



Environmental, Social and Governance Report 2022

May 2023



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Message from the Chairman

Our ESG impact and contribution

Franz Hörhager
Founding Partner and Chairman
of ACP Group

ACP Accession Capital Partners is committed to creating long-term sustainable value for all our stakeholders while upholding the principles of environmental, social, and governance (ESG) best practices. In 2022, we reviewed and further enhanced our ESG policies and procedures to ensure compliance with EU SFDR regulations and standards. We continued to integrate ESG considerations into our investment decision-making and portfolio management processes, resulting in positive outcomes for our stakeholders, the environment, and the communities in which our portfolio companies operate. For over 20 years now, we have been successfully building our business by practicing a proactive, open communication and dialogue with all of our stakeholders.

ACP's board of directors continues to prioritize governance practices, with a focus on transparency and accountability. Even though our products do not have a purely sustainable investment objective, we will continue to prioritize ESG considerations in our business practices and investments, with the aim of achieving long-term sustainable growth.

2022 was a milestone year for advancing and implementing ESG policies and practices across Europe, and so it was for the ACP Group. We launched our AMC V fund which is compliant with Article 8 of the European Sustainable Finance Disclosure Regulation (SFDR). As sustainable investing is increasingly moving to the core to our strategy, we continue to improve the ESG impact of our portfolio:

We continued to invest in companies that align with ESG principles, and we also engaged with our existing portfolio companies to encourage them to continuously adopt sustainable business practices and improve their ESG performance.

Being one of the most established and successful growth investors in CEE since 2000, we have a profound understanding of the dynamics of the local markets, and we equally have the knowledge to address their impacts. Looking forward to 2023 and beyond, we see ample opportunities for growth through responsible investing, and we will therefore continuously increase our endeavour to contribute to a sustainable future.



About ACP Group



ACP – leading Central European structured growth capital provider

Overview – ACP platform at a glance

ACP Group at a Glance

58

investments since inception

52

full and partial exits

18

investment professionals

>20 years

supporting Central Europe's mid market

>EUR 1bn

total committed capital across 5 funds

Multi-cycle
investment expertise

+20%

realized IRR
in the last decade

Unmatched regional coverage
via 5 local offices

Team with multi-cycle investment expertise



Franz Hoerhager
Founding Partner and Chairman
+35y in PD and banking



Przemek Glebocki
Managing Partner and CIO
+20y in PD and audit



Chris Buckle
Partner and CRO
+25y in PD, PE and banking



Claudiu Corcodel
Partner, Head of Romania
+15y in PD and advisory



Piotr Sadowski
Partner, Head of Baltic Region
+15y in PD, PE and banking

ACP Group at a Glance

Local coverage and stable team

1. Warsaw

Accession Capital Partners sp.z o.o
Zlota 59, 00-120 Warsaw,
Poland

2. Prague

Accession Capital Partners
ArchiHUB, Puškinovo náměstí 681\3,
160 00, Prague 6 -Bubeneč,
Czech Republic

3. Vienna (Head Office)

Accession Capital Partners GmbH
Kohlmarkt 5/6, 1010 Vienna,
Austria

4. Budapest

Accession Capital Partners Hungary
Károly körút 5/a, 1075 Budapest,
Hungary

5. Bucharest

Accession Capital Partners Romania
40 Pictor Barbu Iscovescu Street,
second fl. 011938 Bucharest
1st district,
Romania



+15 years	+10 years	+5 years	<5 years
Franz Hoerhager Rory Brooks Przemek Glebocki Chris Buckle Laszlo Olah	Piotr Sadowski Christian Stix Claudiu Corcodel Cristian Stejar Dmytro Kistechko Kevin Brown	Jakub Chechelski Karol Kaminski Artur Rusiyan	Marko Mitrovic Paul Moss George Dumitrascu Ferenc Kadocsa Sabine Ohler
>50% of team with firm for more than 10 years			



Our responsibility



Our responsibility towards impact driven investments

Our philosophy

As Accession Capital Partners, we recognize the importance of sound governance practices for ensuring long-term sustainability and creating value for all our stakeholders. We are committed to upholding the highest standards of corporate governance, transparency, and accountability.

By embracing **ESG key principles** and incorporating them at all levels of our business and investment processes, we advocate **sound corporate governance** and **sustainable business practices** which result in responsible long-term value creation for our investors and portfolio companies.



ACP takes **environmental, social** and corporate **governance** issues very seriously in order to achieve a positive impact via its operations and sustainable investment returns. This approach is not new to us but has been implemented and further developed over the last decade.



ACP strives to be a **progressive, responsible investor** and employer, enabling positive changes with stakeholders and leading by example. We are firm believers that responsible investing is beneficial for our investors, our portfolio companies, and the world we all live in.



ACP Group is a **proud signatory of the UN Principles of Responsible Investment.**



Responsible investment approach and sustainable returns

Our commitments

As an investment firm, ACP is committed to:

- Include ESG considerations into investment analysis and decision making.
- Encourage portfolio companies' board of directors and management teams to incorporate appropriate ESG guidelines into its policies and activities.
- Assist portfolio companies with long-term sustainable and ethical growth for all stakeholders, including employees, other shareholders and partners.
- Consider and adhere to stringent anti-corruption ethics and policies.

ACP will not consider investing in:

- Production of arms or military equipment.
- Production or export of tobacco products or hard liquor.
- Casinos and other gambling facilities.
- Immoral or illegal activities.
- Companies with severe ongoing environmental or other ESG issues.



ACP applies its impact-driven investment philosophy in each investment

Our main areas of responsibility

Our ambition is to:

operate with the highest standards of **governance, ethics** and **transparency**.

focus on supporting **environmental transition**.

accelerating progress towards a more **inclusive** and **equitable** society.



Protecting the environment and mitigating climate change.



Delivering projects that respect the needs of all our stakeholders.



Creating a stable and inclusive workplace supporting diversity.



Maintaining stable and strong relationships with our investors and investee companies.



Taking corporate social responsibility seriously.

ESG philosophy – Our commitment to impact driven investments

Responsible investment approach and ESG policy

ACP Group is part of an international community of companies and institutions that strive to promote the **17 Sustainable Development Goals (SDGs)** set by the United Nations.

The ACP Group is and has been supported for many years by leading **international financial institutions** and **blue-chip institutional investors** at the forefront of promoting a responsible investment approach.

Our funds are **SFDR compliant** and we provide our investors with an **Annual ESG Report**, both on fund and portfolio company level.

ACP has a **demonstrable track record of impact investments** in recycling, circular economy, and other positive ESG sectors.





ACP Group impact on the UN sustainable development goals

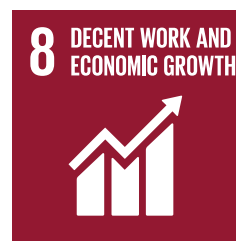
Our impact



Our goal is to contribute to the end of hunger and make sure that enough nutritious foods are available to people.



