

# ESG annual review



TalDe

2020

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# FOREWORD



## 1.1 Message from Talde´s Team

*The global COVID-19 pandemic has highlighted the fragility of our business as usual and the need to create a resilient, adaptive and sustainable financial sector that contributes to society and our planet. To face global change and upcoming socioeconomic and ecological challenges, Talde strives to bring environmental, social and governance (ESG) practices to the next level and fully integrate them into its core business. As a private equity firm, we are aware of our key role in shaping the economy to achieve international goals such as the Paris Agreement and the Sustainable Global Agenda 2030. To that end, we consider it is vital to redirect capital flows into greener projects that support climate change mitigation-adaptation initiatives, sustainable use of resources, circular economy, pollution prevention and healthy ecosystems. At Talde, we believe that we can achieve a more just and sustainable world by acting as responsible investors, integrating ESG factors in the life cycle of investments.*

*We would like to thank our portfolio companies, who are committed with us to continue working for an effective sustainable transformation of our economy. In order to ensure transparency and keep track of ESG annual performance, Talde has assessed its Portfolio Entities and associated ESG for the second year.*

*We have the trust of our investors and we will inform them on a regular basis about the progress and achievements we are making in implementing ESG aspects in our business.*

*This report refers to 2020 information, understood as a calendar year. We believe this review also provides investors and stakeholders with an open and transparent indication of our ESG approach.*

*Our goal for the next years is to ensure that ESG is fully embedded within the business we own, in those we have invested and in those in we will invest.*

***“A paradigm shift in the next decade is needed if we want to address the most urgent ecological and social issues. From Talde, we work to build up a new investment scenario in which assessing and managing ESG related impacts becomes a core part of our investment decision-making”***

***“Talde´s Team”***



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# TALDE OVERVIEW

## About Talde

Talde is a leader company in the private equity (PE) market. It was founded in Bilbao in 1976 through its “evergreen” vehicle *Talde Promoción y Desarrollo SCR, SA*, which nowadays continues operating.

Nowadays, Talde counts with a solid support of different institutional investors (pension funds, EPSV, insurance companies, fund of funds) and important family owned business groups.

Talde, primarily invests in Spanish Small and Medium Enterprises (SMEs), which are assisted by Talde’s team in a post-investment and ownership period to support them in the design and execution of their Strategic Plans focused to promote their sustainable growth bot at the national and international level.



*45 years existence*



*We have participated in more than 160 companies*

**Our Values** represent the key element of our entrepreneurial culture, they are based on **People** who is passionate about tackling challenges with rigor and a positive attitude, **Commitment** with service excellence, perseverance and **Responsibility** to work with ethic in building a more sustainable future.

Talde is an outstanding company in the PE arena due to its commitment to improve Spanish Small and Medium Enterprises through the promotion of four fundamental pillars:



### Active Participation

We work along with our portfolio companies’ management teams providing our expertise and experience.



### Expertise

Talde is made of finance highly skilled experts with extensive experience in transactions and management of businesses.



### Commitment

Talde works with clear objectives aligned with the interests of their partners and stakeholders.



### Transparency

Disclosure and transparency are key elements for Talde.

## Talde's Investment Strategy

Talde continues its growth and acquisition of assets, we currently manage more than 300 millions euros of assets.

This has been possible due to the support of its traditional investors and the collaboration with new ones, both have provided the opportunity to use their different resources to invest in companies with top-level partners who are willing to incorporate ESG recommendations.

### 2020 Milestones



Launched of Talde Deuda Alternativa FILPE whose objective is to provide sustainable and continuous financing to small and medium-sized companies with international growth expectations.



Talde Deuda Alternativa FILPE financed the acquisition of approximately 70% of GVO (Grand Vision Optics), a manufacturer of children's glasses.



Talde has closed the investment period of its Private Equity fund Talde Capital Crecimiento, FCR and has launched a new fund with a similar approach and a total amount of €150 million.

In addition, Talde Promoción y Desarrollo, S.C.R., S.A., has increased its capital. This financial instrument completes the diversity of products Talde provides for small and medium-sized companies.



Talde carried out new investment and divestment operations, it took part of Fire Pipping's and Patia's capital and sold Rotecna's stake 4 years after it was purchased.



## *Talde's Team*

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*Gender equality*



*Intergenerational*



*Diversity of backgrounds*

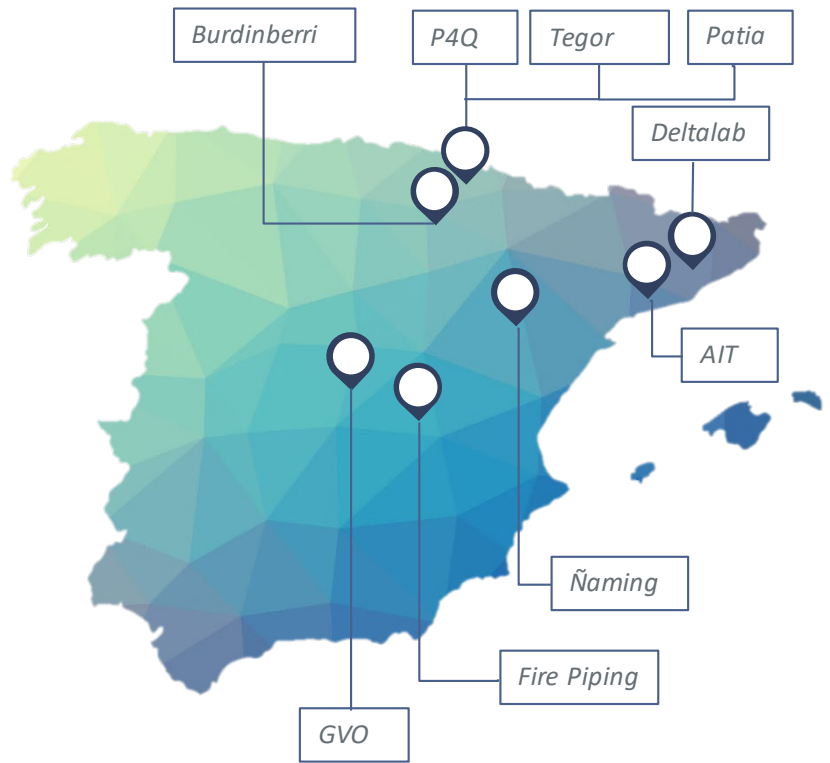
Talde is made of 13 investment professionals with sound knowledge of the financial sector and specifically, regarding the private equity market and counts on a large a well recognised team of collaborators. Talde's team is specialized in the execution of corporate transactions with a strong focus on the management and performance improvement of its portfolio companies.

At Talde, we collaborate closely with the management teams, supporting them in the design and implementation of strategies by providing knowledge, relationships and financial resources. Thus, contributing to the improvement of their positioning.

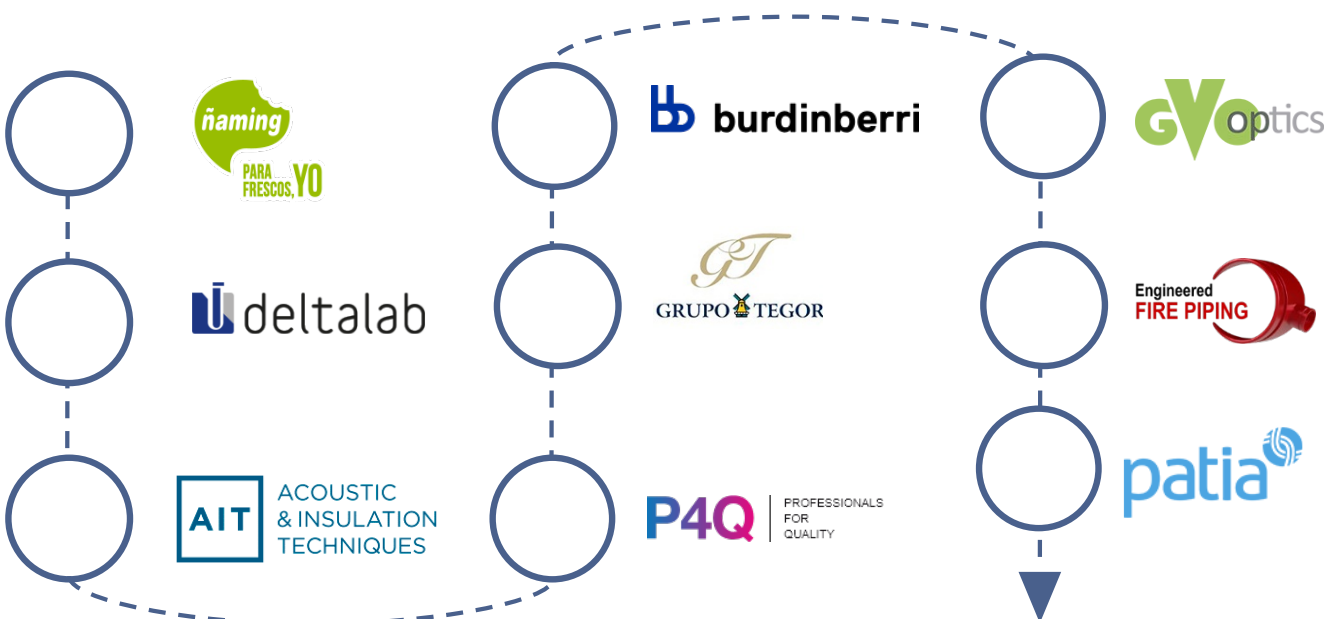


## Talde's Portfolio Companies (PC)

- 9 Portfolio Companies (Small and Medium Enterprises) based in Spain.
- Portfolio companies are distributed along 5 different Autonomous Communities.
- Value of companies: between €3M and €72M.



