

Abris

ESG Report 2020



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Letter from the Managing Partner

A typical fully grown tree can absorb around 21 kilograms of carbon dioxide (CO₂) per year. Over a lifetime of 100 years, one tree could absorb around a tonne of CO₂.



Dear Limited Partners and friends,

2020 will undoubtedly be a year to remember – a year that changed our lives in the most unexpected ways.

Looking back to before the pandemic, it is rather like we used to live in two separate worlds that co-existed in a delicate equilibrium: a work world, separated from a home world by an invisible door, which would symbolically close when we left the office. Even if it often stayed open late, this door would create a separation between the two worlds, allowing us to clear our minds and focus on work while in the office and on rest, relaxation and family time when at home.

Covid-19 and compulsory lockdowns suddenly made this door disappear, and the two worlds collided. Many things changed. Our desks suddenly landed in our kitchens and living rooms, and we found ourselves answering emails 24/7, our screens always on and our mobile phones glued to our palms. We got used to working through a small window, endlessly repeating “you are on mute”, and we were unexpectedly introduced to our colleagues’ pets and kids. Meanwhile our suits and ties gathered dust in our wardrobes.

While many people coped with the changes, lockdown had a troubling impact on mental health, with a marked increase in the rates of depression and suicide. In addition, thousands of jobs were lost, with knock-on effects on personal wealth, consumer behavior and retail performance. These changes affected the business environment we operate in and imposed an entirely new approach to leadership, management and everyday human relations. Therefore, if I were to pick one word to describe what was critical for us last year, it would be AGILITY.

Our ESG focus in 2020 shifted strongly towards the social and crisis management aspects. Together with our portfolio management teams, we designed and implemented sophisticated health protection procedures for all employees, polished and developed our existing Business Continuity Plans, and trained portfolio companies in crisis communication. I was genuinely amazed by the hundreds of hours our teams spent supporting CEOs and portfolio company leadership, defending their businesses in what were extremely challenging conditions. Today, I can firmly say that we understand the dynamics of market crises much better, and our toolkits to fight their consequences are now far more comprehensive. And most importantly, all our portfolio companies survived, maintained healthy cashflows and keep growing. I am also proud to announce that we have just launched a new ESG strategy for Abris – ESG Universe 2023. It is a continuation and development of our 2020 Universe project, during which we found that our assumptions and approach were proved correct. We have learned an enormous amount from our work along the way, and we used this expertise to add new projects and go further than ever before.

ESG Universe 2023 provides a comprehensive, overarching structure for all our work in this area. It encompasses 17 separate, but linked, projects across four key categories: governance and culture, standards; education; and carbon neutrality.

“ Since carbon footprint reduction is the most critical mission for all management teams worldwide, we want Abris to be a frontrunner for private equity in the Central Europe region. Along with our long-term commitment to execute SDG 13 (Climate Action), our ambition is to deliver a net-zero carbon balancing model for the portfolio by 2025 – becoming the first private equity firm in the region to commit to carbon neutrality.

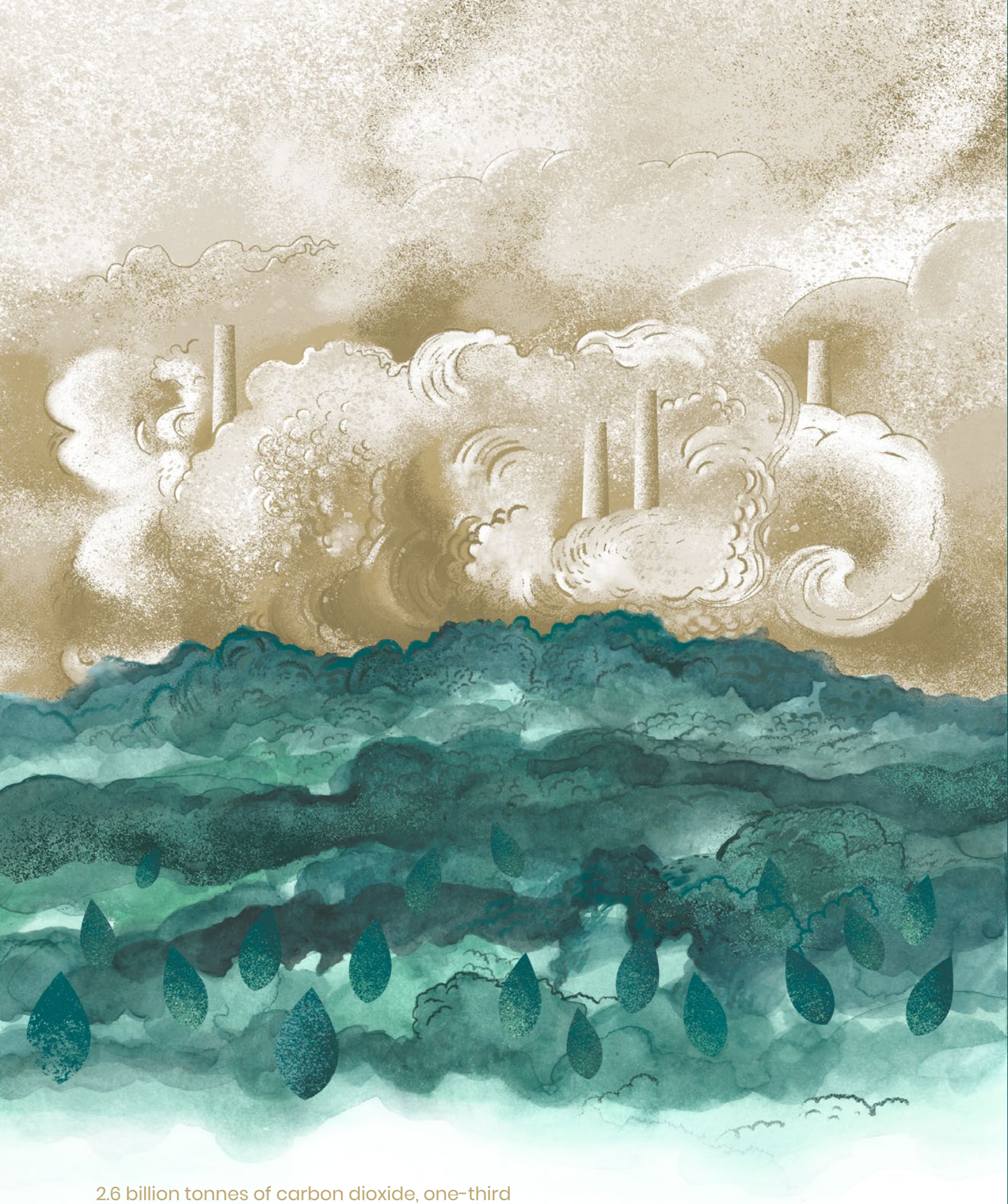
In 2017, when we launched our ESG Universe 2020, we planted the tree. Today, we are ready to grow the forest. ”

In addition to their work in ESG, I am also glad to report that our Value Enhancement Team has been kept very busy in 2020. Szymon and Tomasz, who joined Abris recently, are devoting a lot of their time to building the value of our investments by implementing an efficient internal controls framework, strengthening cybersecurity and by boosting digitalization across our portfolio.

I hope readers will appreciate the 2020 edition of our ESG report and the work we have done during the year, never giving up on our strategy’s key principles of investing responsibly and efficiently, despite the challenging circumstances. I want to express my warm thanks to the entire Abris team and our best-in-class management teams for their exceptional work and true commitment throughout the year, as well as to our investors, without whom none of this would be possible. Thank you all for your belief in us and support for our efforts; it means a lot.

Sincerely,

Pawel Gierynski
Managing Partner



2.6 billion tonnes of carbon dioxide, one-third of the CO₂ released from burning fossil fuels, is absorbed by forests every year.

About Us



Abris Capital Partners is one of the leading private equity fund managers focused on mid-market buyout and growth opportunities in Central Europe. Abris seeks to identify and partner with the most successful and dynamic businesses in the region that can benefit from investment capital and management expertise at both the strategic and operational levels.

Since inception in 2007, Abris has built a deep regional presence with a highly respected, multinational team united by a shared vision and our core ethical values. The firm has secured nearly €1.3 billion in capital commitments across three funds, from many of the world’s most prestigious financial institutions. This investor group includes both state and private pension funds, endowment funds and charities and commercial asset management companies. Our investors are located across the globe, with representation in the USA, Europe, the Middle East and Australia.

We discover opportunities, guide businesses and entrepreneurs towards success and serve as an expert within the wide ecosystem in which we operate. With local roots and international ambition, we use the region as our canvas when mapping out our investments. To date, Abris has invested in 29 businesses across five countries in Central Europe.

Our values

Environment

We have set ambitious goals for Abris to be a carbon neutral organization by 2025. We are adapting and innovating across our portfolio companies to reduce emissions and contribute to the circular economy.

Social


We work to create an inclusive and diverse working environment and provide opportunities to our employees. Our culture respects the dignity and fundamental human rights of all our stakeholders, suppliers and customers.

Governance

Our corporate governance and oversight are built on ethical principles, effective decision making and careful monitoring of performance and compliance.


Our impact

Abris has made a firm commitment to our LPs to deploy the capital entrusted to us responsibly as we build our portfolio companies into leading sustainable businesses. Our investment policy aims to be fair, transparent, accessible and predictable. Abris aims to implement the highest standards of environmental, ethical, governance and social criteria. We are proud of what we have accomplished and hope our achievements offer a model for others to follow. Our international team takes pride in partnering with talented entrepreneurs. We take a sustainable approach to achieving exceptional returns by realizing their innovative ideas.




1.3B

of committed capital




3

investment funds



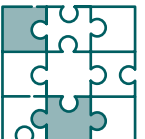
10,000

employees in our portfolio companies



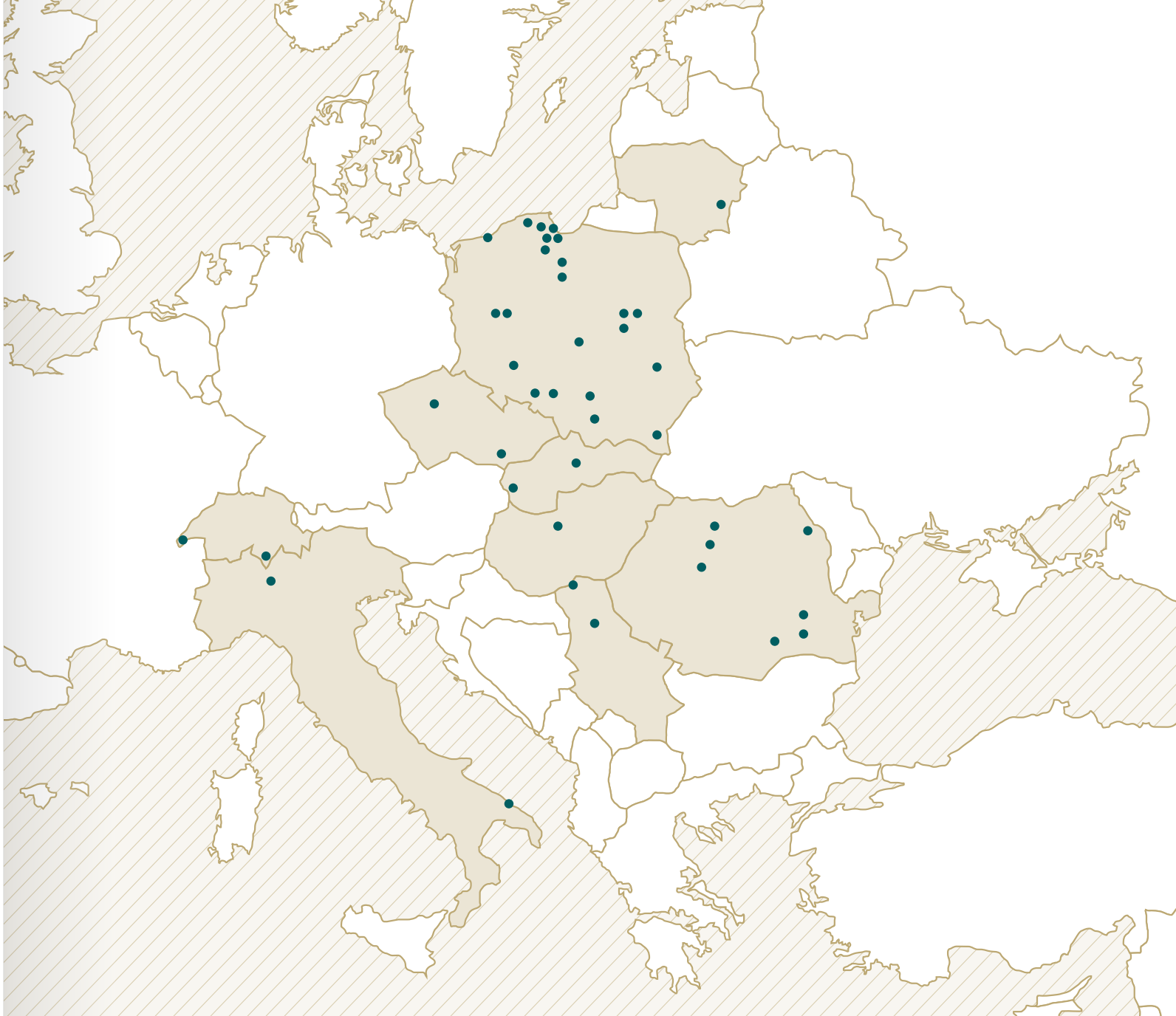
100%

with a measured carbon footprint under our stewardship



100%

portfolio companies trained in Diversity & Inclusion



Locations of headquarters and main branches of Abris’ portfolio companies

AURES Holdings	Czech: Prague; Poland: Piaseczno; Hungary: Fót; Slovakia: Bratislava
Dentotal	Romania: Bucharest
DOT2DOT	Poland: Batorowo, Nowy Konik, Kowale
ENDEGO	Poland: Kraków, Katowice, Wrocław, Sanok, Lublin, Gdynia, Gliwice
Global Technical Group	Romania: Bucharest; Serbia: Belgrad
Graal	Poland: Wejcherowo, Kukinia, Kartoszyño, Tczew, Zduny
Green Group	Romania: Buzău, Bucharest, Iași, Câmpia Turzii, Urziceni; Slovakia: Banská Bystrica; Lithuania: Vilnius
Matex Lab	Poland: Warsaw, Wrocław, Poznań; Italy: Milan, Brindisi; Switzerland: Lugano, Geneva
PATENT CO.	Serbia: Belgrade, Mišićevo
Pehart	Romania: Dej, Petrești
Velvet CARE	Poland: Warsaw, Klucze; Czech: Žabčice
WDX	Poland: Warsaw, Gdańsk, Katowice, Zgierz, Poznań, Wrocław



It is estimated that more than 1.5 billion tonnes of carbon dioxide are released to the atmosphere due to deforestation, mainly the cutting and burning of forests, every year.

