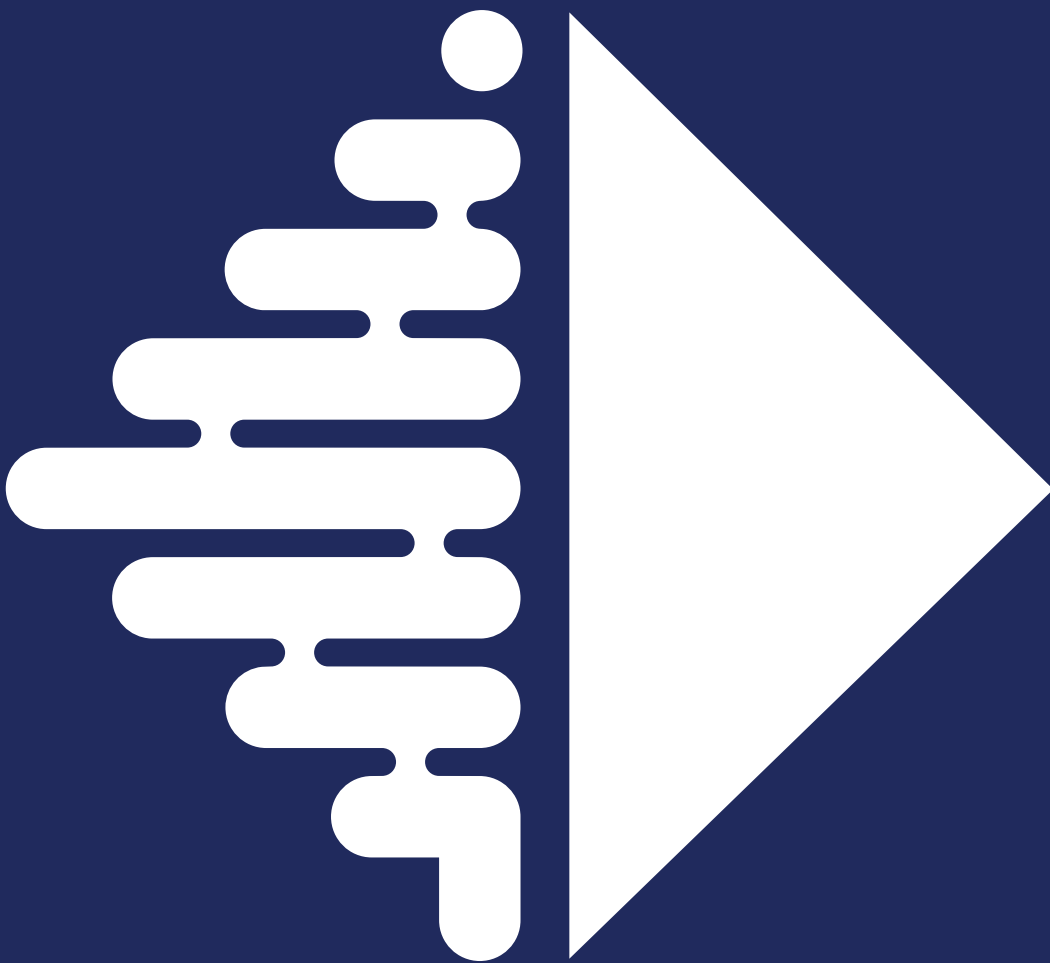


2021 ANNUAL REVIEW & SUSTAINABILITY REPORT



An operationally-driven approach
to build better companies



ANNUAL REVIEW & SUSTAINABILITY REPORT 2021

♦
Building Better Companies

Investindustrial

LONDON

LUGANO

MADRID

NEW YORK

PARIS

SHANGHAI

LUXEMBOURG

ABOUT THIS REPORT

Reporting Scope and Boundary

This report presents Investindustrial’s business and what it means to the Firm to build better companies. It details Investindustrial’s portfolio, main achievements and performance during the calendar year 2021, both financially and in relation to the material sustainability issues and impact of the Firm’s activities.

Key Audiences

Investindustrial’s Annual Review and Sustainability Report is one of the firm’s core communications milestones during the year with stakeholders, including investors, portfolio companies and employees, as well as the broader financial community, governments and regulatory authorities, and broader society.

Reporting Frameworks

Investindustrial adopted the Global Reporting Initiative (GRI) Standards in defining sustainability reporting content and to ensure quality and consistency. In addition to GRI, Investindustrial has chosen to link its disclosures to the Principles for Responsible Investment (PRI). Links can be found in the PRI Index on page 118. Investindustrial is a signatory of the Task Force on Climate-Related Financial Disclosure (TCFD). A TCFD Disclosures can be found on pages 119 - 121.

UN Global Compact Communication on Progress

This report serves as Investindustrial’s Communication on Progress, an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption. As a signatory of the UN Global Compact, Investindustrial strives to embrace its core values and promote these values within Investindustrial’s sphere of influence. An index is included corresponding to Investindustrial’s progress in implementing the Ten Principles on pages 116 and 117.



Investindustrial is a group of independently managed investment, holding and financial advisory companies.

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INVESTINDUSTRIAL AT A GLANCE

A LEADING EUROPEAN
INVESTMENT FIRM
WITH

€11bn

of raised fund capital
from a long-term investor
base

ORIGINATED
FROM
A SUCCESSFUL
INDUSTRIAL
CONGLOMERATE

32
+ YEARS

of investments
in leading brands
and companies

AN INDUSTRIALLY
DRIVEN
APPROACH TO
BUILD WORLD
LEADING
COMPANIES IN

4

main sectors of
specialisation



INDUSTRIAL
MANUFACTURING



HEALTHCARE
& SERVICES



CONSUMER



TECHNOLOGY

An investment
approach
focused on two
main business
strategies and
a series of areas
of expertise

PRIVATE
EQUITY

CORE MID-MARKET

LOWER MID-MARKET

IMPACT INVESTING

STRATEGIC
CAPITAL

REAL
ASSETS

SUSTAINABLE
INFRASTRUCTURE

ENDOWMENT

REAL ESTATE

IN 2021

Investindustrial's
portfolio of
companies

41,000
EMPLOYEES

across
24
COMPANIES

with
€9.1 bn
IN REVENUES

and
€1.3 bn
IN EBITDA

SUSTAINABILITY
LEADER

20+ YEARS

14
YEARS

as carbon
neutral firm

CARBON POSITIVE
portfolio since 2020

100%
renewable
energy across
offices



B Corp™ certified
company since 2020

7 OFFICES
ACROSS 3 CONTINENTS
150+
PROFESSIONALS

22

nationalities



22

languages

ADDING VALUE
TO COMPANIES THROUGH:

INVESTMENTS
IN LONG-TERM
GROWTH

ACQUISITIONS

SUSTAINABILITY

OPERATIONAL
IMPROVEMENTS

DIGITISATION

INTERNATIONALISATION

CORPORATE
GOVERNANCE



FIRM VALUES TO ENSURE LONG TERM SUSTAINABILITY

Team

Our most important assets are our people and the experiences we accumulate as a team.

Relationships

Strong and supportive relationships with our managers, investors, team and our broader community form the bedrock for our success.

Entrepreneurial mindset

Ambitious targets coupled with our hands-on, industrially-driven approach reflect our innate entrepreneurial spirit.

Respect

Respecting the environment in which we operate and the people who we impact is more than just being a good corporate citizen, it is central to running best-in-class businesses.

ACTIVE OWNERSHIP WITH SUSTAINABILITY AT THE CORE

Since 1990 Investindustrial has invested in predominantly European quality mid-market private companies, with an active, industrially-driven and transformational ownership approach. During 2021, our culture, organisation and investment strategies continued to perform well despite the significant pressures exerted by ongoing COVID-19 related disruptions to the global economy.

The resiliency demonstrated by the overall portfolio in 2020, given the decisions in recent years to emphasise investments in sectors underpinned by strong and stable demand continued into 2021, with most companies delivering financial results above pre-pandemic levels and many setting new records. Equally importantly, Investindustrial's people and processes continued to perform strongly. The nimbleness we demonstrated at the height of the pandemic flowed into 2021, with technology remaining a key enabler to connect our colleagues and portfolio company employees. In 2021, the lingering pandemic affected geographies differently, meaning Investindustrial continued to put the safety of our colleagues and portfolio company employees first.

Our commitment to sustainability leadership continued during 2021, with Investindustrial co-chairing the Net Zero working group of the Initiative Climat International (iCI), a GP-led climate initiative, to develop a science-based target guidance for the private equity industry in partnership with the SBTi, iCI and supported by the UN PRI. In 2021, Investindustrial also joined the Net Zero Asset Managers initiative and won the Private Equity Exchange Award for the Best ESG Private Equity Initiatives, alongside continuing to build its dedicated team that works actively with its portfolio companies on ESG matters.

The experience of our team guided us to stay focused on new investment activity, and in 2021 we made seven new investments and 26 add-on acquisitions. This new generation of quality companies, is expected to set the foundation for attractive value creation in the years ahead.

"Building better companies" is what drives and defines our organisation and investment strategy. As long-term owners, we partner with companies and managers that are leaders in their local markets and have the potential to lead their industries while making a positive impact. This approach has enabled our organisation of more than 150 professionals to support 13 core and upper mid-market companies and a further 11 companies in the lower mid-market, as at the end of 2021, with aggregate sales of €9.1 billion, EBITDA of €1.3 billion and approximately 41,000 employees. Industrially-driven plans and product-led growth are central to the investment thesis of this quality portfolio.

A resilient portfolio

As COVID-19 began to create widespread disruption to the global economy at the end of Q1 2020, our portfolio was well positioned to respond to the challenges ahead due to the late-cycle preparation that Investindustrial had pro-actively undertaken in 2018-19, which included i) a purposeful repositioning towards less cyclical, more resilient companies in sectors underpinned by steady long-term growth trends; ii) diversifying revenue streams and streamlining cost bases through significant add-on acquisition activity; and iii) completing debt financing/refinancing of substantially all of the portfolio with attractive no-covenant or covenant-lite terms.

2021 KEY FACTS

7
NEW INVESTMENTS

26
ADD-ONS

During 2021, Investindustrial made seven new investments, four in the core mid-market (Atida, Ermenegildo Zegna, Guala Closures and La Doria) and three in the lower mid-market (Bakelite Synthetics, Targa Telematics and Rimac). Regarding add-ons, 26 transactions have been executed across the platform companies in the core and lower mid-markets in Europe, North America and Asia.

6
EXITS

€ 2 bn
PROCEEDS

In addition, Investindustrial sold six companies during 2021, five in the core mid-market (Knoll, Polynt-Reichhold, Lifebrain, Sergio Rossi and HTG) and one in the lower mid-market (GeneraLife) generating total proceeds of €2.0 billion for its investors.

Continued Sustainability Leadership

Our commitment to sustainability leadership continued during 2021, with Investindustrial becoming a member of the Initiative Climat International (iCI), a GP-led climate initiative, developing science-based targets for the private equity industry in partnership with the SBTi, iCI and supported by the UN PRI. In 2021, Investindustrial also joined the Net Zero Asset Managers initiative and won the Private Equity Exchange Award for the Best ESG Private Equity Initiatives.

14.7%
EBITDA MARGIN

A HIGHLY PROFITABLE PORTFOLIO

Investindustrial has a solid portfolio of profitable companies with 2021 sales of €9.1 billion, EBITDA of €1.3 billion and an overall EBITDA margin of 14.7% with a well-diversified sector and geographical exposure.

As the pandemic continued into 2021, Investindustrial's principal focus remained the safety and well-being of its professionals, management teams and portfolio company employees. United, our people proved to be well equipped to successfully manage the numerous COVID-19 related risks. In 2020, Investindustrial's immediate response was to work closely with portfolio company management teams to ensure our portfolio companies had access to the appropriate levels of liquidity. In such moments of economic distress, Investindustrial's long-term conservative approach to leverage employed in portfolio companies has been most rewarded, whereas in 2021, as strong demand returned, Investindustrial's strategic positioning of its portfolio allowed it to thrive.

By year end 2021 the majority of portfolio companies have reported performance above pre-pandemic levels, with especially strong performance within our healthcare, food ingredients, specialty chemicals and other industrial manufacturing businesses. Several of our consumer goods businesses accelerated their digitisation plans during the pandemic and as a result have reported strong results.

Post-year end, new risks have materialised, most notably the Ukraine-Russia conflict and multi-decade high levels of inflation – following more than a decade of ultra-loose monetary policy from major central banks. Frictions emerging from these events include further supply chain disruptions, higher raw material and energy costs, tighter financing conditions, volatile equity markets and potentially structurally lower demand. Irrespective of these challenges, the Investindustrial team has the talent and determination to successfully guide our portfolio companies to their next destination.

New investments

In 2021, Investindustrial made seven new investments in quality mid-market companies: four in the core and upper mid-market: Atida (leading European online pharmacy), Guala Closures (production of specialty closures for beverages), La Doria (manufacturer of private label food products) and Zegna (leading purveyor of luxury menswear); and three in the lower mid-market: Bakelite (global diversified chemical company), Rimac (developer and producer of high-tech components for electromobility) and Targa (leading Italian player in telematics and mobility). The collective group is weighted towards companies with robust, B2B and non-cyclical business models, reflecting Investindustrial's investment preferences at this stage of the cycle, representing sectors in which Investindustrial has significant prior experience.

Corporate build-ups through M&A remain a key investment strategy for Investindustrial and significant further progress was made in 2021, with 26 add-on acquisitions signed across 14 platforms. This activity takes the total number of add-on investments completed since Investindustrial's inception to 150. In the core and upper mid-market, Lifebrain, the Italian leader in routine and specialty laboratory testing, completed a further two add-ons during the year, increasing the total completed under Investindustrial ownership to 58. CEME, CSM Ingredients, Design Holding, Italcanditi, Jacuzzi and Neolith were the other core mid-market portfolio companies to complete add-ons in China, Denmark, France, Italy, New Zealand and U.S.. Arguably the year's most transformative add-on for a core mid-market platform was Design Holding's acquisition of California-based YDesign, a leading online destination for modern and contemporary design. In the lower mid-market, the vitamins and nutritional supplements manufacturer Procemsa expanded its product offering through the acquisition of German-based Aakamp. Benvic (leading developer and producer of highly customised, innovative thermoplastic solutions), Northius and Della Toffola (leading producer of automated lines for beverage) continued their build-ups, together completing nine add-ons during the year, whilst Bakelite completed the transformative acquisition of Georgia Pacific's wood resins business, expanding the presence in North America and further enhancing its geographic and end market diversification. Investindustrial's strong focus on build-ups is founded upon our long-term experience of creating value through sourcing add-ons at attractive entry valuations and embedding attractive revenue and cost synergies, with the latter typically being highly visible at entry. Our long-term experience in add-ons is delivered to portfolio companies through the relevant investment advisory and operational improvement teams. Both teams have significant experience in the integration of platform and add-on companies, with the latter having been purposefully built across the three key economic regions – North America, Europe and Asia – to accommodate the global build-up ambitions of many of our portfolio companies.

Generating liquidity

In 2021, Investindustrial returned a record amount of capital to its investors through the sale of six portfolio companies and one recapitalisation. In the core and upper mid-market portfolio, Knoll, a business Investindustrial had followed for many years and supported during COVID-19, was exited through a trade sale to Herman Miller (NASDAQ: MLHR), a global leader in interior design. Lifebrain was exited to Cerba HealthCare, a reference player in the field of medical diagnosis, following the deep M&A programme described above. Polynt-Reichhold was exited to a US financial buyer after a decade of transformation and globalisation, having grown the company almost tenfold. In the lower-mid market,



Investindustrial is strongly engaged with its stakeholders in building better companies and developing sustainable and long-term growth opportunities for its businesses. Above: Andrea C. Bonomi, Founder and Chairman of the Investindustrial Industrial Advisory Board.

GeneralLife was sold to KKR and became the first exit for the lower mid-market programme. Sergio Rossi (luxury footwear and accessories) and HTG (mission-critical ambulance services) were divested to shareholders that are the appropriate fit for the next stage of their development. We thank our outgoing portfolio company management teams and employees for their hard work and wish them and their new shareholders well.

Investment in people

In 2021, Investindustrial continued to invest in talent, taking our team to approximately more than 150 professionals, including hires

completed post-year end. Collectively our professionals embraced the different working environment imposed by the ongoing effects of COVID-19 and, as in 2020, supported by technology, thrived due to a shared sense of urgency and the powerful combination of alignment, ambition and discipline. The key areas that were strengthened, include sourcing, investment advisory, talent management, technology, investor relations, sustainability and U.S. and Asian business development, complementing our already broad and comprehensive team of functional specialists and investment advisory teams. Investindustrial's teams have local presence

in the three dominant economic regions – Europe, North America and Asia – in order to bring a truly global perspective to portfolio companies. The Asia hiring has continued and the now complete team has transactional capability to complement our existing business development team in Shanghai, with the China angle being central to the investment theses of several current investments. The accelerated digitisation plans of both our existing and future portfolio companies due to COVID-19 drive plural talent acquisition in this part of our business and further hires are expected to be made in the coming year.

Sustainability leadership

Investindustrial believes that incorporating sustainability considerations in its business decisions is essential to creating value for its stakeholders and that commerce can and should be used as a force for good as well as profit. For Investindustrial, “building better companies” has always entailed positioning the portfolio companies to achieve long-term value creation. To do so, Investindustrial works to ensure that portfolio companies can measure and manage their carbon emissions and other significant environmental and social impacts, and that they actively work to reduce their footprint while making a positive contribution to society and their communities.

With this in mind, Investindustrial has been carbon neutral as an organisation since 2009 and for its shareholding in the portfolio companies since 2015. Furthermore, we have been collecting actual, not estimated, GHG emissions data dating back to 2015, which allowed us to take the pioneering step of becoming carbon positive across the portfolio for the year ending 2020.

In 2021, the key activities and portfolio engagement included: continuing to shape the industry on sustainability matters by working with a select group of private equity firms on science-based targets private equity guidance to develop the SBTi Guide for Private Equity in partnership with the SBTi, iCI and supported by the UN PRI; joining the Net Zero Asset Managers initiative; becoming a signatory to ILPA’s Diversity in Action initiative; and winning the Private Equity Exchange Award for the Best ESG Private Equity Initiatives in conjunction with a leading Nordic investment group, which reflected our important prior industry engagement and leadership such as becoming a certified B Corporation, a signatory to The Task Force on Climate-Related Financial Disclosures (TCFD), a member of the Climate Action 100+ and a member of the Initiative Climat International (ICI), a GP-led climate initiative with approximately 170 members.

Throughout this annual review you will be able to read more about how Investindustrial actively works with portfolio companies to improve sustainability performance through a methodical sustainability approach including reporting, disclosure, benchmarking best practices, developing sustainability strategy and objectives, including carbon emissions reduction targets aligned with science-based targets, and executing against impactful initiatives.

The Investindustrial Foundation amplifies the Firm’s efforts in sustainability by focusing on environmental protection and conservation, as well as the promotion of education and diversity while, Invest for children (www.investforchildren.org), an Investindustrial corporate foundation set up in 2000, is focusing on supporting underprivileged and differently abled children.

Conclusions

Investindustrial’s leadership position as a European mid-market investment group continues to strengthen. This has been achieved through a long-term dedication to building better companies through the design and implementation of industrially-driven business plans. A key contributor to Investindustrial’s long-term success since inception in 1990 has been the significant upfront and ongoing investment in best-in-class advisory and functional specialist teams. As the world prevails over COVID-19 and turns its attention to fresh geopolitical and economic risks, the collective and diverse experience of Investindustrial’s professionals remains of critical importance to navigating such challenges and remaining active in making quality, predominantly proprietary investments. More than ever, our investment activities need to combine the generation of attractive returns for our leading global institutional investors with a strong sense of social responsibility. The entirety of Investindustrial and its portfolio companies continue to work tirelessly towards delivering strong results and driving positive change. We wish everyone good health and look forward to reporting back on the continued development of our Firm and portfolio companies next year. ♦



After the successful business combination with Investindustrial Acquisition Corp. (NYSE:IIAC), a special purpose acquisition corporation sponsored by investment subsidiaries of Investindustrial VII, Zegna was listed on the NYSE (ZGN) on December 20th 2021 representing the first deSPAC globally involving a leading global luxury group and the largest deSPAC ever involving an Italian target (\$3.1bn EV).

A LEADING EUROPEAN INVESTMENT GROUP



- 14. WHO WE ARE
- 16. INVESTINDUSTRIAL'S KEY STRATEGIC DEVELOPMENT PILLARS
- 18. PARTNER OF LEADING BRANDS
- 20. INTERNATIONAL FOOTPRINT
- 22. GLOBAL AND EQUAL EMPLOYER
- 24. INVESTMENT PROFESSIONALS
- 26. INDUSTRIAL ADVISORS & BOARD
- 28. INTERNATIONAL RECOGNITION
- 30. OUR INVESTORS

A LEADING INDEPENDENT EUROPEAN INVESTMENT GROUP WITH AN INDUSTRIAL ORIGIN

Providing industrial expertise, operational focus and global platforms to accelerate value creation and international expansion of middle-market companies.

Investindustrial was born out of an industrial conglomerate founded in Milan by Carlo Bonomi at the end of the 19th century. Under his leadership, the Group became one of the leading Italian real estate developers. In the 1940's, Anna Bonomi Bolchini transformed the Group into a diversified industrial and financial conglomerate, with ownership of companies in sectors such as paper and cardboard production (Sarrio', Saffa), insurance (Fondiarina, Milano Assicurazioni), banking (Credito Varesino), manufacturing of household products (Mira Lanza), food & beverage (Sella & Mosca), hospitality (Hotel Splendido Portofino) and chemicals. In addition, the Group created Postal Market, the largest mail order company in Italy. At the beginning of the 1970's, Carlo Campanini Bonomi took leadership of the Group and started a period of internationalisation and rationalisation and by 2000, the Group's industrial investments had been exited transforming the Group into a purely financial investor.

THE BONOMI FAMILY, WITH MORE THAN A CENTURY OF INDUSTRIAL HERITAGE, BACKED INVESTINDUSTRIAL TO PROVIDE DIFFERENTIATED, INDEPENDENT, VALUE-ADDED, FINANCIAL AND OPERATIONAL SUPPORT TO COMPANIES WITH A LONG-TERM APPROACH

From 1890 until 1940 the Bonomi family was one of the leading Milanese construction and real estate developers.



Carlo Bonomi founder of the Bonomi Group.

After World War II, and during the period of reconstruction and development, the Bonomi Group further consolidated its position in Italy.



The Pirelli skyscraper, built between 1956-60 by the Bonomi Group, was the tallest in the European Union until 1966 and remains one of the symbols of Milan.

From 1971 until 1985 Carlo Campanini Bonomi executed a rationalisation of portfolio companies. From 1985 to 2000 he sold the industrial businesses. In 1990 the private equity business started with the establishment of Investindustrial.



Carlo Campanini Bonomi led the Bonomi Group in the last decades of the 20th century.

Since 1990 Investindustrial continues a successful industrially-driven investment strategy.



Financial Times 2012
The Economist 2012



Under the leadership of Anna Bonomi Bolchini (1940-1971), the Bonomi Group became one of the most significant industrial and financial groups in Italy.

Anna Bonomi Bolchini known as the Lady of Finance "La signora della finanza"



Financial Times 1978

During the seventies the Bonomi Group was an industrial conglomerate with approximately 50 portfolio companies ranging from insurance, banking, chemicals, paper and cardboard, mail order and household products.



More than 30 years of investing experience as Investindustrial.

In 1990, Investindustrial was founded as an independent investment group with financial backing from the family, with a view that the market lacked an investor with a long-term horizon coherent with the timing of industrial plans, to help build leaders with an active, industrially-driven approach. Building on the long-standing industrial heritage and networks, coupled with an intimate understanding of family-owned businesses, today Investindustrial has a dominant leadership position in Southern Europe with the longest history, the deepest track record (75 portfolio companies), the largest team (more than 150 professionals across three continents), and the largest private equity investor of institutional capital in the region.

Investindustrial uses proprietary networks developed over several cycles to identify high-quality, often complex investment opportunities in sectors well-known to it and pursues a consistent, industrially driven investment approach to build better companies. Active ownership and operational improvement remain at the core of Investindustrial's value creation strategies, which typically focus on accelerating growth and profitability through globalisation, operational improvements and/or transformative build-ups. Investindustrial advocates the use of only moderate leverage, commensurate with each company's growth and capex ambitions, to build sustainable businesses. This approach resonates well with industrial trade buyers, often a preferred exit route for portfolio companies. ♦

INVESTINDUSTRIAL GOVERNANCE

Investindustrial's multi-layered approach to governance aims at a stringent segregation and allocation of roles and responsibilities among advisory teams, general partners and investment managers of the funds, investment and holding companies and, ultimately, the management of each portfolio company.

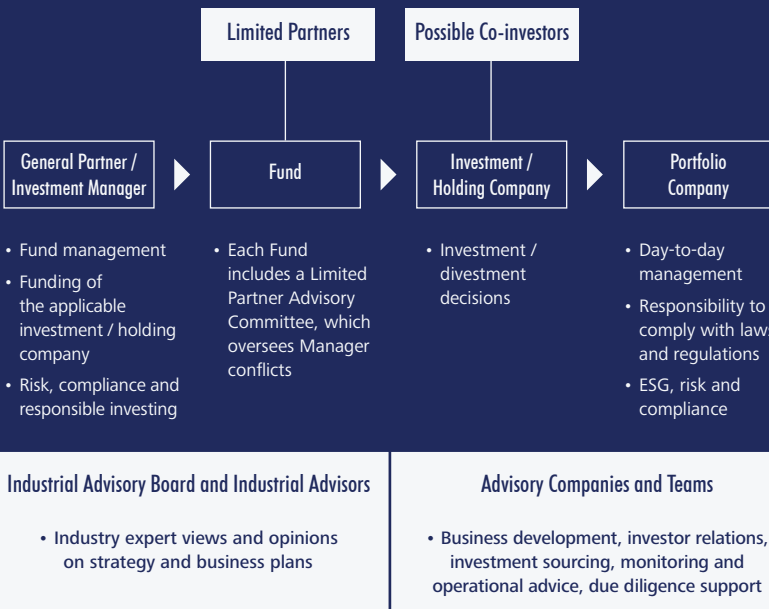
The general partners and investment managers manage each of the funds in the interest of the respective limited partners and therefore in an autonomous and independent manner from other funds and portfolio companies. The investment managers of the funds are entities regulated and supervised by the Financial Conduct Authority in the United Kingdom and by the CSSF in Luxembourg pursuant to the EU Alternative Investment Fund Manager Directive and have arrangements in place to manage conflicts of interest, risk, compliance, and responsible

investing. Investments and divestments are made (and shares in portfolio companies are held) by the applicable investment or holding company of each fund.

Decisions over investments and divestments, including the exercise of the voting rights over the shares of the portfolio companies, are made by the applicable investment or holding company board of directors in an autonomous and independent manner, consistent with the applicable corporate governance rules and by-laws. It is the responsibility of the management of each portfolio company to operate the company on a day-to-day basis and implement rigorous compliance systems and procedures.

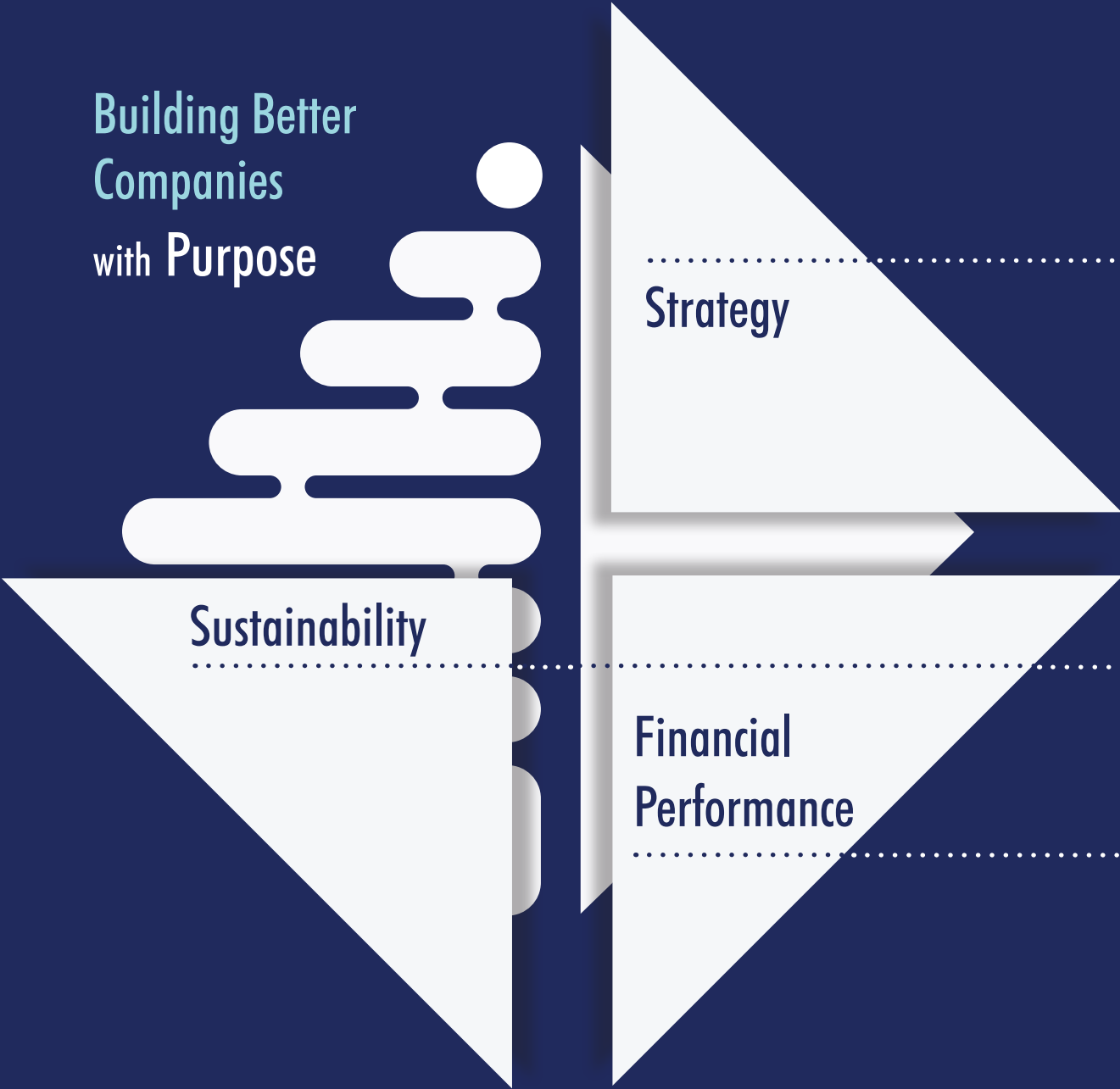
Investindustrial expects that portfolio companies apply a rigorous and conservative approach to Corporate Governance based on clear roles and with full accountability.