### Portfolio Companies





# RESPONSIBLE INVESTMENT

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## 3.1 Our Approach to Sustainable Investment

### *Values and fundamentals of our responsible investment*

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Talde's ESG Policy aims to guide its responsible investment journey, as well as reflects its commitments to manage environmental, social and governance (ESG) issues from an ethical standpoint. Talde considers a fair number of ESG topics throughout its entire investment cycle spanning from an initial high-level screening, due diligence and investment decision, to post-investment period.

Talde works with all Portfolio Companies to co-create added sustainable intrinsic value before the exit phase.

According to the latest Global Risk Report developed by the World Economic Forum, Infectious diseases and climate action failure are considered the most likely and impactful risks on this year's analysis. ESG risks could have enormous implications for businesses, industries and society in general, now and in the future.

Therefore, it is part of Talde's responsibilities to carefully evaluate these risks when making any type of investment and, if necessary, study how our decision making process and investee companies could be impacted by these long-term megatrends.



### Our commitments

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1. **Implementation and communication of the ESG Policy**
2. **Working towards Sustainable Solution and Outcomes**
3. **Sectorial exclusion**
4. **ESG engaging at Talde level**
5. **Integration of ESG matters throughout the deal cycle**

The Responsible Investment Strategy and considerations of ESG issues are integrated within the organizational structure of Talde, as well as in its culture and activities, which is materialized in the commitments described in the following sections.



### Implementation and communication of the ESG Policy

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Talde's Board will review Talde's ESG Policy to reflect emerging sustainability issues, stakeholders' perception and most advanced good practices of the financial sector. In 2021, the ESG Policy has been updated in order to:

- Define Sustainability Outcomes in our ESG Policy (SDG goals) and include a statement to endorse the Paris Agreement and the *Task Force on Climate-related Financial Disclosures* (TCFD) recommendations;
- Include (EU) 2019/2088 and (EU) 2020/852 2020/852 regulation's guidelines.

Talde will communicate its ESG Policy to its investors and portfolio companies.

### *Sustainable Solution and Outcomes*

In September 2015, all 193 Member States of the United Nations adopted a Roadmap for transforming our planet into a more just and liveable place “The Agenda 2030” with 17 Sustainable Development Goals (SDGs).

We are working to align our corporate management with the Sustainable Development Goals, which in addition to assuming a commitment to social and sustainable progress helps us find new business opportunities, promote innovation and improve our relationship with stakeholders.

At Talde, we acknowledge the need of an active participation of the financial sector on the Agenda 2030 sector to fully achieve the Sustainable Development Goals (SDGs) by 2030. Therefore, we are committed to contribute through our business operations and investments to the following SDGs :

- SDG 5 : Gender Equality
- SDG 6: Clean Water and Sanitation
- SDG 7 : Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry Innovation and Infrastructure



Talde's investment make emphasis and care in the following topics:

#### Human Rightst and Social Issues:

- Talde will respect human rights and will ensure it does not invest in companies involved in any type of modern slavery, forced labour or child abuse.
- Talde will guarantee equal opportunities among its employees.



#### Natural Capital, Climate Change and Respect for the Environment:

- Talde recognizes the importance of conserving healthy ecosystems for the well-being of future generations.
- Talde will emphasize the precautionary principle of “do no harm to the environment” by encouraging the Portfolio Companies to assess their environmental impacts, reducing their footprint and improving their sustainable performance.



#### Labour Rights:

- Talde ensures portfolio companies commit to comply with applicable labour laws in the countries in which they operate, to support the payment of competitive salaries, to provide a safe and healthy workplace and to respect the affiliation rights of employees, as well as their participation in collective agreements.

#### Bribery and corruption:

- Talde prohibits any type of bribery and corruption and will support ethical behaviours within the company and portfolio companies.



# ESG IN ACTION

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## 4.1 ESG at Talde Level

### *ESG engaging at Talde level*

Talde's Responsible Investment Policy, the Procedure of good governance, organization and responsibilities, the code of ethics and the procedure for personnel training and evaluation are in place since December 2019.

In December 2020, Talde's Board presented a new organizational approach approving the establishment of an ESG committee made up of four Board Members. This committee, will be in charge of managing and centralizing Governance, Sustainability and Environmental issues as well as promoting the exchange of knowledge and best practices among the investee companies.

- **Audit, Control and Compliance Committee** (4 Directors of the company).
- **Remuneration and Appointment Committee** (3 Directors of the company).
- **ESG Committee** (4 Directors of the company).

At the investee level, Talde regularly holds meetings with the Portfolio Companies to express its commitment and concerns about different ESG topics and follow performance KPIs.



### *Our commitment to Responsible Investing*

Talde is decided to become UN PRI signatory during 2021 and we are committed to the following:

- To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
- To be an active owner and to incorporate ESG issues into our ownership policies and practices;
- To seek appropriate disclosure on ESG issues by the entities in which we invest;
- To promote acceptance and implementation of the Principles within the investment industry;
- To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles for Responsible Investment;
- To report on our activities and progress towards implementing the Principles for Responsible Investment.





## Transparency

Talde is deeply committed to be transparent to investors and proactively report ESG-related portfolio information.

We shared our responsible investment policy, ESG Due Diligence reports in case of exit and our and portfolio companies ESG performance through the ESG annual report.

As part of this commitment, Talde will improve its website to include ESG section with our ESG policy, Sustainability reports and commitments.



**Talde's ESG Policy**

Talde is one of the main players in the Private Equity Sector in Spain, focused on national and international growth as well as on sector consolidation of small and medium enterprises located mainly in Spain. In this sense, Talde's mission is to improve performance and benefit from the potential growth of the companies in which it invests, and believe that Environmental, Social and Governance (ESG) issues should be embedded in the investment process to build maximum long-term value creation for portfolio companies and investors.

**Talde's values**

This ESG policy reflects Talde's approach to environmental, social and governance (ESG) issues management throughout our investment horizon spanning from initial due diligence and investment decision, through the holding period with ongoing support, and our exit strategy, aiming to generate sustainable and socially responsible value in the companies in which we invest. This document sets out Talde's responsible investment fundamentals and ESG commitments.

**The fundamentals of Talde's Responsible Investment**

Talde considers that global megatrends such as climate change, resources scarcity, demographic development, technology advances and social inequality will influence markets, businesses and society in general, and will have implications in terms of risks and opportunities for businesses that should be evaluated and taken into account.

Reciprocally, Talde recognizes that the Private Equity, Private Debt and Real Estate businesses can have a significant impact on economy, environment and society, factors that cannot be addressed separately. Consequently, the environmental, social and governance implications of our investments should be considered and we should influence our portfolio companies to act in a socially responsible manner.

For these reasons, Talde believes that ESG issues should be integrated into the investment process and this falls within our fiduciary duties as investor.

**Talde's commitments:**

The Responsible Investment Strategy and considerations of ESG issues are integrated within the organizational structure of Talde, as well as in its culture and activities, which is mapped in the commitments described below.

- **ESG engagement at Talde level:** Talde will set up an internal committee to deal with ESG issues and assign specific duties to persons within the Board of Talde who will be responsible for gathering information from investee companies and bring it of communication with investors. This committee will also be in charge of formulating an ESG training plan for Talde staff and investee companies.
- **Sectorial exclusion:** Talde is committed not to invest in companies whose main activities are related to financial sector, real estate, weapons and/or with a reputational risk.
- **Integrate ESG issues management throughout the deal cycle:**
  - **Pre-acquisition:** Talde commits to assess ESG issues and management standards in target companies during the evaluation of investment opportunities and that any material finding is documented in the investment papers. Using due diligence process, Talde

## Other Initiatives at Talde



**Digitalization:** Talde counts with advanced communication equipment to optimise business travel and reduce its environmental impact CO<sub>2</sub>. Additionally, all projects have been transferred to the cloud and all employees have been trained on cyber risks and how to avoid them.



**Recycle of wastes:** in Talde's offices there is a correct segregation of all the waste produced by using different specific containers.



**Resource consumption:** since the main energy source is electricity, Talde installed lighting control automation system to improve energy efficiency at its offices.



