



2020-2021 ESG Report

cerea
PARTNERS



2021 is a pivotal year for Cerea Partners : it marks an important new step in the management company's ESG commitment.

After several months of reflection on how to increase the impact of our investments for a more sustainable economy, we decided to strengthen our investment policy.

This new investment theme will meet one of our team's key ambitions, to increase the impact of Cerea fund investments by drawing on three pillars: **IMPROVED NUTRITION, IMPROVED PRODUCTION, IMPROVED LIVING.**

This new ambition dovetails perfectly with the historical investment theme of Cerea Partners' funds in the food & beverage universe developed by its teams over more than 17 years. Since 2004, Cerea Partners has made **more than 150 investments around three sustainable development goals**: feeding the population (processing of food products, beverages, ingredients/inputs, extracts and natural resources, animal feed, etc.), developing responsible consumption and production (equipment, packaging, R&D, environment, energy management, logistics and transport, etc.), and promoting well-being (dietary and medical nutrition, health & beauty, specialist distribution, catering, etc.).

We have developed new tools and strengthened our teams to enable us to implement this policy. Just over a year ago, we launched our ESG rating tool. Deployed across all our activities, this tool is now an integral part of our due diligence process and ESG ratings are systematically validated at Investment Committee stage.

To make further progress in relation to ESG objectives, we have developed a new proprietary benchmarking tool which we implemented this autumn. This tool aims to compare the ESG maturity of our portfolio companies depending on their business sector. It is based on our annual survey that involved more than 80% of our private equity and private debt portfolio companies.

It also allows the investment teams to establish a dialogue with management teams on the materiality of their ESG objectives.

To implement this strategy, an ESG Manager joined Cerea Partners in August. In a role dedicated entirely to ESG approach, she will work closely with the investment teams to support the companies in the Private Equity, Mezzanine and Senior Debt portfolios.

Cerea Partners is also increasingly active in impact financing. In 2021, Cerea Partners carried out two impact financing investments: it financed the acquisition of Omni-Pac Group, a player in the circular economy, thereby participating in the first "green LBO" on the market; and it set up impact mezzanine financing for SynTech Research Group, whose margin varies according to the achievement of specific ESG objectives.

Cerea Partners is also committed to gender diversity in the profession and has joined the Outreach/Mentoring working group within France Invest's Talent and Diversity Committee. In an effort to diversify the investment teams, we are delighted to participate in this working group, set up to raise awareness among students of professions in private equity and to support investors in their professional careers.

I hope you enjoy reading this report.

Michel Chabanel, CEO

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1. Cerea Partners

1.1. Presentation

Cerea Partners, a thematic investor with an ambition : **Improved nutrition, improved production, improved living.**

Cerea Partners is an **independent asset manager** with more than €1.1 billion under management, mainly raised from institutional investors. With a diversified offering of equity, mezzanine and senior debt financing, Cerea Partners is the **leading small & midcap investor in the food & beverage universe** which it supports with their buyout, CSR transition and growth acceleration projects.

Key figures

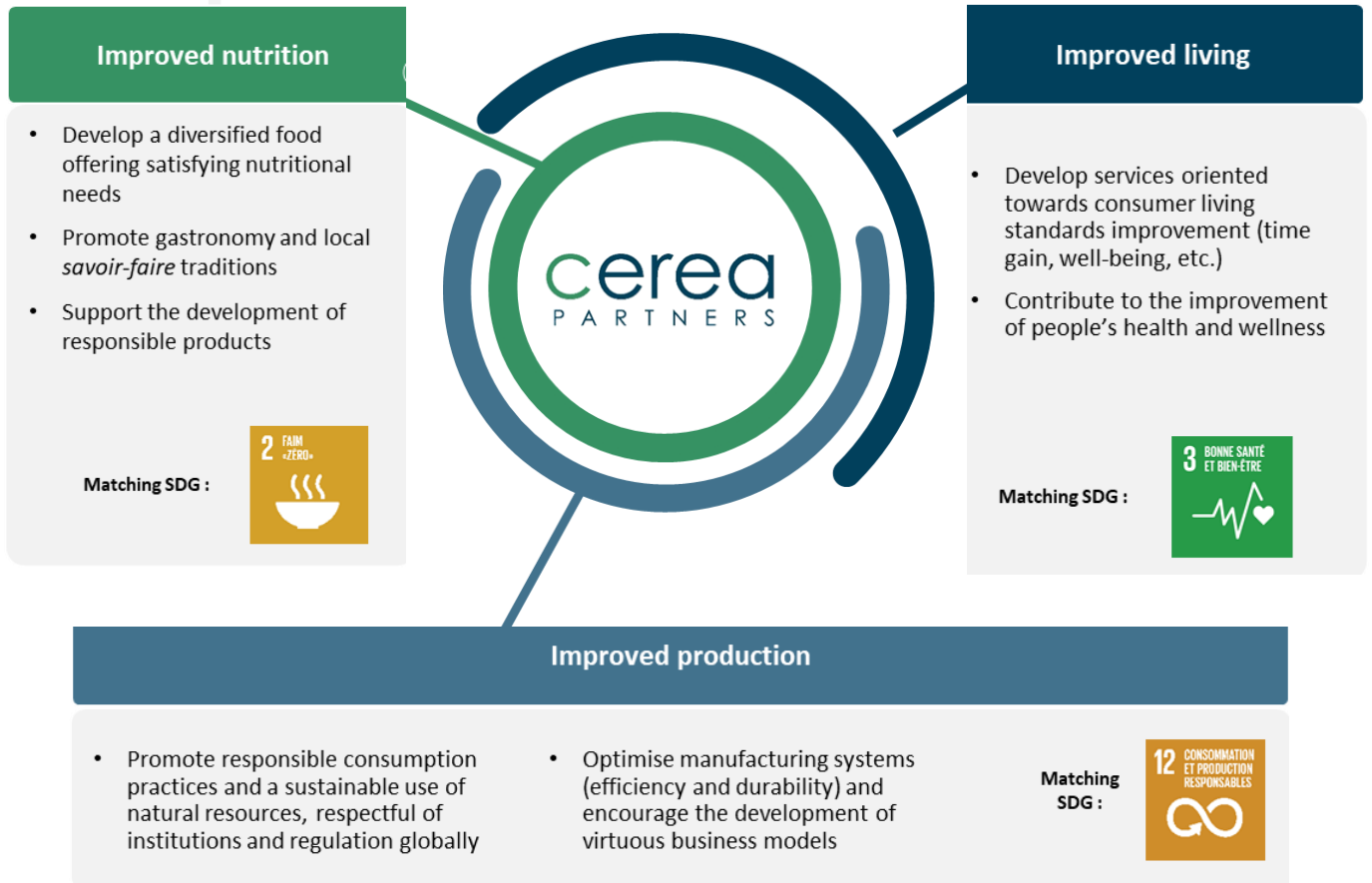
€1.6bn
raised since 2004

150+
transactions
carried out

20+
investment
professionals

87% owned by
its management
team

OUR THEMATIC APPROACH



1. Cerea Partners

1.2. Our business lines

Private Equity Teams

Buyout

2 Cerea Capital funds

- Majority or co-majority investments
- Primary and secondary buyouts, business successions, acquisitions, spin-offs, PtoP
- Tickets from €10m to €50m
- Companies with an EV from €20m to €200m
- France and Western Europe



Private Debt Teams

Mezzanine Debt

4 Cerea Mezzanine funds

- Financing of buyout transactions, add-ons & business development investments, shareholding reorganisations, balance sheet strengthening
- Tickets from €4m to €70m
- Companies with an EV from €20m and €300m
- France and Western Europe

Senior Debt

2 Cerea Dette funds

- Financing of buyout transactions, add-ons & business development investments, general corporate needs
- Tickets from €5m to €70m
- Companies with an EV from €20m to €500m
- France and Western Europe

2. Our ESG commitment

By signing the United Nations Principles for Responsible Investment (UNPRI) in 2010, the entire Cerea Partners team undertook to take environmental, social and governance (ESG) criteria into account in the manner in which we operate our management company and to include them in the analysis criteria we apply in our investment policy, in order to act as a responsible investor and partner.

2.1. ESG approach within the management company

OUR ESG CHARTER

In September 2014, we formally defined the Cerea Partners ESG Charter to provide a framework for a long-standing commitment. This charter takes into account the specific features of the sector that the funds we manage invest in, the food & beverage universe, and in particular the importance of the supply chain, which is fundamental to the development and sustainability of the companies in this sector.



GOVERNANCE AND ESG COMMITMENTS

Cerea Partners' activity is subject to regulatory obligations: in 2004, Cerea Partners was approved by the *Autorité des Marchés Financiers* (AMF - French financial markets regulator) as a portfolio management company on behalf of third parties and was granted AIFM (Alternative Investment Fund Managers) approval in 2013.

We strive to conduct our business professionally and have set up a strict organisation and governance rules. Cerea Partners is governed by a Management Committee and various

associated bodies (Supervisory Committee, Partners' Committees, Remuneration Committee, etc.), as well as by committees specific to each business line.

In addition to our regulatory obligations, we are involved in private equity industry organisations and are driven by a strong ambition to promote sustainable development in the industry.



By signing the **United Nations Principles for Responsible Investment (UNPRI)** in 2010, we have committed to incorporate environmental, social and governance (ESG) criteria into our asset management methods and investment strategy and to take these criteria into account in the development of the companies that make up our fund portfolios.



Cerea Partners is a member of **France Invest**. Our CEO, Michel Chabanel, was an administrator of France Invest and served as its Chairman from 2014 to 2016.

A signatory of France Invest's Gender Equality Charter, in 2021 Cerea Partners also joined the **Outreach/Mentoring working group** within France Invest's Talent and Diversity Committee to **promote gender parity among private equity players** and in the **companies it supports**.



In early 2019, we went even further in our commitment to combating climate change by becoming a signatory to the **International Climate Initiative**. This is the first collective commitment by private equity firms to promote responsible and transparent management of the greenhouse gas emissions of the companies in which they are shareholders.



Cerea Partners has been committed since 2014 to the **United Nations Global Compact's** corporate social responsibility initiative and its 10 principles regarding human rights, labour standards, the environment and the fight against corruption.