Abris as a responsible investor



Responsible Investment Management System

From our convictions and ideas to an award-winning ESG management system

Our ESG Management System allows us to effectively improve our approach to ESG. The Abris Responsible Investment Policy and ESG Universe components define the framework of our activities and set well-defined goals. A clear division of responsibilities and comprehensive set of procedures provide us with a road map for reaching those goals.

Thanks to ESG Scoring, we can measure our progress in order to keep moving in the right direction, at the right pace. Through the ESG Academy, we continually add to our knowledge by listening to leading experts, thereby ensuring our effective response to those future challenges that await. The Abris ESG Awards provide a platform for recognizing ESG excellence among our companies and teams.

Our ESG management system works. At Abris, we are aware of our potential economic, social and environmental impact through our own operations and our portfolio companies. We put our convictions into action by building a comprehensive ESG management system, supported by proprietary measurement tools that help us continuously improve our activities. In 2020, our approach received formal recognition by being selected as the Emerging Markets Project of the Year by the Principles for Responsible Investment. This is a great honor for us, one that serves to further strengthen our commitment to ESG.



WINNER
Agile & Comprehensive
ESG Management System



UNPRI SCORE 2020
Strategy & Governance,
Private Equity
 Principles for Responsible Investment

We were delighted to be awarded an A+ score for Strategy & Governance and, also, an A+ score for Private Equity in the Principles for Responsible Investment's Annual Assessment 2020.

Responsible Investment Policy

As an institutional investor, Abris has a duty to act in the best long-term interests of its stakeholders. In our fiduciary role, we believe that ESG goals are a vital part of our investment portfolio's performance. As a responsible investor, Abris only invests in companies that show significant potential for responsible behavior toward environmental, ethical, social and governance issues. As a consequence, we have defined and formalized our commitment in the Responsible Investment Policy. Additionally, we have integrated an ESG Monitoring Procedure into our investment process.

From initial due diligence to Investment Committee approval, to post-investment monitoring, we evaluate ESG considerations at all stages of the investment process.

Abris is a signatory to the Principles for Responsible Investing (PRI), applying its Six Principles as a framework for ESG policy development across all of our investments. Abris has also committed to the UN Global Compact, the world's largest corporate responsibility initiative, and its principles regarding human rights, labor, the environment and anti-corruption.

We continually strive to contribute towards the United Nations 17 Sustainable Development Goals (SDGs) through our own activities and those of our portfolio companies. We all have an important role to play in achieving these goals to ensure a more prosperous, equitable, and sustainable world.

Our approach to responsible investing develops and adapts to the needs of the environment. This is especially true of climate change. Therefore, our activities are firmly aligned with The Paris Agreement, The European Green Deal and the Task Force on Climate-related Financial Disclosures.

THE GLOBAL GOALS For Sustainable Development



ESG 2023 Universe

The second chapter of our evolution

We are delighted to introduce our new ESG Universe 2023 strategy. This commits Abris to achieving carbon neutrality by 2025 through a comprehensive program of environmental, social and governance initiatives.

We have learned a lot since launching our Universe 2020 strategy. Now, we are building upon this expanded expertise to analyze, adapt, add new projects and take our ESG work further and deeper than ever before.

ESG Universe 2023 utilizes a three pillars approach to establish a sustainable, proprietary program encompassing 17 new initiatives within four key categories: Governance and Culture, Standards, Education and Carbon Neutrality.

The strategy embodies the clear purpose of supporting risk mitigation and value creation across the Abris portfolio, achieving a carbon neutral portfolio by 2025 and establishing net-zero action plans for each individual portfolio company.

Abris ESG Universe Evolution



Objectives:

Define the Abris approach to ESG integration based on three pillars:

- Pillar I – Abris as a model organization
- Pillar II – End-to-end processes
- Pillar III – ESG thought leader
- Build the framework, processes and procedures
- Educate the team
- Conduct disciplined portfolio work and recognition
- Measure impact
- Communicate proactively with stakeholders

Our new strategy has also been planned to more closely adhere to the UN Sustainable Development Goals. The following table presents what we plan to achieve.

Objectives:

Continue to develop the three pillar approach:

- Add new procedures to deepen the sophistication of processes
- Continue developing education more systematically
- Improve efficiency through Universe 2020 lessons learned
- Further develop existing tools
- Institute comprehensive ESG reporting practice

	Abris as a model ESG organization	End-to-end ESG processes	Abris – ESG thought leader
Governance and culture	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <p>Abris has a clear, well-defined and tested approach to integrating ESG into its investment activity. 'Pragmatic' and 'practical' were the key guidelines for pursuing risk management and value creation themes. Every procedure and tool we designed had to prove its efficiency and purpose internally, at Abris, first. In our new strategy, we want to continue this approach. Therefore, the first pillar guarantees the role of Abris as a model organization for our portfolio companies and the wider private equity ecosystem. Our internal governance and culture must fully support that purpose.</p>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <p>One of the key takeaways from ESG Universe 2020 was the importance of understanding leadership buy-in. Successful ESG integration projects were only ever delivered in cases with personal commitment from the senior management. Going forward, we will ensure that the portfolio decision makers, deal teams and the Abris ESG team are fully aligned and able to communicate transparently.</p>	
Standards	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <p>We have built a solid system of ESG implementation directly into the investment process. We want it to run like a well-oiled machine that keeps pace with every new challenge. Therefore, we will add new tools to streamline efficiency and sharpen the decision making process. By creating a database of all ESG procedures, we will build upon the team's knowledge and experience.</p>	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>13 CLIMATE ACTION</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <p>There is a comprehensive set of procedures embedding ESG elements into each part of the investment and portfolio management process. All Abris portfolio management teams are aware of our approach and cooperate closely with us to integrate ESG standards. We now want to make our standards more precise and user friendly, with an even clearer focus on investment returns.</p>	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>13 CLIMATE ACTION</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <p>The last mile of our ESG efforts in developing and following the very best professional standards is reporting. Each ESG procedure serves a specific purpose. Results will be measured and reported openly. By modifying the leading industry templates with our own pragmatic philosophy ("as complex as necessary, but no more"), we will continue to exceed the expectations of our investors in this area.</p>

Education



We plan to build an extensive ESG knowledge base for the Abris team and invest more in their education.

Our portfolio teams have proven their strong commitment to excel in building regional industry champions. In order to support them while facilitating access to knowledge sharing, we want to invest in better tools and offer open access to our ESG know-how.



We strongly believe in the power of responsibility. Therefore, everything we do aims to improve the quality and value of our ESG impact. These activities will be openly, transparently shared with our stakeholders. We will seek new opportunities for sharing our knowledge and experience with a broader audience, pro-actively promoting ESG standards. We also hope to open our ESG Academy to other regional PE players.

Carbon neutrality



Since carbon footprint reduction is the most important mission for all management teams across the world, we want Abris to be a front runner in this area for private equity in the Central Europe region. Our ambition is to deliver a net-zero carbon balancing model for the portfolio by 2025.



Over the coming years, climate change will strongly impact every operating model and every industry across the world. Our objective is to make sure all our portfolio companies adapt to this reality in a sustainable way and actively participate in reducing carbon emissions according to the EU Green Deal framework. The 2030 target will be embedded in our portfolio actions.



We will promote carbon neutrality in the investment industry by participating in initiatives with stakeholders, publishing guides and sharing best practices.

The Abris commitment to a carbon neutral portfolio by 2025



New focus of the ESG Universe

Our ability to mitigate climate challenges effectively plays an important role in our investment approach. We are committed to successfully transitioning to a low-carbon economy and providing long-term stability

for our portfolio companies. Abris measures ESG risk just as thoroughly as we analyze traditional market metrics. Our ESG approach is comprised of three focus areas to outline our direction and our aims.

Climate change

We have heavily invested in climate change-related topics influencing the value of our investments since 2019. In 2020, we embarked upon a new goal to become carbon neutral by 2025.

Resources

We are steadily transitioning toward a comprehensive selection of off-set and reduction initiatives including recyclable materials in packaging, reducing landfill waste, streamlining supply chain logistics and stewarding water resources.

Oversight

We have designed an impressive array of tools and metrics to analyze our environmental impact and build resilient strategies to reduce it going forward.

The portfolio companies conduct risk analysis at the management and operational levels. Each company reports visible risks and assesses their importance. After estimating the impact and probability of these risks, appropriate corrective actions are agreed by Abris and the company. The list of risks is reviewed and updated annually.

A quarter of global emissions are now under carbon-pricing schemes and the number is rising. We are completing climate resilience and CO₂ reduction strategies for each portfolio company by the end of 2021. In our Risk and Opportunities Assessment Tool, each risk has an assigned impact on EBITDA. Thanks to this, we can determine the extent of the costs of risk management and include it in our financial planning. Our ESG efforts align with the EU Taxonomy on sustainable activities – a guide to transparent climate disclosures from the financial sector. It helps investors understand which activities are environmentally sustainable and how to best navigate the transition to a low-carbon economy.

The Taxonomy Regulation sets out the legal obligations for financial market participants regarding the disclosure of sustainability risks and impacts. But failure to meet the taxonomy obligations has wider implications. If a company does not meet disclosure obligations, it may not be considered “investable.” At that point, a range of obstacles could result, e.g., higher cost of capital, a reduced valuation or a problematic sale scenario.

We designed the Abris Climate Change Strategy to fulfill all EU regulatory requirements. With the help of our

ESG Exit Scenario Model, our portfolio companies will meet all obligations and regulations by the end of 2021. Our practical approach is based on precisely measuring the carbon footprint of all companies in the portfolio, followed by emissions reduction action plans and a catalog of validated offset initiatives, enabling the portfolio to reach neutrality in 2025. To ensure the program is fundamentally focused on real reductions rather than offsets, over the course of each year Abris will invest in further emission-reduction projects, meaning each individual company will reach net-zero within the EU timeframe.

Abris has tasked each of its portfolio companies not only with reducing emissions, but also with adapting their strategies and operating models to climate change, which, for some businesses, may have destabilizing effects. Therefore, it is critical to run in-depth analysis and adaptation programs for each one.

- Our ambitious climate neutral goal is based on our prior accomplishments:
- Prepared a carbon footprint calculation tool in Scope 1 and 2
 - Prepared an analysis tool for climate change-related risks and opportunities based on the Task Force on Climate-Related Financial Disclosures (TCFD)
 - Trained portfolio companies on carbon footprint and climate-related risk and opportunities
 - Measured the carbon footprint in all our portfolio companies in 2020
 - Our portfolio companies began work on emissions reduction plans and climate change actions relevant to their strategies and operations.

¹Carbon Pricing Dashboard,” The World Bank, 27 March, 2021, <https://carbonpricingdashboard.worldbank.org/>



The world emits around 50 billion tonnes of greenhouse gases each year. Greenhouse gas emissions mostly come from the combustion of fossil fuels, such as coal, oil, and natural gas, to produce electricity (25 percent of 2019 greenhouse gas emissions), as well as from chemical, metallurgical, and mineral transformation processes (23 percent of 2019 greenhouse gas emissions).

Our ESG pillars are guiding principles for the Universe 2023



Pillar I – Abris as a model ESG organization

The first pillar of our ESG strategy ensures that Abris is a model organization for both our portfolio companies and the wider private equity ecosystem. We will always implement and optimize each procedure ourselves, at Abris, before requesting that others adopt it.

