



ESG Report

2022

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1	Management Company Performance	4
	Management Company	5
	ESG management system	6
2	Portfolio Performance	8
	Ciclad Stories	9
	Portfolio overview	10
	ESG assessment	11
2.1	Constant scope Performance	12
	ESG assessment at constant scope	13
	Global performance per area of focus	14
	Global progression and top 4	15
	Portfolio performance at constant scope	16
2.2	New investments Performance	18
	ESG assessment for new investments	19
2.3	Entire Portfolio Performance	20
	Global performance	21
	Environment	23
	Social	26
	Governance	28
	Stakeholders	30
2.4	SDGs	31
3	Appendix	34
	ESG assessment methodology	35

Responsible Investment is at the chore of Ciclad's mission since its inception in 1988 and before when Ciclad's founders were in charge of management transition for French SME's on behalf of the French government. ESG is core to Ciclad's business, as much as driving change through control investment. Over the years, we have professionalized through formalization, adherence to the relevant international frameworks and resort to sector-specific experts, among others.

We are pleased to provide an update on Ciclad Gestion funds and management company ESG performance and commitment. This report showcases our ESG management approach & impact, and highlights our main achievements for year 2022.

Portfolio company level

For the fourth consecutive year, we performed our annual assessment towards our investee companies and are happy to witness (i) a better awareness and understanding of key ESG considerations (ii) an enhanced willingness to put ESG issues at the top of the agenda due their strategic relevance (iii) greater capabilities to address ESG matters.

"Four years ago, Investee companies barely knew about Scope 3 GHG emission assessment while we now see more and more portfolio companies, mainly industrial ones, perform such assessment on their own initiative" Sandrine GIMAT, Independent auditor

We have seen continuous improvement at the whole portfolio level and are endeavoring to collaborate daily with our investees to help them implement key ESG-related initiatives

Management company level

2022 saw a key milestone with the launch, of our first Article 8 fund - Ciclad 7-, with formal climate and gender commitments taken

through the three following undertakings:

We commit to reduce Scope 1 and 2 greenhouse gas emissions

We commit to empower women in governance bodies

We commit to promote employee shareholding at our investee level

"For the first time in Ciclad story, a significant part of Ciclad team remuneration will be indexed to extra-financial performance, which materializes our strong commitment to drive sustainable business transformation and aim at continuous improvement" Eric Bruguière, Partner

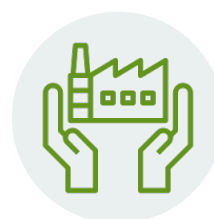
We would like to take the opportunity to thank all of our investors and partners for their unfailing support, therefore enabling us to maximize positive social, governance and environmental impacts and contribute to the global advancement of the UN Sustainable Development Goals.



**Diversified
Portfolio**



**Engaged
Team**



**Specialized in
Small and
Middle Entities**



1

Management Company Performance

Ciclad Gestion in a nutshell

Since its creation 35 years ago, Ciclad Gestion has been managing professional private equity funds with a common investment strategy .

The funds are indeed invested in SMEs, mainly in France, in the context of primary transactions (mostly majority buyouts and expansion capital deals). Ciclad gestion currently manages (i) Ciclad 5 (€150m, raised in 2011, in its liquidity phase) (ii) Ciclad 6 (€180m, raised in 2017, in its divestment phase) and (iii) Ciclad Entreprise fund (€70m, raised in 2020, for investment tickets lower than €5m). Ciclad 7 fund is currently being raised, with a €210m target and an investment ticket expected to range from €7m to €20m.

SFDR funds classification

The funds managed by Ciclad up to 31st of December, 2022 benefit from the same ESG monitoring and steering, although Fund 5, which is in the process of divesting (20% of AUM) operates in a less formalized way . All these funds are classified under Article 6 of the SFDR regulations. A systematic annual ESG assessment has been implemented since fund 6 was raised in 2017.

Ciclad 7 fund, which will be launched in 2023, is classified as an Article 8 fund within the meaning of of Regulation 2019/2088 SFDR.



ESG team and governance

Didier Genoud (Managing Partner), Eric Bruguière (Partner) and Anabelle Wephre (General Secretary) are responsible for overseeing ESG performance within Ciclad. Nevertheless, Ciclad's ESG approach is a commitment from the whole team since (i) it embodies Ciclad's values and (ii) it is based on a pragmatic, transparent and rigorous methodology, implemented by all the investment team members throughout the investment process.

ESG issues are discussed by the Supervisory Board at least once a year.

Furthermore, Ciclad works with Aca Nexia, an independent ESG advisor and auditor who mobilizes a 3-people team to assist Ciclad in the monitoring of the ESG performance both at the management company and at the portfolio companies levels. Aca Nexia's role encompasses, in partnership with Ciclad team members, pre-acquisition ESG due diligences, the administration of the annual ESG questionnaires, consolidation of ESG data at the funds level and independent annual rating of portfolio companies, among others.

Finally, as a generalist fund, we have to understand the challenges of a variety of sectors and often niche activities. On specific cases we call on experts' services, particularly when it comes to environmental issues, which often require a scientific/engineering approach.

ESG throughout the investment process

◦ Applying an exclusion policy

Ciclad's responsible investment policy excludes investing in companies involved in the production or marketing of non-conventional weapons, pornography, or promoting racist, terrorist or sexist ideas. In addition, it has always excluded businesses linked to coal production and, since Ciclad 6, it has also excluded chemical-related businesses that have a negative impact on biodiversity. In addition to this sectoral exclusion policy, Ciclad analyses company practices and does not invest in companies that do not respect the International Bill of Human Rights and Global Compact principles.

In 2022, 4 investment opportunities (out of 300+ analyzed) were discarded due to ESG considerations (targets mostly active in business sectors which are highly detrimental to the environment).

◦ Due diligence phase

During the due diligence process, an analysis of ESG risks and opportunities is systematically carried out by Ciclad team and their independent advisor. An ad hoc approach has been developed, tailored to SMEs specificities and challenges (e.g. very small organizations, absence of dedicated resources, , etc...). Resort to external industry experts is possible if the sector specificities require it. In 2022, 8 pre-acquisition due diligences were performed (for a total of 4 transactions eventually completed).

This initial pre-acquisition ESG diagnosis enables us to (i) collect a certain number of performance indicators (ii) identify the ESG maturity of the target company (including sustainability risks and opportunities) (iii) qualify the ESG practices and (iv) identify the internal resources involved in ESG performance management, if so.

o Portfolio monitoring

Our approach is pragmatic and business-oriented to meet the specific needs of SMEs, all the more so in the context of primary operations. We endeavor to combine ESG and economic issues in both our strategic thinking & daily support to our business partners, and to limit their administrative workload.

To support our portfolio companies in a continuous improvement process, we annually hold two (since 2022 vs. 1 in the past) exchanges sessions with our investees, led by our independent advisor. The first session aims at collecting both quantitative and qualitative data for the year under study, using customized tools based on international and national benchmarks (Sustainable Development Goals, ISO 26000, Grenelle 2). These annual interviews enable us to identify any ESG incidents that may have occurred during the elapsed year, to suggest an action plan encompassing key ESG opportunities and challenges (if it is the first year of investment) or review the progress made, on the one year' period, against the identified corrective actions of the initial action plan (for the following years).

The second annual meeting is the occasion for Aca Nexia to reveal the year's scoring and collect the investee feedback, while further strengthening the dynamic for progress by setting collectively new ESG objectives for the year to come.

o Act and report transparently our ESG actions to our LPs

The ESG questionnaire survey, which is administrated to our portfolio companies annually, has been refined over time, and particularly in 2022 with a full redesign aiming at meeting our various LPs' requirements and including renowned frameworks relevant indicators. This reporting process, combined with a diligent monitoring, enables us to report on the concrete results achieved over time.

To ensure maximum transparency towards its Investors, Ciclad ESG policy and annual report are on open access on Ciclad website.

Our commitment to global initiatives



As a member of France Invest, Ciclad follows its code of conduct and has adhered to its parity charter since its creation.



Ciclad has been a PRI signatory since 2019.



Ciclad has been a iCi signatory since 2021.



The most recent funds have been labelled "Label Relance".



Through its very activity, Ciclad contributes to the global advancement of the United Nations Sustainable Development Goals.



2

Portfolio Performance

ESG issues at the heart of Ciclad value creation strategy

To open the portfolio-dedicated part of the report, we are proud to present 2022 Ciclad Stories as concrete illustrations of our monitoring approach. Unsurprisingly, ESG considerations often prove to be key value-drivers.

Bonioni



Stéphane Albert
Managing Director

&

Laurence Haulet
CFO

<https://youtu.be/E-ySMioelrU>

"Bonioni shows a strong commitment to ESG. Firstly, through its cold-heading expertise as a raw materials-saving-technology, and second through its ESG policy.

We have been assessed by the Ecovadis rating agency for many years now and achieved the gold medal this year. We intend to further strengthen our commitment and to reduce our carbon footprint. As such, we also plan to set up photovoltaic cells, in particular."