Equal treatment in the workplace is one of ACP's pillars. All of our employees are bound by the anti-mobbing and anti-discrimination policy.



We are a responsible employer and we promote local entrepreneurs and regional products.



We invest in the underserved Central and Eastern European region, contributing to the development of the local markets.



We encourage our organisation and investee companies to reduce their ecological footprint by changing the way we consume good and resources.



We promote carbon neutrality and the reduction of different types of emissions through better environmental practices.



We are involved in local and international industry initiatives and contribute to sustainable development by mobilizing resources and sharing knowledge.

Source: United Nations



ESG integration in our investment process



ESG principles implementation

ACP's five step implementation process

ACP's Five Step ESG Implementation process incorporates the firm's ESG principles throughout all stages of an investment and beyond, ensuring full compliance with our high standards. The process covers environmental, social and corporate governance concerns and their relevant KPI's, to ensure a detailed analysis and monitoring of companies.

	INITIAL ANALYSIS	IN-PRINCIPLE VIEW	FURTHER DD	DOCUMENTATION	MONITORING & REPORTING
OBJECTIVES	Evaluate the company's profile and industry in accordance with ACP's ESG policy	High-level analysis of the company and industry, such as the business plan, to ensure that ACP's ESG standards are met	Assess the ESG risks and opportunities to allow ACP's IC to make an informed decision	Legal bind the investee company or borrower to comply with certain ESG parameters and covenants introduced by ACP	Stay informed and respond to new developments and/or risks
ACTIVITIES	<p>Dialogue with shareholders and management to assess any ESG related risks</p> <p>Take decision to proceed to next phase</p>	<p>Engage senior management of target for disclosure of potential ESG risks</p> <p>Request completion of ACP's "Stage 1" ESG Questionnaire⁽¹⁾</p>	<p>Request completion of ACP's "Stage 2" ESG Questionnaire⁽²⁾</p> <p>Evaluate the answers and applying a risk score based on ACP's ESG Risk Score Methodology⁽³⁾</p> <p>Third party ESG report for any deal rated B or higher</p>	<p>ACP may request management changes relating to ESG policies</p> <p>ACP defines tailored ESG covenants and KPIs, as well as including ESG policies in agendas of regular meetings⁽⁴⁾</p> <p>Documentation requiring dedicated ESG Policy, ESG compliance officer and responsible board member</p>	<p>Ensure on going monitoring through regular board discussions on ESG</p> <p>The portfolio company is required to provide ACP's tailored reporting package on an annual basis⁽⁵⁾</p>
REFERENCES	<p>(1) ACP Stage 1 Questionnaire – DA Stage (2) ACP Stage 2 Questionnaire – DD Stage (3) ESG Risk Scorecard & Overview (4) ESG Sample KPIs (5) ACP ESG Reporting Template</p>				



About the survey

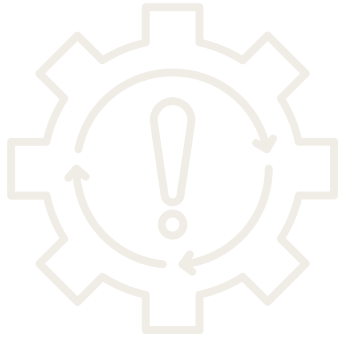
Purpose of ESG survey

ESG annual assessment

ACP Group's ESG reporting covers the following areas:

- Environmental issues
- Human resources
- Human rights
- Health & Safety
- Data privacy and security
- Corporate governance
- Anti-bribery & Anti money laundering
- Risk Management
- Supply chain
- Compliance with local laws

- The purpose of our annual ESG survey is to measure the progress of our portfolio companies in environmental, social, and governance matters.
- Questionnaires are sent to portfolio companies on an annual basis, and at due-diligence stage for new investments.
- Both questionnaires (Stage I and Stage II) help the companies to identify the material aspects and relevant actions they can undertake to improve the environmental, social, and governance impact of and on their businesses.
- The survey then helps ACP to demonstrate tangible progress on all levels of best-practice ESG implementation across our portfolio.
- Depending on the results, ACP will decide to engage with the company, decrease exposure to the security in question, or divest entirely.



ACP is aligned with the EBRD + IFC level of risk categorization

2022 ESG annual assessment



A/High activity risk

Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.

➔ ACP would not and cannot invest.

Activities including:

- involuntary resettlement;
- potential adverse impacts on Indigenous Peoples;
- significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; or
- significant occupational health and safety risks.



B/Medium activity risk

Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

➔ ACP would consider an investment but must conduct a third party ESG assessment.

Most ACP investments are likely to fall into this risk category.



C/Low activity risk

Business activities with minimal or no adverse environmental or social risks and/or impacts.

➔ low risk, no third party ESG assessment required.

However, financial and legal due-diligence should still check compliance with local licenses, permits, laws.

i.e.

- Service businesses
- Some light manufacturing/assembly



Portfolio developments – Overview

Development impact through the years

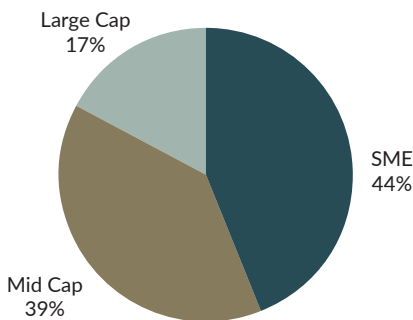
Overview of developments

Being a mid-market focused investor, ACP Group stands out as a long-term supporter of small and medium enterprises (SMEs) and Mid-caps in CEE.

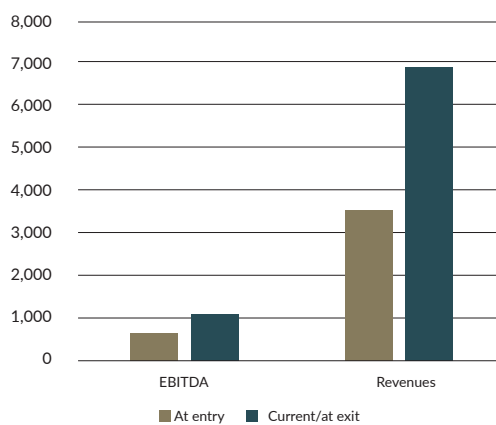
- 51 out of 58 investments in prior funds were in SMEs and Mid-cap.
- Due to widespread limited access to external financing, ACP provides a vital source of capital to enable local business development.

