

ESG Report 2022

 **MAGNUM**
INDUSTRIAL PARTNERS



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01 Introducing Magnum



1.1

Message from Magnum

Dear Investors and Stakeholders,

In keeping with our commitment to transparency, we are presenting our second annual ESG report which provides a comprehensive overview of our pledge to long-term value creation and evidences the considerable progress we have made towards sustainability and responsible investment.

In the following pages, you will read about Magnum's accomplishments so far and strive to strengthen our ESG practices, which started in 2014 when Magnum became one of Spain's first signatories of the UN Principles of Responsible Investment.

We recognize that the environmental and social impacts of our investment decisions are numerous and often complex and are certain about the role that private equity must play in accelerating the changes needed to ensure a more sustainable future. We consider this to be an inherent part of our fiduciary duty and therefore, we commit to adopt a responsible-investing and ESG-oriented approach to our activities, which consists in identifying ESG-related factors as we study potential investments, incorporating the assessment of these factors in our investment decision criteria, taking active steps to manage any negative effects and materialize opportunities to create value on the basis of the foregoing.

The importance of our responsible practices and ESG commitments to protect and create value for our investors are passed onto our portfolio companies and their management, who are ultimately responsible for managing ESG initiatives



and reporting on related matters, as with any other business metric. You will see the above described in more detail in this ESG annual report.

Looking forward, we are committed to continue leading responsibly by delivering value to our investors while driving economic, social and environmental progress in the communities where we operate.

We invite you to learn more about our portfolio companies and how we manage ESG matters to create value for our investors and stakeholders. Additionally, we encourage you to share any thoughts or suggestions on our approach by sending us an email to esg@magnumpartners.com.

Sincerely,

Alberto Bermejo Madera and Cristina Zuleta de Reales

1.2 Highlights & Goals 2022

2022, like to the two years preceding it, brought a number of global challenges. While the worst of the health crisis had been overcome for most countries, the international community was shocked by the Russian invasion of Ukraine, which resulted in deploring human costs and will have long-lasting macroeconomic and geopolitical implications.

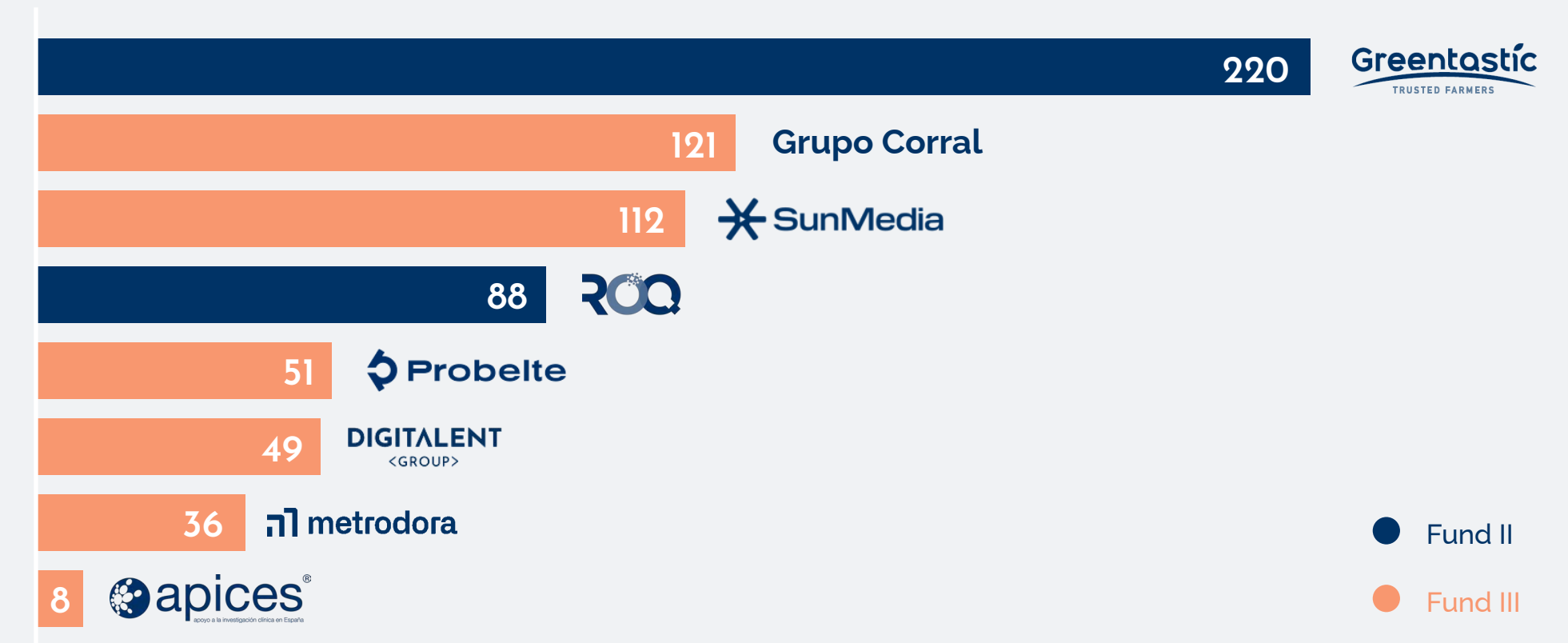
Some of these impacts –like a steep increase in food and energy prices and a shift in public spending priorities– will make it substantially harder to make progress in achieving the sustainable development agenda.