EIF



Christophe Thevenot
&

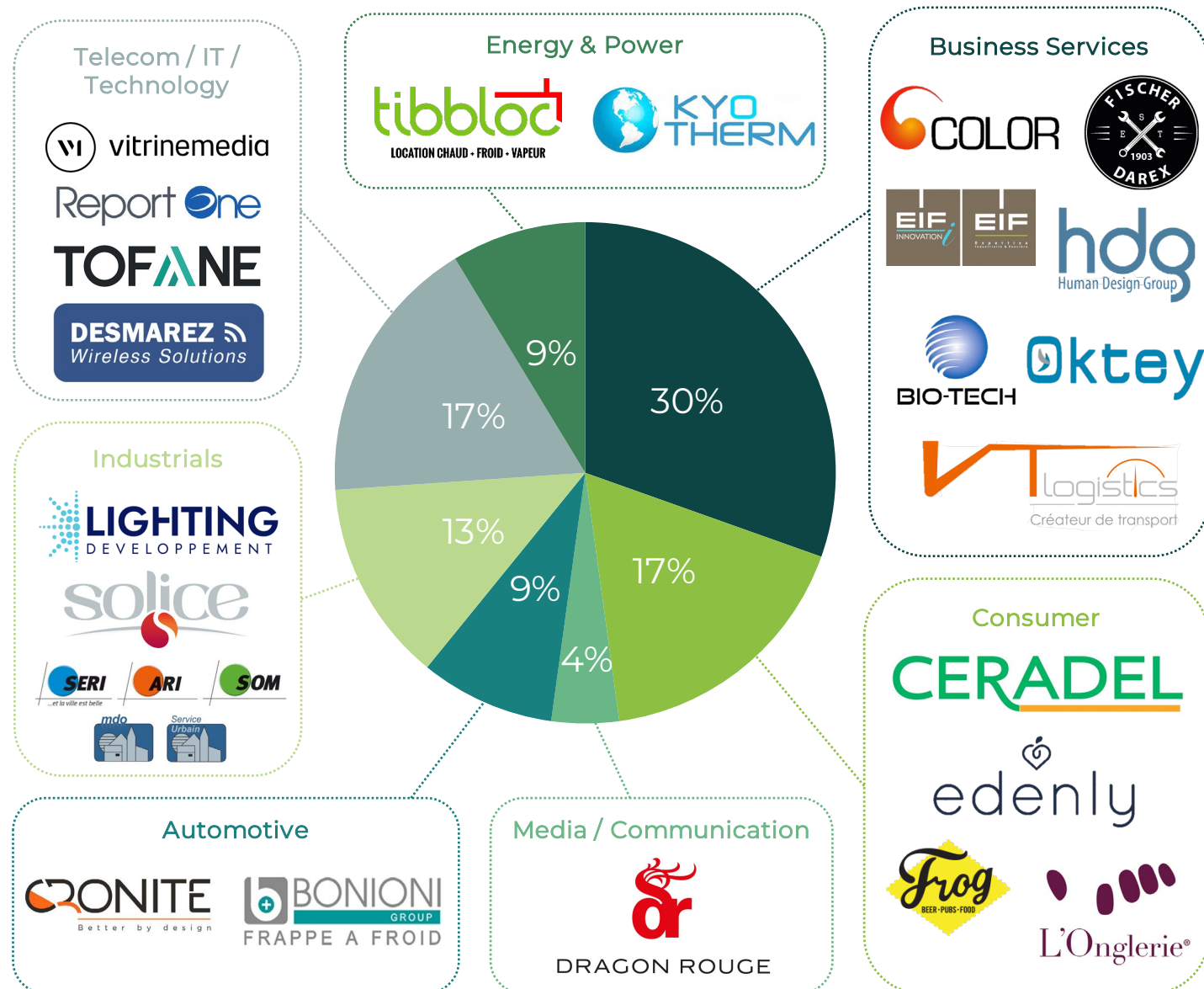
Benjamin Rachet

Associate Directors

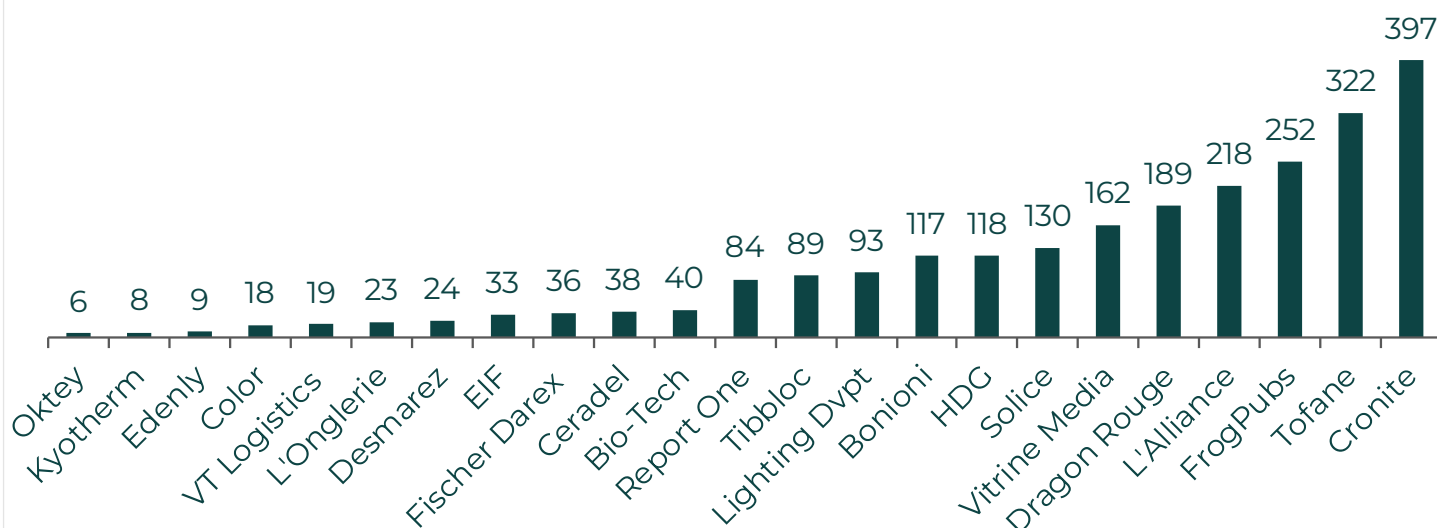
<https://youtu.be/EKjgg1DfFdg>

"EIF is really committed to sharing value. Our valuable assets are our team members. On top of the existing profit-sharing scheme, we promoted and implemented employee shareholding in 2021. We are very proud that c. 80% of the total headcount seized this opportunity and became EIF shareholders."

Portfolio overview



Ciclad's investments are active in a wide variety of businesses and sectors, with headcounts ranging from 6 to 397 people.



Methodology (reminder)

The annual ESG assessment is based on Aca Nexia scoring method which takes into account :

- ESG materiality , namely how ESG issues and considerations can positively or negatively affect the value of the company under analysis (1 for low materiality, 3 on the contrary)
- ESG maturity, as measured against both the number of concrete initiatives and corrective actions completed and the level of formalization (coordination, communication, etc...) observed in carrying out such actions, in 16 environmental, social, governance or stakeholders-related areas.

The overall maturity score is the weighted (by ESG materiality) average of the 16 areas maturity scores.

See details in Appendix.

2022 Reporting scope

	Assessment		Data collection	
Year	2021	2022	2021	2022
Number of companies	20	23	20	23
Coverage rate	95%	100%	100%	100%

In 2022, Ciclad collected ESG data from all its portfolio companies. With regards to the ESG assessment (which refers to the scoring of the ESG maturity & materiality as per the aforementioned methodology), the coverage rate is 100% in 2022, up from 95% in 2021.

It should be noted that two entities (Oktey & Bio-Tech) have only been assessed at acquisition as an update at the time of the ESG campaign was not deemed necessary given the recent investment.

We would like to take the opportunity to thank the portfolio companies and investment team members for their commitment during the process.



