

RESPONSIBLE INVESTMENT POLICY

I. Introduction

At Alantra Capital Privado SGEIC, S.A. or Alantra Private Equity (hereinafter, “**Alantra PE**”), a subsidiary of the Alantra Group, a group of companies lead by Alantra Partners, S.A. (the “**Alantra Group**”), we believe it is our duty to deliver returns to the society as a whole and to all our stakeholders through responsible investing. By engaging in a broad set of sustainability considerations - pre-eminently ESG matters – we trust we can achieve an ambitious financial performance and long-term value creation of our portfolio companies as well as the alignment between investors and society as a whole. This policy sets out the principles applied by Alantra PE for the purposes of achieving a responsible investment business (the “**Policy**”).

As professional investors, at Alantra PE, we consider that there is a long-term value in taking into consideration Responsible Investment (“**RI**”) criteria across the investment cycle: at the time of investing (“**Pre-investment**”); during the holding period (“**Investment period**”), which lasts five years in average; and at exit (“**Divestment**”). We look for sustainable businesses that will allow us to maximize the value of a company at exit. Therefore, supporting and promoting the establishment of sustainable and resilient business models that generate long-term value and enduring positive impacts is a key objective of our holding period, and translating our RI approach into the present guidelines is an important step in our aim for optimizing the value creation process.

The departing framework in which this policy takes place includes the commitment of Alantra PE to the UN PRI principles, the commitment of UN’s 2030 Agenda by means of contributing to the accomplishment of Sustainable Development Goals (SDGs), which promote the highest governance standards, ensuring the development of our activities under a robust framework and philosophy of compliance within all the organization.

Since 2019, Alantra PE 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 SDGs, through their daily operations and strategy.

Alantra PE has been the spearhead of ESG within the Alantra Group being the pioneer at ESG integration within its activities and decision-making processes. Alantra PE started its ESG journey with the adherence to UN PRI in 2011, which was followed by other Alantra entities within the Asset Management division of the Alantra Group (“**Alantra Asset Management**”) becoming a consolidated signatory in 2019. Alantra Asset Management’s Responsible Investment Policy is also aligned with Alantra PE’s Responsible Investment Policy and commitment to ESG.

Alantra PE intends to revise this Policy periodically, by committing to the continuous improvement, adapting to new regulatory standards, and considering global megatrends impacting ESG matters.

II. Responsible Investment Guidelines

1. Initial Framework

Alantra PE’s RI guidelines emerge within an existing framework established by both, Alantra Group and Alantra PE itself, which seeks to guarantee the basic principles of alignment of interests, governance, and transparency.

The departing framework in which Responsible Investment takes place includes the most recognized international frameworks and initiatives, such as:

- The UN Global Compact;
- The UN Sustainable Development Goals (SDG);
- The Task Force on Climate-related Financial Disclosures (TFCD);

- The OECD Principles of Corporate Governance;
- The Global Reporting Initiative standard (GRI).

Furthermore, Alantra PE complies with the six Principles for Responsible Investment set by the United Nations, being signatory since 2011:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes;
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices;
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest;
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry;
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles;
- Principle 6: We will report on our activities and progress towards implementing the Principles.

Additionally, internal policies and corporate procedures defined at Alantra Group level set the core principles for the development of activities under strong ethical values:

- **Anti-Money Laundering Manual:** establishes a series of obligations designed to determine the risk profile of investors and target investments, in order to prevent the occurrence of money laundering from the very first stages of the relationship.
- **Conflict of interest policy:** through which Alantra Group established the rules and procedures applicable to prevent, manage, control and mitigate any potential or real conflicts of interest.
- **Whistleblowing policy and channel:** creates the framework for Alantra Group's employees and other stakeholders to inform, through a private and confidential communication channel, of any activity that might not comply with Alantra Group's code of ethics, internal code of conduct, or applicable laws, including environmental and labour regulations.
- **Code of Ethics:** aimed to lay the principles that must guide the business conduct of the executives and employees of Alantra Group. Cases of non-compliance with the code may be submitted for further review through the whistleblowing channel as mentioned above.
- **Internal code of conduct governing securities market matters:** which sets out the rules that govern dealings with financial instruments on a regulated market. In particular, this code sets out the rules applicable to dealings with the shares of Alantra Partners, S.A., the parent entity of the Alantra Group, a Spanish listed company whose shares are admitted to trading in the Spanish Stock Exchange.
- **Alantra PE ESG remuneration principle:** ESG objective compliance is an additional consideration to remunerate Alantra PE professionals in the basis of ESG performance.

Lastly, Alantra PE activities abide by the following values and principles:

- **Integrity:** We act in a responsible manner with long-term focus, even at the expense of short interests.
- **Equality:** We guarantee equal opportunities for all our employees in a non-discriminatory

environment.

- **Teamwork:** We work together to achieve a common goal, driven by the same mission and values.
- **Employee empowerment:** We give our employees the flexibility and trust to realise their maximum potential.
- **Efficacy:** We focus on turning ideas into actions.
- **Excellence:** We work towards obtaining the best results in everything we do.
- **Entrepreneurship:** We apply an entrepreneurial mindset to all our projects.
- **Sustainability driven:** We contribute to sustainable development, eco-efficiency and social progress through our activity and along the investment process.

