

CORPORATE ———
SOCIAL ———
RESPONSIBILITY ———
————— REPORT
————— 2020

The health, economic, societal and ecological crisis that we are experiencing as we write these lines reveals to us, on the one hand, the vulnerability of what is essential and structural in our lives; health, education, culture, the quality of the ties that bind us to others and to the planet. On the other hand, the crisis is exposing the flaws of a globalised world that is causing the de-industrialisation of our country, and the fragile dependency of an economic fabric lacking a basis in ethical and collaborative partnerships.

The crisis also brings to light the widening gap of social inequality, the devaluation of many professions that are essential to our society, the growing exclusion of the most fragile members of society and the enormous challenge of preserving the environment and our planet.

This global crisis that we are facing should make us see, now more than ever, that we need to act and start working towards a systemic transformation based on sustainable and equitable models.

We believe that, in any company, a sincere, comprehensive and proactive CSR policy provides a responsible approach to business and a roadmap in our quest for sustainability (ecology, restraint) and social justice (sharing, equity, solidarity) with a constant regard for our shared resources and the principle of “living well” (care, education, culture.).

Our CSR 2020 Report proposes, as did previous reports, three “entries” to illustrate our approach:

1. The values, mission, commitments and 2020/21 goals of Azulis Capital in terms of CSR
2. The implementation of CSR practices and the presentation of extra-financial indicators collected within the management company and among our affiliates
3. The actions and testimonials of our partner companies providing so many possible paths toward transformation, as well as inspiring and encouraging stories.

In the current context of the unprecedented health, economic and social crisis affecting us, we also believe it important to use our website to reflect remarkable testimonials about the resilience and solidarity demonstrated by our affiliates, showing us that « our common humanity is priceless ».

The Azulis Capital Team



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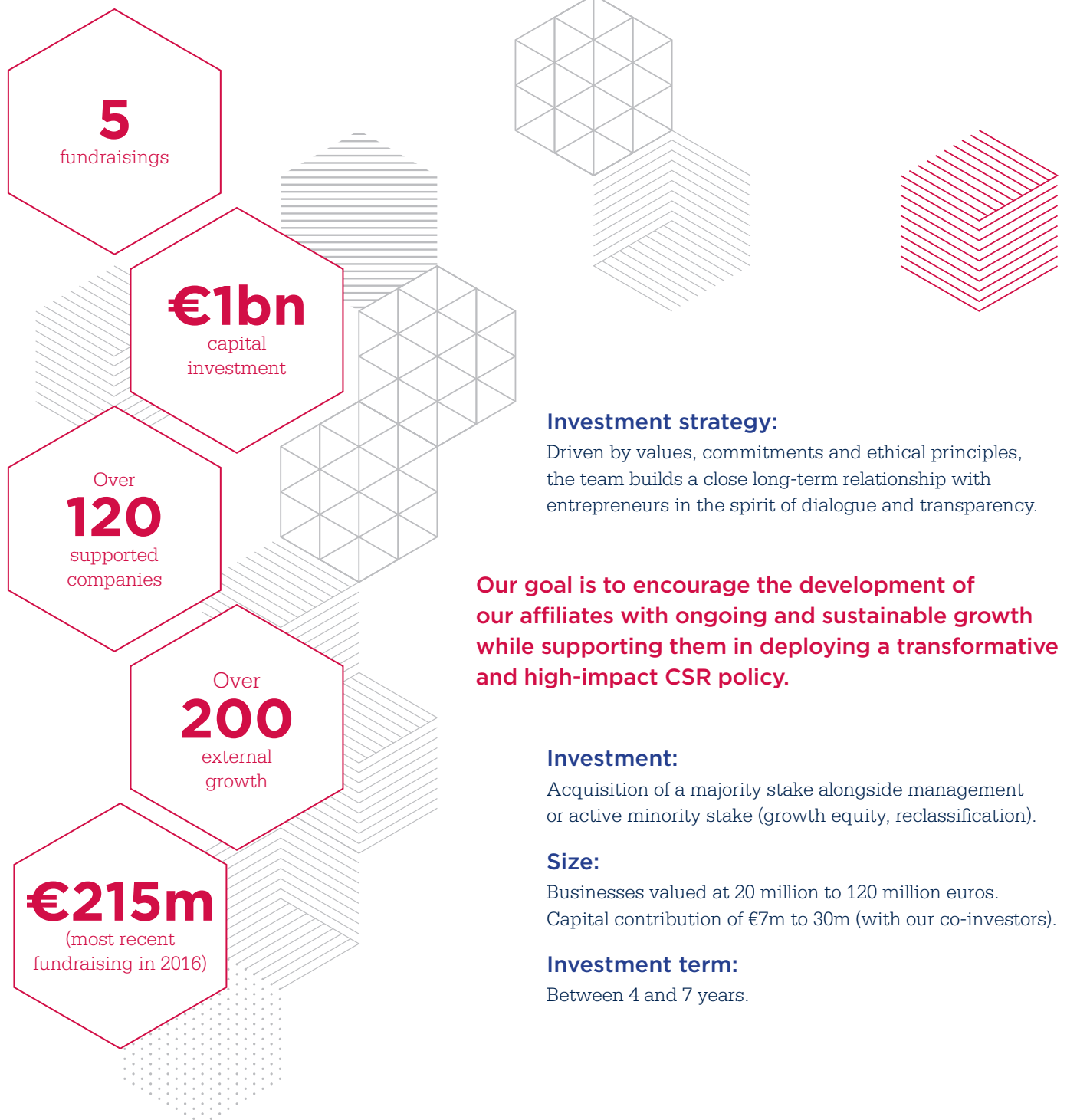
1. AZULIS CAPITAL

1.1 Our business

As a leading company in investment capital in France, Azulis Capital offers responsible and professional support to promising SMEs by providing them with equity financing and partnerships to accelerate their growth and facilitate their business transmission.

Azulis Capital is an independent management company held by its associates. It is certified by the AMF (the French Financial Markets Authority), and is a member of France Invest and Invest Europe.

Azulis Capital since 1993



Investment strategy:

Driven by values, commitments and ethical principles, the team builds a close long-term relationship with entrepreneurs in the spirit of dialogue and transparency.

Our goal is to encourage the development of our affiliates with ongoing and sustainable growth while supporting them in deploying a transformative and high-impact CSR policy.

Investment:

Acquisition of a majority stake alongside management or active minority stake (growth equity, reclassification).

Size:

Businesses valued at 20 million to 120 million euros.
Capital contribution of €7m to 30m (with our co-investors).

Investment term:

Between 4 and 7 years.

1.2 Presentation of the team

The Azulis Capital team is made up of 12 professionals, including 9 investors, 1 general secretary and 2 executive assistants.

Over the last 20 years, the team has acquired broad experience in all aspects of investment and has developed a unique know-how regarding “buy and build” operations by investing in “platform” businesses, which, over time, could become “French champions”.

The team has developed specific sector expertise, allowing it to quickly establish relationships of trust with entrepreneurs and intermediaries based on a solid understanding of the profession and the prospects of the business. The members of the management board have worked together for over 20 years focusing on four investment sectors: **Agri-food, new consumer trends, healthcare and services to individuals, industry and businesses services.**



« An experienced and responsible team »

1.3 Our values

PARTNERSHIP

We **support** entrepreneurial projects and growth.

We serve our managers to help them in their development.

The team's sector approach facilitates interactions with our interests in a pragmatic way, as well as a better understanding of the problems and challenges of their sectors.

SUSTAINABILITY

We **favour internal and external growth strategies** aimed at strengthening the positions of companies within their markets and fostering international prospects. We **limit the debt-to-equity ratio** in financial packages in order to **preserve** a company's capacity for growth.

PROXIMITY - SIMPLICITY

We believe that the profession of capital investor is a **team effort**. All of our investment decisions are made on a **collegial and mutually supportive basis** and we ensure that each member of the Azulis team can express themselves and flourish in their profession.

PROFESSIONAL - COMMITTED

We ensure that we **respect the principles of responsibility and ethics** by building relationships of **trust, respect** and **transparency** with our investors, our affiliates and our partners. Azulis governance is based on strict rules and decision-making processes as well as on several monitoring and exchange committees in which CSR challenges are regularly presented and debated.