2.1

Constant scope Performance

ESG assessment at constant scope

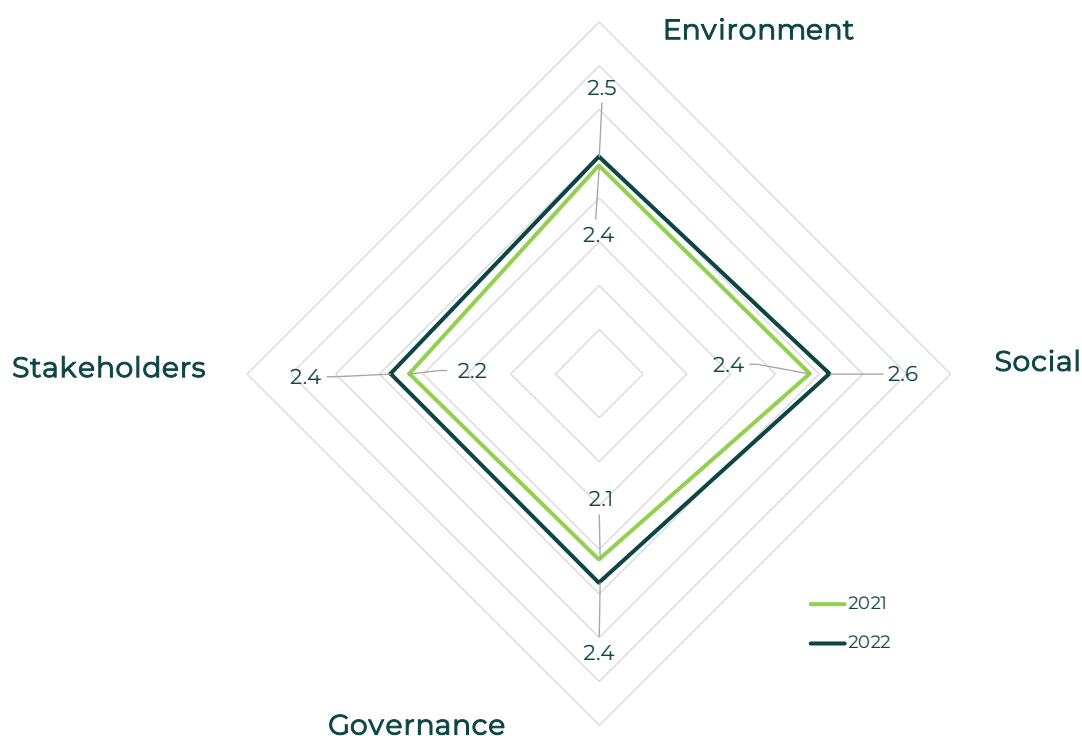


ESG Dimension	Score 2021	Score 2022	Materiality	Variation
Environment	2.4	2.5	2.2	↗
Social	2.4	2.6	2.3	↗
Governance	2.1	2.4	2.3	↗
Stakeholders	2.2	2.4	2.1	↗
Global Score ESG	2.3	2.5	2.2	↗

On a constant perimeter⁽¹⁾, overall maturity increased by 0.2 point, from 2.3 to 2.5 between 2021 and 2022, or a 9% increase year on year basis.

This analysis, performed on a comparable basis, enables us to quantify the progress made from companies' management and Ciclad's team combined efforts.

These improving results show that our portfolio companies are gaining maturity ESG wise. This constant perimeter exercise also demonstrates Ciclad's ability to include ESG considerations into the business relationship and in the decision-making process.



During the year, our portfolio companies practices improved in all 4 pillars of ESG, particularly in the governance and social areas, with respective increases of 12.7% and 9.2%.

More details and concrete examples of actions undertaken by our portfolio companies in each of the four main areas are presented in the following pages.

(1) Constant perimeter as defined in Appendix

Global performance per area of focus



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Performance by ESG subject		Δ
Environment	Energy consumption	↗
	Emmissions	↗
	Waste management	↗
	Ecoconception	↗
Social	Health, safety, working environment	↗
	Training and career management	↗
	Profit sharing	↗
	Diversity and equal opportunities	↗
Gouvernance	Financial risk management	↗
	Governance structure	↗
	CSR policy and strategy	↗
	Business ethics	↗
Stakeholders	Products safety and quality	↗
	Responsible procurement	↗
	Data privacy	↗
	Community involvement	↗

at constant scope

All topics evolved positively during the year.

The topics on which the greatest progress is observed are: data privacy, CSR policy and strategy, profit sharing and community involvement.

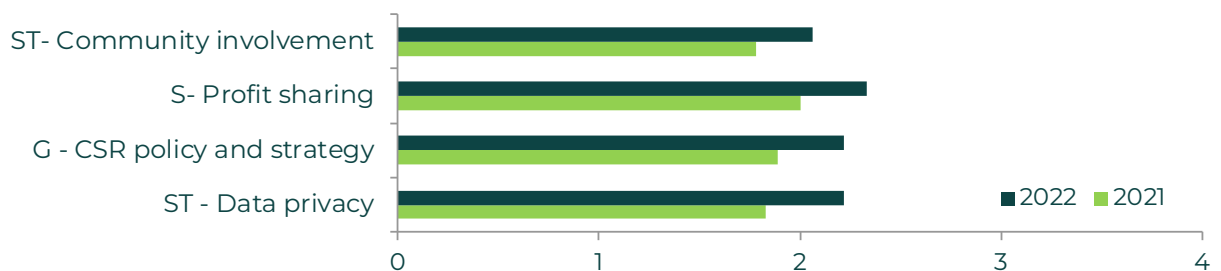
The portfolio performance by subject shows a good maturity for:

- Financial risk management (3.0 out of 4.0), increasing by 8.5% compared with 2021;
- Health, safety and working environment with a score of 2.9, increasing by 10.6% as compared to 2021;
- Energy, water and raw material consumptions with a 2.7 out of 4.0 score.

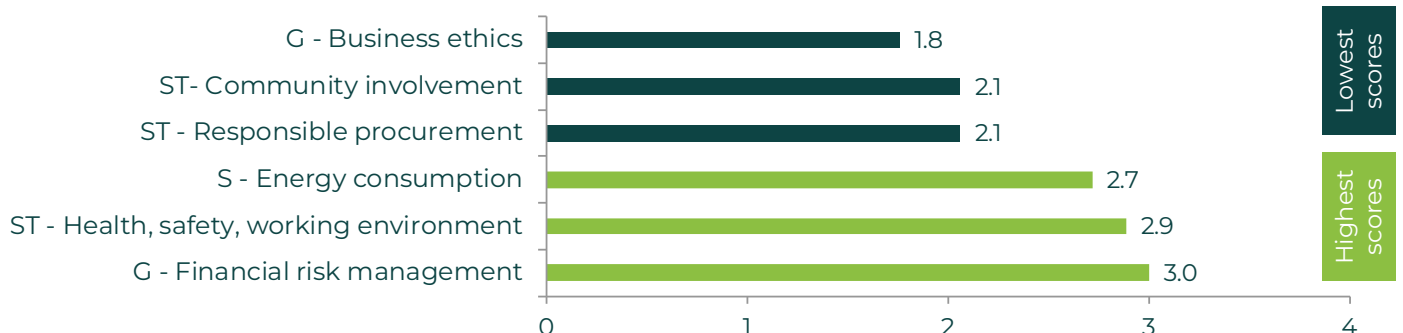
ESG subjects with lower performances, which we will endeavor to improve going forward are:

- Community involvement (1.8 out of 4.0);
- Responsible procurement with a 2.0 out of 4.0 score;
- And Business ethics (1.8 out of 4.0, against 1.6 in 2021), because most of the portfolio companies have not formalized an anti-bribery policy or a code of ethics.

Best Variation



2022 Lowest and Highest scores



Global progression and top 4



Average

+ 8%

■ Score 2022 ■ Score 2021

DESMAREZ 
Wireless Solutions

+ 29%

1

CERADEL

+ 24%

2

TOFANE

+ 22%

3

 **COLOR**

+ 15%

4



At constant scope

The above graph shows the strongest increases between 2021 and 2022. Three portfolio companies showed an increase higher than 20% : Desmarez's overall maturity increased by 29%, Ceradel's maturity by 24% and Tofane's by 22%. Color posted a 15% increase.

Examples of their 2022 achievements are described below :

DESMAREZ 
Wireless Solutions

Desmarez developed a range of Eco Valorized products (i.e. equipment that is reconditioned after its first use)

CERADEL

In 2022, Ceradel carried out a carbon footprint assessment and an Eco-Flow Diagnosis (on energy consumption)

TOFANE

Tofane initiated a policy to offset its greenhouse gas emissions, notably through reforestation projects in Indonesia

 **COLOR**

In 2022, Color carried out an IT audit and security tests. The company is working with a service provider on its GDPR compliance

Portfolio performance at constant scope



Environment

	2021	2022	Var.
Energy consumption	2.6	2.7	4.3%
Emissions	2.3	2.6	12.2%
Waste management	2.2	2.3	2.5%
Ecoconception	2.2	2.3	2.6%
Global	2.4	2.5	



Best performer



Kyotherm : Assessment of the CO2 emissions reduction induced by the company's new projects each year



Best progression



Ceradel : Scope 1, 2 and 3 carbon footprint calculated with the help of the BPI's Decarbon'action Diagnosis

Social

	2021	2022	Var.
Health, safety, working environment	2.6	2.9	10.6%
Training, Career management and security of jobs	2.4	2.6	6.8%
Profit sharing	2.0	2.3	16.7%
Diversity and equal opportunities	2.2	2.3	5.1%
Global	2.4	2.6	



Best performer



Report One: Certified Great Place to Work with a score of 86/100 and a participation rate of 96% in May 2022

Kyotherm : All employees are shareholders in the company's projects.



Best progression



Tofane: Allocation of phantom share to all employees

L'Onglerie: Anonymous survey was conducted by "Choose my company" with all employees to assess their well-being

Governance

	2021	2022	Var.
Financial risk management	2.8	3.0	8.5%
Governance structure	1.9	2.2	14.7%
CSR policy and strategy	1.9	2.2	17.6%
Business ethics	1.6	1.8	7.1%
Global	2.1	2.4	



Best performer

TOFANE



Tofane: Independent member of the Supervisory Board, remuneration Committee

Dragon Rouge : EcoVadis Gold Medal and member of the global compact



Best progression



Bonioni: EcoVadis Gold Medal

Dragon Rouge: The Board now has 4 members, including one woman. Monthly meetings are organised.

