



ENTREPRENEURS EN CAPITAL

The graphic features the text "2021 ESG annual report" in a large, bold, sans-serif font. The text is filled with a teal-to-blue gradient and contains a faint, detailed image of a plant with long, thin leaves. The text is framed by a red L-shaped line: a horizontal line at the top left and a vertical line at the bottom right.

# 2021 ESG annual report





ENTREPRENEURS EN CAPITAL

Naxicap Partners is a French private equity firm specialized in leveraged buyouts and growth capital. Naxicap is committed to responsible investing, and as a majority shareholder, promotes sustainable development in its portfolio companies.

# Editorial

**Eric AVEILLAN,**  
CEO Naxicap Partners



**Naxicap Partners' investment vision is founded on being a responsible financial partner,** ensuring long-term resistant returns for its investors and securing sustainable growth of its portfolio companies.

Since 2015, Naxicap has pursued an evolving ESG strategy to reflect its values and convictions. We have mobilized significant resources, established a dedicated team, undertaken real commitments such as the PRI and the International Climate Initiative and formalized an internal ESG process overseen by our Middle Office. Furthermore, we have trained our investment teams to constantly educate and keep them up to date on these dynamic subjects.

In line with Naxicap Partners' investment vision and strategy, we provide concrete ideas and development strategies to develop and improve the environmental, social and ethical practices of our portfolio companies. By such, we aim to reduce operational risks and to support actions in favour of balanced corporate governance, to reduce the environmental impact by stimulating innovation and creativity and to set fair social standards. We are convinced that the best strategy moving forward is to offer future buyers companies integrating sustainability into their long-term business models. We are convinced that an adequate management of ESG issues contributes to higher value for all stakeholders in the long run.

In the context of the new European legislation, the Sustainable Finance Disclosure Regulation (SFDR), we are required to describe how we integrate environmental, social and governance risks into our investment decisions. This law also provides for the measurement of any negative environmental, social or governance impacts of our investments. Although not at the heart of our investment policies, we believe that ESG is a commitment to support our portfolio companies and we stand ready to meet the requirements of the SFDR and to move our portfolio companies towards a more sustainable economy.

I wish you good reading.

**Eric Aveillan**



**We are  
convinced  
that an adequate  
management  
of ESG issues  
contributes to  
higher value for  
all stakeholders  
in the long run.**

**“That is what  
ESG investing  
is all about –  
taking a wider  
view”**

**Fiona Reynolds – CEO PRI**

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# Our commitments

# ESG charter



## NAXICAP'S INVESTMENTS



### We undertake to make investments compliant with our values

#### We do not invest in:

- illegal economic activity: any production, trade or other activity not permitted by law or regulations,
- production of or trade in tobacco,
- manufacture of or trade in weapons and ammunition of any kind,
- pornographic activity and prostitution,
- casinos, betting enterprises and equivalent.

Our most recent funds include these criteria in their By-Laws.

For all new investments, we aim to know the companies' suppliers and to be sure they act responsibly (no child labor or undeclared work, in France or abroad).



### We undertake to examine ESG criteria before investing in a company

Our teams highlight the main ESG risks and opportunities of every company before investing. We try to identify industry best practices and to deliver first recommendations, discussing these with the management team of the company. This pre-analysis is systematically included in our investment memorandums.

In the more advanced stages of the investment process, we aim at a deeper awareness of the company's practices. ESG audits are then carried out by external auditors, delivering a more detailed analysis of the ESG criteria and providing a roadmap for the coming years. An ESG clause is included in every Shareholder agreement; companies undertake to report on ESG data annually and to inform us regularly on their actions.



### We undertake to monitor and support our portfolio's ESG initiatives from investment to exit

Based on the customized ESG roadmap built with the management team, we maintain a continuous dialogue with our portfolio companies on their ESG initiatives, year after year, and support their efforts. The main objectives are assessed periodically at the Supervisory Board allowing us to validate their satisfactory improvement. We particularly aim at seeing regular progress on:

- efforts towards reducing environmental footprint,
- development of a relevant and well-functioning Human Resources Management System,
- well-balanced governance instances,
- control of suppliers and subcontractors,
- monitoring of client satisfaction.

The companies answer an annual questionnaire of c. 120 indicators allowing Naxicap to monitor their progress and to compare them to other companies in our portfolio. We undertake to actively fulfill our role as Supervisory Board member, and to support the ESG action plan with the management.

## NAXICAP'S INVESTORS

### We undertake to report our ESG actions transparently to our LPs

Our investors are concerned by the implementation of good ESG practices in the companies of the portfolio they have invested in. Naxicap Partners undertakes to report transparently its actions and the companies' initiatives to its investors. We collect ESG data annually from our portfolio companies through an online reporting tool and analyze the answers using our in-house methodology. We provide our LPs with dedicated reports by fund based on this methodology and the companies' answers to the indicators. In turn, we reply to our LPs' questionnaires, detailing our ESG initiatives.



## WITHIN NAXICAP

### We undertake to offer our associates the best possible work environment

As a Management Company, our employees represent our most important asset. Providing our associates with a positive and dynamic working environment is one of our key priorities. We undertake to offer equal working conditions to our employees, with no difference based on gender. We undertake to train our employees every year and to support them in their career development. We conduct annual interviews with each staff member to review their objectives and to understand their expectations. A tutoring program allows junior staff to spend time with more experienced staff in order to share their experience.



### We undertake to be law compliant, internally well controlled and to limit our risks

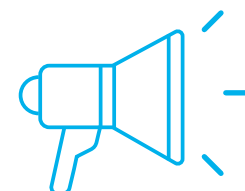
Inherited from Natixis's culture, Naxicap Partners focuses on operational excellence. The Risk & Compliance and the Middle Office departments are added-value in-house expertise functions of Naxicap in which we have invested heavily. Beyond complying with legal provisions and mitigating operational risks, our processes enable us to provide a safe and high level of service to our portfolio companies, and to our LPs for all of our transactions.



## OUTSIDE NAXICAP

### We undertake to promote responsible investment within our profession

We believe that investing more responsibly involves all the actors of the profession, from LPs, through management companies such as Naxicap, down to the companies in which we invest as well as their employees. We undertake to participate in workshops to increase public awareness, to communicate and demonstrate the benefits of good practices for companies and for the investment industry. In the long run, we believe that responsible practices will have a positive impact on profitability.



### We undertake to support initiatives related to economic progress, our know-how and our values

We support the chair "Resilience & Leadership" launched by the Ecole Navale, HEC and the Université de Bretagne Occidentale. The objective is to develop an indicator measuring and analyzing management resilience. This is a subject concerning every stakeholder of an organization (Board members, employees, suppliers, customers, etc.), where the role of the leader is central. Naxicap supports Live for Good - an association fostering, training and promoting young (and at times disadvantaged) social entrepreneurs. Each employee within Naxicap has the opportunity to contribute to a project by offering his/her expertise, such as coaching and advisory based on his/her professional and private experiences.



# NAXICAP

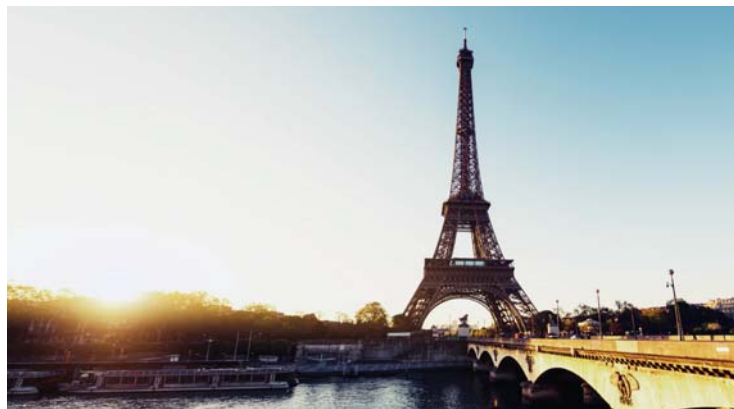
Scoring range:

**E**

**A+**

**The results of  
the annual PRI audit 2020:  
Naxicap awarded**

**A+ for Strategy & Governance  
A for Direct Private Equity**



## Signatory of the PRI since January 2016



Supported by the United Nations, the PRI is the world's leading proponent of responsible investment, joined by near **3,038 investment managers, asset owners and service providers worldwide, representing US\$89 trillion AUM** (PRI, 2020).

It works to understand the implications of environmental, social and governance (ESG) factors on investment performance. It supports its investor signatories in incorporating these factors into their investment and ownership decisions.

As a signatory of the PRI, Naxicap Partners undertakes to respect and incorporate the six PRI principles.

## Signatory of Initiative Climat France since October 2016



In order to take the inclusion of sustainable development criteria one step further and to anticipate future regulations of the Article 173 of the French Energy Transition Law, Naxicap Partners signed the Initiative Climat France (previously iC20) in October 2016.

Conscious of their responsibility as shareholders, the **36 iC signatories** decide to unite and take action in order to contribute to the COP21 objective of limiting global warming to 2°C.

All signatories commit to:

- Engage publicly through the signature of the Climate Initiative
- Include climate issues in the investment process
- Carry out a gradual measurement of the carbon footprint of carbon-material companies
- Define with the management of the companies an emissions reduction action plan and adaptation to climate change measures for these companies.

The Initiative is thus a long-term commitment for Naxicap aiming to reduce the GHG (greenhouse gases) emissions of its investments and to ensure the sustainability of their performance.





A photograph of a person wearing a blue lab coat and safety glasses, working on a server rack in a data center. The person is holding a component, possibly a fan or a filter, and is looking at it. The background shows rows of server racks and bright overhead lights. A thick pink L-shaped graphic element frames the text on the left and bottom.

