

# CAPZA

— Sustainability Report

# 2023



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# Message from our Founder

As we navigate an era defined by unprecedented environmental, technological, and geopolitical shifts, we find ourselves at a pivotal moment in our commitment to sustainability. With €9 billion under management and 130 companies in our portfolio, our role extends beyond investing and generating financial returns for our investors. We are uniquely positioned to drive sustainable growth through our pragmatic, non-dogmatic approach, supporting portfolio companies across all sectors.

The challenges we face are profound: global warming, resource depletion, and the pressing need for energy efficiency demand a fundamental shift in our economic model. For many SMEs and SMIs—central to our economy and employment—the journey toward ecological and sustainable transition is daunting, requiring both immediate action and a long-term perspective in a world often focused on short- to mid-term financial performance.

At CAPZA, we understand that achieving sustainable development takes time and goes beyond mere financial investment. We work closely with our portfolio companies to tailor ESG approaches to their unique contexts, ensuring that ESG is not just a matter of compliance but also a strategic advantage. As partners in transformation, we help our portfolio companies redesign their business models to embrace low-carbon and circular solutions, fostering innovation and seizing new opportunities that arise from this transition.

To achieve this, we are dedicated to equipping companies with the skills and knowledge they need, from training existing employees to hiring CSR managers. Our commitment is to embed climate and sustainability awareness deeply into the culture of our portfolio companies.

Companies excelling in sustainability are increasingly attractive to buyers and investors who prioritize ESG. By enhancing the ESG maturity of our portfolio companies, we support their social and environmental goals while also boosting their financial performance. Strong ESG credentials often lead to higher valuations, positioning these companies as leaders in a growing market for responsible investment.

In summary, with the dedication of all our employees, we are not just navigating this transition; we are determined to lead it!



A handwritten signature in black ink, appearing to read 'C. Senn', written over a light blue background.

Christophe Karvelis Senn  
Executive Chairman & Founder, CAPZA

# Message from our Head of Sustainability & Impact

We began our ESG journey in 2011, becoming one of the pioneers in integrating non-financial criteria into our investment analysis and management. Since then, we continue to expand and improve the support we provide to our portfolio companies in their sustainability efforts through both strategic guidance and financial support.

We are also committed to meeting our investors' ESG expectations, with all our funds classified under Article 8 or 9 of the Sustainable Finance Disclosure Regulation (SFDR).

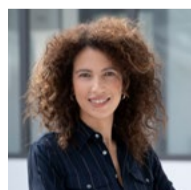
Our journey is driven by clear, achievable goals and progressive milestones, fostering sustainable value creation at every stage of the investment life cycle. As a midsize fund collaborating with mid-sized companies, we strive to lead by example. Inclusion, value sharing, and ESG incentives are integral to our operations, ensuring that we create meaningful and lasting impact through a holistic approach.

At CAPZA, we are committed to addressing critical sustainability challenges on a global scale. Our focus is on three key priorities:

- decarbonisation
- biodiversity and water preservation
- inclusion and value sharing

These priorities reflect our commitment to mitigating climate change impacts, protecting natural ecosystems, and fostering inclusive growth, which are essential for long-term sustainability. With €9bn in assets under management, we believe we have a significant role to play in driving sustainable growth and creating positive societal impact.

The year 2023 was a pivotal one for our sustainability commitments. We not only achieved several key targets across our priorities but also set a strong foundation for future milestones. These accomplishments reflect our unwavering dedication to our sustainability goals and the collective efforts of our teams and partners who share our vision. As we look ahead to next year, we are filled with anticipation for the continued progress in our sustainable journey. We are excited about the opportunities that lie ahead and remain committed to driving positive change for our stakeholders and the broader community.



**Aurore Gauffre**  
Head of Sustainability & Impact, CAPZA

# CAPZA is a leading private investment manager focused on small and mid-caps in continental Europe.

Since 2004, we have developed significant expertise in financing small and mid-cap companies at every stage of their development, supporting them over the long term by providing flexible financing solutions (majority capital, minority capital, subordinated debt, senior debt, etc.). CAPZA is a generalist manager but has special expertise in the health, technology and B2B services sectors.

Based on our passion for businesses and our ability to challenge ourselves, we have designed CAPZA as a flexible investment platform that adapts to the needs of entrepreneurs. This flexible and entrepreneur-driven approach is anchored in our value-focused ESG strategy where we combine ambition and pragmatism to deliver impact.



**2004**

CAPZA  
CREATED

**130+**

COMPANIES IN OUR  
PORTFOLIO

**115+**

PROFESSIONALS IN  
THE GROUP

**€9bn**

ASSETS MANAGED OR ADVISED  
as of 31 march 2024

**320+**

INVESTMENTS  
SINCE 2004

Signatory of:



SINCE 2011

**Amsterdam**

**Munich**

**Paris**

**Madrid**

**Milan**

## Private Debt

ARRANGER

Unitranche / Senior-secured, mezzanine

Companies  
EBITDA > €12m

## Artemid Senior Loans<sup>1</sup>

ARRANGER

Senior, syndicated financing

Companies  
EBITDA > €8m and moderate leverage

## Transition<sup>2</sup>

LEAD INVESTOR

Bond instruments and/or equity (minority or majority)

Companies  
EBITDA generally €2m to €8m

## Growth Tech

LEAD INVESTOR

Equity (mainly minority)

Companies  
double-digit growth & profitable

## Flex Equity

LEAD INVESTOR

Equity (majority, minority), convertible bonds and mezzanine

Companies  
EBITDA generally €5m to €20m

## Flex Equity Mid-Market

LEAD/CO-LEAD INVESTOR

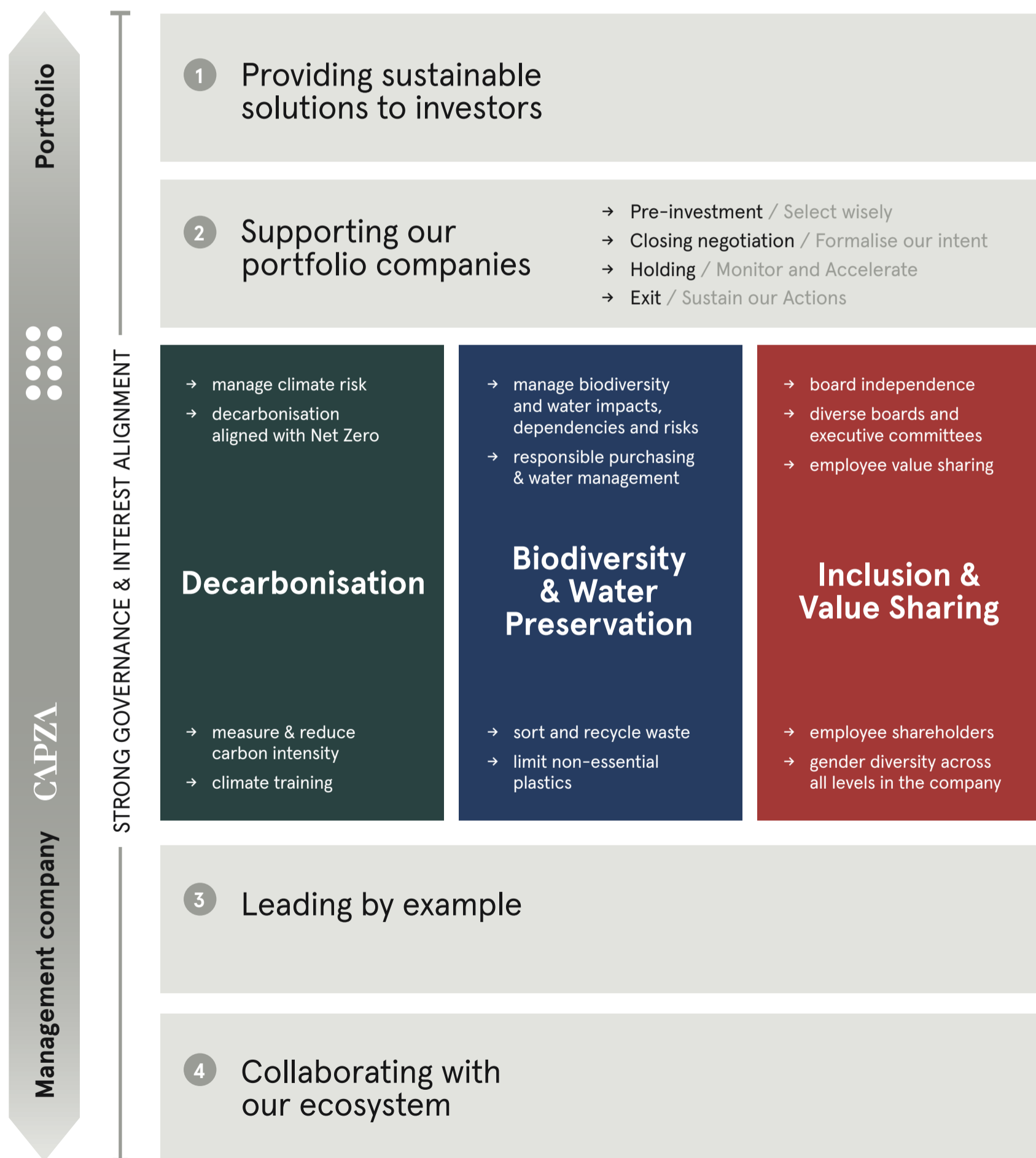
Equity (majority, minority) and convertible bonds

Companies  
EBITDA mainly > €20m

1. The funds of the Artemid range are managed by CAPZA and advised respectively by Artemid SAS which, as a fully owned subsidiary of CAPZA, is a financial investment advisor (CIF in France) registered by the Orias under the number 14003497 since the 28/05/2014.

2. The Transition strategy will shortly be renamed "Initiatives". It will include the funds managed by CAPZA and advised by CAPZA Transition SAS which has a financial investment advisor status (CIF in France) and is registered by the Orias under the number 18001601 since the 23/03/2018.

Our 4 pillar approach to sustainability holds us as a management company to the **same standards** on our 3 sustainability priorities as our portfolio.



# 2023 marked significant progress in the implementation of our sustainability strategy

**84%**  
OF PORTFOLIO COMPANIES HAVE ESG MANAGERS

Portfolio

**68%**  
OF PORTFOLIO HAS AN ACTION PLAN TO REDUCE EMISSIONS

**2334**  
NET JOBS CREATED ACROSS OUR PORTFOLIO

**33%**  
OF THE PORTFOLIO IS ALIGNED ON A NET ZERO TRAJECTORY

**0%**  
OF PORTFOLIO HAS A VERY HIGH BIODIVERSITY RISK

**81%**  
OF PORTFOLIO COMPANIES HAVE EXTRA-LEGAL PROFIT SHARING

**0%**  
OF PORTFOLIO HAS A VERY HIGH CLIMATE RISK

**1st**   
YEAR DEPLOYING ALTITUDE TOOL ACROSS PORTFOLIO (climate and nature-related risks evaluation)

**64%**  
OF PORTFOLIO HAS AT LEAST ONE WOMAN ON THE BOARD

**Decarbonisation**

**Biodiversity & Water Preservation**

**Inclusion & Value Sharing**

Management company  
CAPZA

**15%**  
REDUCTION IN CARBON INTENSITY IN ONE YEAR

**33%**  
OF SORTED RECYCLABLE WASTE

**82%**  
EMPLOYEE SHAREHOLDERS

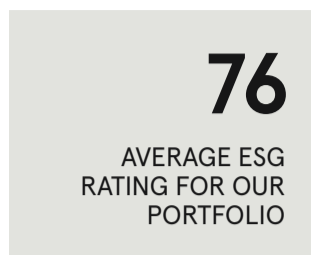
**16**   
INTERNAL CLIMATE FRESK FACILITATORS

**93**   
PENICAUD INDEX

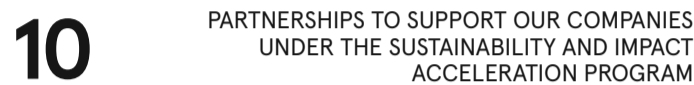
**100%**  
OF EMPLOYEES RECEIVED CLIMATE TRAINING

WOMEN AT CAPZA  
**35%** ON THE EXECUTIVE COMMITTEE  
**24%** OF PARTNERS  
**28%** IN INVESTMENT TEAMS vs. 20% sector average

In 2023 we continued our efforts across the 4 pillars of our sustainability strategy



5% progress on the same ↑ perimeter from 2022

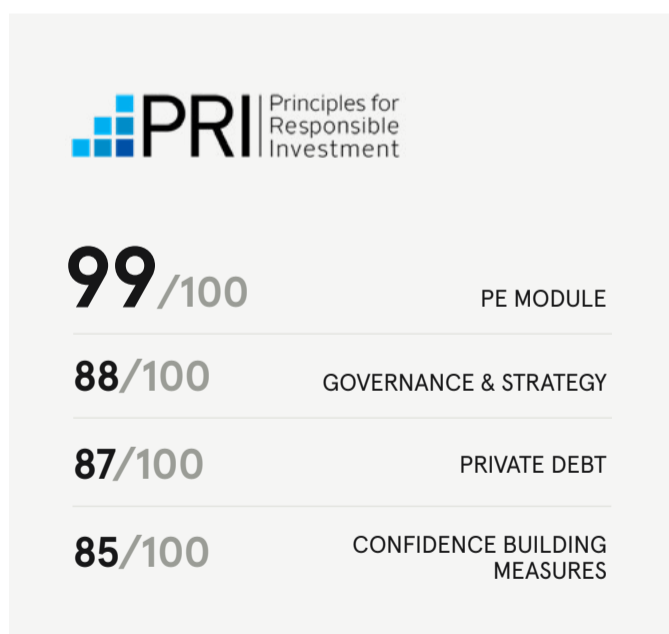


Exclusive partnerships with CITECO and Fondation Florence to Foster Financial Inclusivity and Accessibility for All



...and have been recognized for our excellent performance

Winner Private Equity



NOMINATED TO  
ESG Private Exchange Awards  
ESG Realdeals



# Building Value through Sustainability

Sustainable development has been a major concern for CAPZA for many years. When we began our ESG journey in 2011, we were among the first to commit to integrate non-financial criteria into our analysis and management of investments. Soon we introduced non-financial reporting and an annual analysis of the non-financial risk and maturity of our portfolio companies with the help of Reporting 21. The integration of ESG criteria and risks at every stage of the investment process is a fundamental aspect of our fiduciary duty.



“ Today, the term "ESG" has expanded to cover the search for "sustainability". From a vision focused on risks, we have moved on to the search for financial and extra-financial value creation.



**Benoit Choppin**  
Managing Partner, CAPZA

## 2024

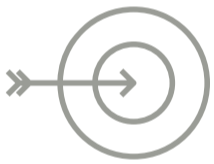
Launch of our philanthropic program aimed at contributing to financial education for all and fostering a more inclusive finance sector in partnership with CITECO and the Florence Foundation

Sustainability objectives to account for 15% of investment teams' variable remuneration

First TCFD aligned report

# The Pillars of Our Sustainability Strategy

Since 2016, we have been collecting non-financial data and have developed internal tools for analyzing and benchmarking this data. These tools enable us to meet regulatory reporting requirements; the demands of our investors and the demands of our portfolio companies to measure and benchmark their actions. This data-driven approach characterizes CAPZA's ESG expertise, ensuring that we maintain transparency, accuracy, and efficiency in our reporting processes, and reinforcing our commitment to excellence and accountability.



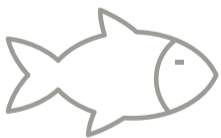
1

## Supporting our portfolio companies



2

## Providing sustainable solutions to investors



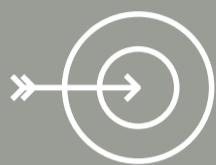
3

## Leading by example



4

## Collaborating with our ecosystem



1

# Supporting our portfolio companies

To meet our standards of sustainability, we ensure that portfolio companies are on track towards their ESG roadmaps, we not only monitor ESG progress, benchmarking more than 100 KPIs annually with peers, and make recommendations, but notably support our portfolio companies in navigating the regulatory framework, adapting business models to the green transition, fulfilling client requirements such as RFPs and ESG data, and becoming responsible employers focused on talent retention.