Even before we engaged with our portfolio companies on these issues, we were keen to incorporate an ESG approach into the very manner in which we operate.

OUR MAIN ACTIONS

- Introduction of a **human resources management policy commensurate with the size of the team, that gets employees involved** in our development and in the creation of value (discretionary profit-sharing scheme)
- **Development of employee skills** through training (in private equity professions, anti-money laundering, legal, tax and regulatory areas, etc., as well as in ESG and first aid)
- Training for employees on **taking ESG issues into account in the performance of their duties**
- **Raising employee awareness of environmental impacts:** reduction in the use of paper, bottled water and energy, recycling of waste, etc.
- During the summer of 2021, Cerea Partners moved to new premises of a **high environmental quality, with a BREEAM Very Good rating & HQE certification**
- The recruitment of a Manager entirely dedicated to the ESG approach



Partnership with **Food Banks** since 2015



Financial support for the **Ligue contre le cancer**



New premises of Cerea Partners
BREEAM Very Good rating & HQE certification



165 trees spared, i.e. **10.7 tonnes** of paper since 2014



In 2012, we measured the carbon footprint of our management company and shared the findings with our employees. Following this assessment, and in order to improve the carbon footprint associated with our business, we put together an action plan to introduce eco-friendly measures and presented this plan to the entire team.

Since 2014, our paper-recycling efforts have saved **165 trees from being cut down**.

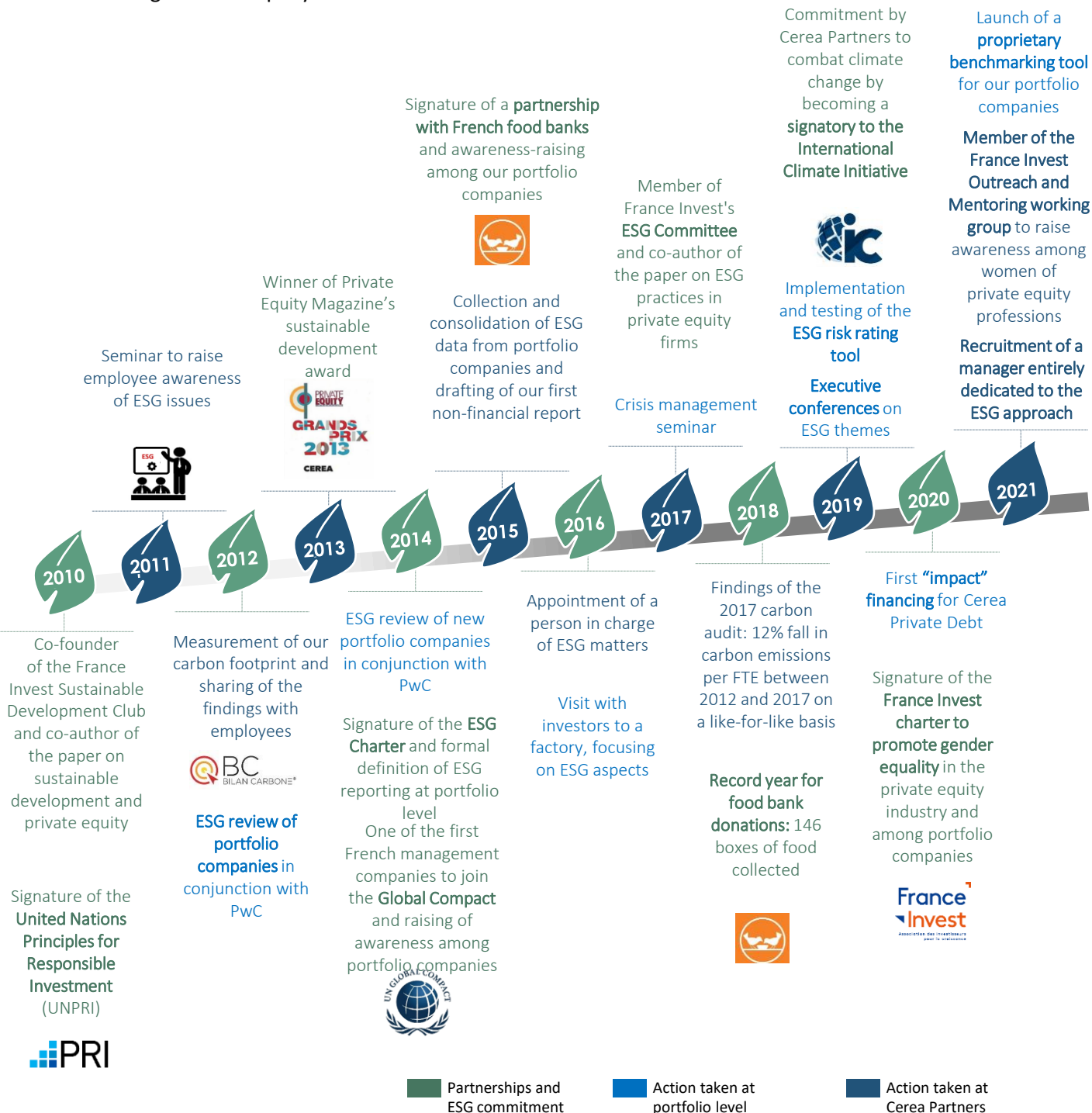
In 2017, we reviewed our carbon footprint to measure the progress made since 2012. We found that our emissions per FTE had decreased by 12% between 2012 and 2017 on a like-for-like basis.

Cerea Partners aims to measure its carbon footprint every five years in order to monitor the achievement of its objectives as closely as possible.

2.2. Highlights since 2010

Cerea Partners has long been committed to responsible investment.

By signing the UNPRI in 2010, the entire team undertook to take ESG criteria into account in the manner in which we operate our management company and to include them in the analysis criteria we apply as part of our investment policy. Since then, we have taken concrete action within our management company and our activities:



2.3. Cerea Partners is committed to promoting gender equality in the private equity industry



By signing the **France Invest Gender Equality Charter**, Cerea Partners has set **ambitious goals** to further gender equality within its organisation and its portfolio companies.

In line with our commitment to promote women in private equity professions and companies, **Cerea Partners joined the Outreach/Mentoring working group initiated by France Invest in 2021.**

This working group is part of the Talent & Diversity Committee and was set up with two objectives. The first is to **raise awareness among students of professions in the private equity business.** Round tables are regularly organised within schools and universities to give students the opportunity to interact with professionals. The second is to **support women already in the profession** in their career development as part of a mentoring programme.



All Inclusive!

In autumn 2021, Cerea Partners organised a **training workshop on inclusion** in partnership with the firm **All inclusive!**. The aim of this workshop was to raise awareness among all Cerea Partners employees around diversity-related topics such as unconscious bias and inclusive recruitment. Cerea Partners seeks to identify concrete initiatives tailored to its profession to **promote gender equality and diversity.**

2.4. First “impact” financing for Cerea Mezzanine



In October 2020, Cerea Partners arranged the financing for Syntech Research and Acceres by setting up an ESG impact clause.

Acceres is an integrated player formed from the combining of three entities: GAB Consulting, a specialist in regulatory consulting, acquired in October 2016, and Promo-Vert and Biotek, players in field and laboratory testing, acquired in June 2018 and November 2019 respectively.

The merged group, named **Syntech Research Group**, is the **second largest global player in the market for clinical studies of plant protection products** and the world-leading global Agricultural R&D Contract Research Organisation (CRO), with 530 employees in 33 countries.

This transaction is a “**Mezzanine Only**” financing arranged and underwritten by Cerea Mezzanine III.

Syntech Research Group has defined **ambitious targets for improving its environmental impact.**

It has committed to doubling the share of its revenue linked to the bio-solutions market (bio-control products, bio-stimulants) within five years.

Provided targets conditions are met, the capitalised part of the remuneration may be reduced by 25 basis points from the second year, with half-yearly review of the achievement of the objectives.

Cerea Partners is convinced that such a mechanism will help the group to focus its energies on developing products favourable to biodiversity, and will also help to maximising its strategic value as well as the mezzanine remuneration component attached to the shares.



2.5. First “green LBO” for Cerea Dette



Founded in 1977 in Allaire (Morbihan), Omni-Pac Group (formerly Cellulose de la Loire, “CDL”) is **one of the European leaders in the production of packaging and eco-responsible moulded fibre solutions** for poultry markets (the group's historical business), fruit and vegetables, medical products and new applications.

CDL has grown strongly in recent years, carrying out **two external growth transactions that have been transformative and highly complementary** both commercially and industrially: acquisition of the German company Omni-Pac in 2016 followed by UK-based Moulded Fibre Products in early 2020. Renamed **Omni-Pac Group**, these two acquisitions have enabled it to become a real pan-European player.

Benefiting from very good knowledge of the group and a close relationship with its management thanks to the work performed by the team in structuring mezzanine finance for the group since 2007, **Cerea Dette II is the leading debt fund lender in the transaction** carried out in June 2021.

This senior financing is the **first “green LBO” on the French market: a player in the circular economy whose products come directly from waste recycling** (paper and cardboard), Omni-Pac Group contributes directly to environmental preservation, in line with the definition of the **EU taxonomy for sustainable activities**.








2.6. ESG review of Cerea's portfolio

We developed and tested our ESG rating tool at the end of 2019 and applied it to all our strategies.

ESG rating process

-  We have adapted our in-house rating tool to our investment theme, targeting the food & beverage universe, with a particular focus on nutrition and the supply chain.
-  Each company in the Cerea Mezzanine III and Cerea Capital II portfolio and all new investments made by Cerea Dette II have been rated by the investment team. These ratings have been reviewed and approved by the Investment Committee.
-  Each new portfolio company is systematically rated by the investment team as part of Cerea's investment process, and the ratings are then validated by the Investment Committee.
-  The investment team will review all the ratings once a year and they will be then presented to the Investment Committee in order to provide a dynamic progress report.