# **Naxicap partners: the management company**

# Key figures



**69**

**professionals**  
As of 31 December 2020



**€3.8  
billion**

**under  
management**  
As of 31 December 2020



**80**

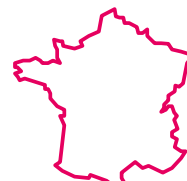
**portfolio companies  
(Mid and Small Caps)**

*Of which*



**53**

**under Naxicap's  
ESG scope**

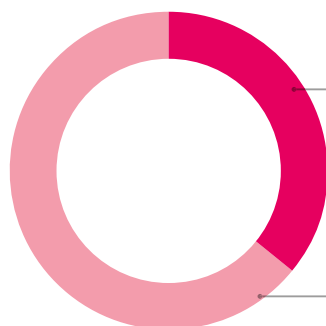


**Primary focus  
on investments  
in France**



**Majority  
shareholders**

## Our investors



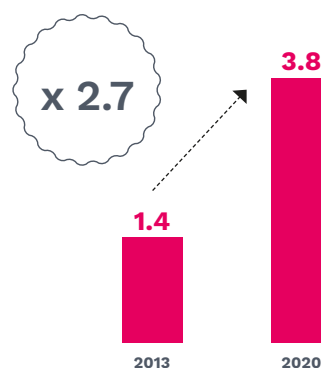
**35%**

Own behalf  
(BPCE Group)

**65%**

French and foreign  
Insurers, Pension  
Funds, Funds of Funds

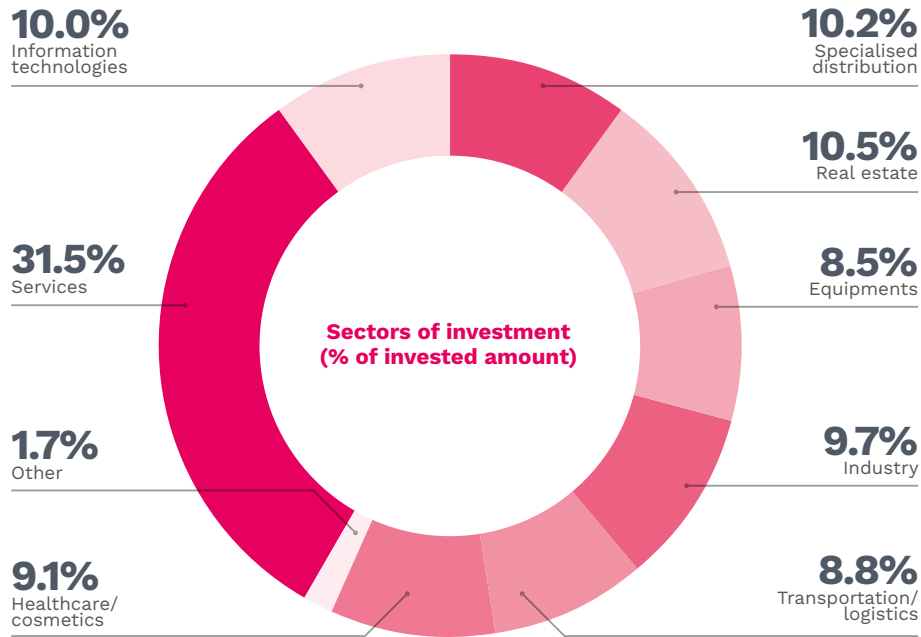
**Assets under management**  
In € billion





# Our investments

## A large range of sectors



**€50m  
to  
€200m**

**investment  
tickets**



**41**

**majority investments**

representing

**86%**

**of the invested  
amounts**

We want to act as responsible investment managers and work with managers of companies who share our vision of business. Curiosity and anticipation of mutations are essential to guarantee the sustainability of our companies. With a portfolio of 80 companies, and a majority position in 41 of them, this is our role, as the management company, to encourage their responsible initiatives.

Agility is essential to understand the challenges of the portfolio company, in every sector. We demonstrate a continuous interest, a careful listening, a true consideration.

We believe that sharing knowledge and good initiatives contribute to effectiveness and performance.

# Our offices



## Covering France

Our teams are spread over  
4 cities in France and  
we have an office in Germany.



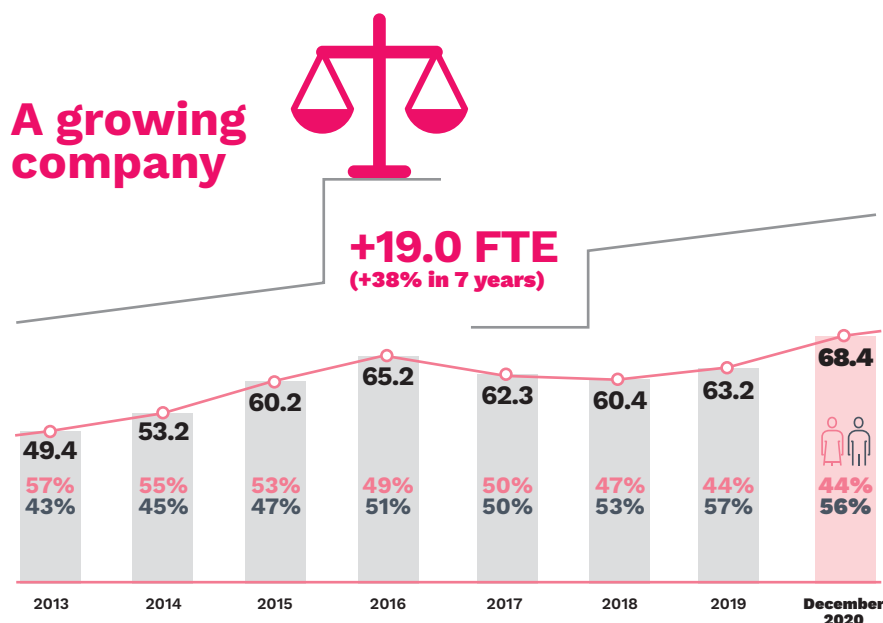
**69 professionals work  
for Naxicap Partners**

As of 31 December 2020

# Our people

## A structured management company with significant human resources

Our employees are our main asset. We have strongly reinforced our teams in the past years, especially on the support functions side.



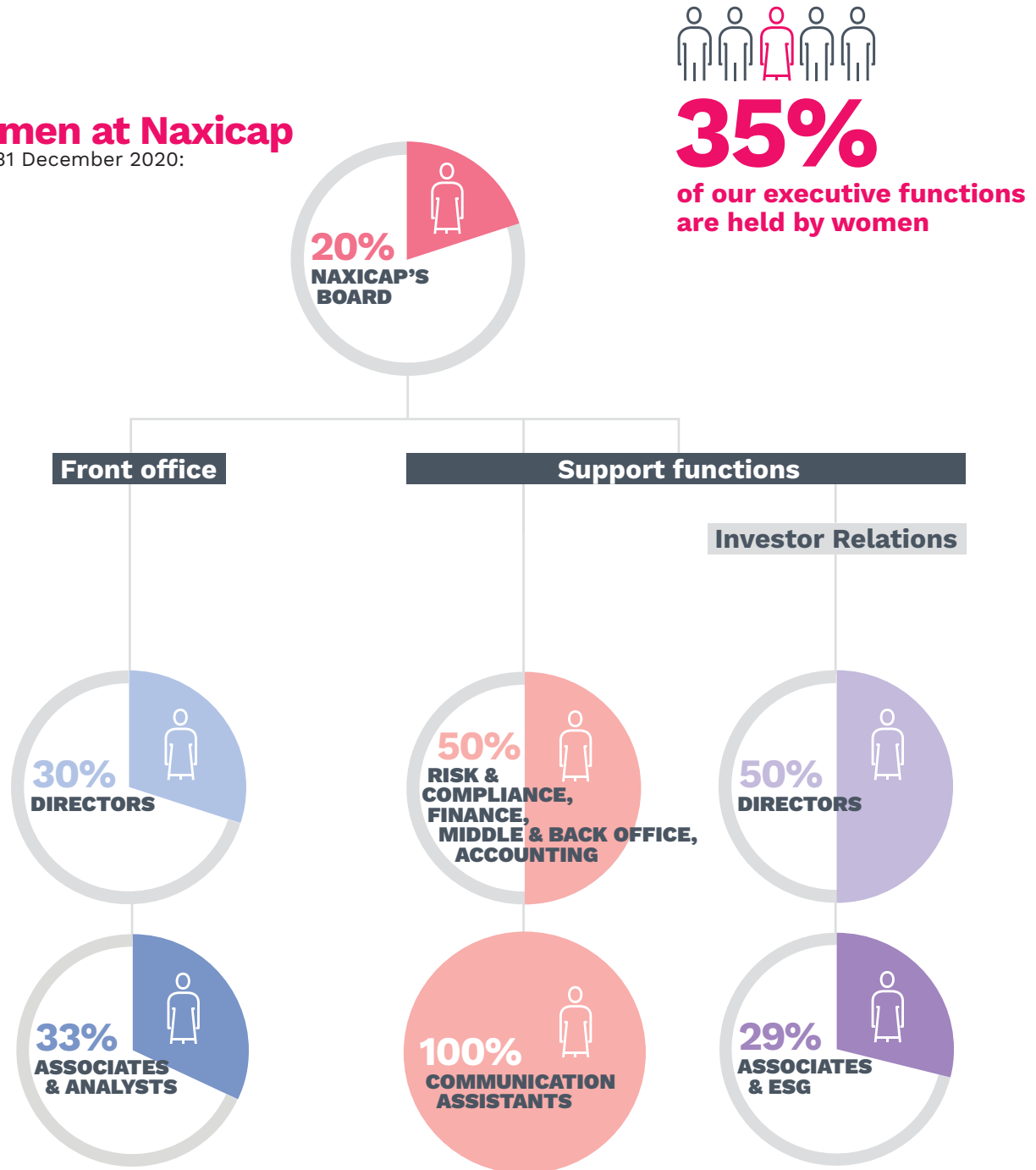
## We produce an annual social report



Knowing its human capital is essential to understand our historic human resources trends and to anticipate the needs for tomorrow. We produce an internal social report providing key information regarding our staff: gender, functions, contracts, age pyramids, diploma, seniority, hiring, departures, internal mobility, promotion, training.

