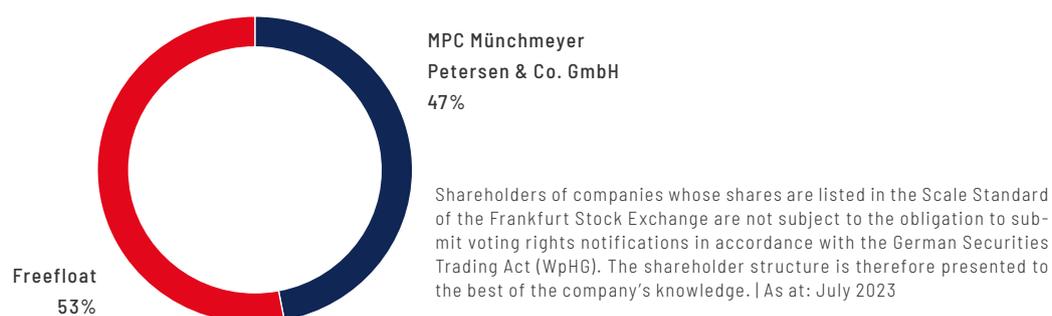
# ABOUT MPC CAPITAL

# MPC CAPITAL AT A GLANCE

The MPC Capital Group is an internationally focused asset and investment manager and co-investor for real asset investments and investment products. MPC Capital AG is the Group parent. It has been quoted on the stock market since 2000 and listed in the "Scale" segment of Deutsche Börse in Frankfurt since March 2017 (open market).

The shareholder structure as at July 2023 is as follows:

## SHAREHOLDER STRUCTURE



## LOCATIONS

The head office of the MPC Capital Group is in Hamburg, Germany. There are currently also five international branch offices.

## ECONOMIC POSITION OF THE MPC CAPITAL GROUP

EUR'000	2022	2021
Revenue	36,492	42,284
EBT adjusted*	14,761	10,401
Consolidated earnings	28,157	7,217
Total assets	150,792	134,559
Equity	123,189	100,761
Equity ratio (%)	81.7%	74.9%

\* After adjustment for the non-recurring earnings from the sale of the Dutch real estate activities in the 2022 financial year.

For further details and a comprehensive account of our economic position, please refer to the Annual Report 2022.

# We combine experience and future-oriented investments

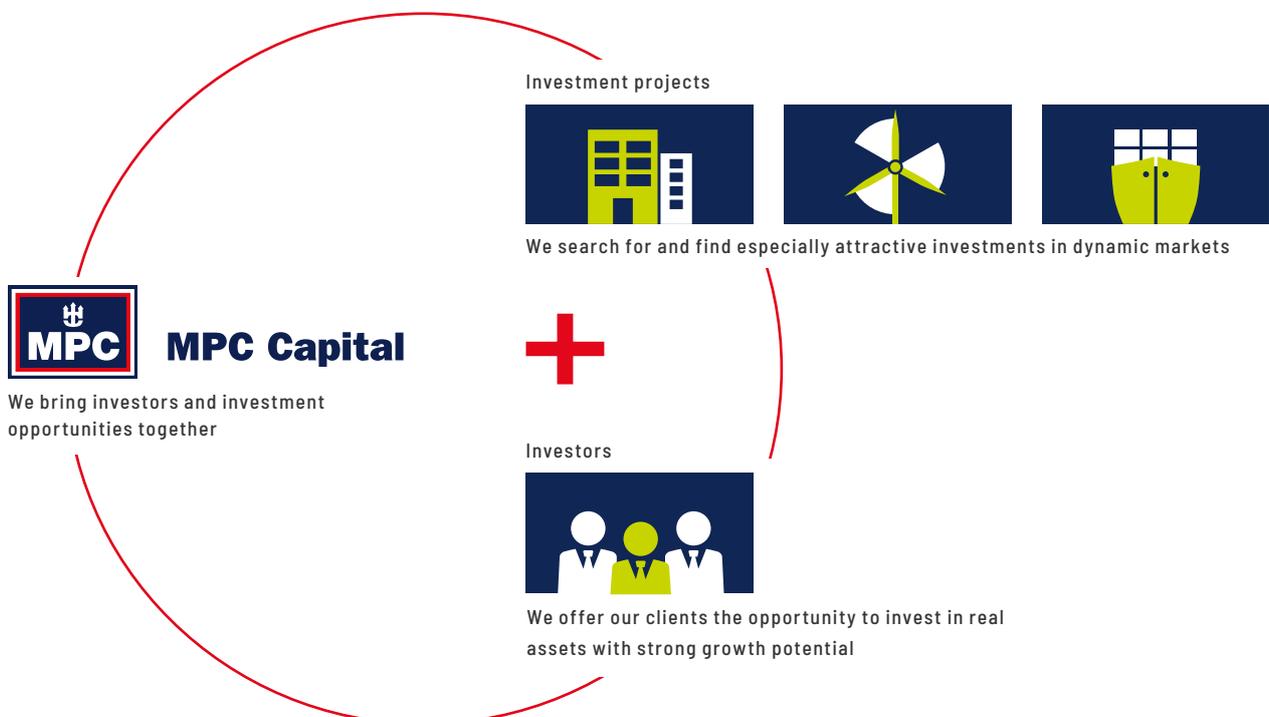
The MPC Capital Group develops and initiates real asset investments for institutional investors. Together with its subsidiaries and partners, the Group offers a broad spectrum of services encompassing the selection, initiating and structuring of an investment in real assets, the active management and administration of the asset, and the development and execution of an exit strategy tailored to the requirements of the investors.

The MPC Capital Group's product and service offering focuses on the three segments Real Estate, Renewables and Shipping. With its many years of expertise and a comprehensive international network of partners, the MPC Capital Group seeks to identify market opportunities in order to match investment projects with investors.

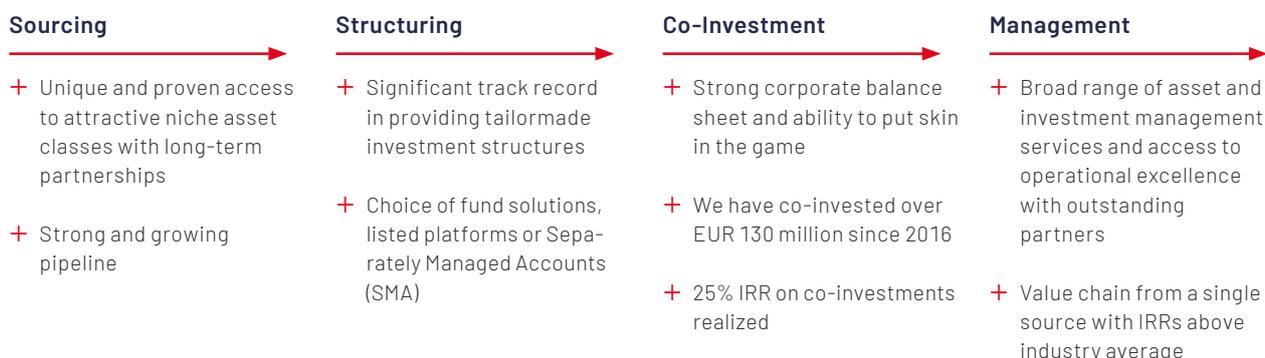
MPC Capital, as investment manager and co-investor, focuses on the initiating and management of investment solutions (investment vehicles) in the three asset classes Real Estate, Renewables and Shipping. Its goal is to develop real asset investments that are tailored exactly to investor requirements. As co-investor MPC Capital normally provides up to 10 % of the equity for the investment vehicles, but sometimes more. MPC Capital has investment and transaction teams that specialise in the three asset classes Real Estate, Renewables and Shipping. They are supported by overarching functions such as Legal, HR, IT and Marketing.

Since 2016 we have co-invested more than EUR 130 million in investment vehicles that we have initiated. At the end of 2022 our active co-investment portfolio had a total book value of around EUR 55 million.

## OUR BUSINESS MODEL



## OUR VALUE CHAIN



## MANAGEMENT UNITS AND INVESTMENT VEHICLES

A core component of the MPC Capital Group are the management units, whose core skill is the operational management of the assets held by the investment vehicles. They exhibit a high level of specialisation and are largely embedded in joint venture structures so that they can join forces with market-leading partners to offer competitive services both for investment vehicles of the MPC Capital Group and for third parties. Strategic partnerships furthermore generate extra growth momentum for investment and transaction business.

The MPC Capital Group's investment vehicles include MPC Container Ships ASA (MPCC), MPC Energy Solutions NV (MPCES) and ESG Core Wohnimmobilien Deutschland, for example.

MPCC is an Oslo-listed leading provider of container tonnage with a focus on small to midsize container ships.

