

CORPORATE ———
SOCIAL ———
RESPONSIBILITY ———
————— REPORT
————— 2021

The unprecedented health crisis gripping the planet and the successive climate disasters all over the world reverberate in the news like an echo, warning us to pay heed to the latest analyses and projections of the IPCC.

Once again, the IPCC's findings unambiguously call on all economic stakeholders to face up to their responsibilities, commitments, and concrete initiatives, and put themselves at the service of the urgent need for an ecological transition, our only path to ensuring sustainable development and a resilient future.

The European Union's impressive mobilisation for a major "Green Deal" is a response to these crucial challenges.

The new European regulations on "sustainable finance", along with their draft taxonomy of sustainable activities, encourage all stakeholders to take a clear position with regard to their intentions, courses of action in support of the ecological transition, and commitments in terms of carbon neutrality and sustainability.

In keeping with Azulis Capital's pathway to progress on CSR issues, initiated over 10 years ago, the team opted to make its new fund, created at the end of 2020, an Article 8 fund under the SFDR regulation. This will be used to continue promoting strong environmental and social commitments using specific, measurable objectives.

The team also rallied around the adoption and inclusion of the United Nations' Sustainable Development Goals as a universal language and framework for its CSR practices in order to move forward as a sustainable society in all of its human, social, bioecological, and economic aspects.

Seven SDGs were chosen as the most applicable to the contributions over which Azulis has the most leverage.

The three "entries" that provide the structure for our yearly CSR report

- 1- Practices and aims of our pathway
- 2- Measurement and analysis of our portfolios' KPIs
- 3- Our affiliates' CSR discourse and initiatives

are all liberally seasoned with SDGs that serve as milestones for commitments and initiatives designed to contribute to achieving the goals set by the United Nations.

We are hazarding that the huge progress in national and European regulations for "sustainable finance" will not be applied exclusively as an exercise in conformity and eligibility, but rather as a strong, common framework for commitment, low carbon alignment, and transparency equal to the challenges.

The Azulis Capital Team



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1. AZULIS CAPITAL

1.1 Our Profession

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 asset manager held by its associates. It is AMF (the French Financial Markets Authority) -certified and a member of France Invest and Invest Europe.

**Since 1993,
Azulis Capital means:**

6
fundraising

€1 B
capital
investment

Over
230
External growth
operations

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 M to €120 M.
Capital contribution of €10 M to €40 M
(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 13 professionals, including 10 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 developed 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.**



Astrid Cloarec
Associate Manager



Caroline Chemel
Associate Manager



Yann Collignon
Managing Partner



Gabrielle Delle Vigne
Investment Manager



Nicolas Cosson
Associate Manager



Paul Denieuil
Account Manager



Pierre Jourdain
Chairman of the Board



Julien Hess
Associate Manager



Bruno Lavollé
Associate Manager



Séverine Menu
Executive Assistant



Christine Mariette
Managing Partner



Marie-Aude Meunier
Executive Assistant



Donatien Noyelle
General Secretary

“An experienced and responsible team”

1.3 Our Values

PARTNERSHIP

We **support** entrepreneurial and growth projects.

We serve our managers to help them in their development.

The team's sectoral approach facilitates pragmatic interactions with our interests, 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 and achievement of the pathway to progress on CSR issues.



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

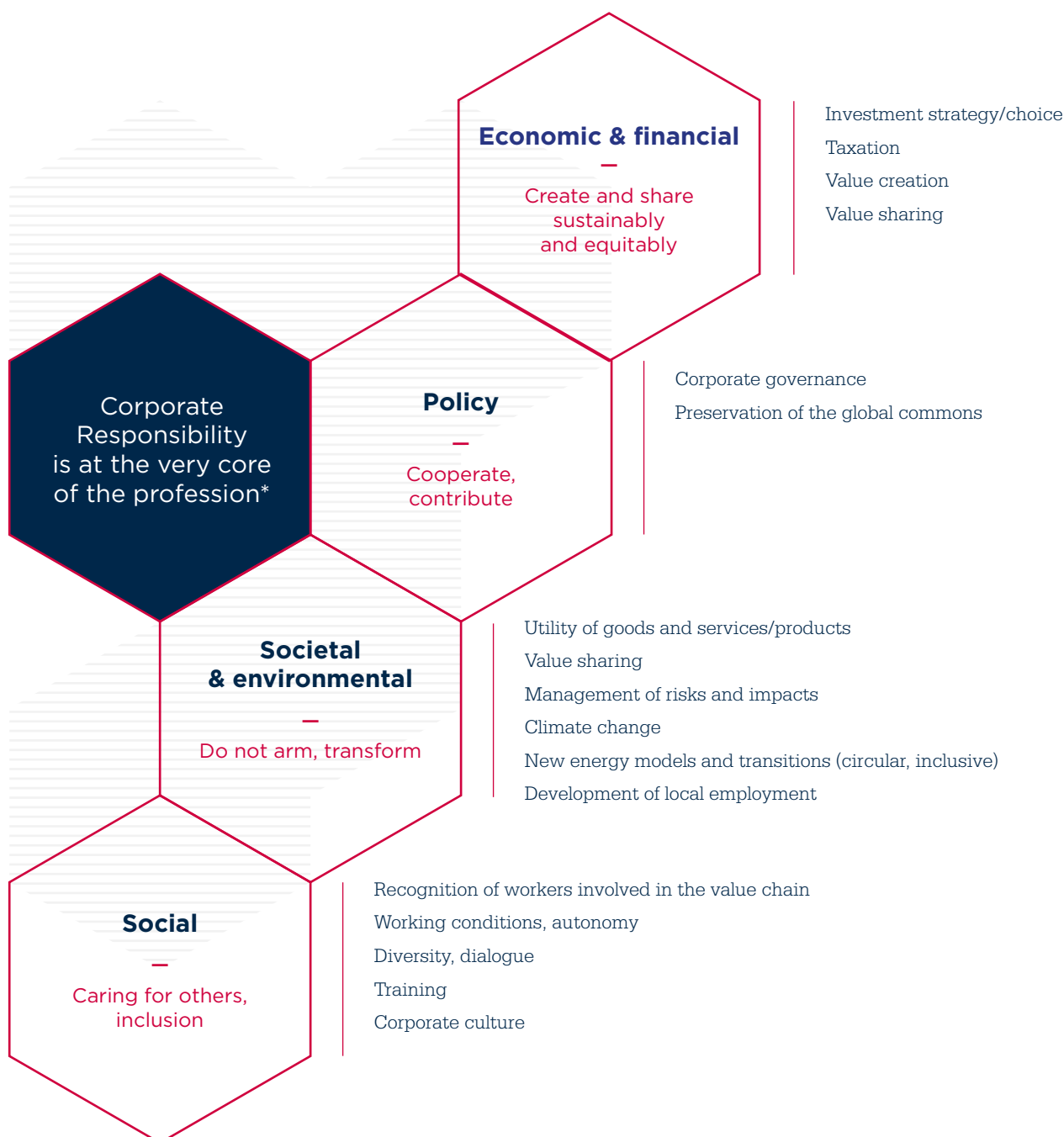
We take care to **respect the principles of responsibility and ethics** by building relationships of **trust, respect**, and **transparency** with our investors, our affiliates, and our partners. Azulis' governance is based on strict rules and decision-making processes as well as several monitoring and 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 wide-scale responsibilities divided into **four major spheres of involvement**. They provide **real leverage for transformation** with prospects for the creation of sustainable economic, social, and ecological values.



As a responsible investor in corporate 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 The Sustainable Development Goals

Adopted in September 2015 by the United Nations in the framework of its 2030 agenda, the **SDGs define 17 major challenges for society** that must be taken into account if we are to move forward as a sustainable society in all of its **human, social, bioecological, and economic aspects**.

Constituting a common language on a global scale for all stakeholders in all businesses, the SDGs are an effective, relevant way to enrich the CSR framework.

Relying on the expertise of PwC and based on the analysis of positive and negative contributions to the attainment of SDGs carried out by means of KPI tracking over many years, **Azulis Capital has chosen to make its contribution through the 7 SDGs below**:



We will be developing a way to map our impact and measure the positive and negative contributions of our portfolios to the SDGs.

