

ESG REPORT 2022

Aurica Capital

Aurica Capital Desarrollo, SGEIC, SAU

AURICA



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Letter to our stakeholders



Ferran Conti
Partner



Iván Plaza
Partner



Ramón Mas
Partner

We are pleased to share our vision and commitment to sustainability in the framework of our annual report, which includes some of the most relevant advances we have made this year in the process of scaling our ESG program to a higher level. In Aurica, we keep our essence unchanged by focusing on accompanying companies in their growth strategy, helping them to create long-term value and establishing agreements with entrepreneurs who have a clear vision of growth and expansion. Our operating approach is based on the balance of three fundamental pillars: the fund, the entrepreneur and the management team. Our objective is to lead the growth private equity market in Spain and persevere in our competitive advantages and has allowed us to achieve our current achievements.

We are demonstrating our ability to generate value and obtain very competitive returns for our investors. During 2022, the companies in which we have invested through our funds have experienced an average growth of c.20% in their EBITDAs, and their performance at the beginning of 2023 is very satisfactory.

We currently have Aurica III and Aurica IV funds in our portfolio, as well as some co-investments managed by Aurica. The Aurica III fund is fully invested and the first divestment has already been carried out with the sale of STI Norland in January 2022 to the American company Array Technologies for €600M.

2022 has been exceptional for the portfolio companies of Aurica III, as is the case of Larrumba, which has exceeded its financial performance in 2019, overcoming the great Covid impact that happened in 2020 and 2021. In addition, technology companies in our portfolio, such as Samy Road, specialized in social media, influencer marketing and branded content, and Babel, are also showing an excellent evolution. Delta Tecnic, manufacturer and marketer of masterbatch for the cable industry, and Flex, manufacturer of rest solutions, have also had an outstanding performance in 2022.

In September 2022, we completed the first closing of Aurica IV with more than €200M. We plan to carry out a second closing to raise an additional €100M, mainly focused on international investors to reach a target size of €300M. International investors are especially demanding in ESG aspects.

Having an ESG management model with a clearly defined sustainable investment policy allowed us to register the parallel vehicles of Aurica IV with the Comisión Nacional del Mercado de Valores (CNMV) under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR) through which ESG characteristics are promoted in our investments.

During the 2022 financial year, the first investments made were t26, a digital marketing company, and Educa Edtech, an online education company integrated into practically the entire value chain. t26 is aligned with what our investment philosophy is since our beginnings: betting on companies with high growth potential in sectors with tailwinds. As for Educa Edtech, we have developed an ambitious internationalization plan to become a global benchmark in online training, focusing mainly on Latin America as well as entering into Corporate learning niche. Our objective is to replicate a model already consolidated and tested in Spain and Italy, in order to revolutionize the sector and democratize access to education.

In the first semester of 2023, we have been very active. We have invested in Grupo Viatek, a company from Malaga specialized in IT services and infrastructures, and Canitas, a veterinary clinic company, already committing 47% of the size of the fund. During fiscal year 2023 it is possible that we make one or two additional investments that would take us to c.60% of commitments.

Scope of the ESG Report:

Aurica Capital Desarrollo, SGEIC, SAU or its abbreviated version, Aurica Capital o Aurica– Asset Manager, including all the funds under management (Aurica III and Aurica IV).

Asset Managers' portfolio of investee companies.

The scope of the ESG Report encompasses the year 2022 and some key initiatives developed in 2023.

Additionally, we are pleased to announce that in 2023 a new vertical has been developed in Aurica as an additional tool to provide equity solutions to entrepreneurs. It is a fund specialized in the Search Fund ecosystem with a target size of €30M. This fund invests in *searchers*, entrepreneurs with exceptional skills and good networking in charge of finding and selecting a single company with high potential for growth and cash generation, with the purpose of acquiring it, leading it and making it grow with, among other things, the support of our background. The fund invests mostly in the Mediterranean arc (Spain, France, Italy or Portugal) but will also have exposure to DACH and Latin America (Mexico or Brazil). In line with our commitment to ESG aspects, these vehicles are in the final phase of registration with the CNMV under article 8 of the SFDR Regulation. To lead this project we have hired Ricardo Velilla, a professional with extensive experience as one of the first searchers in Spain.

In Aurica Capital we reaffirm our commitment to sustainability and our commitment to the integration of ESG criteria in our investment processes. This is reflected in the implementation and updating of our sustainable investment policy throughout our portfolio. As a sign of our commitment, we have updated our remuneration policy to align with the SFDR regulations, including a clause related to the variable remuneration of executives, which explains that 15% of the variable remuneration will be linked to compliance with ESG aspects.

Since February 2016, we are signatories of the United Nations Principles for Responsible Investment (UN-PRI) and we continue to be members of Invest Europe and SpainCap. We strongly support (i) the global framework of the 2015 Paris Agreement, (ii) the United Nations Guiding Principles on Business and Human Rights, (iii) the TCFD, (iv) the Sustainable Development Goals (SDGs) and (v) the United Nations 2030 Agenda.

We have made a significant effort to standardize regulatory aspects and relations with employees (Code of Ethics, Code of Conduct, Human Resources Policy) and with stakeholders (Customer and Supplier Relations Policy) in our portfolio. Likewise, during 2022, in addition to measuring different indicators of our portfolio companies, we have defined and formalized two quantitative objectives and three qualitative objectives for each of them, together with an action plan to meet them, as was done in the previous year.

Lastly, we have achieved the first positive results in the implementation of a governance model together with the ESG teams in our portfolio companies. We have formalized monitoring and we continue to influence the definition of ambitious ESG objectives and indicators in each of them. Our goal is still marked by the path of growth and sustainable economic expansion, while we generate value based on the creation of positive impact with our investments.

We thank all stakeholders for their continuous support and trust in Aurica Capital.

Ferran Conti, Iván Plaza and Ramón Mas

2022- Aurica Capital in figures



502M€ Assets under Management⁽¹⁾
732M€ Accumulated Assets under Management⁽²⁾



30M€ Assets Managed by the Search Fund⁽³⁾
60M€ Assets raised for the growth part



Increase of the TVPI to **2.2**⁽⁴⁾ with a DPI of **1.3**⁽⁴⁾
 (december 2022)



4 Funds managed since the creation of Aurica Capital



29 investments made since 2001



16 Full-time employees at year-end



9 companies in the portfolio⁽⁵⁾



+15 years of experience in the Private Equity sector



100% of portfolio companies with ESG monitoring

Signatories and members of



Our public support



Company portfolio

Environmental



66% Portfolio with environmental manager



0 Significant environmental impacts



13,379 t CO₂ emissions

Social



7,755 employees
38% are women



77% Companies with a health and safety policy



66% Companies with measures for supplier management

Governance



100% Companies with Code of Ethics.



0 Sanctions and cases of violation or discrimination of human rights.



85% of the objectives for 2022 fulfilled



55% Companies with environmental policy



55% Companies use renewable energy



95% Employees covered by collective agreement



100% Companies with social contribution initiatives



100% Companies that provide training
44% provide specific training in ESG

(1) From the Aurica III and Aurica IV funds

(2) €732M of assets managed since the incorporation of Aurica Capital.

(3) The Search Fund has been established during the first quarter of 2023.

(4) TVPI = Total Value Paid-in or theoretical multiple of the investment and DPI = Distributed to Paid-in or realized multiple of the investment.

(5) At the beginning of 2023 it has invested in two companies.

Milestones



STI Norland is sold to the north-american company Array Technologies for €600M

JANUARY 2022



FEBRUARY 2022

Calculation of Aurica Capital's carbon footprint for the year 2021 and setting of emission reduction targets

Adaptation of Aurica Capital and its managed funds to chapter II of title II of Law 22/2014

MARCH 2022

JULY 2022

Inclusion of climatic elements within the ESG due diligence processes prior to the acquisition of shares in companies

Raising of +€200M for Aurica IV fund and registration as Article 8 of the SFDR

SEPTEMBER 2022



SEPTEMBER 2022

First investment of Aurica IV fund. Acquisition of c.30% of T26, a digital marketing company



Second investment of Aurica IV fund. Acquisition of 30% of Euroinnova, an online education company, and creation of the EDUCA EDTECH group

DECEMBER 2022

ENERO 2023

Monitoring of ESG objectives and updating of the KPIs of each of the investee company, and updating of the action plan



Third investment of Aurica IV fund. Acquisition of 37% of Grupo Viatek, a company specialized in IT services and infrastructure linked to Smart cities

JANUARY 2023

FEBRUARY 2023



Identification and evaluation of Agrosol's climate risks and opportunities as part of a pilot test of the implementation of the TCFD recommendations in relation to climate scenarios.

MARCH 2023

Review and update of the Responsible Investment Policy and Procedure, including the commitment to SFDR's disclosure obligations and a greater relevance of ESG factors

MARCH 2023

Inclusion of web declarations according to the requirements of Regulation (EU) 2019/2088 (SFDR) and Delegated Regulation (EU) 2022/1288 (Delegated Regulation of the RTS)



MARCH 2023

Calculation of Aurica Capital's carbon footprint for the year 2022 and monitoring of emission reduction targets



Fourth investment of Aurica IV fund. Acquisition of 53% of Canitas, a veterinary clinic company

APRIL 2023

Start of the ESG and Sustainability Program taught by Chagne2Grow by Ferran Alcacer



JUNE 2023

Completion of the UN PRI Transparency Report 2022

Registration of the Search Funds fund with the CNMV and as Article 8 of the SFDR. First closing objective n 20M €

JUNE 2023

About Aurica Capital

Purpose and business integrity

A year of expansion

“Within the private capital sector Aurica has always been a benchmark in ESG, adhering to the Principles for Responsible Investment (UN-PRI) and developing a responsible investment policy

Aurica Capital is a Private Equity firm specialized in the Spanish middle market with more than **€500M of assets under management** that invests through partnerships with entrepreneurs in leading companies with sustainable competitive advantages and high growth potential.

Since Aurica Capital is 100% owned by the management team, it has greater independence and agility in decision-making and execution.

Divestment phase of Aurica III fund

During 2022, Aurica Capital has shown that it continues to be committed to taking ESG aspects into account as a lever for value creation in its investees. During this financial year, conversations have been held with all the investees and **85% of the ESG objectives established for this year have been met.**

2021 was the last year of the investment period of the Aurica III fund, which had €200M under management (including co-investments) and which presented a solid performance for its investors thanks, among others, to the first divestment agreement, STI Norland.

STI Norland was one of eight investments made through the Aurica III fund. In December 2021, an agreement was reached with the American company Array Technologies for the sale of the Navarrese company for €600M. For its participation in this deal, Aurica Capital was distinguished in the **15th Edition of the Private Capital Awards in Spain 2022 with the Award for the Best Capital Expansion Operation.**

Constitution and launching of Aurica IV

In October 2021, the Aurica IV fund was registered in the CNMV, whose investment policy specializes in investing in mid-cap companies with an EBITDA of more than €5M. In **September 2022**, the first closing was carried out with more than €200M under management and with a final objective of €300M.

This is the first fund launched by Aurica Capital in its new stage as an independent private equity manager.

This fund has been **registered in the CNMV as Article 8 SFDR**, actively promoting ESG initiatives. The fund does not aim to make sustainable investments exclusively, but it has made sustainable investments that contribute to both environmental and social objectives, and expects to make at least 40% of these over its lifetime.

In September 2022, **t2ó**, a leading Spanish digital marketing consultancy, became the **first investee of Aurica IV**. t2ó was founded in 2004, and is dedicated to provide digital marketing solutions focused on increasing sales through the acquisition of new customers, conversion improvement and loyalty for multi-channel customers. The central objective is to carry out a relevant organic and inorganic growth plan with a special focus on internationalization and diversification into new complementary businesses.

The second acquisition of the fund took place in December 2022, when Aurica **acquired 30% of Euroinnova** (later renamed Educa EdTech), a leading online education company nationwide and with a **strong presence in Europe and South America** to support its growth plan in Mexico and other South American economies. Specialized in self-paced courses, postgraduates and masters (students take the course at their own pace). Educa EdTech is fully vertically integrated, being present throughout the entire value chain, from content creation to training itself, which has allowed it to internally develop the most extensive online education catalog for Spanish-speaking countries.

Additionally, during the first semester of 2023, 45% of **Grupo Viatek**, specialized in IT infrastructure services, was acquired to boost its growth with the installation of fiber optics in Germany. A majority stake in **Canitas**, a veterinary clinic company, was acquired in April to support its organic growth plan with the opening of new clinics in Spain.

New investments are planned in the coming months that will seek to anticipate to other tailwind trends that may represent good investment opportunities. Aurica is committed to a line of continuity, with a strategy based on building partnerships with entrepreneurs who want to execute processes of sector consolidation and international expansion.

Constitution, registration, and development of the new vertical of Search Funds

In 2023, a new vertical was established in Aurica as an additional tool to provide equity solutions to entrepreneurs. It is a fund specialized in the Search Fund ecosystem with a target size of €30M. This fund invests in *searchers*, entrepreneurs with exceptional skills and good networking in charge of finding and selecting a single company with high potential for growth and cash generation, with the purpose of acquiring it, leading it and making it grow with, among other things, the support of our fund as well as other like-minded investors (there are usually 10-15 investors per investment). The fund invests mostly in the Mediterranean arc (Spain, France, Italy or Portugal) but will also have exposure to DACH and Latin America (Mexico or Brazil).

The vehicles are already constituted and have been registered with the CNMV in June 2023, in line with our commitment to ESG aspects, under article 8 of the SFDR Regulation. To date, all the funds registered in Spain with this investment strategy were registered as article 6. We have established a very executive and practical sustainable investment procedure to help searchers in the process of incorporating ESG objectives.

“t2ó, the first investment of our new Aurica IV fund, is aligned with what has been our investment philosophy since our origins: investing in companies with high growth potential in sectors with a tailwind



Tracing the line of growth

In 2022, Aurica Capital adapted to **chapter II of title II of Law 22/2014** due to its willingness to market Aurica IV internationally and to be able to access a greater range of national investors. This change supposes an additional layer of regulatory requirements that give greater security to the investor:

Regulatory compliance and risk management

- In 2021, the Regulatory Compliance and Risk Management Unit was created. Pilar Gómez was designated as responsible.
- This unit is also in charge of drawing up specific procedures for risk management:
 - Implementation of the necessary measures to properly determine, measure, manage and control the risks deemed pertinent, based on the investment and divestment strategy of the funds managed by Aurica Capital.
 - Guarantee that the risk profiles of the funds managed by Aurica Capital correspond to their size, portfolio structure and investment strategies and objectives, as established by the Investment Department and the constitutive documents of said vehicles.
- It is responsible for the prevention of money laundering, prevention of terrorism and data protection.
- Verifies and controls that the Aurica IV commercialization process is carried out correctly and in compliance with current regulations.

Responsibilities for the Financial Department

- Valuation every 6 months of assets under management.
- Management of treasury and payments and collections, preparation of reports for investors, coordination with the internal audit team for the formulation of accounts and preparation of financial statements.
- In 2021, the Internal Audit Unit was also created, which is delegated to our provider Venture Comply.

Appointment of a depositary

In accordance with the provisions of article 50 of Law 22/2014, Aurica Capital appointed BNP Paribas in 2022 as depositary of the Aurica IV fund. Both the Management Regulations and the Aurica IV Issue Prospectus must have your approval. Likewise, all collections and payments must have the approval of the depositary.



Active management of an uncertainty scenario

At the end of 2022, once the pandemic was controlled geopolitical tensions and the macroeconomic situation are generating a progressive change in the economic cycle marked by a general contraction in supply, energy supply problems and high levels of inflation. In Spain, the strength of domestic demand has allowed the economy to maintain significant dynamism. Although these challenges hide new opportunities, it is key to fully understand the context in which Aurica Capital operates. Betting on sectors with tailwinds in defensive sectors is allowing Aurica's portfolio to continue with a good evolution.

Despite the IMF's cautious but positive forecasts, Aurica Capital closely follows the inflationary trends derived from these events, since a cooling of the economy caused by the rise in interest rates by central banks could have an impact on the capital markets.

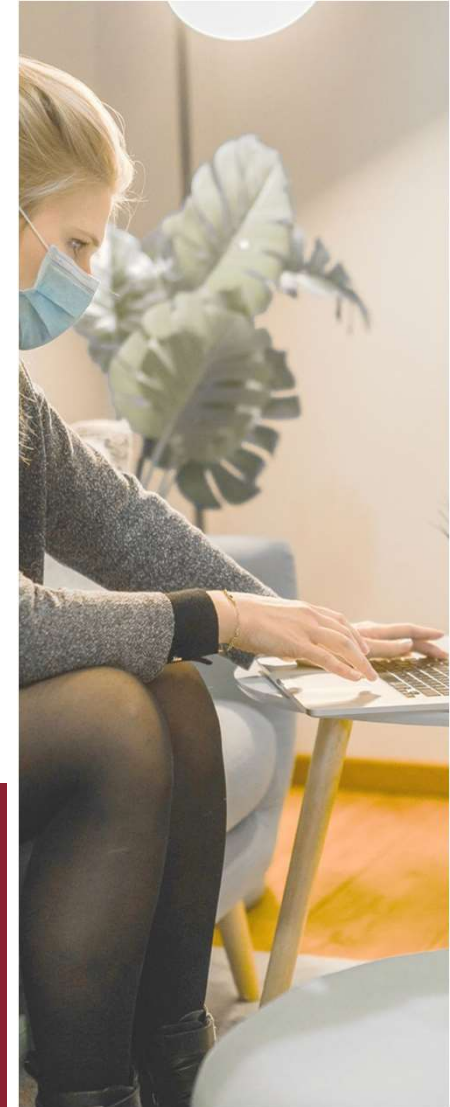
Uncertainties in the financial sector but with rapid action by the regulator add even more complexity to which is added greater regulatory pressure related to sustainability issues, such as the new agreements on the Corporate Sustainability Reporting Directive (CSRD) and the upcoming publication of the European Sustainability Reporting Standards (ESRS).

To summarize, Aurica Capital is aware of the challenges it faces, and considers them proactively with the aim of promoting sustained growth in the company and comprehensively strengthening its performance in ESG aspects.

Aurica Capital has successfully managed the different challenges that have arisen in 2022, ensuring the continuity and profitability of its investees, which is demonstrated by the divestment of STI Norland in January 2022. All of this crystallizes in a substantial improvement in the expected profitability for the investors:

- TVPI Aurica III december 2021: c.2,0x
- TVPI Aurica III december 2022: c.2,2x

.... and an intense rate of generation of investment opportunities that will nurture exciting Aurica IV projects.



The 3 pillars of the investment profile

APPROACH

Companies with growth potential, both organically and through acquisitions that accelerate growth.

Family companies without succession plan.

Companies looking for alternative sources of financing their growth plans.

Companies looking for an investor, with an active and participative role.

Unleveraged transactions.

Preferably transactions through capital increases.

Excluded sectors: real estate, infrastructure, construction, financial sectors and not aligned with ESG criteria.

COMPANY

Medium in size, with annual revenues of more than €30 M and EBITDA of more than €5 M.