ESG rating methodology

-  The rating tool includes a list of excluded sectors on the basis of which investment opportunities may be automatically rejected.
-  It also includes a watch list of sectors and sensitive themes that must be carefully addressed and monitored.
-  Various criteria covering the environment, labour issues, governance, nutrition and the supply chain are assessed with scores ranging from 1.0 (lowest) to 3.0 (highest).
-  Investment opportunities that score a total average of < 1.5 shall be rejected.
-  As part of the rating procedure, the three main ESG strengths and weaknesses for each company are ascertained in order to guide the investment team in its monitoring of ESG issues.

Average score (S)	Classification	Result
1.0 < S < 1.5	Not acceptable	Opportunity rejected
1.5 < S ≤ 2.0	Needs improvement	Acceptable, some risks require special attention and monitoring
2.0 < S ≤ 2.5	Satisfactory	Satisfactory, room for improvement
2.5 < S ≤ 3.0	Very satisfactory	Best-in-class

2.6.1. Results of the review of new investments of the Cerea Dette II portfolio as at 15 September 2021

- The existing Cerea Dette II portfolio is 50% comprised of best-in-class companies (in value terms), including:

Havea

Havea: Company specialising in the development, manufacture and marketing of a wide range of natural health and well-being products (food supplements, natural/organic cosmetics, medical devices and infusions).

ecotone

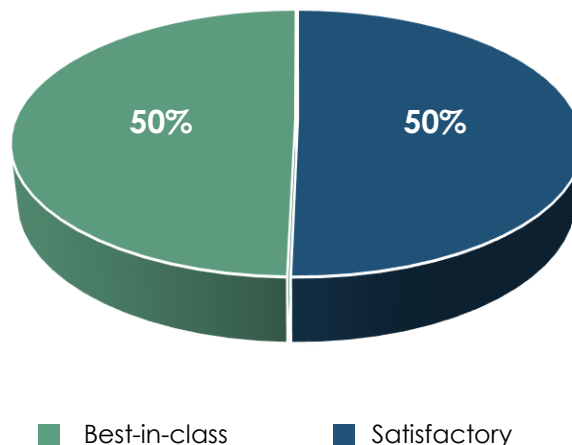
Ecotone: Production of organic, healthy and responsible food mainly in six product categories: dairy substitutes, sweet snacks, vegetarian ready meals, hot drinks, alternative breads and biscuits, and cereals.

OMNI-PAC GROUP

Omni-Pac: Production of packaging and eco-responsible moulded fibre solutions for the poultry market, fruit and vegetables, medical products and new applications.

- 50 % of the portfolio (in value terms) is classified as “satisfactory”
- No existing investment is classified as “not acceptable” under Cerea’s investment process. Any new investment opportunity falling into the “not acceptable” category would be rejected automatically.

ESG review of the Cerea Dette II portfolio by amount invested as at 15/09/2021



2.6.2. Results of the review of the Cerea Capital II portfolio as at 15 September 2021

- The existing Cerea Capital II portfolio is 28% comprised of best-in-class companies (in value terms), including:



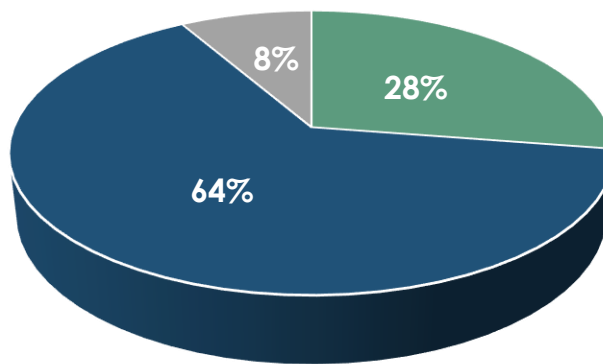
Organic Alliance: Wholesaler of 100% organic fruit, vegetables and fresh products and action to reduce greenhouse gases in logistics and promote the development of small regional producers.



Carambar & Co: Clean labelling, sugar reduction, organic and local products, reduction of plastic packaging and responsible supply programmes.

- 64% of the portfolio (in value terms) is classified as “satisfactory”
- 8% (in value terms) is classified as “needs improvement”
- No existing investment is classified as “not acceptable” under Cerea’s investment process. Any new investment opportunity falling into the “not acceptable” category would be rejected automatically.

ESG review of the Cerea Capital II portfolio by amount invested as at 15/09/2021



■ Best-in-class ■ Satisfactory ■ Needs improvement

2.6.3. Results of the review of the Cerea Mezzanine III portfolio as at 15 September 2021

- The existing Cerea Mezzanine III portfolio is 28% comprised of best-in-class companies (in value terms), including:



Organic Alliance: Distributor of 100% organic fruit, vegetables and fresh products.



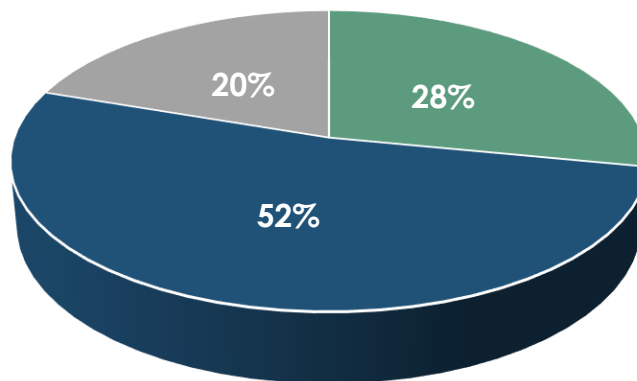
Mademoiselle Desserts: Pastry producer with a sustainable and very exacting ESG policy.



Novopan: Bread producer whose organic products make up 20% of the product base and which uses 100% sustainable and responsible crops that undergo complete testing procedures (sourced from farmers certified as using sustainable, environmentally-friendly practices) at its two largest sites.

- 52% of the portfolio (in value terms) is classified as “satisfactory”
- 20% (in value terms) is classified as “needs improvement”
- No existing investment is classified as “not acceptable” under Cerea’s investment process. Any new investment opportunity falling into the “not acceptable” category would be rejected automatically.

ESG review of the Cerea Mezzanine III portfolio by amount invested as at 15/09/2021



■ Best-in-class ■ Satisfactory ■ Needs improvement

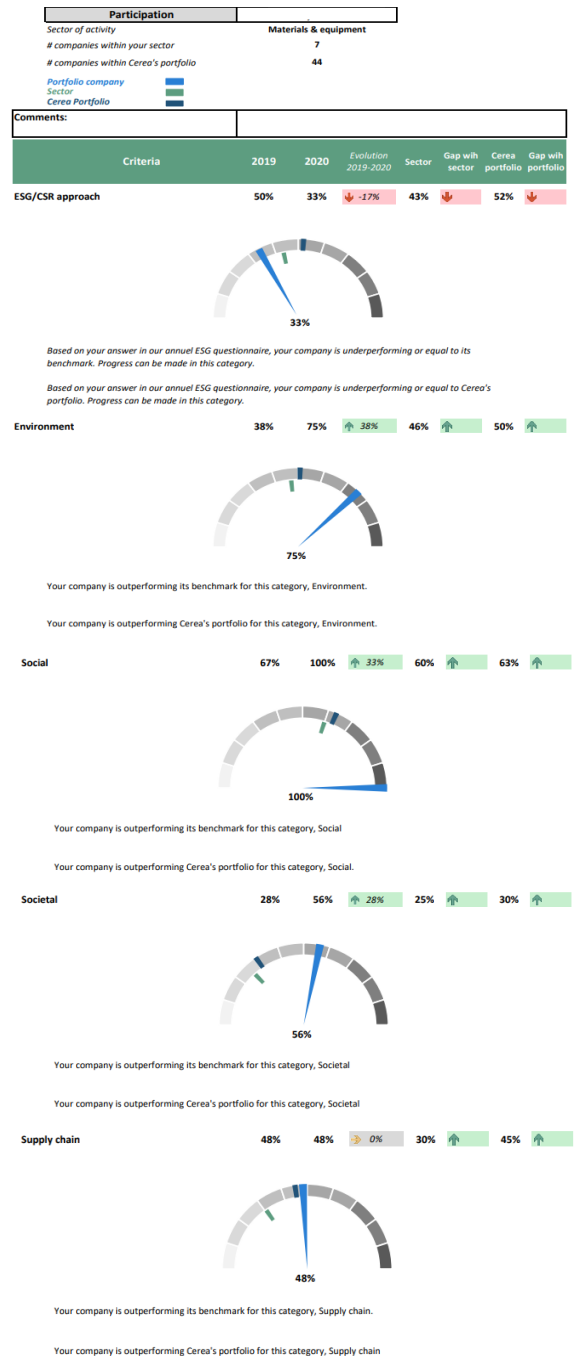
2.7. ESG benchmarking tool

We developed and tested our benchmarking tool in 2021 and applied it to all our strategies. The purpose of this tool is to initiate dialogue between the management company and the portfolio companies on ESG/CSR issues, as well as on the levers for improvement and best practices implemented within those companies.

Benchmark methodology

- ▶ The portfolio companies are divided according to the business sector in which they operate to ensure relevant comparisons
- ▶ The criteria used to establish the percentage allocated are derived from the annual ESG survey sent to the Cerea Partners' portfolio companies
- ▶ There are **seven categories** for which companies obtain a percentage based on their answers to the annual questionnaire: **ESG approach, Environment, Social, Societal, Supply chain, Agri-food & quality management and Quantitative information**
- ▶ Each portfolio company can be compared against three **different benchmarks**:
 - Its results for the previous year (Y-1 vs. Y). The "Evolution" column calculates the difference between the two years
 - In relation to its business sector. The difference is calculated in the "Sector" column
 - Cerea Partners' overall portfolio (private equity and private debt), all sectors combined. The difference is calculated in the "Cerea Portfolio" column

Extract from a portfolio company form



This new benchmarking tool was implemented in autumn 2021 and has been well received by Cerea Partners' portfolio companies.

2.8. Strong commitment alongside the French food banks organisation

Cerea Partners, which has supported the action of food banks since 2015, renewed its partnership with this network until 2024.

Food banks' network and goals

As an independent, non-political, non-denominational association, the **French federation of food banks (*Fédération Française des Banques Alimentaires*)** operates according to the principles of sharing, donations, free provision of food and volunteering. For nearly 35 years, it has been carrying out the important task of giving unsaleable consumer products a second lease of life by redistributing them to nearly two million people in need.

