



2023 SUSTAINABILITY REPORT



WHAT DRIVES US TO EXPLORE?

To explore is *to be free, bold and resilient.*

It's to dare. To go beyond the horizon.

—— *It's knowing how to read and navigate
the seas, the winds, the skies.*

It's seeing a better future.

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DISCLAIMER

An aerial photograph of a vast forest during autumn. The trees are covered in a thick layer of mist or low-hanging clouds, creating a dreamy atmosphere. The foliage shows a mix of green, yellow, and orange. On the right side, a calm lake is visible, reflecting the surrounding greenery. The overall lighting is soft and warm, suggesting early morning or late afternoon.

1

MESSAGE FROM OUR CEO



Message from our CEO



Elizabeth Rothfield
CEO & Founder

Given our dedication to transparency and our ongoing commitment to ESG principles, we are pleased to present our second annual ESG report, highlighting our accomplishments in 2023.

Over the course of the past 12 months, against a challenging macro-economic environment, Explorer has continued to grow in assets and funds under management, in number of investors and employees. This was made possible thanks to the excellent team that Explorer is proud to have.

The funds were able to distribute 18.3M€ (9% of the fair value of portfolio companies at the end of 2022) to investors and invested 58.1M€ in portfolio companies (21% of the cash available at the end of 2022). We have raised another 100M€ growth fund totaling 561M€ in AUM at the end of 2023 and now have over 1300 investors across 9 funds. During 2023 Explorer hired 12 new employees.

Recognising the growing significance of ESG in our industry, we have increased our reporting and transparency with further disclosure on our carbon footprint, employee surveys including a specific ESG survey, awareness training, in addition to our standard sustainability on-boarding training.

We are consistently expanding our ESG focus, both internally and with our portfolio companies and assist them in safeguarding their businesses for the future and thus fostering sustainable growth. We recognise the pivotal role that private equity plays in accelerating the adoption of sustainability in the real economy but always enhancing investor returns.

Explorer's team has carried out more ESG due diligences than ever, taking into account ESG risks in the investment process. In terms of our active

management we have engaged with more portfolio companies in several different ways. Our ESG manager continues to work closely with the investment team to maximise our impact.

Internally, we continue to strive for excellence, providing our employees with further and more focused training, thereby increasing their knowledge base and productivity. We seek to provide the best working conditions for our employees. We provide multiple benefits including excellent quality food throughout the day. These measures led to reduction in employee turnover during 2023.

Explorer is very proud to be able to give back to the community. We have committed to donating 10% of our net profit every year to education initiatives which foster meritocracy and excellence. We also continue to monitor our environmental footprint with a particular focus on our carbon and paper footprint and have continued to reduce our direct emissions.

While we acknowledge that we have further progress to make in our responsible investment efforts, we remain steadfast in our commitment to help our portfolio companies to become better equipped for the future. As the world faces a multitude of unprecedented challenges, building resilient businesses and fostering long-term value is more crucial than ever and I believe that Explorer is equipped to be at the forefront.

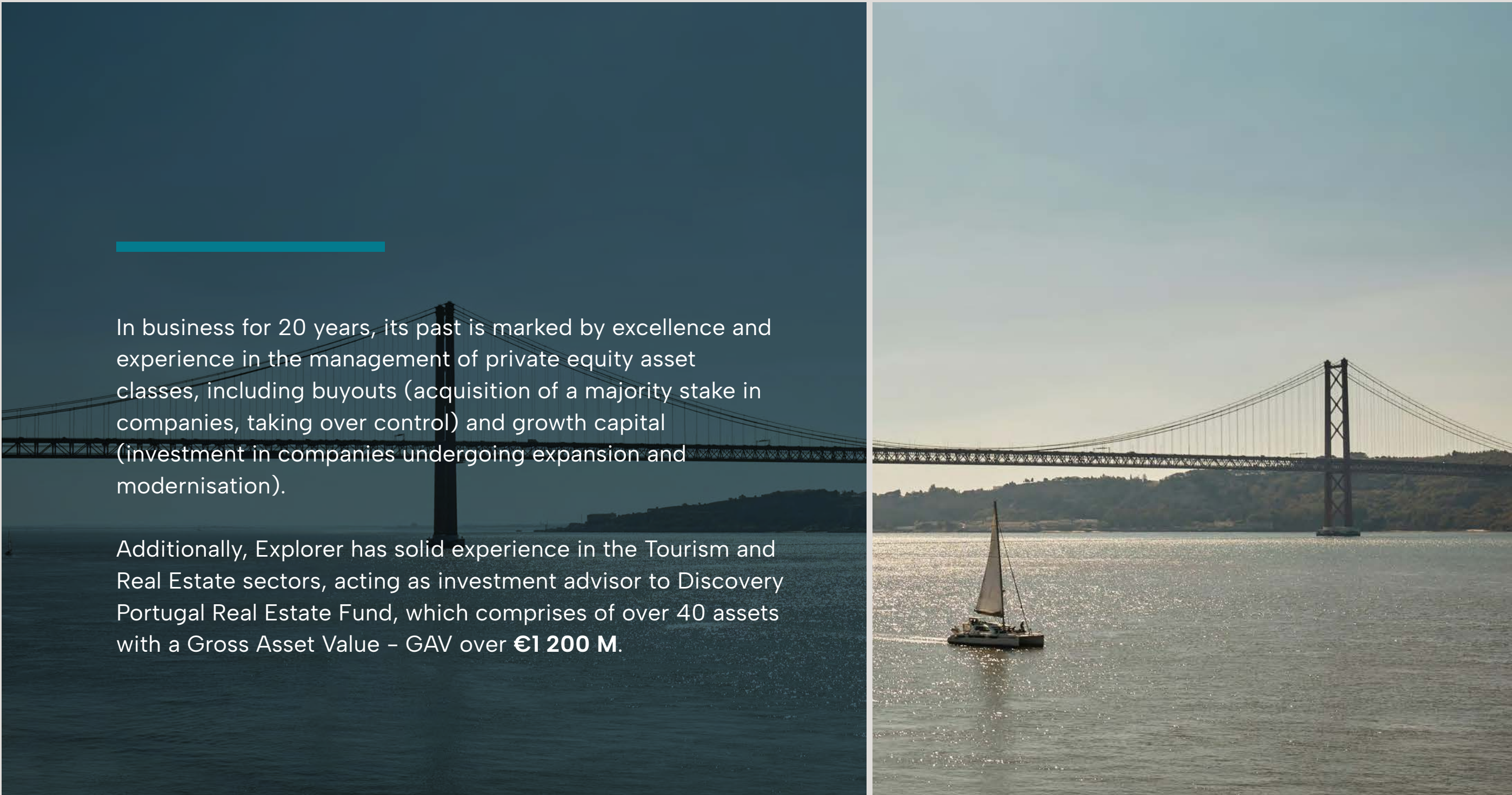


2

EXPLORER OVERVIEW

→ 2.1 HISTORY /

Explorer Investments –
Sociedade de Capital de Risco, S.A.
(hereinafter “Explorer”) is the main
independent management
company, leader in private equity in
Portugal.



In business for 20 years, its past is marked by excellence and experience in the management of private equity asset classes, including buyouts (acquisition of a majority stake in companies, taking over control) and growth capital (investment in companies undergoing expansion and modernisation).

Additionally, Explorer has solid experience in the Tourism and Real Estate sectors, acting as investment advisor to Discovery Portugal Real Estate Fund, which comprises of over 40 assets with a Gross Asset Value – GAV over **€1 200 M**.



OUR TIMELINE /

2003

- Incorporation of Explorer

2004

- Explorer I Fund raised

2007

- Explorer II Fund raised

2009

- Explorer III Fund raised

2012

- Investment advisor to Discovery Portugal Real Estate Fund

2013

- FRN Fund raised

2018

- Signatory of the United Nations Principles for Responsible Investment
- Definition of Responsible Investment Policy