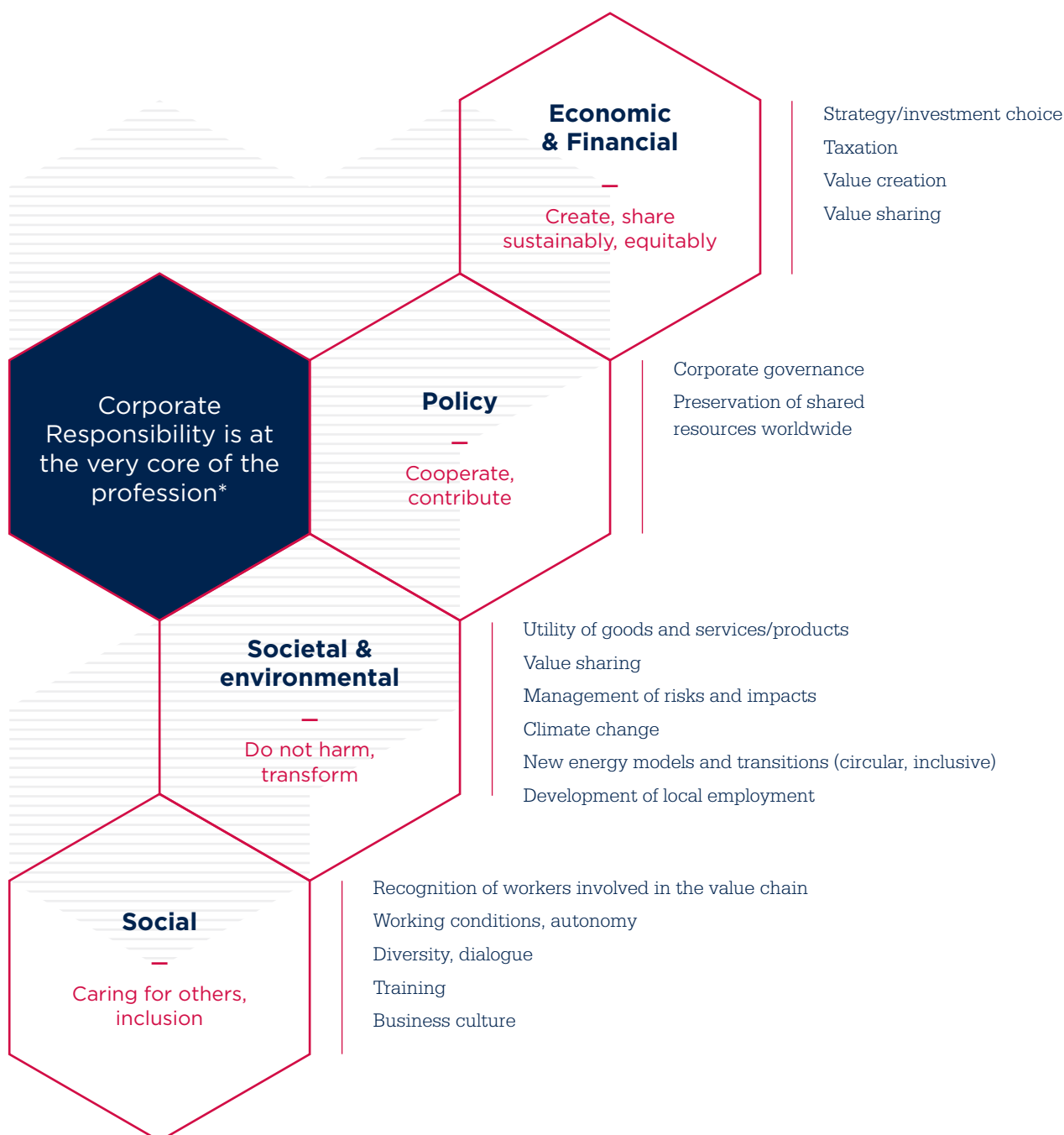


2. CSR MISSION AND PATHWAY

2.1 Responsibility and mission

Businesses are at the heart of the large challenges facing society. They play a key role in environmental, social and political change and transformation worldwide.

Businesses thus have multiple and widescale responsibilities divided into **four major spheres of involvement**. They are **true levers for transformation** in the creation of sustainable economic, social and ecological values.



As a responsible investor in businesses' capital, we **share** all of their responsibilities.

In this regard, our CSR mission consists of providing support to businesses in the deployment of their project in a quest for sustainability, usefulness and social and ecological justice.

*« L'entreprise comme commun », Swann Bommier / Cécile Renouard

2.2 Our commitments and actions

Our **CSR mission** is based on fundamental principles. The mission is namely:

- / **central and non-optional** (Azulis' core strategy)
- / **coherent and comprehensive** with all of the broader responsibilities of businesses
- / **impactful** with defined goals
- / **transparent, critical and vigilant** as part of open and clear governance

Our **mission** involves concrete **actions** and **commitments** that contribute to building trust and developing lasting relationships with our affiliates, partners and within our team.

It encourages **questioning** over our development methods as well as the pathway for rising to the challenges of sustainable development.

COMMITMENTS	ACTIONS	RESULTS
<div>1</div> <div>Planet</div> <div>Limit our impact on the environment and contribute to its protection</div>	<div>Assessment of carbon footprint:<ul style="list-style-type: none">/ Annual carbon audits since 2014/ Carbon audit 4 (scopes 1, 2 and 3)</div> <div>Putting in place offsetting approaches and actions:<ul style="list-style-type: none">/ Encouraging good practices:<ul style="list-style-type: none">• Implementing waste sorting systems and reducing the everyday use of plastic• Managing our impact on the environment</div>	<div>→ 57.9 t CO₂eq. ▼ Carbon emissions by the d'Azulis team in 2019 (57.9 vs. 67.1 in 2018)</div> <div>→ 143,320 t CO₂eq. Carbon emissions portfolio MMF V i.e. 213 t CO₂eq./€m invested in 7 companies</div>

2

Affiliates

Building awareness and implementing our CSR approach with businesses

Pre-investment assessment:

- / Inclusion of the CSR theme in preliminary interviews with managers, letters of intent and investment notes

→ **100%**
shareholders' agreements now contain a clause on CSR commitments

Support and transformation:

- / Carrying out a CSR diagnosis
- / Appointing a CSR reference person
- / Appointing an independent director
- / Public CSR Policy

→ **53%**
of businesses in the portfolio

→ **65%**

→ **41%**

→ **35%**

Transfer:

- / What are we transferring?
- / Assessment of CSR actions and results achieved by the business
- / Implementation of CSR Vendor Due Diligence

3

Affiliates

Foster employment, diversity and equal opportunity

Prioritising the development of businesses

- / Debt leveraging compatible with the financial abilities of the businesses
- / Total employees
- / Organic growth
- / Consolidation (external growth)

→ **2.4xEBITDA**

→ **6,258**
employees

→ **589**
net job creation in 5 years

→ **1,952**
jobs consolidated as a part of external growth over 5 years

Nurturing involvement in enhancing employee integration and development

- / Developing training
- / Improving working conditions
- / Fighting against discrimination
- / Promoting Male/Female equality
- / Sharing the value created

→ **99,271 ↗**
The number of hours of training received by 51% of employees

→ **5% ↘**
Absenteeism rate

→ **2,3% ↗**
Disabled workers

→ **x1.1 ↘**
Male/Female salary ratio

→ **76% ↘**
of companies in the portfolio have put in place a profit-sharing policy (including shareholding)

4

Team

Raise awareness and train Azulis employees on CSR issues and promote their development

Team building and employee well-being:

- / Regular events
- / Improvement of the working environment
- / Setting up annual interviews for exchanges on colleagues' viewpoints
- / Male/Female equality
- / Sharing value with all colleagues



- **50%** of women of the total staff
- **100%** of employees involved in the results of the management company
- 100%** of employees having access to carried interest

Training and skills development:

- / Annual CSR seminars in partnership with EthiConseil and Carbone 4
- / Training in climate challenges and sustainable development for those not listed
- / Carbon Neutrality Workshop

5

Society

Foster the development of our home territories and their communities

Sponsorship and non-profit support:

- / Commitment with ADIE for over 10 years

- Support of 236 micro-entrepreneurs
- Creation of over 300 jobs
- Initiator of the Créadie competition



6

Our Peers

Encourage and participate in the development and harmonisation of CSR best practices with regard to investment capital

Commitments:

- / Signatory to the PRIs since 2011
- / Signatory to the IC20 (Initiative Climat20 / 2020 Climate Initiative)
- / Signatory to the France Invest Charter

Commitment toward professional associations:

- / Organisation of three ESG conferences in 2019
- / Involvement in the France Invest ESG commission

Working groups and exchanges:

- / Active participation in the IC20 working group (Workshop 4: Advanced methodology for calculating a carbon footprint and action plan)
- / Close relationship with CSR / business risk experts (supply chain, cybersecurity, etc.)

Azulis has been given an **A** rating by **UNPRI** since 2015



COMMITMENTS AND ACTIONS

Azulis Capital commitment with Adie for over 10 years

In line with our profession of capital investor, we have been supporting entrepreneurial initiatives for over 10 years through a partnership with Adie (Association for the Right to Economic Initiative).

Adie, founded in 1989 by Maria Nowak, is a registered non-profit organisation that uses microcredits to help people who are excluded from the labour market and do not have access to traditional bank loans to set up their business.

Azulis Capital's contribution translates into a financial commitment and, above all, the availability of an entire team that offers its services to entrepreneurs who are excluded from traditional economic circuits.

Azulis Capital's contribution over the 2007-2020 period made it possible:

To support
236 micro-entrepreneurs

To create
300 jobs



The Azulis team's support in organising the Créadie competition

Born in 2007 of the shared desire of Azulis Capital and Adie to support the original initiatives of micro-entrepreneurs, Créadie, the Microcredit Award, rewards innovations or development initiatives by the creators of businesses that are financed and supported by Adie on a regional and then national level.

Each year, in each region, 4 project leaders receive an award for the following categories:

Youth, Social and Solidarity Economy, Territory Vitality and Rebound.

Azulis Capital financially sponsors the Territory Vitality award and the Rebound award in each region and at the national level, as well as the national Coup de Coeur award.



Azulis Capital Rebound Award for those who successfully reinvent themselves

The award goes to an entrepreneur that is financed or supported by Adie and has shown remarkable tenacity in launching their business activity. The award considers the entrepreneur's ability to bounce back and their determination to take charge of their business, as well as the exemplary nature of their experience.



Azulis Capital Territory Vitality Award for those who set their territory in motion

This award goes to entrepreneurs who are financed or supported by Adie and whose activity has a positive and significant economic impact on their territory.



The winners selected from among regional and then national candidates are nominated by a panel made up of business creators and members of the ADIE and Azulis Capital teams.

Each member of the Azulis team actively participates in a regional panel as well as in the award ceremony. The Azulis team then participates in the national panel which rewards the best regional winners selected from among over 50 applications.