Stakeholders

	2021	2022	Var.
Products/services safety and quality	2.6	2.7	4.3%
Responsible procurement	1.9	2.1	5.7%
Data privacy	1.8	2.2	21.2%
Community involvement	1.8	2.1	15.6%
Global	2.2	2.4	



Best performer

Report One



tibbloc

Report One : Customer satisfaction survey with a 96% customer satisfaction ratio

Dragon Rouge : Intervention in schools and meal distribution centres. Donations to charities and Designing the packaging for a fair trade coffee brand free of charge

Tibbloc : Drafting of an IT charter. Appointment of a DPO. Carrying out an IT audit.



Best progression



vitrinemedia

Vitrine Media :

- Quantifiable objectives in terms of calls, responses and customer satisfaction. Customers encouraged to submit reviews on Google.
- Incorporating the IT charter into employment contracts. Awareness campaign on passwords and data protection
- Sponsorship of the commercial negotiation competition "Les négociables"



2.2

New investments Performance

ESG assessment for new investments

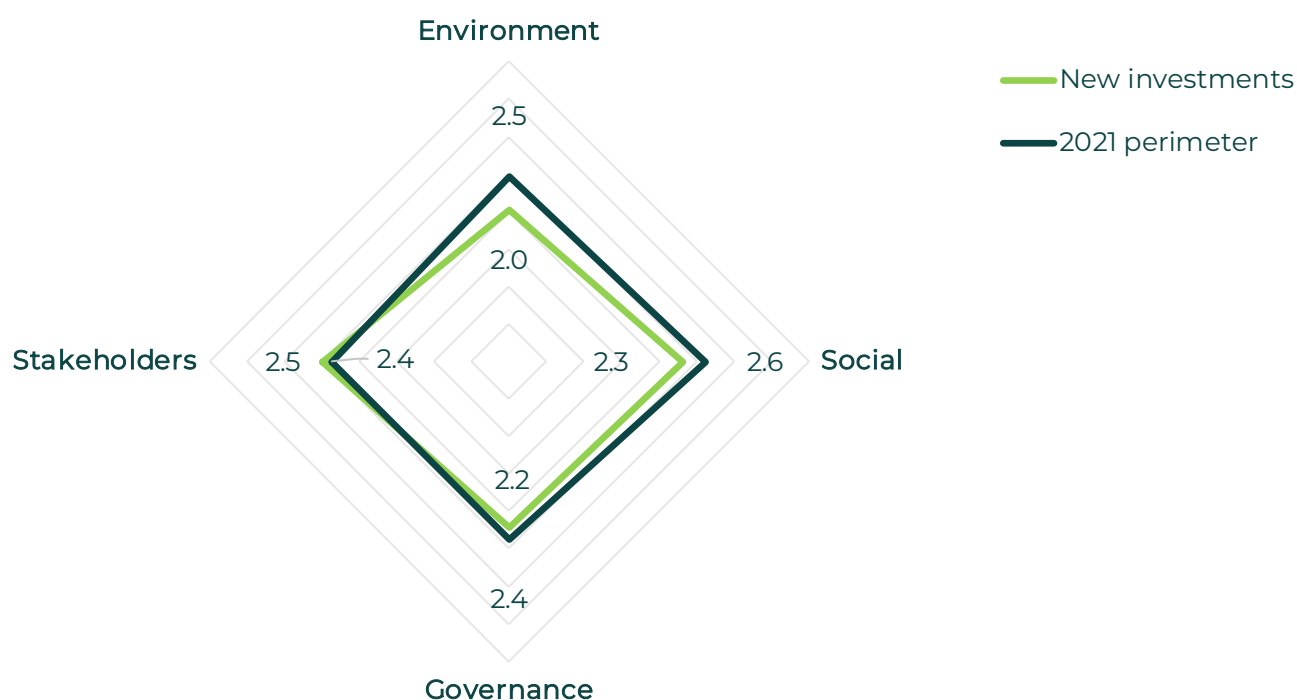


New investments

ESG Dimension	Score 2022	Materiality
Environment	2.0	2.3
Social	2.3	2.3
Governance	2.2	2.3
Stakeholders	2.5	2.3
Global Score ESG	2.3	2.3

2021 perimeter

ESG Dimension	Score 2022	Materiality
Environment	2.5	2.2
Social	2.6	2.3
Governance	2.4	2.3
Stakeholders	2.4	2.1
Global Score ESG	2.5	2.2



The average ESG score for new investments is 2.3, as compared to 2.5, for the historical portfolio (i.e. 2021 constant perimeter). This lower score must be read as room for improvement.

In particular, the lowest scores for recent investments appear in the Governance and Environmental fields. But these two areas are also the ones where we've been observing the greatest improvement (as shown by the higher scores on a constant perimeter basis, in particular) for several years, therefore demonstrating Ciclad's ability to raise awareness and encourage portfolio companies to address issues thereon and thus drive positive change.

Furthermore, as majority investors, we very often play a great role in implementing and running an efficient governance structure.

Finally, it is interesting to note that some of this year's new investments show an outstanding maturity in stakeholders management issues (existence of dedicated suppliers and subcontractors' assessment systems and or Code of good conduct regarding relations with suppliers and customers, for example).

We are honored to support new portfolio companies in improving their ESG maturity and gradually positioning themselves at the level of best ESG practices.



