

# ALANTRA PEF III

## *ESG Performance report 2020*

ALANTRA



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# Foreword

2020 is a year we will remember for the challenges raised by the profound health and economic crisis caused by COVID-19. The outbreak of the pandemic leaves serious consequences in its wake, but also the strong conviction that sustainability must be one of the main pillars of the recovery.

In this context, I am pleased to present to you the third edition of our PEF III ESG performance report. An exercise of transparency on Alantra's PEF III status in environmental, social and governance matters, but also a reflection of our achievements, the challenges that lie ahead and our roadmap to face them.

Alantra PE has adopted a fast reaction and hands on approach in all portfolio companies to ensure businesses continuity to the maximum extend possible. A comprehensive set of operating measures have been implemented whilst keeping employees health and safety and maintaining quality employment as top priorities.

Amid the existing uncertainty, we have continued deploying capital to support Iberia-based mid-market companies, investing into three new companies operating in resilient and strategic sectors such as food & nutrition, healthcare and industrial tech. The new companies acquired are committed to the highest quality standards and environmental practices of their industries and, as such, they count with recognized independent certifications.

Since 2019, Alantra has been working to align portfolio practices with the 2030 Agenda. Alongside with management teams, we have identified the strategic SDGs for each of the portfolio companies as a framework to channel the operating ESG initiatives. Portfolio companies contribute directly and indirectly to the accomplishment of 8 SDGs, including relevant SDGs unserved by the Spanish economy (2, 8, 12, 14).

In this regard, portfolio companies have been able to improve part of the key performance indicators. Among others, we have consolidated the good results in terms of regulatory compliance obtained in previous years, and we have reinforced the robustness of our IT systems to prevent any type of breach and successfully adapt to the new context of teleworking.

Besides, our portfolio companies continue to contribute to the local development and to pursue annual environmental targets that allow them to align with climate objectives and minimize the impact associated with their activities.

Finally, I would like to take this opportunity to thank the management teams of the portfolio companies and the professionals of our firm for their efforts during this difficult year. Alantra PE is determined to continue progressing on its ESG path to create value on the portfolio and to contribute to the progress that society demands.

**Gonzalo de Rivera**  
Alantra PE Partner and CEO

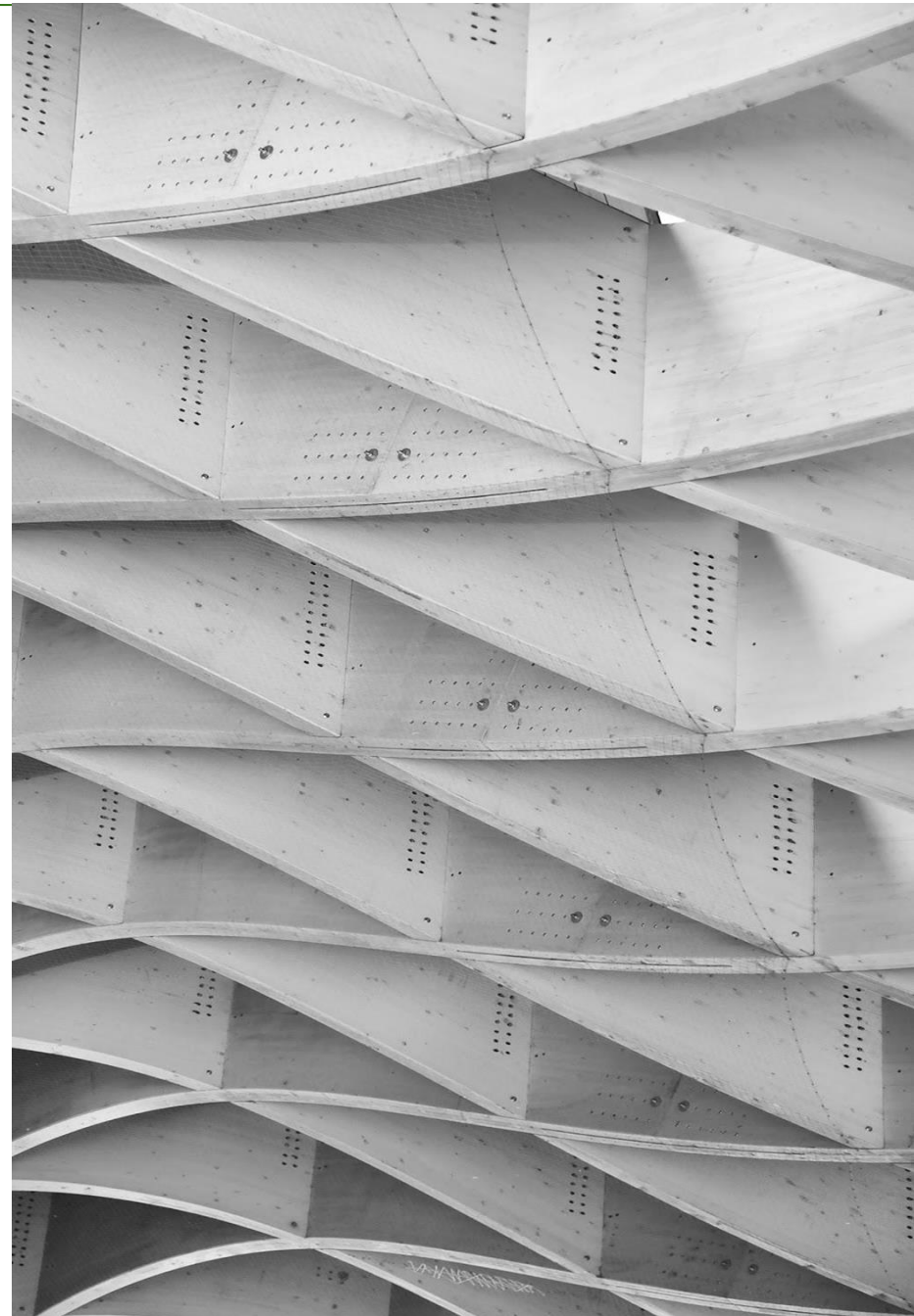
# About this report

This report presents a series of **economic, social, environmental and governance indicators** that have been selected based on **ESG reporting standards and guidelines** and material indicators from benchmark **sustainability indexes**.



This report and the mentioned indicators refer to **2020 performance** (January - December 2020). Data from previous exercises has been included for comparable purposes, when possible.

The report is the result of the collaboration of the portfolio companies' ESG managers and representatives, Alantra PE's ESG team and PwC.