A 2020 edition under the banner of resilience and social responsibility

The 2020 Winners:



Azulis Capital 2020 Territory Vitality Award:

Rebecca Namboue,
Home caterer,
Hauts de France



Azulis Capital 2020 Rebound Award:

Alexandra Ruffier,
Mobile organic and locally-sourced
bulk foods grocery shop,
Franche-Comté



Azulis Capital 2020 Coup de cœur Award:

Alain Aldrin,
Bark's Burger Foodtruck,
Bourgogne

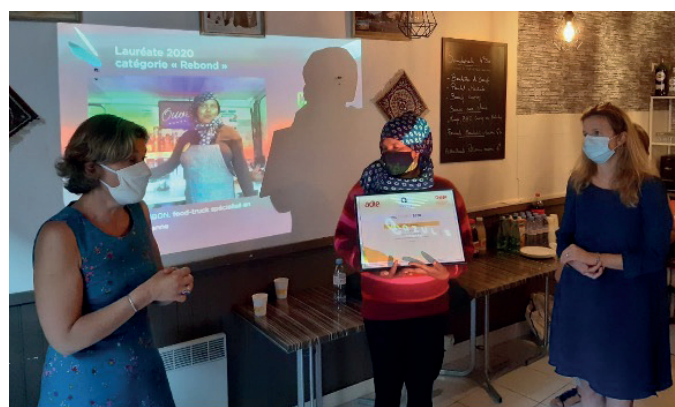
Coralie Lancry,
Ecologically responsible cosmetic products,
French Guiana

Samiya Chambon,
Somali Cuisine Foodtruck,
Pays de la Loire

Jean-Baptiste Tavanæ Tearaitua,
Organic farming,
French Polynesia

Camille Lannoy,
Goat milk-based cosmetic products,
Occitania

Latifa Boulaich,
Eastern Cuisine Caterer,
Nouvelle Aquitaine



Fabienne Kerzhero (manager of Adie Pays de la Loire) and Astrid Cloarec, Investment Manager at Azulis Capital, reward Samiya Chambon for her Somali cuisine foodtruck project in Nantes, which won the 2020 Pays de la Loire Rebound Award and a National Coup De Cœur Award.

The Azulis Capital team, in partnership with Carbone 4, conducted a training workshop on the theme of carbon offsetting.

The goal of this innovative workshop was to consider a carbon neutrality strategy for Azulis concerned with:

- / Working on reducing the team's emissions (eco-friendly practices, recycling, limiting travel, etc.)
- / Continuing to encourage the reduction of emissions within portfolio holdings (carbon audits, definition of CSR pathways, exchange policies with holdings, etc.)
- / Reflecting on and committing to carbon offsetting projects carried out in France by associations that work on carbon neutrality

MEASURE / REDUCE / OFFSET



Active participation in the 2020 Climate Initiative (IC20) working group

IC20 reflects the commitment of French Capital Investment actors to measure, manage and reduce the greenhouse gas emissions of companies in their portfolios.

Azulis Capital, signatory to the IC20 since 2016, participates in the "Workshop 4" working group which addresses the advanced methodology for calculating a carbon footprint (scopes 1, 2 and 3) and the drawing up of action plans to achieve a growth pathway in line with the 2°C goal (Paris Agreements).

A three-step approach:

1

In the investment phase: assessment of the carbon challenge in the future development of the business

2

During the ownership phase: awareness-building within teams; assessment of the materiality of the business's carbon impacts; based on the issues, thorough calculation and definition of an action plan to reduce emissions and adapt to climate change

3

During the transfer: assessment of the significant progress made

iC20

2.3 Pathway and goals

Aims

Our CSR approach consists of seeking out the best possible means of providing support to companies by striving for sustainability, utility, and social and ecological justice in the interests of sustainable development.



2020 - 2021

- / SDG Training
- / Integration of the SDGs in affiliate diagnostics
- / "Impact" seminar for the Azulis team and affiliates

2018 - 2019

- / First social climate enquiries
- / Committing to a plan to reduce the greenhouse gas emission footprint of certain affiliates
- / Carbon Neutrality Workshop

2017

- / Swen Capital ESG Best Practice Honours Prize
- / Carrying out carbon audits for affiliates of MMF V funds
- / Supervising the drafting of the ESG guide
« Capital Investment as a sustainable development player »



2016

- / Signing onto IC20 and actively participating in the working groups



2014

- / First Azulis carbon audit

2013

- / First Azulis CSR Report

2011

- / Signing onto PRIs



2010

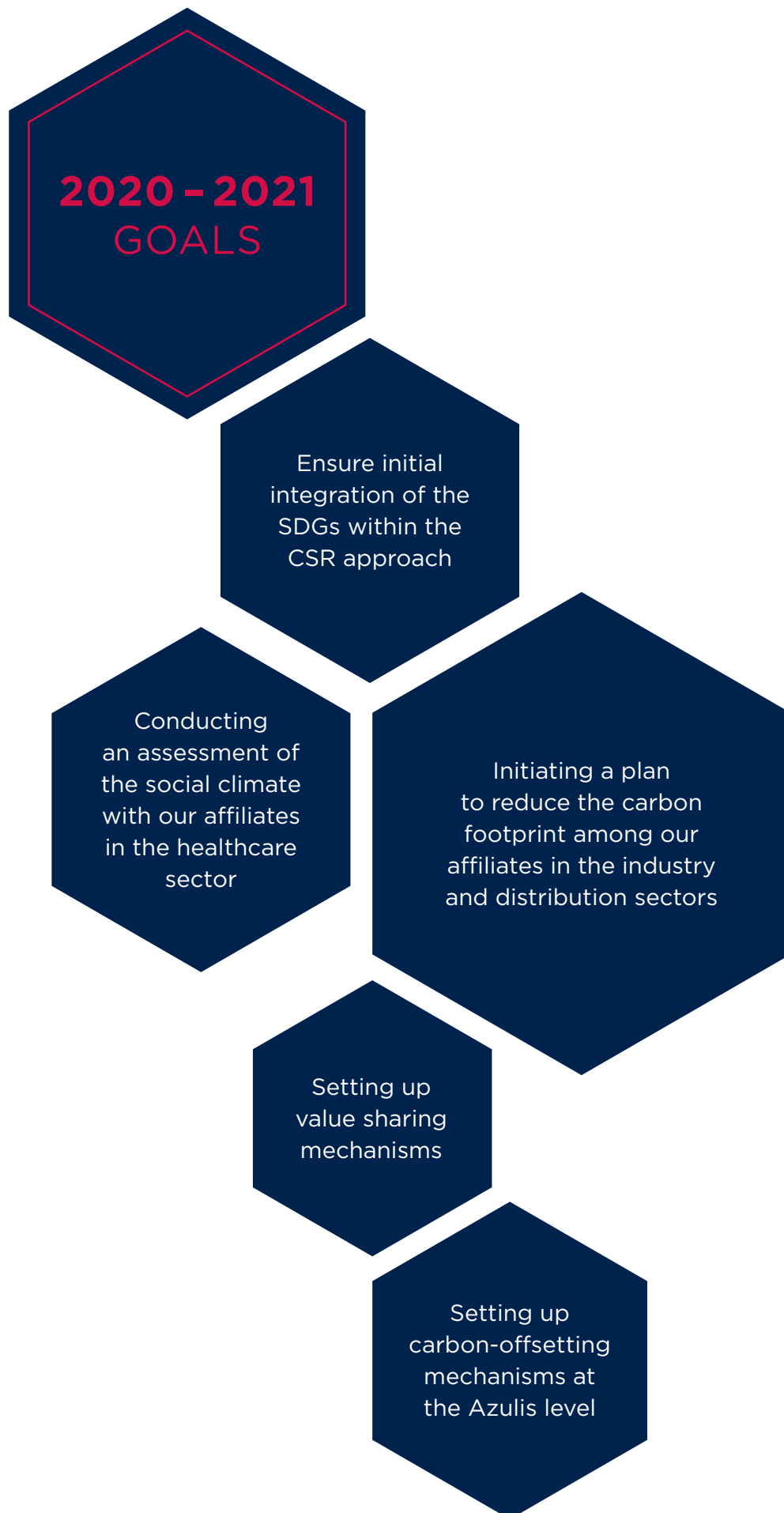
- / Azulis Capital CSR Charter
- / Collaboration with France Invest



2007

- / Beginning of the partnership with ADIE





3. IMPLEMENTING OUR CSR PRACTICES

3.1 Methodology



Our CSR approach extends across all phases of our profession

1. Analysis of the investment opportunity

« Awareness / understanding where we stand »

- / Inclusion of the CSR theme in preliminary interviews with managers, letters of intent and investment notes
- / Carrying out ESG Due Diligence
- / Addition of specific clauses to shareholders' agreements

2. Support and transformation

« Long-term action »

I. Implementing our “essentials”:

	Situation in 2019	Goals	
UNDERSTAND AND ORGANISE			
Carrying out a CSR diagnosis	53%	100%	↘
Appointing a CSR reference person	65%	100%	↘
Appointing at least one independent director	41%	100%	↗
ACT (MATERIAL OPERATIONALITY OF IMPACTS)			
Risk map (supply chain, cybersecurity, etc.)	0%	100%	=
Measuring greenhouse gas footprint (climate level)	41%	100%	↘
Social climate survey (human level)	29%	100%	↘
Creating a CSR action plan	76%	100%	↗
FOLLOW-UP AND DECLARE			
Integration of CSR in the Strategic Committees agenda	53%	100%	↗
Public CSR Policy	35%	100%	↗

The team must reinforce the integration of the CSR approach in new holdings: CSR diagnosis, appointment of a CSR reference person and greenhouse gas emission footprint.