To support our companies, we have developed both internal sustainability expertise and an ecosystem of third-party service providers. However, the extent of our influence with companies differs according to which strategy is concerned and our role in the company's governance.

We are committed to fueling sustainable growth at our portfolio companies by helping them put sustainability at the heart of their business model.

### ESG Best Practices and Standards

CAPZA ensures that portfolio companies have access to regulatory updates and best-in-class ESG policies, including Codes of Ethics, Responsible Supply and Water Management Policies. These can be implemented directly or used as a basis to be adapted to their specific situation. These policies will be available in our Sustainability & Impact dataroom, where we will share training materials, best-of-class policies and tools, webinars, contact information and survey data with our companies.

### ESG Awareness and Education

We offer our portfolio companies and investors training and awareness-raising events on sustainability:

- Sustainability lunch debates, to provide a deeper understanding of specific topics
- Sustainability webinars, to provide information on sustainable development regulations as well as aid schemes and subsidies to finance transition, or to explore case studies on implementing an ESG roadmap
- Climate Fresk workshops



### Connecting with ESG Providers and Financial Aids

We facilitate connections with recognised ESG solution providers through referencing and master agreements. Additionally, we assist in mapping public financial support to further aid our companies in their sustainability efforts.

### Sectorial Sustainability workshops

We work on sector-specific issues and foster collective intelligence and best practices within the sector.

## Building a Sustainability-linked Community & Recognising Achievements

We encourage the sharing of best practices between portfolio companies. In 2023, we launched the CAPZA Sustainability and Impact awards to recognise outstanding contributions and innovations in ESG practices.



Watch the 2024 awards



## 2023 awards



BEST FOOTPRINT

# Questel and Audensiel

BEST PROGRESSION

# Eternity Systems

BEST INITIATIVE

# Advens

## 2024 awards



BEST FOOTPRINT

# Questel

BEST PROGRESSION

# Aercal

BEST FOOTPRINT – BUSINESSES IN REGIONS

# LPG and Groupe Saint Aubin

BEST INITIATIVE

# La Fée Maraboutée



2

## Providing sustainable investment solutions to our investors

We create funds that meet **investors' growing ESG expectations**, and provide high-quality annual reporting using proprietary tools and resources to give an accurate picture of the impact of our investments. All funds managed by CAPZA are classified under Article 8 or 9 of the Sustainable Finance Disclosure Regulation (SFDR).

# In 2022, we launched two funds dedicated to decarbonization, aligning them with the goals of the Paris Agreement.

By serving as both lender and shareholder, we identified the most effective ways to support companies in this critical endeavor.

## Flex Equity Mid Market II

In 2022, we launched our mid-cap LBO fund to help companies accelerate their international growth while working towards carbon neutrality by 2050. Our goal is to create "best in class" assets by the time we exit each investment. To achieve this we:

- Ensure that governance for and strong **alignment of incentives related to ESG and decarbonisation** are in place when we invest
- Provide financial and human resources to **help define and implement each company's ESG and decarbonisation roadmap**
- Integrate ESG into our investment processes and include our **Head of Sustainability & Impact as a voting member** of our investment committee
- 20% of our carried interest is linked to the fund's extra-financial performance, including achieving a minimum decarbonisation rate (decarbonisation hurdle)

# 5%-7%

TARGET ANNUAL CARBON INTENSITY REDUCTION OF FOR THE FUND

## MAIF Dette à Impact Environmental

MAIF, a leading French insurer with a 15 year-commitment to responsible investment, has appointed CAPZA and our subsidiary Artemid to manage an evergreen Article 9 environmental impact senior debt mandate which:

- Targets companies with **strong governance and the capacity to decarbonise** and improve their environmental impact more broadly
- Provides **incentives to pursue carbon neutrality by 2050**, linking the pricing of loans to progress in decarbonisation (sustainability/ decarbonation-linked loans or bonds)
- Requires management teams to implement a **robust roadmap** to improve ESG performance
- Contributes to the development of a group of companies that **share a genuine desire for sustainability and for concrete objectives leading to carbon neutrality**
- Incorporates an **innovative impact bonus**, designed by CAPZA, based on achievement of the fund's impact targets





3

## Leading by example

**We believe that to be credible we must hold ourselves to the same standards and use the same tools we deploy with our portfolio companies.** CAPZA is a mid-sized company, much like those in which we invest, and we hold ourselves to the same standards of transparency and alignment of interests and deploy the same transformation levers that we expect of our portfolio companies. This approach reinforces our credibility and differentiation within our investment ecosystem. We believe that demonstrating consistent commitment to sustainable practices and responsible business conduct will reinforce trust among our portfolio companies. This is why we have:

- Defined **robust governance for ESG and Sustainability matters**
- Set **internal objectives that mirror** the ESG goals we agree with portfolio companies on our three sustainability priorities
- Applied the **same measurement and monitoring process** to CAPZA that we use with our portfolio companies (the same survey, deadline to respond and scoring framework).
- Included **ESG performance targets in our remuneration** schemes

# Aligning interests on sustainability both internally and in our portfolio companies is a powerful catalyst for transformative change.

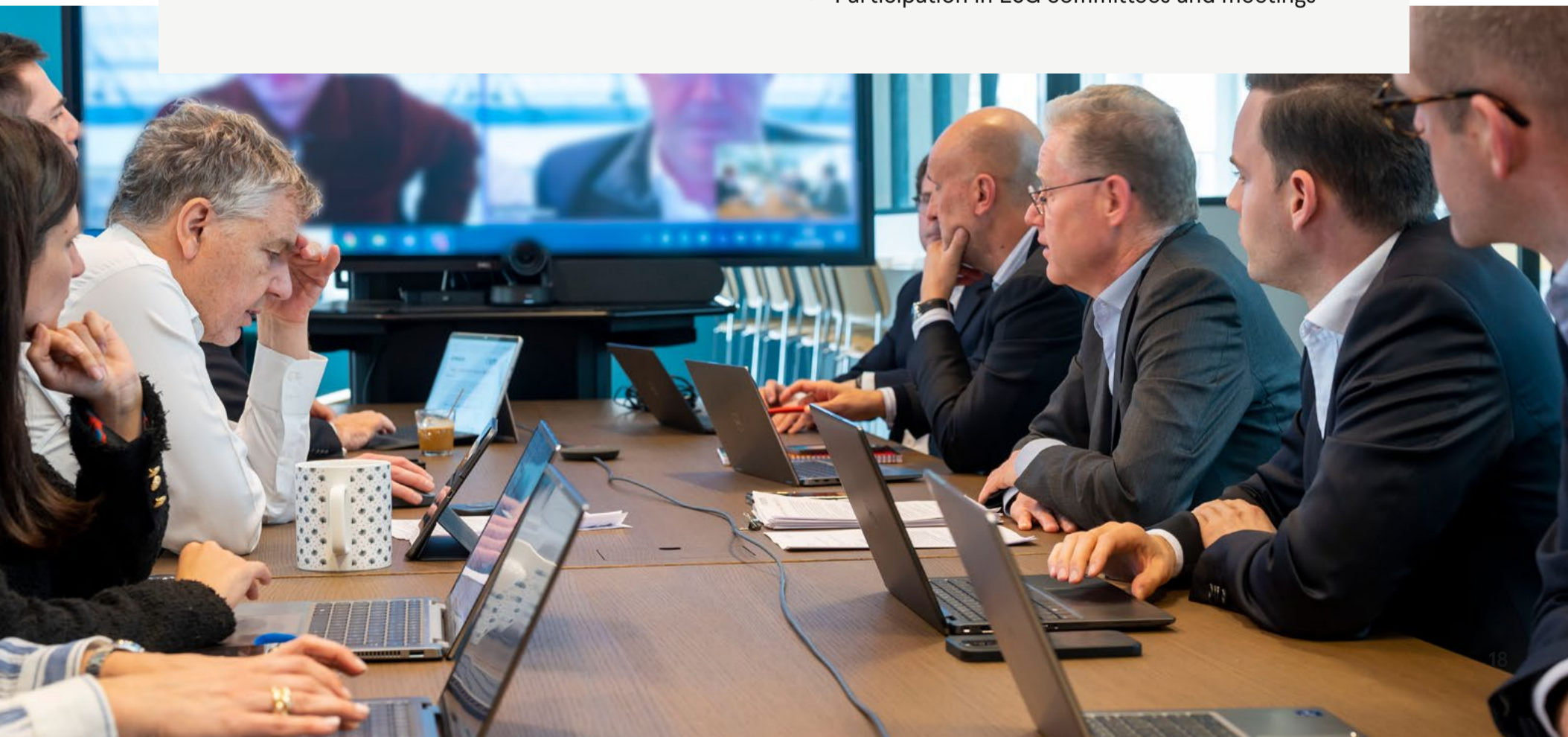
## Remuneration aligned with sustainability targets

The EU's SFDR has underscored the imperative for financial institutions to integrate ESG considerations into all aspects of their operations, including remuneration policies. Aligning compensation with ESG performance also serves the best interests of stakeholders by incentivising sustainable business practices and long-term value creation.

We intend to link the variable component of all CAPZA employees' remuneration to sustainability targets. We started this process in 2023 with the partners, followed in 2024 by the investment teams and will extend it to cover all employees in 2025.

In 2024, ESG performance will account for ~15% of investment teams' variable remuneration, based on the following criteria and taking into account the strategy (equity or debt):

- Climate analysis included in all one-pagers and investment notes
- ESG clause and ESG-related incentives included in Letters of Intent
- Engagement with portfolio companies in ESG reporting campaign
- Structuring sustainability-linked financing and management packages
- Board independence and diversity
- Deployment of Climate Fresk in portfolio companies
- Participation in ESG committees and meetings



# In 2023 we defined the theme of our philanthropic program: **financial education for all and a more inclusive financial sector**

## PARTNERSHIP WITH



With the help of Make.org, an independent, non-partisan organization that mobilizes civil society to achieve social transformation, we analysed our two priority areas to determine how best to address them.

These findings convinced us that pressing social needs exist in areas where CAPZA can contribute knowledge and resources. To maximize our impact we decided to partner with one institution for each priority area.



Learn more about the Launch of our Philanthropic Program

### Financial Literacy in France

Three out of four people in France feel they lack financial knowledge. Within the EU, only a few countries have high financial literacy rates. Key groups needing support include women, younger people, and those with lower incomes or less education. Low financial literacy is linked to business failure.

The lack of financial education is due to schools not prioritising practical financial skills and family backgrounds where finance is not discussed. Many young people rely on their parents for financial advice, and lower-income households have limited access to resources.

### Diversity and Inclusion in Finance

Poor financial literacy contributes to low diversity and inclusion in finance. In 2022, only 23% of senior roles in finance were held by women, and nearly 60% of non-white individuals felt excluded. Many employees reported a non-inclusive work environment.

## CAPZA ALSO SUPPORTS



The Advens endowment fund, which promotes inclusion and education, with a focus on the younger generation and the most vulnerable.



The Atout cœur association supports social, societal and human causes.



Fondation Giverny  
The "Investir pour l'enfance" sharing fund.

4 opportunities to "job shadow" at CAPZA per year for high school students from disadvantaged areas



A MORE INCLUSIVE FINANCE SECTOR

## Fondation Florence

The mission of Fondation Florence is to help young people from socio-economically disadvantaged backgrounds succeed in higher education and access professional jobs. Fondation Florence supports students who attend top-tier schools and provide proof of being on CROUS scholarship levels 4-7 through four pillars:

1. Awarding scholarships
2. Personal mentoring
3. Guaranteed internships and
4. Socio-cultural support – learning cultural codes.

Our grant will support Fondation Florence’s operations and provide scholarships for students to finance all or part of their education. Our senior professionals will mentor students to help launch their career and build their personal network. Our young professionals will take on the role of trainers, supporting students in the recruitment process.

**€30k**

GRANT PER YEAR FOR THREE YEARS

**2**

INTERNSHIPS PER YEAR AT CAPZA  
We will also develop internship opportunities at our portfolio companies

**17**

CAPZA EMPLOYEES INVOLVED IN THE PROJECT



FINANCIAL EDUCATION FOR ALL

## Citéco

Cité de l’Économie is Europe’s first museum devoted to economics. Through an interactive and entertaining permanent exhibition and wide-ranging cultural program Citéco enables young and old to learn about economics. CAPZA is the first full private company to partner with Citéco and indirectly with the Banque de France. We will contribute our knowledge of finance and sustainability to create relevant content that is not currently covered in the exhibition. This will improve financial education for schoolchildren and help them access finance-related professions as part of their career path.

- We will contribute to an overhaul of the permanent exhibition and mediation Program on Business Financing, with the creation of a section dedicated to entrepreneurship and midcap financing.
- We will also fund the production of a forum theatre show on entrepreneurship and investment, and 20,000 admissions for young people from priority education areas.

**€70k**

GRANT PER YEAR FOR THREE YEARS

**6**

CAPZA EMPLOYEES INVOLVED IN THE PROJECT

We firmly believe that investing in our employees' development is key to driving positive impact and maintaining our competitive edge.

“ It was important for me to get involved as an ESG lead to disseminate our approach within the team and build our collective intelligence.



Mariama Jassigui  
Principal, CAPZA

Training and raising awareness among staff are essential for the success of our ESG and ESG strategy and policies. Our training policy emphasizes continuous learning and professional growth, offering targeted programs, workshops, courses, exchanges with the Sustainability & Impact team and presentations by external speakers to ensure that our people are equipped with the latest insights and skills in sustainable development and finance. By fostering a culture of continuous learning, we empower our employees to make informed decisions and deliver on our commitment to responsible and ethical business practices.

The training conducted in 2023 covered:

Regulation: SFDR, Taxonomy, and CSRD	Climate	Biodiversity	Value Sharing	Female Leadership
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We also organise sustainability lunch debates for employees, investors and managers of our portfolio companies. These help us deepen our understanding of environmental and social issues and examine potential solutions.

# Empower employees to become trainers

We offer our employees climate training as well as the opportunity to become Climate Fresk workshop facilitators within CAPZA and at our portfolio companies. By empowering our employees to become trainers, we create a ripple effect, fostering a culture of environmental awareness and action throughout our organisation and beyond.

## 16

FACILITATORS AT CAPZA, REPRESENTING AROUND 15% OF OUR EMPLOYEES who can run Climate Fresk workshops for our portfolio companies

## 51%

PORTFOLIO COMPANIES RESPONDED INDICATING THAT THEY WANTED US TO FACILITATE A WORKSHOP FOR THEM

## 5

WORKSHOPS ORGANISED IN 2023 IN RESPONSE TO COMPANIES' REQUESTS accompanied by a 30-minute session aimed at sharing the company's ESG footprint and collectively brainstorming actionable steps



“ Personally committed to the environmental cause, I am delighted to have the opportunity to facilitate Climate Fresks both internally and with external companies. Raising awareness is the first step toward driving meaningful change, and we are ideally positioned to lead this effort.



Thomas Lafougère  
Principal, CAPZA



4

## Collaborating with our ecosystem

Sustainability is a shared responsibility: while individual companies can make an impact, **collective action is much more powerful**. Therefore, we strive to forge stronger links with our broader ecosystem. We share our vision of sustainability in higher education and industry conferences, have developed a sustainability-linked community and seek to facilitate cross fertilisation and are involved in various industry groups and we promote ESG best practices when we act as a co-investor or lender.

## CAPZA's involvement in industry working groups



CAPZA is a member of France Invest, a professional association representing the private equity and venture capital industry in France, and as a member of the climate working group participates in its Sustainability Commission.

We are also a member of ICI (Initiative Climat International) and contributed to its Climate and Decarbonisation Guides in 2022 and 2023.

