

Castik Capital ESG Report 2022



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INTRODUCTION

A MESSAGE FROM MANAGING PARTNER MICHAEL PHILLIPS

At Castik, ESG is integral to the way we do business. It reflects our commitment to sustainable investing and to long-term value creation in our portfolio companies. We believe it is a key part of building great companies.

Castik invests in the areas of technology enabled business services, software and internet platforms, healthcare, and industrial technology. These market areas are by their nature more ESG friendly and through the Castik ESG program, we strive to improve the ESG footprint of our portfolio companies. ESG factors have been part of our investment process since Castik's founding in 2014. Over the past nine years the international private equity market has started to standardise its ESG approach under the Sustainable Financial Disclosure Regulation (SFDR), and Castik has been at the forefront of embracing these changes. This is the first comprehensive ESG report for the year 2022 and is a further step for us to explain how we incorporate ESG into our strategy and provide a baseline for the future, from which our stakeholders can reliably monitor our progress.

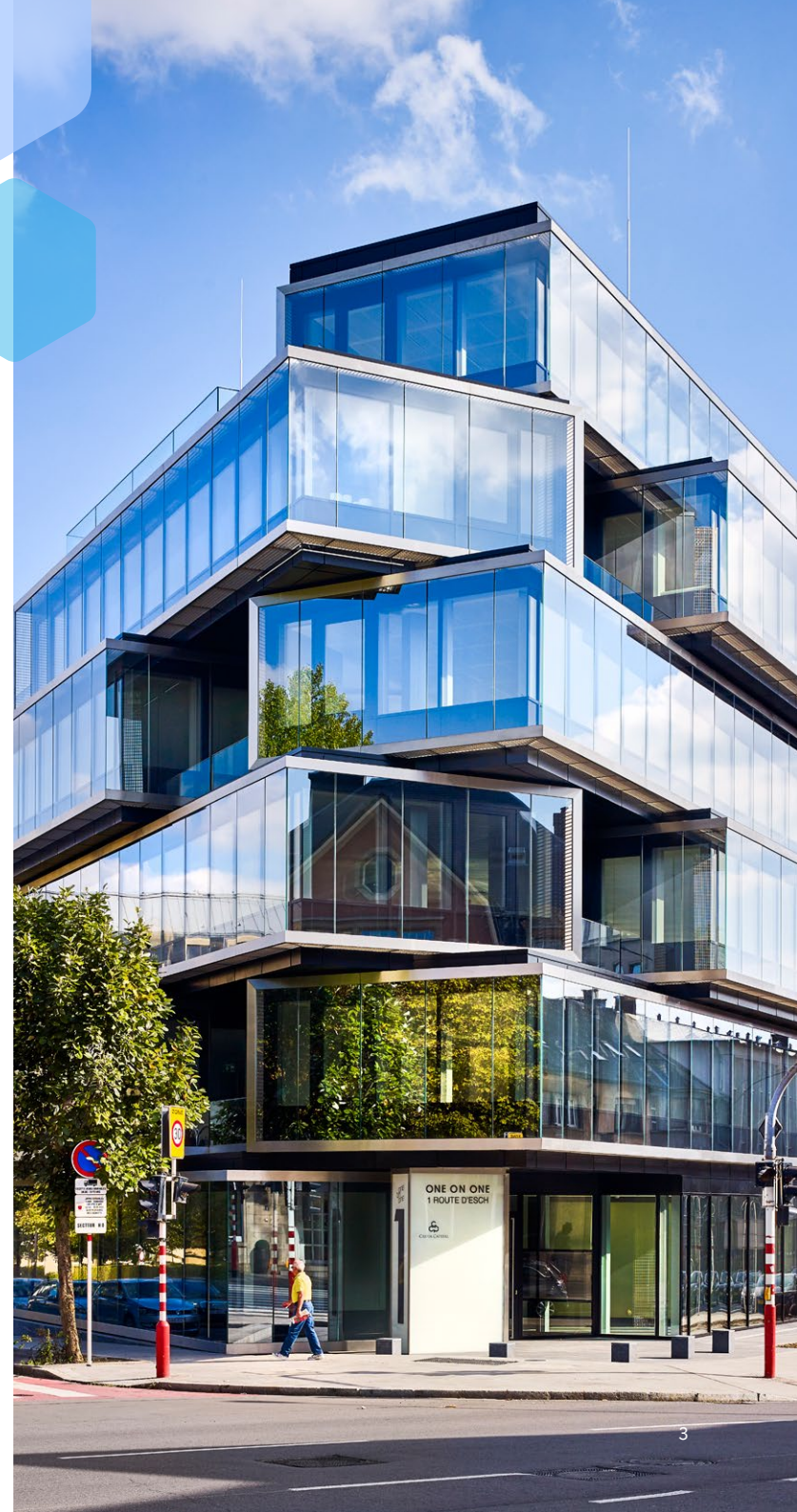
Castik has been a voluntary signatory to the United Nation's Principles for Responsible Investment (PRI) since our inception, which provides a widely recognised and independent evaluation of our data collection and reporting processes. We became a signatory to the Initiative Climat International (ICI) in 2022.

One of the biggest challenges with incorporating a robust ESG framework into private equity processes is the collection of meaningful data. At Castik, we are proud of our robust system of data collection. By having each portfolio company implement a dedicated ESG soft-

ware and automating data collection processes, we are able to produce high quality data which provide useful insights to monitor ESG development over time. This integrated software allows us to work closely with our portfolio companies to use ESG data to create value in their businesses, as demonstrated in our case studies.

Over 2022, our ESG focus was on implementing SFDR Key Performance Indicators (KPIs) to establish new baselines in our portfolio companies. To ensure best practices across our portfolio, we introduced ESG roundtables on a quarterly basis. These group sessions bring together companies of differing maturities to learn from and support one another. This has proved to be a successful platform for creating a mutual understanding of SFDR expectations, discussing practical implementation issues, and tackling new challenges, such as Scope 3 emissions reporting and target setting. Our ESG policy is a living document, and our roundtable sessions allow us to anticipate changing requirements for sustainable investing.

At Castik, we have a natural focus on diversity, equity and inclusion. Based in Luxembourg, we have 16 nationalities among our workforce of 50 employees. In 2022, we made the decision to add a full-time ESG manager to ensure ESG considerations are fully implemented throughout our organisation to increase efficiency, improve transparency, and create value.





Q&A

Q & A WITH ESG MANAGER CSILLA CSIPKES

Why did you join Castik?

ESG has been core to Castik's operations for years. So, when they created a new role for an ESG manager to formalise the process, I was highly interested to accept this new challenge in an important and developing area of private equity investing. It's a huge privilege to interact with so many different areas of the firm and to feel that I am making a positive difference, not only in Castik but in the operations of our portfolio companies too.

What is your biggest achievement so far?

One of Castik's priorities is to help our newly acquired portfolio companies integrate ESG into their strategies. Every company is unique, so a blanket approach doesn't work. It's highly rewarding to build trusting relationships with each firm, and to help them develop realistic ESG goals and avoid the common hiccups with ESG data collection.

What are you excited about for next year at Castik?