Highly qualified management team.

Sustainable competitive advantage in its sector, ideally if it is fragmented and with the capacity to consolidate.

Low indebtedness and light asset

Commitment to international expansion.

Recurring and sustainable cash flows with a stable dividend policy (4% historical yield).

Headquarter: Spain.

INVESTMENTS

Partnership agreements with entrepreneurs that can be articulated through significant minorities (20% -49%), although opportunistically also through majorities.

Shareholder agreements with reinforced majorities, right of veto, active representation in governing bodies (management committee and board of directors) and exit clauses (tag and drag-along).

Alignment of interests with incentive plans for executives, co-investment of the management team, asymmetric profitability clauses, non-competition and exclusivity
Investment period: 4-7 years.

Investment range: €10-50 M. With co-investments up to €70M.

Main sectors of investment:

Aurica Capital has an agnostic strategy in terms of sectors although it focuses on international megatrends; sectors with strong traction thanks to robust growth drivers. Despite not having specific sectors defined in its investment profile, it has had success stories in specific industries where Spain is also a world benchmark and, therefore, the following sectors, among others, fit within its investment strategy:



Services / Leisure



Digital / Tech



Circular economy



Agriculture / Food

“

Our strategy involves investing in sectors with a favorable market trend and with clear prospects for growth at an international level.



Aurica Capital seeks companies positioned in sectors with positive market trends, with high growth capacity, cash generation and with great potential for international expansion. Aurica’s financial support contributes to promoting the international expansion processes of its investee companies motivated by:

- Increase market share in other geographies
- Diversify dependence on customers and markets
- Competitive advantage over national competitors
- Increase recognition and reputation on a global scale
- Extend the ESG program

Currently, through its managed investments, Aurica Capital is present in more than 25 countries spread over three different continents.



Sales (%)



> 60%
International

EBITDA (%)



> 75%
International

Subsidiaries abroad



+30 subsidiaries

International employees



+3.000
employees

Our ESG approach

ESG factors are a crucial component of the long-term value creation process. Aurica Capital is aware of the importance of incorporating these factors in investment decision-making, aligning itself with the interests of investors, society and its stakeholders. For this reason, it has a solid responsible investment policy integrated into the core of its strategy, its organizational structure, governance and culture.

Its approach is based on the responsibility of developing a sustainable business activity in accordance with the new regulations and the values promoted. These elements, as a whole, make up a vision of the sustainable future that is aspired for the well-being of all.

Currently, a series of initiatives are being implemented with the purpose of building a stronger and more resilient portfolio, through the adoption of measures that promote sustainability, considered essential for sustainable development. Aurica is aware and confident that the more ESG factors are integrated into its corporate purpose and strategy, the greater the value that can be generated. With this, it strives to implement this discourse and commit to a sustainable future, in order to promote a positive impact on the manager and its portfolio of investees. Aurica firmly believes that the achievements and objectives presented in this document are significant and reflect a greater commitment to ESG aspects compared to previous years.

Aurica III and Aurica IV portfolio until 2022 (*):



Some testimonials from the portfolio:

“An ideal travel companion for the stage of growth in which we are immersed.

“The entry of Aurica will boost the internationalization of the company.

“The investment in Aurica allowed us to carry out a shareholding and corporate reorganization and operate as a single Group.

(*) In 2023 Aurica Capital has increased its portfolio by two companies.

Business integrity

Sustainable and responsible management is an essential part of Aurica Capital's identity, value creation strategy and long-term success.

Aurica is aware of the importance of incorporating environmental, social and good governance factors in investment decision-making, aligning with the interests of investors, society and its stakeholders.

Ethical considerations

Aurica recognizes its role and impact on its stakeholders and society in general. It considers that his achievements should be the result of a double aspect; economic and sustainable profitability through the integration of ESG aspects in the business. Consequently, the core of his investment philosophy is the belief that. **incorporating ESG aspects into the investment process creates value in a sustainable way in the long term by maximizing opportunities and minimizing risks.**

Long-term vision

Aurica recognizes that companies with strong governance and policies are well positioned to achieve long-term sustainable growth. With your long-term investment goals in mind, integrating ESG aspects into the business is critical as it translates into sustainable return improvements for investors and maximizes the overall value of our portfolio.

Financial materiality

Aurica recognizes the financial materiality of ESG aspects for its portfolio of companies, the market as a whole and society.

Fiduciary duty

Aurica recognizes that **ESG integration falls within the scope of an investor's fiduciary duty** to its beneficiaries.

Response to Climate Change

Approach

Aurica Capital recognizes climate change as a risk and an opportunity for the economy and for its business development.

Recognizes the importance of climate change and, therefore, supports the global framework of the 2015 Paris Agreement and during 2022 has continued to publicly support the Task Force on Climate-Related Financial Disclosures (TCFD).

In addition, climate risk is included in the investment strategy and in the monitoring of the portfolio.

We are working on the annual measurement of the impact of our "own" carbon footprint in order to establish emission reduction targets in investees where necessary.

Sector exclusions

Within the framework of business integrity and the management of ESG aspects, Aurica Capital developed a policy of sectoral exclusions, so it does not invest in companies linked to the following activities :



Human Rights

- Exploitative or harmful forms of child labor or forced labor.
- Activity linked to pornography and/or prostitution.



Illegal activities

- Production or trade of any product or development of any activity considered illegal under the laws and regulations of the country in which the project is located.
- Production and trade of substances that are prohibited or in the process of being withdrawn.



Flora and fauna

- Trade in wild fauna and flora regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Use of driftnets of more than 2.5 km in length.
- Destruction of areas considered to be of High Conservation Value.



Climate Change

- Cross-border trade of products or waste, unless it complies with the provisions of the Basel Convention and the regulations related to said Convention.
- Power generation using nuclear fuel and/or production, storage, treatment and trade of radioactive products, including radioactive waste.



Security and arms industry

- Manufacture or trade of products containing loose asbestos fibers.
- Producción o comercio de armas y municiones.

Investments in the real estate, financial and defense sectors and those other sectors that are legally prohibited for private capital management entities are explicitly excluded.



Management and governance approach

Aurica Capital's **responsible investment strategy** is embedded in its organizational structure, governance and corporate culture. Its implementation is managed at the **highest organizational level**, including the **Investment Committee**, the **Executive Committee** and the **ESG Committee**. The model that was implemented in 2021 is followed, in relation to the incorporation of climate-related functions, as well as supporting the implementation of the TCFD recommendations. The ESG corporate governance model guarantees agile decision-making regarding aspects that could be critical.

The ESG Committee is responsible for the implementation and supervision of ESG practices, which are established in the Responsible Investment Policy.

The ESG Committee oversees and monitors the Executive Committee and reports to the Investment Committee and the Advisory Board when necessary.

Governing bodies

Aurica Capital has the following corporate governance model:



Board of Directors : Approve annual reports, select financial auditors and oversee regulatory compliance. Each of the members of the board of directors becomes the owner of the ESG and climate responsibilities throughout the Responsible Investment Procedure as established in the Responsible Investment Policy.



Investment Committee : Responsible for all investment and divestment decisions, including ESG aspects.



Annual Participant Meeting : Exercise of transparency and information to all investors on the evolution of the funds in which they participate.



Advisory Board: Exercise of transparency and information with investors (including ESG aspects). Management of conflicts of interest and approval of material changes in management regulations.



Comité Ejecutivo: Exercise of transparency and information to all investors on the evolution of the funds in which they participate.



ESG and climate committee : Implementation and supervision of ESG practices, including climate aspects, which are established in the Responsible Investment Policy.

Flow of responsibilities in ESG and climate supervision



Executive committee

Engagement and partnership to collect data and monitor performance



ESG and climate committee

ESG and climate oversight and guidance responsibility



Board of Directors of Aurica Capital

Responsible for guiding and ensuring that the purpose and strategic model of the company is fulfilled

ESG governance mechanisms

Responsible Investment Policy

The responsible investment strategy is embodied in the **Responsible Investment Policy** and the **Responsible Investment Procedure**. Both documents have been updated during 2023 to reflect the acts related to the TCFD recommendations, in addition to including a breakdown for the two main investment vehicles: Private Equity Funds and Search Funds.

ESG Training

Aurica Capital **periodically evaluates the responsible investment capabilities and training needs among the team of professionals**. During 2023, Aurica plans to increase training to provide more added value in these matters to its investees. In this sense, Ferran Alcácer is studying the ESG and Sustainability Program taught by Chagne2Grow.

Monitoring of the ESG aspects of the Portfolio

All portfolio companies **are required to regularly report on a set of ESG, financial and business metrics**. In the case of Private Equity funds, the report is **monthly** and is part of the Reporting, while for the Search Funds the report will be made **at least quarterly**.

Remuneration Policy

In 2023, Aurica Capital has updated the **Remuneration Policy**, aligning it with **long-term strategic objectives, including ESG aspects and the commitment to the disclosure obligations of the SFDR Regulation**. The teams for the implementation and monitoring of the ESG criteria in the investees have 15% of their variable remuneration subject to compliance with the ESG criteria.

Code of Ethics

The Code of Ethics is a compendium of general principles for the daily performance of your business. It contemplates values, mission and vision of the organization, equal conditions and treatment among workers, setting standards of conduct criteria by which professional performance should be governed. It offers an agile and effective response in case of conflict, promotes the creation of an organizational culture, favoring a good work environment and a sense of security.

In 2023, Aurica Capital has updated it again, including a **complaints channel** (procedures) and the **creation of an Ethics Committee** that will guarantee that the standards established in the Code of Ethics are complied with.

Governance mechanisms in our portfolio

1

Aurica Capital has a presence on the Board of Directors and on the Management Committee of the investees

A **Board of Directors** with **proportional representation among shareholders** is established with the main objective of supervising the strategy designed in the business plan. At times, Aurica Capital incorporates independent members with in-depth knowledge of the sector to enrich and inform decision-making.

Aurica Capital is also represented on the **Management Committee of the investee (responsible for the execution of the strategy)** and acts as a facilitator.

The **data, context and supporting information from the governing bodies** incorporate the **Aurica quality standards**. These documents are essential to be able to make business decisions and are normally coordinated by the CEO and CFO together with the Aurica Capital teams. Together with these, the monthly report is attached, which must always be issued no later than the 20th of each month. Materials are shared 5 days in advance along with a Board of Directors and/or Steering Committee agenda to provide sufficient time to review the content and prepare for the meeting.

In certain investees such as Agrosol, Viatek, Samy Road or Canitas there are weekly monitoring committees with the management team to be very close to the development of the company's business

2

Aurica Capital strengthens the Management Team in its investees

During the analysis of the investee, Aurica Capital decides if the company needs reinforcement in certain management areas (on several occasions even accompanied by a *Management Appraisal*). **The incorporations to the Direction are applied, normally, during the first year**, although they can be progressive. Among various positions, the ESG manager is always appointed, if there is none.

Aurica Capital dedicates a lot of effort so that the portfolio companies have an **adequate first line of management** with the objective of implementing growth business plans and professionalizing internal procedures and decision-making. In this sense, incentive plans are usually agreed to link the management team to the evolution of the company with high returns if the agreed business plan is met. On other occasions, the directors co-invest with Aurica.

The members of the management team of the investees are responsible for reaching an agreement with Aurica on the purpose and detailing the objectives that will later be measured in monthly reports.

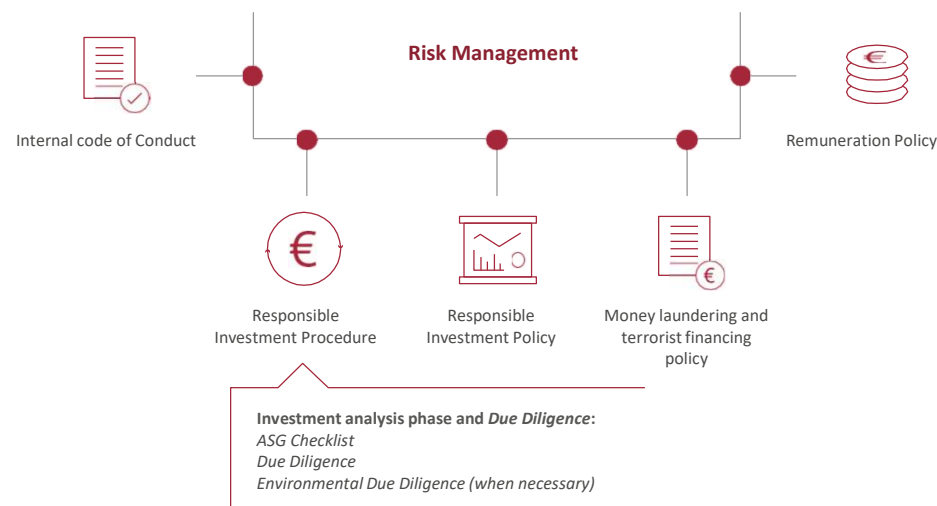
Risk management

Risk management and regulatory compliance is an essential pillar for Aurica Capital to comply with regulatory requirements and guarantee the correct development of the activity.

In order to manage potential risks, Aurica Capital currently has an Internal **Code of Conduct** and a **Code of Ethics**. Together with (i) the **Remuneration Policy**, (ii) the **Money Laundering and Terrorism Financing Policy** and (iii) the **Responsible Investment Policy and Procedure**, it helps to prevent and detect regulatory and associated risks and allows uncertainty to be mitigated in investment decisions.

The Responsible Investment Policy is developed in a **Responsible Investment Procedure** that includes, among others, an **ESG Checklist**, a **Due Diligence** and a specific **Environmental Due Diligence** (when necessary) during the investment analysis phase and Due Diligence that concludes in the realization of a purpose for each investee that is achieved by setting short, medium and long-term objectives. Said objectives are then transferred to the company, which, together with the person in charge of ESG and the first line of the management team, indicators are set so that they can be measured periodically in the Management Committees and in the Boards of Directors.

In 2021, Aurica Capital began to identify the level of both physical and transition climate risks for each of its investees based on the TCFD climate recommendations. Additionally, for those investees in which the level of physical or transition climate risks turns out to be medium or high, a more specific analysis is carried out in which the specific risks for each of the investees are identified (for more information see section "There are no planet without climate"). During 2022 and 2023, a specific risk and opportunity identification plan was carried out together with climate scenarios and a subsequent action plan for Agrosol.



See the Responsible Investment Policy section for more details on the documents prepared in each of the phases.

Aurica Capital has designated risk control and regulatory compliance responsibilities within the senior management team (with representation on the Investment Committee, the Executive Committee, and the ESG and Climate Committee).

Compliance Officers



Iván Plaza
Partner



Ferran Alcácer
Director of Investments
and ASG Head



Pilar Gómez del Pulgar
DPO and Head of the
Regulatory Compliance Unit



Our team



14 professionals involved in investment decision-making

+15 years of experience working together



40 Training hours during the 2022 financial year, of which 15% were in ESG
Between September and December 2022, Aurica Capital carried out mandatory ESG training for all members of the manager

27 Hours of specific training between April and June. Ferran Alcacer, head of ESG at Aurica Capital, is taking the ESG and Sustainability Program taught by Chagne2Grow

The Aurica Capital team is formed by professionals with extensive experience in the Private Equity sector, coming from the areas of asset management, investment banking and consulting. As a whole, they provide added value to Aurica Capital's decision-making processes.

Board of Directors – Executive Directors



Raúl Rodríguez



Iván Plaza



Ferran Conti
Partner



Ramón Mas
Partner



Ferran Conti



Ramón Mas



Iván Plaza
Partner

Executive Committee Aurica Growth



Ferran Alcácer
Investment Director
(since 2007) and ESG
Head



Pablo Pérez
Investment
Director (since
2007)



Martín Vargas
Investment
Director (since
2015)



Borja Casanovas
Investment
Director (since
2013)



Ricardo Velilla
Investment
Director (since
2022)

Search Fund

Analysts



Alex Conti
Investment Analyst



Helena Peláez
Investment Analyst
& ESG Analyst



Daniel Soldevila
Investment Analyst



Alejandra Flaqué
Investment Junior
Analyst

Financial Director, Regulatory Compliance and Office Manager



Celia Cristina Berenguer
Financial Director



Pilar Gómez del Pulgar
DPO and Head of the
Regulatory Compliance Unit



Paula Nasif Arias
Office Manager

Values and commitments



Honesty and transparency

Being honest makes us completely transparent, giving us credibility before our investors and partners, thus generating trust and lasting relationships.



Excellence

We try to exceed the expectations of our stakeholders through meticulous work and we strive to ensure that everything we do reflects the highest quality standards.



Teamwork

We work together to achieve common goals. We promote meritocracy and encourage the spirit of improvement through the recognition of personal effort in contributing to collective success.



Commitment

We are committed to equal opportunities, caring for the environment and reconciling work and family.

Ensuring gender equality

During the 2022 financial year, the team has been reinforced with 4 new professionals, 2 of them women, obtaining office manager and analyst positions.

All of them have ESG competencies to support Aurica Capital's commitment to ESG integration into the business model.

It is part of the short-term plans to guarantee gender equality in Aurica Capital and in the portfolio and to continue betting on the progressive incorporation of talented women into the team.

Additions for the year 2022



1. Commitment to the Responsible Investment Strategy

The Responsible Investment Strategy is materialized in Aurica's **Responsible Investment Policy and Procedure**, which has specific areas that address the potential impacts and risks derived from climate change.

Sector exclusions

Aurica Capital does not invest in companies linked to specific activities that harm the environment.

Climate change considerations in investment phases

Aurica Capital has mandatory documents to be completed during the investment phases that consider aspects of Climate Change such as the "ESG Checklist", the "Investment Memorandum", the "Environmental Due Diligence" and the "ESG Evaluation". The objectives that are set are then monitored through the "Reporting" of each of the investees.

2. Engagement with the Task Force on Climate-Related Financial Disclosures (TCFD)

During 2021, Aurica Capital took a big step in terms of monitoring the TCFD recommendations, carrying out a three-year action plan based on the document that PRI has prepared in conjunction with INDEFI. This document serves as a specific guide on how to incorporate the TCFD recommendations to private equity management companies.* Some of the actions of the plan have already begun to be carried out, such as: (i) including climate elements within the due diligence prior to the acquisition of investees to identify climate risks, (ii) developing scenarios in relation to identified climate risks, (iii) processes to carry out annual reviews of portfolio companies to assess progress towards defined climate objectives, etc. Additionally, Aurica is committed to progressively evolving its reporting to disclose its progress in the key areas identified by the TCFD.

Basic elements of recommended weather-related financial disclosures*

Governance	Organizational governance around climate-related risks and opportunities.
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning.
Risk management	The processes the organization uses to identify, assess and manage climate-related risks.
Metrics and Goals	The metrics and targets used to assess and manage relevant climate-related risks and opportunities

3. Commitment to portfolio companies

Aurica is committed to identifying climate change risks and opportunities in its investees, helping them mitigate those potential risks and leveraging opportunities. During the year 2022, the CO2 emissions of the portfolio companies continue to be monitored and plans to reduce these emissions are developed in the coming periods.