For Magnum, this environment requires doubling down on our commitment to responsible investing and stewardship.

Last year, we continued making real advances in our responsible investment policies and practices. We successfully integrated and implemented the new reporting framework from the United Nation's Principles of Responsible Investment (UN PRI) and managed to arrange sustainability-linked financing, which applies to date to 50% of our portfolio companies. We also continued with the improvement of our internal policies and the harmonization and



Our portfolio by investee revenues 2022 (€ million)



growing sophistication of KPI reporting across our portfolio. Lastly, we reviewed management teams' alignment with our mission and values and implemented incentives accordingly.

In terms of investment and corporate milestones, Magnum and its portfolio companies demonstrated extraordinary resilience, returning to our investors the record figure of €1,000 million (2.5x the size of Magnum II).

We are proud to highlight as well that we carried out 2 new investments for Magnum Capital III, namely, SunMedia (AdTech) and Grupo Corral (Circular Economy), 4 successful exits for Magnum Capital II (Indiba, Aire Networks, CMVC, and Miranza), and 12 add-on acquisitions by our portfolio companies.

Finally, we received the "European Mid-Cap Private Equity Fund" and "Mediterranean Deal of the Year" awards granted at the Real Deals Private Equity Awards.

All was made possible by the determination and efforts of Magnum's investment team, which has remained relentlessly focused on delivering value to our investors and other stakeholders.

In 2022, Magnum II reached c. €1 bn distributed to investors (2.5x the size of the fund).

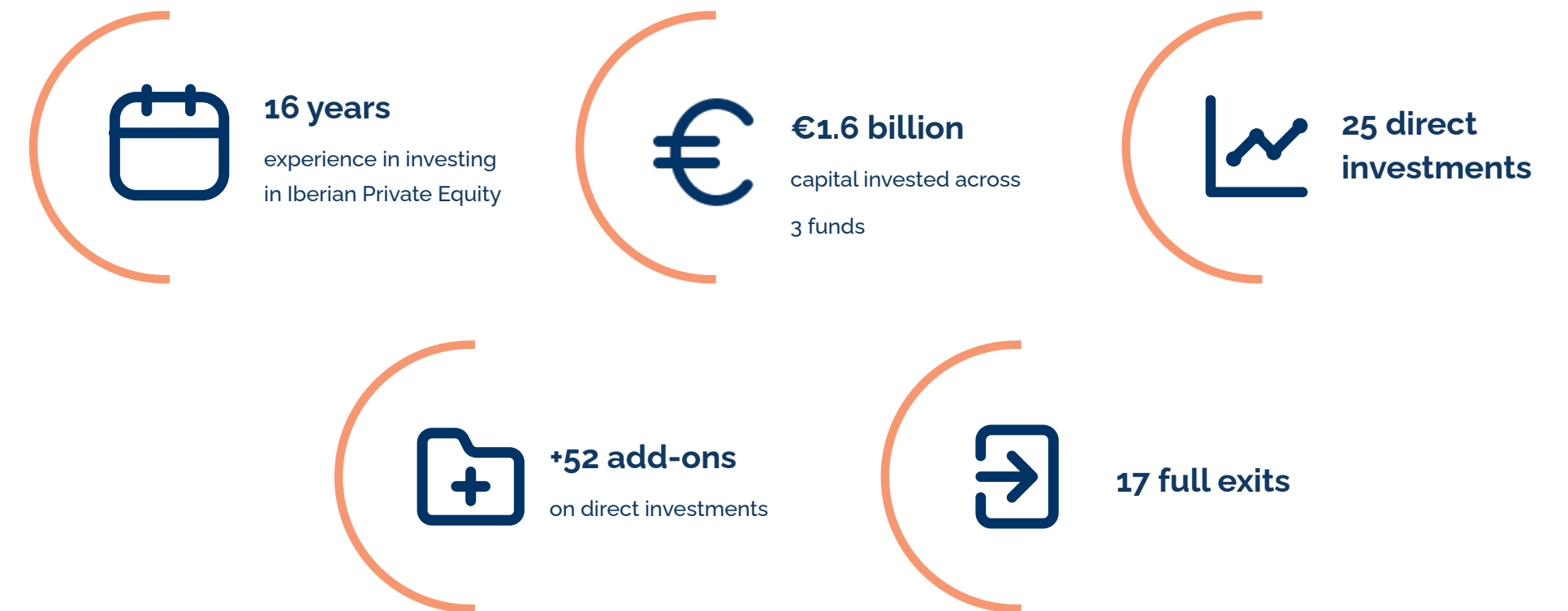
02 ESG Foundations



2.1 Our History

Magnum is a leading private equity firm, founded in 2006 and investing in the Iberian peninsula. With over €1 billion of assets under management, we believe that our approach to responsible investment and the active ownership of our portfolio has been crucial to creating and protecting long-term value and building stronger and more sustainable companies.

Our portfolio companies are leaders in their respective industries and their position is further consolidated once they enter our portfolio. Magnum's strategy includes sharp focus on the development and implementation of rigorous ESG action plans that contribute to the long-term growth of these companies.



2006

Magnum Capital was founded in 2006.

2007

Fund I launched.

2014

Magnum becomes a signatory of:



2017

Fund I Liquidation.