MPCES is a global provider of renewable energy and concentrates primarily on low-carbon energy infrastructures, including solar plants and wind farms, but also covers other hybrid and energy efficiency solutions.

ESG Core Wohnimmobilien Deutschland was launched at the end of 2020 together with Universal Investment as an open-end special AIF with fixed investment conditions. The Article 8 fund invests exclusively in real estate projects that meet a wide range of quantitative and qualitative sustainability criteria.

MPC Capital is co-investor in MPCC and MPCES and therefore has influence as a stakeholder, without having the power to decide on matters that impact ESG. Such powers rest with the investment vehicles, which are responsible for ESG reporting.

 **MPC Energy Solutions**  
[www.mpc-energysolutions.com](http://www.mpc-energysolutions.com)

 **MPC Container Ships**  
[www.mpc-container.com](http://www.mpc-container.com)

# OUR COMMITMENT

# OUR ESG GOALS



## ENVIRONMENTAL

Our investments and corporate processes facilitate the energy transition and make a positive contribution to the environment.



## SOCIAL

Through our activities we aim to improve equality of opportunity for people and communities and increase the wellbeing of our employees by creating a healthy and safe working environment.



## GOVERNANCE

We seek to actively manage our company and investments in a manner that is consistent with our values, protects the integrity of our stakeholders and respects the world in which we live.

# INVESTING IN AND FOR THE FUTURE



“Responsible asset and investment management is enshrined at the heart of our company and investments. We commit to invest in line with our ESG principles so that we have a lasting positive impact on the environment and the communities in which we invest. Our ESG principles act as a guide to sustainable and responsible investments in all our segments and demonstrate our commitment to socially and environmentally responsible activity.”

Ulf Holländer, CEO



By initiating investment vehicles such as the ESG Core residential real estate fund, which consistently invests in sustainable new construction projects, MPC Capital is making a positive contribution to the energy transition.

## ESG as a core principle of our investment strategy

We want to actively support the transition to a climate-neutral world. In keeping with our comprehensive, sustainable strategy, we want to fine-tune our overarching activities in the areas of the environment, social responsibility and governance, in every investment and decision-making process in our core segments.

### PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

As an asset and investment manager, we have signed up to the UN Principles for Responsible Investment (UN PRI) and have committed to these principles as the basis of our processes for valuing and investing in assets. Our own ESG goals and principles are derived from the PRI and are a key component of our business performance in all segments.



### SUSTAINABLE DEVELOPMENT GOALS

In 2015, all member states of the United Nations approved seventeen Sustainable Development Goals (SDGs) under the 2030 Sustainable Development Agenda. MPC Capital is mindful of the importance of these goals for the future of our planet.

We have therefore linked our material topics to the SDGs and our entrepreneurial activity contributes towards 13 of these goals. For more information on the SDGs and how we link our activities to them, please refer to pages 26 to 39.

# Our global commitment

As part of our ESG strategy, we or our investment vehicles are members of or partners in organisations in each of our business units. These organisations give us access to networks and information that help us pursue our ESG goals more effectively. They also provide platforms for working on global sustainability goals hand in hand with other market players and for developing our business profitably.

Through our membership of sustainability organisations we are thus able to pursue SDG 17 – “Partnerships for the goals”. The focus of this SDG is on strengthening global partnerships for sustainable development.



## ESG organisations and networks

### Corporate

<b>PRI Principles for Responsible Investment</b>	The PRI is the world’s leading initiative for responsible investment.	
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<b>BVAI Bundesverband Alternative Investment e.V.</b>	The Bundesverband Alternative Investments e.V. (BAI) is the asset-class and product-spanning representation of interest for alternative investments in Germany.	
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### Shipping

<b>Clean Shipping Alliance</b>	The Clean Shipping Alliance (CSA) represents a group of leading companies from the commercial shipping and cruise industries that have been leaders in emission control efforts and have made significant investments in research and analysis, funding and committing resources to comply with 2020 fuel requirements through the development and use of Exhaust Gas Cleaning Systems (EGCS).	
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<b>Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping</b>	The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping is a non-profit, independent research and development centre looking to accelerate the transition towards a net-zero future for the maritime industry.	
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<b>Maritime Anti Corruption Network</b>	MACN is the leading anti-corruption initiative in the maritime industry.	
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<b>Getting to Zero Coalition</b>	The Getting to Zero Coalition is a powerful alliance of more than 200 organisations that is committed to getting commercially viable deep sea zero emission vessels powered by zero emission fuels into operation by 2030 towards full decarbonisation by 2050.	
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<p><b>Container Ship Safety Forum</b></p>	<p>The Container Ship Safety Forum (CSSF) is a global business-to-business network that is aiming to improve safety performance and management practices in the container shipping industry.</p>	
<p><b>EYESEA</b></p>	<p>Eyesea is a non-profit organisation with a mission to map global pollution and maritime hazards.</p>	
<p><b>Neptun Declaration</b></p>	<p>The Neptune Declaration, signed by more than 300 businesses, outlines the main actions that need to be taken to resolve the crew change crisis especially during the COVID-19 pandemic.</p>	
<p><b>Real Estate</b></p>		
<p><b>ICG Institut</b></p>	<p>The ICG is the leading Think-and-Do Tank for good governance in the property sector. The ICG Institute has been committed to good governance since 2002, facilitating transparency and professionalism through auditing and certification processes.</p>	
<p><b>Renewables</b></p>		
<p><b>Institutional Investors Group on Climate Change (IIGCC)</b></p>	<p>The Institutional Investors Group on Climate Change (IIGCC) is a platform for European institutional investors founded in 2001. IIGCC's mission is to facilitate a low carbon future by engaging with investors, companies and policy makers on a range of task areas, including risks associated with climate change.</p>	
<p><b>Climate Action 100+</b></p>	<p>Climate Action 100+ is an investor-led initiative launched in 2017 to ensure the world's largest corporate greenhouse gas emitterstake necessary action on climate change.</p>	
<p><b>The Clinton Foundation</b></p>	<p>The Clinton Foundation is a non-profit organisation established in 1997. As part of its climate initiative the Clinton Foundation works with leading global partners to advance the resilience of communities that are faced with climate change, and to develop replicable, sustainable models for others to follow.</p>	
<p><b>Solar Head of State</b></p>	<p>Solar Head of State (SHOS) is a non-profit organisation established by a worldwide team of grass roots activists who have forged an alliance with solar energy businesses from all over the world. SHOS seeks to raise awareness globally of the potential of solar energy and to promote its broad acceptance through innovative measures to cut greenhouse gas emissions.</p>	

# ESG IN OUR UNITS

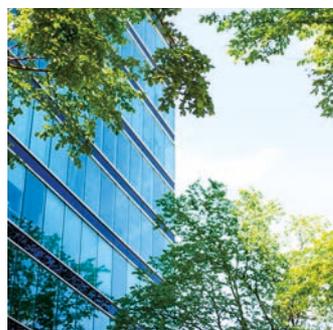
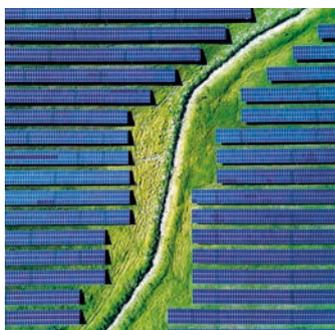
# The influence of our investments

In all three asset classes on which our business model is based, we identify major opportunities specifically from the trend towards sustainable growth. For example in the Real Estate area, we meet demand for tenant-friendly housing with state-of-the-art sustainability.

Our activities in the Renewables area not only have a direct positive impact on the global energy transition; in the countries where we are investing they also chime with growing efforts to reinforce the regulatory environment and attract direct investment to the rapidly growing energy sector.

The decarbonisation of shipping is a comprehensive, global transformation project that affords intriguing prospects and involves a wide range of players. Here again, we are in a very strong position thanks to our business model, many years of experience and strong network of partners.

By integrating ESG factors into the development process for our investment structures and into ongoing management work, we assume responsibility for the social and environmental challenges of today's world. These efforts also serve to safeguard our company's future and create long-term value for our investors.



**Responsible asset and investment management is enshrined at the heart of our company and in all our business units.**

## Real Estate – buildings for the future

“Our vision is to create buildings that are fit for the future and meet tenant requirements. We look for sustainability that extends well beyond technical criteria.”

Christoph J. Thumm, Managing Director Real Estate

Buildings account for 40 % of global energy consumption and 50 % of all natural resources consumed. Sustainable building and management is therefore an effective tool for tackling environmental, economic and social challenges.

We already integrated this key sustainability trend into our Real Estate strategy back in 2020 and launched an ESG residential real estate fund for German investors.