As a member of the Initiative Climat International (iCI), Castik is part of a voluntary Net Zero working group of private equity firms. The group focuses on Scope 3 decarbonisation and is active in sharing knowledge and ideas. I'm looking forward to helping other companies understand what Scope 3 emissions are and how they can start to move from emissions estimates to actual data.

Equity Scorecard

Portfolio

Total employees (across portfolio companies)

9,738

Combined revenue of portfolio companies

€1,644,000,000

Portfolio companies with a carbon reduction strategy

60%

Portfolio companies using standardised reporting

100%

Castik

Castik employees

50

Castik gender balance

54% women

Women in management at Castik

25%

Castik nationality breakdown

16 different nationalities within Castik Capital



ADDiSECURE[®]

AllDent



aRTUS^A



ELEMENT
LOGIC

GLOBAL GRUPPE
■■■■■



TBAUCTIONS





Castik at a glance

Key Developments

In 2022, we created a full-time ESG manager role to ensure that ESG factors were fully integrated throughout our operations and those of our portfolio companies. We focused on implementing Sustainability Financial Disclosure Regulation (SFDR) KPIs¹ to provide a baseline for ESG reporting.

We are now able to assist our portfolio companies with best practices and move forward with understanding and defining our Scope 3 emissions targets. In addition, we signed up to the Initiative Climat International (ICI), which formalises our commitment to achieving the objective of the Paris Agreement in reducing global warming.

Castik Capital is a private equity firm with a long-term approach to value creation. Our strategy is to create market leading firms, by consolidating highly fragmented markets in Europe, with a focus on investing in high-quality, growing businesses, led by strong management teams and founders. We work with our portfolio companies to improve growth trajectories by accessing new markets, add-on M&A or developing core business, for example, through digitalisation or innovative products or technology.

1 Please see annex 1 on page 31 for the full list of SFDR KPIs we collect data for.

ESG Initiatives



PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

The PRI is a UN-supported set of principles, developed by investors, to reflect the increasing relevance of environmental, social and corporate governance to investment practice. We became a signatory to the PRI upon incorporation in 2014, and the principles remain a key focus in our operations.

Our commitment to the PRI comprises three aspects. The first is a commitment to uphold the six principles of the PRI that align investors with broader societal objectives. These include incorporating ESG into our decision-making, policies and practices and disclosing and reporting on any ESG issues. Secondly, we have committed to annually reporting our ESG performance. And lastly, we make an annual financial commitment to the PRI based on a percentage of our Assets Under Management (AUM).

In 2022, we attended the PRI event in Barcelona to keep up with developments in the world of responsible investing. Over three days, more than 2,400 investment professionals from 69 countries came together to discuss the rising expectations of investors and the role we support to secure a net zero future.



INITIATIVE CLIMAT INTERNATIONAL (ICI)

In 2022, we became a signatory to the ICI, a global community of more than 200 private markets firms and investors dedicated to better understanding and managing the risks associated with climate change. The goal of ICI is to achieve the objective of the Paris Agreement to limit global warming to well below two degrees and to pursue efforts to limit it to one-and-a-half degrees². The platform operates in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Castik has joined ICI's newly formed Scope 3 Decarbonisation Working Group, which seeks to support portfolio companies in the complex task of measuring the indirect emissions in their value chains. Work began in January 2023, with one of the first outputs being a four-part webinar series addressing this topic with practical, step-by-step guidance explaining how portfolio companies can collect robust data, set realistic targets and reduce Scope 3 emissions through engagement with suppliers and customers.



SUSTAINABILITY FINANCIAL DISCLOSURE REGULATION (SFDR)

The SFDR is a European regulation designed to increase transparency around the sustainability claims made by investment companies. It aims to prevent 'greenwashing', and unsubstantiated claims about environmental standards. This regulation is mandatory and applies to all portfolio and fund managers, financial advisors, and pension providers that operate in EU financial markets.

SFDR requires that fund managers assess and disclose how sustainability risks are considered in investment processes and explain their approach to dealing with any Principal Adverse Impacts (PAIs) when making investment decisions.

As part of our SFDR compliance, we have made our PAI statement publicly available on our website and are collecting data from all our portfolio companies in line with mandatory reporting requirements.

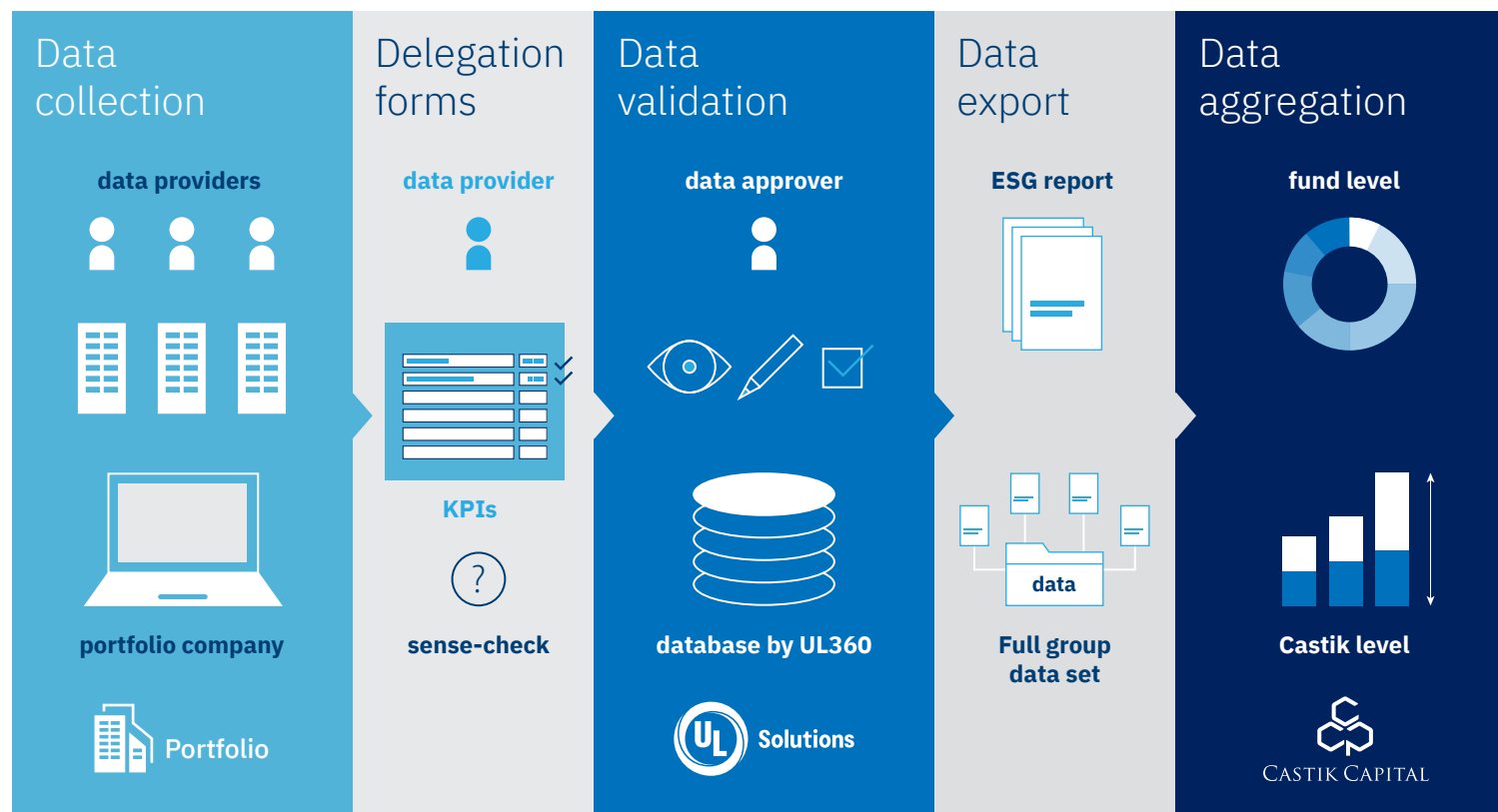
² <https://unfccc.int/process-and-meetings/the-paris-agreement>

Excellence in Data

Sustainable investing is a data-driven process that requires high-quality and reliable inputs. At Castik, we use a data collection, management and reporting software platform that is recognised by GRI and CDP, two of the world's most widely used sustainability reporting frameworks.