AMC funds	Amount (EUR m)	% in total portfolio	Total No. of deals	% Of total No. of deals
SME qualifying deals	344.6	44%	30	51.7
Mid-Cap qualifying deals	306.4	39%	21	36.2

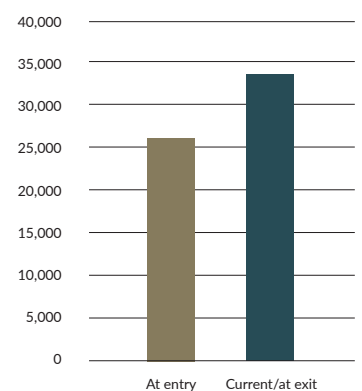
Strong SME & Mid-Cap focus



Portfolio Growth



Total employee growth



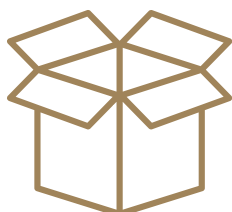
Portfolio impact in 2022 – in brief

Overview of developments

A total of 9 out of 9 currently active portfolio companies responded to the questionnaire



2 Service companies



3 Recycling and packaging



1 FMCG producer



1 Pharmaceutical



1 Agriculture



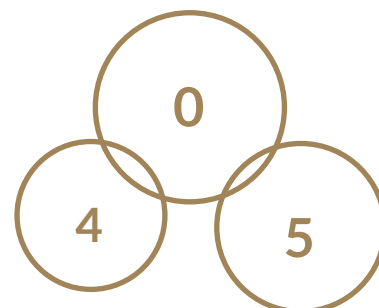
1 Manufacturing



1 new
participant



4 Poland, **1** Lithuania,
1 Romania, **1** Bulgaria,
1 Regional, **1** Slovenia



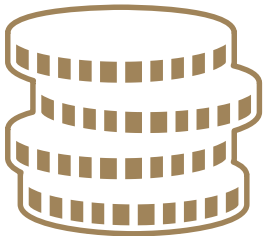
4 SME, **5** Mid-Cap and
0 Large-Cap companies

Portfolio impact in 2022 – in brief

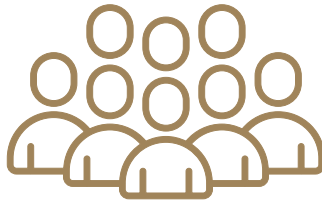
Overview of developments

9 Portfolio companies

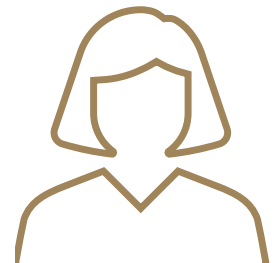
Overall impact



EUR 1,449m
Revenue of portfolio
companies



5,296
Employees



42%
Female FTEs



2 Companies have a formalized
environmental policy

2 companies will implement in 2023



EUR 178m
In EBITDA

The background is a blurred image of a laboratory or factory setting, illuminated with a strong blue light. In the foreground, there is a piece of equipment with various cables and connectors. A large, semi-transparent blue geometric shape, resembling a stylized 'A' or a large triangle, is overlaid on the right side of the image. The text "Portfolio companies" is centered in the lower half of the image.

Portfolio companies

Portfolio companies – AMC IV

ACP ESG Report 2022

	Company	Country	Sector	FTEs 2022	Turnover in 2022 (EUR million)	ESG risk classification
	Nettle	Poland	Pharmaceutical	104	34.7	Low Risk/C
	Petstar	Romania	Packaging and Container	242	77.1	Medium Risk/B
	EuroIns	Bulgaria	Financial Institutions	2,025	859.5	Medium Risk/B
	Profi	Poland	Food processing	300	37.6	Medium Risk/B
	Akomex	Poland	Packaging and Container	638	79.9	Medium Risk/B
	Plasta	Lithuania	Recycled Plastic Processing	482	57.1	Medium Risk/B
	Inplus/ Cenatorium	Poland	Data Services	80	5.9	Low Risk/C
	Spearhead	Regional	Agriculture	1,198	274.8	Medium Risk/B
	Fomtech	Slovenia	Technical Textile production	227	22.7	Medium Risk/B



Portfolio company – Nettle

2022 ESG Review

Company Overview

Nettle is a provider of outsourcing services for pharmaceutical companies and other healthcare sector participants, focusing on the management of trade receivables.

AMC IV provided EUR 24.0m expansion financing to finance receivables from state and municipally owned hospitals. ACP helped to develop a growth strategy together with other board members.

2018: Nettle launched a pharmaceutical wholesaler in Warsaw.

2019: Launched the eDTP.pl platform. It allows pharmacies to order medicines directly from manufacturers, and pharmacists to follow current market news and deepen their knowledge.

Over recent years the company has been transformed into a “one stop shop” service provider for pharma producers.

Nettle at a glance	
HQ	Poland
Sector	Distributor of pharmaceutical products
SME	Yes
Risk classification	Low/C
ESG Impact	Neutral – Does no material harm and is focussed on improved ESG

Category	Risk categorization	ESG Leadership
Environmental	C	<p>Nettle installed photovoltaic panels on its state-of-the-art distribution center in Sieradz.</p> <p>By using its own renewable energy sources, the company reduces the purchase of non-renewable energy, hence securing the continuity of its processes by ensuring energy independence.</p> <p>The company strongly emphasises the importance of reducing the carbon footprint through the strict implementation of its pro-environmental policy.</p>
Social	C	<p>Nettle offers its employees private medical care and insurance, and organises integration meetings and trips to create a friendly work atmosphere.</p> <p>The company put in place policies for overtime, maternity leave, sick leave, and disability.</p>
Governance	C	<p>Since 2021, all of Nettle’s employees are regularly being made aware of anti-bribery & anti-money laundering through the company’s updated code of ethics.</p>

2022 ESG Review

Sustainable Development Goals

			<p>Promoting circular economy:</p> <ul style="list-style-type: none"> • Nettle is constantly developing and looking for new and innovative solutions for its customers, in all aspects of the business. • As an operator, the company implements the manufacturers' business strategy, ensuring a safe and shortest possible product path to the pharmacy or hospital.
			<p>Social responsibility:</p> <ul style="list-style-type: none"> • Nettle continues to promote competences, commitment, experience, and continuous development. • The company continues engaging in social and charity campaigns, thereby benefiting local communities. • Continue supporting one of the Bolivian orphanages.
			<p>Transparency:</p> <ul style="list-style-type: none"> • Since 2006, Nettle has been constantly developing and expanding its portfolio of services to meet the needs of their partners and the constantly changing market environment.

ESG Performance

Developments	Yes/No
Does the company generate GHG emissions?	Yes
Have there been any serious environmental incidents in the last five years?	No
Has the company taken measures to reduce greenhouse gas emissions?	Yes
Is there unadjusted gender pay gap in the company?	No
Does the company have a human resource policy which informs workers of their rights and conditions of employment?	Yes

Female employees* (%)	2021	2022
Total staff	64	64
Total management	53	53
Board members	0	0

* Ratio of female to male employees as a percentage of the total



Portfolio company – Petstar

2022 ESG Review

Company Overview

Pet Star Holding is a family-owned company set up in 2000 which produces the full range of PET preforms in a facility located in Slobozia, Romania.