At this stage of integrating the **7 SDGs** into our CSR approach, we can draw a simplified map, as follows:

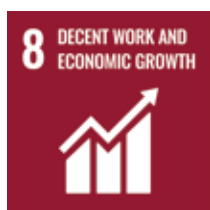
POSITIVE CONTRIBUTIONS TO ACHIEVING THE SDGS

At the level of Azulis Capital, the largest positive contributions have been to:



SDG 3

The good health and well-being of all employees, social issues to which we can add safety and prevention, health and professional risks, and training, are focal points consistently tracked by our businesses (see social KPIs pages 34 to 35) and subject to due diligence at the time of acquisitions.



SDG 8

Job creation and good economic health

by and of our businesses and their positive contribution to employee wages, attractiveness, and employability are key indicators (see consolidated KPIs page 34) that we consistently track and evaluate.



SDGs 5 and 10

Equal treatment, gender parity, the fight against discrimination, and the promotion of diversity are among our values. As an example, Azulis Capital has, for many years, had a gender parity ratio of 46%, among the highest in the profession. These principles are an integral part of the CSR approach undertaken by our affiliates, notwithstanding marked differences depending on business sector (for example, the health sector has an extremely high gender parity ratio).



SDG 17



Azulis Capital is cognisant that ESG cannot move forward in isolation, and its contribution has long been recognised by its peers, being one of the **founding members of France Invest's ESG Commission** and involved many of its projects.

Azulis also contributes to IC France workshops and is one of the first signatories of that initiative. Finally, we would also like to highlight Azulis' very faithful contribution to ADIE for over 12 years, creating 317 jobs in disadvantaged populations.



SDGs 12 and 13

Responsible consumption and production being directly linked to the fight against climate change, are central to business activities, particularly in the industrial and retail sectors, due to the "materiality" of these sectors. This is also specifically tracked so as to evaluate the development plans of these businesses (see negative contributions).



NEGATIVE CONTRIBUTIONS TO ACHIEVING THE SDGS

The activities of the industrial and mass consumption (brands and retail chains) businesses in our portfolios consume resources and energy (SDG 12), and emit GHGs (SDG 13) and, as such, generate negative impacts, slowing down the achievement of these SDGs.

The indirect outsourcing of textile manufacturing, practised by two businesses in our portfolios, has a potential negative impact on SDGs 3 and 8.

However, these negative contributions by certain businesses in our portfolios are clearly identified and closely monitored in the framework of the CSR approach of these businesses.

2.3 Our Commitments and Actions

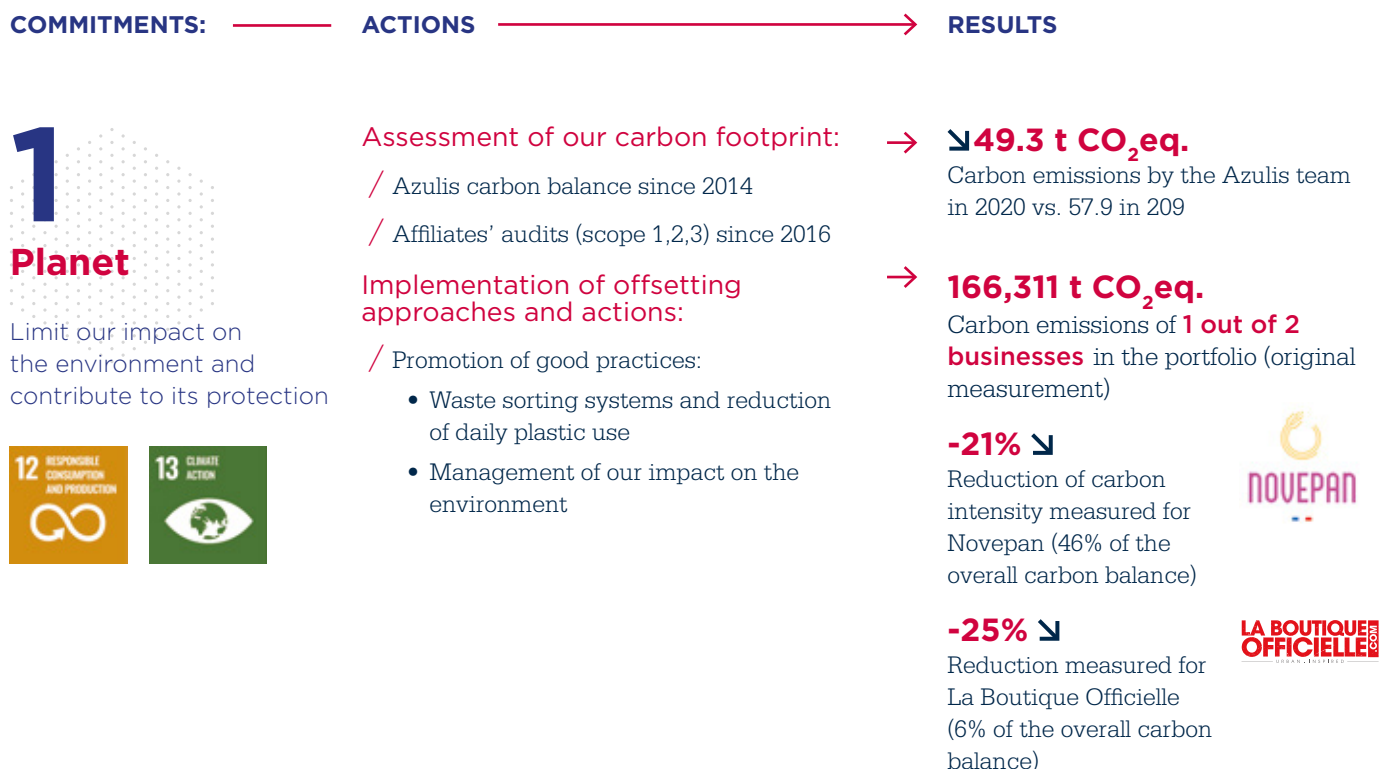
Our **CSR mission** is based on fundamental principles. It is:

- / **central and non-optional** (Azulis' core strategy)
- / **consistent 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

The principles of our CSR approach are inscribed in Azulis Capital's articles of incorporation.

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

They encourage us to **examine** our development methods and the path to be taken to rise to the challenges of sustainable development.



2

Affiliates

Education and implementation of our CSR approach with businesses

Responsible investing

Pre-investment assessment

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

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

Support and transformation

/ CSR audit

→ **71%**
of businesses in the portfolio

/ Appointment of a CSR contact person

→ **65%**

/ Appointment of an independent director

→ **35%**

/ Code of governance or ethics policy

→ **47%**

Disposals

/ What are we transferring?

/ Assessment of the CSR initiatives and results achieved by the business

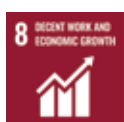
/ CRS informations on disposals

→ **100%**

3

Affiliates

Foster employment, diversity, and equal opportunity



Prioritising the development of businesses

/ Debt leveraging compatible with businesses' financial capabilities

→ **2.8xEBITDA**

/ Total workforce

→ **5,664**
employees

/ Organic growth

→ **744**
net job creation in 6 years

/ Consolidation (external growth)

→ **2,087**
jobs consolidated as a part of external growth over 6 years

Taking care of employees, supporting their integration, and promoting their involvements

/ Developing training

→ **93 371** ▽
Number of training hours attended by 41% of employees

/ Improving working conditions

→ **6%** =
Absenteeism rate

/ Fighting against discrimination

→ **2.9%** ▽
Disabled workers

/ Promoting gender equality

→ **x1.2** =
Male/Female salary ratio

/ Sharing the value created

→ **76%** =
of the companies in the portfolio have implemented profit-sharing (including shareholding)

4

Team

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



Team building and employee well-beings

- / Regular events
- / Improvement of the working environment
- / Establishment of annual interviews for colleagues to exchange viewpoints
- / Gender equality
- / Sharing value with all colleagues
- / Variable remuneration takes account of ESG criteriae



- **46%** women in the overall workforce
- **100%** of employees share in the asset manager's profits
- 100%** of employees have access to carried interest

Training and skills developments

- / Annual CSR seminars in partnership with PwC
- / Training on climate challenges and sustainable development for those not listed
- / Conference on SFDR/Taxonomy and SDG Regulations

5

Society

Foster the development of our home territories and their communities



Sponsorships and support for non-profits

- / Commitment with ADIE for over 10 years

- Support of 250 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 of IC France
- / Signatory to the France Invest Charter

Azulis has grade **A** since 2015 by the **UNPRI**



Engagement with professional associations

- / Organisation of 2 ESG conferences in 2021
- / Involvement with France Invest's CSR committee



Working groups and exchanges

- / Participation in the IC France 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.)

iC France



COMMITMENTS AND INITIATIVES

Azulis Capital's involvement 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 recognised public interest organisation that uses micro-credit 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 to ADIE consists of a financial commitment and, especially, time offered by the entire team to provide services to entrepreneurs without access to traditional economic channels.

