

CENTRAL EUROPE INDUSTRY PARTNERS

ESG ANNUAL REPORT

2024



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Our companies should be generating goodwill and respect in their communities and self-confidence in their employees.

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1. MESSAGE FROM CEIP'S MANAGING PARTNER

I am pleased to provide a brief introduction to our ESG Annual Report for 2024.

At CEIP we have kept ourselves busy this year with the acquisition of BLOCK Group, our first health care investment, and the divestment of ELCOM to a Canadian strategic investor. We have also developed AMiT Group into a leading rail and bus technology supplier with the add-ons of Top Power and Bustec.

We try to keep our focus on sustainability or ESG as simple as possible. It may be difficult to ignore the regulatory and reporting debates around the CSRD and other directives but we concentrate primarily on how ESG can make our companies behave more professionally and add value for their stakeholders.

How have we done this in 2024? We have strengthened our ESG team at the fund. Olha Khymych, Ph.D. joined CEIP in May as our new CEIP ESG Officer and brings with her international, practical and academic experience as an environmental and economic expert. She is able to propose innovative solutions to energy or waste management as well as in our approach to health and safety, all issues which are of vital importance to CEIP and its companies.

I am impressed by the number of ESG initiatives our portfolio companies are able to manage on an ongoing basis. Both during our annual ESG Forum

with company representatives and in this report we see the enthusiasm with which the companies present their activities. We are investors in SMEs therefore not all the companies are in a position to invest in spectacular renewable energy transformations but they can all upgrade their lighting systems, segregate efficiently their waste or look for simple measures to save water. We see many social initiatives which are integrating our teams and promoting healthy lifestyles. Many of our companies are encouraging cycling to work. They are providing fresh fruit in the workplace. They organise regular integration events and work with local schools to promote generally the businesses but also to encourage pupils to consider our companies for a career.

What could we do better? In an ideal world we could certainly accelerate the implementation of independent energy solutions for our companies. The inconsistency in green governmental transition strategies and consequent aberrations regarding tariffs and subsidies make it difficult to implement plans in businesses where capital (or debt) is a precious resource. I would also like to see greater effort in training and development of our companies' internal talent. We are all aware of the difficulties of the local employment market therefore improving our own people is both a sensible business strategy and will benefit our people in the medium and long term.

Regardless of the sentiment towards ESG or sustainability or CSR or whatever we should call the management of non-financial elements of a business, CEIP will continue to steer a straight course, trying to do the right thing and developing responsible businesses.

Ondřej Benáček, Managing Partner

On behalf of Central Europe Industry Partners

2. Who are Central Europe Industry Partners

We are an investment company. We manage resources on behalf of a number of reputable institutional investors and family offices. The expected rate of return for our investors is maintained at a reasonable level in order to allow us to develop the asset into a long-term investment. The size of CEIP investments into any one company is between CZK 50 and 250 million (EUR 2-10 million). In terms of enterprise value, the individual targeted assets can be worth up to CZK 1 billion (ca. EUR 40 million).

For larger targets we consider co-investment with investors we know from our network. We invest in industrial manufacturing and related service companies. We prefer a situation where the initial owners keep a minority stake and further participate in the growth of the company. Investment into a 100% share is not the preferred approach.

Our senior team has a strong track record of increasing the value of companies engaged in industrial sectors. CEIP Partners' previous engagements give them the expertise and established network of contacts to both identify and develop companies in the Czech Republic and Slovakia. For each portfolio company, an Operating Partner from the CEIP team is appointed. This Partner is then actively involved

in the management of the company. CEIP typically develops companies together with their owners / founders and the management of the company would usually participate in the ownership structure. Contrary to many strategic (and some financial) investors, CEIP looks to ensure continuity of the family brand and preservation of jobs in its region. CEIP's intention is to develop top Czech and Central European companies and enable them to grow into major players on the domestic and international markets.

Since 2017 we have been building our reputation in the local market with a consistent and focused approach. We completed the deployment of our first fund in 2021 with investments into six Czech industrial businesses in line with our original strategy. The second fund commenced investment in 2022 and to 31 December 2024 we have deployed CZK 887 million of capital. We have a team of 14 professionals based in our offices in Prague Old Town. At the end of 2024 we had total commitments of CZK 2.2 billion.

As we shall present in the report below, environmental, social and governance (ESG) factors are evaluated and managed in exactly the same way as all other financial or operational activities in our

portfolio companies. Some businesses will have higher levels of ESG risk and opportunity than others but we will apply similar rigour to all our investments because there is no company, which will not benefit from good ESG management.

3. Summary of ESG at CEIP in 2024

It is a testing time for anyone trying to follow the development of ESG / sustainability, particularly in SMEs. At CEIP, ESG has always been a confirmation that we are doing the right thing. We have tried to focus on implementing sensible business decisions, which also happened to be good ESG management without overcomplicating the picture for our investors and stakeholders. This has become more difficult recently with firstly the introduction of CSRD and then in early 2025 the proposal by the European Commission to relax many of the rules it had originally proposed (in the so-called EU Omnibus). Two of our investments, AMiT and BLOCK Groups would need to be CSRD compliant under the current legislation, which can be subject to change and, as we write this, it is not clear if or when the directive would be applied to them.

The process of calculating the carbon footprint was successfully implemented together with our partner, CI3, allowing us to apply its Carbonfix tool to ensure standardisation across the portfolio. The implementation remains challenging and we are conscious that this is a complex process for SMEs, sometimes still in the process of introducing or updating existing information systems. We were able to fully activate the tool in all four entities at the new investment in BLOCK Group and also at Top Power, a new member of the AMiT Group. However, we still do not have the tool at KOSYKA and Bustec, the latter only joining the portfolio in December 2024. Despite these omissions, we have a powerful instrument at Fund level providing a cornerstone of our ESG management process. It gives a basis for analysing energy consumption as well as insights into our value chain and certain HR practices. We can benchmark easily between companies and execute initiatives to address emissions across multiple portfolio companies.





All companies have looked at the feasibility of implementing renewable energy solutions, with less success than we would have hoped. JIHLAVAN's completed solar power plant enjoyed its first full year of energy generation in 2024 and was able to provide 13% of the company's electricity. Other projects have been more difficult to realise with structural problems, grant program suspension and permit issues all creating hurdles to overcome. We have been more successful with the implementation of charging stations and acquiring electric vehicles. The input of Olha Khymych and Ivana Sobolikova in our ESG Team has been invaluable in advancing our knowledge of the circular economy and how to implement practical measures for waste manage-

ment, recycling and the first steps in product life cycle assessment.

After a number of years working with our companies on ESG issues, a certain pattern of activities is visible across portfolio companies with regard to social initiatives. We use universal KPIs to assist our HR management; we recommend the implementation of annual employee surveys; we encourage our companies to interact closely with local schools and higher education institutes; the companies participate in charitable and other community activities; and sporting and other social activities are encouraged. We are proud of the advances in health and safety at our portfolio companies but as long

as there will be a single accident in a company, we will not rest on our laurels.

At the end of 2024, while the companies' bonus schemes were being finalised, ESG objectives were set and linked directly to part of the CEO's remuneration.

The information in this report relates to investments in Central Europe Industry Partners a.s.

(CEIP I) and Central Europe Industry Partners II SCSp.

Portfolio Company ESG KPIs

KPI	UNIT	ROKA Industry	Applied Precision	BMH	KBNK	JIHLAVAN	VYVA PLAST	AMIT Group	KOSYKA	BLOCK Group
Carbon footprint Scope 1 + Scope 2	tons CO ₂ e	628.3	48.2	292.4	108.4	1,571.7	821.0	1,157.8	144.3	625.2
Carbon footprint Scope 1 + Scope 2 + Scope 3	tons CO ₂ e	4,230.0	405.5	1,500.3	1,608.9	N/a	9,069.1	6,264.4	N/a	15,026.3
Electricity usage	MWh	957.8	78.8	29.4	100.4	2,714.1	1,219.0	1,514.1	267.9	405.2
Gas usage	000m ³	23.2	6.8	9.9	10.1	141.2	26.4	67.6	-	69.6
Water usage	m ³	3,012.0	393.0	83.0	204.0	4,320.0	734.2	4,405.0	762.0	1,418.0
Toxic emissions	tons	1.9	-	26.4	-	1.6	0.4	-	-	-
Hazardous waste	tons	14.6	0.01	9.0	-	397.0	2.9	2.0	0.12	1.6
Green revenue	%	0%	0%	98%	4%	0%	N/a	48%	0%	0%
Total no. of FTE's	#	80	39	32	34	188	82	492	124	213
Gender split (female %)	%	12%	8%	9%	56%	26%	36%	34%	82%	73%
Unadjusted gender pay gap	%	-8%	-28%	-2%	-38%	-13%	-30%	-37%	-40%	-22%
No. of accidents	#	2	-	-	1	1	4	3	1	1
Days lost due to injury	days	20	-	-	86	13	82	34	52	-
Absenteeism	%	8.0%	5.0%	7.2%	16.0%	4.0%	7.6%	5.2%	8.0%	3.6%
Staff rotation	%	19.0%	8.0%	9.0%	17.0%	12.0%	6.0%	13.7%	20.0%	20.3%
% of staff participating in an employees' survey	%	46%	N/a	90%	78%	N/a	53%	67.5%	78%	N/a
Average age of employees	age	45.0	44.0	46.8	47.0	45.9	42.0	42.2	47.0	43.1
Training hours per employee	hours	16.0	7.0	5.5	8.0	N/a	28.0	3.7	15.0	21.5
No. of GDPR reported incidents	#	-	-	-	-	-	-	-	-	-
No. of whistleblowing incidents	#	-	-	-	-	-	-	-	-	-
No. of IT security breaches	#	-	-	-	-	3	-	-	-	-

Green cells represent improved performance 2024 v 2023.

Red cells represent worse performance 2024 v 2023.

Gray cells represent unchanged performance 2023 v 2022 or unavailable data for one of the periods.

The table above is intended to give a single source of information for the key ESG KPIs, which CEIP monitors on a regular basis to manage the businesses and help mitigate risks or capitalise on potential opportunities.

Specific issues highlighted in KPIs are commented in the companies section below but the overall comments are:

- The environmental KPIs show the differing profiles of the CEIP portfolio companies. Relatively heavy production businesses such as ROKA Industry, JIHLAVAN and VYVA PLAST require higher levels of energy consumption than lighter, more assembly-focused companies such as AMiT Group or KOSYKA or service-focused operations such as BMH or BLOCK Group. The implementation of renewable energy sources has not proceeded as quickly as planned with restrictions to grants and unstable energy pricing disrupting the projects, which had been in preparation.
- With the exception of ROKA Industry, JIHLAVAN and Bustec (AMiT Group), portfolio companies do not have significant requirements for water in their production processes. Elsewhere water is limited mainly to sanitary purposes only and a number of the portfolio companies have implemented low level water saving measures, reflected in the generally reduced consumption in 2024. JIHLAVAN is the largest consumer of water and therefore its increase, as a result of significantly increased production levels year-on-year has substantially offset the relatively small savings elsewhere in the portfolio.
- Four of the companies generate toxic emissions below the statutory level requiring reporting. At BMH the emissions relate to styrene production. At JIHLAVAN, VYVA PLAST and ROKA Industry the emissions are generated by gas usage and from some of the processes such as galvanisation and the paint shop.
- Several of the processes at JIHLAVAN generate hazardous wastes, namely aqueous sludges containing paints or varnishes with organic solvents or other hazardous, ferrous metal filings and chips and waste iron and steel. The REACH initiative addresses the reduction of such waste.
- Green revenue is a CEIP concept where portfolio companies estimate the revenue generated for products and customers which are EU Taxonomy aligned (the FTSE Russell Green Revenue Classification is used as a proxy for EU Taxonomy). The % of green revenue ranges from 0% at several companies to ca. 98% at BMH, which specialises in water treatment and supply. This approach is not only a tool to test the EU Taxonomy alignment of the companies but also to help business development. Despite some setbacks in certain sectors such as e-mobility, CEIP still regards green transition sectors such as energy in general, water and climate change mitigation (such as decarbonisation or carbon capture) as growth areas and therefore the focus for potential expansion for industrial companies.
- In absolute terms, the number of employees in portfolio companies has increased by 35% year-on-year. This is mainly the result of incoming investments being significantly larger than the single divestment from the portfolio in 2024. Comparing the companies in the portfolio in both 2023 and 2024, the overall workforce has fallen slightly by just under 3%.