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# Introduction

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# Alantra PE Snapshot

*Alantra Private Equity ("Alantra PE") is a preeminent manager in Iberia, with more than 25 years heritage and one of the largest teams in the region. Its investment rationale consists of supporting iberian upper mid-market companies to expand internationally.*

*It focuses on four verticals: Food & nutrition; Industrial tech; Health & wellness and TMT.*



## A consolidated experience

- The firm has invested more than €1.6bn in 126 companies since 1990
- 67 platforms and 59 add-ons



## Cohesive team with long-term commitment

- One of the largest investment teams in Iberia with 14 professionals supported by a network of more than 30 Executives from different industries and 2 operating partners
- Cohesive team who has been working together for more than a decade



## Supported by Alantra Group

- Quoted mid-market investment banking and asset management firm that provides quality institutional support (IR and capital raising unit, transparency and corporate governance standards, compliance and back office)
- Unique market reach through a global network of 24 offices in 20 countries and an unparalleled access to key stakeholders in the Iberian market



## Consistently applied investment strategy

- Control equity positions in leading Iberian upper mid-market companies
- Internationalization, cash and profitability focus and add-ons and expansion stand as key value creation levers
- 4 verticals of expertise: Food & nutrition; Industrial tech, Health & wellness & TMT

## Alantra PEF III

**By the end of 2020, the manager had invested €359m in 10 Iberia-based companies from a broad base of sectors of activity**

### Portfolio companies

- |  |  |  |
|--|--|--|
|  | <b>1 MD Group</b> (auxiliary automotive industry)<br>Alantra's entry date: October 2017            |  |
|  | <b>2 Monbake</b> (frozen bread & bakery)<br>Alantra's entry date: February 2018                    |  |
|  | <b>3 Roq Group</b> (equipment for textile industry)<br>Alantra's entry date: March 2018            |  |
|  | <b>4 Hiperbaric</b> (equipment for food industry)<br>Alantra's entry date: April 2018              |  |
|  | <b>5 Unión Martín</b> (seafood products)<br>Alantra's entry date: June 2018                        |  |
|  | <b>6 Ingenium</b> (technology platform for MVNO)<br>Alantra's entry date: July 2018                |  |
|  | <b>7 Frías Nutrición</b> (Plant-based food)<br>Alantra's entry date: February 2019                 |  |
|  | <b>8 HealthinCode</b> (non-reproductive genetics)<br>Alantra's entry date: December 2020           |  |
|  | <b>9 Salto systems</b> (electronic access control solutions)<br>Alantra's entry date: October 2020 |  |
|  | <b>10 Surexport</b> (berry producer)<br>Alantra's entry date: December 2020                        |  |

2020 entries

### Company Profile\*

**€18.9m**  
Average EBITDA

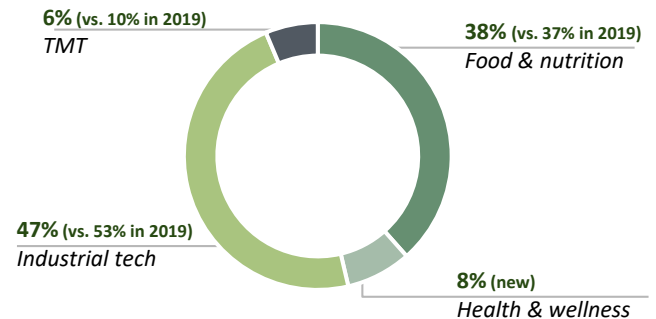
**21%**  
Av. EBITDA margin

### Sales Breakdown

**39%**  
National sale

**61%**  
Exports

### Investments by sector (% of total invested)



Companies in each sector: Food & nutrition (2,5,7,10), Health & wellness (8), Industrial tech (1,3,4, 9), TMT (6)

\*Note: Profile figures weighted by investment cost. Salto figures post Gartner acquisition.



# Embracing Responsible Investment

# 2

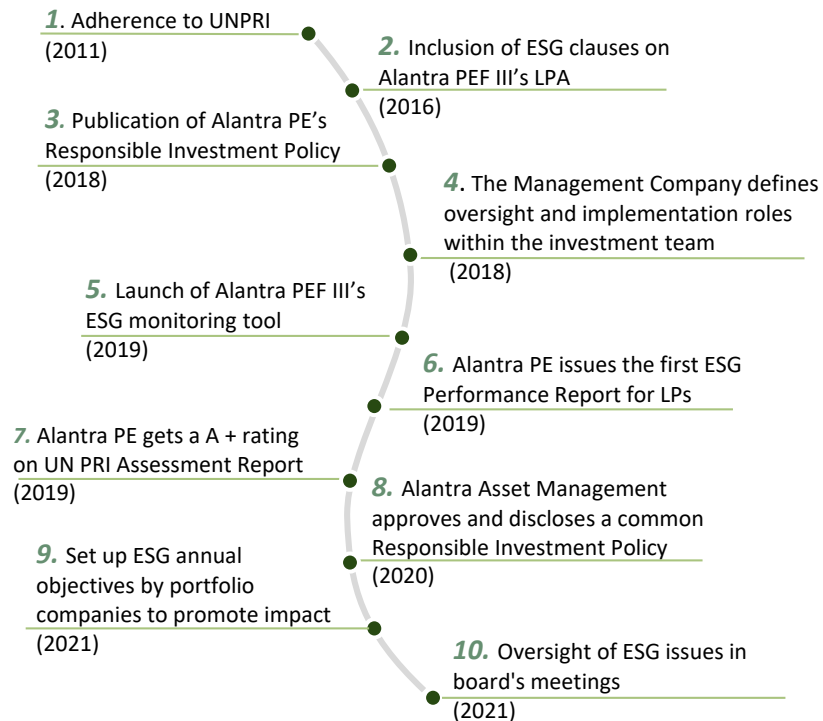
# Progressive integration of responsible investment practices

**Alantra PE believes that responsible investment is an instrumental way to generate sustainable value. As a result, more than 10 years ago the entity started its way towards the integration of RI guidelines and principles within its activities and decision making processes**

Alantra PE supports resilient and sustainable businesses with outstanding financial performance capable to generate positive impacts on society.

Environmental, social and governance practices have gained relevance throughout the years. As today, they stand as strategic tools to generate value, being a relevant area of analysis at the entry due diligences and a key area of focus for management teams on day-to-day activities.

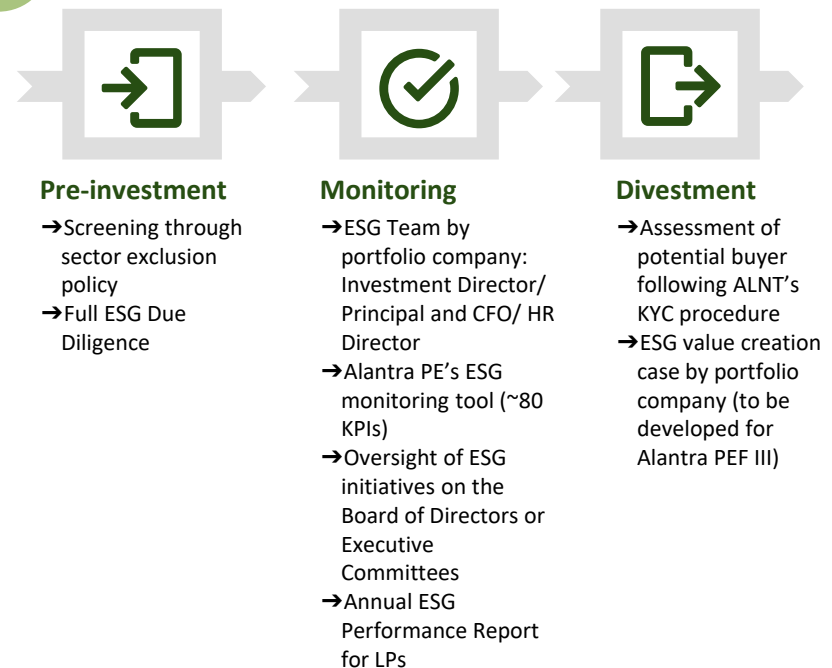
This commitment to ESG integration has materialized throughout the years in different milestones summarized as follows:



Since 2011, Alantra PE is signatory of the **United Nations Principles for Responsible Investment (UNPRI)**. In 2020 The Private Equity module was rated with an A.