Azulis Capital's contribution from 2007 to 2021 made possible:

Support for
250 micro-entrepreneurs

Creation of
317 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, the Micro-credit Award Créadie rewards innovations or development initiatives by the creators of businesses financed and supported by ADIE on a regional, then national level.

Each year, in each region, 4 project leaders receive an award for the following categories: Young persons, Social and Solidarity Economy, Territorial Vitality, and Resilience. Azulis Capital financially sponsors the *Vitalité des Territoires* prize and the *Rebond* prize in each region and at the national level, as well as the national *Coup de Coeur* award.



Rebond Azulis Capital prize for people who successfully reinvent themselves

The prize goes to an entrepreneur financed or supported by ADIE who has shown remarkable tenacity in launching their business activity. The entrepreneur's ability to bounce back and determination to take charge of their own fate are considered, as well as the exemplary nature of their experience.



Vitalité des Territoires Azulis Capital prize for people who set their territory in motion

The prize goes to entrepreneurs financed or supported by ADIE whose activity has a positive and significant economic impact on their territory.

The winners, selected from among regional, 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 both a regional panel and the awards ceremony. The Azulis team then participates in the national panel that rewards the best regional winners selected from among over 50 applications.

A 2021 edition under the banner of resilience and social responsibility

The 2021 Winners



Rebond 2021 prize Azulis Capital



Jamarber Madhaj,
Interventions
and board games
centred around
crime prevention,
Brittany

The *Rebond* prize, which rewards courage and tenacity, was presented by Donatien Noyelle to Jamarber Madhaj, a 42-year-old Breton entrepreneur who, after 7 years in prison, created the first board game for crime prevention.

Jamarber Madhaj created his own business, both to recreate his own path to reintegration and to help young people avoid losing precious years of life by getting involved in criminal activities as he did.

His board game for crime prevention, named “RPS” or “*Remise de Peine Supplémentaire*” (further reduction of sentence) is 100% Made in Brittany. For each game sold, a €2 donation is made to “*Enjeux d'enfants Grand Ouest*”, which accompanies children on visits to incarcerated parents.



Vitalité des Territoires 2021 Azulis Capital prize



René Estival,
Innovative activity
for the production
of recycled pallets,
Hauts de France

The *Vitalité des Territoires* (territorial vitality) prize, which recognises an activity's economic impact on local development, was presented by Christine Mariette to René Estival, a 51-year-old entrepreneur in the Nord, who has created an innovative activity for the production of recycled pallets.

As a delivery driver for a business, René noticed the damage to wooden pallets made by forklift blades and various manipulations. To resolve this problem and avoid waste, he created a concept of recycled plastic reinforcement, for which he has filed a patent under the name “Système PPI”.

With an ADIE micro-credit, he was able to pay the security deposit on his warehouse, finance cash flow, and purchase the equipment needed to start up operations.

Today, PPI has 8 employees.



Coup de cœur 2021 Azulis Capital prize

The two “Coup de Cœur” prizes were presented by Azulis Capital’s General Secretary Donatien Noyelle to entrepreneurs who created ecologically responsible activities



Tahianui Lacour,
Eco-camping / Green
tourism project,
French Polynesia

After a career working in the kitchens of luxury hotels, 44-year-old Tahianui Lacour wanted to become her own boss, and so developed an eco-camping project in Bora Bora.

Today, Tahianui is proud to be the first on the Isle of Tora Bora to dive into the wave of green tourism, and hopes other entrepreneurs will be inspired by her initiative and follow in her wake.



Judith Garcia,
“Seconde Chance”,
a second-hand
clothing shop,
Rhône Alpes

Since she was a little girl, Judith Garcia has enjoyed searching out good quality clothing for low prices at flea markets and second-hand shops. At the end of her maternity leave, the 22-year-old single mother took the entrepreneurial plunge, opening a second-hand clothing shop for men, women, and children, christened “Seconde Chance”, in Saint-Chamond near Saint-Étienne.



Example of a regional awards ceremony

Presentation of the Nouvelle Aquitaine prix jury régional

Jean-Marc Ewald (Manager of ADIE Aquitaine) and Astrid Cloarec reward **Estelle Fagbedji-Loiselet**, at the Nouvelle Aquitaine regional jury, for her couture and alterations shop project, which won the *Vitalité des Territoires* Aquitaine 2021 prize. Estelle launched her own brand, Delest, in 2017.

Since then, in spite of the health crisis and related difficulties, Estelle has opened a total of three shops in the Bordeaux region (in Chartrons, Eysines, and Caudéran), and Delest Couture now has two full-time employees and one apprentice.

Winner of
the *ESG Développement Durable 2021* prize

Azulis Capital was awarded the *ESG Développement Durable* prize at the *Grands Prix 2021* ceremony organised by Private Equity Magazine.



The Azulis Capital team partnered with PwC, participating
in two training seminars in 2021



Seminar on Sustainable
Finance Regulations

- / Overview of current Sustainable Finance regulations
- / Presentation of regulatory expectations with regard to Disclosure and Taxonomy at the level of the asset manager and its funds

Seminar on Sustainable
Development Goals (SDGs)

- / Presentation of the UN's SDG framework
- / Practical cases and examples: what are SDGs, what do they contribute to shareholdings, and how this will enrich CSR

2.4 Pathway and Goals

Our ultimate goal

To support businesses by seeking resilience, usefulness, and social and ecological justice for sustainable development.

2022 - 2023

- / Sustainable Finance - Article 8
- / Net Zero emissions



2020 - 2021

- / SDG Training
- / Integration of the SDGs in affiliate diagnostics
- / "Impact" seminar for the Azulis team and affiliates
- / *ESG Développement Durable 2021* prize



2018 - 2019

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



2017

- / *Swen Capital ESG Best Practice Honours Award*
- / Supervising the drafting of the ESG guide "Capital Investissement acteur du développement durable" [Sustainable Development Capital Investment Actor]



2016

- / Signing onto IC France and active participation in the working groups
- / Preliminary carbon footprint audits of affiliate companies in the portfolio



2014

- / First Azulis carbon balance audit

2013

- / First Azulis CSR Reports

2011

- / Signing onto PRIs



2010

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



2007

- / Beginning of the partnership with ADIE



GOALS 2021-2022

SUSTAINABLE DEVELOPMENT GOALS

Integrating
the SDGs



Conduct an
assessment of
the social climate
measure with our
affiliates in the
healthcare sector

Endeavour to reduce the
carbon footprint of our
affiliates with the highest
emissions

Participate in the
creation of a tool
to measure carbon
footprints

Set up value
sharing
mechanisms

Article 8 of the SFDR

Opt for SFDR Article
8 through 2 structural
commitments in the
environmental and
societal arenas for
MMF 6

3. ROLL-OUT OF OUR CSR PRACTICES

3.1 The 14 Essentials of Responsible Investment



Our CSR approach extends across all phases of our profession

1. Analysis of investment opportunities

«Awareness / understanding where we stand»

Situation In 2020	Goals
100%	100% ↗

- / Inclusion of CSR-related subjects 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. "Roll-out of our "essentials":

	Situation in 2020	Goals
UNDERSTAND AND ORGANISE		
Post-transaction CSR audit	71%	100% ↗
Appointment of a CSR contact person	65%	100% =
Appointment of at least one independent director	35%	100% =
ACT (CONCRETE, OPERATIONAL IMPACTS)		
Risk mapping (supply chain, cybersecurity, etc.)	0%	100% =
Measuring GHG footprint (climate plan and action plan)	53%	100% ↗
Social climate survey (human level)	35%	100% ↗
Creating a CSR action plan	82%	100% ↗
FOLLOW-UP AND DECLARE		
Integration of CSR in the Strategic Committees agenda	71%	100% ↗
Code of governance or ethics policy	47%	100% ↗
Collection of KPI information and feedback	100%	100% =

The team must support CSR integration in new holdings: CSR audit, appointment of a CSR and GHG footprint contact person.