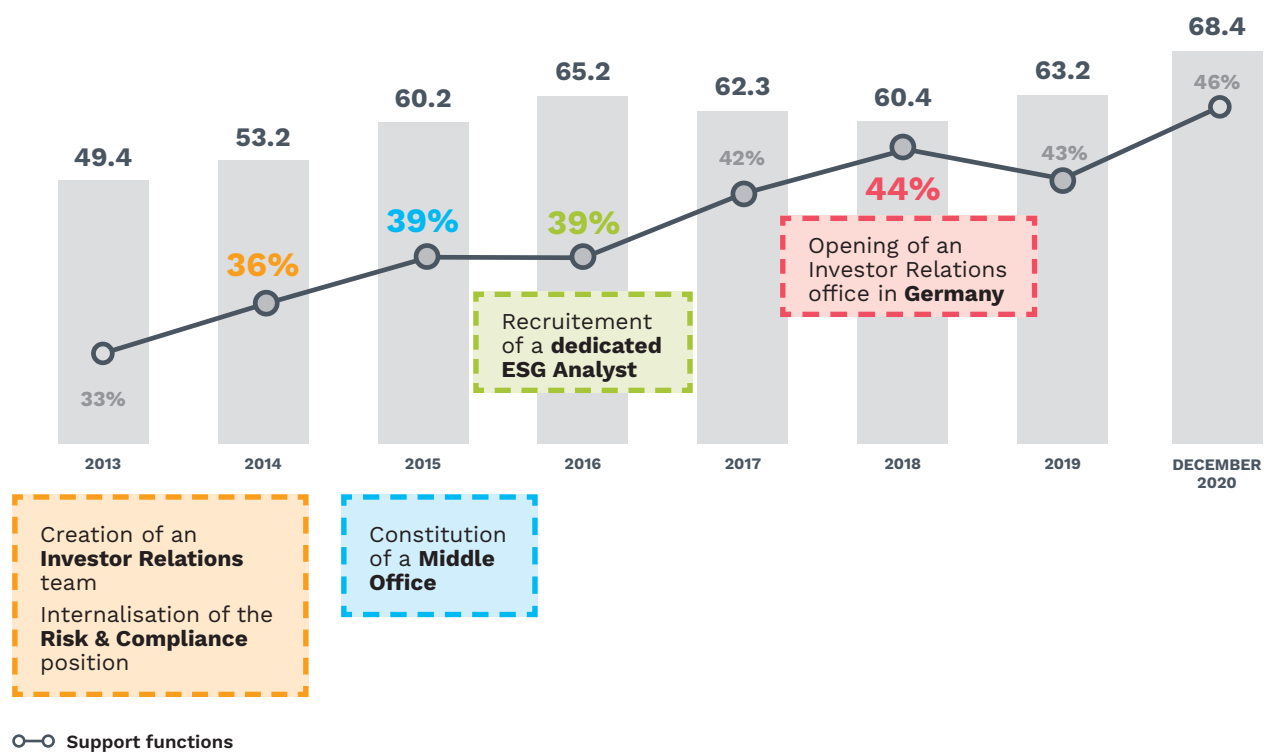
## Women at Naxicap

As of 31 December 2020:



# Our people

## Increasing support functions



//  
**Naxicap aims at strict  
compliance with internal  
and external rules  
to ensure a complete risk  
control for our LPs.** //

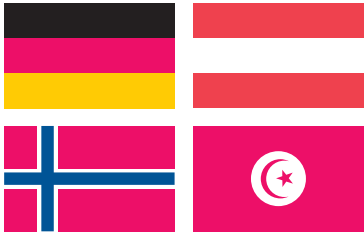
**Nicolas Marcque,**  
Head of Risk & Compliance



# Our people

## Working with people with diverse outlooks

We work with people with different nationalities, ages and backgrounds and we believe that diversity is essential to understand our business and to adapt to the needs of our portfolio companies.



# 38.6 years old



is the average age  
of Naxciap's employees

## Age breakdown, by gender

> 55 years old



45 to 54 years old



35 to 44 years old



20 to 34 years old



10%

0%

10%

20%



We attach a great importance to offer our employees the best working conditions and a positive and dynamic work environment.

## Contracts

---



**100%**

of our employees have a **PERMANENT CONTRACT** (CDI - Contrat à Durée Indéterminée).



**7**

employees have benefited from **INTERNAL MOBILITY** within Naxicap since 2013. Mobility has been geographical - from one office to another - or a change of function between the front office and the support functions.



**2**

employees have a **PART-TIME CONTRACT**. Part-time contracts give the possibility to work from 60% to 80% of the legal time in France.

## Training programs

---



**1,354**

hours of training in 2020,  
an average of 20 hours per employee

**Finance**  
**Tax & Legal**  
**Compliance**  
**IT & Digital**  
**ESG**  
**Languages**

# Sponsorship

## Empowering our employees to contribute to change



### Employees' initiatives

- ✗ Facilitate the daily life of women
- ✗ Improve women's rights, working with public authorities
- ✗ Ensure access to justice for women victims of violence and discrimination
- ✗ Eradicate stereotypes

The Women's Foundation is an organism collecting funds aiming to develop and support actions for women's rights. The Foundation manages the funds and redistribution to associations. It analyses financial requests and determines priorities based on associations' opinions.

### La Nuit des Relais

In 2018 and 2019, Naxicap participated to « La Nuit des Relais » (relay race), organised by the Women's Foundation in order to collect funds from companies. To go further, Naxicap was partner of the event in 2019. In 2020, the sanitary context did not allow the race to be organized.



Naxicap's employees run for the second time in 2019

# Skills sponsorship



## Project

Reconditioning of eyeglass frames

## Project's holder

Ophélie Vanbremeersch

## In detail

Lunettes de Zac is an innovative solution for reconditioning glasses. Its mission is to collect unused glasses in order to repackage them before offering them to the general public at very affordable prices.



## Project

Innovative food products, ethical and eco-responsible

## Project's holder

Emilie Galbas and Terence Pierrot

## In detail

Production, processing and distribution of root pasta and tropical vegetables, produced in the goal of creating short circuits granting fair remuneration to its farmers.



## Project

Healthy farm products and fair remuneration to the producer

## Project's holder

André Bonnard  
Florence Loyer  
Maximilien Rouer  
Bastien Debras

## In detail

Solution for dairy farmers for transforming their production, giving consumers access to healthy and local farm products, and providing fair remuneration to producer.



## Project

Creation of tiny houses in sustainable materials

## Project's holder

Benjamin Bajal

## In detail

Creation of eco-responsible housing made with IPAC® (recycled cardboard insulation) reducing their impact environmental.



Naxicap offers its employees the opportunity to support young (and sometimes disadvantaged) social entrepreneurs. Each Naxicap employee can provide its expertise such as coaching, advisory and network based on his/her professional and private experience.



## Project

Tenants guarantor

## Project's holder

Thomas Neuraz

## In detail

Guarantor 2.0 which boosts tenants' rental file and reassures the owners.

# Investment for women

**We recognize that encouraging women's actions will help to favor diversity and parity.**



Muriel Uytterhaegen, Conny Vandendriessche, Eline Talboom.



Naxicap invested in We Are Jane, a Belgian investment fund targeting female-led companies exclusively. This fund was launched in June 2019 and managed 53 million euros as of December 2020. The three founders (see picture) are willing to support young companies above 1.5 million turnover, founded or managed by women, to continue their growth. As of December 2020, WAJ has supported two companies.



**€2  
million**

**Naxicap investment**

# Gaia

Capital Partners

Naxicap invested in Gaia, a French investment fund targeting fast growing tech companies, promoting responsible governance. Gaia is led by two French Polytechnic school graduated women.



Morgan Kessous, Bettina Denis, Alice Albizzati (founder), Elina Berrebi (founder).

# Greener offices

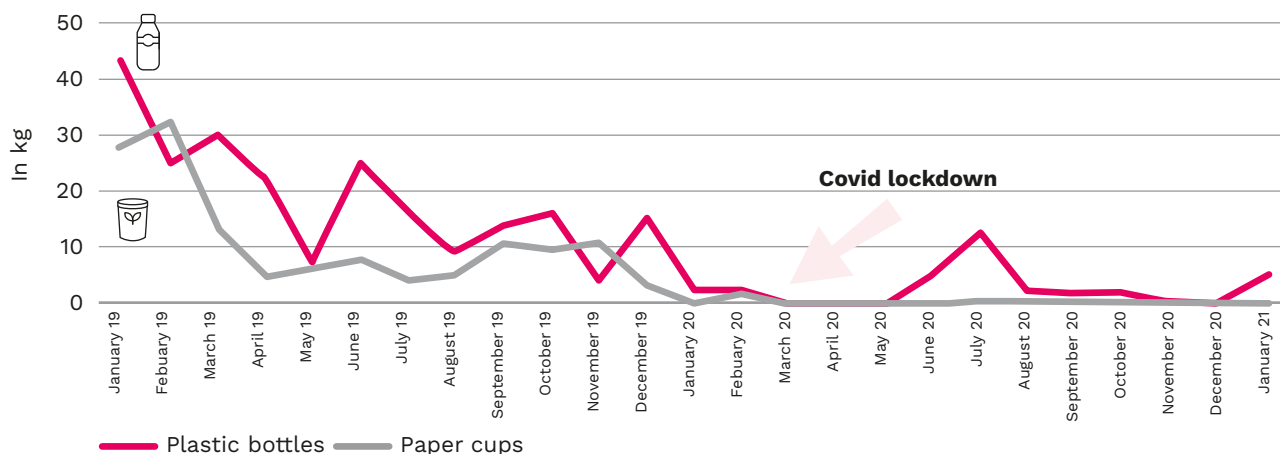
**We try to be more responsible  
in our own offices**



## ELISE

In January 2019, Naxicap, in collaboration with the other companies sharing its office buildings, implemented a waste recycling with Elise, a French company ensuring stable jobs to people with employability difficulties.