2. Integration of RI guidelines

In order to ensure an effective integration of RI guidelines, Alantra PE adapts this Policy to its investment strategy and understanding of what responsible investment means for its decision-making process.

Alantra PE's business approach is to acquire mainly majority stakes of non-listed Iberian mid-market companies to support them to grow internationally. Thus, RI is integrated through the belief that a hands-on approach to ownership and monitoring allows for the implementation of these strategic decisions. As such, Environmental, Social and Governance matters are integrated into everyday management as these are seen as a key value creation lever for our portfolio companies.

For Alantra PE, the integration of RI principles into its activities should be seen in four dimensions: A. Key ESG policies, B. Implementation of the ESG policies, C. Governance of Responsible Investment and D. Transparency and communication.

A. Key ESG Policies

1. **Environmental policy**

Alantra PE respects the environmental laws of the Iberian region as well as those of the countries where its portfolio companies may have subsidiaries. In addition to this, Alantra PE seeks a positive environmental impact approach to the value creation in its portfolio companies.

In order to adhere to such elements, Alantra PE is selective among investment opportunities applying exclusion criteria (i.e. projects unacceptable in environmental and social terms, projects that take place in protected areas) and, contingent to the type of business, environmental due diligence within its analysis in the pre-investment phase. In this phase, Alantra PE will not invest in companies that do not comply with satisfactory ESG Due Diligences and will favour investing in companies that are ESG compliant and/or have ESG improvement potential.

In the investment phase, Alantra PE promotes and supports the commitment to environmental protection among its portfolio companies. Thus, performance alignment with the SDGs is promoted through operating initiatives to minimize the negative impacts of company activity.

Alantra PE actively encourages the following environmentally oriented procedures for the entirety of the portfolio: identification of environmental risks and opportunities, development of procedures and policies covering environmental issues, establishment of initiatives to improve performance and identification of environmental objectives.

Through Alantra PE's ESG monitoring tool, companies report KPIs related to environmental matters which allow for the definition of specific actions to implement at a company level depending on their evolution. The environmental KPIs focus on resource consumption (energy and water), carbon footprint and waste generation and management.

2. Social policy

Alantra PE believes that it is essential that the employees of the portfolio companies enjoy a good work environment that would allow them to grow and contribute to the value creation process. With this belief, Alantra PE considers it relevant to offer an environment that will respect the diversity of people and cultural backgrounds, give access to workers with reduced mobility, comply with the international conventions on human rights, promote fundamental employee working conditions such as minimum wages, working hours, health & safety at the workplace and the management of individual career plans.

In this context, Alantra PE conducts Labour due diligence in accordance to international labour standards in every investment analysis as it considers social issues to be a great determinant of the performance of a company, and it promotes among its portfolio companies the best practices in terms of diversity, meritocracy, entrepreneurship, fairness, feedback and training. Additionally, economic growth is supported by prioritizing local suppliers as well as endorsing practices with positive social impact towards the local community.

3. Corporate Governance and Ethical issues

Governance is one of the first aspects that Alantra PE seeks to improve once it has invested in a Company. The Management Company would generally constitute a Board of Directors that would bring to the business relevant experience in the sector and contribute to defining the strategy with the highest ESG standards, including independence, transparency, and a correct management of conflicts of interest and ethics.

The indicators defined in the previous policies are aligned with SDGs, GRI and other ESG regulations and frameworks, which enable portfolio companies' contribution to sustainable development, highlighting the efforts made, as well as assessing operational performance.

Alantra Group's Code of Ethics seeks to promote the alignment of conflicts of interest, the accountability, and the transparency in all its activities, and it transmits the same values to its portfolio companies. Some of the most relevant aspects in portfolio companies include:

- Compliance to international best practice standards to prevent corruption, bribery, financial crime, etc., promoting accountability;
- Transparency, honesty and integrity at the moment of making business;
- Cooperating with regulators and complying with their requirements;
- Establishing proper systems for risk management and reporting.

B. Implementation of the ESG Policies

Finally, the policies previously mentioned transform into action at different stages of Alantra PE's activity. The Investment Team along with other members of the Alantra Group, external advisors, and other stakeholders, participate in building an ESG view of each potential investment and the implementation of approaches that will contribute to creating long-term sustainable businesses.

Pre-investment

Alantra PE tries to build an ESG view of every new potential investment, which translates into action through the screening, conflict check, and due diligence procedures for all the investment opportunities.

- **Screening: Sector exclusion policy**

Alantra PE strictly complies with screening exclusions by rejecting companies involved in certain activities, as formalized under the Fund's Legal Documentation. KYC checks are performed in accordance with the anti-money laundering and the prevention of terrorist financing rules on potential investees.

- **Conflict check list**

Each new investment opportunity is checked by the Compliance Director of Alantra Group before further analysis, in compliance with Alantra Group Code of Ethics.

The Investment Team oversees updates at the centralized system for conflict checks and the communication with the Compliance area.