CORPORATE GOVERNANCE MODEL



INVESTINDUSTRIAL'S KEY STRATEGIC DEVELOPMENT PILLARS

Building Better Companies
with Purpose



Strategy

- ◇ Invest in leading mid-market quality companies.
- ◇ Implement an active industrially-driven investment approach.
- ◇ Professionalise the management teams of portfolio companies.
- ◇ Develop world-class investment professionals.
- ◇ Unlock transformational M&A opportunities.
- ◇ Capture global growth opportunities through markets and geographies.
- ◇ Develop strategic industrial, commercial and financial partnerships.
- ◇ Innovate through best practice R&D, technology and digitisation.
- ◇ Consider UN Sustainable Development Goals (SDGs) when sourcing investment opportunities.

Sustainability

- ◇ Lead with action by delivering on global climate commitments including net-zero portfolios.
- ◇ Enrich the culture and collective thinking and drive performance across the Firm and portfolio.
- ◇ Enable portfolio companies to be leaders and innovative in managing sustainability for value creation.
- ◇ Demonstrate impact through Return on Sustainable Investment (ROSI).
- ◇ Drive industry standards on sustainability issues.

Financial performance

- ◇ Deliver long-term attractive and consistent returns across geographies, sectors, and strategies.
- ◇ Achieve operational improvement and excellence.
- ◇ Use appropriate leverage to develop and grow the portfolio companies.
- ◇ Identify and capture value creation opportunities as well as mitigate risks.
- ◇ Deliver significant shareholder value through long-term and sustainable strategies.

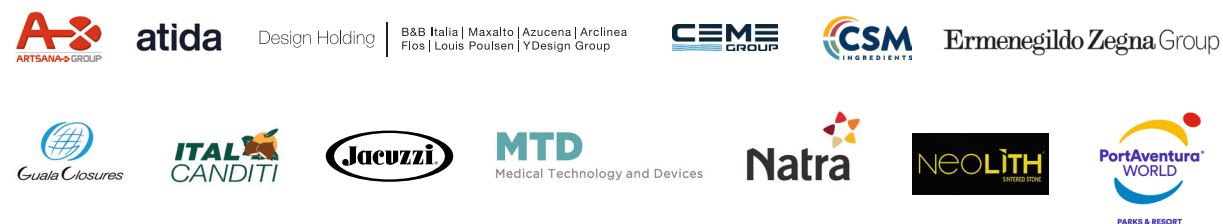
AN INVESTMENT STRATEGY REFINED THROUGH MORE THAN 30 YEARS OF INVESTING IN 75 COMPANIES

Select prior investments include:

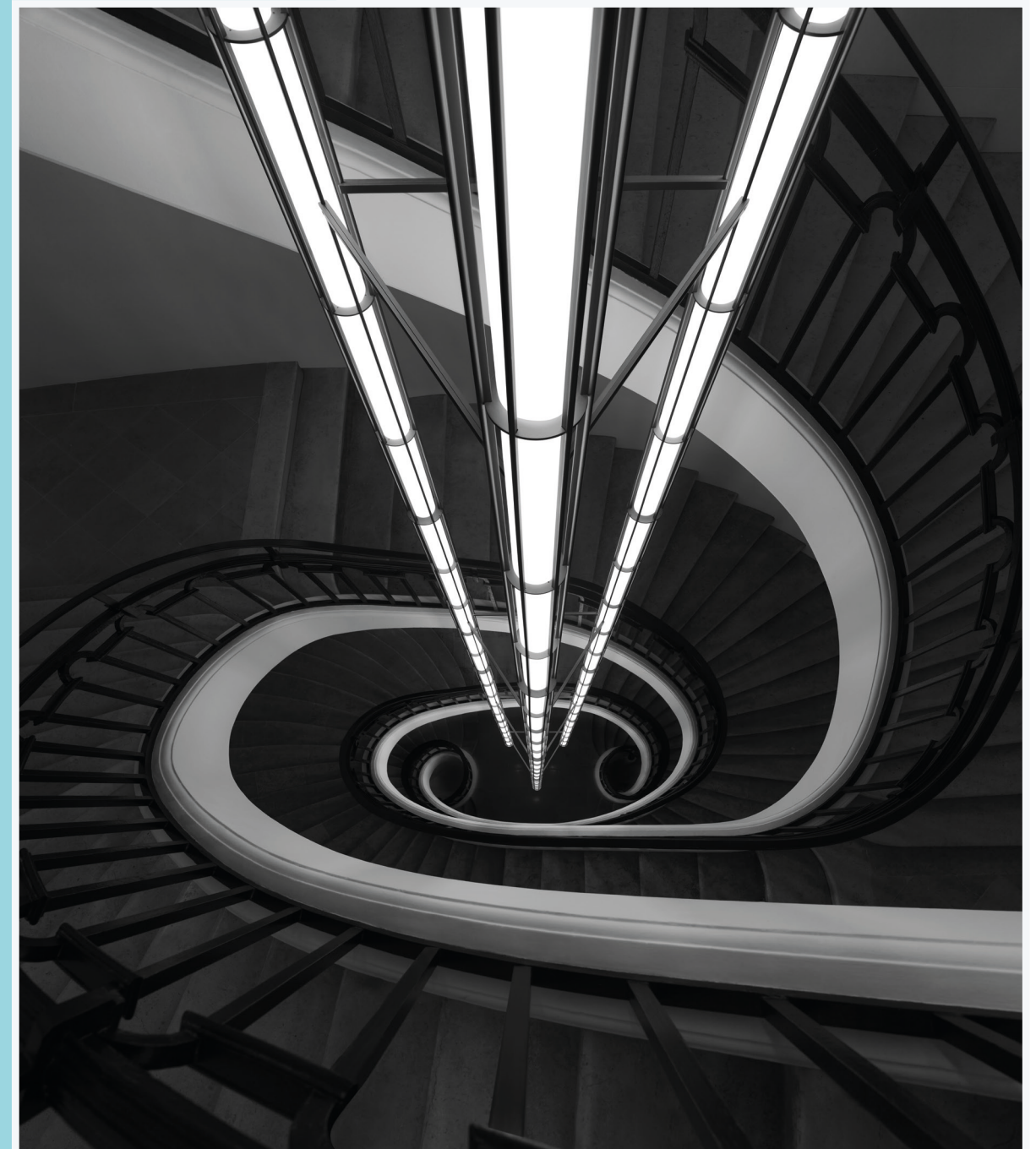


COLLECTIVE EXPERIENCE APPLIED TO THE 2021 PORTFOLIO OF LEADING COMPANIES AND BRANDS BOTH IN THE LOWER AND CORE MID-MARKET

Core mid-market



Lower mid-market



The vertical light project developed by Flos, one of the leading brands within the Design Holding Group.

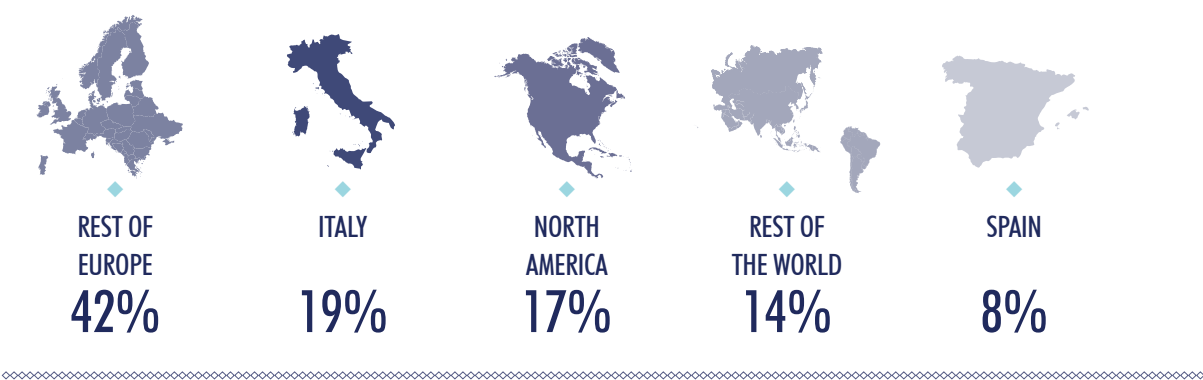
LEADING EUROPEAN FOOTPRINT WITH A STRONG INTERNATIONAL PRESENCE

Investindustrial has considerable international reach and combines capital with local insight to drive growth initiatives in its portfolio companies and to support its global vision. Since inception, non-European markets have contributed 35% of the sales growth of the companies present in the portfolio at the end of 2021, with the majority of this growth coming from North American markets. ♦

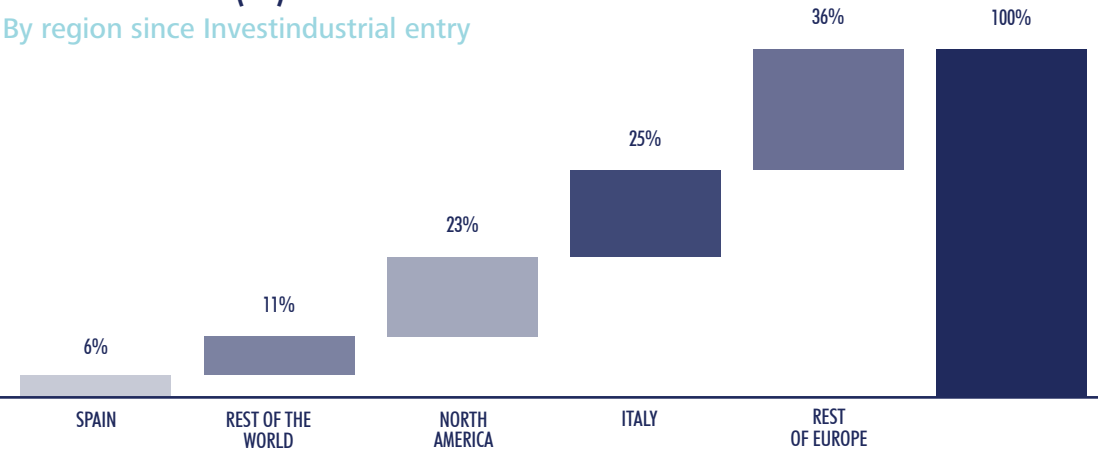


Jeff Feinberg (Operating Principal) and Serge Younes (Head of Sustainability) visiting a recently acquired portfolio company, Bakelite Synthetics.

SALES⁽¹⁾ (%)
By region



SALES GROWTH⁽¹⁾ (%)
By region since Investindustrial entry



⁽¹⁾Sales weighted by shareholding of the companies present in the portfolio at the end of 2021.



Jacuzzi Brands, the leading global manufacturer of premium spas and related wellness products, showed strong resilience and consumer demand throughout the Covid-19 pandemic.

INVESTINDUSTRIAL IS A GLOBAL AND EQUAL PROVIDER OF EMPLOYMENT

Investindustrial’s portfolio companies have approximately 41,000 employees, based mostly in Europe, and across a wide range of sectors and countries.

Investindustrial considers the skills of its portfolio companies’ employees an asset to be developed and improved while respecting and safeguarding individuals. Furthermore, we are committed to supporting equal opportunities in employment and in career development, avoiding every form of discrimination, including discrimination based on race, sex, sexual orientation, age, nationality, religion and personal beliefs. As at year end across the portfolio, women accounted for 18% of the Board seats (with 95% of the Boards including at least one woman) whilst 45%

of the workforce and 28% of the senior management were women. The companies in which Investindustrial invests endeavour to maintain and improve training and further develop the know-how of their employees. These proprietary relationships, which have been developed over many cycles, are inherently interlinked and underline Investindustrial’s reputation as the preferred partner for high-quality mid-market businesses predominately in Europe. Manufacturing and commercial activities are present across 40 countries and five continents. ♦

Investindustrial portfolio companies have a direct presence through manufacturing facilities or subsidiaries in 40 countries.



TOTAL INVESTINDUSTRIAL PORTFOLIO COMPANY EMPLOYEES (%)



PORTFOLIO COMPANIES OPERATIONAL AND MANUFACTURING PRESENCE IN 40 COUNTRIES		
COMPANY	OPERATIONAL PRESENCE	MANUFACTURING PLANT
ARTSANA	Argentina, Belgium, Brazil, China, France, Germany, Hong Kong, India, Japan, Mexico, Netherlands, Poland, Portugal, Russia, Switzerland, Turkey, UK, USA	Italy, Romania, Spain
ATIDA	France, Germany, Italy, Luxembourg, Netherlands, Spain	
BAKELITE SYNTHETICS		Argentina, Chile, Finland, Germany, Italy, Netherlands, Russia, Spain, UK, USA
BENVIC	Belgium, Germany	France, Italy, Poland, Spain, UK, USA
CEME	Hong Kong, USA	China, Italy
CSM INGREDIENTS		China, France, Germany, Italy, Netherlands, UK
DELLA TOFFOLA	Australia, Chile, France, Mexico, Romania, Spain, UK, USA	Argentina, Italy
DESIGN HOLDING	Belgium, China, Denmark, France, Germany, Hong Kong, Japan, Malaysia, Netherlands, Norway, Singapore, Sweden, Switzerland, UK, USA	Denmark, Italy, Spain, USA
DISPENSA EMILIA	Italy	
GUALA CLOSURES	Japan, Luxembourg, Netherlands	Argentina, Australia, Belarus, Brazil, Bulgaria, Chile, China, Colombia, France, Germany, India, Italy, Kenya, Mexico, New Zealand, Poland, South Africa, Spain, UK, Ukraine, USA
HTG	Portugal, Spain, UK	
ITALCANDITI		Italy
JACUZZI BRANDS	Australia, Chile, Germany, New Zealand, Spain, UK	Brazil, Canada, France, Italy, Mexico, USA
MORGAN MOTOR COMPANY		UK
MTD	France, Switzerland, USA	Italy, Poland, Portugal
NATRA	Germany, Hong Kong, UK, USA	Belgium, Canada, France, Spain
NEOLITH	Hong Kong, Italy, Mexico, Poland, South Africa, UK, USA	Spain
NORTHUIS	Portugal, Spain	
OKA	UK, USA	
PORTAVENTURA	Spain	
PROCEMSA		Italy
RIMAC		Croatia
TARGA TELEMATICS	Italy, Spain, UK	
ZEGNA		Italy, Switzerland, Turkey

A TEAM TAILOR-MADE FOR LONG-TERM VALUE CREATION

Investindustrial is one of the largest and most experienced groups of investment professionals focused on Europe.

Investindustrial operates through a series of investment funds, holding companies and financial advisory firms, each managed independently and established in the United Kingdom, Spain, Switzerland, Luxembourg, the Netherlands, the United States and China. Talent management is a key strategic goal of Investindustrial, which has a team of more than 150 professionals combining local insight with global perspective. Having the right people in the right place at the right time is critical to building better companies. To recruit and retain talented people with the highest ethical standards, and to create an attractive workplace in which to develop them is vital for Investindustrial. Investindustrial professionals, who typically remain with the Firm for many

years, have demonstrated major achievements in their professional and academic past and are therefore best placed to nurture and integrate the high calibre incremental personnel improvements that are regularly made to the Firm. Investment professionals speak a combined 14 languages and represent 11 nationalities with 36% of employees speaking three languages or more, reflecting the importance Investindustrial places on being a diverse and dynamic organisation with global views and capabilities. Investindustrial has invested in a broad team of functional specialists who support the Firm's investment activity: globalisation, digitisation, operational and change management, sustainability, legal and compliance, investor relations and

syndication, debt as well as a finance, risk and operations team. 11 Managing Principals and Senior Principals lead the team of investment professionals. Approximately, 25% of investment professionals are women with an increasing trend considering that 28% of investment professionals hired in the last five years were women. During 2021, Charles Dupont joined Investindustrial as Senior Principal and Head of French coverage to support Investindustrial's portfolio companies to capture the business development opportunities in that region. Investment and divestment activity is decided and undertaken by the applicable holding and investment companies pursuant to their respective board of directors' decisions. See "Governance section" for more details. ♦



Andrea C. Bonomi



Dante Razzano



Roberto Ardagna



Carlo Umberto C. Bonomi



Antonio Gatti



Salvatore Catapano



Charles Dupont



Martino Gobbi



Michael Guan



Roberto Maestroni



Carl Nauckhoff



Andrea Cicero



Emanuela Cisini



Cordelia Dolan



Federico Fasciolo



Jeff Feinberg



Alessandro Fogo



Julien Grandpré



José Antonio Marco



Alessandro Matteo



Marco Pierettori



Daniel Rosen



Eduardo Segura



Thomas Strömstedt



Francesco Tronci



Liqun Wang



Johana Zhera

Investindustrial's leadership team from left to right: Andrea C. Bonomi (Chairman of the Industrial Advisory Board), Dante Razzano (Vice Chairman), Managing Principals: Roberto Ardagna, Carlo Umberto C. Bonomi and Antonio Gatti; Senior Principals: Salvatore Catapano, Charles Dupont, Martino Gobbi, Michael Guan, Roberto Maestroni, Carl Nauckhoff; Principals: Andrea Cicero, Emanuela Cisini, Cordelia Dolan, Federico Fasciolo, Jeff Feinberg, Alessandro Fogo, Julien Grandpré, José Antonio Marco, Alessandro Matteo, Marco Pierettori, Daniel Rosen, Eduardo Segura, Thomas Strömstedt, Francesco Tronci, Johana Zhera, Liqun Wang.

2021 INVESTINDUSTRIAL INVESTMENT PROFESSIONALS

84

Across

7 OFFICES

LANGUAGES AND NATIONALITIES

36%

of employees speak three languages or more

14

Languages spoken

11

Nationalities

EDUCATION

100%

University Degree

85%

Masters/MBA and/or PhD

TENURE (YEARS)

Tenure (Years)	Female (%)	Male (%)
0 — 2	22%	78%
3 — 5	39%	61%
6 — 9	29%	71%
+10	7%	93%

AGE (YEARS)

Age (Years)	Female (%)	Male (%)
20-29	14.3%	25%
30-39	42.9%	75%
40-49	22.6%	67%
50-59	15.5%	77%
+60	4.8%	100%

AN ORGANISATION BUILT FOR ACTIVE OWNERSHIP THROUGHOUT THE INVESTMENT HORIZON

Investindustrial leverages proprietary networks to source attractive investment opportunities typically unavailable to the broader market. Since inception, the vast majority of portfolio investments have been sourced through proprietary channels, including family and corporate vendors, and both public-to-private and public situations.

Investindustrial allocates significant resources to a concentrated group of portfolio companies but actively seeks to mitigate risk and control returns by building portfolios of assets that exhibit natural diversification.

Target companies are typically in growth or mature phases of their life cycle with the level of support required categorised in the following ways: consolidate position as local leader, achieve strategic repositioning, drive international expansion, accelerate growth through acquisition and/or new products and markets.

Investindustrial provides hands-on advisory support to portfolio companies through the team's breadth and depth of expertise. The advice from our teams enables management teams and boards to make better informed decisions about the direction in which to take their companies. The ability to deliver complex operational and organisational plans is underpinned by the broad and deep internal sector expertise developed across many business cycles and is actively supported by the internal business development team, which includes

offices in New York and Shanghai.

The team's advisory experience combines strong local investment insight with a global perspective which is leveraged to ensure the successful execution of the industrially driven approach.

As active investors, Investindustrial works closely with management teams throughout the ownership phase to drive product growth and/or market expansion. This includes actively advising on how best to identify industrial, branding and financial partners from inside, or selectively outside, our network. These proprietary relationships, which have been developed over many cycles, are inherently interlinked and underline Investindustrial's reputation as the preferred partner for high-quality mid-market businesses.

Investindustrial supports its portfolio companies also through dedicated Operating Principals, professionals with significant sector expertise that helps the companies in the definition and execution of their value creation plans.

The industrially driven, responsible and active ownership approach of Investindustrial creates a natural allegiance with corporate

players who are looking to acquire high quality strategic assets. As part of the value creation process, Investindustrial identifies potential trade buyers with whom there could be valuable synergies, and actively engages in dialogue to build the relationship during the holding period. Strategic buyers have accounted for approximately two thirds of Investindustrial's exits to date.

The broad network of Industrial Advisors is coordinated by the Industrial Advisory Board; advisors have specific industrial expertise across sectors and a history of strong relationships with Investindustrial.

The Industrial Advisory Board provides industry expertise, views, opinions and strategic advice on business plans to Investindustrial and portfolio companies. Its members act as consultants and do not take, nor participate in, investment or divestment decisions. They are an integral part of Investindustrial's business model and industrial approach, providing insights on operational and strategic issues within their fields of expertise. ♦



At the beginning of 2022, CSM Ingredients acquired Hi-Food, an Italian innovation leader in the field of natural food tech ingredients.

AN INTERNATIONALLY RECOGNISED SUSTAINABLE INVESTMENT APPROACH

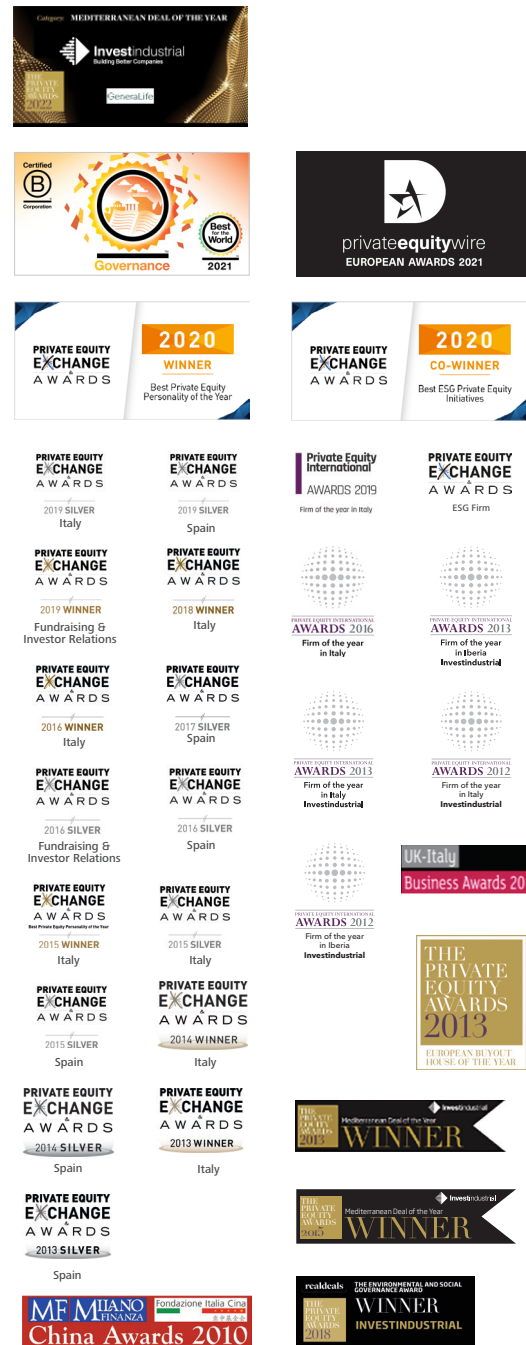
Investindustrial was recognised for "Mediterranean Deal of the Year" during the Real Deals Awards 2022 and "Best For The World™ 2021: Governance" by B Lab in 2021.

RECENT RECOGNITIONS OF INVESTINDUSTRIAL EXCELLENCE

- Investindustrial has been awarded “Mediterranean Deal of the Year” for the Generali transaction at The Private Equity Awards 2022, an industry-leading award arranged by trade publication Real Deals.
- “Best for the World 2021” awarded in 2022 for the second year running for being in the top 5% B Corps.

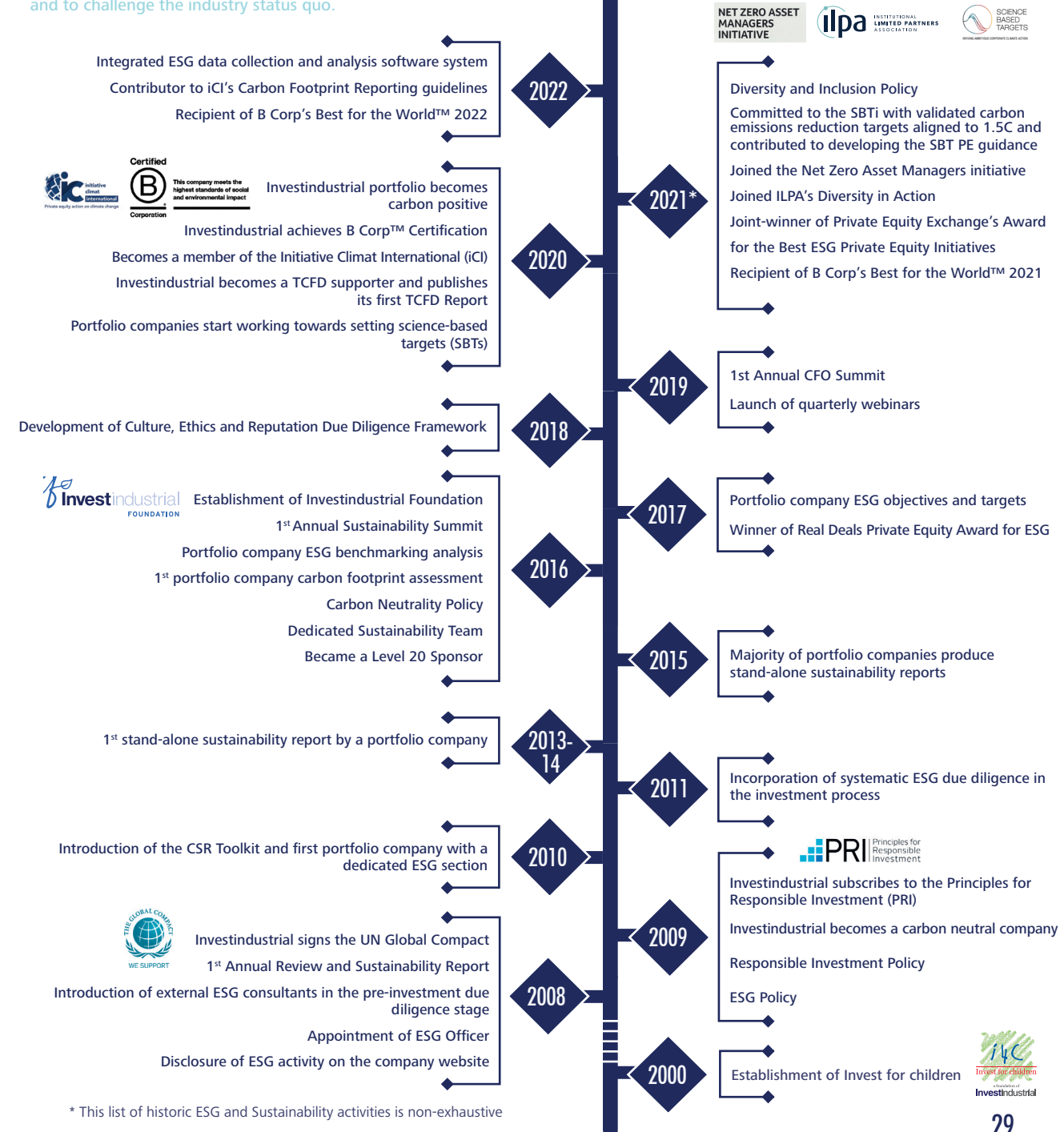


Carl Nauckhoff, Senior Principal and Head of Investor Relations receiving the award for "Mediterranean Deal of the Year" during the 2022 Real Deals award ceremony in London.



INVESTINDUSTRIAL'S ESG EVOLUTION

Investindustrial's long history in addressing ESG issues started in 2000 and has evolved over the years to drive value creation across its portfolio and to challenge the industry status quo.



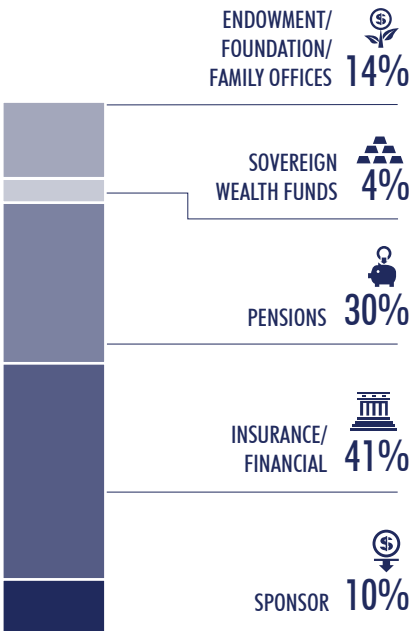
OUR INVESTORS

Investindustrial is committed to being strongly aligned with its investors; as such it continues to be the single largest investor across its funds. We are proud to have the support of more than 100 high-quality institutional investors across all active funds. We are the investment partner of choice for blue-chip investors – including pension funds, government and financial institutions, endowments, insurance companies and family offices – from around the world.

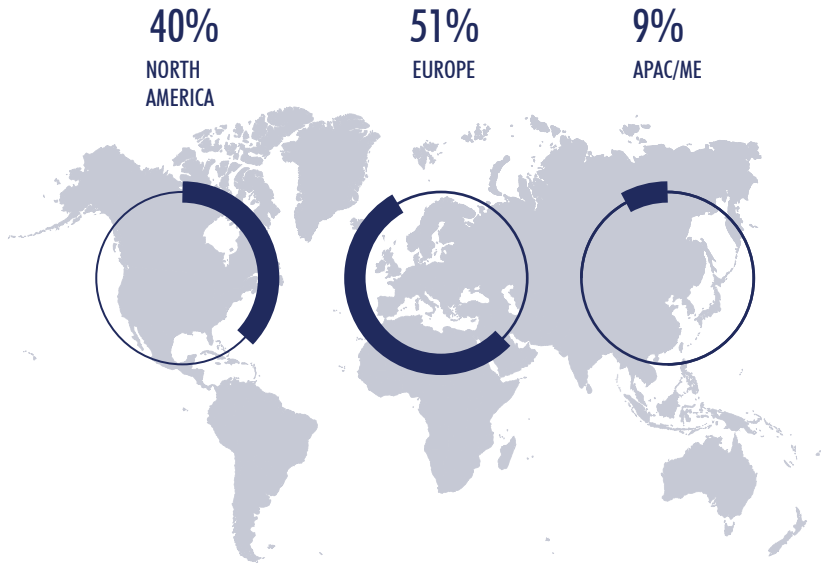
Today, just over 50% of our capital comes from Europe and approximately 40% from the U.S.; the Middle East and Asia is a growing segment, and represents the remainder. Our objective is to build leading companies by applying industrial expertise, with a strong focus on long-term value creation, an approach that has delivered consistent returns through the cycle to our investors. ♦

BREAKDOWN OF INVESTORS (%)

By type¹



By region^{1,2}



Note:
1 ♦ As of 31st December 2021. Reflects capital raised from all active funds.
2 ♦ Excluding Sponsor.



Natra produces 440 chocolate varieties which are sold in over 90 countries worldwide.

RESPONSIBLE INVESTING



- 34. A RESPONSIBLE INVESTMENT APPROACH
- 43. INTRODUCTION TO SUSTAINABILITY TRENDS
- 58. SUSTAINABILITY STRATEGY & OBJECTIVES
- 60. ESG DATA REPORTING

A RESPONSIBLE INVESTMENT APPROACH

Responsible investing is integrated throughout Investindustrial’s investment process from pre-investment, post-investment to exit.