Additionally, a materiality analysis has been carried out according to the *Value Reporting Foundation* (VRF) map and climate risks following the recommendations of the TCFD for each of the companies in the portfolio.

During 2022 and 2023, a specific risk and opportunity identification plan was carried out together with climate scenarios and a subsequent action plan for Agrosol.

Engagement with the Task Force on Climate-Related Financial Disclosures (TCFD)

Below is the summary of the action plan prepared by Aurica Capital with the tasks to be carried out based on the TCFD recommendations. Additionally, each of the initiatives has a development, a person in charge and an associated calendar.

Governance

Goal	Action	Status
A. Increase climate awareness throughout the organization	1. Include climate-related topics in current training.	Completed
	2. Define climate oversight responsibilities at board and executive level.	Completed
B. Defining dedicated climate governance	3. Define the evaluation of the climate and management responsibilities at the level of managers and administration.	Completed

Strategy

Objetivo	Action	Status
C. Develop a simplified implementation plan	4. Identify macro-level risks and opportunities across the sector during different stages of the investment process, such as appraisal and due diligence.	Completed
	5. Define an implementation plan by defining quantitative and qualitative climate objectives for the different investees.	In progress
D. Conduct a materiality analysis of the portfolio companies to identify exposure to climate risk	6. Include climate elements within pre-acquisition due diligence by defining documented procedures to identify ESG and climate risk exposure.	Completed
	7. Identify portfolio companies with the highest exposure to climate risks and conduct in-depth climate analysis.	In progress

Risk management

Goal	Action	Status
E. Define key climate performance indicators for each portfolio company	8. For companies most exposed to climate-related risks, engage with management to define an action plan to strengthen climate resilience.	In progress
F. Fully integrate climate considerations into the investment process	9. Develop climate-related scenarios when climate-related risks have been identified in an investee (medium/high risks).	In progress

Metrics and Goals

Goal	Action	Status
G. Support investees with tools and recommendations to address climate risks	10. When material risks are identified, define climate objectives at the investee level (for example, risk exposure, resilience, carbon footprint, 2°C alignment).	In progress
H. Conduct annual reviews of portfolio companies to assess progress towards climate goals	11. Consider metrics and targets in annual ESG reports and internal investment procedures (for example, before acquisition and after climate due diligence).	In progress

*Source: "Technical Guide: TCFD for Private Equity General Partners" (PRI + INDEFI) - 2020
**Source: Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) - June 2017

Value creation model

Materiality of Aurica Capital

Methodology

Materiality provides a clear analysis of new trends, which are affecting or will affect Aurica Capital and its stakeholders, broadening the focus and stimulating innovation. It allows to clarify the important elements and the relevant and necessary management information for the execution of the strategy. Additionally, materiality guarantees that the expectations and needs of the different stakeholders are taken into account and, therefore, helps to prevent and mitigate unidentified risks.

In this sense, in 2021 Aurica Capital carried out a materiality analysis at asset manager and portfolio level. In addition, it carries out materiality analysis, following the SASB indices, of the new investees during the due diligence process prior to the investment. In this way, its material aspects in terms of ESG are reviewed and identified and it is disclosed where greater efforts should be made

Based on industry concerns, preliminary analyzes were conducted to identify 22 potential material topics. Subsequently, the relevance of Aurica Capital was identified both externally and internally in relation to each of the 22 aspects as follows:

- External relevance:** The relevance for each of the topics of various companies in the private capital sector was taken into account, as well as the relevance of sector prescribers (PRI, ASCRI, PEI, CFA Institute and ILPA) and ESG prescribers (ODS, GRI, MSCI, TCFD, SASB, Sustainalytics, DJSI and Spanish law 11/2018 on Non-Financial Information). Additionally, surveys were also carried out on both our employees and our investees in order to quantify their concerns with the aforementioned material aspects.
- Internal Relevance:** Individual interviews were conducted with members of Aurica Capital's management team and investors of the firm in which they discussed the current level of ESG within Aurica and the relevance to each of them of the ESG topics on the list.

Comments made in the interviews:

- "It will be essential, both in investing and in portfolio management, to find credible and sustainable sources of outperformance"

"Aurica Capital is aligned with current sustainability levels. There is a clear expression of concern about ESG because it is known to be sensitive to investors in general."
- "Let's take advantage of this moment to selectively make new investments, generate value in our portfolio, advancing in digitization and sustainability, as well as making strategic purchases (add-ons) for our investee companies without losing sight of megatrends"

"We are committed to a partnership strategy with the employer in which we work to strengthen the relationship with people who create value"

Sector prescribers



ESG Prescribers



Materiality matrix

Once the internal and external relevance for each of the previously identified material topics had been quantified, weights were assigned to each of the inputs that made up said relevance and a weighted average was made to identify which were the most relevant ESG aspects for the different groups of interest to Aurica. The **materiality matrix** that was developed with the results obtained is presented below. :

External relevance	Very high	<div>Environmental</div> <ul style="list-style-type: none">Carbon footprint <div>Social</div> <ul style="list-style-type: none">Diversity and inclusion <div>Governance</div> <ul style="list-style-type: none">ESG Governance	<div>Governance</div> <ul style="list-style-type: none">Growth and long term value creationCommunication and transparencyEthics, integrity and competitive behaviorCompliance with regulation
	High	<div>Environmental</div> <ul style="list-style-type: none">Circular economy <div>Social</div> <ul style="list-style-type: none">Safety, health and well-being <div>Governance</div> <ul style="list-style-type: none">Customer privacy and cybersecurity	<div>Environmental</div> <ul style="list-style-type: none">Consumption and efficiency of energy and water <div>Social</div> <ul style="list-style-type: none">Talent attraction and retention <div>Governance</div> <ul style="list-style-type: none">Responsible investmentRisk management
	Medium	<div>Environmental</div> <ul style="list-style-type: none">Supply chain management <div>Social</div> <ul style="list-style-type: none">Training and developmentCompensation and career plan	<div>Social</div> <ul style="list-style-type: none">Relations with communitiesCustomer satisfactionProduct/service quality and customer safety <div>Governance</div> <ul style="list-style-type: none">Business model resilience
		Media	High
Internal relevance			
<div></div> Material issues in cells shaded in gray			

Based on the conclusions of the benchmark analysis of different national and international private equity sector managers with best-practices in ESG, industry opinion leaders, ESG opinion leaders and surveys of employees and portfolio companies, **the vertical axis of relevance shows the external relevance** that each ESG topic would have in the decisions/assessments of Aurica's stakeholders.

The horizontal axis of internal relevance shows the relevance that each ESG topic would have for Aurica Capital to fulfill its strategy, based on the responses obtained in the interviews with the management team and investors.

The most relevant topics of Aurica Capital are related to governance, which is the ESG aspect that most influences the private capital sector. This does not mean that environmental and social aspects are not considered important, which are also taken into account when making decisions, but governance is the foundation of sustainability in the Aurica Capital sector.

Commitment to Responsible Investment

Aurica Capital has a very clear focus to create long-term value for its investors thanks to a unique market position and specific value creation levers:



Aurica Capital is committed to integrating ESG criteria in the business activity and in the portfolio.

The objective of its Responsible Investment Policy is to formally establish a general framework of action for the integration of responsible investment practices throughout the investment process. Aurica Capital is aware of the impact that investment decisions can have on society and dedicates great effort to acting responsibly.

The objective is to take advantage of the integration of ESG factors in our activity to identify material risks and opportunities in the short and long term. To do this, it relies on the definitions proposed by the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) to develop its materiality analysis to assess ESG factors.

The analysis and prioritization of ESG criteria is integrated into all investment stages through the Responsible Investment Procedure. This Procedure establishes specific guidelines distributed through all investment phases.

During the 2022 financial year, Aurica Capital has reviewed and updated both its Responsible Investment Policy and its Responsible Investment Procedure in order to reflect the methodology used to carry out the materiality analysis of investees based on the Value Reporting Foundation (VRF) and adapt as much as possible the climatic recommendations of the TCFD.

“ ESG is understood at Aurica Capital as a value creation lever



Alliances and transparency

Adherence to the United Nations Principles for Responsible Investment (PRI)

Aurica Capital is a signatory to the United Nations Principles for Responsible Investment (UN-PRI) since February 2016.

These Principles will be maintained throughout the life of the investments and divestments, in order to promote the implementation of the Principles in the daily management of the portfolio. Aurica ensures proper **implementation of the UN-PRI through its Responsible Investment Policy**, which includes, among others, the commitment to incorporate ESG criteria throughout the investment process.

Following the accession of Aurica Capital to UN-PRI, **committed** to the six principles defined therein.

Reports and transparency

Aurica complies with its commitment to transparency as signatories to UN-PRI, and **commits to its investors and stakeholders to regularly inform them of the progress made in matters related to ESG**

- It commits to prepare **this ESG Report** annually to disclose the progress of ESG and its integration into the business both in the manager and in the portfolio.
- Finally, as **UN-PRI signatories**, they commit to publicly report their progress on responsible investment in UN-PRI's annual Transparency and Climate Reports.

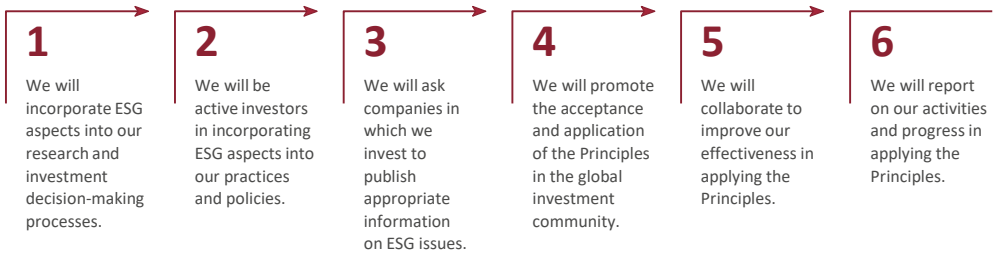
Aurica has published its Transparency Report since 2018 and its Climate Change Report since 2020, a year in which an "A Grade" was obtained in the reports published in 2020 (2019 performance).

In 2022, after a considerable delay, PRI issued the assessments of the 2021 reports (2020 performance) which also included a change in the rating system where Aurica obtained 4* out of 5* (74 in the general module and 89 in the specific one related with PE).

In June, the 2022 Climate and Performance Transparency Reports are expected to be presented, where a notable improvement in ratings is expected for all the initiatives developed since 2020.



Alignment with the principles of Responsible investment



2023 GOALS



Membership and supports

Aurica recognizes that **the integration of responsible investment practices in the Private Equity industry can create an extraordinary positive impact on society and maximize the value of its beneficiaries and investees**. In this sense, Aurica Capital is a member of **Invest Europe** and **SpainCap**, two associations that represent the Private Equity sector in Europe and Spain. Your participation in these two organizations ensures that your political influence as an organization is **aligned with your commitment to the 6 UN-PRI Principles**. His commitment to Spanish Private Equity is demonstrated through his membership of SpainCap's Board of Directors since 2019.



Aurica Capital supports the global framework of the 2015 Paris Agreement, the United Nations Guiding Principles on Business and Human Rights, the Task Force on Climate Related Financial Disclosures (TCFD), the Sustainable Development Goals (SDGs) and the United Nations 2030 Agenda.



Commitment to the Sustainable Development Goals (SDG)

For Aurica it is of great importance to evaluate its contribution to the SDGs, ensuring its **integration into the business model**. Through its activity, it **actively contributes to the following SDGs**:

Contribución de Aurica Capital a los ODS

 <p>Promotes sustained economic growth, higher levels of productivity and technological innovation. Promotes job creation in Aurica Capital and its affiliates, guaranteeing decent work in different activities.</p>	 <p>Invests in innovation as a fundamental engine of economic growth and development. It promotes sustainable industries and investment in innovation, which are important ways to facilitate sustainable development.</p>	 <p>Believes that the SDGs can only be met with strong global partnerships and cooperation. Associations and cooperation with its investees are key to the development of our activity.</p>
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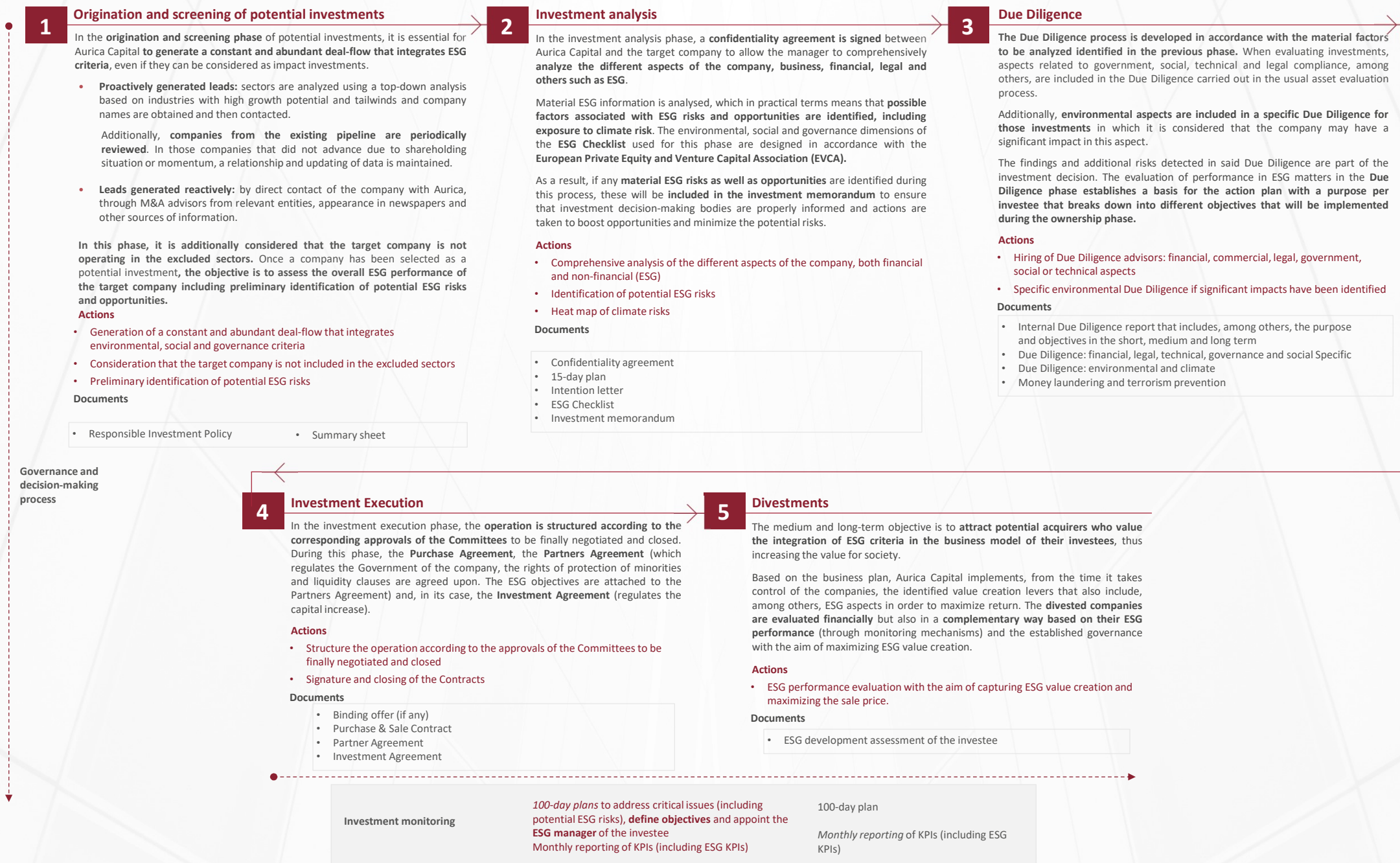
Aurica Capital's Commitment to the SDG Targets.

 <p>Target 8.1: Maintain per capita economic growth.</p>	 <p>Target 9.1: Develop reliable, sustainable, resilient and quality infrastructure to support economic development and human well-being.</p>	 <p>Target 17.1: Strengthen the mobilization of internal resources, in order to improve the national capacity to collect revenue.</p>
 <p>Target 8.2: Achieve higher levels of economic productivity through diversification.</p>	 <p>Target 9.2: Promote inclusive and sustainable industrialization.</p>	 <p>Target 17.14: Improve policy coherence for sustainable development.</p>
 <p>Target 8.8: Protect labor rights and promote a safe and secure work environment for all workers.</p>	 <p>Target 9.3: Increase the access of small industries and other companies to financial services.</p>	 <p>Target 17.16: Multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources.</p>

Note: For future years, the contribution to the SDGs will be defined through specific KPIs.

Finally, an essential aspect of Aurica's contribution to the SDGs is the own contribution of its investees, which is periodically reviewed, monitored and supervised by Aurica Capital (See the "Investee Portfolio" section for more information on the contribution of the portfolio to the SDGs)

Key phases of the Responsible Investment Procedure and integration of ESG aspects



Since 2022, all those companies in which Aurica Capital has invested or is considering to invest in will undergo an ESG Due Diligence process to obtain a better understanding of the company and its business practices. Specifically, the objective is to understand those ESG issues that are relevant to each investee, identify the associated risks and the actions taken to address them. This process is carried out mainly through interviews and the review of internal documents.

ESG Due Diligence creation process

1. Development of an individualized materiality analysis through which the most relevant ESG issues for each investee are identified based on the sector to which they belong, as defined by the *Value Reporting Foundation* (VRF), formed by the *International Integrated Reporting Council* (IIRC) and *Sustainable Accounting Standards Board* (SASB).
2. Carrying out a macro-level analysis of exposure to climate risks, both physical and transition. This analysis is based on the sectoral and geographical risk that the investee has according to different sources.
3. Preparation of a comparative analysis with companies in the same sector, in order to compare the levels of development of each company according to the categories proposed by VRF (Environment, Social Capital, Human Capital, Business Model & Innovation and Leadership & Governance). The categories analyzed group the material factors that apply to each company based on its sector. This phase is carried out through public information Signature and closing of the Contracts.
4. Extensive description of the ESG findings that result from the previous phases of the Due Diligence process, complemented by the documents that accredit and prove the information presented. The information presented in this phase is broken down by the SASB classification.
5. Recommendation of different actions for the constitution of an Action Plan, which includes measures at an environmental, social and governance level. Additionally, for each of these actions, the priority and difficulty of implementation are established, as well as a responsibility proposal on which department should carry them out.
6. Establishment of objectives based on the recommendations of the previous phase, with a 3-year perspective.

Through this method, Aurica Capital has been able to learn more about the most relevant ESG aspects of its new investees in Aurica IV, setting a purpose for each company and drawing up a specific Action Plan for each of them from the beginning of the ownership phase setting short, medium and long term goals.

Investment monitoring

Aurica Capital develops a very proactive monitoring of its investees. In this sense, all companies in the portfolio must report a set of relevant business, financial and ESG indicators on a monthly basis, which allow them to get involved, have a high degree of knowledge about the evolution of the company and maintain a high level of commitment to them. These reports, which are issued on the 20th of each month, are reviewed in detail, including ESG criteria, by the Management Committees of each of the investees, which are held once a month and, by the Board of Directors, which is held quarterly.