2.3

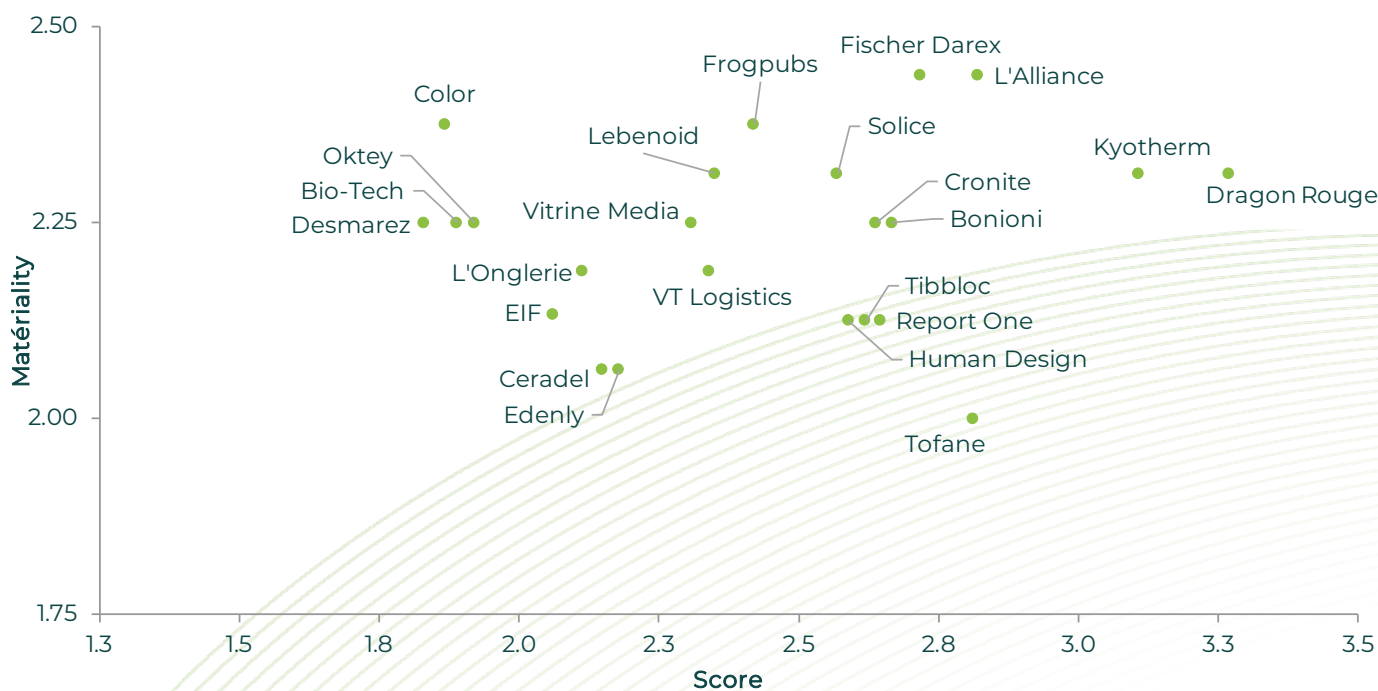
Entire Portfolio Performance

Global performance : entire portfolio- including new investments

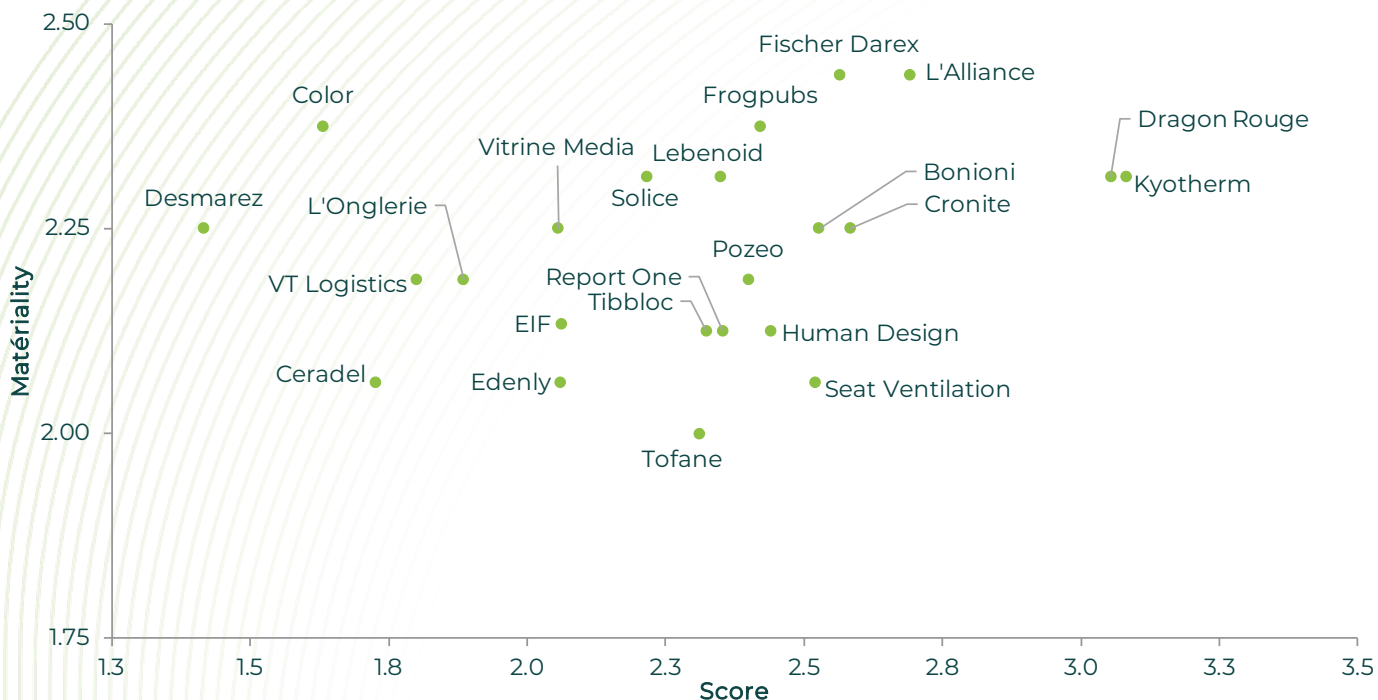
The graphics below compare the whole portfolio 2021 and 2022 ESG performances.

The move to the right observed in 2022 indicates an improvement. We can also observe that dispersion has decreased, the companies' performances are converging.

2022 Global ESG Performance



2021 Global ESG Performance



Total portfolio

	2021 Score	2022 Score	Materiality
Higher	3.1	3.3	2.4
Lower	1.4	1.8	2.0
Global Score ESG	2.3	2.4	2.2

	Environment	Social	Governance	Stakeholders	Average
Maximum	3.9	3.4	3.2	3.0	3.4
Minimum	1.1	1.4	1.4	1.3	1.3
Mediane	2.3	2.6	2.4	2.4	2.4
Average	2.4	2.6	2.3	2.4	2.4
Standard deviation	0.6	0.5	0.5	0.4	0.5

Most of the companies have implemented social initiatives, related to health & safety, to the improvement of the working environment, the implementation of appropriate trainings, career management or diversity, among others.

Smaller companies still need to properly document anti-bribery policy or formalize a clear ESG strategy.

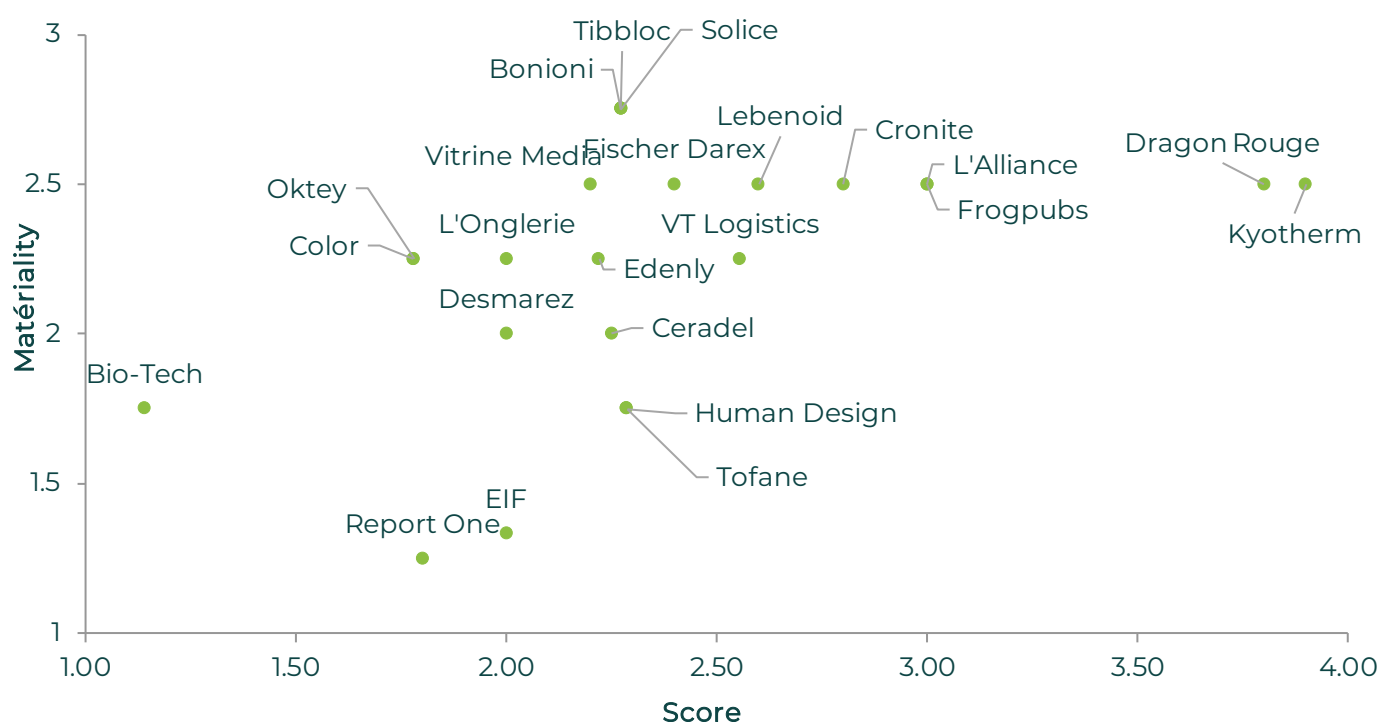
A "portfolio effect" operates as both Ciclad and Aca Nexia capitalize on their regular exchanges with all the investee companies and, as such, eventually prove to be an excellent vector for cross fertilization and the sharing of good practices

The portfolio environmental performance analysis shows differentiated results, mainly attributable to our portfolio wide variety of business sectors. Industrial companies generally monitor more actions than those active in the service industries.

The environmental score is based on actions taken :

