

A close-up photograph of several business professionals in suits and blouses, with their hands stacked on top of each other in a circle, symbolizing teamwork and unity. The background is bright and slightly blurred, suggesting an office or meeting environment.

**SUSTAINABLE  
INVESTMENT POLICY**

*Talde Gestión, S.G.E.I.C., S.A.*

# Contents

- Objective and scope of application.....2**
- Background .....2**
- Regulatory framework and reference standards .....2**
- Responsible investment strategy and integration of sustainability and climate risks .....4**
- Information on the Principal Adverse Impacts in terms of sustainability.....7**
- Governance.....9**

## Objective and scope of application

This document is applicable to Talde Gestión, S.G.E.I.C., S.A. (hereinafter "Talde" or "Entity"), and its scope includes all the issues managed by it. This policy is an updated document that integrates Talde's previous ESG Policy along with the Responsible Investment Policy, ESG strategy, and climate strategy, based on the recommendations of the TCFD. It was formally approved by the Board of Directors on March 26, 2025.

This policy defines Talde's approach to the integration of environmental, social and governance issues (hereinafter "ESG") throughout its investment horizon with the aim of generating sustainable and socially responsible values in the companies invested in.

## Background

Talde is one of the main actors in the Private Equity sector in Spain, focused on the growth and internationalization of small and medium-sized companies, together with the consolidation within their sector.

Talde believes that major global concerns such as climate change, resource scarcity, demographic development, technological advances and social inequality will influence markets, companies and society in general, and will have implications for companies in terms of risks and opportunities that must be evaluated and considered.

Mutually, Talde recognizes that the Private Equity and Debt business can have a significant impact on the economy, the environment and society, factors that cannot be addressed separately. Consequently, the environmental, social and governance implications of its investments must be taken into account and must have influence in the investee companies into acting in a socially responsible manner.

In this sense, Talde's mission is to improve the management and benefit of companies by refocusing their growth under more sustainable criteria. Talde considers that ESG issues must be integrated into the investment process in order to create maximum long-term value for Investee Companies and investors.

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

## Regulatory framework and reference standards

This document has been drafted commensurate with the development framework of the European Union's Sustainable Finance Action Plan to finance sustainable growth and a greener Europe. In that regard, it is worth noting:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (hereinafter also the "SFDR Regulation" or "SFDR") of March 2021.
- The Final Report on the Regulatory Technical Standards (hereinafter "RTS") published by the European Supervisory Authorities in February and October 2021.

- The Letter from the European Supervisory Authorities (“ESAs”) sent to the European Commission on priority questions regarding the interpretation of the SFDR Regulation, as well as the response issued by the European Commission in January 2021.
- The statement issued by the National Securities Market Commission (“CNMV in Spain”) on the application of the SFDR Regulation in the financial sector in June 2021.
- The roadmap for Sustainable Finance 2020-2024 of the European Securities and Markets Authority (“ESMA”) of February 2022.
- Regulation (EU) 2020/852 (EU Taxonomy): Establishes a framework for classifying economic activities that contribute to environmental objectives.
- CSRD (Corporate Sustainability Reporting Directive): Introduces a standardized framework, based on the principle of double materiality, for corporate sustainability reporting.

Additionally, Talde's activity also considers the following reference standards:

- The United Nations International Declaration of Human Rights ([link](#))
- The United Nations Guiding Principles on Business and Human Rights ([link](#))



As an example of the Entity's commitment to sustainable development, since 2021, Talde is a signatory to the Principles for Responsible Investment (hereinafter "PRI"). This initiative urges investors to integrate ESG issues into the investment decision-making process to ensure better risk management while generating long-term sustainable growth.



In 2024, Talde joined the United Nations Global Compact. This entails a commitment to promoting and respecting the ten fundamental principles addressing human rights, labor, the environment, and anti-corruption, as well as fostering greater social responsibility in companies and organizations, encouraging sustainable practices, and promoting social and economic development in alignment with the Sustainable Development Goals (SDGs).