Investindustrial follows a systematic approach to incorporating sustainability throughout the full deal cycle, from pre-investment activities through the post-investment holding period and exit. The driving factor behind this approach is to maximise stakeholder value by identifying material risks and opportunities associated with sustainability issues and to allocate the appropriate attention and resources needed to resolve any risks or capitalise on potential opportunities. This approach is underpinned by our Responsible Investment Policy and Environmental, Social, Governance Policy, first issued in 2009¹. Both policies were reviewed and updated in late 2021/ early 2022, to reflect the inclusion of an EU Taxonomy assessment in the due diligence review, an updated list of ‘Excluded’ or ‘Sensitive’ sectors and, for the first time, a positive screening of industries. This was done to better align with Investindustrial’s commitment to become Net Zero by 2030 and to better reflect ESG risks as per Investindustrial’s investment ethos.

Investindustrial’s Sustainability Team works closely with the advisory teams to support them in pre-investment and exit activities. The combined impact of sustainability, climate, governance, supply

chain and corporate culture initiatives on the value of each portfolio company is assessed against revenue, cost, risk and reputation.

During the holding period, Investindustrial’s Sustainability Team continues to engage with the advisory teams on sustainability matters and provides support to portfolio companies as they adopt Investindustrial’s sustainability approach and integrate it into their own (see on the next page).

This approach is an integral part of building better companies. It will typically take place over a three- to five-year period, depending on the sophistication of each business and the maturity of their existing sustainability programmes and initiatives and whether sustainable transformation is core to the value creation plan.

Reputation

Many initiatives can be tracked by assessing intangible outcomes, such as influencing the company culture and business practices through indirect business metrics like improved staff retention, reduction in accidents and injuries or net promoter scores to name a few.

Risk

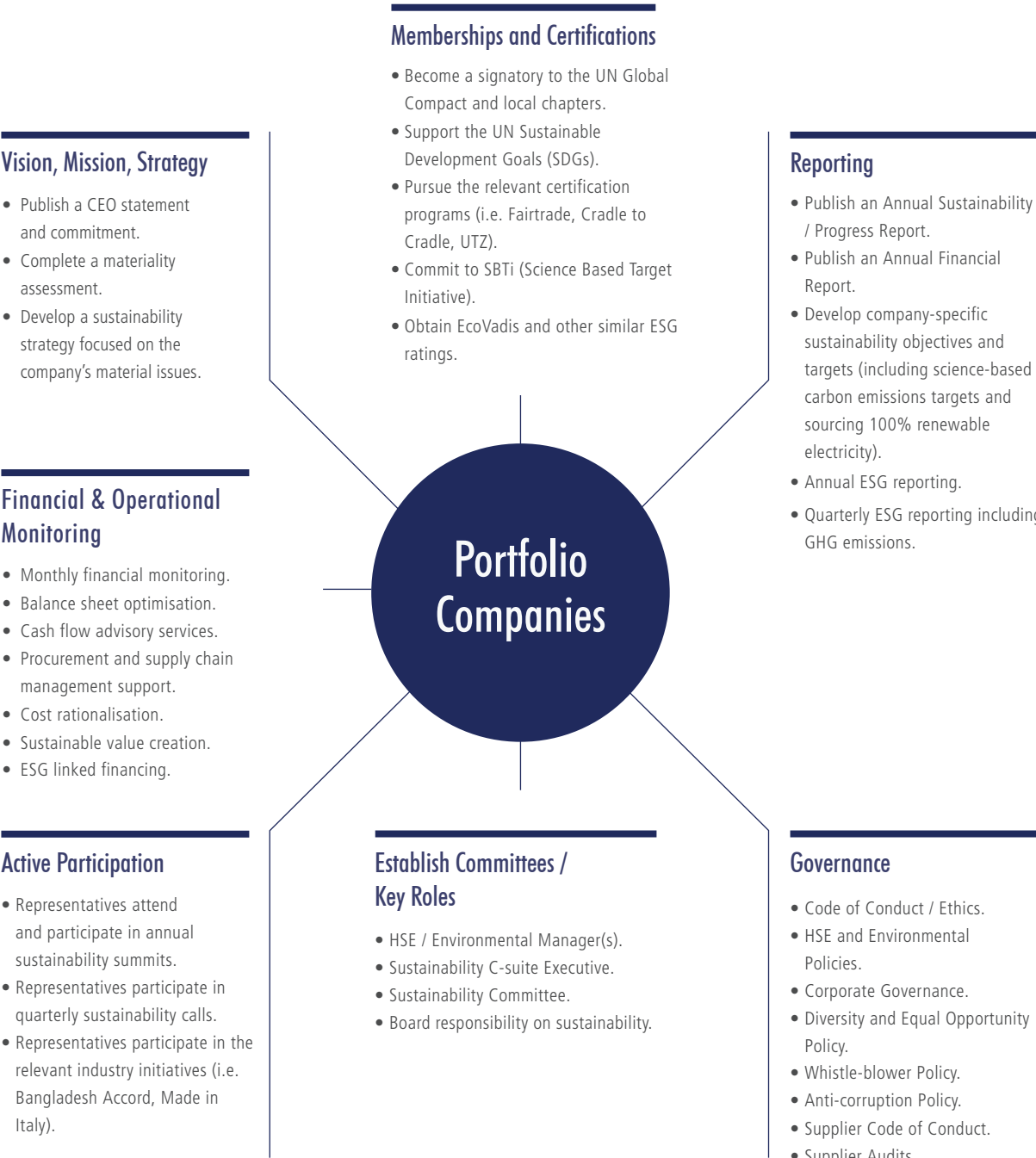
Other initiatives’ impact can be measured based on de-risking the organisation from liabilities and potential fines or making the business more resilient.

Growth and Profitability

Most sustainability initiatives undertaken by portfolio companies can be tied to quantitative metrics, such as direct and indirect costs reduction as well as preferred access to capital markets through ESG linked loans and green bonds. These initiatives will have a defined business plan with ROI projections and the savings from these projects can be tracked quarterly, whereas ESG linked loans will typically provide interest rate reductions based on meeting pre-defined ESG criteria such as climate, diversity, supply chain and governance. As for new products and services that are derived from a sustainability initiative, their impact can be tracked traditionally by monitoring revenue growth and margin contribution. ♦

¹ <https://www.investindustrial.com/social-responsibility/responsible-investing/Principles-for-Responsible-Investments.html>

INVESTINDUSTRIAL'S BUILDING BETTER COMPANIES FRAMEWORK



CREATING ESG VALUE IN THE INVESTMENT LIFECYCLE

The latest exits of Investindustrial’s portfolio companies Generalife and Neolith represent two good examples of ESG value creation in the investment lifecycle and showcase Investindustrial’s continuous effort to engage its portfolio on their sustainability journey.

CASE STUDY

NEOLITH

Engaging key senior leadership and building a consistent sustainability strategy



Post investment in 2019, Investindustrial’s Sustainability Team met with Neolith’s senior leadership for a sustainability on-boarding session to describe the Investindustrial sustainability approach and to map out the timelines to deliver against these milestones. From then on, the Sustainability Team worked closely with Neolith along its sustainability journey including developing policies, appointing an ESG officer, establishing an ESG Steering Committee in which Investindustrial regularly participated, and engaging with the Board.

Delivering sustainability objectives against targets

In less than two years, Neolith achieved a best-in-class governance framework, modified their products to contain the lowest silica content in their product category and developed a sustainability strategy from scratch which included ESG baselines, objectives, and targets as well as commitments to link management bonuses to ESG targets.

**CARBON NEUTRAL
SINCE 2019**

Neolith also became carbon neutral in 2019 through energy efficiency measures, sourcing 100% renewable electricity and offsetting emissions they were not able to

abate via nature-based solutions. They also published their first sustainability report in 2020.

**GOLD RATING
FROM ECOVADIS
IN 2021**

As a result of this relentless focus and active implementation of sustainability practices, Neolith achieved a Gold rating by Ecovadis in 2022.

Whilst difficult to isolate the impact of sustainability improvements on the final valuation, it is our conclusion that the successful exit of Neolith was in part due to its strong sustainability performance. ♦

CASE STUDY

GENERALIFE

Using Sustainability as a tool to build a shared vision and purpose.

GeneraLife
www.generaLife.com

Created in 2019 and subsequently growing through multiple acquisition and organic growth in Europe, Generalife used sustainability as a tool to build a shared vision and purpose for all the entities of the Group. From the start, Investindustrial’s Sustainability Team worked closely with the senior leadership to launch detailed ESG reporting and an ESG steering committee. Then in 2020, to support

the Company on its sustainability journey, Investindustrial’s Sustainability Team conducted a materiality workshop with Generalife’s senior leadership to:

- 1- Identify stakeholders in the organisation with a key role to build and implement the company’s sustainability strategy,
- 2- define and rate material sustainability topics.

Subsequent to the materiality assessment, a

series of strategy workshops, managed by Investindustrial’s Sustainability Team, were conducted to develop a sustainability strategy complete with quantifiable objectives and targets as well as initiatives to underpin and drive value for each pillar of the framework. The result of this strategic work was disclosed in Generalife’s first Sustainability report in 2020:



This comprehensive vision and related pillars and operational objectives, covering all the material topics for Generalife, enabled the company to create a coherent purpose shared across the multiple entities of the Group. Generalife and Investindustrial’s efforts to build and deliver an ambitious sustainability strategy in less than two years contributed to a successful exit and to receiving the 2022 Private Equity Awards ‘Mediterranean Deal of the Year.’ ♦

KNOWLEDGE EXCHANGE

Investindustrial promotes a culture of continuous learning and collaboration across the Firm and portfolio companies.

Knowledge sharing is core to how Investindustrial operates and integral to this approach are educational events held throughout the year both in person and virtually. One of the key events of the year is Investindustrial's Portfolio Company Sustainability Summit series. Annual summits include forums on sustainability, legal and compliance, risk, finance, digital transformation and cyber-security and are attended by the relevant professionals from each of the portfolio companies (i.e. CEOs, CFOs, Legal Counsels, Sustainability executives, CIO/CTO) as well as all Investindustrial's investment professionals and senior leadership.

Sustainability Summit

In 2021, Investindustrial held its sixth Sustainability Summit which, due to COVID-19 restrictions and disruptions, took place online for a second year running.

The event was attended by over 150+ representatives from portfolio companies and Investindustrial employees as well as senior management. The event began with an introduction from Investindustrial's Chairman, who presented the Firm's views on climate,

sustainability value creation and quality jobs. This was followed by a panel of portfolio company CEOs who described the criticality of sustainability in their businesses to meet / exceed consumer expectations, improve client relationships, gain competitive advantages, secure valuable resources, and more. They also reflected on the importance of Purpose and shared some of the benefits they have experienced by creating a business with Purpose.

NYU Stern's Centre for Sustainable Business (CSB)¹ presented for a third year and shared some of the insights of the work they did with Natra using the ROSI tool to quantify initiatives the Company is pursuing in sustainable packaging and sourcing. The NYU CSB team also shared recent research conducted on quality jobs.

Quarterly Webinars

Another focal point in the learning calendar is the webinar series where various sustainability topics are explored in greater depth. This year's sessions were led by external advisors and included: a deep dive on how to develop science-based targets, a webinar on energy

volatility and structuring options and a call concerning green energy certificate pricing and hedging strategies. Post year-end, another webinar on energy volatility and options was organised for the Italian market.

Sustainability Training

As introduced last year, 25 Investindustrial employees and portfolio company ESG representatives attended NYU Stern's Center for Sustainable Business' online Sustainability Course. This is a 15-week certified sustainability course which includes a mix of readings, videos, lectures, and exercises organised around various sustainability topics with student networking and interaction available via an online forum and lectures. Given the success of last year's programme, post year-end, a second intake of 10 portfolio company ESG representatives attended the same course with 12 Investindustrial new joiner investment professionals participating in a condensed one-week version of the programme. ♦

¹ www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business



Investindustrial's Sustainability Team at the 6th Annual Sustainability Summit held virtually from London.

Certificate for the NYU Stern online Sustainability Course.

INDUSTRY ENGAGEMENT

Investindustrial adheres to independent, universally recognised frameworks in its approach to responsible investment decisions, and takes a collaborative approach to addressing emerging sustainability issues.



Investindustrial has an established track record of responsible investing. We are proud of the milestones achieved over two decades and continue to prioritise ESG and sustainability throughout the investment cycle. Incorporating ESG and sustainability considerations into business decisions is essential to create long-term value and to develop a sustainable strategy for our portfolio companies.

In 2008, Investindustrial was the first private equity firm with a focus on Southern Europe to become a signatory to the UN Global Compact (UNGC), thus making a commitment to doing business responsibly and aligning company strategies and operations with ten Principles on human rights, labour, environment and anticorruption.

In 2009, Investindustrial became a signatory to the Principles for Responsible Investment (PRI) and continues to fully support the PRI's agenda and implement its six Principles. We note that the UN PRI have suspended their annual PRI assessment, however the last score received was a top rating of A+ and A+ on Strategy and Private Equity in the annual PRI assessment.

Investindustrial became a certified B Corp™ for the first time in 2020, achieving the highest certification score of any private equity buy-out firm¹. This is recognition of our relentless focus on sustainability and our approach to building better companies. Post-year end, Investindustrial is working with a number of portfolio companies to undertake B Corp™ certification.

In 2020, Investindustrial became supporters of the Taskforce for Climate-Related Financial Disclosure (TCFD) initiative². TCFD aims to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. Refer to page 119 for more information.

In 2020, Investindustrial became a signatory of the PRI endorsed Initiative Climate International (ICI) and is actively working with peers on climate action.

Investindustrial is proud to actively engage with these bodies and believes that public participation and collaboration is essential to drive collective change. ♦

¹ www.bcorporation.net

² www.fsb-tcfd.org

CONTRIBUTING TO SUSTAINABLE DEVELOPMENT

Sustainable Development Goals (SDGs)

The United Nations adopted the Sustainable Development Goals (SDGs) in 2015, designed to end poverty, fight inequality and injustice, and tackle climate change by 2030. Reaching these 17 goals and 169 targets will require everyone’s contribution – including government, civil society and business. It is indeed recognised that the SDGs can offer companies a significant growth strategy and valuable new market opportunities. Investindustrial contributes to the SDGs in three ways, through:

- Portfolio companies – many of which report on their contribution to selected SDGs in their own sustainability reports and have sustainability objectives and targets in support of specific SDGs;
- Investindustrial’s direct operations – we strive to operate in a sustainable manner and our own sustainability objectives directly contribute to the goals; and
- Invest for children and the Investindustrial Foundation – both foundations are committed to making a meaningful contribution to the SDGs.

Sustainable Development Investments (SDIs)

In support of the SDGs, a group of investors turned their attention to define how business can specifically contribute to the Global Goals. In doing so they created the taxonomy of Sustainable Development Investments (SDIs) which relate to investments that meet a set return requirement and support the generation of positive social and/or environmental impact through their products and services, or at times through acknowledged transformational leadership. Whilst Investindustrial’s investment strategy does not currently target SDIs, contributing to SDGs is core business for several portfolio companies. Overall, capital invested in an SDI in Investindustrial VI LP is 69%. In Investindustrial Growth LP and Investindustrial V LP, 26% and 36% of capital invested, respectively, relates to an SDI and for Investindustrial VII LP this equates to 27% of the portfolio. A further overview of SDIs across the portfolio is presented in the table opposite.

EU Taxonomy for Sustainable Activities

In its original form, the EU taxonomy for sustainable activities (“Taxonomy”) is a classification system, establishing a list of environmentally sustainable and social economic activities. The goal of the taxonomy is to accelerate ‘green investments’ by providing transparency to investors, companies and financial institutions and to mobilise financing for those economic activities that contribute to the EU’s environmental objectives.

The EU “Green” taxonomy provides investors and other stakeholders with a universal set of sustainability metrics as well as clear rules on what can be classified as ‘green’ or ‘environmentally sustainable’. Currently, the Taxonomy establishes six environmental objectives, however, the criteria for defining whether a business is taxonomy compliant is only available for climate change adaptation and mitigation.

More recently, and as a complement to the environmental taxonomy, a social taxonomy was introduced. The social taxonomy is the classification of economic activities that significantly contribute to social goals in the EU and represent a common code for investors, businesses and regulators regarding what is/ is not sustainable from a social perspective.

These goals are defined by three key objectives: i) decent work, ii) adequate living standards and wellbeing for end users, and iii) inclusive and sustainable communities and societies. The aim of the social taxonomy is to promote sustainable investment in Europe, putting the focus on the protection of human rights and on the social impact on the main stakeholder groups of businesses: employees, customers and communities. ♦

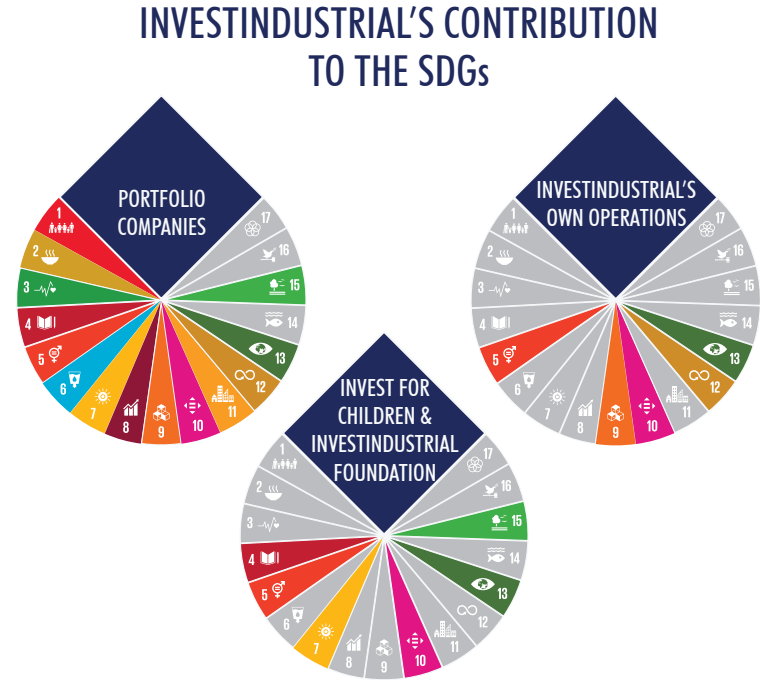
1 https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en.

INVESTINDUSTRIAL’S SUSTAINABLE INVESTMENTS

COMPANY NAME	BUSINESS DESCRIPTION ¹	EU TAXONOMY FOR SUSTAINABLE ACTIVITIES ALIGNMENT ²	PRIMARY SDGS	SDG TARGETS SUPPORTED
Investindustrial Fund V LP				
Artsana	Maternity and childcare products	✓	3 4	3.2 End preventable death of newborns & children under 5 years. 4.2 Access to early education.
MTD	Provider of blood sampling, injection devices and personal health & diagnostics equipment	✓	3	3.8 Achieve universal health coverage.
Design Holding	LED lighting solutions and other luxury interior design furnishings	✓	7	7.3 Double the global rate of improvement in energy efficiency.
Investindustrial Fund VI LP				
Artsana	Maternity and childcare products	✓	3 4	3.2 End preventable death of newborns & children under 5 years. 4.2 Access to early education.
MTD	Provider of blood sampling, injection devices and personal health & diagnostics equipment	✓	3	3.8 Achieve universal health coverage.
CEME	Water treatment components	✓	6	6.3 Improve water quality.
Design Holding	LED lighting solutions and other luxury interior design furnishings	✓	7	7.3 Double the global rate of improvement in energy efficiency.
Jacuzzi	Manufacturer of hydrotherapy products	✓	3	3.4 By 2030, reduce premature mortality from non-communicable diseases through prevention and treatment.
Neolith	Manufacturer of sintered stone surfaces and facades	✓	11	11.6 Reverse the adverse environmental impact of cities.
Investindustrial Growth Fund LP				
GeneralLife	Provider of fertility treatment and reproductive care	✓	3	3.7 Ensure universal access to sexual and reproductive healthcare services.
Procemsa	Manufacturer of probiotics, vitamins and food supplements	✓	2 3	2.2 End all forms of malnutrition. 3.8 Access to safe, quality and affordable medicines.
Investindustrial Fund VII LP				
Northius	Vocational education provider	✓	4	4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education. 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.
Atida	Online Retailer (pharmaceuticals and wellness products)	✓	3	3.5 Prevent and treat substance abuse 3.7 Universal access to sexual and reproductive care, family planning and education 3.8 Achieve universal health coverage
Rimac	Automotive and parts manufacturer	✓	9	9.4 Upgrade all industries and infrastructures for sustainability.
Targa Telematics	Software provider in telematics and mobility	✓	11	11.2 Affordable and sustainable transport systems.

¹ We define an SDI as an investment in a portfolio company whose main business is solving one or more SDGs as per the SDI Asset Owner Platform (<https://www.sdi-aop.org>).

² EU Taxonomy for Sustainable Activities alignment is based on Investindustrial’s analysis with the data available according to the criteria and definitions provided in the ‘Final Report on Social Taxonomy’ (https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/280222-sustainable-finance-platform-finance-report-social-taxonomy.pdf) and the ‘Technical Annex of the Taxonomy Report’ (https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf).



MATERIALITY

Investindustrial’s materiality assessment shapes our sustainability strategy and our approach to reporting.

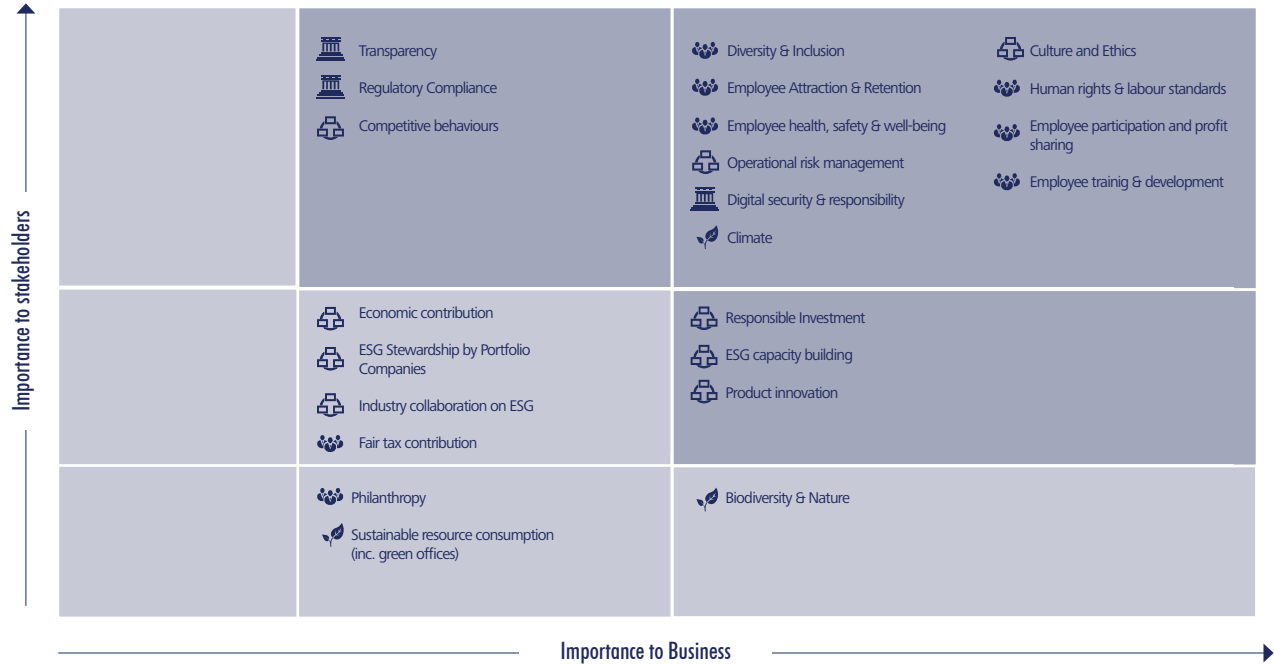
Each year, the materiality matrix is reviewed and updated to ensure that sustainability issues continue to be given appropriate prioritisation based on their relative importance to Investindustrial and to our key stakeholders in an ever-changing world.

The materiality assessment is based on the Global Reporting Initiative (GRI) Materiality principle, and continual dialogue with investors. It involves research and benchmarking, a review of each of the portfolio companies own sustainability reports and their identified material issues, and consideration of issues facing the industry, including those relating to the Task Force on Climate-related Financial Disclosures (TCFD), Principles for Responsible Investment (PRI), the UN Global Compact, OECD Guidelines for Multinational Enterprises, and Sustainable Development Goals (SDGs). Assessment findings are subject to internal validation.

As part of Investindustrial’s strategic review, the materiality matrix has been updated and reflects a greater emphasis on People over the year prior with social issues such as ‘Employee participation and profit sharing’ and ‘Employee training and development’ increasing in relative importance. Governance issues concerning People are also considered more material this year with ‘Culture and Ethics’ and ‘Human rights and labour standards’ becoming more significant to stakeholders. ‘Climate’ also continues to remain material and reflects a growing focus for the industry as does ‘Digital security & responsibility’. In terms of new material issues added to the matrix, these include ‘Biodiversity & Nature’ reflecting Investindustrial’s concern for this topic as well as ‘ESG capacity building’ which demonstrates an awareness of the will, skills and resources required for a just and sustainable transition for the future.

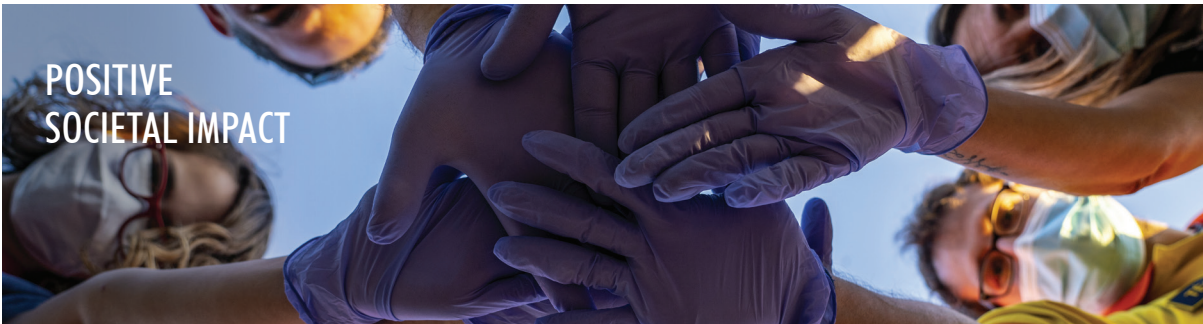
Investindustrial will continue to review and update its material sustainability issues at least annually as the portfolio and nature of issues are subject to change. ♦

MATERIALITY MATRIX SHOWING THE RELATIVE PRIORITY OF SUSTAINABILITY ISSUES



INTRODUCTION TO SUSTAINABILITY TRENDS

When considering sustainability issues at a macro level, certain megatrends become apparent such as climate change. As viewed by Investindustrial, the significance pertaining to megatrends is to understand the scope, pace and materiality of them on current and future portfolios in order to assess the risks and opportunities at hand. For the Investindustrial portfolio, the megatrends that are most relevant given the Firm’s sector focus are climate change, resource pressure and societal wellbeing. Our response to these megatrends are featured below with examples of how portfolio companies are managing these issues on the following pages. There are a number of additional megatrends which will not be discussed extensively in this report and have featured in previous reports such as Ethics, Corporate Culture, Diversity & Inclusion, Supply Chain and Human Rights. While not discussed here, Investindustrial’s portfolio companies are actively managing these and other ESG aspects. ♦



COMBATING CLIMATE CHANGE

Climate change is one of the highest priority ESG issues facing investors, as it poses risks and opportunities in addressing climate-related impacts on business, and in shifting to a low carbon global economy.

Climate change will result in changes to weather, consumer demands and societal expectations, as well as the development of new regulation and technology. To build resilience to climate change and prepare for a low-carbon future, Investindustrial's Sustainability Team works with portfolio companies to understand the potential impacts of climate change on their entire value chain. The Sustainability Team provides support to reduce or prevent the emission of greenhouse gases, in line with Investindustrial's climate mitigation strategy detailed below. Responsibility for implementing climate initiatives lies solely with the portfolio company board and management teams.

Following on from the activities of 2020, becoming a signatory of TCFD and publishing TCFD disclosures (part of the 2020 Annual Review and Sustainability Report) an updated version of the TCFD disclosures is provided on pages 119-121.

In 2020, Investindustrial became a signatory of Initiative Climat International (ICI), an initiative for private equity firms aiming to address climate change. Through its collaborations with ICI, including its role in chairing the Net Zero working group and participation in other technical workgroups, Investindustrial has made meaningful contributions to the industry with regard to establishing carbon footprinting standards, interpreting climate regulations and more. In the said year, Investindustrial, along with ten leading European PE firms, sponsored and supported the development of the Private Equity Sector Science-Based Targets (SBT) Guidance in partnership with the Science Based Target Initiative (SBTi), ICI and support of the UN PRI. This guidance was released in time for the 2021

UN Climate Change Conference (COP26). In November 2021, along with five other PE firms, Investindustrial set validated science-based targets (SBTs) aligned with a 1.5C pathway. At the same time, Investindustrial became one of only a few private equity signatories of the Net Zero Asset Manager Initiative (NZAM). As signatory of NZAM, Investindustrial commits to work in partnership on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all AUM.

Short-term Climate Change Commitments

Investindustrial's short-term SBTs and NZAM climate commitments cover both Investindustrial and its portfolio. Our validated targets are as follows:

Investindustrial

- Investindustrial commits to reduce scope 1 and 2 GHG emissions by 68% per headcount by 2030 from a 2019 base year.
- Investindustrial commits to increase annual sourcing of renewable electricity from 45% in 2019 to 100% by 2030.

Portfolio

- Investindustrial commits that 50% of its PE investments by invested capital will have set science-based targets by 2026 and 100% by 2030

Climate Change Approach

In alignment with commitments to SBTi and NZAM, Investindustrial's comprehensive carbon and climate change mitigation strategy considers both technological and nature-based solutions and follows a three-pronged

approach covering both Investindustrial and its portfolio:

1. Reducing carbon emissions at source.

Since 2016, all portfolio companies have embarked on energy efficiency projects to both reduce operating costs as well as their carbon footprints. All portfolio companies have started working to set SBTs in line with a global commitment to curb greenhouse gas emissions and limit global warming to 1.5 degrees by 2050. Post year end, six portfolio companies have committed to SBTs with another five evaluating the feasibility of an SBT commitment.

2. Sourcing renewable and low carbon energy solutions.

Portfolio companies are encouraged to source low carbon and renewable energy sources via either on-site (e.g. photovoltaic panels) or off-site solutions (e.g. power purchase agreements or green energy supply contracts). The target for 75% of electricity consumption to be sourced from renewable energy across the portfolio by 2020 has not been met (see Sustainability Strategy and Objectives on page 58 and 59) however the goal of reaching 100% by 2025 remains. At year end, the total renewable electricity consumption was 33.4% in our portfolio, with 82% of the portfolio companies sourcing renewables electricity.

