

All-around responsibility – even when investing.

Deutsche Beteiligungs AG is committed to the principles of sustainable corporate behaviour. Taking responsibility for the impact that our decisions have on others, both now and in the future, is consistent with the long-term nature of our business – in our investment process, in the development and subsequent disposal of our portfolio companies and in managing our Company. Our focus is on the criteria of corporate governance, business ethics, employment and social affairs and the environment.

CORPORATE GOVERNANCE

COMMITMENT: SUSTAINABILITY POLICY AND GERMAN CORPORATE GOVERNANCE CODE

Development can only be deemed sustainable when it meets the needs of the present while ensuring that the needs of future generations are also met. We have set out our sustainability principles in an Environment Social Governance (ESG) Policy. It addresses both the integration of the Principles for Responsible Investment in our investment process as well as corporate governance issues.

In addition, we have consistently followed nearly all of the recommendations and suggestions of the German Corporate Governance Code since its introduction. Investments in certain sectors and companies, in particular the armament industry, are excluded from the outset, based on our Policy. Moreover, we do not engage in unfriendly takeovers.

CONVICTION AND VALUES THAT GO BEYOND OUR COMPANY

As a company with firmly established ethical and social principles, we attach a great deal of importance to ensuring that our portfolio companies also meet our high standards. Due to the allocation of roles between the portfolio companies and DBAG, we only exert direct influence when selecting an investment. In the due diligence process, we examine opportunities and risks linked to compliance or non-compliance with ESG criteria. During the investment period, we exert an indirect influence by taking offices on advisory councils and supervisory boards. The advisory councils and supervisory boards of our portfolio companies address sustainability issues at least once a year.

The funds managed or advised by DBAG have a contractual obligation to introduce an ESG Policy, which includes regular reporting to the fund investors. This also allows the DBAG funds to take account of the increased demands placed on them by their investors in terms of the sustainability of their investments.



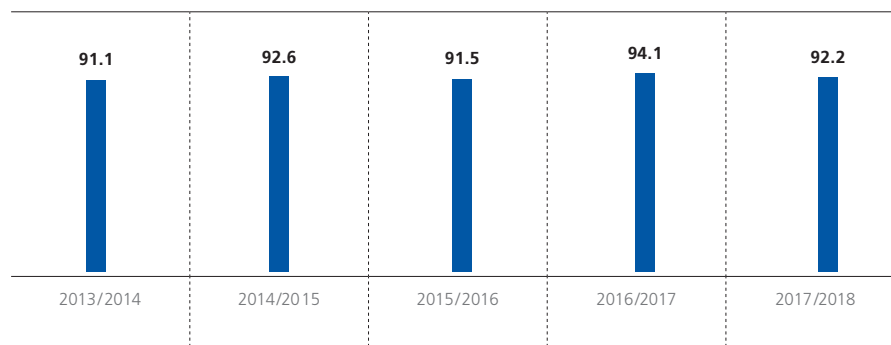
» We are convinced that taking sustainable action is an absolute must for our success as a private equity company. At the same time, sustainability is becoming a more important issue for our stakeholders – and this is having a very tangible impact on our business. For example, we have noticed that investors in our funds expect more exacting standards to be met. And last but not least, potential buyers of our investments also check whether the portfolio company concerned meets their ESG criteria before a takeover. «

SUSTAINABLE FINANCING STRATEGY AS THE BASIS FOR LONG-TERM SUCCESS

Our business activities are geared towards the overarching objective of appreciating the value of DBAG over the long term. The biggest value contribution comes from the Private Equity Investments segment, i.e. from investments in mid-market companies with growth potential that we make alongside the DBAG funds. Our sustainable financing strategy allows us to ensure that DBAG always has sufficient funds to make these co-investments under its own steam. DBAG finances its activities in the long term by way of the stock market and reinvests funds resulting from the disposal of its investments. Other than a credit line in place to temporarily offset irregular cash flows, the strategy does not involve taking out any bank debt. This is reflected in our solid consolidated statement of financial position, with an equity ratio in excess of 90 percent.