II. Enhancing the approach

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

3. Disposals

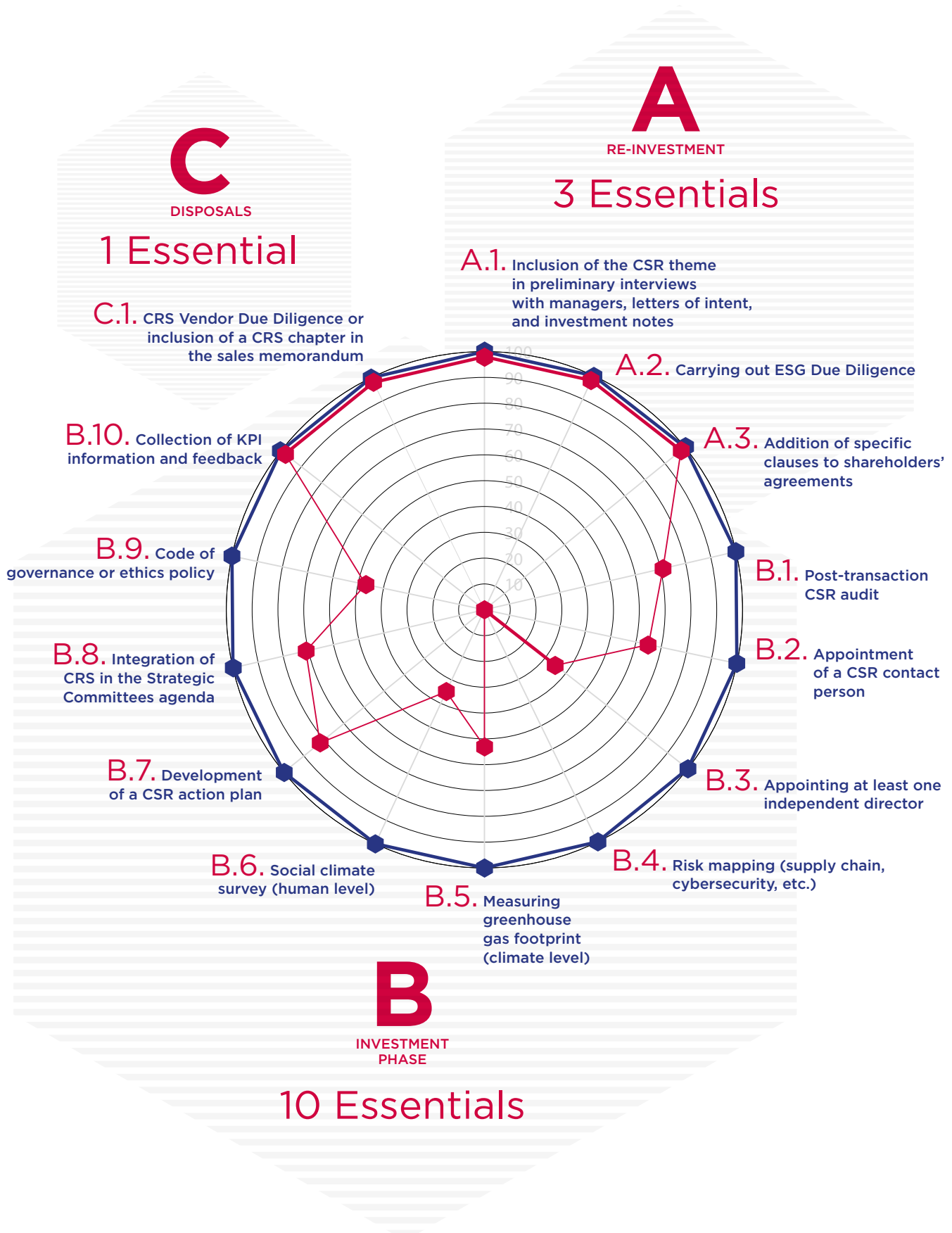
«What are we transferring?»

Situation in 2020	Goals
100%	100% ↗

- / Creation of a CSR Vendor Due Diligence process or integration of a CSR chapter in the sales Info Memo

Rate of coverage of our 14 Essentials of responsible investment

— Situation in 2020 — Goals



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 at supermarkets and by out-of-home catering in France and Europe.

Born from the merger of four industrial players, the Group has 6 manufacturing sites in France: Lomme (59), Dunkirk (59), Rouen (76), Haute-Rivoire (69) and Gigean (81).

Activity

Industrial bakery

Location

Registered Office: Lomme (59)

Sales revenues

€77 M (2021)

FT employees

237 (2020)

Investment date

01/03/2017

CSR contact person

Claire Michelon

Anne-Laure Medevielle

Climate focus*

/ **Emissions produced** (scopes 1, 2, and 3): 74 kt CO₂ eq)

/ **Emissions saved** (scopes 1, 2, and 3): 6.55 kt CO₂ eq over 4 historical sites

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 has already been implemented for wheat, the largest raw material consumed

CRS approach

In addition to the Valorise or EcoVadis approaches (customer requests), NOVEPAN launched a CSR approach in 2019 in collaboration with GreenFlex and BPI. This resulted in the establishment of a CSR policy based on 3 pillars related to Product offering, 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, where possible, 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 of them are also BRC Food Grade A certified.

Key indicators

Training hours (2020)

898 training
hours provided to
168 employees

Training budget:

1% of total payroll



BUSINESS TESTIMONIAL

As a link in the agribusiness chain, the NOVEPAN group has a duty to analyse the environmental impact of its activity and constantly improve its industrial processes so as to gradually reduce that impact.

The group's leader is strongly committed to this and places a premium on reducing the factories' GHG emissions. The latest measurements show that the group's emissions were lower in 2020 than in 2017, even though NOVEPAN had added another industrial site.

In 2021, in the context of refinancing its debt, NOVEPAN took out a loan whose interest rate is partly indexed on the achievement of five nonfinancial criteria.



/ * 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, an Île-de-France company specialising in home care for the elderly, and SOUS MON TOIT, a regional company specialising in care for vulnerable people.

The group is nationally active through a network of 108 agencies.

Activity

Personal Services

Location

Orléans (45)

Sales revenue

€80 M (2020)

FT employees

2,917 (2020)

Investment date

26/02/2016

CSR contact person

Xavier Mura

Climate focus*

Emissions produced: 2.4 kt CO2 eq

Main challenges

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

Recommendations

- / Educate employees about carbon balance
- / Raise team awareness of the advantages of eco-driving

CSR approach

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

Destia receives the support of a firm specialised in setting up suitable CSR approaches for home care services. The group has a dedicated CSR team and manager.

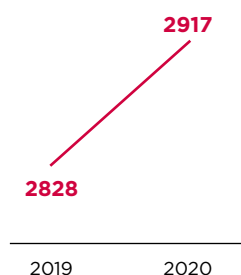
In 2020, the group redoubled its training and integration initiatives, bringing the volume of team training hours to over 70,000. The goal of professionalising the field and administrative teams thus facilitated the training of over 1,000 people.

Destia has undertaken to reduce personal carers' travel time and distances with a better division of activities into sectors. The group has also set up a remote management system to optimise its employees' travel time.

The Destia group has also widely communicated to encourage its teams to develop solutions using carpooling or public transport. The group has also launched Destia Loc, which offers employees new, less polluting cars at a highly reduced price.

Key Indicators

Evolution of FTE numbers*
(2019-2020)



Proportion of executive women (2020)

60%



MANAGER TESTIMONIAL

“ The well-being of our colleagues and beneficiaries is a key issue for our Group. We cannot guarantee the high quality that our customers have the right to expect unless our employees feel good doing their work and conducting their business. Creating a true sense of belonging in our group is a constant challenge and requires listening, respect, and commitment from all of us. Putting employees at the heart of the system is essential today for a company where humans are the foremost creators of value.”

Xavier MURA, President



*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.

Activity

Online ready-to-wear sales

Location

Chaponost (69)

Sales revenue

€76 M (2020/21)

FT employees

108 (as of end-March 2021)

Investment date

06/08/2020

CSR contact person

Marine Krol

Key indicator

Net job creation
(03/2021)

+29%
(vs. 2019-2020)



CSR TESTIMONIAL

“ This year, employee well-being was yet again a key indicator for our decision-making, particularly during this period of health crisis. Whether or not they are teleworking, we have made the integration and supervision of our employees a point of honour and set up friendly get-togethers with due respect for health regulations.

We have also wanted to develop local synergies, particularly to help job seekers. Being among the few businesses that have not been negatively impacted by the crisis, we felt it natural to lend a hand to people who have not been so lucky: recruitment of seniors and support for a return to employment, recruitment of people with disabilities, and participation in resume writing workshops for young people seeking direction.