AMC IV provided EUR 12.0m warranted mezzanine and EUR 8.0m equity to finance the construction of a modern recycled PET resin production facility in Romania and the working capital necessary for operation of such production facility.

The new factory has since been completed and the production of recycled PET resin started.

ACP supported the Group in making the transition from a linear to a circular business model to optimize value creation.

Petstar at a glance	
HQ	Romania
Sector	PET preforms producer
SME	Yes
Risk classification	Medium/B
ESG Impact	High – Promotes the circular economy by recycling post-consumer PET to food-grade input for new products

Category	Risk categorization	ESG Leadership
Environmental	B	<p>Petstar recycles post-consumer PET bottles and aims to achieve a greenfield investment for producing resin and flakes while supporting recycling policies, creating jobs, ensuring quality materials, and transitioning to a circular economy.</p> <p>The company is committed to insuring and keeping the value of products, materials, and resources in the economy for as long as possible.</p> <p>The company performs an annual evaluation of each of its suppliers. Only if they meet the criteria, they are being retained as a qualified suppliers.</p>
Social	C	<p>Petstar encourages gender diversity, and promotes employees based on their accomplishments.</p> <p>The company ensures compliance with the SA8000 and ensures that all the respective requirements are met.</p> <p>Petstar has an HR policy in place which informs workers of their rights and conditions of employment.</p>
Governance	C	<p>The company has a charter, or articles of incorporation, according to local legislation, with provisions on information, disclosure, and transparency of the company's activities.</p> <p>Petstar has a corporate governance code and policies.</p> <p>There's a designated person at the company responsible for managing compliance issues, ethics and potential conflicts of interest.</p>



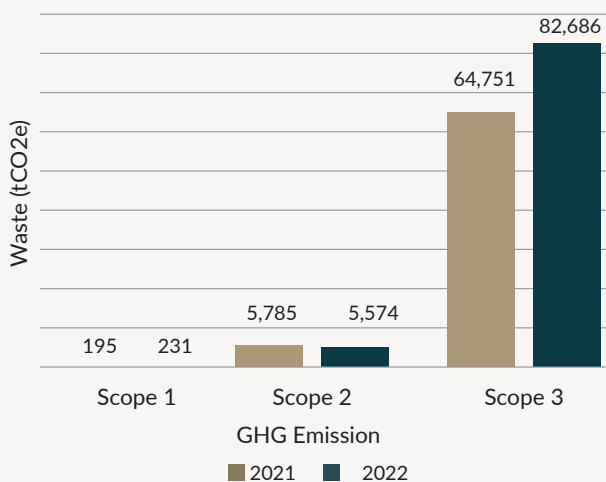
Portfolio company – Petstar

2022 ESG Review

Sustainable Development Goals

			Promoting circular economy:
			<ul style="list-style-type: none"> • Plan to purchase photovoltaic panels. • Investing in top equipment in order to improve material/utilities consumption. • Collaboration with partners which have similar environmental policies and practices.
		Social responsibility:	
		<ul style="list-style-type: none"> • Ensuring compliance with all requirements of the SA8000 standard. • Established a social performance team which oversees the implementation of the company's Social Responsibility Management System. 	
		Transparency:	
		<ul style="list-style-type: none"> • Provide transparency and open communication with all stakeholders. • Raising awareness of the requirements of the SA8000 standard. • Involvement of stakeholders and management to achieve sustainable compliance with the SA8000 standard. 	

ESG Performance



Developments	2021	2022
Water consumed (Tons)	36,264	31,280
Non-recycled waste generated (Tons)	1.76	1.1
Total waste generated (Tons)	327	421
Total carbon footprint* (tCO2e)	70,731	88,491
Female employees* (%)	2021	2022
Total staff	15.5	15
Total management	50	50
Board members	50	50

* Ratio of female to male employees as a percentage of the total

2022 ESG Review

Company Overview

Euroins Insurance Group (EIG) is a leading independent non-life insurance group in Southeast Europe (SEE), with operations in Bulgaria, Romania, North Macedonia, Greece, Ukraine, Georgia, etc.

AMC IV provided EUR 10m growth capital to finance the organic expansion of Euroins and add-on acquisitions.

While the pandemic interrupted planned acquisitions, organic growth continued at more than 12% per year on average since 2019.

ACP Introduced Euroins to potential expansion opportunities in our networks of contacts.

Euroins at a glance	
HQ	Bulgaria
Sector	Non-life insurance
SME	No
Risk classification	Medium/B
ESG Impact	Neutral – Does no material harm and is focussed on improved ESG

Category	Risk categorization	ESG Leadership
Environmental	C	The company maintains a sustainable corporate culture that responds to changes in the environment while at the same time contributes to creating long-term relationships with its customers, partners, employees, and the civil society.
Social	B	The business strategy of the company is aimed at supporting projects and policies in the fields of education, sports, environment and art.
Governance	C	<p>The company's high standards of corporate governance, control, and values help build strong relationships with customers and partners.</p> <p>The company has appointed a dedicated ESG officer.</p> <p>The company has an multi-layered Environmental and Social Action Plan (ESAP) in place.</p>

2022 ESG Review

Sustainable Development Goals

		<p>Promoting circular economy:</p> <ul style="list-style-type: none"> To transform innovative ideas into services and products that modernize society and stimulate its development. To promote rational use of EIG’s resources.
		<p>Social responsibility:</p> <ul style="list-style-type: none"> To motivate employees and support the development of the customers, partners, and investors in accordance with global socio-ethical principles. Principles and commitments, such as social engagement
		<p>Transparency:</p> <ul style="list-style-type: none"> To continuously expand the company’s market share by exceeding the expectations of customers and partners, providing them with reliability and security. To strive for excellence and leadership recognized by society, customers, and investors. To ensuring publicity and transparency for all of the company’s activities.

ESG Performance

Insurance is not a high impact climate sector.

EU taxonomy screening did not identify significant adverse impact as material premiums that match the technical screening criteria as defined in regulation.

The company’s disclosures on that matter are for 0% of income to be material for adverse impact environmental purposes.

Female employees* (%)	2021	2022
Total staff	62	65
Total management	52	59
Board members	30	33

* Ratio of female to male employees as a percentage of the total



Portfolio company – Profi

2022 ESG Review

Company Overview

Profi is the leading manufacturer of branded pâté and ready-to-eat soups in Poland.

AMC IV provided EUR 10.6m funding to support the acquisition of the company from Bounty Brands, a diversified FMCG platform active in South Africa and Poland. To acquire Profi, AMC IV partnered with a group of private investors, including the founders who had sold the business to Bounty Brands in 2017.