The fund applies the “MPC ESG scoring model”, where candidate properties need to achieve specific minimum scores in the categories Environmental, Social and Governance before they can be considered for investment. ESG Core Wohnimmobilien Deutschland is among the first financial products in the Real Estate asset class in Germany to have been approved as a financial product under Article 8 of the Disclosure Regulation.



The new construction project in Nauen near Berlin meets numerous sustainability criteria that are mapped in the MPC ESG Scoring Model.



MPC Capital is driving the energy transition in Latin America and the Caribbean with its many projects.

## Renewables – clean energy for future generations

“The expansion of renewable energies is one of the most important ways of tackling climate change and restoring clean air for future generations. We are involved especially in regions that are still highly dependent on fossil fuels.”

Fernando Zúñiga, Managing Director Renewables

The transition to renewable energies plays a major role in accomplishing global decarbonisation and reaching net zero emission targets. As well as helping to tackle climate change, these efforts promote social welfare especially in the developing world.

In 2022, the focus of our activities in the Renewables area was again on the Latin America and Caribbean region (LAC). Of the countries worst affected by climate change, 13 are in the LAC region.

This region offers exceptional opportunities for the energy transition but also presents socio-economic challenges because many people there have to contend with poverty, unemployment and inequality.

We therefore ensured once again in 2022 that our energy projects benefit those regions and are realised with their support and involvement.

## Shipping – the future is energy-efficient

“Our decarbonisation strategy is based on the goals of the IMO 2050 regulation, which we are committed to and emphatically support.”

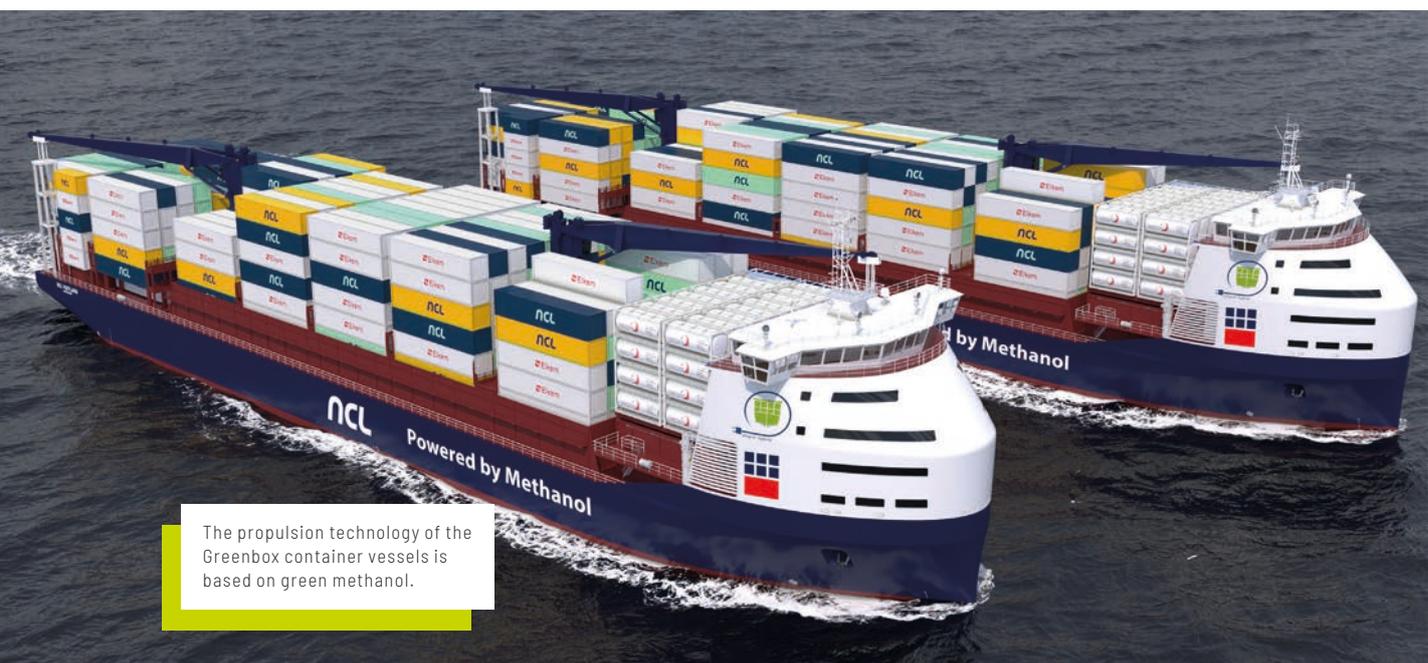
Christian Rychly, Managing Director Shipping

Merchant shipping is the dominant means of international transport for a broad range of industrial and consumer goods. Because world trade will depend on container shipping for the foreseeable future, there is a growing need for the energy-efficient, eco-friendly operation of vessels. The International Maritime Organization (IMO) has drawn up a strategy for addressing climate change up until 2050, with the goal of reducing greenhouse gas emissions per shipping process by at least 50 % and improving energy efficiency by 70 % compared with the baseline of 2008.

The issue of decarbonisation in the Shipping unit has therefore likewise been a high priority for the MPC Capital Group for some time, and in 2022 we put together a company-wide project team to handle this matter. A range of projects as part of our decarbonisation strategy were also started in 2022:

In January 2022 the MPC Capital Group ordered the building of new container vessels by the Korean shipbuilder HJSC. The ships have a capacity of 5,500 TEU, feature state-of-the-art specifications, have an eco-friendly design that achieves a 40 % fuel saving compared to the current fleet and can be switched to run carbon-neutrally on green methanol.

In July 2022 we launched a project to build two container vessels that will already be powered by climate neutral methanol from their delivery in 2024. With their modern design and the most advanced propulsion technology based on green methanol, the vessels are among the first container ships to already comply with all the measures launched by the International Maritime Organization (IMO) to reduce emissions in shipping.



The propulsion technology of the Greenbox container vessels is based on green methanol.

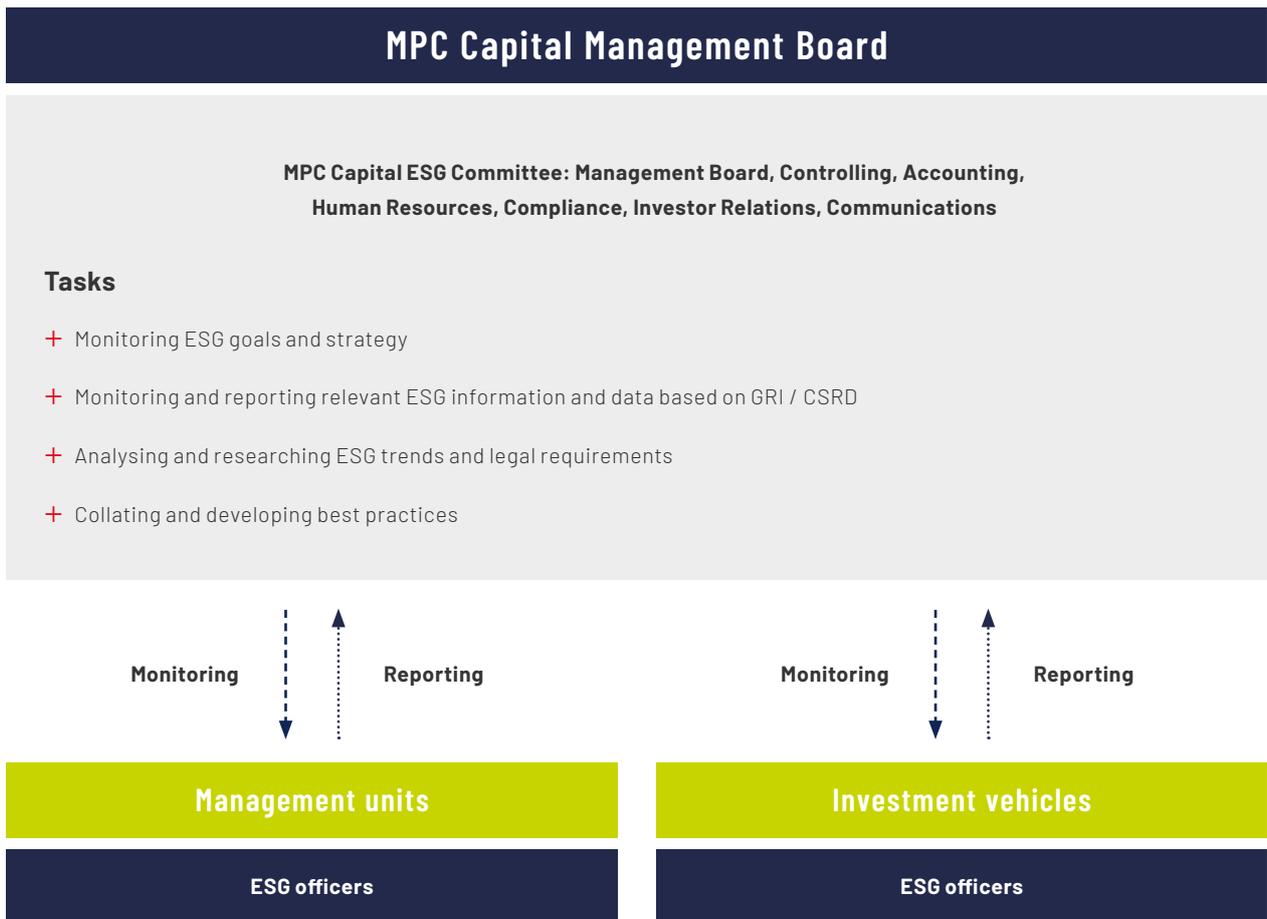
# OUR SUSTAINABILITY STRATEGY

# We embrace ESG across the entire company

At our company, overall responsibility for developing and complying with the ESG strategy rests with the Management Board of MPC Capital AG.

