



## ETHICS POLICY

### 1. Introduction

bettervest is a German crowdfunding debt platform that enables ordinary citizens to jointly invest in sustainable energy projects across the globe. Our mission is to improve energy efficiency, reduce CO<sub>2</sub> emissions and accelerate the world-wide transition to a zero-carbon future. Essentially, we offer investors – regardless of the size of their wallet – socially and environmentally responsible investment opportunities. For this reason, we employ a combination of negative as well as positive screening strategies to select the clients that we work with. Moreover, we are guided by a strong ethical policy on all organisational levels. Board members, management and employees are expected to act in accordance with the principles set out in this policy.

### 2. Sustainability

Sustainability is at the forefront of our work and drives our operational and strategic decision-making. Laid out below are the criteria that clients and their projects need to meet, followed by the sustainability measures bettervest has committed to in the workplace.

#### 2.1 Clients and Customers

bettervest serves the needs of two categories of clients. The first, so-called “project partners”, are small to medium sized enterprises that seek to fund a sustainable energy project via bettervest.com. The second, the “crowd-investors,” are ordinary citizens who invest in the projects presented on our platform. Project partners are hereafter referred to as our clients, while the investors are referred to as our customers.

Prior to signing a *Letter of Intent* between bettervest and the client, the client as well as the proposed project is subjected to numerous screenings. This includes both positive and negative screening methods to determine if the client is compliant with our ethics policy and thus eligible for cooperation.

##### 2.1.1 Positive Screening

First and foremost, projects must have a positive impact on the environment and the climate. They must have no adverse effects on biodiversity or natural ecosystems. They must limit the use of non-renewable natural resources by promoting energy and resource efficiency. Projects must encourage the use of renewable energy and/or clean technology so as not to pollute the atmosphere and exacerbate the effects climate change. The projects must also reduce the use of harmful fossil fuels such as tar sands, coal or oil. In order to ensure accountability, each project is evaluated according to the increase in overall energy efficiency and the annual CO<sub>2</sub> emissions reductions achieved.



Secondly, projects must align with bettervest's active pursuit of the UN Sustainable Development Goals. These were agreed upon by UN Member States during the United Nations Climate Change Conference, COP21 for short, held in Paris in 2015. We focus particularly on Goal 7 which aims to "ensure access to affordable, reliable, sustainable and modern energy for all" (for details, see [Goal 7](#)). However, when selecting projects we favour those that also directly and indirectly address various aspects of other goals listed by the UN, including, but not limited to, promoting responsible consumption and production ([Goal 12](#)), reducing poverty ([Goal 1](#)) and inequality ([Goal 10](#)), improving gender equality ([Goal 5](#)), promoting sustainable economic growth and increasing employment ([Goal 8](#)), building inclusive infrastructure and enabling innovation ([Goal 9](#)), rendering communities more resilient and sustainable ([Goal 11](#)) and combatting the loss of natural resources and land degradation ([Goal 15](#)).

Thirdly, we pledge to only partner with companies that promote fair labour practices, protect human rights and eliminate forced, compulsory or child labour.

Lastly, our clients should demonstrate active engagement for sustainable development in their respective industries as well as local community.

At this juncture, it is worth emphasising that our selection process follows a Triple Bottom Line approach, thus aiming to strike a fruitful balance between social, environmental and financial impact. As a consequence, we occasionally have to reject a very sustainable project proposal as it is not economically viable. Vice versa we may decline a very profitable project on the grounds of poor environmental or social impact. This holistic approach ensures that the projects will lead to significant increase in sustainability on the whole.

### **2.1.2 Negative Screening**

When conducting our negative screening, we orient ourselves towards the quality standards outlined by Forum Nachhaltige Geldanlage e.V., the German Association for Sustainable Investments (for more information see, [FNG-Siegel](#)). We have expanded on this screening strategy to include more stringent factors. Our company policy dictates that bettervest does not enter into collaboration with clients from the following industries:

- Gambling
- Tobacco
- Food speculation
- Conflict minerals
- Nuclear power
- Coal mining
- Oil drilling
- Factory farming
- Animal testing
- Landmines, cluster bombs and arms trading
- Weapons of mass destruction (nuclear, radiological, chemical and biological)
- Pornography and Prostitution

That violate these four [UN Global Compact principles](#):



- human rights
- labour rights
- Environment
- Anti-Corruption

Or breach:

- Animal rights

## 2.2 Environment and Climate

In addition to our pledge to screen our clients according to the criteria outlined above, we also carefully select our suppliers and service providers in accordance with strict environmental criteria.

