



| LEA 02   | Discretionary Mandate   | Gateway  |
|--|---|--|
| <p>By default, assets for which we have no responsibility or oversight for are not subject to our ESG or SRI policies. However, we may exercise discretion to engage with companies in the following circumstances:</p> <ul style="list-style-type: none"> <li>• To support investment decisions relating to a company's ESG or SRI performance</li> <li>• To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> <li>• To support investment decisions relating to a company's ESG or SRI performance</li> <li>• To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> </ul> | <p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p> | <p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisions relating to a company's ESG or SRI performance</li> <li><input checked="" type="checkbox"/> To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with internal staff</li> <li><input type="checkbox"/> To support investment decisions relating to a company's ESG or SRI performance</li> <li><input type="checkbox"/> To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with collaborative engagements</li> <li><input type="checkbox"/> To support investment decisions relating to a company's ESG or SRI performance</li> <li><input type="checkbox"/> To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with service providers</li> <li><input type="checkbox"/> To support investment decisions relating to a company's ESG or SRI performance</li> <li><input type="checkbox"/> To influence corporate practices or identify the need for additional or enhanced ESG or SRI data</li> <li><input type="checkbox"/> Other: specify</li> </ul> |

# RI TRANSPARENCY REPORT

## 2017

### N+1 Private Equity

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status  |
|--------|---|
| ✓      | The signatory has completed all mandatory parts of this indicator |
| ☑      | The signatory has completed some parts of this indicator          |
| 🔒      | This indicator was not relevant for this signatory                |
| -      | The signatory did not complete any part of this indicator         |
| Ⓜ      | The signatory has flagged this indicator for internal review      |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

| Organisational Overview |   |        |                              | Principle |   |   |   |   |   | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator               | Short description                                   | Status | Disclosure                   | 1         | 2 | 3 | 4 | 5 | 6 |         |
| OO 01                   | Signatory category and services                     | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 02                   | Headquarters and operational countries              | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 03                   | Subsidiaries that are separate PRI signatories      | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 04                   | Reporting year and AUM                              | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 05                   | Breakdown of AUM by asset class                     | ✓      | Asset mix disclosed in OO 06 |           |   |   |   |   |   | ✓       |
| OO 06                   | How would you like to disclose your asset class mix | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 07                   | Fixed income AUM breakdown                          | 🔒      | n/a                          |           |   |   |   |   |   | ✓       |
| OO 08                   | Segregated mandates or pooled funds                 | 🔒      | n/a                          |           |   |   |   |   |   | ✓       |
| OO 09                   | Breakdown of AUM by market                          | ✓      | Private                      |           |   |   |   |   |   | ✓       |
| OO 10                   | RI activities for listed equities                   | 🔒      | n/a                          |           |   |   |   |   |   | ✓       |
| OO 11                   | RI activities in other asset classes                | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 12                   | Modules and sections required to complete           | ✓      | n/a                          |           |   |   |   |   |   | ✓       |
| OO End                  | Module confirmation page                            | ✓      | -                            |           |   |   |   |   |   |         |

| Strategy and Governance |  |        |            | Principle |   |   |   |   |   | General |
|-------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator               | Short description  | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| SG 01                   | RI policy and coverage   | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SG 02                   | Publicly available RI policy or guidance documents                 | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SG 03                   | Conflicts of interest  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SG 04                   | Identifying incidents occurring within portfolios                  | ✓      | Private    |           |   |   |   |   |   | ✓       |
| SG 05                   | RI goals and objectives  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SG 06                   | Main goals/objectives this year                                    | 🔒      | n/a        |           |   |   |   |   |   | ✓       |
| SG 07                   | RI roles and responsibilities                                      | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SG 08                   | RI in performance management, reward and/or personal development   | ✓      | Private    |           |   |   |   |   |   | ✓       |
| SG 09                   | Collaborative organisations / initiatives                          | ✓      | Public     |           |   |   | ✓ | ✓ |   |         |
| SG 10                   | Promoting RI independently   | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SG 11                   | Dialogue with public policy makers or standard setters             | ✓      | Private    |           |   |   | ✓ | ✓ | ✓ |         |
| SG 12                   | ESG issues in strategic asset allocation                           | ✓      | Public     | ✓         |   |   |   |   |   |         |
| SG 13                   | Long term investment risks and opportunity                         | ✓      | Private    | ✓         |   |   |   |   |   |         |
| SG 14                   | Allocation of assets to environmental and social themed areas      | ✓      | Private    | ✓         |   |   |   |   |   |         |
| SG 15                   | ESG issues for internally managed assets not reported in framework | 🔒      | n/a        |           |   |   |   |   |   | ✓       |
| SG 16                   | ESG issues for externally managed assets not reported in framework | 🔒      | n/a        |           |   |   |   |   |   | ✓       |
| SG 17                   | Innovative features of approach to RI                              | ✓      | Private    |           |   |   |   |   |   | ✓       |
| SG End                  | Module confirmation page   | ✓      | -          |           |   |   |   |   |   |         |