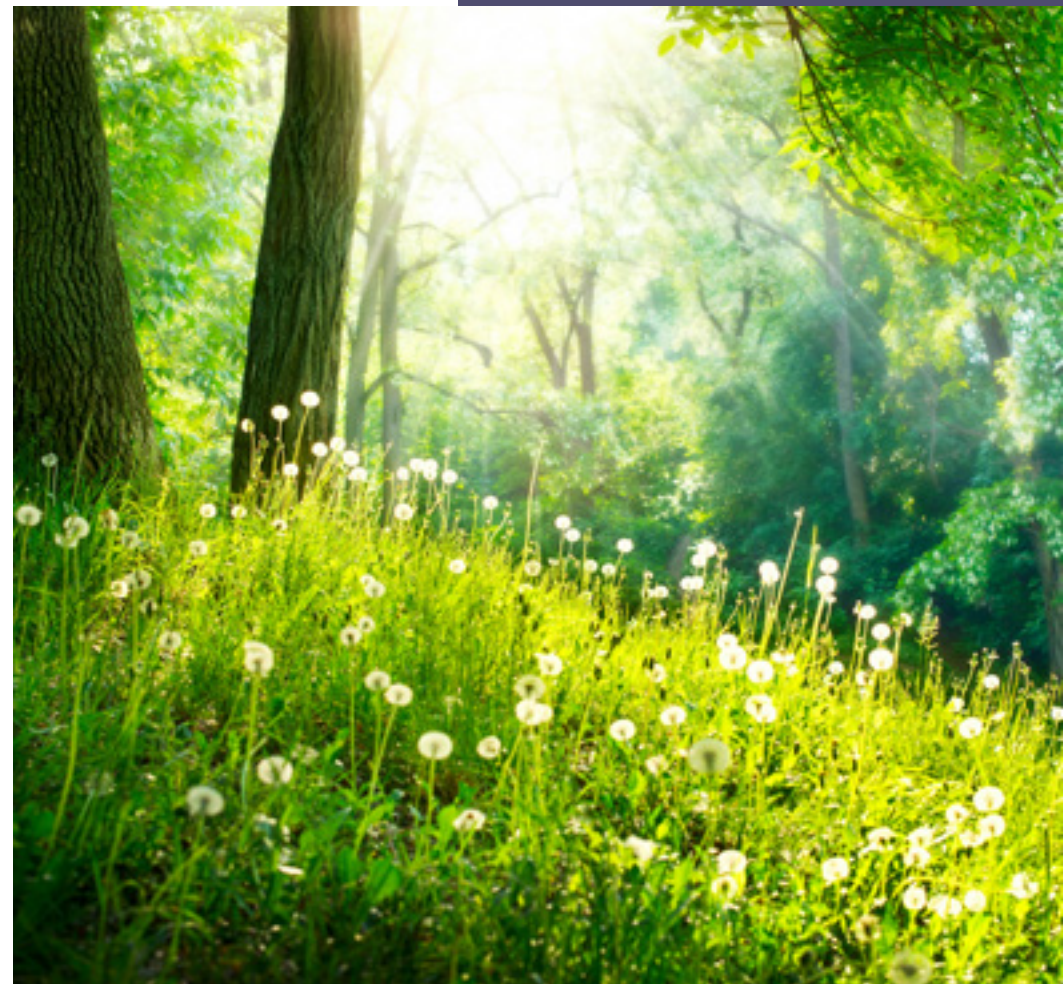
- There is a wide disparity in gender split among companies, ranging from 9% to 86% female participation in the workforce. There is more often a heavy bias towards male employees and management in a portfolio primarily consisting of industrial businesses. However in roles, which require dexterity and reliable continuous accuracy, such as the roles in KOSYKA and, to a lesser extent, in KBNK, there is a higher number of females in the work force.
- This gender split is a structural issue for most portfolio companies. All CEIP companies measure the unadjusted gender pay gap, meaning that they compare the average salaries of male employees compared to the average salaries of female employees, without taking into account any adjustments for age profile or length of experience. The statistic should be a clear indicator of the representation (or lack of it) of females in senior positions. This remains a legacy problem for industrial businesses and it is quite difficult for the companies to address without facing the core problem of a materially smaller number of fewer women graduates from engineering and IT related subjects. CEIP and its portfolio companies, if they are determined to address the problem and make their management more representative of the overall population, will need to engage in a comprehensive strategy. This could involve partnerships with NGOs and educational establishments as well as improving conditions for female workers (for example better mentoring as well as more flexible working hours to improve retention rates and development internally of women managers) and removing any bias (conscious or unconscious) from the recruitment process. The potential benefit is better balanced decision making, improved risk management and increased choice when recruiting new staff.
- CEIP insists on a zero tolerance policy for workplace accidents and this is reflected in the generally low accident rate for our industrial businesses. Those companies experiencing accidents in 2024 have all implemented additional measures to avoid repeats of the incidents. Of the 13 accidents requiring 3 days or more absence of work, 4 of them were at companies new to the CEIP portfolio in 2024.
- Absenteeism is defined as the total number of working days lost due to sick leave as a proportion of total number of working days. This basic number can conceal a number of elements such as long-term sickness or maternity leave for a small number of employees. However, there is generally a concern that absenteeism rates are too high in portfolio companies and in some cases can cause disruption to work capacity. Management is addressing the issue with assessment of the root causes for the KPI level and proactive initiatives to address these, whether this is additional medical or health support, a better developed wellbeing policy or more flexible working conditions.
- Staff rotation has been falling at most of the companies in 2024 but a median of 12% across all companies is perceived as higher than optimal.
- CEIP encourages all of its companies to use employee satisfaction surveys to gauge the motivation levels and collect suggestions for improving the business in a structured way. Clearly high participation is preferable and is also a measure of the confidence and trust of employees in management. It can be seen that in the 6 companies running a survey in 2024, there was an average participation rate of 70%, which is quite satisfactory. Companies falling

below this level are encouraged to reinvigorate the survey process and assess whether they are meeting expectations of the workforce regarding the implementation of suggestions arising from the surveys. New companies to CEIP are encouraged to carry out surveys as soon as possible, preferably in the first year following acquisition.

- Training hours per employee was only introduced as a KPI in 2023, and some of the companies are reporting it for the first time in 2024. It is too early to suggest a correlation between low training rates and high staff rotation but career development is regarded as a key element to address succession planning in all companies.
- For the three governance indicators, there was only one company reported incidents in 2024, for IT security breaches and these breaches did not result in access to sensitive data. CEIP will review the efficiency of all these procedures in 2025.

Carbon Footprint


The greatest single ESG challenge for CEIP and its companies in 2023 was the commitment to a full carbon footprint calculation. For a fund of industrial SMEs this was ambitious. Having prepared inhouse Scope 1 and 2 calculations for the previous two years, we identified a Czech business, CI3 and its application CarbonFix, which was able to offer a solution for a full calculation process and some assistance with implementing and customising the methodology for individual portfolio companies.



* Emissions for 2023 restated by Carbonfix.

** AMiT standalone reported in 2023, AMiT + Top Power reported in 2024, Scope 1 & 2 emissions estimated for Bustec in 2024, Scope 3 not yet available for 2024.

CEIP Carbon Footprint Data (tons CO ₂ e)	Carbon Footprint (Scope 1/2)			Carbon Footprint (Scope 1/2 & 3)			Tons of CO ₂ e* / EUR 1 million revenue		
Company	2022	2023	2024	2022	2023	2024	2022	2023	2024
ROKA Industry	990.8	1,016.7	628.3	N/a	4,507.3	4,230.0	111.5	118.7	107.2
Applied Precision	N/a	N/a	48.2	N/a	N/a	405.5	N/a	N/a	13.7
BMH	328.3	313.9	292.4	1,860.6	2,477.0	1,500.3	57.9	44.7	50.5
KBNK*	112.5	115.3	108.4	N/a	1,372.1	1,608.9	51.1	58.4	67.1
JIHLAVAN	2,204.9	1,822.8	1,571.7	3,400.5	2,933.2	N/a	216.1	165.5	113.0
VYVA PLAST	965.6	833.9	821.0	N/a	8,458.6	9,069.1	72.7	81.8	75.1
AMiT Group**	434.0	400.6	1,57.8	3,169.8	3,144.2	6,264.4	22.6	17.9	21.2
KOSYKA	205.9	188.4	144.3	N/a	N/a	N/a	17.1	18.4	20.3
BLOCK Group	N/a	639.5	625.2	N/a	9,678.6	15,026.3	N/a	11.4	14.0
TOTAL	5,242.0	5,331.1	5,397.3			38,104.5	549.0	516.8	481.9
CEIP Advisor	N/a	4.2	4.0	N/a	49.1	48.5	N/a	2.5	N/a

In the table above the numbers in bold have been calculated using the CarbonFix application, while the other cells are calculated using inhouse methodology and the [UNFCCC calculator](#) . There is some inconsistency with data from the two calculation sources, due to (i) different algorithms used for certain emissions, (ii) market-based Scope 2 emissions were used for the UNFCCC calculation and location-based for Carbonfix. We have opted to present the full data available in the interests of transparency.

Reduction of the full carbon footprint will be a complex process, given that indirect Scope 3 emissions regularly comprise 90% of total footprints for individual companies, most of which relate to purchases. As relatively small contributors to most of our suppliers' revenue, the companies can only exert limited pressure on this key element of the footprint. In absolute terms, 3 CEIP companies (Applied Precision, BMH and probably KOSYKA) have significantly less emissions than the other companies. On the other hand, one of the companies with the highest footprint in relation to revenue, JIHLAVAN, has carried out the most initiatives to address the issue and has already been successful in this regard with a decrease of almost 30% in its Scope 1 and 2 emissions between 2022 and 2024 (nearly 50% if revenue adjusted).

CEIP will maintain its policy of full carbon footprint information disclosure as we believe that this is the single best indicator of impact, difficult as it may be to calculate and influence.

The first stages of net carbon zero strategy was to calculate the full carbon footprint, assess the elements of the footprint under the direct and indirect influence of the individual entities and consider measures to reduce these elements. At the same time we have started to carry out a tracking process to indicate the theoretical cost of offsetting the carbon footprints. This focuses attention on the approximate costs of such a solution. We are aware that carbon offsetting is an imperfect approach to solving climate change but its cost gives some indication of the cost of compensating carbon footprints, which can be benchmarked against the investments and operating expenses required to reduce the footprint using company or fund resources. It can also be used when planning an overall net carbon zero strategy.

Theoretical Carbon Offsetting (using [Gold Standard Marketplace](#)  credit estimates from March 2025 applied to carbon footprints from the table above).



Cost in CZK	Scope 1/2			Scope 1/2/3		
Company	Tons CO ₂ e	Min. Cost	Max. Cost	Tons CO ₂ e	Min. Cost	Max. Cost
ROKA Industry	628.3	145,303	1,307,731	4,230.0	978,270	8,804,434
Applied Precision	48.2	11,151	100,358	405.5	93,786	844,074
BMH	292.4	67,624	608,618	1,500.3	346,980	3,122,819
KBNK	108.4	25,064	225,573	1,608.9	372,091	3,348,815
JIHLAVAN	1,571.7	363,480	3,271,320	N/a	N/a	N/a
VYVA PLAST	821.0	189,884	1,708,956	9,069.1	2,097,412	18,876,707
AMiT Group	1,157.8	267,755	2,409,793	6,264.4	1,448,769	13,038,925
KOSYKA	144.3	33,382	300,434	N/a	N/a	N/a
BLOCK Group	625.2	144,580	1,301,223	15,026.3	3,475,125	31,276,123
TOTAL	5,397.3	1,248,223	11,234,006	38,104.5	8,812,433	79,311,898
CEIP Advisor	4.0	927	8,347	48.5	11,217	100,949


There are significant differences between the per ton offsetting of carbon emissions, depending on the characteristics and cost of the projects being sponsored. Taking this into account, we have mapped the theoretical costs using the cheapest and most expensive projects calculated on Scope 1/2 emissions and Scope 1/2/3.

Key Initiatives for 2025

In 2025, there are some key initiatives planned across the portfolio:

- ESG Strategy, the main elements of the fund-level strategy are:
 - Adding maximum value to the portfolio (at an acceptable cost) and minimising risk with focus on enhancing the value of portfolio companies through sustainable practices while managing costs and minimising ESG-related risks.
 - Ensuring compliance with ESG regulatory requirements at fund level and that portfolio companies adhere to all applicable local and international ESG regulations to avoid legal and reputational risks.
 - Prepare portfolio companies to deal with ESG-related requests from key customers/stakeholders by equipping the companies with the necessary resources, knowledge, and practices to handle ESG inquiries effectively.
 - Be the fund with the most effective ESG management in the Czech Republic; striving to set the standard for ESG management within the region, positioning the fund as a leader in sustainable and responsible investment practices.
- **Carbon Footprint:** Further work on the potential reductions of emissions, resulting from the carbon footprint calculations. It is likely that additional assistance will be required in the more complex businesses from external energy audit specialists.
- **Renewable Energy:** The implementation of renewable energy projects has not progressed in 2024, therefore a change of approach is planned. There were technical problems with the roof for one major project and the divestment of a business caused the suspension of a second project. The third project, which had gone through feasibility study was also suspended as the financing was not available. In 2025 there are solar panel feasibility studies planned in BLOCK CRS and Bustec. Top Power is expecting to install panels on its new production building (the current building already has panels). The new approach in 2025 is to identify a specialist advisor who can carry out two pilots with portfolio companies regarding the possible implementation of batteries. These would not necessarily be linked to solar (this is an option) but would also be considered on purely economic terms taking into account peak and off-peak electricity tariffs.