CAPZA is a member of the Institut de Finance Durable (IFD) and is involved in working groups on impact finance, biodiversity and fair transition.

## CAPZA's contributions to media publications

We strive to share our expertise on sustainability and our initiatives widely through media channels.



### Opinion | Décarbonation des PME : les défis du private equity

Les fonds de private equity ne doivent plus seulement financer les PME pour qu'elles puissent piloter leur empreinte carbone, prévient Christophe Karvelis-Senn. En tant qu'actionnaire ou créancier de référence, ils doivent désormais aussi investir le champ extra-financier.

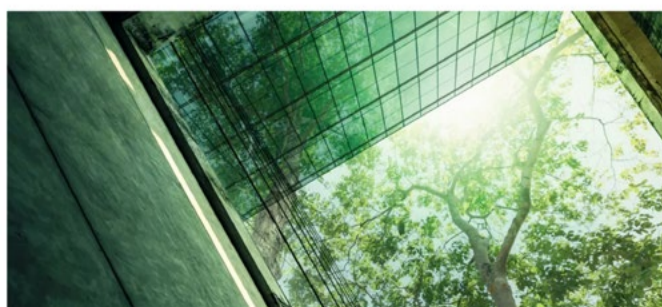
Ajouter à mes articles Commenter Partager Climat Environnement



### Les management packages se mettent au vert

Longtemps basée sur des objectifs de TRI, Ebitda, chiffre d'affaires... la rémunération des managers sous LBO intègre désormais des critères ESG.

Ajouter à mes articles Commenter Partager Dossiers



### Dans les entreprises françaises, le vélo de fonction prend son envol

**Analyse** Le phénomène reste marginal en France, beaucoup moins en Allemagne : de plus en plus d'entreprises proposent à leurs collaborateurs un vélo de fonction, moyennant une participation financière. Ce système de leasing, avec option d'achat par le salarié, permet de réduire leurs émissions.

Denis Peiron, le 03/03/2024 à 10:45  
réservé aux abonnés

Lecture en 3 min.



**TRIBUNE**  
Guillaume Panuel, associé, structuration de fonds, au cabinet Mottet W&J & Emery, et Aurore Gauffre, directrice durabilité et impact chez Capza

#### Investissement à impact, comment formaliser sa stratégie en l'absence de réglementation ?

Alors que le rythme des levées se ralentit et que le risque de déclin est à considérer, certains acteurs non cotés de la place manquent leur différence en s'orientant vers l'investissement à impact. Comment articuler une stratégie d'impact avec la réglementation SFDR (Sustainable Finance Disclosure) et les différents types de dispositions pour être investis dans la documentation des fonds à cet effet ?

La finance à impact est une stratégie d'investissement qui vise à générer un impact social ou environnemental positif mesurable tout en générant un retour financier. Elle se caractérise par trois critères fondamentaux correspondant à la valeur de l'investissement de générer un bénéfice extra-financier. Fondamentalement, l'impact est la contribution effective de l'investisseur à la création du bénéfice environnemental ou social par l'entreprise, et la mesure, pérenne et vérifiable, que le bénéfice social ou environnemental durable (inclusion, formation, décarbonation, indicateurs clés de performance ESG, etc.). Si l'intentionnalité et la mesure sont des caractéristiques figurant dans SFDR à l'égard des fonds d'investissement durable, d'une part, et les indicateurs de durabilité utilisés pour mesurer la réalisation des caractéristiques ou objectifs de durabilité, d'autre part, le principe d'auditabilité fondamentale à l'impact n'est pas traité dans la réglementation. Aussi, selon l'Institut de la finance durable, l'investissement durable est une condition nécessaire à l'investissement à impact mais n'est pas suffisante.

Régulièrement, pour permettre l'entrée des fonds de LBO (leverage buy-out) ayant un objectif de réduction des émissions de gaz à effet de serre en ligne avec l'Accord de Paris, une différence opérationnelle et contractuelle majeure est à noter entre des fonds de décarbonation - article 9 - avec stratégie d'impact et sans stratégie

théorie du changement doivent donc être clairement définies dans la documentation du fonds.

Les gestionnaires de fonds d'impact et article 9 cherchent à démontrer dans la documentation du fonds leur intentionnalité en prévoyant une gouvernance dédiée et des mécanismes d'alignement d'intérêts. La mise en place d'un comité ad hoc composé de représentants des investisseurs du fonds et de tiers experts permet de noter et d'évaluer l'atteinte des objectifs climats ou de durabilité. En cas de déviation par rapport aux objectifs, ce comité invite le gestionnaire à organiser des actions de remédiation, à procéder à des financements supplémentaires et en cas d'ultime recours, à mettre un processus de cession.

Des mécanismes d'alignement doivent viser à contribuer à des objectifs d'impact la part de la plus-value du fonds destinée à l'équipe de gestion - souvent représentée à 10% à



# Intertwining Sustainability & Governance

We have established a sustainability and impact governance structure that is both strategic and closely aligned with operational functions, enabling us to influence the organisation's framework while implementing concrete and achievable actions.

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Sustainability  
& Impact Team

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ESG Referents

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ESG & Impact  
Committees

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Governance at Our  
Portfolio Companies

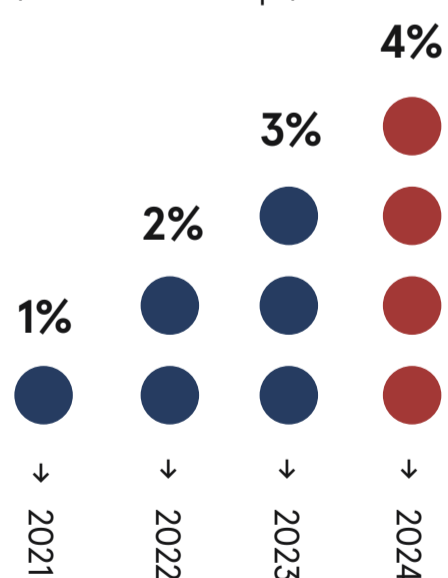
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# Sustainability & Impact Team



## Sustainability team as % of Global FTE

(without internships)



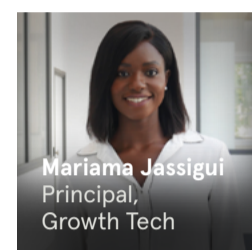
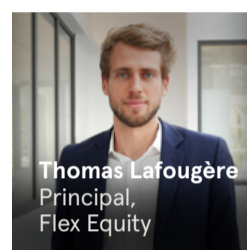
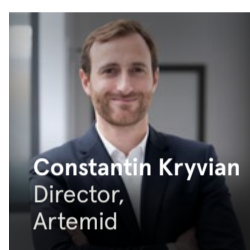
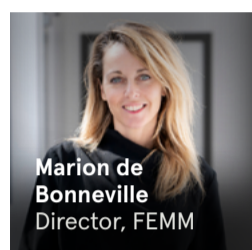
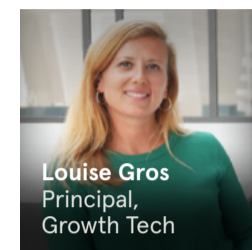
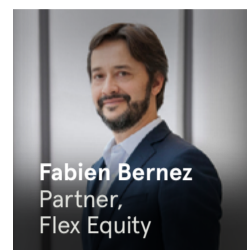
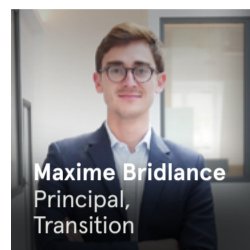
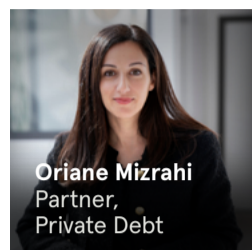
Our Sustainability & Impact team is the link between CAPZA’s general management, notably Benoit Choppin, and our investment and cross-functional teams. The Sustainability & Impact team is headed by Aurore Gauffre (member of the Executive Committee and member of the FEMM2 and MAIF Dette à Impact Environmental investment committees).

Aurore is supported by three Sustainability & Impact analysts, Yasser Sael, Solenn Deluche, and Hugo Villain and a Sustainability & Impact intern. The team will continue to grow over the next years, in line with our reporting requirements and our approach of actively supporting our companies.

Our Sustainability & Impact strategy depends on input from every part of the company, including all our cross-functional teams, for its success. The compliance and risk management team focuses on 2nd level controls, input on policies and their implementation. Business development and investor relations involve liaising with investors on strategy and reporting. The HR department ensures sustainability values are integrated into recruitment, remuneration, training, and employee engagement. The product team prepares presentation materials and answers investor due diligence questionnaires. The general secretariat and middle office handle annual report preparation and ESG-related flow modifications. The legal team drafts regulatory and fund documents, while the communications team shares sustainability information both internally and externally.

# ESG Referents

The Sustainability & Impact team operates a network of ESG ambassadors, one in each investment team, that meets monthly. This embeds our ESG priorities within each investment strategy and to shares best practices across our teams.



“ I am thrilled to be at the forefront of integrating sustainable practices into our investment strategy. My role is not only to ensure that our ESG policies are effectively implemented but also to share our best practices.



**Constantin Kryvian**  
Director & ESG Referent, Artemid, CAPZA

## ESG & Impact Committees

The Global ESG Committee reviews strategy, processes and non-financial performance. It meets twice a year:

- Once to discuss updates to CAPZA's ESG strategy and processes and regulations, frameworks and initiatives. This meeting also agrees the scope of reporting for the year ahead.
- Once to receive the results of our annual ESG reporting exercise and to discuss updates to ESG strategy and policy.

Strategy-specific ESG committees review the extrafinancial performance of each fund in detail and determine priorities and action plans for each company. They meet at least once a year.

Funds committed to a minimum of 30% sustainable investments as defined by SFDR are also subject to stringent oversight by an Impact Committee, augmented by an independent third-party entity. This collaborative effort ensures meticulous monitoring of non-financial performance metrics and facilitates informed decisions regarding supplementary measures.

# CAPZA4GOOD

## Guiding our own Sustainability & Impact

This committee is responsible for improving our own sustainability practices. CAPZA4GOOD approves initiatives that support our sustainability and impact strategy and are consistent with CAPZA's brand image. Although initiated in 2019, in 2023 decided to strengthen the committee's governance structures and provide substantial new resources:

**€210k**

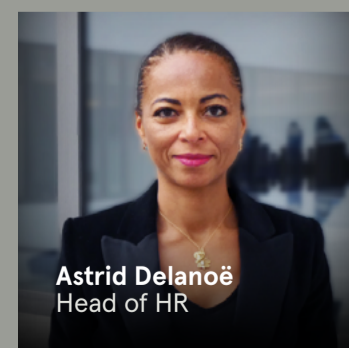
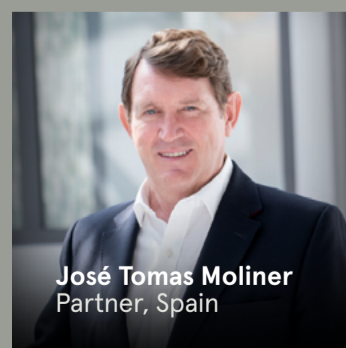
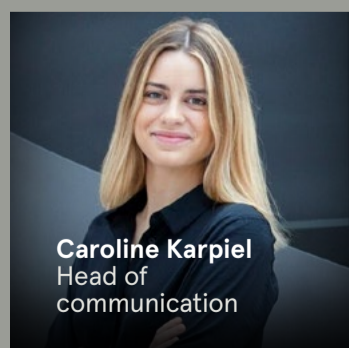
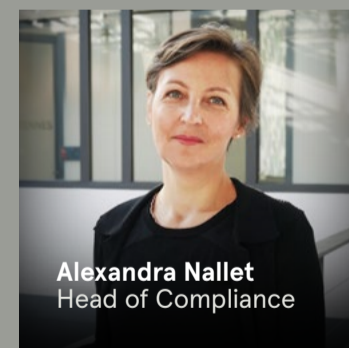
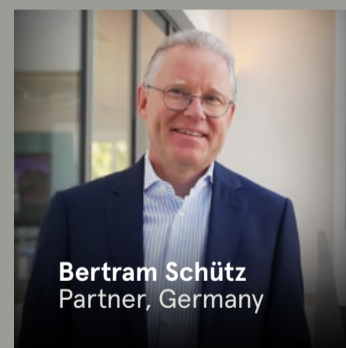
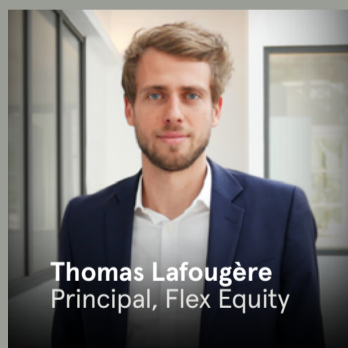
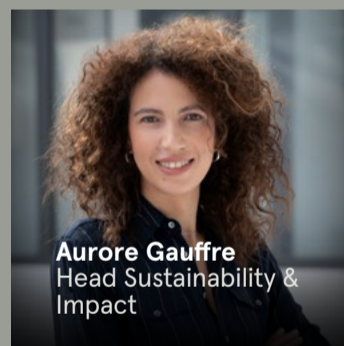
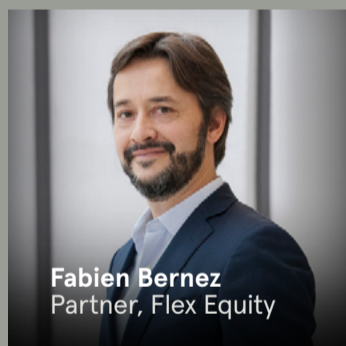
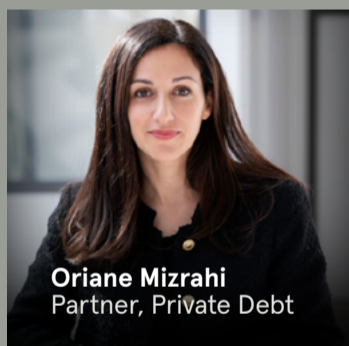
ANNUAL BUDGET APPROVED FOR 3 YEARS

**1**

SOLIDARITY DAY PER EMPLOYEE PER YEAR FOR CAUSES CHOSEN BY CAPZA4GOOD

**13**

VOTING MEMBERS NOMINATED BY THE MANAGEMENT BOARD ensuring representation across our various functions and regions. It meets as often as required and, at a minimum, biannually



# Governance at Our Portfolio Companies

Effective corporate governance is essential for the success and sustainability of any company. It ensures transparency, accountability and ethical decision-making, which are crucial for maintaining investor confidence and achieving long-term growth. Furthermore, good governance must also encompass ESG aspects, integrating social, environmental, and economic considerations into the company's strategic framework to promote a positive impact on society and the environment

“ As a partner of Capza, Birdeo supports the recruitment needs of their portfolio companies as they enhance their ESG strategies, driven by Capza's leadership.