A Management Board member also chairs the ESG Committee, which comprises ESG officers from MPC Capital, the management units and the investment vehicles. The committee is supported by MPC Capital employees from the Controlling, Accounting, Human Resources, Compliance, Investor Relations and Communications areas. The ESG Committee, which meets quarterly, was set up with the purpose of developing and setting short and long-term sustainability goals, as well as defining requirements for those strategic areas in which the company can exercise a high degree of influence. It also serves as a platform for discussing projects that have a bearing on ESG.

## ESG MANAGEMENT STRUCTURE

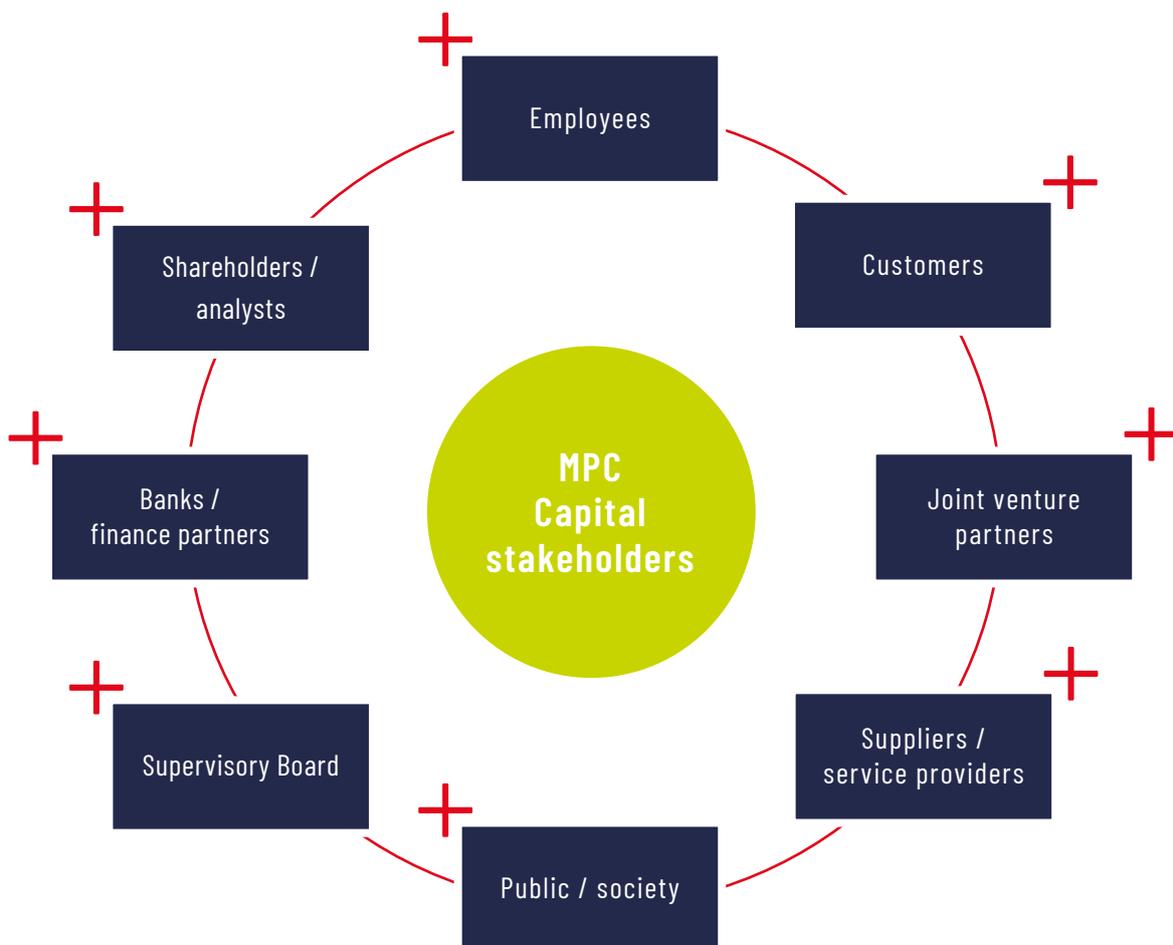


# We engage actively

Stakeholders are groups or individuals who interface with our company's business activities. At our internal ESG workshop in 2022 the following eight stakeholder groups were identified: employees, customers, joint venture partners, suppliers / service providers, the public / society, Supervisory Board, banks / finance partners, shareholders / analysts.

We are convinced that engaging actively with stakeholders strengthens our relationships and business activities. Doing so is also beneficial to our company because it enables us to identify, investigate and harness potential risks that arise in our sphere of activity.

## MPC CAPITAL STAKEHOLDER GROUP



# Our material topics

Our material topics take shape through ongoing engagement and dialogue with our stakeholders in the course of our day-to-day work. We also identify them through specific internal workshops involving our management, where we reconcile our sustainability strategy with internal and external expectations.

## Sustainable corporate strategy

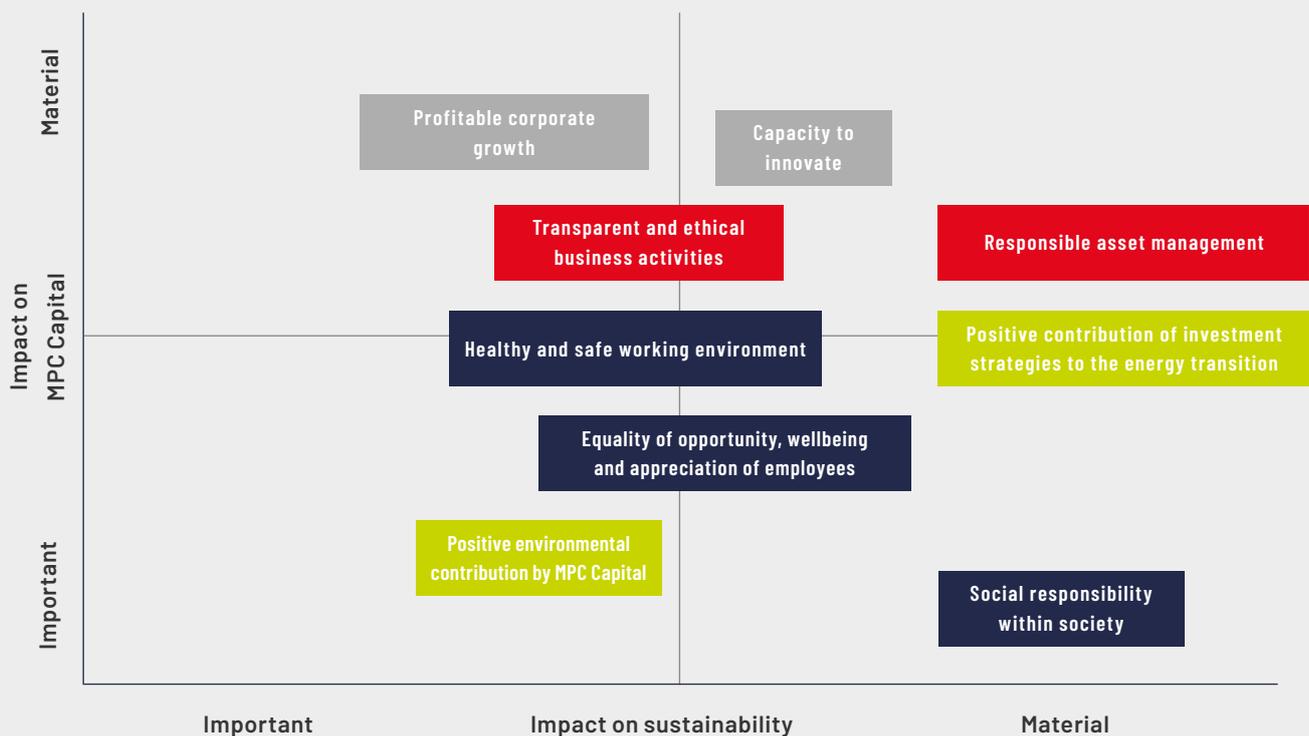
Ethically oriented corporate governance and the related policy at MPC Capital of assuming economic, social and environmental responsibility create added value for the environment and our society. As part of a thoroughly sustainable corporate strategy, we want to define, quantify and fine-tune our overarching fields of activity in the environmental, social responsibility and governance areas in every investment and decision-making process.

