



CICLAD CSR STATEMENT

December 31st, 2019



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As a Partner for growth, Ciclad is pursuing an investment strategy which has been defined more than 30 years ago: supporting the growth of SMEs in France and abroad by investing alongside outstanding managers in transmission and development projects.

From the beginning, and especially because Ciclad's founding team had a human resources experience, Ciclad has always put human issues at the heart of its mission.

Our investment practice always had a strong ethical dimension, both through the selection of our investments and through our exchanges with managers. For Ciclad, investing in SMEs has always been a socially responsible act.

Ciclad has gradually developed a global policy in order to take into account the criteria relating to the respect of environmental, social and quality objectives of Governance (ESG). This policy is part of a long-term vision in which ESG criteria are seen as vectors of value creation and performance for companies.

The formalization of these commitments is now a priority for Ciclad, in order to best meet the current environmental and societal challenges.



Management
Company

In 2019, a dedicated CSR Committee was created. Didier Genoud (Managing Partner) and Eric Bruguière (Partner) are responsible for overseeing ESG principles within Ciclad.

As a management company, employees represent the most important asset.

Equal working conditions are offered, with no difference based on gender. Our 18 people team includes 9 women.

100% of Ciclad's employees have a permanent contract and can have access to the training program.

Annual interviews are conducted with each staff member to review their objectives and to understand their expectations.

Since its inception in 1988, the team has been investing alongside Ciclad's funds and the management of our portfolio companies. 5% of all invested funds is committed. The entire team therefore commits financially, personally and significantly, alongside investors, thereby guaranteeing a broad alignment of interests.

Ciclad Gestion's SRI policy

- 1 We will incorporate ESG issues into investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.

Given its activity and size, Ciclad's main CSR impacts are mostly achieved through its investment policy.

Since 2008, Ciclad has been committed to "the Charter of Private Equity Investors" of the French Private Equity association France Invest (ex-AFIC). Ciclad was one of the first signatories of this charter.

In 2019, Ciclad Gestion has signed the UN Principles for Responsible Investment (PRI) and will report on its ESG policies and practices according to the PRI reporting framework next year.

Ciclad Gestion's approach



Ciclad is committed to integrating CSR issues into its day-to-day management of all its investments through the implementation of a responsible investment policy aimed at creating sustainable growth.



Ciclad has launched an ESG evaluation of its more recent fund's portfolio companies with the assistance of an independent auditor.

This evaluation made it possible to identify the significant CSR stakes of the portfolio companies, to determine their CSR maturity and to propose action plans to improve their CSR performance.

Indicators have also been defined in order to measure the effectiveness of the action plans over time and the best practices to be shared. To date, the evaluation has covered 90% of the Fund 6's portfolio companies and 6 new contemplated investment.

The main results for Ciclad 6 FPCI are presented below.



Portfolio performance

Global portfolio performance



The global ESG score of Ciclad 6 FPCI¹ shows that the portfolio companies execute satisfactory practices but still need to improve their CSR maturity.

ESG Dimension	Score 2019	Materiality
Environment	2.2	2.3
Social	2.2	2.3
Governance	2.1	2.4
Global Score ESG	2.2	2.3



Material ESG issues are those determined to substantially affect, or have the potential to substantially affect, the financial condition or operating performance of the companies, as well as their ability, or potential ability, to create environmental and social value for itself and its stakeholders. ESG materiality is evaluated with a rating scale from 1 to 3, with 1 for low score, 2 for medium score and 3 for high score.

