

# ESG REPORT 2023



Genesis Capital  
Growth Equity Funds





## CONTENT

- Senior leadership statement
- Organisation overview
- Investment and stewardship policy overview, including ESG issues and climate risks
- Manager selection, appointment, and monitoring
- Portfolio ESG reporting disclosure - Company overview
- Reporting disclosure on ESG portfolio

# SENIOR LEADERSHIP STATEMENT

Dear readers,

For the second time, we are pleased to present Genesis Capital Growth's Environmental, Social and Governance (ESG) report. This report, covering the 2023 period, serves as a resource for our stakeholders and presents our ESG approach, key developments and initiatives in our fund as well as in our portfolio companies, and related ESG performance.

As private equity managers responsible for managing investments in a variety of portfolio companies and sectors, we recognize the significance of our decisions on both financial returns and the wider environment. Environmental, Social, and Governance considerations are key to our mission and are essential to our long-term success.

Genesis Capital Growth advises the first fund Genesis Growth Equity Fund I, which supports high-growth potential companies primarily in the Czech Republic and Slovakia, but also other markets in Central Europe. Our portfolio companies are primarily SMEs without dedicated ESG teams and processes, and consequently, we need to take the initiative and at the same time be practical in the implementation of ESG principles.

We help our investee companies to use the invested capital to support growth and operational excellence and to improve their competitive position. Ultimately, an integral part of our efforts is also the integration of ESG standards into our investment processes as well as promoting sustainable and responsible activities of our portfolio companies. This results in stronger companies that generate higher long-term returns and contribute to overall economic growth.

On a specific level, during 2023 we observed and supported a number of ESG-related initiatives across our portfolio companies. I will mention here only two examples of ESG-related developments executed during 2023, as we will explore more detailed developments in individual portfolio companies later in this report.

First, in Homecare Holding, the management team made substantial changes to its approach to social

governance and relationships with the company's employees. These steps included improvements in overall company culture, establishing a Code of Conduct and Fair remuneration policy, implementing an employee benefits scheme, or regular training and professional development programs. These implemented changes contributed in a major way to the stability of the team of nurses, observable in a dramatic reduction in employee turnover from historically high levels to around 10% in 2023. The employee turnover in a demanding home healthcare services area directly drives the capacity of the business and its ability to provide quality care to patients. The stability of the employees was a fundamental change in Homecare Holding and played a highly positive role also in the initiated exit process and discussions with potential bidders during 2023.

Second, in the newly acquired portfolio company SEA - Chomutov, which supplies the energy industry internationally, ESG focus is one of the key points in its long-term strategy. SEA possesses several sustainability ratings and certifications, monitors and reviews all scope 1, 2, and 3 emissions, sets annual ESG KPIs, and publishes its own ESG annual report. A strong emphasis of SEA on various environmental topics and initiatives to reduce environmental impact contributes to the ability of the company to maintain

strong relationships with its major customers and partners and to participate as a supplier in some of the most important projects in the energy sector taking place internationally.

At the heart of Genesis Capital Growth, commitment to ESG is the recognition that responsible investing is not a conventional checkbox, but our fiduciary duty and an increasingly important risk management tool. Also, we understand that sustainable and ethical practices are not only compatible with healthy financial performance, but are necessary to it, as confirmed by several examples of developments at our portfolio companies mentioned in this report.

We acknowledge that ESG factors and responsible, sustainable investing are fundamental to our primary goal of delivering value to our investors. We commit to upholding these principles in every aspect of our work.



**Jiří Beneš**  
Managing Partner



## ORGANISATION OVERVIEW

### About us

Genesis Capital Growth mandate is to support smaller and mid-size companies primarily in the Czech Republic and Slovakia. We currently advise one fund, the Genesis Growth Equity Fund I (“GGEF I”). The Fund is focused on investments into SMEs with a significant growth potential in the Czech Republic, Slovakia and neighbouring EU countries.

### Team



#### Jiří Beneš – Managing Partner

Jiří is Managing Partner at Genesis Capital Growth, responsible for ESG agenda at GCG partner level, supporting the acting ESG Officer.

Prior to establishing Genesis Capital Growth together with Radim and Marek, Jiří was Partner with 3TS Capital Partners, a leading growth capital investor operating across the CEE region. Before that he worked for Corporate Finance team at PwC focusing on TMT sectors and also covered CEE equity markets in London as an Equity Analyst for Deutsche Morgan Grenfell / Deutsche Bank.

Jiří has more than 20 years of private equity experience, served as a Board Member at a number of portfolio companies and currently acts as President and Chairman of the Board of Czech Private Equity and Venture Capital Association.