2019

- EGF II raised
- Explorer IV Fund raised

2020

- Responsible Investment Policy updated
- EGF III raised

2021

- Hired ESG Manager
- EGF IV raised

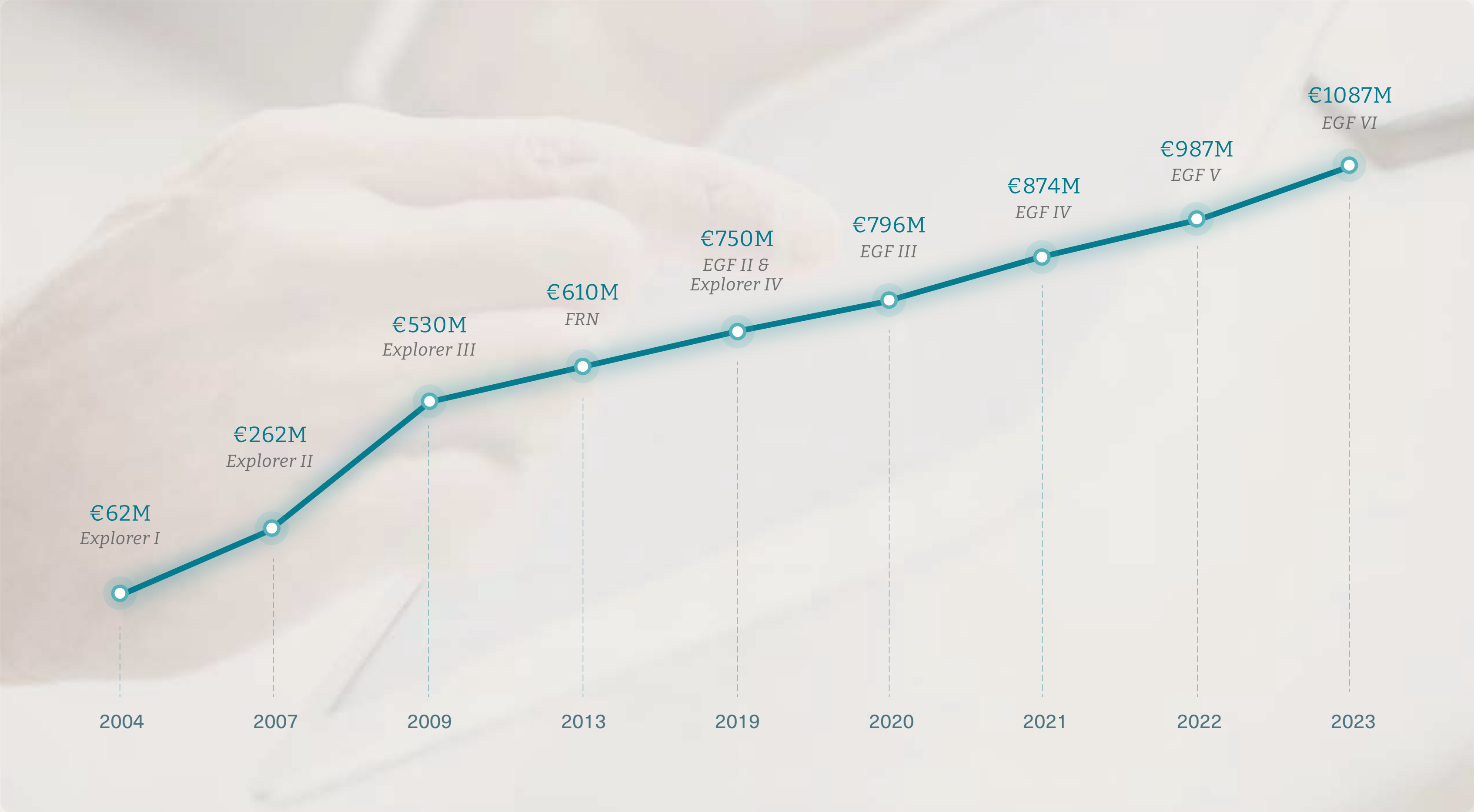
2022

- ESG Framework launched
- 1st annual ESG Survey
- EGF V raised

2023

- ESG scoring system developed
- EGF VI raised
- First ESG report published

→ CAPITAL RAISED /



→ 2.2 EXPLORER AT A GLANCE /

BUSINESS /

9
new
investments

100 M€
raised



~1.01B€*
in revenue from
portfolio companies



9
funds in
activity

2
exits

50
portfolio
companies



5 900+*
jobs supported by our
portfolio companies

* Data from 2022

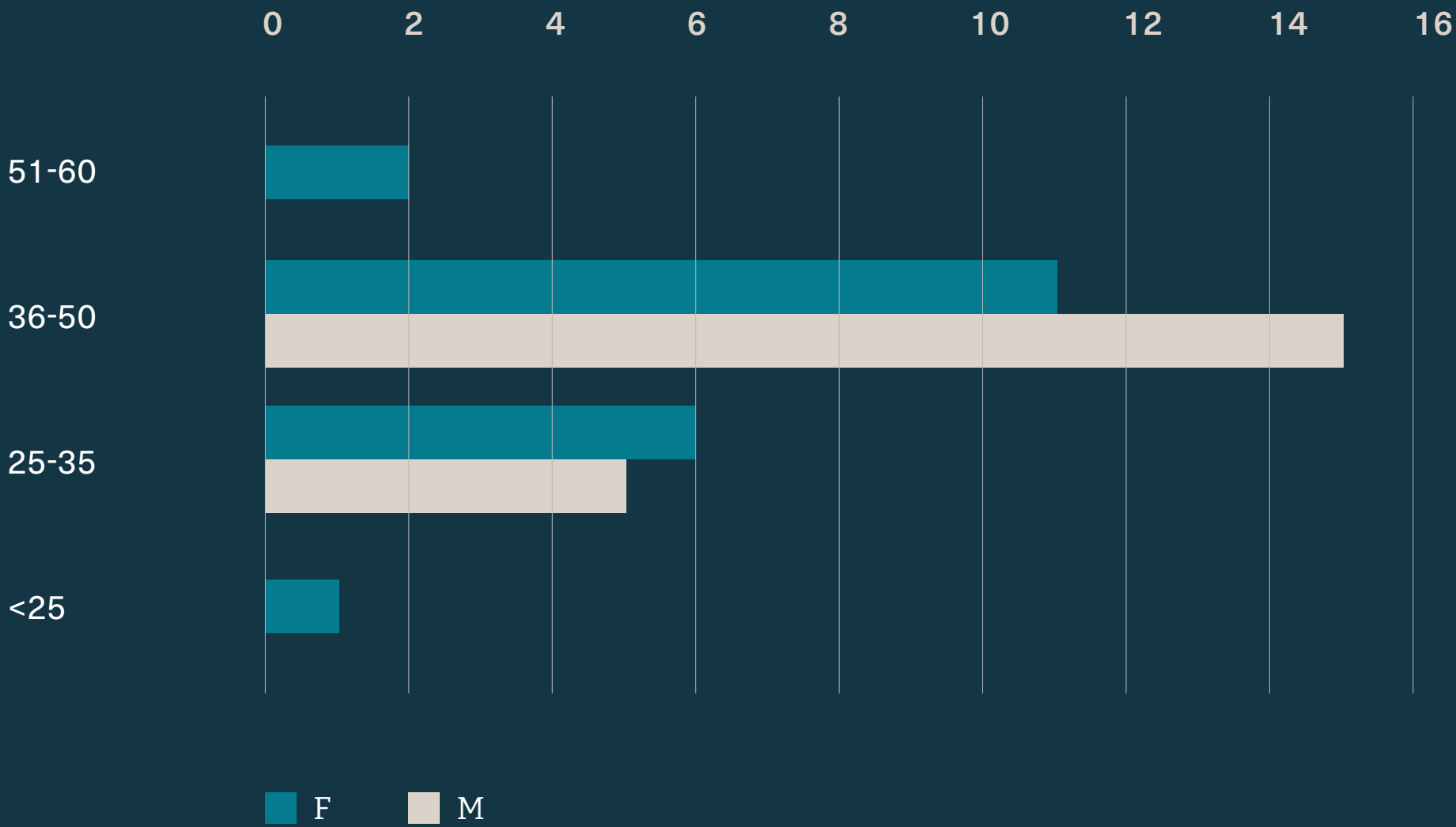
→ STAFF /

40
employees

20 20

12
new hires

Employees by age group



100%
of investment team
attended ESG/Responsible
Investment training

10%
employee turnover

→ SOCIAL RESPONSIBILITY /

1
Explorer Excellence
Master’s Scholarship
at Nova SBE

1
Explorer Excellence
Master’s Scholarship at
ISCTE Business School

25
Students trained in
Leadership with
“Mentes Empreendedoras
& Leaders Gang”

2
Erasmus scholarship
for ISCTE Business School
bachelor students

3
Education Scholarships
for students
in financial need



5
Explorer Excellence Merit Prizes
to master’s degree students at
Universidade Católica

3
Explorer Excellence Merit Prizes
to bachelor’s degree students at
Universidade Católica





OUR VALUES /

01

Return for investors

We undertake investments with the aim of maximising returns for investors.

02

Impact on portfolio companies

We seek to have a positive impact on our portfolio companies through responsible management and with a view to their quantitative and qualitative transformation. We monitor all investments very closely.

03

Excellence and meritocracy

We seek and encourage excellence in our employees, rewarding them based on merit.

04

Team spirit

We build an environment of respect and mutual trust. We believe in recognition and reward, knowledge sharing, cooperation, mutual help and respect for different opinions.

05

Independence and resilience

We are prepared to adapt to change and overcome obstacles. We do not give in to external pressures which could compromise our judgement and our professionalism.

06

Social conscience

We contribute to society, particularly in the areas of Education and Entrepreneurship. We donate 10% of our profit to support education programs. We promote professional internships and sponsor various prizes.

→ 2.4 COLLABORATIONS /

Explorer has been a signatory of the United Nations Principles for Responsible Investment since 2018.

The six basic Responsible Investment principles govern our approach to investment and the development of a more responsible financial system.



As a signatory of the United Nations Principles for Responsible Investment, Explorer commits to the following:

- Principle

01 —

We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle

02 —

We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle

03 —

We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle

04 —

We will promote acceptance and implementation of the Principles within the investment industry.
- Principle

05 —

We will work together to enhance our effectiveness in implementing the Principles.
- Principle

06 —

We will each report on our activities and progress towards implementing the Principles.



UNPRI (United Nations Principles of Responsible Investment) is an international organisation which works to promote responsible investment through the incorporation of ESG factors in investment decisions and to support its international network of signatories in this process.



APCRI – Associação Portuguesa de Capital de Risco e Desenvolvimento is the organisation that represents venture capital in Portugal. Its mission is to protect the common interests of venture capital investors.



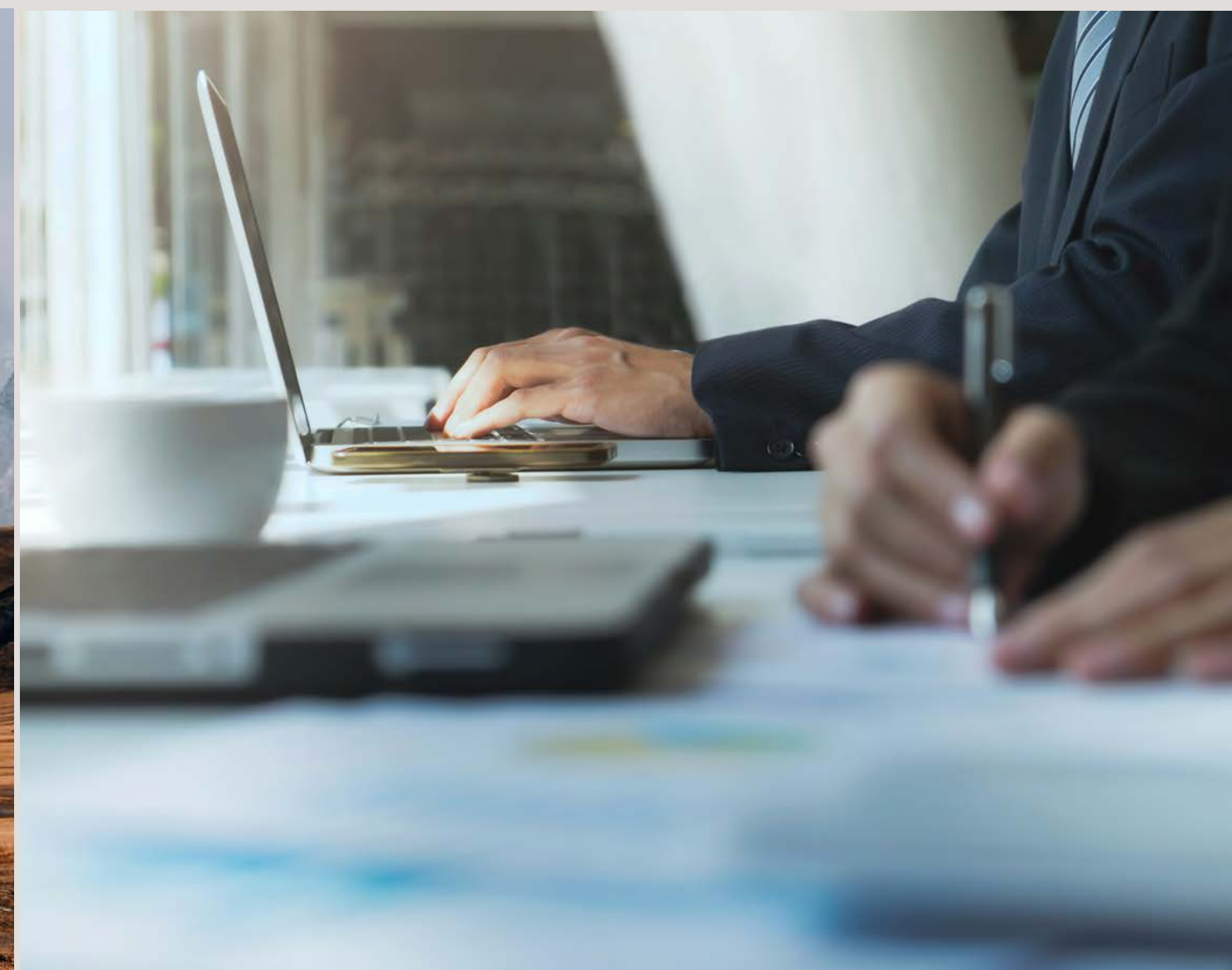
Invest Europe is the world’s largest association representing Europe’s private equity, venture capital and infrastructure sectors, as well as their investors, including major pension funds and insurance companies. Its mission is to build global understanding of venture capital, enabling its members to improve their asset management, and generate higher returns for their investors.