## Naxicap's waste consumption (follow-up by our service provider, ELISE)





# 15,740

**plastic bottles avoided  
in 2 years**

In November 2018, Naxicap installed water fountains for its employees in its Paris & Lyon offices (59 people). In 2 years, it has enabled to avoid 15,740 plastic bottles of 1 L. It is the equivalent of 1 724 kg of CO<sub>2</sub> (109 g of CO<sub>2</sub> per bottle – production, transport and recycling).

**The avoided emissions represent:**



# 1

**one-way  
Paris-New York  
for one person**



# 220

**round-trips  
Paris-Marseille  
for one person**



# 10

**round-trips  
Paris-Rennes  
(Bretagne)**









# ESG approach

The ESG approach is a continuous process of improvement, both in our portfolio and Naxicap itself; it forces to review the company with a complementary perspective to our usual audits and highlights axes of major progress.

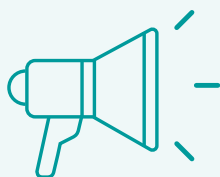


Angèle FAUGIER,  
Board Member  
and Managing Director



Kyrre Johan KNUDSEN,  
ESG Manager

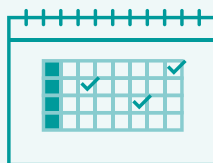
## Leading the Naxicap ESG journey since 2015



2015

### Raising awareness & action plan

- ▶ A Partner dedicated to ESG
- ▶ Elaboration of an action plan for the Management Company
- ▶ First ESG audits



→ 2016

### Implementation & commitment



- ✕ Signature of the PRI
- ✕ Creation of a dedicated ESG team
- ✕ Integration of ESG criteria in the investment process
- ✕ Development of an in-house ESG scoring methodology
- ✕ ESG Charter
- ✕ ESG clause in the Shareholder Agreements
- ✕ ESG roadmap in our portfolio companies
- ✕ Signature of the iC20



→ 2017

### Communicating & working with our investment teams

- Carbon footprint assessment of the Management Company
- First climate analysis into investment memorandums
- First ESG VDD
- Rated A on first PRI audit
- iC20 active member
- Beginning of regular meetings between the ESG team and the Investment teams



**Isabelle GUERIN,**  
Investor Relations  
Director



**Elodie PAVOT,**  
Investor Relations  
Associate

**A team dedicated  
to ESG to better answer  
to the challenges  
of tomorrow**



→ **2018**

### **Specific attention to climate**

- ✓ **Implementation of an estimation methodology for calculating the Scope 1 & 2 emissions of our portfolio companies**
- ✓ Climate training to the investment teams by PwC



→ **2019**

### **Working on ESG risks**

- ESG portfolio risk mapping
- Naxicap's Social report internally published
- **First portfolio carbon footprint estimation, including scope 3 emissions**
- **Winner of the Grand Prix PRIVATE EQUITY**  
in the category  
"ESG - Sustainable Development"



→ **2020**

### **A sustained support to our companies**

- **Launch of ESG committees**, providing a detailed review of each portfolio company
- **Individual support & advice to the management** of our portfolio companies by the ESG team
- **Scope 3:** integration of customised questions to our annual grid in order to measure our companies' scope 3

# Our actions

We consider that ESG initiatives start at the management company level in order to ensure coherence and credibility regarding our employees, portfolio companies and investors.

Since 2015, Naxicap Partners has adopted a set of procedures aiming to integrate the consideration of ESG issues throughout the investment cycle and to accompany the managers.

# In 2020:

## Our management company

### Learning & sharing

- 4 France Invest
- 2 Initiative Climate France
- 4 Initiative Climate France workshops
- 9 Natixis Investment Managers workshops

**19**  
conferences



### Reporting & transparency

- 12 LPs questionnaires
- 1 PRI audit
- 4 dedicated ESG fund reports
- 1 annual ESG report



## Our portfolio companies

**4** INVESTMENTS  
IN 2020



% of the deals' cost

Pre-Investment

**100%**

Pre-investment ESG analysis  
in investment memos

**100%**





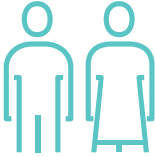






Pre-investment Climate  
analysis in investment memos

**94%**

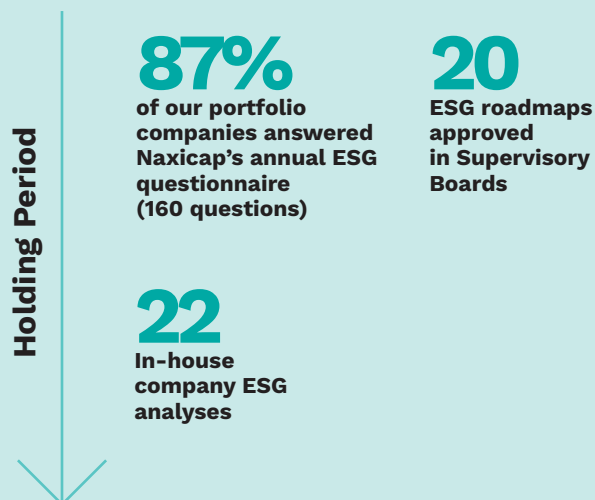
ESG audits

**100%**

ESG clause in Shareholders  
Agreement

  <b>Healthcare software</b>			
  <b>Fragrances and jewellery</b>	Minority	Sales 2020: €50m	FTE 2020: 580
  <b>Private professional education</b>	Majority	Sales 2020: €9m	FTE 2020: 5
  <b>Hard &amp; software for control-rooms</b>	Majority	Sales 2020: €52m	FTE 2020: 600
	Majority	Sales 2020: €29m	FTE 2020: 104

## Our portfolio companies



# ESG Committees

In January 2020, the Naxicap ESG team started monthly ESG committee meetings to review its 53 portfolio companies once a year regarding their most material ESG risks and opportunities.

On the basis of pre-investment reviews, audits carried out, data collected from portfolio companies and the first roadmaps, the ESG committee provides investment teams and portfolio companies management with recommendations aimed at improving their extra-financial performance.

## 10 Naxicap ESG committee meetings in 2020

Since January 2020:



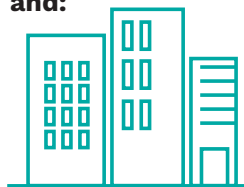
**89%**  
of our portfolio  
companies reviewed

representing:

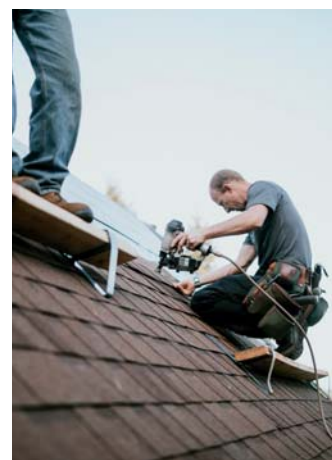


**€2.7b**  
(FMV as of  
31 December 2020)

and:



**41**  
companies



**71%**  
of companies have  
discussed their  
roadmap with  
the Naxicap  
Investment team

representing:



**29**  
companies









## ESG committees

# Case study: ALTARES



**Date of transaction with Naxicap:**  
2016

**Sector:**

BtoB services - inter-company data collection and management

**Revenues 2020:**

€115 million

**Staff:**

400 (FTE)

**BUSINESS**

Altares collects, aggregates, analyses, enriches and structures inter-company data to make it smart and an agile decision-making tool for both general and functional management teams.

This is thanks to three product families:

- information about company solvency
- business development support
- legal and financial compliance

**ESG audit by external experts, identification of the main areas of improvement and close follow-up**

The audit highlighted that the company had already initiated a CSR review and identified its most material risks and opportunities: business ethics (presence in France, Benelux and North Africa), data protection, HR, customer satisfaction, energy consumption at

their buildings and IT infrastructure. After Altares was reviewed by the **Naxicap internal ESG committee**, the Naxicap ESG team reached out to Altares's HR Director to explain the Naxicap approach and Naxicap's willingness to work closely with Altares on ESG opportunities.



**Barbara GIARETA-CEZAR,**  
ESG and  
Marketing  
Analyst

**Altares's ESG organisation**

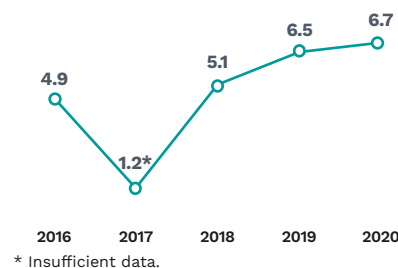
Altares decided to appoint a person in charge of ESG: Barbara, under a work/study program, allocates 80% of her time to ESG. Barbara reports to Nicolas Pintart, Chief Product & Strategy Officer, and board member. The Naxicap ESG team has had frequent meetings with both Barbara and Nicolas.

	2016	2017	2018	2019	2020
ESG roadmap					
Annual validation of the ESG roadmap at supervisory Board					
CSR Manager					

**Naxicap's internal rating**

At Naxicap, we score our portfolio companies on ESG criteria based on the annual 160-question grid. Altares has improved its rating over the past five years thanks to improved availability of required data and several implemented initiatives to progress on the ESG front.

**Altares's ESG score (Naxicap methodology)**



4

in 2020

Video meetings between the Naxicap ESG team and Altares to follow up on their ESG implementation strategy



## Governance - Commitment and communication

As a big step forward in terms of their commitment to ESG, in 2021 Altares finalized its adherence to the **UN Global Compact**, an initiative to mobilize a global movement of sustainable companies, which commit to sustainability via 10 principles. Furthermore, Altares has been scored by **EcoVadis** for two years, an independent score agency. This

assessment covers 21 criteria on the environment, fair labour and human rights, ethics and sustainable procurement.