#### Marek Hoščálek – Partner

Marek has been with Genesis Capital since 2001. Prior to that, he spent ten years in various Czech financial institutions, where he was involved in several private equity, M&A and corporate restructuring transactions. While with HSBC Investment Bank, he advised the fifth-largest Czech bank in its sale to GE Capital. Marek also worked for the restructuring agency managed jointly by Latona Europe and Lazard Brothers, where he advised one of the top three Czech steel producers in its successful composition settlement with creditors. Marek holds an M.Sc. in mathematics from Charles University, Prague.



#### Radim Jasek – Partner

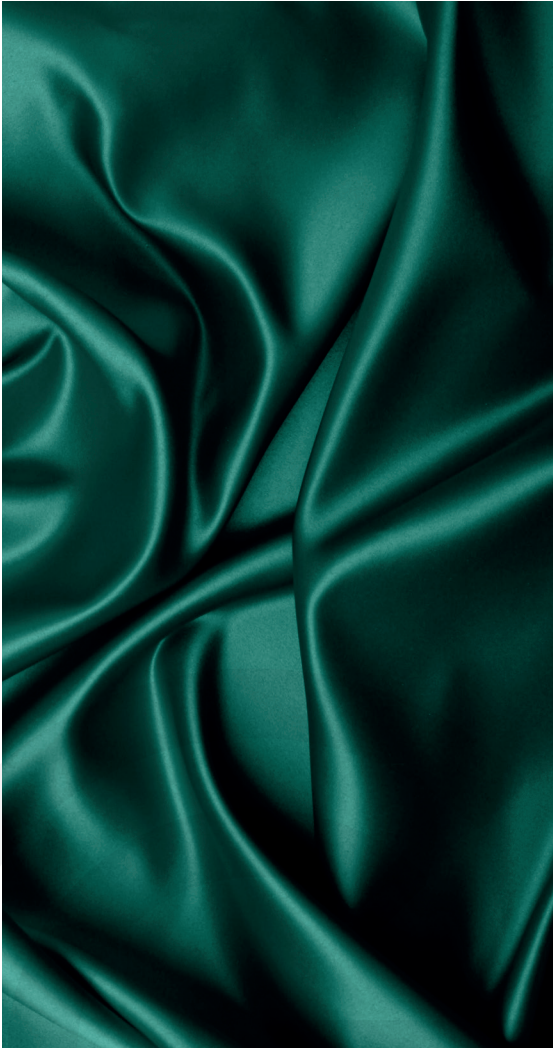
Radim has been working as a private equity manager since 2001 when he, together with Marek Hoščálek and Jan Tauber, took over non-performing PE fund named Czech and Slovak Private Equity Fund. Then with the same team, Radim raised and managed GPEF I which laid foundation to the current family of Genesis Private Equity funds.

In 2015 Radim led the team building a private equity vehicle at ČEZ - Czech energy conglomerate – focused specifically on investments in new energy (cleantech and renewable resources). Before joining Jiří and Marek to establish GCG he worked as a restructuring manager at a nonperforming portfolio company of Genesis Private Equity Fund II.



#### Ondřej Pernica – ESG Officer

Ondřej joined the GCG team in 2020 as an investment manager and has been serving as a part-time ESG Officer since 2023. Ondřej is responsible for ESG reporting as well as for sharing of relevant knowledge and developing ESG initiatives on both fund and portfolio levels.



## ORGANISATION OVERVIEW (CONTINUED)

### **Our mission and our focus**

At the heart of our mission lies the goal of delivering attractive returns on invested capital to our valued investors. We help the companies we invest in to effectively use the capital provided to accelerate growth, increase operational efficiency or improve competitiveness.

Our investment focus is on the sector of manufacturing companies with significant added value, engineering companies with sophisticated manufacturing programs, companies with technologically advanced products and services, business models based on digitalization, new energy technologies, B2B and B2C services companies.

The types of transactions are usually growth investments, corporate buyouts or recapitalizations.


### **GGEF I**

Currently, we advise one active fund - the Genesis Growth Equity Fund I (GGEF I), totalling EUR 40 million. The fund typically invests individual amounts ranging between EUR 2-4 million. The maximum amount invested into a single project is EUR 6 million.

GGEF I was established in November 2019, with the invaluable support of prominent European institutional investors, including the European Investment Fund (EIF), the insurance companies Kooperativa, Česká podnikatelská pojišťovna and VIG RE zajišťovna (Vienna Insurance Group), Komerční banka Private Equity (Amundi Czech Republic), the financial group RSJ and the Czech family investment company SPM Capital. In 2020, GGEF I's investors were joined by Sirius Investments SICAV, a fund of funds. We appreciate the trust of these experienced and reputable partners.