BCSD Portugal is a non-profit association representing over 140 renowned companies in Portugal, which are actively committed to the transition to sustainability. Created in 2001, it has strong sector representation and includes different size companies, ranging from PSI 20 listed to other smaller companies.

2.5

→ ESG APPROACH /



At Explorer we believe that companies that are managed and operated responsibly, considering the material aspects for their business, will perform better in the long term.

Effective ESG management can help manage risks, such as costs and liabilities, high employee turnover and protecting brand value. We also believe that ESG can bring value creation potential, contributing to more resilient and better prepared businesses.

Therefore, and in line with our fiduciary duty we are progressively incorporating ESG consideration into all stages of our investment process (as described in 3. Responsible Investment).

We believe Explorer's culture and footprint should reflect our ESG beliefs while also contributing to society. We work across the company to ensure our people are engaged and that we provide a healthy work environment. We continue to work to reduce our office's footprint and have calculated our carbon footprint. The value of social responsibility is also deeply ingrained in the company's culture through various initiatives focused on giving back to society and providing opportunities to students in the financial industry (4. ESG at Explorer).

An aerial photograph of a dense forest. Sunlight rays (crepuscular rays) are visible, filtering through the trees and creating a hazy, golden atmosphere. The trees show some autumnal colors, with yellows and oranges mixed with greens. A winding path or stream is visible through the forest canopy.

3

RESPONSIBLE INVESTMENT



3.1

ESG INTEGRATION /

ESG PRIORITIES /

In 2018 we began mapping our ESG priorities. This process was based on best market practice, Explorer’s experience in investment processes and awareness of the Portuguese market maturity.

Since then, we have held various internal workshops attended by Board, investment team members and those responsible for Explorer’s sustainability, to define which ESG factors to implement, monitor and evaluate throughout the life of an investment, whenever applicable and materially relevant.

In addition, throughout the investment process, these factors are complemented with material factors specific to each portfolio company.

In the definition of material factors, we combine our teams’ accumulated knowledge and experience with that of specialised organisations such as SASB (Sustainability Accounting Standards Board) and MSCI, Inc. (Morgan Stanley Capital Investment).

We have identified ESG criteria that are the basis for our interaction with portfolio companies and are being progressively incorporated in the investments process.



/ ENVIRONMENT



Energy and production efficiency



Plastic, water, and paper consumption reduction



Environmental pollution reduction

/ SOCIAL



Creation of a healthy working environment



Social awareness



Continuous employee development

/ GOVERNANCE



Ethics



Robust internal supervision



Duly skilled Board of Directors

RESPONSIBLE INVESTMENT PROCESS /

Although Explorer currently does not manage any green funds (article 8 and 9 SFDR) we are working proactively to engage and support portfolio companies in this matter. We have developed our internal ESG framework, which has been progressively applied on our investment processes.

It consists of a set of tools developed to assist investment teams during each stage of the investment’s life cycle (see graphic below).

The R&O tool prompts analysts to major risk and opportunities including scandals and controversies and Explorer’s exclusions list.

The DD tool consists of a survey of around 40 questions that scores the company over the three ESG pillars. It is used at the DD stage and also on an annual basis for regular monitoring, as an ESG survey.

This enables the evaluation of a company’s ESG maturity, the analysis of each company’s progress over time, and benchmarking of companies at Due Diligence and Annual Survey stage.

The maximum score is adjusted in line with each company’s context and applicability (e.g., monitoring emissions to air will not be applicable to an office-based business).



ESG GOVERNANCE /

The Board of Directors, responsible for Explorer’s vision and Responsible Investment Policy, appointed Helder Duarte Costa (COO - Chief Operating Officer) as the person responsible for the implementation, monitoring, and reporting of Responsible Investment activities, under the sponsorship of Elizabeth Rothfield, Explorer’s Chairman of the Board.

The ESG Manager is exclusively dedicated to sustainability/Responsible Investment and has the following responsibilities:

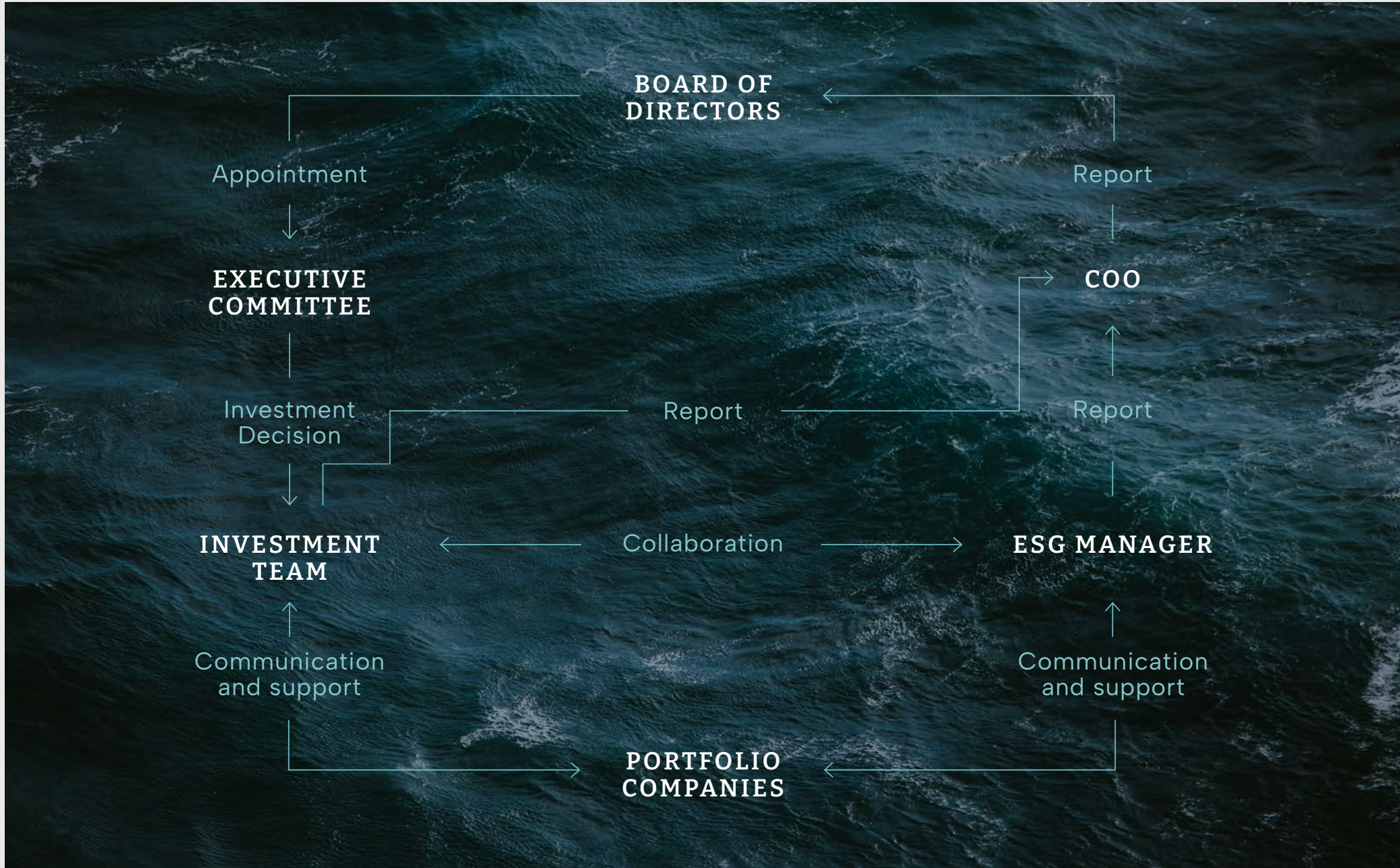
- On-boarding and training of new staff members on Responsible Investment;
- Supporting the investment team in the implementation of the Responsible Investment process;
- Supporting the definition of ESG criteria applicable to each portfolio company and monitoring.

Investment teams are a key element, and have the responsibility to:

- Implement Responsible Investment practices throughout the various investment stages, to identify ESG criteria applicable to each portfolio company with the support of the ESG Manager;
- Communicate and monitor portfolio companies;
- Report incidents at the portfolio companies to the ESG Manager and COO.

The Executive Committee is composed of three Board members who are responsible for final decisions on investment and divestment opportunities, including analysis of sustainability-related risks and opportunities.

Each portfolio company’s Board of Directors is responsible for implementing and developing ESG practices with the support of Explorer’s team (investment team and ESG Manager), both in terms of knowledge sharing and alignment with Explorer’s criteria, as well as in the use of available tools. They are also responsible for periodic reports to Explorer.