- Education – allowing us to continuously develop and share our skills and knowledge
- Portfolio Corporate Governance – clear rules of operation and communication between decision making bodies

Meeting this goal requires three main elements that we developed in 2020:

- Team – experts committed to driving the entire process

Our Team

The ESG Team, as a part of the Value Enhancement Team, is focused on delivering best-in-class ESG solutions and tools to the organization. Continuous support from and dialog with the Investment Committee and Partners Board illustrates the team’s importance to Abris’ strategy and investors’ requirements. The Value Enhancement Team works to support Deal Teams in risk management and value creation. The primary areas supported by the Value Enhancement

- Team include ESG, portfolio risk management and business digitization. The team’s main objectives are:
- Providing the time and resources necessary to support Deal Teams’ value creation for each investment
 - Building an investment and portfolio experience database
 - Continuous professionalization of Abris Capital Partners’ activities

Internal ESG governance structure

Building additional value using ESG is a joint effort between Abris and the portfolio companies. That is why Abris has extensive ESG policies and procedures, with milestones and goals shared among the Investment

Committee, Investment Team and ESG Team. Furthermore, each company has its own ESG team and each CEO acts as a sponsor of these initiatives.

ESG governance

Abris level	Investment Committee	<ul style="list-style-type: none">• Instills RI principles in investment procedures and portfolio companies• Analyzes ESG information in investment documentation• Provides guidance on a wide range of ethical, governance, social and environmental challenges
	Investment Team	<ul style="list-style-type: none">• Executes on the ESG rules• Ensures ESG due diligence• Identifies and manages ESG issues throughout the transaction process• Monitors execution of ESG standards in the portfolio companies
	ESG Team	<div><div>Dedicated Partner</div><ul style="list-style-type: none">• Directly responsible for ESG integration• Coordinates the Abris ESG efforts• Leads ESG communication with the Abris Limited Partners</div>

Abris level	ESG Team	ESG Director	<ul style="list-style-type: none">• Implements and develops the ESG process, i.e., Fund investment and portfolio monitoring• Develops ESG best practices• Cooperates closely with Investment Teams to review ESG progress• Promotes the Abris ESG approach and methodology via industry conferences and ESG articles, brochures, etc.• Manages ESG external reporting, especially to the LPs• Supervises ESG Coordinators
		ESG Administrators	<ul style="list-style-type: none">• Monitor progress of ESG action plans• Develop Abris ESG standards
Portfolio company level	ESG Coordinator	<ul style="list-style-type: none">• Sets ESG goals and action plan• Oversees the implementation of ESG goals and projects• Coordinates ESG activities• Reports internally	
	ESG Team	<ul style="list-style-type: none">• Ongoing management of ESG areas• Executing on ESG goals• Raising management standards in ESG• Reports ESG incidents to the ESG Coordinator	

Corporate governance

Corporate governance is the backbone of an effective ESG management system. That is why in 2020, we focused on executing efficient implementation of the Abris Corporate Governance Model in each of our portfolio companies.

- Constitutes a very effective defense mechanism against possible defects or crimes that might be committed, or appear to be, within our portfolio companies or externally, but with the participation of their employees.

The primary goal was to strengthen standards of corporate governance across all of the portfolio. We constantly strive to perfect our governance system as, above all, it helps to build a transparent, reliable and sustainable corporate culture. We also recognize that proper governance:

- Adds value to our investments, both through better, quantifiable performance (e.g., lower cost of procurement) and through qualitative measures, such as increased valuation multiples (as a result of lower risk of irregularities, increased transparency, ease of ownership transfer or post-acquisition integration)
- Allows for a clear segregation of duties and competence among different corporate bodies and creates transparent channels of communication and escalation.

Abris assures consistency of main corporate governance procedures such as:

- Anti-corruption program
- Whistleblowing
- Equal Treatment and Diversity Policies
- Compliance Manual – policies & operating procedures

Education

By continually building knowledge through ongoing education, we are better able to innovate, solve problems and make higher quality decisions. That is why we have been developing Abris ESG Academy for several years. We organize trainings and workshops for Investment Teams, members of the portfolio management boards and for portfolio company ESG teams.

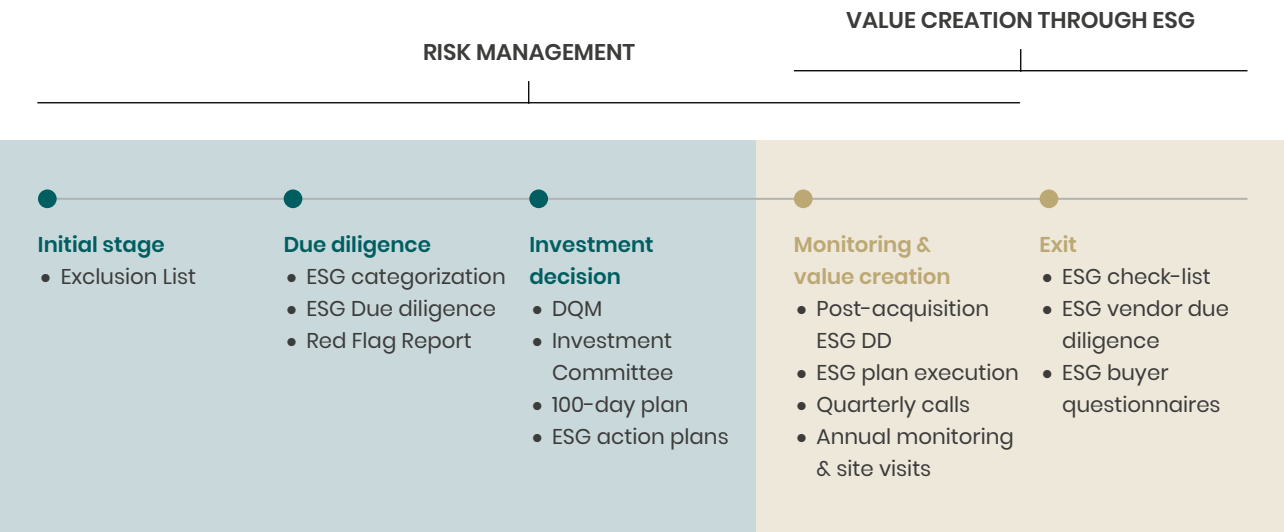
Pillar II – End-to-end processes

The investment process

Selection of targets – in-depth due diligence – contribution to the decision making process

We integrate ESG components into decision making milestones at every stage of the investment process.

From investment target identification, to investment approval, to exit, we set clear goals for the Deal Teams and deliver a precise value track record to the Abris Investment Committee and Partnership Board.



01. Investment process

02. Monitoring and value creation process

Exclusion List

Every potential portfolio company is checked against the Abris Exclusion List , based on international standards and all contractual terms included in our LPAs. Our criteria are based on the overarching principles of respecting human rights and protecting the environment.

This means we will not do business with companies involved in, for example:

- Activities that contravene UN or EU conventions on fundamental rights such as child labor, racial discrimination, trade embargo, environmental protection
- Production or trade of alcohol
- Production or trade of tobacco
- Drift net fishing using nets in excess of 2.5 km. in length
- Material / systemic corruption

² The full criteria are available from the Exclusion List on the Abris website: <https://abris-capital.com/wp-content/uploads/2021/04/Exclusion-list.pdf>

Portfolio monitoring

Tailor made planning – Regular review – measurement of created value – Transparent reporting

Our Investment and ESG Teams closely cooperate with the portfolio companies. Once the transaction is closed, the ESG Team performs an in-depth, post-acquisition analysis. Based on the results, both a long-term and annual ESG Action Plans are formulated. The ESG Action Plans are then agreed upon with the Investment Team. Status of implementation of selected projects within Abris’ portfolio companies is tracked and measured by the ESG Scoring application.

We want to make it easy for our companies to join us in this effort. The ESG Team meets with company management to present our approach and the ESG manual is passed on to the Management Board. The portfolio company ESG team, supervised by the CEO, is comprised of an ESG Coordinator and several internally recruited members relevant to the business profile.

Progress is evaluated during quarterly ESG calls, when the current situation and any ESG incidents are discussed. This information is presented to the Supervisory Board in quarterly reports.

In 2020, the ESG Team conducted 117 interviews during the annual ESG portfolio companies review. A total of 39 quarterly ESG calls took place between the team and portfolio companies.

At the beginning of each year, the ESG Team visits all portfolio companies. A comprehensive ESG analysis, summary of the previous year and the ESG Action Plan for the coming year are finalized.

ESG areas important for all Abris portfolio companies are:

- Corporate governance best practice & business continuity plan
- Remuneration and motivation
- Anti-corruption and whistleblowing
- Adaptation to climate change and managing carbon footprint
- Products and services security
- Human rights and H&S standards
- Cybersecurity

The ESG Team prepares materials, trainings, solutions and templates to help better manage these areas.

The Abris ESG Scoring Tool, from ESG to Value Enhancement

We have developed the Abris ESG Scoring Application, an innovative IT tool that supports investment decision making and ESG portfolio oversight. The key objectives are risk management and value creation through planning, monitoring, and measuring our ESG impact. We have recently added a carbon footprint and climate change module, expanding the application’s utility as a unique and forward-looking solution.

We are also working on two new portfolio value creation modules:

- An Internal Control Framework
- Technology, cybersecurity and IT

The new Internal Control Framework is a comprehensive guide to creating and monitoring internal controls system. By introducing an Internal Control Framework, we are able to design, implement and assess the effectiveness of all portfolio internal controls. The technology, cybersecurity and IT module in ESG Scoring is only one part of our systematic approach to monitoring execution progress. Protecting IT systems from disruption and cyberattacks is critical to our business. The scope of Abris’ approach is divided into three categories: business continuity resilience against systems failures, cybersecurity strategy and digitalization.

560 ESG measures in Abris ESG Scoring

About Abris ESG Scoring

KEY FACTS

- Launched in July 2020
- Proprietary tool designed by the Abris team
- Based on in-depth analysis of LPs’ ESG expectations, benchmarks and business trends
- Based on international, well-recognized standards (PRI, Global Compact; OECD, GRI, SASB) adjusted to local standards
- Tested across our portfolio companies
- Close collaboration with software company to turn our solution into a proprietary, innovative measurement tool
- The only such tool in the CEE region

MODULES:

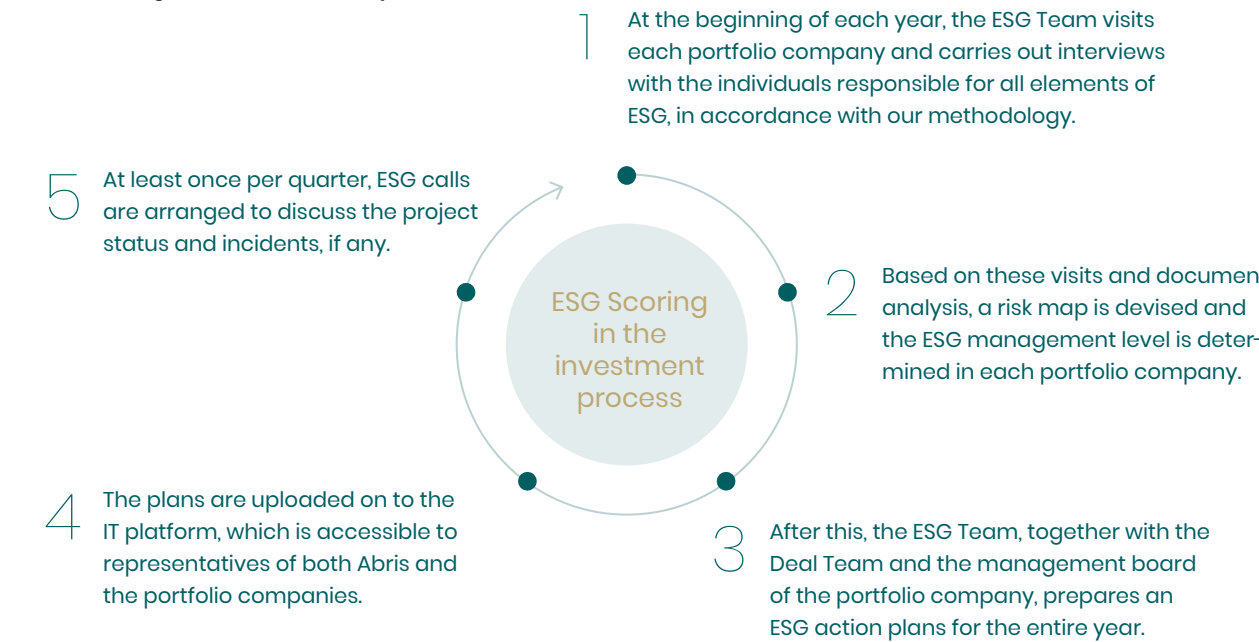
Diagnostic module	Analytical module	Management module	Cooperation module	Presentation module
comprehensive company review from an ESG perspective	risk analysis, progress analysis, benchmarks and verification of efficient KPI execution	action plan and progress tracking	communication between the ESG Team, Deal Teams and portfolio company ESG Coordinators	transparent data presentation

APPLICATION OBJECTIVES:

- The Investment Committee has measurable, transparent and generic information about ESG
 - The Deal Teams can better supervise investments
 - The ESG Team has full, centrally located information and documentation and can effectively coordinate
- ESG action plans while supporting companies and the Deal Teams

 - Portfolio companies can analyze their status and provide supplementary documentation

ESG monitoring and value creation process



ESG Scoring in practice – Case study

For over 25 years, WDX has been providing integrated intralogistics automation solutions. The firm manufactures a versatile range of integrated solutions for both warehouse equipment and storage, along with innovative logistics systems designs for internal material flows.