The investees' monthly reports include a specific section on ESG KPIs, which allows Aurica Capital to understand how each of the companies is evolving towards more sustainable management and their impact on ESG aspects.

It is important to note that, exclusively for ESG indicators, investees have a specific ESG KPIs evaluation tool and a consolidation and reporting system for said ESG KPIs.

Based on the ESG reports of our investees, Aurica Capital creates an ESG assessment balanced scorecard (covering all portfolio companies) to strengthen the assessment and monitoring of ESG issues holistically and understand sustainability results planned and unplanned. The results are shared with the governing bodies of Aurica Capital and in its own quarterly Reporting Report for investors.



Governance and decision-making process

Aspects of the governance and decision-making process are integrated into the different phases of the Responsible Investment Procedure.

Since its incorporation, Aurica Capital has maintained an investment strategy in the equity of Spanish companies through minority but significant stakes (between 20% and 49%), with a focus on high involvement in the management of the company's assets. In Aurica IV, majorities may also be made opportunistically, but always with a focus on accompanying entrepreneurs in their growth plans.

As described in the "Management and Governance Approach" section of this report, Aurica Capital has a presence on the Board of Directors and on the Management Committee of its investees with a high capacity to influence decision-making. In addition, Aurica Capital strengthens the Management Team with the objective of implementing transformational business plans.

Finally, Aurica Capital has specific governing bodies such as the Investment Committee and Advisory Council of each fund, the Board of Directors of the SCR, SA vehicles that it manages, the Board of Directors of Aurica Capital, the Executive Committee and the ESG Committee and Climate.



Calculation of Aurica Capital's carbon footprint and emission reduction targets

Based on the targets set for 2022, Aurica Capital has also calculated its carbon footprint. Aurica Capital's carbon footprint is made up of the manager's own Scope 1, 2 and 3 emissions, which are disclosed using the **Greenhouse Gases** Methodology (GHG Protocol), which is the most widely used international tool for calculating and communication of the emissions inventory. The Scope 3 emission categories that are taken into account are "Leased Assets" (where rental car trips would enter), "Business travel" (which takes into account the estimated emissions from air and train travel) and "Investments". This last category, which is the most relevant for Aurica Capital, is made up of the Scope 1 and 2 issuances of its investees.

Regarding electricity (Scope 2), Aurica reports its emissions using the Market-based method. Following this method, renewable energy has no associated emissions and, for non-renewable electricity, the residual mix of each country where the investees operate is used. In the event that the residual mix is not available for any country, its energy mix has been used.

With all this, Aurica Capital's carbon footprint would be as follows:

Type of emissions (in Tn CO2 eq)	Scope 1			Scope 2	Scope 3							Total (Scope 1, 2 y 3)	% Total (Scope 1, 2 y 3)	
	Scope 1 (portfolio)				Scope 2 (portfolio)		Scope 3 (Asset Manager)							
Company	Gasoil	Natural Gas	LNG	Electricity	Gasoil	Natural Gas	Gasoline	Diesel fleet	LNG	Electricity	Renting cars	Train and plane		
Asset manager														
Aurica Capital	-	-	-	1,580	-	-	-	-	-	-	18.42	1,223.01	1,243.00	8.5%
Portfolio														
Delta Tecnica	-	-	-	-	-	-	-	-	-	787.80	-	-	787.80	5.39%
Flex	-	-	-	-	0.00	523.28	-	368.40	-	2070.38	-	-	2,962.06	20.26%
Winche	-	-	-	-	0.00	-	250.76	1681.21	132.35	0.00	-	-	2,064.32	14.12%
Agrosol	-	-	-	-	728.23	5,264.29	-	-	-	652.65	-	-	6,645.16	45.45%
Larrumba	-	-	-	-	-	236.66	11.89	-	-	396.76	-	-	645.31	4.41%
Samy	-	-	-	-	-	-	-	-	-	0.43	-	-	0.43	0.00%
BABEL	-	-	-	-	0.42	-	-	2.39	-	263.12	-	-	265.94	1.82%
t26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educa Edtech	-	-	-	-	-	-	-	8.17	-	0.00	-	-	8.17	-
Total	-	-	-	1,580	728.6	6,024.2	262.6	2,060.2	132.3	4,171.1	18.4	1,223.0	14,622.2	100%
	-			1,580	14,620.6								14,622.2	100%

TCFD Action taken based on TCFD recommendations. Pillar of Metrics and objectives.

Once the carbon footprint of Aurica Capital has been calculated, a **comparison has been made between the Scope 1 and 2 emissions of the investees with the results of the calculation of the previous year**. In general, **most investees have managed to reduce their emissions, reducing emissions by 17% compared to 2021**. Regarding the analysis, the following should be noted:

- **Samy** has gone from having 10 to 15 offices around the world, consequently it has increased its emissions. However, its footprint is minimal.
- **Agrosol's** emissions have been affected by a significant reduction in natural gas consumption due to milder temperatures and the notable increase in prices derived from the inflationary spiral of energy prices.
- **Flex** has managed to reduce its emissions thanks to a 26% reduction in its total fuel consumption, having significantly limited its consumption of natural gas in the production process and painting of metal structures.
- **Educa Edtech** has a totally sustainable building and does not emit gases of any kind, since it uses entirely renewable energy.
- **T26** currently does not monitor its energy consumption, but objectives have been established for the company to start doing so.

In 2021, Aurica Capital established **emission reduction targets for 2026** in the investees that emit the highest percentage of the total and that represent 86% of the total emissions of the portfolio. For those investees with a weight of less than or equal to 6%, emission reduction targets have not been established. Although Aurica Capital is **not committed to the Science Based Target Initiative (SBTi)** association, it did use its public tool* when setting the objectives, analyzing each case individually to see if the investees could achieve objectives aligned with this association a **well -below 2°C (WB2C)** for the year 2026 with base year in 2021.

Data in TnCO2eq**	2021			2022			Variability			Weight	Objectives	Recommendations for the objectives
	Scope 1	Scope 2	Scope 1 + 2	Scope 1	Scope 2	Scope 1 + 2	Scope 1	Scope 2	Scope 1 + 2			
DeltaTecnica	0.0	955.4	955.4	0.0	787.8	787.8	0%	-18%	-18%	5.9%	Emission reduction targets have not been established as they are not very relevant	NA
Flex	1,106.1	2249.4	3,355.4	891.7	2,070.4	2,962.1	-19%	-8%	-12%	22.1%	Reduce Scope 1 + 2 emissions by 12.5% by 2026	· Investing in sustainable machinery for mattress manufacturers. · Increase the percentage of use of renewable energy.
Winche	2,125.5	0.0	2,125.5	2,064.3	0.0	2,064.3	-3%	0%	-3%	15.4%	Reduce Scope 1 + 2 emissions by 12.5% by 2026	· Reduce car trips. · Increase the fleet of electric or LPG vehicles.
Agrosol	8,308.2	597.7	8,905.9	5,992.5	652.6	6,645.2	-28%	9%	-25%	49.7%	Reduce Scope 1 + 2 emissions by 12.5% by 2026	· Reduce heating consumption. · Reduce consumption of raw materials.
Larrumba	246.0	354.1	600.1	248.5	396.8	645.3	1%	12%	8%	4.8%	Emission reduction targets have not been established as they are not very relevant	NA
Samy	0.0	0.275	0.3	0.0	0.4	0.4	0%	56%	56%	0%	Emission reduction targets have not been established as they are not very relevant	NA
Babel	1.0	240.4	241.3	2.8	263.1	265.9	186%	9%	10%	2.0%	Emission reduction targets have not been established as they are not very relevant	NA
T26	NA	NA	NA	-	-	-	-	-	-	-	Not calculated	NA
Educa Edtech	NA	NA	NA	8.2	0.0	8.2	0%	0%	0%	0.1%	Emission reduction targets have not been established as they are not very relevant	NA
Total	11,787	4,397	16,184.0	9,208	4,171	13,379	-22%	-5%	-17%	100%		

TCFD Action taken based on TCFD recommendations. Pillar of Metrics and objectives.

*Source: SBTi Tool- <https://sciencebasedtargets.org/wp-content/uploads/2018/11/SBTi-tool.xlsx>
** The issues for 2021 are not the same as in Aurica Capital's ESG report last year due to the homogenization of the calculations. Additionally, there are differences between the 2022 emissions calculated for Babel and Flex and those reported in their EINF due to the use of different calculation methodologies. T26 currently does not calculate their consumption, although targets have been set for them to start doing so in 2023.

Climate risk assessment

For Aurica it is a priority to prepare its business for the future and develop a resilience that guarantees long-term financial sustainability. Therefore, it is important to understand the potential impact of future climate scenarios, the physical and transition risks of climate change for investees, together with proactive adaptation plans and strategic investment. Working together with investees preventively, the objective is to minimize negative impacts and enhance opportunities.

In this context, Aurica Capital has committed to implement the recommendations of the TCFD in its financial disclosure practices to improve transparency and understanding of risks and opportunities related to climate change by identifying, assessing and managing these risks and opportunities, and to provide relevant information to investors, investees and other interested parties.

Thus, in 2022, a pilot test for the implementation of the TCFD recommendations was developed for Agrosol, given that it is the investee with the greatest exposure to climate change. As a starting point, some of the objectives established in the implementation plan have been considered. 3 years defined in the year 2022.

Assessment of Agrosol's physical risks and opportunities









In 2022, climate risks have been identified and evaluated for all Agrosol farms, incorporating the analysis of 3 climate scenarios according to the Intergovernmental Group of Experts on Climate Change (IPCC). These scenarios represent different projections of the climate change situation called *Representative Concentration Pathways* (RCPs), classified according to greenhouse gas emissions.

Specifically, **RCP 2.6**, **RCP 4.5** and **RCP 8.5** have been selected, as well as two horizons that cover the period from the present to 2060 for Agrosol (**2021-2040**) and (**2041 - 2060**).

Physical risks and temperature scenarios in 2100	
+2°C (RCP 2.6)	RCP 2.6 sets out an emissions pathway and trajectory that is generally aligned with the goals of the Paris Agreement to limit global warming to less than 2°C, preferably 1.5°C by the year 2100, compared to levels pre-industrial.
+2,5°C (RCP 4.5)	RCP 4.5 is an intermediate scenario with emissions peaking in the year 2040 and then rapidly falling through 2080.
+4°C (RCP 8.5)	RCP 8.5 is the most pessimistic scenario consistent with no policy change to reduce emissions, where CO2 concentrations in the atmosphere roughly double by 2050 and continue on that path through 2100.

The analysis carried out has covered the following points:

- Identification of the main climatic hazards, as well as those that may present an opportunity.
- Analysis of the risks and opportunities identified as most relevant.
- Evaluation of the same in economic terms.
- Identification of adaptation measures for risks and establishment of development plans for opportunities.

Physical risk or opportunity*	Risk level		Potential impact	Impact management
	Medium term	Long term		
Temperature variability			<ul style="list-style-type: none">• The progressive increase in temperatures increases the incidence of pests and diseases in crops.• Increase in the water demand of crops, the availability of which may be reduced, forcing a greater quantity of water to be supplied from desalination plants.• Reduction of gas and fuel consumption in heated farms.	<ul style="list-style-type: none">• Investment in R+D+i (or failing that, strategic alliances with institutions, such as universities) is highly recommended in order to find varieties of commercial interest that are more resistant to the most common pests and diseases.
Rainfall variability			<ul style="list-style-type: none">• Rainfall variability also affects environmental relative humidity, which together with temperature is considered a key factor for the development of fungal diseases.• The level of the aquifers will drop, a fact that will cause the water supply to decrease.	<ul style="list-style-type: none">• Maintain populations of beneficial insects in order to better control the most common pests and diseases.• Leverage on the knowledge of R+D+i to be able to find varieties better adapted to the variation in water and less demanding of this resource.• To combat the possible shortage or lack of water supply, desalination plants are available.
Resource management			<ul style="list-style-type: none">• Technology is a key element for the mitigation of climate change since by obtaining data it allows better planning of resources, such as fertilization tasks and using only what the crop needs, minimizing the emissions that are generated.	<ul style="list-style-type: none">• Improve the management of water and soil resources thanks to new technological tools such as the Internet of Things (IoT) to optimize production and crop resilience.
Energy management			<ul style="list-style-type: none">• The impact it has on the energy efficiency of the crop (anticipating energy demand), since variables such as temperature are essential for the management of the different crop cycles.	<ul style="list-style-type: none">• Efficiency in maintaining the temperature in greenhouses and investment in renewable energy.

*The results shown correspond to the most pessimistic scenario (RCP 8.5)

Low risk		Medium risk		High risk		Opportunity	
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Assessment of Agrosol transition risks and opportunities

The nature of the risks and opportunities depends not only on the physical aspects of climate change, but also on the regulatory and commercial ones in the markets in which it operates, the pressures to reduce the carbon footprint and the ability to shape a culture of climate action.

To better understand the financial consequences of the transition towards a low carbon economy for Aurica and its investees, the main regulatory, market and commercial challenges posed by climate change have been evaluated (at the level of Agrosol and its products). according to the scenarios provided by the IEA.

As regards these transition risks, the community agricultural sector shows concern about what the conditions and requirements for its activity that may arise, mainly, from the so-called "Green Deal" or European Green Pact, may mean for its competitiveness in the markets. a context in which the EU continues to open up trade with third countries.

Although the current **European Union Emissions Trading System (EU ETS)**, which is the main mechanism of European climate policy since 2005, does not apply to agriculture, but it does, to its supply chain, for example, the fertilizer industry. The scope of application of this regime is limited to the European Union, which is why the **Carbon Emissions Border Adjustment Mechanism (CBAM)** is recently being implemented, which would mean that foreign companies that export products to the EU would also pay the same price for emission rights as in the European market, depending on the carbon emitted during the production process affecting imported fertilizers.

This double penalty for farmers could be unsustainable, considering the current and predictably rising prices of fertilizers, which are already at all-time highs, with the cumulative effects of the COVID crisis and the war in Ukraine.

In this context, the following conclusions have been obtained:

Transition risk or opportunity*	Risk level		Potential impact	Impact management
	Medium term	Long term		
Increase in the price of raw materials	●	●	<ul style="list-style-type: none">Potential increase in the cost of agricultural products as a result of increased competition for agricultural commodities and dwindling resources.There are fewer and fewer active substances authorized to be incorporated into phytosanitary products to combat pests and diseases.Implementation of the CBAM taxes imports of products with a high CO₂ content, a factor that affects the consumption of fertilizers.	<ul style="list-style-type: none">Promote a sustainable production model from all points of view, economic, social and environmental.Adopt a more proactive attitude and abide by more restrictive production standards such as, for example, organic production, since they present greater carbon sequestration and the emissions of the products allowed to be used are lower than in the conventional case.
Regulation	●	●	<ul style="list-style-type: none">European strategies "From farm to table" and Biodiversity 2030 set objectives such as reducing the use of phytosanitary products by 50% and requiring that 25% of agriculture be organic.Less margin to switch treatments: pests and diseases can generate resistance, which means an increase in operating costs.	<ul style="list-style-type: none">Assess risk exposure and stay informed about climate regulation.Establish objectives and goals while identifying opportunities for innovation and strategic collaboration.Integrate climate risks into business strategy.
Reputation	●	●	<ul style="list-style-type: none">Reputational transition risk can damage the image of the company if it fails to contribute satisfactorily in the transition to an economy with low carbon emissions and respectful of the environment.	<ul style="list-style-type: none">Adoption of green practices and achieve sustainability certifications to improve the company's reputation.

*The results shown correspond to the most pessimistic scenario (RCP 8.5)

Low risk

●

Medium risk

●

High risk

●

Opportunity

●



Materiality analysis of our portfolio

In financial year 2022, Aurica Capital has not only carried out its own materiality analysis as a manager but also at investee level to find out the main material issues related to ESG, including climate aspects.

To carry out the materiality analysis, the sectors in which Aurica Capital's investees operate and those material issues were identified based on the relevant aspects for each sector assigned by the *Value Reporting Foundation* (VRF), an entity that emerged from the SASB merger. and “Integrated Reporting”.

The sectors and relevant aspects identified for each of the investees according to the VRF materiality map are the following:

Company	Sector	Environmental	Social		Governance	
		Environmental	Social Capital	Human Capital	Business model and innovation	Leadership and governance
Delta Tecnica	Chemicals	<ul style="list-style-type: none"> GHG emissions Air quality Energy management Water and wastewater management Waste and hazardous material management 	<ul style="list-style-type: none"> Human rights and relationship with communities 	<ul style="list-style-type: none"> Employee health and safety 	<ul style="list-style-type: none"> Product design and life cycle management 	<ul style="list-style-type: none"> Management of the legal and regulatory environment Critical incident risk management
Flex	Construction products and furniture	<ul style="list-style-type: none"> Energy management 	<ul style="list-style-type: none"> Product safety and quality 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Product design and life cycle management Supply chain management 	<ul style="list-style-type: none"> N/A
Winche	Commercial and professional services	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Data security 	<ul style="list-style-type: none"> Employee engagement, diversity and inclusion 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Business ethics
Agrosol	Agriculture products	<ul style="list-style-type: none"> GHG emissions Energy management Water and wastewater management 	<ul style="list-style-type: none"> Product safety and quality 	<ul style="list-style-type: none"> Employee health and safety 	<ul style="list-style-type: none"> Supply chain management Material sourcing and efficiency 	<ul style="list-style-type: none"> N/A
Grupo Larrumba	Restaurants	<ul style="list-style-type: none"> Energy management Water and wastewater management Waste and hazardous material management 	<ul style="list-style-type: none"> Product safety and quality Customer wellbeing 	<ul style="list-style-type: none"> Labor practices 	<ul style="list-style-type: none"> Supply chain management 	<ul style="list-style-type: none"> N/A
Samy	Advertising and marketing	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Customer privacy Sales practices and product labeling 	<ul style="list-style-type: none"> Employee engagement, diversity and inclusion 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Babel	Commercial and professional services	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Data security 	<ul style="list-style-type: none"> Employee engagement, diversity and inclusion 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Business ethics
T26	Digital marketing	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Customer privacy Sales practices and product labeling 	<ul style="list-style-type: none"> Employee engagement, diversity and inclusion 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Educa Edtech	Digital education	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Data security Customer wellbeing Sales practices and product labeling 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Competitive behavior

Climate risk analysis of our portfolio

During the 2021 financial year, a first approximation was made to **identify the level of climatic risks, both physical and transition at the macro level** for each of company of our portfolio. The climate risk levels of the portfolio companies were established based on their sectoral and geographic risk components. For the **sectoral aspect** of the risks, the information from the MSCI and the CSA/DJSI questionnaire were taken into account, and for the **geographical aspect** of the risks, the ND-GAIN Country Index and the Energy Transition Index (ETI)* were used.

Once the possible risks of each sector and geography were identified, the information from all sources was weighted to identify the level of climate risk of each investee and generate the following **matrix of physical and transition climate risks**.