ACP supported the development of international sales.

2020: New brand – Court Pate is launched.

2021: New brand of soups launched – JemyJemy.

2021: Expanding production hall with a new line – allows a new product to hit the market.

Profi at a200 glance

HQ	Poland
Sector	FMCG
SME	No
Risk classification	Medium/B

Category	Risk categorization	ESG Leadership
Environmental	B	<p>Profi is not exposed to environmental liabilities, such as those arising from land or ground water contamination.</p> <p>The company is dedicated to obtaining all relevant, up-to-date environmental permits and certifications.</p> <p>The company has set goals to reduce the scope 1, 2 and 3 GHG emissions while also promoting a circular economy.</p>
Social	C	<p>The company's workforce is becoming representative of the local population with respect to gender, race, and religion.</p> <p>Profi has been awarded by the National Labour Inspectorate for its commitment to promoting safety culture in workplaces.</p> <p>The company supports people in the homeless crisis.</p>
Governance	C	<p>Profi's financial reporting is in line with internationally recognised transparency standards.</p> <p>Profi has a designated person responsible for managing compliance issues, ethics, and potential conflicts of interests.</p>



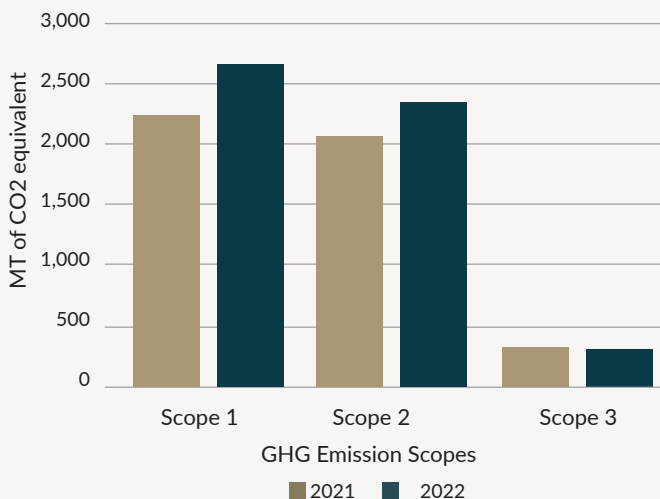
Portfolio company – Profi

2022 ESG Review

Sustainable Development Goals

		Promoting circular economy:
		<ul style="list-style-type: none"> Plans to purchase new steam boilers as well as implementing a new steam boiler house at the P1 plant. Plans to build a solar power plant with a capacity of 1 MW. Currently at analysis and assessment stage. Modernization of the car fleet, regular renewal through the purchase of vehicles with lower emissions.
		Social responsibility:
		<ul style="list-style-type: none"> Supporting local culture, art, sports, and education, to improve the socio-economic image of the country. 180,000 products sent to those in need in the Ukraine. 200,000 products provided to those in need during the first half of 2022.
		Transparency:
		<ul style="list-style-type: none"> The company has implemented a HACCP system, in addition to further certificates confirming the high quality of its products. The company is IFS, BRC, PN-ISO 9001:2000 and BRC Global Standard certified. Profi is dedicated to building long-term relationships with clients, business partners, and investors, listening to their needs and expectations, resulting in introduction of new products and technological innovations.

ESG Performance



Developments	2021	2022
GHG Intensity (CO2 emission intensity factor)	0.356	0.336
Total carbon footprint (MT of CO2 equivalent)	4,723.43	5,427.69
Total waste generated (Tons)	2,541.01	2,238.80
Total water consumed (cubic metres/year)	109,900	84,282
Hazardous waste generated (Tons)	0.292	0.6
Female employees* (%)	2021	2022
Total staff	47	47
Total management	75	75
Board members	50	67

* Ratio of female to male employees as a percentage of the total

2022 ESG Review

Company Overview

Akomex is among the leading manufacturers of paper carton packaging in Central Europe.

AMC IV provided EUR 16.7m warranted mezzanine and EUR 4.4m equity investment to support the founder in the management buy-back of Akomex.

Since the transaction closing, Akomex initiated a major IT change and capacity and efficiency were boosted through a CAPEX program.

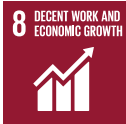






ACP introduced the company to new clients and assisted with bolt-on acquisitions.

Akomex at a glance	
HQ	Poland
Sector	Packaging
SME	No
Risk classification	Medium/B
ESG Impact	Neutral – Does no material harm and is focussed on improved ESG

Category	Risk categorization	ESG Leadership
Environmental	B	<p>The company is undertaking several pro-ecological activities aimed at the future of future generations.</p> <p>Particular importance is given to environmental standards – confirmed by ISO 14001:2015 and FSC certifications.</p> <p>The company actively takes action to reduce their plants’ negative impact on the natural environment, in accordance with its environmental standards.</p> <p>Obtaining wood and derived semi-finished products without disturbing the biological richness of forests, following PEFC or FSC CoC® certificate guidelines.</p>
Social	C	<p>Akomex has been awarded a silver medal by EcoVadis, a leading global rating agency that evaluates the activities and practices of companies from the perspective of corporate social responsibility, including commitment to environmental protection.</p> <p>The company engages in dialogue with customers in order to build awareness of its pro-ecological activities and optimize its processes.</p>
Governance	C	<p>Akomex’ code of ethics is the foundation of the company’s activities, demonstrating the importance of being guided by transparent values in modern business.</p> <p>The company’s management and employees promote the organisational cultural values: honesty, tolerance, transparency and, above all, respect for other human beings.</p>

2022 ESG Review

Sustainable Development Goals

		Promoting circular economy:
		<ul style="list-style-type: none"> Akomex started to measure and evaluate the carbon footprint of its plants and products – a key contribution to the company’s path towards climate neutrality. Implementing environmentally friendly printing systems Anicolor and Ako7Color will reduce the consumption of energy, water, and cleaning agents during packaging printing. Investments in new technologies will reduce the amount of material used, as well as the amount of waste, and the number of rearrangements.
		Social responsibility:
		<ul style="list-style-type: none"> Akomex will soon report the size of the carbon footprint for each packaging produced. Continuous improvement of employees’ awareness and qualifications in the field of environmental aspects.
		Transparency:
		<ul style="list-style-type: none"> Respond to the needs of customers: Akomex’s customers ask about the origin of the raw material and also recognize the important role of producers in the context of caring for the natural environment.

ESG Performance

Developments	2021	2022
Total waste generated (Tons)	5,276	4,703
Non-recycled waste generated (Tons)	1,843.5	2,131.7
Total amount of water consumed (cubic meters)	6,217	7,568
Hazardous waste generated (cubic meters)	149.15	123.9

Female employees* (%)	2021	2022
Total staff	38	38
Total management	38	37
Board members	0	0

* Ratio of female to male employees as a percentage of the total

- Waste is collected and returned in accordance with the Waste Act. The scope is consistent with the waste code decisions granted to each of the companies.
- Non-recycled waste – Actions taken, actions planned, and targets set for the next reference period: Replacement of lighting with LED – continuous process of investing in new technologies.