In order to better communicate its actions to clients and employees, Altares created a dedicated ESG page on its **website** in 2021. Altares has also built an ESG employee working group to discuss ESG initiatives for the company.



Altares has been signatory of the UN Global Compact since 2021

**ecovadis**  
Altares was rewarded a bronze medal

## Governance - Business ethics

Over the years, Altares has implemented measures to comply with laws, such as Sapin II (French anti-corruption law) or GDPR (General Data Protection Regulation). For instance, within the framework of Sapin II, the company wrote its internal **code of conduct** setting down the rules outlining norms and

responsibilities for Altares proper practices. The company also set up a **whistleblowing system** to collect

employees reports of breaches of the code of conduct.

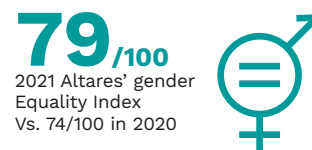
	2016	2017	2018	2019	2020
Code of conduct					
Whistleblowing					
Policy regarding gifts offered to staff					

## Social

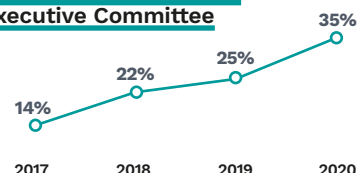
As a service company, social dimension is key. Altares has identified HR as a significant challenge and has more recently implemented concrete actions showing good results. For instance, Altares has worked to improve its **Gender equality index** (French Pénicaud law), in order to be

compliant with the law, i.e. having a score above 75, that Altares obtained in 2021.

Furthermore, the monitoring of social data indicated good progress regarding the percentage of **women on the Executive Committee**, rising from 14% in 2017 to 35% in 2020.



### % of women at Altares' Executive Committee



## Environment

Altares's main impact on the environment is related to its buildings' **energy consumption** as well as its IT infrastructure. Altares's IT infrastructure is hosted by IBM in France. This supplier is committed to energy efficiency.

At Naxicap, we believe that monitoring is a good first step to improvement. In our **annual questionnaire**, we ask our companies a set of questions related to their energy consumption (electricity, gas, water, car fuel, etc.). While most of these indicators were not monitored by Altares, the company has now adapted its organization to be able to collect it. This data collection will support **Altares's partnership** with a French association in 2021, to reduce their

employees' consumption of plastic. The waste indicators will indicate the evolution of plastic consumption year on year.



### Altares's infrastructure is hosted by IBM

IBM is committed to environmental leadership in all of its business activities, from its operations to the design of its products and use of its technology.



### #NoPlasticChallenge

Sustainable actions were suggested to Altares's employees to implement them at home and at work. For each action, Altares committed to plant a tree.

	2016	2017	2018	2019	2020
Voluntary environmental approach					
Energy consumption monitoring					
Environmental criteria in supplier selection process					



# Global Portfolio Performance



# ESG portfolio performance summary



## Environment



## Social



## Governance

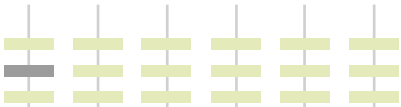


## Stakeholders

### Portfolio performance by selected ESG subject

- 1 | Environmental management
- 2 | Energy consumption and Carbon footprint
- 3 | Waste management

2015 2016 2017 2018 2019 2020



- 4 | HR strategy, policy and reporting
- 5 | Health and Safety
- 6 | Training and Career management
- 7 | Diversity and Equal opportunities
- 8 | Working environment



- 9 | CSR\* policy and strategy
- 10 | Risk management and Business ethics
- 11 | Governance structure



- 12 | Responsible procurement
- 13 | Product/service quality & safety
- 14 | Community involvement



### Scoring:

- 0 > 4 Poor practices/not formalized
- 4 > 7 Good practices
- 7 > 10 Very good practices

\* Corporate Social Responsibility.

# Global portfolio performance

## Social

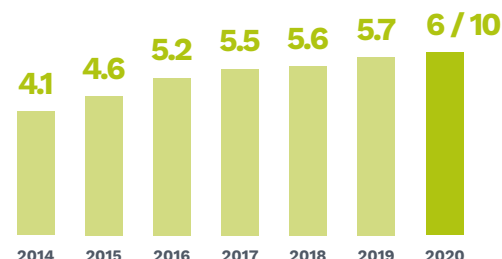
has the highest materiality weight in Naxicap's portfolio, resulting from its dominant position in services-related sectors and activities.

### Portfolio summary

The global ESG score demonstrates that the portfolio companies execute good ESG practices of their business activities, as according to Naxicap's methodology. The global ESG score of 2020 is based on a detailed assessment of 42 portfolio companies under Naxicap Partners' management.

All figures in the following analysis are based on data from Naxicap's annual online ESG questionnaire answered by the portfolio companies.

### Increasing global ESG Score



#### Stelliant

(loss adjustment for insurance companies)

has obtained the **highest ESG score** among the portfolio companies analyzed in 2020. Stelliant has among many instauraed a dedicated CSR Committee meeting semi-annually, formalized a CSR policy of its activities and integrated a CSR clause in purchasing contracts. All of these practices are subject to annual review and rating by ECOVADIS (independent CSR agency).



#### APIXIT

(IT infrastructure integration services)

has obtained the **highest score in the IT sector** and is among the top performers in 2020. Apixit is signatory of the UN Global Compact since 2017 and the Group was awarded the Gold certificate by EcoVadis in 2020 for the second consecutive year.



#### DEFTA

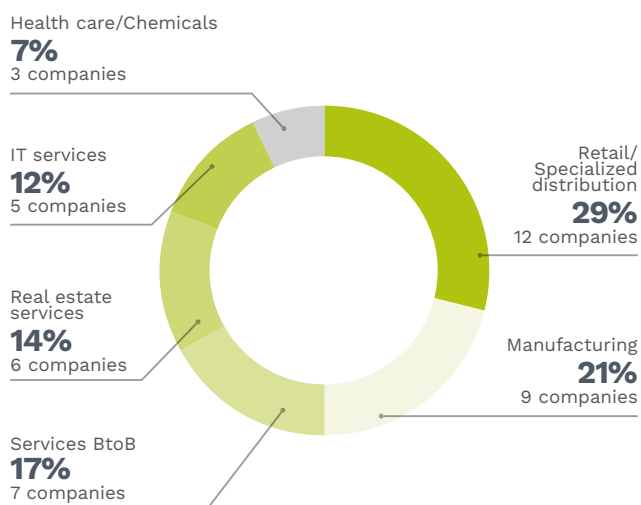
(Automotive parts manufacturing)

has obtained the **highest ESG score in the Manufacturing sector** and is among the top performers in 2020. The Group has formalized an environmental policy of its industrial activities and carries out a carbon footprint of business units. The Group was awarded the Gold certificate on its CSR practices by EcoVadis in 2020.

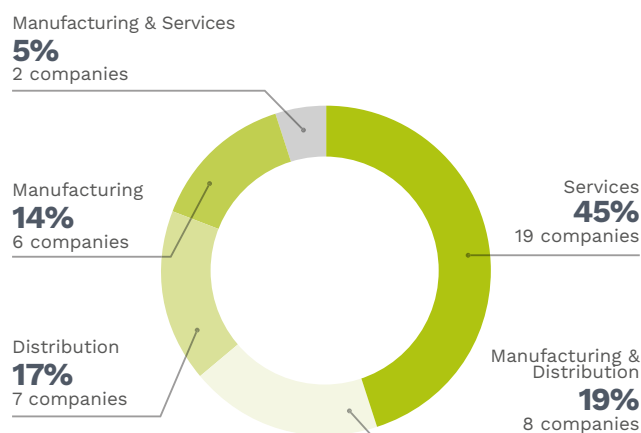
## The 42 portfolio companies assessed in 2020, by sector and activity:

Representing 88% of the amounts invested in the companies under Naxicap's ESG scope.