| Direct – Private Equity |  |        |            | Principle |   |   |   |   |   | General |
|-------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator               | Short description  | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| PE 01                   | Breakdown of investments by strategy   | ✓      | Private    |           |   |   |   |   |   | ✓       |
| PE 02                   | Typical level of ownership   | ✓      | Private    |           |   |   |   |   |   | ✓       |
| PE 03                   | Description of approach to RI  | ✓      | Private    | ✓         |   |   |   |   |   | ✓       |
| PE 04                   | Investment guidelines and RI   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| PE 05                   | Fund placement documents and RI  | ✓      | Public     | ✓         |   |   | ✓ |   | ✓ |         |
| PE 06                   | Formal commitments to RI   | ✓      | Private    |           |   |   | ✓ |   |   |         |
| PE 07                   | Incorporating ESG issues when selecting investments                            | ✓      | Public     | ✓         |   |   |   |   |   |         |
| PE 08                   | Types of ESG information considered in investment selection                    | ✓      | Public     | ✓         |   | ✓ |   |   |   |         |
| PE 09                   | Encouraging improvements in investees  | ✓      | Private    | ✓         | ✓ |   |   |   |   |         |
| PE 10                   | ESG issues impact in selection process   | ✓      | Private    | ✓         |   |   |   |   |   |         |
| PE 11                   | Proportion of companies monitored on their ESG performance                     | ✓      | Public     |           | ✓ |   |   |   |   |         |
| PE 12                   | Proportion of portfolio companies with sustainability policy                   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| PE 13                   | Actions taken by portfolio companies to incorporate ESG issues into operations | ✓      | Private    |           | ✓ |   |   |   |   |         |
| PE 14                   | Type and frequency of reports received from portfolio companies                | ✓      | Private    |           | ✓ | ✓ |   |   |   |         |
| PE 15                   | Disclosure of ESG issues in pre-exit   | ✓      | Private    |           | ✓ |   |   |   |   |         |
| PE 16                   | ESG issues affected financial/ESG performance                                  | ✓      | Private    | ✓         | ✓ |   |   |   |   |         |
| PE 17                   | Examples of ESG issues that affected your PE investments                       | ✓      | Private    | ✓         | ✓ |   |   |   |   |         |
| PE 18                   | Disclosure of ESG information to public and clients/beneficiaries              | ✓      | Public     |           |   |   |   |   |   | ✓       |
| PE 19                   | Approach to disclosing ESG incidents   | ✓      | Private    |           |   |   |   |   |   | ✓       |
| PE End                  | Module confirmation page   | ✓      | -          |           |   |   |   |   |   |         |

# N+1 Private Equity

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

|       |           |        |                 |         |
|-------|-----------|--------|-----------------|---------|
| OO 01 | Mandatory | Public | Gateway/Peering | General |
|-------|-----------|--------|-----------------|---------|

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2 Additional information. [Optional]

Alantra Private Equity, former N+1 Private Equity, is the preeminent PE manager in Iberia, with more than 25 years of heritage and one of the largest teams in the region (15 investment professionals). Our investment rationale consists of supporting Spanish and Portuguese upper mid-market companies (€10-40m EBITDA) to expand internationally.

|       |           |        |         |         |
|-------|-----------|--------|---------|---------|
| OO 02 | Mandatory | Public | Peering | General |
|-------|-----------|--------|---------|---------|

OO 02.1 Select the location of your organisation's headquarters.