**Isabelle Mouret,**  
BIRDEO

0%

OF OUR INVESTMENTS VIOLATED UNGC PRINCIPLES OR OECD GUIDELINES  
10% did not have policies to monitor compliance with guidelines

65%↑

OF OUR COMPANIES HAD AT LEAST ONE INDEPENDENT BOARD MEMBER  
50% increase since 2022, 29% increase for private equity

84%↑

OF OUR COMPANIES HAD A ESG MANAGER  
12% increase since 2022, 21% increase for private equity

92%↑

OF OUR COMPANIES HAD ESG DISCUSSED AT THE BOARD  
5% increase since 2022, 5% increase for private equity



We regularly organise workshops and meetings to bring ESG leadership from our portfolio together to share best practices on specific topics or sectors

# Managing Risks & Generating Positive Impact

throughout the  
investment process



- Exclusion Policy
- Screening
- Due Diligence

## Pre-investment / Select wisely

- ESG roadmap
- ESG provisions in documentation
- Sustainability-linked investments

## Closing negotiation / Formalise our intent

- Monitoring ESG Risks and Impacts
- Specifics According to Strategies
- Sustainability and Impact Acceleration
- Voting Policy
- Information for Investors

## Holding / Monitor and Accelerate

- Process Specifications
- ESG Reporting
- ESG Vendor Due Diligence

## Exit / Sustain our Actions

	Private Equity	Private Debt
<b>Pre-investment</b>		
→ <b>One Pager</b> ESG analysis (climate included) of the target and the sponsor if applicable	SYSTEMATICALLY	SYSTEMATICALLY
→ <b>LOI/Termsheet</b> includes one paragraph on CAPZA commitment to sustainability, mention of our capacity to put in place sustainability linked management package or financing	SYSTEMATICALLY	BEST EFFORT
→ Extensive <b>ESG Analysis</b> carried out internally or externally depending on the materiality of ESG aspects	SYSTEMATICALLY	SYSTEMATICALLY
→ The <b>Commitment Letter</b> includes a sustainability driven management package (KPIs can be defined later)	BEST EFFORT	N.A.
<b>Closing negotiation</b>		
→ The final documentation includes a <b>sustainability driven management</b> package or bonds/loans	BEST EFFORT	BEST EFFORT
→ <b>Net Zero</b> provision and <b>reporting</b> requirements	SYSTEMATICALLY	BEST EFFORT
<b>Holding</b>		
→ <b>Collection of ESG reporting</b> with Reporting21 or through the sponsor	BEST EFFORT	BEST EFFORT
→ Annual <b>ESG meeting</b> in May/June on ESG with the company and Reporting21	BEST EFFORT	BEST EFFORT
→ <b>Transmission</b> of the ESG reporting to the company	SYSTEMATICALLY	SYSTEMATICALLY
→ <b>ESG analysis and roadmap</b> in the agenda in the shareholder management meeting	SYSTEMATICALLY	N.A.
<b>Exit</b>		
→ Include <b>ESG reporting</b> and KPIs in the data room	SYSTEMATICALLY	N.A.
→ Sustainability included in the <b>process specifications</b>	SYSTEMATICALLY	N.A.
→ <b>ESG Vendor Due Diligence</b>	IF RELEVANT	N.A.



# Pre-investment / Select wisely

- Exclusion Policy
- Screening
- Due Diligence

## 1 Exclude the most harmful activities

CAPZA does not invest in companies that do not comply with international standards such as the United Nations Global Compact. We also avoid sectors and activities proven to have significant impacts on the environment and society, or that generate additional risks (reputational, ethical, legal etc.).

Our exclusion policy rules out activities that seriously harm the climate and biodiversity or raise major ethical issues. It comprises three types of exclusions and restrictions:

- **Norm-based exclusions:** This category includes illegal economic activity and activity that results in severe breaches of international standards, conventions, norms, or protocols to which France is a signatory, including the UN Global Compact.
- **Sectorial exclusion and restriction concerning environmental commitments focusing on climate change and biodiversity:** (i) thermal coal activities; (ii) conventional and unconventional fossil fuels exploration, development, and production; (iii) extraction, production, and distribution of palm oil and wood pulp, active contribution to deforestation; the trade of unauthorized plant or animal species or products governed by CITES; land grabbing practices or the development of farming projects in national parks considered protected areas; activities that generate more than 5% of their consolidated revenues from products containing polychlorinated biphenyls, asbestos fibers, drift nets over 2.5 kilometers in length; and activities that focus substantially on the production and trade of pesticides.
- **Sectorial exclusions and restrictions concerning social commitments:** production and trade of tobacco-related products and services (representing more than 5% of the company's consolidated revenues), production and trade of weapons, gambling activities, pornography, recreational drug use, and human cloning.

2

## Assess the materiality of sustainability issues

The investment teams then assess the materiality of sustainability issues, leveraging three tools:

- The SASB (Sustainability Accounting Standard Board) framework.
- An internal rating based on PAI and other criteria
- Predefined high-stakes sectors, with high impact on the environment or society (agriculture, forestry and fishing; mining and quarrying; manufacturing; energy; water supply, sewerage and waste management; construction; wholesale and retail trade; transport and warehousing; accommodation and catering; real estate; healthcare).

3

## Conduct Comprehensive Due Diligence

When the ESG challenges or opportunities are identified as **significant**

### Debt

Detailed due diligence is carried out by the Sustainability & Impact team, including discussions with the management or/and sponsor of the target company. The in-depth ESG analysis covers climate (physical and transitional) and biodiversity risks, as well as potential and contingent PAIs.

An analysis of the sponsor's PRI rating and, where applicable, a summary of the sponsor's ESG due diligence report are included in the investment memorandum.

### Equity

Detailed due diligence is carried out with a third party, including discussions with the management of the target company. The analysis covers climate (physical and transitional) and biodiversity risks.

A preliminary ESG roadmap is drawn up and included in the investment memorandum. Where possible, we integrate the investments and costs required to implement the ESG roadmap and value creation opportunities into our business plan.

When the ESG challenges or opportunities are identified as **non-significant**

The investment team carries out double ESG materiality analysis, using the SASB analytical frameworks and external and internal tools. The Altitude tool, developed by AXA Climate, which enables climate and biodiversity analysis based on sectoral and geographical data, is used in debt and is now available for equity.

# Closing negotiation / Formalize our intent

- ESG roadmap
- ESG provisions in documentation
- Sustainability-linked investments

As investors in private assets, we can exert significant influence on the deal documentation, allowing us to set ESG targets and commitments at the outset. By integrating ESG considerations into the initial agreements and frameworks, we both align the company with ESG principles from the beginning and actively contribute to positive social and environmental outcomes as stewards of capital.

## Strengthen ESG specific clauses

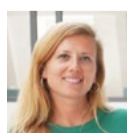
We seek to include investment-specific sustainability clauses in shareholder agreements or debt contracts. We look to add clauses that reflect the potential risks and impacts that we identified during our due diligence.

- For example, if the company's Penicaud index is below the legal minimum, we add a clause to the shareholders' agreement requiring measures to advance **gender equality** within the company.
- **Decarbonisation:** Since July 2023 we have included a clause in all our investments through equity funds committing the company to make its best efforts to reduce its greenhouse gas emissions in line with the objective of Decarbonisation by 2050. We also include this clause in all our debt contracts for the MAIF Debt with Environmental Impact fund.

### EXAMPLE CLAUSE

The shareholders and management are committed to setting the Group on a path to reduce its greenhouse gas emissions, in line with the ambition of a Net Zero economy by 2050 and limiting global warming to 1.5°C by 2100. To this end, a Group-wide carbon assessment (scope 1,2,3) will be carried out within 6 months of the investment to define quantified reduction targets.

“ The systematic inclusion of this decarbonization clause, aligned with Net Zero targets, alongside standard provisions, necessitates that we provide comprehensive education to ensure that management fully understands this ambition from the outset of our engagement.



**Lousie Gros**  
Principal, CAPZA

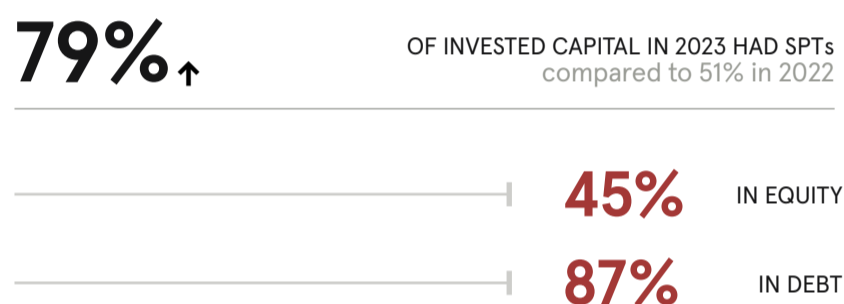
## Sustainability-linked transactions

We are convinced that incorporating ESG objectives into incentive schemes, such as debt pricing mechanisms or management compensation packages, for debt or equity investments enables the achievement of these objectives by aligning stakeholders' interests with sustainable practices. Moreover, linking financial incentives to ESG performance fosters accountability and transparency, driving continuous improvement in environmental and social practices.

These ESG objectives are defined based on our due diligence and on discussion with the management to assess feasibility and cost implications. We are working to integrate ESG considerations into our 100-day post-investment plans.

By integrating ESG targets into contractual agreements we incentivise companies to target sustainability as well as financial performance.

In 2023, we accelerated the inclusion of **Sustainable Performance Targets (SPTs)** in new transactions.



**153**

KPIS FOLLOWED OR IMPLEMENTED IN 2023

Contribution to the Sustainable Development Goals (SDGs)



# Holding / Monitor and Accelerate

- Monitoring ESG Risks and Impacts
- Specifics According to Strategies
- Sustainability and Impact Acceleration
- Voting Policy
- Information for Investors

CAPZA's portfolio companies primarily depend on or can influence the outcome of five Sustainable Development Goals



## ESG Risk Analysis and Rating

We worked with Cority (ex Sirsa) and its platform Reporting21 to create our own ESG analysis process, which we continue to enhance every year.



### 1 Data Collection

Reporting21 assists us in collecting over 150 indicators from each portfolio company (including the PAIs required by SFDR regulations).

To reduce the workload for companies and avoid multiple questionnaires, we use InvestEurope's reference framework and add additional questions specific to our strategy, such that we meet the requirements of Article 8 and 9 funds.

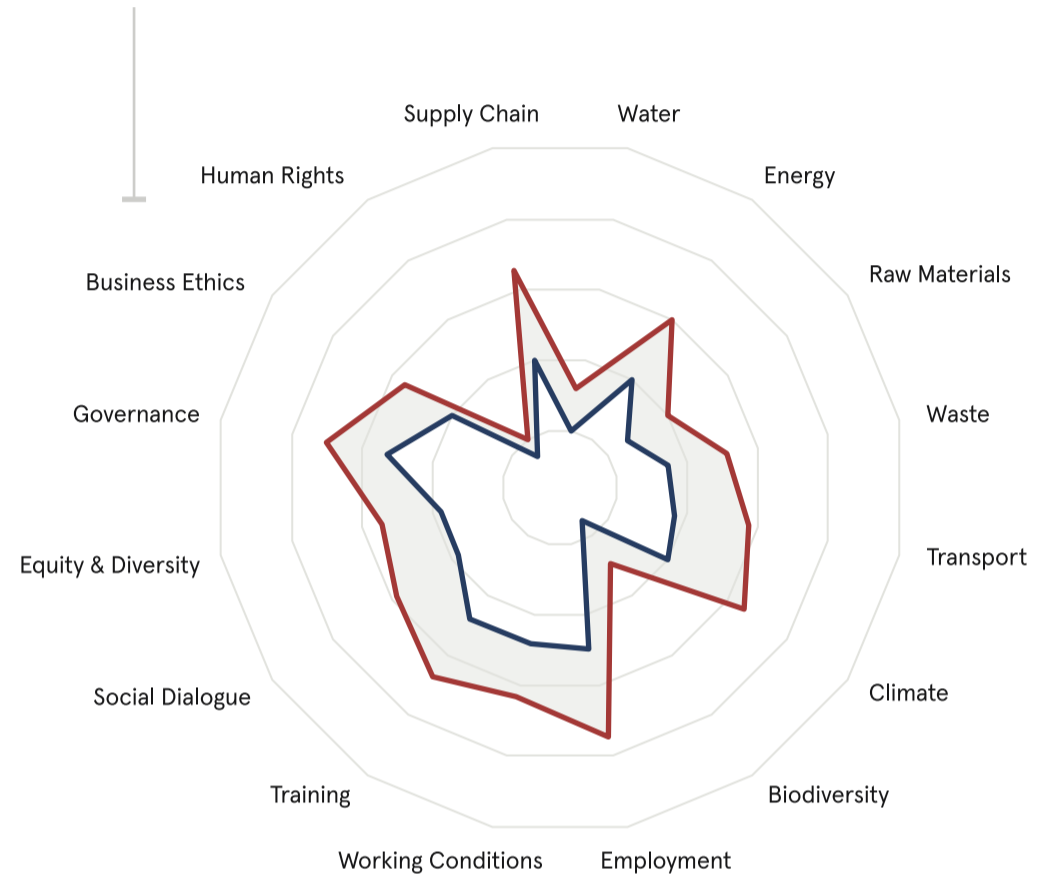
- All indicators (3)
- >  General information
- >  Governance
- >  Environmental footprint (3)
- >  Environmental risks
- >  Taxonomy
- >  Social footprint
- >  Societal
- >  Supply chain
- >  ESG analysis

The screenshot shows the Reporting21 dashboard for 'CAPZA - Société de gestion'. The main panel displays a list of indicators under 'General information', all marked as 'Completed'. Indicator 1.1 - Reporting protocol is highlighted. A side panel shows the details for 1.1 - Reporting protocol, which is 'Validated'. It includes a thank you message from the CAPZA team and a question 'ANSWER' with radio buttons for 'Yes' and 'No'. The 'Yes' option is selected. Below the question, there is a 'Add a comment' field and a count of 37 comments.

2 ESG analysis and scoring

**76**  
 AVERAGE ESG  
 SCORE FOR OUR  
 PORTFOLIO

Portfolio ESG  
 Materiality & Maturity  
 2023



For each of **16 ESG issues**, we assess the **materiality** to each portfolio company based on the company's size, business sector, countries of operation, reported data, and to a lesser extent in relation to other companies in the portfolio.

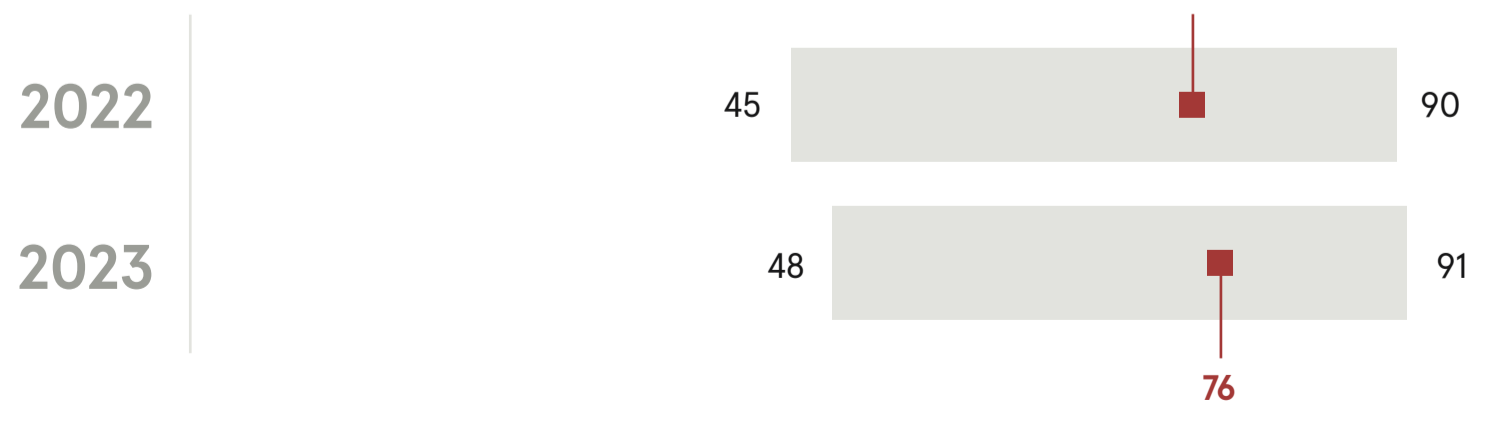
The combination of qualitative and quantitative data from the 150 collected KPIs allows us to evaluate each company's **maturity** on each topic in terms of awareness and commitment.

With these two scores, we calculate the company's **risk** on each topic: the difference between the materiality of the issue and the company's maturity on that issue. If an ESG risk is greater than 4, we organize a dedicated committee with senior management, the risk director, and the partner responsible for the investment to identify mitigation measures.

We assign an overall **score out of 100** to each company

Overall scores are calculated by dividing the total **maturity** by the total **materiality**.