- Water consumption in 2021 was at the acceptable level, as specified in the Agreement with the Municipal and Water Supply Company on the conditions for supplying and using water and collecting sewage.

Note: GHG emission scope levels 2022 to be calculated in the second quarter of 2023, after the process of determining carbon footprints for the company’s products is completed.



Portfolio company – Plasta

2022 ESG Review

Company Overview

The largest polyethylene factory of the Baltic States and one of Europe’s largest factories in this field, recycling more than 30,000 tons of polyethylene waste per year.

Manufacturing and exporting more than 0.5 billion garbage bags per year. The 2,500 tons of garbage bags per month.

PLASTA focuses on the highest quality products through the usage of modern factory equipment.

AMC IV invested EUR 12.7m growth capital to support the firm’s organic growth and potential strategic acquisitions.

ACP’s role is to trigger changes in corporate structure, corporate governance, enhance reporting and assist in search and evaluation of potential M&A targets.

Plasta at a glance

HQ	Lithuania
Sector	Recycling
SME	No
Risk classification	Medium/B
ESG Impact	High – Promotes the circular economy by recycling post-consumer plastics as input for new products

Category	Risk categorization	ESG Leadership
Environmental	B	<p>Plasta is refusing surplus items by using work tools that can be replaced by electronic solutions. The company also promotes the use of recycled products, eco- and environmentally-friendly products and raw materials.</p> <p>The company has developed special products for sorting waste.</p> <p>Plasta supports green, environmental, and pollution reducing associations, individuals, projects and educational institutions researching and developing measures to reduce pollution.</p>
Social	B	<p>Plasta is responsible for building a waste sorting culture in Lithuania. The company publishes various educational materials.</p> <p>The company’s personnel data is processed in accordance with the EU General Data Protection Regulation, the Law on Legal Protection of Personal Data of the Republic of Lithuania, and other legal acts.</p> <p>There is zero tolerance for corruption.</p> <p>Cases found are always reported to law enforcement authorities.</p>
Governance	C	<p>The company has a designated officer responsible for ensuring compliance with the company’s corporate governance policies.</p> <p>A corporate governance policy is being prepared in 2023.</p>



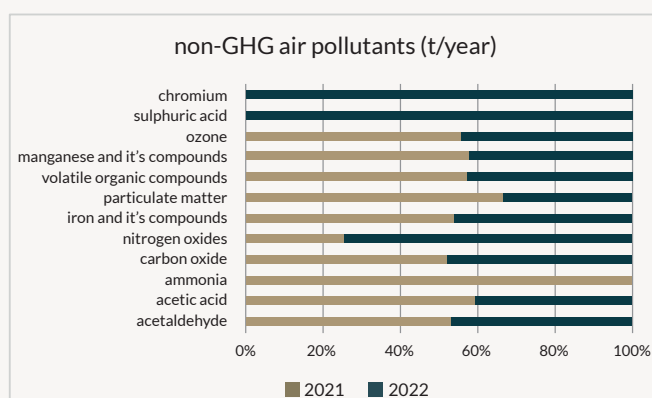
Portfolio company – Plasta

2022 ESG Review

Sustainable Development Goals

		Promoting circular economy:	<ul style="list-style-type: none"> • Planning to buy 100% green energy by 2024. • A water treatment improvement project is approved and will be implemented in Q3/2023. • The company is implementing new initiatives with cement producers RDF for the use of plastic waste in their production. • The company is assessing a pyrolysis process. • Striving for minimum waste in the production process.
		Social responsibility:	<ul style="list-style-type: none"> • Provide new staff training, occupational safety and accident prevention measures, organize educational events, and evaluate feedback and suggestions. • In the new code of conduct, the practices of suppliers of raw materials will be checked for compliance with European standards.
		Transparency:	<ul style="list-style-type: none"> • The board of directors set the company's risk profile, and periodically reviews the company's risk management system. • Plasta is in the process of formalising a risk management system that includes ESG matters.

ESG Performance



An overall decline in usage, with exception to chromium and sulphuric acid which are produced at minimal amounts of 0.00016 and 0,0168 t/year, respectively.

Note: Some 2022 GHG/energy consumption figures are still being calculated and will be released later in Q2 2023.

Developments	2021	2022
Total waste generated (Tons)	2,814	11,477
Total amount of water consumed (cubic meters)	141,877	141,893
Non-recycled waste generated (Tons)	2,707	11,177
Emissions to water (cubic meters)	1,359	1,362
Female employees* (%)	2021	2022
Total staff	30	31
Total management	40	40
Board members	25	25

* Ratio of female to male employees as a percentage of the total



2022 ESG Review

Company Overview

Cenatorium and its affiliate, Inplus, operate Poland’s largest property-related database, comprising various data-sets ranging from value through geological profile to infrastructure installed on such land plots.

AMC IV provided EUR 10.2m to help buy-out a passive financial investor and currently owns 40% of the company.

Its goal is to expand the range of services delivered on the back of the proprietary database, supporting infrastructure investments as well as various tax and duty collections.

ACP supports the launch of the direct-to-consumer classifieds platform.

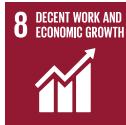
Cenatorium at a glance	
HQ	Poland
Sector	Data services
SME	Yes
Risk classification	Low/C
ESG Impact	Neutral – Does no material harm and is focussed on improved ESG

Category	Risk categorization	ESG Leadership
Environmental	C	<p>The company does not produce any hazardous or radioactive waste.</p> <p>Inplus Group/Cenatorium is not active in the fossil fuel sector.</p> <p>The company has obtained all relevant environmental permits and certifications and they are up to date.</p>
Social	C	<p>The company reports that 53% of total staff are females.</p> <p>The company reports that the workforce is representative of the local population with respect to gender, race, religion, etc.</p>
Governance	C	<p>The company is planning to assign a dedicated person responsible for managing compliance issues, ethics, and potential conflicts of interest.</p> <p>The company discloses major transactions, related party transactions, off-balance sheet activities, and other material events.</p>



2022 ESG Review

Sustainable Development Goals



Promoting circular economy:

- Implementation of a new project focusing on the development of technology for automatic recognition of objects and their features based on photogrammetric and remote sensing data, and construction of models for multi-criteria analysis of geoinformation.



Social responsibility:

- Appointing a data protection officer in charge of overseeing that personal data collected from clients is processed properly.



Transparency:

- The company has a written information disclosure policy that seeks to make all material information (financial and non-financial) fully, timely, and equally available to all stakeholders.