### % and number of companies, by sector



### % and number of companies, by activity



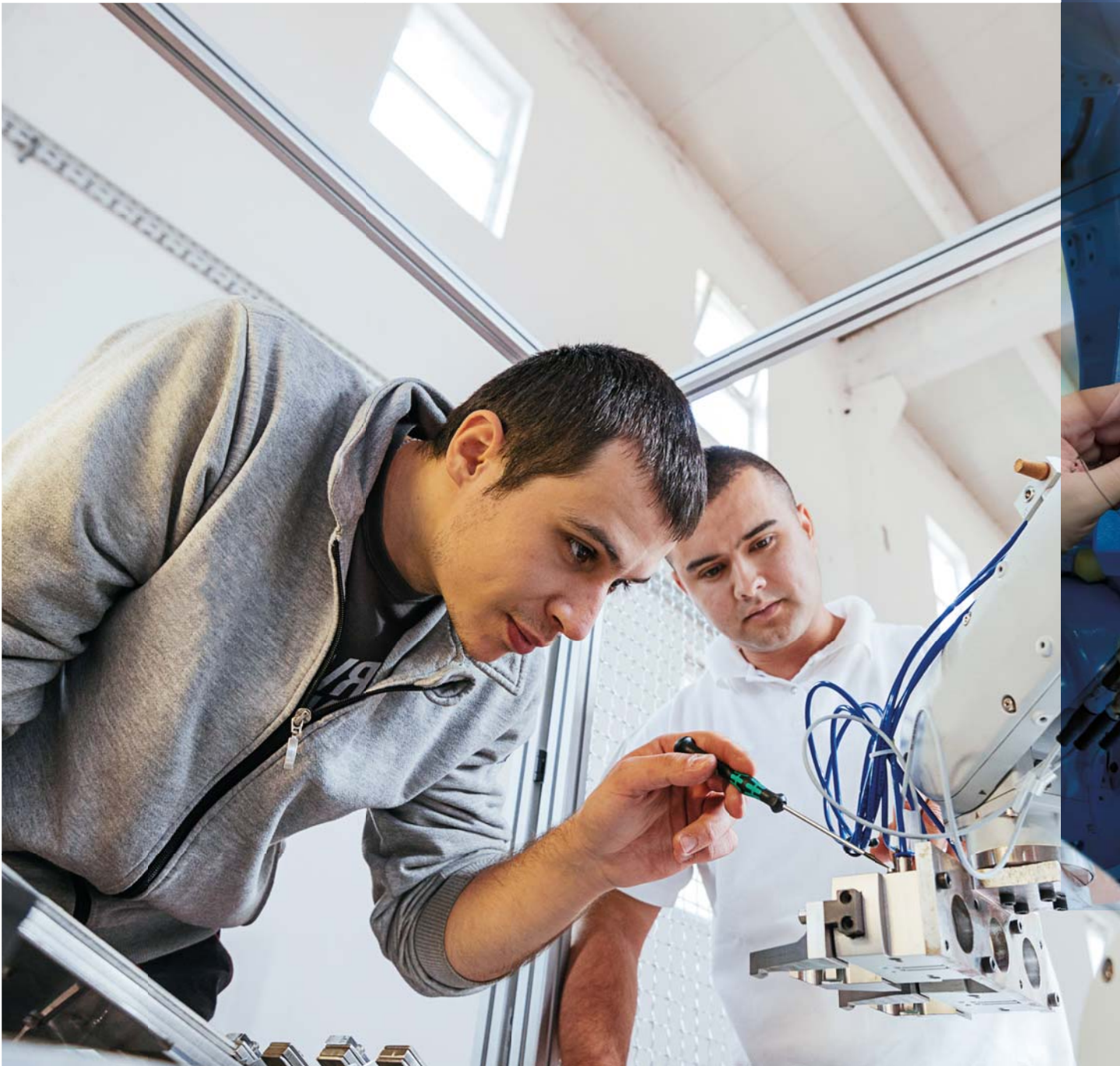
### ESG score by dimension

ESG DIMENSION	SCORE 2015	SCORE 2016	SCORE 2017	SCORE 2018	SCORE 2019	SCORE 2020	MATERIALITY
# companies	60	56	50	45	45	42	
Environment	3.0	4.1	4.9	4.9	5.0	5.3	Medium
Social	6.1	6.4	6.3	6.3	6.5	6.8	High
Governance	2.9	3.6	4.0	4.5	4.9	5.1	Medium
<b>Global ESG Score</b>	<b>4.6</b>	<b>5.2</b>	<b>5.5</b>	<b>5.6</b>	<b>5.7</b>	<b>6.0</b>	

0 > 4 Poor practices/not formalized  
4 > 7 Good practices  
7 > 10 Very good practices

### Materiality

Naxicap defines “material” ESG issues as those issues determined to substantially affect, or have the potential to substantially affect, the financial condition or operating performance of an organization, as well as their ability, or their potential ability, to create environmental and social value for itself and its stakeholders. The weights of the different sectors and activities are derived based on Naxicap's interpretation of the publicly available materiality framework of the Sustainability Accounting Standards Board (ref. appendices).







# Portfolio Review

**This portfolio review also includes companies which partially completed the ESG questionnaire. The following study is based on up to 46 companies.**



# Environment

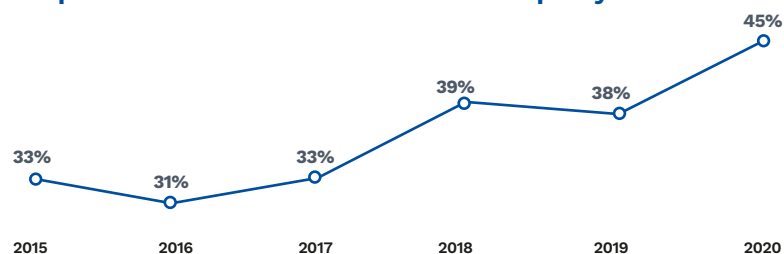


0

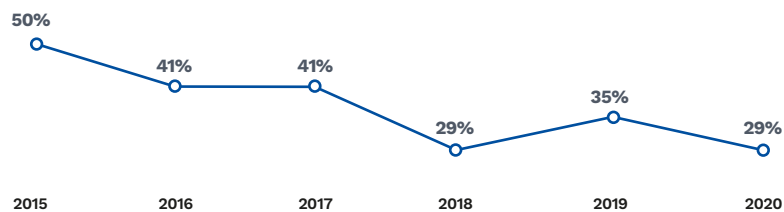
portfolio companies  
have been subject  
to major environmental  
litigations during  
the reporting year



Companies with a formalized environmental policy



Companies with external environmental certifications







**36 (80%)**

v. 33 (69%) in 2019

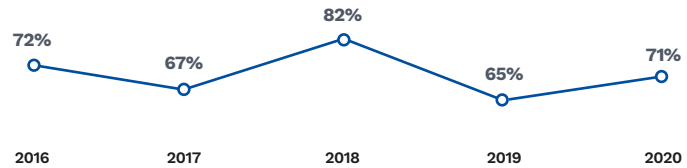
portfolio companies have assessed the climate change risks (physical and/or transitional) with the potential of impacting their business operations

**22 (49%)**

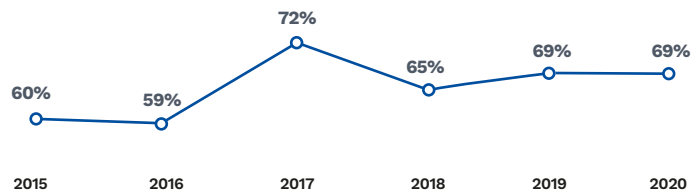
v. 25 (52%) in 2019

portfolio companies monitor the waste generated by their operations

#### Companies monitoring their energy consumption



#### Companies with a formalized waste management policy



**alwitra**   
DIE DACHMARKE

(production of high end synthetic waterproofing membranes for flat roofs)

has **formalized an environmental policy** and is committed to reduce the energy consumption of its activities (monitored through a yearly carbon footprint assessment).

Since 2020, the company has been provided most of its electricity from renewable energy sources. The Group is certified ISO 14001 (environmental management system) and ISO 50001 (energy management system). Environmental Product Declarations are commissioned for all waterproofing membranes.

ALWITRA offers an ecological waterproofing membrane alternative that is free from bitumen, softeners, PVC and chlorine and has introduced a waterproofing membrane with integrated solar modules.



## Environment

# Carbon footprint estimation of portfolio

In 2020-2021, Naxicap carried out an exhaustive calculation of the carbon emissions of its portfolio companies, including the scope 3 emissions. This provides Naxicap and the portfolio with a better understanding of the companies' global carbon footprint and the ability to assess material topics for the company, resulting in the implementation of accurate action plans. Sirsa, an ESG and carbon consulting firm, was mandated to calculate Naxicap portfolio companies' scope 3 emissions. Sirsa used a simplified approach aiming at identifying the most significant sources of greenhouse gas emissions to reflect a global overview and provide actionable results.

Scope ESG report: 53 portfolio companies.

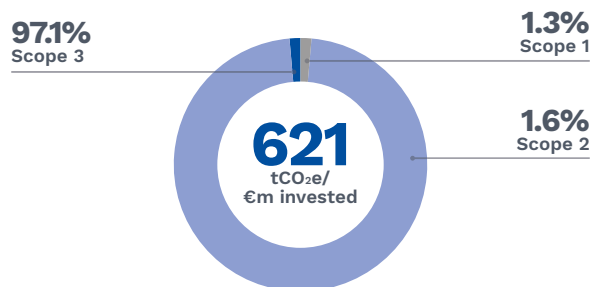


# 71%

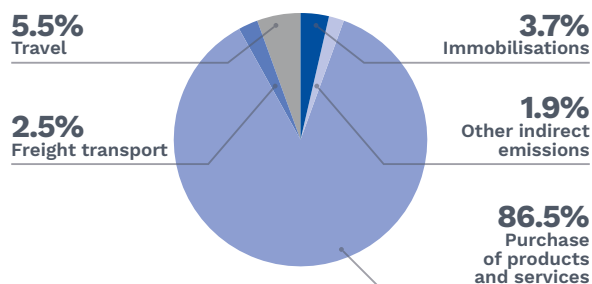
The 30 companies\* included in this carbon report represent 71% of the total amount invested in Naxicap's ESG monitored companies in 2020. Please note that the company ECS has not been integrated in this scope: ECS represents 4.5% of the total amount invested by Naxicap, but would represent 83% of total emissions if included in this reporting scope.

\*See methodology.