Physical risks derived from climate change

- Acute:** event-driven exposures, including increased severity of extreme weather events (cyclones, hurricanes, floods, etc.); and
- Chronic:** long-term changes in weather patterns (sustained higher temperatures) that can lead to, for example, rising sea levels or chronic heat waves.

Delta Tecnica	Flex	Winche	Agrosol Export	Grupo Larrumba	Samy	BABEL	T26	Educa Edtech
Medium	Low	Low	Medium	Low	Low	Low	Low	Low

Transition risks resulting from the transition to a low carbon economy

- Policy and legal:** the evolution of regulations and possible litigation or legal risks;
- Technology:** technological improvements or innovations that support the transition to an economic system with lower carbon emissions and energy efficiency;
- Market:** the effects of climate change on supply and demand; and
- Reputation:** change customer or community perceptions of climate considerations.

Delta Tecnica	Flex	Winche	Agrosol Export	Grupo Larrumba	Samy	BABEL	T26	Educa Edtech
Medium	Medium	Low	Medium	Low	Low	Low	Low	Low

TCFD Action taken based on TCFD recommendations. Risk Management Pillar.

Aurica Capital is going to use this **climate risk matrix** to dig deeper into the risks. In all those investees with a **medium or higher level of climate risk**, regardless of whether it is physical or transitional (Agrosol Export, Flex and Delta Tecnica), and will carry out a **micro-level analysis** in order to **identify the risks of specific climatic conditions** that affect said portfolio companies. Additionally, Aurica Capital is also considering carrying out an **opportunity analysis** of these companies to reduce the climatic risks that affect them. An example of the climatic risk analysis methodology is the case of the pilot test carried out for Agrosol, previously explained.

The conclusions of this analysis regarding the new investments of Aurica IV, **companies with low physical and transition risks**, show that Aurica continues to **invest in companies that do not have a negative impact on the environment**.

*Sources:

MSCI: <https://www.msci.com/our-solutions/esg-investing/esg-ratings/materiality-map>

CSA // DJSI: https://portal.csa.spglobal.com/survey/documents/CSA_Weights.pdf

ND-GAIN Country Index: <https://gain.nd.edu/our-work/country-index/>

ETI: <https://www.weforum.org/reports/fostering-effective-energy-transition-2021/in-full/rankings>





Our portfolio

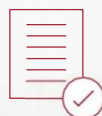
Summary

	Main ESG issues	ESG opportunities for 2023
 Chemical industry	<p>Delta Tecnic has a comprehensive policy approach that covers quality, the environment and accident risk prevention. The organization manages the generation of waste, with a revaluation rate of 26%. In addition, the company performs an internal calculation of its carbon footprint. Delta prepares an annual CSR Report.</p>	<ul style="list-style-type: none"> Speed up environmental management, specifically towards reducing energy consumption, reducing CO₂ emissions and waste management. Promote initiatives that support diversity and gender equality.
 Mattresses and rest equipment	<p>The company performs a great control in relation to its suppliers. It has initiatives in Iberia to develop mattresses with recycled materials with the aim of rationalizing the environmental impact. The initiative is aligned with the global objective of increasing the recyclability of used mattresses.</p>	<ul style="list-style-type: none"> Develop an ESG policy that includes relevant aspects of the environment, society and corporate governance. Develop governance and human resources policies to formalize current practices in the organization.
 Commercial networks	<p>Winche has a fleet of non-electric vehicles (cars and motorcycles), although they run on liquefied gas. In addition, 100% of the electricity consumed is of renewable origin. On the social side, the company favors a very meritocratic promotion system and the headquarters have a "paperless office" policy. The organization participates in the Movember campaign to fund men's health programs.</p>	<ul style="list-style-type: none"> Develop governance and human resources policies to formalize current practices in the organization. Introduce electric vehicles in the fleet in order to reduce Scope 1 emissions. Designate a Sustainability / ESG manager.
 Agriculture	<p>Agrosol Export has 200 hectares in production, of which 52 hectares are organic greenhouses and 60 hectares are high-tech. It has measures to protect biodiversity such as integrated pest control and biocontrol systems in conjunction with natural pollination. Agrosol Export has developed industrial cogeneration with energy saving systems where heat is used in high-tech greenhouses and CO₂ is injected into the plants. The organization has implemented more efficient irrigation systems with rainwater recovery and irrigation mechanisms. In 2021, solar panels were implemented to increase the consumption of renewable energy and remain active today.</p>	<ul style="list-style-type: none"> Establish environmental and social requirements for suppliers, including the existing business activities coordination document. Establish an environmental policy that consolidates guidelines and practices on the matter.

	Main ESG issues	ESG opportunities for 2023
 Hotels and restaurants	<p>During 2022, the practice of health and well-being initiatives for employees began to be implemented, through the creation of healthy menus. On the other hand, the company continues to develop various social initiatives such as the "Solidarity Dessert" (donation of 15 cents to the Emailakat Foundation for each dessert purchased in a Group restaurant), and collaborates with various foundations to support people at risk of exclusion people with disabilities and help fight hunger by donating food to the Auara Foundation.</p>	<ul style="list-style-type: none"> Designate a centralized environmental manager at the group level, to develop a comprehensive vision and management of environmental aspects. Designate a centralized environmental manager at the group level, to develop a comprehensive vision and management of environmental aspects. Develop a plan to save energy and water consumption
 Digital marketing	<p>This company is an example of gender diversity, with 62% women in the general workforce and 41% women in the "Directors and Managers" category. Given Samy's digital business model, the impact on the environment is very limited.</p>	<ul style="list-style-type: none"> Create a supplier evaluation process that considers environmental, social and governance aspects, in addition to monitoring the number of local suppliers. Consider creating a customer complaint management system.
 Technology consulting	<p>The organization has human resources and governance policies as well as data protection in projects and aims to seek the happiness of its employees. Given Babel's digital business model, the impact on the environment is very limited. Even so, they have an external manager of electronic waste. Babel annually prepares a Sustainability Report.</p>	<ul style="list-style-type: none"> Develop a common comprehensive framework in all offices that encompasses elements of all ESG aspects to measure and consolidate relevant KPIs. Further reduce the carbon footprint by offsetting emissions.
 Marketing digital	<p>t26 is a digital marketing company with a consolidated international presence. It has 100% of the workers with permanent and full-time contracts, in addition to having a Human Resources Policy, in addition to other corporate governance policies and measures.</p>	<ul style="list-style-type: none"> Develop and use a monitoring system for the KPIs of the established consumption objectives. Conduct a pay gap analysis to develop an action plan to reduce the pay gap.
 Online education	<p>Educa Edtech seeks to democratize access to education and is committed to knowledge transfer, technological development and research. On the environmental side, its impact is very limited, since it also has a highly qualified and sustainable building. Socially, the company has numerous policies and its employees have unlimited access to the learning platform.</p>	<ul style="list-style-type: none"> Create a human resources policy and an ethical code that include issues such as human rights, discrimination, etc.

During 2022, the ESG aspects of last year have continued to be monitored, in addition to including several interesting new indicators for stakeholders. Additionally, different ESG objectives have been developed, as well as action plans that serve as a guide with the purpose of meeting them for each of the companies in the portfolio.

In addition, the main aspects of ESG and the opportunities for 2023 in all investees have continued to be defined in a preliminary manner.



85% of the objectives for 2022 fulfilled

The portfolio companies have a specific ESG reporting and consolidation system that allows Aurica Capital to monitor how companies are evolving towards more sustainable management and their impact on ESG aspects.

Aurica Capital's commitment to its investees is to identify the opportunities and risks of the ESG universe and provide them with all the support they may need to progressively improve in terms of ESG integration.

Environmental managemet

	Delta Tecnica	Flex	Winche	Agrosol Export	Grupo Larrumba	Samy	BABEL	T2ó	Educa Edtech
General overview									
Environmental manager	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes
Environmental policy	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes
Measures for climate change mitigation	Yes	No	No	No	Yes	No	Yes	No	No
Environmental procedures and certifications	ISO 14.001	ISO 14.001, FSC	No	Environmental Management Plans	Yes	No	ISO 14.001 / ISO 14.064	No	ISO 14.001
KPIs									
Total fuel consumption (kWh)	0	4,114,731.88	8,692,447.08	28,861,943.61	1,222,335.82	0	11,566.84	NA	33,869.34
Electricity consumption (kWh)	4,150,688	7,344,483	63,597	2,735,755	2,816,000	1,740	1,160,159	NA	58,652
CO ₂ emissions (tCO ₂)	787.8	2,962.1	2,064.3	6,645.2	645.3	0.4	265.9	NA	8.2
Water consumption(m ³)	2,663	24,233	452	712,898	65,000	525	2,261,651*	NA	240
Raw materials consumption	Paper, pigments, additives, resins	fiber, cloth, wood, steel, glue, foam	Paper	Plastic, fertilizer, insecticides and pesticides	Paper	Paper, plastic	Paper	NA	Paper
Waste (kg)	441,100	3,672,000	Not significant	1,039,000	79,392	Not significant	Not significant	NA	23

* Babel's water consumption is included in the rental contract and this calculation is an estimate



66% Portfolio with environmental manager



55% Portfolio with environmental policy



0 Significant environmental impacts



55% Companies use renewable energy



13,379 tCO₂ emissions

Social management

			Delta Tecníc	Flex	Winche	Agrosol Export	Grupo Larrumba	Samy	BABEL	T2ó	Educa Edtech
General	General overview	Employee location	ES	ES, PT, UK, CA, BR, CL, US	ES	ES	ES	ES, UK, BR, CL, US, CO, MX, AR, PE	ES, PT, CL, MX, MA	ES	ES
		Promotion of diversity in the organization	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
		Employment of people at risk of poverty or social exclusion	No	No	No	Yes	Yes	No	No	Yes	No
	KPIs	Number of employees	204	2,139	543	363	705	410	2,727	277	387
		% covered by collective agreement	100%	95%	100%	100%	100%	26%	100%	100%	99.7%
		Employees with disabilities	0	4	4	5	2	0	13	3	2
Health & safety	General overview	Health and safety policy or other certifications	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	KPIs	Accidents with sick leave	13	63	8	24	45	0	0	0	76
		Hours of absenteeism (excluding maternity/paternity leave)	263,60 5	212,559**	44,889	18,432	NA	4,696	42,013	12,604	16,248
Social contribution	General overview	Collaboration with social initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Customers & suppliers	General overview	Customer satisfaction monitoring	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
		Product / service with a greater positive impact on women	No	Yes	No	No	No	No	No	No	Yes
		Supplier contracting policy	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes
		Materials / services from local suppliers	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



7,755 employees
38% are women



95% Employees covered by collective agreement



77% Companies with a health and safety policy



100% Companies with social contribution initiatives



66% Companies with measures for supplier management

Notes on the methodological approach :

CO₂ emissions (tCO₂): Estimates have been made to calculate CO₂ emissions, with a conservative approach and conversion factors from official institutions.

	Delta Tecníc	Flex	Winche	Agrosol Export	Grupo Larrumba	Samy	Babel	T2ó	Educa Edtech
General overview									
Materiality analysis	Yes	Yes	No	No	No	No	No	No	No
Code of ethics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Harassment Protocol/Policy	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
KPIs									
CEO is a woman	No	No	No	Yes	No	Yes	No	No	No
Training hours	4,148	7,118	1,532	525	798	82	10,948	30	35,547
Sanctions and cases of violation or discrimination of human rights	-	-	-	-	-	-	-	-	-



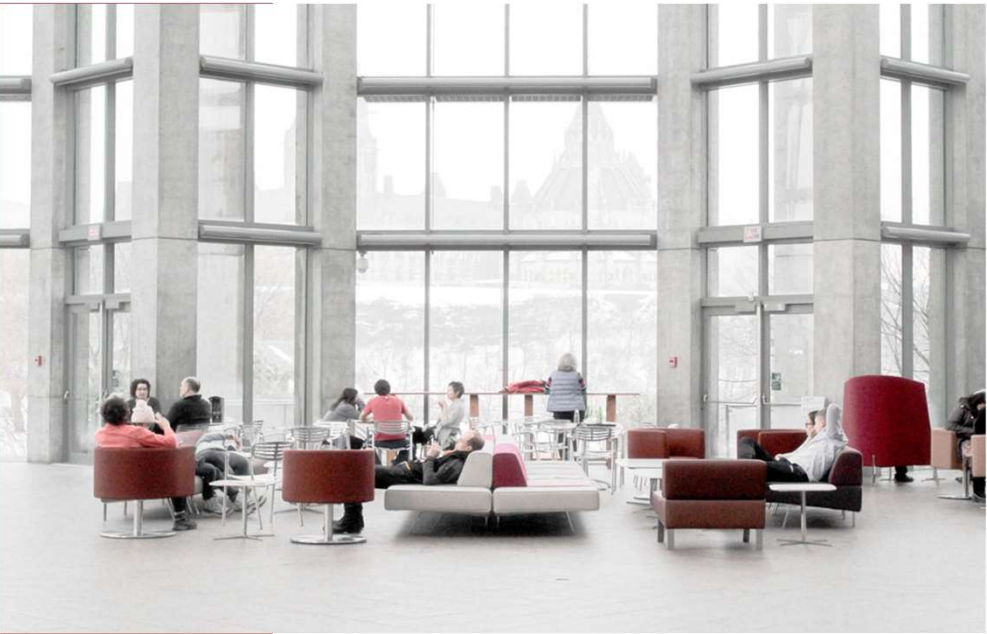
100% Companies
with Code of Ethics.



100% Companies that
provide training
44% provide specific training
in ESG



0 Sanctions and cases of
violation or discrimination
of human rights.



Delta Tecnic is focused on becoming a technological partner in the development of products for its clients. The organization formulates solutions with the highest quality of service, with the aim of optimizing the processes of its clients and providing in-depth knowledge of the market and innovation.

Specifically, the company is dedicated to the **production and marketing of color concentrates** (masterbatches for the cable and PVC industry) in more than **50 countries** for the **plastic sector**, as well as the **distribution of color concentrates and other pigments** of international brands in the Iberian Peninsula.

Delta Tecnic is convinced that the **implementation of voluntary management systems for quality, environment and risk prevention** such as ISO 9001, ISO 14001 and OHSAS 18001 standards are vital for the growth of the organization and its continuous improvement, thus **ensuring a level of quality that allows them to achieve a rapid development and full customer satisfaction**.



Sector
Chemical industry



Headquarter
Barcelona



Year of investment
2017



204
employees



26%
of women
38%
of women Directors & Managers



ESG Manager

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- The company has appointed an **environmental manager** and has resources dedicated to the **prevention of environmental risks**.
- Delta Tecnic has an **integrated policy approach that covers quality, the environment and accident risk prevention**. With this, the company has the ISO 14,001 and OHSAS 18,001 certificates.
- The company does not consume any type of fuel, so it **does not have scope 1 emissions**.
- The organization has future plans to carry out various **sustainability projects** in the company. In 2021, planning began for the installation of **photovoltaic panels** on the roof of its plants in Barcelona and Mexico in order to use more renewable energy. On the other hand, it is expected that during the year 2022 the refrigerators will be replaced by new ones, aiming for a **significant reduction in the energy consumed**.
- Delta Tecnic performs an **internal calculation** of the carbon footprint. In 2023, it is planned to carry out the calculation in a much more concrete way at the product family level.
- The organization manages its generation of waste and is currently at a **recovery rate of 26.7%**.
- In 2022, the company has carried out an analysis of the main environmental risks and business opportunities together with the creation of a risk prevention plan.
- A climate policy has been created that contributes to the mitigation of climate risks.

Main indicators



Environmental manager



26.7% waste recovery



Environmental Policy



Internal calculation of the carbon footprint

Social

- The company develops **various initiatives to ensure engagement**, talent retention and personal life balance. In addition, the organization carries out **employee surveys** to assess their commitment.
- Delta Tecnic has an **equality and harassment protocol** that begun to be reviewed in 2021 to include aspects related to discrimination.
- The company has a **health and safety policy** and promotes a healthy lifestyle. Additionally, they have the **ISO 45,001 certificate for Occupational Health and Safety Management Systems**.
- Delta Tecnic develops several **social contribution projects**, **sponsoring local sports teams and making donations to social entities** such as "Marathon TV", "Seeliger y Conde Foundation", "AMPANS Foundation" and "Multiple Sclerosis Foundation".
- The company has a **complaints system for its customers** and has specific measures to address their health and safety and **periodically evaluates the level of customer satisfaction** by sending surveys that assess aspects related to the quality of service.
- 70% of their suppliers are local.
- Delta Tecnic has a **supplier hiring policy and evaluation process**, in which they measure their environmental impact and their possible risks. They must be aligned with the Ethics and anti-corruption code which gives each supplier one of the following categories :
 - Optimal supplier.** No action required.
 - Indifferent provider.** An improvement action plan will be required.
 - Poor provider.** An improvement action plan will be required and they will be prone to being fired as a supplier.

Main indicators



Health & Safety Policy



Social contribution projects



Customer satisfaction management



Supplier contracting policy and supplier evaluation process



Harassment protocol

Governance

- Delta Tecnic has a **Code of ethics and HR Policy** that covers aspects related to human rights, a remuneration policy, a compliance framework, an **ESG Policy**, a **Code of conduct** and a **Corruption and Anti-Bribery Policy**.
- The company has set **ESG targets** and it regularly monitors **ESG issues**.
- Different mechanisms are used to engage with the company's interest groups** (town hall, local communities, local associations, etc.).
- Delta Tecnic has a public **CSR Report** and shares an **annual sustainability report**.

Main indicators



Highlighted initiatives

Social Fund for Delta Tecnic Workers

In 2010, Delta Tecnic implemented a **Social Fund** available to help its employees. This Fund is distributed annually among all workers who are entitled to receive aid. The Fund is distributed in the following order of preference :

- Serious illness of the worker himself.
- Operation record of a close relative.
- Children over 16 years of age with disabilities.
- Staff with dependent children and school age (0 - 16 years).

Prizes for the best improvement proposals

Since 2001, Delta Tecnic has awarded prizes to the best improvement proposals suggested by workers in the areas of Quality, Environment and Prevention.

Commemorating the years of service of its employees

"Our strength is in our people." For this reason, Delta Tecnic recognizes and thanks its employees on their most important **service anniversaries** by publishing an announcement in the staff newsletter and presenting commemorative plaques.

Alares family service

In 2016, Delta Tecnic contracted the **Delta Familiar** package of the **Alares Social** service that offers assistance to all workers, their partners, children, parents and parents of a partner who wish to reconcile work and family life.



Main social initiatives



100% 2022 ESG goals achieved

Qualitative

- Develop a Human Resources Policy that includes: Human Rights, diversity, discrimination, harassment and abuse.
- Carry out the calculation of the carbon footprint of scope 1, 2 and 3 for the year 2022.
- Implement a monitoring system and partnerships to follow the applicable legal requirements.

Quantitative

- Reduce energy consumption by 5% based on the previous year.
- Increase the recovery of waste compared to the previous year.

ESG goals for 2023

Qualitative

- Consider engagement practices consisting of regular follow-up meetings with employees.
- Periodically review the wage gap by putting the current equality plan into practice.
- Promote initiatives at the corporate level aimed at promoting diversity and gender equality.