## ESG integration across the investment cycle





# Alignment with the Agenda 2030

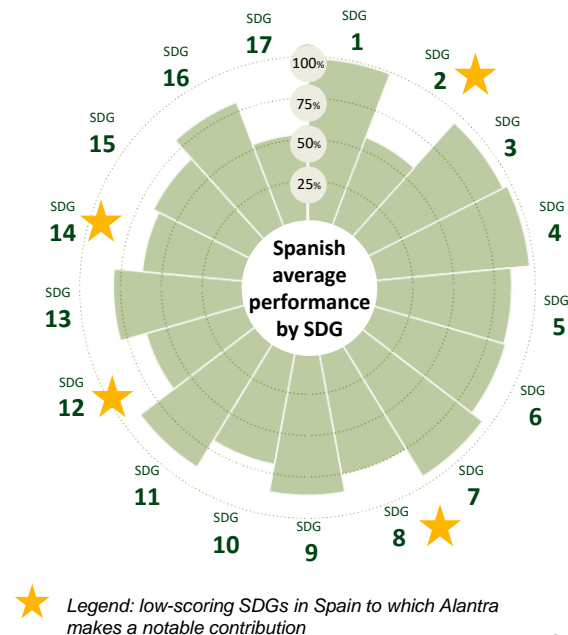
**Alantra PEF III portfolio companies contribute to the accomplishment of the UN SDGs, directly and indirectly through their day-to-day activities, including relevant SDGs unserved by the Spanish economy**

The UN's Sustainable Development Goals (SDGs) provide a blueprint for sustainable growth at the national and international levels, being in the center of the political agenda and increasingly evolving into higher demands around the most urgent issues to be tackled. The financial sector has a key role to play in the achievement of these goals and this is why the SDGs are the common language to measure performance against the most relevant social, environmental and economic issues. Since 2019, Alantra has been working towards this global roadmap for 2030 by actively integrating the SDGs into the management of its portfolio companies, as summarized hereinafter. Furthermore, part of the SDGs to which the portfolio companies contribute correspond to those with a poorer performance in Spain (below 75%). In this sense, Alantra PE stands as a vector to accelerate compliance with the 2030 Agenda in those aspects with the greatest room for improvement.

## Alignment with the Agenda 2030 - SDG Mapping

	MD GROUP	MONBAKE	ROQ	Hiperbaric	uniónmartín	Grup Ingenium	Frias	health in code	SALTO	surexport
2 ZERO HUNGER		✓		✓	✓		✓			✓
3 GOOD HEALTH AND WELL-BEING		✓		✓	✓		✓	✓	✓	✓
6 CLEAN WATER AND SANITATION							✓			✓
8 DECENT WORK AND ECONOMIC GROWTH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	✓		✓	✓		✓		✓		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 LIFE BELOW WATER					✓					
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Through its portfolio companies Alantra contributes to reach the SDGs goal with lowest performance in Spain\***



Legend: Direct contribution (✓), Indirect contribution (✓)

\* Reference: Sustainable Development Report 2020 (Cambridge University Press)

# Alantra ESG Performance at a glance

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# Alantra ESG Performance at a glance (1/2)

*In the context of the pandemic, PEF III portfolio companies have remained committed to their values and have focused on maintaining their business as usual through comprehensive contingency plans. PEF III portfolio companies have inevitably been affected by the CV-19, but to a lesser extent than the Spanish economy, acting as engines for the maintenance of employment and economic recovery*



## Improving corporate governance

Monthly executive meetings and **increasing presence of independent directors** (9% of independent directors vs. 4% in 2019)



## Ensuring Ethics and Compliance

**Zero sanctions and significant fines** received in the past 3 years



## Generating quality employment

**88% of permanent position LFL vs 76% national average**



## Promoting talent development

**298,099€ invested in training programs** (in line with previous year) despite lockdowns and 11%\* GDP fall



## Focus on health and safety

**26% reduction** in accidents with sick leave compared to 2019 (-8% LFL)



## Committing to environmental protection

**Increase of portfolio valorized waste through recycling** (71% vs 63% in 2019)



## Generating positive impact on local development

**432 million euro** of joint aggregated value generated by portfolio companies (out of which €236m in personnel expenses and €26m in input taxes)

# Alantra ESG Performance at a glance (2/2)

*Portfolio companies have been able to keep up with operational improvements and innovation initiatives with direct positive impacts*

**Frías**

## Frías

Throughout 2020, Frías has moved its packaging operations to a **new plant** with more efficient industrial processes, thereby achieving a **30% reduction in energy consumption**.



**SALTO**  
inspiredaccess

## Salto

During 2020 Salto finished the **installation of solar panels & replaced the gas heaters of its factory**, reducing consumption by around **170 MWh** (23% of 2020 electricity consumption).



**healthincode**

## Healthincode

During this year Healthincode performed **75,514 genetic analysis**. Additionally, in response to the COVID-19 outbreak, the company has developed its own **PCR detection kits** (400K test sold).



**Hiperbaric**  
HIGH PRESSURE TECHNOLOGIES

## Hiperbaric

In 2020, Hiperbaric has developed a **high-pressure hydrogen compressor** to store the gas in the most efficient way for transport applications. With this cutting-edge technology, Hiperbaric aims to become a strategic player in the hydrogen mobility sector and contribute to the decarbonisation of transportation.



# Alantra ESG performance in detail

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# Improving corporate governance

*Since Alantra's entry, portfolio companies have reinforced their Board of Directors and their management teams and systems. Nevertheless, there is still room for improvement*

## **Active involvement in business success...**

Most of Alantra's portfolio companies (7 out of 10) have been directly acquired from founders or families. Hence, Alantra has focused on the institutionalization of the companies, through measures such as:



the reinforcement of management teams with first-level professionals from more mature companies (7 out of 10 companies),



the improvement of management systems (with updated action plans in all the portfolio companies),



the reinforcement of the Boards with Alantra's operating partners or with sector experts from Alantra's Executive Network (6 out of 10 companies). They are often included at the pre-investment stage and even become shareholders of the companies,



the implementation of best management practices at second and third management levels, defining clear ESG responsibilities (all companies have a person with responsibilities related to ESG issues),



From 2020 onwards, the integration of follow-ups on ESG related issues during executive board meetings. Besides, from 2021 all the portfolio companies will formally track the accomplishment of ESG goals at the quarterly Board of Directors.

Alantra PE has reinforced the composition of PEF III's Boards increasing the number of independent directors. Most of them are members of Alantra's Executive Network or Operating Partners.

By the end of 2020, 9% of the members of PEF III's BoD were independent professionals vs. 4% in 2019, to align with the good-governance recommendations for non-listed entities<sup>1</sup>.