- ✓ 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

2022 Environmental Performance

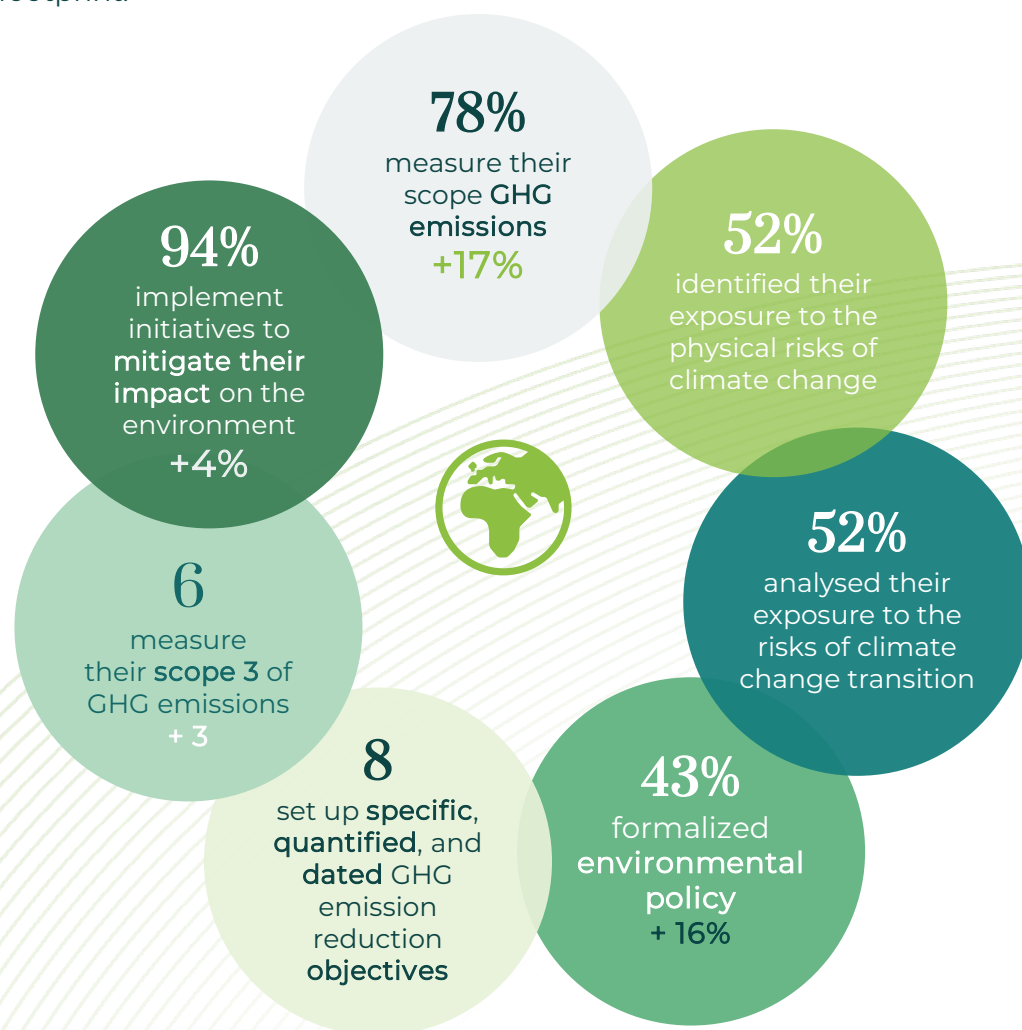


	2021 Score	2022 Score	Materiality
New investments			
Higher		2.6	2.8
Lower		1.1	1.8
Global Environmental Score		1.5	2.3
2021 Perimeter			
Higher	3.8	3.9	2.8
Lower	1.6	1.8	1.3
Global Environmental Score	2.4	2.5	2.2
Total portfolio			
Higher	3.8	3.9	2.8
Lower	1.6	1.1	1.3
Global Environmental Score	2.3	2.4	2.2

Ciclad became an initiative Climate International (iCI) member in 2020 to be able to provide our portfolio companies with the best tools.

As our first action as an iCI member we decided to make our best efforts to measure Scope 1 and 2 GHG emissions of all our portfolio companies. In 2022, the GHG emissions were computed for 78% of our portfolio companies, knowing that for the large majority, only scope 1&2 emissions have been calculated.

Our long-term objective is to help our portfolio companies build effective action plans to reduce their carbon footprint.



Participation in the World CleanUp Day and Sustainable Development Week to raise awareness among employees



Gradual replacement of its fleet of vehicles by hybrid cars and employees' business travel monitoring



Carrying out an energy audit leading to the formalization of an energy efficiency plan



Just-in-time ordering of food to limit food loss and waste and favors short circuits. Offers vegetarian dishes

Greenhouse Gas Emissions data analysis

In order to raise awareness about their environmental impact, we encouraged portfolio companies to carry out their first carbon footprint by measuring their energy consumption and focusing on scope 1 and 2, as a start.

Each company chose its methodology and provider, knowing that Aca Nexia made itself available towards all interested investees to estimate the scope 1 & 2 emissions using initiative Climat International simplified tool.

The results of this initiative are presented in the table below, which shows (i) the total GHG emissions of the portfolio companies as well as (ii) the GHG intensity (GHG emissions reported to the turnover). The breakdown per scope 1, 2 and 3 is presented as well as the assessment methodology

The next step will be to encourage companies to build an action plan to reduce their emissions in the medium term.

Greenhouse Gas Emissions

Companies	Scope 1	Scope 2	Scope 3	Total	Turnover (in m€)	GHG emissions/ Turnover	GHG emissions measurement
Industries							
VitrineMedia	195	293	9,346	9,834	29	345	BPI's Decarbon'action Diagnostic
Cronite	2,816	8,061		10,877	82	133	Internal
Bonioni	292	639		931	23	40	ICI tool
Alliance	1,392	152		1,544	41	38	In progress : External with CETIM and ADEME (2023)
Lighting Dev.	246	282		528	30	18	ICI tool
Tibbloc	254	23		277	33	8	External estimate
Fischer Darex	62	8		70	31	2	ICI tool
Solice	22	51		74	62	1	ICI tool
Services							
VT logistics			32,999	32,999	38	871	Internal
Ceradel	6,379	781		7,160	14	530	BPI's Decarbon'action Diagnostic
Edenly	0	2	2,264	2,266	14	157	External with SAMI
Tofane	1,122		660	1,782	111	16	Internal
Report One	70	53		123	12	10	ICI tool
Desmarez	68	3		71	11	7	ICI tool
Frogpubs	-	113		113	19	6	Internal
Color	34	2		36	13	3	ICI tool
L'Onglerie		3		3	3	1	Internal
Human Design	-	2		2	11	0	Ongoing discussions with BPI (2023-24)
EIF	-	1		1	13	0	ICI tool
Total	12,953	10,468	45,269	68,691			

Although the data is still partial, it is important to note that progress has been made to monitor greenhouse gas emissions : in 2022 a greater number of the portfolio companies have been able to assess their greenhouse gas emissions as compared with 2021 (+17%). As a reminder, 2 of the 4 lines with missing data relate to recent investments which were assessed only at acquisition this year.

Five portfolio companies have estimated their scope 3 emissions, most often to meet customer requests, particularly in the context of Ecovadis assessments.

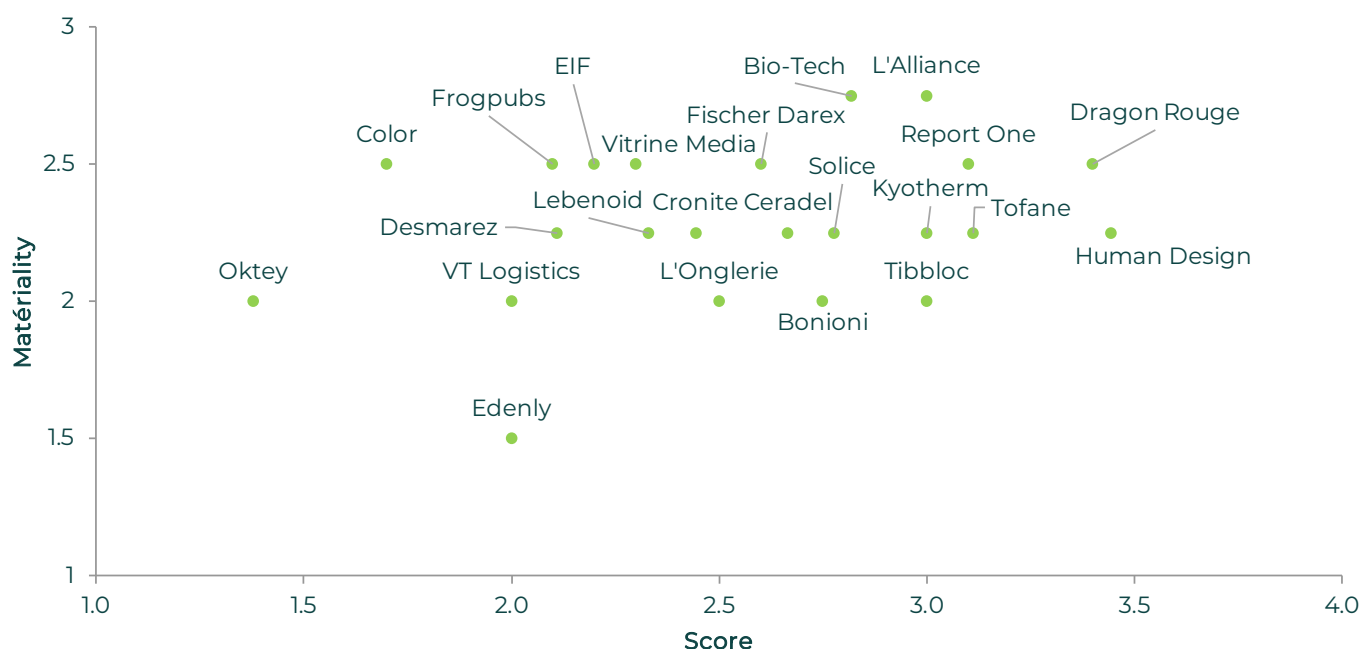
It is worth mentioning that all the portfolio companies active in the industrial sector, i.e. those with emitting activities, assess their emissions (at least scope 1 and 2).

Social issues are properly addressed by our portfolio companies, showing an average score of 2.6 out of 4.0, i.e. an improvement compared to 2021 for the same perimeter. For new investments, the score is at 2.3. All companies implement actions in the social field, more or less coordinated, in order to improve the work environment & employees' well-being, develop skills or promote diversity.

The social score is based on actions taken :

- ✓ 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

2022 Social Performance



	2021 Score	2022 Score	Materiality
New investments			
Higher		2.8	2.8
Lower		1.4	2.0
Global Social Score		2.3	2.3
2021 Perimeter			
Higher	3.4	3.4	2.8
Lower	1.5	1.7	1.5
Global Social Score	2.4	2.6	2.3
Total portfolio			
Higher	3.4	3.4	2.8
Lower	1.5	1.4	1.5
Global Social Score	2.4	2.6	2.3

The Covid health crisis accelerated the implementation of practices improving the work-life balance such as teleworking and the use of videoconferencing. These measures also aim at limiting business travel and commuting and can potentially also have an environmental impact.