Due diligence
During the due diligence process, critical risks in Anti-bribery, Health & Safety and Environment were identified in the ESG Red Flag Report.

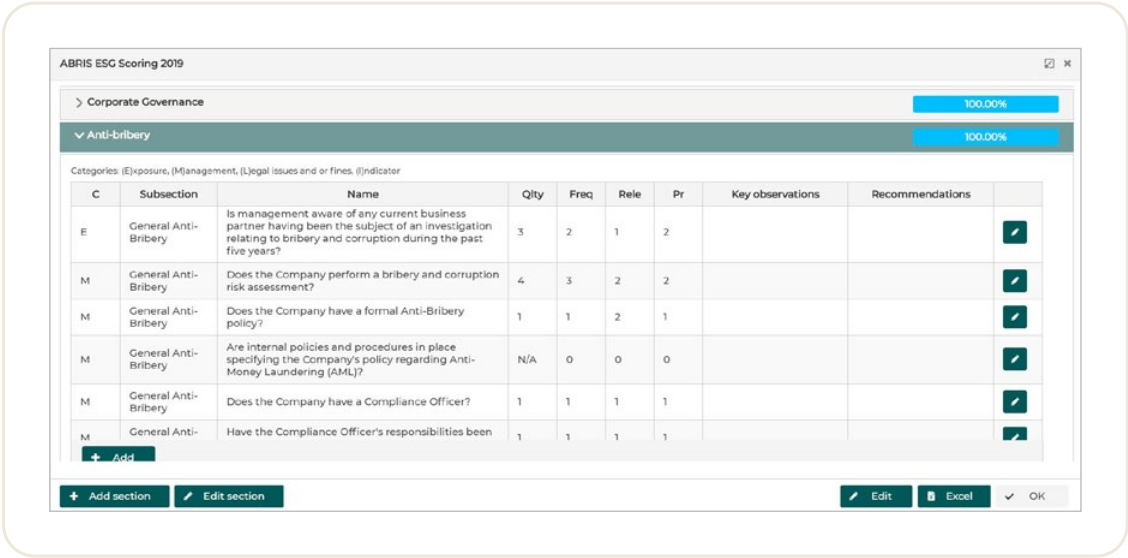
Post-acquisition due diligence

When the investment was finalized, the Abris ESG Team performed post-acquisition due diligence and interviewed individuals responsible for all elements of ESG within the company, in order to better understand the identified risks at WDX.

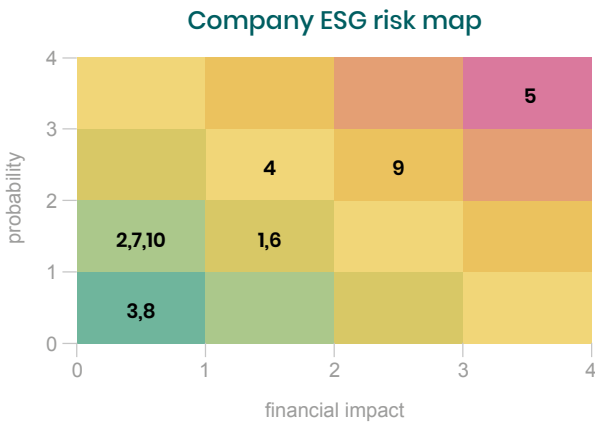


Assessment method:
There are four levels of risk assessment:

- Exposure
- Management
- Legal
- Performance – estimating the probability and impact on EBITDA



The results are shown on the risk map. The ESG risk map presents 10 areas of risk. It addresses both risk probability and financial impact.



- Legend:**
1. Environmental Issues
 2. Human Resources
 3. Human Rights
 4. Health & Safety
 5. Product/Services Safety
 6. Corporate Governance
 7. Anti-bribery
 8. Internal Control
 9. Technology
 10. Marketing

ESG Action Plan

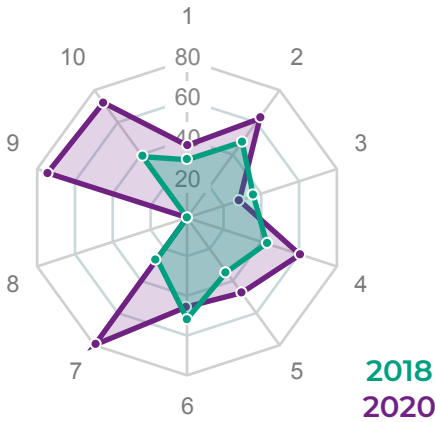
An ESG Action Plan was agreed by the Abris ESG Team, the Deal Team and the company, then added to the Scoring Application.



Action Plan – used to monitor progress in ESG implementation; discussed during quarterly teleconferences.

Monitoring & Value Creation

The Investment and ESG Teams worked closely with WDX. During the initial investment period, the company implemented the anti-bribery program and whistleblowing channel. The goals for Health & Safety were established, a formal H&S system was implemented and an H&S Committee and new H&S Manager were appointed. A formally documented environmental management system was implemented. We monitor progress at a quarterly minimum by ESG calls, after which the Application is updated to reflect progress.



Exit Scenario, a perfect picture of the investment results

An ESG Exit Scenario is an optimal set of standards and performance indicators to be achieved by the end of an investment's life-cycle. Once defined, it becomes a benchmark and road map for how each Deal Team should proceed. The model is tailored to address environmental and social areas within both product and services companies. Progress is rated using a score from 1 to 5. Abris has improved the Key Performance Indicators within the ESG Exit Scenario Model, ensuring that equal attention is given to both financial and non-financial goals.



ESG Promotion & Education

Abris ESG Awards

Building the value of our investments through ESG requires understanding and active cooperation with management. Abris strives to develop the ESG knowledge and skills of our portfolio companies. One of the most outstanding activities in this area for 2020 was the Abris ESG Awards. The awards recognize innovation and progress in integrating ESG standards. Winners achieved the best continuous development of ESG practices throughout the year.

In 2020, our Abris ESG Awards initiative continued to gain popularity among portfolio companies. The awards provide us with a platform for celebrating the

exceptional work of individual portfolio ESG teams and the commitment of our Deal Teams to collaborate with them on sustainable action.

The awards ceremony consists of one main category and three subcategories. The Grand Prix Award is granted for a joint effort of the Management Board and Deal Team to integrate ESG best practices into operations and supervision. The nominees for the three specific subcategories of Environment, Social and Corporate Governance are chosen by the Deal Teams. Winners are selected by a jury of both in-house and independent experts.

“ I fully support the organization of the competition between the companies that are willing to meet the most important challenge of today – sustainable development that is good for people, for the environment and that generates the profit. Being a part of such a jury, gives an opportunity to work together with the same goal in mind to support positive change within the business environment. It is a great way to promote responsible investment, responsible business standards and responsible business conduct. ”

NCU Prof. dr hab. Marcin Kilanowski
Jury of ESG Awards 2020

The Abris ESG Awards Winners for 2020

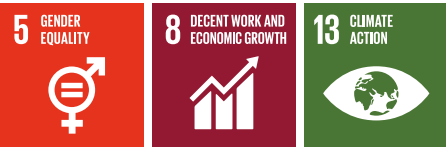
GRAND PRIX:
Velvet CARE
comprehensive integration of ESG into operating model



ENVIRONMENT:
WDX
New European Service Center with advanced ecological solutions

SOCIAL:
Graal
Professionalization & Upgrading HR management standards

CORPORATE GOVERNANCE:
CADM
Information Security Management System



Abris ESG training for portfolio companies
In 2020, as part of the ESG Academy, we organized training courses and workshops for the management board members of and ESG Coordinators of our portfolio companies. Learning from the pandemic experience how to quickly develop risk management solutions, we organized workshops on the preparation and improvement of Business Continuity Plans. Fifty participants of top portfolio company executives joined in our ESG training as a part of the ESG Academy.

CEOs also had the opportunity to participate in a training on the business impact of climate change by the United Nations Global Compact Poland. We conducted workshops on the analysis of climate change-related risks and opportunities. As part of the ESG Academy, we also initiated diversity & inclusion workshops.

50 participants
in ESG Training

Pillar III – Building a reputation as an ESG thought leader by knowledge sharing

A responsible investor’s credibility among its stakeholders is based on reliable ESG data and high-quality communication. Abris strives for a best-in-class reporting architecture to ensure the quality and value of our ESG impact and to allow for open communication with our stakeholders. Engagement is how we impart our approach to sustainable business practices to the wider investment community. It is also how we present our views and expectations to portfolio companies.

Our approach has been recognized by reputable international initiatives promoting responsible business. In 2019, The Ethical Corporation shortlisted us for the Responsible Investment Awards. We were recognized for our leadership in corporate responsibility, sustainability, transparency, and investment stewardship. In 2020, our Agile & Comprehensive ESG Management System was selected as the Emerging Markets Initiative of the Year by PRI. The winners were selected from nearly 120 entries submitted by PRI signatories headquartered in 25 countries.

Encouraged by the positive market acceptance of our practices, we decided to share our ESG ideas with other members of our industry. At the same time, we strive to promote the idea of responsible investing among all companies, helping them to better prepare for the new expectations of investors, clients and regulators. To meet new regulatory requirements, such as the

Sustainable Finance Disclosure Regulation and Corporate Sustainability Reporting Directive.

Despite the pandemic in 2020, we participated as experts in dozens of conferences and webinars. We also contributed many expert articles and commentaries. We maintained an active media presence, speaking on the importance of ESG online, in the press, and on television, especially in the Central European region.

Private Equity Wire

**“Measurement and management:
Abris Capital Partners’
Monika Nachyla on the
state of ESG investing
in the CEE”**

www.privateequitywire.co.uk

S&P Global Market Intelligence

**“Abris Capital launches
ESG scoring software”**

www.spglobal.com

Real Deals Media

**“ESG: From checkbox
to value creation”**

the-drawdown.com

Gremi Media

**“ESG – nikt nie traci,
każdy zyskuje”**

www.parkiet.com

Real Deals Media

**“Q&A: Pawel Gierynski,
Abris Capital”**

realdeals.eu.com

We share our expert knowledge during conferences and through published guides on ESG issues.



We participated in the preparation of a practical business guide on counteracting forced labor. The guide was sponsored by the working group on sustainable development at the Polish Ministry of Funds and Regional Policy



We worked to promote the Women’s Empowerment Principles Gender Gap Analysis Tool of the United Nations Global Compact



We shared our approach to climate change during a PRI webinar



During the Three Seas Stock Exchanges conference of the most important stock exchanges in Central Europe, we presented ESG best practices.

Independent organizations and initiatives

We join with others in working to develop the investment industry and responsible investing. As a member of important industry organizations, we share knowl-

edge and best practices. We also work with organizations committed to sustainable development and social well-being.



The PRI provides a global ESG standard for responsible investing through a set of six principles. Members support the optimum long-term interests of investors, financial markets, the economy, the environment and society as a whole.



Invest Europe is the main information source for the venture capital and private equity industries. Abris co-founder George Swirski is a member of the Invest Europe Mid-Market Platform. Robert Sroka, Abris ESG Director, sits on the Invest Europe Responsible Investment Round Table.



The Polish Private Equity and Venture Capital Association (PSIK) represents the private equity industry in Poland. Abris Partner Monika Nachyta is an association Vice President. Abris is the founder of the ESG Committee at PSIK.



The United Nations Global Compact is an initiative supporting global companies committed to responsible business practices. The initiative is based on Ten Principles defining a value system and approach to doing business. Abris Partner Monika Nachyta sits on the Program Board of Global Compact Network Poland.



Abris is an active partner of the Family Business Institute (IBR) in Poland. The IBR is a platform for exchanging knowledge and experience amongst business owners and experts of international standing. We have been participating as a speaker at IBR events and conferences for many years. Wojciech Jezierski, Abris Partner, serves as a mentor to IBR members.



Level 20 is a non-profit organization working to promote women in private equity. The aim is to increase the number of women acting in senior roles from the current 6% to 20%. Abris is a leader of the Level 20 Polish Committee.



The mission of the Humanites Foundation is to develop a conscious, self-confident, happy and socially sensitive individual and an engaged citizen. By supporting the development of individuals and leaders, the foundation helps the evolution of society and social capital. As a strategic partner, Abris sponsors the leadership program for school headmasters.

Corporate Social Responsibility

The Abris CSR program is rooted in our ESG mission and is integral to our overall investment strategy. We have a responsibility to all our stakeholders: clients, shareholders, employees, suppliers, and the future generations living in the locations where our portfolio companies operate. That responsibility is to find the best possible consensus around a value creation that encompasses financial, social, societal, and environmental themes.

On behalf of Abris and our partners, we are building businesses based on an economy that serves not only its people, but also the environment. We work with each portfolio company to formulate policy and action plans related to the management and evaluation of business processes and ethical practices, for a continuous improvement approach.