Climate focus

Emissions produced (scopes 1, 2, and 3): 13.4 kt CO₂eq. (i.e. 240 t CO₂eq./\$M)

Main challenges

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

Recommendations

- / Source cotton with a low environmental impact
- / Continue replacing airborne freight with another type of freight

CSR approach

The company has 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
- / Selective waste sorting policy
- / Partnership with environmentally responsible service providers

Social

- / Setting up an annual equal contribution for all employees
- / Training in non-discrimination and diversity issues for managers involved in recruitment, training, and career management - signer of the diversity charter

Organisation

- / One CSR contact person
- / Creating a CSR committee with the participation of the management team and shareholders

Value chain

- / Environmentally responsible own-brand clothing line
- / Increased selection of suppliers based on environmental criteria
- / Education of existing suppliers and implementation of a pro-active responsible approach: signer of a responsible supplier charter, traceability of raw materials and labels, factory audits
- / 30% of the suppliers present on-site are environmentally responsible

We also want our decisions to be in line with our values, particularly for everything affecting environmental protection. For example, we choose our partners with care: Melchior zero waste connected fridge and A Vos Cagettes for the delivery of seasonal fruit in short trips. We have also implemented selective waste sorting. And finally, we can now confirm that 30% of our suppliers' products are already environmentally responsible and we are continuing to make efforts with our partners to significantly increase this number. ”

Marine KROL, CSR contact person



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.

Activity

Design and distribution of ecological hygiene products

Location

Rueil-Malmaison (92)

Sales revenue

€27.5 M (2020)

FT employees

21 (2020)

Investment date

30/07/2019

CSR contact person

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 organisation that combats plastic pollution ("Surfrider").

GREEN FAMILY is PME+ certified (FEEF label, certification by Ecocert), and has undertaken to become a business with a mission and earn the internationally recognised "B Corp" label.

In 2020, the business created a dedicated CSR committee and finalised its first CSR report. This report plainly states GREEN FAMILY's purpose, "to do away with petrochemicals for the health of men, women, and the planet", and its strong values and commitments, with the long-term targets of 100% compostable and biodegradable products and 70% all-natural materials in the manufacture of nappies. She has completed an LCA (Life Cycle Analysis) of nappies and is studying various CO2 offsetting projects.



Key indicators

Establishment of an employee shareholding plan

68%

of shareholding employees

75%

women on the executive committee

MANAGER TESTIMONIAL

“ We believe that forward-looking businesses must offer consumers much more than a product: real transparency, sincerity, commitments, and a vision. We are constantly working towards this, aiming for excellence in the areas of naturalness and health, and being convinced that our continued success resides in CSR, we hold it close to the heart of our work.”

Céline AUGUSTO, Group Managing Director

The Group linked its reflections on pursuing the fight against plastics and petrochemicals in health products to 3 SDGs:



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



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).

Activity

Corporate advisory services

Location

Boulogne-Billancourt (92)

Sales revenue

€36.6 M (2020)

FT employees

301 (2020)

Investment date

21/03/2018

CSR contact person

Pascal POUILLOUX - Deputy General Manager

Key indicator

Proportion of executive women consultants (2020)

50%

Climate focus*

Emissions produced: 0,9 kt CO2 eq

Main challenges

- / Work-home travel of colleagues
- / Energy consumption by the head office

Recommendations

- / Educate employees about carbon balance (50% of employees use public transportation)
- / Measure the energy performance levels of buildings

CSR approach

Meotec has already undertaken a number of CSR initiatives:

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

Microdon may be able to allow employees to donate the portion of their salary rounded down to whole amounts to associations known for working in the public interest.

MANAGER TESTIMONIAL

“ Being a business leader means being responsible for integrating your own resolutely human approach into your company’s tactics. 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 happiness 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 programmes. And even though our environmental contribution is low, we made the choice to “live in” an HQE (high environmental quality) building, and have set up a selective waste sorting programme and a plan to reduce energy consumption. More recently, Meotec implemented salary rounding for the benefit of 3 organisations in the fields of education, the environment, and economic development.”

Richard CARON, President



*Source: Findings of the review by Carbone 4 related to greenhouse gas footprints (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.

Activity

Importation
of Italian products

Location

Monaco

Sales revenue

€48.5 M (2020)

FT employees

44 (2020)

Investment date

12/03/2019

CSR contact person

Karol COUVREUX

Climate focus

Main challenges

- / Group purchasing policy (raw materials, freight)
- / Energy consumption

Recommendations

- / Foster efforts to make the group's logistical chain more energy efficient and promote a dialogue on CSR with its suppliers
- / Promote eco-driving on the sales teams

CSR approach

Under the urging of Azulis Capital, the 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.

In particular, 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 control
- / Customer Satisfaction

In 2021, the group developed and structured its approach, defining 9 priority projects covering a broad spectrum of issues (HR, governance, environment).

Key indicator

Proportion of executive
women (2020)

41%

BUSINESS TESTIMONIAL

Realising the impact of their activity on the environment, the group's employees collectively decided to put their CSR commitment at the heart of their business strategy.

They took on an optimisation approach to as to ensure the business's success, improve employee well-being, increase leverage for performance, support their partners in this commitment, and better control their environmental footprint.

The group linked its reflections to the following 4 SDGs:



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



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.

Activity

Construction second fix

Location

Gennevilliers (92)

Sales revenues

€34.4 M (31/03/2021)

FT employees

126 (31/03/2021)

Investment date

29/01/2019

CSR contact person

Jean-Christophe Blot

CSR approach

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

Following this review,

GEC's CSR policy was formalised and a first annual CSR report was drawn up.

GEC established 8 focuses for its work: safety, training, diversity and equal opportunities, business ethics, selection of subcontractors, energy performance of buildings, circular economy, and local engagement.

For example: GEC has earned the AFNOR "Diversity" and "Equality" labels, set up a carbon offsetting scheme with ClimateSeed, and supports reintegration programs.

GEC has linked its initiative to the following 6 SDGs:

- / 4.4 Relevant skills and access to employment
- / 7.3 Energy efficiency
- / 8.8 Labour rights and work safety
- / 12.5 Reduction of waste
- / 13.1 Resilience and adaptive capacity
- / 16.5 Corruption



Key indicators

20 employee shareholders at Hélios Développement

Frequency of occupational accidents

14 at GEC versus a national

average of **24** as a %

Recycling

25% of waste

MANAGER TESTIMONIAL

“ Energy Renovation and Sustainable Development are one and the same: driven by this deeply held conviction, GEC Île-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 from 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, formal framework for our employees and partners.

We have launched numerous CSR projects through our normal waterproofing and insulation activities: 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.. And each of these initiatives is conducted in collaboration with our stakeholders, both internal and external.

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-secondary 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 2,900 students.

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

Activity

Work-study training

Location

Bergerac (24)

Sales revenue

€21.8 M (2020)

FT employees

155 (2020)

Investment date

17/12/2019

CSR contact person

Yves Hinnékint,
Managing Director

Key indicators

Total number
of students (2020)

2900

90%

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

Climate focus

Various initiatives are carried out

- / Provision of a fleet of bicycles for students, teachers, and administrative teams
- / Raising student awareness around carpooling
- / Local preference when choosing service providers
- / Poster campaign on saving energy (water and electricity) and education 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' mission is to train young people and facilitate their integration into professional life through work-study programmes (free and paid studies). Some of the group's schools target "school drop-outs" 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 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 on 3 major subjects launched on a yearly basis:
 - Collection of used books
 - Collection of toys and second-hand clothing for redistribution to charities
 - "Nature Clean-up" project, organisation and implementation of an environmental action day