ESG Performance

Water consumption has reportedly increased, however, the figure represents the Inplus Group and covers 3 offices.

Similarly, the non-recycled waste has increased, however, this figure also represents the entire Inplus group

Developments	2021	2022
GHG emissions	None	None
Hazardous/radioactive waste	None	None
Water consumed (cubic metres)	n.a.	3,370
Non-recycled waste (Tons)	1.2	1.2
Female employees* (%)	2021	2022
Total staff	-	53
Total management	-	35
Board members	-	0

* Ratio of female to male employees as a percentage of the total



Portfolio company – Spearhead

2022 ESG Review

Company Overview

Spearhead is one of the leading vertically integrated food and agriculture businesses operating in the EU. The company manages approx. 90,000 hectares of farmland, with 25 key locations in 5 EU countries and over 1,600 employees.

AMC IV provided EUR 26.0m for the Management Buyout of the company and deleveraging of balance sheet in 2021.

ACP secured the roll over of the existing lenders and engaged local expertise to improve dialogues with local authorities.

Spearhead at a glance	
HQ	Regional
Sector	Agriculture
SME	No
Risk classification	Medium/B
ESG Impact	Positive – Promotes sustainable land use and is focussed on reducing emissions, fertiliser use, etc.

Category	Risk categorization	ESG Leadership
Environmental	B	<p>The company is committed to:</p> <ul style="list-style-type: none"> Improving the sustainability of food production and minimizing impact on the local and wider environment. The maintenance and improvement of productive land. The efficient use of resources, economic viability of operations, and protection of biodiversity. The Group is currently installing solar panels at several locations in Poland and Romania to reduce reliance on other sources of heat and electricity. The Group continually invests in modern farming techniques and more fuel/emissions efficient machinery.
Social	C	<ul style="list-style-type: none"> The company's HR Policy includes promoting the representation of women on all hierarchy levels. The company has policies in place for overtime, maternity leave, sick leave and disability.
Governance	C	<ul style="list-style-type: none"> Spearhead is fully compliant with the Modern Slavery Act 2015. The company has a charter or articles of incorporation according to local legislation, with provisions on the protection of shareholder rights and the equitable treatment of shareholders.



Portfolio company – Spearhead

2022 ESG Review

Sustainable Development Goals



Promoting circular economy:

- Integrating the ecosystem and biodiversity values into the local planning and development processes.
- Investing in modern farming techniques and more fuel/emissions efficient machinery.
- Increase company value whilst implementing solutions that do not increase carbon footprint at the same time.
- Reduce tons sent to landfill and increase recycling of waste generated.
- Capture more rainwater and build out additional irrigation capacity to reduce need for external or groundwater supplies.
- Reduce use of nitrates or other fertilisers/sprays through regenerative agriculture programme.



Social responsibility:

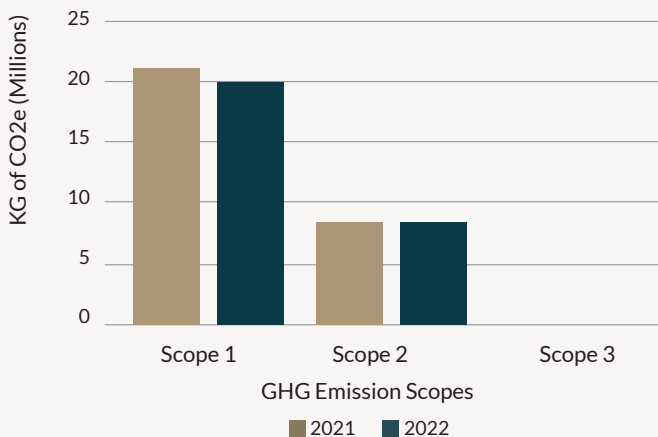
- Farming is a heavily male orientated industry. The Group board only has four members (all male). However, female directors are present on local level board in Poland and Romania.



Transparency:

- Formalising a risk management system, including ESG matters. Currently, risks are identified and managed at a local level.

ESG Performance



Female employees* (%)	2021	2022
Total staff	29	26
Total management	27	29
Board members	0	0

* Ratio of female to male employees as a percentage of the total

- It is not possible to currently measure or estimate Scope 3 GHG emissions.
- The Group will look to reduce all GHG emissions but the production of key inputs such as fertiliser and logistics of transporting inputs/finished goods is GHG intensive.
- Farming is a heavily male orientated industry, and this figure reflects the local workforce available in each country.



Portfolio company – Fomtech

2022 ESG Review

Company Overview

Fomtech is a leading regional producer of branded technical textile products with focus on infrastructure cable and textiles for automotive seating.

Focus on infrastructure cable (c. 51% of total sales) and textiles for automotive seating (49%).

Operates 4 production plants in 3 countries (Slovenia, Serbia, China).

Broad sales footprint (60 countries on 4 continents), diversified and largely blue-chip customer base, and own brands.

AMC IV invested EUR 16.5m in the form of a warranted mezzanine facility (up to 30% equity).

FORI Group wants to become a reliable, flexible, and innovative European systems supplier for the automotive, cable and white goods industry, which will constantly strive to reduce its environmental impact.

Fomtech at a glance	
HQ	Slovenia
Sector	Technical textile Manufacturing
SME	Yes
Risk classification	Medium/B
ESG Impact	Neutral – Does no material harm and is focussed on improved ESG

Category	Risk categorization	ESG Leadership
Environmental	B	<p>The company is committed to continuously improving its quality & environmental management system and policy.</p> <p>Quality, environmental, and other strategic objectives are planned, implemented and periodically monitored.</p> <p>The company has quality processes, products and services which satisfy the demands of the customer and environmental legislation.</p>
Social	B	<p>The Quality and Environmental Policy is available for inspection to all employees, as well as to the public, on notice boards in the meeting rooms of each Fori d.o.o. facility.</p> <p>The company constantly notifies both its employees as well as the interested internal and external public on operations regarding environmental protection.</p>
Governance	B	<p>The company is ensuring adequacy and success of its quality and environmental management system by conducting management reviews, internal audits, and by providing the necessary resources.</p> <p>Senior management declares that it is fit for purpose within the context of the organisation, is supporting the strategic direction, provides a framework for setting quality and environmental management objectives, and includes a commitment to meeting the requirements.</p>

2022 ESG Review

Sustainable Development Goals



Promoting circular economy:

- Investing in innovative programs and product development, and further improvements in operational efficiency.
- Choosing appropriate technology and implementing activities to prevent pollution and other influences on the environment.