To ensure accuracy, those closest to the source of data at a portfolio company are responsible to report it. Data providers appointed at each site of each portfolio company verify its quality and reliability before a two-step standardised approval process further ensures that only accurate and consistent data is entered into the system. The tool's verification engine checks for data consistency, comparing the data to the previous period that best suits the business model, considering discrepancies such as account seasonality. Appointed data approvers then meticulously check each data point to verify its accuracy and rule out possible errors.

To aggregate the data received from the portfolio companies both at the level of each fund and the top level of Castik, we set up standardised reporting forms for data collection. This process allows us to create a robust master database. Once a portfolio company completes its data collection process, the data is fed into the Castik master site. The site allows us to compare performance, track progress and use pre-built reporting templates to quickly access presentable data.





Waterlogic Case Study

Waterlogic is a global leader in the design, distribution and service of workplace and public hydration solutions.³ Serving more than 50 million consumers world-wide every day, it focuses on creating eco-friendly products, reducing plastic pollution, and saving energy.

The point-of-use water coolers it provides to offices, schools, hospitals, hospitality and public spaces are up to 72% less carbon-intensive than bottled water coolers. Every year, they dispense enough water to fill 24 billion bottles, without resorting to single-use plastic.

After beginning its ESG data collection with Castik in 2015, Waterlogic created its internationally recognised Oceansaver accolade, awarded to organisations that have made a significant contribution and commitment to reducing the use of single-use plastics. The accolade is now held by a diverse range of companies, and is a great example of ESG-based marketing to create brand recognition.

Having worked hard on data collection, in 2022, Waterlogic was able to confidently commit to reducing its Scope 1 and 2 carbon emissions by a minimum of 2.5% and eliminating the need for an extra one billion single-use plastic bottles through increased installation of its machines.

The high-quality ESG data Waterlogic was able to present contributed to a reduction in its debt financing costs based on successfully achieving ESG goals. This is an excellent example of using ESG goals to directly create value for a business. By the end of 2022, Waterlogic employed over 3,000 people globally, reported revenues of \$350 million and was a market leader in many countries. It has subsequently been acquired by Culligan Group, which was impressed by Waterlogic's ESG offering.

By collecting and analysing ESG data using a combination of software and Castik's internal processes, Waterlogic was able to create sustainable value for its shareholders and has a bright future.



³ <https://www.waterlogic.com/en-gb/>

OVERVIEW OF FUNDS

Castik Capital investments aim to create market leaders via our Luxembourg-based EPIC funds. In 2022, our equity platform consisted of three funds with a total of **€3 billion** of assets under management.



Current Portfolio Companies:

ADDiSECURE[®] AllDent  alpega

 Clarivate™

Exited Portfolio Companies:

Acrotec Group 



Current Portfolio Companies:





Current Portfolio Companies:

 CUSTOMS SUPPORT  ELEMENT LOGIC 
 artus[®]  GLOBAL GRUPPE

Exited Portfolio Companies:



⁴ Figure does not include employees of Clarivate, a large public company.

⁵ Figure does not include employees of new portfolio company, Global Gruppe but includes employees of Reward Gateway as the company was exited in May 2023.

Portfolio Impact

ESG in our Portfolio Companies

At Castik, we recognise that managing ESG and sustainability matters is a continuous process. Our proactive approach begins with due diligence, and the ESG journey we undertake with our portfolio companies is constantly adapted to include new targets and evolving investor requirements. Our ESG policy is a living document that evolves over time and ensures we professionally implement up to date ESG frameworks, report accurate data, and support our portfolio companies in using ESG to create value in their operations.

Due Diligence

Sustainable investing starts with a due diligence process aligned with the Sustainability Financial Disclosure Regulation (SFDR) requirements. We then screen potential portfolio companies against ESG-related risks and opportunities and advise our potential portfolio companies of our expectations.

Onboarding

Once a deal has successfully closed, the portfolio company is onboarded to our state-of-the-art sustainability reporting software. This requires close cooperation with our portfolio companies as the data collected is unique to the company. However, the data produced must be comparable across our portfolio to ensure aggregation at Fund and Castik level. The data must meet the SFDR KPI requirements.

Roundtables

We are committed to active stewardship of ESG management across our portfolio companies. As a result, we proactively organise ESG roundtables on a quarterly basis where our portfolio companies come to exchange best market practices and share regulatory updates from around the world. Our roundtables are an opportunity for our newer portfolio companies to learn from our more ESG-mature companies. The results of these sessions

have been encouraging, and active involvement significantly improves ESG engagement, SFDR compliance and reporting, and portfolio company performance.

Target setting

We encourage our portfolio companies to set realistic targets and to support at least one of the Sustainable Development Goals (SDGs). Each portfolio company is involved in creating a step-by-step plan to achieve its set targets and is accountable for its achievements, which are evaluated in its annual ESG report. These plans ensure that ESG-related policies are aligned with long-term strategic objectives and integrated with risk management decisions.

Annual Reports

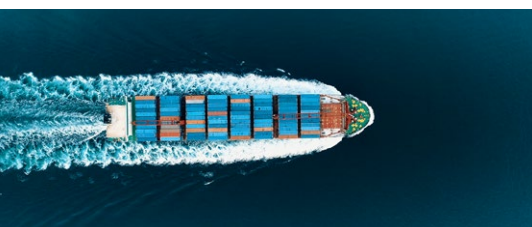
At Castik, each portfolio company is required to produce an annual ESG report. The report presents the company's data on the KPIs, which can then be used as a benchmark to track and analyse performance on a periodic basis. In addition, the report enables the portfolio company to assess its performance against its own targets and step-by-step plan.

Castik's ESG journey is a proven template. It has assisted our portfolio companies with winning new clients in addition to reducing emissions, increasing social accountability and improving governance.

Our Environmental Impact

At Castik Capital, we recognise that sustainability factors will vary in materiality from one investment sector to another. As a result, we apply the Sustainable Accounting Standards Board's (SASB) Materiality Map to identify which factors are most relevant to the specific sector and industry of our portfolio companies. Once these factors are established, we use ESG-related KPIs to monitor the sustainability risks and the main negative impacts of each one.

Castik promotes consistently improving environmental performance and publishing-related disclosures for accountability purposes. We use systemic tools to gather data from our portfolio companies and then calculate their emissions using established protocols. A summary of our results can be viewed in the sections that follow.