2017

Fund II launched.

Magnum won the Private Equity International award for Firm of the Year (Iberian Peninsula).



2020

Magnum won the Private Equity International award for Firm of the Year (Iberian Peninsula).



2021

Fund III launched

Magnum was nominated for the Private Equity International awards. (Iberian Peninsula).



2022

Publication of Magnum's first ESG annual report.

Magnum received the *European Mid-Cap Private Equity Fund* and *Mediterranean Deal of the Year* awards at the Real Deals Private Equity Awards.



Looking forward

Continuous improvement of our model of active and responsible ownership to create value for our stakeholders. Full ESG integration in our investment decision-making and impact in the society through our portfolio companies.

2.2 Team and ESG Champions

2.2.1 — Investment Team

Our team has a proven track record of creating value, demonstrating the ability to understand and solve complex situations with integrity, reliability and commitment. We are a team of 15 people with over 100 years of collective experience in the sector.

The investment team is made up of 12 investment professionals with international experience in the financial and investing sectors.

At Magnum, our team understands the importance of acting as active shareholders to create value for our investors and other stakeholders. We ensure that ESG processes are well integrated and understood by everyone. ESG training is held on an annual basis in order to provide our team members with all the tools and resources needed to implement responsible investment practices.

The investment team works alongside its financial and investor relations department, which also has extensive industry experience.



- Integrity
- Commitment
- Transparency

2.2.2 — ESG Champions



Alberto Bermejo
Co-head of ESG

In a time of strong competition to raise funds, attract talent and make investments, ESG has become part of the strategic positioning and a differentiating factor for general partners.



Cristina Zuleta
Co-head of ESG

The biggest challenge when it comes to ESG today is to leave behind the idea that it only affects large corporations or hampers growth and profitability.



2.3 Motivation

2.3.1 — Investing responsibly is at the heart of what we do

At Magnum, we consider it our responsibility to be fully aware of the impacts that our business activities have on the environment and on society, identifying and mitigating any negative effects. We believe that by applying the highest ethical and business standards, we build stronger companies that generate superior value for our investors and for other stakeholders such as employees, government and social organizations.

Magnum proudly endorses initiatives for the achievement of the United Nation's Sustainable Development Goals (SDGs), including environmental-related initiatives, and organizations improving gender diversity in the private equity industry such as Level 20.

Companies that are successful in avoiding ESG risks while capturing ESG opportunities will outperform over the longer term.



- Value
- Equal Opportunities
- Engagement
- Fostering Innovation
- Resource use

2.3.2 — From compliance to value creation

The current environment has been marked by significant changes in the investment sphere. Although responsible investment has been a trend for the last few years, the regulatory landscape is evolving constantly and at accelerated speed. The EU's Sustainable Finance Action Plan responds to the need to direct more financial capital into sustainable activities all the while regulating the activities of financial market participants.

This new regulatory landscape is greatly centered on transparency and disclosure obligations which was reinforced with the entry into force of the Sustainable Finance Disclosure Regulation (SFDR) and of the EU Taxonomy.


As responsible investors, we take the fiduciary duty owed to our LPs very seriously and always align our investment decisions with their best interests.

Our existing funds are classified as Article 6 under the SFDR, and we have met all the regulatory requirements pertaining to this classification. This notwithstanding, to meet expectations and demands from all stakeholders (investors, regulators, communities, etc.) we are currently reviewing and adapting our processes to meet Article 8 standards.

2.4 ESG Initiatives at Magnum

2.4.1 — Our ESG Initiatives

Over the course of last year, we continued making real advances in our responsible investment policies and practices:




- ✔ Successful integration and implementation of the new UN PRI reporting framework
- ✔ Arrangement of sustainability-linked financing (now in 50% of our portfolio)
- ✔ Continuous improvement of internal policies, harmonization and sophistication of ESG reporting
- ✔ Strengthened commitment by portfolio companies' management with Magnum's responsible investment mission and values.
- ✔ Collaboration with non-profit organisations focused on advancing social inclusion: 



2.4.2 — Leading by Example

As responsible investors, it is our duty to set the best example for the companies in Magnum's portfolio. The performance and impact of each company reflects Magnum's management duties as an active investor.

Magnum has selected 3 themes to develop across its portfolio:

-  | Optimization in the use of resources.
-  | Fostering Innovation.
-  | Business as a force to improve local communities.

At Magnum, we consider responsible investment as a core pillar of our strategy.



2.4.2 — Our Commitments



Principles for Responsible Investment

The six Principles for Responsible Investment offer a set of actions for incorporating ESG issues into investment practice.

We are proud to be one of Spain’s first adherents to the Principles of Responsible Investment. This laid the groundwork for many more adherences and contributions over the following years. UNPRI assists its members in the practical aspects of responsible investment, helping us to align our fiduciary duty with broader objectives of society.

We have successfully implemented the new assessment framework from UN PRI and scored above 80% across all applicable categories.



Sustainable Development Goals

Magnum supports the SDGs which represent a universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all. To make them a reality, we must ensure SDG alignment at the investor’s level and investee level. Therefore, we look after investment opportunities that do not negatively harm any of the 17 SDGs and are committed to actively contribute to their achievement.