“ Being a navigator comes with great responsibility. It is therefore inspiring that Abris continues to support APLO – the innovative leadership development program for directors of education institutions.

The 11th edition of the APLO program has been successfully completed, with around 40 school directors gaining new skills and knowledge. They are now fully equipped to make positive changes within the education sector in Poland. ”

The Humanites Institute

- Abris cares about education and personal development in the community. We support the Humanites Institute by sponsoring the leadership program for school headmasters.
- Abris partner, Wojciech Jezierski and investment associate Hanna Turnau attended the Future of Next Generation event organized by the Family Business Institute Poland, participating in the workshops and networking.
- Monika Nachyta is a Board member and Edgar Koleśnik is head of the Next Gen Committee at the Polish Private Equity Association, actively promoting the industry as a viable career path and a reliable business partner.
- We regularly share our knowledge and experience during numerous workshops and meetings with students. We also engage in charity activities by sharing time and financially supporting selected non-governmental organizations.
- Wojciech Jezierski, Monika Nachyta and Sylwester Urbanek act as mentors for several social and philanthropic organizations helping them solve fundraising and operational challenges.

Abris as a responsible and active owner

Abris as a responsible owner, ensures that each portfolio company will complete a climate resilience strategy and a CO₂ reduction plan by the end of 2021.

Abris as a responsible and active owner

We continuously strengthen ESG in our portfolio companies.

Through the last year, we worked closely with our portfolio companies. Together we implemented the projects to minimize and identify potential ESG risks and creating value.

Environmental initiatives were a top priority at our companies in 2020. We utilize 107 separate measures for analyzing key environmental indicators for our portfolio companies, such as: examining emissions, waste, energy & water consumption, analyzing soil pollution, monitoring climate change and environmental requirements. Based on the results, each company receives an action plan.

We manage risk and build value by using over 150 measures of social issues. Among those, we pay strict attention to Human Resources, Health & Safety, product/service safety.

Our portfolio companies incorporate comprehensive Human Resources processes, formalize topics such as working hours, overtime, salaries, holidays, the right to associate, outsourcing, labor law compliance, and mobbing/sexual abuse.

In 2020 our particular consideration was on implementation of the Business Continuity Plan, 70% of our portfolio companies performed a comprehensive BCP. 100% of companies participated in the training on how to prepare the Business Continuity Plan effectively.

The following examples illustrate the implemented ESG projects in 2020:

Area	Project	% of portfolio companies*
Environment	Carbon footprint measurement in scope 1 and 2	100%
	Efficiency of water sources	60%
	Measuring the noise level at the production	100%
	Procedures in place for managing waste	60%
	Appointed a manager for environmental issues	100%
	Energy efficiency audits	40%
	ISO 14001 certification	70%
Social	Anti-discrimination policy	60%
	Experienced HR manager	100%
	Machinery Safety audit	30%
	ISO 45001 certification	30%
	Safe driving training	100%
	H&S management system	30%
	Implementation of actions to reduce the number of accidents	60%
Governance	Abris Corporate Governance Model	100%
	Business Continuity Plan	70%
	Anti-bribery policy	90%
	ESG Sponsor at Board level	60%

* average of portfolio companies obligated to implement the project

The actions we take are based on reliable knowledge, proven data and effective solutions. Therefore, while developing initiatives related to climate change and carbon footprint, we cooperated with the best experts.

Below we are pleased to present our experts' opinions on the importance of climate change and the carbon footprint for the CE region, for Abris and our portfolio companies.



Casiana
Fometescu

International CO₂ Consultant
Founder of Carbon Expert
www.carbonexpert.ro

1. What would help accelerate the Abris portfolio's green transition, and how can the associated risks be effectively managed?

The transition toward carbon neutrality by 2025 is a very ambitious target for Abris Capital Partners. It will require big investments and financing to maximize the shift to renewable energy to effectively reduce greenhouse gas emissions. Thus, access to financing for green projects is essential to a smooth transition. Although the EU promised such financing to help companies toward the transition through the Green Deal funds, the long timeframe of the European legislation process and its implementation in Member States is a risk that cannot be ignored. Therefore, Abris should look to fund its energy efficiency and renewable projects through private modes of financing. Moreover, countries where Abris portfolio of companies are located can oppose or delay the transition, even in an indirect form, by doing too little in that direction. This is a risk that Abris should take into consideration: they cannot rely on state policy measures but must pursue a pro-active approach.

2. Where is the value in the Gold Standard best practice standard and how do you see the current role of Green Group in the climate transition process in Europe?

Gold Standard is known throughout the world as one of the best promoter NGOs for the UN Sustainable Development Goals through its certified green projects. Green Group's plastic recycling project has been certified by Gold Standard for its CO₂ emissions savings

and has obtained carbon credits that are needed by companies to offset their carbon footprint. This is a pilot project in Europe that can be a model for other projects to enhance the transition toward a circular and net zero emissions economy in the EU.

3. How would you convince company CEOs that climate change policies and GHG emissions reduction creates value from a business standpoint?

I believe it is quite difficult to convince companies and CEOs of the value of climate neutrality, at least in the short-term, because they will always look at their yearly profit margin. In the medium- and long-run, GHG emissions reduction will save energy, gas, and other related costs. Moving toward ESG principles will boost profitability and increase investors' confidence in the business. If CEOs base their decisions on a 10-year budgetary framework, they cannot afford to lose the thread of this transition.



Michał
Stalmach

Senior Sustainability Consultant
at Bureau Veritas Polska

1. How is business in Central Europe currently responding to climate change? How does the Abris carbon neutrality strategy fit into that context?

Until now, Central Europe has lacked leaders in managing its climate impact. But today we have a common international goal of climate neutrality by 2050, which is reflected in emerging legal regulations, sustainable financing, and changes in consumer behavior. Business in Central Europe must reprogram its thinking, measure its carbon footprint, and define a strategy for achieving climate neutrality. There is a lot of work ahead for business, but today there is a lot of activity in this area. Abris' strategy of climate neutrality meets contemporary challenges very well.

2. Which climate change transition opportunities and trends should Abris be considering when planning future investments?

The first things that come to mind are areas related to renewable energy sources and improved energy efficiency. In many industries, R&D encompasses activities that promote the mitigation of and adaptation to climate change, alongside product manufacturing and services that also contribute to climate change mitigation and adaptation for customers. These activities align with a very strong trend of reducing greenhouse gas emissions and building resilience to climate change.

3. Will customers and consumers be putting pressure on suppliers in Central Europe if they disagree with regional and business climate policies, regulations and commitments?

Clients and consumers are already demanding carbon footprint and/or environmental footprint disclosure, climate change policies and strategies, climate neutrality strategies, etc., from suppliers, as a basis for starting or continuing a collaboration or joint action regarding a policy of reducing greenhouse gas emissions. It should be noted that these requirements are presented mainly by companies from mature markets in Western Europe and Scandinavia, but also other regions of the world. Emerging regulatory requirements, e.g., related to public reporting about managing the impact of companies on the climate or reporting to banks or investors in this regard will serve to spread these practices.

Climate change is the greatest global threat to coral reef ecosystems. As temperatures rise, mass coral bleaching events and infectious disease outbreaks are becoming more frequent.



Portfolio overview



Social engagement of our companies during pandemic

30 000

protection masks provided by **Green Group** for local schoolchildren



2

respirators donated to the local hospital by **Velvet CARE**



56

pallets of toilet paper and kitchen towel donated to 7 local medical units by **Velvet CARE**



1 000

items of protective equipment donated to a children's healthcare NGO by **Dentotal**



2 500

protective visors donated to medical units, nursing homes and oncological foundations by **Dot2Dot**



79

pallets of toilet paper and kitchen towel donated to medical units in 12 cities in Romania by **Pehart**



Portfolio overview

In 2020, Abris portfolio companies have continued developing and building value through ESG projects. A selection of this work is found below. We are glad to report that the management board members are personally involved in the implementation of these ESG projects. In addition to the following case studies, we have included brief statements from the CEOs of our portfolio companies, to help better explain how they perceive value in ESG.

Fund II

- AURES Holdings
- DOT2DOT
- Green Group
- PATENT CO.
- Pehart

Fund III

- Dentotal
- ENDEGO
- Graal
- Global Technical Group
- Matex Lab
- Velvet CARE
- WDX



AURES Holdings

The AURES Holdings group has been active on the market for 29 years. It operates a network of 45 AAA AUTO used car outlets in the Czech Republic, Slovakia, Poland and Hungary, serving over 2.5 million customers since its founding. The group is the largest used car dealer in Central and Eastern Europe, selling approximately 80,000 used cars annually. It also sells 'nearly new' cars under the revived Mototechna brand. The company intermediates various additional products and services, such as consumer loans for car purchase and TPL and CASCO auto insurance. AURES regularly ranks among the Czech Top 100 largest companies.

2.5M
customers

over 40
branches in 4 countries

2.4k
employees

“Despite having to adopt many crisis procedures, including staff reduction, cost cutting and expansion postponement, the company was able to finalize and implement several vital components of its ESG strategy, namely its internal compliance system.”



AURES Holdings was hit very severely by the Covid-19 pandemic throughout 2020. The company’s key areas of focus, therefore, were mainly to ensure employee safety and a fast, efficient transition to on-line sales while branches were closed due to government measures. Despite having to adopt many crisis procedures, including staff reduction, cost cutting and expansion postponement, the company was able to finalize and implement several vital components of its ESG strategy, namely its internal compliance system. We will continue our work during 2021, developing the process and educating our employees, setting out goals and the appropriate metrics. Thus, we will be developing a solid Corporate Responsibility program for the benefit of all our stakeholders.

Karolína Topolová
CEO AURES Holdings a.s.



Key project: Protecting employees during the pandemic

In 2020, AURES’ key ESG project was supporting employees during the Covid-19 pandemic by providing healthcare and other forms of support. Actions such as these not only build trust and loyalty, but ultimately make the company stronger as we recover from the pandemic. Even though hard financial decisions, such as layoffs, had to be made, we remained focused on the critical elements leading to recovery – ensuring workplace safety, arranging tools for working from home and helping employees to stay connected.

Results:

- 80,000 face masks and 3,000 FFP2 respirators bought and distributed to employees, as well as disinfection gels, gloves, protective glasses and medical coveralls
- 970 employees in the back office and at headquarters enabled to work from home, actively used by approx. 40% of the employees
- Covid-19 internal policy adopted to set out safety rules and procedures for employee travel, testing, quarantine, self-isolation and sick pay
- Remote connection to specified applications and resources enabled for all remote workers (c. 450), RDG connections were enabled for approved BYODs
- Fully operational call centre stations with landlines (softphones) were provided for CC agents and Pricing Team members (c. 100 people) enabling standard shifts from home
- Internet connection, RDG farm and VPN concentrators were up scaled to handle the increased load.

Environment

In 2020, we completed the process of changing the outdoor lighting for existing branches to LED technology to achieve energy savings and set a new standard at newly built branches. Also, one older branch in CZ was relocated to newly built, energy-efficient premises.

Social

In 2020, we successfully launched an e-learning platform in all three countries in the F&I departments, purchasing, sales, MB-purchasing and stock. In the course of the year, 792 employees went through our courses, in just two months we made available 22 e-learning trainings and another 10 were developed. The average study time of one course is 43 minutes per participant.

Governance

Key regulations, such as compliance, a anti-bribery policy, a gifts and benefits policy, as well as a whistleblowing policy, were adopted. The role of Compliance Officer was introduced, supported by a dedicated ESG team within the framework of the ESG agenda.



DOT2DOT

Dot2Dot is a leading company in the premium packaging sector in Poland. We deliver the most complex and innovative products to our customers throughout the world. We have more than 30 years of experience in supplying packaging that meets the highest quality standards. We have produced billions of different boxes and labels throughout our company history, giving us a deep understanding of our business. For decades we have been providing products for every sector – from beauty and personal care to spirits to food and non-food packaging. Our efforts are focused on developing and delivering eco-friendly packaging to help protect our planet.

3
production plants

2.5B
packages produced annually

450
employees

“Throughout our operations, we take care to promote sustainable development, adhere to ethical standards of running the business and to transparency in each area of our business.”



ESG plays a significant role in Dot2Dot’s long-term strategy. Our aim is to understand and bring benefits to all stakeholders, our local communities and the environment. Throughout our operations, we take care to promote sustainable development, adhere to ethical standards of running the business and to transparency in each area of our business. We strive to be an attractive employer and maintain high standards of working conditions for our employees. We also believe that our ESG efforts are important for building solid, long-lasting relationships with our customers.

Krzysztof Rostaniec
CEO Dot2Dot



Key project: Development of innovative and environmentally friendly cardboard packaging with optical protection on a metallized substrate

Dot2Dot delivers the most complex, yet eco-friendly paper packaging available. The aim of the project, “Development of innovative and environmentally friendly cardboard packaging with optical protection on a metallized substrate”, is to develop an innovative product in the form of environmentally friendly cardboard packaging, that is a minimum of 75% biodegradable, for fast-moving consumer goods (FMCG) and premium products. The impetus for the Project is the market demand for innovative, safe packaging technologies with a negligible environmental impact that fit the circular economy model, while simultaneously being as visually appealing as those currently available.