## ORGANISATION OVERVIEW (CONTINUED)

### Our current Portfolio (as of December 2023)

Company	Country	Sector	Year of investment	No. of employees
	Czech Republic	Programmatic internet advertising	2020	23
 Léčíme vás doma <small>HOME CARE HOLDING</small>	Czech Republic	Professional home health care	2020	45
	Czech Republic	Electronics manufacturing	2022	128
 JP - PROLAK <small>spol. s r.o.</small>	Czech Republic	Custom manufacturing of industrial products	2022	67
 SEA <small>Reel Good</small>	Czech Republic	Services and products for subsea energy infrastructure	2023	89

A vertical rectangular image on the left side of the page, showing a close-up of a teal or dark green fabric with a smooth, slightly wrinkled texture. The fabric is draped and folded, creating soft shadows and highlights. The color is a rich, slightly dark teal. The image is positioned to the left of the main text area.

## ORGANISATION OVERVIEW (CONTINUED)

### Highlights of 2023

- Over the course of 2023, GGEF I made a successful addition to its portfolio: The acquisition of SEA - Chomutov was closed in December.
- Further, two other investments progressed into an advanced stage and were completed in early 2024.
- Mr. Ondřej Pernica continued to serve as GCG's ESG Officer on a part-time basis (i.e. besides other duties at GCG). Oversight of ESG agenda is guaranteed by Mr. Jiří Beneš, managing partner of GCG.
- GCG published its first stand-alone ESG report (relevant to calendar year 2022). Moreover, GCG started fulfilling the duties resulting from the status of a signatory of the United Nations-backed Principles for Responsible Investment (UN PRI) and also started to prepare for reporting according to the Invest Europe ESG Reporting Guidelines. All these steps lead to better and more systematic approach to ESG topics.
- As in 2022, operations of GCG and its fund's portfolio companies have not been directly impacted by the Russian invasion in Ukraine. However, challenging macroeconomic conditions including elevated interest rates have influenced the environment, in which both the Fund and the portfolio companies operated.
- Over the course of 2023, there were no ESG-related incidents in any of GGEF I's portfolio companies. None of the companies received any fine or other sanction.
- Following substantial changes in corporate governance and internal policies related i.a. to employment matters and work ethics, employee turnover in Homecare Holding was reduced to less than one quarter of turnover experienced in 2022, with number of notices by employees being zero in 2023. With staff retention being one of the most important non-financial KPIs in healthcare services industries (directly translating to sustainable financial performance), we believe that improvements in social and governance areas have significantly contributed to value creation in the company.
- With addition of SEA – Chomutov to GGEF I's portfolio, the fund acquired a business, where ESG lies among the cornerstones of its long-term strategy. The company serves customers mainly in the energy sector, which is increasingly sensitive to issues related to its environmental impacts. GGEF I's deal team has agreed with SEA's management that over the course of our investment period, the company should become a pioneer and a role model not only in environmental matters, but in sustainable entrepreneurship in general.
- Following the goals set in its ESG strategy, HC electronics has taken steps leading towards deployment of own source of solar energy. The company has also prepared a methodological framework for identification and measurement of staff remuneration inequalities, which shall be implemented in 2024.



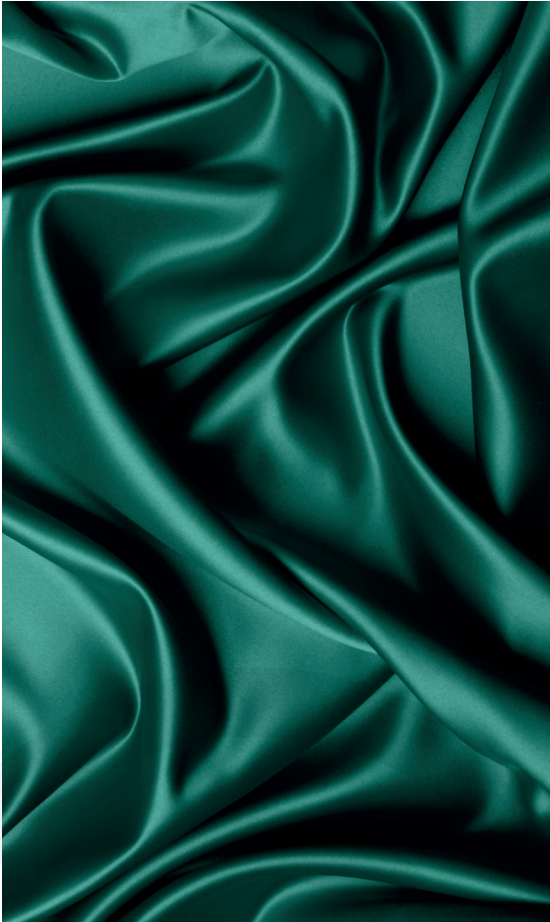
# INVESTMENT AND STEWARDSHIP POLICY OVERVIEW, INCLUDING ESG ISSUES AND CLIMATE RISKS

## **Responsible investment**

At Genesis Capital Growth, a responsible investment approach has always been deeply ingrained in our culture. Our primary focus is on supporting reputable companies that conduct business ethically, aligning with environmental, social, and governance principles. We are committed to enhancing the competencies of our portfolio companies in these aspects, firmly believing that fostering a responsible approach to business not only generates value for our investors but also serves the best interests of all entities, individuals, and communities that engage with us in any way.