3. Offsetting remaining carbon emissions via nature-based climate solutions.

Investindustrial has been carbon neutral as an organisation for the last 13 years, and its share as an investor in the portfolio companies for the past 5 years. In 2020, Investindustrial became carbon neutral across all investments in active funds. See Proprietary Approach to Decarbonisation on pages 50 and 51 for more details. ♦

OUR JOURNEY TO NET ZERO



ENGAGE WITH INDUSTRY PARTNERS

Private Equity Sector Science-Based Target Guidance

Invest Europe Climate Change Guide

ICI-ERM guidance on GHG Accounting and Reporting for the private equity sector

REPORT ON PROGRESS

TCFD disclosure: second TCFD disclosure published in 2021

See p. 119 for more details.

1 According to IIGCC criteria defined here:
<https://www.iigcc.org/download/consultation-on-proposed-components-for-private-equity/?wpdm=5405&refresh=6290d428a91051653658664>

FIRM CARBON REPORTING

INVESTINDUSTRIAL 2021 GHG EMISSIONS (tCO ₂ e)				TOTAL EMISSIONS		1,625
SCOPE 1	144	SCOPE 2 (MARKET BASED)	6	SCOPE 3	1,475	
Energy use (gas, heating, other fuel)	44	Electricity consumption	6	Business travel	1240	
Owned/ leased vehicles	100	SCOPE 2 (LOCATION BASED)	89	Purchased services	177	
Refrigerants	0			Employee commuting & home working ¹	54	
				Waste	2.1	
				Water	0.7	
				Outbound deliveries	1.0	
				Investments ¹	0	
				TOTAL MARKET BASED	1,625	
				TOTAL LOCATION BASED	1,708	

¹ Sponsor share (scope 3, category 15) of portfolio companies' scope 1 and 2 tCO₂e is zero due to the fact that all portfolio companies are carbon neutral for scopes 1 and 2. Otherwise, scope 3, category 15 would have been: 24,054 tCO₂e.

FUND¹ CARBON REPORTING

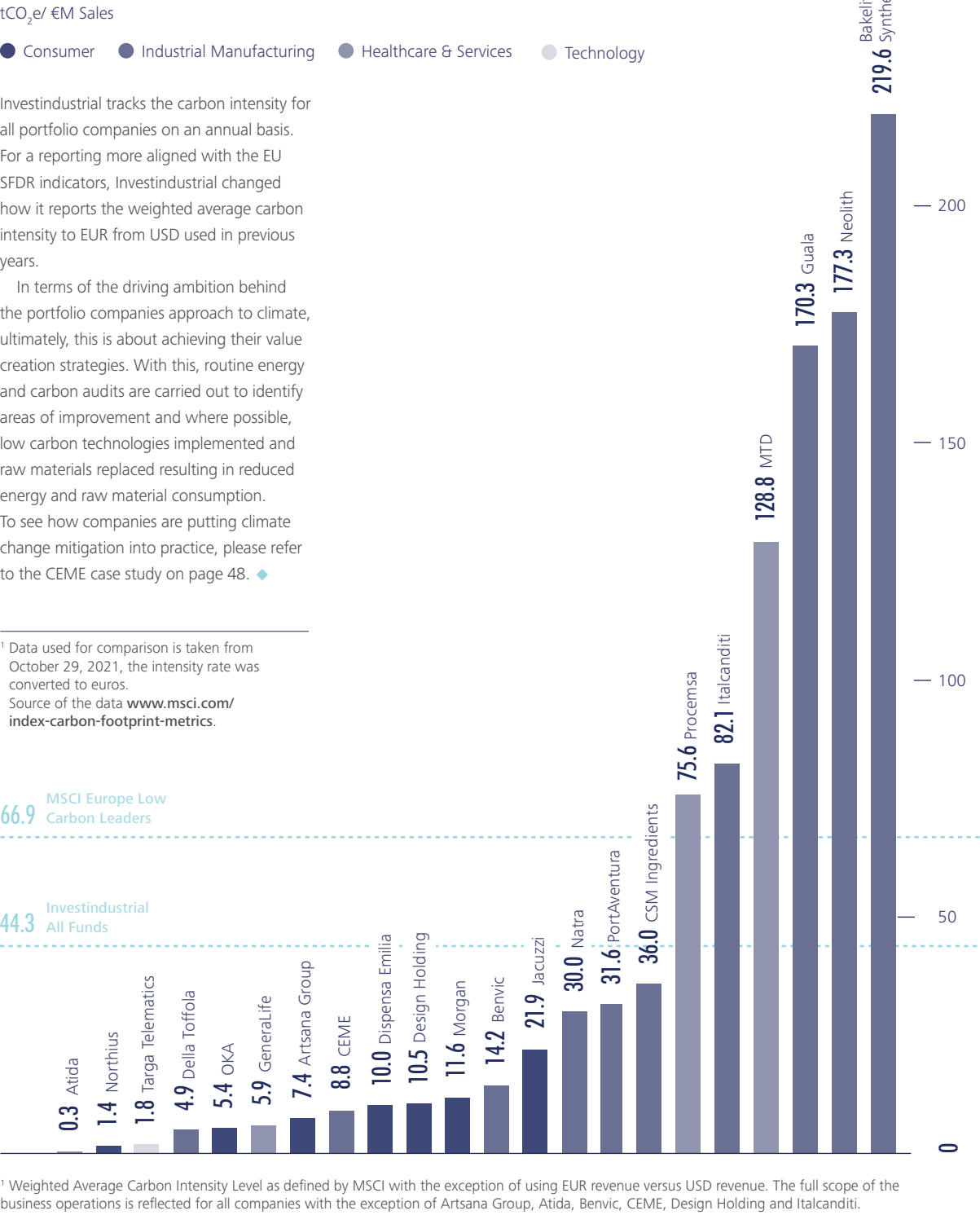
FUND	FUND EMISSIONS tCO ₂ e (Scope 1 and 2) ²			FUND CARBON FOOTPRINT tCO ₂ e/€M invested (Scope 1 and 2) ²		
	2020	2021	variance 20/21	2020	2021	variance 20/21
INVESTINDUSTRIAL FUND BUF IV	18,449	2,516	-86%	44	6	-86%
INVESTINDUSTRIAL FUND V	223,922	9,667	-96%	178	41	-77%
INVESTINDUSTRIAL FUND VI	106,215	98,156	-8%	42	34	-17%
INVESTINDUSTRIAL FUND VII		185,319	n/a		117	n/a
INVESTINDUSTRIAL GROWTH FUND	17,765	10,061	-43%	48	11	-76%

FUND	FUND CARBON INTENSITY tCO ₂ e/€M sales (Scope 1 and 2) ²		
	2020	2021	variance 20/21
INVESTINDUSTRIAL FUND BUF IV	116	32	-73%
INVESTINDUSTRIAL FUND V	154	13	-92%
INVESTINDUSTRIAL FUND VI	35	27	-25%
INVESTINDUSTRIAL FUND VII		107	n/a
INVESTINDUSTRIAL GROWTH FUND	45	16	-65%

¹ For the purposes of the TCFD Fund reporting, co-investors and the sponsor are included.

² Based on the TCFD advised metrics for Asset Managers (www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf).

CARBON INTENSITY¹



CLIMATE CHANGE MITIGATION IN PRACTICE

CASE STUDY

CEME GROUP

Building a climate roadmap and delivering significant GHG emissions reduction



www.cemegroup.com



GHG inventory and data disclosure

From the beginning, CEME recognised that you can't impact what you don't measure and so, in 2018, the Company started its climate journey by assessing its scope 1 & 2 GHG emissions. Soon after, in 2019, the Company completed a full scope 3 carbon inventory (all 15 categories). In terms of transparency, CEME reports its carbon emissions via its sustainability report and updates its emissions annually.

SBTi commitment

To reinforce its commitment to fight against climate change, CEME developed a climate roadmap in 2020 and committed to reduce scope 1 and 2 emissions by 27.5% by 2030 - in line with the Science Based Targets initiative's well-below 2°C scenario. CEME is now in the process of committing to the Science Based Targets initiative through the 1.5°C pathway, with ambitious targets covering 100% of its GHG emissions.

Decarbonisation initiatives

To reach CEME's ambitious targets, it now sources 100% of its electricity from Renewable Energy Guarantees of Origins (RE GoOs) certificates for the Trivulzio and Tarquinia plants. From 2022, the two newly acquired ODE and ACL plants will also be covered by RE GOO certificates, thus reducing the Group's Scope 2 emissions to almost zero.

69.4%
OF ELECTRICITY CONSUMPTION COVERED BY RENEWABLE ELECTRICITY IN 2021

Additionally in 2022, 20,000 sqm of solar panels will be installed at the Tarquinia plant producing 3,200 MWh annually and representing approximately 32% of CEME's

electricity consumption. Furthermore and also at the Tarquinia plant, a new trigeneration system is under construction which will improve energy efficiency and enable a further reduction of the Company's carbon footprint.

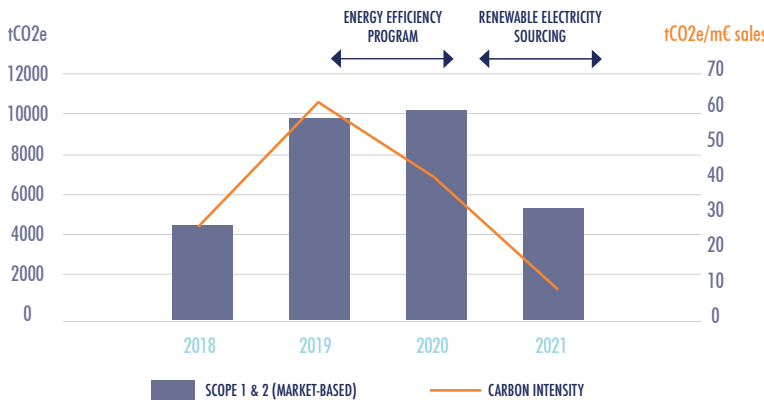
Offsetting remaining emissions

Since 2020, the Company has been carbon neutral on its own operations through nature-based climate solutions, using the "Great Bear Forest Carbon" and "Guatemalan Conservation Coast" projects provided by Investindustrial.

Next steps

Along with its SBTi commitment, CEME is now working on defining a reduction roadmap for its Scope 3 emissions, and most importantly for the Scope 3 – category 1 (purchased goods) which represents almost 70% of its overall emissions. This will be addressed through a supplier engagement program developed by CEME with the support of external advisors and Investindustrial's Sustainability Team. ♦

CEME'S GHG EMISSIONS AND CARBON INTENSITY OVER TIME



Aerial view of CEME's Trivulzio site in Italy.



Solar panel project at CEME's Tarquinia site in Italy.

PROPRIETARY APPROACH TO DECARBONISATION

As mentioned earlier, in 2021, Investindustrial set validated science-based targets aligned with 1.5C and at the same time, Investindustrial became a signatory of the Net Zero Asset Manager Initiative, committing to reach net zero emissions by 2050 or sooner across all AUM. These commitments entail the following:

	RELEVANT NZAM AND SBT COMMITMENTS	ACTION TAKEN	PROGRESS
1	Set interim targets for 2030 aligned with 1.5C.	Commit to interim science-based targets in line with 1.5C.	Validated SBT for 2030 – see page 44 for details.
2	Take into account portfolio scope 1 and 2 emissions and material portfolio scope 3 emissions.	Measure portfolio emissions.	Portfolio emissions measured since 2016 – see below.
3	Prioritise achieving real economy emissions reductions.	Achieve emission reductions.	Investindustrial’s climate mitigation approach on reducing emissions and sourcing renewable energy since 2016 – see page 44 for details.
4	If using offsets, invest in long-term carbon removals where no technological and/or financially viable alternatives to eliminate emissions exist.	Invest in proprietary carbon removals solutions.	Investindustrial’s proprietary nature-based solutions – see page 51 for details.
5	Create investment products aligned with Net Zero emissions by 2050 and facilitate increased investment in climate solutions.	Alignment of portfolio to Net Zero.	In progress to increase portfolio alignment to Net Zero and EU Green Taxonomy.
6	Provide asset owners with information on Net Zero emissions by 2050 and climate risk and opportunity.	Disclosure of climate information to asset owners.	Disclosure since 2016 to asset owners through the Annual Review and Sustainability Report.
7	Publish TCFD disclosures.	Disclose TCFD information.	Disclosure since 2020 through the Annual Review and Sustainability Report – see page 119 for details.

Emissions Measurement

In 2016, Investindustrial set ambitious targets centred on carbon emissions reduction and neutrality. Core to this approach, and a precursor to pursuing the climate mitigation strategy mentioned earlier in this report, has been the collection and calculation of GHG data and emissions at the portfolio company level according to the GHG protocol. From the beginning, Investindustrial encouraged the portfolio companies to collect the data needed, for all scopes of emissions, to better understand the factors impacting their carbon footprint (energy consumption, logistics, supply chain, etc.).

Where data was not available, the portfolio companies were to develop processes and systems to gain access to the right information going forward versus relying on estimates or proxies.

Real Economy Climate Action

Since 2019, at the pre investment due diligence stage, a formalised and systemic analysis on

climate-related risks and opportunities is undertaken. In the context of the TCFD framework, to which Investindustrial became a signatory in 2020, these risks and opportunities pertain to transition risks of a decarbonising economy, physical risks and opportunities. These risks and opportunities are then assessed for their materiality over the medium-term (10-15 years). Any material findings and mitigating actions included in the advisory teams’ value creation plans as well as the portfolio company’s 100-day plan where the issues are prioritised, and allocated budget vis-a-vis the other business needs and overall strategy.

Residual Emissions Removal

Understanding climate change impact, both pre and post investment, has been the cornerstone to how Investindustrial manages its approach to decarbonisation. Inherent in this understanding is also the fact that not all carbon emissions can be avoided or reduced at this stage in the

decarbonising cycle for a portfolio as diverse as that at Investindustrial. As such, offsetting emissions that remain has always been a known factor and one for which Investindustrial has taken an equally strategic approach. Since 2009, Investindustrial has been working towards sourcing quality proprietary nature-based solutions working directly with project developers in their local markets.

Investindustrial believes that by investing in solutions that provide direct access to global carbon projects, it has more control over quality projects, which helps to improve value, whilst reducing risk and generate tangible social, climatic and biodiversity outcomes. Current nature-based climate solutions include the Blue Carbon Project, on which Investindustrial is sponsoring the development, and the Great Bear Forest and Guatemala Conservation Coast Projects (see page 51). Additionally, the Sustainability Team continues to work with a number of other nature-based solutions carbon projects globally. ♦

GREAT BEAR FOREST CARBON PROJECT

LAND
Coastal area on Canadian pacific coast

LOCATION
Great Bear Rainforest, British Columbia, Canada

STANDARDS
British Columbia Forest Offset Protocol v1.0

COMMUNITY
Members of the Coastal First Nations & Nanwakolas Council Society

CLIMATE ZONE
Cfb Oceanic

SPECIES
Plants: Stika Spruce, Western Red Cedar, Western Hemlock, Douglas Fir. Animals: Kermode and Grizzly Bears and Coastel Wolves

SDGs¹

Project Description

The Great Bear Forest Carbon Project is an Improved Forest Management project. The project activities include changes in land –use legislation and regulation that result in increased carbon stocks by converting forests that were previously designated, and coastal wolves sanctioned, or approved for commercial

logging to protected forests. Emissions caused by harvesting, road building and other forestry operations are also prevented. It is a landmark project for balancing the human well-being and ecological integrity through carbon finance, and it is the first carbon project in North America on traditional territory with unextinguished Aboriginal Rights and Title. ♦



GUATEMALAN CONSERVATION COAST PROJECT

LAND
over 59,941 hectares protected

LOCATION
Guatemalan Caribbean coastline, Izabal region, Guatemala

EMISSIONS
c. 22 million tCO₂e avoided

STANDARDS
VCS-CCB, Gold Level for biodiversity

COMMUNITY
over 100 local and indigenous communities and c. 3,250 families

CLIMATE ZONE
Tropical rainforest (AF)

SPECIES
30 High Conservation Value and over 400 birds

SDGs

Project Description

Climate finance works to protect the remaining forests of the Guatemalan Conservation Coast region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. As a direct result of the project activities, a REDD+, VCS and CCB Standards certified project with a Gold Level status for

biodiversity, over four million tCO₂e will be avoided by 2021, the equivalent of taking over 440,000 homes off the grid for a year. When considering the lifetime of the project over 30 years, the tCO₂e avoided will be closer to approximately 22 million. There are also important biodiversity benefits. Over 400 species of birds have been documented in the project area and 120 species depend on the corridor to sustain their great journeys. ♦



POSITIVE SOCIETAL IMPACT

Working with stakeholders to create long-term positive impact.

Over the past two years, Investindustrial portfolio companies have marshalled their resources, networks, capabilities and empathy to help alleviate the hardship and instability felt in their communities due to the COVID-19 crisis, this was also evident in response to the Ukrainian refugee crisis post-year end.

In practice, the companies have long recognised that their communities, whether local or further afield, are key stakeholders in their businesses and provide a multitude of services and talents on which they rely. As such, the health of these microcosms is essential to the health of the portfolio companies themselves and their ability to perform over the long-term. Therefore, community engagement and supporting the richness of diversity, art and science are a strategic priority for the portfolio companies as is demonstrating solidarity and genuine concern for the well-being of their co-citizens.

It is with this positive societal impact in mind that Investindustrial actively promotes the B Corp™ certification process and validation and encourages its portfolio companies to consider the merits of achieving this status. For the Firm itself, Investindustrial became a certified B Corp™ for the first time in April 2020. This achievement is a recognition of our relentless focus on sustainability and our approach to building better companies. At the time, Investindustrial achieved the highest certification score of any non-impact private equity buy-out firm (116.2) and has since been named ‘Best for the

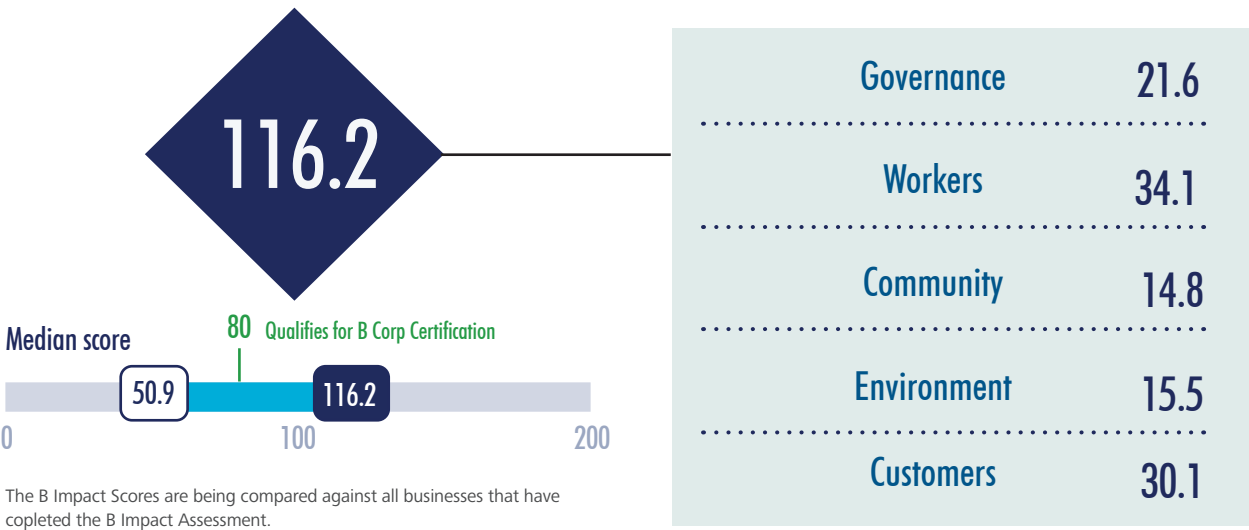
World™’ for Governance in 2021 and 2022, scoring amongst the global top 5% for this impact category .

Certified B Corporations meet the highest standards of verified social and environmental performance, public transparency, and legal accountability. It is this combination that helps certified B Corporations build trust and value. Certification is administered by the non-profit B Lab organisation and follows a rigorous assessment that evaluates how a company’s operations and business model impact its employees, customers, suppliers, community and environment.

As a B-Corp, Investindustrial sees the value from B-Corp certification to drive culture change in the companies, to build purpose and to drive positive value creation for all stakeholders. There are multiple elements for value creation and delivery through B-Corp namely the development of organisational identity and culture, innovation culture for products and services, systemic relations with stakeholders, sustainability integration with corporate strategy and strengthened governance structures. Six of Investindustrial's portfolio companies are going through the process of B-Corp certification, with B-Corp status expected late in 2022. The preliminary scores range between 80 and 115 points. ♦

1 In addition to the impact category, companies are grouped according to size.

INVESTINDUSTRIAL B-CORP CERTIFICATION SCORE



CASE STUDY

MTD

Fostering employee’s wellbeing by valuing people



www.mtdglobal.com



Employee Health & Safety at MTD.

Professional development

MTD promotes the continuous empowerment of its employees by offering training activities to encourage personal and professional growth. Training programs were developed via a bottom-up approach by listening to employees’ different needs, both white and blue collar workers, and tailoring the programme to provide a specific range of courses.

Over the past two years, despite the challenges of the COVID 19 pandemic, MTD has managed to implement two different training courses: “Leadership for Results - being a manager in MTD today”, a training program to improve managerial, teamworking and leadership skills, and “Operational Excellence: the human factor” to raise awareness and foster initiatives on waste reduction in the manufacturing process.

8,500
TRAININGS HOURS IN 2020 AND 2021

47 %
COVERING HEALTH AND SAFETY AND PROFESSIONAL DEVELOPMENT

Health and safety

MTD is not only driven by the development of its people but also by its work environment, devoting material investments in employee health and safety. During the COVID pandemic,

the Company was on the front line to ensure a safe workplace for its employees in order to maintain business and production continuity. By doing so, MTD was able to avoid disruption in the healthcare supply chain and to supply hospitals, health care systems, vaccination hubs, private and public health operators without delays.

Wellbeing and employee engagement

In 2021, MTD further improved its employee wellbeing program by offering its employees low-cost access to childcare as well as providing private medical insurance.

Also in 2021, MTD launched an employee survey which was designed to better understand employees’ skills and interests. The result from the survey thereby allows MTD leadership to better understand their employees’ potential and helps to foster greater international and cross-functional internal mobility.

Finally, the Company has introduced a new internal communication channel to promote a continuous dialogue with employees through periodical townhalls, newsletters, business coffees and “points of listening”. ♦

SUSTAINABLE RESOURCE CONSUMPTION

Competing demands for finite natural resources such as energy, water and land, and increasing use of plastics and production of waste pose environmental and economic risks. However, new technologies and innovation can create opportunities for more sustainable resource consumption.

Over the past year, our portfolio has seen a rise in energy and raw material costs across the board, driven by disruption in the global supply chain caused by Covid-19, and the Ukrainian crisis. This has re-emphasized the need for resource and energy efficiency in our portfolio companies' operations, and manifested in a faster transition of products and services to more circular models. As such, whilst the immediate impact on companies that pursue sustainable resource consumption might be reduced cost of goods sold or a competitive positioning through their services and products, the real opportunity for a company is in its long-term sustainability and its ability to transition to a different set of customer expectations, increasing regulatory requirements as well as to react and innovate given resource constraints.

Tackling this issue across the life cycle requires significant focus by portfolio companies through better management of their supply chains, engaging and partnering with suppliers and buyers in sustainable procurement practices. This effort may also include educating consumers on sustainable consumption and lifestyle choices, providing them with the necessary information upon which to base their decisions. Investindustrial's portfolio companies are actively pursuing opportunities based on a circular economy, including eco-design to reduce waste and pollution, extending the life of products and materials in use, and regenerating natural systems. In many cases, these opportunities form part of their core corporate strategies, positioning for long-term, sustainable growth. Examples of these sustainable resource practices are presented below (see also CEME's Case study on page 48). ♦



Investindustrial's Operation & Change Management and Sustainability teams with Della Toffola's senior leadership for an onsite Sustainability Workshop.

CASE STUDY

DESIGN HOLDING

Transitioning to a circular business model

Design Holding | B&B Italia | Maxalto | Azucena | Arclinea
Flos | Louis Poulsen | YDesign Group



www.designholding.com

In 2021, all the brands of the Design Holding Group have reaffirmed their commitment to transition to a circular business model - a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. It also means designing for circularity from the start which includes the selection of raw materials and the ease with which products can be disassembled at the end of life.

B&B Italia has been amongst the first in the furniture sector to evaluate the circularity of its products through ISO certified Life Cycle Assessments performed by third-party advisors.

In 2021, the company has assessed the circularity of three new products:

- Noonu, designed by Antonio Citterio,
- Pablo, designed by Vincent Van Duysen
- Borea outdoor collection, designed by Piero Lisson

The entire Borea collection is pivotal for the circular strategy of the Company: all its products are made of recycled, recyclable and modifiable materials that can be separated at the end of their lifecycle to ensure easy recyclability. It obtained the Green Good Design award in 2021 which identifies and emphasises the world's most important examples of sustainable design.

Flos' product circularity strategy is also well represented by its 2021 flagship product Almendra. Inspired by nature and designed to minimise its environmental impact through a rigorous life cycle assessment, the suspension lamp is composed of 100% recyclable extruded aluminium and bioplastic, a special polycarbonate derived from a by-product of paper. Furthermore, to improve the product's life expectancy and to enable easy dismantlement, only water-based varnish is used and the connections between pieces are snap-in and do not include screws or glues. ♦



Borea outdoor collection by B&B Italia.



Almendra suspension lamp by Flos.

CASE STUDY

JACUZZI

Reducing energy, water and material usage for key product categories



In 2021, Jacuzzi created a new Innovation team to focus on breakthrough solutions for challenges concerning energy and water usage as well as sustainable material evaluation. As a result, energy and material upgrades was achieved and included an exclusive formula of insulation

(blown-in fiber). Jacuzzi’s blown-in fiber insulation is now far more sustainable, not chemical-based and differs from its Polyurethane spray foam predecessor by offering 10-15% more thermo-efficiency and zero VOC. The upgraded insulation is comprised of approximately 30% recycled content which includes 12% post-consumer recycled glass and 18% pre-consumer content. In addition to improving the overall efficiency of Jacuzzi’s products, blown-in fiber insulation also benefits to the Company’s manufacturing sites because it creates zero scrap and requires

less manufacturing processing and water testing. Another significant benefit of the enhanced product is that it can be removed when servicing and easily reinstalled. This both eliminates waste and improves the customer experience. Also in 2021, Jacuzzi made significant updates to the SmartTub® mobile cellular application. Jacuzzi recognises the importance of educating their consumers on the impact of smarter hot tub usage on their energy consumption. The new features in the SmartTub® app include the addition of a carbon footprint tab that displays individualised energy consumption data for consumers to track their emissions. Graphics include comparisons to specific environmental goals like the number of trees saved by improved behavior. The carbon footprint feature also compares consumers to others in their region to help determine how their performance stacks up against their peers. In addition to the consumer-to-consumer comparison, the SmartTub® application also provides users with specific educational resources and settings opportunities to maximise the energy efficiency of their hot tub. ♦



Snapshots of SmartTub® mobile cellular application.



Jacuzzi’s Sundance Spas collection.

SUSTAINABILITY
STRATEGY &
OBJECTIVES

Investindustrial’s sustainability strategy builds on the Company’s mission statement and Firm values, presented on page 5, and seeks to strengthen aspects of sustainability at a firm level, through investment in portfolio companies and through Investindustrial’s Foundations. The objectives, presented on the opposite table and monitored on an annual basis for their impact on the business, community and the environment, were originally developed in 2016 and have been reviewed and assessed with subsequent materiality assessments. Where objectives have been met they are no longer included in the table; where they have not been met, they have been updated and are included. Whilst many of the sustainability objectives are still relevant and on-going given the natural turnover of companies in the portfolio, Investindustrial is in the process of refreshing its sustainability strategy and setting new ambitious, medium-term objectives and targets. As always, the Firm is looking forward to identifying any upcoming ESG risks and opportunities to leverage the value in investing sustainably.

As before, in addition to our objectives, each of the portfolio companies set medium-long term sustainability objectives and targets that are unique to their business and maximise value creation. These company-specific objectives and targets are

INVESTINDUSTRIAL’S SUSTAINABILITY OBJECTIVES

	TOPIC	SUB-TOPIC	RELEVANT SDG		OBJECTIVE	YEAR TO REACH OBJECTIVE	STATUS UPDATE
ENVIRONMENT Reduce environmental harm	Climate	GHG Emissions ¹	13 		Achieve carbon neutrality at Investindustrial ² at the fund level through a proprietary carbon capture / displacement project and certify carbon capture / displacement carbon credits.	2027	Achieved – Investindustrial became carbon positive across the Firm and all its funds by the end of 2020.
		Renewable Energy ³	9 		Reduce greenhouse gas emissions from Investindustrial and all active portfolio companies ⁴ by sourcing: - 75% of electricity requirements from renewable energy by 2020; and - 100% of electricity requirements from renewable energy by 2025.	2020, 2025	Achieved – Investindustrial is ahead of target by reaching 98% renewably sourced electricity consumption for the year ending 2021 For portfolio companies, on average, they are currently behind target, however 82% of the portfolio companies are pursuing renewable electricity sourcing solutions with the balance working to launch this initiative.
		Energy Consumption	13 		Set measurable objectives and targets for Investindustrial and its active portfolio companies focused on the management of energy consumption, in line with a global commitment to curb greenhouse gas emissions sufficiently to limit global warming to 2 degrees or below by 2100 ⁶ .	2020	Behind target - Whilst the 2020 deadline was not met, currently, six portfolio companies have already committed to the SBTi in Q2 2022 with another five portfolio companies in the process of evaluating their SBTs.
	Sustainable resource consumption		9 		Investindustrial and all active portfolio companies identify and implement opportunities arising from a circular economy.	Identify opportunities by 2020. Implement opportunities by 2025.	On track – All portfolio companies for which circular economy principles are relevant have identified opportunities and most companies have started to implement these initiatives.
SOCIAL Employer of choice Partner of choice	Diversity and Equal opportunity	Gender Diversity	5 		Increase the number of women on the board of all Investindustrial entities and active portfolio companies to 33%.	2020 ⁵	Nearly Achieved - Investindustrial came very close to achieving its 2021 Gender Diversity goal by reaching 30% women on the board of all Investindustrial entities and active portfolio companies.
			10 				
	Human rights and labour standards		10 		Investindustrial and all of its active portfolio companies are signatories to the UN Global Compact and incorporate the Ten Principles of the UN Global Compact into relevant strategies, policies and procedures.	Within 18 months post-investment.	Behind target – As per year end 2021, 89% of Investindustrial active portfolio companies were UNGC signatories, however, all companies have incorporated the spirit of these principles into their policies and procedures.
GOVERNANCE Professional corporation	Bribery and corruption		10 		Investindustrial and all of its active portfolio companies are signatories to the UN Global Compact and incorporate the Ten Principles of the UN Global Compact into relevant strategies, policies and procedures.	Within 18 months post-investment.	Behind target – As per year end 2021, 89% of Investindustrial active portfolio companies were UNGC signatories, however, most companies have incorporated the spirit of these principles into their policies and procedures.
	Digital Responsibility		9 		Investindustrial and all of its active portfolio companies develop and implement strategies, policies and procedures to manage cyber security and data privacy, and to meet all relevant legal and compliance requirements.	Within 18 months post-investment.	Behind target – As of 2021, 88% of the portfolio companies are GDPR compliant. The Investindustrial Monitoring Team will continue to monitor and support this company as needed to achieve this goal.
	Risk management	General Certifications	9 		Obtain relevant certifications, for example, ISO 14001 re environmental management, ISO 45001 re occupational health and safety, ISO 9001 re quality management, ISO 27001 re information security, ISO 22316 re organisational resilience.	Within 3 years post-investment.	In progress - the Sustainability Team continues to work with the portfolio companies to identify and close any certification gaps. 86% of the active portfolio companies have certification.
			12 				
	Transparency	Annual Reporting	N/A		Investindustrial and all active portfolio companies: a) publish an annual Sustainability Report; b) assess and report their GHG emissions.	a) Within 18 months post-investment. b) At least annually.	a) Achieved – All active portfolio companies will publish a GRI aligned 2021 Sustainability Report. b) Achieved – All active portfolio companies measured, monitored and published their carbon emissions for 2021.

typically included within portfolio companies own sustainability reports. Furthermore, their carbon footprint along with other key ESG metrics, are included in Investindustrial’s ESG data reporting and are presented on pages 60 - 63. ♦

¹ Absolute GHG Emissions.
² For Investindustrial scopes 1, 2 and 3, scope 3 includes scopes 1 and 2 for all the active portfolio companies which are those companies that are in the portfolio during the first half of the year and still in the portfolio at year end.
³ Objective was set for year ending 2016 and the timeline pertains to the active portfolio companies at that time: HTG, PortAventura, Design Holding, Sergio Rossi, Artsana and Polynt Reichhold. For all other active portfolio companies, the timeline is accelerated with a target of sourcing 50% of electricity requirements from renewable energy within three years of entry and 100% within five years of entry.
⁴ Active portfolio companies are defined as those companies that have been in the portfolio for at least half the stated year and are still in the portfolio at year end.
⁵ Objective was set for year ending 2016 and the target year pertains to the active portfolio companies at that time: HTG, PortAventura, Design Holding, Sergio Rossi, Artsana and Polynt Reichhold. For all other active portfolio companies, the timeline is the same with reaching 33% within four years of entry.
⁶ Target and objectives will be aligned with commitments to science-based targets and Net Zero Asset Managers initiative.