The Board of Directors met 4.9 (LFL basis) times per year on average in 2020 (vs. 5.6 times in 2019). Nevertheless, all the portfolio companies hold monthly Executive Committee with top management team, Alantra PE's investment team to discuss monthly results and key developments. In some cases, the independent experts also joint this meetings.

Besides, in the early weeks of CV-19 outbreak, Executive Committees took place once a week to support management teams in the design and execution of contingency plans and to ensure a swift and efficient decision making.



# Ensuring Ethics and Compliance

*Alantra PE has registered zero incidents in terms of regulatory compliance, in line with 2019 results.*



All Portfolio companies have **public behaviour principles or values** on their corporate websites to set the **basis for the Company's activities**.



All companies have established **external or internal compliance advice mechanisms** to ensure an ethical behaviour within all employees and the integrity of the organization's activities.



7 out of 10 companies have their own **Code of conduct**, publicly available on the corporate website or the company's internal website.



7 out of 10 have developed specific tools such as an **anti-corruption policy or formalized corruption reporting mechanisms**.



5 out of 10 have formalized procedures in place, to ensure **data protection**. Likewise, 5 out of 10 rely on well-rounded **procedures to avoid cyber attacks**.



*As a result, they have historically achieved an excellent performance in terms of compliance and ethics*

**Zero** Corruption confirmed cases or lawsuits (= vs. 2019)

**Zero** non-monetary sanctions on environmental, social or governance issues (= vs. 2019)

**Zero** significant monetary sanctions on environmental, social or governance issues (= vs. 2019)

**Zero** open lawsuits on environmental, social or governance issues (= vs. 2019)




# Generating employment (1/3)


*In the context of the pandemia, PEF III portfolio companies have shown great resilience and commitment to their core values creating quality employment, respecting a diverse environment and favouring equal opportunities*

## Workforce breakdown


Alantra's portfolio directly contributes to job creation in the countries where the companies are present. The current workforce sums up to **5,783 employees** (vs. 3,211 in 2019 and 3,174 on a *Like-for-Like* basis; from now onwards "LFL"). Within this workforce 2,003 are women, representing 35% of personnel. The workforce is divided as follows:



**62%** Operating personnel, administrative auxiliaries and support, from which 45% are women



**33%** Specialized technicians, from which 18% are women



**4%** Medium Management, from which 19% are women



**1%** Senior Management, from which 16% are women

## Female Leadership

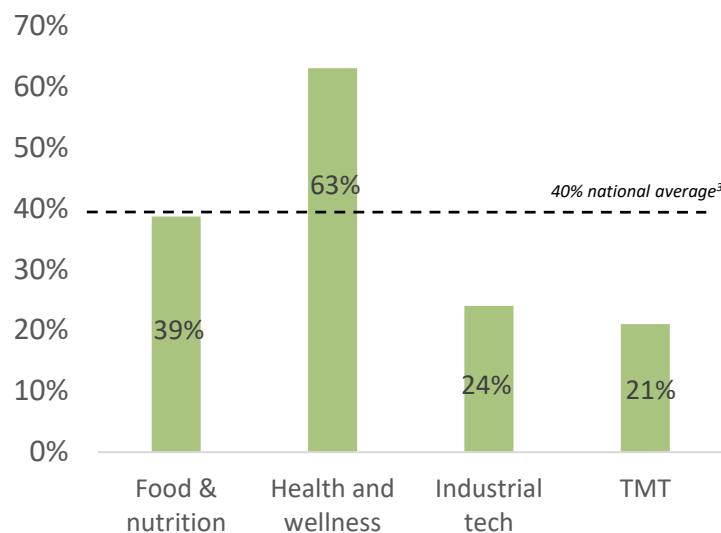


Alantra's portfolio has **16% women in senior management**<sup>2</sup>, in line with IBEX 35 companies<sup>1</sup>.

## Diversity by sector

Portfolio companies operate in sectors with a traditionally higher presence of males in the workforce. In this regard, Alantra PE is working to increase the representativeness of women within its workforce.

**% of women within workforce**



Portfolio companies are aware of the situation and work towards achieving a greater proportion of women in the workforce.

<sup>1</sup>Source: Good Governance Code of Listed Companies. CNMV, 2020// <sup>2</sup>LFL: 16% // <sup>3</sup>Source: INE (2019): “% of women in private sector in Alantra’s operating sectors”.

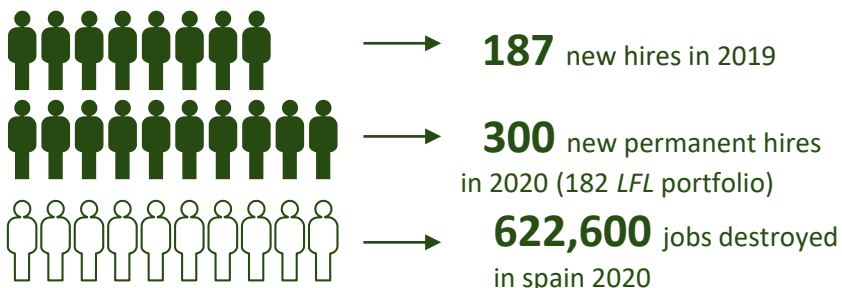




## Generating employment (2/3)

**Alantra PE invests in growth projects capable of generating employment. Provided their value-added activities, they require the attraction and retention of first-level professionals. As such, they rely on three mechanisms: quality employment, fair remuneration and a good working environment**

During the past 2 years there have been **487 new hires with permanent contracts** (369 on a LFL basis) within portfolio companies.

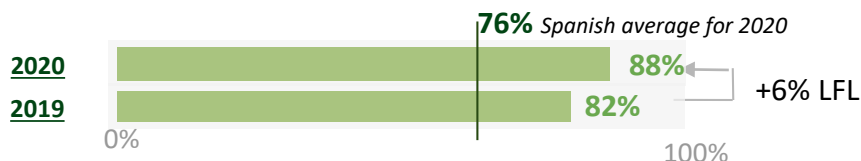


### Good working environment...

A **good environment** stands as a key tool for talent retention. 8 out of the 10 companies have employee engagement, remuneration, diversity or employee welfare as part of their formalized procedures and policies.

### Quality employment...

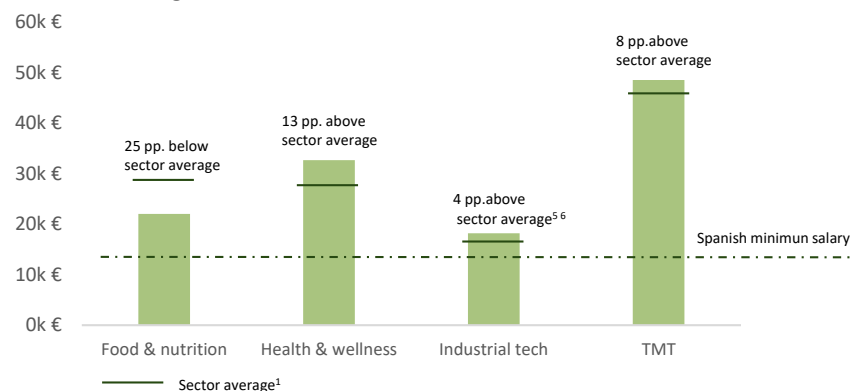
Alantra PE promotes stability within its workforce. In 2020 Alantra's **permanent contracts** are aligned with the Spanish average<sup>1</sup> (76%<sup>2</sup>). Nevertheless, LFL permanent positions account for 88% of the headcount (+12 pp above the Spanish average).