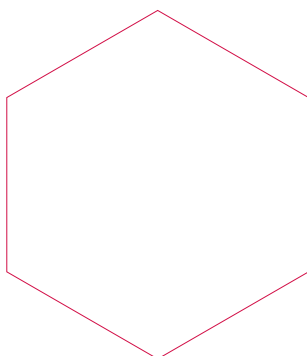
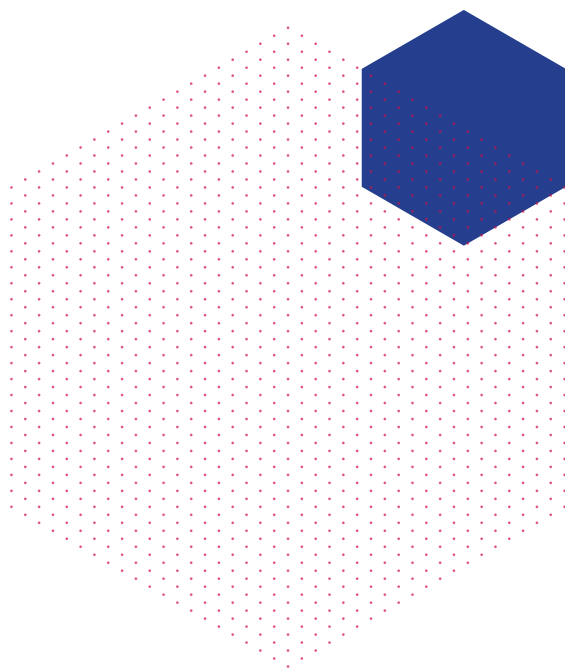
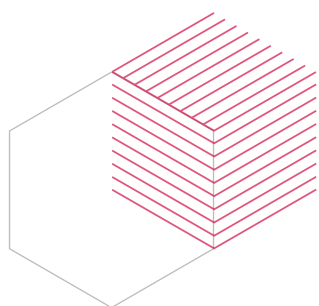
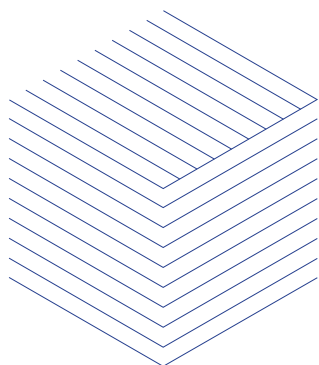
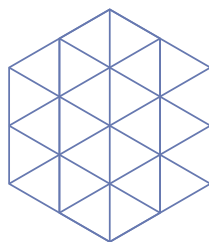
II. Enhancing the approach

- / Regular exchanges on the risk map, social climate surveys and action plan
- / Work on the culture, decision-making processes and organisation of the business with regard to the challenges identified
- / Consideration and integration of innovative CSR approaches specific to the business's activity sector

3. Transfer

« What are we transferring? »

- / Implementation of CSR Vendor Due Diligence.
- / Assessment of CSR actions and results achieved by the business



3.3 Our MMF V affiliates





The Novepan group specialises in frozen bakery products designed for specific markets: premium bread, snack products and pizza, sold in supermarkets and by out-of-home catering in France and in Europe.

Created by three industrial actors – Grain d'Or Gel, founded in 1988 in the north of France, Lubrano et Fils, a business born from a family bakery founded in Sète in 1934, and Bionatis, created in 2002, specialising in the production of organic products – the group has 5 industrial sites in France: Lomme (59), Dunkerque (59), Rouen (76), Haute-Rivoire (69) and Giguean (34).

Sector

Industrial bakery

Location

Registered Office: Lomme (59)

Sales revenue

€61m (2019)

FT employees

217 (2019)

Investment date

01/03/2017

CSR Reference

Claire Michelon

Climate focus*

Emissions produced (scopes 1, 2, 3):

76 kt CO₂eq. (2017 data – updating of data for the 5 sites underway)

Emissions reduced (scopes 1, 2, 3):

4.57 kt CO₂eq. (2017 data – updating of data for the 5 sites underway)

Main challenges:

- / Energy consumption (process)
- / Refrigerant fluid leaks
- / Using agricultural products with a high carbon content

Recommendations:

- / Reduce refrigerant fluid leaks
- / Reduce energy consumption
- / Prioritise local/national suppliers which is the case for wheat, large raw material consumed

CSR approach

In addition to the Valorise or EcoVadis approaches (customer requests), NOVEPAN launched a CSR approach in 2019 in collaboration with Green Flex and BPI. This resulted in the establishment of a CSR policy based on 3 pillars related to the Product offer, People (Social, Safety) and the protection of Resources.

The approach was presented to the managers of the various site departments in January 2020 in order to determine the pillars the NOVEPAN group wished to prioritise.

In this sense, regarding the Product pillar, the desire to use ingredients of French and if possible of local origin, as well as to work with committed sectors (specialised product sectors, four-party agreements, etc.) are the points to be highlighted.

From a Safety point of view, the group aims to reach 0 accidents in 3 years, as well as reduce work stress.

Finally, the preservation of Resources will require addressing waste (avoid, sort, re-use) and implementing specific actions on the sites.

The group's 5 sites are all IFS Food Superior Level certified and three sites are also BRC Food Grade A certified.

Key indicators

Training hours (2019)

2,723
training hours for
217 employees

Training budget:

1.8% of the total payroll



MANAGER TESTIMONIAL

“ At Novepan, we've always believed that the company's long-term performance is inseparable from its ability to understand CSR issues.

In 2020, we launched a structured CSR approach and were supported by a specialised firm. We defined our CSR mission on the basis of three pillars to address product, social and environmental issues, and we deployed the approach with our employees, which is essential to its success.

We set priorities and are now finalising the indicators which have been approved by the CSR committee.

Respect for customers, consumers, colleagues, stakeholders, products and the environment remain more than ever the key words of our approach.”

Jean-Manuel LEVEQUE, President

*Source: Findings of the review by Carbone 4 related to greenhouse gas emissions (scopes 1, 2 and 3) conducted in 2017



The Destia group is one of the major actors for personal services to individuals in France.

It is the product of the March 2015 merger of Avidom, Ile-de-France company specialising in home care for the elderly, and Sous mon toit, regional company specialising in care for vulnerable people.

The group is nationally active through a network of 90 agencies.

Sector

Personal Services

Location

Orléans (45)

Sales revenue

€80m (2019)

FT employees

2,767 (2019)

Investment date

26/02/2016

CSR Reference

Xavier Mura

Climate focus*

Emissions produced (scopes 1, 2, 3):

2.4 kt CO₂eq.

Main challenges:

- / Work-home travel of colleagues
- / Energy consumption

Recommendations:

- / Raise employee awareness of the carbon balance
- / Raise awareness within teams of the benefits of eco-driving

CSR approach

Within the context of the Qualisap certification, all Destia establishments have successfully completed external assessments and renewed their certificates for three years.

In 2018, the group reinforced its training and integration initiatives, bringing the volume of team training hours to over 50,000. Destia also provided over 12,000 hours of training for job-seekers, which resulted in the hiring of 45 people. The goal of professionalising the field and administrative teams thus facilitated the training of 1,013 people in 2018.

In terms of transportation, Destia, through an ever more efficient sectorisation, seeks to reduce travel times and distances travelled to carry out the group's missions.

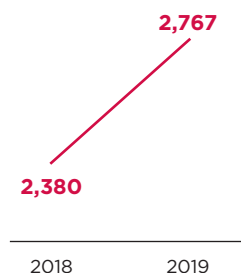
Destia also offers its employees an overall long-term rental offer with a special discount on new vehicles that are more economical and produce fewer emissions with combustion engines and electric motors. The first batch of these vehicles was delivered in 2019.

Furthermore, the Destia group has widely communicated to encourage its teams to develop solutions using carpooling or public transport (specifically, trains).

Mindful of ensuring improved working conditions for its teams without this causing harm to the environment, Destia has equipped its headquarters with a water bar with filtered or sparkling water, thus reducing the purchase and consumption of plastic bottles.

Key indicators

Change in the number of FT employees (2018-19)



Proportion of executive women (2019)

57%



MANAGER TESTIMONIAL

“ Today, we are experiencing an unprecedented health crisis that directly or indirectly affects all the people we meet on a daily basis.

At DESTIA, our No. 1 priority is and has always been the health and protection of our employees, beneficiaries and their families.

Evidently, with almost 5,000 employees working every day and in such a special context, we acted immediately to secure their professional and personal environment (by providing equipment, maintaining salaries in the event of reduced work hours, providing a purchasing power bonus, etc.), and our teams have thus demonstrated their extraordinary dedication.

This strong action plan undoubtedly allowed DESTIA to weather the crisis.

An employee who feels good, is recognised and listened to, will always be ready to help.

This is a vision we must apply every day, at every moment, not just in times of crisis, and that is precisely what we strive to do at DESTIA.”

Xavier MURA, Président

*Source: Findings of the review by Carbone 4 related to greenhouse gas emissions (scopes 1, 2 and 3) conducted in 2017



Founded in 2007 in Lyon by Pascal Vivier and Julien Cohen, Laboutiqueofficielle.com is an online sales site for urban ready-to-wear collections (called streetwear or urban-wear) specialising in the sale of fashion clothing, shoes and accessories (caps, watches, sunglasses).

The business has an original positioning centred on urban culture at the crossroads of the worlds of music, sports and performing arts.

Sector

Online ready-to-wear sales

Location

Chaponost (69)

Sales revenue

€56m (2019/20)

FT employees

83 (employee average 2019/20)

Investment date

11/07/2017

CSR Reference

Marine Krol

Climate focus

Emissions produced (scopes 1, 2, 3):

13.4 kt CO₂eq.

(which is 240 t CO₂eq./€m) ▼

Main challenges:

- / Manufacturing of raw materials
- / Freight (specifically, airline freight)

Recommendations:

- / Source cotton with a low environmental impact
- / Continue to replace airline freight with another type of freight

CSR approach

The company launched several initiatives:

Climate:

- / "Carbon neutrality" partnership with the French Postal Service
- / Increasing importance of local sourcing by leveraging the increased strength of their brands
- / Setting up a policy of separating waste

Social:

- / Setting up an equal annual contribution for all employees
- / Bringing the teams together around moving to a new site (warehouse and offices) in May 2020
- / Payment of a Covid bonus to all employees on site during the confinement period

Organisation:

- / Designating a CSR reference (Marine Krol)
- / Creating a CSR committee with the participation of the management team and shareholders

Value chain:

- / Launching a line of eco-responsible clothing under its brand
- / Choosing certain suppliers on the basis of environmental criteria
- / REACH training for the purchasing & management team in February 2020

Key indicators

Net job creation
(03/2020)

+15%
(vs. 2018-2019)

Carbon intensity
(t CO₂eq./€m)

-21%
(vs. 2018-2019)

CSR TESTIMONIAL

“ At LaBoutiqueOfficielle.com, the well-being of our employees is at the core of every decision we make. Our site's transfer in May 2020 to a workspace that was better suited to the needs of our employees is a good example of this. We also like to invest in the social and civic life of our new community. To this end, we donate clothing to local associations for people in vulnerable situations. We are also mindful of our ecological impact. For example, we are finalising the implementation of an employee lunch plan that hires local caterers and reuses glass packaging in order to reduce waste. We are also very mindful of the professional circumstances of the service providers we work with. Lastly, we launched concrete measures regarding the products we sell: prioritising local sourcing for our own brands, switching to organic and ethical cotton for products printed in-house, launching an environmentally responsible LBO collection, etc. CSR is therefore part of our daily life at LBO.”