ESG DATA REPORTING*

		INVESTINDUSTRIAL	ARTSANA GROUP	ATIDA	BAKELITESYNTHETICS	BENVIC	CEME			CSM INGREDIENTS	DELLA TOFFOLA	DESIGN HOLDING	DISPENSA EMILIA	GENERALIFE
ENVIRONMENT	GHG emissions (tonnes) – Scope 1	144	15,691	19	53,246	181	1,303			9,777	352	5,064	172	158
	GHG emissions (tonnes) – Scope 2 market	6	8,657	110	n/a	6,107	4,017			8,863	435	3,845	203	345
	GHG emissions (tonnes) – Scope 2 location	89	22,125	117	83,419	15,654	8,781			9,371	557	3,922	851	542
	GHG emissions (tonnes) – Scope 3	1,475	62,342	n/a	836,791	1,348,150	146,570			4,321	n/a	139,521	542	8,599
	Total GHG emissions (tonnes) **	1,625	86,690	129	973,457	1,354,438	151,890			22,961	787	148,430	917	9,103
	Carbon Intensity (tCO ₂ e/ €1M sales) ***	n/a	7.4	0.3	219.6	14.2	8.8			36.0	4.9	10.5	10.0	5.9
	Electricity Consumption (kWh)	508,674	80,990,978	1,045,591	116,021,359	54,647,880	23,440,975			22,581,521	3,214,283	12,292,476	3,231,711	2,211,359
	Electricity Consumption met via Renewable Energy (%)	98%	61%	0%	0%	53%	69%			18%	32%	37%	47%	33%
	Energy Consumption Intensity (GWh/ €1m sales)	n/a	0.04	0.00	0.51	0.12	0.04			0.09	0.05	0.05	0.09	0.03
	Water Consumption (m3)	1,287	197,567	n/a	13,726,805	23,046	77,411			1,300,000	11,431	40,385	35,102	8,843
	Emissions to Water (tonnes)	n/a	n/a	n/a	n/a	n/a	n/a			43,394	0	0	n/a	n/a
	Total Waste (tonnes)	54	6,764	466	n/a	1,482	4,498			3,000	1,078	2,874	n/a	n/a
	Total Waste to Recycling or Reuse (% of total Waste)	17%	79%	49%	n/a	92%	75%			51%	93%	84%	n/a	n/a
	Committed &/or Validated Science Based Targets (Yes/No)	Yes	No	No	No	No	No			No	No	No	No	No
SOCIAL	Carbon Neutral (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes
	Environmental Management System (Yes/No)	No	Yes	No	Yes	Yes	Yes			No	No	Yes	No	No
	Environmental Manager on staff (Yes/No)	Yes	Yes	No	Yes	Yes	Yes			No	Yes	Yes	No	No
	Male Employees (Full Time Equivalent) (%)	62%	31%	47%	82%	86%	51%			76%	87%	56%	35%	13%
	Female Employees (Full Time Equivalent) (%)	38%	69%	53%	18%	14%	49%			24%	13%	44%	65%	87%
	Total Employees (Full Time Equivalent) (number)	150	7,605	574	917	611	1,451			1,321	884	2,054	350	467
	Female Senior Managers (%)	10%	28%	36%	0%	23%	0%			33%	27%	37%	10%	n/a
	Net New Jobs Created **** (FTE)	8	-86	40	-6	103	65			-60	246	126	101	35
GOVERNANCE	Employee Training (hours per employee)	8	7	2	n/a	15	3			n/a	2	5.7	111	1
	Absenteeism (%)	0.5%	2.6%	0.0%	n/a	5.9%	3.2%			4.0%	3.2%	n/a	13.3%	12.0%
	Voluntary Turnover (%)	10.6%	8.2%	14.3%	4.6%	11.9%	22.6%			n/a	8.3%	9.5%	64.0%	3.0%
	Lost Time Injury Frequency Rate (LTIFR)	n/a	0.9	10.9	0.2	1.8	0.8			1.0	5.8	2.2	12.6	1.2
	Workers Council (Yes/No)	n/a	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	No	No
	Code of Conduct/Ethics (Yes/No)	Yes	Yes	No	No	Yes	n/a			Yes	Yes	Yes	No	No
	Diversity Policy (Yes/No)	Yes	Yes	No	Yes	No	Yes			Yes	No	Yes	No	No
	Female Board Members (%)	31%	11%	13%	17%	33%	17%			17%	14%	14%	33%	14%
	Anti-corruption Policy (Yes/No)	Yes	Yes	Yes	Yes	No	Yes			Yes	Yes	Yes	No	No
	Corporate Governance Policy (Yes/No)	Yes	Yes	No	Yes	No	Yes			Yes	No	Yes	No	No
	Health and Safety Policy (Yes/No)	Yes	Yes	No	Yes	Yes	Yes			Yes	No	Yes	Yes	Yes
	Environmental Policy (Yes/No)	Yes	Yes	No	Yes	Yes	Yes			Yes	No	Yes	No	No
	Whistleblower Policy (Yes/No)	Yes	Yes	Yes	Yes	No	Yes			Yes	No	Yes	No	No
	Supplier Code of Conduct (Yes/No)	No	Yes	No	Yes	No	Yes			Yes	No	Yes	No	No
	Supplier Audits (Yes/No)	No	Yes	Yes	No	No	Yes			Yes	No	Yes	No	No
	Executive Committee or Board Member responsible for Sustainability (Yes/No)	Yes	Yes	No	Yes	No	Yes			No	Yes	Yes	Yes	No
	ESG Steering Committee (Yes/No)	No	Yes	No	Yes	No	Yes			Yes	No	Yes	Yes	No
	Sustainability Strategy (Yes/No)	Yes	Yes	No	Yes	Yes	Yes			Yes	Yes	No	Yes	Yes
	Sustainability Report (Yes/No) *****	Yes	Yes	No	No	Yes	Yes			Yes	Yes	Yes	Yes	Yes
	UNGC Membership (Yes/No)	Yes	Yes	No	No	Yes	Yes			Yes	No	Yes	Yes	No

01 Investindustrial: Scope 3: Includes purchased services, waste generated in operations and water, business travel, employee commuting and working from home, outbound deliveries and investments.

02 Artsana Group:Scope 3: Includes purchased goods and services, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, upstream leased assets, downstream transport and franchises.

03 Bakelite: Scope 3: Includes purchased goods and services, upstream energy, waste generated in operations, employee commuting.

04 Benvic: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution and end of life treatment of sold products.

05 Ceme: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets.

06 CSM Ingredients: Scope 3: Includes upstream energy and business travel.

07 Design Holding: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel and employee commuting.

- Flos does not report on water consumption due to lack of materiality. - Where management, systems, policies or guidelines at the individual company level of Design Holding differ from the answer provided in the table, they are noted here and only consider the brands Flos, B&B Italia and Louis Poulsen: Environment Management System (EMS) – none for LP; Environmental Manager - none for B&B Italia and Flos; Exec. Committee or Board Member responsible for ESG - none for B&B Italia and Flos; Supplier Code of Conduct – none for B&B Italia; Corporate Governance – none for LP.

08 Dispensa Emilia: Scope 3: Includes upstream transportation and distribution and employee commuting.

09 Generalife: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets.

Other Footnotes

*ESG Data metrics aligned in part to the SFDR PAI indicators.

**Total GHG emissions reflects scope 2 market-based except where data is unavailable in which case scope 2 location-based data is used.

***Carbon Intensity reflects GHG emissions for scope 1 and 2 on a market basis except where data is unavailable in which case scope 2 location-based data is used.

****Net New Jobs Created is defined as the difference between FTE end of year 2020 and FTE end of year 2021, excluding external growth.

*****Reflects all companies that are producing a 2021 Sustainability Report.

ESG DATA REPORTING*

		GUALA	ITALCANDITI	JACUZZI	MORGAN	MTD	NATRA			NEOLITH	NORTHUIS	OKA	PORTAVENTURA	PROCEMSA	TARGA TELEMATICS
ENVIRONMENT	GHG emissions (tonnes) – Scope 1	41,440	11,667	5,971	299	2,743	7,579			29,519	55	245	5,155	2,530	47
	GHG emissions (tonnes) – Scope 2 market	70,935	542	10,386	n/a	35,573	6,052			0	42	29	0	1,333	33
	GHG emissions (tonnes) – Scope 2 location	n/a	2,049	10,022	286	38,476	8,722			5,709	124	200	4,699	915	41
	GHG emissions (tonnes) – Scope 3	501,084	119,098	1,519,456	n/a	71,513	426,639			67,077	n/a	4,216	2,551	10,012	n/a
	Total GHG emissions (tonnes) **	613,459	131,308	1,535,814	584	109,830	440,271			96,596	97	4,490	7,705	13,874	80
	Carbon Intensity (tCO ₂ e/ €1M sales) ***	170.3	82.1	21.9	11.6	128.8	30.0			177.3	1.4	5.4	31.6	75.6	1.8
	Electricity Consumption (kWh)	221,824,923	6,729,833	31,724,881	689,677	59,680,822	59,824,537			22,941,332	496,988	843,864	31,329,843	4,959,954	157,698
	Electricity Consumption met via Renewable Energy (%)	37%	82%	3%	11%	15%	38%			100%	0%	92%	100%	7%	0%
	Energy Consumption Intensity (GWh/ €1m sales)	0.61	0.41	0.08	0.04	0.25	0.22			1.11	0.01	0.03	0.23	0.36	0.01
	Water Consumption (m3)	191,681	161,121	82,184	2,187	49,234	144,380			37,352	2,544	13,167	854,217	37,046	568
	Emissions to Water (tonnes)	n/a	0	0	1	0	n/a			0	0	2	n/a	0	0
	Total Waste (tonnes)	23,082	2,765	12,278	208	2,408	5,275			32,146	n/a	223	2,708	388	5
	Total Waste to Recycling or Reuse (% of total Waste)	88%	95%	15%	71%	94%	77%			96%	n/a	97%	97%	48%	96%
	Committed &/or Validated Science Based Targets (Yes/No)	No	No	No	No	No	No			No	No	No	No	No	No
SOCIAL	Carbon Neutral (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes
	Environmental Management System (Yes/No)	Yes	No	No	No	Yes	No			Yes	No	No	Yes	Yes	No
	Environmental Manager on staff (Yes/No)	No	Yes	Yes	Yes	Yes	Yes			Yes	No	No	Yes	Yes	No
	Male Employees (Full Time Equivalent) (%)	78%	68%	69%	87%	46%	56%			73%	36%	36%	35%	47%	76%
	Female Employees (Full Time Equivalent) (%)	22%	32%	31%	13%	54%	44%			27%	64%	64%	65%	53%	24%
	Total Employees (Full Time Equivalent) (number)	5,670	450	5,411	212	1,760	951			667	563	274	1,107	178	133
	Female Senior Managers (%)	8%	11%	0%	0%	23%	37%			0%	22%	50%	18%	22%	29%
	Net New Jobs Created **** (FTE)	115	-141	1,016	7	-75	52			125	147	55	667	0	21
	Employee Training (hours per employee)	27	3	65	13	3	21			5	1	21	44	16	49
GOVERNANCE	Absenteeism (%)	5.7%	4.5%	4.7%	1.0%	9.7%	10.0%			3.5%	2.4%	1.4%	5.2%	0.0%	2.7%
	Voluntary Turnover (%)	n/a	4.0%	25.0%	8.0%	10.9%	0.9%			14.0%	7.6%	30.0%	4.8%	5.6%	9.5%
	Lost Time Injury Frequency Rate (LTIFR)	1.3	4.4	0.5	3.0	1.2	1.8			2.7	1.1	0.0	4.1	2.3	1.0
	Workers Council (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	No	No	Yes	Yes	No
	Code of Conduct/Ethics (Yes/No)	Yes	No	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes
	Diversity Policy (Yes/No)	Yes	No	Yes	Yes	No	No			Yes	Yes	Yes	Yes	Yes	Yes
	Female Board Members (%)	33%	33%	11%	14%	22%	13%			10%	0%	17%	20%	29%	20%
	Anti-corruption Policy (Yes/No)	Yes	No	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	No
	Corporate Governance Policy (Yes/No)	Yes	No	Yes	Yes	Yes	Yes			Yes	Yes	No	Yes	Yes	No
	Health and Safety Policy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	No	Yes	Yes	Yes	No
	Environmental Policy (Yes/No)	Yes	No	No	No	Yes	Yes			Yes	No	Yes	Yes	Yes	No
	Whistleblower Policy (Yes/No)	No	No	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes
	Supplier Code of Conduct (Yes/No)	Yes	No	No	Yes	No	Yes			Yes	Yes	Yes	Yes	Yes	No
	Supplier Audits (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes
	Executive Committee or Board Member responsible for Sustainability (Yes/No)	Yes	No	Yes	Yes	Yes	Yes			Yes	Yes	Yes	No	No	No
	ESG Steering Committee (Yes/No)	Yes	No	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes
	Sustainability Strategy (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	No
	Sustainability Report (Yes/No) *****	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	No
	UNGC Membership (Yes/No)	Yes	Yes	Yes	Yes	No	Yes			Yes	No	Yes	Yes	Yes	No

10 Guala: Scope 3: Includes purchased goods and services, upstream energy, upstream transportation and distribution and waste generated in operations.

11 Italcanditi: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting.

12 Jacuzzi: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, use of sold products and end of life treatment of sold products.

13 MTD: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transport.

14 Natra: Scope 3: Includes purchased goods and services, upstream transportation and distribution, waste generated in operations, business travel and downstream transport.

15 Neolith: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products and end of life treatment of sold products.

16 Oka: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of sold products and end of life treatment of sold products.

17 Portaventura: Scope 3: Includes purchased goods and services, waste generated in operations, business travel and employee commuting.

18 Procemsa: Scope 3: Includes purchased goods and services, capital goods, upstream energy, upstream transportation and distribution, waste generated in operations, business travel and employee commuting.

Other Footnotes

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*****Reflects all companies that are producing a 2021 Sustainability Report.



PORTFOLIO COMPANIES

- 66. PRIVATE EQUITY KEY HIGHLIGHTS
- 70. INDUSTRIAL MANUFACTURING
- 84. CONSUMER
- 92. HEALTHCARE & SERVICES
- 98. TECHNOLOGY
- 102. DIGITISATION
- 104. REAL ASSETS



PORTFOLIO DEVELOPMENTS

Investindustrial's business focus and global growth drivers.

Bakelite Synthetics is focused on developing products that push boundaries for a cleaner and safer world.

At the end of 2021, Investindustrial's portfolio in the Private Equity strategy comprised a diversified grouping of 23 quality companies.



Industrial Manufacturing

Global leaders in the design and manufacturing of specialty products. The underlying markets are mature and often consolidated with high barriers to entry for new competition. New markets are key to future growth of the companies and there are possibilities for operational improvement.



Consumer

These leading companies and brands operate in markets with long-term growth, underpinned by positive trends in consumption patterns. The underlying industries are mature but are often still fragmented, giving the companies attractive opportunities to consolidate their markets. Growth here tends to be scalable on an international level.



Healthcare & Services

Leading providers of critical or high value-added services or medical services, these companies are typically beneficiaries of a growing global trend towards outsourcing. Their asset-light capital structures give them a high cash conversion rate and an ability to expand internationally without undertaking major capital investments.



Technology

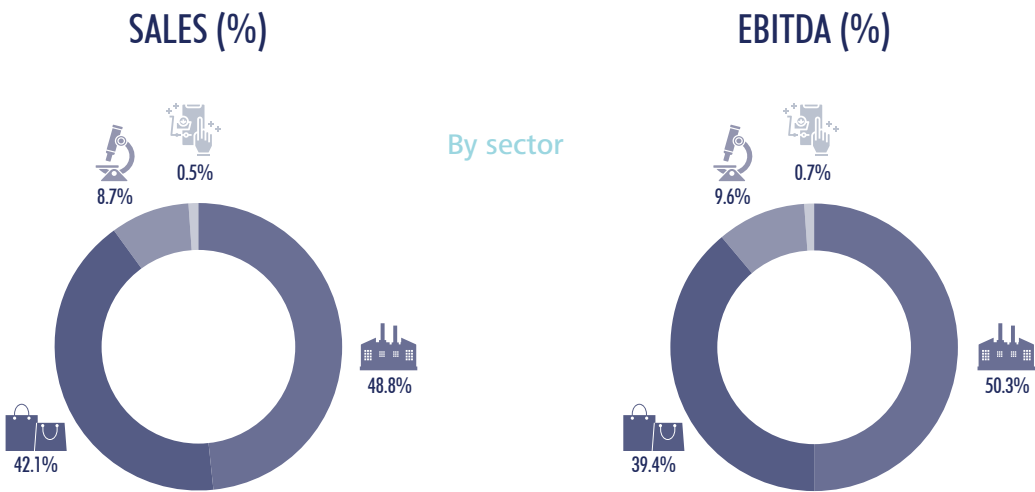
With a dedicated sector team in place, Investindustrial is selectively investing in scaled technology leaders that are transforming traditional business models and driving the ongoing digital transformation across the entire economy. These are businesses which are typically asset light and focused on serving changing consumer behaviours across industries.

GLOBAL GROWTH DRIVERS AND INDUSTRIAL OPPORTUNITIES

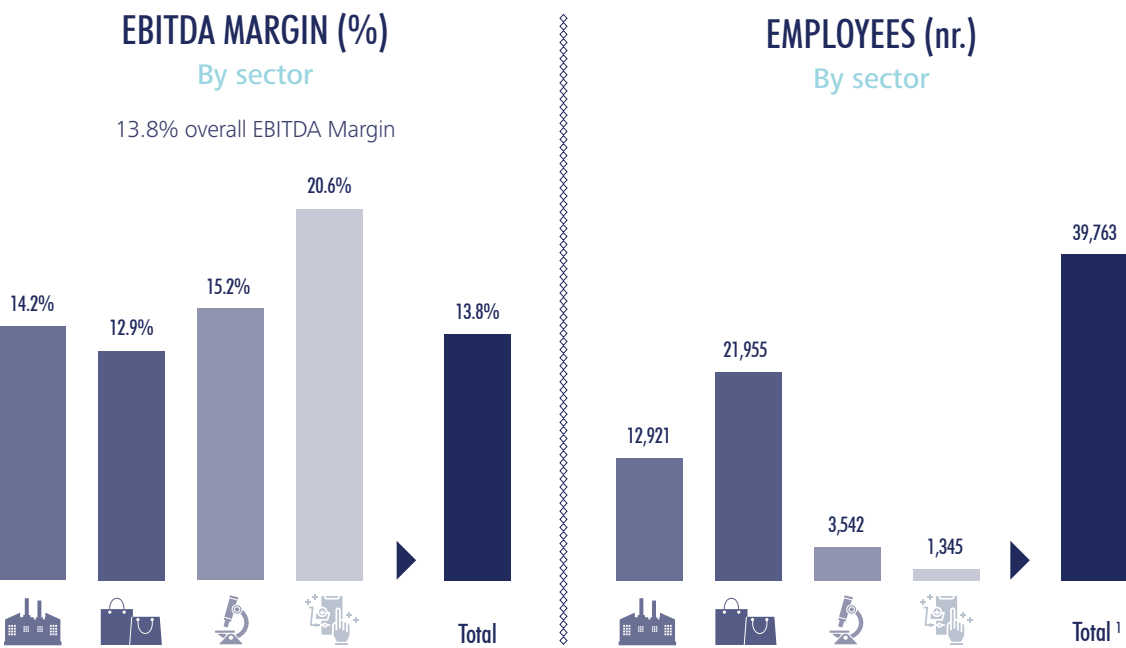
Each of the industry platforms have different growth drivers and opportunity sets, summarised below:

Industrial Manufacturing	Consumer	Healthcare & Services	Technology
GLOBAL GROWTH DRIVERS			
<ul style="list-style-type: none">• Globalisation• Growth in new markets• Cost efficiency• Resource constraints• Commodity value	<ul style="list-style-type: none">• Globalisation of consumer trends• Aging population• Changing consumer purchasing behaviour	<ul style="list-style-type: none">• Economies of scale• Outsourcing• Increased need for information and communication technology• Global need for infrastructure investments	<ul style="list-style-type: none">• Digitally native consumers• Industrial process automation and digitisation• Compliance, transparency, and regulations• Data protection and cybersecurity
SUSTAINABILITY			
<ul style="list-style-type: none">• Climate• Responsible Sourcing & Supply Chain• Positive Societal Impact• Diversity & Inclusion			
DIGITISATION			
<ul style="list-style-type: none">• E-commerce• Digital User Experience• Big Data• Internet of Things			
INDUSTRIAL OPPORTUNITIES			
<ul style="list-style-type: none">• Improvement in operational efficiency of mid-market companies• Relocation of manufacturing to more value-added jurisdictions• Synergistic add-on acquisitions• Resource efficiency and supply chains	<ul style="list-style-type: none">• Synergistic add-on acquisitions• Capture of growth opportunities in new markets• Improvement in marketing mix• Product development• Digital transformation• Traceability and supply chain• Circularity	<ul style="list-style-type: none">• Expansion of service offering into adjacent fields• Synergistic add-on acquisitions• Capture growth in developing markets• High visibility on concessions	<ul style="list-style-type: none">• Subscription revenue model transition• Platform and product expansions• Product and feature development• Consolidation and roll-ups

At the end of 2021, the Private Equity portfolio was mainly focused on industrial manufacturing and consumer with the aim to further internationalise the companies.



In this section, sales and EBITDA are weighted by Investindustrial’s shareholding and reflect the portfolio companies owned as of December 2021 in the private capital strategy.



¹ Approximately 41,000 when considering the employees of the real assets investment in PortAventura.



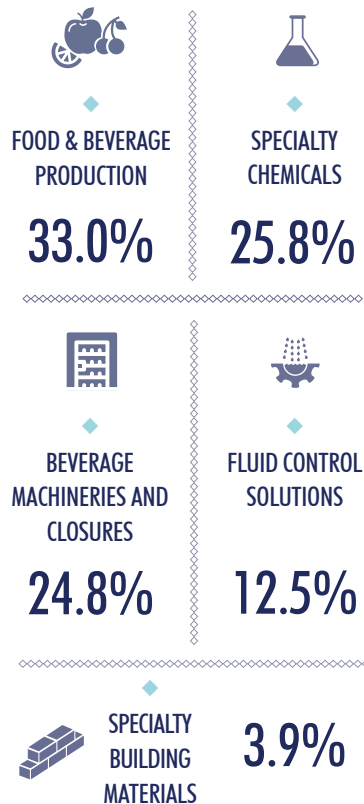
INDUSTRIAL MANUFACTURING

The Industrial Manufacturing sector comprises the following nine companies:

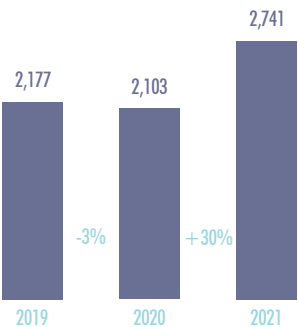
- **Bakelite Synthetics**, integrated producer of phenolic specialty resins and engineered thermoset molding compounds
 - **Benvic**, developer and producer of innovative PVC-based thermoplastic solutions
 - **CEME**, global manufacturer of highly engineered, precision fluid control solutions
 - **CSM Ingredients**, manufacturer and distributor of bakery ingredients
- **Della Toffola**, designer and manufacturer of machines for the beverage sector
 - **Guala Closures**, global producer of specialty closures for the beverage industry
 - **Italcanditi**, supplier of fruit-based ingredients
 - **Natra**, manufacturer of cocoa derivatives and chocolate products
 - **Neolith**, manufacturer of stone performance surfaces

SALES (%) By segment

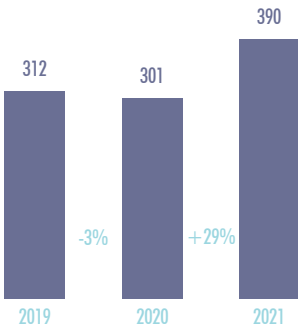
At year end 2021, five segments represent Investindustrial's Industrial Manufacturing sector.



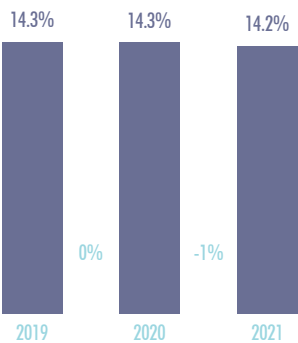
SALES (€m)



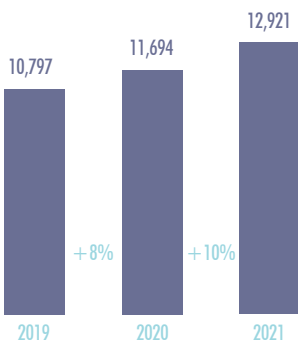
EBITDA (€m)



EBITDA MARGIN (%)



EMPLOYEES (nr.)



In 2021, sales increased by 30% with a similar increase at EBITDA level that maintained an overall EBITDA margin of 14%. The number of employees increased by 10% at more than 12,900 people.

2021 MAIN EVENTS IN INDUSTRIAL MANUFACTURING

During 2021, Investindustrial sold Polynt-Reichhold, the producer of specific polymer intermediates and derivatives, and completed investments in two platform companies in the sector: Bakelite Synthetics, global manufacturer of specialty resins and derivatives, and CSM Ingredients, a European manufacturer and distributor of food ingredients.

Bakelite Synthetics

Formerly known as Hexion (PSR division), Bakelite Synthetics is a leading global integrated manufacturer of phenolic specialty resins, aromatic polyols, moulding compounds, formaldehyde and other chemical derivatives, with leading market shares in reference resin markets in Europe as well as established presence in North America. Bakelite Synthetics addresses four key end-markets: (i) Building Materials (e.g., wood panels, insulation products)

accounting for 38% of sales, (ii) Industrial Applications (e.g., foundries, abrasives) 24% of sales, (iii) Transportation (e.g., automotive, aerospace) 19% of sales and (iv) Chemical Intermediates (e.g., adhesives and coatings) 19% of sales. Approximately 80% of the revenues are from the EMEA region with the remainder generated in the Americas. Bakelite Synthetics operates 11 manufacturing facilities of which 9 in Europe and 2 in North America, 3 R&D / technology

centres and 4 product support labs, to develop and commercialise new applications. The Company is headquartered in Louisville, KY (US) and counts approximately 900 employees. ♦



Acquired in 2021, Bakelite is a leading global integrated producer of phenolic specialty resins and engineered thermoset molding compounds.



CASE STUDY

BENVIC

International leader in the polymers compounding industry



www.benvic.com

Acquired in 2018, Benvic plays a central role as a leading consolidator in the global Polymer compounding market.

Founded in 1963, Benvic develops, produces and markets highly customised, innovative thermoplastic solutions based on PVC, TPE, HFFR and bio-polymers that are utilised across a wide range of rigid and flexible end-applications including building and construction, medical, aerospace, cabling, packaging and fluid transport. The Company has a broad portfolio of formulations to ensure it meets clients' requirements in terms of both technology conversion (i.e., extrusion, injection moulding, blow moulding, etc.) and the features of the final product including aspect and colour.

Benvic's production facilities in France (Chevigny and Porcieu-Amblagnieu), Italy (Ferrara, Modena and Carpi), Spain

(Montornes), Poland (Witkowo), the UK (Sowerby Bridge) and the USA (Chesapeake and West Unity) are strategically located near the main end-markets in order to supply rapidly its customers at competitive prices. With approximately 680 FTEs, the company is Europe's leading PVC compounder in terms of volume (#1 in France, Spain, Portugal and Belgium and the #2 in Italy and the UK) as well as a leader in several specialty applications in the US.

A truly international build-up strategy

Following the acquisition of Trinity Specialty Compounding (USA), the management team of Benvic completed its tenth add-on transaction over the last 3 years following the acquisitions of Vinyloop (Italy), Alfa PVC (Poland), Plantura (Italy) and more recently, Chemres (USA), the Ferrara Marconi plant from Celanese, Modenplast (Italy), Plantura (Italy), Luc& Bel (Italy), Dugdale (UK) and Erplast (France). The acquisitions of Chemres and Trinity Specialty Compounding provided an attractive entry for Benvic into North America and perfectly fit the company's

ambition to become a global diversified thermoplastic group.

A strong ESG approach

Benvic aims to consolidate its position as a first mover and a leader in its industry on ESG matters, which are becoming more and more important for all its stakeholders: employees, customers, suppliers and lenders. Going forward, the company aims to continue its investments in the circular economy (e.g., PVC recycling) and in products with a very low carbon impact (e.g., biopolymers).