PORTFOLIO ESG SCORE  
 RANGE & AVERAGE



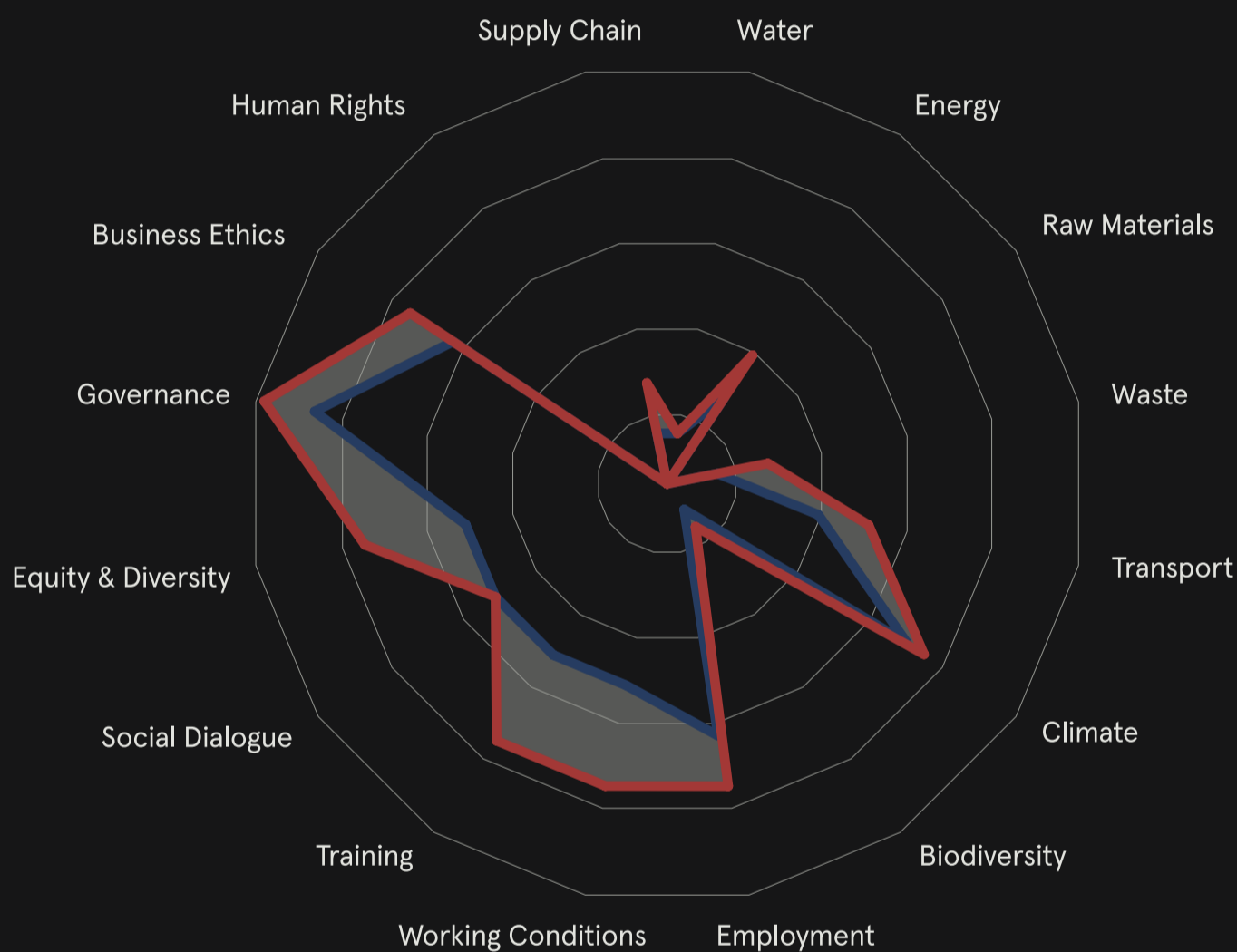
## CAPZA' ESG Materiality & Maturity 2023

We follow the same ESG reporting process as our companies, completing an annual survey questionnaire that is scored by Reporting 21.

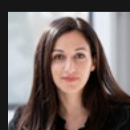
CAPZA has just introduced a Risk Management committee, that oversees all business risks, including ESG and climate risks. The risk committee reports these risks to the Board.

85

OVERALL ESG SCORE  
+4 points from 2022



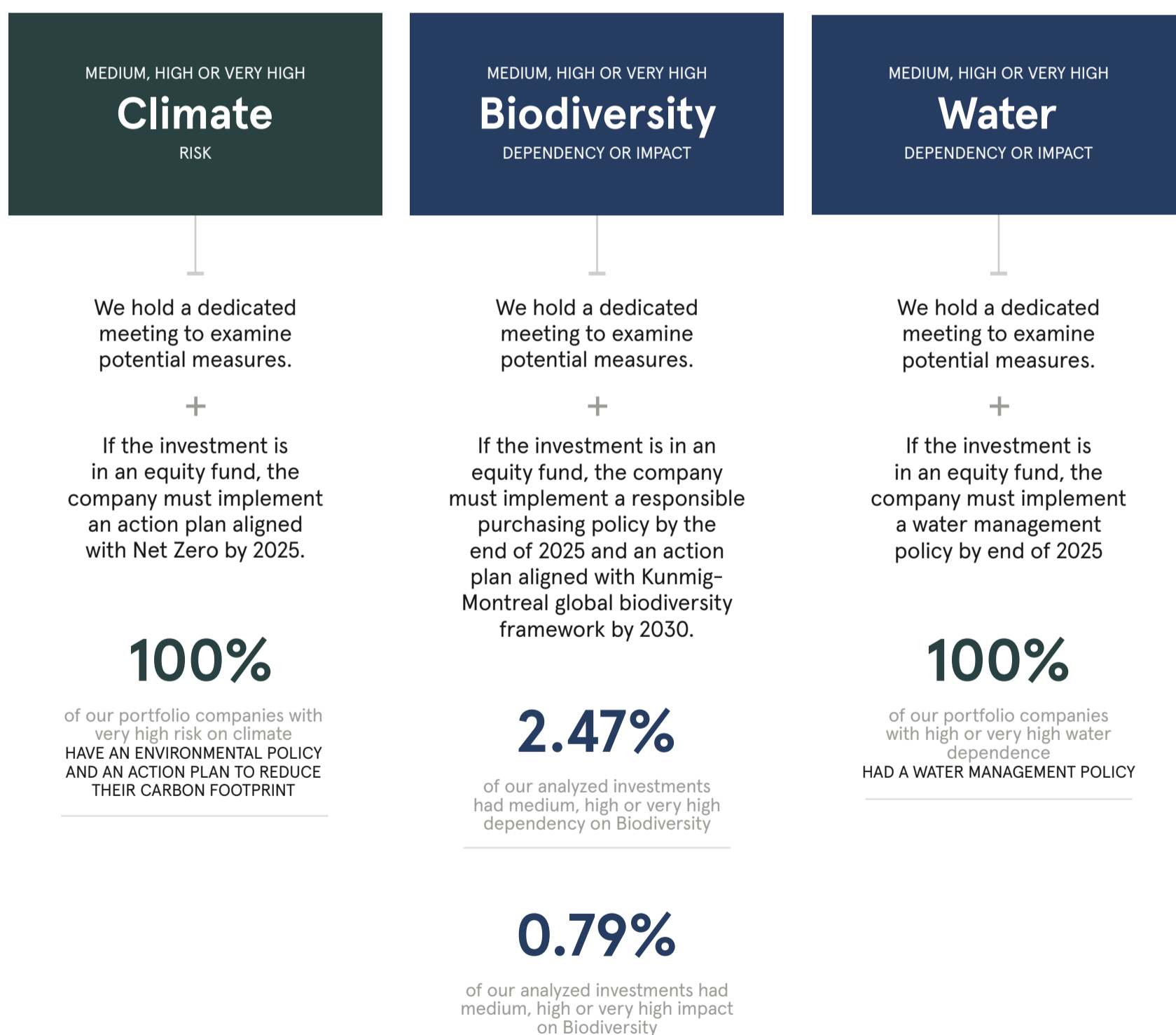
“ Adopting the same process as our companies, from data collection to scoring and analysis with Cority21, enhances our credibility in setting realistic goals and supporting them in achieving those goals.



Oriane Mizrahi  
Partner, CAPZA

## Companies also receive a detailed Climate, Biodiversity and Water score

Our goal is to ensure that no companies in our private equity portfolios have very high climate, biodiversity and water risks, as assessed by a third party. For each investment that has a medium, high or very high risk, we emphasize the materiality with the investment team during a ESG committee and examine potential mitigation measures. We integrate them into our sustainability-climate roadmaps and discuss them with the concerned company. We promote training on biodiversity and water and the implementation of responsible procurement policies, biodiversity policies, water management policies and water saving solutions across our portfolio.





### 3 Annual reporting and action plans

We deliver a report to each company, that summarises their score, and a progress update on the company's action plan, detailing ESG actions already implemented, those currently being implemented and future planned actions. The report also provides an update on progress towards any Sustainability Performance Targets (SPTs) associated with the investment.

A meeting with the company's management and members of CAPZA's investment and Sustainability & Impact teams is scheduled to review the report and discuss best practices; commit the company to its annual action plan; and respond to the company's questions and needs in terms of service providers, costs and methods for implementing specific actions. The information is shared with the risk committee and annually with the supervisory board of CAPZA. We are committed to working with all our companies to reduce ESG risks.

The ESG data collected, including PAIs, is then consolidated at portfolio and management company levels. CAPZA prepares an ESG report for each investment fund, which is made available to investors through the investor portal.

### Sample annual reporting

The collage displays several pages from a sample annual ESG report:

- 2023 ESG Data - Social:** Includes a table for Revenue (MC) and Total employees, an ESG Score table (2021-2023), a radar chart for 'ESG stakes well addressed', and a detailed '2023 ESG Data - Social' section with metrics like Human Resources, Workforce Breakdown, and Health & Safety.
- 2023 ESG Data - Environment:** Features a bar chart for Energy Consumption (kWh), a '2023 ESG Data - Environment' section with environmental policy metrics, and a 'Carbon Footprint' section showing GHG emissions and carbon intensity.
- 2023 ESG Data - Governance & Supply Chain:** Contains a '2023 ESG Data - Governance & Supply Chain' section with metrics on CSR governance, Supervisory board, and Supply Chain, along with qualitative information on ethics and supplier management.

# Our Sustainability and Impact Acceleration Program

Our companies need support on sustainability to navigate the complexities of ESG regulation, integrate the environmental transition into their business model, meet customer requirements (such as calls for tender and ESG data), and be responsible employers to retain talent. To support our companies, we have developed both internal sustainability expertise and an ecosystem of third-party service providers. Supporting our portfolio companies is one of the 4 core pillars of our Sustainability Strategy.

- ESG Awareness and Education
- ESG Best Practices and Standards
- Sectorial Sustainability workshops
- Connecting with ESG Providers and Financial Aids
- Building a Sustainability-linked Community and Recognising Achievements

**We have built a dataroom where our portfolio companies can find resources on sustainability**



## CASE STUDY

# A Major Player in the Pharmaceutical Sector Committed to Decarbonisation, Biodiversity, and Equality



AN INTERVIEW WITH



**Christophe Napiot**  
Executive Vice President of Human Relations, Communication, and CSR



**Halinh Tran-Bréchet**  
Group Director of Communication and CSR

**Can you tell us a few words about CAPZA's support and what it has brought to you?**

**Christophe Napiot** Our goal is to move from ambition to action. CAPZA is helping us intensify our efforts to address societal, economic, environmental, and industrial challenges so that we can continue producing essential medications, healthcare and well being products in France for everyone's daily needs. CAPZA supports our actions both strategically and operationally, providing us with the means to tackle the challenge of climate change while turning this response into a strength for MAYOLY. This strength lies in the industrialization of the country. Producing in France allows us to apply ambitious environmental standards to both our industrial sites and the products we export.

**What other contributions has CAPZA made?**

**Christophe Napiot** They have contributed financially, which was crucial to launching our approach. This support helped us overcome certain constraints and ensured that ESG topics were not sidelined despite our desire to act. CAPZA also has a very active and voluntary approach. They connected us with a network of partners and service providers capable of helping us advance our projects quickly. Finally, their high level of expertise and professionalism pushes us to stay informed, make progress, and challenge ourselves. We regularly review our progress with them during steering committees, ensuring that sustainability, essential to us, is fully integrated into our business strategy.

**In terms of diversity and inclusion, you have worked on gender equality by improving the representation of women among managers and significantly reducing salary inequalities. What initiatives have you implemented to make the company more inclusive?**

**Christophe Napiot** Our most significant action in 2023 was the implementation of a Compensation & Benefits (C&B) policy and expertise within the Human Relations Department. On our French sites, the gender pay gap decreased from 5.2% before the salary review to 4.7% after the review in 2024, a reduction of 0.5%. Our goal is to continue reducing this gap each year. This reduction in the gender pay gap demonstrates progress towards greater pay equity. Thanks to the new C&B policy, women have seen a significant increase in their compa-ratio, contributing to the narrowing of the pay gap with men.

**In 2023, you also formalized a biodiversity roadmap, a fairly new topic for many companies. What are its main guidelines?**

**Halinh Tran-Bréchet** We defined an indicator with CAPZA to monitor the evolution of the amount of waste generated by the company and how it is recycled. Our goal is to reduce our waste in France by an average of 5% per year by 2025. This indicator is part of the employee incentive agreement in France, signed for a three-year period (covering 2023/2024/2025), aimed at uniting our employees around our ESG approach.



MAYOLY is a family-owned, French, independent pharmaceutical group with international reach. It has developed successfully since 1909, based on its historical expertise in gastroenterology and dermo-cosmetics. Today, MAYOLY is a key player in consumer healthcare with a presence in 21 countries, and product distribution in over 100 countries. Its 2,200 passionate and committed employees are proud to work towards improving everyone's health and well-being.

**As part of your environmental approach, you are exploring the possibility of making some packaging more eco-friendly. What initiatives do you have underway in this regard?**

**Halinh Tran-Bréchet** We aim to reduce the weight of our waste and move towards eco-designed medication boxes. This goal has been integrated into our employee incentive plan in France. To achieve this objective, we are working gram by gram to reduce the weight of the primary and secondary packaging of our medications. To date, we have reduced the weight of our total wastes by 11% in 2023 vs 2022.

**Water is an essential resource at your industrial sites. Have you implemented initiatives on this topic?**

**Halinh Tran-Bréchet** Absolutely. We are also implementing a water conservation plan. Some of our sites are subject to prefectural orders, and we aim to maintain our production capacity even during summer droughts. Our action extends beyond this period as we aim to stay below consumption thresholds year-round to fully remove ourselves from the scope of these orders. This effort is progressing well, particularly at our Dreux site.

**Finally, what are the next steps in your decarbonisation approach?**

**Halinh Tran-Bréchet** We are committed to having a positive impact on Individuals, Communities and the Environment. We identify our main challenges, and prioritize key corporate responsibility issues and their impacts through our materiality matrix, which will be finalized by the end of September 2024. Additionally, several initiatives have been launched as part of our overall decarbonisation roadmap. For scopes 1 and 2, an energy reduction plan for our industrial sites by 2030 was approved at the May COMEX. For scope 3, in January, we developed and deployed a responsible purchasing policy with all our suppliers and partners. Moreover, a five-year ecodesign program was approved at the November 2023 COMEX. In the first quarter of 2024, several internal workshops were held to identify emission reduction opportunities for our main emission sources, namely freight, travel, and procurement. Finally, MAYOLY intends to adhere to the SBTi (Science Based Targets Initiative): we submitted proposed targets in July 2024, demonstrating our commitment to reducing greenhouse gas emissions in line with scientific recommendations established after COP21.