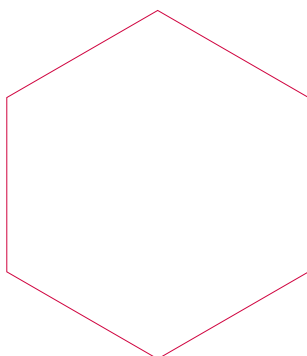
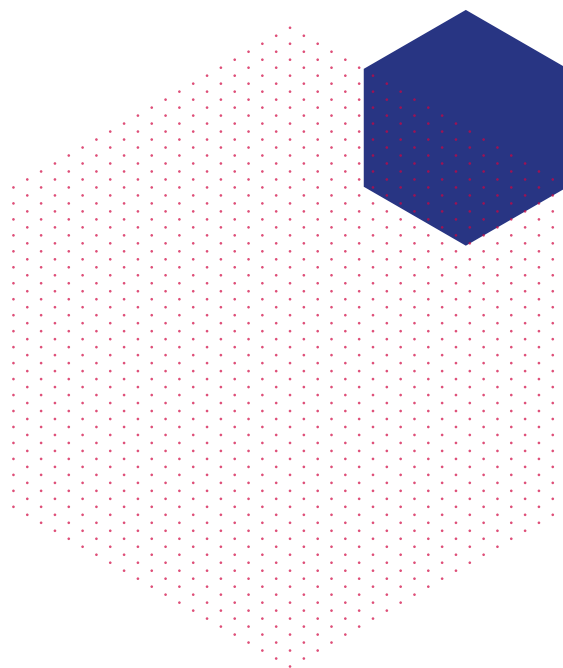
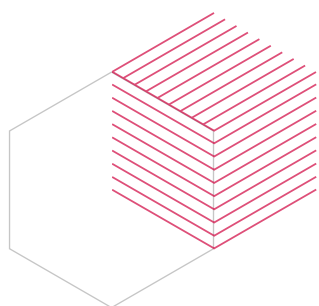
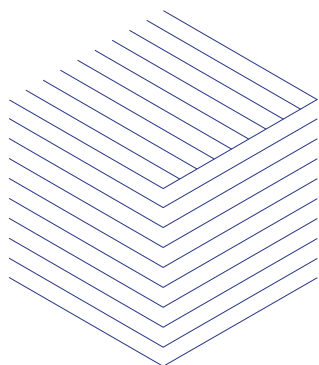
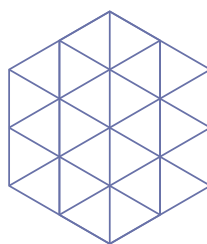
A concerted and coordinated CSR approach at the group level is being implemented. A CSR contact person will be appointed at each campus in order to boost momentum and coordinate and evaluate actions.

MANAGER TESTIMONIAL

“ At Talis, we have always carried out a variety of daily CSR initiatives at all 9 of our Talis campuses. It is in our DNA to promote these best practices, as much to our permanent teams and faculty, as to 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 seventh year, we are consolidating CSR criteria in all of our MMF IV and V portfolios as of 31 December 2020 (17 holdings) based on a questionnaire sent to each of our affiliates.

This questionnaire is 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 changes related to the climate, energy, and ecological transition.



Governance

Set up governance mechanisms at Azulis and its affiliates that will allow the business to roll out its value-creating economic and social projects in the search for sustainability in line with its SDGs.



Economic

Support businesses with their transformation and ensure their economic longevity



Create and share value with 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.



Scope of the compilation

MMF IV

Father & Sons
Rossignol
Ceme

MMF V

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

2020 exiting business:

Vivalto Vie

Referencing and oversight

Reference

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

Data control and validation

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

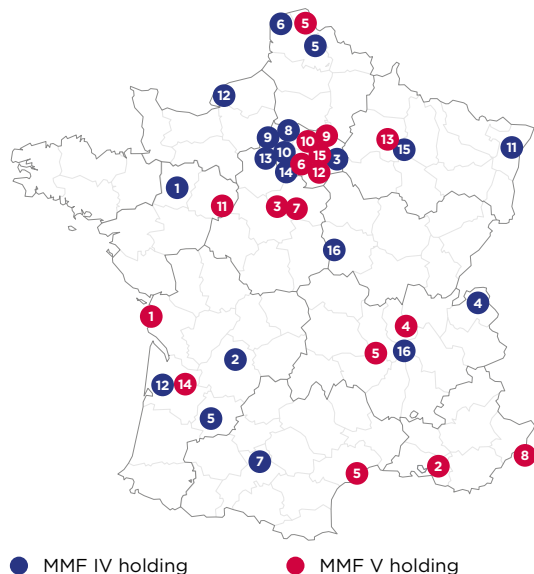
The purpose of analysing this extra-financial criteria grid is to:

- / support businesses with their CSR strategy and their transformation
- / educate them on the current risks and issues (cybersecurity, supply chain, social climate, climate change, etc.)
- / facilitate dialogue and structural exchanges on their business culture and their pathway

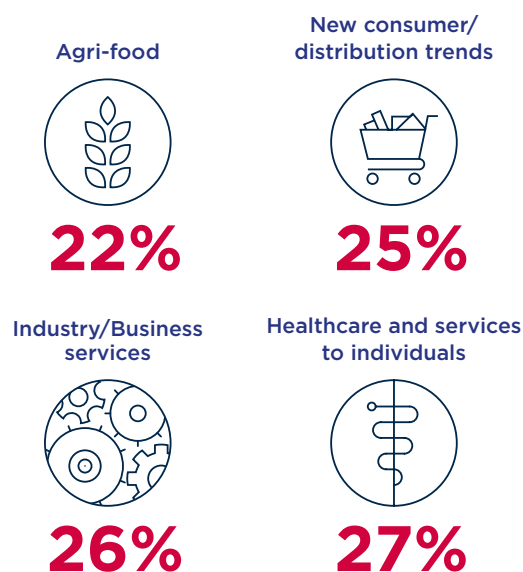
4.1 KPIs – Economic data

Geographic location and economic impact

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



Sectoral breakdown of MMF IV and MMF V investment funds (in numbers of affiliates)



The **sectoral breakdown** of our investments reflects our desire to diversify the risk of our portfolio and take advantage of all the opportunities offered within these various sectors. From a geographical point of view, our affiliates are located throughout France.

Percentage of exporting companies

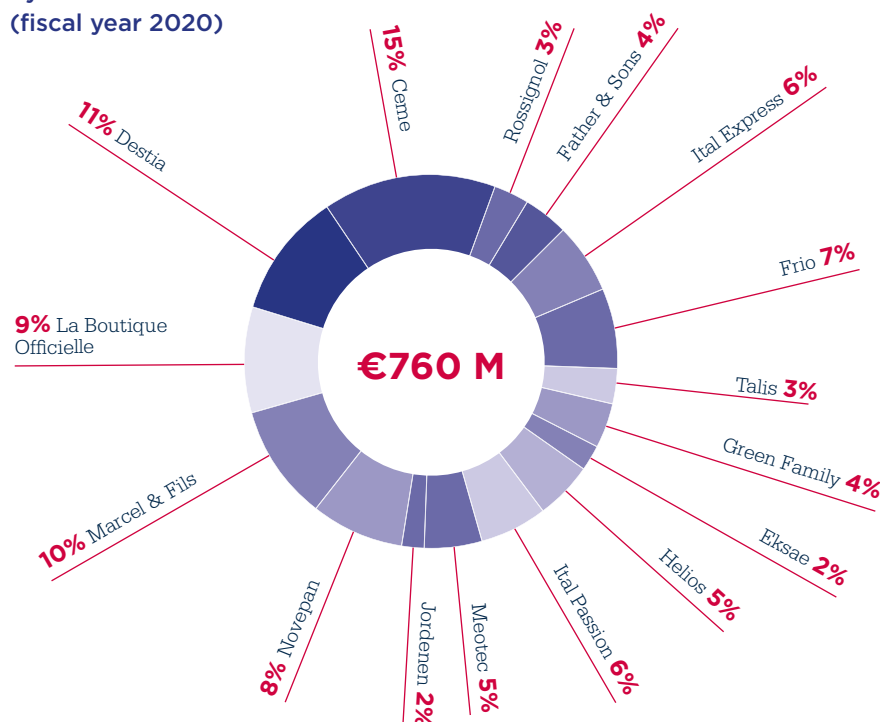
53%
(stable vs. 2019)

Share of export revenue achieved by these companies

10%
(stable vs. 2019)

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

Measurement of portfolio company activity by revenue (fiscal year 2020)