Throughout our investment endeavours, we uphold the highest standards of ethics and professionalism. Our commitment to fairness and integrity is an essential pillar that guides all aspects of the investment process. We firmly believe that our principled approach will be recognized and valued by all parties involved in our shared investment journey.





## INVESTMENT AND STEWARDSHIP POLICY OVERVIEW, INCLUDING ESG ISSUES AND CLIMATE RISKS (CONTINUED)

### UN PRI

We seek to invest in sound companies operating in ethical ways and in line with the United Nations' (UN's) Principles of Responsible Investment (PRI). The UN PRI's goals are to understand the investment implications of environmental, social and governance issues and to support signatories in integrating these issues into investment and ownership decisions.

We recognize that sustainable business practices are essential not only for the well-being of our planet and society but also for fostering long-term value for our investors. For this reason, we have decided to join the commitment and become a signatory to the Principles for Responsible Investment promoted by the United Nations ("UN PRI"). With this voluntary commitment, GCG joins a global network of asset managers adhering to the Principles, incorporating environmental, social responsibility and corporate governance issues into investment decision-making and portfolio management practices.

**As signatories of UN PRI, we are committed to the following principles when investing:**

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



# INVESTMENT AND STEWARDSHIP POLICY OVERVIEW, INCLUDING ESG ISSUES AND CLIMATE RISKS (CONTINUED)

## **ESG in the company**

As a stable partner to management teams and businesses, we support the integration and growth of ESG capabilities within our portfolio companies. Our firm believes that promoting responsible business practices not only generates value for all stakeholders involved but also fosters stronger growth.

To stay in line with these transformative developments, our company embraces the EU's Sustainable Finance package, which includes the introduction of the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). By adhering to these regulations, we demonstrate our dedication to responsible and sustainable practices while actively contributing to the EU's broader mission of fostering sustainable finance and ensuring a greener, more sustainable future.

## **SFDR Compliance**

GGEF I does not promote environmental or social characteristics and does not have as its objective sustainable investment (classified as Article 6 fund).

While GCG does apply its proprietary ESG due diligence criteria on potential investee companies, principal adverse impacts ("PAI") of investment decisions on sustainability factors are not considered at neither company nor fund level. The fund targets small and medium sized companies that often have with very lean management structure and do not have the resources to systematically monitor adverse impacts on sustainability factors. GCG is currently reviewing its due diligence processes and assessing potential effects of including PAI considerations into its investment process and in its portfolio companies.

## **Responsible investment process**

Throughout our investment activities, we uphold ethical and professional standards. We firmly believe that our equitable and just approach to investments will be embraced and valued by all parties engaged in the investment process. By fostering an environment of trust and fairness, we aim to cultivate strong and long-lasting partnerships that contribute to the success and prosperity of all stakeholders involved.

# INVESTMENT AND STEWARDSHIP POLICY OVERVIEW, INCLUDING ESG ISSUES AND CLIMATE RISKS (CONTINUED)

Pre-investment phase	Active ownership phase	Exit
<p><b>Selection of Investment Opportunities:</b> EBRD Environmental Social Exclusion List and EIF Restricted Sectors</p> <p><b>Assessment of potential investments:</b> GCG ESG Risk Management Evaluation</p> <p><b>Investment decision:</b> ESG assessment, action plan</p>	<p>Supervisory Board Memberships</p> <p>Portfolio Management</p> <p>Investment monitoring: GCG ESG questionnaire</p> <p>Annual reporting</p>	<p>Identification of added value due to ESG</p> <p>Ensuring continuous ESG performance</p>

## Pre-investment phase

**Selection of investment opportunities:** GCG adheres to the EBRD (European Bank for Reconstruction and Development) Environmental Social (E&S) Exclusion List and EIF (European Investment Fund) Guidelines on the EIF Restricted Sectors. Investment opportunities restricted under these documents or otherwise contravene the content of the Policy are not considered, even if economic prospects might be attractive.

**Assessment of potential investments:** GCG assesses ESG-related risks and identifies ESG-related opportunities before and during due diligence. This assessment is carried out using the GCG ESG Risk Management Evaluation, which has three components: E&S Risk Screening, E&S Risk Assessment and Decision and ESG Risk Control. The extent of due diligence activities is adapted to what is deemed material and appropriate for each potential investment. In case internal resources are not sufficient to assess potential risks (such as in cases of potential environmental issues), external advisors are engaged.

**Investment decisions:** Documents supporting decision making within GCG (Deal Alerts, Deal Qualifying Memorandums) include a standardised ESG assessment, based on the results identified in the completed GCG ESG Risk Management Evaluation and an assessment of potential ESG related risks and value creation opportunities. Furthermore, if material ESG risks have been identified, a mitigation plan is established and discussed with managers of potential portfolio companies.