At management company level, we actively contribute to SDG 5 and SDG 8 by fostering an inclusive and fair workplace for our team and all future hires and by serving our purpose, that is investing and developing businesses that drive economic growth.

Our portfolio companies support and actively support all 17 SDGs in varying degrees, depending on the activities and geographies in which they operate. Further information is available in the ESG Deployment in our Portfolio section of this report.



Level 20

Level 20 is a not-for-profit organization dedicated to improving gender diversity in the European private equity industry. The aim is for women to hold 20% of senior positions in this dynamic industry.

Magnum strives to be an advocate for gender equality in a sector that can be male dominated. Magnum team members actively participate in Level20 activities and events and in 2022, 25% of its employees were female.



SASB Standards

SASB Standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors.

We are incorporating the SASB methodology into our portfolio to track and monitor the relevant KPIs. This allows us to direct our focus on creating value while implementing responsible practices into each investee company.



03 ESG Integration



3.1 ESG Governance & Processes



3.1.1 — ESG Governance

Every team member is aware of the firm's commitment to responsible investing and is therefore responsible for incorporating these principles to their respective activities, contributing to the development of the organization's ESG approach and stewardship activities.

At Magnum, we have built a robust ESG governance structure that allows for the full integration of ESG factors into investment analysis and decision-making processes at all levels of the firm.

Governance of ESG at Magnum is structured as follows::



3.1.2 — Our Processes

The Board of Directors is responsible for the formal oversight and accountability for responsible investment. All ESG policies and processes are approved by the Board.

The Investment Committee, comprised of partners and directors, is responsible for the approval or rejection of a proposed investment. The findings of the various pre-acquisition due diligence analyses are presented to the members of the Investment Committee who evaluate the investment based on multiple criteria, including the results of the ESG due diligence. In this respect, we ensure that ESG criteria are fully integrated into every step of the decision-making process.

The Investment Team manages Magnum's portfolio and analyses all potential investments. Members of the Investment Team are invited to the Investment Committee in order to present the findings of their analysis.

The investment team is also in charge of the definition and oversight of ESG strategic goals at portfolio company level.

The Committee ESG is comprised of Magnum's two ESG champions who are responsible to ensure that ESG factors are integrated Magnum's DNA. The ESG Committee is also invited to the Investment Committee to express its views on the ESG considerations of each potential investment.

3.2

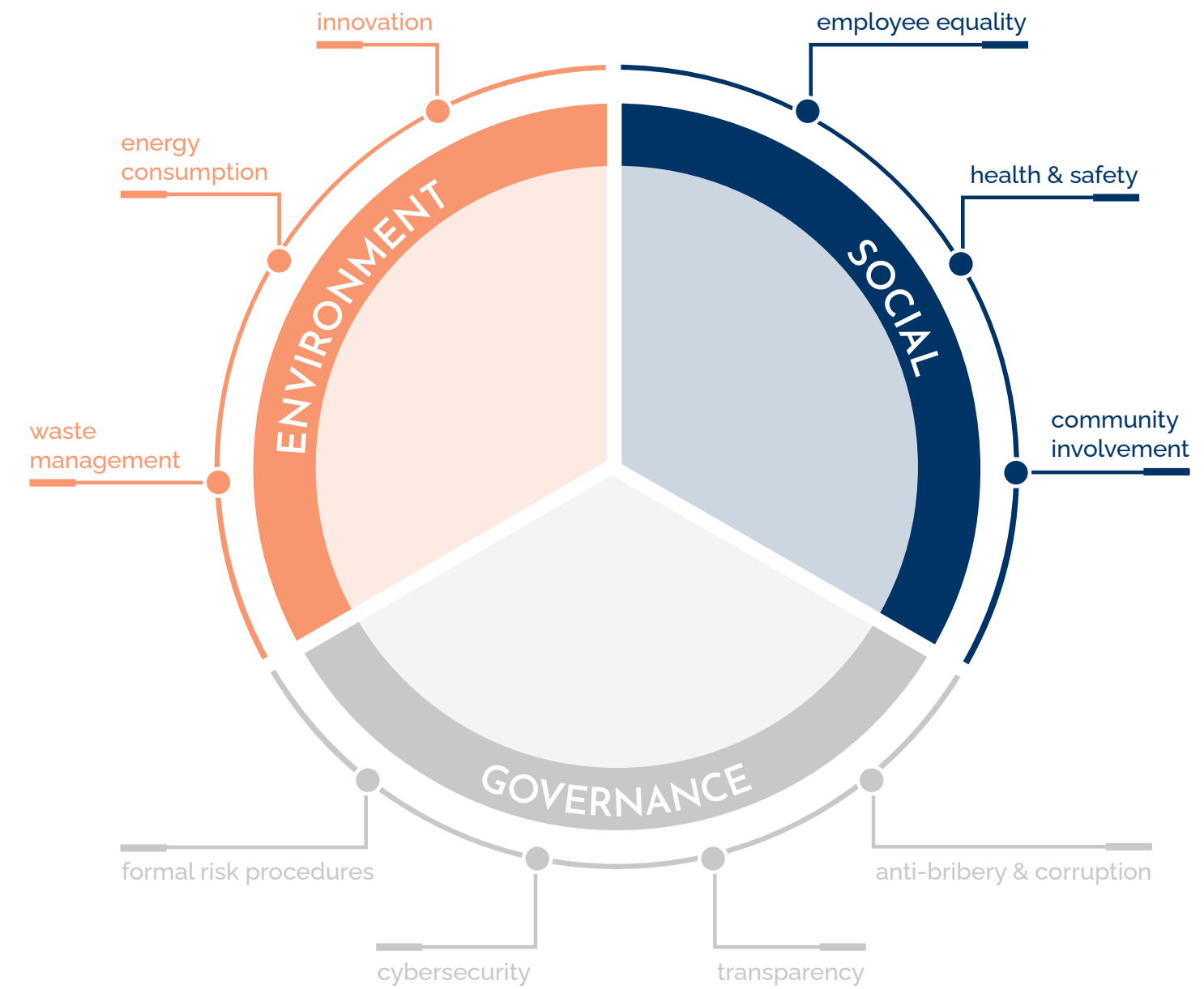
ESG Integration in the Investment Process