Likewise, the involuntary turnover rate<sup>3</sup>, mainly linked to dismissals, stands at 8% (11% LFL), 3 p.p. below the Spanish involuntary turnover<sup>4</sup> (11%).

### Fair remuneration mechanisms...

Provided their value-added activities and the importance of talent retention, portfolio companies offer competitive salaries aligned with national averages<sup>1</sup>.



<sup>1</sup> Source: INE (2020) // <sup>2</sup> Inclusion of Surexport has an impact in the data due to its labour intensity and the natural seasonality of the business // <sup>3</sup> Formulas included in the Annex. Data from Surexport is excluded // <sup>4</sup> Source: Mercer (2016) // <sup>5</sup> Average adjusted with Portuguese data as 90% of the sector work in Portugal (average income of 17,562 € (OCDE) // <sup>6</sup> Data from Salto is not included

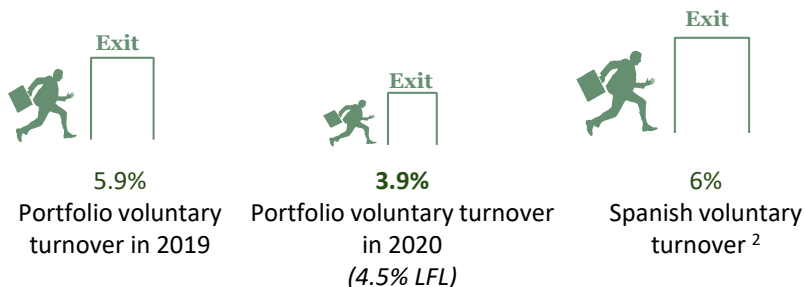


# Generating employment (3/3)

Portfolio companies monitor the performance of their talent retention mechanisms through three parameters: voluntary turnover, absenteeism ratio and employee efficiency. Once again, Alantra outperforms the Spanish average in terms of employee efficiency and absenteeism whereas voluntary turnover is aligned with the national average

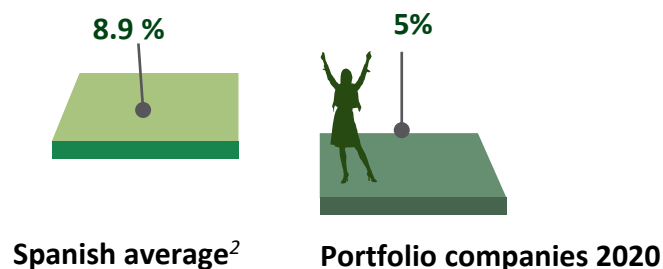
## Voluntary Turnover <sup>1</sup>

Portfolio companies efforts to retain talent are reflected in their voluntary turnover, which is below the Spanish average.



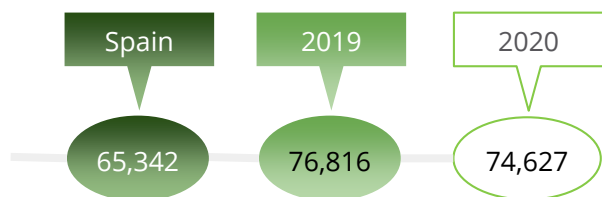
## Absenteeism ratio<sup>1</sup>

Alantra's portfolio workforce registered an absenteeism ratio of **5%** (5.8% LFL), below the Spanish average, and 4.5% in 2019, a moderate increase considering pandemia constraints.

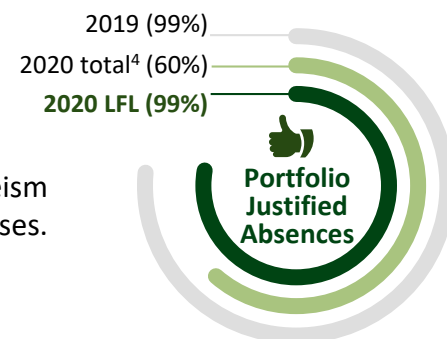


## Employee efficiency...

Given that Alantra PE focuses on the development of added value activities it is important to highlight that in 2020 the productivity per employee, in terms of GAV, has surpassed **€74.6 thousand** (€76.8 thousand in 2019), well above the Spanish average<sup>3</sup> (+14%).



Most part of the absenteeism rate is due to justified causes.



<sup>1</sup> Formulas included in the Annex. Data from Surexport for turnover is excluded. // <sup>2</sup>Source: Adecco (2020) // <sup>3</sup>Source: Worldbank (2019) and INE (2020) // <sup>4</sup>2020 Total data is lowered due to the inclusion of Surexport's large amount of seasonal workers limited by Covid-19 constraints.

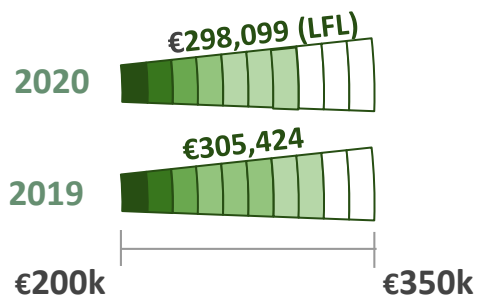


# Promoting talent development

*Training stands as a key tool to keep portfolio companies value-added profile. Regular investment in training activities have been maintained in line with the past year despite Covid-19 outbreak*

## Investment in employee training

In 2020 Alantra's portfolio companies invested a total of **€516,924** in employee training (€298,099 LFL), in line with 2019 (-2%). This accounts for €89 investment per employee (€94 LFL) vs €95 2019.



The investment in training has led to 10.3 LFL of training per employee, vs. 13.5 hours in 2019.

**10.3** hours  
yearly training per  
employee  
(vs. 13.5 hours in 2019)



## Portfolio companies trained employees

The pandemic has negatively impacted regular training activities of the portfolio companies.

In this context, portfolio companies have prioritised trainings for essential employees or on key business process. Consequently, the percentage of employees involved on trainings has been reduced to (32% in total) 45% LFL vs. 60% in 2019.