Since 2021, the progression has been focused on the assessment of employees' well-being at work and profit sharing.



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



An anonymous survey was conducted among employees to assess their well-being



The onboarding of new arrivals was fully reviewed in 2022



Safety has been made a top priority. All CODIRs start on this subject



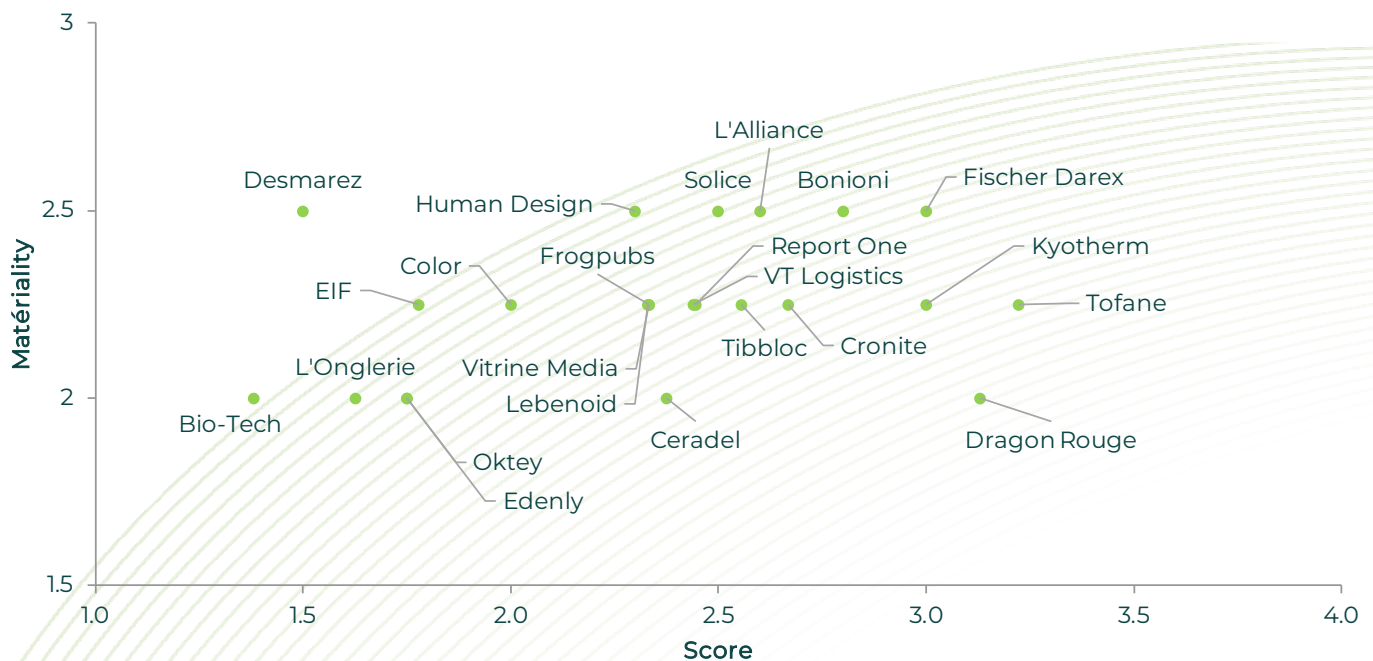
60% of the companies of the portfolio have employee ownership

The overall performance of portfolio companies is satisfactory regarding governance. The main actions identified relate to improving the ESG reporting and developing indicators in order to monitor sustainability performance. In addition, some investees set up new governance bodies.

The score on governance is based on actions taken:

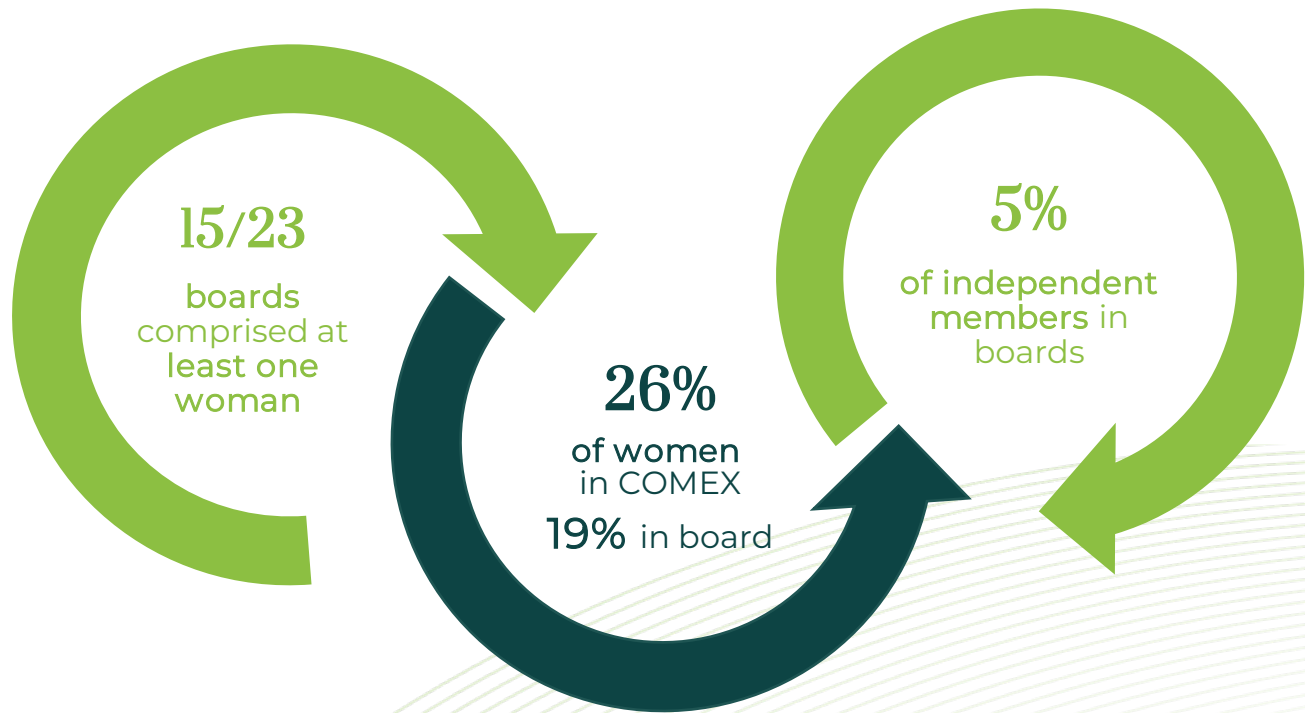
- ✓ to guarantee the economic performance and sustainability of the company
- ✓ to establish an independent and competent governance
- ✓ to design a Corporate Social Responsibility/ESG policy
- ✓ to prevent corruption in all its forms

Governance Performance 2022



	2021 Score	2022 Score	Materiality
New investments			
Higher		3.0	2.5
Lower		1.4	2.0
Global Governance Score		2.2	2.3
2021 Perimeter			
Higher	3.0	3.2	2.5
Lower	0.8	1.5	2.0
Global Governance Score	2.1	2.4	2.3
Total portfolio			
Higher	3.0	3.2	2.5
Lower	0.8	1.4	2.0
Global Governance Score	2.1	2.3	2.3

During the past year, none of the portfolio companies faced any litigation related to bribery.



A strategic committee was set up in 2022



The Board of Directors now has 4 members, one of whom is a woman



Ceradel revised its invoice validation system. The new procedure reduces the risk of corruption and fraud.



Color Box made progress in cash flow and economic performance management. New monitoring indicators were introduced.

Quality and efficient organization of relationships between involved partners lead to an average score of 2.3 for constant perimeter and 2.5 for new investments.