## CASE STUDY

# An ethical provider of wellness technology, committed to inclusion and sustainability



AN INTERVIEW WITH



**Thierry Gee**  
CEO at LPG



**Laurent Urique**  
VP, Operations and  
Quality at LPG



**Aurélie Miler**  
VP, Human  
Resources at LPG

LPG was awarded the  
2023 laureate of the  
best ESG footprint  
– Regions Prize



“ We are very proud of LPG’s commitments and performance in sustainability. It is a pleasure to support the LPG teams by providing operational assistance, particularly by connecting them with our network of service providers and organizing awareness workshops.

Oriane Mizrahi, Partner at CAPZA

**In your 2023 ESG report, we noticed numerous initiatives to improve inclusion and quality of work life, such as a disability charter, a four-day work week, and a professional equality agreement. What motivated the implementation of these initiatives?**

**Aurélie Miler** We have been working for nearly five years on improving the conditions and well-being at work for our employees. The actions you mentioned are the result of this long-term approach. Reducing the number of working days per week in production aligns with our efforts to improve the quality of work life and helps maintain purchasing power in a context of high inflation. Indeed, the salaries of our production employees are among the lowest in the company; allowing them to save on commuting costs for an extra workday has a favorable impact for them. All these projects have been conducted within the framework of social dialogue, in collaboration with employee representatives.

**Could you tell us a bit about your governance?**

**Laurent Urique** As the VP Operations and Quality, I coordinate CSR at LPG. For the past two years, we have had a CSR Committee, chaired by our CEO, which includes the main directors involved: Aurélie Miler for HR, Julien Deheinzelin for Finance, and Lydie Hayek-Rocque for Marketing. After setting our goals, we validate them in the CSR Committee meetings. This body allows us to monitor the progress of our action plan. Additionally, I found it interesting to follow a “bottom-up” approach, so we created a group of employees, LPG For the Planet, consisting of about ten volunteers who propose ideas to reduce the Group’s environmental impact.

**Thierry Gee** I would add that Laurent has been interested in this topic for a long time. I’m not sure if it’s common for a VP Operations and Quality to take on this subject, but it suited Laurent well, who has a strong affinity with these themes.



LPG is a French company that offers a range of integrative and therapeutic healthcare treatments whose effectiveness has been scientifically proven, as well as machines that provide healthcare while ensuring patient comfort. LPG has also extended its therapeutic expertise to aesthetics by creating innovative solutions for skincare.

**What about your company's purpose?**

**Thierry Gee** LPG's purpose is to improve health, beauty, and well-being for everyone through innovative, non-invasive, and ethical technologies. We are deeply committed to the "health" aspect. Our products have applications in the beauty field, but they remain health products with medical quality. From the company's inception, the founder established principles that our technologies should be natural, respect the body, and reactivate natural internal processes. Having an ethical approach is crucial for us. That's why we ensure that each of our claims is backed by scientific evidence. LPG is a virtuous company in its overall contribution: we act for the good of our communities, our employees, and our practitioner clients because our technology also supports thousands of professionals. These principles are fundamental to us.

**Could you share an aspect of your environmental approach at LPG?**

**Thierry Gee** I would say that LPG's uniqueness lies in the "indestructible" nature of our machines. We sell them and, when necessary, refurbish them to give them a second and third life. For example, a machine built in 2009 can be returned, refurbished, and resold under warranty today. Thus, 15 years after its initial market release, it continues to function perfectly, offering durability and delivering the expected performance for which the practitioner chose to invest in LPG technology.

**Finally, could you tell us a few words about CAPZA's contribution to your CSR approach?**

**Laurent Urlique** With CAPZA, we benefit from quality support, and we are grateful for that. Working with Cority21, one of CAPZA's partners, gives us access to insightful analyses of our ESG performance, which helps us set our priorities. Additionally, the regular reporting established by CAPZA is a real asset for us, as it allows us to measure and track our progress.

**Thierry Gee** The exchanges with CAPZA and their feedback on our performance help us progress and, above all, anticipate the next steps. The world has changed significantly since 2018, the year Carlyle invested in LPG with the support of CAPZA, and CAPZA's support allows us to stay up-to-date and prioritize actions that make sense for us.

## CASE STUDY

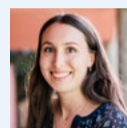
# A promoter of the circular economy with rapid progress in managing its environmental impact



AN INTERVIEW WITH



**Fabien Marthiens**  
Chief Human Resources Officer



**Charlotte Warengem**  
HR & CSR Development Coordinator

Eternity Systems was awarded the 2022 laureate for Best ESG Progress



“ We are very pleased to support Eternity Systems. Within our portfolio, the company shows one of the best progress trajectories in terms of ESG. It is a pleasure to collaborate with them, and I would like to highlight the tremendous engagement work done by our ESG team.

Arnaud Carbonne, Principal at CAPZA

**Your progress on ESG themes is remarkable; you have launched several initiatives, particularly in water management and team awareness. How does CAPZA support you in your CSR strategy?**

**Fabien Marthiens** Indeed, CAPZA fully supports all our initiatives. Working with their teams is a real pleasure, as every initiative we present to them receives special attention and insightful advice. Their external perspective on our day-to-day operations is invaluable, allowing us to explore new directions. Arnaud and the entire CAPZA team are fully committed to our ESG approach.

**Charlotte Warengem** We also worked hand in hand with CAPZA on team engagement. CAPZA facilitated the “Climate Fresk” for the group’s executive committee. This sparked interest among teams in all countries, leading us to train all site managers, employee groups and country directors in North America and France. These training sessions have grown our organization. It is an ambitious project, and we intend to continue it.

**Has your awareness campaign faced any challenges internationally?**

**Fabien Marthiens** Implementing these initiatives is more complex in some regions due to cultural differences. We need to progress gradually, planting seeds for ideas to take root slowly. Initially, the typical reaction is: “Are you sure this is part of our core business?” and we respond: “Yes, absolutely.” This approach helps convince managers abroad that engaging in these themes also represents a business development opportunity.

**What triggered the implementation of your water management plan? What are its steps and goals?**

**Charlotte Warengem** The drought plan in France two years ago heightened our awareness of the importance of water management, a key element for our business. In response, we implemented an ambitious policy. Our industrial director, Frédéric Misset, created a standard allowing each site to conduct an audit on several water management



Eternity Systems is a French specialist in industrial washing of reusable containers. The company, which employs over 1,400 people, operates washing centers in the United States, Portugal, Spain, Germany, and Canada. Eternity Systems positions itself as a promoter of the circular economy by integrating reuse into its clients' supply chain. As Gildas Bouilly, CEO, emphasized, "To wash, you need people, water, and energy."

criteria. We ensured these criteria covered very concrete aspects, from how we wash our machines to managing the washing of our packaging. This operational approach has yielded significant results. Currently, we rely on self-assessment, which we then compare to our water consumption target per washed crate.

**In 2024, what areas will you focus on to continue your CSR trajectory?**

**Fabien Marthiens** We decided to combine the "Climate Fresk" with the "2tonnes" workshop to create an internal training program more suited to our employees. Our goal is to offer impactful workshops where employees involved in production can leave after two hours saying, "I understand the actions I need to take daily to have a positive impact on these themes." Charlotte is currently developing this internal training, which will then be deployed throughout the organization. It is a wonderful project we are working on.

**Charlotte Warengem** I completely agree with Fabien. Our goal is to reach all our employees by being as close to the field as possible. We put ourselves in their shoes to find the right words to help them understand the impact of their actions and how they can improve them.

Additionally, waste management is crucial for us. In North America, significant efforts are underway to address this issue. At the same time, we will continue to focus on water management, which remains a priority due to climate change.



# Exit / Sustain our Actions

- Process Specifications
- ESG Reporting
- ESG Vendor Due Diligence

At CAPZA, we believe that our ESG responsibility extends beyond our investment holding period. This is why, at the time of divestment, we can provide an ESG and impact report that covers the evolution of relevant sustainability indicators during our holding period. We systematically include sustainability in the items that must be addressed in the Intent and Confirmatory Offer.

When value creation linked to the sustainability roadmap or sustainability risks is material, an ESG Vendor Due Diligence may be carried out.

**In the matters that need to be addressed by the bidder, we include sustainability in the investment rationale and strategic view as follows:**

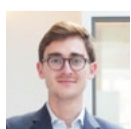
Strategic Rationale: To the extent relevant, please provide any changes to or an update on:

- (i) the background of your interest in the Group and the relevant group,
- (ii) your strategic rationale for the Proposed Transaction, and
- (iii) your views on the business model, how you see the development of the Group, including sustainability aspects, after the Proposed Transaction;



Our three last exits in equity (Ital express, Groupe Saint Aubain and Eurofeu) have seen their **ESG scoring progress 29%** on average between entry and exit.

“When we initiated Groupe Saint Aubain’s exit, we, with the management, wanted to ensure that the future acquirer fully understood and appreciated the ESG efforts and was committed to continuing this work.



**Maxime Bridlance**  
Principal, CAPZA



## CASE STUDY

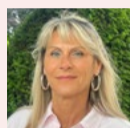
# A food group promoting inclusion, diversity, and sustainability



AN INTERVIEW WITH



**Jean-François Torrelle**  
Chairman and CEO at  
Groupe Saint Aubin



**Christine Chevance**  
HR Manager, Executive  
Assistant, and Co-CSR  
Representative at  
Groupe Saint Aubin



**Céline Jacquemin**  
Quality Manager and  
Co-CSR Representative  
at Groupe Saint Aubin

**Groupe Saint Aubin was awarded the 2023 Laureate of the best ESG footprint – Regions prize.**



“ The ESG progress of Groupe Saint Aubin is a good example of what we aim to achieve with our portfolio companies. We emphasise the environmental and social footprint of businesses during the investment period by providing them with advice, monitoring, and operational support.

Maxime Bridlance, Principal at CAPZA

**CAPZA recently exited your capital: can you share how CAPZA's participation accelerated your maturity on sustainability issues?**

**Jean-François Torrelle** The five years with CAPZA helped us realize the importance of ESG. Nowadays, these considerations are very important for funds, especially in the context of banking scoring. Therefore, ESG was a crucial element to ensure the growth of Groupe Saint-Aubin within CAPZA's portfolio. From the beginning, CAPZA asked us to implement initiatives. Previously, Groupe Saint-Aubin had already been engaging in CSR activities but without formalizing or quantifying them. For instance, we have had a workshop for disabled workers since the company's creation in 1991. CAPZA brought structure and formalization to our work. All the actions we were already undertaking, such as recycling, were quantified and integrated into our overall sustainability approach.

**Céline Jacquemin** In 2023, while we were still supported by CAPZA, we initiated the measurement of our carbon footprint, particularly our scope 3 emissions, with Climateseed. This year, we are continuing our collaboration with this specialized firm to collect data, analyze our results, and identify additional decarbonization levers. We systematically pay attention to the environment in our practices. For example, we replace lighting with LEDs, raise employee awareness about water usage and monitor monthly consumption, maintain trees and meadows around our sites, and sort and recycle waste.

**Jean-François Torrelle** We have also initiated actions within our factories to reuse our effluents in collaboration with farmers. This ferti-irrigation project for meadows is also being monitored by a consulting firm. The environmental dossier will be submitted soon and is expected to be completed by 2025.



The Groupe Saint Aubin (GSA) has three subsidiaries specialized in B2B commerce: Les Délices de Janice (frozen desserts), Chapuis Surgelés (frozen snack catering products), and Maison Chapuis (fresh savory products). For 134 years, GSA has been developing its expertise and innovation capabilities in the food sector and now employs 120 people.

**In 2023, you increased your efforts on the social front. Can you tell us more about your efforts in value sharing and inclusion, particularly for including employees with disabilities?**

**Christine Chevance** The inclusion of people with disabilities has been part of our company since its creation in 1991; it is in our DNA. Awareness training on disabilities has been provided to middle management to better meet the needs of these individuals. In 2023, an Escaph'game in collaboration with Handisertion allowed management to experience being in a situation of disability. More recently, a computer has been made available to them in a meeting room with a person dedicated to their training.

Our Group is also committed to the local economy, with 96% of our staff coming from the local Charolais-Brionnais area, which is very important to us.

Regarding gender equality, in 2023, the management committee became shareholder of Groupe Saint Aubin, and women represent 60% of this body, which is quite rare.

Finally, concerning health and safety at work, in 2023, we had only three accidents, which is very low for a company of 120 people, many of whom work in factories. We ensure our employees' safety by raising awareness during service meetings, through reminders, and posters. It is a daily effort.

# Our 3 Sustainability Priorities

We have set three priorities to drive positive impact, translated into concrete targets both for **our portfolio companies** and for us at CAPZA.

## Portfolio

	COMMITMENTS	2023
<b>Carbon Neutrality</b>	Commitment to align with Net Zero in all our investments in equity funds	ACHIEVED
	0% portfolio companies with very high risk on climate	ACHIEVED
	70% of investments in Equity funds on a net zero trajectory <sup>1</sup> by 2030, 85% by 2040, and 100% by 2050	IN PROGRESS <b>47%</b>
	50% amount invested in Debt funds on a net zero trajectory <sup>1</sup> by 2030, 75% by 2040, and 100% by 2050	IN PROGRESS <b>26%</b>
	100% of companies in equity funds with medium, or high climate risks must implement an action plan aligned with Net Zero by the end of 2025	IN PROGRESS 1 company concerned
<b>Biodiversity &amp; Water Preservation</b>	0% portfolio companies with very high risk on biodiversity or water	ACHIEVED
	100% of companies in equity funds with a dependency or impact rating on biodiversity that is medium or higher → have a responsible purchasing policy by the end of 2025 → have an action plan aligned with the Kunming-Montreal global biodiversity framework by 2030	IN PROGRESS <b>33%</b> have a responsible purchasing policy
	100% of companies in equity funds with medium, high or very high impact or dependency on water must have a water management policy by the end of 2025	IN PROGRESS 1 company concerned
<b>Inclusion &amp; Value Sharing</b>	Within two years of our investment in equity funds, every company should → have at least one independent board member → aim to increase board diversity	IN PROGRESS <b>60%</b> have at least one independent board member <b>71%</b> have at least one woman at the board
	For companies with over 500 employees, have more than 30% of seats on Executive Committees held by women by 2030	IN PROGRESS <b>21%</b> have over 30% of seats held by women
	Promote employee shareholding	IN PROGRESS <b>7%</b> employees <sup>2</sup> are shareholders on average

1. Committed to align, SBTi validated, or with a decarbonisation plan aligned with Net Zero

2. Outside management

We have set three priorities to drive positive impact, translated into concrete targets both for our portfolio companies and for **us at CAPZA**.

CAPZA

COMMITMENTS

2023

<p><b>Carbon Neutrality</b></p>	Annually measure our carbon footprint	ACHIEVED
	5% decarbonisation per FTE per year	ACHIEVED 15.4%
	Provide climate training (Climate Fresk) to all employees and offer them to become facilitators	ACHIEVED 16 facilitators 100% of employees trained
<p><b>Biodiversity &amp; Water Preservation</b></p>	Implementation of a waste treatment solution with customized reporting	ACHIEVED
	Limit the use of nonessential plastics	ACHIEVED
<p><b>Inclusion &amp; Value Sharing</b></p>	A large Majority of employees' shareholders	ACHIEVED 82%
	More than 30% of women on the Executive committee	ACHIEVED 35%
	A Gender diversity Index (Penicaud-Schiappa) over 85	ACHIEVED 93
	30% women partners and 40% women in investment teams by 2030	IN PROGRESS 24% women partners 28% women in investment teams

1. Committed to align, SBTi validated, or with a decarbonisation plan aligned with Net Zero  
2. Outside management

# Carbon Neutrality

# Carbon Neutrality / Portfolio

## TARGETS

We are committed to progressively aligning our portfolios with the Paris Agreement. Our goal is to achieve “carbon neutrality” by 2050. In 2022-23 we defined a climate strategy with key targets to ensure alignment with the Paris Agreement objectives:

**100%** of our investments in equity funds include a clause in the shareholder agreement committing the company to making its best efforts to reduce its GHG emissions in line with the ambition of carbon neutrality by 2050

**0%**

PORTFOLIO COMPANIES WITH VERY HIGH RISK ON CLIMATE

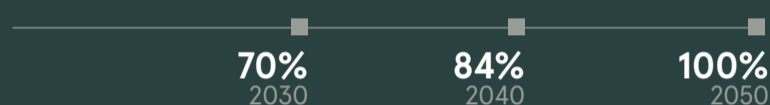
**100%**

OF EQUITY COMPANIES WITH MEDIUM OR HIGH CLIMATE RISK

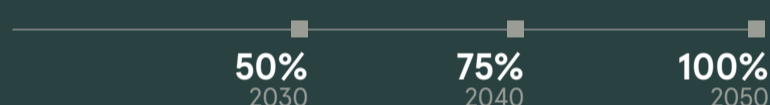
implement an action plan aligned with Net Zero by the end of 2025

## % INVESTMENTS ON A NET ZERO TRAJECTORY:

### EQUITY FUNDS



### DEBT FUNDS



Our commitment is demonstrated through investments in companies that are committed to or already aligned with a Net Zero trajectory or aligned with the European taxonomy.