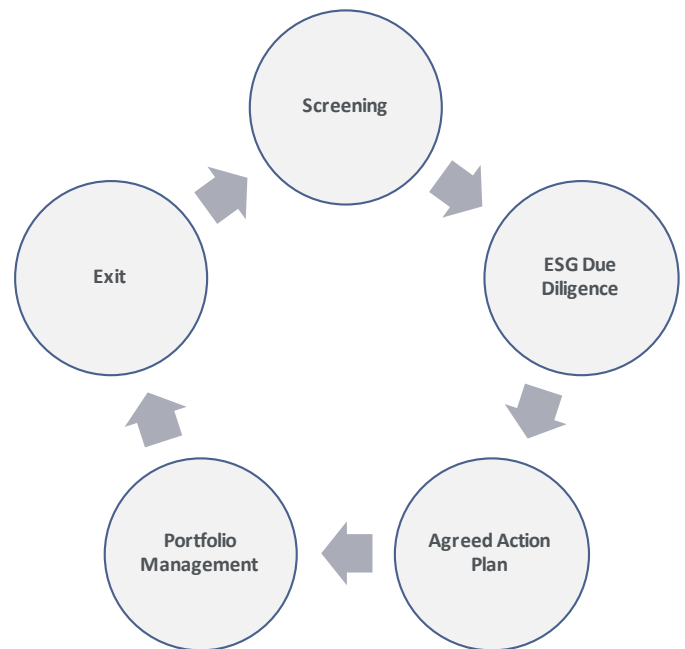
**Covid-19 crisis:** office materials and computers have been provided to all employees so they could work remotely, promoting flexible working hours and improving work-life balance.

## ESG Integration

As a responsible investor, Talde is working in line with Regulation (EU) 2019/2088 modified by (EU) 2020/852 to facilitate sustainable investment.

### Screening

- At the beginning of the process we identify ESG risks and we enhance potential market opportunities by excluding non-acceptable activities or selecting sectors and targets inclined towards a higher environmental or social return.
- We have established an **exclusion list** according to the International Finance Corporation (World Bank) as well as the European Investment Bank's exclusion list. Talde will not invest in any company that undertakes any kind of illegal economic activity and we exclude the following illegal or morally controversial sectors:



### Exclusion list

- Tobacco or distilled alcoholic beverages and related products.
- Weapons and ammunition of any type (except for EU strategic activities included in its policies).
- Gambling, casinos and equivalent enterprises.
- Projects unacceptable in environmental and social terms: in protected areas, critical habitats and heritage sites, without adequate compensation/mitigation.
- Projects which result in limiting human rights
- Any target with signs of corruption, money-laundering practices or crime.



*ESG Integration**Due Diligence*

- According to our responsible investment policy we carry out ESG due diligence on every new investment opportunity, using external specialized resources.
- As an integral part of the due diligence we thoroughly investigate ESG challenges and opportunities in areas such as:



**Governance** - Assess Corporate Social Responsibility / Sustainability strategy and ESG policies, assurance mechanisms (ESG reporting (KPIs), audits) and external ESG reporting. Review of Stakeholder engagement, Supply chain and contractors management, Review prosecutions, regulatory notices and third party claims related to ESG issues.



**Social** - Compliance with labour regulation and human rights ( Occupational health, policies, procedures, workplace risk assessment and prevention plans), other labour issues (workers exposure monitoring and work-related illnesses and occupational diseases).



**Environment** - Company's resilience to Climate Change challenges, adaptation and mitigation, energy management. Compliance with regulations, circular economy, efficient use of resources, environmental KPI'S. Assessment of environmental liabilities.

## ESG Integration

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### Investment decision

- Talde's Investment Committee is responsible for all investment-related decisions and the overall monitoring of the funds' investments.
- Key ESG due diligence findings are submitted for discussion to the Investment Committee.

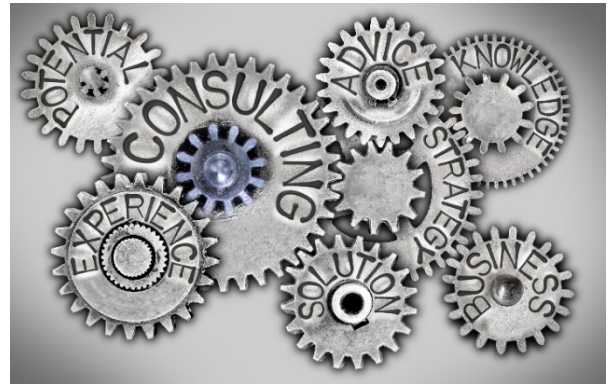
### Agreement/Action Plan

- The Investment Phase concludes with the Investment Agreement where we include relevant governance clauses that enable us to modulate ESG within portfolio companies, including:
  - Adherence to Talde's ESG Policy;
  - Reserve of capacity to propose ESG actions, in case of minority stakes;
  - Commitment to continuous ESG improvement;
  - Governance based on Talde's presence on the investee's Board of Directors.
- As part of the action plan tailored to the new company:
  - We discuss the implementation of among others, Ethics Code, and Code of Conduct, Anti-corruption policies and ethics supply.
  - We implement short-term initiatives detected at the ESG DD.
  - We establish a company –specific KPIS measurement.



*ESG Integration**Portfolio Management*

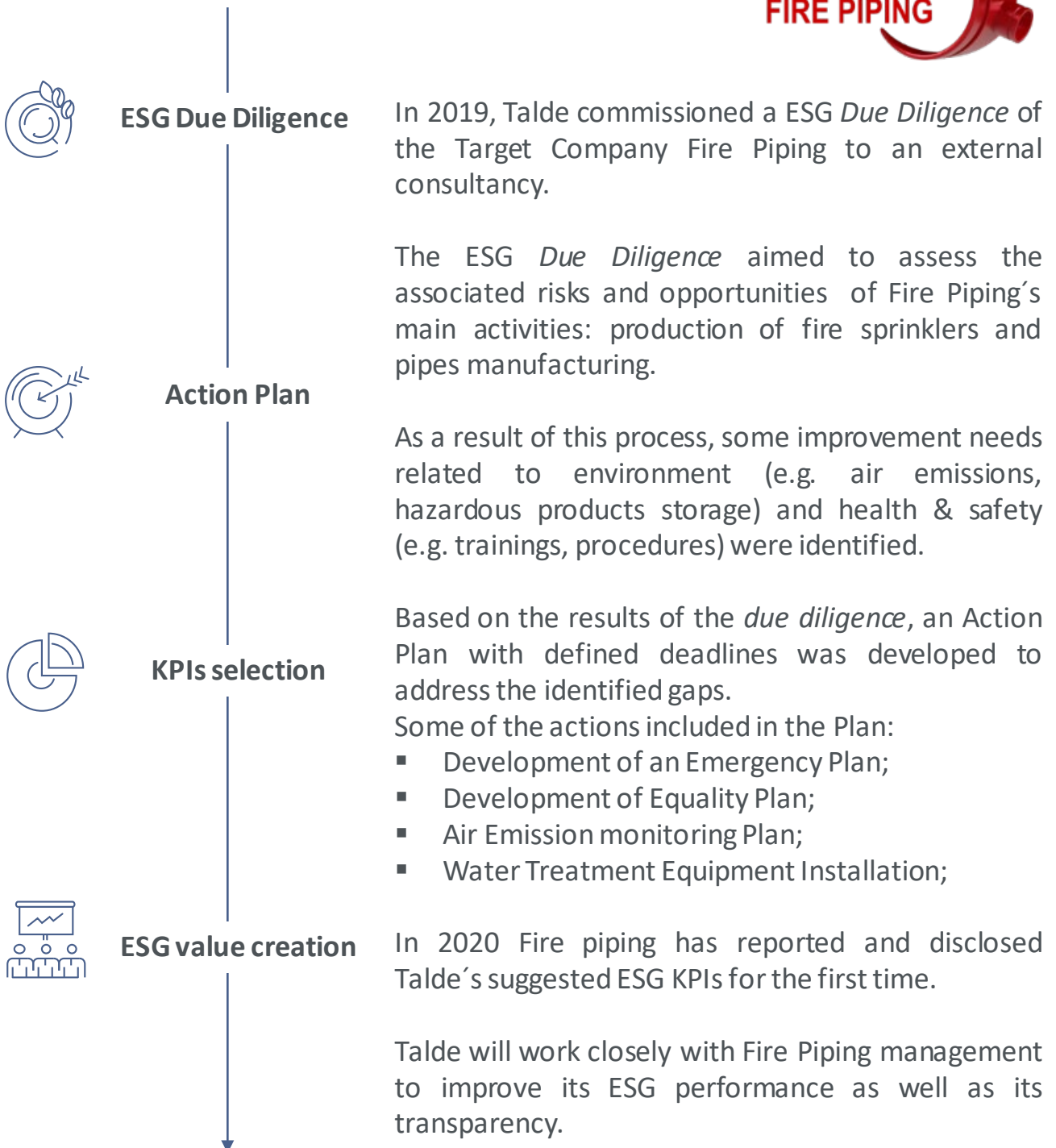
- Talde has developed a standardized approach to collect high quality sustainability information and other performance KPIs from portfolio companies.
- On annual basis, each portfolio company receives a detailed sustainability questionnaire, which is returned with the quantitative and qualitative information requested. This, allows us to measure their annual progress and increase ESG awareness.
- As regular practice, periodic follow-up meetings with top management and the annual review of the ESG practices help our companies to integrate ESG into their culture and processes and encourage them to report on ESG matters.