- **E-vehicle Charging Stations:** JIHLAVAN, KBNK, AMiT Transportation and AMiT Automation, VYVA PLAST and BMH all have charging stations on the premises. ROKA Industry and BLOCK CRS are planning to install charging stations in 2025. AMiT Services is planning to expand the number of EV charging stations from the current two to four. These chargers will also be used by AMiT Transportation. At the same time, AMiT Automation is currently negotiating the possibility of using charging stations at its premises in Brno. In Top Power, the goal is to install three charging stations. In Bustec, an audit will be conducted to assess the potential for implementing EV charging infrastructure.
- **Green Revenue:** The green revenue initiative is undergoing revision as a result of the geopolitical and macroeconomic impacts on some of the EU Taxonomy categories. CEIP is looking to narrow the focus for business development of its companies to a smaller number of green transition sectors or niches.
- **Sustainable materials:** VYVA PLAST is introducing a new type of material – bioplastic elements with content of wood up to 70%. The result is a product with an elegant structure, a natural look and a significantly lower carbon footprint. It appears to be a good balance between functionality, design and respect for the environment. It has the aesthetics of wood, with the technical properties of plastic and is compostable.
- **Circularity:** VyvaPlast has found a solution to recycle previously unrecyclable plastic waste into a new circular product called [Terratico](#) . Instead of being sent for incineration, this material is now turned into a sustainable product with a low carbon footprint. This approach helps the company reduce CO₂ emissions, cut costs, and contribute to the circular economy by giving waste a second life.
- **ESG Service Providers:** Continuation of the building of the CEIP database of ESG service providers.
- **ESG Best Practices:** The ESG best practices tool will be focused this year on template policies, which can be customised by portfolio companies and added easily to their Codes of Conducts.
- **CSRD Compliance:** AMiT and BLOCK Groups fall within the remit of the current CSRD legislation and had already undertaken the first steps to prepare for reporting in 2026 for 2025. With the EU Omnibus having been announced by the European Commission it is now not clear under possible new regulations if the companies will remain in scope and, if so, from when they would be required to report.
- **ESG Forum:** The annual CEIP ESG Forum will take place again in October with all CEIP portfolio companies' ESG Officers invited to a full day program of relevant ESG material and discussion.
- **ESG-linked Remuneration:** Individual ESG objectives have been set for every CEIP company in 2025 and are linked to CEO remuneration (see companies section for more information about the objectives).

4. CEIP'S ESG management

- E** – CEIP is active in sectors where it will encounter challenges with environmental issues but also find opportunities with new or existing customers.
- S** – The very low unemployment rate creates difficulties for HR management (recruitment and retention).
- G** – Governance is a key element of added value with the conversion of founder-run businesses to agile corporations.

When we acquire companies as a fund, our primary goal is to enhance their operations, going beyond legal requirements. To ensure that our management stays aligned with ESG standards, we have implemented ESG-related bonus targets for their yearly performance evaluations. We believe that optimising both production processes and working conditions is at the core of our strategy, understanding that this is a long-term journey.

Our team members, who are industrial specialists, are pragmatic problem solvers. We recognize that good ESG management is not only a moral obligation but also a smart business strategy that brings benefits to all our stakeholders. We are committed to reducing energy consumption, minimizing pollutants, and improving waste management—these are all rational operational goals.

We also aim to build strong employer brands across our portfolio to help attract and retain talent. We want our companies to generate goodwill and respect within their communities and foster self-confidence among their employees.

We aim for clear communication and relationships based on trust, where processes are rational, easily understood, and information is provided with the right level of detail—without unnecessary embellishments.

For us, ESG is not a separate concern; it is integrated into our core business operations, and we strive to address it to the best of our ability.



ESG Procedures

CEIP applies a standard process to analyse ESG risks and opportunities in all its portfolio companies. The process relates to all stages in the life of the investment. We would expect to address at least the specific issues mentioned in the table below:

GHG Emissions	Health & Safety	Internal Controls / Reporting
Energy Usage	Diversity & Inclusion	Cybersecurity / Data Protection
Water Usage	Employee Satisfaction	Transfer Pricing
Circularity and resources management	Community relations	Anti-Bribery / AML
Toxic emissions	Human rights	Code of Conduct / Ethics
Sustainable product design	Supply Chain	Risk Management
Climate Risk Mitigation	Training/Career Development	Tax Policy

When one or more major risks are identified prior to our investment, we address them immediately to assess whether or not we are able to mitigate such a risk or if we need to withdraw from the transaction at an early stage. If we are prepared to accept the presence of an ESG risk we must be confident that we will be able to implement mitigating initiatives during our time in the business.

ESG actions, initiatives and targets are planned and executed in line with the priority level attributed to the specific issue. ESG must be included explicitly as part of the 100-day plan process. CEIP will assess the granular risk rating of each company based on a standard approach. The risk position will be measured on entry to the investment and an exit level risk will be agreed and set. Specific initiatives must be in place already at this stage to ensure that there is a clear road map from entry to exit.

It is important that each portfolio company should have an Environmental and Social Management System (ESMS). Transparent reporting of ESG is good practice and is expected by investors. Company board meetings include ESG as a specific agenda item at least twice per year. The CEIP Chief Risk Officer works with the ESG Officer to co-ordinate the annual ESG report, summarising reported KPI's, risk rating and a commentary including a progress report on all ongoing and new initiatives, and exceptional events or incidents.

Exceptional ESG issues should be included in the quarterly investor reporting (e.g., a new "green" product or service, a retrenchment program, a non-critical fraud case). In the event of a major event, threatening the reputation of CEIP and its investors (e.g., a serious accident, a chemical contamination incident, a high-profile issue relating to a supplier) then an immediate communication should be issued to all investors.

As an Article 8 Fund, CEIP II promotes environmental and social characteristics and integrates them into its investment strategy. We have a specific approach to this topic as we are prepared to invest in companies which are not “green” but which (i) fulfil an important function in a value chain, (ii) we believe that by implementing professional ESG management, we can improve their performance relating to energy use, emissions, waste management, health and safety and equal opportunities among others, and (iii) we may have an opportunity to increase their exposure to the green transition in terms of products or services they already offer or can introduce.

When assessing the risk we may be accepting in an investment we use Principal Adverse Impact (PAI) Indicators to measure the potential negative impacts of investments on sustainability factors. We continue to measure and report these indicators throughout the period of our investment.

Regarding EU Taxonomy alignment we make best efforts to evaluate all of our companies in terms of their engagement in designated activities and that they are doing no significant harm. We are aware that we can improve this process and we are in consultation with our ESG Officers to realise this objective.

CEIP includes climate change risk and vulnerability in part of its risk assessment and we have not identified any such risks which should have a material impact on financial performance. Equally we do not see any of our investments creating significant negative impact. Nevertheless we were taken aback in 2024 when BMH, the company we expect to benefit most from climate change developments, suffered a short-term setback as a result of the indirect effects of the Czech flooding. We have now built this element into our risk map.





ESG Organisational Structure

- The Partner Team approves CEIP ESG Policy and the Fund ESG Officer executes the CEIP ESG strategy, assisted and supervised by the Chief Risk Officer (CRO).
- An ESG Team was established in 2024 consisting of the ESG Officer, the CRO, the Chief Financial Officer, a senior member of the investment team and a long-standing ESG advisor to CEIP. The team meets on a monthly basis to consider the implementation of the ESG strategy and ensure optimal coordination with the investment team and fund operations.
- Operating Partners take responsibility for ESG at portfolio company level.
- ESG management is executed formally through the companies' boards but less formal co-operation with the companies takes place as well.
- At the company level, an ESG Officer is appointed to ensure that the ESMS is implemented if it did not already exist. He or she will be responsible for coordinating ESG initiatives, ensuring compliance and reporting at company and fund level.
- ESG targets are included in the CEO's remuneration (as part of bonus payments)

5. CEIP portfolio companies ESG status



ROKA

ROKA Industry is a manufacturer of welded steel and stainless-steel structures with a history dating back more than 30 years. The company is based in Teplice in the west of the Czech Republic. The structures produced are mainly for construction and machine tools. ROKA Industry has a wide range of machinery comprising among others laser burning technology, horizontal machining and welding technology including welding robots.



Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



The Primary SDG's being addressed at ROKA Industry relate to modernisation of the production process, which can lead to improved resource utilisation, and waste management related to metal scrap and hazardous waste. The Secondary and Awareness SDGs relate to renewable energy training and career development, general awareness of sustainability and improved corporate governance.

ESG Summary

Environment

- ROKA Industry's carbon footprint was restated for 2023 as the Carbonfix calculation was only completed after the publication of the report. Both Scope 2 and Scope 3 emissions fell in 2024 compared to the previous year and the revenue adjusted Scope 1 and 2 emissions dropped 10%. The main reason for the drop in Scope 1 + 2 is due to a change in transportation policy. ROKA Industry has reduced its own transport activities, which has resulted in a significant saving on fuel consumption for all vehicles.
- Toxic emissions and hazardous waste both increased compared to 2023. This is explained by increased use of the paint shop.
- The lighting system in changing rooms has been upgraded to enhance these social facilities and make them more energy efficient.
- Small trees were planted around the premises in the spring to improve the appearance and make a modest contribution to carbon offsetting.

Social

- In 2024 an initiative was implemented to raise awareness regarding accidents at work. Accident-free periods were celebrated with free company lunches for all employees. This reminded workers and managers of safety at work on a daily basis. A lunch was funded by the company after 150 days free of accidents. Unfortunately in the second half of the year there were two minor accidents, the causes of which have been reviewed and appropriate action taken.
- New defibrillation equipment has been installed in the company's entrance hall.
- Absenteeism and staff rotation were higher in 2024 compared to 2023. Absenteeism is skewed by 3 employees with longer term absences. Staff rotation has been impacted by newly recruited team members not being retained after the trial period. It is expected that this situation will stabilise in 2025.
- The next employee survey is planned in the first half of 2025.
- Although there were fewer training hours per employee than in 2023, ROKA Industry still provides consistently higher levels than other companies. In 2025 they will be seeking additional opportunities to use grant-funded development programs.
- In addition to a presentation to students at the local technical college, 4 pupils completed their working practice at ROKA Industry.
- The company has once again participated in the nationally-coordinated Cycle to Work event last May.
- The anniversary award program for long-serving employees has been continued with 4 awards made in 2024.
- The company-organised darts tournaments maintained their popularity.
- The staff dining room equipment was upgraded.

Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification:
 - ISO 14001:2015 – environmental management system for production of welded steel structures and production of machine parts
 - ISO 45001:2018 – safety and protection of health at work management system for production of welded steel structures production of machine parts
 - EN 15085-2:2020 – Welding parts of railway vehicles
 - EN 1090-2:2018 – Welding of parts of steel structures
 - EN ISO 3834-2:2021 – Welding of parts of steel structures, parts of railway vehicles and machine components.

Key ESG objectives in bonus targets for 2025:

1. Add flavoured juices to the drink machine connected to the company water supply (i.e., limiting the purchase of packaged drinks and plastic usage);
2. Complete the replacement of all plastic food containers for the night and afternoon shifts with glass containers (which can be reused);
3. Present production employees with information on healthier eating during a staff meeting (primarily directed at those for whom the company provides refreshment);
4. Replace one of the urinals with a waterless one, if the technology on site allows it (to be confirmed).

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
ROKA Industry	8.2	8.0	8.1

The application of the risk rating model is explained [here](#) .

The risk rating was negatively impacted by increases in staff rotation and absenteeism.

ESG Responsibility

Michal Flídr, CEIP Operating Partner

Pavel Švihlik, Chief Executive Officer, ESG Officer

Applied Precision is a Slovakia-based leading global supplier of meter testing technology. 70% of the shareholding was acquired by ELCOM in 2022, when CEIP was still the shareholder. When ELCOM was divested by CEIP in Q1/2024, Applied Precision was spun off and retained in the CEIP portfolio. The company offers a complete portfolio of products for testing and calibration of electricity meters for both stationary meter testing as well as a portable option. With over 30 years' experience, a strong research team in Bratislava and a worldwide network of distributors, Applied Precision is a well-established player in its sector.

Relevant Sustainable Development Goals (SDG's).

Primary



Secondary



Awareness



The Primary SDG's being addressed at Applied Precision relate to the impact on effective energy usage of Applied Precision's product offering. The Secondary SDG relates to the emphasis Applied Precision places on developing inhouse technical talent. The Awareness SDG's relate to enhanced training, addressing the gender imbalance in the workforce and improving levels of corporate governance.



ESG Summary

Environmental

- Applied Precision is spending a small amount of R&D time on a blue sky, direct current measurement initiative, which could have applications in renewable energy measurement.
- Electricity usage was 16% above 2023 consumption. The main element influencing electricity usage is the requirement for air conditioning. In 2024 average temperatures and the number of days above 30°C increased compared to 2023. Solar panels on Applied Precision's rented offices have been installed at the beginning of 2025. There is no information available about the levels of renewable energy in the company's energy mix.
- Gas and vehicle fuel consumption were very similar to 2023 levels.
- Water consumption rose 26% year-on-year but still remains at the relatively small level of ca. 40 litres per employee per day.
- The already low level of hazardous waste was further reduced to below 10 kilograms. This relates only to rags and gloves contaminated with small traces of oil or other cleaning substances and packaging with small residues of low level hazardous substances.
- When packing equipment for despatch, Applied Precision uses exclusively ecological FLO-pack natural granules made from starch as a filler.

Social

- There is a significant gender imbalance in the workforce, which slightly worsened in 2024 (only 3 of the 39 employees at the end of the year were female). This is influenced mainly by the shortage of female candidates for the technical roles in the company. Given the male dominance at management level, it is not really surprising that there is a 28% unadjusted pay gap.
- There were no accidents recorded in Applied Precision in 2024.
- Absenteeism rose from 3% to 5% in 2024 but staff rotation remained at the manageable level of 8%.
- The company has not yet executed a staff satisfaction survey but there is a management commitment to carry out such an exercise by the end of Q3/2025.
- Fruit is available to all employees on a daily basis.