The food banks collect nearly 112,500 tonnes of food each year, more than 60% of which is collected from farmers, agri-food manufacturers and major retailers.

Cerea Partners' actions

Under this partnership with the food banks, Cerea Partners carries out concrete actions to:

- **Publicise and promote the food banks' activities:** creation of a special website, letters sent out to our partners, communication at our Annual Meetings, circulation of information via social networks;
- **Financially support the network's projects:** financial sponsorship to contribute in particular to the development of cold rooms and the creation of social grocery stores;
- **Encourage voluntary work by employees:** visit to the Marne food bank (2015), participation by the teams in nationwide food collections every year since 2015.

79

Food banks



75 000 tonnes
of food redistributed

6 011

associations, social grocery stores and partner social action community centres (CCAS) supported



2.1 million
people helped by
the food banks

225

million meals
distributed

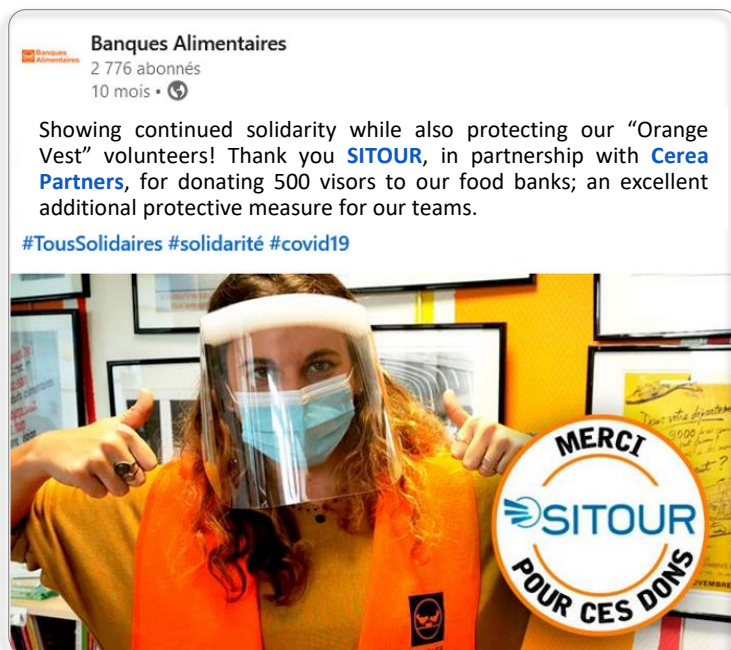


7 075

Orange Vest
volunteers



SITOUR (IN STORE DISPLAY GROUP) SUPPORTS FOOD BANKS BY DONATING VISORS



2020 NATIONAL COLLECTION

Due to the health situation and the remote working measures put in place, Cerea Partners unfortunately was unable to commit the participation of its employees to the collection operation in November 2020.

Aware of the **sharp increase in the number of people in very precarious situations and the urgency of rebuilding stocks**, Cerea Partners and its employees wanted to help out with the vital work involved in dealing with this explosion in demand for food aid.

Cerea Partners therefore decided to make a contribution in the form of an **additional financial donation for the purchase of dry goods and products with a long shelf life**.

- **2015**

Signature of the partnership First participation in the food bank collection

Financing for the development of a cold room and a social grocery store in the department of Gers



- **2016**

Donation of office furniture prior to our move

Funding for a travelling kitchen workshop in Bordeaux

- **2017**

Financing of a travelling social grocery store in the Aude region

- **2018**

Contribution to the launch of the “ClickDon” platform aimed at simplifying donations for manufacturers



- **2019**

Financing of a food bank branch in Roanne

Fifth participation in the food bank collection: a new record with 160 boxes of food collected

- **2020**

Financing of a travelling social grocery store in Indre

- **2021**

Renewal of the partnership for three years

2.9. Awards received by our portfolio companies in 2021

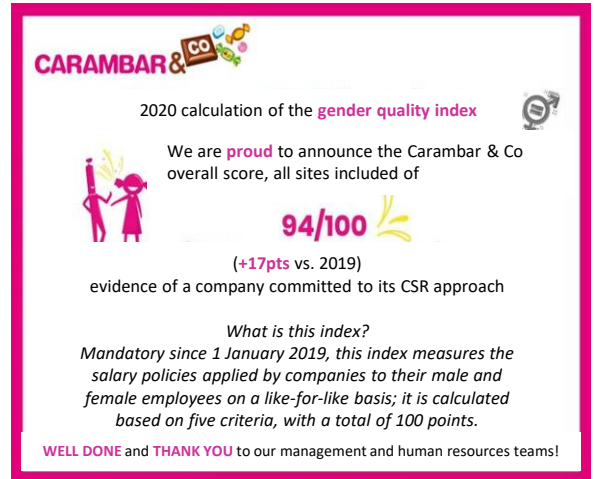


Carambar & Co

In 2020, Carambar obtained a score of **94/100** in the **gender equality index (Penicaud Index)**.

As a reminder, this index is based on five indicators:

- Pay gaps between men and women in employment at all comparable levels
- Difference in the individual rate of increase
- Difference in promotion rates
- Rate of employees who received an increase on their return from maternity leave
- Proportion of men and women in the top 10 salary level



Sitour (In Store Display group)



Sitour, which is part of the In Store Display group, was awarded the **EcoVadis Gold medal**, the highest level of distinction, for the third year in a row. With a score of 66/100, Sitour is among the top 5% of companies for their CSR achievements assessed by the independent rating agency.



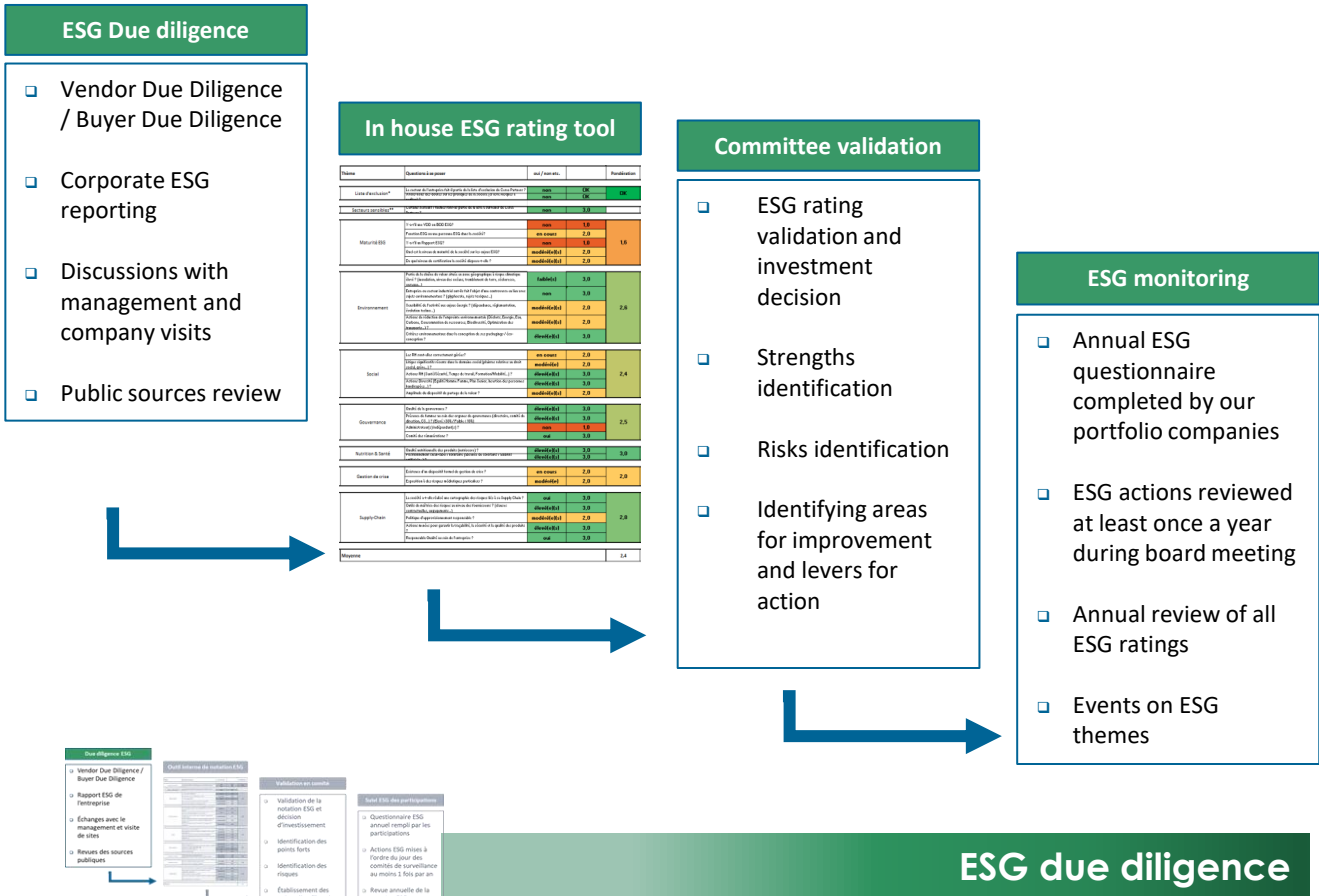
Sitour was also a winner of the **CSR plant award** by Usine Nouvelle, which recognises the best strategy for launching new products and the best project management. In 2021, Sitour launched the new “Bulk It” range for bulk sales. This range is 100% French fully recyclable with a low carbon footprint.