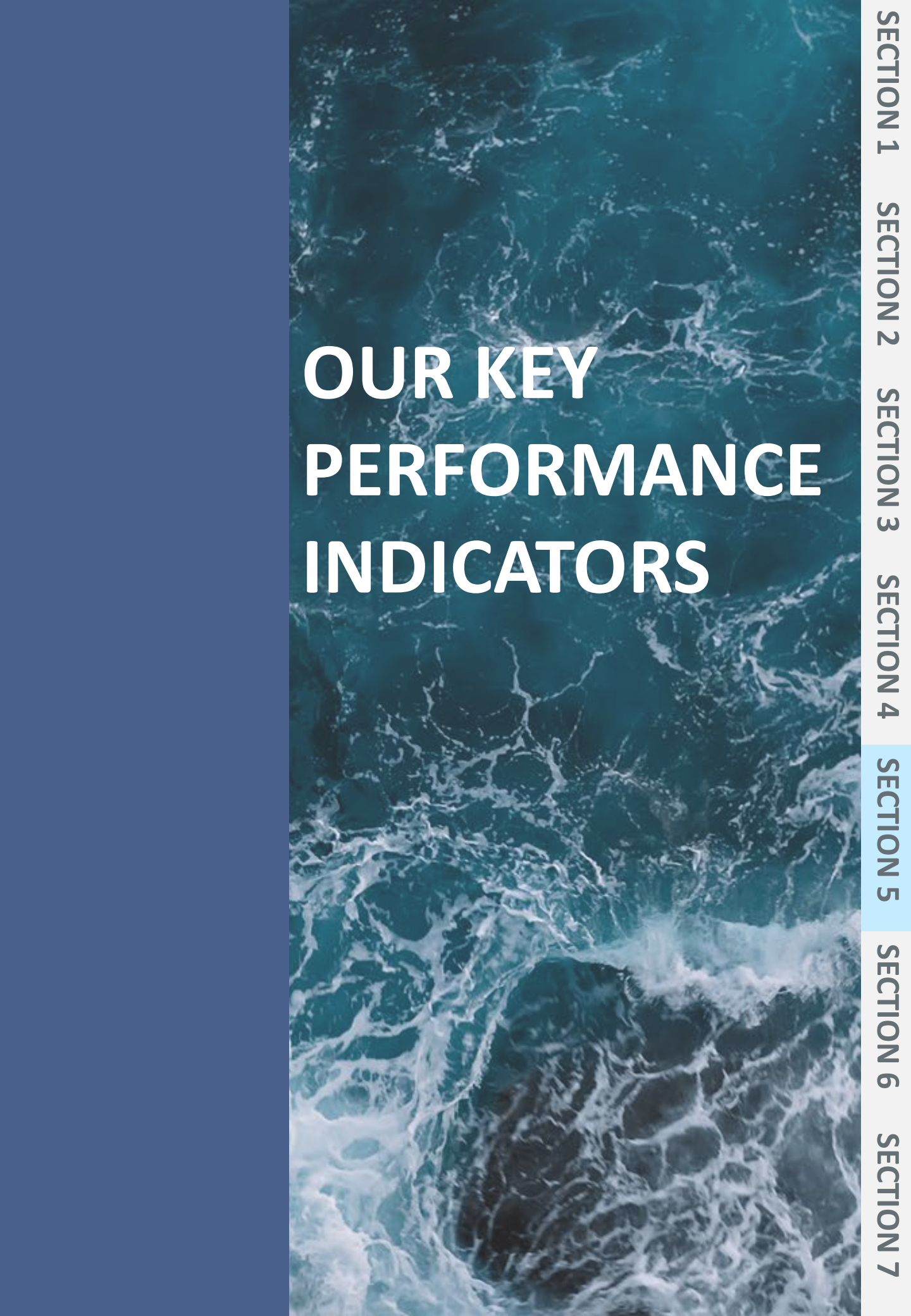
*Exit*

- During the exit phase, Talde develops a sales report in which all the environmental initiatives performed by the investee companies are shown. This report provides useful environmental performance information to potential investors who are interested in a Portfolio Company under Talde's management.



## Case Study ESG Due Diligence: Fire Piping





# OUR KEY PERFORMANCE INDICATORS

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## 5.1 Portfolio ESG monitoring

### 2020 Selected ESG KPIs



At Talde, we believe that by collecting and monitoring ESG KPIs on annual basis we will not only help our investee companies to identify gaps but will provide them with robust data to design and implement Action Plans and Strategies that will ultimately enhance their efficiency in ESG matters. We want to challenge

ourselves and our Portfolio Companies whilst promoting a continuous improvement. That is why, next year we expect to integrate more Climate related KPIs, that will help us to contribute to the achievement of a Net Zero Future:

| KPIs   | Units  |
|--|--|
| LTA, NLTA & NM   | Number of lost time, non lost time accidents and near misses |
| LTIFR  | Lost time incident frequency rate                            |
| H&S training   | Hours/FTE  |
| Employee H&S Training Cost and General Training Cost           | K€/FTE   |
| Women at all organizational levels and in management positions | %  |
| Employee turnover rate   | %  |



| KPIs   | Units                           |
|--|---------------------------------|
| Electricity consumption                        | Kwh/€K turnover                 |
| Electricity consumption from renewable sources | %                               |
| Gas consumption                                | Kwh/€K turnover                 |
| Water consumption                              | Litres/€K turnover              |
| Waste produced                                 | Kg/€K turnover                  |
| Hazardous waste production                     | Kg/€K turnover                  |
| Reused materials                               | %                               |
| Reused water                                   | %                               |
| Customer claims                                | Kwh/€M turnover                 |
| Response of claims resolution time             | Average days for claim response |
| Amount donate to charity/local organizations   | K€/year                         |
| ESG related CAPEX                              | K€/year                         |
| CO2 Account                                    | Tn CO2 eq                       |



## 2020 consolidated portfolio sustainability figures



9

Portfolio companies



894

Employees in aggregated working for our portfolio companies



224.2

Millions of turnover in aggregated total portfolio companies

### Governance



22%

of portfolio companies have a sustainability policy in place



44%

of portfolio companies hold ISO 9001 certificate



44%

of portfolio companies have an ethical code in place



22%

of portfolio companies include ESG criteria in suppliers' selection and evaluation procedure



44%

of portfolio companies have identified an increase in ESG interest from stakeholders



100%

of portfolio companies have identified opportunities for improvement in ESG



100%

of portfolio companies track customer claims



100%

of portfolio companies track response of claims resolution time



78%

of portfolio companies track donations to charity or local organisations

(\*) This indicator does not include GVO since no information regarding required time to resolve complaints was available during the preparation of this report.

## 2020 consolidated portfolio sustainability figures

### Environmental



**67%**

of portfolio companies have an environmental policy in place



**44%**

of portfolio companies hold ISO 14001 certificate



**33%**

purchase renewable energy



**89%**

of portfolio companies track waste production



**89%**

of portfolio companies track water consumption



**22%**

of portfolio companies reuse materials during the production process

### Social



**56%**

of portfolio companies have a non discrimination policy



**22%**

of portfolio companies hold ISO 45001 certificate



**100%**

of portfolio companies track lost time and non-lost time accidents



**89%**

of portfolio companies track health and safety training hours



**100%**

of portfolio companies track lost time incidence frequency and employee turnover rates



**100%**

of portfolio companies track percentage of women at all organizational levels and at management positions



# PORTFOLIO COMPANIES: ESG TRENDS

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## 6.1

## Continuous ESG improvement

Founded in 1990, Ñaming is one the Spanish leader in the production of sandwiches and casual food.



Currently, Ñaming delivers more than 120,000 products per day around Spain.

### Key Figures 2020



Zaragoza  
Headquarter



90  
Employees



13.1 M€  
turnover



60%  
Women at  
management  
positions



### ESG Good Practices



- **Sustainable packaging strategy in place:** 90% of Ñaming's packaging come from recycled and compostable materials.
- **Promotion of sustainable diets:** currently working to eliminate sugar from a range of products such as breads and processed meat.
- **New line of organic products:** certified by EU-Ecolabel.

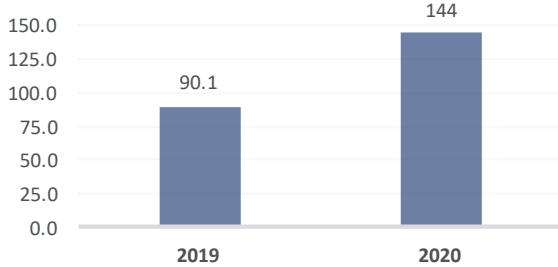
### 2020 Initiatives

- Ñaming has donated 1,000€ to food banks to support people who cannot afford essentials.
- Ñaming has purchased Covid-19 test to avoid the spread of the disease between its employees and got certified in Covid-19 prevention.