## Main types of training received by employees



Technical knowledge



Health & Safety



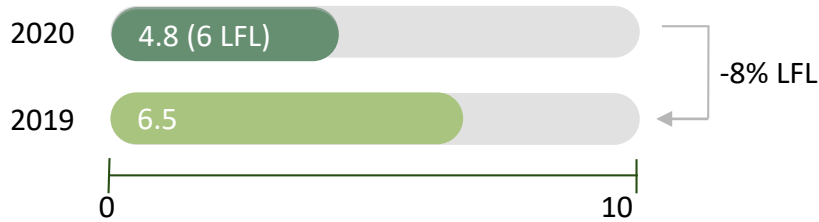
Languages



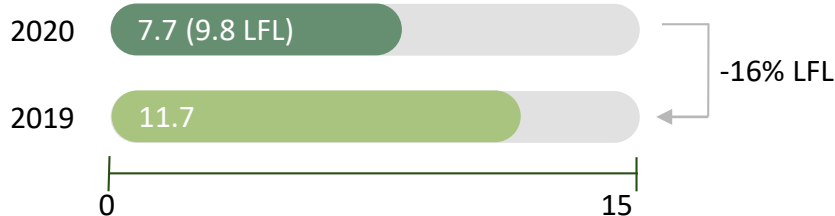
# Focus on health and safety (1/2) Pursuing zero accidents

Due to the initiatives taken by the portfolio companies in relation with health and safety issues, in 2020 Alantra PE has reduced its incident ratios and has registered, once again, zero fatalities

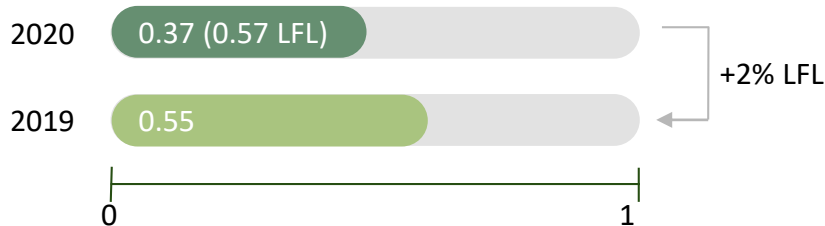
## Lost Time Injury Frequency Rate (LTIFR) <sup>1</sup>



## Total Recordable Incident Rate (TRIR) <sup>1</sup>



## Severity Rate (SR) <sup>1</sup>



## A strict control over major accidents

There have been 300 accidents with sick leave (159 LFL 2020 vs. 180 accidents in 2019). Low accident rate per employee, in line with the previous year.



**0.083** accidents per employee  
in 2020



**Zero**  
fatalities

## Occupational risk prevention

Five companies of the portfolio, involved in industrial/productive activities, have Health & Safety committees in with 73% of the headcount is represented. The existence of this consultancy bodies favours the counselling and the development of prevention activities within the companies, ensuring safety within the portfolio companies' workforce.



**73%**  
Employees  
represented on  
health and safety  
committees.

**68%**  
in 2019

<sup>1</sup>Formulas of LTIFR, TRIR and SR included in the Annex.



## Focus on health and safety (2/2): COVID-19 special measures

*To manage and mitigate the risks associated with COVID-19, portfolio companies have made use of all the tools at their disposal to grant the health and safety of its employees and to maintain the business as usual to the maximum extent feasible*

### Safety measures implemented

During the lockdown period and the return to business as usual, portfolio companies have implemented a set of safety measures to prevent contagion at workplace and comply with government restrictions and recommendations:


- 1** All companies have established the **mandatory use of face masks** in their facilities.
- 2** All companies have established distribution points for **hydrogels or disinfectants** and have distributed **masks** to their personnel.
- 3** **7 out of 10** companies have **performed Covid-19 tests** for their employees.
- 4** **9 out of 10** companies have implemented workplace **distancing measures**.
- 5** **9 out of 10** companies have established **teleworking measures** for those positions where it was feasible, resulting in more than 15% of the staff working remotely with different systems adapted to the needs of each company (one or several days per week, extended periods, etc.).
- 6** **9 out of 10** companies have increased the frequency of **cleaning and disinfection** activities at their facilities.
- 7** **9 out of 10** companies have established a system of **shifts for the use of common areas**.

### Business continuity impacts on portfolio workforce.

To secure long term employment, temporary lay-outs were required in 3 out of 10 portfolio companies. Nevertheless, 2 of these companies implemented compensation plans to complement the subsidies implemented by the governments and **all of the employees affected recovered their positions by September 2020**.

From a total workforce of **5,783 employees**, **1,885 employees have been affected by temporary restructuring plans**. The laid-off employees from the affected companies are distributed as follows:

  
**83%** *Operating personnel, administrative auxiliaries and support*

  
**75%**  
*Medium Management*

  
**52%**  
*Specialized technicians*

  
**60%**  
*Senior Management*



# Committing to environmental protection (1/3)

*Portfolio companies are committed to improve environmental management. In 2020, 7 out of 10 have implemented operating initiatives to minimize the impacts of their activities*



**7 out of 10 companies** carry out initiatives to improve their performance in different areas of action such as reducing energy consumption, waste treatment or recovery, reducing emissions, etc.



**6 out of 10 companies** have implemented or plan to implement an **environmental management system**.



**7 out of 10 companies** have set **environmental objectives** in place or plan to identify them in the medium term.



**2 out of 10 companies** integrate **sustainability attributes on the products/services** sold.



**All companies** have identified risks and opportunities regarding environmental issues.



**7 out of 10 companies** have **procedures & policies covering environmental matters** or plan to develop one in the medium term.

## Success stories

6 of the 10 portfolio companies are certified or plan to be certified to ISO 14001 in the short term, proving their commitment to the highest environmental management standards.



### Frías



Throughout 2020, Frías has moved its packaging operations to a **new plant** with more efficient industrial processes, thereby achieving a **30% reduction in energy consumption**.

### SALTO



During 2020 Salto finished the **installation of solar panels & replaced the gas heaters of its factory**, reducing consumption by around **170 MWh**.

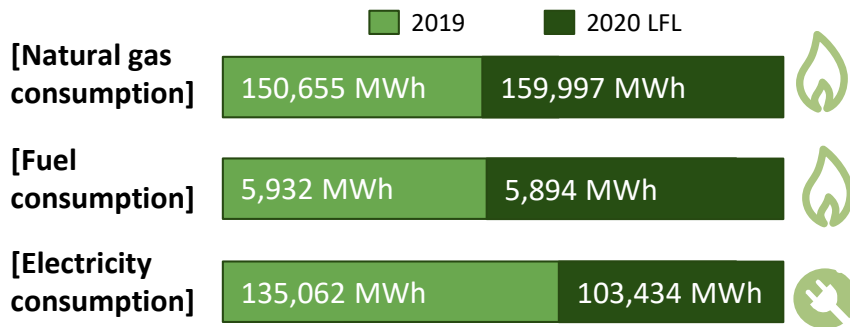


# Committing to environmental protection (2/3)<sup>1</sup>

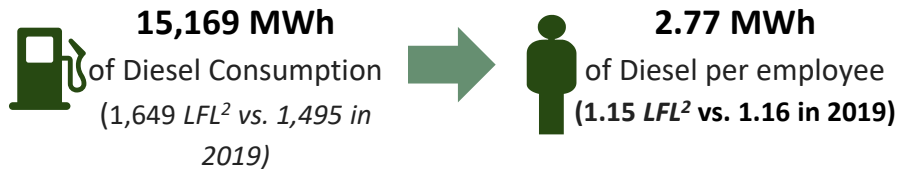
*Alantra PE monitors resource consumption, specifically natural gas and electricity consumption. Portfolio companies continue implementing hands-on strategies to optimize energy consumption*

## Energy consumption

Natural gas and electricity stand as the major sources of energy for the portfolio. Total energy consumption in 2020 has amounted to **269,325 MWh LFL** (302,784 MWh in 2020), an increase of 3% (-8% LFL) against 2019. Energy intensity is below 2019 data (0.8 vs 1.3 MWh/k€ total GAV vs LFL 2020 GAV, respectively) on the back of the efficiency measures implemented.