Spain

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

20

OO 02.4

Additional information. [Optional]

Alantra Private Equity (from now on "Alantra PE"), is part of Alantra, a global investment banking and asset management firm specialized in providing high value-added services to middle market companies. Alantra, listed in the Spanish Stock Exchange since July 2015 and formerly known as N+1 until September 2016, has decided to unify all its worldwide teams into a sole brand to become a global, integrated quoted partnership. Nowadays, Alantra is made up of 345 professionals based in 19 countries across Europe, US, Asia and Latin America and manages over €3.2 bn in assets. Being part of Alantra, allows Alantra PE to enjoy from:

- Top level access to Spanish financial institutions and industrial groups
- Assistance with deal generation and add-ons in Spain and internationally
- Leading brand in Spanish financial industry with a global reach
- Quality institutional support and back office

As mentioned, through Alantra Group (over 350 employees), Alantra PE has access to an institutional-quality firm infrastructure, including a risk control and compliance unit (1 professional), a centralized capital raising unit (5 professionals: 4 in Spain and 1 in UK), a legal department (5 professionals) and finally access to centralized services such as accounting and administration, IT, HR and communications (15 professionals).

Beyond Alantra's European platform, Alantra PE has established additional strategic alliances with top-tier local partners and Senior Advisors in Latin America (i.e. Brazil, Mexico and Colombia) and benefits from the support of a unique Executive Network comprised of more than 30 senior executives with strong industrial expertise and exclusive relationships with Alantra PE.

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

OO 03.2

List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.



| Name of PRI signatory subsidiary<br>(Up to six subsidiaries may be reported) | RI implementation reported here<br>on a consolidated basis       |
|--|--|
| Asset Management   | <input type="radio"/> Yes<br><input checked="" type="radio"/> No |
|  | <input type="radio"/> Yes<br><input type="radio"/> No            |
|  | <input type="radio"/> Yes<br><input type="radio"/> No            |
|  | <input type="radio"/> Yes<br><input type="radio"/> No            |
|  | <input type="radio"/> Yes<br><input type="radio"/> No            |
|  | <input type="radio"/> Yes<br><input type="radio"/> No            |

No

|       |           |        |                 |         |
|-------|-----------|--------|-----------------|---------|
| OO 04 | Mandatory | Public | Gateway/Peering | General |
|-------|-----------|--------|-----------------|---------|

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2016

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

|               | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM     |           |          | 963      | 500       | 000      |
| Currency      | EUR       |          |          |           |          |
| Assets in USD |           | 1        | 031      | 141       | 081      |

**OO 04.3** Indicate the total AUM at the end of your reporting year for subsidiaries you have excluded from your report

|               |           |          |          |           |          |
|---------------|-----------|----------|----------|-----------|----------|
|               | trillions | billions | millions | thousands | hundreds |
| Total AUM     |           |          | 598      | 000       | 000      |
| Currency      | EUR       |          |          |           |          |
| Assets in USD |           |          | 639      | 981       | 698      |

OO 04.4

Additional information. [Optional]

Alantra PE currently holds the following assets under management:

1) Alantra PE Funds:

- N+1 Private Equity Fund III, closed at €450m in February in 2017 to invest in majority stakes in Iberian mid-market companies with an international focus
- N+1 Private Equity Fund II, closed in 2008 to invest in majority stakes in Iberian mid-market companies with an international focus

2) Other funds management

- Mercapital Spanish Buyout Fund III, in 2012, Alantra PE (former N+1 Private Equity) acquired competing private equity manager Mercapital and inherited the management of Mercapital Spanish Buyout Fund III, fund raised and invested by the former Mercapital team

OO 06

Mandatory

Public

Descriptive

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 06.1

How you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

|                | Internally managed (%) | Externally managed (%) |
|----------------|------------------------|------------------------|
| Listed equity  | 0                      | 0                      |
| Fixed income   | 0                      | 0                      |
| Private equity | >50%                   | 0                      |
| Property       | 0                      | 0                      |
| Infrastructure | 0                      | 0                      |
| Commodities    | 0                      | 0                      |

|                    |   |   |
|--------------------|---|---|
| Hedge funds        | 0 | 0 |
| Forestry           | 0 | 0 |
| Farmland           | 0 | 0 |
| Inclusive finance  | 0 | 0 |
| Cash               | 0 | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

**OO 06.2** Publish our asset class mix as per attached image [Optional].

**Gateway asset class implementation indicators**

|              |                  |               |                |                |
|--------------|------------------|---------------|----------------|----------------|
| <b>OO 11</b> | <b>Mandatory</b> | <b>Public</b> | <b>Gateway</b> | <b>General</b> |
|--------------|------------------|---------------|----------------|----------------|

**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Private equity
- None of the above

# N+1 Private Equity

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types   | Coverage by AUM  |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach<br><input type="checkbox"/> Formalised guidelines on environmental factors<br><input type="checkbox"/> Formalised guidelines on social factors<br><input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors<br><input type="checkbox"/> Asset class-specific RI guidelines<br><input type="checkbox"/> Sector specific RI guidelines<br><input checked="" type="checkbox"/> Screening / exclusions policy<br><input type="checkbox"/> Other, specify (1)<br><input type="checkbox"/> Other, specify(2) | <input checked="" type="radio"/> Applicable policies cover all AUM<br><input type="radio"/> Applicable policies cover a majority of AUM<br><input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No

|                |  |
|----------------|--|
| <b>SG 01.6</b> | Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional] |
|----------------|--|

We believe in responsible investing. By engaging in a broad set of sustainability considerations - including ESG issues - we can improve the financial performance of our portfolio companies as well as the alignment between investors and society at large.