Social responsibility:

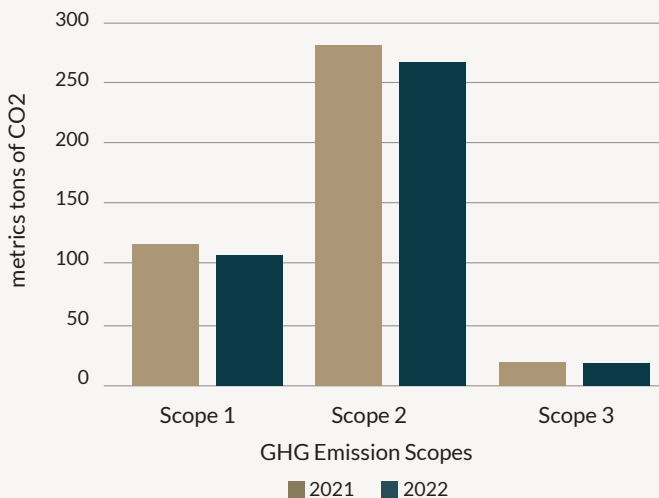
- Train employees for the correct and safe approach in the fields of environmental protection, handling chemicals, safety in the workplace, and fire prevention.
- Implement activities assuring health and safety in the workplace in all associated companies.



Transparency:

- Notify the interested internal and external public on operations in the field of environmental protection.
- Notify employees of the efficiency of the environmental management system operations.
- Clear communication and cooperation with the management.

ESG Performance



Female employees* (%)	2021	2022
Total staff	36.62	38
Total management	50	60
Board members	33	33

* Ratio of female to male employees as a percentage of the total

Scope 1

- 2021: Consumption of PNG in production.
- 2022: Change in 2023 to LPG due to its efficiency.

Scope 2

- 2021: Heating production plant.
- 2022: Update of heating system.

Scope 3

- 2021: Vehicles usage for business trips and van transport.
- 2022: Increase of usage teams meeting vs personal visits.



Summary



2022 ESG performance – ACP portfolio

ESG annual assessment

ACP Group's ESG reporting covers the following areas:

- Environmental issues
- Human resources
- Human rights
- Health & Safety
- Data privacy and security
- Corporate governance
- Anti-bribery & Anti money laundering
- Risk Management
- Supply chain
- Compliance with local laws

The purpose of ACP's annual ESG report is to measure the performance of our portfolio companies in environmental, social, and governance matters, allowing us to demonstrate our progress towards integrating ESG principles into our business operations, products, and services, and to highlight tangible year-on-year progress on all levels of best-practice ESG implementation across our portfolio.

Our efforts in the areas of environmental, social, and governance performance align with the United Nations Sustainable Development Goals, the European Bank for Reconstruction and Development (EBRD) risk classification, and the International Finance Corporation (IFC) risk categorization.

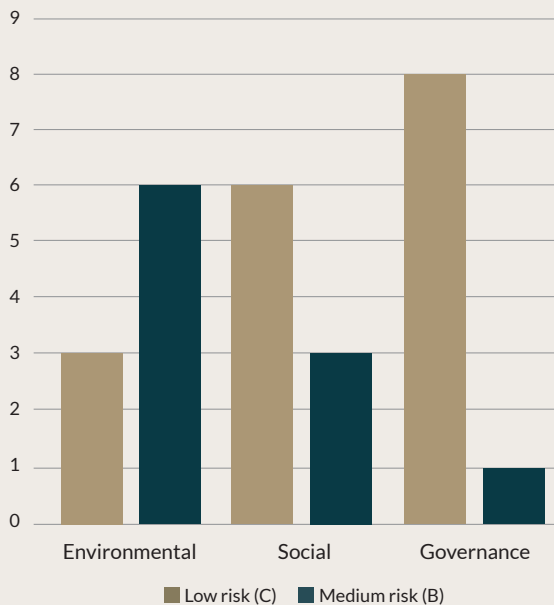
In 2022, our portfolio companies' comprehensive ESG programs have resulted in sizable progress in reducing its environmental footprint, supporting social responsibility, and maintaining high standards of corporate governance. Their alignment with the UN SDGs, EBRD risk classification, and IFC Performance Standards demonstrate the companies' commitment to responsible business practices.

ACP Group remains committed to promoting sustainable development and addressing ESG issues in its business operations and investment decision process. We will continue to strive for excellence in these areas and remain committed to making a positive impact on our stakeholders and the world.

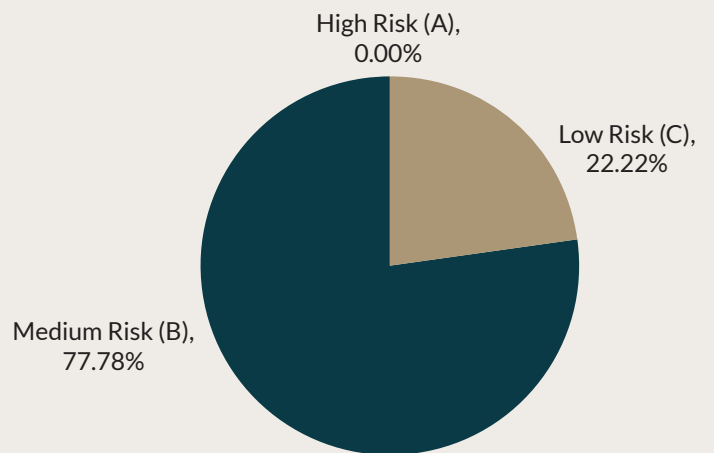
Overview of 2022 ESG performance

Summary

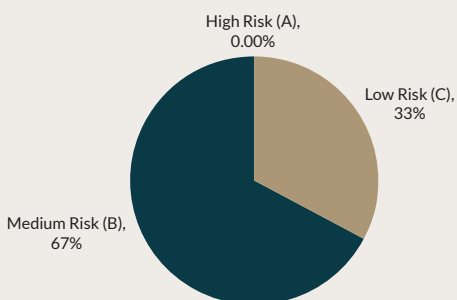
Low and Medium risk segment is dominating the ACP portfolio



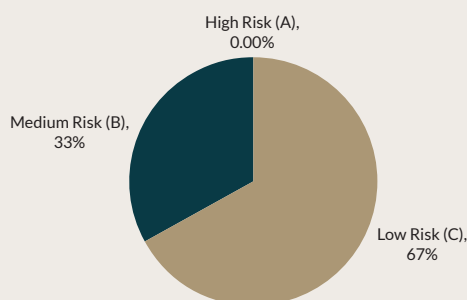
Overall risk categorization



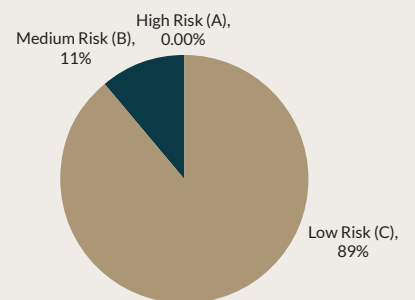
2022 Environmental performance



2022 Social performance



2022 Governance performance





We've rebranded – Mezzanine Management is now Accession Capital Partners.

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