Fuel linked to transport also stands as a relevant source of energy:



## Energy efficiency initiatives

In order to optimize energy consumption, portfolio companies have put in place several initiatives:



Development of energy efficiency audits



Installation of automation systems



Replacement of production equipment with more efficient machinery



Use of efficient lighting and installation of solar panels



Optimisation of manufacturing processes

*Note 1: The perimeter of the environmental information does not include Ingenium and Health In Code. 2019 data have been recalculated due to changes in the data provided by the portfolio companies. // Note 2: 2019 values didn't include Monbake. For comparable purposes 2020 LFL figures also exclude Monbake.*

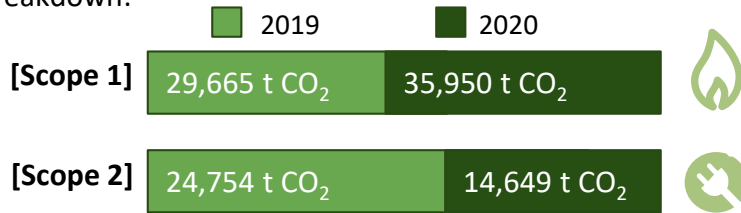


# Committing to environmental protection (3/3)

Besides energy consumption, Alantra also monitors the carbon footprint generated by the portfolio and other environmental impacts, such as water consumption and waste management

## Carbon footprint

Carbon footprint (Scope 1 and Scope 2 emissions) amounts to **50,599 tons of CO<sub>2</sub>** (44,984 LFL), -7.0% YoY (-17.3% YoY LFL). Nevertheless, unitary carbon footprint has remained constant (0.23 t CO<sub>2</sub>/k€ GAV LFL vs. 0.24 in 2019). Find below emissions breakdown:



In addition, Scope 1 emissions linked to employee transportation amount to:



Note 1 : Scope 1 emissions of the portfolio include emissions derived from natural gas (29,425 tCO2) fuel oil and propane consumption (2,876 tCO2) and emissions linked to corporate cars (3,649 tCO2). // Note 2: 2019 values didn't include Monbake. For comparable purposes 2020 LFL figures also exclude Monbake.

## Waste generation and management<sup>1</sup>

In 2020, waste generation amounted to **8,050 t.** (4,869 LFL), 99% of which was non-hazardous waste. 2020 LFL waste and unitary waste generation (0.02 t /k€ GAV) are aligned with 2019 values. 71% LFL of generated waste is valorized through recycling processes.



**71% LFL (vs. 63% in 2018)**  
waste valorization.

During 2020 5 out of 10 portfolio companies have put in place plastic reduction plans or have integrated environmental principles in their processes of packaging. Therefore 5 portfolio companies have initiatives in order to reduce their waste generation.

## Water consumption

Water consumption has decreased from **914,976 m<sup>3</sup>** in 2019 to **856,957 m<sup>3</sup>** for the LFL perimeter. Nevertheless, Water intensity in 2020 has been 4.14 m<sup>3</sup>/k€ GAV LFL, vs. 3.85 m<sup>3</sup>/k€ in 2019.

The inclusion of Surexport increases substantially total water consumption (+9M m3) given the nature of its activities. The reduction of water consumption is a top-priority for Surexport. Since 2019, the Company has a water management program that relies on flow meters, humidity and temperature sensors to define irrigation planning. Since 2019, the Company has reduced the water consumption on crop lands based in the South of Spain by 15%.



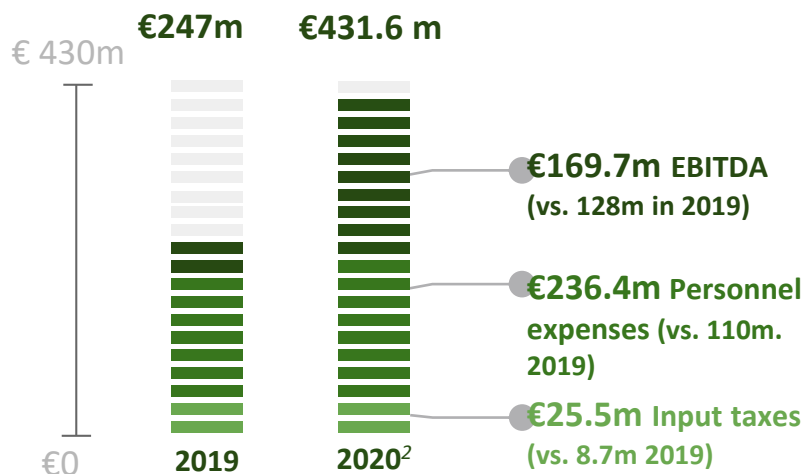


# Generating positive impact on local development

*Alantra PEF III portfolio companies generate a significant positive impact (€431.6 m) in their local communities through local purchases, tax contributions, employment and development of social programmes*

## Gross Added Value<sup>1</sup>

Alantra's portfolio companies have contributed 431 million euros to the GDP in 2020 (€218.7m LFL), mostly through profits and personnel expenses.



## Supporting local and responsible suppliers

Most of the activities developed by portfolio companies are supplied from the countries where they operate. Moreover, most of the purchases are related and depend on the activity of national suppliers, contributing to the local economy of the countries where they perform their activities.



**76%**

of expenditure on local purchases<sup>3</sup>  
(72% LFL)



**7 out of 10**

of Alantra's companies consider ESG issues in purchasing decisions

Besides supporting local suppliers, 7 out of 10 companies evaluate ESG matters when taking purchasing decisions, through internal analysis or independent audits.

## Contributing to local development

In order to strengthen its links with local community and maximize the positive impacts generated, portfolio companies also get involved with social initiatives related with education, sports, culture and public services (e.g. support for study grants, contribution to local sports teams, etc.). Free2move initiative, sponsored by Salto, or Hiperbaric Challenge, stand as great examples of portfolio companies involvement on local communities.

<sup>1</sup> Formula included in the Annex, PIB decrease source: (OCDE estimation)//<sup>2</sup>LFL: EBITDA = €98.9m; Personnel expenses= €108.3m; Input taxes= €11.6m//  
<sup>3</sup>Ingenium is excluded



**What's next?**

**5**

# What's next?

*The circumstances we had to confront this year confirm the relevance of a long-term vision in the integration of responsible investment practices. As such, we are determined to continue progressing on our ESG path*

## A commitment from the management...

## ...extensible through the portfolio

### **Implementation of the new Sustainable Finance Disclosure Regulation (SFDR)**

Gap analysis of the KPIs systems and other ESG practices vs. the principal adverse sustainability impacts (PIAs) and the remaining SFD regulation.



01



03



05

### **Raise ESG to the highest decision-making body of the portfolio companies**

In 2021, we have formally include ESG issues as a specific topic on the BoD agenda.

### **Align our management with market trends**

We will continue working towards our alignment with market trends, focusing on SDG contribution and ESG risks & opportunities dimensioning, including a check of the implications of our alignment with TCFD.

02



04



06



### **Accelerate our contribution to the 2030 Agenda.**

Set of annual targets aligned with strategic SDGs.

### **Updated materiality analysis**

Identify the most relevant ESG aspects of portfolio companies to ensure that ESG actions will induce the greatest impact and value on each portfolio company's performance.