CSR initiatives:

- Recruitment of a CSR manager
- Repatriation of the production of “bulk” products back to France
- Implementation of a CSR report

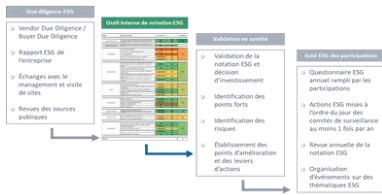
3. ESG integration in Cerea Partners' investment process and monitoring

As a responsible investor and partner, ESG criteria is a very important part of the investment policy and monitoring of Cerea Partners' portfolio companies. To this end, the investment teams rely on the following four steps:



An ESG review is carried out when investment opportunities are being examined, according to the identified needs and the company. This review can be conducted in-house or by an outside expert. This analysis enables us to assess the companies' CSR/ESG approach. The extent of this review and the resources allocated depend on our investor status (majority, minority, mezzanine, senior debt, etc.). The procedures introduced involve the following stages:

- For majority investments, performance of ESG due diligence; for minority mezzanine and debt investments, ESG review completed by the team on the basis of available information;
- Inclusion of an ESG clause in the shareholders' agreement (depending on investor status);
- Presentation and discussion of the results of these ESG analyses with the new portfolio company's management team.



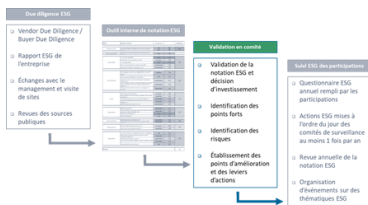
In-house ESG rating tool

All of Cerea Partners' new investments are subject to an ESG assessment using the internal ESG rating tool.

Cerea Partners' investment teams analyse companies' CSR/ESG approach based on 31 criteria covering Environment, Social issues, Governance, Nutrition/health and Supply Chain.

As part of the rating procedure, the three main ESG strengths and weaknesses of each company are ascertained in order to define areas for improvement and guide the investment team in its monitoring of ESG aspects.

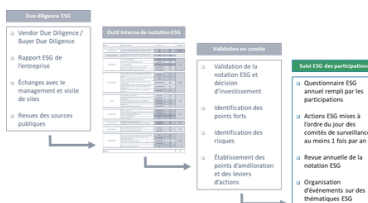
Thème	Questions à se poser	oui / non etc.	Pondération	
Liste d'exclusion*	Le thème de l'exclusion est-il repris à l'Annexe d'Exclusion de Cerea Partners ? L'exclusion est-elle justifiée par un critère ESG ?	non / non	0%	0%
Méthode d'évaluation**	La méthode d'évaluation est-elle basée sur des critères ESG ?	non	3,0	
Maturité ESG	Y a-t-il un VSE ou RSE ESG ?	non	3,0	1,6
	Questionnaire ESG annuel rempli par les participations ?	en cours	2,0	
	Y a-t-il un Rapport ESG ?	non	1,0	
	Existence d'un comité de surveillance ESG ?	modifié(e)	2,0	
Environnement	Existence d'un comité de surveillance ESG ?	modifié(e)	2,0	2,6
	Présence de sites de production ou de sites de stockage ?	oui	3,0	
	Présence de sites de production ou de sites de stockage ?	non	3,0	
	Présence de sites de production ou de sites de stockage ?	modifié(e)	2,0	
	Présence de sites de production ou de sites de stockage ?	modifié(e)	3,0	
Social	Présence de sites de production ou de sites de stockage ?	en cours	2,0	2,4
	Présence de sites de production ou de sites de stockage ?	non	3,0	
	Présence de sites de production ou de sites de stockage ?	modifié(e)	3,0	
	Présence de sites de production ou de sites de stockage ?	modifié(e)	2,0	
Gouvernance	Existence d'un comité de surveillance ESG ?	modifié(e)	3,0	2,5
	Existence d'un comité de surveillance ESG ?	non	3,0	
Nutrition & Santé	Existence d'un comité de surveillance ESG ?	modifié(e)	3,0	3,0
	Existence d'un comité de surveillance ESG ?	modifié(e)	3,0	
Gestion de crise	Existence d'un comité de surveillance ESG ?	en cours	2,0	2,0
	Existence d'un comité de surveillance ESG ?	modifié(e)	2,0	
Supply Chain	Existence d'un comité de surveillance ESG ?	oui	3,0	2,8
	Existence d'un comité de surveillance ESG ?	modifié(e)	2,0	
	Existence d'un comité de surveillance ESG ?	oui	3,0	
Moyenne				2,4



Committee validation

Before each investment, the ESG rating is systematically presented to and approved by the Investment Committee, in which the ESG Manager participates.

An investment opportunity may be rejected based on this ESG rating (if the company's sector is included in Cerea Partners' exclusion list or if the overall rating obtained is lower than 1.5).



ESG monitoring of portfolio companies

Cerea Partners carries out rigorous ESG monitoring of its portfolio companies with a view to securing their sustainability and promoting long-term value creation.

As a responsible investor, it is crucial for Cerea Partners that the companies supported by the Cerea funds continue to develop in the long term, beyond the term of the investment. The responsibility of the company and the funds is to lead these companies to adopt best practices in all areas that foster tangible and intangible value creation. With this in mind, we take measures designed to sustainably integrate ESG issues within our portfolio companies:

- For majority investments, ESG issues form a basis for dialogue and work with the portfolio companies, particularly during Supervisory or Board meetings,
- For minority, mezzanine and debt investments, ESG issues are taken into account in our dialogue with the companies and their main shareholders,

- An annual ESG questionnaire is sent to our portfolio companies, which enables Cerea Partners to monitor the ESG evolution of its portfolio,
- The Cerea Partners proprietary ESG benchmarking tool is being rolled out in autumn 2021 to allow the portfolio companies to compare themselves with their peers in the portfolio within the same business sector and to foster dialogue with Cerea Partners on these themes,
- The ESG rating is reviewed annually to provide a dynamic progress report,
- The managers of Cerea Partners' portfolio companies and network are regularly invited to events organised by Cerea on ESG themes,
- Cerea Partners encourages its portfolio companies to sign the United Nations Global Compact.

Cerea Partners has chosen to disclose regularly to investors, in a transparent manner about the progress that has been made, which we consider to be a core aspect of risk/ opportunities management and value creation:

- Inclusion of ESG topics in the summary reports presented to the bodies representing the fund investors;
- Preparation of an annual report on our own activity and that of our portfolio companies.

4. ESG approach within portfolio companies

4.1. Focus on Icko Apiculture



Description of the business: Distribution of beekeeping equipment

Location of the head office: Bollène, Vaucluse

Workforce: 126 employees

Investment date: December 2018 (CC II)

Website: www.icko-apiculture.com

ICKO Apiculture is an active player in supporting beekeepers and defending and preserving bees. A European leader in the distribution of beekeeping equipment and consumables, the Group sells the broadest range of products on the market with more than 4,500 items. Icko is experiencing strong growth, having carried out three acquisitions in two years, and is continuing its expansion in France with 16 points of sale in the country.



"Icko Apiculture has been a beekeeping expert for three generations. We live with and through beekeeping"

INVESTING IN GREEN ENERGY

In 2021, Icko moved to its new 14,000m² headquarters in the Drôme region to support the Group's strong growth as part of a €12.5 million investment. The buildings will be equipped with photovoltaic roof panels with a surface area of 6,000m² and 140 parking spaces equipped with shade structures.

This will give rise to annual solar energy production of 2,000 Mwh, for solar power of 1,600 kW.

Icko is no stranger to solar power, having owned a photovoltaic plant for 12 years now.

This energy is intended to be resold to EDF ENR to power 450 households.

ICKO is also very mindful of the ecological impact of its heating and air conditioning systems and has created independent zones with a dual flow system to avoid unnecessarily heating or cooling any part of the premises or warehouses.



PRESERVING BIODIVERSITY: FROM BOLLÈNE TO BRUSSELS, ICKO TAKES ACTION

In 2018, Pierre Ickowicz co-created the Union of Beekeepers of Europe and the Mediterranean (UAEM) with the French Apidology Observatory (Observatoire Français d'Apidologie).

The aim of this union is to bring together trade unions, the scientific world and training organisations in support of the beekeeping world. This structured approach has made it possible to advocate for pollinating insects in the European Parliament. New tests are now in place, in particular "return flight" tests to limit the use of toxic products such as neonicotinoids in the formulation of phytosanitary products.

Phytosanitary products must now undergo around ten ring tests before they can be marketed. Further tests are being carried out on male sperm quality as studies show that the fertility of queens is declining. It has been proven that only 40% of sperm is viable due to exposure to different pollutions. To address these issues and avoid the disappearance of pollinating insects, ICKO, at the initiative of its Chairman, decided to participate in research by partnering with specialised laboratories.



WORKING CLOSELY WITH THE DIFFERENT PLAYERS IN THE BEEKEEPING SECTOR

Icko has established partnerships with various organisations to offer product innovation, preserve biodiversity and training.

The company is manufacturing specialised, innovative equipment for beekeepers with the aim of facilitating their working conditions. For example, a patented Combiz Air aerated suit, developed with the Institut Français Textile Habillement, was designed by Icko Apiculture. The advantage of this suit is that it is permanently aerated and protects against stinging while also being robust.

Similarly, the EASYLOADER beekeeping crane, manufactured by Icko Apiculture's subsidiary Api Equipement, can lift up to 125 kg and allows beekeepers to work without having to carry heavy loads (one hive = 50 kg minimum).

Other partnerships have been established with:

- Associations such as the French Apidology Observatory (**Observatoire Français d'Apidologie**) and the "Flowers for bees" programme which aims to distribute more than one billion seeds to grow plants, trees or shrubs that produce pollen and nectar, or the French national beekeeping federation, **ADA France – Fédération du réseau de Développement Apicole**
- L'École privée d'agronomie (private school of agronomy)
- The **bee research institute (ITSAP)** and the **bee institute**
- **Close relationships with beekeeping schools** that enable apprentice beekeepers to train and become experts in beekeeping. Icko aims to welcome these apiary schools into its store network in order to go beyond its role as a trader.

"Icko is only getting started in providing educational projects"



Training is a key value at Icko. This year, a partnership was signed with Jean Riondet to offer online training. The website is a platform that provides access to teachers.

DIVERSITY AND SAFETY ARE CENTRAL TO OUR CORPORATE CULTURE

We have made a significant number of investments to improve our employees' comfort in the workplace.

We put a lot of work into the new head office, offering a variety of workspace and co-working possibilities: high tables, low seating, lounge, garden, terrace. In addition, employee well-being is maximised through acoustics, comfortable seating, lighting and an air conditioning system in which the air flow is imperceptible.