# INVESTMENT AND STEWARDSHIP POLICY OVERVIEW, INCLUDING ESG ISSUES AND CLIMATE RISKS (CONTINUED)

## Active Ownership phase

**Supervisory Boards Memberships:** Shareholding agreements of funds advised by GCG include, where applicable, provisions to implement ESG-related measures throughout the governance structures, to encourage the setting of ESG agenda topics where appropriate and influence ESG-related decisions.

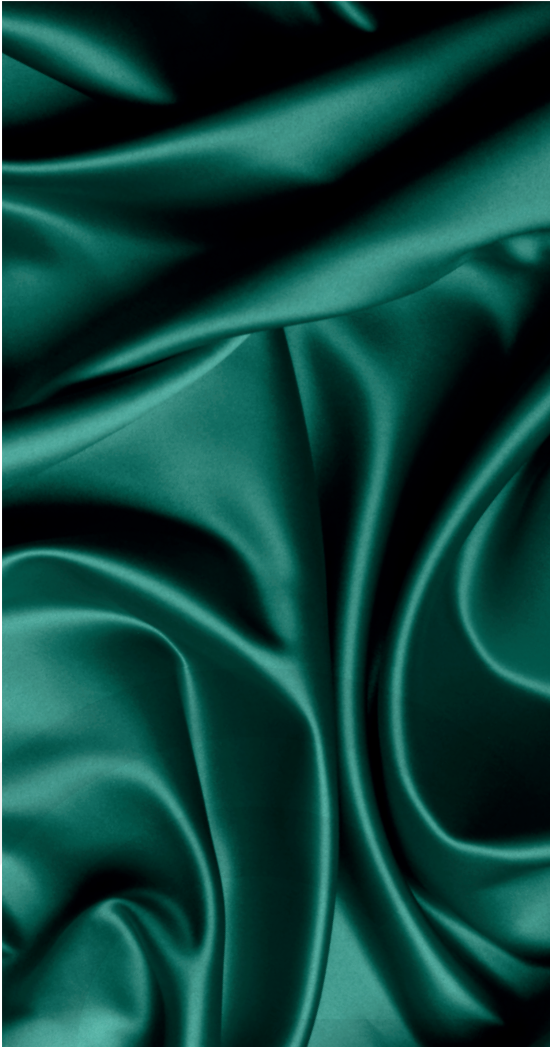
**Portfolio management and identification/revision of material topics:** GCG takes a proactive approach to portfolio management. Where material ESG risks have been identified and action plans established prior to investment, GCG works with managements of portfolio companies to execute the action plans. GCG also continually engages with representatives of portfolio companies to reach a mutual understanding on ESG matters material to every individual company.

**Investment monitoring and continuous support:** Annual monitoring of ESG management is conducted with the use of the GCG ESG questionnaire focused on ESG issues relevant for each individual company. Throughout the holding period, GCG encourages portfolio companies to grow and improve with a vision of long-term sustainability and benefit of multiple stakeholders. Mitigation of ESG-related risks and utilisation of ESG-related value creation opportunities are among other important considerations for companies in GCG's fund's portfolios.

**Reporting:** To encourage accountability and improvement in key ESG areas, GCG seeks to include ESG-related issues into reports of portfolio companies. The format of the reporting may vary among written reports and verbal informal reports.

## Exit

**Added value and ongoing ESG performance** GCG aims to create sustainable value in its portfolio by promoting financial return for shareholders as well as the business' long-term success. Depending on the length of investment, portfolio companies will be able to present financial and/or non-financial added value resulting from the application of an ESG strategy. GCG will furthermore strive to ensure mitigation of risks to an investment's business after its exit by preferably seeking investors who will ensure companies leaving the GCG portfolio will continue to drive performance with consideration for material ESG issues.



# MANAGER SELECTION, APPOINTMENT, AND MONITORING

## Governance structure

GCG investment professionals are responsible for ensuring that ESG related issues are considered in their activities throughout the investment process and the investment committee will include ESG considerations into the decision making and approval process.

## Investment Committee

The four-member investment committee, comprising the three founding partners of GCG and one external member (Mr. Ondřej Vičar, managing partner of Genesis Capital Equity), plays a pivotal role in ensuring that ESG factors are conscientiously incorporated into decision-making on fund level.

To establish clear responsibilities with regard to ESG related issues, an ESG Officer has been appointed. The acting ESG Officer (part-time) is Mr. Ondřej Pernica with Mr. Jiří Beneš being responsible for the ESG topics at GCG partner level. The ESG Officer drives the knowledge sharing of ESG issues within the GCG organization, is responsible for further development of ESG issues at GCG and acts as primary contact person to the investment professionals for ESG related questions. GCG management acknowledges that consideration of ESG issues requires top-down support and is committed to provide any support needed. This includes among others the creation of a favourable environment for ESG considerations, promoting awareness and knowledge, making available the required resources, and implementing ESG related incentive structures where appropriate.