6 Tonnes of carbon dioxide equivalent per million Euro



Resource Efficiency

We encourage our portfolio companies to monitor and manage any material environmental risks affecting their business in addition to any adverse envi-

ronmental impacts. As part of this, we expect our portfolio companies to foster initiatives to reduce the use of resources, such as energy, water, waste, paper and packaging, and to monitor their effectiveness.

As of December 2022:

72%

With paper and packaging reduction initiatives

Greenhouse Gas (GHG) Emissions Intensity

We are working with our portfolio companies to understand their GHG emissions footprints and to grow their businesses. Each company has a unique GHG footprint reflective of its processes and structure. GHG emissions intensity measures the level of emissions per unit of value-added and enables us to compare our portfolio companies in a manner that considers the individual nature of each business.

To estimate the carbon intensity for each of our portfolio companies, we use approved data that is calculated based on the GHG Protocol to aggregate their Scope 1, 2 and – where available – 3 emissions. We can then track progress against industry benchmarks. Portfolio companies that started collecting Scope 3 data in 2022 gathered the majority of the data based on their spend or activity.

In 2022, we started to establish a baseline of GHG emission intensity data across our portfolio, however, we expect 2023's

figure to be higher as we will be in a position to collect more detailed information from the portfolio companies, which will add more extensive Scope 3 data.

As of December 2022:

99.69 tCO₂e/MEUR⁶

GHG intensity of portfolio companies

Environmental Compliance

Complying with local environmental protocols is important to Castik, and we expect all our portfolio companies to

observe all relevant local environmental laws, standards and regulations.



As of December 2022:

100%

Sites compliant with local environmental legislation

Impact Highlights

Waterlogic

Waterlogic leads the design, distribution, and service of hydration solutions globally and focuses on producing eco-friendly products. In 2022, the business focused on reducing dependency on single-use plastics and lessening water and energy consumption, in addition to increasing the amount of recycled paper purchased.

During the year, Waterlogic continued the roll-out of its Purezza mains-fed water dispensers targeted to restaurants and hotels. This initiative reduces the costs of transportation, storage and disposal of plastic water bottles, and conserves energy. The specially designed re-usable Purezza bottles are supplied to customers along with the system, and one machine can replace approximately 20,000 one way bottles per year. The company continues to search for solutions to lower costs and increase resource efficiency.



2022

92%

Sites with paper
and packaging
reduction initia-
tives

2022

92%

Sites with waste
reduction initia-
tives

2022

80%

Sites with energy
reduction initia-
tives

AddSecure

AddSecure is a leading European provider of secure Internet of Things (IoT) connectivity and end-to-end solutions with a focus on secure critical communications and secure data.⁷ It has a target to be carbon neutral by 2025 and to lower direct emissions by 40% by 2030. To achieve this, AddSecure plans to reduce its Scope 1 emissions by switching to an electric car fleet and to reduce Scope 2 emissions by increasing the use of renewable energy sources.

In 2022, AddSecure launched an emissions offsetting programme to compensate for all Scope 1 and 2 emissions produced by the business. Moving forward, AddSecure will continue to improve its data quality and scope, including adding further Scope 3 categories to the offsetting programme, and it will establish new KPIs to reflect cost and resource optimisation across the business.

⁷ <https://www.addsecure.com/>

ADD:SECURE®

2022

66%

Scope 1 emissions
from company
vehicle use

2022

77%

Electricity from
renewable
sources

Our Social Impact



At Castik, we uphold the highest legal, ethical, and professional standards in our business. We require all our portfolio companies and employees to strictly adhere to internal rules and policies relating to proper conduct in all aspects of our business. We encourage our portfolio companies to follow the UN Global Compact Principles to ensure all our investments meet their fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

Diversity

The diversity of our workforce is important because it brings different perspectives and ideas to the table. We are fortunate to be based in the heart of Europe and able to attract people from many varied backgrounds into our busi-

ness. Our portfolio companies are committed to promoting equal opportunities in their talent recruitment, retention and development practices, and fostering working environments where everyone can thrive. To demonstrate this commitment, we have set a goal to have a diversity policy in place for a minimum of 80% of all sites by the end of 2023.

2022

64%

Sites across our entire portfolio have a diversity policy

Code of Ethics

As part of our investment strategy, we will exclude companies from our investment universe if there are any material sustainable risks that cannot be mitigated.

All our portfolio companies conduct their business in an ethical and social manner.

2022

88%

Sites across our entire portfolio have a code of ethics

Health & Safety

Health and safety have a high priority at Castik because a safe workplace protects our employees and our visitors, resulting in fewer injuries and accidents at work.

This helps to create an environment in which people feel safe and secure, which boosts morale and productivity.

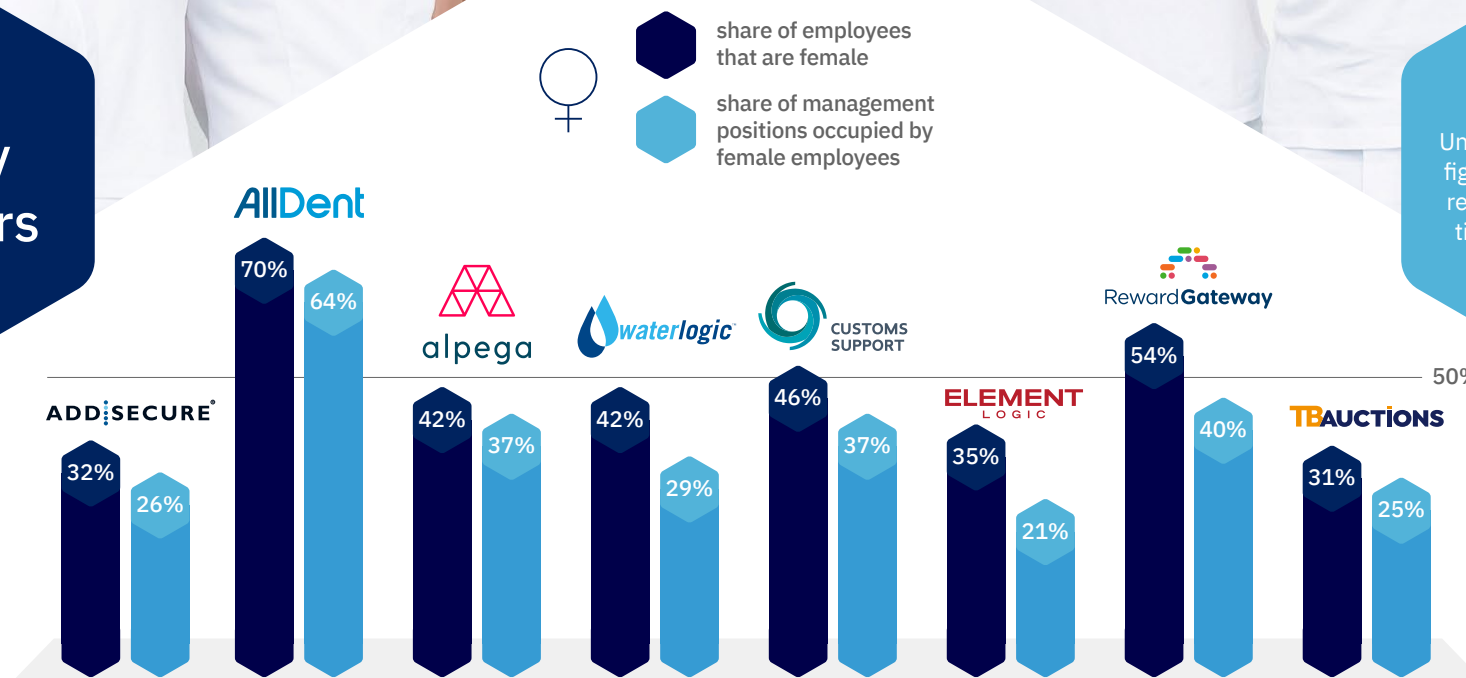
2022

84%

Sites across entire portfolio have a robust health and safety policy



2022 Diversity in numbers



Our goal in 2023 is to begin to benchmark our Unadjusted Gender Pay Gap figures, which we expect to reflect the different operating environments across our portfolio.