Concerning logistics positions, the most difficult tasks are now automated as much as possible. Tasks with low added value for employees, such as order preparation, are automated. Employee safety and the ergonomics of the lifting platforms have also been improved with safety gateways within the workshop for producing "wax", Icko's historical product.

"We are very humble entrepreneurs compared to the world we work in. We try to contribute as much as possible at a social and societal level"

Diversity comes naturally to Icko. Gender balance on the Executive Committee is almost achieved.

"One of our values is fairness, which is why we pay equal wages to women and men"

An adapted work space has been created for employees with disabilities. Support is provided throughout the work and the most ergonomic equipment possible is provided to carry out the tasks. For instance, a position was created for an Icko employee following an accident outside the workplace so that he could continue to work there. Another position was filled in the logistics division by a disabled person. This position has been fully adapted to suit the employee's skills and goes far beyond basic administrative tasks.

In line with its commitment, ICKO purchases the beehives that it sells at Le Prieuré ESAT (social organisation helping disabled people to find work).



4.2. Focus on Havea Group

Havea

Description of the business: Manufacturer of natural health and well-being products

Location of the head office: Boufféré, Pays de la Loire

Workforce: 789 employees

Investment date: November 2020 (CD II)

Website: www.havea.com

HAVEA Group is one of the European leaders in natural health products. It designs, manufactures and markets a wide range of health products, from food supplements, natural and organic cosmetics to medical devices and infusions.

Based in Boufféré, Havea has a portfolio of **seven strategic brands**: Aragan, Biolane, Densmore, Dermovitamina, Nature Moi, Vitavea and Yves Ponroy; which bring together a common identity: **innovation serving well-being for everyone**, through more natural and sustainable products.



“Our CSR objectives are gradually becoming a core component of the Group’s strategy and that of our brands. Our brands are committed and want to have a positive and lasting impact as they grow, at every stage of the value chain.”

PRODUCT FORMULATION THAT IS ESSENTIALLY NATURAL AND ORGANIC

HAVEA Group draws on the R&D know-how and expertise of its teams to analyse and assess the quality of its products. The R&D teams have defined responsible formulation charters and commitment-based ingredient policies for the entire product portfolio.



Havea’s portfolio comprises 226 organic products to date, and 29 new organic products were developed in 2020. For example:

- 42% of Aragan’s Synactifs range of products are organic
- A new organic range from baby brand Biolane was developed, in particular with the launch of eco-friendly diapers
- Nature Moi shower gels have been reformulated for better rinsing (water savings) and productivity (energy savings)
- Several Biolane products have been reformulated using an eco-design approach

REDUCING HAVEA'S ENVIRONMENTAL FOOTPRINT

To help fight against climate change, Havea has committed to significantly reducing its greenhouse gas emissions by 2030 through action that targets its main emitting items: purchases of raw materials, goods and services, the use of products sold, and upstream and downstream freight.

With this in mind, the Group has also embarked on an eco-design approach, especially for its packaging, enabling a transition towards more sustainable packaging for many products.

In addition, Havea is working on the continuous improvement of its energy performance, using 100% green energy at the Boufféré site since January 2020. 4,126 MW (megawatts) of electricity was purchased from renewable energy sources. Similarly, several installations have been put in place: low consumption lighting, automatic detectors and separate lighting depending on the geographical orientation of the offices.

CHANGE TO THE GROUP'S CAR POLICY: TOWARDS A TOTAL SWITCH TO ELECTRIC VEHICLES

The Group's management has taken a decision to no longer order internal combustion vehicles and to opt solely for electric vehicles for the head office functions. As such, 20 electric charging stations were installed at the Vendée site for the charging of employees' vehicles.

PROMOTING QUALITY OF LIFE AT WORK AND EMPLOYEE WELL-BEING

By its very nature, Havea operates naturally on the principle of well-being for everyone. It puts its employees at the centre of its transformation strategy. As such, renovation work was carried out on the common areas in 2020 with the aim of facilitating interaction and strengthening team cohesion. The nutrition and cosmetics R&D laboratories have also been renovated to optimise the quality of life at work.



No team is being left behind by Havea, with renovation work on the production building also planned between now and 2022.



PROMOTING EMPLOYEE CIVIC ENGAGEMENT

Havea also took measures to help those involved in dealing with the Covid-19 health crisis, with extraordinary involvement from its employees. Several notable solidarity initiatives were implemented by Havea's employees:

- €150,000 was raised for FHP-FHF hospital Covid-19 emergency programmes thanks to donations from employees' paid leave days
- 1,500 wellness/comfort kits were distributed to healthcare staff in hospitals in the region in collaboration with seven companies in the region
- 11,000 bottles of hand sanitiser were manufactured and donated for front-line workers
- 500 protective screens were purchased and given to ophthalmologists to enable them to continue their consultations.



STRUCTURING OUR CSR APPROACH, A CENTRAL PART OF THE GROUP'S OVERALL STRATEGY

2022 will be a milestone year for Havea Group. It plans to take further steps in implementing its CSR objectives, focusing on the management of its environmental, social and societal performance.

"Discussions are being carried out on Havea's "raison d'être" as well as on obtaining structuring certifications for the Group, such as B Corp certification"



In terms of its product offering, increased product quality is also a key commitment of the group. To this end, it has undergone Ecocert certification audits for the last three years. The purchasing and sourcing teams work closely together to ensure continued emphasis on local raw materials in France and Europe.

Lastly, major structuring work is under way to implement relevant CSR indicators to reflect Havea's commitments as best as possible in its future reporting.



4.3. Focus on Cerise et Potiron



Description of the business: Fruit and vegetable distribution
Location of the head office: Corbas, Rhône Alpes
Workforce: 356 employees
Investment date: July 2020 (CM III)
Website: www.cerise-et-potiron.fr

An emblematic brand of the Lyon region, the Cerise et Potiron group is a network of city centre primary stores offering fruit and vegetables, primarily located in the Rhône-Alpes region.

After more than 20 years of development, the group has nearly 70 local stores under the Cerise et Potiron and Terres Lyonnaises brands.

Keen to offer the freshest and best quality fruit and vegetables in line with the seasons, the group favours local and French production with respect for the environment, especially with the dynamic development of its Terres Lyonnaises brand, which benefits from a distribution partnership with one of the largest cooperatives in the Lyon region.



Cerise et Potiron provides real added value through its capacity to offer more than 250 different varieties of high-quality fresh fruit and vegetables, including a selection through direct distribution.

Also of note is that the hard work of the group's teams has been highlighted by Capital magazine in its listing of top brands. Cerise et Potiron was awarded "Best Brand 2021" in the fresh food store category based on a national survey conducted by the Statista research institute.



CUSTOMER PROXIMITY AND SATISFACTION ARE KEY CONCERNS

Aware of the increased demand from consumers, Cerise et Potiron works closely with its suppliers and local producers on the diversity and quality of products in order to respond to these trends and better feed its customers.



ÉLUE PAR NOS CLIENTS !

Cerise et Potiron a été distinguée par le label Capital « Meilleure Enseigne 2021 » catégorie Magasin Multifrais à l'issue d'une enquête nationale réalisée par Statista.



ACTION AGAINST FOOD WASTE

In line with its business, Cerise et Potiron naturally works to prevent food waste. The Lyon-based retailers offer individual products and do not impose packaging that is inappropriate to the needs of their customers.

The stores are gradually being equipped with bulk distributors of cereals and dried fruits, where customers can purchase only the amount they seek.

Moreover, since 2018, Cerise et Potiron has chosen to fight against food waste by allowing members of the *Too Good to Go* platform use its unsold products.



HELPING TO REDUCE THE GROUP'S ENVIRONMENTAL IMPACT

As a local distributor, Cerise et Potiron has implemented several group-wide initiatives to help it operate with respect for the environment and to preserve resources.

Since 2011, it has been recovering rainwater from the roofs of its buildings to water green spaces.

Regarding carbon footprint, Cerise et Potiron is working on several areas to reduce its direct emissions, in particular:

- Optimisation of transport flows to ensure that the truck fleet does not carry out empty runs
- Recent replacement of part of the fleet with biofuel trucks
- Testing of 100% electric trucks in collaboration with Renault and Volta Trucks

Lastly, in 2021, the group embarked on a major project to renovate and expand its logistics platform in Corbas city (near Lyon).

“Making significant energy savings is both an increasingly important financial and environmental objective”

In this context, the group carried out work to optimise flows, implement thermal insulation and renew all the cold units on the Corbas platform. In particular, Cerise et Potiron has anticipated changes in European regulations by using an alternative refrigerant gas, "R1234ze", with very low global warming potential (GWP), replacing R404A gas, which will be banned on the market by 2022, and R449A gas, which is also set to be eliminated from facilities considered to be ecological. Thanks to this project, the group expects not only to expand its storage space to meet the growth of its business but also to achieve significant energy savings.

5. ESG report on portfolio companies

5.1. Scope and methodology

This consolidated report is drawn up based on an ESG questionnaire sent out to the portfolio companies of the **Cerea Capital II, Cerea Mezzanine III, Cerea Dette and Cerea Dette II** funds.

This annual questionnaire is sent out and is subject to change depending on the various ESG/CSR norms and standards in the industry.

It has been prepared in conjunction with an outside consultancy firm (PwC) and includes quantitative indicators, qualitative questions and more analytical questions related to the sector-specific nature of the funds managed by Cerea Partners.

The indicators covered by the questionnaire are grouped into **seven categories**:

- **ESG/CSR approach**
- **Environment**
- **Social**
- **Societal**
- **Supply chain**
- **Agri-food and quality management**
- **Quantitative information**

Supply chain analysis is a separate category, as it is a particularly important subject in the food & beverage universe.

The answers obtained in these questionnaires are used to measure ESG/CSR progress within the portfolio companies and also serve as a tool for Cerea Partners' teams to discuss with their stakeholders about CSR issues.

5.2. Quantitative data

The reporting data presented below has been calculated from the answers submitted by companies that completed the ESG questionnaire, namely 36 companies in Cerea Partners' consolidated portfolio at 31 December 2020.

A total of 80% of the companies surveyed responded. This high number shows just how important ESG themes are becoming in the eyes of our portfolio companies, and is evidence of their desire to improve.