Whether these relate to improved health and safety practices, better energy efficiency, ensuring high standards of labour practices or ethical supply chain management, all of these areas have a direct impact on the financial and reputational risks to which Alantra PE and our investors are exposed.

Our responsible investment policy is defined by UN RI principles as general framework and specifically, Alantra has proactively developed:

- **Anti-Money Laundering Manual:** the Fund Manager is a bound entity for the purposes of anti-money laundering legislation. As a result, an Anti-Money Laundering Manual was drawn up on the basis of the company's risk profile, focus primarily on the shareholders or investors of the fund vehicles it manages.
- **Alantra Group Code of Ethics:** catalogue of ethical principles and rules of conduct which ought to govern the behaviour of all of the executives and employees of the Alantra Group and therefore is a crucial element of the supervisory function of the Risk and Compliance Department.
- **Alantra PE Corporate Governance Agreement:** this agreement supports the independence of the Fund management with regards to Alantra Group in order to guarantee that all the decisions made by the Fund managers respond to autonomous, professional and objective criteria that maximize the utility of its' investors.

In addition to the previous points, Alantra PE has established regulations in regards to sector exclusion and reporting that are in line with our responsible investment approach:

- There are **sector exclusion policies** that include Companies involved in activities related to ammunition and weapons, police equipment or infrastructure; projects which result in limiting people's individual rights and freedom, or violation of human rights; projects unacceptable in environmental and social terms; ethically or morally controversial projects; and activities prohibited by national legislation (only where such legislation exists). Examples of such activities include the tobacco, alcoholic beverages and casino sectors, and projects that take place in protected areas
- We have a commitment with investors who require us to include ESG considerations in the annual reporting

|              |                  |               |                      |              |
|--------------|------------------|---------------|----------------------|--------------|
| <b>SG 02</b> | <b>Mandatory</b> | <b>Public</b> | <b>Core Assessed</b> | <b>PRI 6</b> |
|--------------|------------------|---------------|----------------------|--------------|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

|                |  |
|----------------|--|
| <b>SG 02.1</b> | Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document. |
|----------------|--|

- Policy setting out your overall approach
- Formalised guidelines on corporate governance factors
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

|              |                  |               |                      |                |
|--------------|------------------|---------------|----------------------|----------------|
| <b>SG 03</b> | <b>Mandatory</b> | <b>Public</b> | <b>Core Assessed</b> | <b>General</b> |
|--------------|------------------|---------------|----------------------|----------------|

|                |   |
|----------------|---|
| <b>SG 03.1</b> | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. |
|----------------|---|

- Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

Alantra PE has a twofold mechanism to control conflict of interest in the investment process:

1. **Alantra Group regulations:** the aim of these rules is, on the one hand, to comply with the obligations established in prevailing legislation regarding securities market dealings, as well as to present a regime that inspires trust on the part of Alantra's clients and potential clients, on the other
2. **Alantra PE's closed-ended funds Supervisory Committees:** composed by relevant LPs, the supervisory is the body in charge to review periodically any conflict of interest that could arise in the mangement of the fund.

No

**SG 03.3**

Additional information. [Optional]

Alantra's business areas susceptible to the generation of conflicts of interest with other areas must report regularly, and at any rate before signing contracts or before taking investment decisions with customers / companies with which it is possible that a conflict could materialize, to the Risk and Compliance Department.

This department actively manages a centralized file (the "**Conflict Check File**") detailing all live clients and mandates as well as potential interests and potential clients. The Conflict Check File is compulsory for all entities belonging to the Group, including Alantra PE, and includes the following list:

- Existing clients (active and already registered in SAP or the equivalent local database);
- Pipeline of clients of any area of activity within the Group. For conflict of interest purposes, the pipeline of clients to be examined is restricted to those where working out an engagement letter is the immediate next step;
- Target companies of clients in the pipeline and of existing clients;
- Companies where any of the Private Equity business of the Group has or is planning to have an investment;
- Names of companies followed by Alantra.