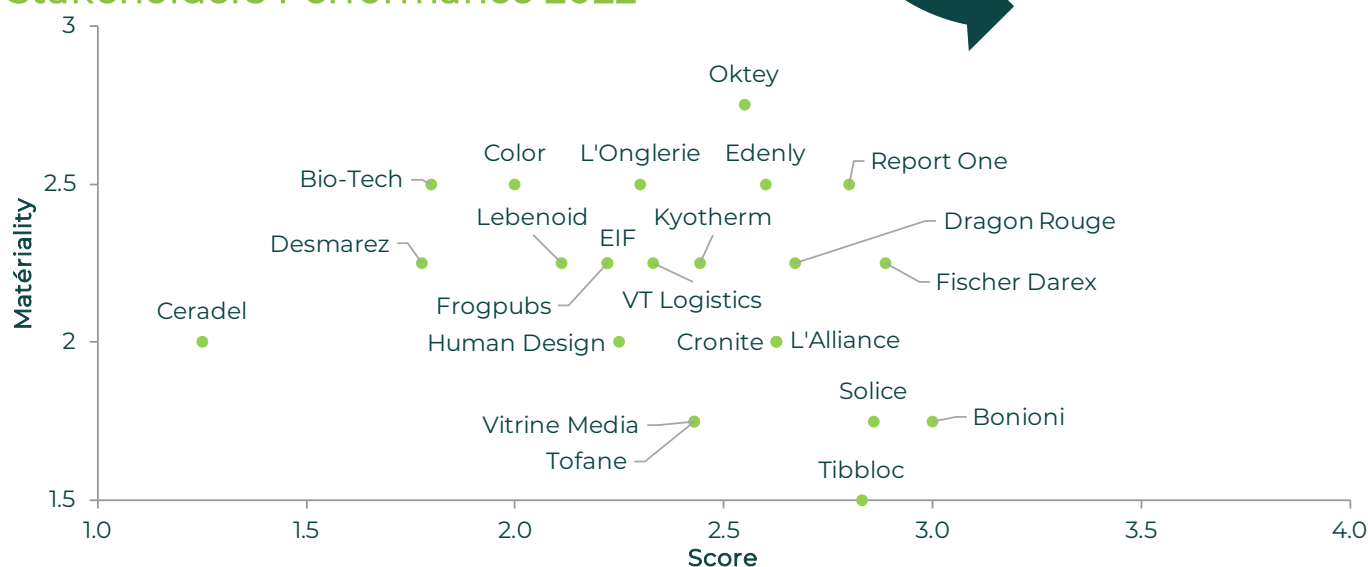
The score on stakeholders is based on actions taken :

- ✓ to respect interests of customers
- ✓ to establish fair practices with suppliers
- ✓ to ensure data security and protection
- ✓ to be involved in community projects

78% of portfolio companies have a **data privacy policy**

87% of portfolio companies have defined a **security policy** on information system

Stakeholders Performance 2022



Solice carried out a self-assessment of its IT system to ensure compliance.



In 2022, as part of its continuous improvement approach, Tibbloc updated its customer satisfaction evaluation grid.

In addition, an IT charter was established, as well as an IT security audit to ensure data protection, and stakeholders', in particular.

	2021 Score	2022 Score	Materiality
New investments			
Higher		2.9	2.8
Lower		1.8	1.8
Global Stakeholders Score		2.5	2.3
2021 Perimeter			
Higher	2.7	3.0	2.5
Lower	1.0	1.3	1.5
Global Stakeholders Score	2.2	2.4	2.1
Total portfolio			
Higher	2.9	3.0	2.8
Lower	1.0	1.3	1.5
Global Stakeholders Score	2.2	2.4	2.2



2.4

SDGs

Portfolio contribution to the SDGs



In the context of the 2030 Agenda for Sustainable Development, the United Nations Member States developed 17 Sustainable Development Goals (SDGs). These goals provide a framework for all actors to face global challenges and to work in the same direction for a more sustainable future.

Aca Nexia carried out an analysis of the investees' contribution to the various SDGs, taking into account (i) their sector of activity and (ii) the sustainable development actions implemented by the companies. The following table shows the results of this assessment.

All portfolio companies contribute to #8 goal aiming at a full and productive employment and economic growth. Indeed, all investees seek to support their growth and provide decent jobs for their employees. Most of them expect activity growth and are looking to recruit more internal resources.

100% of the portfolio companies contribute to reducing inequalities (# 10 SDG). This translates into the promotion of diversity and equal opportunities within the company (through employment of men, women, young people, people with disabilities without distinction, awareness-raising on diversity issues through partnerships with professional integration associations, implementation of value-sharing mechanisms , among others).



Portfolio contribution to the SDGs



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		Biotech	Bonioni	Ceradel	Color	Cronite	Desmarez	Dragon Rouge	Edenly	EIF	Fisher Darex	FrogPubs	Human Design Group	Kyotherm	L'Alliance	Lighting Development	L'onglerie	Okrey	Report One	Solice	Tibbloc	Tofane	Vitrine Media	VT Logistics	Percentage
No Poverty	1 NO POVERTY																								0%
Zero Hunger	2 ZERO HUNGER										✓														4%
Good Health and Well-Being	3 GOOD HEALTH AND WELL-BEING						✓	✓	✓		✓	✓	✓		✓		✓								35%
Quality Education	4 QUALITY EDUCATION						✓		✓			✓			✓		✓								22%
Gender Equality	5 GENDER EQUALITY	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	83%
Clean Water and Sanitation	6 CLEAN WATER AND SANITATION																								0%
Affordable and Clean Energy	7 AFFORDABLE AND CLEAN ENERGY										✓		✓			✓		✓	✓	✓					22%
Decent Work and Economic Growth	8 DECENT WORK AND ECONOMIC GROWTH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Industry, Innovation and Infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	✓	✓	✓	✓	✓		✓		✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			74%
Reduced Inequalities	10 REDUCED INEQUALITIES	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Sustainable Cities and Communities	11 SUSTAINABLE CITIES AND COMMUNITIES												✓	✓				✓							13%
Responsible Consumption and Production	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	✓					✓		✓	✓	✓	✓			✓	✓						✓			39%
Climate Action	13 CLIMATE ACTION	✓			✓		✓	✓			✓		✓	✓						✓			✓		39%
Life Below Water	14 LIFE BELOW WATER																								0%
Life on Land	15 LIFE ON LAND																								0%
Peace, Justice and Strong Institutions	16 PEACE, JUSTICE AND STRONG INSTITUTIONS																								0%
Partnerships for the Goals	17 PARTNERSHIPS FOR THE GOALS				✓		✓															✓			13%



3

Appendix

ESG assessment

The ESG assessment methodology didn't change between 2021 & 2022 and is based on the analysis of actions taken by the portfolio companies in :

- 4 environmental fields : energy consumption, emissions, waste management and eco-conception.
- 4 social fields : health-safety and working environment, training and career management, diversity, equal opportunity and "share of value".
- 4 governance fields : Economic performance, independent governance, CSR policy, anti-bribery actions.
- 4 stakeholders fields : Customer interest, relations with suppliers, Data protection and policy and local actions.

ESG materiality

Material ESG issues are those determined to substantially affect, or have the potential to substantially affect, the financial conditions 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.

ESG maturity

The ESG maturity is determined based on the actions completed by the companies for each of the 16 E,S,G, and stakeholders topics, using the following rating scale:

- no action over the two past years => 0
- at least 1 action over the two past years => 1
- several but uncoordinated actions over the two past years => 2
- many coherent actions with results measured through indicators => 3
- many coherent actions with results measured and communicated to stakeholders => 4

The overall maturity score is the weighted (by ESG materiality) average of the 16 areas maturity scores.

The ESG maturity overall rating is as follows :

- average of the scores obtained for each of the fields ranging between 0 and 1 => Poor practices
- average of the scores obtained for each of the fields ranging between 1 to 2,5 => Average maturity
- average of the scores obtained for each of the fields ranging between 2,5 to 4 => Good maturity

Measurement of GHG emissions scope 1 and 2

The greenhouse gases (GHG) emissions is determined by using the simplified footprint of GHG tool developed by Initiative Climat International (ICI).

Perimeter

For each new investment, an ESG assessment is performed before investing into the company. During 2022, Ciclad invested in 5 more companies and included them into the reporting perimeter. Also, 2 companies left Ciclad portfolio.

As for the new investments, some of them have already implemented ESG actions and some of them are new to the subject. Ciclad's role is to adjust the assistance and support provided to each portfolio company accordingly with the aim of targeting continuous improvement.

ESG reporting scope	ESG assessment		ESG data	
	2021	2022	2021	2022
Ciclad 6				
Cinéchèque (Pozeo)	✓	➡	✓	➡
Bonioni	✓	✓	✓	✓
Cronite	✓	✓	✓	✓
Edenly	✓	✓	✓	✓
Frogpubs	✓	✓	✓	✓
Kyotherm	✓	✓	✓	✓
Alliance		✓	✓	✓
Seat Ventilation	✓	➡	✓	➡
Tofane	✓	✓	✓	✓
Tibbloc	✓	✓	✓	✓
Lebenoid	✓	✓	✓	✓
Human Design	✓	✓	✓	✓
Vitrine Media	✓	✓	✓	✓
Desmarez	✓	✓	✓	✓
Dragon Rouge	✓	✓	✓	✓
EIF	✓	✓	✓	✓
Fischer Darex		✓		✓
Solice		✓		✓
Ciclad Enterprise				
Report One	✓	✓	✓	✓
Ceradel	✓	✓	✓	✓
Color	✓	✓	✓	✓
L'Onglerie	✓	✓	✓	✓
VT Logistics		✓		✓
Bio-Tech		✓		✓
Oktey		✓		✓
Coverage	95%	100%	100%	100%

 2022 investments

 2022 exits

2021 perimeter methodology

In order to measure the progress generated by Ciclad's management of its portfolio companies, this report includes tables with year-on-year comparisons on a constant perimeter basis. These tables include the "2021 perimeter" footnote.

This perimeter includes only companies present in the portfolio in 2022, that were already in the Ciclad portfolio in 2021. Companies that have since left the portfolio have been excluded from the 2021 data. This explains why the 2021 data is not the same as the one presented in our 2021 ESG report.



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