3.2

PORTFOLIO COMPANIES /

At Explorer we continue to engage with our portfolio companies on ESG matters. As part of our monitoring process, we conducted our second Annual ESG Survey from December 2023 to January 2024.

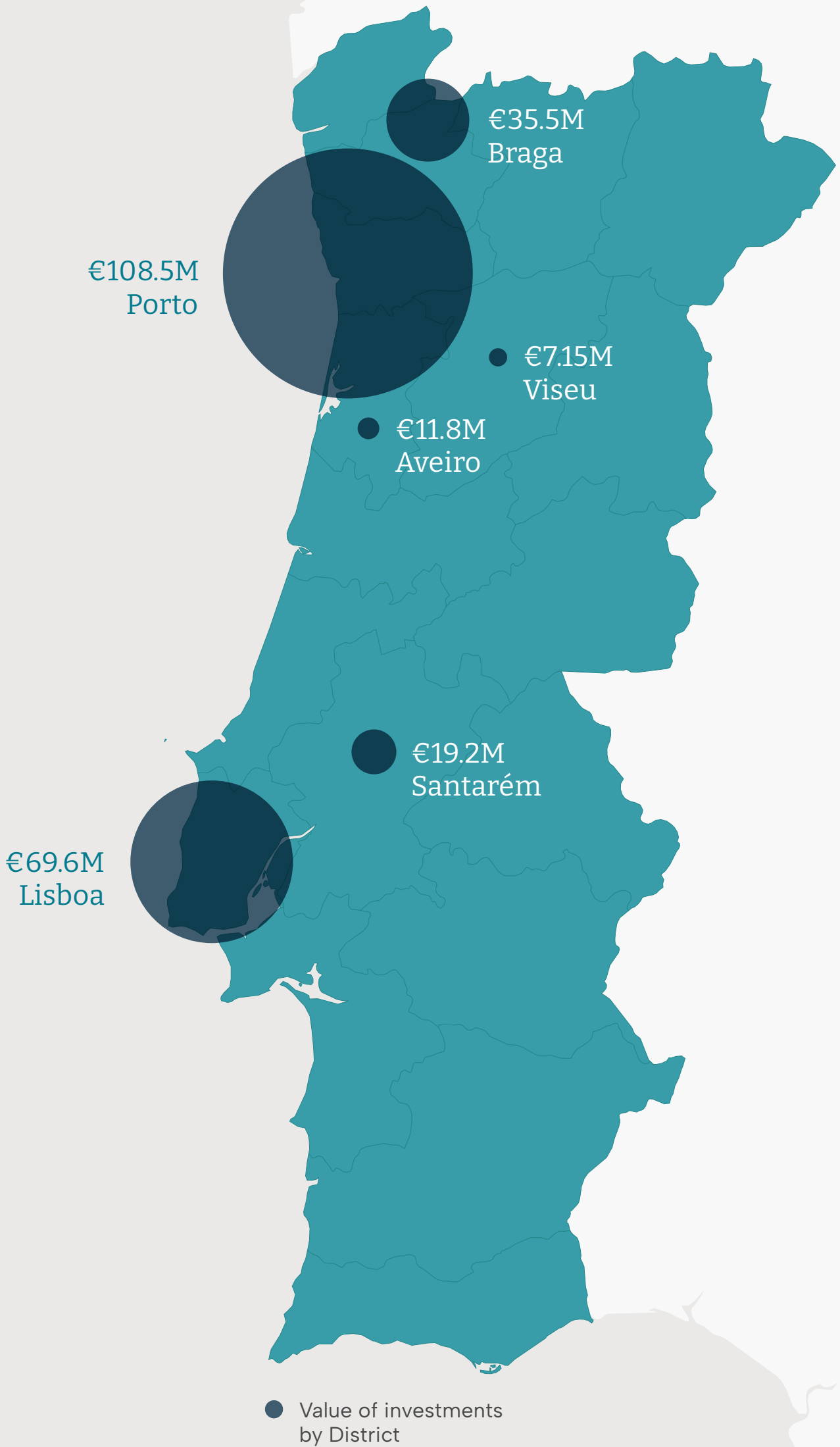
The Annual ESG survey assesses practices with regards to ESG governance and oversight, ESG maturity, monitoring of standard industry KPIs (environmental and social), climate change, etc. which will inform the definition of future ESG actions, KPI targets and support the active management stage.

41

companies engaged

86%

response rate
(in terms of investment value)



Manufacturing

Adla Aluminium
BBG
Bial
Crivedi
Eurogalva
Fapajal
Fastinov
ForTeams Lab
Guarnição
Iberomassa
JJ Teixeira
Marizê
Medinfar
Micronipol
MM Metalica
Moldit
Nortempera
Perfinox
PortoCanna
Sici93
Scorecode
Texamerica
Valerius
Vicoustic

Construction

Nogueira Fernandes
CME

Wholesale & Retail

Clube Fashion
Compracá
Grupo Celeste
Magos Irrigation Systems
Pagaqui
Ramiro Leathers
Skypro
Throttleman
Undandy
Exactus

Accomodation & Food Services

Octant Douro
Six Senses Douro Valley
Starfoods
Villa C Boutique Hotel

IT & Communications

Glintt
Ndrive
Nexbitt
Unbabel
Devscope

Professional, Scientific & Technical Activities

BERD
Grow Energy
Grupo Your

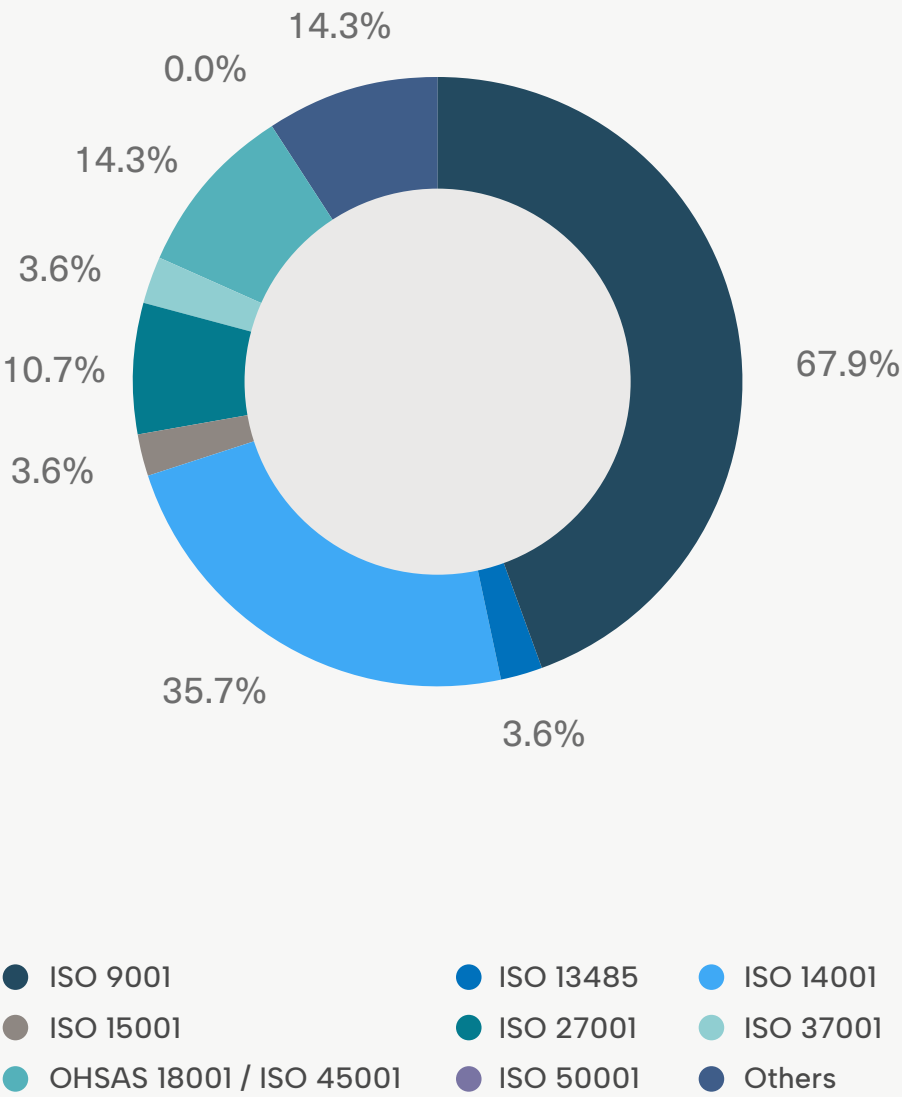
Other Services

Codeforall
MOP
Bhout

An analysis of the answers submitted by portfolio companies confirmed some of the areas where companies are more active and to which they pay closer attention.

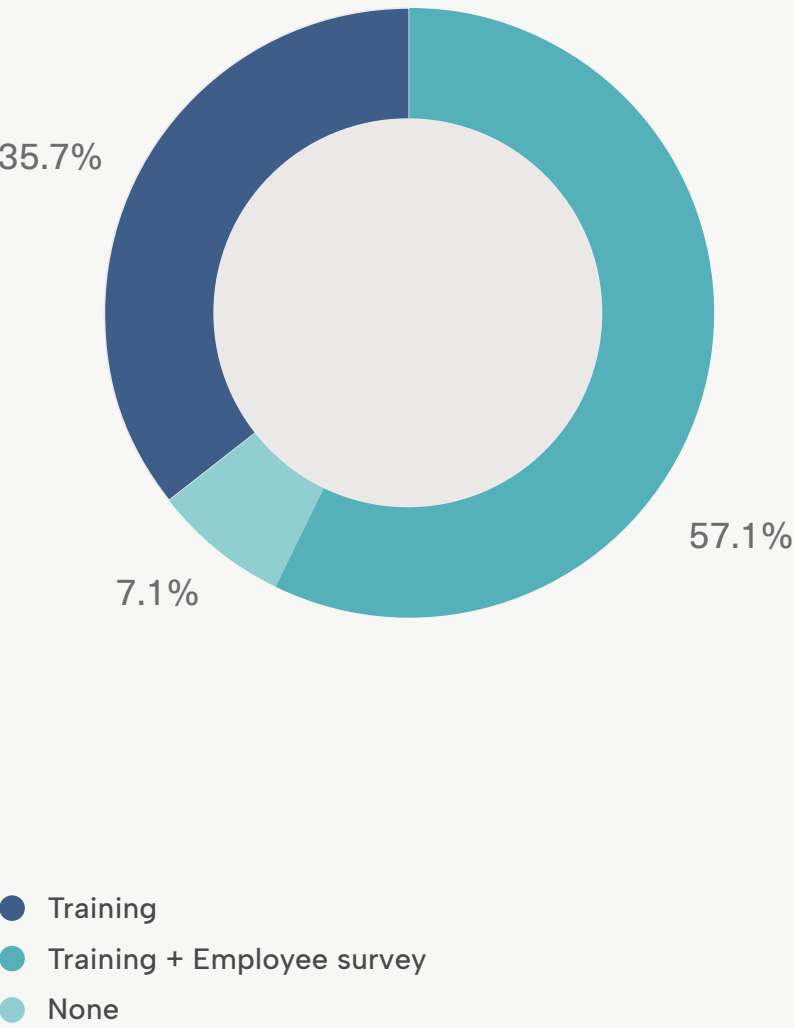
Certified Management Systems

a growing number of portfolio companies have, at least, one certification 71% in 2023 vs 60% in 2022