In the same year, in 2024, Talde joined the TCFD (Task Force on Climate related Financial Disclosures), a global initiative established by the Financial Stability Board (FSB). Talde has implemented its own climate framework to integrate climate considerations into its investment and portfolio management decisions.

In addition, Talde recognizes that a sustainable economic future depends on sustainable investment practices, existing not only the opportunity but also the obligation for the active participation of the financial sector to help achieve the Sustainable Development Goals (hereinafter “SDGs”) and the established goals of the Paris Agreement that include the achievement of carbon neutrality by the European Union.

Talde is committed to contributing, through its activity, to the following SDGs:



## Responsible investment strategy and integration of sustainability and climate risks

Talde believes that ESG issues and the risks derived from them must be integrated into the investment process. Furthermore, as part of its fiduciary duty, Talde acts in the best interest of its funds meaning properly considering how sustainability risks could affect the long-term value creation of our investee companies and investors.

In this context, sustainability and climate risk are defined as any environmental, social or governance event or condition that, in case of occurrence, could have an actual or potential negative material effect on the value of the investment.

This position is defined in Talde's philosophy, which is articulated through the canalization of investments towards Spanish Small and Medium Enterprises, which are supported by Talde in the design and execution of strategic plans focused on promoting their sustainable development both nationally and internationally.

Talde defines its sustainability and climate risk integration methodology around the following responsible investment strategies, which can be executed individually or in combination depending on the different levels of sustainability defined for its vehicles under management:

- **Exclusion:** The main objective of this strategy is to minimize the sustainability risk related to participation in sectors considered controversial or not aligned with the Entity's reference standards.

Thus, Talde has established an exclusion list according to the International Finance Corporation (World Bank) and the exclusion list of the European Investment Bank. Talde will not invest in any company that carries out any type of illegal economic activity.

In addition, the following illegal or morally controversial sectors are excluded:

- Tobacco and alcoholic beverages or liquor.
- Armament and ancillary equipment of any kind (except for strategic activities of the European Union included in its policies)
- Gambling, casinos and equivalent companies
- Environmentally and socially unacceptable projects, developed in protected areas, critical habitats and heritage sites, or without adequate compensation/mitigation activities.
- Projects that entail a limitation of Human Rights
- Any assets with indications of corruption, money laundering practices or crime.
- **ESG Integration:** Talde considers that integrating ESG issues into financial analysis and investment decision-making can reduce sustainability and climate risks and improve the financial

prospects of investee companies over time. To capture ESG considerations and risks effectively, Talde integrates them throughout the investment cycle:



- **Previous review and ESG Due Diligence:** Talde is committed to evaluate ESG issues, climate-related risks and opportunities, circular economy opportunities and management standards in the companies under analysis during the evaluation of investment opportunities, likewise to document any material indication in the investment portfolios. Prior to any investment, the nature of the investment project will be analyzed to confirm that it does not belong to illegal or morally controversial sectors (based on the exclusion list). An initial review of the investment opportunity is conducted to identify and assess relevant ESG risks and opportunities. As part of the ESG Due Diligence process, and considering the list of relevant ESG issues, the investment opportunity is analyzed, identifying ESG risks based on the sector and location of the opportunity. To achieve this, the risk identification and management procedure is implemented.
- **Investment decision and action plan:** The portfolio companies will adopt the information provided in the Due Diligence (DD). Based on this information, an ESG action plan will be established for the portfolio companies, implementing specific actions for each company while considering the risks and opportunities identified in the DD. Additionally, a selection of KPIs will be defined to monitor the progress of the ESG
- **Management of portfolio companies:** To ensure continuous improvement, Talde will regularly monitor the portfolio companies. At least once a year, the Board of Directors of each company must review the progress of the established ESG action plan. Likewise, a set of key performance indicators (KPIs) and ESG objectives will be defined and evaluated. Talde will also discuss with the portfolio companies any issues that could significantly impact the company or create potential opportunities, encouraging them to identify and address ESG issues at the corporate level. Additionally, Talde will develop processes that enable companies to report ESG incidents and will provide support in developing ESG action plans, as well as facilitating the sharing of best practices among portfolio companies.
- **Thematic investment:** Thematic strategies focus on investments in themes and sectors whose economic activities address specific environmental, social and/or governance issues, also in relation to the aforementioned Sustainable Development Goals. Considering the type of small and medium companies in which Talde invests, special emphasis and care will be given to the following topics:

Environmental (E)	Social (S)	Governance (G)
<p><b>Natural Capital, Climate Change and Respect for the Environment:</b> Talde recognizes the importance of conserving healthy ecosystems for the well-being of future generations.</p> <p>Talde will emphasize the precautionary principle of “do no harm to the environment” by trying that Portfolio Companies assess their environmental impacts, reduce their footprint and improve their sustainable performance.</p>	<p><b>Human rights and social issues:</b> 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 ensure equal opportunities. Talde will ensure equal opportunities.</p> <p><b>Labour rights:</b> Talde will ensure 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 rights of employees to decide whether or not to join a union, as well as to participate in collective bargaining.</p>	<p><b>Bribery and corruption:</b> Talde will prohibit any type of bribery and corruption and will support ethical behaviors within the company and portfolio companies.</p>

- **Engagement with investors:** Talde is committed to transparent and responsible disclosure of its performance. To achieve this, the following disclosure initiatives are carried out for stakeholders:
  - **Annual ESG Report:** A detailed report on progress toward climate objectives, portfolio performance, and measures implemented to manage climate risks and opportunities. It provides a comprehensive view of the portfolio’s annual ESG performance, progress on the ESG strategy, disclosure of ESG indicators, and sustainability initiatives undertaken.
  - **Annual PIAs Report:** Disclosure of the portfolio's principal adverse impacts in accordance with the Sustainable Finance Disclosure Regulation (SFDR). Further details are provided later.
  - **UNPRI – Annual Transparency Report and Assessment:** Annual disclosure regarding the integration of responsible investment principles. It includes analyses of ESG risk and opportunity management within the portfolio and investment processes, with specific impact and sustainability indicators.
  - **Carbon Footprint Report:** Measurement and calculation of greenhouse gas emissions from the Private Equity portfolio. This allows for the tracking of emissions reductions and the identification of potential areas for improvement.
  - **United Nations Global Compact – Progress Report:** An annual assessment of commitment and compliance with the ten principles of the UN Global Compact. It covers efforts in human rights, labor standards, environment, and anti-corruption, as well as progress toward the Sustainable Development Goals (SDGs) in the firm’s investments.

## Information on the Principal Adverse Impacts in terms of sustainability

Talde recognizes the role and responsibility of the financial sector in mitigating sustainability risks and the impacts derived from investment decisions and contact actions with the companies and institutions invested in.

In accordance with the provisions of article 4 of the SFDR Regulation, the Principal Adverse Impacts (hereinafter, "PAIs") in terms of sustainability must be understood as the negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices.

The Entity, in its role as a financial market participant and in accordance with the provisions of article 4 of the SFDR Regulation, currently takes into account the following mandatory indicators on PAIs in matters of sustainability at the entity level provided in the RTS published in February 2021.

→ PAI indicators considered by Talde at entity level	
ESG issue	PAI
<b>Greenhouse Gas Emissions</b>	1. Greenhouse gas emissions (GHG)
	2. Carbon Footprint
	3. GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production
	6. Energy consumption intensity per high impact climate sector
<b>Biodiversity</b>	7. Activities negatively affecting biodiversity sensitive areas
<b>Water</b>	8. Emissions to water
<b>Wastes</b>	9. Hazardous waste ratio
<b>Social and Employees Matters</b>	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	12. Unadjusted Gender Pay Gap
	13. Board Gender Diversity
	14. Exposure to controversial weapons (antipersonnel mines, , chemical weapons and biological weapons)



Regarding the implementation of due diligence measures, Talde will also take into consideration PAIs through the Entity's responsible investment strategy, as shown below.