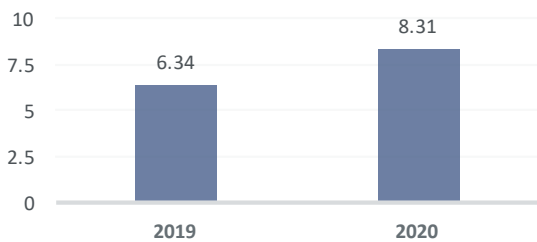
## Selected ESG KPIs 2020

**Electricity consumption**  
(KWh/€K turnover)



Resource **consumption** has **slightly increased** due to current Covid-19 crisis, same amount of energy and water has been used to operate industrial Sites whilst less turnover has been generated

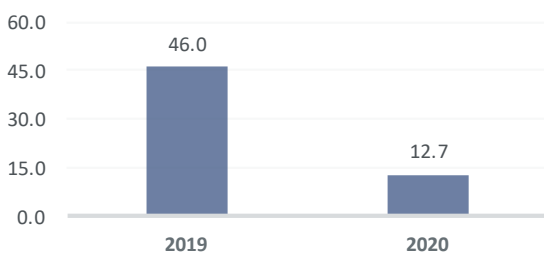
**Waste produced**  
(Kg/€K turnover)



**31%** increase of waste generation

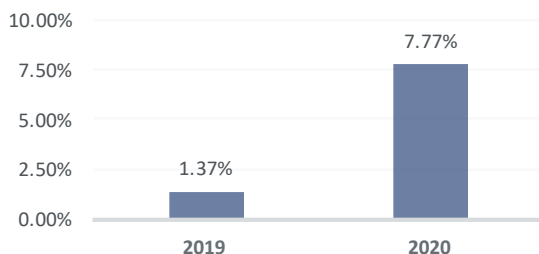
**100%** of waste is recycled by authorized waste vendors

**Lost Time Incident Frequency Rate**  
(LTIFR)

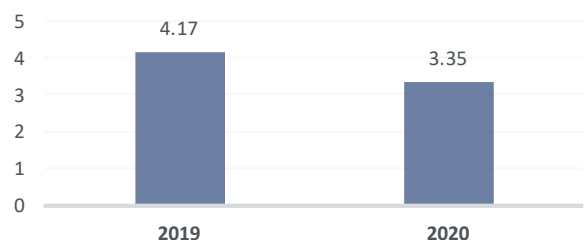


**72%** decrease in the LTFIR rate which implies a reduction in the annual number of accidents with days lost

**Employees turnover rate**  
(%)



**Number of customers claims**  
(Number/ €M turnover)



## 6.1

# Continuous ESG improvement

Founded in 1976, Deltalab is a European leader in the manufacture and distribution of single use lab-ware. Deltalab is in compliance with the highest standards of quality, sustainability and economical efficiency criteria.



Deltalab has an international presence and currently exports to 125 countries in 6 different continents.

### Key Figures 2020



**Barcelona**  
Headquarter



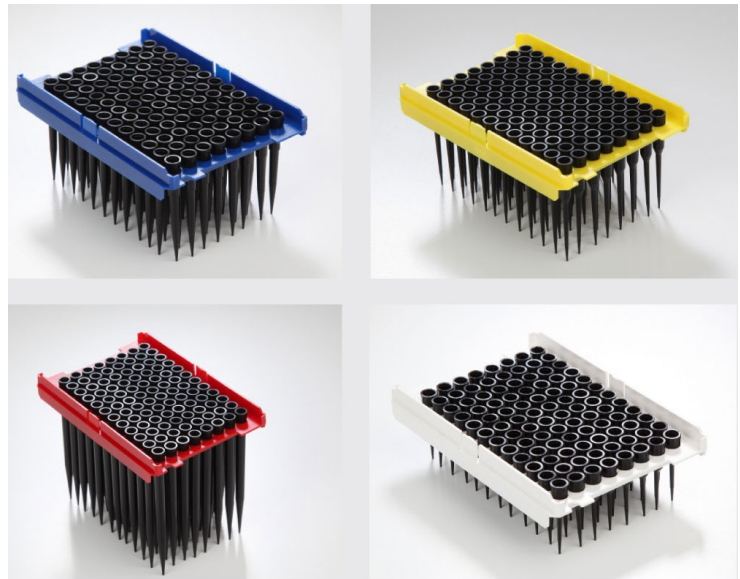
**177**  
Employees



**72.7 M€**  
turnover



**40%**  
Women in  
management  
positions



### ESG Good Practices



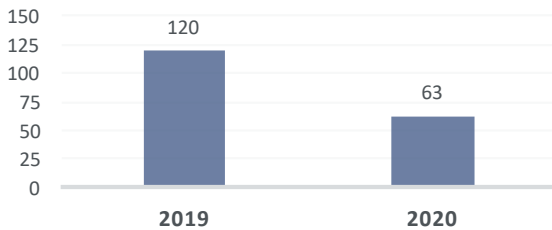
- **Purchase of 42% Renewable Energy electricity.**
- **Audit Programmes:** the main aim of these audits is to understand Deltalab's suppliers and take advantage of identified opportunities during audits.

### 2020 Initiatives

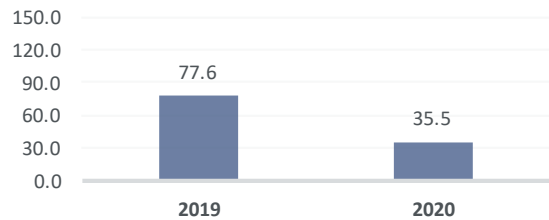
- Gradual shift to LED lighting , this program started in 2019 and is expected to continue in the following years.
- Set up of an efficient air Conditioning system in one of Deltalab's factories.

## Selected ESG KPIs 2020

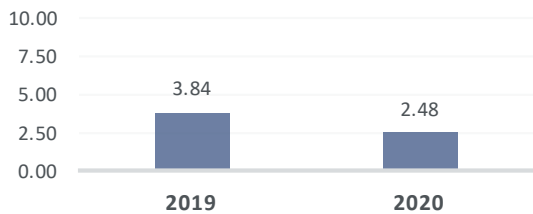
**Electricity consumption**  
(KWh/€K turnover)



**Water consumption**  
(litres/€K turnover)



**Waste produced**  
(Kg/€K turnover)

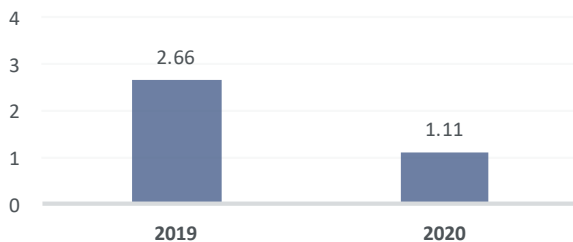


Electricity consumption has decreased **47%** compared to 2019 data, the LED program has contributed to achieve this reduction



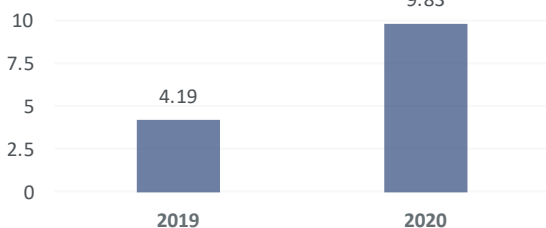
Water consumption and waste production have respectively decreased **54%** and **35%**

**Number of H&S training hours**  
(hours/FTE)

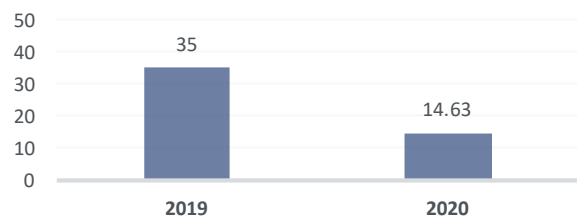


Due to Covid-19 crisis the number of H&S training hours has slightly decreased during 2020. However, Covid-19 prevention courses have been provided to all employees

**Lost Time Incident Frequency Rate**  
(LTIFR)



**Number of customers claims**  
(Number/€M turnover)



## 6.1 Continuous ESG improvement

*Founded in 1990, in Vitoria, Burdinberri is a benchmark in the manufacture of constructive elements and tools for the aeronautical sector.*



*Burdinberri is well recognized by its client due to its flexibility in manufacturing as well as agility and punctuality in delivery.*

### Key Figures 2020



Álava

Headquarter



48

Employees



3.5 M€

turnover



6.25%

Women in all organization levels



### ESG Good Practices



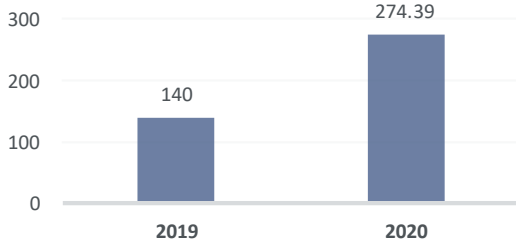
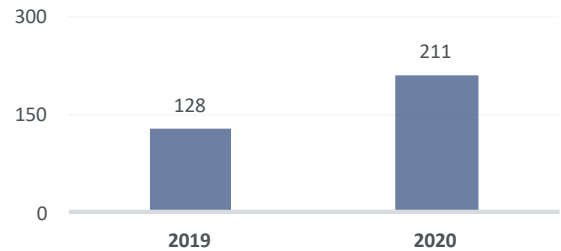
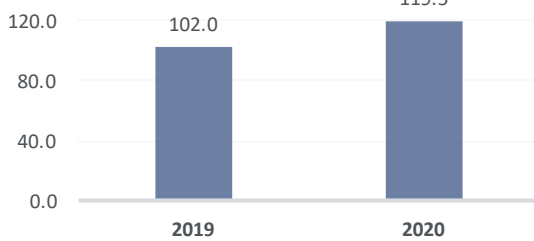
- **Purchase of 100% Renewable Energy electricity.**
- **Management System in Place:** According to ISO 9001:2015 and UNE-EN 9100:2018.