Impact Highlights

AllDent

Dental chain AllDent operates multiple large dental practices, which are greenfield operations, and it boasts its own dental laboratory at each site.

In 2022, AllDent focused on introducing a new promotion programme for staff to enable aspiring workers to easily demonstrate the commitment, reliability and responsibility necessary for promotion and higher compensation packages. The dental chain established a new cooperation with a fitness provider to give employees access to local swimming pools, gyms, massage studios and other health and fitness facilities.



2022

93%

Sites with a
code of ethics

2022

100%

Sites with a
health and safety
policy

TBAuctions

TB Auctions is a leading industrial online auction platform for second-hand and second-chance goods and machinery. Its business model is based on extending the life of used assets through auctioning, thereby improving asset lifecycle sustainability.

To further its ESG goals, the business is focused on its three-pillar strategy of: (i) measuring the positive ESG contribution from auctioning goods; (ii) developing its reporting practices to support customer decision-making and SFDR KPIs, and; (iii) reducing its carbon footprint.



2022

88%

Sites with a
code of ethics

2022

85%

Sites with a
health and safety
policy

Reward Gateway

A leading Human Resources Technology and Employee Engagement company, Reward Gateway helps clients to connect, recognise and support their people by using tools and products to drive company success.

In 2022, Reward Gateway further developed its Social Value Strategy, which launched in 2020. Highlights included managers committing to 20 hours per year of community outreach, establishing a network of global community outreach partners, encouraging employees to volunteer and establishing an internship programme.



2022

9%

Unadjusted
gender pay gap

2022

100%

Sites with a
code of ethics
and a health and
safety policy

Our Governance Impact

We believe that good governance is a key factor in the investment decision process and any value creation strategy. We require that members of governing bodies and senior management possess sufficient knowledge, skills and experience to understand and manage investment-related risks.

We ensure that any remuneration policies reflect both the interests of the company and investors and promote long-term goals and effective risk management.

Anti-Corruption Measures

Supporting new acquisitions to uphold high ethical standards and manage risk through robust corporate governance is a priority for Castik.

We require all portfolio companies to develop an anti-corruption policy as part of our 18-month ESG onboarding programme. We take a zero-tolerance policy towards fraudulent, dishonest or deceptive behaviour in all its forms.

2022

78%

Sites across the portfolio with an approved anti-corruption procedure

Labour Regulations

Compliance with local labour regulations is important to Castik because it demonstrates our portfolio companies understand their obligation to their employees.

It reduces the risk of our exposure to those operations and suppliers that are at significant risk of not complying with our ethical outlook.

2022

100%

Sites compliant with local labour regulations across the portfolio

Disclosing Environmental Performance

Castik encourages disclosing environmental performance to increase openness and transparency in demonstrating awareness of broader environmental responsibilities. For many of our recent portfolio companies, this is not an area that has previously received focus. However, since being added to Castik's portfolio, where we stress the importance of robust data and reporting, it has become a requirement.

In 2022, we began integrating environmental performance reporting into the quarterly board meetings of our portfolio companies. We are still in the process of implementing this practice, which will take time for our larger companies to establish due to the scale of data gathering required. All have responded positively, however, and we are confident we will hit our target to ensure 100% of sites are regularly disclosing environmental performance by the end of 2023.

2022

38%

Sites disclosing environmental performance to the board across the portfolio



Impact Highlights

Alpega

Alpega is a leading logistics software company that offers end-to-end solutions covering all transport needs. Its offerings promote sustainable ways of driving transport and distribution businesses through its Freight Exchanges (FX) Solutions and Transport Management Systems (TMS) software.

In 2021, Alpega had only 10% of its sites disclosing environmental performance. As a result, the company made this an area of focus in 2022. Subsequently, it has increased its number of sites disclosing environmental performance by almost nine times.



2021

10%

Sites disclosing environmental performance to the Board

2022

89%

Sites disclosing environmental performance to the Board

Customs Support Group

CSG is a leading and fast-growing customs broker offering a comprehensive range of customs-related services.

In 2021, it identified that its employee training provision could be improved. In 2022, it increased its employee training by highlighting the initiatives already in place to its workforce. This simple focus increased CSG's training uptake from almost 0% to 27% in one year.

Moving forward, CSG will focus on providing a standard set of training across the Group to increase knowledge and encourage employee cohesion and will develop its Group internal audit programme.



2022

100%

Sites monitoring compliance with governance policies and procedures

2022

27%

Employees engaging in training/professional development

Element Logic

Element Logic is a worldwide leading integrator of Auto-Store cubic storage and retrieval systems. Its warehouse solutions provide space and energy-efficient alternatives to help customers streamline supply chain costs and reduce their carbon footprint.

In 2022, Element Logic introduced a corporate governance policy across all its sites, supporting its board to continue robust management as the business develops. It focused on increasing female representation in the company, which it views as a valuable change towards improved governance.



2022

100%

Sites with corporate governance policy

2022

100%

Sites with a supply chain risk management procedure

Don't just take our word for it: Meet AddSecure

AddSecure is a leading European provider of secure Internet of Things (IoT) connectivity and end-to-end solutions.⁸

In 2019, we were added to Castik's portfolio of investment companies. Right from the start, Castik worked with us to implement a systematic process of data collection specific to our unique requirements. This process increased our understanding of the type and quality of information required by investors.

One of our business aims is to help customers lower their carbon emissions. In 2022 our transport management solution was selected by the European Green Digital Coalition (EGDC) with the aim to develop a methodology to calculate the net environmental impact of digital solutions. They wanted evidence – robust and structured data with useful conclusions – and a mass of spreadsheets was not feasible. As a direct result of our new data processes, we were able to easily provide EGDC with the information they needed to make a decision. They then used our solution to develop a case for how to calculate net-carbon impact.

Everything in our business comes down to figures, and Castik's data processes have enabled us to give our customers what they need, allowing us to grow our business. Indeed, AddSecure was awarded a silver EcoVadis⁹ rating in 2021 following a request to use the internationally recognised EcoVadis sustainability scheme. The addition of a sustainability rating to our credentials added value by attracting new customers. However, this also benefited our partners who could report working with a company

with a globally recognised sustainability rating when due diligence was performed on their supply chains.