For instance, bettervest is a customer of Triodos Bank, the world's leading ethical bank. As a financial service provider ourselves, it is very important to bettervest that our money is managed in an ethical manner. Triodos follows a positive lending policy, only issuing loans to organisations that bring about "positive and lasting change." As well as the gambling, weapons and tobacco industry, Triodos excludes "the entire mining sector, oil and gas sector" from its portfolio. Also excluded from its portfolio, are non-sustainable working processes such as "human rights or labour rights infringements, tax evasion and corruption" as well as "controversial farming methods." For more information, visit the Triodos [website](#).

Similarly, bettervest commits to sustainable practices in the workplace. Our office is supplied by renewable electricity and the space is lit by efficient LED-lightbulbs. We use only certified 100% recycled printing paper, towels and toilet paper. Our soap, dishwashing liquid and cleaning products are supplied by certified organic companies such as the B-Corporation *Ecover*.

We also discourage wasteful behaviour by encouraging employees to follow a set of simple rules. These include separating trash for recycling, drinking from reusable glass bottles, drinking Fairtrade coffee, turning the lights and electricity outlets off when leaving the office and being mindful of closing windows when radiators are on.

Furthermore, bettervest pledges to regularly re-evaluate its workplace habits, identify room for improvement and take action to effect positive change with regards to sustainable consumption and behaviour.

## 3. Equality, Employment and Work Environment

To uphold our commitment to equality, all bettervest employees will treat everyone (employees, clients and customers) with equal dignity and respect. We will ensure no one person is disadvantaged or treated less favourably based on his/her gender, gender identity, sexual orientation, religious beliefs, ethnicity, economic background, social status, age, appearance or disability. Discrimination of any sort will not be tolerated.

### 3.1 Hiring Policy



The Human Resources Department at bettervest is committed to a fair recruitment process. Applications will be assessed purely on merit. No one will be advantaged or disadvantaged according to the factors mentioned above (Section 3.).

### **3.2 Gender Equality**

Gender equality is extremely important to bettervest. For this reason, we ensure that everyone, regardless of their gender, has equal employment opportunities, the same career development opportunities and that women are in management positions. We also place emphasis on rejecting prejudices and preconceived notions of gender roles, by employing female engineers and having a female managing director.

### **3.3 Maternity and Paternity Support**

Aside from ensuring our workplace is gender-balanced, bettervest is dedicated to fostering a family-friendly environment. In order to accommodate parent's needs, we provide flexible work hours, remote working possibilities, as well as paid maternity and paternity leave.

### **3.4 Anti-harassment**

Under no circumstance does bettervest tolerate harassment. We aim to foster a safe working environment for our employees, one in which they feel comfortable to report any incidents of harassment. Any reports or indications of harassment will be dealt with immediately and effectively.

## **4. Community and Customer Interest**

### **4.1 Community**

We are fully aware of the responsibility we have as a company, toward immediate and distant communities. Through the domestic and international projects launched on our platform we contribute to the positive social development of communities. In a direct sense, this occurs through job creation, transfer of technology, knowledge and skill and the improvement of living standards through providing access to clean and safe energy. In turn, these factors have indirect positive consequences on education, health, culture, income and economic, technological and financial inclusion.

### **4.2 Customers**

Protecting our investors is crucial to our business model. Legally, our business is subject to the German *Small Investor Protection Act* ([Kleinanlegerschutzgesetz](#)), which entered into force in July of 2015, and various sections of the *Investment Act* ([Vermögensanlagegesetz](#)). We commit to being fully compliant with all relevant legislation and statutory requirements. Furthermore, we pledge to adhere to the Code of Conduct for Crowdfunding Platforms drafted by the German Crowdfunding Association (see Bundesverband Crowdfunding [website](#)).

In addition, we take various measures to ensure the quality and reliability of the projects presented on our site. All projects are carefully assessed by in-house engineers and external certified energy consultants. Further to passing financial and technical due diligence, the asset information document (Vermögensinformationsblatt) for each project must be approved the German Financial Supervisory Authority (BaFin) prior to the campaign launch.