Governance

- Following the spin-off from ELCOM, a revised company strategy for 2024-2026 was concluded mid-year.
- A dedicated ESG Officer was appointed and a full review carried out directly by CEIP (previously the ELCOM ESG Officer had overseen ESG management in Applied Precision).
- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification:
 - ISO 9001:2015
 - ISO 14001:2015
 - ISO/IEC 17025:2017 - Accreditation for performing calibration of digital voltmeters, amperemeters, ohmmeters, watt meters, static electricity meters, instrument voltage and current transformers.

Key ESG objectives in bonus targets for 2025:

1. Prepare repair manuals to be used for all equipment;
2. Training on waste sorting for the company;
3. Conduct research on reusable packaging and its possible use in the company.

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
Applied Precision	-	-	7.4

The application of the risk rating model is explained [here](#) .

The risk rating was assessed for the first time in 2024.
Previously Applied Precision was part of the ELCOM Group
(risk rating in 2023: 5.6).

ESG Responsibility:

Aleš Krutina / Iain Haggis, CEIP Operating Partners,
Zlatica Halasová, Quality & ESG Manager





BMH is a Czech environmental services company, based in Olomouc, active in the area of trenchless water and sewage pipeline repairs. The company employs best in class robotic technologies, key among them being inverse sleeve pipeline repairs. Trenchless methods have a number of unique selling points including lower price in urbanised areas and speed and ease of execution. Besides trenchless pipeline rehabilitation BMH offers also monitoring services using remotely controlled robots. The company has realised more than 1,000 projects.

Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



The Primary SDGs being addressed at BMH related to the beneficial impact of BMH's activity in improving the wastewater infrastructure and conserving drinking water by upgrading piping. This also leads to energy savings for the water infrastructure providers. Innovation relating to various new projects both for wastewater, drinking water and storm water drainage. The Secondary SDGs concern personnel development, renewable energy, waste control and "clean" business. The Awareness SDGs signal recognition of the company's gender imbalance and raising consciousness of climate issues.



ESG Summary

Environment

- BMH's business in 2024 was indirectly but quite seriously affected by the September floods in the Czech Republic, i.e., by climate change. The serious damage to infrastructure meant that several of the municipalities were obliged to divert planned capital expenditure from water and sewage projects to urgent rebuilding. The situation is expected to stabilise in 2025 but this was a climate change risk, which had not been explicitly foreseen in CEIP's risk analysis.
- The total carbon emissions fell significantly in 2024. This is because the mix of products used by BMH in its projects can differ significantly, using varying materials or volumes of specific material, which generate higher or lower Scope 3 emissions. The choice of material is dependent on the character of the project and the requirements of the customer. The main reason for the change 2024 versus 2023 is the 30% reduction in resin consumption.
- Following a reduction in electricity consumption in 2023, in 2024 consumption rose 11% year-on-year but remains below levels in 2022. The increase is mostly due to the consumption of the charging station for electric and plug-in hybrid vehicles, which accounts for ca. 3MW of electricity use in 2024. The window of opportunity to install solar panels appears to have closed at BMH and there are no current plans to implement new renewable energy sources.
- Gas consumption increased 5% compared to the previous year but was still 16% less than 2022, which was prior to some small fuel saving initiatives.
- Despite the investment in the replacement of the Tatra 6x6 tanker with a modern vehicle and a new hot water heating plant, the amount of vehicle fuel used increased by 4%. The old mobile hot boiler unit was still used as a backup to the new one in 2024 but this will no longer be the case in 2025. The gradual replacement of company vehicles with hybrids and electric vehicles is in progress.
- There was a 28% reduction in toxic emissions related mainly to the use of styrene for piping and the requirement to heat it prior to installation. The reduction was partly due to the product mix, for example projects such as Primus Line installations, which are pressure pipes not using styrene, and partly generally lower activity at the end of the year as explained above. Hazardous waste also relates primarily to styrene usage therefore the lower sales of styrene products has influenced the 5% reduction in hazardous waste.
- According to our assessment of so-called "green revenue", i.e., revenue generated by EU Taxonomy aligned activity, this remains at close to 100% of BMH's sales with only some monitoring / diagnostic services not being classified as "green".

Social

- The number of employees remains unchanged year-on-year as does the significant gender imbalance with only 3 women in the company. The nature of BMH's activities means that most of the work is unlikely to be carried out by women. Of the roles accessible to women the split of the workforce is 3:1, male to female.

- The unadjusted gender pay gap remains very low at BMH, having fallen from -3% to -2% in 2024.
- The company maintained its zero accident rate in 2024 (2023 and 2022 were also accident free).
- The staff rotation of 9% returned to target levels in 2024 but absenteeism of 7.2% is significantly higher than expected.
- The employee survey was reintroduced in 2024 following a break in 2023. The response rate was particularly high at 90%. There was a positive shift in employees' willingness to recommend the company as an employer and a slight increase in overall satisfaction (but still room for improvement).
- Following higher levels of training in 2023 as a result of grant funding, the number of hours dedicated to training was reduced by half in 2024.
- An extra 5 days of vacation has been introduced for employees.
- Regular meetings with employees of all levels are organised according to a fixed schedule.
- Each employee is entitled to at least 4 pieces of company merchandise per year (typically t-shirts and other items of clothing).
- There are at least 3 organised all-day team events for employees per year.
- A new employee onboarding schedule was implemented in 2024.
- The company sponsors a local football club where its employees play.
- The company has provided financial support for a local kindergarten/primary/secondary school for the hearing impaired and also supports such initiatives as the local BabyBOX and blood donor centre.
- BMH is a sponsor of the volleyball club AERO Odolena Voda.

Governance


- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Gradual non-certified implementation of ISO 19600: management rules compliance and also ISO 37001: anti-corruption measures.
- Certification:
 - EN ISO 9001:2008
 - EN ISO 14001:2004
 - Certificate No. 090-030643 for the product Rehabilitation Hat Liner.

Key ESG objectives in bonus targets for 2025:

No initiatives have been planned in 2025.

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
BMH	6.5	6.5	6.7

The application of the risk rating model is explained [here](#) .

The risk rating was negatively impacted by a reduction in training hours and an increase in absenteeism.

ESG Responsibility:
Martin Seidler, CEIP Operating Partner
Jan Štefanek, BMH Chief Executive Officer, ESG Officer





KBNK is one of the leading Czech specialists in wire and sheet metal processing and assembling for manufacturers of tools and consumer products. The company was established in 1994 in South Bohemia, where production facilities with an area of 4,000 m² were constructed. The company uses modern production CNC equipment ensuring high levels of production efficiency. In 2024 a welding robot has been installed.

Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



The Primary goal relates to improvements in wellbeing of the work force. The Secondary goals include potential participation in renewable energy, investment in more modern equipment (such as the welding robot), better waste management (including hazardous waste), attention generally to the carbon footprint and improving the governance of the company. To raise Awareness, the company seeks to offer more training opportunities and address gender and diversity.



ESG Summary

Environment

- Carbon footprint The fall in Scope 1 and Scope 2 year-on-year was partly due to lower production activity and partly thanks to an electric vehicle purchased at the end of the year. The Scope 3 emissions are impacted by differences in the split between production and assembly volumes. In 2024 there was higher production activity.
- Electricity consumption fell 4% year-on-year. A photovoltaic power plant for the company has not been achievable to date due to lack of capacity in the local transformer station. The last phase of LED lighting installation was completed in Q4/2024 (for the company offices).
- The company operates an active recuperation system, recovering 'waste heat' and recycling it for heating.
- Gas is the main energy source for heating and usage and fell 15% in 2024 compared to the previous year. This appears to be related to warmer temperatures during the winter.
- Hazardous waste was always minimal relating mainly to oil residues from the machines. This is now fully collected and handed over to a service provider for recycling, resulting in a zero recording of hazardous waste.
- KBNK recycles waste from production, including 'operational waste' and the sale of metal to be used as secondary raw materials.
- The use of fuel for cars fell 5% with the exchange of one company vehicle for an electric transporter at the end of the year. An electric vehicle charging station has been installed at the company.
- The proportion of 'green revenue' rose slightly to 4%, related to a customer producing water treatment equipment.

Social

- The number of employees fell by 9% in 2024 compared to 2023 but the gender balance is now 56% female (47% in 2023). Unfortunately the unadjusted gender pay gap, which was measured for the first time in 2024 is a very high at 38%, reflecting the lack of women in supervisory or management roles. In 2024 the gap has been exaggerated by lower levels of assembly work, which impacts the remuneration of employees working in this division.
- There was one quite serious accident in the second half of the year involving one of the presses and a hand injury. Remediation actions have been taken with instructions re-emphasised regarding machine usage and a new guard has been installed.
- Staff rotation was particularly high as a result of redundancies in the assembly team. Only about 5pp of the 32% total was the result of employees resigning from the company.
- Employees receive awards on a significant work anniversary (10, 20 or 30 years at the company), milestone birthdays and on the birth of a child. Important birthdays of employees are celebrated by presenting a gift voucher.
- KBNK participated in the national Cycle to Work initiative in May but not in September.
- The company actively participated in the Žirovnice community day, organised by the local municipality in June.
- The company completed its scheme to create a company vegetable garden. This was organised by the employees and provided fresh vegetables while also using some of the company's products to support the plants while growing.



- The 30 year anniversary of the company's incorporation was celebrated on 8 December.
- The employee survey was modified with the cooperation of the Faculty of Management Jindřichův Hradec including discussion of the European Sustainability Reporting Standards (the basis for the CSRD).
- A 2-month practical work experience was provided for students from the local Secondary Technical Vocational School in Pelhřimov.
- Two team integration activities take place each year, one of which is a summer all-day, out-of-town event with sports activities, competitions and refreshments – there is also a quarterly company breakfast at which financial results and other news is presented to all the employees.
- KBNK supports the Scouts' Club in Žirovnice and sponsors the FC Slavoj Žirovnice football club.
- The company participates in improving the town's urban area by producing street furniture components at subsidised prices.
- The company provides a corporate benefit for employees by funding the entrance fee to a local Žirovnice fitness centre.

Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification: EN ISO 9001:2001.

Key ESG objectives in bonus targets for 2025:

1. LinkedIn - increase the company's profile from a business and ESG perspective and to attract new employees. Consider hiring a part-time person (student) for visibility on social networks;
2. Conduct research on reusable packaging and its possible use in the company;
3. Training on waste sorting for the company.

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
KBNK	7.8	8.1	7.6

The application of the risk rating model is explained [here](#) .

The risk rating was positively impacted by a reduction in electricity and water consumption as well as a decrease in staff rotation.

ESG Responsibility:

Milan Benda, CEIP Operating Partner

Martin Walter, KBNK Chief Executive Officer, ESG Officer



JIHLAVAN is a Central European leader in the development, production and maintenance of complete aircraft hydraulic systems, electromechanical actuators and wheels and brakes. It sells to leading super tier suppliers such as Safran Landing Systems and Heroux Devtek as well as to OEMs such as Cirrus or AERO Vodochody. It has a full chain of integrated competences relating to aerospace and other hydraulics systems production.

Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



The primary goals relate to the reduction in the company's carbon footprint (including introduction of own sourced renewable energy) and hazardous waste. Secondary goals relate to investment in innovation, improvements to workforce conditions and improving the governance of the company. To raise Awareness the company will also seek to offer more training opportunities and address gender and diversity.





ESG Summary

Environment

- Carbon footprint. The Scope 2 emissions fell year-on-year as a result of the increase in onsite renewable energy capacity.
- Following the successful implementation of two extensive photovoltaic power plants on the roof, JIHLAVAN was able to provide 13% of its own electricity consumption in 2024 (compared to only 6% in 2023). Overall electricity consumption rose 3% year-on-year due to higher levels of activity but this was more than offset by the increase in renewable energy as part of the mix (increase in consumption: 82 MWh, increase in production by the photovoltaic panels: 175 MWh).
- Gas consumption in 2024 was at the same level as 2023, despite considerably higher production levels, and was 23% below 2022 levels, when the heat treatment process was terminated.
- Vehicle fuel usage was 7% below 2023 levels.
- JIHLAVAN is the largest consumer of water in the CEIP portfolio but its consumption in 2024 remained consistent with that in 2023, despite the increases in production levels.
- While toxic emissions remained unchanged year-on-year, the amount of hazardous waste increased by 25% due to the increase of production and a different mix of products.
- Work on REACH compliance (relating to surface treatment) is ongoing.
- An electric vehicle charging station was installed at JIHLAVAN already in 2023.

Social

- JIHLAVAN increased its level of employment by 6% in 2024, with the gender split improving significantly from 21% to 26% female. The gender pay gap also reduced from 17% to 13%; These are all positive indicators for a Czech industrial business where it is generally not easy to recruit women, or develop them to move into more senior levels.
- There was one relatively minor accident in H1/2024, resulting in two weeks' absence from work. There were no accidents in the second half of the year.
- Absenteeism rates were better than targeted. Staff rotation fell from 17% to 12% in 2024, which is above target but is a significant improvement.
- No employee survey was carried out in 2024. With the recruitment of a new HR Manager, this should be reintroduced in 2025.
- The average age of employees was reduced for the second year in succession and is now below 46 years.
- For the first time in April, a JIHLAVAN Health Day was declared and in cooperation with a metabolism diagnostics firm measurement of blood pressure and fat in the body was taken. Vision testing was provided by optometrists and there was a chiropodist offering diagnostics related to orthopedic foot defects and healthy walking and a resuscitation demonstration was organised in cooperation with Jihlava University.
- Free fruit has been made available to all employees.