Marine KROL, CSR Reference



Established in 2011 by Céline and Gabriel Augusto, LOVE & GREEN is a pioneering French brand in the natural and ecological nappies sector.

The company (renamed GREEN FAMILY after the launch of its second brand, CHANGE NOW, dedicated to the specialised organic circuit) now offers a wide range of ecological products in both baby and feminine hygiene.

Sector

Design and distribution of ecological hygiene products

Location

Rueil-Malmaison (92)

Sales revenue

€24.7m (2019)

FT employees

22 (2019)

Investment date

30/07/2019

CSR Reference

Céline Augusto

CSR approach

The CSR approach is inherent to the company's DNA and has been at the core of its strategy from the beginning. GREEN FAMILY implements various CSR initiatives, ranging from the constant improvement of its products' components to a long-term partnership initiated in October 2019 with an association that combats plastic pollution ("Surfrider").

The company obtained the PME + label from the FEEF (certification by Ecocert) in the autumn of 2019 and has taken steps to obtain the internationally recognised "B Corp" label.

With a view to involving all of its employees in the share capital, GREEN FAMILY set up an employee shareholding project in early 2020.

This action plan and vision will be formalised in a CSR report, produced with the aid of an external firm, which is expected to be completed in the second half of 2020.



Key indicators

Establishment of an employee shareholding plan

68%
of shareholding employees

COMMITMENT / NATURAL / CREATIVITY / LOVE /
INFANT / PROTECTION / IMPACT / FAMILY / GREEN



MANAGER TESTIMONIAL

“ In response to the high expectations of young parents and women in search of healthier products that are more respectful of the planet, Green Family wishes to grow the market for natural and ecological hygiene products and have a positive and sustainable impact on the eco-system. ”

Céline AUGUSTO, Group Managing Director



Meotec is a French consulting firm specialising in project management, purchasing and economic performance.

The company was created in 2005 by Richard Caron, former manager of operations at Altran. It has developed primarily by internal growth.

Meotec is mainly involved in the sectors of industry (with clients such as Thalès, Airbus), transportation (Alstom, SNCF), healthcare (Sanofi), energy (Total) and the financial sector (BNP Paribas).

Sector

Corporate advisory services

Location

Boulogne-Billancourt (92)

Sales revenue

€37m (2019)

FT employees

304 (2019)

Investment date

21/03/2018

CSR Reference

Pascal POUILLOUX
- Deputy General Manager

Climate focus*

Emissions produced (scopes 1, 2, 3):
0.9 kt CO₂eq.

Main challenges:

- / Work-home travel of colleagues
- / Energy consumption at the headquarters

Recommendations:

- / Raise employee awareness of the carbon balance (50% of employees use public transportation)
- / Measure the energy performance levels of the buildings

CSR approach

Meotec has already deployed a number of CSR initiatives:

- / Access to capital of the 7 associates and 32 managers and employees
- / Appointment of a CSR reference person
- / Existence of a CSR charter and an ethics charter
- / Completion of a Happy At Work survey in 2018
- / Certified Silver in 2019 by Ecovadis
- / Male/Female salary difference less than 4% for equal responsibilities
- / Work on a mission dedicated to handicap accessibility in the business

Key indicators

Proportion of executive women consultants (2019)

48%

MANAGER TESTIMONIAL

“ Being the manager of a business means being responsible for integrating into its tactics an approach that is resolutely humane and ‘proper’. The men and women that make up our business, our colleagues, are its prime assets. That is why we are betting on an ambitious and demanding management that is nevertheless resolutely respectful and caring. Thus, our ‘manager charter’ is a tool for management, communication, cohesiveness, training and personal development. The well-being of our colleagues and their adherence to our values are inseparable from our success, for their smiles and trust boost our productivity. We have programs for prevention and safety at work. We equitably redistribute the same amount of profit sharing to each employee without factoring in age, position or seniority. We optimise ergonomics at work. We help social-development associations through skills-based sponsorship. We support sporting associations and educational programs. And even though our environmental contribution is low, we made the choice “to inhabit” an HQE (high environmental quality) building, and we have set up a selective sorting program and a plan to reduce energy consumption. Most recently, Meotec implemented salary rounding for the benefit of 3 associations in the field of education, the environment and economic development.”

Richard CARON, President

*Source: Findings of the review by Carbone 4 related to greenhouse gas emissions (scopes 1, 2 and 3) conducted in 2017



Vivalto Vie was created in January 2015 from the takeover of the Fides group, an independent regional actor specialising in the creation and management of retirement homes (EHPADs – housing establishment for dependent elderly persons).

It is active in Poitou-Charentes-Pays de la Loire and more recently in Ile-de-France.

Sector

EPHAD management

Location

Poitou-Charentes
Pays de la Loire

Sales revenue

€43m (2019)

FT employees

529 (2019)

Investment date

29/01/2015

CSR Reference

Guillaume Raoux

Climate focus*

Emissions produced (scopes 1, 2, 3):

4.6 kt CO₂eq.

Main challenges:

- / Energy consumption
- / Purchasing products and services
- / Work-home travel

Recommendations:

- / Identify the most energy-inefficient buildings
- / Raise staff awareness of the impact of work-home travel (carpooling)

CSR approach

Ethical issues are at the heart of managing Vivalto Vie establishments. Therefore, several measures have been implemented at the Group level and with each establishment in order to oversee the well-being of patients (establishing a vade mecum, regular meetings within the group and at each establishment on the subject of compassionate care, drafting of a charter in progress, etc.).

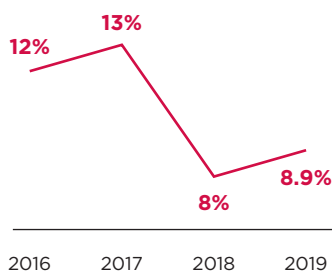
A training program on environmental protection was also offered to employees: selective sorting, carpooling, responsible energy consumption, weekly monitoring of water flow.

Additionally, the Vivalto Vie group has put in place innovative services such as telemedicine and art therapy.

Mindful of continuing to improve its CSR strategy, in early 2019 Vivalto Vie conducted a CSR diagnosis with the company Ethifinance to work on the various areas for improvement.

Key indicators

Absenteeism rate
(2016–2019)



MANAGER TESTIMONIAL

“ At Vivalto Vie, the quality of care and services for our residents and the working conditions of our employees are at the heart of our concerns. Training the managers of establishments and the employees who help the highly dependent elderly is one of the responses that the group provides daily. The health crisis we are experiencing has urged us to further improve care for our residents, their families and the working conditions of our employees.”

Guillaume RAOUX, Managing Director

Female employees (2019)

88%

*Source: Findings of the review by Carbone 4 related to greenhouse gas emissions (scopes 1, 2 and 3) conducted in 2017



Created in 2002 by Roberto Mengozzi, Ital Passion specialises in importing and distributing Italian food products in France. The group offers over 500 products with premium positioning and adheres to a view towards responsible consumption, favouring the quality and authenticity aspect of its services. In 2017, the company notably developed a line of organic products that were a major success.

Sector

Importation of
Italian products

Location

Monaco

Sales revenue

45,6 M€ (2019)

FT employees

39 (2019)

Investment date

12/03/2019

CSR Reference

Karol COUVREUX

Climate focus

Main challenges:

- / Purchasing policy of the Group
(raw materials, freight)
- / Energy consumption

Recommendations:

- / Foster efforts towards energy efficiency
in the group's buildings
- / Develop offers based on products
made with recycled raw materials
- / Continue to promote CSR dialogue
with suppliers

CSR approach

With the support of Azulis Capital, Ital Passion Group launched its own CSR approach at the end of 2019, organising its first internal seminar to lay the foundations for a structured approach.

This event defined a mission - "to make quality Italian gastronomy accessible to all French people" – and formalised a corporate vision based on 5 key values:

- / Family spirit
- / Adaptability and dynamism
- / Ambition
- / Quality
- / Client satisfaction

The first step will involve measuring and assessing the impact of the Group's activities on an environmental and social level.

AUTHENTICITY / QUALITY / PLEASURE /
SUNSHINE / CREATIVITY / RESPECT /
ITALY / PASSION / GRAZIE!

Key indicators

Proportion of
executive women (2019)

41%



MANAGER TESTIMONIAL

“ CSR is an important development pillar for the company. Awareness of environmental and societal issues is a necessity in the current context and will benefit all levels of the company. Indeed, economic development today can only make sense if it is sustainable, with a view to improving our society's quality of life.

This is why Ital Passion launched a CSR approach based on 4 essential themes: human development, the reduction of our environmental footprint, our positive impact on society and the success of our mission.”

Roberto MENGOTZI, President and Founder



Hélios is one of the key actors in the Paris region market for services dedicated to the building envelope (roof maintenance, waterproofing and plumbing).

The group mainly performs renovation and maintenance work with a diversified customer base including public housing agencies, regional councils, city halls and asset managers in the private sector.

The Hélios group is very involved in the market of energy-efficiency renovation.

Sector

Construction second fix

Location

Gennevilliers (92)

Sales revenue

€25,7m (2019)

FT employees

98 (2019)

Investment date

29/01/2019

CSR Reference

Jean-Christophe Blot

CSR approach

A CSR review on GEC, the group's main company, was carried out by PwC in the first half of 2020.