Each project has its own dedicated page, where investors can gain an in-depth understanding of the project and download relevant documents like the energy consultant report or asset information document. Additionally, we upload videos and pictures to enable investors to better visualise the impact of their investment. Background information on the client is uploaded in order to provide customers with transparent information upon which to base their investment decisions.

Crucial, is also our post-funding reporting. We are committed to providing investors with information regarding the implementation of the projects. In accordance with our reporting guidelines, project partners are contractually obligated to deliver information on the following after funding is complete and the loan has been issued:

- bi-annual reports on project development
- photographic evidence of the project's development
- annual financial statements
- changes in key company information
- bi-annual energy output calculation
- changes in schedule or cost of installation
- relevant incidents
- ability to fulfil repayment schedule

This ensures that bettervest can communicate relevant information to the investors in due time, as well as remain updated on project developments. In the event that the project owner exceeds the budget or is unable to execute plans in the agreed timeframe, they are obliged to inform us. As such, bettervest can identify late payments, technical roadblocks as well as potential defaults in advance, mitigate the problem accordingly and inform our customers.

Another key aspect to ensuring our customers are protected is customer service. To this end, bettervest is available via telephone as well as via e-mail under [mail@bettervest.com](mailto:mail@bettervest.com).

## 5. Market

Given that the crowdfunding debt market in Germany is still relatively new, we are able to contribute to the expansion and betterment of the legislative framework that encompasses it. We are an active founding member of the German Crowdfunding Association ([Bundesverband Crowdfunding e.V.](#)). As such, we are able to fulfil our commitment to ensuring the market develops in a fair and sustainable fashion for platforms, project partners and investors alike.

### 5.1 Fair competition

bettervest believes in a fair and healthy market development. For this reason, we commit to not colluding with competitors by fixing prices, bid rigging or dividing the market by allocating customers, suppliers, territories or lines of commerce. As a crowdfunding platform, we do not benefit from establishing output restrictions or quotas.



## 6. Anti-corruption

In order to maintain our integrity and independence, we do not accept gifts of any sort from clients. This includes refusing:

- Bribes
- Material gifts
- Coverage of travel expenses
- Favours
- Charitable donations

Moreover, bettervest is determined to address conflicts of interest. This implies identifying and declaring conflicts of interest, as well as preventing them from influencing, for example, the quality of our projects, the rigor of our selection process or any other decisions we make. To this end, no employees are allowed to make decisions from which they stand to benefit financially or personally.

To further promote fairness, our employees are prohibited from investing in projects shortly after the launch and shortly before the end of a campaign in order to prevent abuse of insider knowledge.

## 7. Transparency, disclosure, privacy policy and property rights

### 7.1 Transparency and disclosure

bettervest commits to providing timely, balanced, accurate and complete information to its employees on all matters including its activities, structure, financial situation, performance, policies, governance practices and ownership. Where appropriate, we publically disclose relevant information to our shareholders, stakeholders and the general public, so long as this information does not hinder our competitiveness, exceed costs or violate privacy rights. This includes relevant performance data as well as information regarding environmental and social impact.

Our shareholders receive quarterly reports which inform them about key performance indicators, new products, markets or target audiences, contractual and legal changes, changes in organisational structure, overall market developments and forecasts.

### 7.2 Privacy policy and intellectual property

As an investment broker, we handle sensitive data concerning project partners and investors. In accordance with the *EU Data Protection Act* ([EU-Datenschutz-Grundverordnung](#)) we have publicised a [data protection declaration](#) on our website. All bettervest employees are expected to adhere to the policy laid out in this document. Failure to comply will not be tolerated.

To ensure compliance by third parties, it is standard procedure that clients and service providers sign non-disclosure agreements when entering into collaboration with bettervest. This also protects intellectual property.

Prior to starting work at bettervest, employees are required to sign a confidentiality agreement, which states that the employee is not allowed to share information regarding company secrets, internal processes and



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confidential data. The employee is also made aware of his/her criminal liability in accordance with the paragraph 17 and 18 of the *Unfair Competition Act* (UWG).

#### **8. Invitation to stakeholders**

bettervest acknowledges that its ethics policy is a living document, one that it should continually strive to improve. To this end, bettervest has set up the dedicated email address [ethik@bettervest.com](mailto:ethik@bettervest.com), and extends an open invitation to all stakeholders to discuss and develop this policy.