- The traditional summer party for employees was revived for the first time since the Covid-19 epidemic. 120 people attended the event. An end of summer event was organised in September with a sporting theme for employees and their families. For the first time a badminton tournament was organised and the volleyball courts of SK Jihlava were borrowed for matches. Approximately 50 people attended.
- A new external communication policy has been approved with a revamped website in preparation. Social networks are being used more intensively and posters have been placed on Jihlava public transport. Billboards and other advertising and PR activities are being organised to raise awareness of the company.
- At the end of September, JIHLAVAN actively contributed to the action coordinated by SWAP for Moms and Dads in Need Jihlava to collect vital supplies for Czech citizens affected by the dramatic flooding in the north of the country.
- The company has intensified its cooperation with local schools. It participated in the ceremonial opening of the hall at the industrial school in Jihlava. It has also encouraged schools to make visits to JIHLAVAN and has offered opportunities for internships and writing graduate theses. It has forged links to the two main high schools in the city: the Industrial, Technical and Automotive School and Jihlava University.

Governance

- Internal communication in JIHLAVAN has been improved by an employee newsletter, meetings with employees in production, new noticeboards and posters, TV in the cafeteria and computers for taking on assignments outside the company. The TV broadcasts important information for employees, or photos from company events.
- The 3 recorded IT security incidents related to unsuccessful attempts to breach the company's firewall.
- No employee complaints or GDPR incidents were reported in 2024.
- Certification:
 - AS 9100 rev. D: Design, manufacture, service and supply of hydraulic and pneumatic equipment for aircraft systems.



Key ESG objectives in bonus targets for 2025:

1. Improve social conditions in the workplace in Hall 2;
2. Improve the company's energy management in relation to the volume of production sales. (kWh per unit of production) Reduction of electricity consumption by 5%;
3. ESG training by external companies for management positions, ideally for all employees.

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
JIHLAVAN	9.4	9.2	9.1

The application of the risk rating model is explained [here](#) .

The risk rating was positively impacted by a reduction in the number of accidents and staff rotation.

ESG Responsibility:

Michal Flídr, CEIP Operating Partner
ESG Officer position currently vacant



VYVA PLAST is an innovative manufacturer of plastic products for industrial logistics with 30 years' tradition in the segment. It has a high share of recycling and use of recycled primary materials in its production. It serves mainly industrial logistics and the bus and recreational vehicle industries. The company operates in a specific niche, plastic thermo-forming, manufacturing logistic trays for industrial use (mostly single sources and recycled) and body and interior panels for buses and recreational vehicles (ecological alternative to composite panels, which are not recyclable).

Relevant Sustainable Development Goals (SDG's)

Primary



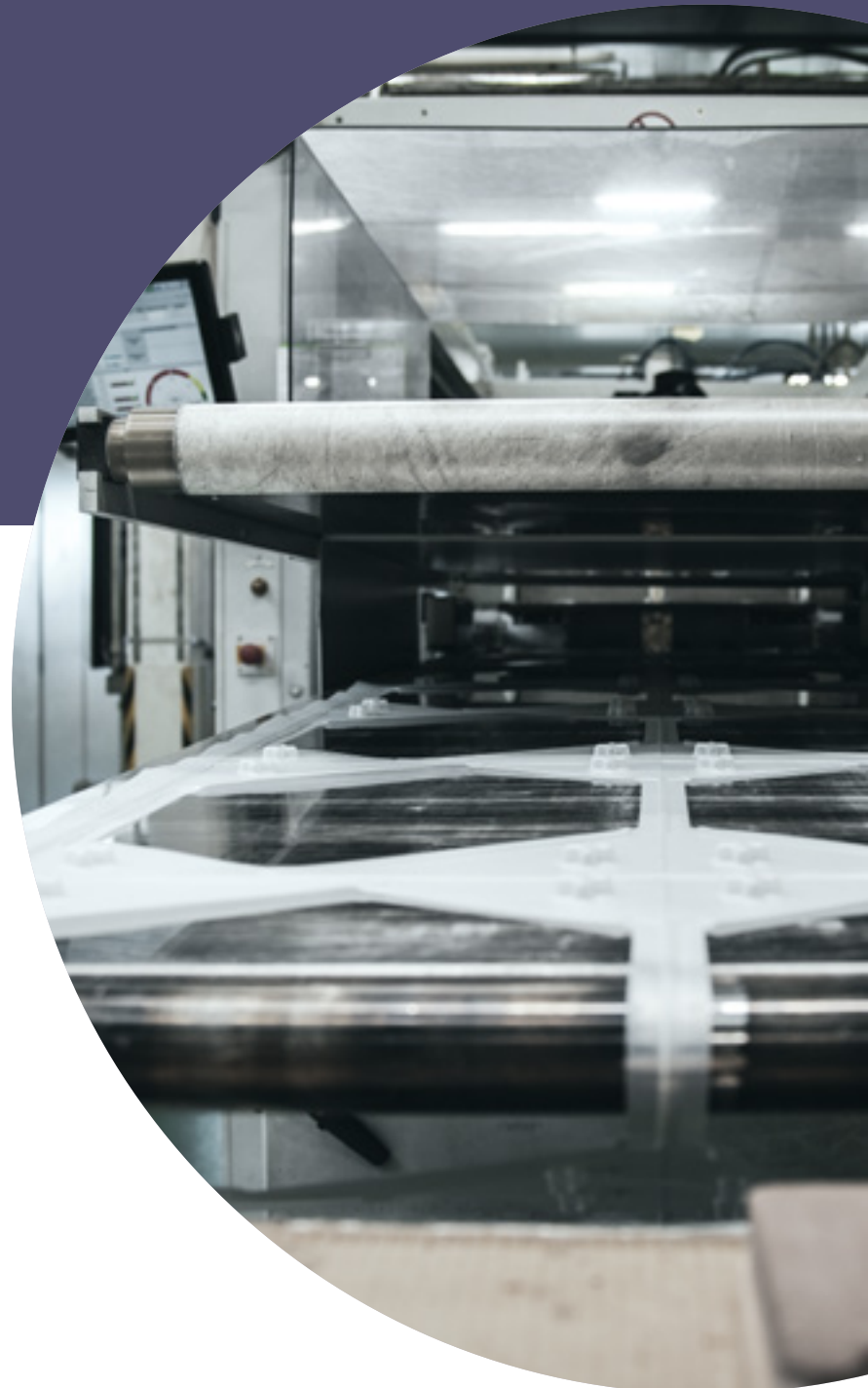
Secondary



Awareness



The Primary goals relate to enhancements in the circularity of the plastic waste management and therefore improvements in general sustainability and health as a result of less microfibres released into the ecosystem. The Secondary goals focus on investment in innovation, attention to the carbon footprint (including renewable energy) and improving the governance of the company. To raise Awareness, the company will seek to offer more training opportunities and address gender and diversity.



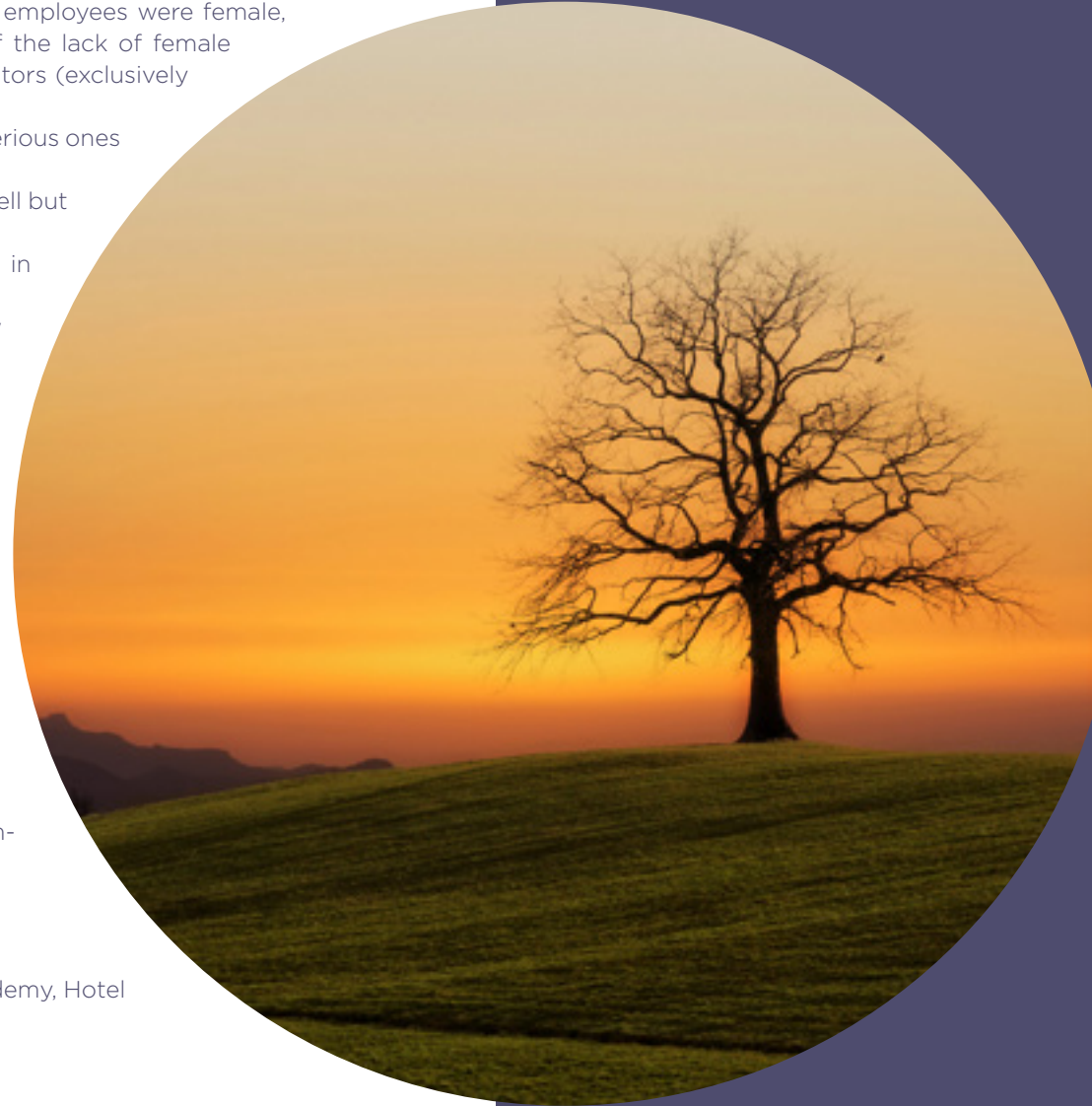
ESG Summary

Environmental

- While the Scope 1 and 2 emissions fell slightly by 2%, the Scope 3 emissions rose by 7%, slightly less than the increase in business activity.
- Given the technical problems with realisation of the photovoltaic power plant (excessively high costs to change the structure of the roof), VYVA PLAST started purchasing surpluses from renewable sources through the Electricity Data Centre clearing process.
- Electricity consumption increased 8% in 2024, which is slightly below the increase in revenues.
- Gas consumption fell by 12%, which is still partly due to the implementation of the heat recovery Hoval controlled ventilation system, which was completed at the beginning of 2024.
- The company is investigating the feasibility of modernisation of the compressor room, heat recovery for heating/ water and installation of heat recovery through controlled ventilation for the administration offices.
- VYVA PLAST is planning to engage in a tree planting initiative with the local municipality in Turnov.
- Vehicle fuel consumption was 22% higher as a result of significantly higher sales activities and the recruitment of a new CEO (an additional vehicle was acquired).
- Water consumption remained unchanged year-on-year.
- The company installed nano filters (Ultra filter IMT-03) for the drinking water to reduce plastic bottles and provide clean and healthy water for the employees.
- Hazardous waste increased by 47%. This was due to regranulate being classified incorrectly. This should be changed in 2025 but remains in the 2024 statistic.
- Toxic emissions were recorded for the first time in 2024.
- The plastic volume by reusage category is monitored. Approximately 30% of total input volume is consistently scrapped and sold to a third party, which reuses 100% of it.
- VYVA PLAST produces about 50 tons of composite plastic waste annually, which is currently utilised as municipal waste. There is a possible solution to reuse this material as part of concrete production. The initiative is currently being tested for feasibility.
- Regarding green revenue, heat exchange components comprise approximately 15% of sales. Tree protectors contribute less than 1% of total sales value. Depending on the classification of bus-related sales, the green revenue is likely to be between 20% and 60% of total sales.
- An adaptor is available at VYVA PLAST for charging electric vehicles.
- Additional environmental initiatives, which are under consideration include:
 - closing the cooling circuit for cooling and tempering machines;
 - renovation of the boiler room for heating production areas;
 - development of a modernisation plan and replacement of aging boilers with condensing boilers;
 - development of air conditioning for the gluing technology;
 - transferring plastic shavings into a single "waste" receptacle and considering reuse instead of disposal.