→ Methodology to identify and measure PAIs		
ESG strategy	Explanation	Aplication
<b>Exclusions</b>	Talde restricts investment in certain sectors considered controversial or that are not aligned with the reference standards of the Entity. (See Sustainable Investment Policy)	The Entity has no exposure to activities related to the fossil fuel sector (PAI 4), to companies excluded from the United Nations Global Compact (PAI 10 and 11) or controversial weapons (PAI 14).
<b>ESG Integration</b>	The integration of ESG issues throughout the investment process is crucial for Talde's activity, therefore, the Entity regularly collects and analyzes the ESG performance of investee companies.	Talde regularly monitors the sustainability performance of its portfolio companies in areas such as greenhouse gas emissions (PAI 1-3), energy consumption (PAI 5-6), and waste management (PAI 9), among others.
<b>Thematic investment</b>	Talde understands the need to channel capital flows towards sectors and activities that address challenges and provide specific solutions in ESG matters.	Talde focuses on sectors of priority interest for sustainable development through investment in sectors and activities that do not negatively affect the environment (based on the principle of Not Causing Significant Harm). For example, in terms of biodiversity (PAI 7) and water (PAI 8).
<b>Engagement</b>	The Entity seeks continuous dialogue with its portfolio companies through engagement actions to guarantee their sustainable development and create value over time.	Talde strives to guarantee equal opportunities, hence, carries out engagement actions with portfolio companies in matters of diversity (PAI 13) and supports the calculation of gender indicators such as the salary gap (PAI 12).

The methodology for supervising and monitoring the performance of its portfolio companies regarding the prioritization of Principal Adverse Impacts is based on the RTS, which establishes how financial entities must disclose sustainability-related information. Likewise, Talde will identify potential deviations in the sustainable performance of these portfolio companies and define specific corrective measures for each case.

Talde publishes an annual PIA indicators report.

Ultimately, Talde believes that its commitment to sustainability in its portfolio companies will have a positive impact on both its investment outcomes and society.

For this reason, it adheres to industry benchmark standards such as the **United Nations International Bill of Human Rights**, the **United Nations Guiding Principles on Business and Human Rights**, and the **Equator Principles**, among others.

The Entity will also actively seek to align its portfolio companies with the **Paris Agreement (2015)** and the **Sustainable Development Goals (SDGs)** and will work on implementing climate transition strategies aligned with the European Union's objective of achieving **climate neutrality by 2050**.

## Governance

In December 2020, Talde's Board of Directors introduced a new organizational approach by approving the creation of an ESG Committee composed of four board members. This committee oversees ESG-related matters and assigns specific responsibilities to Board members in charge of gathering information from portfolio companies and communicating with investors. Additionally, the committee is responsible for developing an ESG training plan for its employees and those of its portfolio companies.

In May 2024, an ESG Officer was appointed to coordinate all ESG initiatives that:

- Implements Talde's Climate Framework and ESG Strategy.
- Regularly reports to the ESG Committee and relevant governing bodies (Private Equity Management and Private Debt Management) on climate-related issues.
- Coordinates climate initiatives within Talde's portfolio.
- Monitors climate-related aspects in the portfolio, including initiative progress, key indicators, and identified risks/opportunities.
- Conducts periodic supervision of climate-related regulatory updates and communicates relevant aspects to the ESG Committee as needed.

At the portfolio company level, Talde holds regular meetings with its investees to express its commitment, address ESG concerns, and track performance KPIs.

In March 2025, Talde's Board of Directors approved a new composition for the ESG Committee, reducing it to three board members.

The Board of Directors will review and update this document as necessary to reflect ongoing ESG improvements, emerging stakeholder requirements, and the evolution of best practices. The Entity will continue to develop additional initiatives and projects.

Board of Directors Talde Gestión, SGEIC, SA

26th March, 2025