At Magnum we make sure that ESG is integrated throughout our investment process. When we identify potential investment, we conduct a thorough ESG Due Diligence followed by the approval of the ESG committee and design an action plan to be implemented upon acquisition together with the company's management team to mitigate any risks and capitalize any opportunities.

Upon acquisition, companies' management teams are informed of, and required to commit to, our values. Incentives are also put in place to ensure full alignment and accountability.

After the investment, ESG performance is monitored periodically through the tracking of KPIs and continuous interaction with management teams, to capture full potential value upon exit.

Companies that successfully manage ESG issues can achieve higher revenue growth, cost savings and increased profitability, while strengthening stakeholder-relations and bolstering their brand and reputation.



We incorporate ESG factors in every stage of the investment cycle, from pre-screening to exit.

01 Screening

The investment process at Magnum begins with an initial screening of investments, identifying that our ethical and business values.

02 ESG DD

Once we have filtered through the activities precluded by our exclusion list, an elaborate ESG due diligence is performed in order to assess the potential investment, whose results are shared with the investment committee.

03 Active Ownership

ESG performance is monitored throughout the holding period of the investment on an ongoing basis. A 100-day action plan that includes ESG risks and opportunities is implemented post-acquisition.

04 Exit

Our objective is for the company to have evolved and grown in terms of sustainability, and ultimately become more valuable while in Magnum's portfolio. Through the periodic measurement and monitoring of key KPIs, we are able to calculate that growth and compared it against the starting value.

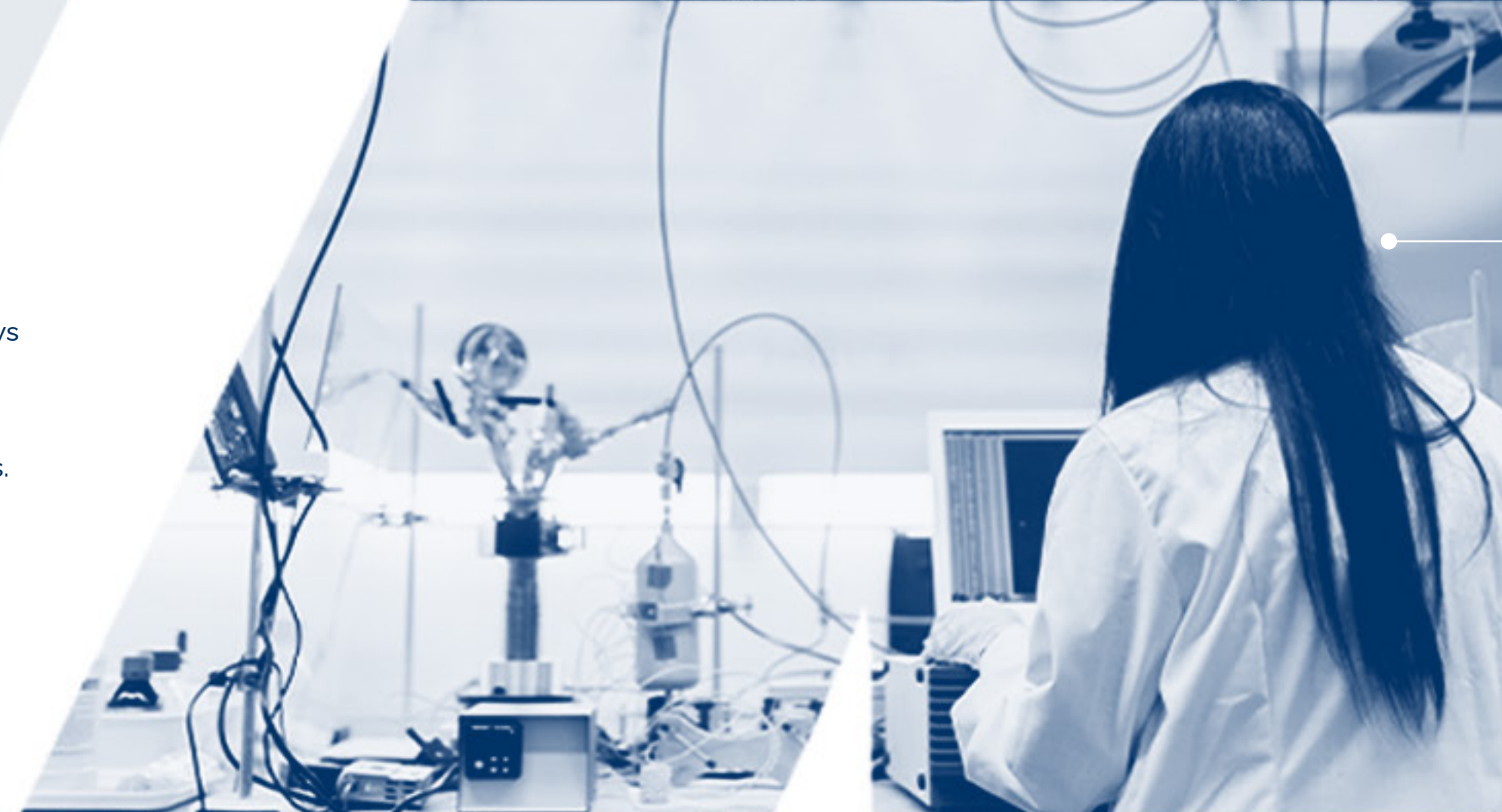
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ESG Deployment in our Portfolio