<p><b>Environmental</b> Through our investments and corporate processes, we undertake to facilitate the energy transition and make a positive contribution to the environment.</p>	<p><b>Social</b> Through our activities we aim to improve equality of opportunity for people and communities and increase the wellbeing of our employees by creating a healthy and safe working environment.</p>	<p><b>Governance</b> We seek to actively manage our company and investments in a manner that is consistent with our values, protects the integrity of our stakeholders and respects the world in which we live.</p>
<p><b>+ Positive contribution of investment strategies to the energy transition</b> By investing in and brokering environmentally sustainable financial products, MPC Capital helps to cut GHG emissions through its activities.</p> <p><b>+ Positive environmental contribution by MPC Capital</b> MPC Capital makes a positive environmental contribution by optimising the environmental impact of its primary activities (e.g. by i) reducing the emissions that are within its (in)direct sphere of influence, ii) integrating environmental criteria into its meetings policy and business travel, and iii) implementing waste management and cutting its consumption of paper and waste).</p>	<p><b>+ Social responsibility within society</b> As an opportunity to share social responsibility, the MPC Capital Foundation was established in 2005 to support educationally disadvantaged young people in Hamburg through the Elbstation initiative.</p> <p><b>+ Equality of opportunity, wellbeing and appreciation of employees</b> Well-qualified, content employees are essential to the corporate success of MPC Capital; equality of opportunity is an integral part of the corporate culture; diversity promotes MPC Capital's capacity to innovate and keeps it future-proof.</p> <p><b>+ Healthy and safe working environment</b> Healthy and safe working conditions are a prerequisite of successful entrepreneurship.</p>	<p><b>+ Responsible asset management</b> MPC Capital commits to invest in line with its ESG principles so that it has a lastingly positive impact on the environment and communities.</p> <p><b>+ Transparent and ethical business activities</b> MPC Capital is committed to fair, transparent and ethical business and investment activities.</p>
<p><b>Economical</b></p>		
<p><b>+ Profitable corporate growth</b> Shareholder value</p>	<p><b>+ Capacity to innovate</b> Trend analyses for existing and new markets</p>	

# Materiality analysis

The principal goal of the materiality analysis is to identify the material topics that reflect the risks and opportunities that arise through our company’s business activities. The materiality analysis was carried out at a workshop involving the Management Board in 2022 and also incorporates the input and priorities of our stakeholders, as well as an assessment of the impacts our business activity has. The results are shown in the following materiality matrix:

## CLASSIFICATION OF TOPICS IN THE MATERIALITY MATRIX



# Targets and measures

In the subsequent chapters, we present in detail each headline sustainability topic and its relevance for MPC Capital and indicate which Sustainable Development Goals (SDGs) it supports. We explain the materiality of the topic, its direct and indirect impact and the importance of our business impact on the company and on stakeholder assessments and decisions.

	Material topics	GRI Standards	SDGs
<b>Economical</b>	<ul style="list-style-type: none"> <li>+ Profitable corporate growth</li> <li>+ Capacity to innovate</li> </ul>	GRI-201-1 Separate KPI	-
<b>Environmental</b>	<ul style="list-style-type: none"> <li>+ Positive contribution of investment strategies to the energy transition</li> <li>+ Positive environmental contribution by MPC Capital</li> </ul>	Separate KPI 305-1 305-2 305-3	SDG 7 SDG 9 SDG 11 SDG 13 SDG 14 SDG 15
<b>Social</b>	<ul style="list-style-type: none"> <li>+ Social responsibility within society</li> <li>+ Equality of opportunity, wellbeing and appreciation of employees</li> <li>+ Healthy and safe working environment</li> </ul>	Separate KPI 401-2 401-3 403-1 403-4 405-1 406-1	SDG 4 SDG 5 SDG 8 SDG 9 SDG 10
<b>Governance</b>	<ul style="list-style-type: none"> <li>+ Responsible asset management</li> <li>+ Transparent and ethical business activities</li> </ul>	205-2	SDG 16 SDG 17

# ECONOMICAL

Sustainable corporate governance is becoming increasingly significant, not merely so that businesses can take on responsibility but so that they can actually remain viable as we head into the future. In the long term, a company’s viability will also determine how profitably and efficiently it is run – conversely, a sustainable strategy is impossible without profitable corporate growth. This growth and the underlying capacity to innovate have always been the bedrock of our entrepreneurial activity.

## PROFITABLE CORPORATE GROWTH

MPC Capital’s profitable growth has enabled it to increase shareholder value over the long term. In 2022 the MPC Capital Group saw a further marked improvement in profitability. In a volatile market environment for the economy as a whole, MPC Capital’s multi-asset strategy has proven very robust. A raft of projects connected to the global sustainability topics of energy transition and decarbonisation were moreover launched in the 2022 financial year – areas in which MPC Capital sees significant growth opportunities.

## CAPACITY TO INNOVATE

A company’s capacity to innovate determines how successfully it is in both the domestic and international markets, now and in the future. Market and trend analyses for existing and new markets are an essential component of the culture of innovation at MPC Capital. This was demonstrated again in 2022, amid geopolitical and economic upheaval, by our success at expanding our business with new, innovative ideas and projects.

## ECONOMICAL: GOALS AND MEASURES

Topics	Goals
Profitable corporate growth	<ul style="list-style-type: none"> <li>+ Increasing enterprise value and distributing a regular dividend</li> <li>+ Platform profitability: EBT margin &gt; 30 %</li> </ul>
Capacity to innovate	<ul style="list-style-type: none"> <li>+ Onboarding new assets under management of EUR 0.5 to EUR 1.0 billion annually</li> <li>+ Return on co-investments &gt; 15 %</li> </ul>



# ENVIRONMENTAL

## POSITIVE CONTRIBUTION OF INVESTMENT STRATEGIES TO THE ENERGY TRANSITION

MPC Capital, as an investment manager and co-investor, focuses on the initiating and management of investment projects in the three asset classes Real Estate, Renewables and Shipping. In doing so we pursue the goal of developing and establishing sustainable strategies and projects that will make a positive contribution to the energy transition.

For example in the Real Estate area, we meet demand for tenant-friendly housing with state-of-the-art design and sustainability. We used this basis to develop ESG Core Wohnimmobilien Deutschland for our investors, an Article 8 fund that invests exclusively in real estate projects that meet a comprehensive set of quantitative and qualitative sustainability criteria.

Our assets in the Renewables area not only have a direct positive impact on the global energy transition; in the countries where we are investing they also chime with growing efforts to reinforce the regulatory environment and steer direct investment into the rapidly growing energy sector. For our Renewables investments, we take account of ESG topics in every phase, from procurement, through construction, to operation. Above and beyond the actual asset, we also have the goal of constructively supporting the communities in which we are active, identifying local needs and communicating openly and transparently.

Decarbonising shipping is a broad, global transformation project where we are again in a very strong position thanks to our business model, many years of experience and strong network of partners.

For example, we and our partners have ordered new ships with propulsion technology based on green methanol. These vessels are among the first container ships to already comply with all the measures launched by the International Maritime Organization (IMO) to reduce emissions in shipping.