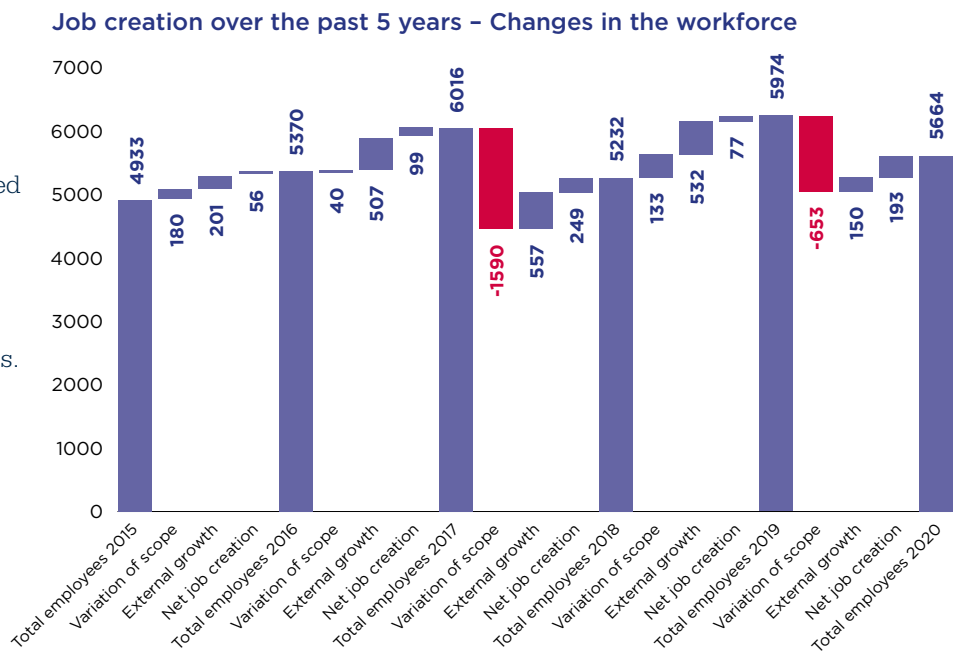
Our ambition:

- / To continue taking part in the development of regional small and medium businesses.
- / To develop our affiliates' export activities and take part in France's influence around the world.

4.2 KPIs – Social data

Employability

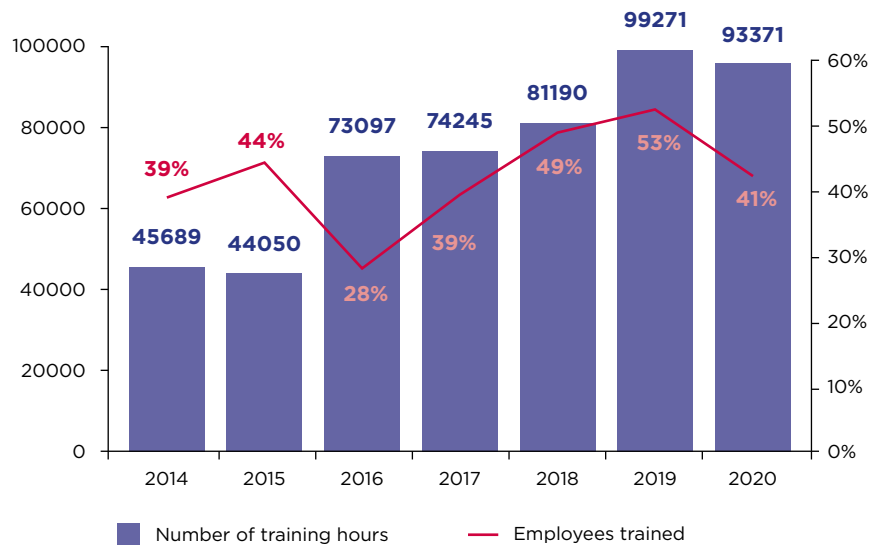
We observe a **net creation of 744 jobs** in **26 businesses** between 2014 and 2020, during an economic period that was not favourable to job creation. These new jobs represent 14% of the original workforce recorded at Azulis Capital's entry. Those who successfully managed to create jobs over this period were the personal services companies, the consumer distribution sectors, and agribusiness.



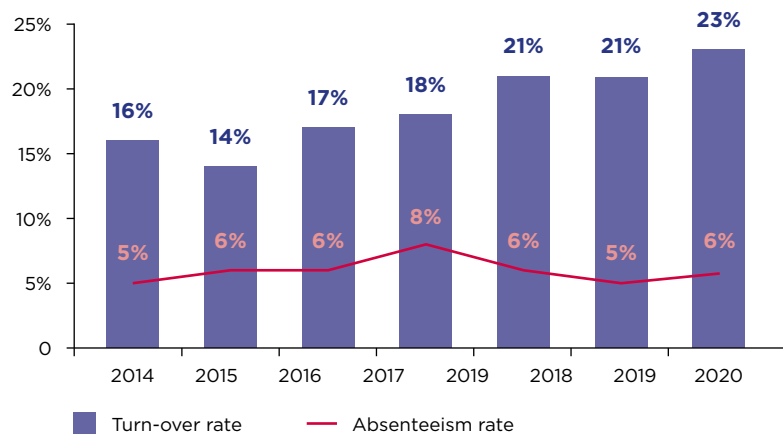
The number of training hours and the number of people trained increased considerably between 2016 and 2019. The health crisis has had a negative impact, with 6% fewer hours and 12% fewer people trained.

The **turn-over rate** among our affiliates has remained relatively stable over the past three years, particularly due to specific actions taken by some of our affiliates (social climate surveys, initiatives for the well-being of teams, etc.). The absenteeism rate also remained stable over the same period.

Number of training hours and employees trained



Employee turn-over and absenteeism

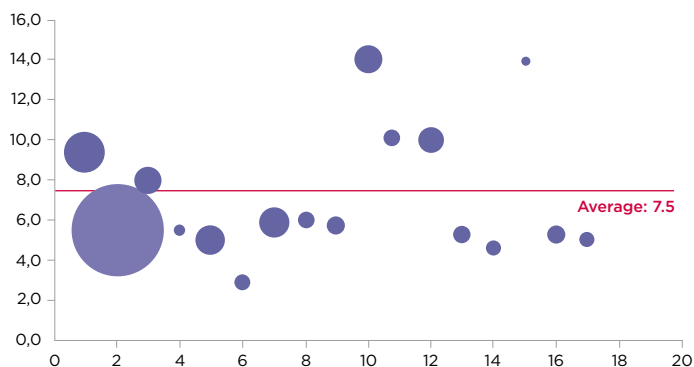


Sharing value created

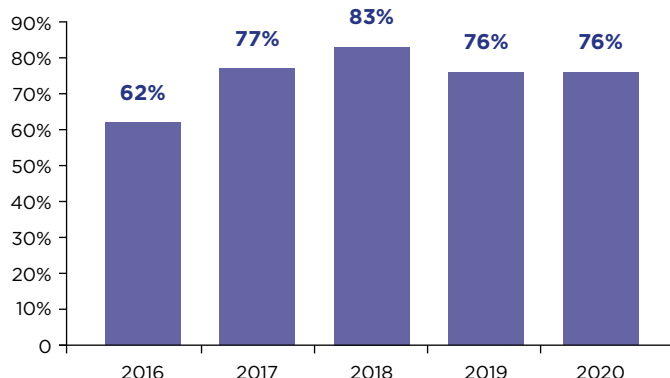
We pay special attention to the **wage gap** indicator, a well-known factor in deteriorating social climates within businesses (2020 average: 7.5).

Over 34 of our businesses offer some or all of their employees an **access to capital** programme (like Frio, Green Family, Helios, La Boutique Officielle).

Breakdown of companies based on the multiplication factor between lowest and highest salaries and numbers of employees



Implementation of a profit-sharing policy (including shareholding)

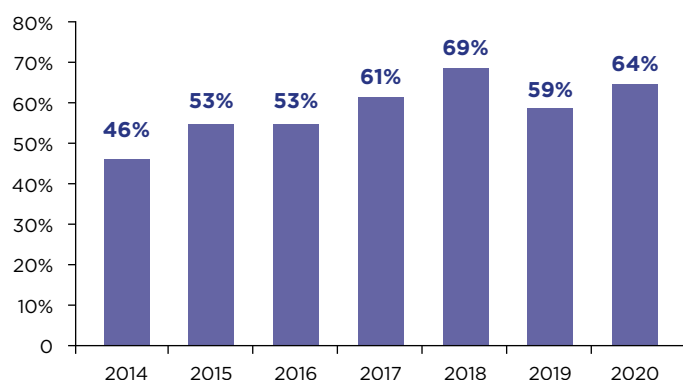


Diversity and fighting discrimination

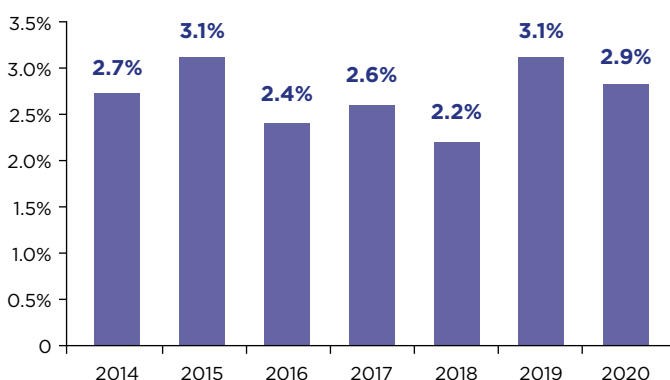
Promoting **equality** and **diversity** is a fundamental part of our CSR approach.