4.1 Trends in Magnum's Portfolio

Magnum has selected three themes to implement and develop throughout its portfolio. They represent our values and views on sustainability and economic progress. Additional themes may be identified and implemented in specific portfolio companies.



Efficient use of resources

At Magnum, we are convinced that the future requires a resource-efficient approach and we are determined to contribute positively to achieving it. Therefore, we have made resource-efficiency one of the top three priorities within our portfolio companies. This means that we encourage our portfolio companies to calculate their CO2 emissions, electric and water consumption and waste creation and where possible, implement reduction plans or find more sustainable suppliers for those resources.

Fostering innovation for a safer and better world

Innovation is more than about creating new products; it is about the development and distribution of new processes and methods and advancing the stage of science as well. Innovation can lead to improved life conditions, better health, creating new jobs and cleaner environments. At Magnum we are convinced that our portfolio companies can play a leading role in pioneering the development of new and improved solutions to existing problems in their respective fields.

Businesses as a force to improve local communities

Businesses have the power to transform societies and make the world a better place. Companies of all sizes can create long-lasting impact in their respective communities and societies.

We encourage all of our companies, wherever they may be located, to interact with their local communities and stakeholders and drive initiatives to increase employment, community and governmental engagement institutional collaboration, and improve environmental conditions.

4.2 Case Study: CMVC



Founded in 1981 by healthcare professionals as a medical center in Cartagena (Murcia Region), Centro Médico de la Caridad (CMVC) was acquired by Magnum in 2018 and divested in 2022 to a national healthcare operator with nationwide geographical presence.

CMVC strongly believed and invested in Murcia's potential

This investment makes for an excellent case study as it reflects all of the key themes Magnum intends to foster across its portfolio.

While prior to its acquisition CMVC had already made some small openings and acquisitions in neighboring areas, Magnum saw a clear opportunity to position the group as a leading regional operator by leveraging on two of its strengths: an excellent reputation in the local market and best-in-class relations with private and public stakeholders forged over years of scrupulous medical practice and intense involvement with local communities.

The Murcia Region had traditionally suffered from higher unemployment rates and fewer healthcare and other infrastructure than other Spanish regions, resulting in unmet healthcare needs, long waiting lists and significant distances required to access adequate treatment. CMVC strongly believed and invested in the region's potential, achieving very positive results.

In four years, Magnum supported the Group with building and launching a brand-new hospital and renovating another in two key urban areas. The medical center network was expanded to 28 general care and 6 specialized centers, providing the full spectrum of specialties across the Region.

Contribution to the SDGs



Numerous agreements and partnerships were entered into with health insurance providers, public entities, sport associations, charitable organizations and other local stakeholders, resulting in significant job creation, higher community engagement and easier and better healthcare access for all. CMVC also made a clear commitment towards sustainability by installing solar panels at its key premises, promoting recycling and reducing energy consumption.

Finally, it should be highlighted that CMVC was a key and frontline actor in fighting against and recovering from the COVID-19 pandemic, dedicating all its human and other resources. The Group received numerous awards and recognitions for the solidarity and bravery displayed by its personnel in such difficult times.

All of the above would not have been possible without a highly motivated and dedicated team, led by an extraordinary CEO, Mr. José Maria Ferrer, who sadly recently passed away and to whom we pay tribute in these lines. Thank you, Pepe.

This is how it happened:



4.3 Portfolio Companies

ROQ



- | **Location** Braga, Portugal
- | **Founded** 1983
- | **Acquired** 2018
- | **Revenues** €88m
- | **Employees** 690

| Contribution to the SDGs



Decent work and economic growth



Industry, Innovation & Infrastructure

| About the Company

ROQ is a world leading manufacturer of printing and packaging machinery for the textile industry.

The company develops and produces digital and analogue direct-to-garment printing machines, as well as other complementary equipment such as packaging, drying, folding, flock and foil machines.