The ESG maturity was determined based on the actions of the companies for each topic:

- 0. - no action,
- 1. - at least one action,
- 2. - several but uncoordinated actions
- 3. - many coherent actions with results measured through indicators
- 4. - many coherent actions with results measured and communicated to stakeholders

FCPI 6 Performance by ESG subject	2019
Environment	
Energy consumption	●
Emmissions (into air, soil, water)	●
Waste management	●
Social	
Health, safety, working environment	●
Training and Career management	●
Diversity and equal opportunities	●
Governance & Stakeholders	
Governance structure	●
Financial risks management	●
Business ethics	●
Product/services safety and quality	●
Responsible procurement	●

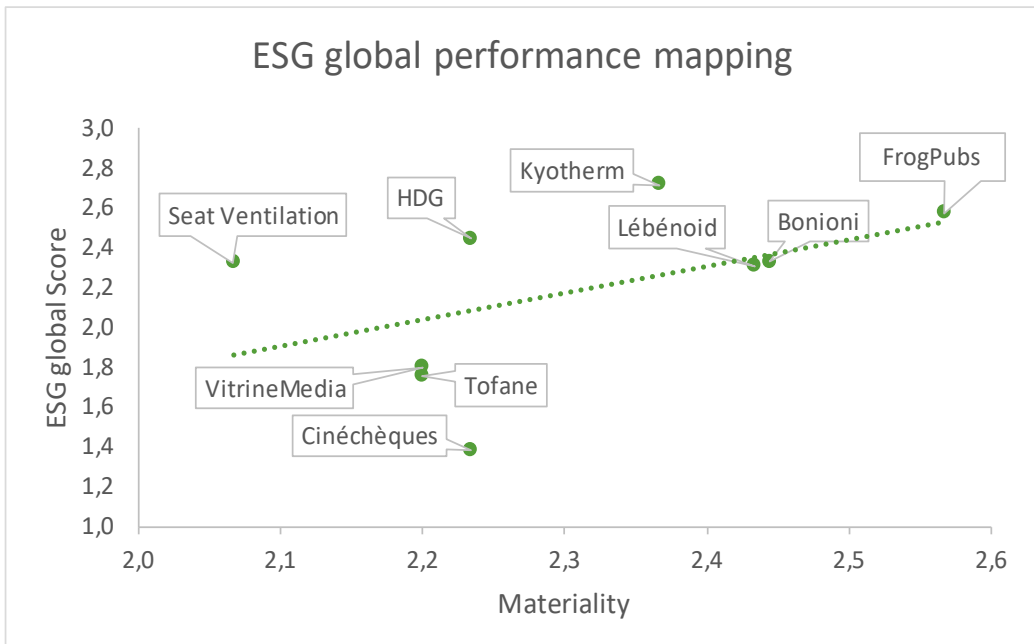
1. Excluding Cronite

Two thirds of the companies in the portfolio have above-average ESG maturity.

Kyotherm, an investment company that specialises in the third-party financing of renewable heat production projects and energy efficiency projects, has the highest score. In 2019, Kyotherm has won the International Energy Agency Solar Heating Program (IEA SHC) Solar Award for its solar thermal third-party ESCO financing solution.

Cinéchèques, showing the lowest maturity, has a significant societal impact, not considered in the analysis.

In fact, Cinéchèques facilitates access to culture throughout the French territory thanks to the coverage of its network of cinemas. In any case, the company will implement targeted, medium term, action plans to improve its measured performance.



ESG Global Performance	Score	Materiality
Higher	2,7	2,6
Lower	1,4	2,1
Global Score ESG	2,2	2,3

The overall score is the arithmetic average of environmental, social and governance scores. Likewise, the materiality corresponds to the average of the 3 ESG domains' materiality.

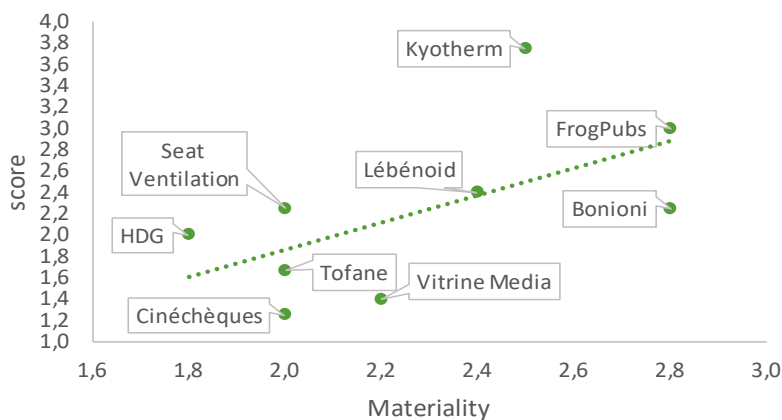
Environment	Score	Materiality
Higher	3.8	2.8
Lower	1.3	1.8
Average	2.2	2.3

The degree of environmental impact largely depends on the industry and activity of operations.