After further data analysis and a revision to our step-by-step plan, in 2022, we were awarded the gold standard EcoVadis rating. This placed our business in the top 5% of the 90,000+ organisations rated by EcoVadis.

Since 2019, our business has expanded. We are now confident in helping additional clients optimise their operations through secure IoT connectivity solutions as a direct result of our sustainability performance and our relationship with Castik.

Having Castik back us early on gave us a headstart in getting systems in place to collect data we could actually use to improve our product offering and meet our legal ESG requirements.



Johanna Giorgi, Chief Sustainability Officer, AddSecure



⁸ <https://www.addsecure.com>

⁹ EcoVadis is the world's largest provider of sustainability ratings. It provides a holistic rating of companies based on material non-financial management issues that are specific to each individual company. The methodology is built on international sustainability standards, covering 200+ spend categories and 160+ countries. Once assessed, the data is concentrated onto simple scorecards (0-100 scores) and medals (bronze, silver, gold), which provide guidance to improve sustainability performance. For more information, see <https://support.ecovadis.com/hc/en-us/articles/115002531307-What-is-EcoVadis>

Portfolio Company Performance



AddSecure

AddSecure is a leading European provider of IoT connectivity and end-to-end solutions with a focus on secure critical communications and data.

Sector:
IoT Solutions

Head Office:
Sweden

Employees:
836

Material Themes

Energy and carbon

Offset all Scope 1 and 2 2021 emissions, a total of 935 tCO₂e.

Environmental compliance

Had all sites certified to ISO 9001 (quality management) and ISO 14001 (environmental management) standards.

Employee training

Established a digital learning platform and published 27 training modules, with 600 employees (69%) completing at least one.

Climate action

Committed to lowering direct emissions by 40% by 2030 (compared to 2021) and delivering on climate targets.

2022 Highlights

AddSecure is certified in ISO 9011 and 14001, meaning it meets the global gold standards for both quality management and environmental management. The group was recognised for the third consecutive year as an “Excellent Employer” by the Swedish Nyckeltalsinstitutet, placing it among the top 10% of employers in the IT industry. In addition, AddSecure initiated a project to ensure compliance with EU and national legislation on producer responsibility, covering the treatment or disposal of electronic equipment, batteries and packaging. The project is due to be rolled out in 2023 and is expected to produce data connected to the use of its products, which will help the group better understand its material footprint.

ADD:SECURE®



ESG key performance indicator (KPI) highlights

ENVIRONMENT

1,230 tCO₂e
Scope 1 emissions

SOCIAL

25%
Share of women in the corporate management team

GOVERNANCE

2
Corporate Social Responsibility (CSR) awards received in 2022

AllDent

AllDent operates multiple large dental care practices in Germany.

Sector:
Healthcare

Head Office:
Germany

Employees:
1,002

Material Themes

Energy and carbon

Introduced requirements for business travel to be exclusively by train, if possible.

Resource efficiency

Established paperless client processes and internal Human Resources (HR) management.

Employee wellbeing

Developed employee wellness schemes, including subsidised public transport, local gym membership, pension schemes and childcare.

Supply chain resilience

Achieved target for 93% of sites to have a supply chain risk management procedure in place.

2022 Highlights

In 2022, AllDent introduced its “Nelly” programme at reception desks across the business to digitalise patient admissions and treatments. Employee onboarding, salary statements and doctors’ notes have been digitalised, reducing the use of paper throughout the group. A new promotion programme was rolled out, allowing employees to advance their careers and obtain further training and higher salaries, amongst other benefits. Monthly staff surveys now enable management to identify departmental disturbances and address issues early on.

AllDent
ZAHNZENTRUM



ESG key performance indicator (KPI) highlights

ENVIRONMENT

100%

Sites compliant with environmental regulations

SOCIAL

100%

Sites with a health and safety policy

GOVERNANCE

100%

Sites with a corporate governance policy

Alpega

Alpega is a leading logistics software company that offers end-to-end solutions covering all transport needs.

Sector:
Software

Head Office:
Austria/Belgium

Employees:
428

Material Themes

Energy and carbon

Offset CO₂ emissions arising from business travel by joining Greenperk, reducing the carbon footprint of the business.

Sustainable travel

Introduced sustainability criteria in negotiations with hotel partners and used accommodation only with sustainability policies and environmental protection measures in place.

Resource efficiency

Maintained a virtually paperless office environment, reducing the use of paper and office consumables throughout the business.

Employee training

Encouraged employees to develop skills by access to online learning platforms, Coursera and Pluralsight. In 2022, 310 employees used this initiative.

Climate action

Continued the use of data centres 100% powered by renewable energy.

2022 Highlights

Alpega moved its Transport Management System (TMS) infrastructure and workload to the Oracle Cloud Infrastructure (OCI). OCI provides carbon transparency and is committed to powering 100% of its data centres with renewable energy by 2025, in turn reducing Alpega's own carbon footprint. 2022 saw the addition of new rail options for TravelPerk¹⁰ users, resulting in a reduction of 21.6 tonnes of CO₂ emissions over the year. In addition, Alpega launched a green mobility and car policy to transition its vehicle fleet to electric vehicles across all sites.



alpega



ESG key performance indicator (KPI) highlights

ENVIRONMENT

70%

Sites with a waste reduction initiative

SOCIAL

80%

Sites with an approved anti-corruption procedure

GOVERNANCE

50%

Sites with a health and safety policy

Customs Support Group

Customs Support Group is a leading and fast-growing customs broker offering a comprehensive range of customs-related services.

Sector:
Business Services

Head Office:
Netherlands

Employees:
1,278

Material Themes

Energy and carbon

Encouraged the use of e-bikes and electric cars for employees by using financial incentives within the leasing carpools to lessen the carbon footprint.