With strong R&D, more than 600 specialized employees and vertically integrated production capabilities, ROQ has established itself as one of the leading textile printing players worldwide, exporting about 90% of its production to more than 70 countries.

| 2022 ESG Highlights

| Environmental | Social | Governance |
|---|---|---|
| 33% decrease in energy consumption intensity ratio (kWh/000€) through various initiatives since 2019. | ROQ hired a dedicated ESG manager. | Implementation of Whistle-Blowing Procedures. |
| 14% increase in waste recycling over 1 year. | 51 net jobs created and 70% increase in the number of female employees (from 2021 to 2022). 13% decrease in the number of labor incidents with lost time. | ROQ hired a dedicated Cyber Security person. |
| Improved management of fleet (car sharing) to reduce CO2 emissions. | Review of employee well-being protocols. | |
| Improved lighting and electric efficiency (Replacement by LED). | Support of local community initiatives (FECAPAF, AACD). | |

4.3 Portfolio Companies

Greentastic



- | **Location** Pulpi, Spain
- | **Founded** 1981
- | **Acquired** 2019
- | **Revenues** €220m
- | **Employees** 1399

| Contribution to the SDGs

- 
End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- 
Ensure healthy lives and promote well-being for all

| About Greentastic

Greentastic is a leading producer and distributor of fruit and vegetables, mainly focused on lettuce, tomato, watermelon, broccoli and celery with direct access to main European retailers.

Fully integrated operations (key for quality control and product traceability), from seeding to cultivation, harvesting, processing and delivery, becoming a reliable partner for main European retailers.

The group currently manages a production surface of +6,000 hectares (100% rented or associated) across Almeria, Murcia and Granada allowing production throughout the whole year.

| 2022 ESG Highlights

| Environmental | Social | Governance |
|---|--|--|
| Investment in photovoltaic panels to reduce electricity consumption by 30%. | 292 net jobs created in 2022. | Provided anti-corruption and anti-bribery training to over 70 employees. |
| Switched to biological phytosanitary products to reduce chemical usage. | Various charitable donations to improve local communities. | |
| Implemented carbon footprint monitoring system. | | |

4.3 Portfolio Companies


Digital Talent



DIGITALENT <GROUP>

- | **Location** Madrid, Spain
- | **Founded** 2009
- | **Acquired** 2020
- | **Revenues** €49m
- | **Employees** 210

| Contribution to the SDGs

4 QUALITY EDUCATION

 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

5 GENDER EQUALITY

 Achieve gender equality and empower all women and girls

| About the Company

International educational group providing students undergraduate, postgraduate and vocational training.

With a focus on employability and excellence in education, Digital Talent is a global education group that comprises top tier Academic Institutions in Spain, with campuses in Madrid, Barcelona, Malaga, Paris and Mexico City.

| 2022 ESG Highlights

| Environmental | Social | Governance |
|---|--|---|
| Implementation of no paper policy for staff, students and teachers in ISDE. | Financial contributions to palliative core unit 102 Hospital de la Laguna (Tenerife) and Balms Foundation. | Program to launch ESG digital platform. |
| Internal protocol for reduced usage of electricity in unoccupied spaces. | Launching of women empowerment and leadership training in management of sport entities (ISDE . COE - Iberdrola). | |
| Agreement entered to switch the group's electricity supply to a 100% renewable energy supplier. | Implementation of Equality plan in ESERP. | |

4.3 Portfolio Companies

Probelte



- | **Location** Murcia, Spain
- | **Founded** 1970
- | **Acquired** 2021
- | **Revenues** €51m
- | **Employees** 143

Contribution to the SDGs

- 

End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- 

Ensure healthy lives and promote well-being for all

About the Company

Probelte is a Spanish producer and distributor of biological, nutritional, and phytosanitary solutions for agricultural performance.

The company produces and distributes a comprehensive portfolio of solutions for agricultural applications providing crop nutrition and protection through biological and synthetic ingredients. For over 30 years, Probelte has been a pioneer in biotechnology in Spain. Its R&D has delivered leading biological solutions including biofertilizers, biostimulants and biocontrol products, aiming at delivering sustainable soil health. And has developed an extensive proprietary portfolio of microorganisms.

Probelte has state of the art manufacturing facilities in Murcia and Sevilla with over 20,000 sqm and a specific agrobiotechnology center dedicated to expanding scale of biological capacity production.

2022 ESG Highlights

| Environmental | Social | Governance |
|--|---|--|
| >90% of waste generated has been certified for re-use. | Increase of female employees up to 23%. | Completed implement of compliance and anti bribery plan and processes. |
| 0.5% reduction of cleaning water residues. | Hired Chief Digital Officer to faster digitization of powers and increase crop performance. | |
| Shift of business model towards bio products (36% of total sales). | Shift of business model towards bio products (36% of total sales). | |

4.3 Portfolio Companies

Apices



Location Madrid, Spain
Founded 2009
Acquired 2021
Revenues €8m
Employees 48

| About the Company

Apices is a Clinical Research Organization (CRO) that supports clinical sponsors (pharmas/clinical investigators) in the execution of clinical trials.

The company provides an integrated solution for phase I to phase IV trials, with services ranging from database management to project management, regulatory support and pharmacovigilance, among others. Its experience in several therapeutic areas, high quality standards and client-centric culture make it a CRO of choice for many leading players in the pharmaceutical landscape.