# PORTFOLIO ESG REPORTING DISCLOSURE – COMPANY OVERVIEW



## R2B2

<b>Business focus</b>	<b>High Impact Climate Sector</b>	<b>Markets served</b>
Programmatic advertising services	No	EU and non-EU
<b>No. of employees</b>	<b>Sustainability Ratings and Certification</b>	<b>Internal policies</b>
23	ISO 9001	Remuneration Policy.

### Key initiatives (climate change targets, renewable energy, etc.)

Incentive based benefit scheme.

Part time employment contracts offered to parents with small children or other life plans.

### CEO insight

We do try to reduce our carbon footprint where we can: Our managers do not have company cars, which is otherwise a common benefit. We intentionally avoid air travel and rely on online communication for contact with our business partners in other countries and overseas. For the same reasons we also build a network of local partners on foreign markets. Furthermore, our servers, the most energy-hungry part of our business, are outsourced to a data centre manager that has sourced certified green energy since 2022.

### GCG input

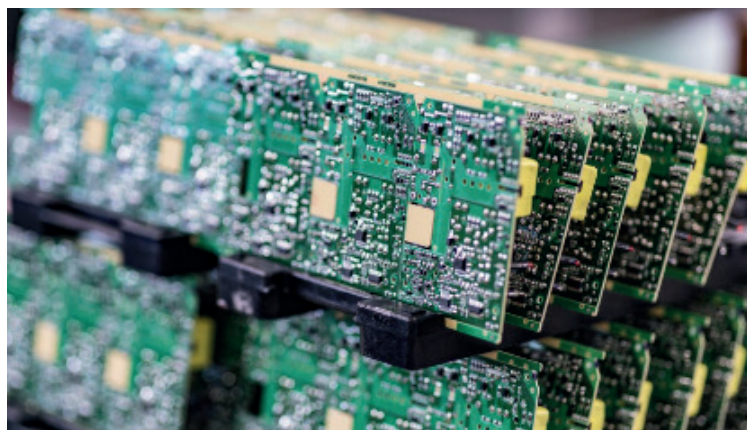
At R2B2 GGEF I faced a succession situation where two founders were selling majority of their stakes. Two managers from within the company were promoted to CEO and CTO roles, followed by the addition of a new CFO. With this, the Fund took the opportunity to introduce more diversity into the leadership team and implement standard reporting and governance.

We were impressed with the technical expertise of R2B2 employees, which is invaluable when servicing their online publishing clients, but also with the company's open and transparent culture, which we aim to develop further with employee additions, considering among other things also gender and diversity factors.

# PORTFOLIO ESG REPORTING DISCLOSURE – COMPANY OVERVIEW (CONTINUED)



## HC electronics



<b>Business focus</b> Electronics manufacturing services	<b>High Impact Climate Sector</b> Yes	<b>Markets served</b> EU and non-EU
<b>No. of employees</b> 128	<b>Sustainability Ratings and Certification</b> ISO 9001 Ecovadis rating (2021)	<b>Internal policies</b> Energy and water efficiency instructions. HR Policy / Code of conduct. CSR Policy. Environmental Policy. Health & Safety Policy.

### Key initiatives (climate change targets, renewable energy, etc.)

Installing own PV generation of 94 kWp, to be in place in 2024).

Rainwater management (retention tanks).

Regular employee training and professional development.

### CEO insight

The company has its approach to ESG described and formalised at the company strategy level and we regularly update our goals. We believe that we have succeeded in creating a friendly working environment, open for discussion, and ensuring work-life balance for our employees. For 2024, we have set a target to identify and address any pay inequalities among genders or nationalities. Following the installation of the solar power plant, which is expected to take place in the second half of 2024, we would like to improve the working environment of our employees, for example by installing air conditioning in the production areas.

Last, though by no means least, we insist on and train our employees to treat all our stakeholders with the utmost respect, including our suppliers, neighbours, or competitors.