Quantitative

- Increase the consumption of renewable energy by 15%.
- Promote corporate volunteering in order to increase hours to 5 hours per employee.



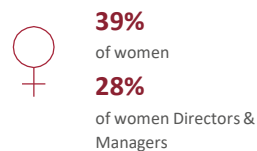
Flex is a company dedicated to the **manufacture and distribution of mattresses and other equipment** with **international presence** and a portfolio of 495 suppliers of raw materials and merchandise.

At the end of 2022 Flex had **operations in Spain, Portugal, the United Kingdom, Chile, Brazil, Canada, the United States and Cuba**, among others. In all these countries, except for Canada, the company has equipment production centers and it also markets its products. In 2022 they acquired SCHRAM to serve the DACH market.

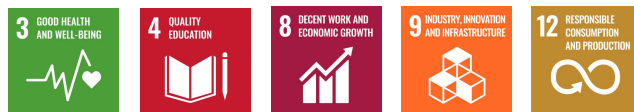
Flex is an international company that supports a **company model with the following objectives** :

- Customer satisfaction.
- Professional development of the team.
- Creation of value for stakeholders.
- Integration with local communities.

The **organization is committed to excellence in management and constant innovation**, ensuring integrity and ethics in all actions, respect for people, defense and protection of the environment, and the reliability of its products and services.



Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- It has an **environmental policy** and an **environmental manager** in the organization with a team in each factory **supervising environmental aspects**.
- It has taken the initiative to **develop mattresses with recycled materials with the aim of rationalizing the environmental impact**. This initiative has been launched in Iberia and will be extended internationally. In addition, the product is aligned with the global objective of **increasing the recyclability of used mattresses**.
- Flex has the **ISO 14.001** environmental certificate as well as the **FSC**, which indicates that the wood used comes from forests in which good practices are ensured when using them.
- Flex **identifies the possible environmental impacts** that its activities may cause in order to minimize them whenever possible.
- Flex plans to carry out an internal calculation of its carbon footprint and promote the use of renewable energy with some projects such as the implementation of photovoltaic panels at its plant in Portugal.

Main indicators



Product with recycled material



Environmental manager



Environmental policy



ISO 14.001 and FSC certificate

Main indicators



Equality Plan



Health & safety policy



79% purchases from local suppliers



Quarterly Customer Satisfaction Survey (NPS)



Specific products for women

Social

- It has an **equality plan** and a **health and safety policy**.
- Flex is working on developing **processes and policies to address organizational culture**, workplace flexibility, and engagement.
- It has **specific programs with NGOs** and other organizations. In addition, employees have the opportunity to volunteer in donation drives (food and clothing).
- Suppliers are contracted according to an internal procedure. In addition, specific certificates are required for most raw material suppliers and relevant suppliers. **85% of suppliers have signed the Flex code of ethics**.
- Local sourcing helps the organization secure supplies, promote a more sustainable and stable local economy, and maintain relationships in the community. **79% of the total purchased by Flex is from local suppliers**.
- Flex has **products** such as pillows and duvets **specifically focused on women** that help maintain body temperature.
- Additionally, they carry out a quarterly satisfaction survey aimed at evaluating **customer satisfaction** with the NPS methodology.

Governance

- Flex has a **materiality analysis** to identify key ESG issues within the organization.
- Flex has a Management System Policy, which incorporates the issue of sustainability transversally in the business model and strategy.
- The company has a **code of ethics, crime prevention protocol and a policy for the use of internal systems**, among others.
- During 2023, Flex has developed a Sustainability / ESG / CSR Policy.
- The company annually publishes a **Non-Financial Report** (integrated with Annual Accounts) using the GRI standard.
- The company has set up an **ESG Committee**, made up of 4 members, with adequate knowledge and aptitude, to **promote and execute actions aligned with best practices** in relation to sustainability factors.

Main indicators



Materiality analysis



Code of ethics



ESG Committee



Non-financial Report



Management System Policy

Highlighted product

Sustainable Edition- Seaqual Pocket

Flex developed a line of sustainable mattresses that were considered **innovative product of the year 2021**.

With this product, **Flex supports the recycling of 65 plastic bottles recovered from the ocean** per unit of product through the following process.



Every day a boat goes out to sea to collect the garbage and bring it to land



Each material has its own recycling chain



Garbage disintegrates into infinite microplastics

The plastics recovered from the sea are converted into sustainable fibers of the highest quality, 100% recycled, used to make the Seaqual Pocket mattress.



SUSTAINABLE EDITION SEQUAL POCKET

Do Good. Sleep well.

TAKE CARE OF THE PLANET AND YOURSELF.

SEAQUAL converts plastics recovered from the ocean into sustainable fibers of the highest quality to guarantee the best rest.

Survey of 10,013 individuals from the Netquest panel (in rotations of 3,338 people) + product test of 100 Kuvut people in October 2020.

Chosen product of the year 2021 innovation

CO₂ emissions reduction

Strategic decision-making regarding sustainability has enabled Flex to **significantly reduce its natural gas consumption**, thereby lowering the company's CO₂ emissions.

Gas consumption at the Salamanca factory, specifically in the anticorrosive paint stage of the production process of painted metal structures, is identified as the main cause of this consumption. This stage consists of two phases: washing, preparation and drying of the structure, and painting and polymerization in the oven.

Flex decided to intervene in this process considering whether it would be feasible to **achieve adequate protection against corrosion in the washing phase** by avoiding painting the internal metal structures of the mattress.

Through a passivation process, it has been possible to reduce emissions from the painting phase. This allows a nebulized solution to be used in the last washing phase which, during the drying process, creates a protective layer on the surface, thus replacing the paint.

In this way, not only has significant **savings** been achieved in the **consumption of natural gas**, but it has also been possible for the structures to be **100% recyclable steel** by not requiring paint management.



-26% of total fuel consumption in 2022



100% recyclable steel

Products with natural and recycled materials



Flex uses natural materials through its renowned *Vispring* brand. No plastic, polyester, foam or other artificial products or chemicals are used in its manufacturing process, which may be harmful to the environment.

Local sourcing is essential, which is why 78% of its materials are purchased from suppliers in the United Kingdom, where the subsidiary is based, with whom close relationships have been established. This includes the British farmers who supply their wool whose production uses less energy than the production of man-made fibers and is one of the key ingredients in every Vispring bed. Additionally, it is recyclable, releasing nitrogen-rich nutrients when used as compost, and is difficult to ignite, as wool does not melt or smoke, and the keratin in the fiber makes it a natural fire retardant.

The Group's Brazilian subsidiary uses fabrics made of recycled polyester fibers (rPet), which is obtained from the recycling of plastic bottles. Although the fabrics made from this fiber are not natural or biodegradable, they generate 54% less CO₂ emissions into the atmosphere and consume 70% less energy to make, compared to raw polyester.



RECYCLED BOTTLES
Garrafas de pós



REPREVE FLAKE
Garrafas são lavadas e



REPREVE CHIP
Flakes de garrafas



REPREVE RECYCLED FIBER
O chip é fundido e

Main social initiatives



100% 2022 ESG goals achieved

Qualitative

- Define a manual for the best design and management of the product life cycle.
- Develop an initiative to produce mattresses made with internationally recycled materials.
- Monitor training hours and the type of training given to employees

Quantitative

- Reduce energy consumption by 2% and reduce emissions by 2% by 2022.
- Reduce the number of accidents at work by 10% based on the previous year.

ESG goals for 2023

Qualitative

- Consider developing a Human Resources (HR) policy that includes: human rights, diversity, discrimination, harassment and abuse.
- Consider developing a plan to promote a healthy lifestyle for employees.
- Develop an ESG Policy.

Quantitative

- Reduce the number of accidents at work by 10% compared to the previous year.
- Increase by 20% the number of employees with disabilities.
- Increase by 5% the number of hiring women in management ranks in the company.

Long term ESG goals

- Implementation of an Occupational Health and Safety Management System through obtaining the 45001 certification, in a phased manner in the companies of the Flex Group until reaching 75% of the organization (Group) certified in 2030.
- Reduction of CO2 emissions of the Group for the year 2021 by 42% by 2030, based on the SBTi requirements.
- Increase in the use of recycled plastic, reaching 50% recycling use in Iberia in 2025 and at the Group level 40% in 2030.



Winche Redes Comerciales is a leading company specialized in **commercial networks**, which offers a comprehensive point of sale service to its customers.

The "know-how" of the organization is focused on the **in-depth knowledge of the market** and the methods and processes of a team of more than **450 specialized professionals**, which guarantees flexibility, specialization and optimization of business processes for clients.

Winche has coverage throughout Spain and Portugal, serving diverse sectors such as Mass Consumption, Pharmaceutical, Toys or Electronics among others through different channels (supermarkets, Impulso and Horeca).

The company offers a wide range of services, including:

- Sale point management.
- Implementation of planograms.
- Audits.
- Consultancy.
- WincheCloud (application with reporting system, planning and management of daily work).
- Sales force.
- Telephonic sales.
- Promotional actions.



Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- The organization has its own fleet of vehicles that are **LPG vehicles** and emit less CO₂ than diesel vehicles.
- Winche has a **renewable energy provider** for the main office. 100% of the energy consumed is renewable, so there are **no Scope 2 emissions**.
- Its main building has an **installation of led lights, light timers and air conditioning control**.
- The organization has established a "**paper-free**" policy, managing daily work digitally.

Main indicators



Renewable energy provider



LPG vehicles fleet



No Scope 2 emissions

Main indicators



Employee performance feedback



Labor flexibility



Equality Plan



Social contribution

Social

- Winche conducts annual **interviews with employees** to **gauge their commitment** and receive direct feedback from them. The organization has a **behavior protocol, flexible hours and an equality plan**.
- Employees receive **formal feedback** on their performance **annually**. Since 2021, it has been developing a **new employee evaluation system** incorporating both quantitative and qualitative KPIs. The system will be supported by their own computer tool.
- Winche develops **several social action initiatives** with different entities such as the "Movember Foundation" (leading charity organization that changes the face of men's health worldwide), "Aura Foundation" (social and labor inclusion of people with intellectual disabilities) and "Fundació Banc d'Aliments" (fight against food waste and poverty).
- The company **collaborates with special employment centers** such as IAG7 Viajes in order to provide employment to people with disabilities.
- 95% of materials and services come from local suppliers.
- 91% of employees are full-time, and 79% have a permanent contract.

Governance

- The organization has the **Silver category** in CSR matters.
- Winche has a **Code of conduct**, a remuneration policy, a good practices protocol and an action protocol focused on how clients should be directed to the equipment. Additionally, they also have a complaints channel.
- There is **constant training** adapted to the needs of employees.
- Composition of a Steering Committee.
- It has developed a Privacy Policy.

Main indicators



Code of ethics



Ecovadis Silver Category



Privacy Policy

Winche has the Silver category recognized by EcoVadis

EcoVadis score (0-100) reflects the **quality of a company's sustainability management system** at the time of assessment. EcoVadis sustainability recognition levels are based on the company's EcoVadis Score percentile rank and a minimum thematic score. Medal criteria are reviewed periodically.

During the 2021 financial year, the criteria were the following:

- Platinum – Top 1% (Total score between 73 and 100)
- Gold – Top 5% (Total score between 66 and 72)
- Silver – Top 25% (Total score between 54 and 65)
- Bronze – Top 50% (Total score between 45 and 53)
- No medals are awarded for a total score below 45 points or if a score below 20 is obtained in any of the four themes (Environment, Human Rights, Ethics and Sustainable Development) .

Winche was **audited in 21 aspects related to Corporate Social Responsibility** within the four scoring areas and has achieved the **Silver category**, recognized by EcoVadis, for its practices in the field of **Corporate Social Responsibility**.

ecovadis



Main social initiatives



60% 2022 ESG goals achieved

Qualitative

- Consider revision of the Code of Conduct.
- Develop a plan to reduce the salary gap in managers and increase diversity in the company

Quantitative

- Increase the proportion of employees with disabilities by 10%.

ESG goals for 2023

Qualitative

- Consider developing a Human Resources Policy that includes: Human Rights, diversity, discrimination, harassment and abuse.
- Assign an ESG/Sustainability Manager.
- Monitor new hires segregated by sex.
- Develop an Environmental Policy that includes the different initiatives carried out by the company in this regard.

Quantitative

- Increase gender equality at the highest levels of management by at least 10%.
- Reduce turnover rate by 10%.



Agrosol Export ("Agrosol") was founded in 2008, it is dedicated to the **production and commercialization of fruit and vegetable products, mainly peppers, cucumbers and tomatoes** with programmed sales in volume and price with its customers.

During the 2022 campaign, production amounted to more than **26 million kilograms** of which **60% were cucumbers, 28% peppers, and 12%, organic products**. It was a year of low production. By 2023 it is expected to exceed **30 million kilograms sold**.

Agrosol exploits **200 ha of greenhouses**, of which **46 ha are for organic crops and 55 ha for high technology**.

The company is specialized in the **British market** although it also sells to other markets such as **France, the Netherlands, Poland and Spain**. Its clients sell their products through the main supermarkets in their respective countries such as **Tesco, Aldi, Marks&Spencer, Coop, Sainsbury's or Mercadona**. **Approximately 90% of its production is exported**.

Agrosol cares for the environment and it begins with the **natural pollination**, with zero waste policies and the use of a highly efficient **pest control strategy using biocontrol agents** in their greenhouses. It is **complemented by the efficient use of energy and water with good consumption minimization and recovery systems**.



Sector
Agriculture



Headquarter
Roquetas de Mar (Almería)



Year of investment
2018



363
employees



29%
of women
0%
of women Directors & Managers



ESG Manager

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- **Agrosol has 52 hectares of organic crops and 60 hectares of high technology.**
 - » 15% of the total production corresponds to organic production.
 - » The greenhouses are certified for organic production (CAAE certification).
 - » One of Agrosol's continuous growth objectives is the expansion of the organic part of its farms.
- There is an environmental manager within the organization.
- Specific plans have been developed for **environmental management**, such as **soil and water management plans (drip irrigation), farm conservation plans, fertilizer plan, as well as analysis of potential risks** that may affect their activities.
- Positive environmental practices are integrated into Agrosol's business model, such as **Integrated Pest Management and Natural Pollination**, helping to protect biodiversity.
- It has invested in industrial cogeneration to feed and heat its high-tech greenhouses, as well as to inject the CO₂ generated.
- It has **renewable energy self-generation facilities. The installations carried out during 2020 and 2021 are maintained**. Solar panels have also been installed in other facilities (Glinwell).
- All irrigation and a large part of the **rainwater** goes to accumulation ponds where it is disinfected and **reused**.
- In Agrosol, the consumption of **plastic** is endured for one year more than normal for its use in the greenhouse with the aim of **reducing the generation of waste**.

Main indicators



52 hectares of organic crops



Environmental manager



Integrated pest management and natural pollination



Industrial cogeneration and energy saving systems



Self-generation of renewable energy (200 kW)



Water reuse



Waste reduction targets

Social

- The company has an **equality plan** and a **health and safety policy**.
- The company has dedicated **measures to address the health and safety of consumers**.
- **Annual training** is carried out in all categories and incentives are given to meet the established objectives.
- Agrosol Export **supports local cultural associations** and the "**Duchenne Parents Project**", a non-profit organization to end Duchenne and Becker muscular dystrophy.
- Many **job opportunities are offered that reach sectors at risk of exclusion** with the possibility of training and development in the agricultural sector.
- 80% of Agrosol Export suppliers are local.

Main indicators



Equality Plan



Health and safety policy



Participation in social actions

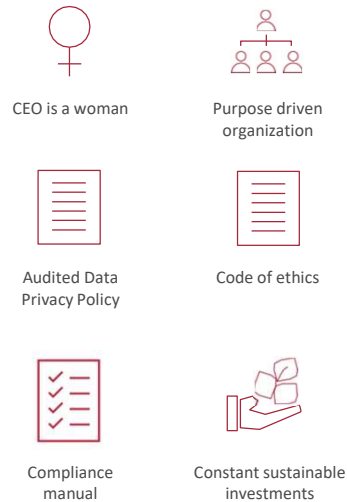


Hiring people at risk of poverty or social exclusion

Governance

- Agrosol is a purpose-oriented organization that clearly states its mission, vision and values. "Fresh fruits, vegetables and vegetables are a source of healthy and tasty food. Our products not only provide the vitamins, minerals and fibers so necessary to take care of our health but also allow, thanks to their aroma, color and flavor, to enjoy a shared pleasure: good gastronomy. Agrosol's challenge is very clear: to produce first-class products to contribute to people's health and well-being."
- The CEO of the organization is a woman and the Board of Directors has an independent director.
- The organization has a data privacy policy that is audited by an external entity and a Code of Ethics, which sets out statements on human rights, diversity, discrimination, harassment and abuse in relation to Agrosol employees.
- They have a Criminal Risk Prevention Manual, which takes into account the different complaints in the field of Compliance that can be detected, as well as certain guides for aspects related to human resources.
- Investments are made recurrently in equipment to improve crop productivity as well as to be more sustainable. For example, investments have been made in LED lights and ventilation systems on high-tech farms in the warehouses where piccolo tomatoes are planted with the aim of making production more efficient, since losses are reduced and the quality of the product increases as it grows in better conditions.
- A series of training sessions are carried out annually for employees in relation to management system issues, occupational risk prevention, first aid, phytosanitary products, Global Gap protocol, etc.

Main indicators



Accreditations

Environmentally friendly facilities: natural pollination and integrated pest management.



Pest-free products thanks to the use of Integrated Pest Management (IPM)

Agrosol Export is a company that believes that in order to produce good vegetables, respect for the environment is essential, which is vital for the future of the sector and for the sustainability of agricultural practices throughout the planet.

- **Pest-free products thanks to the use of Integrated Pest Management (IPM).**
 - › IPM aims to maintain the use of pesticides and other forms of intervention only at levels that are economically and ecologically justified and that reduce or minimize the risk to human health and the environment.*
 - › IPM involves an integrated approach to the prevention and/or suppression of organisms harmful to plants.*
 - › Biological, physical and other sustainable non-chemical methods should be preferred over chemical methods if they provide satisfactory pest control.*
 - › En concreto, Agrosol Export despliega a biological pest control to fight aphids. A parasitic wasp is released which pierces the aphid with its ovipositor, depositing an egg inside.
- **Natural pollination** has been implemented historically, consisting of the transfer of pollen between flowers, without human intervention. Specifically, Agrosol Export widely uses it on bumblebees.
- **Integrated Pest Management (IPM) and natural pollination** are used in all their crops. In addition, the company has 43 hectares dedicated to certified organic fruits and vegetables.



Energy optimization: use of plastic

Energy is a key element in agriculture. Agrosol Export uses cogeneration for its 60 ha of high-tech greenhouses and fuel in some other greenhouses to heat them during the winter months. In addition, the company has installed photovoltaic panels on different roofs (200kW). Finally, Agrosol Export has invested in industrial cogeneration and energy saving systems that are located near its greenhouses. These systems efficiently increase energy savings through the trigeneration process (production of hydrocarbons, thermal energy and CO2), using plastic waste from greenhouses. These sub-products are destined for self-consumption together with other plastics. The expected savings in operating costs are approximately €300,000 per season. These facilities help recycle tons of plastic waste.