## 1 Measurement

# 77%

OF OUR INVESTMENTS HAD MEASURED THEIR CARBON FOOTPRINT IN 2023  
7% increase vs. 2022

Measuring greenhouse gas emissions is essential to understanding climate risk. We assess the greenhouse gas emissions of all our investments. This information is derived from carbon audits carried out by the companies we finance, or from estimates made by an independent service provider. Using the energy, fuel and activity data we collect in our annual ESG questionnaire, we check our companies' scope 1 and 2 emissions every year.

We invite companies to carry out a full carbon assessment, including Scope 3 when it is possible. Some of our funds have dedicated pockets for operational support and can finance companies' carbon footprint assessments. In 2023 we financed Scope 3 emissions assessments for 8 companies.

## 11t

CO<sub>2</sub>e/€M REVENUE CARBON INTENSITY, SCOPE 1 & 2

## 206t

CO<sub>2</sub>e/€M REVENUE CARBON INTENSITY, SCOPE 1, 2 & 3

## 2 Reduction

# 19%↑

OF THE ENERGY CONSUMPTION OF OUR INVESTMENTS CAME FROM RENEWABLE SOURCES IN 2023  
8% increase vs. 2022

We support the companies we finance to decarbonize their activities and build a roadmap consisting of 5 to 10 operational levers that can deliver significant emissions reductions. We aim to have our portfolio companies carbon reduction targets validated by the Science Based Targets initiative (SBTi).

# 68%↑

OF OUR INVESTMENTS HAVE ADOPTED AN ACTION PLAN TO REDUCE GHG EMISSIONS  
15% increase vs. 2022



SCIENCE  
BASED  
TARGETS

## 50%

OF OUR INVESTMENTS ENGAGED IN THE SBTi PROCESS

## 24%

SUBMITTED THEIR OBJECTIVES OR HAD THEM VALIDATED

We have built partnerships with service providers to implement these operational levers, which include PV solar projects, energy efficiency measures and electric vehicle schemes.

All companies held in CAPZA's Flex Equity Mid Market II and MAIF Dette à Impact Environmental mandate, both launched in 2022, have set ambitious targets for reducing greenhouse gas emissions, in line with the Paris Agreement. We consistently propose management incentive mechanisms linked to success in obtaining SBTi validation at these companies.

## 3 Positive Contribution

We also need to contribute to global Carbon Neutrality through removals and avoidances. By pursuing initiatives such as carbon sequestration, afforestation and renewable energy projects, we can enhance our efforts to combat climate change and promote environmental sustainability. These measures not only offset emissions but also help to restore ecosystems and support the transition to a greener economy.

Our climate strategy includes giving our companies access to carbon sequestration projects once they have achieved emissions reductions targets linked to their value chain.

# Carbon Neutrality / CAPZA

TARGETS

## GHG Footprint undertaken annually

**5%** ANNUAL REDUCTION IN CARBON INTENSITY PER FTE

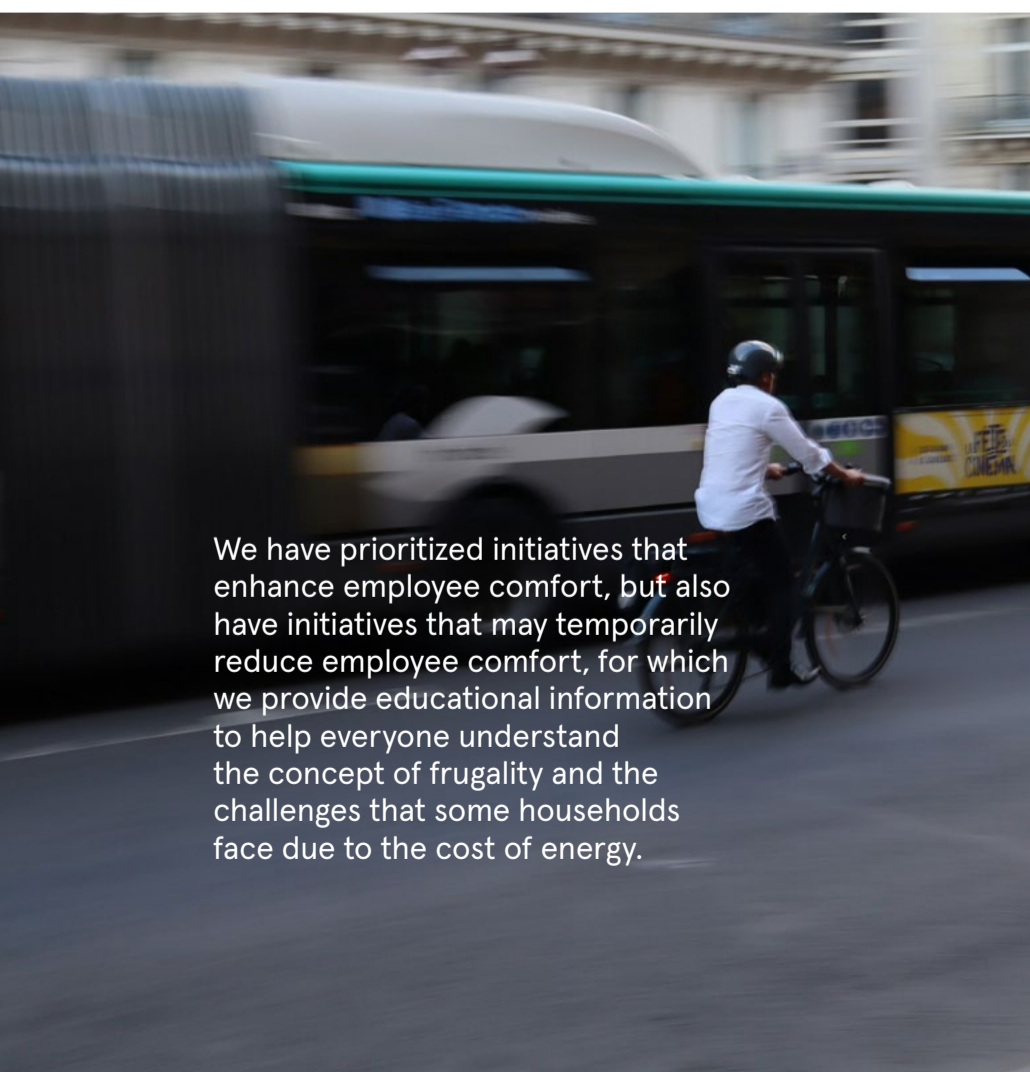
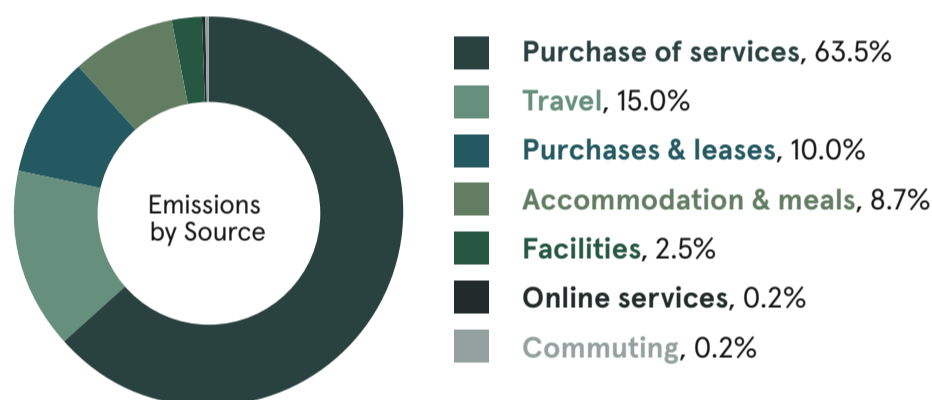
**100%** OF EMPLOYEES TRAINED WITH CLIMATE FRESK enable our employees to become facilitators

## 2023 GHG Footprint

**8**↓ tCO<sub>2</sub>e SCOPE 1 11% reduction vs. 2022

**10**↓ tCO<sub>2</sub>e SCOPE 2 29% reduction vs. 2022

**2272**↓ tCO<sub>2</sub>e SCOPE 3 12% reduction vs. 2022



We have prioritized initiatives that enhance employee comfort, but also have initiatives that may temporarily reduce employee comfort, for which we provide educational information to help everyone understand the concept of frugality and the challenges that some households face due to the cost of energy.

To achieve our targets, we have set out a comprehensive action plan with specific initiatives:

- Promote soft mobility with company bikes offer
- Limit heating and air-conditioning in offices
- Favour train transportation
- Promote responsible catering and low-carbon foods
- Integrate ESG criteria into our expense reimbursement policy, particularly for hotels.
- Promote soft mobility and remote meetings, measure the carbon footprint of our visitors
- Extend the lifespan of our equipment, particularly IT equipment
- Offer all employees the opportunity to become a Climate Fresk facilitator

# Biodiversity & Water Preservation

# Biodiversity & Water Preservation / Portfolio

## TARGETS

0%

PORTFOLIO COMPANIES WITH VERY HIGH RISK ON BIODIVERSITY OR WATER

100%

OF EQUITY COMPANIES WITH A DEPENDENCY OR IMPACT RATING ON BIODIVERSITY THAT IS MEDIUM OR HIGHER

have an action plan aligned with the Kunming-Montreal global biodiversity framework by 2030

have a responsible purchasing policy by the end of 2025

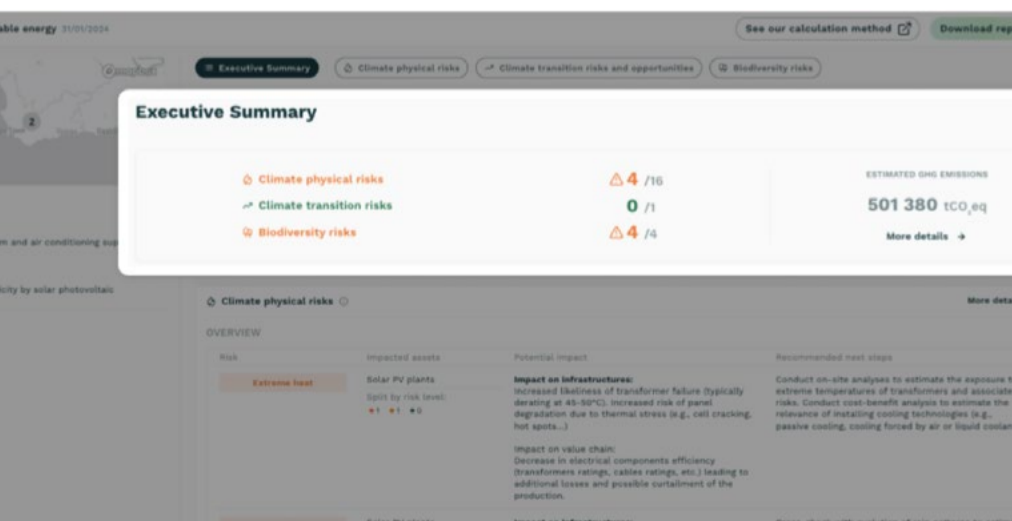
100%

OF EQUITY COMPANIES WITH A DEPENDENCY OR IMPACT RATING ON WATER THAT IS MEDIUM OR HIGHER

have a water management policy by the end of 2025



CAPZA is formalizing a comprehensive and coherent biodiversity strategy. We are committed to regular monitoring, evaluation and disclosure of risks, dependencies and impacts on biodiversity within our investment portfolios, in line with Target 15 of the Kunming Montréal Global Biodiversity Framework. The measurement exercise we are undertaking is a precursor to setting specific, time-bound objectives by 2030. We will focus our actions on private equity investments that have major impacts on biodiversity and water. As these are few in number, we can implement dedicated and specific support tailored to the sector and the company.



### CLIMATE RISK MANAGEMENT

We have begun assessing the physical and transition climate risks to our portfolio companies. We use AXA Climate's Altitude tool to deliver a risk score, for acute or chronic physical risks and transition risks. Altitude was first deployed in the pre-investment phase for Debt funds in 2023, and is now being rolled out for Debt and Equity funds, for use in pre-investment assessments and throughout the holding period.

### Our major areas of action are:

- Conduct Biodiversity and Water impact and dependence assessments.
- Hold annual discussions with portfolio companies to reduce negative impacts on biodiversity and improve operational circularity.
- Partner with specialist suppliers to support companies on specific operational issues.
- Promote targets aligned with the Kunming Montréal Global Biodiversity Framework.
- Raise awareness of water issues, including organizing a 2023 conference with water expert Emma Haziza, PhD.
- Promote adoption of a water management strategy by drafting a CAPZA Charter on Water.
- Encourage best practices in value chains by drafting a Responsible Procurement Policy template.

### Water & Biodiversity in the Portfolio in 2023



**0%** OF OUR INVESTMENTS HAD OPERATIONS OR SITES NEGATIVELY IMPACT BIODIVERSITY-SENSITIVE AREAS

**2.47%**  
OF OUR ANALYSED INVESTMENTS HAD MEDIUM OR HIGHER DEPENDENCIES ON BIODIVERSITY

**0.79%**  
OF OUR ANALYSED INVESTMENTS HAD MEDIUM OR HIGHER IMPACT ON BIODIVERSITY



**17%** OF OUR INVESTMENTS HAD IMPLEMENTED A BIODIVERSITY POLICY OR ACTION PLAN

**20%** OF OUR INVESTMENTS HAD IMPLEMENTED A WATER MANAGEMENT POLICY OR ACTION PLAN

**100%**  
OF OUR EQUITY INVESTMENTS WITH HIGH OR VERY HIGH MATERIALITY ON WATER HAD A WATER MANAGEMENT POLICY

**2.4%** OF WATER WAS REUSED OR RECYCLED



**In 2023, we calculated the potential impact of a 10% increase in the cost of water on the EBITDA of our portfolio companies.**

Two companies in our portfolio have a water cost representing more than 3% of their EBITDA and are therefore financially vulnerable to a significant increase of the water cost. Both have a water management policy.

# Biodiversity & Water Preservation / CAPZA

## TARGETS

### Waste Treatment Solution

WITH CUSTOMIZED REPORTING

LIMIT THE USE OF

### Nonessential Plastics

We have improved the way we manage waste in our Paris office and we monitor performance monthly. We quickly realized that much of our waste was not recycled because it was not sorted, so we acted to increase awareness of this important issue.

We have set targets related to paper consumption and use of color in printing. We are engaging with employees to increase awareness of these measures.