Results
The Project will be comprised of industry research (Stage 1) and development work (Stages 2 and 3). Dot2Dot has decided to transfer all of our Gdansk production to a completely new eco-production plant in Kowale, near Gdansk. So far, the research stage is underway, and the initial results are very promising. Our technology specialists are presently working with recognized and respected scientists on implementation strategies. A completely new set of production equipment has been selected and is in the process of being installed. The project is estimated to be completed by the end of 2021.

Environment	Social	Governance
<p>In 2020, Dot2Dot continued working to increase the positive environmental impact of our operations. These activities were encompassed within the implementation of the ISO 14001 as part of the Integrated Management System covering the entire organization. The program included:</p> <ul style="list-style-type: none">• development of innovative and environmentally friendly cardboard packaging• waste segregation• reducing media consumption by installing new, energy efficient machines and devices• preferring suppliers of materials and services with certificates documenting pro-environmental activities: “green purchases”• measuring the organization’s carbon footprint.	<p>In 2020, Dot2Dot implemented a skills development program for our production employees. To analyze the most urgently needed skills, we used the Skills Matrix. Based upon the results, we formulated plans for internal trainings in each of our plants. The program has allowed us to train new machine operators, ensure the replacement of employees at individual positions and increase the cooperation within production teams. The motivation system we implemented for the program has allowed us, so far, to achieve a 100% level of positive results on the exams.</p>	<p>Following our new commercial strategy, changes in the company profile and the new EU-funded eco packaging program, in 2020 we started a rebranding of the company in order to promote our aim to be the leader in paper-based eco packaging solutions in Central and Eastern Europe. The rebranding entails a new company logo, redesign of the company website, development of an eco value proposition for customers and further PR activities.</p>



Green Group

GreenGroup is now one of the largest European integrated recycling groups. Through its efforts over the past 19 years, GreenGroup has consistently positioned Romania in the top European recyclers. The company has received investment of over €180 million and reached a total processing capacity of 460,000 tonnes of waste per year. It is a mission driven business that facilitates a regenerative approach to conserving resources and depleting waste. The company plays an important role in Romania’s recycling targets. By locating its HQ there, GreenGroup established an important domestic waste management industry that is capable of receiving and processing most of the waste presently going to Romania’s landfills. Therefore, Green-Group is a strategic pillar in implementing an effective national circular economy strategy.

“The pandemic was a confirmation of our belief that an investment in the well-being and safety of our employees is an investment in the resilience and strength of our group.”



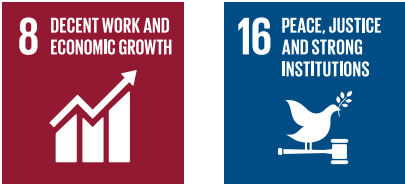
2020 was a difficult and challenging year for business, but it also brought us an opportunity to re-shape our identity through a complete rebranding process. The pandemic was a confirmation of our belief that an investment in the well-being and safety of our employees is an investment in the resilience and strength of our group. It provided us with even more proof that it is our responsibility to achieve business success by doing good. “What lived once will live again” is a brand philosophy and a commitment to the future. GreenGroup is now well positioned to become a strategic pillar in the new, circular economy, one that finds resilience to future threats, such as global warming and water management, by putting sustainability at the core of every endeavor.

Constantin Damov
Chairman of the Board Green Group

8M
WEEE pieces recycled

122M liters
of water saved in 10 years

36k
VERs / green certificates sold



Key project: Active Directory Project

The main purpose of this project is to significantly upgrade the management, control and monitoring of our network, servers and all devices/data, thereby consolidating security and control and assuring resilient network access, business continuity and disaster recovery. Implementation started in December 2019 and all major objectives were completed in December 2020. The project has three important areas aimed at standardizing:

- network infrastructure
- hardware
- software.

Results

1. **Network Infrastructure** redesign utilizes a star topology with redundant links for all locations. A failover mechanism was implemented. The implementation

used two separate ISP providers, with different media transmission (optical fiber & radio connection). A fire-wall protects the infrastructure and all sites are built with backup uplinks to assure business continuity.

2. **Server infrastructure** refers to installing and configuring at least one domain controller for each physical location. The main location hosts a master physical machine and a virtual one (replicates the master configuration). A radius server is used for wireless authentication. All the servers have been virtualized. We created a cluster of 3 hosts for 28 virtual machines in the data center.

3. **Active Directory implementation, AD enrollment of stations, laptops and servers.**

4. **Security and remote administration console.**

5. **Backup, Disaster Recovery Plan (DRP) & Business Continuity Plan (BCP).**

Environment

Project – Biodiversity recovering
Biodiversity is a key factor in maintaining healthy ecosystems. For this reason, Eltex Recycling, part of GreenGroup, partnered with Aqua Crisus Association to re-populate one of Romania’s major rivers. Over the past 60 years, several fish species have disappeared, one of them being “Vaduvita.” In June 2020, 6000 Vaduvita fish of 3-5 cm were reintroduced in Crisul Repede, as a project to restore ecological balance.

Social

Project – Management skills efficiency increasing
In 2020, GreenGroup started a project to create an intermediary layer of middle management for the strategic functions of Commercial, Financial, Production, R&D and others. The next step was to integrate a new KPI system to track the actions of the department. At the end of the year, the middle layers of managers were recruited. They defined their short-term objective as the team’s evaluation and skills upgrade.

Governance

Project – Group Rebranding
GreenGroup is enhancing the value of waste. That is why this project’s scope was to create a brand purpose for recovering, recycling and regenerating waste into new resources with social responsibility. The process was structured into: brand strategy; marketing & communication plan; selection of branding agencies; creating the new brand identity for the group and divisions, implementing the plan.



PATENT CO.

PATENT CO. is an international animal nutrition products company. We have built a reputation for maintaining a strong focus on quality, while expanding the company by developing innovative products. In 1993, we began manufacturing products and providing solutions for the livestock industry from a small factory in Serbia. From that time, we have grown to become one of the leading animal feed producers in our region and one of the world’s most respected feed additives companies. We produce more than 160,000 tonnes of premixes, protein-concentrates and compound feed annually for our regional market and offer a portfolio of feed additives for the international market. We are constantly improving our understanding and competences by working together with farmers around the world, in addition to collaborating with leading academic institutions. From 2020, our products have been available in 55 countries on six continents.

161k tonnes
produced and sold in 2020

55
countries on six
continents

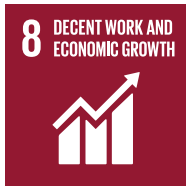
32%
lowered production costs
per kg from 2016 to 2020

“ A company’s success is intrinsically linked to its ability to navigate changes in the economy on which it depends. ”



Companies and economies are more interdependent than ever, supply chains are more complex and interconnected, social and environmental tensions are more distinct than in the past and regulation is accelerating to address increasing imbalances between corporate growth and social needs. Keeping our workforce safe is and always will be our top priority. We believe a safe company is a well-run company. Due to both the spread of Covid-19 and commodity price volatility, we are actively taking steps to mitigate business risk while continuing to ensure safe, sustainable and reliable operations across our assets. We do this because we are convinced that acting responsibly, respecting workers’ trust and remaining open to continuous improvement are necessary to achieving success in the long term.

Radivoje Perovic
CEO PATENT CO.



Key project:
Improving of safety standards

Investing in new buildings and modern equipment is only worthwhile when you can ensure their lengthy, safe life span. Therefore, the construction of new, highly flammable grain and oilseed storage silos has required us to upgrade our fire protections to the highest possible level. We completed the drilling of our own well and the construction of a 100 m³ reservoir to provide a secure supply of water to the fire hydrant network. This way our water supply became completely independent of the unstable city water supply system. Today, fire extinguishers have the necessary water pressure to reach a fire at extensive heights. Powerful aggregates have been installed that provide the hydrants with water under high pressure, even in the event of a power failure.

Results
In terms of internal fire protection, we have covered all control rooms in the feed factory and in the premix factory with fireproof panels, a reliable fire barrier. In 2020, the premix and feed additive factories were equipped with a modern fire alarm system, as well as a gas leak detection system. We also addressed fire prevention. All employees received additional training in fire protection. We conducted a fire simulation in order to check employee responses in emergency situations. Significant funds were invested in improving fire prevention and firefighting systems as one part of our ongoing efforts to achieve sustainable development and stable growth.

Environment

Our main aim is to ensure that our products are beneficial and safe for animals, cost-effective for our customers and sustainable for the environment. We enthusiastically endorsed our owner’s decision to emphasize ecology in 2020. The first step was calculating our carbon footprint. During the process, we discovered that there was room for improvement in the manufacturing process and supply chain. We upgraded the packing process, where applying a thin layer of biodegradable glue onto the bags enabled the stability of the bags on the pallet. We substantially increased the sale of bulk animal feed and, therefore, significantly reduced the amount of packaging used.

Social

In 2020, we purchased equipment that provides excellent High Performance Liquid Chromatography (HPLC) daily analyses of vitamins in vitamin-mineral premixes. We have implemented a new Quality Policy regarding quality and safety of animal feed and premixtures and a new Complaints Policy. We are also among the first in the world who have successfully implemented the new FAMI-QS Feed Fraud Prevention and Defense Module, demonstrating our ability to effectively manage and mitigate the risk of feed fraud and terrorism.

Governance

To facilitate entry into new markets and ensure legal compliance, we have implemented a background check procedure for our potential business partners. When we receive information about a potential client from the International Department, we obtain the information from the national authorities in order to get a complete and accurate picture of the company. Following that, we review the databases of the Ministry of Foreign Affairs of the Republic of Serbia, the European Commission and the Security Council of the United Nations to determine whether any states, persons or entities are under sanctions.



Pehart

Pehart is the biggest tissue paper producer in Romania and the largest independent player in Southeast Europe with an annual turnover of more than €100 million. Pehart operates in two modern sites, one with a long history in producing numerous types of paper products, opened 1837 and another one opened in 2015. Both are located in the country center, Transylvania. The company has increased the tissue production capacity by 33% since Abris' entry while the converting capacity amplified 3 times.

22.7%
increased turnover

19%
client portfolio increasing

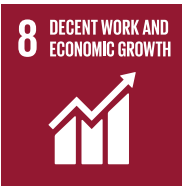
+500
employees

“ Our mission is to grow our business by offering products of the highest standards on the market at a price-to-quality ratio that is fair to consumers. ”



We believe that technology and innovation are key to that growth. But we believe most strongly in people. They are the reason that we embrace sustainable ESG practices in our daily work; to create a more sustainable world for our employees and our stakeholders. For example, transparent communication is at the core of our business. When it comes to consumers, we aim to communicate in a responsible, flexible, honest and constructive way. This brings its own rewards in the form of increasing employee and customer loyalty and pride in our work.

Gabriel Stanciu
CEO Pehart



Key project:

Operation projects masterplan and weekly management review

Pehart developed an annual projects masterplan in 2020, directed toward investment and cost-saving measures. Projects are first approved in the budget submitted to the Supervisory Board. A project leader is assigned and a time frame is allocated to each project, including a date for the first management review. The management team will assess the status of the selected projects on a weekly basis, then decide if and when a new review should take place. Only when all results are demonstrated to be sustainable is the project complete.

Results
The masterplan helps to improve business results and allow management to exert more visibility and control over company resources. By measuring a project's development and results, we can affirm the importance of both high-quality execution and meeting business

expectations. We also make sure that decisions regarding the allocation of the necessary resources are taken early enough to ensure the best results. During 2020, we recieved €750,000 in savings from projects implemented under our new masterplan umbrella. In addition, the masterplan drives organizational development. Young professionals are trained in project management principles and tools, entitled to project ownership, encouraged to ask questions and access company resources. They will all receive management assessments. Since the masterplan was initiated, project management knowledge and skills have spread throughout the organization. The establishment of project tracking discipline and the empowerment of those colleagues beneath the level of top management have made significant contributions to our company culture.

Environment

Energy optimization process. Reducing energy consumption has a direct positive impact on our carbon emissions. We consume energy in two ways: electric energy for motors & pumps and natural gas for drying paper. Our initial ESG focus was on reducing electric energy consumption, but lately we have made efforts in also reducing the energy for drying. At the close of 2020, our tissue machines were consuming 10% less drying energy than 2018 average.

Social

Gemba Walks Audits (Safety, Cleanness, Covid-19)
Using a mobile app, daily audits have been conducted in our facilities. Last year, over 70 inspections were conducted in all production areas. The overall statistics and specific reports have helped the management team in measuring progress by extracting specific data / proofs to analyze trends, thereby, allowing for better operational decision-making and efficient allocation of resources.

Governance

We implemented a self-service system for the spare parts warehouse. Anyone taking spare parts from the warehouse first scans their access card before the parts can be taken. In this way, logs are automatically updated in real-time without any printed and manually signed documents. This system has reduced paper usage and work volumes while increasing transparency and stock accuracy.



Dentotal

Dentotal Protect is the leading distribution company in Romanian dental care products with a client portfolio in excess of 12,000 dental practices and laboratories across Romania. The company was founded in 1994 as a family business and has since grown on a yearly basis to achieve a turnover of €20 million with over 150 employees. Since Abris acquired the company in 2019, the business' primary aim has been to accelerate Dentotal's growth and transform the company into a one-stop-shop for all dental care professionals in Romania.