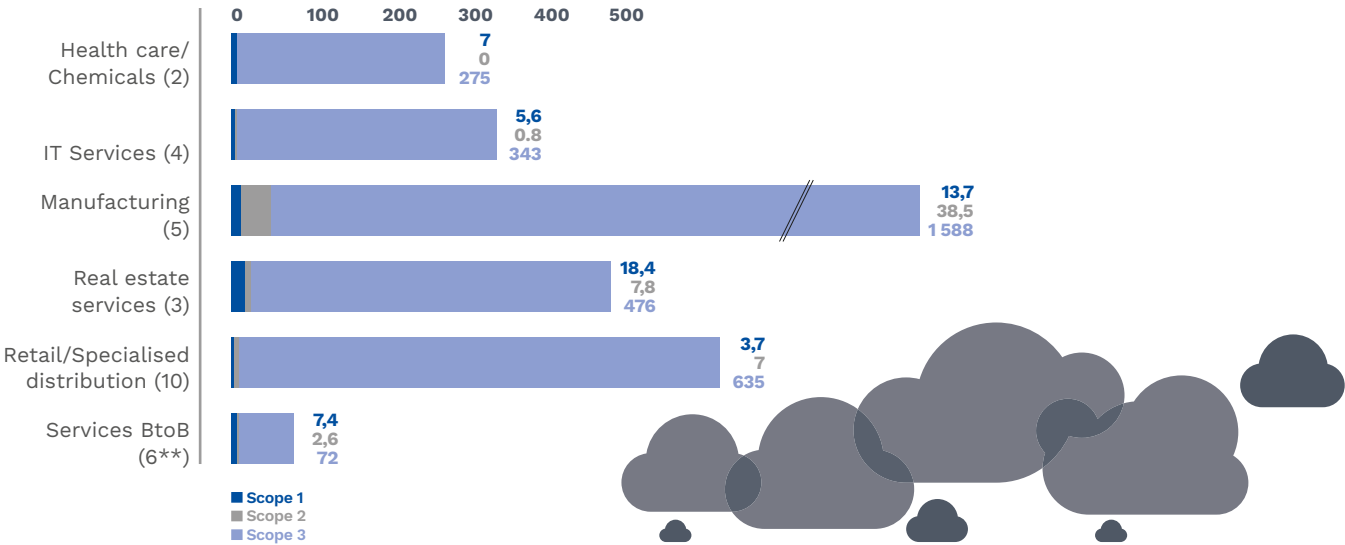
### Average greenhouse gases intensity of portfolio 2020 (weighted by % of ownership)



### Greenhouse gases emission by type (weighted by % of ownership)



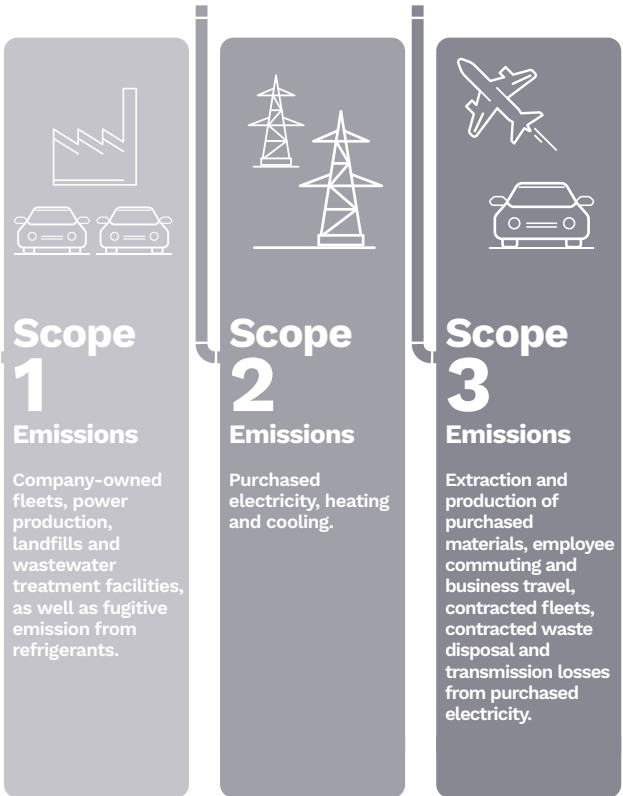
Average carbon intensity, by sector\* (tCO<sub>2</sub>e/€m invested, weighted by % ownership)



\* None of the companies belonging to the Agri-Food sector invested by Naxicap have been included in the scope of reporting.  
\*\* Number of companies for each sector.



The companies are responsible for reducing their total carbon emissions (scope 1, 2 & 3). Naxicap has added indicators to its annual ESG questionnaire relative to the sources of emissions. These calculations enable to monitor and pilot the reduction trajectory of the portfolio companies.





## Environment



# Portfolio snapshot: Good practices and initiatives



(BtoB distribution of small equipment to the hospitality and catering sectors)

is continuously working with its suppliers to **improve both primary and secondary packaging solutions** of the products distributed. 100% of waste generated by E.CF is recycled (cartons, plastic, paper and other non-hazardous waste). In 2020, the supplier of napkins CGMP has certified all of its production FSC (Forest, Stewardship Council). In logistics, E.CF is testing a fourth cardboard packaging format to reduce volume and optimize transportation capacity. A gradual substitution of plastic with crumpled paper is also under testing.



(private secondary and higher education group)

has implemented several **operational measures to increase energy efficiency** and to limit the Group's environmental impact: i) all schools will be supplied with 100% renewable energy at the end of 2022 (50% already completed), ii) reduction of number of printers installed at schools, iii) business travels conducted by train, iv) bike racks installed in the school yards.



(blown-in loft insulation)

has developed a **fully recycled and less energy intensive insulation material** at its factory in Belgium enabling to reduce energy consumption during production and contribute to the circular economy. The Group is working on implementing a system to monitor energy consumption and waste management (delayed due to covid-19) and seeks to implement an environmental management control system in 2021.



**Moria**

(ophthalmic surgery equipment & instruments manufacturer)

has **formalized an environmental policy** addressing i) eco-conception of medical devices (durability and reparability), ii) recyclable packaging (paper, batteries, ink cartridges), iii) greener company vehicles (hybrid/electric) and iv) reduced energy consumption (LED lighting, digitalization of sales support documents).



**Teufel**

(design and distribution of audio products)

has **carried out a life-cycle-assessment** of the 360° radio product (top 5 selling products) in order to identify environmental impact and to implement reduction measures. In particular, Teufel is working on improving the reparability of its products which is one of the main environmental product features for customers as according to a study carried out in 2018.



**SHARK**  
HELMETS

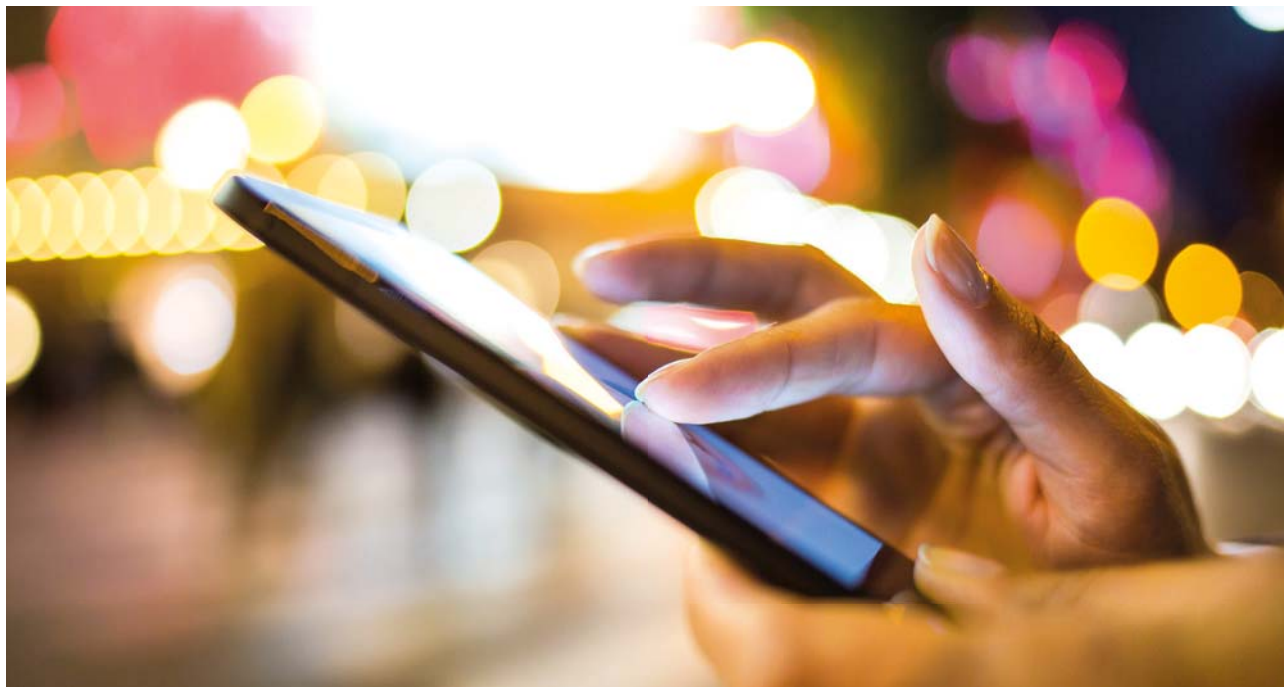
(manufacturing and distribution of protective sport & leisure equipment)

has **formalized a waste management policy** and reports on a 53% recovery rate of wastes generated (through recycling, re-use and/or incineration with energy recovery). The interior parts of the new SHARK helmet models are now all made from 100% recycled polyester. The Italian factory (Nolan) is installed with solar panels producing 230,000 kWh/year of renewable energy. A similar project is being studied at the Portuguese factory (SFPC).





# Social

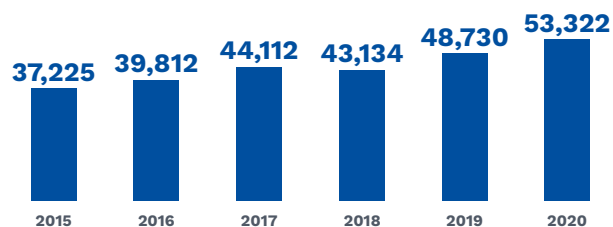


# 172

jobs created  
in 2020\*

\* Net.