### 2020 Initiatives

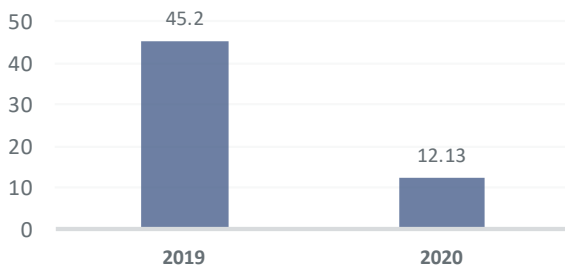
- Development of a Compliance Risk Prevention System, which includes procedures regarding grievances, harassment, bribery and corruption management amongst others.
- Burdinberri has purchased a total of 200 Covid-19 rapid tests to be used by all its employees during 2020.



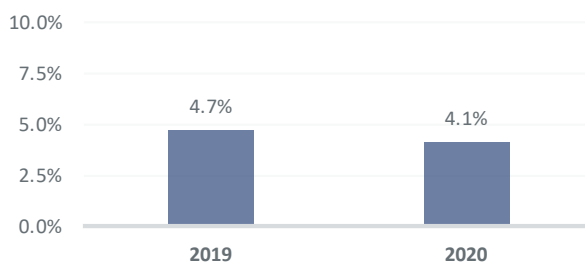
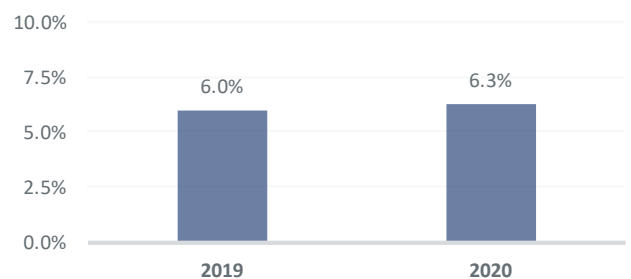
## Selected ESG KPIs 2020

**Gas consumption**  
KWh/ €k turnover

**Electricity consumption**  
(KWh/€K turnover)

**Water consumption**  
(litres/ €K turnover)


Resource **consumption** has **increased** due to current Covid-19's impacts on the turnover, same amount of energy has been used to operate industrial Sites.

**Lost Time Incident Frequency Rate**  
(LTIFR)


**73%** decrease in the LTIFR rate which implies a reduction in the annual number of accidents with days lost

**Employees turnover rate**  
(%)

**Women at all org. levels**  
(%)


## 6.1 Continuous ESG improvement

*AIT counts with more than 60 years of experience in manufacturing materials for sound insulation.*



*AIT operates in three different countries, Spain, Poland and USA and export their products all over the world.*

### Key Figures 2020



**Barcelona**  
Headquarter



**151**  
Employees



**41 M€**  
turnover



**24%**  
Women at  
management  
positions



### ESG Good Practices



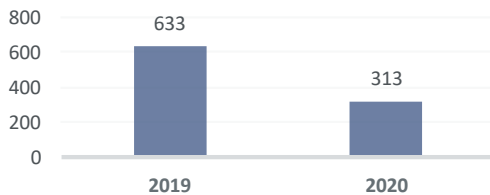
- **Reuse of materials:** 13% of material is reused in the production process.
- **Pallet Return System (PRS) Green Label certificate for the reuse of CP-type pallets** for polymers from the European industry.
- **Gold Metal on Corporate Social Responsibility granted by ECOVADIS:** for three consecutive years (2018 , 2019 and 2020).

### 2020 Initiatives

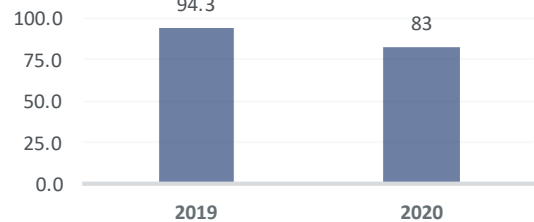
- ESG related capex of 250,000€, capex was primarily invested in implementing lines to use recycled material (scraps are used in the production lines).
- Promotion of several initiatives to avoid Covid-19 spread: implementation of remote working, purchase of several air purifiers with HEPA filters, purchase of test for employees.

## Selected ESG KPIs 2020

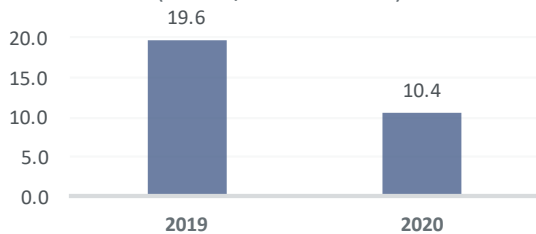
**Electricity consumption**  
(KWh/€K turnover)



**Gas consumption**  
KWh/ €k turnover

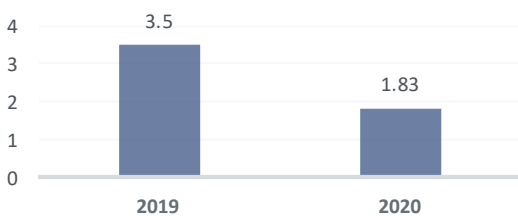


**Water consumption**  
(litres/€K turnover)



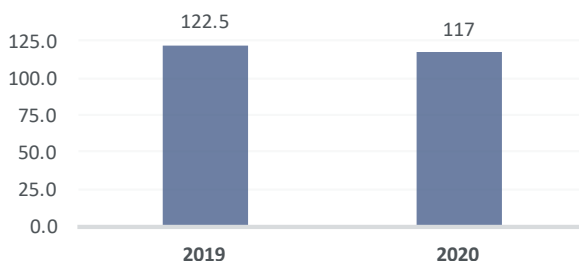
Resources **consumption** has **decreased** due to the close of a production line in Poland during 2020

**Number of H&S training hours**  
(hours/FTE)

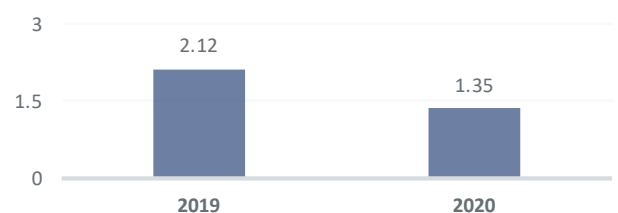


**47%** reduction in H&S training hours due to current Covid-19 crisis but Employee H&S Training Cost has remained more less constant

**Employee H&S Training Cost**  
(€/FTE)



**Number of customers claims**  
(Number/€M turnover)



## 6.1 Continuous ESG improvement

Founded in 1999, P4Q is a reference in the design and manufacture of electronic circuits – EMS – (Electronic Manufacturing Services) specialized in the Automotive and Solar sectors.



P4Q operates its own production plants in Europe, Asia and North America and supply with products to more than 12 countries.

### Key Figures 2020



**Bizkaia**  
Headquarter



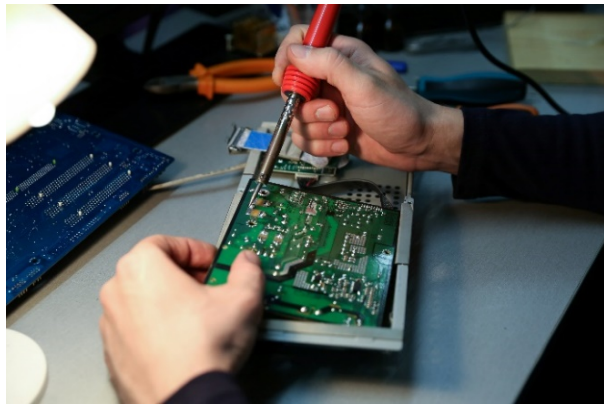
**183**  
Employees



**46 M€**  
turnover



**42%**  
Women at  
management  
positions



### ESG Good Practices



- Purchase of 100% Renewable Energy electricity.
- Work-life balance strategy in place: Childcare vouchers, 100% maternity leave from the 7th month, remote working allowed.
- P4Q has collaborated with Adecco and Arbuio Foundations donating 2,750 €: money was donated to improve the employability of people with disabilities and sponsoring a sports society.

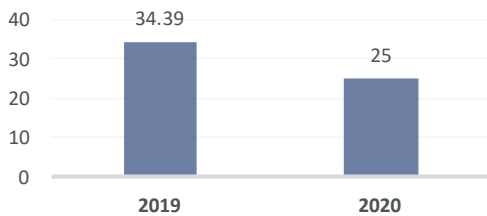
### 2020 Initiatives

- The company is currently working on a Corporate Social Responsibility Policy that will be implemented during 2021.
- P4Q has calculated its associated scope 2 GHG emissions and will work on its GHG accounting in the following years.