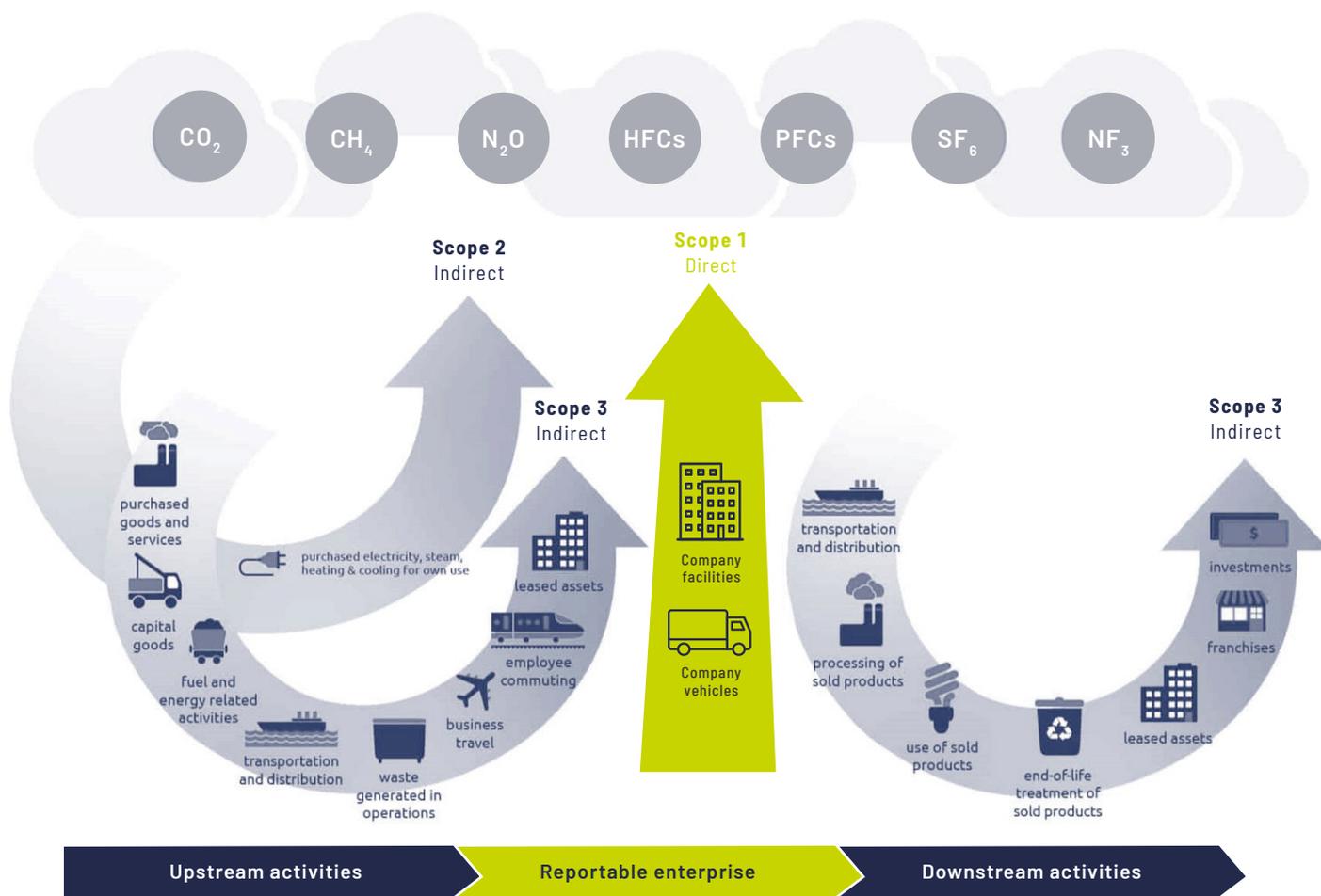
Our long-term sustainability goal is to keep increasing the proportion of our AUM that make a sustainable contribution to society and the environment. By the end of 2023, we have therefore set ourselves the goal of assessing the social and environmental impact of our AUM portfolio and drawing up a definition of sustainability.

To make sure ESG-related topics are reflected in our investment strategy, we added this category to our investment process in 2021. In 2022 we then started to refine our investment policy in an effort to fine-tune the ESG framework for co-investments and the way we initiate new investment strategies.

## POSITIVE ENVIRONMENTAL CONTRIBUTION BY MPC CAPITAL

The MPC Capital Group has its head office in Hamburg, which is where most of our employees are based. For our goal of optimising the environmental impact of our primary activities, we therefore intend to focus primarily on the head office. We will then gradually proceed to include all other locations.

# EMISSIONS



Source: GHG Protocol

## Scope 1

Scope 1 emissions are direct emissions from in-house and controlled resources. They are released into the atmosphere as a direct consequence of our entrepreneurial activities.

We are starting to measure our Scope 1 emissions (such as air conditioning systems and the vehicle fleet) and will report on them for the year 2023.

## Scope 2

Scope 2 emissions are indirect emissions from the consumption of power, steam, heat and refrigeration purchased from a utility company.

At our head office in Hamburg, our Scope 2 emissions comprise the electricity and district heating that we use.

**CO<sub>2</sub> = 144.2 tonnes**

## Scope 3

Scope 3 emissions are all indirect emissions that arise within the enterprise, including upstream and downstream emissions that arise through the enterprise's business activity.

In 2023 we will also start analysing Scope 3 emissions and assess greenhouse gas emissions generated by business travel.

## Supported SDGs

Our investment strategies in the field of renewable energies, our decarbonisation strategy in shipping and our sustainable approach to our real estate investments are contributing to the energy transition and to reducing CO<sub>2</sub> emissions. Through this approach, we are contributing to the following SDGs:

- + Goal 7: Affordable and clean energy
- + Goal 9: Industry, innovation and infrastructure
- + Goal 11: Sustainable cities and communities
- + Goal 13: Climate action
- + Goal 14: Life below water
- + Goal 15: Life on land



## Other opportunities to improve our environmental footprint

To enable our employees to minimise their emissions from travel to the workplace, we offer a contribution towards public transport monthly passes, continue to expand our fleet of electric vehicles and have installed charging stations in the underground car park.

In 2021 we launched the concept of the paperless office and continue to work on conserving resources by minimising the use of paper and other consumables. Cutting water use is another important way of helping the environment. We have set ourselves the goal of capturing our current water consumption by the end of 2023 so that we can identify and realise genuine potential for savings.

## ENVIRONMENTAL: GOALS AND MEASURES

Topics	Goals
Positive contribution of investment strategy to the energy transition	+ Determining the proportion of AUM that contribute to the energy transition by end of 2023
Positive environmental contribution by MPC Capital	+ Determining the carbon footprint from Scopes 1 and 2 by end of 2023 + Determining the carbon footprint from Scope 3 by end of 2024 + Capturing and evaluating consumption of paper and water by end of 2023

# SOCIAL

## SOCIAL RESPONSIBILITY WITHIN SOCIETY

### AUM that contribute to society

As an investment manager, one of the ways we gauge our economic success is by considering our assets under management. As with our environmental goals, we want to keep increasing the proportion of our AUM that make a sustainable contribution to society and the environment. By the end of 2023, we have therefore set ourselves the goal of assessing the social and environmental impact of our AUM portfolio and defining a sustainability spectrum.

### Social responsibility that starts where we are: the Elbstiftung

Education is a vital foundation for a career. Many children in Hamburg from socially vulnerable, low-income and / or migrant families start school with a disadvantage.

MPC Capital has therefore been supporting educationally disadvantaged young people through the Elbstiftung for over 18 years. Through the Elbstation Academy project, young people rehearse plays, produce radio features and make films that are then shown in theatres across Hamburg. Elbstation thus improves their self-esteem and motivation, helps the young people to succeed and eases their way to a better education.

For 18 years, MPC Capital has been supporting educationally young people with educational disadvantages via its Elbstiftung.



The feeling of having achieved something boosts their confidence, inspires a can-do attitude in them and develops their communication skills. As well as teaching young people to perform on stage, Elbstation above all enables them to get more out of life. School students can attend the Elbstation Academy for free thanks to donations.

Throughout the project's more than 18 years, some 860 young people have attended Elbstation and produced 39 plays, 51 films and 75 radio features. Participants remain actively involved in the project for up to six years. Two external evaluations (BürgerStiftung Hamburg, Stephanie Wiehe) found that Elbstation has had a substantial, wide-ranging educational effect. Elbstation's conceptual structures and its identity-building function were cited as the catalysts of this effect. Because Elbstation is an exemplary and ongoing educational venture, it has also captured multiple awards (Education Idea 2013 / 2014; MIXED UP prizewinner 2011).

## Association between the Elbe Foundation and MPC Capital

The association with MPC Capital and its commitment have played a key role in the project's long-term success. Because the company has provided the foundation with premises of its own, made it possible to take on permanent employees and provided support for corporate tasks, the foundation has been able to concentrate on its core project and make sure donations are spent directly within the project.

MPC Capital employees can get involved in Elbstation as coaches or tutors, for instance. The proximity between the project and the company and close dialogue between the company and the foundation again helped employees to identify with it in 2022.