A fast and successful implementation of the business plan identified at entry

Since Investindustrial's entry at the end of 2018, Benvic has been successfully implementing the value creation plan identified at entry by diversifying its geographical exposure (US, UK and Poland), by differentiating its polymers offering (non-PVC compounds including TPE and bio-polymers, among others) and by entering the medical and recycling sectors. ♦



LUC MERTENS
BENVIC CEO

"With Investindustrial's support, I am excited to continue to strengthen Benvic's global leadership position in the compounding industry and to further improve our product offering to our customers through ongoing R&D and expansion into solutions for new applications."

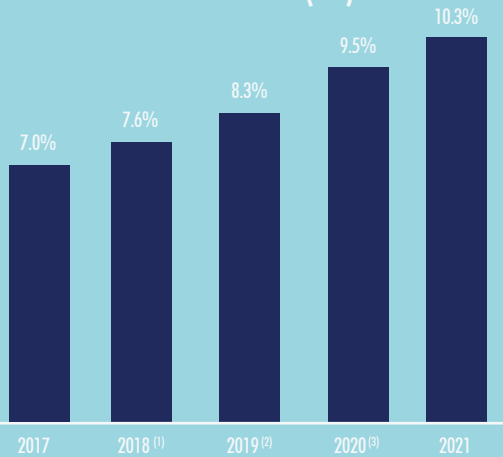


Medical clean room of Luc & Bel, one of the ten add-ons executed by Benvic under Investindustrial's ownership. Luc & Bel is a plastics processor in the design and manufacture of complex medical components.

BENVIC 2021 EBITDA MARGIN

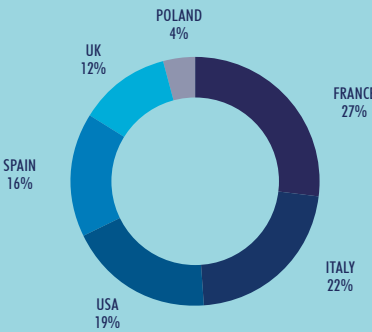
10.3%

EBITDA MARGIN (%) ¹



1) Each year is pro forma for the acquisitions completed during the year.

2021 SALES BREAKDOWN BY COUNTRY (%) ¹



1) Based on sales by plant, not by destination market. Pro Forma for Chemres and Trinity acquisitions

CASE STUDY

CEME

A global leader in precision fluid control solutions



CEME is ideally positioned at the forefront of the global coffee growth phenomenon.

CEME Group S.p.A. ("CEME"), founded in Italy in 1974, is a leading global manufacturer of highly engineered precision fluid control solutions (high/low pressure pumps, brass and plastic valves, pressure switches and flow meters) in a diverse range of niche consumer and industrial applications. Investindustrial acquired the Company in December 2017.

CEME is recognised as the worldwide leader for solenoid pumps and a top global player for solenoid valves. Volumes and knowledge allow the Company to offer high quality European products, with unmatched reliability and competitive pricing. The Company is a vertically integrated manufacturer renowned for its technical

engineering capabilities, quality, flexibility and for the distinctive ability to develop innovative solutions for customers in Italian and international markets. The Company supplies the majority of its components to either OEMs (who assemble final products for brand owners) or directly to brand owners themselves.

Following the acquisition of ODE, CEME currently serves 70 countries worldwide through six manufacturing facilities (four located in Italy and two in China) and 3 trading companies in Hong Kong and the US. The group currently has approximately 1,800 employees.

Strengthening its customer base in core and high growth segments

Since Investindustrial's entry, CEME further expanded its customer base in core segments (coffee and steam) and took advantage of the attractive growth rate for new high-growth segments, in particular the water treatment market (including water filtration, purification and dispensing systems, infrared faucets and showers) and the Company is expected to grow at high single-digit rates over the next years. Drivers of growth include the increased focus on hygiene, the environmental concerns around bottled water, excessive water consumption and an increasing demand for cheap purified water.

Entering into new and attractive market niches through R&D

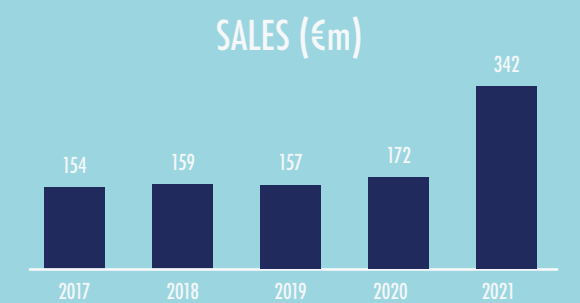
CEME's current strategy is to continue strengthening its consolidated position in the coffee market – which represents the backbone of the business. The Company will continue to invest in the development of a number of new and attractive market niches – such as medical and automotive – where the Company can gain market share by leveraging its technical knowledge and value proposition. R&D is pivotal to successfully develop new components in the niche markets identified, with co-development initiatives potentially securing long-lasting relationships with clients.

Most recently, CEME acquired ODE, an Italian company active in the design and manufacturing of solenoid valves and pumps applied in a variety of applications. This acquisition allows the Company to further expand i) its commercial and industrial leadership following a record 2021 with a double-digit revenue growth and significant global momentum; and ii) its product offering, both due to ODE's exposure to the professional coffee machines and for its strong presence in a number of highly attractive niches such as automation, beverage, vending machines, water management and railway transport. ♦



ROBERTO ZECCHI
CEME CEO

"With Investindustrial's support I am excited to further develop CEME's world-leading position, and also to enter new sub-sectors and geographies to support the growth of the Company both organically and through a programme of acquisitions."



CEME APPLICATIONS



Coffee



Beverages



Refrigeration & Air Conditioning



Steam



Medical



Welding



Water Management



Other Industrial

CASE STUDY

CSM INGREDIENTS

Leading European food ingredient-tech company



Investindustrial identified CSM Ingredients as an opportunity to create a Pan-European market leader in bakery ingredients.

CSM Ingredients is one of the leading European manufacturers and distributors of bakery ingredients mainly to the artisanal traditional trade (pastry and bakery shops) and industrial channels, with a wide product portfolio focused primarily on bread ingredients, pastry mixes, bakery fats, fillings, glazes, toppings and icings. The company has over 1,400 employees and a widespread industrial footprint with 6 manufacturing facilities in Europe, one in China and a joint venture in Tunisia. CSM Ingredients’ manufacturing facilities across Europe are key to serving clients locally especially given the limited ability to travel long distances for certain fresh ingredients (creams, fruit fillings and certain pastry mixes). The main markets in Europe are Germany, Italy, France, the UK

and Benelux, with a growing presence in China and Asia.

Building a Pan-European leader through organic growth and value-accretive transformational add-ons

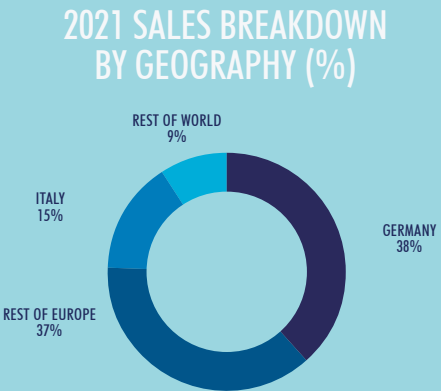
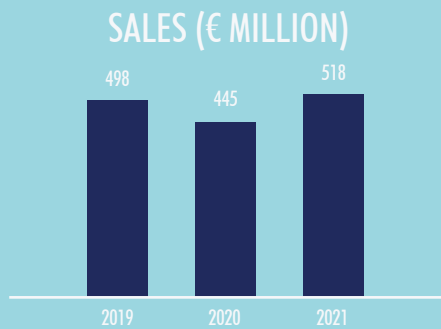
In February 2022, CSM Ingredients acquired Hi-Food S.p.A., an Italian leader in plant-based functional ingredients, which represents the first transformational add-on for CSM Ingredients, allowing it to further consolidate the European food ingredients sector and enhance its geographic and end market diversification. Following the acquisition of High-Food, in May 2022, CSM Ingredients announced its acquisition of Italcanditi S.p.A., a leading Italian supplier of fruit-based ingredients and creams for the food and dairy industries, representing the second transformational add-on. Italcanditi is the undisputed leader in the food B2B industrial channel in Italy and France,

which are among the most sophisticated and advanced food markets worldwide and it serves leading international food groups. CSM Ingredients’ acquisition of Hi-Food and Italcanditi is a continuation of Investindustrial’s strategy of proactively shaping the future of the food industry by acquiring and building innovative and sustainable companies in the sector. ♦



ALDO UVA
CSM INGREDIENTS CEO

“Everything should be encompassed in our direction to do good for the planet and the people through our product. For us, what does net positive mean? It simply means that through everything we do that is new and contributes to our strategy, we impact the planet’s resources less and less. Investindustrial’s platform will help us to sustainably realise this vision whilst creating of one of the largest European food ingredients platforms through the transformative add-on acquisition.”



Examples of bakery ingredients and related applications.

Della Toffola

Founded in 1958, Della Toffola is an Italian company and world leader in the design and manufacturing of machines and automated lines across a range of beverage sectors. The Company is active in bottling, water treatment and packaging systems, as well as in the alcoholic and non-alcoholic beverage markets including water and dairy products. Having built more than 500 complete wineries in its history, Della Toffola is the global leader in this vertical with an excellent reputation developed through its proven machinery performance and ability to be a solutions provider for its customers. The beverage machinery industry value chain is highly fragmented, and Della Toffola is one of the few players with a fully integrated offering across the whole value chain in the winemaking vertical. Della Toffola operates through eight production plants (of which seven in Italy) and nine commercial branches in the most

renowned global wine regions such as France, Spain, UK, Romania, USA, Australia, Argentina, Chile and Mexico. During 2021, Della Toffola significantly strengthened its leadership in the beverage machinery market through a series of synergistic add-on acquisitions (Frilli, Bertolaso, Ape Impianti and Permeare), which made Della Toffola the undisputed worldwide leader in the winemaking sector, with an integrated offering throughout the wine production process. Della Toffola is headquartered in Trevignano (Treviso) and has more than 950 employees and its products are distributed throughout the world, with approximately 75% of sales outside Italy. ♦



www.dellatoffola.it

Della Toffola brand new models Ampelos are controlled by an artificial intelligence software with specifically developed algorithms. The software optimises the pressing cycles detecting the type and quantity of the loaded product, allowing a drastic reduction in pressing times.



Guala Closures

Founded in 1954, Guala Closures is the global leader in the production of specialty closures for spirits, wine, water and other beverages thanks to the innovation, technology and intellectual property rights embedded in its solutions. Guala Closures has an international footprint with sales across five continents that account for more than 90% of total revenues in over 100 countries. The Company's strong leadership position has enabled it to consolidate market shares worldwide and become the leading solution provider and partner to global and local clients. Investindustrial expects the Company to continue in its role as natural consolidator in a fragmented market space. The Company's end beverage markets are of resilient nature through the cycle and with global demand driven by food and beverage safety, traceability and premiumisation where the closures market

represents a small cost but an important feature of the overall packaging. Attractive M&A growth options exist both inside and outside the core business, such as providing additional products to the existing customer base (e.g. cork closures, capsules and labels) and through product diversification across the broader packaging space (e.g. pharma, cosmetics, food & beverage). During 2021 the Company was delisted from the Milan stock exchange. Guala Closures is headquartered near Alessandria (between Genoa and Milan) and, has 30 manufacturing sites globally and over 4,700 employees. ♦



Italcanditi

Founded in 1963, Italcanditi is a leading Italian supplier of fruit-based ingredients and creams for the food and dairy industries. The Company is the undisputed leader in the food B2B industrial channel in Italy and France, which are among the most sophisticated and advanced food markets worldwide, serving leading international food groups. In particular, Italcanditi is one of the top fruit ingredient suppliers in several categories, including fruit preparations for yogurt, jams, candied and semi-candied fruits and water-based creams, in Italy and France, with a growing presence in other European countries as well as a clear leadership on a European level in high margin niches. Over time, the Company has been able to preserve its leadership position as a result of its focus on products and recipes, innovation and state-of-the-art manufacturing and R&D capabilities, which have allowed the Company to be at the forefront of new market trends and become a trusted and long-lasting solutions provider for global food players.

The Company is pursuing a strategy of geographical expansion, strengthening the international sales force and acquiring production facilities to enable entry to new markets. Since Investindustrial's entry, Italcanditi completed several acquisitions as part of an ongoing build-up strategy including: the yoghurt preparation division from Menz & Gasser, Prodotti Rubicone, an Italian producer of ice-cream ingredients, flavouring pastes, toppings and other semi-finished products for the artisanal ice-cream and frozen yoghurt markets, and Comprital Group, a family-owned producer of ice-cream ingredients with strong brand recognition, allowing Italcanditi to strengthen its presence in the attractive artisanal ice-cream ingredients market. The Company is headquartered near Bergamo (Northern Italy) and employs over 500 people (including seasonal employees). ♦



Post year-end, CSM Ingredients acquired Italcanditi to build a global leader in the food ingredients industry.



Natra

Founded in 1943 and headquartered in Spain, Natra is a global manufacturer specialised in cocoa ingredients and chocolate products for private labels and co-manufacturing for other brands. The Company is vertically integrated across the chocolate value chain through its ingredients division (focused on cocoa processing and industrial chocolate manufacturing) and its consumer division (producing chocolate spreads, count lines tablets and gifting products). Natra employs approximately 1,000 people and has a global manufacturing footprint with 6 facilities of which 2 in Spain, 1 in France, 2 in Belgium and 1 in Canada, totalling approximately 200,000 metric tons of production capacity. The Company produces over 400 chocolate varieties and its products are sold in over 90 countries in five continents supplying over 80% of the main distribution chains worldwide. Innovation (including an increase of sustainably sourced products and

sustainable packaging), premiumisation of products and customers and geographical focus remain key growth drivers. In addition, co-manufacturing captures incremental growth in B2B following the growing manufacturing outsourcing trend from leading brands who leverage Natra's best in class manufacturing capabilities. Implementing further efficiencies in operations, logistics & manufacturing, Natra is committed to implementing additional efficiency and excellence policies and deploying significant investment towards upgrading its manufacturing footprint. ♦



R&D is a key development lever for Natra in order to improve the existing processes and increase efficiency.



CASE STUDY

NEOLITH

The largest pure-play sintered stone platform



www.neolith.com

Neolith is a global leader in the sintered stone surfaces sector

Headquartered in the industrial ceramic heartland of Spain (Castellón), Neolith was founded in 2009 with the aim of designing and producing large format sintered surfaces created from 100% natural raw materials and with unique characteristics serving multiple end-markets, including bathrooms, wall claddings, furniture, floorings, facades and with a particular focus on high-end kitchens. The company's success and rapid development has benefitted from 40 years of experience of the founders, the Esteve brothers, in the natural stone sector.

The company has a state-of-the-art plant for the design and manufacturing of its products, an international commercial footprint distributing its products in more than 100 countries and employs approximately 650 professionals.

A strong ESG approach

Together with Investindustrial, Neolith developed a holistic ESG strategy to set the main pillars to drive the sustainability agenda in the company. Several initiatives were launched to reduce or compensate emissions, including achieving carbon neutrality in 2019, developing products with up to 90% recycled content, improving the process to recycle 100% of the water used and 89% of the waste generated and the installation of solar panels. Neolith has also been progressing on its sustainability commitments with SDG 11 - creating sustainable cities and communities and in 2021 published its first Sustainability Report. In 2022, the company obtained EcoVadis gold rating and applied for B-Corp certification.

A successful implementation of the business plan identified at entry

Since Investindustrial's entry in 2019, a series of value creation actions have been identified and executed providing a platform for Neolith's ascent to the next level of development. Investindustrial's

operational improvement team worked closely with management and the deal team on internationalisation, sustainability, supply chain, digitisation, efficiency improvements and attracting and retaining talent. In particular, the following areas and actions have been implemented:

- Developed a strategic plan to increase direct channel sales with a particular focus on the US market and a JV with the Chinese master distributor.
- Reinvigorated brand strategy with a focus on digital and social media.
- Set R&D strategy and a dedicated team, including design, R&D and digitisation experts.
- Significantly enhanced production capabilities.
- Full end-to-end, business-oriented international management team with industry leading Chairman and CEO.
- Strengthening of the organisation & governance. ♦



SAGI COHEN
CHAIRMAN OF THE BOARD AT NEOLITH

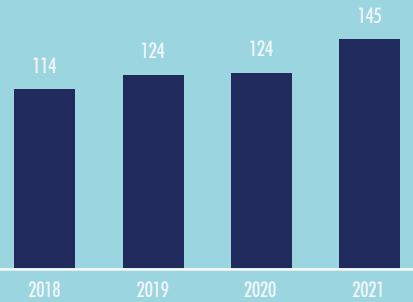
"During the last three years under Investindustrial's ownership, we have had an amazing journey accelerating organic growth at international level. In addition, we have built a strong, modern and unique platform to further capture growth. Our sintered stone products offer strong technical characteristics and attractive designs to end users and above all are a sustainable solution that is substituting traditional materials."



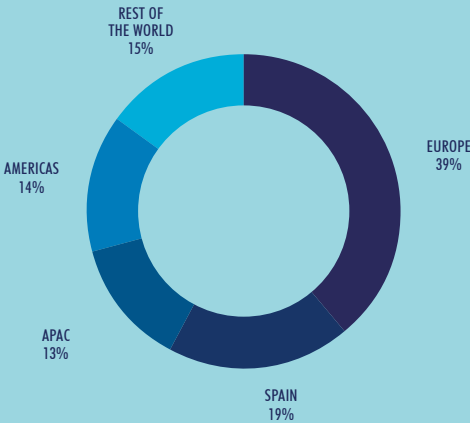
NEOLITH 2021 EBITDA MARGIN

36.0%

SALES (€ MILLION)



2021 SALES BREAKDOWN BY COUNTRY (%)





CONSUMER

The Consumer sector comprises the following seven companies:

- **Artsana**, international infant and baby care company
- **Design Holding**, high-end design furniture and lighting brand
- **Dispensa Emilia**, Italian casual restaurant
- **Jacuzzi Brands**, global manufacturer of premium wellness products
- **Morgan Motor Company**, premium sports cars manufacturer
- **OKA**, high-end interiors lifestyle brand
- **Zegna**, luxury fashion brand

SALES (%) By segment

At year end 2021, six segments represent Investindustrial's Consumer sector.



BABY CARE

42.6%



WELLNESS

31.6%



PREMIUM
FURNITURE

16.4%



LUXURY FASHION
BRAND

7.0%



PREMIUM
SPORTS CAR

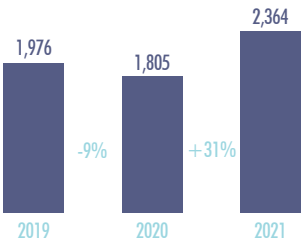
1.7%



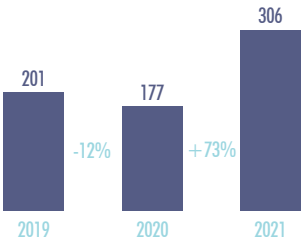
CASUAL
RESTAURANTS

0.6%

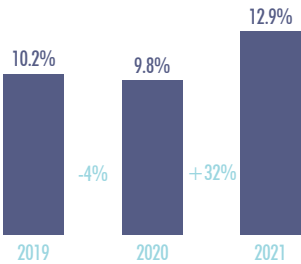
SALES (€m)



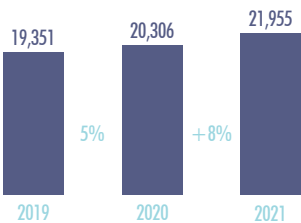
EBITDA (€m)



EBITDA MARGIN (%)



EMPLOYEES (nr.)



In 2021, the companies in the Consumer sector experienced a significant rebound after the pandemic, with an increase in sales of 31% and EBITDA of 73% reaching an overall EBITDA margin of 13%. The number of employees increased by 8% reaching almost 22,000.

2021 MAIN EVENTS IN CONSUMER

During 2021, Investindustrial sold Knoll, the high-end design furniture brand, and Sergio Rossi, the international luxury shoe brand. A new investment was completed in the leading luxury fashion brand Zegna.

Artsana

Founded in 1946 in Como (Italy), Artsana is a leading international company with well-established consumer brands in infant care and cosmetic products and solutions through a number of consumer brands, most importantly Chicco (infant care) and Prenatal Retail Group (Toys). Investindustrial invested in Artsana in 2016 with the aim of leveraging its strong product portfolio to further consolidate the international leadership of the Company by developing an expansion plan based both on organic growth and add-on acquisitions. As part of an overall strategic assessment of the Artsana investment, a series of actions have been developed during the ownership period: the Lycia brand has been sold; PIC Solution was spun off as a separate and independent business from the Group leading to the creation of Medical and Technology Devices (MTD); the remaining 50% stake in Prenatal Retail Group was acquired and shortly thereafter the Company completed the acquisition of the car seat and stroller division of Recaro. While continuing to focus on innovation, Artsana is looking to further strengthen its international presence, especially in China and the US, and to expand its product & brand offering. The Company is progressing on the execution of their sustainability programme, which includes activities such as sustainable sourcing, traceability, resource efficiency among other topics. The Company is headquartered in Como, operates two production facilities in Italy and one in Romania, and has approximately 9,500 employees worldwide. ♦



www.artsana.com



Building safe products is a priority for Artsana, with products tested in-house and at certified centres.

Dispensa Emilia

Founded in 2004, Dispensa Emilia is a high quality, Italian, casual restaurant group, with a food offering mainly focused on the "tigella", a thin round bread of the Emilian tradition. Dispensa Emilia directly manages twenty-eight restaurants in Northern Italy, of which twelve are in the Emilia-Romagna region, thirteen in Lombardy, two in Tuscany and one in Veneto. Fifteen restaurants are located inside shopping malls, eight are high street locations, three are in retail parks and two are travel retail locations. The Company provides a healthy extensive menu including tigelle (33% of sales), salads (26%), pasta (19%), beverages (16%) and other, such as fruit and coffee (6%). Additionally, customers can purchase its products through "La Bottega", a corner grocery store located inside the restaurants. Restaurants offer breakfast, lunch, dinner and all-day snacking (lunch accounts for approximately 60% of sales). In 2021, Dispensa Emilia continued its expansion plan with the delivery of nine new restaurants, seven of which were free standing or high-street locations, further diversifying the Dispensa Emilia network and diminishing the weight of shopping mall restaurants. Dispensa Emilia is headquartered in Modena and has approximately 580 employees. ♦



www.dispensaemilia.it



The Tigella, the thin round bread of the Emilian tradition, is the main product of Dispensa Emilia.

CASE STUDY

DESIGN HOLDING

Creating the leading high-end design group in Europe

Design Holding | B&B Italia | Maxalto | Azucena | Arclinea
Flos | Louis Poulsen | YDesign Group

www.designholding.com
www.flos.com
www.louispoulsen.com
www.bebitalia.com
www.maxalto.it
www.azucena.it
www.arclinea.com
www.lumens.com
menuspace.com
bylassen.com

The leading high-end design group in Europe.

Design Holding is the largest high-end design group in Europe and one of the largest in the world. Investindustrial led the consolidation of the high-end design market bringing together a collection of powerful and complementary brands to create Design Holding. The initial Investindustrial investments in Flos (2014), B&B Italia (2015) and Louis Poulsen (2018) resulted in the creation of the group. Investindustrial has supported each of these companies in driving growth through strategic acquisitions, such as Arclinea (a high-end Italian kitchen brand), Lukas Lighting (a New York-based customised

lighting company), KKDC (sole distributor in France for high-quality linear LED products and solutions) and Ares (a premium Italian outdoor lighting company). In 2021, Design Holding acquired YDesign Group, a US-based leading online retailer of high-end, modern lighting and home furnishings. Design Holding as a platform is well-positioned to further consolidate the design space through additional acquisitions, generating meaningful synergies between the companies and attracting talent to all the companies. In 2021, Design Holding benefited from increased consumer attention to their home, as well as improved penetration of e-commerce and online. 2021 revenue performance has been strong, supported by the acceleration of new orders intake. Growing exposure to online and retail is at the core of Design Holding's strategy with the main projects being: (i) DTC acceleration, both through organic roll-out of monobrand, shop-in-shops and opening of multi-brand stores (Copenhagen officially opened in June 2021, Milan officially opened in September 2021 during the "Salone del Mobile"); (ii) launch of a new direct ecommerce platform, also leveraging YDesign capabilities, with the launch of "for

Flos" in Europe in July 2021. In October 2021 the new collection of Fendi casa, partnership between Design Holding and LVMH Group, has been presented in Rome. During Investindustrial's ownership, Design Holding has been able to reinforce the luxury positioning of the group, accelerate the direct-to-consumer proposition at a retail level and online level, continue the expansion in North America for all brands, continue to strengthen the product portfolio, and more. Design Holding is continuing to pursue strategic acquisition opportunities and grow its product and geographic footprint. ♦

Brands

FLOS

louis poulsen

Arclinea

LUMENS

VI

B&B ITALIA

MAXALTO

AZUCENA

FENDI CASA

by Lassen.



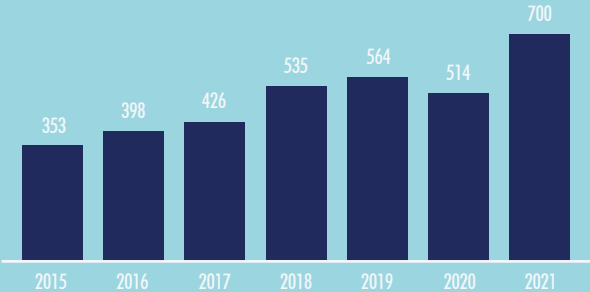
DANIEL LALONDE
DESIGN HOLDING CEO

"Investindustrial is a truly supportive shareholder and we work very cohesively as one team. During 2021, Investindustrial has been a key enabler in the acquisition of Lumens, a leading e-commerce platform in the US, as well as in the establishment of the control JV with Fendi (LVMH) to manage the Fendi Casa brand. In addition Investindustrial sourced the acquisition of Designers Company, a Danish group with brands such as Menu and by Lassen, strengthening our positioning in the Nordics and broadening our product offering in furniture and accessories. The deal has successfully closed in H1 2022."

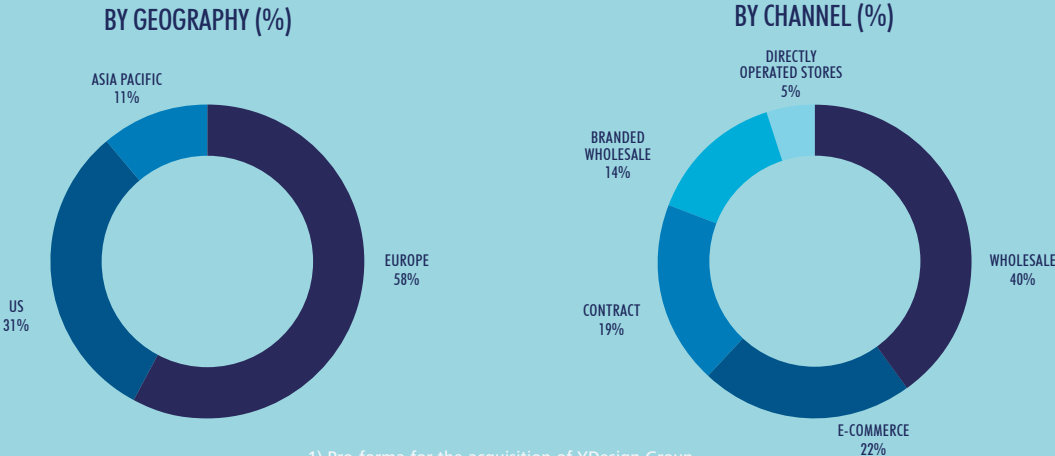
DESIGN HOLDING EBITDA MARGIN

24.9%

SALES (€ MILLION)



2021 SALES BREAKDOWN ¹



1) Pro-forma for the acquisition of YDesign Group.

CASE STUDY

JACUZZI BRANDS

Leading global manufacturer of premium spas and related wellness products



www.jacuzzi.com

Investindustrial identified Jacuzzi as an opportunity to relaunch a global design brand in the spas segment.

Jacuzzi Brands LLC (“Jacuzzi” or the “Company”) was founded in 1956 by an Italian family with a focus on health and wellness through innovative hydrotherapy technology. Since then, Jacuzzi has grown into a global leader in the wellness sector, producing spas, swim spas, baths, showers and related bathroom products & accessories. Headquartered in Irvine, CA (USA), Jacuzzi operates over one million square feet of manufacturing space and employs a total workforce of approximately 5,500 employees across its 10 manufacturing facilities in North America, Europe and South America. The Company operates under multiple leading brands, including Jacuzzi®, Sundance®, Dimension One Spas®, Hydromax®,



Jacuzzi Brands showed strong resilience and consumer demand throughout the pandemic with a significant strengthening of its value proposition.

ThermoSpas®, Dream Maker® and Sunrise®. The flagship Jacuzzi® brand is the most recognized brand in the world in the spa and hydrotherapy sector.

Since Investindustrial’s entry, Jacuzzi Brands has undergone a number of actions to further strengthen its performance and market position, including enhancing its management team, improving its product offering, expanding manufacturing capacity, elevating quality, increasing customer service levels and implementing the company’s first ESG program. Amid strong consumer demand for Jacuzzi’s product offering in 2021, the Company was able to outgrow the industry owing to its market-leading brands and well-positioned company-owned manufacturing footprint. Growth and operating leverage in the business translated to meaningful EBITDA margin expansion in 2021.

Jacuzzi also completed two acquisitions in 2021. First, in March 2021, the Company acquired Jacuzzi Bath Remodel of Arizona, a leader in the direct-to-consumer one-day bath remodel business. This acquisition kickstarted Jacuzzi’s organic expansion of its

DTC one-day bath remodeling business, which has been rolled out to 4 new cities with plans for further growth in 2022. Later, in November 2021, Jacuzzi acquired Vortex Leisure, New Zealand and Australia’s leading spa retailer, expanding the Company’s APAC presence and adding a new opening-price-point product line to Jacuzzi’s portfolio.

Going forward, Jacuzzi is focused on driving EBITDA improvement through an increased focus on operational efficiency. The Company is presently engaged in an ambitious margin enhancement plan across all areas of the business which will drive continued value reation and ultimately make Jacuzzi a better, more nimble company. ♦

Brands



DAVE JACKSON
JACUZZI BRANDS CEO

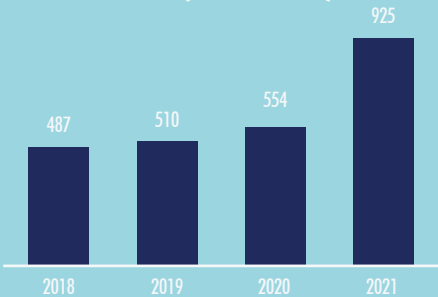
“Since acquiring Jacuzzi, Investindustrial has provided critical support in developing and executing Jacuzzi’s strategy, making Jacuzzi a better business today. During the pandemic, Jacuzzi was able to ramp up production to meet rising consumer demand and ultimately gain market share thanks to investments made into operational improvement with Investindustrial’s support.”