2020 scope

36 questionnaires returned, i.e:

100% of the companies in the Cerea Capital portfolio (unchanged on 2019)

86% of the companies in the Cerea Mezzanine portfolio (92% in 2019)

73% of the companies in the Cerea Dette portfolio (77% in 2019)

5.3. Qualitative portfolio data

Since 2017, we have been delighted to see very encouraging overall progress in the ESG and supply chain data collected by our portfolio companies. This strong improvement over the past 3-4 years reflects the importance of ESG criteria in Cerea Partners' investment policy, as well as the growing awareness of ESG issues among all economic players.

GOVERNANCE

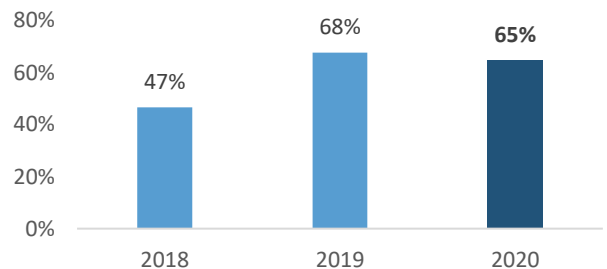
In terms of Governance, we are seeing an increasing evolution in all criteria. It should be noted that since 2019, the ESG theme has become a key subject for Boards of directors.

Female directors on Boards of directors/Supervisory boards

65 %

of companies had female directors on their Board of directors or Supervisory board in 2020

+18 %
vs. 2018

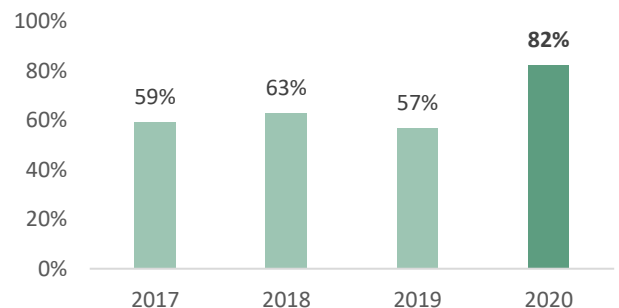


Presence of independent directors on the Supervisory board/Board of directors

82 %

of companies had appointed independent directors to their Board of directors or Supervisory board in 2020

+23 %
vs. 2017

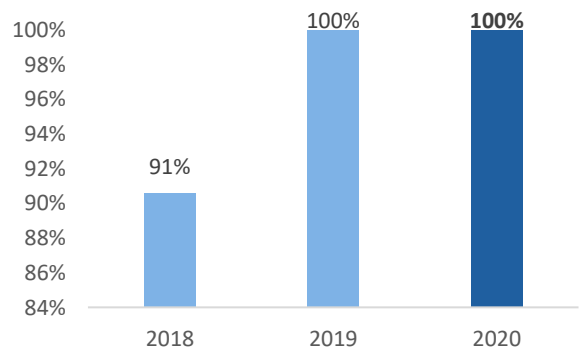


Discussion of ESG issues in supervisory board/board of directors

100 %

of companies discussed ESG issues at least once during supervisory board/board of directors meetings in 2020

+9 %
vs. 2018



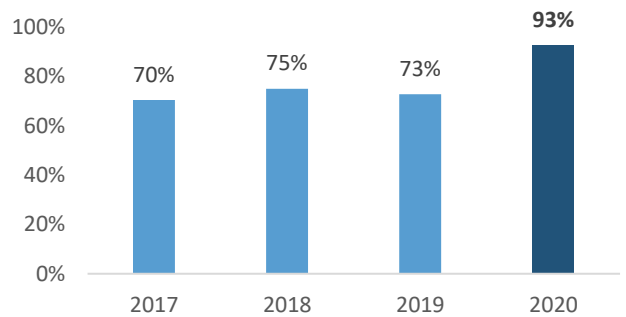
Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

The CSR approach of companies is evolving positively, resulting in particular in the appointment of a person dedicated to CSR issues within each organisation.

ESG/CSR APPROACH

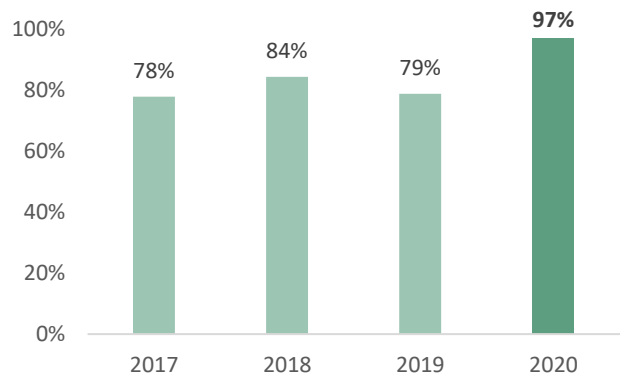
Formal definition of an ESG policy

93 %
of companies had a formalised
ESG policy in 2020
+23 %
vs. 2017



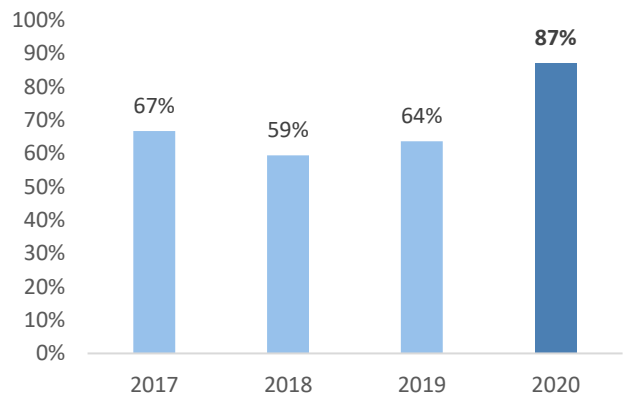
Appointment of a CSR manager

97 %
of companies had appointed
a person in charge of
all ESG/CSR issues in 2020
+19 %
vs. 2017



Signature of CSR commitments

87 %
of companies had signed
ESG/CSR commitments
in 2020
+20 %
vs. 2017



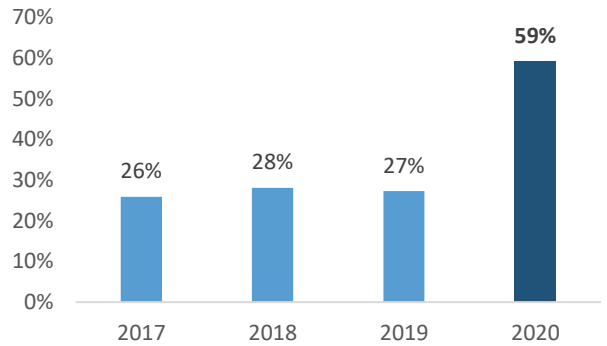
Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

There has been a significant increase in environmental initiatives implemented by companies, including a sharp increase in the use of renewable energies.

ENVIRONMENT

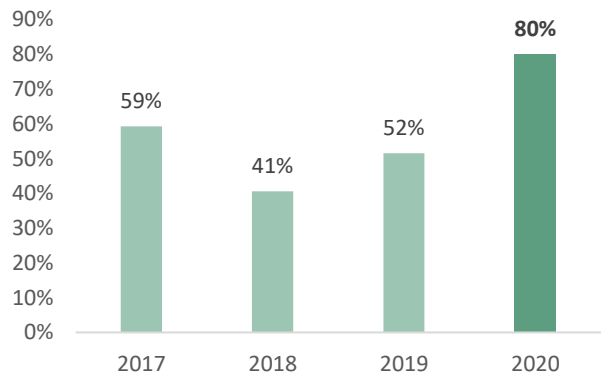
Development of renewable energies

59 %
of companies drew on renewable energy in 2020
+33%
vs. 2017



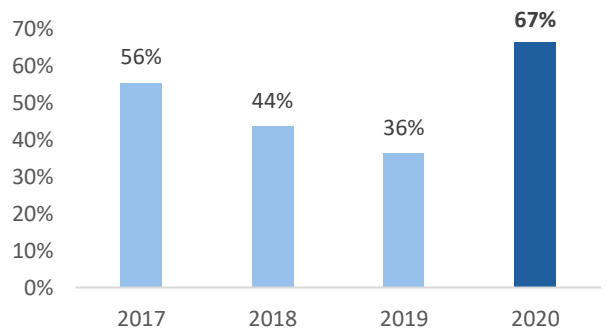
Water treatment

80 %
of companies have introduced water treatment in 2020
+21 %
vs. 2017



Reducing the carbon footprint of transport

67 %
of companies took action to reduce their carbon footprint related to transport in 2020
+11 %
vs. 2017

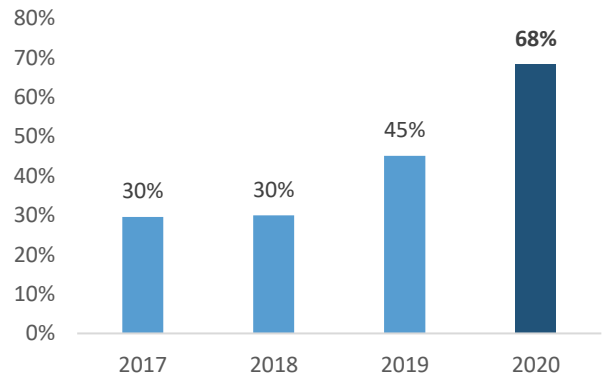


Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

We have observed a growing trend in all environmental indicators, for instance an increase in the number of companies that have adopted a formalised environmental charter.