In recognition of this, MPC Capital was included in the Bertelsmann Foundation's "regional engagiert" ("regionally active") platform:

 **regional engagiert**  
<https://regional-engagiert.de/inspirieren/beispiel/417.html>

## Community engagement

The target region for our Renewables business unit is Latin America and the Caribbean. This geographical landscape is highly diverse and very varied in terms of history, politics, culture, language, food, customs, religion and traditions. The complex context in which we operate therefore means we need to understand local factors and show commitment to our local stakeholder groups. We are convinced that good relations with the local communities have a positive effect for all concerned – whether stakeholders, partners or employees. We are at pains to engage respectfully, thus consolidating our long-term relationship with the local communities. We think about how our activities will impact the communities in which we are active and behave responsibly towards their livelihood, history and culture.

## Crew Welfare

In the world of shipping, the issue of crew welfare is one of the biggest social challenges to have come to light especially as a result of the COVID-19 pandemic. This topic is therefore one area of focus within our shipping activities. Wilhelmsen Ahrenkiel Ship Management and MPC Container Ships, for example, have signed the Neptune Declaration on crew welfare and crew changes.

 **Neptune Declaration**  
[www.globalmaritimeforum.org](http://www.globalmaritimeforum.org)

## EQUALITY OF OPPORTUNITY, WELLBEING AND APPRECIATION OF EMPLOYEES

Diversity and equality of opportunity in the working environment are topics where heightened transparency and entrepreneurial action are now expected. We bear direct responsibility for the diversity of our company in a wide range of respects, and for offering equal opportunities to all employees regardless of gender, nationality, background or age.

We commit to offering all employees the same opportunities and we strive to be a company that provides a professional, positive and inclusive working environment. All employees contribute to a working environment that is free from discrimination and sexual harassment, and we do not tolerate any behaviour that can be experienced as humiliating or threatening.

We respect and value the contribution of female and male colleagues of all ages and nationalities in equal measure and undertake to promote equal treatment in the activities of our company and across our entire portfolio. Rather than set ourselves quotas, we choose to focus on the individual advancement and promotion of each individual employee.

### Our employees

On December 31, 2022 our company had 155 permanent employees.

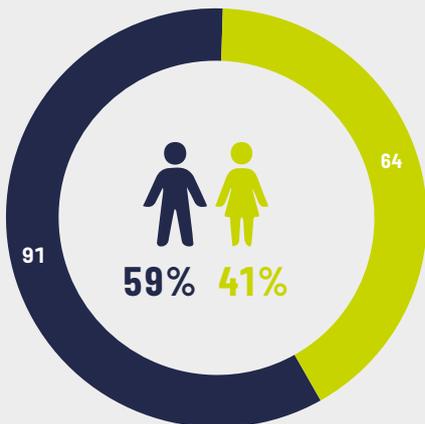
#### Composition by gender

In 2022 the proportion of male employees was 59 %, with female employees accounting for the remaining 41 %.

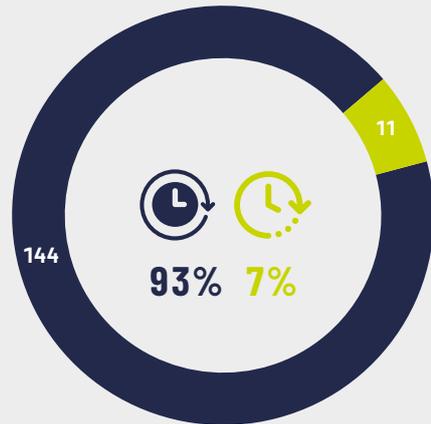
Our company's management comprised three male and no female members in 2022. The Supervisory Board equally comprised three male and no female members.

93 % of employees were on full-time contracts and 7 % were engaged part-time.

Employees, male / female



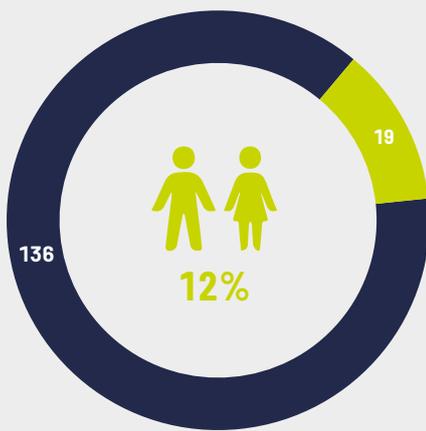
Employees, full-time / part-time



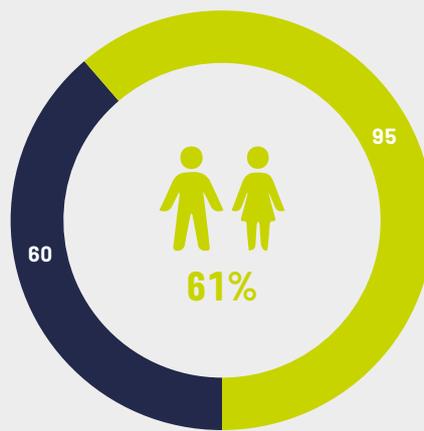
## Composition by age

In 2022 the company employed 19 employees aged under 30 (12 %), 95 employees in the 30-50 age range (61 %) and 41 employees older than 50 (27 %).

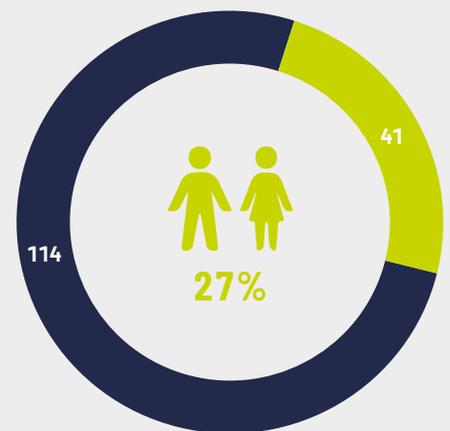
Employees under 30



Employees aged 30-50

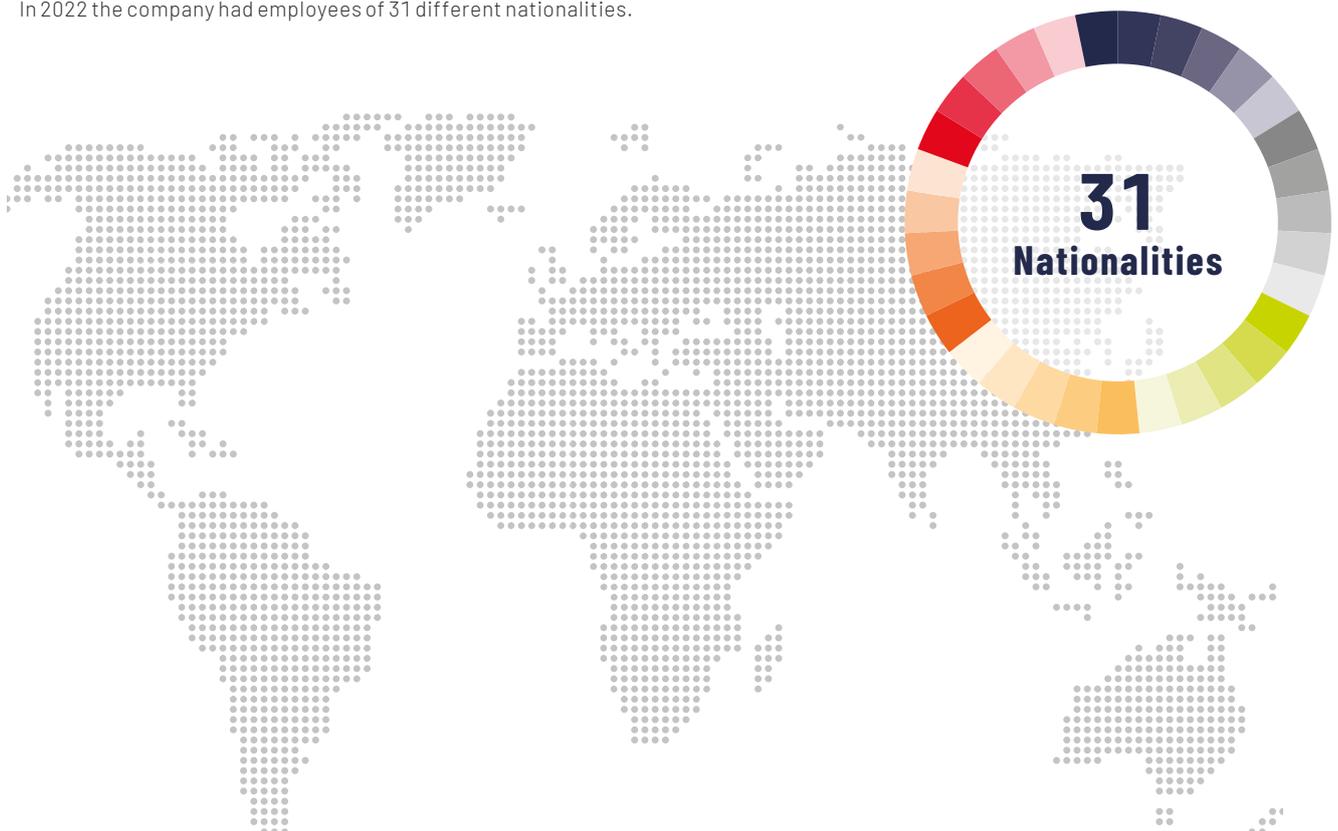


Employees over 50



## Nationalities of our employees

In 2022 the company had employees of 31 different nationalities.