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

x1.2

Our ambition:

- / Improving social climate is a key aim of our responsible investing approach, and we will be especially on the alert for changes in certain criteria such as the training, absenteeism, turn-over, and employment of women, which are structurally high in healthcare, a sector that has become predominant in our portfolio in terms of numbers of employees.
- / To meet this objective, **35%** of the businesses conducted **social climate surveys**. These surveys will be generalised over our entire portfolio in the years to come.

4.3 KPIs – Environmental data

Environmental impact

The environmental policies of the portfolio companies as of 2020 are consistent with the trend towards improvement noted previously.

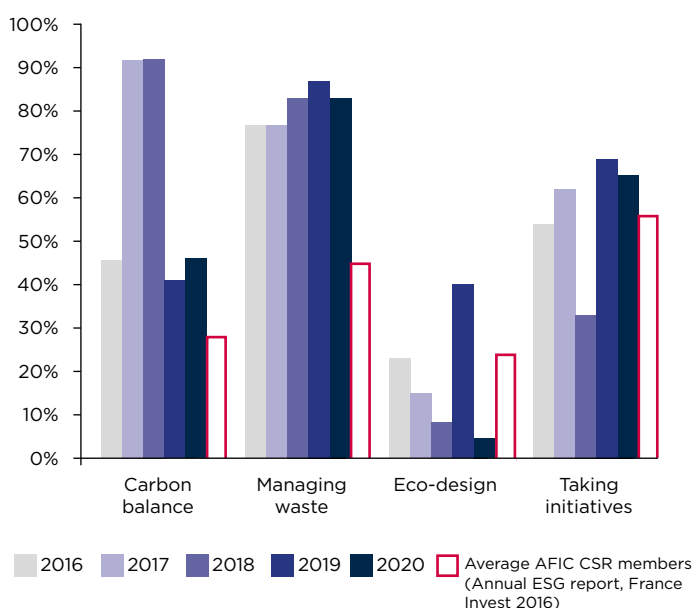
This is mainly due to the efforts Azulis Capital's holdings have made to reduce their environmental footprint.

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).

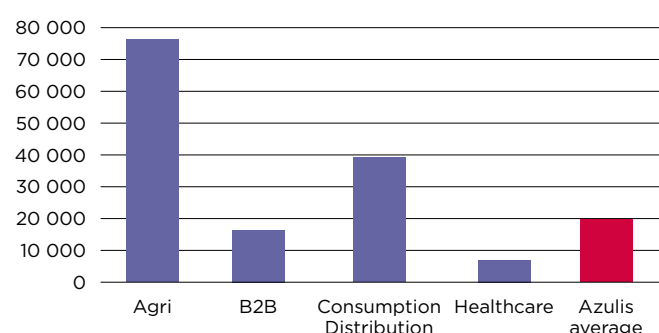
Our commitment to IC France has led us, since 2016, to conduct assessments of the carbon footprints of businesses in the MMF IV and MMF V portfolios.

To date, half the of the companies in our portfolios have carried out a carbon balance audit.

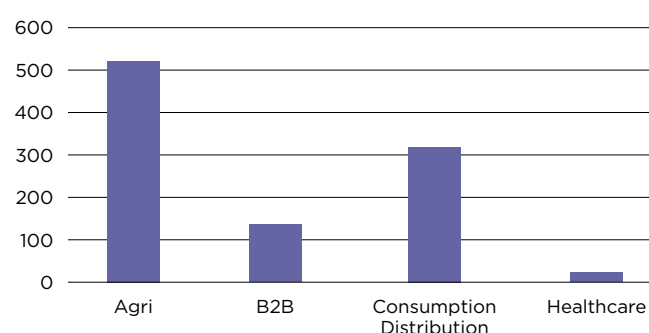
Percentage of businesses taking into account the 4 environmental themes



CO₂ emissions by business sector (in t CO₂eq.)



Carbon intensity by business sector (in t CO₂eq./€M invested)



The analysis reveals that the agribusiness companies, and to a lesser extent 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 such emissions.

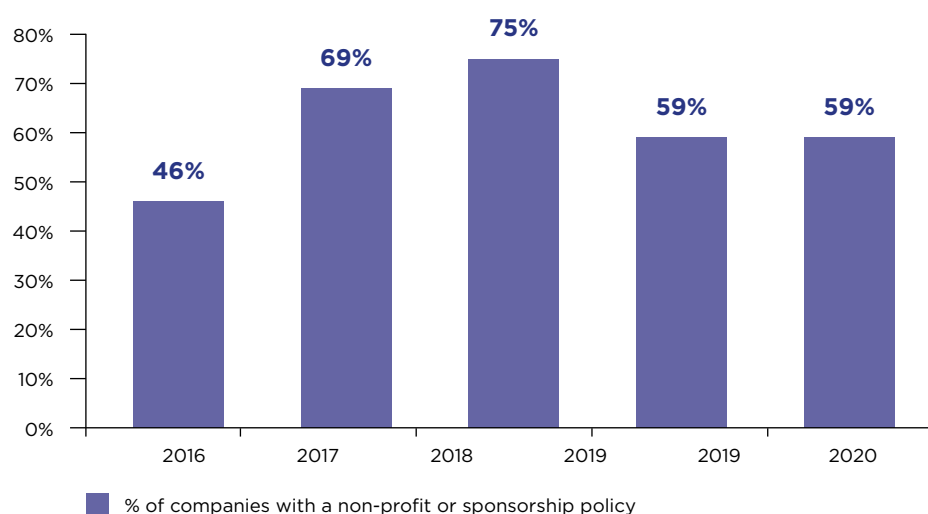
Our ambition:

- / Azulis Capital is committed to monitoring changes in Climate KPIs adapted to business professions and setting 3-year goals for improving these KPIs.
- / Azulis Capital is working with the France Invest IC France committee responsible for developing software for funds to calculate the carbon balance of their affiliates (scopes 1, 2, and 3).

4.4 KPIs – Societal and Governance data

Societal data

Support for non-profit/sponsorship projects

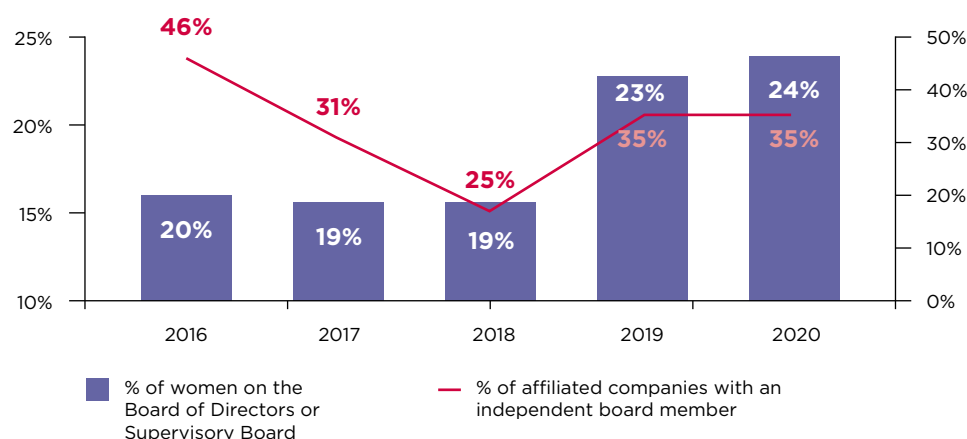


10
of our affiliates
supported non-profit
projects in 2020

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

Governance

Composition of boards



65%
have appointed an
officer to manage ESG

One of our essential goals is to have a CSR contact person at each of our affiliates to identify a sponsor and initiator of CSR approaches within the business.

71%
put CSR on their
Supervisory Board
agendas

53%
of our affiliates
have identified their
ESGs



Our ambition:

- / We seek to increase the proportion of affiliates that have a **code of governance** or an **ethics policy**. 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 will pay special attention to ensuring that supervisory boards are more inclusive to employees and include independent members.

NOTES