- **Due Diligence**

Besides financial Due Diligence, Alantra PE conducts non-financial Due Diligence which measures companies' environmental, labour, and social practices against the highest international standards:

- IFC's Social and Environmental Performance Standards
- International Labor Organization's Core Labor Principles

The Due Diligence approach is adapted to the sector of operation, the type of business and the associated risks. Due Diligence's resulting main conclusions are included in the Note(s) presented to the investment Committee by the investment Team in charge of the transaction

Investment period

- **ESG team appointment**

An ESG team is designated for each portfolio company. This structured approach starts with the appointment of the ESG officer (always a member of the Executive Committee), who will be in charge of implementing ESG culture and commitment to responsible management within the company.

- **ESG monitoring tool**

Alantra PE promotes among its portfolio companies the commitment to the UN PRI principles, encourages the contribution to the SDGs and promotes corporate responsibility initiatives through the continuous monitoring of ESG factors. Each deal team is in charge of fostering the implementation of Alantra ESG guidelines within the portfolio companies and the monitorization of their performance against Alantra ESG key issues.

Periodic monitoring of defined material KPIs is performed through Alantra PE's performance tool. The considered ESG KPIs monitor sustainability factors grouped into the three ESG dimensions for each company.

- **Annual ESG objectives**

Based on the monitoring tool, annual ESG objectives are set up for portfolio companies,

focused on the strategic and material KPIs considering the activity, business type and associated risks and opportunities.

Accomplishing ESG objectives promotes positive impact and enables the access to better financing conditions.

- **Support and guidance to achieve objectives**

During the holding period Alantra PE supports the management team of its portfolio Companies in the implementation of ESG improvement plans agreed during Due Diligence phase, or in case any needs arise during the period.

Alantra PE's ESG team is dedicated to foster the company in its ESG performance, guiding the implementation of an ESG strategy, granting assistance for the reporting to Alantra PE and contributing to the accomplishment of ESG objectives.

Working towards the consecution of annual ESG objectives promotes impact, improves performance, and allows for ESG contribution assessment.

- **Oversight of ESG**

ESG issues and initiatives implemented to achieve annual ESG objectives are examined and supervised by the Board of Directors at the board's meetings.

- **ESG performance report for LPs**

An ESG Performance report for our LPs at fund level and individual performance reports of each portfolio company with their performance and positioning compared to the portfolio are prepared on an annual basis. We share this report with the portfolio companies' management teams to jointly analyse the results and define an action plan if needed.

Portfolio Companies fill certain questionnaires from our LPs on a demand basis. Additionally, the Management Company communicates to its LPs the developments in ESG on its annual and quarterly reports.

Divestment

- **ESG value creation case**

At divestment, Alantra PE advocates the achieved value creation and the ESG goals met during the holding period. Efforts focus on translating the actions performed into improved KPIs of portfolio companies, based on the ESG approach and objectives set at the beginning of the investment period.

When applicable, a collaborative environment is pursued in order to complement this information with further insights, by sharing Alantra PE's views on the roadmap and by aligning the process with the targets to be achieved.

- **Assessment of potential buyer following KYC procedures**

Potential buyer assessment is executed following Alantra PE's know your customer procedures. Compliance of potential buyer is checked, as well as previous ESG trajectory analysis.

- **ESG continuity**

Willingness to perpetuate ESG practices and policies implemented by Alantra PE within the companies is also scrutinized for potential buyers. As the long-term value creation aligned with ESG matters is the nuclear mission of Alantra PE's responsible investment approach, maintaining said value after the investment period is a priority.

C. Governance of Responsible Investment

The CEO & Partner of Alantra PE in representation of the Investment Committee is taking the role as the main responsible for the implementation of the Responsible Investment guidelines.

Additionally, other Alantra PE team senior members coordinate reporting from portfolio companies and other ESG initiatives at Management Company level. Alantra PE allocates a significant percentage of its professionals to the implementation of ESG practices.

At the portfolio monitoring stage, each deal team is in charge of fostering the implementation of Alantra ESG guidelines within the portfolio companies and the assessment of their performance against Alantra ESG key issues. This team engages with the ESG team spokespersons at each portfolio company. Monitorization involves the highest level of governance, including the Board Members.

Additionally, Alantra PE team is encouraged to achieve a satisfactory ESG performance through economic incentives linked to compliance of ESG objectives.

D. Transparency and communication

Alantra PE fulfils the commitment to transparency as a signatory of the Principles of Responsible Investment, and also makes a commitment to investors to regularly inform them of the progress made in ESG-related matters.

This commitment to transparency is followed on through the annual publication of the UN PRI Transparency Report and the annual Alantra PE's ESG Performance report.

Alantra PE is also aware that the ESG work carried out at the investee level requires adequate communication to investors. Thus, it is proactive in sending information to investors so that they can periodically evaluate the progress they are making in the execution of their own responsible investment policies. In fact, ESG performance is communicated to LPs on a semi-annual basis and is an agenda point in the Annual Investors Meeting and other relevant communications (i.e. quarterly reports, acquisition notes, exit notes).