**Objectives and strategies****SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

**Governance and human resources**

|         |   |
|---------|---|
| SG 07.1 | Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment. |
|---------|---|

|  |                                    |
|--|------------------------------------|
|  | Roles present in your organisation |
|--|------------------------------------|

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Chief Risk Officer**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

|         |   |
|---------|---|
| SG 07.2 | For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities. |
|---------|---|

Each time a potential investment is analysed, we update the Conflict Check File at the beginning of the process and keep in touch with the Chief Risk Officer in order to make sure that there are no conflicts so we can proceed with the analysis. In case there is an existing conflict, we immediately drop the analysis.

The Supervisory Committee oversees that the investment opportunities proposed by the team are in line with the allowed parameters. For example, given the legal documents of N+1 PEF III, there are screening exclusions that include activities related to ammunition and weapons, police equipment or infrastructure; projects which result in



limiting people's individual rights and freedom, or violation of human rights; projects unacceptable in environmental and social terms; ethically or morally controversial projects; and activities prohibited by national legislation (only where such legislation exists).

In addition to the periodic reporting to our investors, in case some sort of ESG issue arises within investment and/or portfolio Company operations, we are due to report the existence of such issues and within 30 days, the manager should communicate the actions and potential material effects derived from the situation.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

### Promoting responsible investment

**SG 09** Mandatory Public Core Assessed PRI 4,5

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 09.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Alantra PE is one of the preeminent members of ASCRI, the Spanish Association of Private Equity.

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

ASCRI promotes responsible investment among its members through several initiatives, recently:

- In 2014, the association issued, jointly with PwC, a Good Practice Guide in which Alantra PE has collaborated explaining its procedures, case studies and experiences in the field
- In 2015, ASCRI and PwC organized a working session to discuss LPs' requirements with regards to ESG issues and responsible investment in which Alantra PE participated. The working session analyzed the results of a survey performed by PwC among LPs worldwide called "Bridging the gap: Aligning the Responsible Investment interests of Limited Partners and General Partners" (full report available on <http://www.pwc.com/gx/en/industries/financial-services/asset-management/publications/asset-management-insights/bridging-the-gap.html>)
- In 2016, ASCRI and ERM organized the Conference "The multiplier effect in investment: Environmental, Social and Governance Issues", in which Alantra PE participated. The main discussion was focused on the consequences of the ESG issues in the financial sector, and how they can add value to the life cycle of investments and all the stakeholders involved

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

|       |           |        |               |       |
|-------|-----------|--------|---------------|-------|
| SG 10 | Mandatory | Public | Core Assessed | PRI 4 |
|-------|-----------|--------|---------------|-------|

|         |  |
|---------|--|
| SG 10.1 | Indicate if your organisation promotes responsible investment, independently of collaborative initiatives. |
|---------|--|

Yes

|         |  |
|---------|--|
| SG 10.2 | Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives. |
|---------|--|

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

**SG 10.3**

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Alantra PE has encouraged other units within the Alantra Group (i.e. Alantra Asset Management) to adhere to RI initiatives such as PRI.

### Implementation not in other modules

**SG 12**

**Mandatory**

**Public**

**Descriptive**

**PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG 12.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Sector weightings
  - Other, specify
- We do not consider ESG issues in strategic asset allocation

## N+1 Private Equity

### Reported Information

#### Public version

#### Direct – Private Equity

### PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

|       |           |        |               |       |
|-------|-----------|--------|---------------|-------|
| PE 04 | Mandatory | Public | Core Assessed | PRI 2 |
|-------|-----------|--------|---------------|-------|

**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

**PE 04.2**

Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

Our investment guidelines included in PEF III legal documents comprise sector screening exclusion for activities related to ammunition and weapons, police equipment or infrastructure; projects which result in limiting people's individual rights and freedom, or violation of human rights; projects unacceptable in environmental and social terms; ethically or morally controversial projects; and activities prohibited by national legislation (only where such legislation exists). Additionally, they include, commitment on periodical reporting to LP's on ESG topics and continuous update of the conflict list to avoid conflicts of interest within the organization.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

|       |           |        |               |           |
|-------|-----------|--------|---------------|-----------|
| PE 05 | Mandatory | Public | Core Assessed | PRI 1,4,6 |
|-------|-----------|--------|---------------|-----------|

**PE 05.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PE 05.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**PE 05.3**

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

N+1 PEF III's PPM and fundraising documents describe our general approach to ESG issues through:

- Alantra PE Engagement to UN Principles for Responsible Investment
- ESG issues analysis during the investment process, mainly through labour and environmental due diligence. Additionally, we have issued a specific document to describe Alantra PE investment methodology with further information regarding our due diligence process
- DDQ's specific questions explaining our conflict of interest management policy

- DDQ's specific questions explaining the commitment of all Alantra PE's employees to the rules of conduct established in the Internal Rules of Conduct and the Manual of Money Laundering Prevention.
- Additionally, we have shared Alantra PE UN PRI Transparency Report (2015/16) in Alantra PEF III VDR with all the prospective investors of the Fund

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

|       |           |        |         |       |
|-------|-----------|--------|---------|-------|
| PE 07 | Mandatory | Public | Gateway | PRI 1 |
|-------|-----------|--------|---------|-------|

PE 07.1

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

PE 07.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

We initially perform a review of the available ESG documentation provided by the company. Then, in collaboration with DD advisors, we identify the current approach of the company towards ESG and its sustainability, and whenever we identify capacity to improve some areas we develop an action plan. The results from the previous work are reflected in the Investment memo presented to the Investment Committee.

We generally carry environmental and social due diligence prior to take any formal investment decision.

- No

|       |           |        |               |         |
|-------|-----------|--------|---------------|---------|
| PE 08 | Mandatory | Public | Core Assessed | PRI 1,3 |
|-------|-----------|--------|---------------|---------|

PE 8.1

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

|               |   |
|---------------|---|
| <b>PE 8.2</b> | Describe how this information is reported to, considered and documented by the Investment Committee or similar. |
|---------------|---|

ESG risks are documented in the Investment Memo and the Due Diligence Key Findings paper and finally discussed in the Investment Committees.

**Post-investment (monitoring)**

|              |                  |               |                              |              |
|--------------|------------------|---------------|------------------------------|--------------|
| <b>PE 11</b> | <b>Mandatory</b> | <b>Public</b> | <b>Gateway/Core Assessed</b> | <b>PRI 2</b> |
|--------------|------------------|---------------|------------------------------|--------------|

|                |   |
|----------------|---|
| <b>PE 11.1</b> | Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies. |
|----------------|---|

Yes

|                |   |
|----------------|---|
| <b>PE 11.2</b> | Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year. |
|----------------|---|

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

|                |   |
|----------------|---|
| <b>PE 11.3</b> | Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue. |
|----------------|---|

**ESG issues**

Environmental

|  |  |
|--|--|
|  | List up to three example targets of environmental issues |
|--|--|

- Operating licences and quality/emissions control certificates
- Waste management
- Storage and use of hazard materials

Social

|  |   |
|--|---|
|  | List up to three example targets of social issues |
|--|---|

- Temporary work legislation
- Compliance with labour safety and health regulations
- By-law training hours

Governance



List up to three example targets of governance issues

Conflict of interest management

Reporting standards

Board representation

We do not set and/or monitor against targets

No

|       |           |        |               |       |
|-------|-----------|--------|---------------|-------|
| PE 12 | Mandatory | Public | Core Assessed | PRI 2 |
|-------|-----------|--------|---------------|-------|

**PE 12.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

No

## Communication

|       |           |        |               |       |
|-------|-----------|--------|---------------|-------|
| PE 18 | Mandatory | Public | Core Assessed | PRI 6 |
|-------|-----------|--------|---------------|-------|

**PE 18.1** Indicate whether your organisation proactively discloses ESG information on your private equity investments.

Disclose publicly

Disclose to investor clients (LPs)/beneficiaries only

**PE 18.5** Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

ESG information in relation to our pre-investment activities

ESG information in relation to our post-investment monitoring and ownership activities

Information on our portfolio companies' ESG performance

Other, specify

**PE 18.6** Indicate your organisation's typical frequency of disclosing ESG information to your clients(LP)s/beneficiaries.

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc/when requested, specify

- Investment memorandums regarding every new investment

- ESG questionnaires requested on demand, in most cases once a year

**PE 18.7**

Describe the ESG information and how your organisation proactively discloses it to your clients (LPs)/beneficiaries. [Optional]

As of today, we disclose ESG information upon request. For the successor fund (N+1 PEF III), the Management Company will include relevant ESG issues regarding new investments, portfolio companies and fund management in the annual report. Additionally, we have shared our UN PRI Transparency report (2014/15) with all our prospective investors.

- No proactive disclosure to the public or to clients (LPs)/beneficiaries