EQUITY RATIO OF TOTAL ASSETS

%



BUSINESS ETHICS

EXTENSIVE COMPLIANCE SYSTEM:

ZERO TOLERANCE FOR NON-COMPLIANCE

Ensuring that statutory provisions are adhered to within Deutsche Beteiligungs AG itself and in the portfolio companies we lend our support to is an absolute must for us. This is an area in which we pursue a zero tolerance approach. We are strictly against all forms of corruption or other unethical business practices. In order to meet these high compliance standards both within our Company and in our dealings with our portfolio companies, we have introduced a far-reaching compliance system that documents and regulates our obligations. Our objective as a private equity company is not only to ensure that our own employees adhere to defined compliance standards.

Our code of conduct sets out our central values and guiding principles. Our Compliance Guideline sets out detailed regulations and implements provisions on business trips, hospitality, dealing with gifts and invitations, employee transactions, equal treatment and IT. There are also precise requirements governing the organisation and monitoring of the compliance system – including its enhancement and regular training sessions for employees.

In our investment process, compliance regulations are taken into account in the due diligence process when new investments are evaluated. We have set out clear guidelines on what we expect from the compliance systems established at portfolio companies and do everything in our power to check that these standards are met. In order to ensure we have uniform standards in this area as well, we always work with the same compliance experts when carrying out assessments.

And last but not least, we also use our offices on advisory councils and supervisory boards to support our portfolio companies in promoting the establishment and enhancement of compliance systems within these companies.

THE DBAG COMPLIANCE SYSTEM

COMPLIANCE IN TRANSACTION PROCESS

COMPLIANCE WITHIN DBAG

COMPLIANCE IN PORTFOLIO COMPANIES

»100% COMPLIANCE«

EQUAL TREATMENT
IT/DATA SECURITY
EMPLOYEE TRANSACTIONS
GIFTS/PERQUISITES
BUSINESS TRIPS
HOSPITALITY

ORGANISATION
CONTROL
FURTHER DEVELOPMENT
EMPLOYEE INFORMATION

EMPLOYMENT & SOCIAL AFFAIRS

EMPLOYEES:

THE BEST POSSIBLE WORK ENVIRONMENT FOR ALL STAFF

We want to offer all DBAG employees the best possible working environment. After all, we acknowledge that our employees are our most important resource. We put the same amount of emphasis on our culture of respect, openness and flat hierarchies as we do on our professionalism, stable processes and ongoing professional development. Our remuneration system ensures that all employees participate in the Company's success.

In relation to the size of the Company, DBAG invests an above-average amount in training. We had six apprentices working for us at the most recent reporting date; this corresponds to around 9 percent of our workforce.

FOUNDATION:

SOCIAL AND CULTURAL COMMITMENT

The charitable foundation "Gemeinnützige Stiftung der Deutschen Beteiligungs AG" forms the basis of DBAG's ongoing social and cultural commitment. It aims to support active and former employees of current and previous portfolio companies and their relatives in times of need. The DBAG foundation also promotes the arts and cultural projects in the greater Frankfurt area.

In September 2018, DBAG took part in the Malteser Social Day for the very first time. This nationwide Social Day allows teams of employees from numerous companies to be released from their duties in order to work on projects at social institutions that could not otherwise be realised due to a lack of financial or staff resources. DBAG employees performed renovation work at the Textorschule school in Frankfurt, planted flower beds and built a climbing wall.



ENVIRONMENT

CARBON DISCLOSURE PROJECT:

ONGOING REDUCTION IN GREENHOUSE GAS EMISSIONS

DBAG has been involved in the Carbon Disclosure Project (CDP) surveys since 2011. The CDP is a global non-profit organisation that represents major institutional investors. It collects data on company greenhouse gas emissions, among other things, on behalf of institutional investors, which include our Company's shareholders. Participating in the CDP allows us to meet the demands for transparency coming from investors and the general public. The annual survey provides us with a good pool of data to facilitate continuous improvements in our level of CO₂ emissions.

Our business model means that our carbon footprint is relatively small. It is influenced primarily by the operation of our business premises, as well as by the use of company vehicles and by the business trips that our employees make.