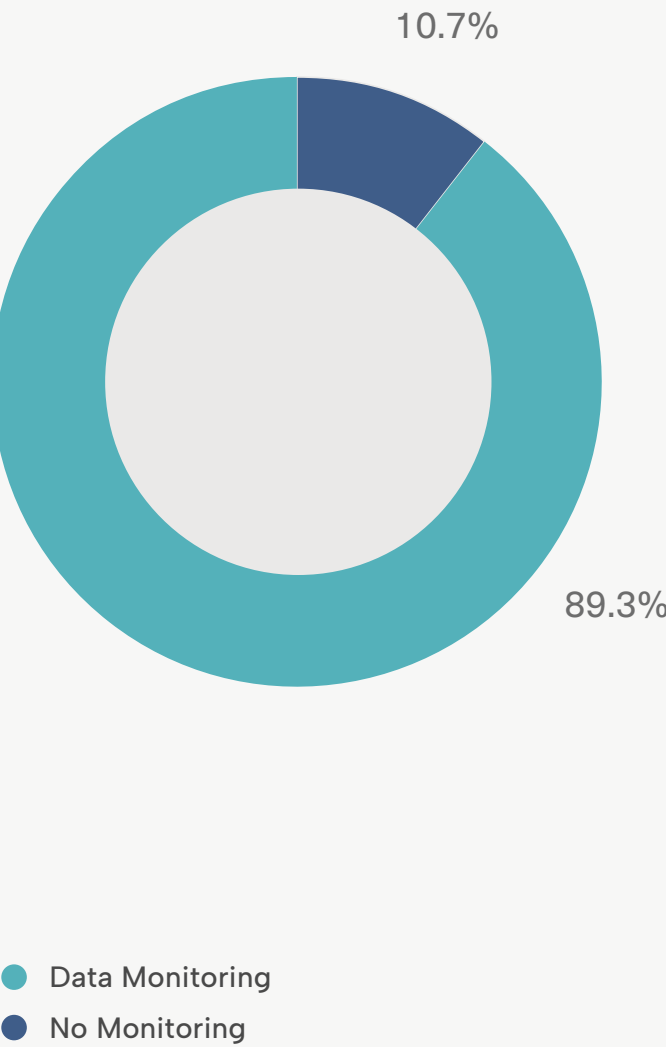
Employee engagement

most portfolio companies engage employees, 96% in 2023 vs 90% in 2022 and a growing number of portfolio companies engage through employee surveys



Environmental monitoring

a growing number of portfolio companies monitor environmental parameters, 89% in 2023 vs 65% in 2022



Areas where portfolio companies have improved

- **Sustainability at Board Meetings:** a rising number of portfolio companies are including sustainability issues at Board Meetings 50% in 2023 up from 40% in 2022
- **Employment policies:** most portfolio companies have documented employment policies to hire local residents, young adults, unemployed or disabled individuals. The figure in 2023 (68%) has improved in relation to 2022 (45%)
- **ESG reporting:** This year more portfolio companies have reported their ESG results publicly, going from 14% in 2022 to 36% in 2023

There are also areas that Explorer’s portfolio companies continue to need to work on

- **Materiality analysis:** most portfolio companies have not carried out their materiality assessment. Although in absolute number more portfolio companies have done so, as Explorer has engaged more companies, in terms of percentage the figure remains 25%
- **Carbon footprint:** most portfolio companies do not calculate their carbon footprint. Although this figure has grown since last year it is still low

We will continue to engage our portfolio companies about the importance of these matters and will support them in this journey through webinars and other awareness-raising initiatives.

→ 3.3 CASE STUDIES /

Moldit Industries

Sector	Processing Industry
Head Office	Loureiro, Oliveira de Azeméis
Staff	165
Turnover	20 700 000 €
Amount	4 500 000 €
Date	Dec 2014
Fund	FRN
Website	https://molditindustries.com

Awards and Certifications



About the Company

Moldit is dedicated to the production of metal moulds for plastic injection (up to 60t), as well as the production and assembly of injected plastic parts. Moldit is located in one of the sector's main clusters in Oliveira de Azeméis. It also has a production unit in Bahia, Brazil, a unit in Oliveira de Azeméis (acquired in 2019) and another smaller unit in Marinha Grande (acquired in 2018/2019).

SUSTAINABILITY BACKGROUND

With an ethos of Sustainable Development, the company is committed to Continuous Improvement and the fulfilment of compliance requirements, which are crucial to guaranteeing a return on the capital invested, as well as the continuity of future generations. Over the years Moldit has consolidated its commitment to sustainable development in a number of areas:



WATER

through weekly monitoring of consumption in various functional areas of the facility, which makes it possible to detect leaks and anomalies and resolve them in good time. The taps were also upgraded and the watering schedule for the green spaces changed;



GHG EMISSIONS

Monitoring of scope 1 and 2 emissions since 2015. The Energy Management System enables closer monitoring of significant energy consumption and use. In 2023, a unit was installed to produce energy for self-consumption (500 kW), which allowed GHG emissions to be reduced by 44 tonnes;



WASTE

Recycling is a Moldit practice, with recycling bins distributed throughout the company. Industrial waste is separated and stored in containers, to be sent for treatment by licensed waste operators. Overall, a reduction of around 20% in waste production has been achieved.

Fapajal Papermaking S.A

Sector	Processing Industry
Head Office	S. Julião do Tojal, Loures
Staff	121
Turnover	36 000 000 €
Amount	5 500 000 €
Date	Set 2022
Fund	EGF II e EGF III
Website	www.fapajal.pt

Awards and Certifications



About the Company

Fapajal Papermaking, S.A. is a Portuguese company dedicated to the production, transformation and commercialisation of tissue paper. Fapajal began its activity in 1755 under the name Fábrica de Papel da Abelheira. Born in the same year as the Lisbon earthquake, Fapajal's history is intertwined with the history of Portugal. The company has been through several historical moments that have directly affected it, such as the Napoleonic invasions or the extinction of the religious orders. It has had great moments, such as being one of the main suppliers of stamped paper to the Portuguese kingdom. In July 2016, Fapajal was acquired by its current owners.

SUSTAINABILITY BACKGROUND

Fapajal is an example of how the industry can reinvent itself, being an active player in the paper manufacturing sector in the defence of environmentally sustainable and socially responsible industrial policies. Its various certifications have leveraged what is now its management model. In 2023, the Sustainability Committee was created, aligning Fapajal with ESG criteria and developing metrics to assess the company's performance in these areas. It also assessed its materiality, identifying the main impacts and critical issues of its activity, and began to include social and governance risks in the identification of risks.



ENVIRONMENT

Reducing the consumption of water and energy incorporated into each product unit is one of the company's goals by raising employee awareness, replacing lighting with LED technology, a remote electricity metering system, electrification of the forklift fleet, etc.



SOCIAL

Implemented internal policies on inclusion, promotion of respect for human rights, equality and non-discrimination, violence and harassment in the workplace, frequent training to comply with these policies, improved contractual conditions for workers (no fixed-term contracts), employee satisfaction questionnaires, etc.



GOVERNANCE

A number of initiatives have been implemented, including the creation of a code of ethics and conduct, an anti-corruption policy, frequent training to comply with these policies, a Whistleblowing Channel, integration of ESG risks into the business strategy and bi-monthly meetings with the board of directors, executive committee, management and coordination to discuss strategic issues and share business information.



3.4

IMPACT AS A MISSION /

Some of our portfolio companies have their entire business models dedicated to sustainability, despite the fact Explorer's funds are not impact funds.

Bhout

Vision/Mission

BHOUT is a gaming company with the heart of a fitness leader. It is creating a new way of playing combat sports in a fun and engaging way.

Product/Services

BHOUT has created the first boxing bag with a brain, powered with AI. Members can live a new boxing experience at home or at the BHOUT clubs where principles of psychology, nudging and gamification were applied to create an immersive play experience.

Recognitions/ Prizes



Honorable Mention Fast Company 2023 – Best Innovation by Design



200 Best Inventions of 2023

Social: Health & Wellbeing

Website

<https://www.bhout.com>

Code For All

To lead the digital transition of the workforce through education, by closing the gap between untapped talent and market demand. Code For All is a social impact startup that empowers people to acquire future-ready technological skills.

Code For All is focused on finding, giving skills, employing and managing tech talent. It offers a range of courses, the coding bootcamps are 14 weeks and turn people with no background in tech into junior full-stack developers.



Social: Social transformation

<https://codeforall.com>

Exaktus

To make consumers' access to oral health care more accessible, seeking to offer a range of products whose main characteristic is to be compatible with other market solutions, combining efficiency, rigor and growing quality, aptitude, performance and safety of these same products.

The company is a supplier of dental materials and equipment for the dental sector and is recognised for having a distinctive and wide offer of white label/own brand components for implants.



Social: Health & Wellbeing

<https://exaktus.pt/en>

Fastinov

Vision/Mission

FASTinov is an AI-enabled precision diagnostics company specialising in rapid Antimicrobial Susceptibility Testing (AST).

We envision a world where clinicians have unprecedented access to rapid and reliable information about antimicrobial susceptibility.

Our goal is to empower healthcare professionals to make informed decisions, optimise antibiotic use, and ultimately save lives.

Product/Services

FASTinov is a venture capital-backed company, specialised in developing advanced antimicrobial resistance technologies within the healthcare sector. The innovative approach focuses on ultra-rapid antibiotic susceptibility testing (AST) to enhance the management of bloodstream infections and combat antimicrobial resistance.