JACUZZI EBITDA MARGIN ¹

13.7%

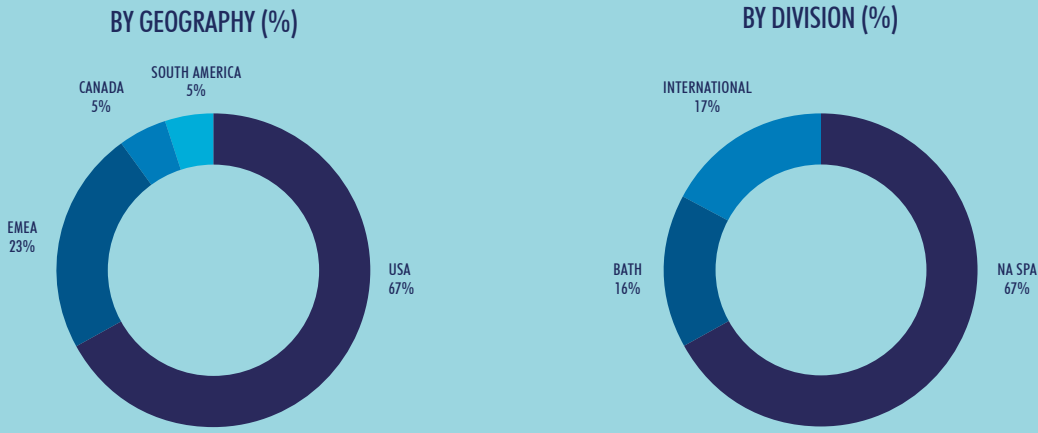
1) Fiscal year ended 30th September 2021. Pro forma acquisitions

SALES (\$ MILLION)¹



1) Fiscal year ended 30th September 2021.

2021 SALES BREAKDOWN



Morgan Motor Company

Founded in 1909 by Peter Morgan, Morgan Motor Company is an independent premium British sports cars manufacturer that hand-builds to order sports cars with an iconic, “classic” look and a chassis partially comprising the Company’s traditional ash-wood structure. Morgan has a loyal and active owners’ community of “Moggies” with more than 5,000 members and 50 clubs globally. Its products, also comprising a 3-wheeler, are positioned in a niche segment of the automotive sector with limited competition, given Morgan is the only manufacturer of modern cars with a classic look to have a strong brand heritage and a global distribution network. In 2021, Morgan Motor produced 645 vehicles which were sold through a global network of approximately 75 dealers across the UK (42% of vehicle sales), Europe (34%), USA (3%) and the rest of the world including Japan and Australia (20%). In 2021, Morgan Motor successfully updated its core product range with MY22 model-year updates for the Plus Six and Plus Four. In addition, Morgan Motor released three high-price, high-margin limited editions: CX-T (rally car), Plus 8 GTR (supercar) and “LM 62” special edition of the Plus Four to celebrate Morgan Motor’s victory at Le Mans in 1962. In addition, Morgan Motor replaced its 3-wheeler with a new model (Super 3) at the beginning of 2022. The Company is headquartered in Malvern, UK, where it continues to manufacture cars in its historical facility opened in 1914, which attracts approximately 30,000 visitors each year. Morgan employs approximately 200 people. ♦



www.morgan-motor.com



The Morgan Super 3 launched in February 2022.

OKA

The Company is renowned for creating interior designed homes featuring curated collections of British designed furniture and home accessories. OKA’s philosophy centres on the entire finished article, the ‘room set’, which combines not only the larger furniture pieces but also a rapidly growing home accessories collection that brings a room to life. OKA has a strong omnichannel direct to consumer offering. The destination retail portfolio of 14 strategically placed showrooms is supported by a successful interior design service, a well-established online platform representing, after the 2018 acquisition of Wisteria, a Dallas (TX, USA) based traditional furniture and home décor business, more than 50% of sales, a strong mail order catalogue offering and a complementary trade division. The strength and resilience of the Company’s business model is underpinned by its established brand and design-led reputation for developing and curating a range of high-quality lifestyle interiors. OKA is investing to further increase its digital presence, to improve the customer experience, and to successfully grow sales on both its own website as well as on select third-party platforms. The e-commerce channel will continue to be the key pillar of the 100% direct-to-consumer omnichannel strategy and will be supported by a select number of experiential showrooms in the major U.S. cities. OKA opened two showrooms in the USA in 2021: Houston in March and Dallas in September and is expected to open a new flagship store in Westport, Connecticut in August 2022. ♦

OKA

www.oka.com



OKA is renowned for curated collections of furniture and home accessories.

Zegna

Founded in 1910 in Piedmont, Italy by the Company’s namesake, Ermenegildo Zegna (“Zegna”), the group has evolved from a producer of textiles and menswear into a leading purveyor of luxury goods to clients around the globe. Today the company has a presence in 80 countries through over 500 total stores out of which 284 Directly Operated Stores (239 Zegna stores and 45 Thom Browne stores). Zegna’s business covers the entire value chain (“from sheep to shop”) as a result of its design, manufacturing and distribution businesses. Zegna has 13 manufacturing facilities in Italy, Switzerland and Turkey. In 2018, Zegna acquired a majority stake in the American luxury fashion brand Thom Browne that designs and distributes womenswear, menswear and accessories. Zegna has been able to achieve new efficiencies and a younger customer base, with a boost on digital penetration. On top of the Zegna and Thom Browne branded products, the Group also includes a textile division: a luxury platform that services the Group’s brand as well as major global luxury players manufacturing and distributing high quality fabrics and textiles.

Over the past years, Zegna has strengthened its one-of-a-kind Made in Italy luxury textile laboratory platform through the acquisition of Italian textile manufacturers. Zegna also remains focused on maintaining its heritage and sustainability emphasis that are at the core of its strategy. On 20th December 2021, Ermenegildo Zegna Holditalia S.p.A. (NYSE:ZGN) completed its IPO on the New York Stock Exchange through a merger with Investindustrial’s innovative special purpose acquisition company, Investindustrial Acquisition Corp. (“IIAC”). The listing represents the largest luxury IPO in the US in 2021, the largest IPO of an Italian luxury company since Ferrari in 2015 and the first in New York for a major Italian luxury fashion house. ♦

Ermenegildo Zegna Group

www.zegna.com



A fashion show from Thom Browne, a leading brand acquired by Zegna in 2018.



HEALTHCARE & SERVICES

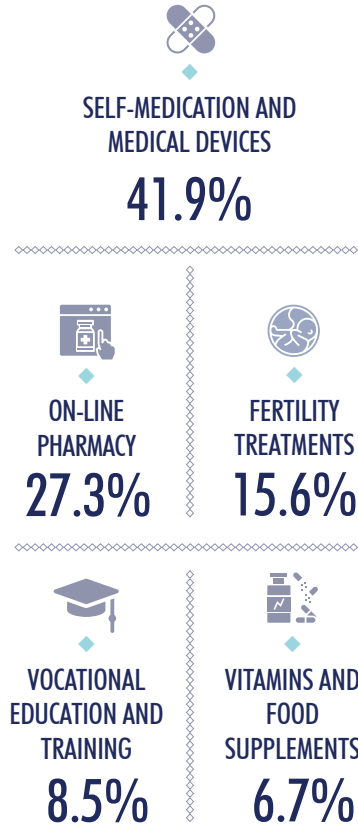
The Healthcare & Services sector comprises the following five companies:

- **Atida**, European on-line pharmacy
- **GeneraLife**, European operator in fertility treatments
- **MTD**, manufacturer of self-medication products and medical devices
- **Northius (former Campus Training)**, a leading Spanish vocational education provider
- **Procemsa**, Italian producer of nutritional supplements

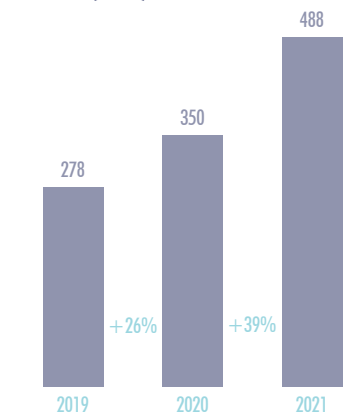
SALES (%)

By segment

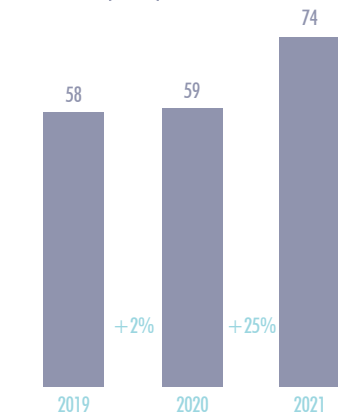
At year end 2021, five segments represent Investindustrial's Healthcare & Services sector.



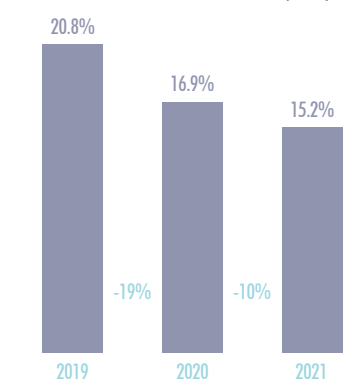
SALES (€m)



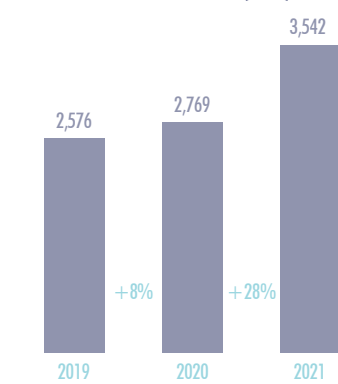
EBITDA (€m)



EBITDA MARGIN (%)



EMPLOYEES (nr.)



In 2021, sales increased by 39% and EBITDA by 25% with a resulting overall EBITDA margin of 15%. The number of employees increased by 28% at approximately 3,500 people.

2021 MAIN EVENTS IN HEALTHCARE & SERVICES

During 2021, Investindustrial completed investments a new investment in the platform company Atida, a leading European online pharmacy operator and sold two platform companies in the sector: HTG, a European ambulance services business and Lifebrain, a medical and specialty laboratory testing operator.

Atida

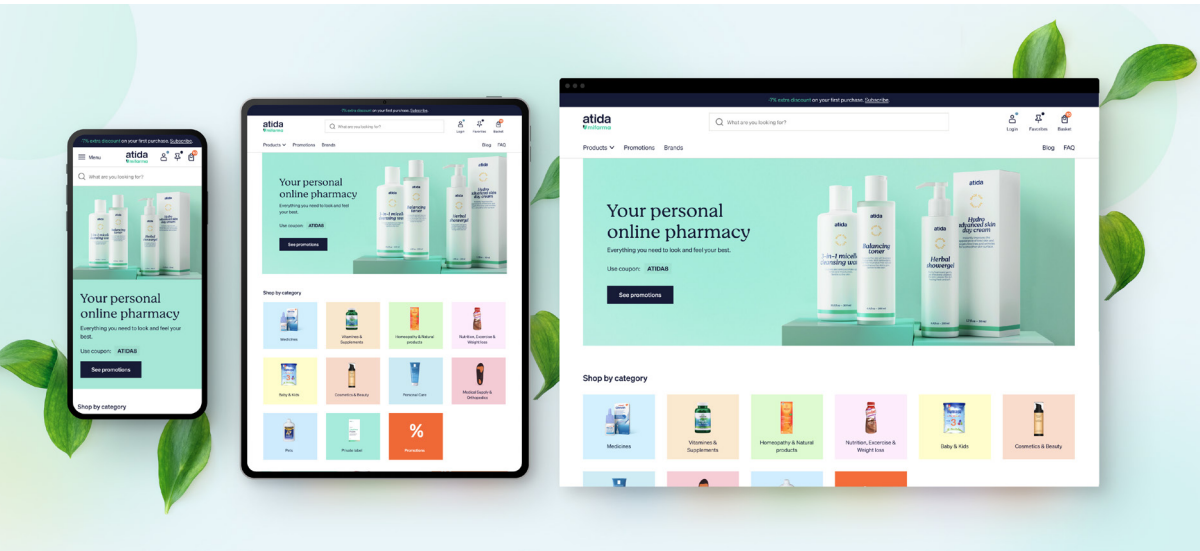
Atida is a leading European online pharmacy active in the sale of over-the-counter and prescription drugs, as well as drugs and beauty & personal care products. Founded in 2015 to initially serve the German and Austrian markets, Atida began its expansion plan with four add-on acquisitions in Germany that allowed the company to become the third-largest player in that region (currently mainly operating through the www.aponeo.de website). In 2019, the acquisition of the Spanish company Mifarma, the leading online pharmacy player in the Spain and Portugal, marked the beginning the European expansion of the group. At the beginning of 2021 Atida acquired i) Santé Discount, the largest online pharmacy in France; ii) in June 2021 Efarma, the second largest player in Italy; and iii) in October 2021 Dosfarma, the third online pharmacy player in Spain.

The company, with more than 4 million customers, represents a unique platform with a pan-European footprint in an attractive, fragmented and fast-growing market. The company operates from four logistic hubs: one in Germany serving DACH countries, one in Spain serving the Iberian area, one in France and one in Italy. In addition, the company has opened a new logistics hub in Venlo (Netherlands) to serve the DACH countries. ♦

atida

www.atida.com

Atida is a leading European online pharmacy active in the sale of OTC, prescription drugs (Rx) and BPC.



MTD

Medical Technology and Devices (“MTD”) is the Company resulting from the combination of HTL Strefa and PIC, the self-medication business spun-off from Artsana in 2018. PIC is a leading manufacturer of self-medication products, including diabetes pen needles, venepuncture and dressing products, blood pressure monitors and thermometers based in Italy. HTL is a leading global provider of proprietary capillary blood sampling and hypodermic injection devices, with a core expertise in safety devices. The combination of HTL’s long-standing med-tech heritage with PIC’s well-known consumer health DNA allowed Investindustrial to build a recognised international leader in the diabetes management and self-care devices markets. The Company, headquartered in Switzerland, offers a wide spectrum of highly specialised diabetes management devices across consumer and professional healthcare channels, distributed globally and as such, is in direct support of SDG 3, Good Health and Well Being, and is considered a Sustainable Development Investment (SDI) by Investindustrial (see pages 40-41 for further details on SDIs). The Company also benefits from complementary R&D, commercial and manufacturing capabilities. HTL’s relationships with pharma companies and strong presence in the OEM market, combined with PIC’s knowledge of the retail market and presence in the Italian pharmacy channel allow the Company to further consolidate its market leadership. ♦

MTD
Medical Technology and Devices
www.mtdglobal.com



MTD was born out of the merger between PIC and HTL-Strefa and is a global leader in the self-medication sector.

Northius (formerly Campus Training)

Headquartered in La Coruña (Galicia) with distributed corporate centres in Madrid and Barcelona and with more than 600 employees, Northius is the leading vocational education and professional training (“VET”) and distance player in Iberia. The Group offers more than 500 VET and professional courses, as well as access to leading corporates through more than 12,000 partnerships courses, and access to more than 65,000 active students per year. Northius offers high-quality 360° educational training, both online and on-site through approximately 40 sites, and is already present in multiple countries across Europe and Latin America. The Group provides professional training services in specialised sectors through more than 10 dedicated school brands including in new technologies (Tokio: www.tokioschool.com), audiovisuals (35mm: www.35mm.es), animal care (Nubika: www.nubika.es), health and sports (CEMP: www.cemp.es and Unisport: <https://unisport.es/>), or official VET (CEAC FP: www.ceacfp.com), among others. ♦

Northius
www.northius.com



Northius, which recently entered into Investindustrial’s portfolio companies, is a leading educational player in Spain.

Procemsa

Founded in Turin in 1939, Farmaceutici Procemsa (“Procemsa”) specialises in contract development, manufacturing and packaging (“CDMO” or Contract Development and Manufacturing Organisation) of vitamins, food supplements, proprietary formulations classified as medical devices and cosmeceuticals for third parties. At the end of 2020, Procemsa strengthened its leadership in the Italian CDMO market through the acquisition of Officina Farmaceutica Italiana (“OFI”), a leading developer and manufacturer of cosmetics, medical devices and nutritional supplements based in Bergamo. In addition to the CDMO activity, OFI operates three own brands, accounting for approximately 10% of its total sales. In April 2022, Procemsa also acquired Aakamp, a leading German vitamins, minerals and supplements contract development and manufacturing company. Procemsa, OFI and

Aakamp (or the “Group”) offer their clients best in class R&D capabilities to develop tailored made products and a broad innovative proprietary offering. The Group’s products are distributed worldwide (approximately 50 countries) with most of the sales generated outside Italy. The Group has excellent relationships with its client portfolio, including leading multinationals active in the pharma, personal care and well-being industries. with whom the Group enjoys excellent relationships. The Group employs approximately 185 people, of whom 105 are in industrial operations and maintenance departments, distributed across four manufacturing plants, and 35 in the R&D and quality control departments. ♦


www.procemsa.it



Post year-end Procemsa acquired Aakamp, a leading German company in the development and production of food supplements in all pharmaceutical forms, to consolidate its international leadership in the cosmetics and food supplements market.

CASE STUDY

GENERALIFE

European leader in assisted reproduction

Generalife

www.generalife.com

Investindustrial identified Generalife as an opportunity to become a leading fertility platform, actively consolidating the field of sterility and fertility treatments industry.

Generalife is one of the largest groups of fertility clinics in Europe, with 33 clinics across five countries (Spain, Italy, Czech Republic, Sweden and Portugal) and the ability to serve adjacent countries. Generalife carries out more than 25,000 treatments yearly and employs approximately 600 doctors and other healthcare professionals.

Infertility has been defined by the World Health Organisation as a "global public health issue" and it affects a growing population due to a range of social and medical factors. With a strong focus on best-in-class research, scientific protocols and patient care, the expansion of Generalife represents a significant development for the industry and for the thousands of patients which benefit from fertility treatments every year.

A successful buy-and-build investment with 7 acquisitions across 5 countries in less than three years

Following the initial acquisition of Ginefiv (Spain) in April 2019 and FertiCare (Czech Republic) in August 2019, the Company has been particularly active during 2020 in the execution of its pan-European build-up strategy with the entry in Italy and Sweden. In Italy, Europe's fastest growing market, Generalife established the largest group of private fertility clinics:

- In July 2020, the Company completed the acquisition of Genera, a leading group of fertility clinics with operations in Rome (headquarters with a training centre), Perugia, Vicenza, and Naples.
- In August 2020, Generalife acquired Livet, the leading private fertility clinic in Turin, which was founded in 1997.
- In October 2020, the Company completed the acquisition of Demetra, one of the largest fertility clinics in Tuscany with operations in Florence and Grosseto, which was founded in 1980.

In October 2020, Generalife acquired Carl von Linnékliniken in Sweden, the country's single largest clinic for private fertility treatments, which was founded in 1990 and is based in Uppsala. In August 2021, Generalife completed the acquisition of Ginemed, one of the largest groups of fertility clinics in Iberia, with a presence across all major cities in Spain and Portugal and with 15 clinics and multiple satellite centres.

Active ownership and value creation

Generalife's value creation has largely been driven by the active ownership and execution of the build-up strategy to create

a pan-European leader in a sector identified as having attractive growth and being ripe for consolidation. An additional part of the value creation was driven by the best-in-class management and scientific leadership selected by Investindustrial, which has achieved significant synergies and superior medical results in a short time frame.

The exit valuation is above that of listed comparable laboratory diagnostic services companies and above the highest valuation multiple achieved in the European fertility industry so far, reflecting Generalife's leadership position in the fertility clinics market in terms of profitability, sales growth rates and scientific excellence.

Important to the management, doctors and Investindustrial was that the exit was done to a group such as KKR that shares ESG values in addition to the desire of continuing to develop the group by capturing organic and inorganic growth opportunities both at a European and global level in an industry that is still highly fragmented. ♦

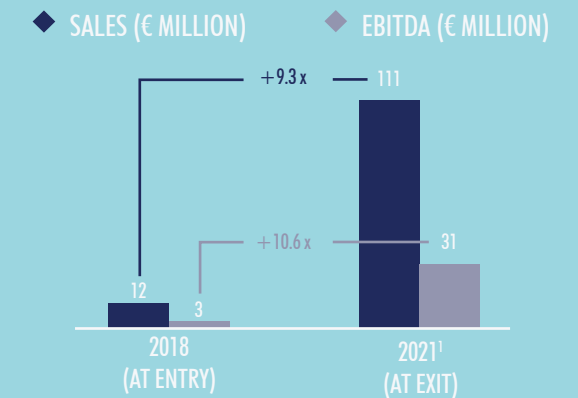
Brands

Generalife



MARCOS BUESO
GENERALIFE CEO

"Generalife has decades of expertise at a medical and scientific level with the support and leadership of a seasoned management team, and its creation represents a historical milestone in the European assisted reproduction field. The company has a concentration of talent and knowledge on reproductive medicine that cannot be found elsewhere in Europe. We are committed to tailoring the most suitable treatment for each patient's needs, using the best technology, procedures and techniques available, and continuously seeking to maximise success rates."



1. 2021 figures represent run-rate Sales and EBITDA



Generalife European footprint of clinics

33
CLINICS
in
5
COUNTRIES





TECHNOLOGY

The Technology sector comprises the following two companies:

- **Rimac**, developer and producer of high-tech components for electromobility
- **Targa Telematics**, Italian player in telematics solutions and mobility space

SALES (%)

By segment

At year end 2021, two segments represent Investindustrial's Technology sector.

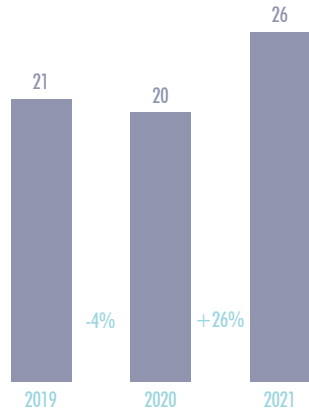


TELEMATICS
SOLUTIONS
90.7%



COMPONENTS
FOR ELECTROMOBILITY
9.3%

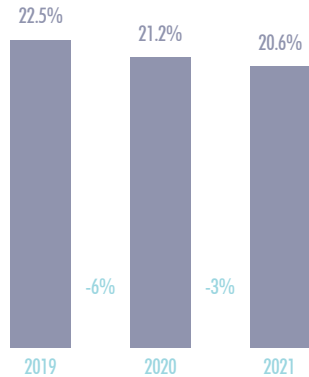
SALES (€m)



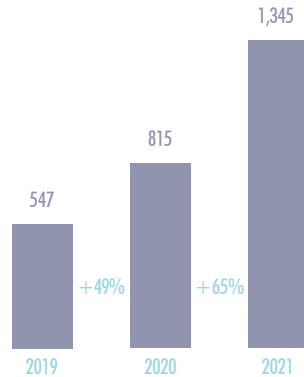
EBITDA (€m)



EBITDA MARGIN (%)



EMPLOYEES (no.)



In 2021, sales increased by 26% and EBITDA by 22% with a resulting overall EBITDA margin of 21%. The number of employees increased by 65% at approximately 1,350 people.

2021 MAIN EVENTS IN TECHNOLOGY

During 2021, Investindustrial completed investments in two platform companies in the sector: Rimac, a leader in high performance EVs and high-tech components for the electromobility segment, and Targa Telematics, a leading Italian operator in telematics solutions.

Rimac

Founded in 2009 by the Croatian entrepreneur and founder-CEO Mate Rimac, the company currently develops and produces high-tech components for electromobility, including high-performance drives, and battery systems supplied to several high-end OEMs. Rimac also designs, develops, and manufactures an all-electric €2 million plus hypercar (the Nevera) with 1,914 horsepower and a top speed of more than 400 km/h. Rimac has completed a combination of its hypercar business with Bugatti, the high-performance brand belonging to the Volkswagen

group. The company is headquartered in Sveta Nedelja, near Zagreb in Croatia and today employs nearly 1,000 employees dedicated to EV engineering. The company is planning to concentrate all R&D, components, and hypercars production and administrative activities in a new, state-of-the-art, 100,000 sqm, campus in Zagreb, which is expected to be operational from 2023, with a target of EUR 200 million investment. ♦



www.rimac-automobili.com



In order from the left, Lutz Meschke (Deputy Chairman and Member of the Executive Board Finance and IT at Porsche AG), Mate Rimac (Founder and CEO of Rimac) and Oliver Blume (CEO of Porsche AG) during the presentation of the Bugatti and Rimac joint venture in Zagreb (Croatia) on July 2021.

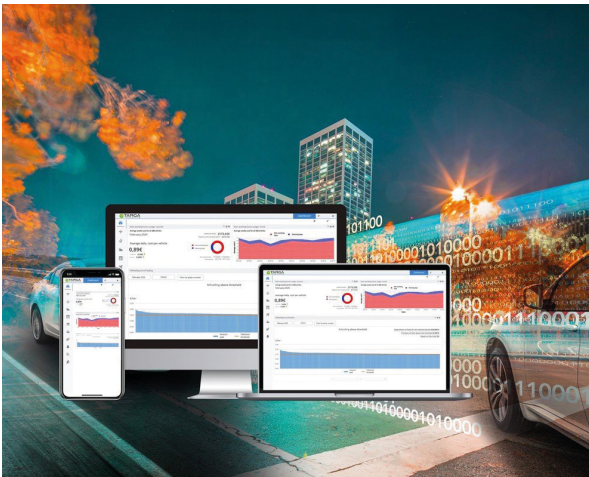
CASE STUDY

TARGA
TELEMATICS

Leading Italian operator in
telematics solutions



www.targatelematics.com



Targa Telematics is the leading
Italian player in the telematics
and mobility space.

The company offers a broad range of software solutions such as asset and fleet management, insurance telematics, diagnostics and remote telemetry, to short and long-term rental companies, leasing and insurance operators and large fleet managers:

- Fleet and Asset Management: allowing value preservation for vehicle owners and fleet optimisation solutions;
- InsurTech: enabling insurers to provide innovative products that prevent risk and reduce insurance premiums;
- Open Mobility Platform: platform based on Targa's core solutions, enabling mobility operators to build unique offerings improving profitability; and
- Other IoT Solutions and Smart Mobility:

assessing location information, maintenance needs, and operational data through various integrated technologies as well as mobility solutions focused on optimising usage of car and bike sharing.

Targa Telematics currently serves approximately 850 blue-chip customers across multiple end-markets, with a high focus on large fleets. The pan-European nature of the company's customers represents an opportunity for Targa Telematics to rapidly acquire market share out of Italy into adjacent geographies. The execution of a European organic growth strategy is therefore the natural step in the company's expansion path. In this respect, over the course of 2021 Targa continued to strengthen its presence in key European markets outside Italy, establishing branches in France, Portugal, and Spain. With various hires planned for 2022 across global offices, the company continues to invest in

international expansion.

Targa Telematics' favourable performance continues to be supported by positive momentum across existing clients, coupled with new business opportunities won in 2021. Targa's growth is supported by a healthy pipeline of potential new business opportunities, many of which originated in key markets outside Italy, offering further upside potential going into 2022. Overall, with Investindustrial's partnership, Targa Telematics is consolidating its leadership of the core Italian market and successfully pursuing its internationalisation strategy, which could be further accelerated with the execution of focused bolt-on acquisitions globally. ♦



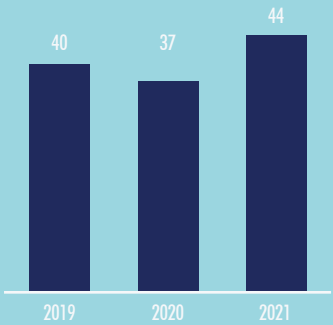
NICOLA DE MATTIA
TARGA TELEMATICS CEO

"Investindustrial is the perfect partner for Targa Telematics to expand our team and pursue the path towards further strengthening and accelerating our growth and internationalisation. Targa Telematics is continuing its innovation process in IoT, as agreed in the industrial project, and is working side by side with Investindustrial, leveraging on its great experience, to position ourselves as the benchmark for smart mobility both in Europe and worldwide."

TARGA TELEMATICS EBITDA MARGIN

26.5%

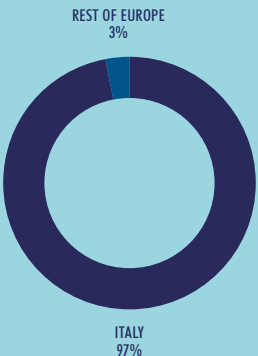
SALES (€ MILLION) ¹



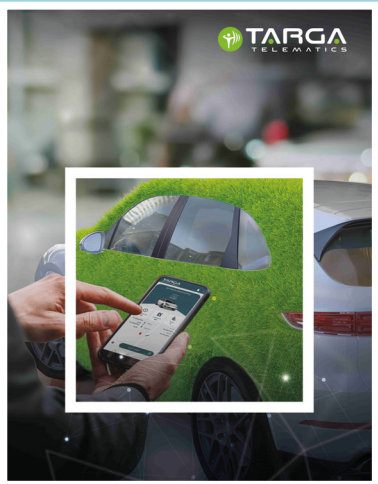
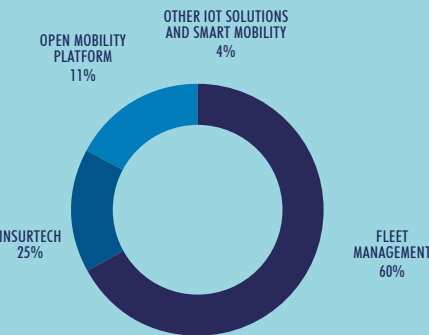
¹) Excluding other revenue

2021 SALES BREAKDOWN

BY GEOGRAPHY (%)



BY PRODUCT CATEGORY (%)



DIGITISATION

Following the Covid-19 pandemic, a company’s ability to connect with its customers, suppliers and employees digitally has become more important than ever. At Investindustrial, investment teams together with the operational improvement teams view this trend of increased electrification and digitisation as a substantial opportunity to drive value creation and achieve sustainability targets. Through alignment with the

UN SDGs, portfolio companies can identify relevant goals across areas such as e-health, education, resource management, and others to foster innovation within their long-term business plans. Investindustrial is proud of the achievements seen within portfolio companies over the course of 2021, a few notable highlights of which are presented below.