Company impact

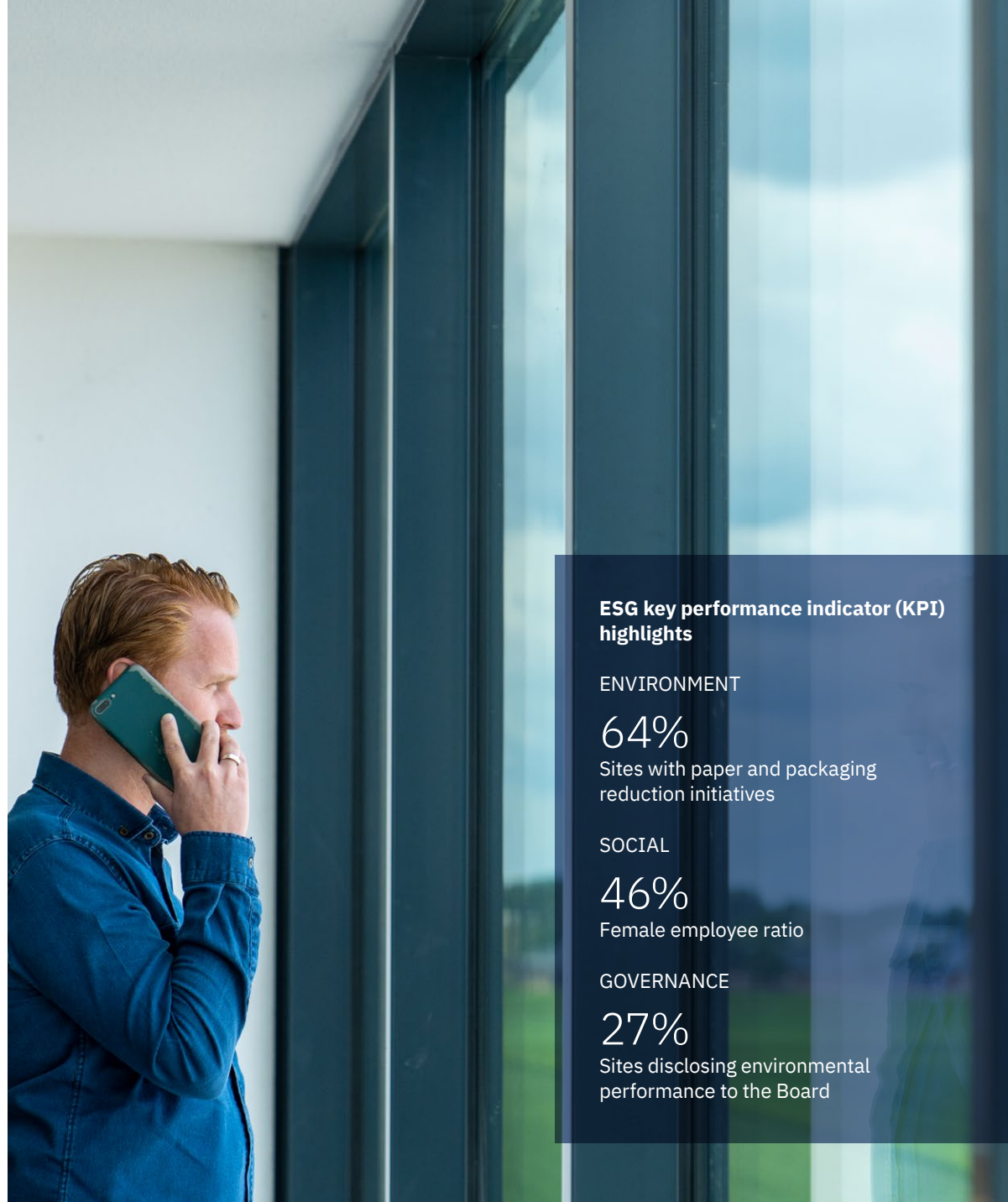
Advanced the digitalisation of customs services to reduce the use of paper in procedures.

Climate action

Established a baseline of climate data by introducing a robust data collection process across the business.

2022 Highlights

During 2022, CSG's introduced a travel policy promoting eco-conscious methods of travel to all its employees. In addition, it provided free-of-charge brokerage services to companies and non-profit organisations sending humanitarian and medical goods to Ukraine and neighbouring countries supporting refugees.



ESG key performance indicator (KPI) highlights

ENVIRONMENT

64%

Sites with paper and packaging reduction initiatives

SOCIAL

46%

Female employee ratio

GOVERNANCE

27%

Sites disclosing environmental performance to the Board

Element Logic

Element Logic is a worldwide leading integrator of AutoStore technology.

Sector:
Industrial Automation & Technology

Head Office:
Norway

Employees:
404

Material Themes

Resource efficiency

Developed initiatives for reducing paper, packaging, waste and energy use, and introduced the use of repurposed furniture for new sites.

Waste responsibility

Committed to properly disposing of batteries and other hazardous waste for all sites and AutoStore installation.

Social action

Improved the understanding of gender representation across the business by establishing internal job matrices, title catalogues and responsibility levels. The aim is to develop an action plan towards a more equal gender balance.

Corporate Social Responsibility (CSR)

Supported communities via annual donations to the charity Doctors Without Borders and expanded initiatives to

include investments in local communities in countries where the business operates.

2022 Highlights

In 2022, Element Logic consulted staff about the nature of future company culture in addition to providing product training to develop workforce expertise. Moreover, the company introduced a unified, global recruitment platform to improve internal data collection processes and highlight any unconscious bias in the recruiting process. Diversity, equity and inclusion as foundational principles were included in many policies and programmes, and improvements were made to the employee benefits scheme.

ELEMENT
LOGIC



ESG key performance indicator (KPI) highlights

ENVIRONMENT

60%

Sites with energy-efficiency initiatives

SOCIAL

100%

Sites with a diversity policy

GOVERNANCE

100%

Sites with a supply chain risk management procedure

Reward Gateway

Reward Gateway is a leading Human Resources (HR) Technology and Employee Engagement company that helps clients to connect, recognise and support their people.

Sector:
Software

Head Office:
UK

Employees:
572

Material Themes

Energy and carbon

Reduced carbon footprint by limiting air travel to essential use and ensuring there is no car allowance or company car policy. The business continued to partner with Trees for the Future to offset carbon emissions.

Resource efficiency

Maintained a virtually paperless office environment to reduce use of office consumables.

Climate action

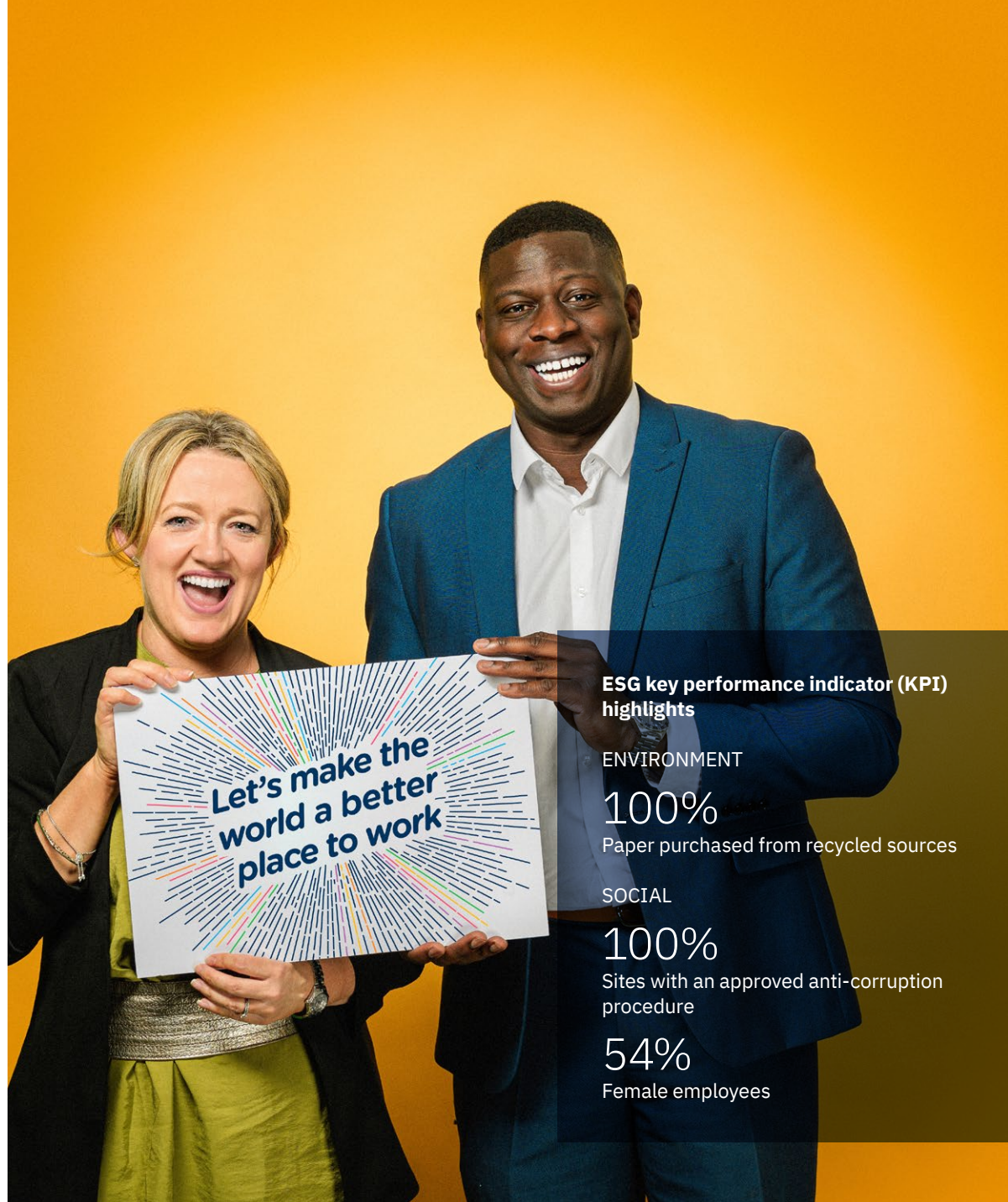
Remained on target to reach carbon net zero by 2050.