The objective of Agrosol Export is to be able to apply "Zero Waste" in all processes

Sustainable production takes place, where the rule of the 3 Rs is followed :

- **Reduction of the use of waste, through efficient production, collection and distribution systems.** Our integrated biological control systems reduce the use of phytosanitary products and our production system reduces the use of water.
- **Reuse, both in greenhouses when possible and in authorized centers.** The water is recovered and reused through modern disinfection systems.
- **Recycling, with an ambitious project currently underway to recycle greenhouse plastics that are corrupted by ultraviolet radiation.**

* Fuente: Comisión Europea

Some Agrosol Export accreditations

CAAE [Comité Andaluz de Agricultura Ecológica] - Productos ecológicos:



Field to Fork



SEDEX



Global Gap



Main social initiatives



80% 2022 ESG goals achieved

Qualitative

- Develop a Code of Ethics and a Human Resources (HR) policy that includes: human rights, diversity, discrimination, harassment and abuse
- Develop an environmental policy that establishes the guidelines on the matter.
- Develop a relationship policy with sharecroppers (sharecroppers/sharecrowners), associated farmers and auction management (Agroponente, Costa Almería o La Unión).

Quantitative

- Increase by 15% the volume of production with agricultural certification in relation to the previous year.

ESG goals for 2023

Qualitative

- Develop a Remuneration policy.
- Consolidate a formal internal channel to manage internal complaints.
- Develop a contracting policy for suppliers, which includes the topics covered in the business activities coordination document

Quantitative

- Measuring reused water consumption in high-tech greenhouses.
- Increase training hours by 5% and include ESG training.
- Increase the proportion of local suppliers by 3%.



Larrumba Group is made up of an entrepreneurial management team that is characterized by the desire to innovate, improve and differentiate, and capable of creating groundbreaking and profitable concepts.

The Group comprises more than 26 restaurants, all located in the Community of Madrid in key locations and with an impressive decoration.

The Larrumba Group strives to offer its customers different and innovative experiences prioritizing the perfect balance between quality and price, taking care of all the details so that the experience is memorable.

Each restaurant has its own personality based on different spaces and its gastronomic offer. Restaurants include Marieta, Habanera, Perrachica, Fanático, Pipa & Co., Carbón Negro, Fonda Lironda or Castizo, among others.



Sector
Hotels and
Restaurants



Headquarter
Madrid



Year of investment
2018



705
employees



52%
of women

19%
of women Directors &
Managers

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- Environmental management is carried out in all restaurants, where the area manager is in charge of complying with current regulations.
- The company has contracted a renewable energy provider during 2021.
- Grupo Larrumba has external transportation for some employees and is developing more efficient routes for delivery trucks.
- Due to the continuous improvement of controls, the company increasingly monitors its consumption more securely.
- Additionally, it has a future project consisting of offsetting emissions to reduce its carbon footprint.
- Grupo Larrumba relies on HarBest Market, a Marketplace that connects its restaurants directly with national farmers, thus eliminating intermediaries and fighting for a more efficient, transparent and sustainable supply chain.

Main indicators



Renewable energy
provider



External transport



Improved controls

Main indicators



Contracting
protocol



Safety plans and risk
assessment



Customer satisfaction
management



Collaboration with
foundations



Human Resources
Management Tool

Social

- Grupo Larrumba has a contracting protocol, which has been updated in 2021, focusing more on group dynamics.
- Work to develop equality programs.
- Each restaurant has its own workplace safety and risk assessment plan.
- During 2021, the Group has implemented the Cornerstone Human Resources management tool, which serves as a communication channel with employees.
- The Group has collaborated with AUARA through the donation of food and helping to fight against food waste through collaboration with foundations such as Pinardi and Alapar, helping with the integration of young people at risk of social exclusion in working life. Additionally, Grupo Larrumba contributes to various foundations such as the Carmen Pedro-Valcare Foundation or Down Madrid.
- Grupo Larrumba customers have the possibility of using "Guudjob" to evaluate the experience of the service received in the restaurants and the staff that have served them. This information is later used to assess customer satisfaction.
- 95% of its suppliers are local.

Governance

- Grupo Larrumba has a Code of Ethics, a Code of Conduct that has been updated during the 2021 financial year and a Remuneration Policy.
- Each restaurant provides ad-hoc training to its employees when they are hired and according to business needs.
- In 2021, the ERP was changed in order to improve the quality and uniqueness of management information. Additionally, the search for an environmental manager has begun.

Main indicators



Code of ethics



Code of
conduct



Remuneration policy



New ERP

Some Grupo Larrumba accreditations

Collaboration with "Emailakat Foundation"

The Larrumba Group collaborates with the "Emailakat Foundation" through the **Tamaisan Project**, which focuses all its benefits on children in Turkana (Kenya) who are at great risk of social exclusion.

The Group's collaboration is carried out through the Solidarity Dessert project. Under the motto "Being supportive has never been so sweet", every time a diner orders a dessert in one of the group's restaurants, 15 euro cents are donated to help the children of the "St Irene Lobur Primary School" (place built through the Tamaisan Project itself) continue to receive both adequate education and nutrition.



Social integration initiatives

What do we do?

The Larrumba Group collaborates with entities whose objective is to **support people at risk of social exclusion due to various factors or with disabilities**.

Why do we do it?

Grupo Larrumba believes that the more **visibility and voice** given to these issues, the greater importance they will receive in society. Consequently, the group **will promote the labor inclusion of these profiles**.

How do we do it?

After basic theoretical training, employees carry out 6-month internships with the **possibility of a definitive hiring contract**.



Other social initiatives



80% 2022 ESG goals achieved

Qualitative

- Develop a Human Resources Policy that includes: Human Rights, diversity, discrimination, harassment and abuse.
- Develop a sustainability policy that includes environmental, social and governance aspects, as well as an environmental manager.
- Develop a global monitoring system for ESG KPIs considering all restaurants (included in the development of the new ERP).

Quantitative

- Monitor the training offered to employees of all restaurants based on number and type of training.

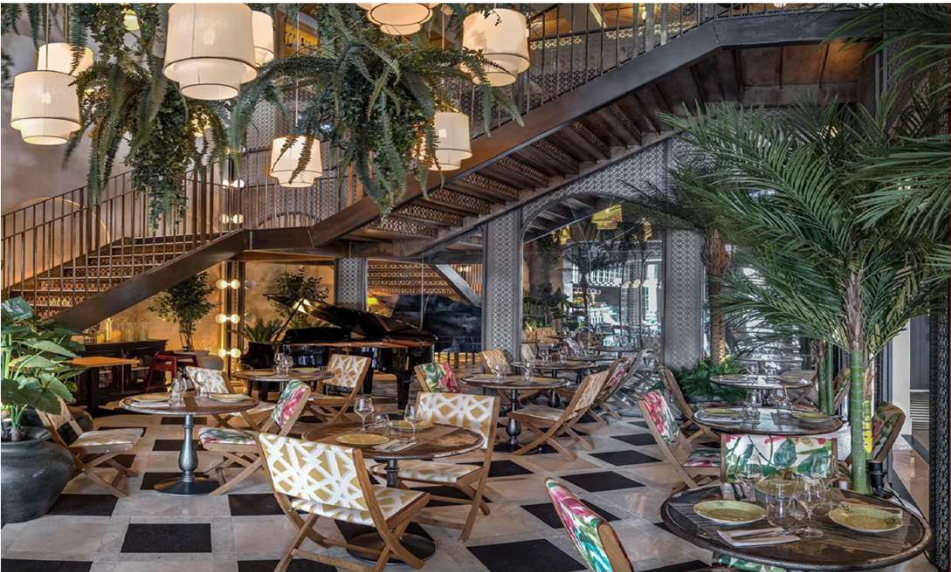
ESG goals for 2023

Qualitative

- Develop a Health and Safety policy that includes the topics covered in the LRP plans and risk assessment of the different premises of the group.
- Develop a supplier policy that includes an evaluation of ESG aspects and proximity.
- Assign an ESG/Sustainability manager.

Quantitative

- Increase the number of employees with disabilities by 2 employees in relation to the 2022 financial year.
- Develop ESG training that represents at least 5% of total training hours.
- Increase renewable energy consumption by 5%.



Samy is an influencer marketing solutions agency that uses predictive technology developed inhouse based on artificial intelligence (ShineBuzz) to simulate the results of digital marketing campaigns of more than 200 brands to reach 42 million social influencers around the world making more than 1,000 annual marketing campaigns.

It is a community of 30,000 creators and influencers who build visual stories for brands. Since its inception more than eight years ago, Samy has transformed exceptional brands into industry leaders by combining technology and talent.

Samy was born with the mission of being a business partner for its clients, combining data, strategy, creativity, implementation and measurement.

The services of the organization can be summarized as follows:

- Identification of the right *influencers* (ShineBuzz).
- Creation of visual narratives.
- Campaign Review.
- Results monitoring.



Sector
Digital marketing



Headquarter
Madrid



Year of investment
2020

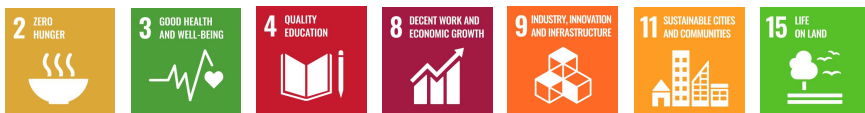


410
employees



62%
of women
41%
of women Directors & Managers

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- Given Samy's **digital business model**, the impact on the environment is limited. The company was born in a digital environment and the objective has always been to **strive for innovation**.
- The company does not consume any type of fuel, so it **does not have Scope 1 emissions**.

Main indicators



Digital business model
(limited impact on the environment)



No Scope 1 emissions

Main indicators



Gender diversity



Health and safety policy



Flexibility at work



Remuneration Policy



Non-discrimination
procedure in hiring
social actions



Performance
reviews every 6
months



Diversity
Committee



Committee for
social actions

Social

- The company is an **outstanding example of gender diversity, with 62% women on the workforce and 41% women employed in the professional category of "Directors and managers"**.
- The company has a **health and safety policy, a Covid-19 protection plan and other documents such as a general remuneration policy or a non-discrimination procedure during the hiring process**.
- Samy has a **Diversity Committee** that meets at least once a quarter.
- **Samy holds monthly meetings** with the teams to share business and non-business updates with the goal of improving the day-to-day of the teams. In addition, the company conducts **performance reviews of its employees every 6 months**.
- **Labor flexibility and teleworking are in the organization's DNA**, each employee is responsible for their own contribution.
- The company carries out **awareness initiatives** through talks against **bullying**, volunteer activities related to poverty and food collections are carried out, and outings are organized to clean up beach waste.
- In Spain, they have **Samy4Nature**, which is a **specific committee to define the social actions they are going to carry out**.
- **Suppliers are currently subject to Samy's Code of ethics** and the organization is working on a formal supplier contracting policy.

Governance

- The company has a **formal Code of ethics** and informal processes regarding remuneration, a code of conduct, human rights and corruption and bribery.
- It has **ISO 27.100** (Information Technology - Cybersecurity) and an **Information Security Monitoring Committee**.
- Samy has created a diverse work team aimed at documenting the **main values** of the company to avoid being imposed by the founders.
- In 2021, Samy **defined a new HOMA business line**, within Samy Alliance, to encourage clients to carry out social actions, the impact of which continues to be monitored.

Main indicators



Code of ethics



Own company
values



New line of business to
encourage social
actions



Information Security
Monitoring Committee

Highlighted aspects of the Code of ethics

The organization is a leading example of gender diversity, with 62% women employed in the workforce and 41% women in the professional category of "Directors and managers".

In addition, women are over 50% of the total number of employees in almost all professional categories, as shown in the following table :

Professional category	% of women
Directors & Managers	41%
Coordinators & Supervisors	65%
Other	66%
All profesional categories	62%

The difference in the percentage of women compared to the previous year is due to the expansion of the company during 2022, which has led to the hiring of 186 employees.

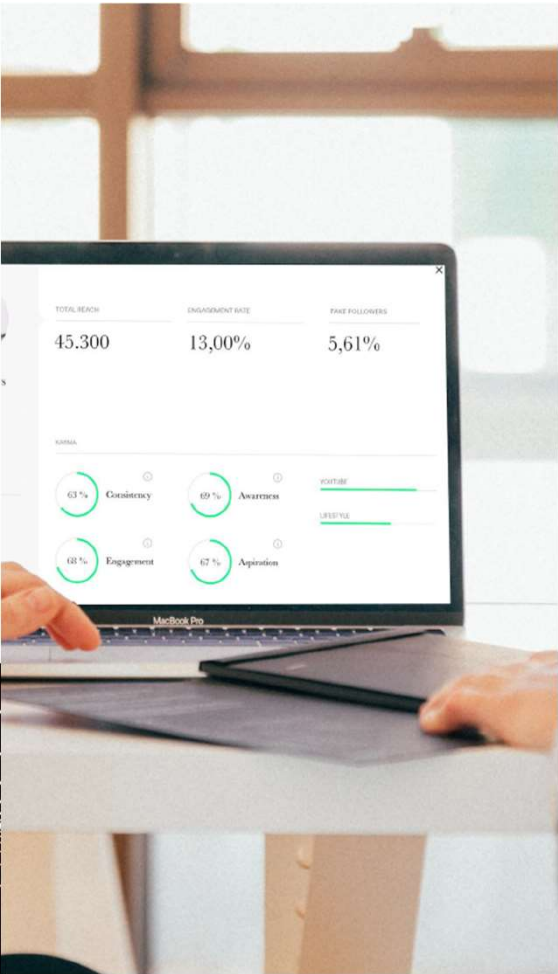
Samy has an exemplary Code of Ethics, which improves the well-being of employees in order to achieve greater retention of talent, the most relevant variable in her business, which is presented below :

- We believe in people.
- We believe that people are the most relevant variable of our business, since it defines its growth.
- We love empowering people.
- We support the hiring of the right talent with a complete objective vision, promoting equality and diversity within teams.
- We defend human rights.
- We fight to provide legal and financial support to each individual.
- We trust all the people in the company, letting them be independent and grow autonomously.
- We work as a team, collaborating towards a shared goal.
- We rely on diverse teams.
- We provide an inclusive environment made up of various profiles.
- We work to achieve a safe psychological space, in which open communication is promoted and where employees feel free to make suggestions and complaints.
- We respect dignity and recognize merit.
- We believe in the ownership of every employee.
- We train leaders to be fair and ethical with their actions.

Main social initiatives



ESG Objectives for 2023



80% 2022 ESG goals achieved

Qualitative

- Consider reviewing the Code of Ethics and developing a Human Resources Policy.
- Review customer privacy practices and include a monitoring system for breaches.
- Monitor the social impact of the new "Homa" business line.

Quantitative

- Monitor training hours by employee and type.

ESG goals for 2023

Qualitative

- Calculate the gender pay gap by professional category.
- Develop mandatory training on ESG and sustainability issues on a regular basis.
- Consider developing a customer complaint system.

Quantitative

- Monitor product ranking in influencer campaigns in 50 samples per year.
- Increase the number of employees with disabilities by 2 employees in relation to the 2022 financial year.
- Reduce energy consumption by 5% overall.

Babel is a **technology consultancy** with an international team of more than **1,900 highly specialized professionals** in cutting-edge technologies. Through their work, they build solutions applying the latest technologies to give maximum value to their clients' products, prioritizing the speed and efficiency of processes.

Babel in the development of its business strives to:

- To be a reference company in the geographies in which it operates
- Offer high value-added services to customers
- Maintain profitable and sustainable growth
- Offer career paths to employees
- Maintain a differential cultural model: solidarity, communication, transparency, respect, etc.

Standard business management is carried out with a classic structure that responds to the **three axes** in which it operates (**projects, clients and people**) and is supported by the bulk of the organization. Babel is present in **Spain** (Madrid, Seville, Malaga, Asturias and Barcelona), **Portugal** (Lisbon and Proença a Nova), **Latin America** (Colombia, Costa Rica, Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and the Dominican Republic), **Morocco** (Casablanca) and the **United States** (New Haven). In addition, Babel has international operations in **Germany and the United States**.



Sector
Technology consulting



Headquarter
Madrid



Year of investment
2020



2,727
employees



29%
of women
28%
of women Directors & Managers



ESG Manager

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- Babel has an **environmental policy** that is **reviewed and audited annually** and has a team dedicated to environmental management within the organization.
- Babel has the **ISO 14.001** certificate for Environmental Management Systems and the **ISO 14.064** certificate.
- The organization has **renewable energy** providers for the main offices.
- The company correctly manages **hazardous waste** (electrical and electronic equipment waste) and **recycles toners** through external collaborators.
- Given **Babel's digital business model**, the impact on the environment is very limited. Even so, Babel intends to plant trees in the future with the purpose of offsetting the emissions it may have.

Main indicators



Environmental manager



Audited environmental policy



Renewable energy provider



Digital business model (limited impact on the environment)

Main indicators



Equality Plan



Flexibility at work



Health and safety policy



Customer satisfaction management



Annual evaluation of suppliers



Employee happiness



Social contribution

Social

- Babel has an **equality plan** and a **health and safety policy**.
- The company gives great importance to the **happiness of its employees**, focusing individually to adapt to the needs of each one of them.
- Babel has various initiatives to address organizational culture and employee commitment, such as general staff meetings, training events or "**Babel Voice**", which is a **work environment survey** where the actions implemented in relation to the results obtained and based on them a defined **action plan is carried out**.
- At Babel, work is not governed by schedules but by objectives, so when possible the company facilitates **flexible hours** that contribute to a better balance of personal life.
- **Customer satisfaction** is analyzed annually by the quality department.
- Implemented **annual supplier evaluation process** and contracting procedures that establish standards and clauses related to management systems.
- Babel has **several social contribution initiatives**, collaborating with employment companies for people with disabilities or foundations such as ASTOR-INLADE.



Governance

- Babel has a formal **Code of ethics**, a **Human rights policy**, an anti-corruption and bribery policy, a data privacy/cybersecurity policy, and a standard remuneration process (a CSR Policy is currently being developed). In addition, during the 2021 financial year, they have developed a new data **protection policy in projects**.
- The company has the **ISO 9.001** certificate for Quality Management Systems.
- The company **monitors ESG issues through specific objectives** related to quality, environment, health and safety, and data security, among others.
- Babel has **solid values that guide the day-to-day business**: "happiness, appreciation of talent, shared leadership, authenticity, diversity, flexibility and commitment to the planet".
- The company has **several alliances** to develop its activity.
- The company annually publishes a non-financial report (integrated with the annual accounts). Looking to the future, it is intended to improve external communication on sustainability issues by also publishing the non-financial report on its website as well as emphasizing the SDGs within the formations themselves.