Social

- VYVA PLAST had one fewer employee in 2024 compared to 2023. 36% of employees were female, which is almost identical to 2023. The gender pay gap is 30%, a result of the lack of female managerial or supervisory staff and also the fact that skilled machine operators (exclusively male) earn higher salaries than assembly staff (mainly female).
- There were 4 minor accidents in VYVA PLAST in 2024, compared to 2 more serious ones in 2023.
- Staff rotation fell significantly to only 6% in 2024, while absenteeism fell as well but is still relatively high at 7.6%.
- It would appear that the staff survey approach may need to be revitalised in 2025 as participation was low at 53% last year.
- Improved ergonomics has been taken into account when purchasing new office chairs and monitor stands for administration.
- Free fruit is provided on Mondays and fresh vegetables on Wednesdays for all employees.
- Additional drinks and an enhanced recommendation for a hydration regime has been implemented, which goes beyond the legal requirements.
- A vending machine with fresh food and drink has been made available 24/7 (bowls used in the machine are 100% recyclable as they are made of monomaterial, which is easily recycled).
- Employees are offered healthy lifestyle options through sponsorship of the Pluxee leisure activity cards.
- Meal vouchers are distributed to staff close to the maximum available under rules in the Czech Republic.
- VYVA PLAST had the most training of staff of any CEIP portfolio company with 28 hours per person. This was an increase of 17% compared to the previous year's statistic.
- The company has established several sponsoring initiatives with the local community:
 - equipping medical offices in the Turnov region (gynecology);
 - leisure sports activities (PumpTrack+BikeTrail);
 - youth clubs (FK Přepeře and FK Pěnčín);
- VYVA PLAST cooperates with the following schools in Turnov: Business Academy, Hotel School, Turnov Technical College (OHS Turnov).



Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification:
 - EN ISO 9001:2016 - Development and manufacture of plastic products;
 - EN ISO 14001:2015 - Development and manufacture of plastic products.

Key ESG objectives in bonus targets for 2025:

1. Replace bottled mineral water with refillable bottles;
2. Training on waste sorting for the company;
3. Reduce the amount of waste sent to incineration (in the process of executing the Terratico project).

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
VYVA PLAST	8.8	9.0	8.7

The application of the risk rating model is explained [here](#) .

The risk rating was positively impacted by a reduction in staff rotation and in increase in training hours.

ESG Responsibility

Zdeněk Hurský, CEIP Operating Partner

Tomáš Veselý, Head of Technical Department, ESG Officer



AMiT Group is represented by AMiT, Top Power, Bustec and A1 Magic.

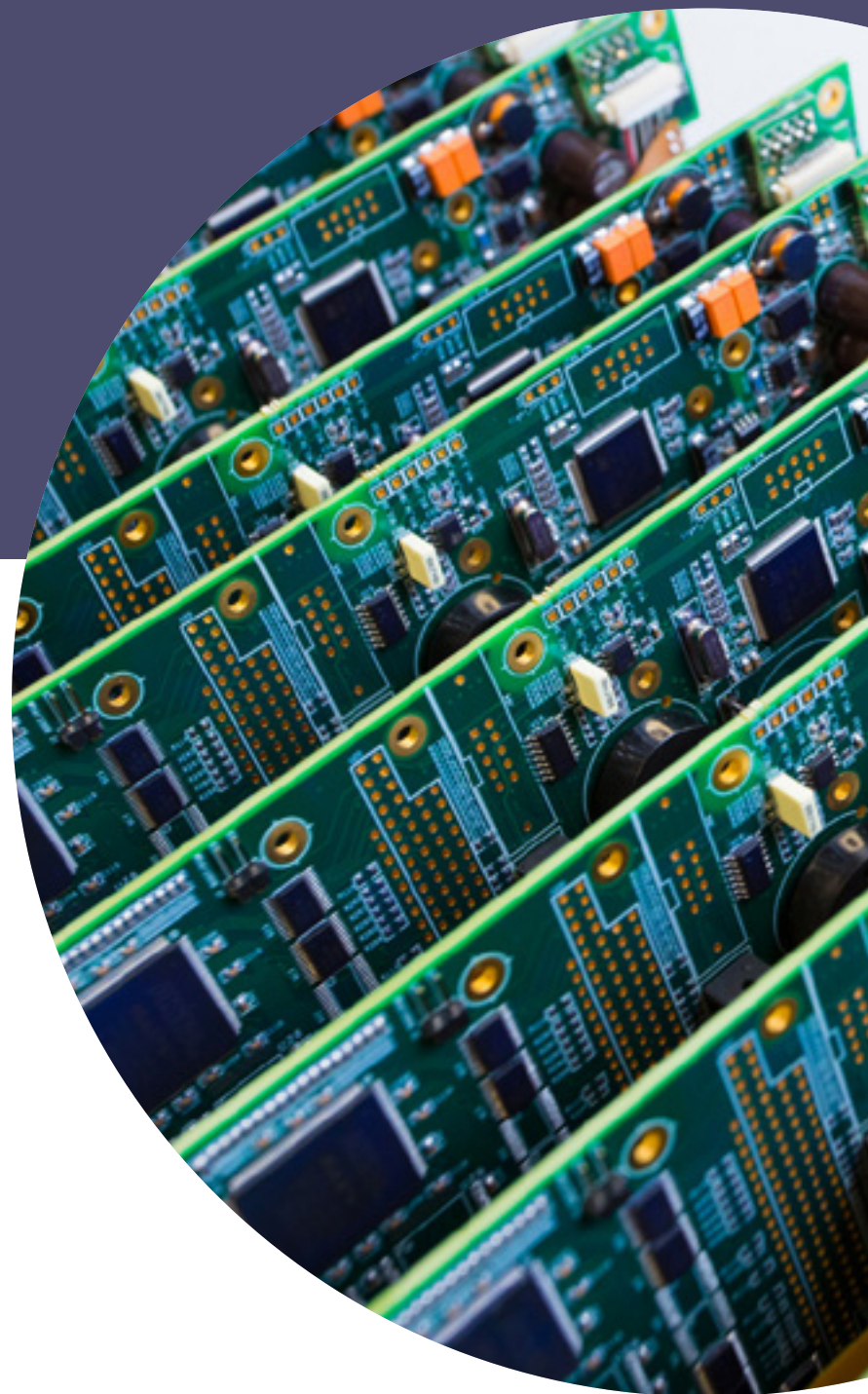
AMiT, spol. s r. o. is a traditional Czech manufacturer of electronics and systems for rolling stock and public transport, and electronics for industrial automation. The company embraces the principles of social responsibility, emphasising company sustainability development through corporate culture improvement and responsible behaviour towards society. Among its largest customers are companies such as Škoda Transportation, Stadler, PESA, Talgo, Durmazlar, ABB, Siemens, ČD Group, Regiojet, LEO Express, T-Systems, Newag, Cegelec, Wagner and Knorr-Bremse. In 2024 AMiT on its own had approximately 165 employees.

In 2024, the group has been expanded through the acquisition of Top Power and Bustec and association with A1 Magic.

Top Power is an electronic manufacturing service company, with its main operations related to the mounting of PCBs. It is located in Votice, about 60 km south of Prague. It was incorporated in 2009 and occupies a modern production and warehouse facility built since 2019. In 2024 the company had approximately 60 employees.

Bustec is a Czech OEM specialising in control systems and electronics for transport, focusing primarily on buses and trams with a minor footprint in trains. Its main facilities are located in Brankova, just north of Brno. It was incorporated in 1995 and now operates internationally, with branches in Germany and Romania. The main products include LED exterior displays, LED and LCD interior displays, complex information systems, and terminal stop displays. The company's production capabilities encompass manufacturing of electronic components, software development, assembly, and metalworking. In 2024 the company had approximately 267 employees. A1 Magic is a Czech startup company operating in the sector of ventilation, cooling and heating of family houses built to a passive standard. It is not yet incorporated into the AMiT Group ESG reporting.

As of January 2024, the group has been restructured with AMiT divided into AMiT Transportation and AMiT Automation. A shared services centre coordinates support activities for all companies in the group. For the 2024 ESG reporting, all companies (except A1 Magic) are treated as a group.



Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



The Primary goals relate to the companies' ability to enhance sustainable living through its support for public transport and its contribution to smart cities through its automation products and services. The Secondary goals relate to internal and external investment in innovation, waste management, attention to the carbon footprint and improving the company governance. To raise Awareness, the company will seek to offer more training opportunities and address gender and diversity.



ESG Summary

The ESG profile of the AMiT Group has changed significantly as a result of the major acquisitions in 2024. AMiT Transportation is based in Prague with offices and a small production facility, focused mainly on assembly of units. The AMiT Automation division (since January 2025 a separate entity) is based in Brno and also utilises the Warsaw production unit for its components. The addition of Top Power significantly increases the production capacity of the Group as well as diversifying the customer base. Bustec is a self-sufficient vertically-integrated production facility with the production of metal casings, assembly of PCBs and general assembly work all within the company's capabilities. A1 Magic is a start-up specialising in the EU Taxonomy-aligned production of innovative ventilation systems for smart residential houses. The workforce has ballooned to approximately 500 people, requiring a much more sophisticated management structure, serviced by the shared services centre, which manages such functions as finance, HR, procurement and ESG. The environmental impact has increased with the additional production capacity and social issues are more complex with a large, diverse and geographically dispersed workforce and multiple stakeholders. Governance is a critical risk area during the integration and restructure of the new entities.

Environmental

- The implementation of Group-wide carbon footprint calculation has been a challenge in 2024 and it has not yet been possible to obtain a full calculation from Bustec (including Scope 3). The Top Power emissions profile is very similar to AMiT. The Scope 1 and 2 emissions from Bustec also appear to be similar. Bustec Scope 3 emissions are expected to be significantly higher because of the much wider range of products.
- At Top Power two photovoltaic stations were installed on the roof in 2022 and 2024, with solar panels generating 18 kW and 41 kW of power, respectively. In 2024 this produced 10% of the company's electricity requirement.
- In addition to sanitary use, Top Power, like AMiT, uses small amounts of water for its industrial washing machines. It reuses the water within a closed system and subsequently this water is removed and treated by a licenced service provider. The only issue with water at Bustec relates to the cleaning of the PCBs where cleaning fluid and distilled water are used. Like Top Power the water is maintained in a closed system and removed from the site by a licenced service provider.
- All three companies produce limited amounts of hazardous waste. At Top Power there is waste relating to the soldering and cleaning products. At Bustec there are low level hazardous wastes generated by the paint process and also cleaning agents in other processes. Measures will be taken to ensure that this waste is kept to a minimum and where possible hazardous material will be substituted with cleaner alternatives. There is room for improvement in the segregation and recycling of some plastic waste in both companies. Storage of some hazardous waste could be made more secure at Bustec.
- AMiT is replacing existing BOPP adhesive tapes with new paper ones, for use in distribution. The paper adhesive tapes are made of brown coated paper with synthetic rubber adhesive, which can be recycled together with cardboard.
- AMiT uses a Let's Produce Quality (LPQ) tool aimed at improving production through continuous improvement

and eliminating waste. It should help to reduce waste, save energy and improve the use of materials. In addition it promotes collaboration and transparent communication, which increases employee motivation and accountability and it provides a framework for tracking KPIs, improving performance overview and effective corporate governance.

- Green revenue or EU Taxonomy alignment is becoming increasingly complex to estimate with the new group. Sales in the Group can generally be classified as:
 - Revenue generating activities related specifically to the design, development or manufacture of rolling stock or its key components;
 - Revenue generating activities related specifically to the design, development, manufacture or installation of products and services that allow cities to use IT and communication technologies to operate at a significantly higher resource efficiency level;
 - Revenue generating activities related specifically to the design, development or manufacture of buses and coaches for public transportation.

AMiT's sales are almost exclusively for rail transportation and energy efficiency uses. Top Power and Bustec have a more mixed portfolio of products and customers but it first estimates assume that they also have more than 50% of revenue, which could be EU Taxonomy aligned.

Social

- The level of training for employees is low, implying that this may be one area which can be addressed to improve retention levels.
- Employee wellbeing: AMiT has introduced:
 - A meal ticket package, which is a cash allowance for meals that employees receive instead of classic meal tickets;
 - A subsidised refreshments vending machine installed at the head office;
 - VIP package benefits at the DATART electrical retailer: discounts on all electrical categories, even already discounted products;
 - Winter hats with the company logo for all employees with a competition for the best photo with this hat.
 - TopPower offers subsidised lunches, which employees can purchase for just 1 CZK;
 - Bustec also provides subsidised meals and additionally offers bonuses for work anniversaries and employee milestones.
- There is a long-established Multisport program, where employees can obtain half price Multisport cards for themselves, an accompanying person, or cards for children with a contribution. In 2024, due to the increase in prices, the company contribution has increased.
- Based on a suggestion from employees, production employees who were interested received medical compression knee socks Avicenum PHLEBO 310, to relieve the feeling of heaviness in the legs during working hours.

Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification:
 - ISO 9001: highest quality management standards (AMiT / Top Power / Bustec)
 - ISO 14001: environmental protection and sustainability (AMiT / Top Power / Bustec)
 - ISO 45001: safe and healthy working environment for employees and partners (AMiT / Top Power)
 - EN 15085: standard related to welding railway vehicles and components, which is a key standard for ensuring the safety and reliability of railway structures (AMiT)
 - ISO 27001: information security management (AMiT)
 - EN 17460: certification sets requirements for bonded parts in the railway sector (AMiT).