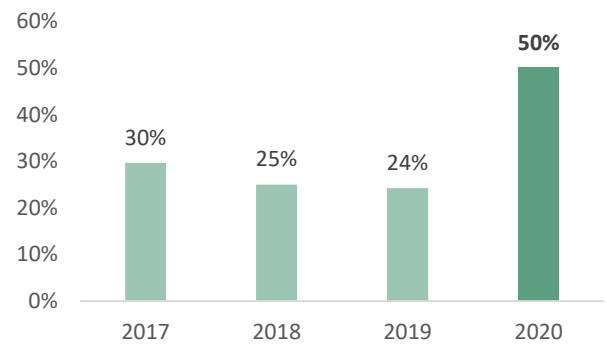
Presence of an environmental charter

68 %
of companies had a formalised environmental charter in 2020
+38 %
vs. 2017



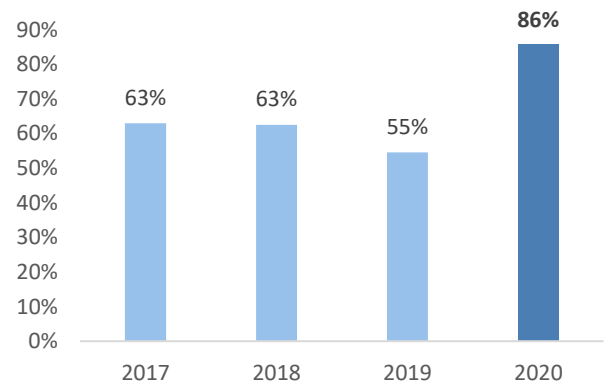
Measures taken to detect and limit damage to biodiversity

50 %
of companies took measures to limit their impact on biodiversity in 2020
+20 %
vs. 2017



Recovery of materials (recycling, etc.)

86 %
of companies recovered their materials in 2020
+23 %
vs. 2017

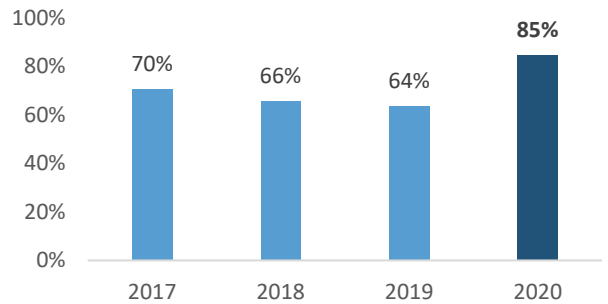


Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

We also note that efforts were made by the portfolio companies to reduce water and paper consumption.

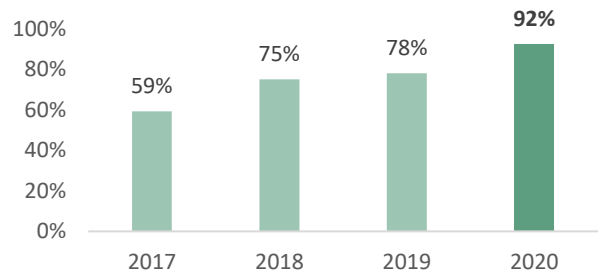
Limitation of water consumption

65 %
of companies took action
to reduce their water consumption
in 2020
+15 %
vs. 2017



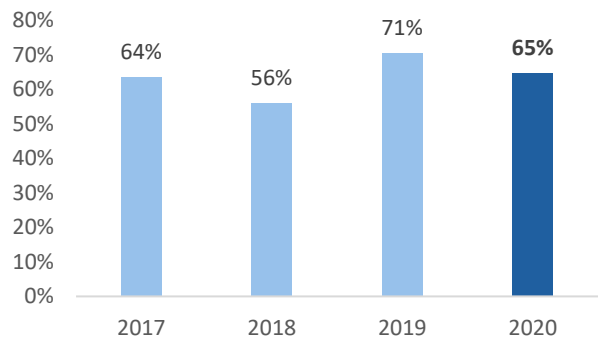
Consumption of resources

92 %
of companies reduced
their paper consumption
in 2020
+33%
vs. 2017



Waste recovery

65 %
the share of waste
recovered by the portfolio
companies in 2020
+1 %
vs. 2017



Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

The results in relation to social data are stable.

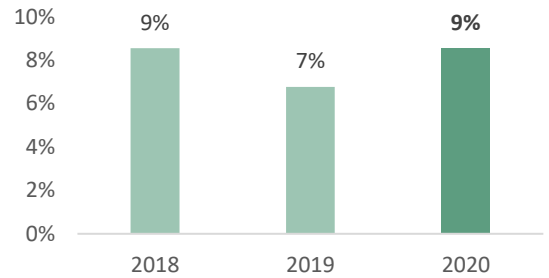
SOCIAL

Absenteeism rate

9 %

the rate of absenteeism within the portfolio companies in 2020

stable
vs. 2018

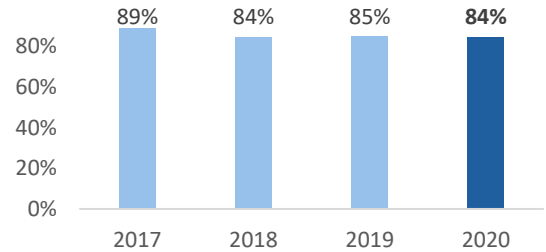


Profit-sharing/Employee share ownership

84 %

of companies implemented a value sharing scheme beyond mandatory regulation

-5%
vs. 2017

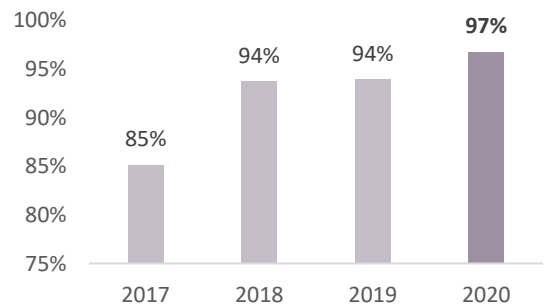


Training

97 %

of companies implemented a training plan for their employees

+12 %
vs. 2017



Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

Concerning societal data, of particular note are the efforts made by the companies to implement a formalised code of conduct and/or ethics charter.

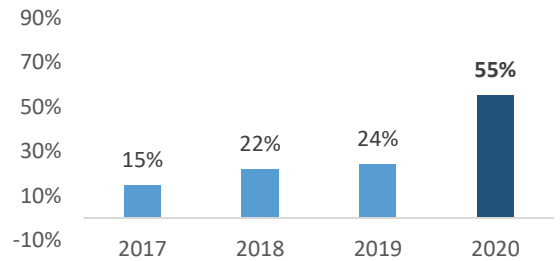
SOCIETAL

Code of governance

55 %

of companies implemented a code of governance in 2020

+40 %
vs. 2017

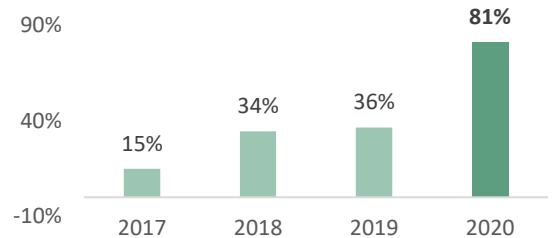


Code of conduct

81 %

of companies implemented a code of conduct in 2020

+66 %
vs. 2017

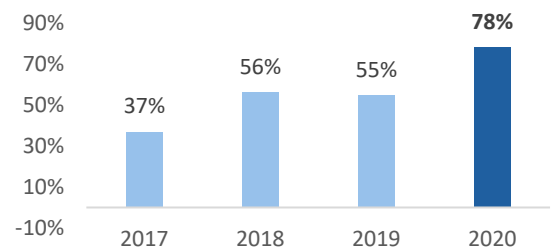


Business conduct

78 %

of companies signed an ethics charter in 2020

+41 %
vs. 2017

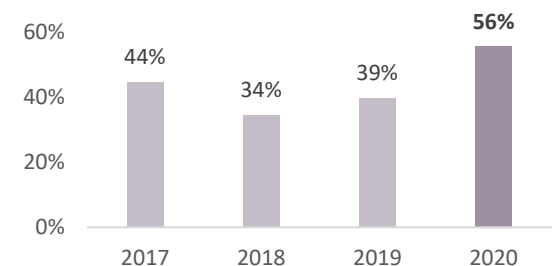


ESG/CSR suppliers assessment

56 %

of companies carried out an ESG/CSR assessment of their suppliers in 2020

+12 %
vs. 2017



Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

The value chain data increased significantly, more specifically in relation to the mapping of supply chain risks.

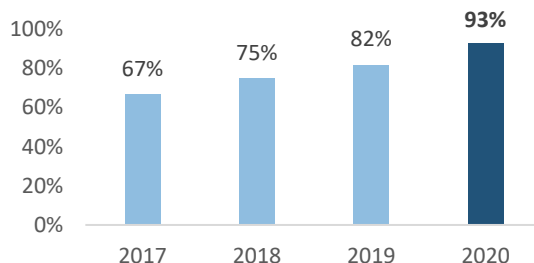
SUPPLY CHAIN

Mapping of supply chain risks (countries, products, suppliers)

93 %

of companies mapped
their supply chain risks
in 2020

+26 %
vs. 2017

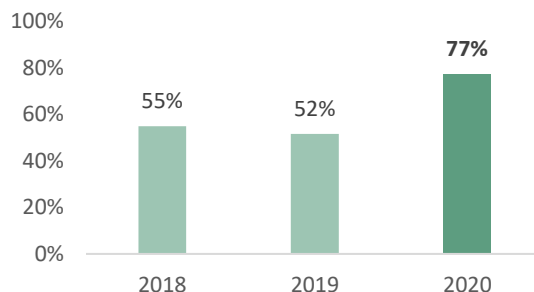


Sustainable procurement policy

77 %

of companies implemented a
sustainable procurement policy
in 2020

+22 %
vs. 2018

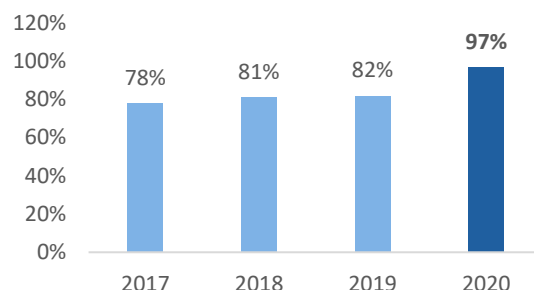


Valuation of actions in place at supplier level and/or internally with customers

97 %

of companies valued their existing actions at
supplier level and with their customers
in 2020

+19 %
vs. 2017



Note: the figures and data given are calculated on the basis of the companies that responded to the questionnaire

Acknowledgements

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