Recognitions/ Prizes



Social: Health & Wellbeing

Website

<https://www.fastinov.com>

Micronipol

To be recognised as a leader in plastic recycling in Portugal, through responsible social, corporate and environmental practices.

Micronipol strives to enhance its ecological footprint through recycling, while maximising resources, creating value for shareholders, employees and society in general.

Micronipol is one of the leading plastic recycling companies in Portugal, recycling high and low-density polyethylene (PE) and polypropylene (PP) waste. Micronipol's main sales product is recycled granulated plastic for reuse in tube and film extrusion.



Environmental: Circular economy

<https://micronipol.pt>

Nextbitt

To be the trusted technological partner of organisations in promoting greater sustainability, equity and transparency, developing pioneering and differentiating solutions with a positive impact on people and companies.

We want to drive the sustainable transformation of organisations around the world.

Nextbitt's software focuses in asset and facilities management. The company uses AI technology and machine learning to support its clients in the collection and management of ESG KPIs.



ESG Reporting & Monitoring

<https://www.nextbitt.com/en>

Portocanna

Vision/Mission

To become the European reference in the phytomedicine sector as a reliable EU-GMP supplier of high-quality Medical cannabis-based products.

To Provide patients with the medical cannabis products they need; ensuring they are readily available and consistent over time.

Product/Services

Portocanna is a EU-GMP Industry working to process, extract, and formulate medicinal cannabis-based products.

Recognitions/ Prizes

INFARMED GMP license
ANI – R&D recognition

Social: Health & Wellbeing

Website

<https://portocanna.pt>

Valerius

To preserve “Human Value” and environmental sustainability, ensuring the quality of our services.

By developing and implementing the best practices and processes to guarantee that every reusable jersey fabric that’s produced, may return to our recycling unit and get the chance to gain a new life.

Valerius’ 20-million-euro 360 project focuses on circular economy. A new manufacturing unit was built to spin and recycle cotton from textile industry waste. All textile waste that cannot be incorporated into the recycled textile is sent to a paper production unit – also a part of the project.



Environment: Circular economy

<https://valerius360.pt>



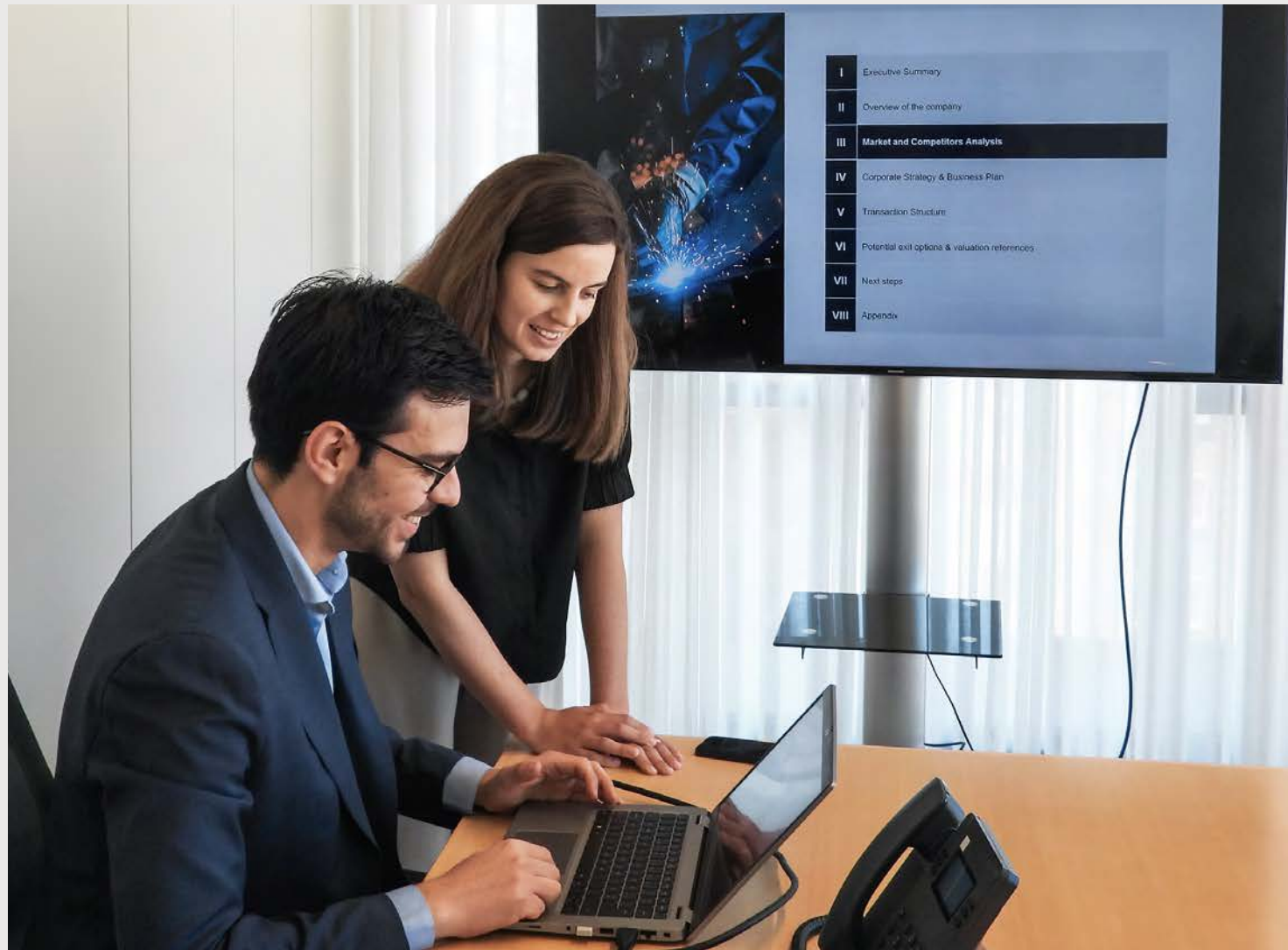
4

ESG AT
EXPLORER

→ 4.1
OUR PEOPLE /

At Explorer the values of “Excellence & Meritocracy” and “Team Spirit” are a big part of our culture and drive the company forward.

We believe that our team is our biggest asset and want to continue to promote a healthy working environment with highly qualified and engaged employees, attracting and retaining the best talent.



I	Executive Summary
II	Overview of the company
III	Market and Competitors Analysis
IV	Corporate Strategy & Business Plan
V	Transaction Structure
VI	Potential exit options & valuation references
VII	Next steps
VIII	Appendix



Induction

We have rolled out a new induction process delivered by our HR team to ensure our people feel welcomed and supported from the moment they join the company.

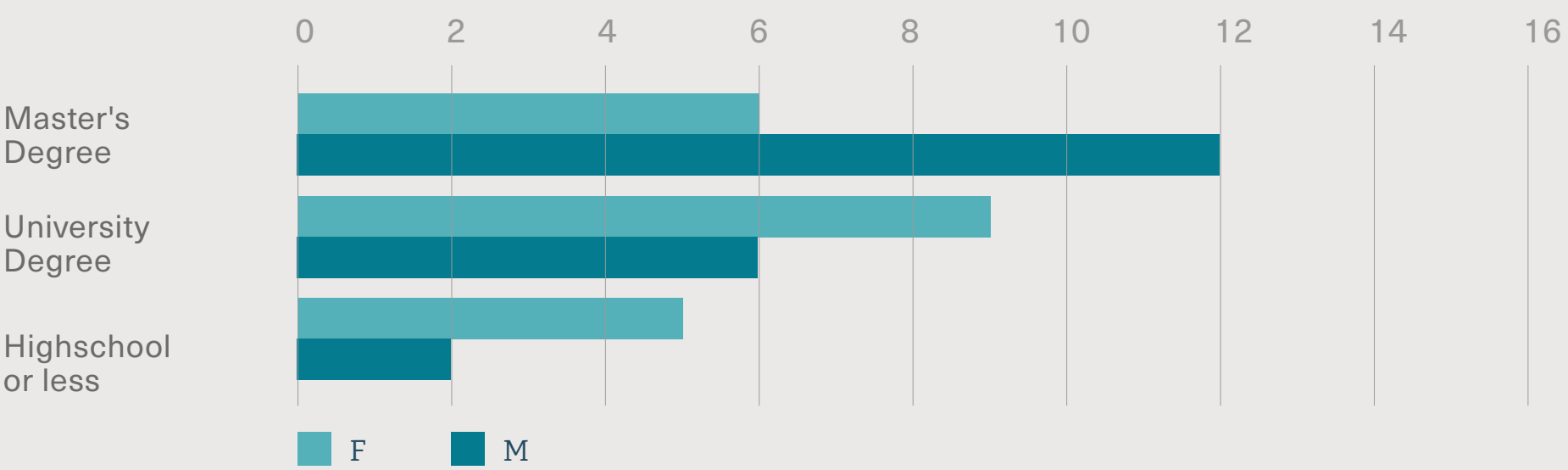
Development

Training will continue to be an area of focus for Explorer. We rely on highly qualified employees that are expected and encouraged to keep up with industry trends and best practice through training, attending conferences, internal and external networking etc.