Key ESG objectives in bonus targets for 2025

1. Installation of four charging stations for electric cars. (AMiT Services);
2. Acquisition of an electric car for the company fleet with the possibility of lending it to other companies within the group. (AMiT Services);
3. ESG training by external companies for management positions, ideally for all employees (ref: compliance with CSRD). (AMiT Services, AMiT Transportation, AMiT Automation, Bustec, Top Power);
4. Depending on the final application of the CSRD, an ERP system can be selected by the end of 2025, implement in 2026 and start using in January 2027. [Currently, the postponement of reporting requirements means that AMiT would not need to be compliant until 2027. If the EU Omnibus is fully adopted then AMiT would be out of scope (AMiT Services)];
5. Introduction of pension insurance as a key benefit supporting the long-term financial stability of employees. (AMiT Transportation);
6. Implementation of the best ideas generated by the employee satisfaction survey. (AMiT Transportation);
7. Creation and implementation of a system of professional and personal development of employees. (AMiT Transportation);
8. Ensure the possibility of using charging stations for electric cars on the company premises (Brno area) for employees and visitors. (AMiT Automation);
9. Become a member of the Czech Green Building Council and actively engage in promoting and implementing sustainable building practices. (AMiT Automation);
10. Unify the rules and processes of fleet management, modernisation and optimisation of vehicles. (Bustec);
11. Audit of potential photovoltaic systems and electric vehicle chargers. (Bustec);
12. Review of employee benefits and develop an implementation plan. (Bustec);
13. Install three EV charging stations. (Top Power);
14. Expand the capacity of the photovoltaic power plant to the new planned building. (Top Power).



Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
AMiT Group	-	6.9	7.2

The application of the risk rating model is explained [here](#) .

AMiT was rated for the first time in 2023. In 2024 the group acquired Top Power and Bustec. While Top Power had a similar lower risk rating than AMiT, the risk rating of Bustec was higher due to a higher accident rate, staff rotation and absenteeism.

ESG Responsibility:

Michal Flídr, CEIP Operating Partner

Gabriel Létal, Deputy Quality Manager for QEHS, ESG Officer (AMiT Group)

Adam Debnárik, Quality Director, ESG Officer (Bustec)





KOSYKA s.r.o. is oriented towards the production of wire harnesses for the automotive industry, industrial machines, medical devices, and other sectors. It is also the distributor of connectors in the Czech Republic for Japanese company JST, one of the global leaders in the industry. The company is located in modern, purpose-built premises on the outskirts of Jihlava.

Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



KOSYKA plays an important role in modernising and upgrading various products, which contribute to infrastructure and a generally more efficient society. The Secondary goals cover a wide range of sustainable goals, which the business can address internally. These include clean energy consumption (helped by the company's long-term commitment to heat pumps), and a proactive HR management strategy to create equality in the workplace with development opportunities for staff. KOSYKA will seek to raise ESG awareness both inside and outside the company.



ESG Summary

Environmental

- It has not been possible to include KOSYKA in the Carbonfix measurement tool in 2024. The Scope 1 and 2 emissions have been calculated and show a reduction of more than 20 % compared to last year.
- KOSYKA has used heat pumps for heating and cooling the building since its construction approximately 15 years ago. This accounts for the low level of emissions and use of third-party energy (electricity). In 2024, of the 268 MWh used, 8.4% was supplied from renewable energy. This means effectively that 8.4% is the percentage of electricity generated by the heat pump versus the energy consumed from the energy supplier. A solar panel feasibility study has been carried out for a 50 kWp plant on the roof. The project is awaiting Jihlava Municipality approval.
- There is a limited amount of chemicals used, mainly for various cleaning processes. Possible alternatives are still being sought but the quantities are small (total hazardous waste in 2024 remained at a little over 100kg).
- There are limited amounts of non-hazardous waste (ca.20 tons annually). The main categories of waste by volume are cardboard packaging (≈40%), cables (≈20%) and plastics (≈15%). More than 90% of the waste is recycled.
- Despite reducing the number of company vehicles from 5 to 4 with the sale of two diesel vehicles and the purchase of a hybrid, fuel consumption increased 9% year-on-year due mainly to intensified sales activities. There was a new business development manager in 2024 who is 80% of his work time on visits to current or new customers. Even though he has a hybrid, consumption is still higher overall than in 2023.
- As KOSYKA is often a second or even third tier supplier of equipment, there is not always full knowledge of the final use of its products. This makes it difficult to assess green revenue and EU Taxonomy alignment. For this reason the current assumption is that there is 0% green revenue, which is probably not entirely true.

Social

- There is a heavy bias in the company towards female employees. More than 100 of the 124 full time employees are female. The company works two shifts, 5 days per week. This is quite an attractive policy for female employees with children. The gender split at management level of 100% male is not easy to justify, given the structure of the workforce but is still typical for CEIP companies. Given the wide range of activities and products at the company it is also possible to some extent for employees to choose which type of work they prefer to make the job more interesting. KOSYKA also trains employees for different production positions to increase substitutability.
- To retain a motivated female workforce, KOSYKA works only in two shifts (morning and afternoon), with the possibility to choose to work only in the morning shift. The shifts are 6-hours instead of 8-hours and there is some flexibility in starting and finishing times.
- The company recorded 1 quite serious accident in 2024. It occurred during a machine set-up and was caused by human error.
- Absenteeism fell quite significantly in 2024 but staff rotation was still high at 20%.
- An employee satisfaction survey was carried out for the first time in 2024 with quite a high participation rate of 78%. The most frequently referenced responses related to remuneration levels and requests for improvement in intracompany communication.
- The company has implemented a new training program in 2024 with 15 hours per employee focused on technical and soft skills.

Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Improvement to IT security ongoing (control of connecting devices to PCs, automatic notifications regarding dangerous email communications, and document transfers,etc.).
- Certification:
 - ISO 9001: highest quality management standards
 - ISO 14001: environmental protection and sustainability
 - IATF 16949: manufacturing of wire harnesses.

Key ESG objectives in bonus targets for 2025

1. LinkedIn - raising the company's profile from a business perspective, ESG and new employees;
2. Implementing best practices based on employee satisfaction survey results;
3. Renewing the code of ethics.

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
KOSYKA	-	7.6	6.8

The application of the risk rating model is explained [here](#) .

The risk rating was positively impacted by small improvements in a number of risk factors.

ESG Responsibility:

Marek Hoffmann, CEIP Operating Partner

Roman Krejčí, Quality Director, ESG Officer



BLOCK Group is a regional leader in cleanroom solutions for sectors demanding extreme cleanliness of the environment, including pharmaceutical, healthcare, science and research, and microelectronics manufacturing. The Group also specialises in producing its own isolator technology, which prevents contamination between isolated components or systems.

The Group comprises four operating entities:

BLOCK CRS carries out cleanroom construction project management and implementation activities originally conducted by focusing on large turnkey solutions (new construction, refurbishment or modernisation of existing structures or expansion of production capabilities).

BLOCK Technology develops, designs, and produces isolator technology and other technological equipment, with both standardised and customised solutions according to customer requirements. It mostly supplies BLOCK CRS as a subcontractor.

A.R. Technik is a software engineering and cleanroom solutions provider acquired in 2019. Its primary focus is the design, development and implementation of process automation systems or smart production.

FOR Clean is a Slovakian manufacturing company processing thin sheet metal for customer specific implementations. Its main focus is production of OEM products primarily for cleanroom applications which include construction systems such as partition panels, doors, lights and laboratory furniture and equipment.



Relevant Sustainable Development Goals (SDG's)

Primary



Secondary



Awareness



Block specialises in the construction of clean rooms for hospitals and technical processes, such as microchip production, which requires exceptionally high levels of hygiene. The Group is therefore able to play a role in the improvement of health facilities and more generally in providing the environment for high tech development. The Secondary goals cover a wide range of sustainable goals, which the business can address internally. These include clean energy consumption (with potential implementation of renewable energy sources), HR development to create equality in the workplace and career opportunities within an expanding business. The Group has quite a large workforce for a CEIP business therefore a greater potential exists to raise ESG awareness among employees.

ESG Summary

Environmental

- While the Group carbon footprint is quite low in relation to its revenue generated, the construction part of the Group, BLOCK CRS has the largest absolute carbon footprint of the CEIP portfolio.
- A heat pump is used in ForClean (for heat only). It has only been in operation for a year and the employees are moving to another building this year where a heat pump will not be used. For this reason, the calculation of energy contributed by the heat pump in 2024 (as a renewable source) has not been carried out.
- The feasibility of solar panels is being investigated for the buildings owned by Block (Valašské Meziříčí and Vsetín). In 2024 almost 30% of the electricity at BLOCK CRS was contributed by renewable energy from photovoltaic panels, installed by the owner of the building.
- Air conditioning units at head office are used also for heating in spring and autumn.
- There is an electric vehicle charging station installed at the head office.
- Emissions are primarily from gas heating systems used in several premises and company vehicles. There are no processes generating toxic emissions. The detailed emissions data is available in the Eco Management and Audit Scheme (EMAS) compliant report, which is made publicly available on the company website.
- There are small amounts of low level hazardous waste and building waste which are utilised by licenced companies.
- The air conditioning units are used in all buildings. The units at head office are due for replacement in 2025 and environmentally friendly coolant will be preferred. Regular maintenance and certification of all air conditioning units is carried out.

- Full waste statistics are reported in the publicly available environmental report. There are small amounts of low level hazardous waste and building waste which are utilised by licenced companies.
- The following environmental initiatives have been implemented as a result of participation in the EMAS program (see also below):
 - Feasibility study for installing photovoltaic panels and heat pumps (in preparation);
 - Use of environmentally friendly cleaning products;
 - Less frequent mowing of lawns around office buildings to preserve biodiversity;
 - Reducing consumption of herbicides to preserve species diversity and reduce the impact of chemicals on soil and groundwater;
 - Containers for segregated waste;
 - Internal training for environmental management (in preparation).

Social

- One or more of the entities are members of relevant professional associations such as ISPE – The International Society for Pharmaceutical Engineering, 3000 Interest Association for Pharmaceutical Constructions, Association of Manufacturers and Suppliers of Medical Devices, and Swiss Clean Room Concept.
- The Safe Enterprise program, in which Block participates, focuses on improving working conditions and protecting the health of employees. Companies participating in the Safe Enterprise program should demonstrate their commitment to sustainability and responsible business. There was a single accident at BLOCK Technology in 2024. This was a bruised leg, incurred during a work break and without any work absence as a result. There were no accidents in any other entity.
- Every employee who cycles, runs or walks to work or on a trip from April to October can record their activity on the intranet. Once the goal of 30,000 kilometers is reached, Block donates CZK 30,000 to charity.
- Block employees were involved in the following charitable activities:
 - Accompanying Diaconia beneficiaries to a concert;
 - Spring maintenance of gardens adjacent to public buildings in Valašské Meziříčí;
 - Raffle to support charitable projects;
 - Block has run open days with three local technical schools, participated in work and educational fairs and has a close relationship with the Secondary Technical School of Mechanical Engineering in Vsetín (location of BLOCK Technology). It has also been involved in a 2-week work practice experience for school pupils;
 - Staff evaluation is carried out for all employees by line managers. This includes an assessment of development possibilities for the employee.
- The 73%/27% male/female split is a significant bias. It is difficult to recruit females to work in construction and engineering roles.
- Normal company policy does not permit home working. Many staff would not be able to carry out their tasks working from home, efficiency is higher when employees are at the office and employees have not requested home working as an option.

- The group has a long list of employee wellbeing initiatives, including:
 - Free coffee and tea and a meal allowance;
 - Pension insurance allowance, contribution to professional liability insurance and retirement bonus, depending on length of service;
 - Bonus for an employee candidate referral;
 - Various discounts on telecoms and other electronics goods as well as car purchase;
 - Training opportunities including language courses, sponsored university courses and covering exams and membership costs for the Czech Chamber of Authorized Engineers and Technicians;
 - Financial bonus for each 5 years of service and a hamper on each birthday.
- While absenteeism is at a relatively low level, the group weighted staff rotation of 20% is higher than would normally be expected in such a group with a developed wellbeing program.
- Most of the entities do not currently record training hours per employee.

Governance

- No employee complaints, cybersecurity breaches or GDPR incidents were reported in 2024.
- Certification:
 - ISO 9001: highest quality management standards
 - ISO 14001: environmental protection and sustainability
 - ISO 45001: safe and healthy working environment for employees and partners
 - EMAS ([Eco Management and Audit Scheme](#) ): The goal of EMAS is to drive organisations towards circularity and reduce their impact on the environment. EMAS requires regular audits and the publication of environmental statements, which increases transparency. By embracing EMAS, organisations strive for continuous improvement of their environmental performance.



Key ESG objectives in bonus targets for 2025

1. Modernisation of employee facilities (kitchenettes) (BLOCK CRS / BLOCK Technology);
2. Conduct a survey regarding the installation of solar panels in parking areas. (BLOCK CRS);
3. ESG training by external companies for management positions, ideally for all employees (ref: CSRD compliance). (all entities);
4. Waste separation training for the company. (A.R. Technik);
5. Relocation of stainless-steel production from two workplaces to one. (Energy optimisation) (FOR Clean).