€ 20M

in Revenues

155

employees

12k

active customers

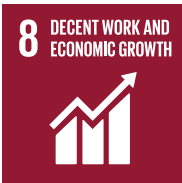
“ We continuously refine our development strategy in order to grow the business in a sustainable manner. ”



Strong governance, regulatory compliance, protection of our customer data & privacy, health and well-being, employee safety and adoption of climate-resilient practices are important factors embedded into our business model.

Dentotal Protect will continue to advance in adopting and promoting all ESG principles.

Dumitru Matei
CEO Dentotal



Key project:

Carrying out ESG strategy

Prior to 2019, Dentotal was an entrepreneurial company having no recurrent ESG strategy in place, including risk analysis. In today's ever-changing environment, managing risks has become more and more important. A business continuity program is a necessary requirement, along with growing the business in a sustainable manner.

Results

Our first step was to appoint an ESG Coordinator, followed by a Compliance Officer. They are continuously working on raising ESG awareness within the company. Next, ESG compliance tackled the following topics:

- Implementation of the anti-bribery program (including a whistleblowing platform, available in Romanian). Internal communications have been transmitted from the top management throughout all levels of

the organization regarding the purpose and functionalities of the platform and the new available policies: Code of Ethics, Business Partner screening, Declaration for Conflict of Interests, Granted and Received Gifts including a Gifts Register.

- A Business Continuity Plan was developed and implemented
- Corporate Governance was improved by implementing a two-tier system
- Climate-related topics were approached for the first time within the organization by the assessment of Risk and Opportunities.

Environment

During 2020, we increased our energy efficiency by relocating our office to new LEED (Gold) certified premises. Also, the warehouse was transferred to a class A logistics park with high energy efficacy parameters. In terms of fleet management, all replacement cars were Euro 6 compliant.

Social

In 2020, Dentotal worked with several NGOs active in both the dental care field and charitable causes, by supporting their efforts through sponsorships or materials.

Governance

With the support of our new IT Manager, important IT projects were launched last year. Among them:

- RP implementation
- CRM implementation
- E-commerce platform enhancement
- Improvement of cybersecurity by improving infrastructure security and development of cloud IT strategy.



ENDEGO

ENDEGO, with its nearly 190-strong team, has historically supplied mainly automotive engineering services, executing projects for renowned OEMs and Tier 1s, predominantly in the area of plastic parts design. These components are typically used in both the interior and exterior, as well as lighting. The business has evolved organically over time, also through acquisitions, to encompass CAE simulation, rubber seal design, and mechanical, electronics and SW competences. Furthermore, ENDEGO features a software reselling branch for Siemens PLM and CAX packages and also Altair’s broad range of CAE packages.

The pandemic significantly affected the automotive sector in 2020, resulting in slower growth for ENDEGO for the year. A quick business diversification move steered the company to safe waters, allowing it to close the year with respectable results YoY.

183
employees
at the end of 2020

4%
YoY growth in revenues
of nearly PLN 40M

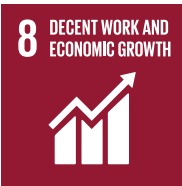
€ 13M
of combined revenue
over the next 5 years
from new deals closed
last year

“ The aim is to elevate ENDEGO to a new, higher standard in terms of professionalism, transparency and ethical and environmental standards. ”



ESG is an integral part of the revised strategic plan for ENDEGO. As such, it reaches into literally every single aspect of the company from finance to HR and from marketing to sales. The aim is to elevate ENDEGO to a new, higher caliber in terms of professionalism, transparency and ethical and environmental standards. Clearly defined relationships among our employees and their various functions creates greater transparency and efficiency in our daily operations. The same holds true for our customers, who can rest assured concerning the high level of integrity, honesty, partnership and service they receive from ENDEGO. Our employees are our major asset, who we committed to treating with the utmost care and fairness.

Stamatios Stamatiadis
CEO ENDEGO



Key project:
Work time reporting digitization

Effective project management and expenditure control are achieved through digitization of the work time reporting process. Accurate data recorded in the database improves the multidimensional automated analysis of recorded working hours and creates an advantage over the traditional approach, reducing the workload and accelerating decision-making processes.

Results
The project resulted in the implementation of E-timesheet (ETS) system, available online. The application consists of four core modules: employee, manager, accounting, and administrator, respectively. The employee module allows for registration and review work hours, creating reports, requesting a leave of absence, and managing overtime. The manager

module facilitates projects and managing orders and provides multidimensional analysis of workload and other data from employees and contractors. The accounting module helps to book reports and to manage overtime and attendance lists. The administrator module facilitates creating, deleting, and modifying user accounts, managing access control, and administering the software licenses database. The ETS system integrates well with Pipedrive CRM. As a result, new projects are created automatically in ETS in correlation with winning a deal in the Pipedrive system.

Environment

During Covid we started replacing old lighting with new LED systems.

- Sanok – new office, better thermally insulated, reduced energy use resulting from new equipment
- Kraków – implementation of electronic document circulation

Generally: Face-to-face meetings moved online, reducing of fuel consumption for travel.

Social

To address the expressed in ENDEGO employee surveys, the Cyber Teachers language platform was purchased and implemented in October 2020.

It offers:

- access thematic half-hour online conversations with a teacher and other participants from around the world
- grammar exercises
- writing exercises
- listening exercises

Each participant may choose to learn one language. Access to the platform exists for all types of contracts and for the entire ENDEGO Group. We will continue using the language platform as long as it suits our employees’ requirements.

Governance

In 2020, we initiated marketing activities that included, preparation and implementation of an online strategy and regular postings on social media (Facebook, LinkedIn and YouTube channels). To increase our visibility, we also implemented cooperation with online industry portals. To gain more leads, we used Google Ads and social media advertising campaigns. We also utilized email campaigns for promoting events and distributing information about novelties. At the end of the year, we prepared and launched a rebranding project.



Graal

Graal Capital Group operates a food production business, consisting primarily of fish products and ready meals. Graal Group is a leader in the fish processing industry in Poland and one of the largest fish producers in Europe. Graal Group operates from four manufacturing plants and a large distribution center:

- Polinord – canned fish production
- Kooperol – ready meals and soups production
- Koral Kukinia – fresh, smoked, marinated and frozen fish production
- Koral Tczew – smoked fish production (mainly Norwegian salmon)

Company products are sold in Poland and exported to 35 countries world-wide, e.g., European Union, USA, Canada, Japan, Australia and South Africa.

€ **285M**
turnover

2.5k
employees

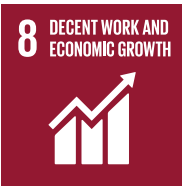
75k tonnes
of products
manufactured per year

“ We strive to be a role model by encouraging a sustainable way of thinking among all of our employees, suppliers, partners and the entire environment in which we operate. ”



Each particular area of ESG – environmental protection, social responsibility and corporate governance – has always been very important to me since the early beginnings of the Graal Capital Group’s activity on the market. As the largest producer of fish products in Poland, we feel a responsibility to lead. We hope to be regarded by our peers and stakeholders as not only a leader in business, but also as a leader and an innovator in ESG. We strive to be a role model by encouraging a sustainable way of thinking among all of our employees, suppliers, partners and the entire environment in which we operate. At Graal Group, we believe that social responsibility and care for the environment are equally as important as achieving superior business results.

Bogusław Kowalski
CEO Graal S.A.



Key project:
**Payroll centralization –
“One payroll team – one solution”**

As part of our project to develop a new HR model, in 2019, the President of the Board authorized a Central Payroll department to serve headquarters, the four production facilities and the logistics center. In January 2020, the Central Payroll department was established with the aim of increasing efficiencies within the HR department. The project was completed in February 2021. All payroll processes have been standardized and we are currently continuig work on further optimizations.

Results

Project assumptions:

- Structuring the HR department to work in accordance with the approved model
- HR and the companies focus on strategic activities
- Improving the cost-efficiency of HR operations
- Allocating leftover resources to the HRBP function
- Professionalization of the personnel department

- Unification of standards regarding implementation processes and service
- Improving communication
- Processes control
- Lowering the risk level of the implemented processes
- Scale effect while implementing new solutions.

The migration process included:

1. Development of an internal action plan such as:
 - Preparing resources for cooperation
 - Preparing communication
2. Preparation of access to programs: IFS, system overview and data completion Payer, TU Zdrowie platform, ERU
3. Collecting documents for the knowledge base: Remuneration, bonus and work regulations Internal rules and procedures regarding remuneration Internal files.

Environment

The company has taken numerous actions to increase energy efficiency at our production facilities. In Koral Kukinia, we have completed the modernization of the roof slopes by constructing a new roof sheathing with an insulation layer. We provided additional energy-efficient thermal insulation for the production buildings (technical zones and storage facilities including freezer and cold storage). In total, we modernized approximately 16,500 m² of space.

Social

The “Noble Gift” project aligns with Graal Groups’ values: we are a team and, as a team, we strive to achieve common goals. Together we not only pursue business goals, but also actively take part in supporting local communities as part of our CSR activities. For the “Noble Gift”, we selected three families from districts located near our production plants. Despite the short time frame available to implement the support plan, we were able to meet all the needs of each family and, thanks to efficient communication and joint action, we were able to fulfill the dreams of an additional, fourth family, as well.

Governance

Within the confine of brands communication from the GKG portfolio:

- Promoting education regarding a healthy diet, inspiring millions of consumers with recipes (we align with the trend of reducing meat – flexitarianism)
- Inspiring to implement pro-ecological habits, e.g., “0 waste”
- Implementing new product packaging, taking into consideration recycling and lower paper consumption.



Global Technical Group

GTS is a leading technology and security integrator in Romania, with strong IOT/IOE capabilities and an impressive apps incubator. We have the capability of assisting our clients with a broad range of services and expertise, from the development phase, to project completion, and to maintenance services thereafter. In this way, our clients enjoy a single point of contact, thereby ensuring maximum efficiency and effectiveness with exceedingly successful project outcomes. Our business consists of 4 pillar companies providing a range of Advanced IOT Solutions, Building Technologies, Energy Efficiency & Green Buildings, an IT Data Center, Facility Management, Technical Maintenance for Safety & Security Systems, Security Analysis & Consulting and more.

50.7%
national market share of
installment and main-
tenance services for
security systems within
the banking industry

22%
business growth forecast
for 2021

3.5k
locations currently moni-
tored across Romania

“ We want everyone to understand that together we can reach a higher standard of business sustainability and encourage others to join us on this journey. ”



As Global Technical Group is growing and maturing, we are increasingly aware of ESG and the importance of business sustainability. In 2020, we focused our efforts on setting the building blocks for our ESG objectives and raising ESG awareness within the group. We want everyone to understand that together we can reach a higher standard of business sustainability and encourage others come along with us. Going forward, we will be investing more time and resources in attaining these higher standards, while implementing globally recognized best practices.

Fadi Rida & Mihai Stanesco
co-CEO Global Technical Group



Key project: ESG strategy implementation

Our main goal in 2020 was to spread awareness of the importance of ESG within the group. We held a number of online sessions on the subjects of Anti-corruption, Anti-harassment, Whistleblowing and Business Sustainability. We wanted everyone to understand that we are fully committed when it comes to ESG and general business sustainability. The sessions were an open dialogue. We encouraged people to use all available channels to identify anything that might hinder our progress with regards to ESG.

Results
We are proud that we have embedded the following procedures into our daily work:

- 1. Online Whistleblowing Platform
- 2. Whistleblowing Policy/Procedure
- 3. Code of Conduct
- 4. Anti-corruption Policy
- 5. Anti-harassment Policy
- 6. Business Gifts Policy
- 7. Business Continuity Plans
- 8. Conflict of Interest Statements

The ESG strategy implementation is a continuous effort to improve our systems.

Environment

In 2020, we began a collaboration with an external partner to help us assess our carbon footprint and devise a strategy to reduce it. The advisor is also assessing further environmental risks as part of this ongoing collaboration. It was our first major step towards environmental sustainability. We have reduced our GHG emissions by moving GTI to a more energy efficient office.

Social

In 2020, we increase the focus on our Health & Safety strategy. For better assessment, we have reached out to an external partner to help us audit the internal status of our policies and practices, to ensure that all measures are known and being applied at all levels and to develop an action plan to address the red flags raised.

Governance

Our main project in terms of Corporate Governance in 2020 was the GDPR assessment. To ensure that we will be applying best practices, we have contracted an external partner to help us assess GDPR requirements for each company within the group and to develop an action plan for each of them.



Matex Lab

Matex Lab Group is a fast-growing and innovative player in the global market for aesthetic medicine. Its Neauvia brand includes a comprehensive portfolio of dermal fillers based on a proprietary PEG technology of crosslinking Hyaluronic Acid molecules, energy-based devices, cosmetics and nutraceuticals. The key to Matex Lab’s innovative business model lies in the integration of these four products into holistic treatments that deliver superior, scientifically and clinically proven results. The Matex Lab headquarters is located in Geneva, Switzerland, with production facilities in Italy for the dermal fillers and Poland for energy-based devices. The Group has direct subsidiaries in the US, France, Italy, Spain, Germany, UK, Brazil, Singapore, United Arab Emirates and Poland, where Matex Lab is the market leader for distributing top third-party branded energy-based devices. Total number of employees is ca. 290.