## 6.1 Continuous ESG improvement

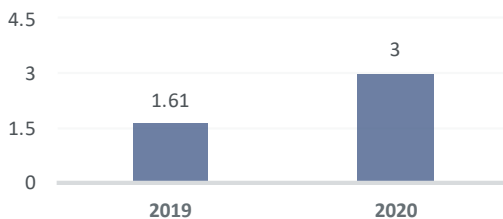
### Selected ESG KPIs 2020

**Electricity consumption**  
(KWh/€K turnover)



**100%** renewable energy electricity consumption during 2019 and 2020

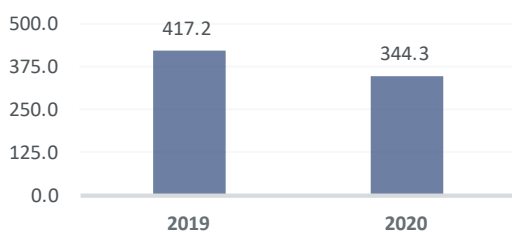
**Waste produced**  
(Kg/€K turnover)



**6%** of hazardous waste in 2020

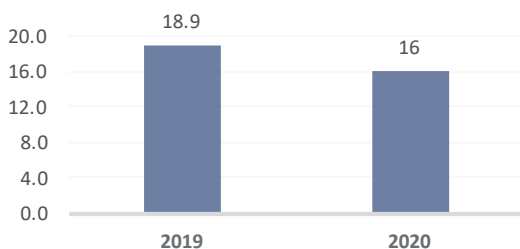
**84%** of total waste is recycled by authorized waste vendors

**Employee general training cost**  
(€/FTE)

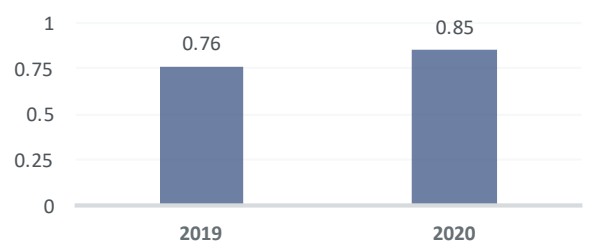


Training to develop technical, health and safety skills, languages and other transferable skills

**Lost Time Incident Frequency Rate**  
(LTIFR)



**Number of customers claims**  
(Number/€M turnover)



## 6.1 Continuous ESG improvement

Founded in 1993, Tegur Group manufactures and distributes a wide range of products for natural medicine, aesthetics, pharmacy and dietetics markets.



Tegur is present in the most important world trade show of phytotherapy, sport and cosmetics and also in the opening of distribution nets in Europe, Asia, Africa and America.

### Key Figures 2020



**Bizkaia**  
Headquarter



**93**  
Employees



**10 M€**  
turnover



**50%**  
Women at  
management  
positions



### ESG Good Practices



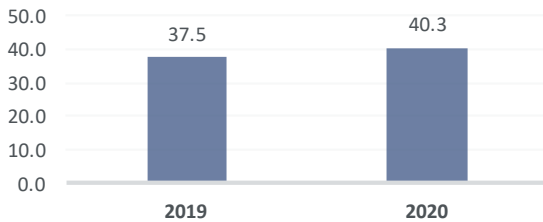
- **Quality, Environmental and H&S Policy:** Tegur is currently certified by ISO Standard 14001 and ISO 13485.
- **Promotion of environmentally friendly practices through innovation and research.**

### 2020 Initiatives

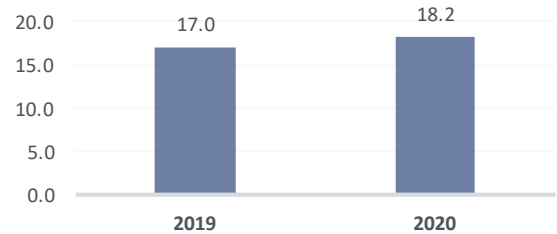
- Tegur has donated food, valued in 20,804€, to social services and public administrations to alleviate poverty rising cases due to Covid-19 crisis.
- Tegur purchased Covid-19 tests and hydro alcoholic gel to be distributed between their employees.

## Selected ESG KPIs 2020

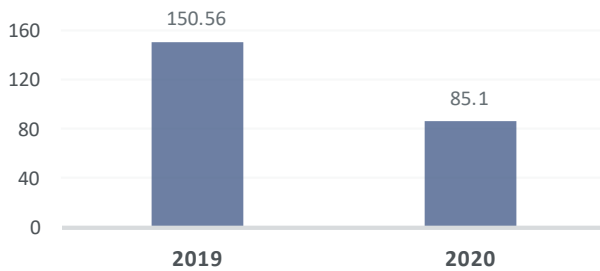
**Electricity consumption**  
(KWh/€K turnover)



**Gas consumption**  
KWh/ €k turnover

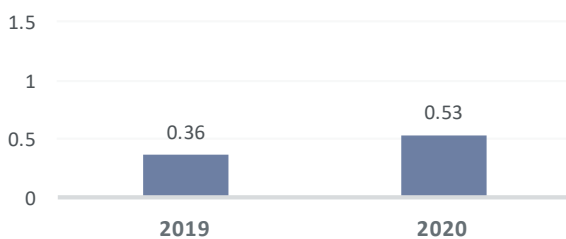


**Employee general training cost**  
(€/FTE)



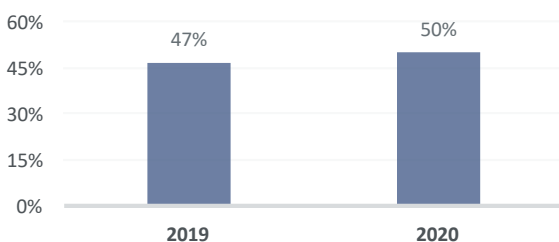
Despite current Covid-19 crisis, the Company has only reduced **43%** of its general training costs in comparison to 2019. Tregor has still invested in logistic, digital marketing, and languages trainings to improve employee's capabilities.

**Number of H&S training hours**  
(hours/FTE)

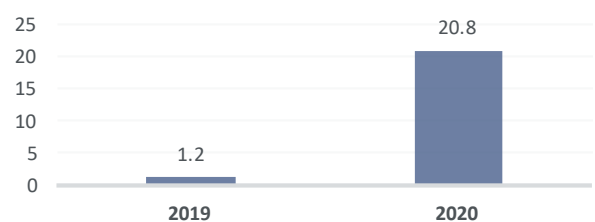


Aware of how important is to maintain a safety culture, H&S trainings hours have increased **47%** during 2020.

**Women in management positions**  
(%)



**Amount donated to charity/local organizations**  
(K€)



## 6.1 Continuous ESG improvement

*Engineered Fire Piping was founded in 2011 by an experienced team who share a vision of providing high quality fire sprinklers and fire pipes. Their main processes consist of steel cutting, welding and painting of fire extinguishing systems.*



*Fire Piping has become a worldwide supplier of manufactured pipes for automatic sprinkler systems. Currently it exports to 30 different countries.*

### Key Figures 2020



Toledo  
Headquarter



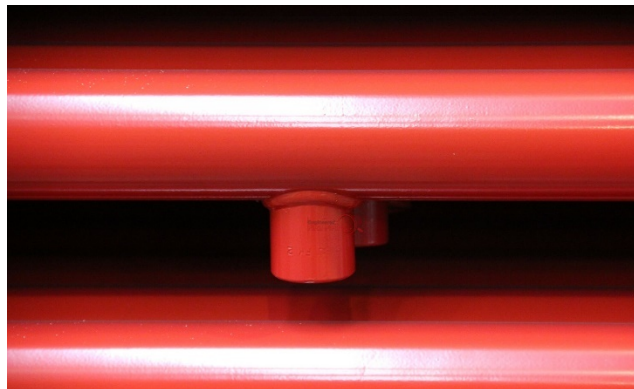
102  
Employees



28.9 M€  
turnover



33%  
Women in  
management  
positions



### ESG Good Practices



- **Quality, Environmental and H&S Policy:** Fire piping is currently certified by ISO Standard 14001 and ISO 9001.
- **Continuous switch-over to LED lighting:** this program was launched in 2020 to improve energy efficiency within industrial Sites.





## 2020 Initiatives

- Reduction of paint consumption: investment of approximately 20,000 € to purchase a more efficient equipment that uses less paint.
- Covid-19 prevention measures have been put in place to avoid contact between staff: remote working, modifying timetables to avoid crowded areas during shift changes, purchase of test and FFP2 mask for all employees.

## Selected ESG KPIs 2020\*



### Environmental

26.3 Water consumption  
(Litres/k€)

20.7 Waste produced  
(Kg/k€)



Currently, **26%** of water is reused during the painting process. In order to take a step forward and achieve a 100% reused water system, a water treatment equipment will be installed in 2021 which will imply an investment of approximately 70,000 €



### Social

44.1 LTIR  
(Lost time incident frequency rate)

34.4 H&S Training Cost  
(Euros/FTE)



### Governance

0 Customer claims  
(Number/M€)

1.0 Amount donate to local organizations  
(k€)



Fire Piping has donated food and materials to different schools and soup kitchens based in Toledo

(\* ) Company incorporated in December 2020, no trends yet established.

## 6.8 Continuous ESG improvement

Patia Biopharma founded in 2013 and Patia Europe in 2015 is a Public Health company that integrates genetic, metabolomic and digital tools to facilitate the prevention and management of type 2 diabetes. Patia works to reduce diabetes cases worldwide and to improve the quality of life of people with diabetes by creating technological solutions.



Patia currently exports its products to countries of Europe and the United States.