Risk Rating

CEIP Proprietary Risk Rating*			
Company	2022	2023	2024
BLOCK Group	-	-	7.6

The application of the risk rating model is explained [here](#) .

Block entered the portfolio in 2024 and was risk assessed for the first time this year.

ESG Responsibility:

Ondřej Benáček, CEIP Operating Partner

Martina Holub Urbánková, Quality Manager, ESG Officer



6. Fund Manager ESG Status

The Fund Advisor is a small operation compared to even the smallest portfolio company but for the sake of completing the ESG picture in 2024, an analysis has also been carried out for the second time.

Fund Manager KPIs

KPI	UNIT	2023	2024
Carbon Footprint	tons CO ₂ e	49.1	48.5
Electricity use	kWh	2,458	2,000
Share of renewable energy	%	N/a	0%
Gas consumption	m ³	1,543	1,530
Water consumption	m ³	N/a	24
Fuel consumption	litres	N/a	1,260
Total no. of FTE's	#	9.2	10.7
Gender split	%	20%	24%
Gender pay gap	%	N/a	N/a
No. of accidents	#	-	-
Days lost due to injury	days	-	-
Absenteeism	%	0%	0%
Staff rotation	%	11%	25%
% of staff participating in an employees' survey	%	0%	0%
Average age of employees	age	N/a	38.2
Training hours per employee	hours	N/a	10
No.of GDPR reported incidents	#	-	-
No.of whistleblowing incidents	#	-	-
No.of IT security breaches	#	-	-



The Fund Advisor has measured its carbon footprint in 2024:

Carbon Footprint Analysis (tons CO ₂ e)	2023	2024
Scope 1 - Gas Consumption	3.1	3.1
Scope 2 - Electricity Consumption	1.1	0.9
Scope 3	44.9	44.5
Purchases	10.9	7.7
Business Travel	24.3	9.0
Commuting	3.5	11.4
Home Office	5.7	15.2
Other	0.5	1.2
TOTAL	49.1	48.5

The carbon footprint represents 4.5 tons CO₂e per FTE (5.3 tons CO₂e in 2023). The average estimated carbon footprint per capita in the Czech Republic in 2021 was 10.6 tons CO₂e (Emissions Index). The carbon footprint for 2024 is almost the same as 2023, although there were 17% more personnel and a higher level of activity. There was redistribution of the carbon footprint as some business travel was reclassified as commuting and long-distance business travel was reduced. A higher proportion of staff worked more from home in 2024.

There has been a minor improvement in gender balance. This is the result of one half of a female FTE being recruited as ESG Officer. Both other full time female staff contributed to the 25% staff rotation in 2024.

A limited scope employee satisfaction survey has been completed for the first time in Q1/2025. The results are still being processed.

There were no whistleblowing, data protection or IT security breaches reported in 2024.

7. ESG and sustainability compliance

CEIP has a similar approach to ESG compliance as it does to all its other compliance obligations, namely maximum transparency. There is often a lack of clarity or even contradictory requirements, given the nascent stage of ESG regulation, therefore disclosure in a coherent way gives investors and other stakeholders the wherewithal to evaluate our behaviour.

In applying compliance to the areas of sustainability, ESG, responsible investing and corporate social responsibility, CEIP considers the following regulations or guidelines:

- EU Taxonomy
- Sustainable Financial Disclosure Regulation (SFDR)
- Non-Financial Disclosure Regulation (NFDR)
- Taskforce on Climate-related Financial Disclosures (TCFD)
- Sustainable Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- Corporate Sustainability Reporting Directive (CSRD)

CEIP is a financial market participant, with a clearly defined objective regarding sustainability. We invest in businesses which typically operate in sectors, which are not directly active in environmentally sustainable activities. However, they either supply products and services to sustainable activities and/or actively seek to reduce their own environmental footprint. CEIP actively promotes environmental and social objectives in our investment and portfolio management policy. We aim for all portfolio companies to “do no significant harm” in terms of the environment.

As a consequence of this strategy, we have already implemented robust processes to ensure that both the spirit and letter of sustainability regulation are applied in our fund reporting, disclosure policy and portfolio management. We have implemented an ESG Policy, which concisely sets out CEIP’s objectives, how it intends to achieve them and how it will measure and report on them. In addition, there is a simple remuneration policy, which rewards management for ensuring alignment with sustainability and ESG goals.

Given that our typical investment is not a “green transition” business, an important aspect of SFDR compliance is the analysis of Principal Adverse Indicators. The key indicators relevant to the CEIP portfolio companies are assessed in the table below and several of the optional ones are reported in our standard ESG KPIs:



CEIP Portfolio Company Principal Adverse Indicators Analysis (below)

Theme	Indicator	ROKA Industry	Applied Precision	BMH	KBNK	JIH LAVAN	VYVA PLAST	AMIT Group	KOSYKA	BLOCK Group
Greenhouse gas (GHG) emissions	GHG emissions + carbon footprint (tons CO ₂ e)	628	48	292	108	1,572	821	1,158	144	625
	GHG intensity of investee companies (tons CO ₂ e per EUR m)	107.2	13.65	50.47	67.1	113	75.14	21.17	20.27	13.98
	Exposure to companies active in the fossil fuel sector	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Share of non-renewable energy consumption and production Renewable energy projects	95%	100%	95%	95%	87%	100%	97%	92%	95%
	Energy consumption intensity (MWh per EUR m)	163.4	22.3	5.1	62.1	195.1	111.6	27.7	37.6	9.1
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	None	None	None	None	None	None	None	None	None
Water	Emissions to water (m ³ per EUR m)	514	111	14	126	310	67	81	107	32

Waste	Hazardous waste ratio (tons per EUR m)	2.49	0.00	1.55	-	28.53	0.26	0.04	0.02	0.04
Social and employee matters	Violations of UN Global Compact	None	None	None	None	None	None	None	None	None
	Unadjusted gender pay gap	-8%	-28%	-2%	-38%	-13%	-30%	-37%	-40%	-22%
	Board gender diversity	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Exposure to controversial weapons	None	None	None	None	None	None	None	None	None

EU Taxonomy

The EU Taxonomy Regulation sets out a list of economic activities with performance criteria for their contribution to six environmental objectives, namely:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention, control and protection
6. Restoration of biodiversity and ecosystems (collectively the "Environmental Objectives")

In order for an activity to qualify as being “environmentally sustainable”, it must contribute substantially to one of the environmental objectives, while also complying with each of the following criteria:

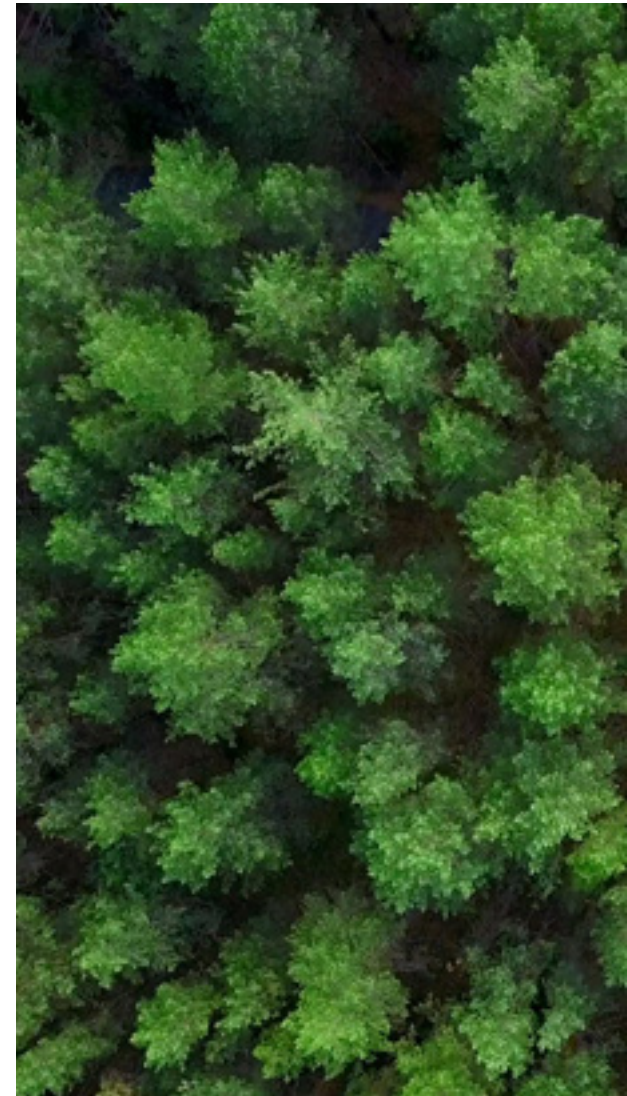
- No Significant Harm: The activity does no significant harm (DNSH) to any of the Environmental Objectives
- Technical Screening Criteria: The activity must comply with technical screening criteria for each relevant Environmental Objective
- Minimum Social and Governance Safeguards: The activity must comply with minimum social and governance contained in the Taxonomy Regulation.

CEIP looks to satisfy the overall objectives of the DNSH disclosures to provide adequate information about sustainable activities and any adverse impacts on environmental or social issues. We have assessed that none of the companies are doing significant harm. While the full assessment of EU Taxonomy alignment has not yet been completed, BMH has the highest level of alignment (98%) and other companies with some alignment include AMiT, KBNK and VYVA PLAST. JIHLAVAN and Block have no revenue, which could be regarded as EU Taxonomy aligned, whereas alignment at ROKA Industry depends on the specific customers. For KOSYKA it is difficult to assess its alignment due to its position in supply chains.

Climate Risk and Vulnerability

CEIP applies a high level risk assessment methodology to consider significant climate change risks. Currently the risks are generally low but deterioration of various climate conditions may lead to greater exposure to climate change risk.

Potential generic hazards are assessed and how they might apply to individual companies. Particular sectors impacted by climate change are also reviewed to see if there is any exposure to these. The sectors assessment is carried out from the perspective of both the companies and customers.



Hazard type	Acute / Chronic	Observed climate hazards	ROKA Industry	Applied Precision	BMH	KBNK	JIHLAVAN	VYVA Plast	AMIT Group	KOSYKA	BLOCK Group	Fund Mger
Water	Acute	Drought	M	L	M	L	L	L	L	L	L	L
		Flood	L	L	M	M	L	L	L	L	L	L
		Heavy precipitation	L	L	L	L	L	L	L	L	L	L
	Chronic	Changing precipitation patterns and types	M	L	M	L	M	L	L	L	L	L
		Precipitation hydrological variability	L	L	M	L	L	L	L	L	L	L
		Sea level rise	L	L	L	L	L	L	L	L	L	L
Solid mass	Acute	Landslide	L	L	L	L	L	L	L	L	L	L
	Chronic	Coastal erosion	L	L	L	L	L	L	L	L	L	L
		Soil degradation	L	L	L	L	L	L	L	L	L	L
Temperature	Acute	Cold wave frost	L	L	L	L	L	L	L	L	L	L
		Heat wave	M	M	M	M	M	M	M	M	M	M
		Wildfire	L	L	L	L	L	L	L	L	L	L
	Chronic	Changing temperature	M	M	M	M	M	M	M	M	M	M
		Temperature variability	M	M	M	M	M	M	M	M	M	M
Wind	Acute	Storm	L	L	L	L	L	L	L	L	L	L
	Chronic		M	M	M	M	M	M	M	M	M	M

Climate Vulnerability by Key Affected Sectors

Company Customer Impact	ROKA Industry		Applied Precision		BMH		KBNK		JIHLAVAN		VYVA Plast		AMiT Group		KOSYKA		BLOCK Group	
Key Affected Sectors	Company	Customer	Company	Customer	Company	Customer	Company	Customer	Company	Customer	Company	Customer	Company	Customer	Company	Customer	Company	Customer
Transport	L	L	M	M	L	L	L	L	L	L	L	L	L	M	L	L	L	L
Urban Life	L	L	L	M	L	L	L	L	L	L	L	L	L	M	L	L	M	M
Health	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	M	M
Agriculture	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Energy	M	L	L	M	L	L	L	L	M	L	M	L	L	M	L	M	L	M
Forestry	L	M	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Water	M	L	L	L	H	H	L	L	M	L	L	L	L	L	L	L	L	L
Biodiversity	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Coastal zone	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L

Sanctions imposed on the Russian Federation

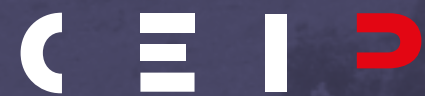
All CEIP companies are compliant with sanctions imposed on the Russian Federation including those by the EU and the Countering America's Adversaries Through Sanctions (CAATSA). The CEIP team is also a significant donor supporting Ukrainian humanitarian and defence efforts.





8. DISCLAIMER

The information provided in this ESG Annual Report is based on unaudited data and internal assessments. It represents management's assessment and internal reporting. While we have made reasonable efforts to ensure accuracy, it may be subject to change. Investors and stakeholders should exercise caution when relying on this information. Some ESG metrics are sourced from third-party providers. While we believe these sources are reliable, we cannot guarantee their accuracy. Users should verify such data independently. Our ESG disclosures focus on material issues relevant to the businesses. Some topics may not be covered comprehensively. For a more complete understanding, users may contact us to obtain more information regarding ESG disclosure.



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