Main indicators



Code of ethics



ESG Goals and Tracking



Associations to boost business



Compliance and data protection policies



Strong values



Non-Financial Report

Highlighted initiatives



Principles of environmental management

Babel tries to build a better world. The company feels responsible, actively, beyond fashion, **to take care of our home with initiatives that promote the sustainability and habitability of the planet.**

The **Quality, Environment, Information Security and Safety and Health Policy** provides the basis for defining and delimiting the objectives and responsibilities. Specifically, **Babel has worked on the following actions:**

- **Continuous recycling** of organic and inorganic waste in the offices.
- **Staff awareness** on good environmental practices.
- **Collection and subsequent recycling** of paper and, whenever possible, printer toners.
- **Use of compostable bags and recycling bins** for reusable coffee capsules and pods.
- **Use of renewable energies** through the supply by renewable energy companies in the offices of Madrid - Príncipe de Vergara and Seville.
- **Collaboration with environmentally responsible companies** to offer employees discounts on products that reduce their carbon footprint.



Inspiring Babel – Happiness

In the constant effort to achieve the happiness of its employees, the organization focuses on promoting happiness among professionals. For this reason, **in Babel they have different initiatives in which they approach their employees to assess what the company can do to improve their situation.**

- **Babel Voice:** Annual work environment survey where the actions implemented are assessed in relation to the results obtained and an action plan is defined based on them.
- **Happiness thermometer:** Every month an email is sent to all employees asking how they feel at BABEL.
- **Sala SOS:** Virtual room that is always available from the intranet for all professionals.
- **Coffee Break:** Online breakfasts with employees working on the same project, where the main objective is to monitor their situation both in the project and in the company.
- **Safety and health at work:** Prevention of accidents and illnesses caused by working conditions, and protection and promotion of workers' health.

Main social initiatives



100% 2022 ESG goals achieved

Qualitative

- Develop a compliance program that includes a monitoring system for data security management and business ethics.
- Implement a monitoring system for environmental KPIs such as water and energy consumption, as well as waste management.
- Build a solid foundation for the future development of a Human Rights policy that includes aspects of equality and diversity.

Quantitative

- Train 100% of employees annually in data security policies and business ethics.
- Reduce the gender gap by 2% compared to 2021.

ESG goals for 2023

Qualitative

- Establish a waste reduction plan or policy that addresses recycling and revaluation issues that includes reuse practices that are already carried out and the donation of computers.
- Promote volunteering among employees and encourage their participation in social initiatives.
- Carry out mandatory Governance training in relation to the Code of Ethics on a regular basis.

Quantitative

- Increase training in ESG aspects to 5% of the total.
- Increase the use of renewable energy by 5%.

T2ó is a company that offers **digital marketing** solutions based on paid media with the aim of **increasing the performance** of its clients. The company's business seeks to **improve end-customer acquisition, conversion, and loyalty ratios**. T2ó's client base is mainly made up of large companies that use digital marketing as one of their means to increase their sales, but it is not their only channel.

Vision:

1. Accelerate business results
2. Audience at the center of the strategy
3. Commitment and experience

The company offers paid services such as Search Engine Marketing (SEM), Real Time Bidding (RTB) and Display advertising and non-paid services such as Search Engine Optimization (SEO) and other services developed using its own technology.

More than 85% of sales are paid media services, which are those campaigns in which the advertiser must pay at the time of publishing their ads.



Sector
Digital marketing



Headquarter
Madrid



Year of investment
2022



277
employees



60%
of women
36%
of women Directors & Managers

Contribution to the sustainable development goals (SDGs)



Main ESG features

Environmental

- Considering that t2ó's business model is entirely **digital**, its **impact on the environment is very limited**.
- The company has **targets to reduce energy consumption**.
- They have an **Environmental Manager** and a **Policy**.

Main indicators



Insignificant impact
on the environment



Environmental
Manager and Policy

Main indicators



Gender diversity



NGOs, donations
and volunteering



100% employees with
permanent and full-
time contracts



Promotion of diversity
through training

Social

- **Diversity** is promoted through training in gender equality and employment of people of different nationalities.
- They have a **Human Resources Policy**.
- The **organizational culture** of t2ó allows teleworking and flexible hours.
- **t2ó employs people at risk of social exclusion**.
- Collaborates with **12 NGOs**.
- Employees have volunteered 600 hours and €21,000 have been donated to different organizations.
- All the employees have a **permanent and full-time contract**, in addition to being all covered by a **collective agreement**.
- **Local suppliers** represent 30% of the company's total activity.

Governance

- The company has a well-defined purpose, mission, vision, strategy and values.
- There are **specific committees** with their respective differentiated responsibilities.
- T2ó has a **Code of Conduct** and a **Code of Ethics**.
- Has established a **Privacy and Cybersecurity Policy** for employees and customers.
- Publicly report your sustainability issues.
- 60% of the **training** offered by t2ó to its employees is in **ESG aspects**.

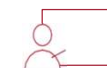
Main indicators



Code of
ethics



Code of conduct



60% of training is
about ESG



Information Security
Monitoring Code

Main social initiatives



Highlighted initiatives

t26 commitments

- 

1. **Guarantee customer satisfaction** by promoting communication between the different departments to offer a global and symmetrical solution.
- 

2. **Ensure compliance with current legislation**, in relation to the protection of natural persons with regard to the processing of personal data and the free circulation of these data. And compliance with current ISO 9001, ISO 27001 standards.
- 

3. **Offer a quality service**, relying on technology and promoting creativity and continuous improvement, to turn ideas into successful products or services in the market.
- 

4. **Evaluate the performance of the suppliers**, especially advertising supports, before, during and after the campaigns, through the market tools and those developed by the group, with respect to the objectives expected by the clients.
- 

5. **Provide the necessary resources** to guarantee the confidentiality, integrity and availability of information and data.
- 

6. **Establish Corporate Social and Environmental Responsibility policies and actions**, promoting solidarity, ethics, care for the environment and social well-being among members.

Top 100 Women Leaders

Esther Checa Gutiérrez

In February 2023, the tenth edition of "The Top 100 Women Leaders of Spain" was held at the Teatro Real in Madrid. Since its first edition, hundreds of new professionals have joined this benchmark ranking in female leadership year after year. Hundreds of other guests attended the date, among which were prominent figures in the political, economic, social and cultural life of the country.

The winners in the **Managers category** are ten great professionals with a wide and proven track record who are in charge of departments of large companies. Of these ten, **Esther Checa Gutiérrez** is in **first place**, managing, together with the other participants, to make visible the commitment, effort and dedication of women, who continue to make their way in a sector traditionally led by men.

In Esther she is the **Director of Innovation** of the company t26. She has a degree in Documentation and Information Sciences, a Master's in Data Analytics and a PhD in Retrieval Systems. Currently, she is part of the Management Committee of t26 and also promotes different communities and technological foundations as an ambassador through conferences, the development of dissemination material, mentoring of women and digital projects for third parties. Among them, the well-known Women in Voice Spain, Open Voice Network, Women in Tech Spain and the ISDI Foundation.

Esther leads the ranking of Women Leaders in Spain, positioning herself as a new benchmark capable of inspiring other women who aspire to lead projects, break down stereotypes and build a better society for all.



ESG goals for 2023

Qualitative

- Develop a Human Resources (HR) policy that includes the issues covered in the remuneration procedures, external training and work trips, as well as other practices that are carried out in the company such as remote work and flexible hours, as well of human rights, diversity, discrimination, harassment and abuse.
- Develop and employ a KPI tracking system for established consumption targets and conduct an extended materiality analysis of t2o's unique activities to identify additional material ESG topics for the company.
- Establish a Supplier Policy, which includes evaluations based on ESG requirements.

Quantitative

- Increase the number of women managers in the company by 5%.
- Conduct an analysis of the current gender pay gap and develop an action plan to reduce it by 15%.

Educa Edtech is a group of recognized and experienced online training educational institutions that operate throughout the entire value chain. Educa Edtech is a group of recognized and experienced online training educational institutions that operate throughout the entire value chain. All the entities that make up the group share the **mission of democratizing access to education** and are committed to the **transfer of knowledge, technological development and research**.

The educational organizations that belong to the group have developed their **own methodologies** that offer the student meaningful and practical **learning**. The acquisition of knowledge, moreover, occurs in advanced digital environments and with the latest developments in terms of **e-learning**.

In order to respond to its mission, different **strategic lines of action** have been outlined, highlighting the group's large investment in Artificial Intelligence to improve learning processes and empower teachers. All the actions of online training institutions are framed within a solid **corporate social responsibility (CSR)** and are aimed at the **improvement and progress of society**. In this sense, the affiliated entities work to respond to the achievement of the **SDGs** and their actions are aligned with the **2030 Agenda for Sustainable Development**.



Sector
Digital Education



Headquarter
Granada



Year of investment
2022



387
employees



65%
of women
55%
of women Directors & Managers

Contribution to the sustainable development goals (SDGs)



Main ESG aspects

Environmental

- Since Educa Edtech's business model is eminently digital, **the impact on the environment is very limited**.
- All the energy consumed by its facilities is from **renewable sources**.
- The headquarters building is **sustainable and environmentally friendly**. Natural light is prioritized and has photosensitive sensors to save energy. In addition, it has an independent air conditioning system that minimizes the cost of cooling and heating.
- They have a **manager and an environmental policy**.

Main indicators



Digital business model
(limited impact on the environment)

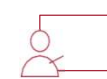


100% renewable energy
in its facilities

Main indicators



Gender diversity



Extensive amount of
training available for
employees



Equality plan



Employee satisfaction

Social

- The organization is a leading example of **gender diversity**, with **65% women employed** in the workforce and 55% **women** in the professional category "**Directors and managers**".
- The company provides its employees with unlimited access to the **online learning** platform.
- Educa Edtech has an **Equality Plan** through which diversity is promoted.
- A **Satisfaction Survey** is launched annually to find out and evaluate the commitment of employees.

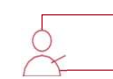
Governance

- Educa Edtech has a **Code of Ethics** and **Code of Conduct**.
- It has a **Sustainability / ESG Policy**.
- It currently develops **training in ESG** and Sustainability for its employees.
- It has a **Management Committee** made up of the directors of the different areas and strategic departments.
- Additionally, it also has an **Equality Committee** made up of representatives of the company, workers and unions in order to negotiate and supervise compliance with the **Equality Plan**.

Main indicators



Ethical Code



ESG and
Sustainability
Training



Code of Conduct

Main social initiatives



Featured initiatives

EDUCA EDTECH Group takes into account the framework in which it operates and the impact of its activity on the environment, the economy and people. Each of the affiliated educational entities works in a sustainable and ethical manner. In order to project efforts in the same direction, the Euroinnova Foundation has been created to work actively in the development of society.

Euroinnova Foundation, one more step for an equitable society

Among its powers, the Foundation works to facilitate access to training by granting grants and scholarships, allocates a large part of its resources to research and is involved in EdTech Education projects. Likewise, it sets the guidelines for the achievement of the SDGs by each of the educational institutions. In this way, all the entities that belong to the group work based on four strategic pillars: people, society, environment and research.



Corporate Social Responsibility



Equality Plan



Tech research



Sharing knowledge



Scholarships and aid for students

Euroinnova Foundation shows a firm commitment to the 2030 Agenda for Sustainable Development and to the achievement of the 17 SDGs and the 169 goals. In this way, it contributes to the prosperity of the planet with different actions in the economic, social and environmental fields.

The Foundation considers it vitally important to act on the origin of the problems in order to tackle them effectively and lastingly over time. The key, without a doubt, lies in promoting responsible behavior by the different agents that are part of our society.



United Nations Global Compact

EDUCA EDTECH Group is committed to the defense of human rights and contributes positively by supporting the right to quality education, especially with vulnerable groups.

In the same way, it cares for and respects its employees, who have complete freedom to leave according to the established rules. The group adheres to the standards of the International Labor Organization and recognizes the right to collective association.

ESG goals for 2023

Qualitative

- Create a Human Resources Policy that includes: Human Rights, diversity, discrimination, harassment and abuse.
- Develop a Health and Safety policy that includes a risk prevention plan.
- Develop a formal Code of Ethics that includes the topics covered in the Welcome Manual.

Quantitative

- Review the current Environmental Policy and start calculating scope 1 and 2 emissions of the company's carbon footprint.
- Conduct a pay gap analysis and develop an action plan to reduce it by 50%.



Closing of 2022 and upcoming challenges

The 2022 financial year has been a year of consolidation in terms of sustainability. In line with the previous year and having increased our level of demand, we have managed to develop great initiatives that demonstrate Aurica Capital's firm commitment to the implementation and importance of the environmental, social and governance balance within our business. The implementation of our Responsible Investment Policy from the detection of the opportunity to the investment and the implementation of an ESG action plan has been an essential test to demonstrate the benefits of the investment model of Aurica Capital.

We have updated our **Responsible Investment Policy** and **Responsible Investment Procedure**, focusing on the new fund specialized in *Search Fund* and including the commitment to the disclosure obligations of the SFDR Regulation and a **greater relevance of ESG factors**. These measures are aimed at further strengthening **the integration of ESG considerations** in our investment strategy. In this regard, we have officially registered **Aurica IV** as an **Article 8 under the SFDR** with the CNMV.

One noteworthy achievement for our organization has been the identification and assessment of climate risks and opportunities of Agrosol. This investee company of the Aurica III fund was part of a pilot test of the implementation of the TCFD recommendations with respect to climate scenarios. Additionally, prior to the potential acquisition of the investee companies of the new fund, we have incorporated a comprehensive review of climatic factors within the ESG due diligence analysis.

Throughout the 2022 our efforts have been dedicated to carry out new ESG actions such as the **implementation and monitoring of annual ESG objectives** in our investees and **the preparation of an action plan following the TCFD recommendations**. Regarding the objectives of our investees, we are pleased to report that 87% of the targets set in the preceding year have been met. This achievement has been facilitated by certain actions undertaken during this year including changes in the governance system such as **the responsibilities increase of the ESG Committee**, which will address more climate issues, the **analysis of climate risks**, both in terms of physical impacts and transitional changes, at the portfolio level and the calculation of the **carbon footprint**, thereby **establishing emission reduction targets** for certain companies in our portfolio.

Furthermore, during 2022, we have **reinforced our team with 4 professionals** who possess **ESG expertise**. Notably, we have made significant strides in promoting gender equality in our firm as **two of these professionals are women**. This recruitment aligns with our commitment to ensure gender equality within the company and our capacity to address **ESG considerations**.

We continue to publicly report our progress on responsible investment issues in **UN-PRI's annual Transparency and Climate reports**. By continuing our involvement in this network, we aim to maintain a robust and open dialogue regarding our responsible investment journey and its impact on environmental and climate-related issues.

In the upcoming year of 2023, our focus on sustainability will persist, and we will build upon the initiatives already set in motion. Particularly, we will dedicate our efforts to further develop and expand the initiatives initiated in Aurica IV, our new fund.

Continuation of key ongoing activities of 2022:

- Actively promoting ESG initiatives in the investee companies of the Aurica IV's fund based on article 8 under the SFDR.
- Monitoring the general and the emission reduction targets set for certain portfolio companies.
- Continue developing the actions of the action plan for the implementation of the TCFD recommendations.
- Keeping up with the development of the identification of climatic risks both in the investment procedure and in the activity of investees, when necessary.
- Keep conducting due diligence analysis in the investment processes.
- Disclosing UN-PRI Transparency and Climate reports as well as assuring the completion of their questionnaires.

New initiatives of the 2023 fiscal year:

- Monitoring and calculation of scope 3 of the investees of Aurica IV's fund.
- Expanding the investee portfolio of Aurica IV, considering the requirements established for the Fund with respect to the SFDR.
- Initiating the exploration process to obtain B-Corp certification for some Aurica IV's portfolio companies.
- Developing a methodology to define sustainable and/or impact investments.
- Complete the first closing of ASF I (Search Fund), the first Search Fund registered as an Article 8 under the SFDR and modify the responsible investment policy to include it.
- Participating in social actions and volunteer activities.
- Supporting ESG training in teams.

At Aurica Capital, we want to continue embracing this sustainable investment model throughout the year 2023. We believe that this is the right way to strengthen our knowledge and, at the same time, contribute to creating positive impact in our portfolio of invested companies and among our stakeholders.

Glossary

- **Paris Agreement:** Legally binding international treaty on climate change. It was adopted by 196 Parties at COP21 in Paris on December 12, 2015 and entered into force on November 4, 2016. It provides developed countries with a pathway to help developing nations mitigate and adapt to climate change, creating a framework for transparent monitoring and reporting on these countries' climate targets.
- **ESG:** Environmental, Social and Governance.
- **Boletín Oficial del Estado (BOE):** Mean of publication of laws, provisions and acts of mandatory insertion.
- **CFA Institute:** Global non-profit organization that provides financial education to investment professionals. Its objective is to promote ethical, educational and educational excellence standards in the global investment services industry.
- **Comisión Nacional del Mercado de Valores (CNMV):** Is an independent regulatory body responsible for supervising and inspecting the securities markets in Spain, as well as those activities related to them.
- **Dow Jones Sustainability Indexes:** Family of indices that assess the sustainability performance of thousands of publicly operated companies.
- **Global Reporting Initiative (GRI):** Independent standards organization that helps companies, governments or other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.
- **Institutional Limited Partners Association (ILPA):** Trade association for limited institutional partners in the private equity sector.
- **Invest Europe:** Trade association representing the private equity, venture capital and infrastructure sectors in Europe.
- **Morgan Stanley Capital International (MSCI):** North American financial company, global provider of indices and analytical tools for different financial products, including ESG aspects.
- **Sustainable Development Goals (SDGs):** They constitute the heart of the 2030 Agenda and show a comprehensive, indivisible perspective and a renewed international collaboration. The 17 SDGs were adopted in 2015 by all United Nations Member States as a call to action to end poverty, protect the planet and guarantee peace and prosperity for people by the year 2030.
- **Private Equity:** Refers to institutions that invest in other private companies with high growth potential in exchange for controlling a percentage of the company or its shares.



- **Private Equity International:** Global provider of information, data and analysis for the private equity industry, focused on the relationship between investors and fund managers.
- **SpainCap:** Association that brings together Venture Capital & Private Equity entities in Spain, as well as their investors, including insurers and pension funds. SpainCap members invest in the medium and long term in unlisted companies, from start-ups to consolidated companies, providing not only stable financing through capital, but also innovation and management support.
- **Sustainability Accounting Standards Board (SASB):** Non-profit organization founded in 2011 that develops accounting and sustainability standards.
- **Sustainalytics:** Morningstar company that is dedicated to rating and assessing the sustainability of listed companies based on performance in ESG aspects.
- **Task Force on Climate-Related Financial Disclosures (TCFD):** Was set up to develop recommendations for more effective climate information disclosure.
- **UN Global Compact:** United Nations non-binding pact to get companies to adopt sustainable and socially responsible policies and report on their implementation.
- **UN Principles for Responsible Investment (PRI):** Network founded in 2006 and supported by the United Nations, the world's leading advocate of responsible investment. Works to help understand the implications of ESG factors in investments and supports its signatories in integrating them into decision-making.
- **KPI:** Key Performance Indicators. They help companies define and measure progress toward organizational objectives.



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