Following this mission, GEC's CSR policy was formalised and a first annual CSR report was drawn up.

Specifically, GEC has established 8 work pillars in the areas of: safety, training, diversity and equal opportunities, business ethics, selection of subcontractors, energy performance of buildings, circular economy and local engagement.

For example: GEC has worked with AFNOR to obtain the "Diversity" and "Equality" labels, setting up a carbon offsetting scheme with ClimateSeed and supporting reintegration programs.



Key indicators

15 stockholding
employees at Hélios
Développement

Frequency rate of
occupational accidents

14 at GEC
versus **24** for the
national average in %

Recycling

25%
of waste

MANAGER TESTIMONIAL

“ Energy Renovation and Sustainable Development are one and the same: driven by this deeply held conviction, GEC Ile-de-France endeavours to make our habitat healthier and more ethical.

Social and Environmental Responsibility issues became a way of life at our company, not out of idealism but out of necessity. Our long-held values and the desire to be a major and responsible player within our region have naturally led us to launch a CSR approach that could provide a clear and formalised framework for our employees and partners.

In our daily waterproofing and insulation activities, we have launched numerous CSR projects: prevention of security risks, digitisation, deployment of a socially responsible investment policy, implementation of a label in favour of diversity and respect for the environment, contribution to local development, etc. Each of these actions are being carried out in collaboration with internal and external stakeholders.

Our CSR report reflects the involvement of our company and employees in this approach for protecting the environment.”

Jean-Christophe BLOT, President



Talis is a group of post-Bac schools specialising in work-study training (85% of students study under professionalisation or apprenticeship contracts) in the fields of commerce, management, marketing, HR, and finance.

The schools, which are federated under the Talis Business School brand, are located in the South-West of France (Périgueux, Bergerac, Bordeaux and Bayonne) and in Paris. They currently have 2,800 students.

Training receives recognised certifications (titles from the French National Directory of Professional Certifications - RNCP).

Sector

Work-study training

Location

Bergerac (24)

Sales revenue

€18.8m (2019)

FT employees

135 (2019)

Investment date

17/12/2019

CSR Reference

Yves HINNEKINT,
Managing Director

Key indicators

Total number
of students (2019)

2,800

90%

of students find a job that
matches their education
within 6 months of
completing their studies

Climate focus

Various initiatives are carried out:

- / Availability of bicycles for students, teachers and administrative teams
- / Awareness-building among students on carpooling
- / Local preference when choosing service providers
- / Poster campaign on saving energy (water and electricity) and awareness raising on the subject
- / Waste sorting, cigarette butt recycling, bottle cap recovery
- / Elimination of plastic cups
- / Reduction in the use of printed paper by favouring tablets and reusable documents
- / Replacement of photocopiers with more environmentally-friendly models

CSR approach

Talis's mission is to train young people and facilitate their integration into professional life through work-study programs (free and paid studies). Some of the group's schools target "school dropouts" or students from disadvantaged backgrounds and achieve excellent results in terms of employability and post-graduation wages. The group's schools have carried out many CSR initiatives:

- / Annual presentation for students on the CPAM's preventive healthcare system
- / Encouraging students to participate in health and social events (soupe des chefs, blood donation)
- / 1st year Senior Technologist (BTS) educational projects relaunched every year on 4 major subjects:
 1. Collection of used books
 2. Collection of second-hand clothing for redistribution to charities
 3. Collection of toys for redistribution to charities
 4. "Nature Clean-up" project, organisation and implementation of an environmental action day.

A concerted and coordinated CSR approach at the group level is being implemented. A CSR reference person will be appointed for each campus in order to boost momentum and coordinate and evaluate actions.

MANAGER TESTIMONIAL

“ We have always carried out a variety of daily CSR initiatives at our 9 Talis campuses. It is therefore in our DNA to promote these best practices among our permanent teams, the faculty and our students. The challenge now is to develop a network-based approach and strategy in this area. But we also harbour the conviction that we must teach young people a new kind of know-how and way of life, engaging them in activities that promote diversity, social commitment and sustainable development. We strive to provide young people with the best possible training for the world of tomorrow, which will surely be different.”

Yves HINNEKINT, Managing Director

4. CONSOLIDATED EXTRA-FINANCIAL DATA

For the sixth year, we are consolidating CSR criteria in 94% of MMF IV and V portfolios as of 31 December 2019 (17 holdings) based on a CSR questionnaire sent to each of our affiliates. This questionnaire was made up of 94 indicators collected annually (details follow) related to 4 analysis categories: Environment, Governance, Social Issues and Economics.

Our compilation grid



Environment

Limit Azulis' and its affiliates' impact on the environment (climate, pollution, biodiversity, etc.).

Evaluate, anticipate, prevent, take advantage of the changes related to climate change, and the energy and ecology transition.



Governance

Establish at Azulis and with its affiliates governance mechanisms that allow the business to maximise its value creation in the present and the future.



Economics

Support businesses in their transformation and ensure their economic longevity.

Create and share value for all stakeholders.



Social / Societal

Foster the well-being and the development of Azulis' and its affiliates' colleagues.

Participate in developing the areas where Azulis and its affiliates carry out their activity.

The purpose of analysing this extra-financial criteria grid is:

- / to support businesses in their CSR strategy and their transformation
- / to make them aware of the current risks and issues (cybersecurity, supply chain, social climate, climate change, etc.)
- / to allow for dialogue and exchanges structured on their business culture and their pathway.

Scope of the compilation

MMF IV

Father & Sons
Rossignol
Ceme

MMF V

Destia
La Boutique Officielle
Marcel & Fils
Vivalto Vie
Novepan
Jordenen
Meotec
Ital Passion
Love & Green
Hélios
Ital Express
Frio
Eksaé
Talis

2019 exiting business:

LV Overseas

2019 entering businesses:

Ital Passion
Hélios
Frio
Ital Express
Eksaé
Talis
Love & Green

Referencing and oversight

Reference

Grenelle II, GRI, ISO 26000 standard, law NRE 2001, United Nations Sustainable Development Goals (SDGs)

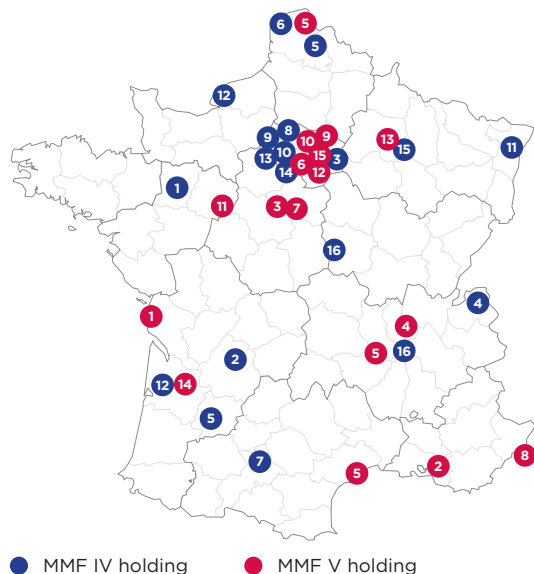
Oversight and validation of data

Internal audit implemented by Azulis Capital with the support of holding CFOs to validate the consistency of the data.

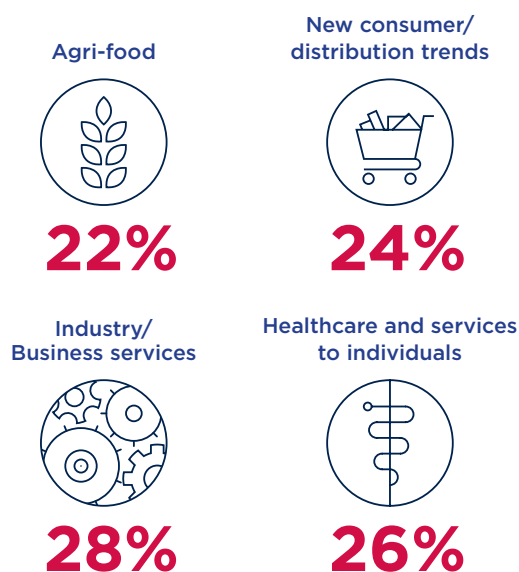
4.1 KPIs – Economic data

Geographic location and economic impact

Geographic distribution of MMF IV and MMV investment funds managed by Azulis Capital



Sectoral distribution of MMF IV and MMF V investment funds (in number of affiliates)



The **sector division** of our investments is expressed as our wish to diversify the risk of our portfolio and profit from all the opportunities offered within these various sectors. From a geographical point of view, our affiliates are located throughout France.

Percentage of exporting companies

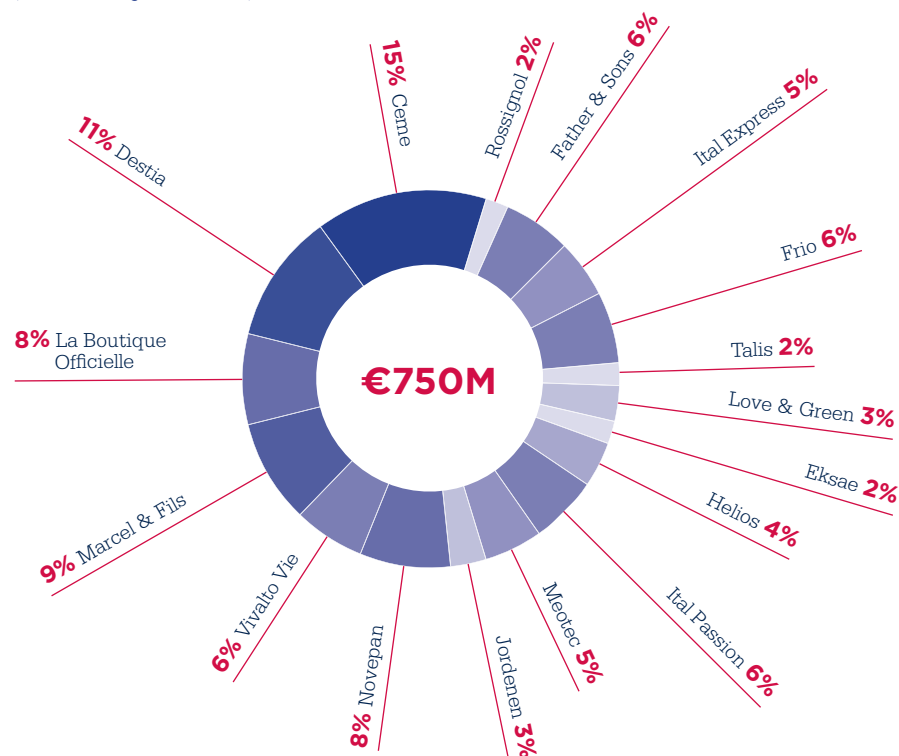
53%
(-5% vs. 2018)

Share of export turnover achieved by these companies

10%
(-9% vs. 2018)

Over half of our affiliates carry out exportation activities. The non-exporting businesses are businesses in the services and healthcare sectors that primarily target the national market.