### GCG input

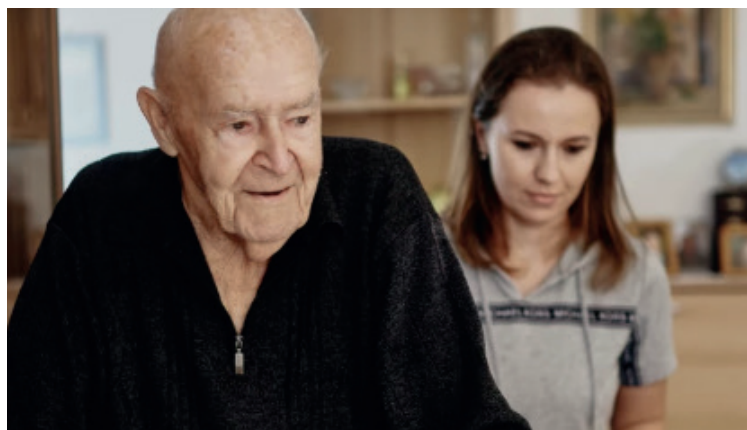
At HC electronics two out of five founders were retiring (and selling their shareholdings in the company to GGEF I). Two managers from inside the company were promoted and GCG initiated the addition of a CFO (leading implementation of reporting and governance standards), with the view of using this opportunity to increase the diversity of the board.

We are certain that improvements in reporting, accounting, and overall governance standards together with bringing diversity to the top management team will have positive impact on both value creation and the long-term sustainability of the company.

# PORTFOLIO ESG REPORTING DISCLOSURE – COMPANY OVERVIEW (CONTINUED)



**Léčíme vás doma**  
HEMOCARE HOLDING



## Homecare Holding

<b>Business focus</b>	<b>High Impact Climate Sector</b>	<b>Markets served</b>
Healthcare	No	Czech Republic
<b>No. of employees</b>	<b>Sustainability Ratings and Certification</b>	<b>Internal policies</b>
45	-	Code of Conduct. Employee benefits scheme. Fair remuneration policy. Hazardous waste treatment policy.

### Key initiatives (climate change targets, renewable energy, etc.)

Energy efficiency guidelines.

Hazardous waste handling guidelines.

### CEO insight

We strive for a healthy organizational culture, promoting teamwork, fairness, transparency, and open communication.

We emphasize regular training and increasing of qualification of all employees: With respect to professional qualification as well as general working skills.

Following digitalisation initiatives concluded during 2022, we took further steps leading towards maximising transparency, efficiency and fairness, while also focusing on providing best possible services to our clients.

We are proud to claim that after reductions of annual paper consumption by almost two tonnes, continuous reduction of average mileage travelled per client visit, we have managed to curb employee turnover by more than 70 % in 2023.

### GCG input

A major redesign of governance standards and improvement in overall company culture were among the key strategic initiatives set at the beginning of GCG's investment. Focusing on these areas has demonstrably contributed to improvements in both operating and financial indicators and serves as a case in point in how good ESG practices lead to value creation.



# PORTFOLIO ESG REPORTING DISCLOSURE – COMPANY OVERVIEW (CONTINUED)

## JP - PROLAK

spol. s r.o.



## JP - PROLAK

<b>Business focus</b>	<b>High Impact Climate Sector</b>	<b>Markets served</b>
Industrial Manufacturing	Yes	Czech Republic
<b>No. of employees</b>	<b>Sustainability Ratings and Certification</b>	<b>Internal policies</b>
67	ISO 9001:2016 ISO 9001:2015	EESH&E Policy (drafted and assessed regularly by an external company specialized in providing on-site ESH Coordinator and comprehensive workplace safety services and training). Remuneration Policy. A comprehensive set of internal guidelines and policies for full compliance with laws and regulations in the areas of worker safety, handling of hazardous substances, air pollution and waste management.

### Key initiatives (climate change targets, renewable energy, etc.)

Modern, energy efficient production technologies acquired with assistance of EU funds.

### CEO insight

JP - PROLAK proactively and responsibly manages all its legal compliance obligations in the areas of environmental protection and employee safety, specifically in waste management, air pollution and handling of hazardous chemicals.

We value employee loyalty and have a system of employee benefits in place to maintain our position as an employer of choice in our region.

### GCG input

In JP - PROLAK we saw a typical example of a successful family-owned business: Using modern technologies, building quality products, and experiencing growth while being managed mostly spontaneously by its founder. We believe that improvements in governance and reporting standards and bringing diversity to the top management levels will have positive impacts on both near-term value creation and long-term sustainability of the company.

# PORTFOLIO ESG REPORTING DISCLOSURE – COMPANY OVERVIEW (CONTINUED)



## SEA - Chomutov

<b>Business focus</b>	<b>High Impact Climate Sector</b>	<b>Markets served</b>
Industrial Manufacturing	Yes	Europe, Scandinavia, and USA
<b>No. of employees</b>	<b>Sustainability Ratings and Certification</b>	<b>Internal policies</b>
89	UNGC, ISO 14001, Ecovadis: Commitment Badge	CSG Management System.