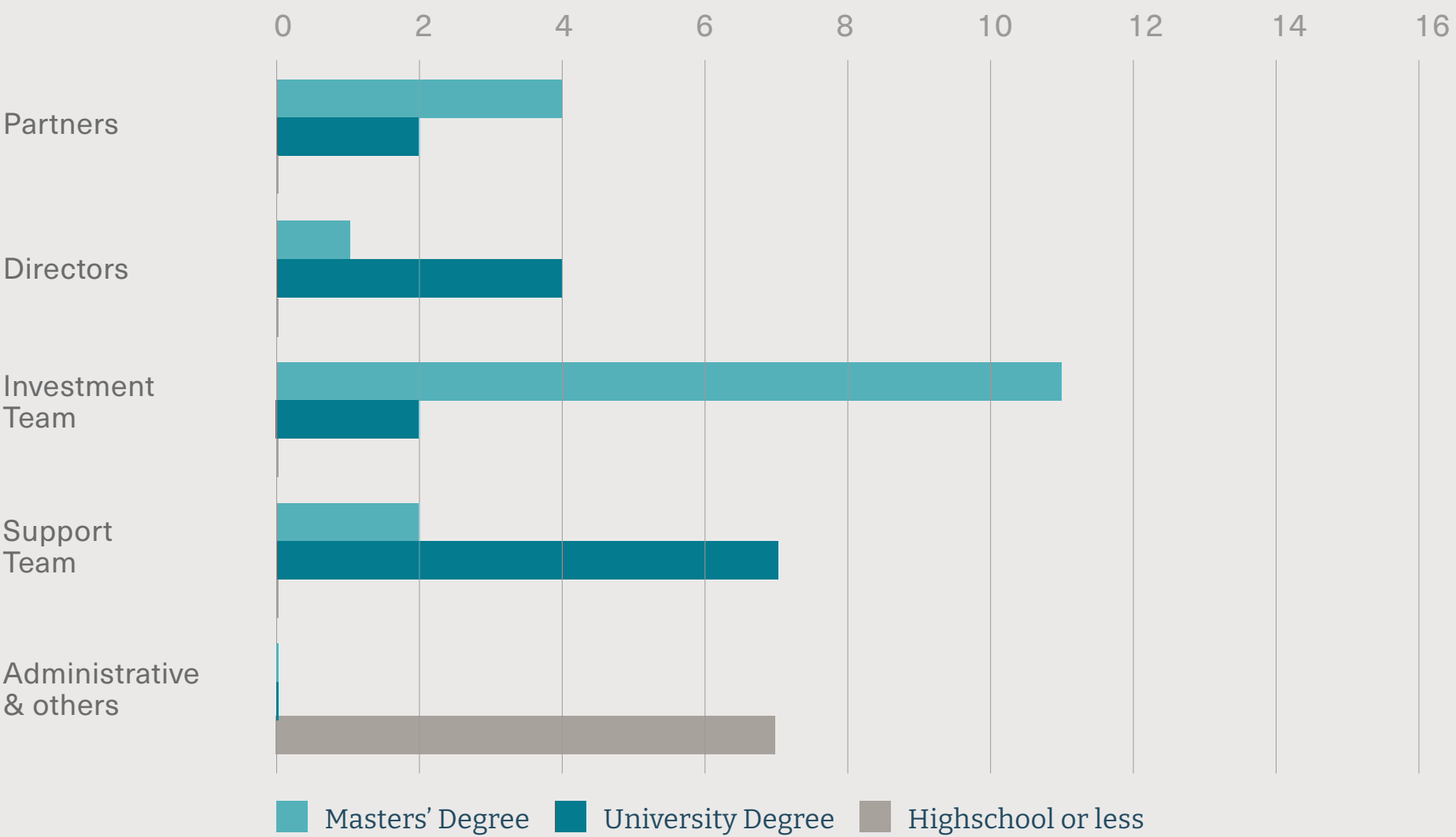
Retaining talent

Explorer continues to pay close attention to market trends in respect to benefits and employee perks. This year we updated our benefits package in partnership with an external provider to include travel cards, childcare vouchers, pension plan, etc.

Qualifications per gender

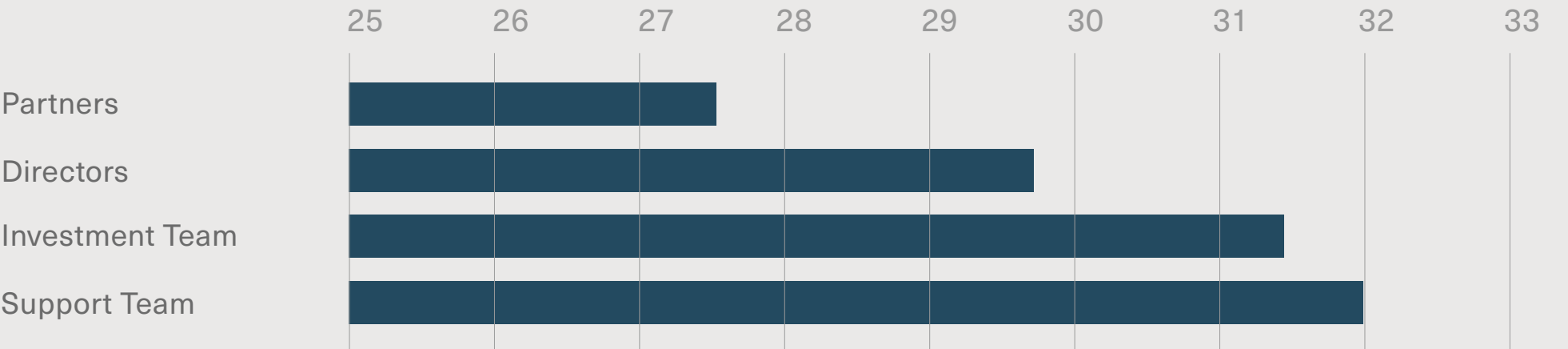


Qualifications per professional category

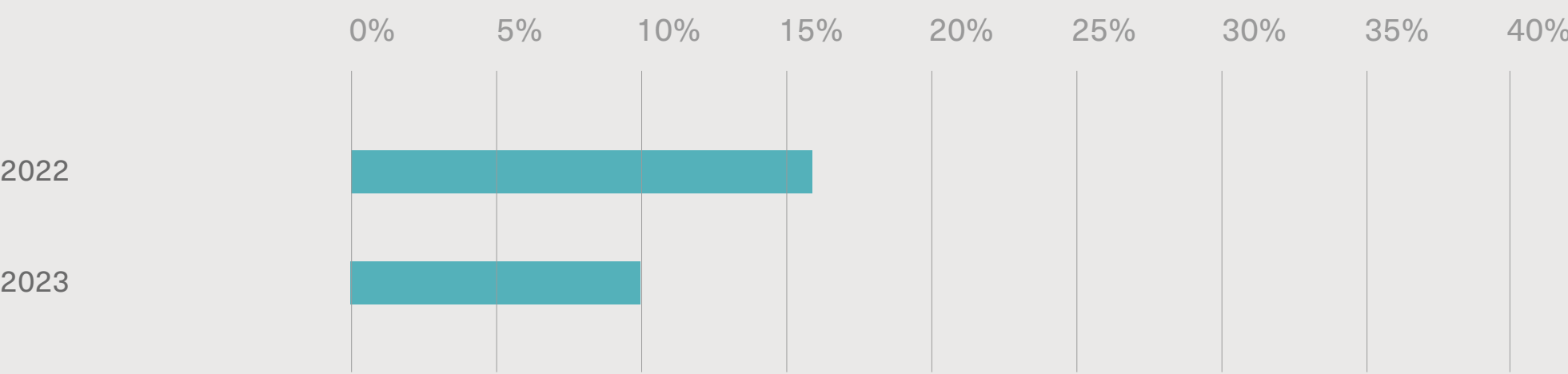


In relation to 2022 an even larger part of Explorer's team holds a university or master's degree, 82.5% vs 68.4%. Given the nature of our business we understand the importance of hiring highly qualified and skilled individuals. To maintain our team's skillset and qualifications in line with market needs and evolution at Explorer we have increased our focus in training.

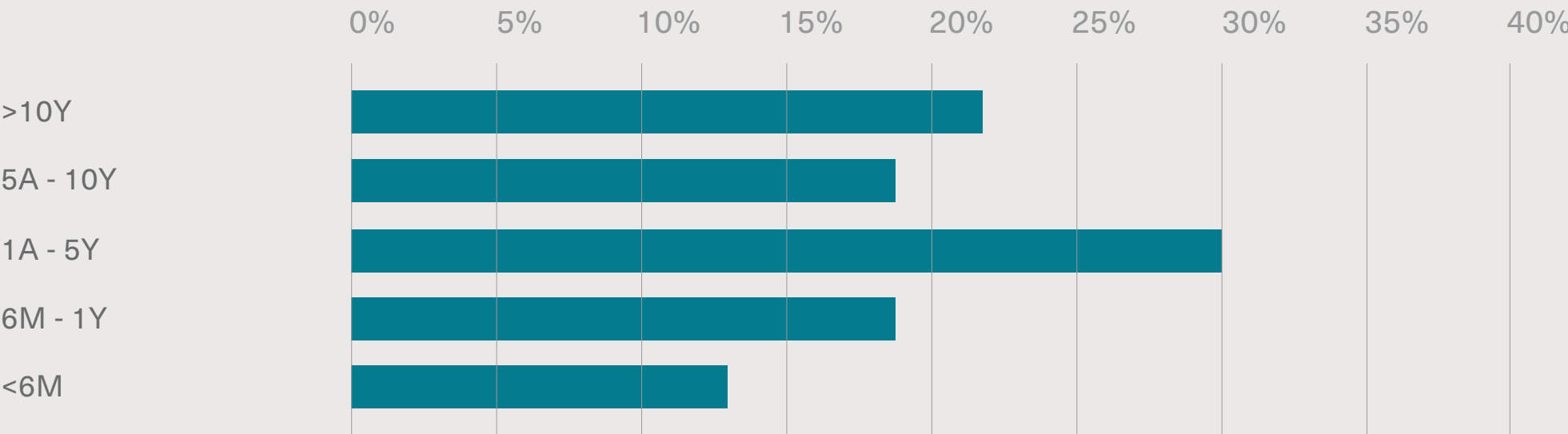
Average number of training hours per employee per professional category



Employee Turnover



Seniority



→ EMPLOYEE SURVEY /

This year for the first time we undertook an employee survey to provide better insights into the team’s needs and wants, informing future actions and plans. As we continue to work on employee attraction and retention this is another step in that direction.

The team were asked to answer a survey comprising of 78 questions, covering the following sections:

- 1. Positioning and Explorer Values
- 2. Motivation Factors
- 3. Growth
- 4. Enthusiasm
- 5. Leadership
- 6. Environment
- 7. Internal Communication
- 8. Net Promoter Score (NPS)

40
employees
engaged through
online survey

95%
response rate

83%
Net Promotor
Score

We’ve had some very positive feedback from the team:

Leadership

100% of employees are positive about Explorer’s leadership
All employees are positive about Explorer’s leadership and the ability to achieve its objectives. In addition, all the respondents say that they think their manager is someone they can trust and a role model.

Culture and Values

★★★★ 3.9 /4.0 score
In general, people identify with the values and objectives of the organisation. Employees are proud to say that they work at Explorer and proudly tell their friends and family that they work for the company. These are regarded as one of the areas the company should maintain.

Work Environment

★★★★ 3.7/4.0 score
Employees believe there is a very positive atmosphere in which people feel good at Explorer and very well integrated into their teams. The atmosphere of companionship and team spirit that currently characterises the company are aspects highly regarded by the team.

However, as expected, there’s also, areas that need to be improved:

Internal Communication

Employees say internal communication needs to improve
The majority of employees believe there is room for improvement; saying that the frequency and level of information shared is not sufficient. Since then a cross functional team (task-force) championed by one of the partners has been created to work on the topic.