Our decarbonisation strategy is based on the goals of the IMO 2050 regulation.

## Appreciating and advancing our employees

Our employees and our corporate culture are the very essence of what makes us successful. The long-term engagement of highly qualified employees is therefore the basis for the sustained, successful development of the MPC Capital Group.

We endeavour to retain our employees and keep them performing at a high level by offering both performance-based remuneration components and non-financial incentives.

Non-monetary incentives include flexible working hours, mobile working and a wide range of options to promote a work-life balance, such as statutory parental leave.

To enable our employees to develop personally and professionally, we provide targeted support in the form of personalised training opportunities. We therefore aim to be an attractive employer and partner for life-long learning throughout their entire career.



### Daycare arrangement

Daycare places are hard to come by, so we have an arrangement with a nearby daycare centre for the mothers and fathers among our employees.



### Time out

Our employees are entitled to a six-week "time out" every five years. After six weeks off, our colleagues return rejuvenated and inspired.



### Mobile work

Employees can routinely spend part of their working week working from wherever they choose.

## HEALTHY AND SAFE WORKING ENVIRONMENT

### Modern working environment

A healthy and safe working environment is important including when it comes to office-based activity. That is why we took early action in providing our employees with height-adjustable desks, for example. We are also implementing these and other healthy measures in the office upgrade that will be completed in 2023.

### Occupational safety measures

We take the statutory requirements of the German Occupational Safety Act (ArbSchG) as our starting point for occupational safety. The MPC Group organises occupational safety at MPC Capital for all Hamburg-based Group companies. Employee training is held on a regular basis. Occupational safety measures are discussed and approved by an internal occupational safety committee. The executive management, external specialists in occupational safety, medical officer and safety officers are involved in this committee. We of course comply with the relevant statutory requirements on occupational safety at all international locations.

### Supported SDGs

The Elbe Foundation, which we established, supports educationally disadvantaged young people and is thus in line with development goals 4, 5 and 10. Furthermore, we believe in equality of opportunity and dignity, maintain good and equitable working conditions and actively monitor health, safety and environmental aspects (HSE). This reflects SDGs 5 and 8.

- + Goal 4: Quality education
- + Goal 5: Gender equality
- + Goal 8: Decent work and economic growth
- + Goal 10: Reduce inequality within and among countries



## SOCIAL: GOALS AND MEASURES

Topics	Goals
Social responsibility within society	<ul style="list-style-type: none"> <li>+ Determining initiatives by the AUM that contribute to society</li> <li>+ Further expansion of cooperation with the Elbstiftung</li> </ul>
Equality of opportunity, wellbeing and appreciation of employees	<ul style="list-style-type: none"> <li>+ Increasing measures to gauge employee satisfaction in the form of regular employee polling</li> </ul>
Healthy and safe working environment	<ul style="list-style-type: none"> <li>+ Enhancing the management system for occupational health and safety</li> </ul>

# GOVERNANCE

## RESPONSIBLE ASSET MANAGEMENT

Sound corporate governance is a key factor of integrity and efficiency at an asset and investment manager. We want to build trust, add value, minimise business risks and create transparency for our shareholders, employees and other stakeholders.

Trust is the basis of all business activity and the starting point for sustained business success. The shares of MPC Capital AG have been traded on the Frankfurt Stock Exchange since 2000. MPC Capital therefore meets all the related admission and consequential obligations.

Our company is run by our governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The Supervisory Board approves the company's corporate governance principles. The Articles of Association of MPC Capital along with other guidelines and frameworks are available on our website.

The Management Board supervises all business activities and reports to the Supervisory Board. It also bears management responsibility for the impact that MPC Capital has on the economy, the environment and society. The Supervisory Board holds four routine meetings per year, plus ad hoc meetings as required. A total of four scheduled Supervisory Board meetings were held in the presence of the Management Board in the period under review. Matters pertaining to sustainable development were addressed at those meetings.

The members of the Supervisory Board are elected by the Annual General Meeting.

MPC Capital has drawn up and introduced a Code of Conduct that sets out our ethical guidelines. The Code of Conduct can be found on our website under Investor Relations:

 **MPC Capital | Corporate Governance**  
[www.mpc-capital.com/de/investor-relations/corporate-governance](http://www.mpc-capital.com/de/investor-relations/corporate-governance)

## Our corporate culture and values

Determination, mindfulness and enthusiasm – these are the values we demonstrate in how we cooperate and in our daily interaction with partners and clients alike.

These values are firmly embedded in our corporate culture and therefore the basis of our sustained corporate success.

We involve employees from every area of the MPC Capital Group in shaping this corporate culture.



### Determination

... comes from our passion and commitment for what we do.



### Mindfulness

... because we show respect and awareness in how we act.



### Enthusiasm

... is our definition of inspiring motivation.

## Compliance training

In 2022 we started digitalising our internal compliance training using the “Meta Compliance” tool to complement regular face-to-face and online training, and ran our first training sessions at the start of 2023. Going forward, this will ensure our employees are fully up to speed on compliance and cyber security matters.

## TRANSPARENT AND ETHICAL BUSINESS ACTIVITIES

### Code of Conduct

The MPC Capital Code of Conduct serves as a shared basis for MPC Capital to achieve its business goals at all companies that are part of the MPC Capital Group.

A business strategy guided by ethical standards and ethical personal behaviour by every employee are vital ingredients of MPC Capital’s credibility and reputation.

MPC Capital employees are obliged to know and observe all the relevant laws and regulations, including the MPC Capital Code of Conduct. In doing so they will always and everywhere operate within the law, respect fundamental ethical principles and act sustainably. Every individual who acts for or in the name of the MPC Capital Group accepts their responsibility in that regard.

### Anti-corruption

Our company does not tolerate any practices that stand in the way of free and fair competition, such as corruption, price fixing or market sharing. We also vehemently oppose money laundering and take the necessary steps to prevent financial transactions from being used by others as a means of money laundering.



Our company does not tolerate corruption, whether actively in the form of offering bribes or passively in taking them, and never accepts demands for kickbacks, in other words payment of money to government officials. Nor do we make any financial contributions to political campaigns or similar.

As a company that is active on the capital market, we have developed an insider information policy that contains rules and processes for identifying confidential or inside information and for preventing impermissible insider trading and abuse of confidential information.

No cases of corruption were reported in 2022. No employees were dismissed or disciplined for corruption and there were no instances of contracts with business partners being terminated or not extended due to corruption. MPC Capital is not aware that any legal proceedings have been initiated against the company or our employees involving corruption.

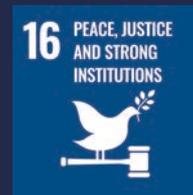
- + The Management Board and Supervisory Board receive a compliance report on topical issues and developments once a quarter.
- + The Management Board receives the comprehensive Annual Compliance Report once a year; it presents and documents the developments in all compliance-related areas.
- + A compliance audit report on asset management is issued quarterly to the management of the investment vehicle as well as to the Risk Management and Internal Audit officers.

## Supported SDGs

Through our responsible asset management approach and transparent business activities with integrity, we contribute to Sustainable Development Goals 16 and 17.

+ **Goal 16: Peace, justice and strong institutions.**

+ **Goal 17: Partnerships for the goals.**



## CORPORATE GOVERNANCE: GOALS AND MEASURES

Topics	Goals
<b>Responsible asset management</b>	<ul style="list-style-type: none"> <li>+ Embedding ESG aspects in the investment policy by 2023</li> <li>+ Developing best practice recommendations for the management units and investment vehicles by end of 2023</li> <li>+ Training (compliance, cyber security, prevention of money laundering, etc.)</li> </ul>
<b>Transparent and ethical business activities</b>	<ul style="list-style-type: none"> <li>+ Refining the Code of Conduct and internal communications by end of 2023</li> <li>+ Keeping the number of confirmed cases of corruption at zero</li> <li>+ Setting up a whistleblower system by end of 2023</li> </ul>

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**MPC Capital**