The environmental score is based on actions taken by the portfolio companies:

- to improve energy, raw materials and water consumptions,
- to reduce emissions into air, soil and water,
- to promote better waste management,
- to apply eco-design principles, and,
- to improve environmental performance of buildings.

Environment



The highest score goes to Kyotherm whose business is to finance renewable heat production projects and energy efficiency projects and which has developed a high maturity on environmental subjects.



Frogpubs favours the short circuit and local producers for the ingredients in its cuisine; it also carries out numerous actions to reduce the environmental impact of its breweries and to limit plastic waste, for example.



L'Ebénoïd's two flagship products are eco-designed. They are maintenance-free because their durability is longer than the life of the buildings they equip.



Bonioni follows its energy and water consumption and reports on water consumption. The purchase of a new compressor in 2019 has significantly reduced its energy consumption. The internal HSE prevention booklet contains good environmental practices.



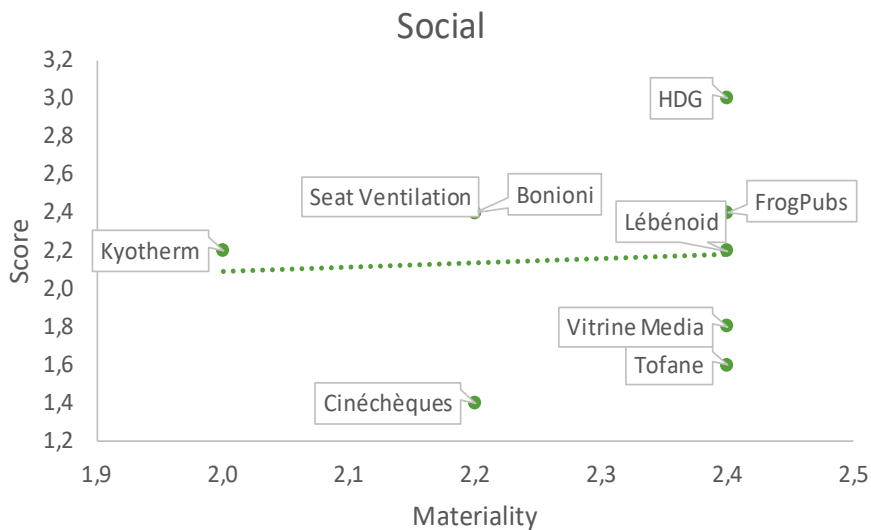
To improve its performance, Vitrinemédia will launch a research program based on eco-design principles.

During the past year, none of the portfolio companies faced any major environmental issue or litigation case.

Social	Score	Materiality
Higher	3.0	2.4
Lower	1.4	2.0
Average	2.2	2.3

The social score is based on actions taken by the portfolio companies:

- to promote well-being (including health and safety) and quality of life at work,
- to develop the skills of all employees and to share the value,
- to promote diversity and equal opportunities,
- to avoid abusive use of contracts leading to precariousness, and,
- to ensure respect for fundamental rights throughout the subcontracting chain



The core business of HDG (Human Design Group) is ergonomics. Its specialists contributed to set up the company's new premises. Quality of life at work correspondents ensure that requests are considered and that action plans are followed up. The company presents a gender equality index of 99/ 100.



Seat Ventilation launched a study on exoskeletons to reduce the strain of certain tasks and limit the risks to the health of its employees.