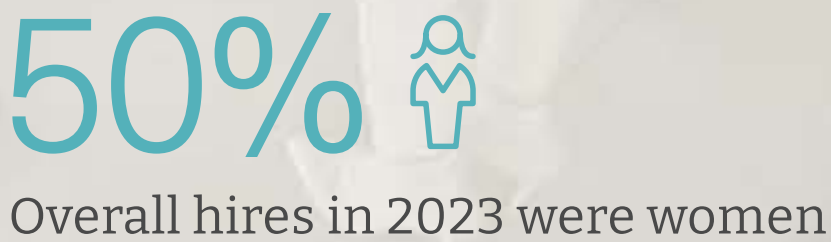
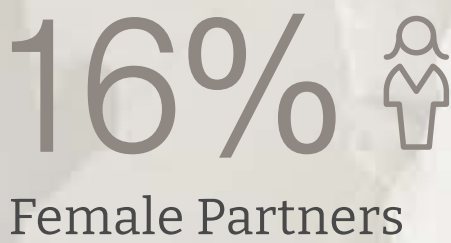
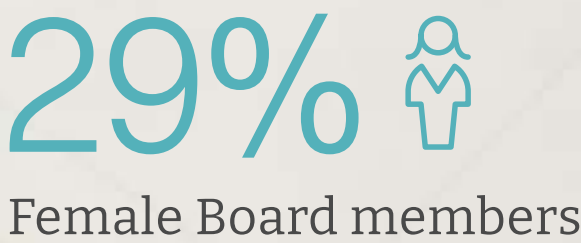
Communication around strategy

The team are unclear about how the strategy will be implemented
Although all responses were positive in terms of confidence in Explorer’s leadership to achieve the objectives, it is not clear to everyone how Explorer will achieve the medium-long term objectives.
Similar to the above the Communication Task-force will have to address the topic of better communicating Explorer’s strategy.

→ DIVERSITY AT EXPLORER /

We believe that diversity brings benefits to the company, our stakeholders, our employees and society.

We believe that having motivated employees who reflect our society helps us to incorporate different ideals and perspectives into the company, which will allow us to continue to innovate and grow in line with our values of Excellence, Meritocracy and Team Spirit.



¹ Heads and Partners

→ 4.2 OUR FOOTPRINT /

Explorer is committed to reducing the impact of our activities on the environment, through a combination of reducing our GHG emissions, reducing our resource use and increasing energy efficiency.

This year our electricity consumption remained constant, despite lockdown in early 2022 and a 20% growth in team members. We will continue to monitor our energy consumption and work on our efficiency measures.

Since last year we have removed water from our focus as this is not metered at office level, only at building level.

In 2022 Explorer calculated its carbon footprint for the first time as we understand the importance of monitoring and, in time, reducing it. This year we have extended the scope of our carbon footprint to scope 3 emissions (business travel and employee commute). Overall our carbon footprint grew because of this although in terms of scope 1+2 it has gone down.

We have partnered with our portfolio company Nextbitt to undertake this exercise² and pilot their EMS tool, which was launched this year.

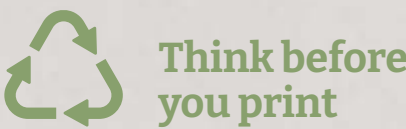
² In alignment with the GHG Protocol Corporate Accounting and Reporting Standard
³ Market based approach.

Paper consumption

We have engaged our employees extensively raising awareness to the need to reduce our paper consumption. To support that effort, we have implemented digital signatures for most of our internal and external processes.

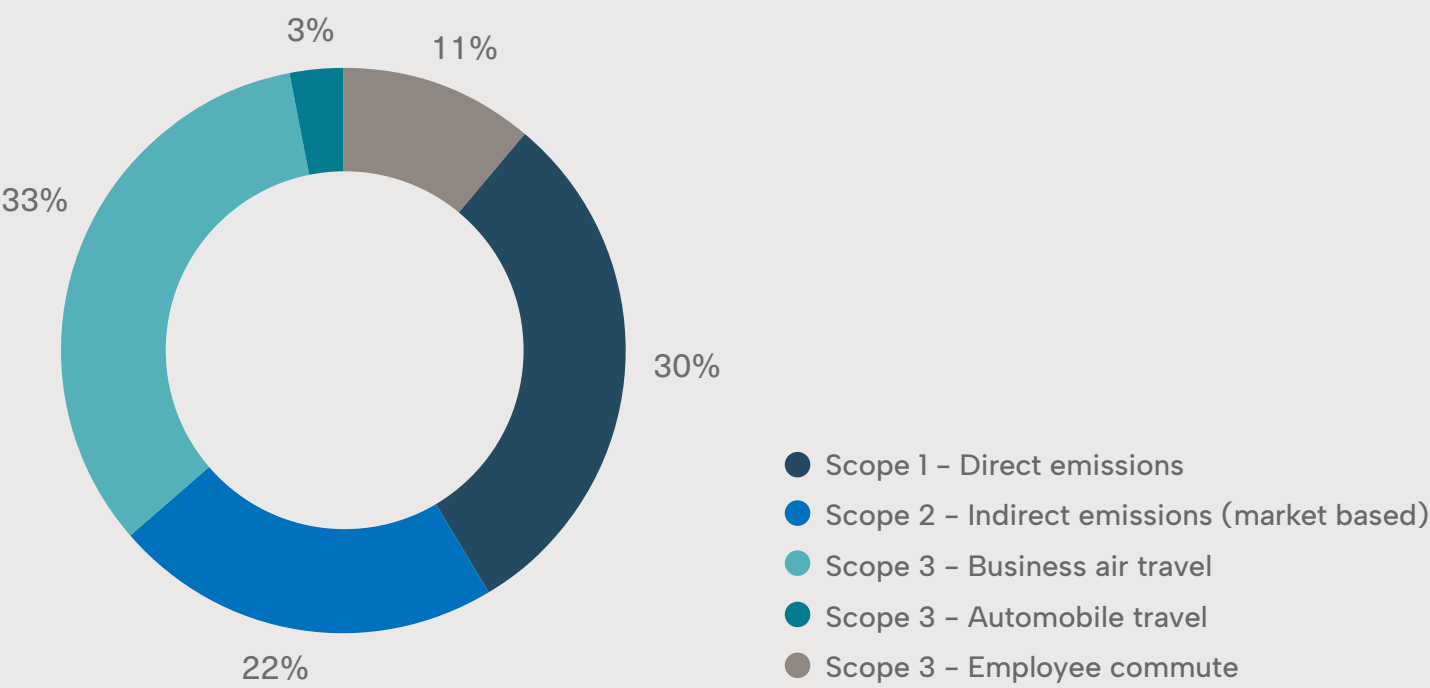
In our Fund's General Assembly Meetings we continue to share the reports with attendees but instead of printing it we now provide QR Codes.

We will continue to engage with employees on the topic promoting a move to a paperless company.



	2022 ton CO ₂ e	2023 ton CO ₂ e
Scope 1 – Direct emissions	37.77	29.19
Scope 2 – Indirect emissions		
Market based	21.66	21.36
Location based	11.31	6.94
Scope 3 – Upstream & downstream activities		
Business air travel	–	31.98
Automobile travel		3.16
Employee Commute	–	10.13
TOTAL	59.43 ³	95.82 ³

Breakdown by emission source (2023)



→ 4.3 GIVING BACK /

Supporting communities in need and students in the financial industry continues to be a central focus for Explorer.

Explorer Investments donates, annually, 10% of its profits to support education programs, based on merit and excellence.



This year we have supported students in the following programs:

5

Explorer Excellence Merit Prizes to master’s degree students at Universidade Católica

3

Explorer Excellence Merit Prizes to bachelor’s degree students at Universidade Católica



2

Erasmus scholarship for ISCTE Business School bachelor students

1

Explorer Excellence Master’s Scholarship at ISCTE Business School

1

Explorer Excellence Master’s Scholarship at Nova SBE



Kiko Stilwell

Cash donation to support the dream of becoming an olympic athlete.



Cáritas Portuguesa

Cash donation to support the victim of the earthquake in Marrakech, Morocco.



São Tomás (private) school

3 scholarships awarded to students in financial need. The school is a Catholic School founded in 2003 by the Association for Education, Training and Culture (APECEF). With a mission to develop the reasoning and freedom of each student, challenging everyone to take on the exciting adventure of learning.

Mentes Empreendedoras & Leaders Gang

The program trained 25 young people in high-school in 3 main components: Leadership training in an immersive and practical context, Community of Emerging Talents and Transformative Moments with Inspiring Figures and Pedagogical, including a trip to Brussels (to meet Portuguese MEPs). Challenging youngster to develop their leadership, autonomy, talent developing a I want! I Can! I do! Mindset.



Instituto Rodrigo Guimarães

As a tribute to Explorer’s founding partner, Rodrigo Guimarães, his closer family members and long-term friend and partner, Elizabeth Rothfield, founded in 2022, Associação Instituto Rodrigo Guimarães para a Promoção da Educação.

Pursuing the example set by its mentor, a strong believer in the need to support young students with limited financial resources, the Institute promotes education, helping students to broaden their horizons and to make the most of what fate brings them.

In 2023, the Institute reached more than 140 young people directly and indirectly. And in 2024 we project it to be 500. Consolidating the work started in 2022 and continuing to encourage young people by creating opportunities, opening their horizons, and helping them to create their own Luck in name of Rodrigo Guimarães.

The Institute will continue to help those with less financial means to access a quality education and foster entrepreneurship. It focuses on young people between 13 and 23 years old.

In January 2024 the Institute launched Step Up to Start Up, an entrepreneurship pilot program, completely free of charge and aimed at young people in secondary school. Around 250 young people have signed up for it.

The program provides young people with the tools to build their own future and discover their talents. Giving voice to the ideas that buzz in young minds that can impact this generation. All done in a familiar environment for young people, online and while allowing them to learn and enjoy the experience.

www.institutorodrigoguimaraes.org





Disclaimer

The purpose of this report is to inform the market of the initiatives developed by Explorer over the course of 2023 in terms of incorporation of ESG criteria in its activity, as well as in its investment decision-making processes and in the management of the Funds. It was developed for information purposes only.

This document should not be construed as an offer or an invitation to subscribe for units in the funds managed by Explorer.



2023
SUSTAINABILITY
REPORT

www.explorerinvestments.com