Design Holding

In 2021 Design Holdings acquired YDesign Group LLC, a leading e-commerce retailer in the US high-end lighting market. As YDesign operates 100% online, the acquisition is a perfect fit for Design Holding’s long term strategy of accelerating its digital transformation while further expanding its presence in the US. The online furniture market is expected to grow at a 9% CAGR between 2021 and 2025 and this strategic acquisition will allow the whole Group to benefit from synergies in their digital footprints. YDesign’s customer base is split across consumer (63%), architects and designers (27%) and contract (10%) and the firm currently operates two separate websites: Y-Lighting.com which focuses on the high-end space, and Lumens.com which offers a broader range of products including more accessible price ranges. As the firm operates 100% online, their main focus is on ensuring a smooth customer process through their highly specialised customer care service centre. Going forward, the company will focus on utilising digital marketing to capture new customers as well as implement an advanced CRM to maximise customer “lifetime” though personalisation and additional value add. ♦

GeneraLife

In 2021, Investindustrial realised its investment in GeneraLife, the leading pan-European fertility clinics business. Throughout the ownership period, Investindustrial worked with GeneraLife to improve their online platform, and that of their supplemental offerings. Most notably was the development of the B-Woman online platform. The site offers multiple virtual or remote ways for clients and patients to interact with doctors, nutritionists, advisors, and importantly, other aspiring parents. By improving the accessibility of information and providing a digital introduction to potentially in-person group meetings, GeneraLife aims to remove stigmas, reduce stress, and encourage information sharing. ♦



Jacuzzi recognises the impact their products have on their customers, and recently they’ve moved their focus from the simple benefits of relaxation to the more improved benefits of customer wellness and well-being. Given the varying purposes for which Jacuzzi products are used, the company has embraced a digital approach to customer communication and created the Jacuzzi Performance Program to generate online, virtual content to help customers improve and maintain their wellbeing. This online program includes product videos and tips for an active lifestyle, providing educational material to consumers about the positive benefits of Jacuzzi brand products. The company also increasingly utilises their website to communicate with customers on the benefits of their products by posting blogs, minEmags ® and more that discuss steps consumers can take to improve their well-being. Jacuzzi plans to increase their digital education efforts in the years to come. ♦

Northius

Northius (formerly Campus Training) was recognised in 2021 by the European Technology Awards in the Digital Training category. The award celebrates Northius’s disruptive model and commitment to providing the necessary training for future leaders of the digital market. By offering the most complete digital training available, and focusing on upskilling and reskilling, Northius has positioned itself as the European leader for digitally-prepared talent: 86% of its students finish with a job offer, and 62% achieve a promotion within their sector. Further to the award, Northius has managed to merge digital education seamlessly with ESG by maintaining a focus on the highest ESG standards. To this end, the firm continues to offer free access to sustainability courses and has committed €1 million in scholarships, amongst other initiatives. ♦



In 2021, Northius received the European Technology award for Digital Training, highlighting the company’s disruptive model and commitment to training the future leaders of the digital market. Northius continues to focus on generating a high impact to society through the professionalisation of the digital training sector driven by innovation, quality, and student recognition.

REAL ASSETS

Investindustrial has been active in real assets through its multi-strategy Endowment Fund, established in 2003. Real Assets is further divided into Real Estate and Sustainable Infrastructure.

Endowment

The BI-Invest Endowment Fund was established in 2003 and pursues a multi-strategy investment approach, including opportunistic longer-term real assets investments. The BI-Invest Endowment Fund acts as the sponsor and cornerstone investor to all Investindustrial programmes.

Real Estate

Investindustrial is a part owner and investor in BauMont Real Estate Capital, an independent real estate investment manager. BauMont’s partners have an average of 25 years of experience and have successfully implemented a value-add strategy in the office, residential, retail and logistics sectors across multiple market cycles. Geographically, the team focuses on investments in the UK and France. BauMont’s core focus is on the sustainability of its assets, and in 2021 it was awarded the “Innovation” prize by the British Council of Offices for its ESG-focused repositioning of Project TVP, a 150,000+ square foot office development in the Thames Valley Market located 40 miles west of London. Prior to refurbishing the buildings, BauMont undertook a whole-life carbon assessment, including an analysis outlining time to carbon neutrality after offsetting embodied carbon. Additionally, the team’s best-in-class approach to material sourcing and recycling amounted to more than 1,165 total tonnes

of landfill avoided. The project was also a LETI Pioneer Project, which aims to enhance environmental impact knowledge sharing and best practices across real estate investment managers. As a result of these efforts, the project has been awarded a BREEAM Outstanding certification, a ‘Platinum’ Wired Score, as well as top accreditations from Reset Air, fitwel and Five at Heart.

Sustainable Infrastructure

Sustainable infrastructure continues to be an attractive asset class for investors looking to achieve sustainability targets alongside stable, long-term returns. As reported in the 2020 Annual Report, Investindustrial continues to see the areas of renewable energy, logistics, communications & data storage, resource-efficient agriculture, and healthcare infrastructure as attractive targets in the mid-market space. Additionally, as the technology within sustainable infrastructure companies and assets changes and develops, Investindustrial will be able to leverage its technical and industrial experience to target new investments and drive value creation. Within this space, Investindustrial has positioned PortAventura World, the theme park investment in Spain, as a sustainable real asset, mainly driven by the significant asset-backing, revenue visibility and sustainability leadership.

The investment in PortAventura World is classified as sustainable infrastructure given its significant asset-backing, revenue visibility and sustainability leadership.



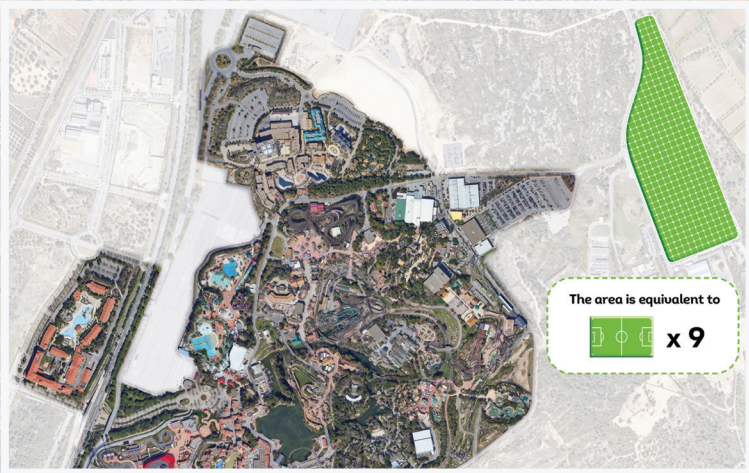
PortAventura World, with approximately 5 million visits per year, is located in the heart of the largest single tourism destination in Southern Europe, spanning 816 hectares and catering to the whole family. It covers the full spectrum of entertainment and hospitality comprising six themed hotels, two theme parks, a water park, and a convention centre with 5,500 seats. PortAventura World is Europe’s second largest resort and theme park by number of hotel rooms (2,230 rooms). Its location by the beach, an hour south of Barcelona, benefits from well-connected infrastructure and attractive weather conditions. In recent years, the Company has implemented a development strategy based on product innovation (the sole Ferrari theme park in Europe, a new aquatic park, Costa Caribe, a new kids’ area, Sesamo Adventure, the tallest rollercoaster in Europe, Shambhala, and the longest boat ride circuit in Europe,

Angkor), a new marketing strategy focused on traditional values, entertainment and family, and improvement of operational efficiency driven by a strong command and understanding of sustainability factors. Environmental management is a priority for PortAventura World, which is part of the UN Global Compact and seeks to promote the achievement of the Sustainable Development Goals (SDGs) as the basis of its ESG commitments. The company seeks to preserve the environment through good practices that promote responsible consumption and continuous improvement. The resort’s operations are fully carbon neutral, offsetting scope 1 and 2 emissions, in addition to being ‘zero waste’. Its next goal is to set and seek B-Corp certification. In PortAventura World’s Sustainability Strategy, one of the focal points under the environmental pillar is the low-carbon energy transition of the Company. To support their transition to renewable energy, PortAventura World has released plans to develop a large scale solar photovoltaic (PV) plant on their property, utilising more than 6 hectares of currently unused space. Upon completion, which is estimated for late 2022, the solar PV plant will consist of 13,056 solar panels and will generate 6.6 MW, which is estimated to provide roughly one third of the resort’s total annual power consumption. Additionally, the design of the plant provides for thoughtful integration into the local landscape, with the aim of reducing its visual impact and preserving the environment during construction and operation. In terms of avoided tonnes of carbon emissions, this is estimated to be 4,000 annually or the equivalent of planting 930,000 trees throughout the life of the solar plant. ♦



As a leader in Sustainability amongst European resorts, PortAventura is proud to reach yet another milestone for both our company and community. Solar power not only makes sense given our location, but it is value accretive both in the short term, and longer term in terms of energy security and environmental stewardship.

Choni Fernandez, Director of Sustainability



PortAventura World’s photovoltaic plant will cover 89,000 square metres, or roughly the size of 9 football fields and will be the largest in a European resort.

OUR FOUNDATIONS

OUR FOUNDATIONS

Investindustrial foundations have distributed over €11m grants and funding since their inception with another €10m pledged for the coming year.



www.investforchildren.org



Investindustrial established its first corporate foundation, Invest for Children (i4c) in 2000, with a mission to help differently-abled people and under-privileged children achieve a better quality of life. i4c works directly with individuals and their families, as well as in collaboration with different Foundations related to health & research, employment, education and sport. A total of €6.9 million has been distributed in grants and funding since i4c was established.

In 2016, the Investindustrial Foundation was established to complement i4c and focus

on the promotion of education, professional diversity, environmental protection and conservation, the arts, culture, heritage and science. The Investindustrial Foundation’s objectives link to the following four focus area: heritage and land stewardship; forestry conservation; clean energy; and sponsorships. More than €4.6 million has been distributed in grants and funding since Investindustrial Foundation was established. Another €10 million have been pledged for nature capital and biodiversity restoration projects in Europe and North America.

Both foundations are committed to

making a meaningful contribution to the Sustainable Development Goals (SDGs) and between the two are aligned most closely to the following SDGs:



THE INVESTINDUSTRIAL FOUNDATION

Promoting education, professional diversity, environmental protection and conservation, the arts, culture, heritage and science.

NYU STERN CENTRE FOR SUSTAINABLE BUSINESS (CSB)

NYU | STERN

Center for Sustainable Business

The Investindustrial Foundation continued its long-term support of the NYU Stern Centre for Sustainable Business and the development of their Return on Sustainability Investment (ROSI) methodology to bridge the gap between sustainability strategies and financial performance. Led by Professor Tensie Whelan, Director of CSB, NYU Stern is developing open source tools that can be used by private equity and corporates alike to better assess and create financial value through stepping up investments in sustainability.

The aim of ROSI is to assist companies with monetising the return on their investments in sustainability and improve corporate and investor decision-making. Investindustrial first contributed funding to NYU Stern CSB and became a founding donor of the Centre in 2018 when Aston Martin joined their research effort to test the ROSI methodology within the automotive industry. CSB continues to make progress on testing its methodology with different industries, including agribusiness, pharmaceuticals, utilities, and apparel.

The latest research project began in late 2020, when Investindustrial provided the NYU Stern CSB with funding as well as access to portfolio company data to develop and test new ROSI frameworks. The outcome of this project spanning 2020 and 2021 in the food and beverages sector is leveraged by

Investindustrial portfolio companies in the same sector and other industrial manufacturing sectors to measure the monetised impact of their sustainability initiatives during Investindustrial's holding period.

CSB's work on ROSI has been featured in the Financial Times and publications such as Harvard Business Review, Barron's and GreenBiz, and at global conferences.

LEVEL 20

LEVEL 20

Investindustrial supports this not-for-profit organisation formed to inspire women to join and succeed in the private equity industry. Level 20's mission is to encourage greater female representation across the private equity industry with the goal of having 20% of senior positions in the industry held by women and with a particular focus on increasing the number of women in investment roles. Investindustrial supports Level 20 in its mentorship programme.

Across 2019, 2020 and 2021, six employees have participated either as mentees or mentors.

Post-year end, Investindustrial supported Level 20 sponsored GAIN (Girls Are Investors) empower investment internships which was set up to encourage more female and non-binary students to pursue a career in investment. Investindustrial

supported the internship programme for Summer 2022 by placing two interns in the London office working alongside the investment professionals.

NATURAL CAPITAL

A number of projects have been supported which aim to respect, develop and protect nature and the animal world, as well as promoting education of wildlife and conservation. The Investindustrial Foundation works closely with La Lomellina Foundation. Investindustrial has pledged €10 million for nature capital and biodiversity restoration projects in Europe and North America. ♦



Forest protection programme to improve biodiversity and combat climate change.

LA LOMELLINA FOUNDATION



The La Lomellina Foundation was established at the end of 2018. Its objectives are the respect, development and protection of nature and the animal world, as well as raising awareness on those topics. In particular, the Foundation aims to:

- encourage the respect, development and protection of wildlife in all its forms;
- promote education and the knowledge of the animal world through initiatives oriented to the preservation of fauna's dignity and its survival;
- organise and increase the collection of materials, documents, books, works of art and trophies related to nature, fauna, explorations and cinegenic, which could be made available to scholars, people of culture, experts in science and those who love nature;
- preserve and safeguard particular geographical areas, in order to protect nature and native animal species which are present in such areas and plots.

La Lomellina 2021 projects

During its first year of activity in 2021, La Lomellina Foundation supported 3 main projects: 'Make biodiversity fly again', 'Recovery of the Pyrenean Capercaille' and 'Work on Fascioloides magna'. For two of the projects, "Make biodiversity fly again", project by WWF Switzerland, and the "Recovery of the Pyrenean Capercaille", project by Fundacion Artemisan in Spain, the funding activity continues.



Training events.

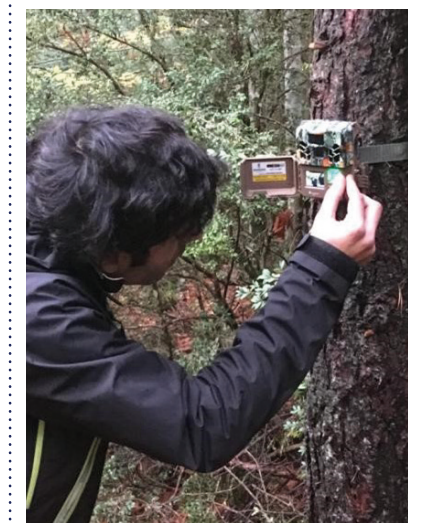
As far as the Swiss project is concerned, several measures were planned in 2021 for the three key objectives (Objective 1 'Conservation and qualitative improvement of capercaillie habitats', Objective 2 'Monitoring the impact of implemented measures' and Objective 3 'Knowledge transfer and education') and have largely been implemented. For technical reasons, some of the professional forest management measures were divided into stages between 2021 and 2022. Although some Covid pandemic restrictions were still in place in 2021, all the events planned under 'Objective 3' could still take place. Also, many events and excursions with school children, volunteers and visitors were realised.

As for the Spanish project, during the second year of the project, activities to study the area in order to understand more precisely what is present in the area have continued. To do so, three methods were combined to evaluate the possible population of capercaillies which are: camera trapping, direct observations of birds (both at the leks and through transects aiming to detect capercaillies and

other species (predators)) and search of signs (such as feathers, faeces or tracks). In addition to the areas identified in year one, several were added in year two.

Furthermore, close cooperation with the French authorities has begun given that the capercaillie is regularly present in France as well. An exchange of information and experiences enhances the value of the project and in early December, a conference was held with local and French authorities, hunters and local associations to determine concrete measures to carry out in 2022.

In addition, in 2021, the Foundation supported the research study on Fascioloides magna implemented by the University of Turin, with the aim of obtaining detailed documentation on this parasite that affects the liver of Cervidae. The scope of the project is to publish a document which can be used as a foundation for collaborating with possible pharmaceutical companies to develop solutions for the future. ♦



Photographic sampling of species.

INVEST FOR CHILDREN

Helping differently-abled people and under-privileged children achieve a better quality of life.



AURA



Work Placement Integration

Since 2012 Invest for children has been committed to workplace inclusion for people with learning disabilities, through operational and financial support for the Aura Fundación project.

The Aura Fundación was the first "Supported Employment" programme in Spain, a pioneer in the implementation and development of this methodology. Its mission is to help improve the quality of life of people with intellectual disabilities, through social inclusion at workplace following the bespoke Aura methodology.

In 2021, the Aura Foundation helped its participants return to work after a long period under labour force adjustment plans. The Foundation supported 311 individuals (+8% vs 2020) in work placement programs, including at companies such as Wallbox, Seidor Group, DABA Nespresso, Penguin Random House and CaixaBank. ♦



Supporting differently-abled people with work opportunities.

SANT JOAN DE DÉU



Paediatric Cancer Centre

The Hospital Sant Joan de Déu provides comprehensive care for vulnerable people. With the support of Invest for children, The Hospital Sant Joan de Déu of Barcelona launched a major project to create a Paediatric Cancer Centre, which will be at the forefront of paediatric cancer care in Europe.

The construction started in 2018 and the Center was inaugurated mid-June 2022. It covers 5,137m2 and is designed to treat 400 new patients every year. It includes more than 40 rooms (radiopharmacy, non-assistential spaces), 8 TPH rooms (radiotherapy), cubicles (laboratory) and 20 outpatient clinics (Teaching). ♦



San Joan de Deu Pediatric Cancer Center.

DREAM NEPAL



Foster Care

Dream Nepal's MalaHome Project was launched in 2015 to build and manage shelters in Kathmandu (Nepal) providing food, medical care, schooling, and psychosocial care to young children who are in prison with their mothers. At the request of the mothers, Dream Nepal move children from prison's hostile and precarious environment in order to protect them from the risk of social exclusion whilst

also giving them the opportunity to create a better future. Today, the MalaHome Project includes three foster homes in which fifty-three boys and girls aged between four and seventeen live.

Dream Nepal also runs the Youth Nepal Project, a flat where young people over the age of eighteen, who have moved on from the MalaHome Project (as they have reached maturity), are housed. Currently, three young people aged between eighteen and twenty live in the flat and continue their higher education while working part-time, with the aim of achieving economic and social independence. ♦



Children supported by the MalaHome project.

SUMMARY GROUP INFORMATION



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SUMMARY GROUP INFORMATION

During 2021, sales increased by 31% while EBITDA grew by 51% mainly due to the significant impact of the recovery from the Covid-19. In particular the Consumer & Leisure sector has experienced a significant increase in EBITDA followed by the Industrial Manufacturing and Healthcare & Services sectors.

The overall portfolio presents a solid 14.7% EBITDA margin. The overall financial leverage position is at 3.3 x Net Debt / EBITDA for the companies in the portfolio as of the end of 2021 with a significant decrease compared to the prior year mainly due to the increase of EBITDA.

The total number of portfolio employees increased by 13%, or by approximately 4,800, of which approximately half were in the Consumer and Leisure sector and the remaining mainly in the Industrial Manufacturing sector. For the sixth consecutive year, during 2021, Investindustrial and its portfolio companies assessed their carbon footprint, estimating total GHG emissions scope 1, 2 and 3 of approximately 3.7 million tCO₂e.

Note: aggregate numbers considering 100% of the companies present in the portfolio at the end of 2021. Investindustrial's funds typically own a majority position.

SALES (€M)

HEALTHCARE & SERVICES
CONSUMER & LEISURE
INDUSTRIAL MANUFACTURING
TECHNOLOGY
TOTAL

TOTAL

2020	2021
611	892
3,615	4,706
2,622	3,388
70	86
6,917	9,072

VARIANCE

€m	%
281	46%
1,091	30%
766	29%
17	24%
2,155	31%

EBITDA (€M)

HEALTHCARE & SERVICES
CONSUMER & LEISURE
INDUSTRIAL MANUFACTURING
TECHNOLOGY
TOTAL

TOTAL

2020	2021
71	84
430	775
370	470
11	1
883	1,330

VARIANCE

€m	%
13	18%
345	80%
100	27%
-11	-94%
447	51%

NET DEBT (x)

NET DEBT / EBITDA

RATIO

2020	2021
4.6x	3.3x

VARIANCE

x	%
-1.2x	-27%

EMPLOYEES (FTE)

HEALTHCARE & SERVICES
CONSUMER & LEISURE
INDUSTRIAL MANUFACTURING
TECHNOLOGY
TOTAL

TOTAL

2020	2021
2,769	3,542
20,746	23,062
11,694	12,921
815	1,345
36,025	40,871

VARIANCE

EMPLOYEES	%
773	28%
2,316	11%
1,227	10%
530	65%
4,846	13%



UNGC INDEX

PRINCIPLES OF THE UNGC		REPORT SECTIONS OR DIRECT RESPONSE
HUMAN RIGHTS		
PRINCIPLE 1	Businesses should support and respect the protection of Internationally proclaimed human rights	<p>A written commitment to supporting and respecting the protection of internationally proclaimed human rights is included within Investindustrial’s Environmental, Social, Governance Policy and Modern Slavery Act Statement.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• A Leading European Investment Group – Global and Equal Employer• Responsible Investment Approach• Contributing to Sustainable Development• Positive Societal Impact
PRINCIPLE 2	Businesses should make sure that they are not complicit in human rights abuses	<p>A written commitment to supporting and respecting the protection of internationally proclaimed human rights is included within Investindustrial’s Environmental, Social, Governance Policy and Modern Slavery Act Statement.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• A Leading European Investment Group – Who we are
LABOUR		
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<p>Relevant report sections:</p> <ul style="list-style-type: none">• ESG Data Reporting – Social (Workers Council)
PRINCIPLE 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	<p>A written commitment to not using directly or indirectly forced labour is included within Investindustrial’s Environmental, Social, Governance Policy and Modern Slavery Act Statement.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• Responsible Investment Approach
PRINCIPLE 5	Businesses should uphold the effective abolition of child labour	<p>A written commitment to not using child labour is included within Investindustrial’s Environmental, Social, Governance Policy and Modern Slavery Act Statement.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• Responsible Investment Approach
PRINCIPLE 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	<p>A written commitment to eliminating discrimination in respect of employment and occupation is included within Investindustrial’s Environmental, Social, Governance Policy.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• Our Foundations

PRINCIPLES OF THE UNGC		REPORT SECTIONS OR DIRECT RESPONSE
ENVIRONMENT		
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges	<p>A written commitment to limiting Investindustrial’s environmental impact as much as possible and to ensuring that its business is environmentally responsible, energy efficient, and carbon neutral is included within Investindustrial’s Environmental, Social, Governance Policy.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• Responsible Investment Approach• Sustainability Strategy & Objectives• Combating Climate Change, Climate Change Mitigation in Practice, and Proprietary Approach to Decarbonisation• Sustainable Resource Consumption
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility	<p>A written commitment to limiting Investindustrial’s environmental impact as much as possible and to ensuring that its business is environmentally responsible, energy efficient, and carbon neutral is included within Investindustrial’s Environmental, Social, Governance Policy.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• Responsible Investment Approach• Contributing to Sustainable Development• Sustainability Strategy & Objectives• Combating Climate Change, Climate Change Mitigation in Practice, and Proprietary Approach to Decarbonisation• Sustainable Resource Consumption
PRINCIPLE 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	<p>Relevant report sections:</p> <ul style="list-style-type: none">• Sustainability Strategy & Objectives• Combating Climate Change, Climate Change Mitigation in Practice, and Proprietary Approach to Decarbonisation• Sustainable Resource Consumption• Technology• Digitisation• Real Assets
ANTI-CORRUPTION		
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery	<p>A written commitment to complying with all applicable laws and promoting international best practice, including those laws and international best practice standards intended to prevent extortion, bribery and financial crime is included within Investindustrial’s Environmental, Social, Governance Policy.</p> <p>Relevant report sections:</p> <ul style="list-style-type: none">• ESG Data Reporting – Governance (Code of Conduct; Anti-Corruption Policy; Corporate Governance Policy)

PRI INDEX



I. POLICY, PEOPLE AND PROCESS		REFERENCES WITHIN THIS REPORT
1.1	What updates have you made to your responsible investment policy/guidelines and/or strategy?	<ul style="list-style-type: none">Responsible Investment ApproachInvestindustrial's ESG EvolutionProprietary Approach to Decarbonisation
1.2	What changes have you made to how responsible investment is resourced and structured at the firm?	* Details not included in Sustainability Report but are available via the Responsible Investment Policy on Investindustrial's website
1.3	How has your responsible investment policy/guidelines and/or strategy been implemented?	<ul style="list-style-type: none">IntroductionResponsible Investment ApproachIndustry EngagementCase studies used to illustrate implementation throughout
1.4	How does your firm manage the ESG aspects of its own operations (corporate responsibility)?	<ul style="list-style-type: none">IntroductionResponsible Investment ApproachSustainability Strategy & ObjectivesProprietary Approach to DecarbonisationContributing to Sustainable DevelopmentOur Foundations
II. PORTFOLIO		
2.1	What is the ESG risk and opportunity profile of the portfolio companies in the fund? Have there been any changes to the ESG risk and opportunity profile of the fund in response to emerging ESG issues, and, if so, which ones?	<ul style="list-style-type: none">Responsible Investment ApproachProprietary Approach to DecarbonisationContributing to Sustainable Development
2.2	How are ESG factors managed by the portfolio companies in the fund?	<ul style="list-style-type: none">Responsible Investment ApproachCase studies used to illustrate implementation throughout
2.3	Report specific ESG indicators for portfolio companies	<ul style="list-style-type: none">ESG Data Reporting
2.4	Describe your approach to assessing the risks and opportunities that climate change poses to your portfolio companies.	<ul style="list-style-type: none">Responsible Investment ApproachCombating Climate ChangeClimate Change Mitigation in PracticeProprietary Approach to Decarbonisation
2.5	Describe your approach to assessing the environmental and social benefits created by your portfolio companies.	<ul style="list-style-type: none">Responsible Investment ApproachContributing to Sustainable DevelopmentPositive Societal Impact
III. MATERIAL ESG INCIDENTS		
3.1	Immediate notification of material ESG incidents.	* Details not included in Sustainability Report but reported separately to investors

TCFD DISCLOSURES



TCFD DISCLOSURE GUIDELINES	
GOVERNANCE	
Recommended Disclosure a) Describe the board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none">At the Firm level, the Board reviews all strategies and execution of sustainability including climate objectives and actions at least annually.
Recommended Disclosure b) Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none">Understanding climate-related risks and opportunities is core to how Investindustrial assesses companies at the pre-investment stage and the management of these said risks/ opportunities is integral to the Firm's value creation strategy.Investindustrial's advisory teams assess climate-risk in due diligence at the pre-investment stage and then supporting portfolio companies in the execution of Investindustrial's climate mitigation strategy (explained below) during the holding period.Pre-investment, a high level-climate risk analysis is presented to the Investment Committee via the Final Investment Recommendation (FIR) memorandum.Post-investment, Investindustrial supports all portfolio companies to pursue a climate-mitigation strategy which is monitored on a quarterly and annual basis. Progress and updates on ESG issues, including climate, are shared with Investindustrial's senior leadership team via an ESG Evaluation score-card as well as through internal memos and calls.Ultimately, the management of each portfolio company is responsible for any ESG decisions taken or not pursued.
STRATEGY	
Recommended Disclosure a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none">Investindustrial is a mid-market, Pan-European private equity firm investing in four broad sectors: industrial manufacturing, consumer, healthcare and services and technology. As such, the Firm is faced with a broad spectrum of climate related risks and opportunities, both physical and transition.The short-term time horizon coincides with a fund's holding period, typically five years. The medium-term time horizon considered is approximately 10-15 years and reflects the expected holding period of a potential buyer.
Recommended Disclosure b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none">Climate-related risks, and opportunities, are assessed together with other economic and financial criteria as part of the investment process. Investindustrial considers climate-related risks and opportunities, both transition and physical risks, across all stages of the investment lifecycle, from pre-investment activities through the post-investment holding period and exit and takes account of these risks as part of the investment process, with the results forming a key element of the overall analysis on investment opportunities.Carbon emissions reductions form a core part of how Investindustrial manages climate-related risks at the Firm and portfolio company level. As such, Investindustrial has committed to be net-zero by 2030 and has validated science-based targets (SBTs) covering 100% of its portfolio by 2030. This means that all portfolio companies will also need to have validated SBTs by the said date.To meet these ambitious goals, Investindustrial pursues a three-pronged climate mitigation strategy that includes reducing emissions at source, switching to renewable energy sources for electricity consumption and offsetting any remaining carbon emissions that cannot be abated via proprietary nature-based solutions.

TCFD DISCLOSURES

TCFD DISCLOSURE GUIDELINES	
STRATEGY	
Recommended Disclosure c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none">Investindustrial works closely with its portfolio companies to help them navigate the transition to a de-carbonising economy. This work helps to both mitigate risk in the portfolio as well as to better position companies for the opportunities arising from this significant shift in industry and infrastructure.As with Investindustrial the Firm, all portfolio companies are encouraged to pursue the same three-pronged climate mitigation approach. This includes:<ul style="list-style-type: none">Reducing carbon emissions at source;Switching to renewable energy sources;Offsetting remaining emissions via proprietary nature-based solutions (see page 51 for more details).
RISK MANAGEMENT	
Recommended Disclosure a) Describe the organisation's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none">During the pre-investment stage, Investindustrial completes a high-level, medium-term (15 years) climate-risk analysis across 7 transition indicators (including regulatory changes) and 4 physical indicators for the target company. In doing so, it considers the likelihood of the risk occurring, the vulnerability of the company and any impact it may have in general and on financial metrics such as revenue, market share, profitability, opex, capex and reputation.Post-investment, Investindustrial engages with all portfolio companies to better understand which climate-risk indicators are most relevant for their business, their overall exposure and mitigation measures where relevant. The core analysis is completed by an external advisor across the short, medium and long-term for 'business-as-usual' and 'well below 2 °' scenarios. Where needed, a deep dive is completed for those companies most likely to be impacted by climate-risk which includes quantifying some of these risks and more generally understanding the impact they may have on a company's financial, legal and reputational performance.Also during the post-investment period, all portfolio companies are required to report their GHG emissions along with reduction initiatives.
Recommended Disclosure b) Describe the organisation's processes for managing climate-related risks.	<ul style="list-style-type: none">The main method for managing climate-related risks is Investindustrial's three-pronged climate mitigation strategy defined above.In addition, all portfolio companies pursue Investindustrial's sustainability approach which includes identifying the material topics for their business and developing a sustainability strategy. This will typically include climate-related objectives and initiatives.In the instance that an imminent physical risk is identified, Investindustrial will support the portfolio companies on the appropriate adaptation measures.
Recommended Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<ul style="list-style-type: none">At the pre-investment stage, climate-related risks are included in the FIR and any immediate action will be included in the 100 Day Plan.The process for managing these risks post-investment is described above.



TCFD DISCLOSURE GUIDELINES	
METRICS AND TARGETS	
Recommended Disclosure a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none">All Investindustrial portfolio companies provide carbon emissions reporting, along with other ESG metrics, on both a quarterly and annual basis. A subset of this data is available in the 'ESG Data Reporting' presented on pages 60 - 63.Investindustrial started collecting ESG data, including climate-related data, in 2016 via an Annual ESG Questionnaire. This survey is updated annually to reflect changes in regulation, investor requests and business drivers.In regard to remuneration, Investindustrial includes ESG KPIs in employees' performance reviews. Additionally, some portfolio companies are linking performance of defined ESG KPIs up to 25% of management variable compensation. These typically include climate-related KPIs.
Recommended Disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<ul style="list-style-type: none">Carbon emissions reporting, including scopes 1, 2 (market and location based) and 3, as well as carbon intensity reporting, is available at the Firm and portfolio company level via the ESG Data Reporting (pages 60 – 63), Firm Carbon Reporting (page 46) and Carbon Intensity (page 47).Fund Carbon Reporting is available on page 46 and includes metrics such as carbon emissions, carbon footprint and carbon intensity.

Materiality workshop with Targa Telematics.



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Investindustrial



BI-Invest



The partially post-consumer recycled paper used for printing this document has resulted in CO₂ emissions of approximately 1.0 tonnes.

Since 2009 Investindustrial reviewed its overall carbon footprint and invested in various high quality carbon offset projects to achieve carbon neutrality.



For more information please contact us at:

info@investindustrial.com
www.investindustrial.com



Investindustrial
Building Better Companies

Building Better Companies

◆ 2021