### Key initiatives (climate change targets, renewable energy, etc.)

1. SBTi application pending;
2. Sustrax emissions software package launched;
3. SEA 2023 'base year' emissions data under third party review;
4. 2023 ESG report to be published in July 2024;
5. Unique emissions per product certificate;
6. Partake in Gold Standard emissions reduction projects to support UNSG;
7. ESG KPI's for 2024 set:
  - a) Emissions per employee
  - b) Emissions per million turnover (USD)
  - c) Emissions per Kg of Steel
  - d) Change electricity supply to more sustainable sourced electricity mix
  - e) Increase purchase of steel from provable sustainable sources

### CEO insight

At SEA we express our commitment to making the UN Global Compact and its principles part of our strategy, culture, day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. During 2023 SEA closely monitored all our Scope 1, 2, and 3 emissions; During 2024 we plan to make noticeable emissions reductions and formalise joining the SBTi.

### GCG input

SEA represents GGEF I's first investment, where strong focus on environmental, social, and governance-related matters lies among the cornerstones of the long-term strategy agreed at the investment project's inception between the fund and the company management. We see energy among sectors, where excellence and leadership in sustainability will undoubtedly represent a strong competitive advantage.

# REPORTING DISCLOSURE ON ESG PORTFOLIO

## Key indicators

We currently do not consider the PAI indicators in the investment management process. To be able to do, however, in the future, we have started collecting data on the core mandatory PAI. Our reporting is per company and not aggregated for GCG as an entity or GGEF (product level). This may change as we invest further.

	R2B2	HC electronics	Homecare Holding	JP - PROLAK	SEA – Chomutov	Comment
<b>Taxonomy eligible</b>	No	No	No	No	No	
<b>High Impact Climate Sector</b>	No	Yes	No	Yes	Yes	
<b>Selected principle adverse impacts</b>						
<b>GHG Emissions*</b>	Not calculated	Not calculated	Not calculated	Not calculated	Scope 1 = 745,6 tCO <sub>2</sub> e Scope 2 = 189,2 tCO <sub>2</sub> e Scope 3 = 3 737,6 tCO <sub>2</sub> e	
<b>Share of non-renewable energy consumption</b>	93,6%	93,6%	93,6%	93,6%	93,6%	As per the Czech energy mix in 2023*
<b>Energy consumption intensity per high impact climate sector</b>	N/A	0,06	N/A	0,16	<b>0,08</b>	
<b>Activities negatively affecting biodiversity sensitive areas</b>	None	None	None	None	None	
<b>Emissions to water</b>	None	None	None	None	None	
<b>Hazardous waste</b>	None	1,85 t	0,02 t	17,00 t	10,40 t	

## REPORTING DISCLOSURE ON ESG PORTFOLIO (CONTINUED)

		R2B2	HC electronics	Homecare Holding	JP - PROLAK	SEA – Chomutov	Comment
<b>Unadjusted gender pay gap</b>		Not monitored	Monitoring to be implemented in 24	Not monitored	Not monitored	Not monitored	
<b>Board gender diversity</b>	<b>Ratio of females among board members</b>	0%	0%	100%	0%	0%	Small companies with narrow BoDs. Females represented at C-level in four companies.
<b>Exposure to controversial weapons</b>	<b>Companies involved in the manufacture or selling of controversial weapons</b>	No	No	No	No	No	
<b>ESG metrics tracked by the ESG Data Convergence Initiative</b>							
<b>Work-related injuries</b>	<b>Injuries</b>	0	0	1	2	4	
	<b>Fatalities</b>	0	0	0	0	0	
	<b>Days lost due to injury</b>	0	0	14	44	59	
<b>New net hires</b>	<b>New hires</b>	4	-4	5	11	7	
	<b>Turnover</b>	4%	10,2%	11,1%	5,6%	9,0%	

## REPORTING DISCLOSURE ON ESG PORTFOLIO (CONTINUED)

		R2B2	HC electronics	Homecare Holding	JP - PROLAK	SEA – Chomutov	Comment
<b>Employee engagement</b>	<b>Employee survey Y/N</b>	No	Yes	No	No	Yes	
<b>Proxy indicators (in place of indicators related to UN Global Compact or OECD Guidelines on Multinational Enterprises)</b>							
<b>Anti-corruption policy</b>		No	Yes	Yes	No	Yes	
<b>Breach of law</b>		None	None	None	None	None	
<b>Fines</b>		None	None	None	None	None	
<b>Mechanism for employees to raise concerns</b>		No	Yes	Yes	Yes	Yes	
<b>Complaints from people in the vicinity of company sites</b>		None	None	None	None	None	
<b>Monitoring impact on customers and end-users</b>		No	No	Yes	No	Yes	

\*[https://www.aib-net.org/sites/default/files/assets/AIB\\_2023\\_Residual\\_Mix\\_FINALResults.pdf](https://www.aib-net.org/sites/default/files/assets/AIB_2023_Residual_Mix_FINALResults.pdf)

Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises are not actively monitored. All our investee companies are SMEs with limited resources to actively monitor such compliance. Nonetheless, we monitor any breach of law, fines and other non-compliance as well as any adverse impacts on employees or communities in the vicinity of our investee companies.



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