### **Training on ESG matters**

We will continue to train portfolio companies to progressively optimize the reporting process and raise awareness on the importance about ESG integration in the business model.

A low-angle photograph of a modern glass skyscraper facade. The building features a grid of dark window frames and reflective glass panels. A security camera is mounted on the upper right side of the building. The sky is visible through the glass panels.

# Annex: Key Performance Indicators

# 6

# Annex. Key Performance Indicators

## **GOVERNANCE**

<b>Indicator</b>	<b>2019</b>	<b>2020</b>	<b>Page</b>
Average percentage of women on the board	2%	3%	14
Average percentage of independent directors	4%	9%	14
Average number of meetings per year of the Board of Directors	5.6	4.6	14
Average executive committee meetings	12	12	N/A

## **ETHICS AND COMPLIANCE**

<b>Indicator</b>	<b>2019</b>	<b>2020</b>	<b>Page</b>
Number of confirmed corruption cases	0	0 (LFL=0)	15
Number of non monetary sanctions on environmental, social or governance issues	0	0 (LFL=0)	15
Number of significant monetary sanctions on environmental, social or governance issues	0	0 (LFL=0)	15
Number of open lawsuits on environmental, social or governance issues	0	0 (LFL=0)	15

# Annex. Key Performance Indicators

## *HUMAN RESOURCES (I)*

Indicator	2019	2020	Page
Number of employees	3,211	5,783 (LFL=3,174)	16
Percentage of women in the workforce	30%	35% (LFL=29.4%)	16
Percentage of administratives auxiliaries and support in the workforce	62%	62% (LFL=57%)	16
Percentage of women in the administratives auxiliaries and support category	41%	45% (LFL=42%)	16
Percentage of specialized technicians in the workforce	32%	33% (LFL=36%)	16
Percentage of women in the specialized technicians category	11%	18% (LFL=12%)	16
Percentage of medium managers in the workforce	4%	4% (LFL=5%)	16
Percentage of women in medium management	16%	19% (LFL=17%)	16
Percentage of senior managers in the workforce	2%	1% (LFL=2%)	16
Percentage of women in senior management	17%	16% (LFL=14%)	16
Percentage of women in PEF III industrial tech sector	20%	24% (LFL=19%)	16
Percentage of women in PEF III healthcare sector	N/A	63%	16
Percentage of women in PEF III food & nutrition sector	36%	39% (LFL=35%)	16
Percentage of women in PEF III TMT sector	21%	21% (LFL=21%)	16

# Annex. Key Performance Indicators

## HUMAN RESOURCES (II)

Indicator	2019	2020	Page
Number of permanent hires	187	300 (LFL=182)	17
Percentage of permanent contracts	82%	76% (LFL=88%)	17
Involuntary Turnover ratio [(layoffs, deaths and retirements)/n° employees]	3.5%	7.9% (LFL=10.7%)	17
Average remuneration	€26,599	€22,372	17
Average remuneration in the industrial tech	NA	18,179	17
Average remuneration in the TMT	NA	€48,532	17
Average remuneration in the food & nutrition	NA	€22,016	17
Average remuneration in the healthcare sector	NA	€32,648	17

Note: all the information related to as not applicable (NA) is due to the fact that this KPI has been firstly acknowledge and presented in 2020. Involuntary turnover ratio excludes Surexport.

# Annex. Key Performance Indicators

## HUMAN RESOURCES (III)

Indicator	2019	2020	Page
Voluntary turnover ratio [ <i>voluntary leaves/nº employees</i> ]	5.9%	3.9% (LFL=4.5%)	18
Employee efficiency [ <i>GAV/nº employees</i> ]	€76,816/employee	€74,627/employee (LFL=68,917)	18
Absenteeism ratio [ <i>nº lost hours/worked hours</i> ]	4.3%	5% (LFL=5.8%)	18
Absenteeism ratio in Spain	5.5%	8.9%	18
Percentage of justified absences	98.7%	59.8% (LFL=98.9%)	18



# Annex. Key Performance Indicators

## TALENT DEVELOPMENT

Indicator	2019	2020	Page
Investment in training	€305,424	€516,924 (LFL=298.099)	19
Investment in training per employee	€95.12/employee	€89 employee (LFL=€94)	19
Percentage of employees involved in training courses	60%	32% (LFL=45%)	19
Hours of training per employee	13.5 hours/employee	7.9 hours/employee (LFL=10.3)	19

## FOCUS ON HEALTH AND SAFETY

Indicator	2019	2020	Page
Percentage of employees represented on health committees	68%	30% (LFL=54%)	20
Number of accidents with sick leave	180	300 (LFL=159)	20
Fatalities	0	0 (LFL=0)	20
Lost Time Injury Frequency Rate [LTIFR= (Nº accidents with sick leave/Nº Total worked hours)*200,000]	6.5	4.8 (LFL=6.0)	20
Total Recordable Incident Rate [TRIR= (Nº accidents/Nº Total worked hours)*200,000]	11.7	7.7 (LFL=9.8)	20
Severity Rate [SR= (Nº days losts/Nº Total worked hours)*1,000]	0.55*	0.37 (LFL=0.57)	20

\*Data from 2019 has been recalculated.

# Annex. Key Performance Indicators

## ENVIRONMENT

Indicator	2019	2020	Page
Natural gas consumption	150,655 MWh	160,031 MWh (LFL= 159,997)	23
Electricity consumption	135,062 MWh*	116,827 MWh (LFL= 103,434)	23
Fuel consumption	5,932 MWh	10,675 MWh (LFL= 5,894)	23
Diesel consumption	1,495 MWh	15,169 MWh (LFL=1,649)**	23
Diesel consumption per employee	0.5 MWh	2.77 MWh (LFL=1.15)**	23
Scope 1 emissions related to natural gas consumption	27,701 tCO2*	29,425 tCO2 (LFL=29,419)	24
Scope 2 emissions related to electricity consumption	24,754 tCO2*	14,649 tCO2 (LFL=14,149)	24
Scope 1 emissions related to transportation	0.36 tCO2**	3,649 tCO2 (LFL=0.397)	24
Scope 1 emissions related to transportation per employee	0.1 kg CO2**	0.67 kg CO2 (LFL 0.1 kg CO2)**	24
Waste generated	4,983 t*	8,050 t (LFL= 4,869)	24
% of non Hazardous waste	98.5%	98.6% (LFL=97,9%)	24
Percentage of valorized	63%	62% (LFL=97,9%)	24
Water consumption	914,976 m <sup>3</sup>	9,959,971 m <sup>3</sup> (LFL=856,957)	24

\*Data from 2019 has been recalculated.

\*\* Does not include Monbake

# Annex. Key Performance Indicators

## LOCAL DEVELOPMENT

Indicator	2019	2020	Page
Gross added value <i>[GAV= EBITDA+input taxes+input taxes]</i>	€246.7m	€431.6m <i>(LFL=218.8)</i>	25
EBITDA	€128m	€169.7m <i>(LFL=98.5)</i>	25
Personnel expenses	€110m	€236.4m <i>(LFL=108.3)</i>	25
Input taxes	€8.7m	€25.5m <i>(LFL=11.6)</i>	25
Percentage of expenditure on local purchases	76%	76% <i>(LFL=62%)</i>	25



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