2022 Highlights

During the year, Reward Gateway encouraged its workforce to cycle to work. The location of its offices, all located near railway stations, promotes rail travel. In 2022, the company pledged to purchase 25% of its electricity from renewable sources by the end of 2023. In addition, Reward Gateway encouraged its employees to give back to their communities. Some of the initiatives included fundraising for those displaced by the flooding in Karlovo municipality in Bulgaria, purchasing Christmas gifts for children via the Barnardo's charity, and holding a bake-off on behalf of the humanitarian charity, Red Cross.



RewardGateway
the employee engagement people



ESG key performance indicator (KPI) highlights

ENVIRONMENT

100%

Paper purchased from recycled sources

SOCIAL

100%

Sites with an approved anti-corruption procedure

54%

Female employees

TBAuctions

TBAuctions is a leading industrial online auction platform and marketplace for second-hand goods and machinery.

Sector:
Online platform

Head Office:
Netherlands

Employees:
767

Material Themes

Company impact

Creating a circular economy by extending the lifespan of company products.

Energy and carbon

Pursued combined commercial and ESG objectives by developing a robust auction-level carbon calculator to integrate with the ATLAS platform. This has increased the ability to collect robust data, increasing transparency to shareholders and customers.

Employee wellbeing

Initiated the provision of mental health training to employees.

Climate action

Committed to establishing net zero commitments and submitting targets to the Science Based Targets initiative (SBTi) by 2025.

2022 Highlights

In 2022, TBAuctions, in addition to establishing its three pillars (please see page 16) implemented GoodHabits, an online training platform offering a range of developmental modules to increase the skill-sets of its employees. The training was well received and increased the overall training and professional development across the Group. TBAuctions successfully established a baseline for Group CO₂ emissions. Its focus on accurate and detailed data through its first year of collection has provided the Group with a reliable starting point from which to measure future performance.

TBAUCTIONS



ESG key performance indicator (KPI) highlights

ENVIRONMENT

43 tCO₂e
Emissions per capita

SOCIAL

88%
Sites with a code of ethics

GOVERNANCE

100%
Sites with an executive accountable for CSR

Waterlogic

Waterlogic is a leading global workplace hydration solutions company.

Sector:
Business services

Head Office:
UK

Employees:
3,365

Material Themes

Energy and carbon

Established green travel initiatives to reduce carbon emissions, such as the use of the train, and introduced a fleet of new electric and hybrid vehicles.

Company impact

Promoted the Oceansaver Accolade by awarding it to organisations globally that have taken steps to reduce the use of single-use plastics, increasing the visibility and impact of the business.

Sustainable working space

Established a 'hot desking' protocol in offices under maximum capacity by encouraging staff to book a desk to work, saving space and cutting business costs.

2022 Highlights

Waterlogic reduced its water consumption in 2022 by providing more efficient appliances across the Group. It encouraged the use of environmentally friendly materials in the workplace and made additional online training available to its staff.



ESG key performance indicator (KPI) highlights

ENVIRONMENT

76%

Sites with environmental policies

SOCIAL

59%

Employees engaging in training

GOVERNANCE

93%

Sites that monitor compliance with policies and procedures

Global Gruppe

Global Gruppe is a leading German B2B insurance broker platform active in a growing and fragmented market.

Sector:
Insurance brokerage
(Business Services)

Head Office:
Germany

Employees:
481

Material Themes

Energy and carbon

Offset 3,480,280kg of hard-to-abate carbon emissions generated over three years through certified climate protection projects.

Climate action

Certified climate-neutral for the second year running by ClimatePartner.

2022 Highlights

Global Gruppe is a recent addition to Castik's portfolio and will begin its material ESG work, including the adoption of Castik ESG KPIs in time for 2023 disclosures.

The company already has a strong track record of climate impact data gathering and reporting. Since 2020, Global Gruppe has commissioned expert consultants to calculate its corporate carbon footprint based on the guidelines of the Green-

house Gas Protocol. Acting on the data, the company has successfully reduced its relative GHG emissions year on year while offsetting hard-to-abate emissions over three years through certified climate protection projects. These included support for a small hydropower plant in a Bulgarian village, and tree planting and energy efficiency work in Germany. These were combined with a marine conservation project implemented by Plastic Bank, which tackles plastic pollution and poverty by incentivizing coastal communities to collect waste for recycling.

As a result, Global Gruppe was certified climate-neutral for the second year in a row in 2022 by ClimatePartner, an international provider of climate protection solutions.

GLOBAL GRUPPE



ESG key performance indicator (KPI) highlights

ENVIRONMENT

3,480 tCO₂e
compensation via
ClimatePartner



Artus

Artus is a leading German property damage restoration (PDR) provider offering complete end-to-end solutions for the entire restoration process of damages caused by fire, water and natural hazards.

Sector:
Property damage
restoration
(Business Services)

Head Office:
Germany

Employees:
1,086

Artus is a recent addition to Castik's portfolio and will begin its material ESG work, including data collection and reporting, in 2023.



Annex

Mandatory KPIs

GHG emissions (Scope 1, 2 and from 1 January 2023, Scope 3 and total GHG emissions)	1	Activities negatively affecting biodiversity-sensitive areas	7	Board gender diversity	13
Carbon	2	Emissions to water	8	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	14
GHG intensity of investee companies	3	Hazardous waste ratio	9		
Share of investments in companies active in fossil fuel sector	4	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	10		
Share of non-renewable energy consumption and production	5	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	11		
Energy consumption intensity per high impact climate sector	6	Unadjusted gender pay gap	12		
				Optional KPIs	
				Water usage and recycling	1
				Operations and suppliers at significant risk of incidents of forced or compulsory labour	2



Environmental



Social

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