### Key Figures 2020



Mexico  
City/Gipuzkoa

Headquarter



14  
Employees



0.514M€  
Turnover



33.3%  
Women in  
management  
positions



### ESG Good Practices



- **Anti-corruption clause:** This clause is included in all contracts with business partners to protect the company's reputation.
- **Company philosophy:** Empathy with society, rigour, transparency and responsibility.
- **Employee care:** Patia Biopharma promotes the well-being and health of its employees through a private health insurance system.



### ESG Initiatives

- Proposed recycling targets: 10% paper and 30% plastics.
- Promotion of flexible working hours and improvement of work-life balance during the Covid 19 pandemic.
- ESG Policy Development Horizon 2022.
- LEED Building Gold level certified building in Mexico City.
- Transparent communication between employees and senior managers.

### Selected ESG Data 2020



#### Environmental

0.67 Electricity consumption (\*)  
(KWh/k€)

Patia has not received any complaints during 2020. It has a protocol in place to respond to potential complaints within 24 hours.



#### Social

57.1 % Women in all levels of the Company  
(Percentage of women compared to the total employees number)

15.3 % Employee turnover rate  
(Percentage of employees leaving the company compared to the total employees number)

(\*) Electricity consumption only applicable to Patia Europe.



#### Governance

1 Response of claims resolution time  
(days)

## 6.1 Continuous ESG improvement

Grand Vision Optics Versport (GVO) is a company dedicated to the commercialization of optical articles (i.e. glasses) which was founded in 1994. GVO is not considered a Portfolio Company but in 2019, Talde granted it a loan through FILPE Venture Capital.



The company exports its products to different countries such as Andorra, France, Portugal and USA.

### Key Figures 2019 \*



**Madrid**  
Headquarter



**36**  
Employees



**8.7 M€**  
turnover



**33.3%**  
Women at  
management  
positions



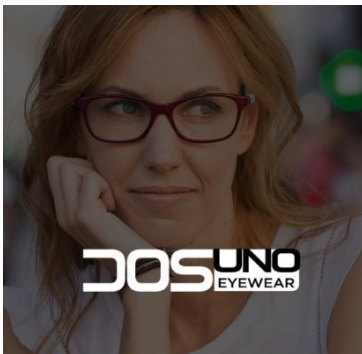
### ESG Good Practices



- **Harassment Protocol in place:** In 2019 a protocol was developed and employees were trained in conflict resolution.

(\* ) 2019 data has been used since 2020 data was not disclosed at the time of developing this document (ESG Annual Review 2020).





## 6.1 Continuous ESG improvement




### ESG Initiatives

- Some marketed glasses (e.g. NANO, DOSUNO, etc.) are made of Siliflex, an organic material, 100% recoverable and recyclable, made from natural resins of vegetable origin.
- GVO mainly uses cardboard packaging instead of plastic.
- GVO collaborates with associations of ophthalmologists: such as American Academy of Ophthalmology (USA), Chinese Ophthalmological Society (China).

### Selected ESG Data 2019

|   |      |   |  |
|---|------|---|--|
| <br><b>Environmental</b> | 0.08 | Water consumption<br><i>(Litres/k€)</i>   |  <p>GVO counts with an estimate calculation of its Scope 2 emissions (indirect emissions for electricity consumption) elaborated by a third party</p> |
|   | 45.4 | Electricity consumption<br><i>(KWh/k€)</i>  |  |
| <br><b>Social</b>        | 14.1 | CO2 emissions<br><i>(Tn CO2 eq)</i>   |  |
|   | 11.1 | % Employee turnover rate<br><i>(Percentage of employees leaving the company compared to the total employees number)</i> |  |
| <br><b>Governance</b>    | 86.1 | % Full Time Employees   |  |



# LOOKING FORWARD

SECTION 1

SECTION 2

SECTION 3

SECTION 4

SECTION 5

SECTION 6

SECTION 7

## Talde's ESG Plan

Looking ahead over the next 12 months, we plan to continue strengthening our responsible investment approach implementing identified ESG initiatives and practices and allocating the necessary time and resources for the accomplishment of our ESG action program. We plan to perform the following actions in short- term period:

### At Talde Level



- Strengthen our commitment to sustainable investment and transparency to become UN PRI signatory in 2021, implement the UN PRI guidelines and Regulation UE 2019/2088 and 2020/852 and report voluntarily in 2022 to the UN PRI.



- Take the lead to tackle Climate Change, is our intention to become a TCFD supporter by 2021 and we will implement TCFD recommendations at corporate level and we will work closely with our portfolio companies to develop a specific strategy.



- As part of our ESG strategy for 2021-2022 we have decided for the first time to assess our Carbon Footprint as an organisation. We will measure our own emissions and look in the first instance to see how we can mitigate and offset these. We will be working with the portfolio to support all companies to take action in this aspect as well.



- Upgrade our ESG governance including additional guidelines for screening, climate related metrics and ESG targets for our portfolio companies.

### Talde with our portfolio companies



- Support our companies to implement ethic codes, and codes of Conduct, anticorruption policies, anti money laundering procedures, ESG policies



- Obtain a commitment from each portfolio company to adhere to Talde ESG policy, allocate an ESG responsible and report to the ESG team on a quarterly basis.



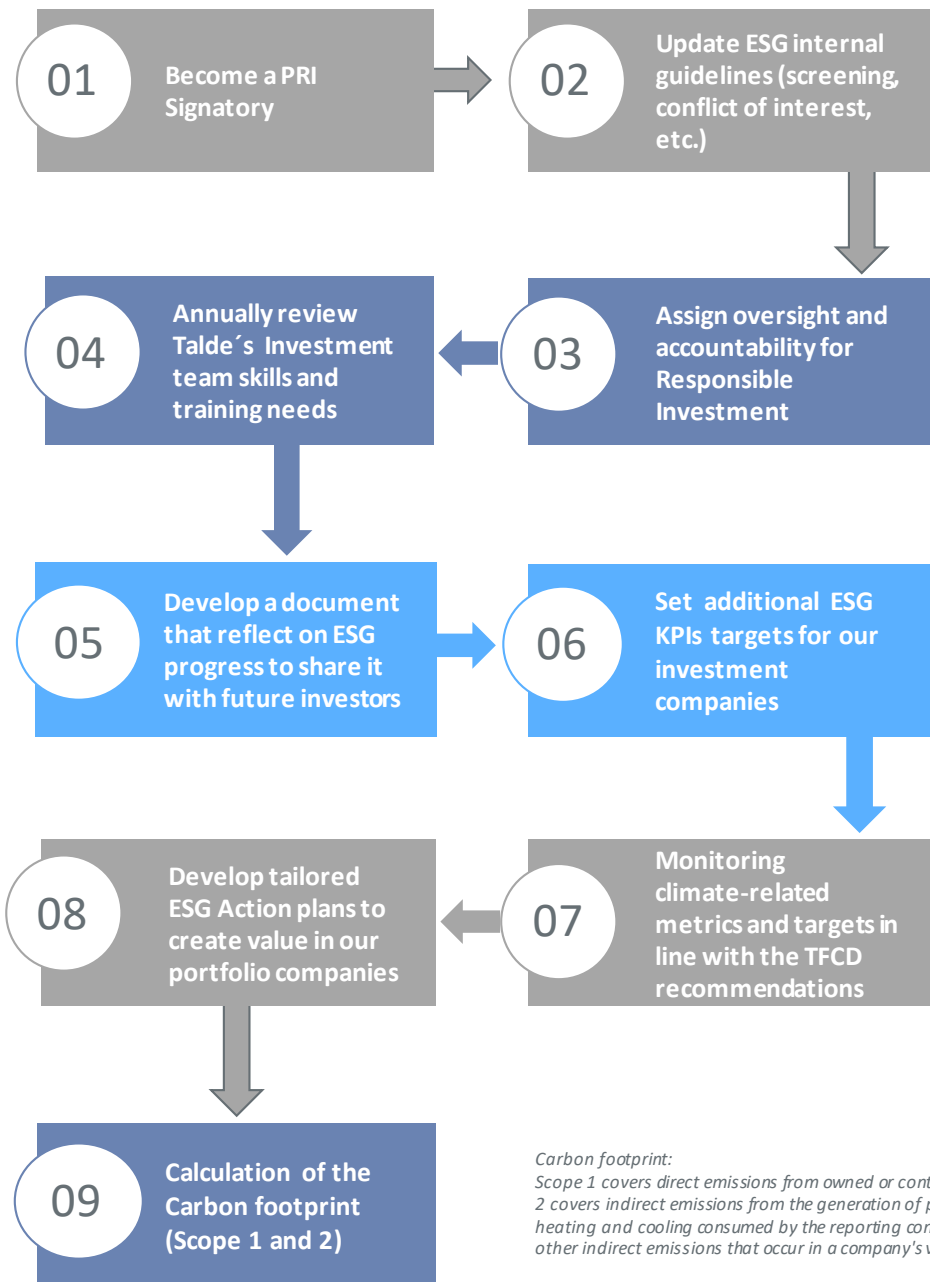
- Set ESG targets and specific action plans to act decisively to improve ESG metrics.



- Work with the portfolio to support all companies to take action in Climate change as an opportunity to help us understand the carbon footprint of our portfolio.

## Detailed Talde's ESG Plan 2021-2022

During 2021, we intent to continue working to improve our performance and help our portfolio companies to set goals and implement initiatives for a sustainable future through the following ESG Plan.







*This annual review has been prepared by Talde with the support of ERM*