Measure of activity of businesses in the portfolio by their sales revenue (business year 2019)



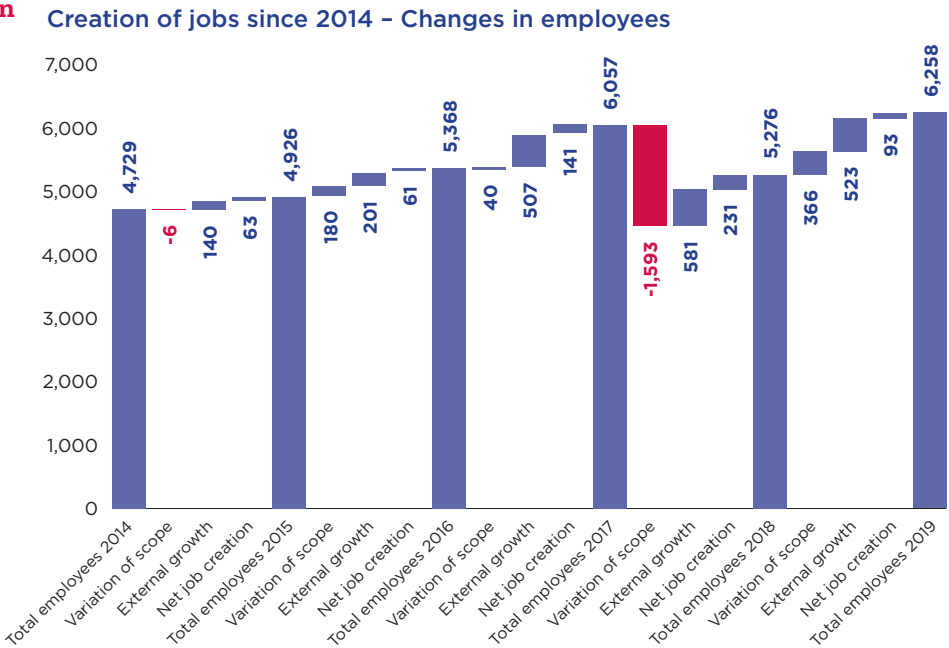
Our ambition:

- / To continue to take part in the development of regional small and medium businesses.
- / To develop the exportation activity of our affiliates to take part in France's influence across the world.

4.2 KPIs – Social data

Employability

We have observed a **net job creation of 589 jobs** between 2014 and 2019, during an economic period that was not favourable to job creation. Those who successfully managed to create jobs over this period were the personal services companies, the consumer distribution sectors and agribusiness.

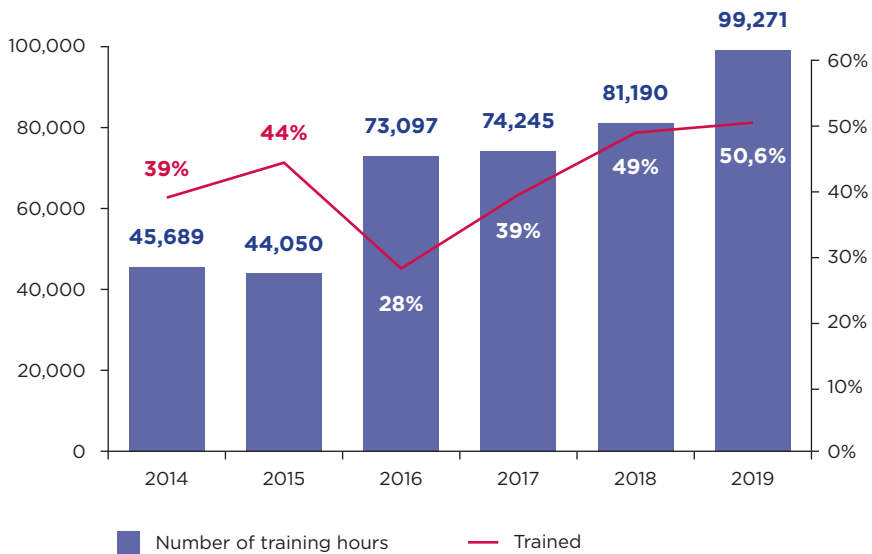


The number of **training hours** as well as the number of individuals trained slightly increased since 2016–2017.

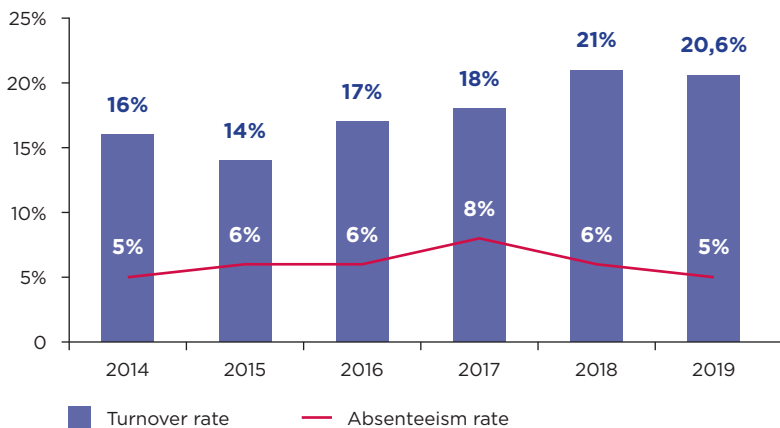
The **turnover rate** among our affiliates has decreased since 2017, particularly due to specific actions taken by some of our affiliates (social climate survey, initiatives for the well-being of our teams, etc.).

On the other hand, the absenteeism rate has remained the same compared to 2018.

Number of training hours and employees trained



Turnover and absenteeism

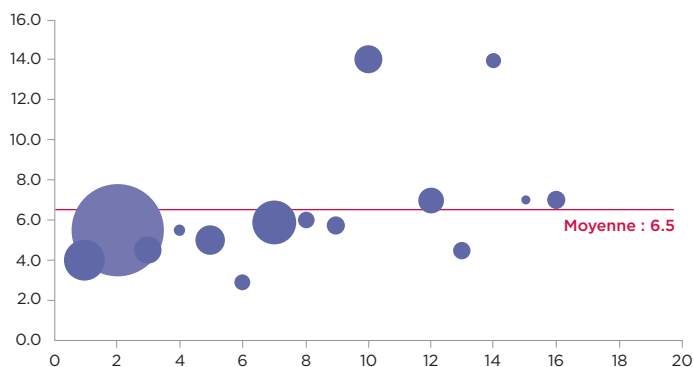


Sharing value created

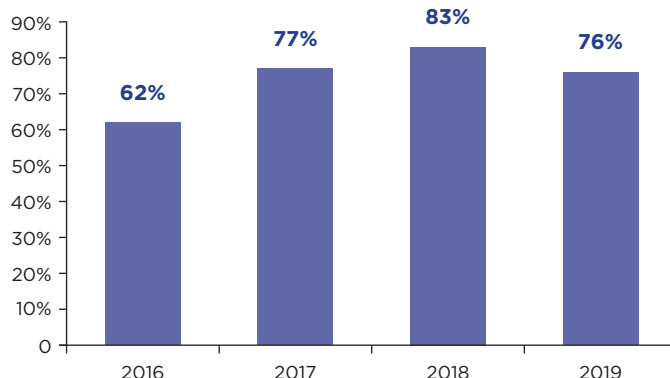
We pay special attention to **wage gap indicators**, which are well-known factors in the deterioration of social climate within businesses (2019 average: 6.5)

Over 3/4 of our businesses have a **profit-sharing plan** for their employees, with policies such as those implemented at Marcel & Fils and La Boutique Officielle.com.

Division of companies based on the multiplication factor between the lowest salary and the highest salary and the number of employees



A profit-sharing policy (including shareholding), put in place

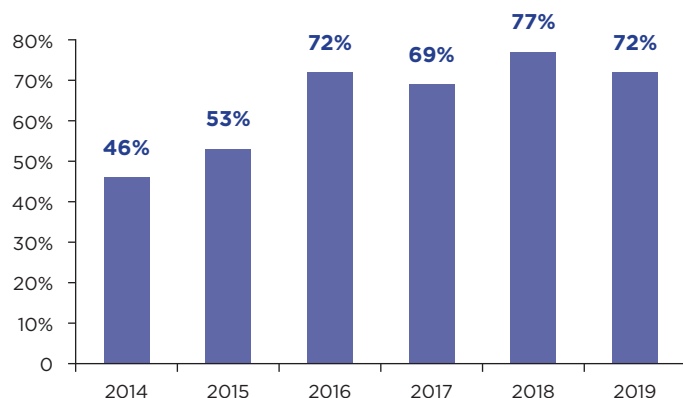


Diversity and fighting discrimination

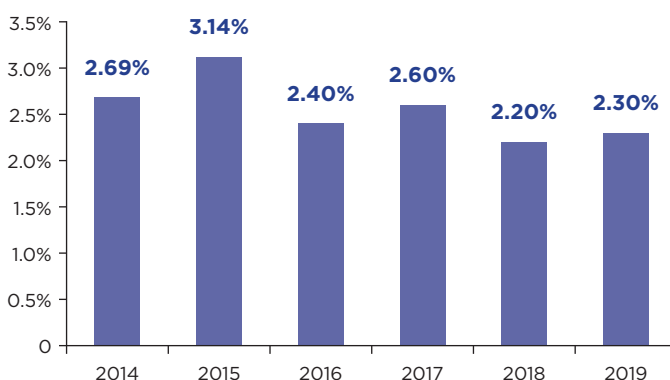
Promoting **equality** and **diversity** has a fundamental place within our CSR approach.