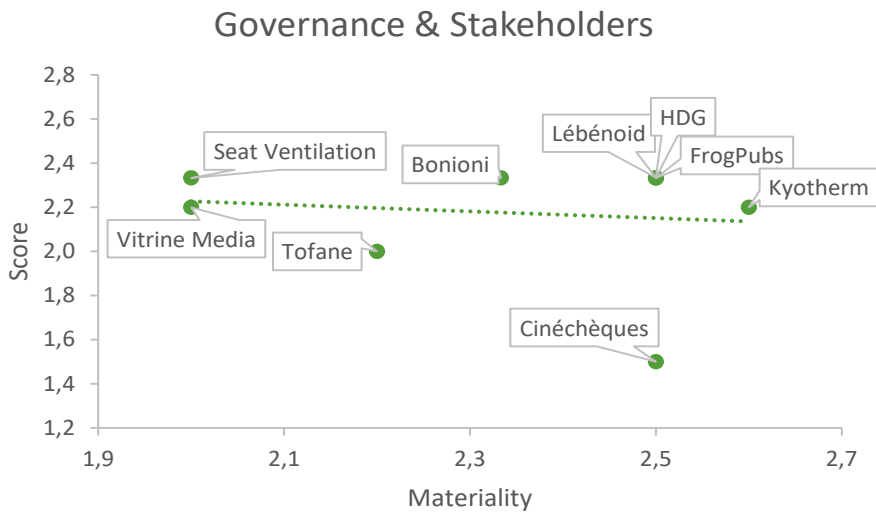
Tofane is in the buildup phase and is currently implementing its social policy and human resources management system. Its social score will probably improve significantly next year.



Governance	Score	Materiality
Higher	2.3	2.6
Lower	1.5	2,0
Average	2.2	2.3

The score on governance and stakeholders is based on actions taken by the portfolio companies:

- to establish an independent and competent governance,
- to guarantee the economic performance and sustainability of the company,
- to prevent corruption in all its forms,
- to ensure data security and protection,
- to respect the interests of customers,
- to establish fair practices with suppliers.



The overall performance of the portfolio's companies is good on governance. The main improvements still needed are related to the formalization of the procedures and instruments in order to fight corruption and to the evaluation of suppliers on ESG criteria.

Over the past year, none of the portfolio companies faced any litigation related to business ethics.

Non-financial Indicators



For each of the Ciclad 6 FPCI portfolio's companies, action plans have been defined to improve their ESG performance in areas with high stakes that have not been adequately managed to date. Where relevant, non-financial indicators were identified to track the ESG performance.

ESG performance indicator per Companies

ESG performance indicators	Number of workplace accidents	Frequency rate of accidents	Accidents severity rate (ASR)	Absenteeism rate	Turnover rate	Hours of training per employee	Number of manager shareholders	Other indicators
Bonioni	X	X	X	X				Investment in Poland
Cinéchèques						X		Number of new cinemas integrated into the network
FrogPubs								% of short food supply chains purchases/ % of new entrants trained
Kyotherm							X	GHG (greenhouse gases) savings of funded projects
Lébénoid	X	X	X	X				number of supplier audits formalised
Seat Ventilation	X	X	X	X	X	X		
Tofane							X	
HDG					X	X		Gender equality index
VitrineMedia	X	X	X	X	X			

2019 Indicator

ESG performance indicators	Number of workplace accidents	Frequency rate of accidents	Accidents severity rate (ASR)	Absenteeism rate	Turnover rate	Hours of training per employee	Number of manager shareholders	Other indicators
Bonioni	*	0,4	3,5	0,6	12%			Investment plan to improve the CSR performance of the polish factory*
Cinéchèques						*		Number of new cinemas integrated into the network*
FrogPubs								% of short food supply chains purchases* /% of new entrants trained*
Kyotherm							5 (100%)	GHG (greenhouse gases) savings of funded projects
Lébénoid	*	32,2	3,0	6,0				number of supplier audits formalised*
Seat Ventilation	*	56,8	1,4	19,1	51%	*		
Tofane							*	
HDG					45%	*		Gender equality index: 99/100
VitrineMedia	*	22,0	0,2	2,0	61%			

* These indicators will be disclosed next year



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