Neauvia products are sold in **78** markets across 6 continents

~2M aesthetic procedures made with Neauvia filler from 2015 to end 2020

~25k total number of unique viewers for Neauvia webinars in 2020

“ Culture, trust and transparency are core elements of social capital, because people are our most valuable asset during times of uncertainty. ”



Covid-19 challenged our health, our economic systems and the conditions of our companies. In such a time, ESG can appear to be a luxury for companies facing more urgent problems. However, we believe that now ESG is more important than ever. ESG projects such as disaster preparedness, continuity planning and employee benefits (such as paid sick leave and flexible work organization) create a safe and friendly environment for the growth of companies, teams and people. Culture, trust and transparency are core elements of social capital, because people are our most valuable asset during times of uncertainty. These values are key to ensuring employees’ and suppliers’ commitment to finding common solutions to challenges and maintaining normal business operations while working remotely.

Gabriele Drigo
CEO Matex Lab Group



Key project:
Implementation of ESG standards

A sustainability program was initiated across the entire Neauvia supply chain in 2020, to incorporate sustainable components/ingredients and spare parts into products, packaging and marketing materials, e.g., organic ingredients in fillers and skincare, recycled plastic in energy-based devices, minimizing plastic and paper used in packaging and informational materials. The program is supported by Neuvia’s vision – to promote healthy and sustainable outcomes for its clients and the wider environment. A number of important, tangible actions were taken in 2020, leveraging the ESG and sustainability programs to build a strong business, generating long-term value for all stakeholders. One major project was auditing marketing and sales activities. This project involved conducting a review of sales and marketing procedures and processes, then to prepare recommendations aimed at improving both processes and the related procedural environment. A road map of priorities, with detailed recommendations, and a related indicative timeline were prepared by EY to support process improvements and enhancement of the internal control environment. Throughout the year, the company implemented its continuity plan for crises triggered by Covid-19. The purpose was to determine a plan for reacting to biological hazards by minimizing the effects on employees and the business as a whole. The plan covered numerous threat characteristics, effective preventive actions, incident detection and response planning. The Group also implemented the Internal Control Framework across all entities and locations. Controls documentation and process narratives were completed and submitted by the majority of the Group and submitted for internal audit review. Following completion of the ICF, the next step is to test the effectiveness of controls.

Environment	Social	Governance
In 2020, the Group began working on sustainable packaging to minimize our environmental impact. The use of packing foil (~100 plastics) will be eliminated, paper usage will be constrained through the reduction of packaging, only ergonomic blisters will be produced (35% reduction of paper), dissolvable plastic will be used in blister production, no plastic parts will be used for goods packaging, cartons will use only paper. Glass will be used for all product containers, fully replacing all plastic materials.	In 2020, the Polish subsidiaries (70% of the Group’s headcount) switched to an in-house HR Department. Payroll and HR activities were no longer outsourced, to both improve payroll service quality and expand HR activities, i.e., onboarding, recruiting and employer branding, which played an essential role during the pandemic.	Introduction of IT cybersecurity measures and GDPR safety. The Group implemented the best in class FortiGate firewall network security solution to defend all networks, network traffic, and network-accessible assets from cyberattacks, unauthorized access, and data loss, with multi-layered security provided by the Microsoft Azure cloud platform.



Velvet CARE

Velvet CARE is a leading manufacturer of paper hygiene products in Central and Eastern Europe. While the Velvet CARE brand was established in 2013, the entire history of the company reaches back to the founding in 1897. Velvet CARE operates in the following key tissue product categories: toilet paper (dry and moist), kitchen towels, facial tissues and handkerchiefs. In 2020, Velvet CARE acquired the Czech company Moracell, also covering similar market segments. The company possesses 2 tissue machines, 14 converting lines in Poland (Klucze plant) and 2 converting lines in Czech (Žabčice plant). The firm's manufacturing output has tripled since its establishment (2013-2021). Velvet CARE is also an important supplier of Private Label products for the whole CEE and DACH region and enters the AwayFromHome / Horeca segment.

124 yrs
paper factory

850
employees
(Velvet CARE & Moracell)

€ 175M
consolidated turnover

“Introducing ESG standards at Velvet CARE is one of our key strategic initiatives to ensure both sustainable development and a competitive advantage on the market.”



We grow dynamically and we aim to reduce our impact on the natural environment and carbon footprint. While steadily investing in continued development at our two plants in Klucze (Poland) and Žabčice (Czech), we follow Eco Agenda 2025 motto “Achieve more with less.” We continue working in accordance with ethical standards, support our employees and the local community. It was especially true in 2020, when we responded with a high commitment to the challenges of the Covid-19 pandemic. Our reputation is built on doing reliable business and facilitating responsible and transparent cooperation with our partners. To emphasize the importance of our ESG strategy and ensure its implementation, in 2020 the management board decided to establish the new senior position of ESG Leader. All these initiatives are designed to strengthen the company foundation of the highest business standards, a sound ESG strategy and a competitive, ambitious organization.

Artur Pielak
CEO Velvet CARE



Key project: Eco Agenda 2025



In 2019, we initiated our new sustainable development strategy, *Eco Agenda 2025*. This provides a road map for the ambitions and goals we set for the coming years. The agenda's motto “Achieve more with less” means that we always strive to do more. Continual development is one of our core values. However, we wish to progress responsibly, with respect for the environment upon which we all depend. *Eco Agenda 2025* focuses on three strategic pillars: Product, Organisation & Infrastructure and Inspiration & Education. 2020 was our first year for implementing the strategy into real, tangible action. We undertook several new initiatives, including environmental friendly changes to a number of our products.

Results
We introduced technological changes aimed at ecological benefits for our products. These changes deliver environmental advantages in the areas of

recyclability, decreased plastic usage and a reduced carbon footprint. Firstly, in the tissues category we re-designed the dimensions of Velvet facial tissue boxes to enable efficient storage and transport. This change also resulted in reducing our carbon footprint. Secondly, we removed the foil insert from the opening in our facial tissue boxes, thereby contributing to our plastic reduction initiative and helping consumers with easy waste segregation. Thirdly, we changed the box varnish to a water soluble, ecological type. Finally, the new cardboard used in Velvet tissues is FSC® certified, confirming our care for forests and natural resources. In the product categories that are foil packed, we decided to reduce the material grammar, resulting in a further reduction in plastic used. The total result is a 5,9% reduction in our plastic usage in 2020 vs 2019.

Environment

Sustainable management of water resources in Velvet CARE is one of the key elements of the company's development strategy. Owing to state-of-the-art technologies used in our facility, consumption of fresh water is limited and efficiency of its treatment is continually enhanced. We are constantly working to make the consumption of energy that we need, as low as possible. Actions that were taken in 2020 include installation of a water turbine by the TM7 paper machine and replacement of lights for energy-saving LEDs in a part of the Klucze plant.

Social

Despite the challenges of Covid-19, development activities and trainings were carried out as usual. However, it was important to launch new communication channels (on-line) and provide tools to ensure the health and safety of our employees. Additionally, an employee satisfaction survey was conducted to collect feedback that allows us to understand, revise and redefine our plans of continuous development.

Governance

To strengthen our principles of honesty and ethics, the Procedure for Identifying Potential Fraud has been implemented. It serves as a supporting element for the transparency of our organization and as an essential tool for avoiding all forms of corruption. In 2020, we established the implementation of compliance clauses in our business contracts to ensure respect for human rights and anti-bribery standards.



WDX

WDX S.A. has over 25 years of experience in providing integrated intralogistics solutions. The high quality our products and services is the result of cooperation between the design office, the R&D department and a modern factory with an area 20.5k m². WDX S.A. manufactures and supplies integrated solutions for warehouse equipment & storage and designs logistics systems for internal transport. WDX is also a distributor of forklifts from three global brands: Crown, Combilift and Doosan. The European Service Center was opened in 2020 and allows for centralized preparation of new and used forklifts for operation and, consequently, for the dynamic development of short-term rental. The company employs 360 people in six branches in Poland and is expanding its dealer network in Europe. WDX opened its branch office in Germany in 2020.

“For many years now, when developing our strategies we focus on maximizing company profits and shareholder value. But we do also focus on environmental protection, social issues and relations with other stakeholder groups.”



Today, our long-term strategy emphasizes two main areas:

- Further improving corporate governance, business ethics and working conditions, as well as opportunities for our employees, our most valuable asset, to develop their skills
- Environmental protection through the introduction of standards and modern technologies that allow us to reduce pollutant emissions and decrease generated waste and to provide proper recycling methodologies.

Dariusz Bąkowski
CEO WDX S.A.

19,570

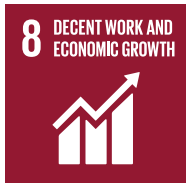
forklift service orders
completed annually

6k tonnes

of steel per year – our
production capabilities

20

Export Sales to 20
countries



Key project:

New European Service Center and implementation of the new ERP system

One of our most important investments of 2020 was the construction of the European Forklift Service Center. The facility was built in Zgierz and has an area of 5,000 m². The investment significantly raised work efficiency and services all forklift models that WDX has in its portfolio. Through the introduction of quality controls and modern technologies, this new Service Center meets the highest standards of environmental and safety regulations.

In 2020, WDX introduced the most modern forklifts on the Polish market, meeting the highest standards of energy efficiency and safety. Together with Crown, we are selling forklifts in Poland utilizing the Gena™ intelligent operating system with a Polish language interface. Gena™ gives a forklift operator security reminders

and dynamic real-time coaching messages that increase safety during forklift operation. With Doosan we have introduced a new S7 series of diesel forklifts that meet the highest EURO5 standard, that leads to a reduction of exhaust emissions and noise.

In 2020, WDX was focused on implementation of a new ERP system that not only enables better organization of processes and analysis of financial data, but also will allow WDX to better measure and understand non-financial factors during our analysis to identify material risks. ERP implementation also triggered a process of review of company policies. Process descriptions were updated. Policy for Annual Stock Count, Fleet Policy and Travelling Policy were prepared and signed, others are being prepared or updated.

Environment

In 2020, we replaced a twenty-year-old powder paint shop with a new, modern paint shop benefiting from improved technical parameters and reduced impact on environment. The powder used for painting is filtered in a closed cycle (without atmospheric emissions), allowing us to save thermal energy in winter. As a result, painting efficiency has increased by providing significant savings in heat (gas) and water consumption.

Social

In the summer of 2020, we installed an overhead crane with a lifting capacity of 8 tonnes in the 18-meter wide nave. This investment improved assembly work and has reduced the need for diesel forklifts in the crowded production area. This has increased the safety and comfort of our production employees. The crane is invaluable, especially when production teams must lift elements that require being precisely connected.

Governance

At WDX S.A., emphasis is placed on compliance with the law when we do business. To remind employees of existing regulations, we undertook training activities in 2020. Also, an information campaign was launched that included presenting compliance topics in an accessible way using posters placed in each branch of WDX S.A. In addition, compliance with the company's Anti-Corruption Policy was consistently monitored.

United Nations Global Compact reference

Abris Capital Partners continues to participate in the United Nations Global Compact Initiative, focusing on the UNGC’s ten principles for Human Rights, Labor, Environment and Anti-Corruption. The principles serve as clear, comprehensive guidelines for maintaining ethical business practices.

The Ten Principles of the UN Global Compact		Page number
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.	12, 16, 26–30
Principle 2		12, 16, 26–30
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.	12, 16, 26–30, 33
Principle 4		12, 16, 26–30, 33
Principle 5		12, 16, 26–30, 33
Principle 6		12, 16, 19–20, 26–30, 32–33
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	12, 16, 18–21, 26–32, 38–41, 49
Principle 8	undertake initiatives to promote greater environmental responsibility; and	12, 16, 18–21, 26–32, 38–41, 49
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	12, 16, 18–21, 31–32, 38–41, 49, 67
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	12, 16, 19–20, 25–30, 38–39, 59, 63

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Final Thoughts

A new world is taking shape. More and more people are understanding the need for their own daily choices to help reduce their carbon footprint. Young people are pushing their elders to do what is right for the environment and human rights. Business and governments are working in global coalitions to protect people, the planet and our collective interests.

This really is our moment of truth. Now is the time to transform global society’s relationship with the natural world – and with each other.

The world must move toward a green economy that has fewer effects on the environment and greater social impact. And we must do so together.

At Abris, we work to propose our own set of solutions to build sustainable businesses and make a positive, ethical contribution to local communities throughout our supply chains. It is our hope that the requirements we set and the programs we create have a measurable impact on our people and their communities through engagement and responsible stewardship.

While we are proud of what we have been able to achieve so far, we know our work will never be finished. We are always listening and learning, so we can identify issues and opportunities to improve our practices when the time comes.

We will be there.



Global mean sea level (GMSL) projections that include the possibility of faster disintegration of the polar ice sheets predict a rise of up to 2.4 m in 2100 and up to 15 m in 2300. Most coastal regions in Europe have experienced an increase in sea level relative to land.



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