Contribution to the SDGs



| 2022 ESG Highlights

| Environmental | Social | Governance |
|--|---|--|
| Continued monitoring of waste creation and disposal processes. | Implementation of measures and investment in means for labor flexibility and conciliation. | Implementation of enhanced data protection procedures. |
| 5% reduction of electricity consumption. | Financial contributions to various charitable organizations to fund cancer research and healthier lifestyles. | |
| ISO 14001:2015 certification awarded. | | |

4.3 Portfolio Companies

Metrodora Education



metro dora

- | **Location** Madrid, Spain
- | **Founded** 2021
- | **Acquired** 2021
- | **Revenues** €36m
- | **Employees** 319

| Contribution to the SDGs

3 GOOD HEALTH AND WELL-BEING
 Ensure healthy lives and promote well-being for all

4 QUALITY EDUCATION
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

| About the Company

Metrodora is an educational group specialized in providing both local and international training for healthcare professionals.

Metrodora was founded in 2021 through the merger of three reputed education institutions to create a new leading educational group. Today, Metrodora has consolidated presence across all educational stages and operates both in Spain and Latam.

The group aims to become the leading player in healthcare, sports and well-being education in Spanish. To that end, it is focused on the health and life sciences fields, including, among others, education for the medical, nursing, pharmaceutical, biotechnology, psychology and physiotherapy segments, ranging from vocational training to postgraduate education. The company provides both onsite and online courses.

| 2022 ESG Highlights

| Environmental | Social | Governance |
|--|---|---|
| Design and implementation of KPIs tracking system to monitor and improve environmental impact. | More than 90 internship agreements with associations, foundations and NGOs to provide psychological support to vulnerable groups including Aldeas Infantiles and the Red Cross. | Ongoing design and implementation of compliance package. |
| Review of space usage and relocation of activities to increase energy efficiency. | 70.9% of employees in the company are female. | Implementation of student and employee satisfaction KPIs. |

4.3 Portfolio Companies

Grupo Corral



- | **Location** Salamanca, Spain
- | **Founded** 1986
- | **Acquired** 2022
- | **Revenues** €121m
- | **Employees** 172

| **Contribution to the SDGs**



Industry, Innovation and Infrastructure



Responsible consumption and production

| **About the Company**

Leading company in the valorization of meat by-products with over 40 years of experience, giving a second use to animal waste and contributing to an efficient circular economy. Through a rendering process, Grupo Corral transforms meat by-products into added value products, mainly targeting the energy market (biofuel and HVO) and nutrients market (protein for animal feed and human consumption).

The group is vertically integrated and currently has 4 production plants, covering the entire value chain and offering a differential service to suppliers and customers.

| **2022 ESG Highlights**

| Environmental | Social | Governance |
|---|---|---|
| Investment in a system for using category 1 flour to produce energy, enabling the company to reduce gas consumption at the Castellana production plant to zero. | Hiring of a human resources director to implement hiring, safety, training and equality policies. | Ongoing implementation of compliance policy package at group level (code of conduct, harassment protocol, code of ethics and conduct and data protection policy). |

4.3 Portfolio Companies

SunMedia



- | **Location** Madrid, Spain
- | **Founded** 2016
- | **Acquired** 2022
- | **Revenues** €112m
- | **Employees** 298

| Contribution to the SDGs

- 
Gender Equality
- 
Decent work and economic growth

| About the Company

SunMedia is a leading AdTech in Spanish-language digital audiences, with global reach (access to +350m unique users and partnerships with +1,000 premium publishers) and complete suite of digital advertising solutions to ensure attention-optimized media

With presence in 13 countries (2 offices in Spain and 12 in LatAm, Europe & US), SunMedia Group offers a comprehensive range of innovative formats compatible with most devices (desktop, mobile and smart TV) in order to fully adapt to each advertiser's media strategy

SunMedia's full-stack global attention platform is specialized in video, content, display, social, rich media, native and performance

From the initial investment in SunMedia, the Group has integrated complementary businesses within the AdTech space (Noddus, AdPone and Rich Audience).

| 2022 ESG Highlights

| Environmental | Social | Governance |
|--|---|--|
| Data center infrastructure running on 100% renewable energy. | <p>Collaboration with social institutions and non-profit organizations to improve the labor integration of employees with disabilities.</p> <p>Implementation of work-life balance measures for employees, including work-from-home policies.</p> | <p>Data privacy improvements: (i) development of contextual technology to replace cookie-based data, (ii) designation of Data Protection Officer, (iii) implementation of Audited Security Report performed in 2021, and (iv) documentation of data protection-cybersecurity policies and risk map.</p> <p>Financing linked to ESG targets and compliant with Sustainability Linked Loan Principles.</p> |

05

Looking to the Future



5.1

Looking to the Future

We are continuously reviewing internal policies and processes to strengthen responsible investment standards and keep up with evolving regulatory changes and stakeholders demands. Similarly, we are implementing actions to foster stewardship and collaborative engagement.

Our commitment for the next two years is that all our companies, regardless of the time of investment, fully abide by these more ambitious policies and integrate them in their daily business. To that end, we are working closely with management teams and advisors facilitating additional training, applying improved reporting systems and implementing ESG-related incentives to ensure that ESG and sustainability matters are considered a priority.

The convergence toward a single sustainability standard setting body arrived with the formation of International Sustainability Standards Board (ISSB), which incorporates the best practices of a large group of sustainability standards setters.

We have begun to measure and report for each of our portfolio holdings the group of industry-specific sustainability KPIs established by the ISSB. We will also continue to embed sustainability-related portfolio themes across all our investments.

Magnum is working to foster stewardship and collaborative engagements with stakeholders.





MAGNUM
INDUSTRIAL PARTNERS