The higher percentage of women among employees is partly due to their high numbers in the healthcare and services to individuals' sectors of our portfolio, where they are very highly represented.

Percentage of women



Percentage of disabled workers



Male/Female salary ratio

x1.1

(improvement vs. 2018)

Our ambition:

- / Improving social climate is a key aim of our responsible investing approach, and we will thus be especially vigilant with regard to changes in training, the absenteeism rate, turnover and the employment of women, which is structurally high in healthcare - a sector that has become predominant in our portfolio in terms of the number of employees.
- / To meet this goal, we have started carrying out social climate surveys with some of our affiliates. These surveys will be generalised for our entire portfolio in the years to come.

4.3 KPIs – Environmental data

Environmental impact

The environmental policy of the companies in the portfolio has improved in 2019 compared to 2018.

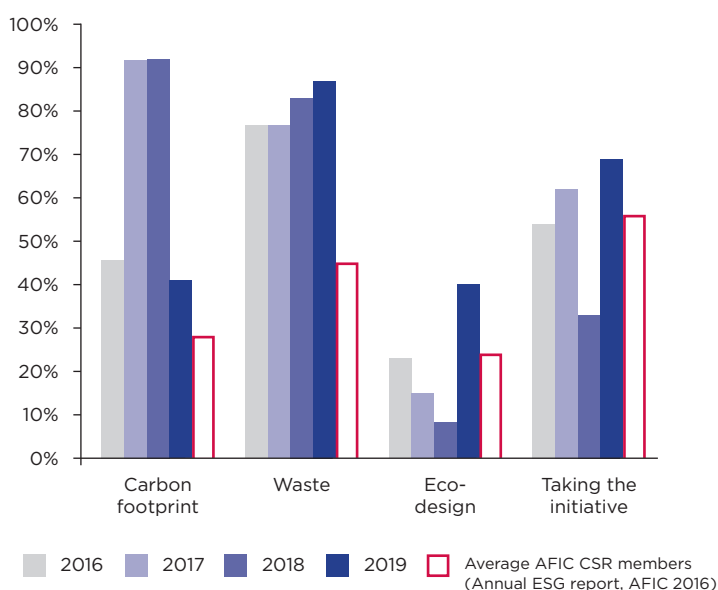
This is mainly due to the efforts Azulis Capital's holdings have made to reduce their environmental footprint.

The consideration of environmental issues by the companies in our portfolio is higher overall than the average shown by France Invest (consolidated ESG report, France Invest, 2016).

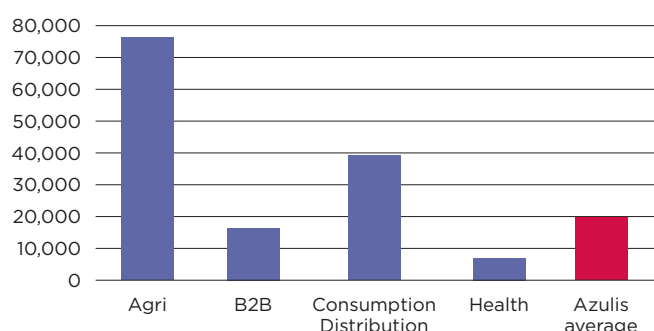
Our commitment to IC20 has led us, since 2016, to carry out an assessment of the carbon footprint of businesses in the MMF IV and MMF V portfolios.

To date, 41% of the companies in our portfolios have carried out a carbon audit. Excluding companies acquired in 2019, 70% of affiliates have carried out a carbon audit.

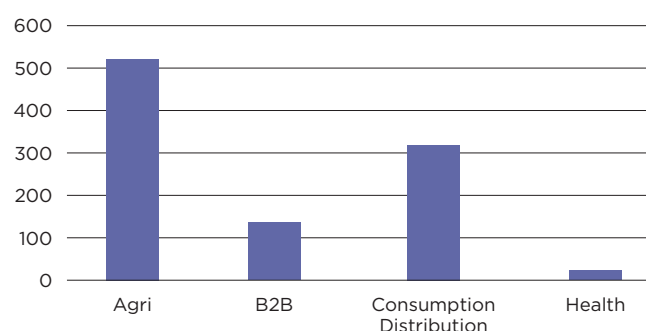
Percentage of businesses taking into account the 4 environmental themes



CO₂ emissions by activity sector (in t CO₂eq.)



Carbon intensity by activity sector (in t CO₂eq./€m invested)



The analysis reveals that the agribusiness companies, and to a lesser degree those developing the commercial activities of purchasing and selling B2C products have a higher carbon intensity than those operating in the B2B distribution and healthcare sectors.

The emissions of these businesses are essentially indirect (87% on average for scope 3). They are largely from the upstream supply chain of the businesses studied, which limits the immediate action they could take to reduce them.

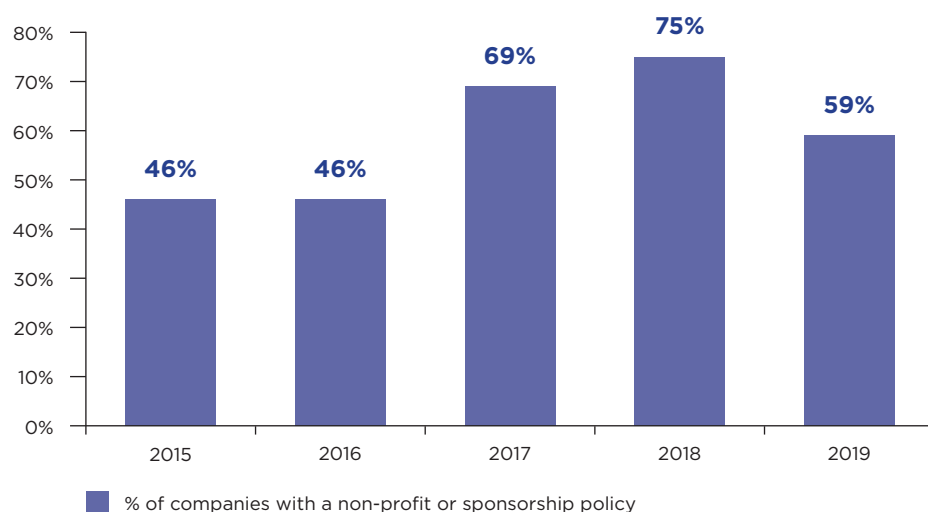
Our ambition:

- / Azulis Capital is committed to monitoring the changes in Climate KPIs adapted to business professions, and setting 3-year goals for improving these KPI.
- / Azulis Capital is working with the France Invest IC20 commission on software developed for funds to calculate the carbon footprints of their affiliates (scopes 1, 2 and 3).

4.4 KPIs – Societal and Governance data

Societal data

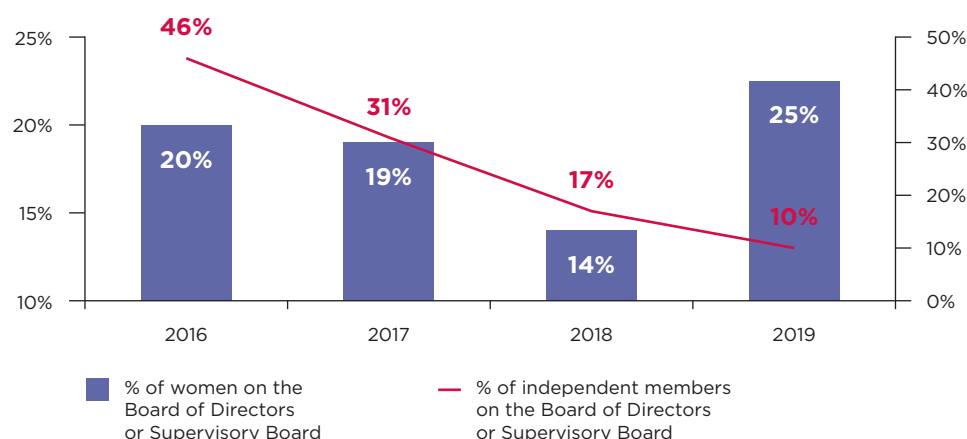
Support for non-profit/sponsorship projects



10
of our affiliates
supported non-profit
projects in 2019

Governance

Composition of boards



47%
of our affiliates
have a code
of governance or
an ethics charter

65%
have appointed
an officer to manage
ESG issues

The proportion of women on the Board of Directors and/or Supervisory Boards of our affiliates improved in 2019.

The decrease in the percentage of **independent members** on these boards in 2018-2019 is due to a scope effect in 2018. Recruitment is underway for independent directors in holdings that entered the portfolio in 2019.

A CSR reference person at each of our affiliates is one of our essential goals: to identify the vector and initiator of CSR approaches within the business.

Our ambition:

- / We seek to increase the proportion of affiliates that have a **code of governance** or an **ethics charter**. In fact, we believe that formalising such a document would allow for the consolidation of the company's values and ambitions throughout the various layers of the business. This lays the foundation for responsible approaches to be delved into more deeply.
- / Azulis pays special attention to ensuring that supervisory boards are more inclusive to employees and include independent members.

NOTES