**Poids collectés**

Recyclable	Code déchet	Jan - 24	Fév - 24	Mars - 24	Avril - 24
		Kg	Kg	Kg	Kg
Capsules Usagées	20 03 01	0.00	4.51	4.31	0.00
Cartouche d'encre	08 03 19	0.00	4.08	0.74	0.00
Risérchats	20 01 08	29.00	58.50	21.00	36.50
Bois	17 02 03	0.00	0.00	0.00	0.00
DEEE	16 02 13	0.00	0.00	1.98	0.00
Carton	20 01 01	12.24	30.03	18.82	0.00
Papier	20 01 01	10.07	71.55	82.11	23.00
Plastique	20 01 39	3.75	16.26	8.30	19.00
Verre	20 01 02	3.07	0.85	16.50	0.00
Métaux	20 01 40	4.11	38.53	12.80	6.00
<b>Non - Recyclable</b>					
Refus de tri	20 03 01	125.15	74.80	173.85	155.00
DIB	20 03 01	96.77	144.00	80.29	135.82
<b>Total</b>		<b>285.06</b>	<b>449.71</b>	<b>426.79</b>	<b>377.42</b>



# Inclusion & Value Sharing

# Inclusion & Value Sharing / Portfolio

## TARGETS

# 1

INDEPENDANT BOARD MEMBER AT LEAST, WITHIN TWO YEARS OF INVESTMENT IN EQUITY

and increase board diversity

# 30%

OF EXECUTIVE COMMITTEE SEATS HELD BY WOMEN IN COMPANIES WITH OVER 500 EMPLOYEES BY 2030

## Value Sharing

INCREASE THE PROPORTION OF EMPLOYEES COVERED BY AT LEAST ONE ANNUAL VALUE-SHARING SCHEME

+ promote employee shareholding

In 2023, CAPZA joined France Invest's Value Sharing Charter, alongside 100 other French private equity and private debt managers. The charter aims to promote value sharing at portfolio companies. By signing the charter, CAPZA publicly acknowledges the significance and benefits of implementing value-sharing initiatives within businesses. The Charter emphasizes the importance of these initiatives in attracting and retaining talent, thereby fostering growth. Additionally, it underscores that profit-sharing initiatives are integral to a company's social agenda, ensuring fair rewards for employees.

In addition, CAPZA signed France Invest's Charter on Gender Parity, which engages financial actors to promote gender parity in their workforce.

We partnered with Leyders Associates, the headhunting firm committed to diversity and gender equality to help our portfolio companies find female independent board members.

“ Women will go nowhere without men, and men will go no further without women. It is therefore high time to act together for a visible performance. It is with this conviction that we have established this partnership with CAPZA aimed at promoting diversity on the boards of mid-sized companies.



**Lucille Desjonquères,**  
Leyders Associate

“ Profit sharing isn't just a financial incentive; it's a vital strategy for enhancing the attractiveness and retention of talent within our portfolio companies. By aligning employees' interests with the success of the company, we foster a more engaged and motivated workforce, which strengthens our ability to deliver the expected financial performance, seeds growth and ensures long-term value creation.

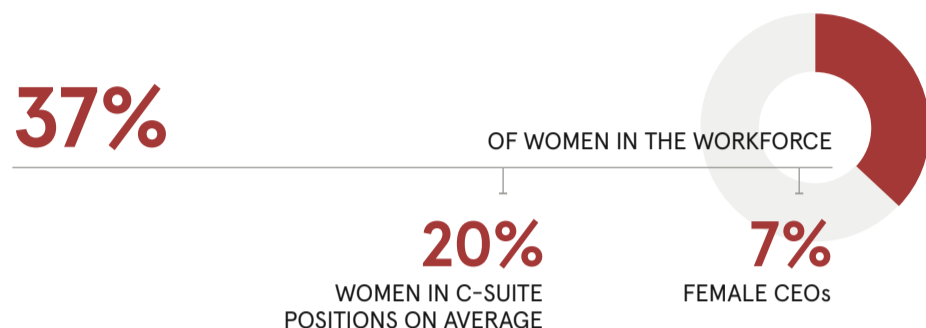


**Marion de Bonneville**  
Director, CAPZA



## Inclusion & Value Sharing in the Portfolio in 2023

### Women & Diversity



**64%↑** OF OUR INVESTMENTS HAD AT LEAST ONE FEMALE BOARD MEMBER  
4% increase since 2022

**17%↓** UNADJUSTED GENDER PAY GAP  
5% decrease since 2022

**77%↑** OF COMPANIES HAD A DIVERSITY CHARTER OR MADE DIVERSITY COMMITMENTS  
25% increase since 2022

## Employee Management

**88%** PERMANENT CONTRACTS

**22%↓** AVERAGE TURNOVER (PERMANENT STAFF)  
8% decrease since 2022

**0.9%↑** OF TOTAL PAYROLL SPENT ON TRAINING, average  
6% increase since 2022

“The addition of Natasha Cambriels, CEO of Butagaz, to the Eurofeu board, brings a valuable, positive perspective, particularly on organizational and environmental transition matters that are crucial for Eurofeu.



Fabien Bernez  
Partner, CAPZA



# Inclusion & Value Sharing / CAPZA

TARGETS

We strongly believe in the value of aligning interests to achieve collective success and encourage an entrepreneurial mindset.

**85+**

GENDER DIVERSITY INDEX (PENICAUD-SCHIAPPA)

**Employee Shareholders**

LARGE MAJORITY

**30%**

OR MORE OF WOMEN ON THE EXECUTIVE COMMITTEE

**30%**

WOMEN PARTNERS BY 2030

**40%**

WOMEN IN INVESTMENT TEAMS BY 2030

We have taken several measures to build an inclusive work environment:

- encourage flexible working for all employees: we have implemented 2 days of home office per week with full home office possible for pregnant and breastfeeding women
- family-friendly policies
- ensure full wage payment during paternity leave and variable remuneration component based on the full year
- promote a wage policy that respects gender equality by increasing transparency
- implemented a remuneration grid for investment teams and the Remuneration Committee limits any gender pay gaps for equivalent position, experience or skills
- work on diversity and inclusion by introducing unconscious bias training for fund managers and their teams
- partner with Fondation Florence and commit to hire 2 interns per year from Fondation Florence's students



We ran a two-day workshop on leadership for women for 10 female employees in September 2023

**82%**

OF CAPZA EMPLOYEES ARE SHAREHOLDERS

**97%**

OF EMPLOYEES OWN CARRIED INTERESTS

Inclusion & Value Sharing at CAPZA in 2023

PENICAUD INDEX



**23%**

OF PARTNERS ARE WOMEN







# Appendices

# Our definitions

## Sustainable Investment

We base our definition of sustainable investment on the Sustainable Finance Disclosure Regulation. An investment qualifies as sustainable:

### Social or environmental objective

When it contributes to a social or environmental objective through:

- The products and services it offers, if they help meet one of the Sustainable Development Goals (SDGs), and if the products and services concerned account for more than 25% of revenues or are expected to do so within the fund's investment horizon.
- A credible commitment to decarbonise its operations in line with the Paris Agreement. For companies that are not in the scope of ESGD, this commitment may relate solely to scopes 1 and 2, bearing in mind that scope 3 must also be measured and reduced. For companies in the scope of ESGD, the reduction of their carbon footprint in line with the Paris agreements must cover scopes 1, 2 and 3.

### Do No Significant Harm

When it contributes to a social or environmental objective without causing significant detriment to other environmental or social objectives, or a clear roadmap to limit or eliminate these negative effects/externalities has been defined and integrated into the transaction documentation.

### Governance

When it applies good governance practices, by assessing the main issues through:

- Internal processes/mechanisms to monitor compliance with the UN Global Compact or the OECD Guidelines for Multinational Enterprises
- A written policy (e.g. HR policy, code of ethics, etc.) underlining its commitment to respect human rights, prevent forced labor in its operations and the supply chain, monitor and report its gender pay gap, and comply with tax obligations.

## Impact Investment

We follow the definition of Impact Finance set out by the Institut de Finance Durable (IFD). We are a member of the IFD and its Impact Finance Working Group.

Impact Finance is an investment or financing strategy that aims to accelerate the just and sustainable transformation of the real economy, by providing evidence of its beneficial effects. It incorporates the principles of intentionality, additionality and impact measurement, to demonstrate:

1. A collaborative effort to achieve ecological and social progress and a financial return, while mitigating any negative externalities;
2. The adoption of a clear and transparent methodology describing the causal mechanisms through which the strategy contributes to the targeted environmental and social objectives, the relevant period of investment or financing, and the measurement methods – according to concept of the Theory of Change.
3. The achievement of environmental and social objectives aligned with frameworks of reference, in particular the Sustainable Development Goals, defined at the international, national and local levels

FOCUS AREA	INDICATOR	2023	COVERAGE	2022
<b>Climate</b>	Share of investments in companies that have conducted a carbon footprint	77%	81%	64%
	GHG emissions (scopes 1, 2 & 3) tCO <sub>2</sub> e	461 210	61%	326 691
	GHG intensity (scopes 1, 2 & 3) tCO <sub>2</sub> e/€M of revenue	206	61%	218
	Share of investments that have formalised an action plan to reduce GHG emissions	68%	75%	72%
	Share of investments in companies with Paris Agreement alignment objectives	45%	70%	36%
	Share of investments which are preparing or validated SBTi targets	50%	69%	/
	Share of investments in companies trained on climate	33%	64%	20%
<b>Biodiversity</b>	Share of investments with sites/operations negatively affecting biodiversity-sensitive areas	0%	75%	0%
	Share of investments in companies with very high impact on biodiversity	4%	77%	/
	Share of investments in companies with very high dependencies on biodiversity	5%	77%	/
	Share of investments in companies with a water management policy or action plan	20%	64%	17%
	Share of investments in companies with a biodiversity policy or action plan	17%	74%	12%
<b>Inclusion &amp; Diversity</b>	Average workforce	1094	78%	1147
	Share of women in workforce	37%	76%	39%
	Share of permanent contract	88%	71%	90%
	Median salary €	36 862	42%	39 689
	Net job creation of all investee companies	2 334	59%	3 212
	Turnover rate - Permanent Staff	22%	60%	30%
	Unadjusted gender pay gap	17%	51%	18%
	Share of investments with employees shareholders outside the top management	7%	55%	14%
	Share of investments with a yearly profit-sharing mechanism above legal requirement	81%	64%	68%
<b>Employee Health &amp; Retention</b>	Rate of accidents	7%	63%	12%
	Departure rate - Permanent Staff	18%	60%	25%
	Absenteeism rate	5%	58%	12%
	Share of employees who received a training	55%	60%	43%
<b>Governance</b>	Share of investments in companies with a code of conduct	82%	76%	76%
	Share of investments in companies with violations of UNGC principles or OECD Guidelines	0%	79%	0%
	Share of investments without policies to monitor compliance with UNGC/OECD Guidelines	10%	81%	59%
	Average rate of independant board members	17%	75%	13%
	Share of investments in companies with at least one independant member at the board	65%	75%	43%
	Share of women at the board	17%	77%	14%
	Share of investments in companies with at least one woman at the board	64%	77%	58%
	Share of investments in companies with CSR addressed at least once a year at the board	92%	77%	84%
	Share of investments in companies with a woman CEO	7%	76%	6%
	Share of investments in companies with a CSR manager	84%	79%	80%
	Share of investments in companies with an information system security policy	84%	76%	71%
<b>Supply Chain</b>	Share of investments in companies with a responsible purchasing charter formalized	48%	78%	47%

INDICATORS	METRICS	2023	2022	EXPLANATION AND TARGETS
<b>GHG Emissions</b>	Scope 1 GHG emissions	17 678	20 162	<p>CAPZA is committed to achieving carbon neutrality by 2050 with an alignment on a 1.5°C emissions trajectory, compatible with the Paris Agreements. This commitment is materialized through an intermediary objective of 70% AuM in Equity and 50% AuM in Debt on a net zero trajectory by 2030.</p> <p>CAPZA has launched two funds in 2022 with decarbonization in line with the Paris Agreements as part of their investment strategy : MAIF Dette à Impact Environnemental and Flex Equity Mid Market II.</p> <p>We offer customized tools and solutions to help portfolio companies measure their carbon footprint, through three levers : transactional, operational and financing. CAPZA also provides climate training at portfolio company level.</p> <p>We are active members of the Initiative Climat International and signatories of the UN-PRI. We have also implemented the AXA Altitude tool which enhances our climate impact assessments. As part of our exclusion policy, we do not invest in the extraction, production and distribution of fossil fuels, coal and non-conventional energy.</p>
	Scope 2 GHG emissions	11 672	8 443	
	Scope 3 GHG emissions	435 022	303 219	
	Total GHG emissions	461 210	326 691	
<b>Carbon Footprint</b>	Carbon Footprint	142	146	
<b>GHG Intensity</b>	GHG Intensity of investee companies	206	218	
<b>Fossil Fuels</b>	Share of investments in companies active in the fossil fuel sector	0%	0%	
<b>Non-renewable Energy</b>	Share of non-renewable energy consumption	81%	80%	
	Share of non-renewable energy production	6%	3%	
	Energy consumption intensity per high impact climate sector	0.09	0.09	
<b>Biodiversity, Water &amp; Waste</b>	Biodiversity-sensitive areas	0%	0%	<p>CAPZA measures the impacts of its investments on biodiversity – as well as the dependencies – by leveraging yearly collected environmental metrics. For each investment that has a medium or higher biodiversity risk, impact, dependance, we hold a dedicated meeting with the investment team to examine potential mitigation measures.</p> <p>We have also implemented the AXA Altitude tool which enhances our biodiversity impact assessments.</p> <p>We help our portfolio companies to implement responsible sourcing policies in order to raise awareness of declining biodiversity. We provide them with examples of sustainable procurement policies to facilitate the implementation of these new practices.</p>
	Emissions to water	0.01	0.07	
	Hazardous waste ratio	0.23	0.25	
<b>UNGC &amp; OECD Principles</b>	Violations of UNGC or OECD principles	0%	0%	<p>We adhere to and promote the respect of OECD guidelines for Multinational Entreprises, and our goal is that investee companies put in place the necessary processes to ensure the respect of these norms.</p>
	Lack of processes to monitor compliance with UNGC & OECD principles	10%	59%	
<b>Gender Equality</b>	Average Unadjusted Gender Pay Gap	17%	18%	<p>"CAPZA promotes inclusion and diversity. In this context, gender diversity is an important part of our strategy. As part of our strategy, we aim to promote and increase board diversity within 2 years after investing for equity investments."</p>
	Board gender diversity	17%	14%	
<b>Controversial Weapons</b>	% of investments involved in manufacture or selling of controversial weapons	0%	0%	<p>Controversial weapons are part of CAPZA's exclusion policy.</p>
<b>Chemicals</b>	% of investments that produce pesticides or agro-chemicals	0%	0%	<p>Pesticides and agro-chemicals have the potential to contaminate groundwater and freshwater supplies. Therefore, as part of our biodiversity commitments and our focus on water, we have chosen to monitor this indicator.</p>
<b>Rate of accidents</b>	Average rate of accidents	7.13%	12.00%	<p>We prioritize employee well-being, covering both physical and mental health, and actively work to monitor and improve this aspect in our portfolio companies.</p>



# TCFD Correspondance Table

TOPIC	DISCLOSURE	CHAPTER IN REPORT
<b>Governance</b>	Describe the board’s oversight of climate-related risks and opportunities.	Leading by Example Intertwining Sustainability & Governance
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Intertwining Sustainability & Governance Holding / Monitor and Accelerate Carbon Neutrality
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Managing Risks and Generating Positive Impact
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Managing Risks and Generating Positive Impact Carbon Neutrality
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Pillars of Our Sustainability Strategy Managing Risks and Generating Positive Impact About CAPZA
<b>Risk Management</b>	Describe the organization’s processes for identifying and assessing climate-related risks.	Managing Risks and Generating Positive Impact
	Describe the organization’s processes for managing climate-related risks.	Managing Risks and Generating Positive Impact Carbon Neutrality
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Holding / Monitor and Accelerate
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Managing Risks and Generating Positive Impact
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Managing Risks and Generating Positive Impact Carbon Neutrality
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Carbon Neutrality

CAPZA