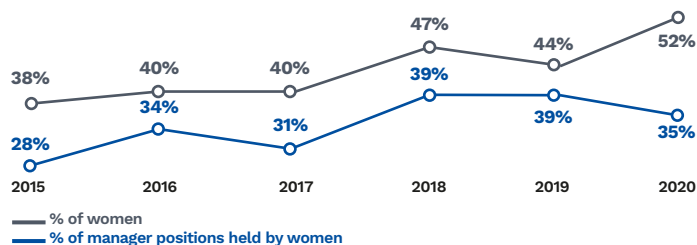
Full time equivalent portfolio



Cumulated net job creation portfolio (since 2015)



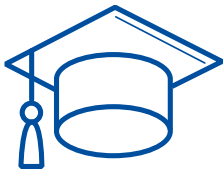
Portfolio companies' women ratio to total FTE





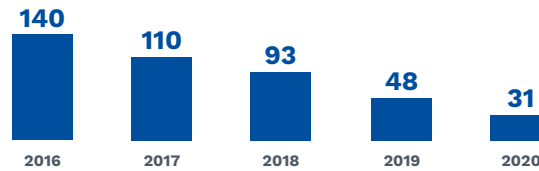
1

**fatal accident  
in 2020  
v. 1 in 2019**

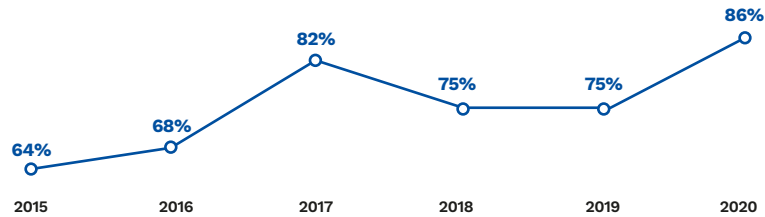


### Accident frequency rate portfolio

(Number of working accidents with lost time/total of number of hours worked) x 1,000,000



### Companies with a formalized training policy



(General sales & services agent)

has **formalized a training policy and started training sessions** on internal operational tools (49% of employees trained in 2020 on Group level). As the Group's subsidiaries operate according to many different local regulations, it is challenging to formalize a global HR policy. However a structured approach is implemented on subsidiary level: i) formalization of dedicated training & career development policies, ii) local managers in charge of supervising and driving the HR structure of their subsidiaries.



## Social

# Portfolio snapshot: Good practices and initiatives



(nursing homes and senior residences management)

has implemented **measures in favor of employee retention and reduced absenteeism ratio** in order to cope with the shortage of personnel on the market: i) distribution of a guide on prevention of psychosocial risks, ii) opening of EMERA internal training academy, iii) dialogue with employee representatives on arduous work and iv) partnerships with schools in favor of integration through employment.



(design and distribution of audio products)

has implemented a new **HR dashboard and an employee monitoring software** tool which both include Chinese employees. The software enables to calculate the Employee Net Promoter Score (calculated as the difference between the percentages of “promoters” and “detractors” among employees within the company).



(holiday villages)

**produces a health & safety report** reviewed monthly by the Executive Committee. The Group's health & safety policy is composed of many sub-policies, each covering a specific topic and specific stakeholders (employees / clients). The policy applies to the entire Group and is distributed across the various campsites.



(manufacturing and distribution of protective sport & leisure equipment)

**has carried out extensive health & safety trainings** for its employees and implemented various prevention measures in its factories. In 2020, work accidents were reduced by 62% compared to 2019, while the absenteeism ratio declined by 28%.

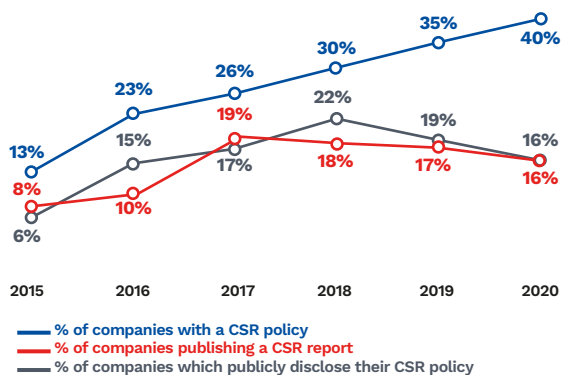




# Governance

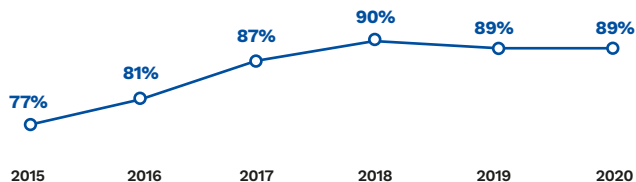


## CSR Management: policy and reporting

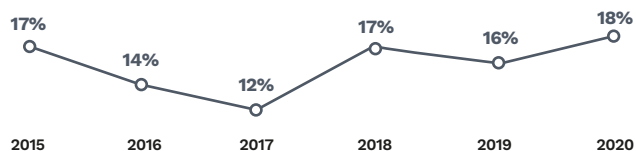


## Companies with a dual Board system

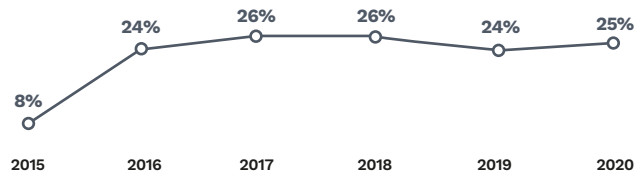
(Supervisory board and Executive board)



## Women at supervisory Boards (%)



## Women at executive committees (%)







**20  
(45%)**

**v. 20 (42%) in 2019**

**portfolio companies  
have a system  
intended to collect  
employee reports  
of breaches of the  
Code of Conduct  
(whistleblowing  
system)**

### Companies with a risk & crisis management policy



INDICATORS Business ethics	% companies in 2015	% companies in 2016	% companies in 2017	% companies in 2018	% companies in 2019	% companies in 2020
Code of Conduct	28%	28%	35%	56%	62%	55%
Anti-corruption Policy	18%	30%	34%	46%	55%	55%
Anti-money laundering Policy	20%	23%	28%	36%	38%	41%
Competitive Practices Policy	22%	31%	34%	52%	53%	52%
Conflicts of interests Policy	22%	22%	30%	44%	49%	52%
Gift policy	20%	31%	40%	61%	68%	64%
Operating in high-risk countries	13%	13%	13%	17%	15%	11%



**Sogelink** So easy

(holiday villages)

has **set up a dedicated crisis unit** with regards to operational risks, such as failure of software systems for customers and cyber attacks. Sogelink has formalized a Code of Conduct of its business activities in 2020, including guidelines on anti-corruption and gifts offered to staff.



## Governance

# Portfolio snapshot: Good practices and initiatives



(inter-companies data collection & management)

**signed the UN Global Compact** in 2020 and will publish its first Communication of Progress report in 2021. An employee working group working to provide and execute ESG initiatives is being set up internally.

The Group published its first **CSR report** in 2020 and works to finalize a CSR policy in an official document.



(ophthalmic surgery equipment & instruments manufacturer)

has **included ESG criteria in supplier selection process** and agreement contracts: suppliers are assessed on environmental management and waste management certifications (e.g. ISO 14001, Revipac, Ecolabel, FSC).



**HOUSE OF HR**

HUMAN RESOURCEFULNESS

(HR outsourcing & consulting services)

has **formalized a whistleblowing system** intended to collect employee reports of breaches of the Code of Conduct and a **competitive practices policy** on Group level.



(loss adjustment services for insurance companies)

has **set up an Ethics Committee and an Audit Committee** in 2020 to increase transparency and control.

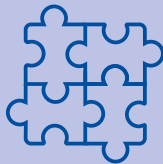


has **ensured that the Code of Conduct provides for sanctions** in case of breaches of its anti-corruption policy and established a corruption risk mapping analysis of its activities. Trainings targeted towards employees particularly exposed to corruption-related risks are in the process of being formalized and deployed. The Group's very first CSR report is under approval by the Executive Committee and is expected to be published shortly.



(private secondary and higher education group)

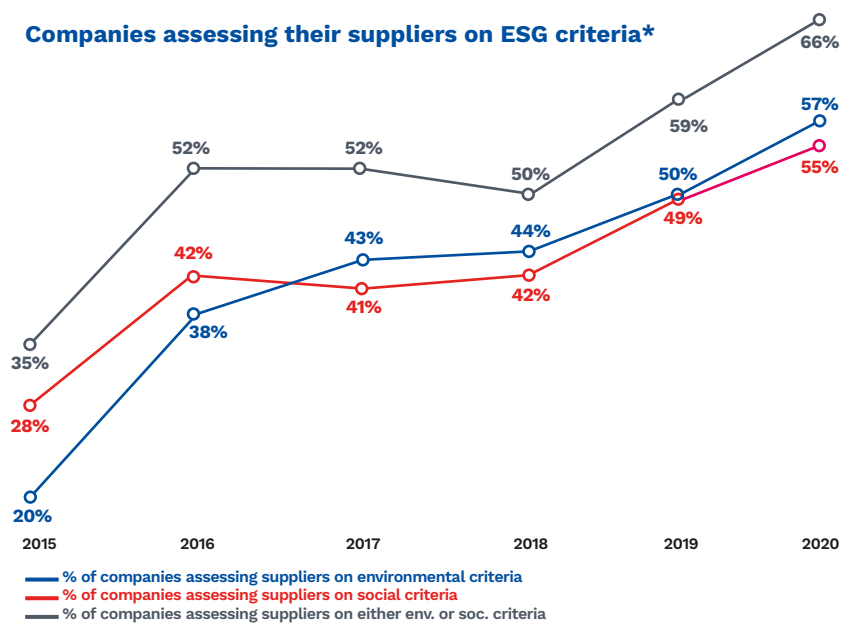
has **adopted Internal Rules of Procedures** describing the code of conduct for students within school establishments.



# Stakeholders



Companies assessing their suppliers on ESG criteria\*



\* Updated with more accurate data



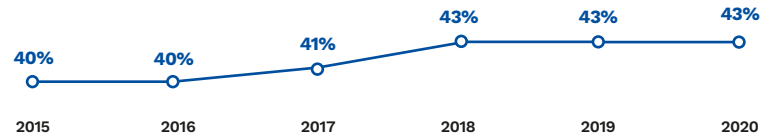


**22**  
**(50%)**

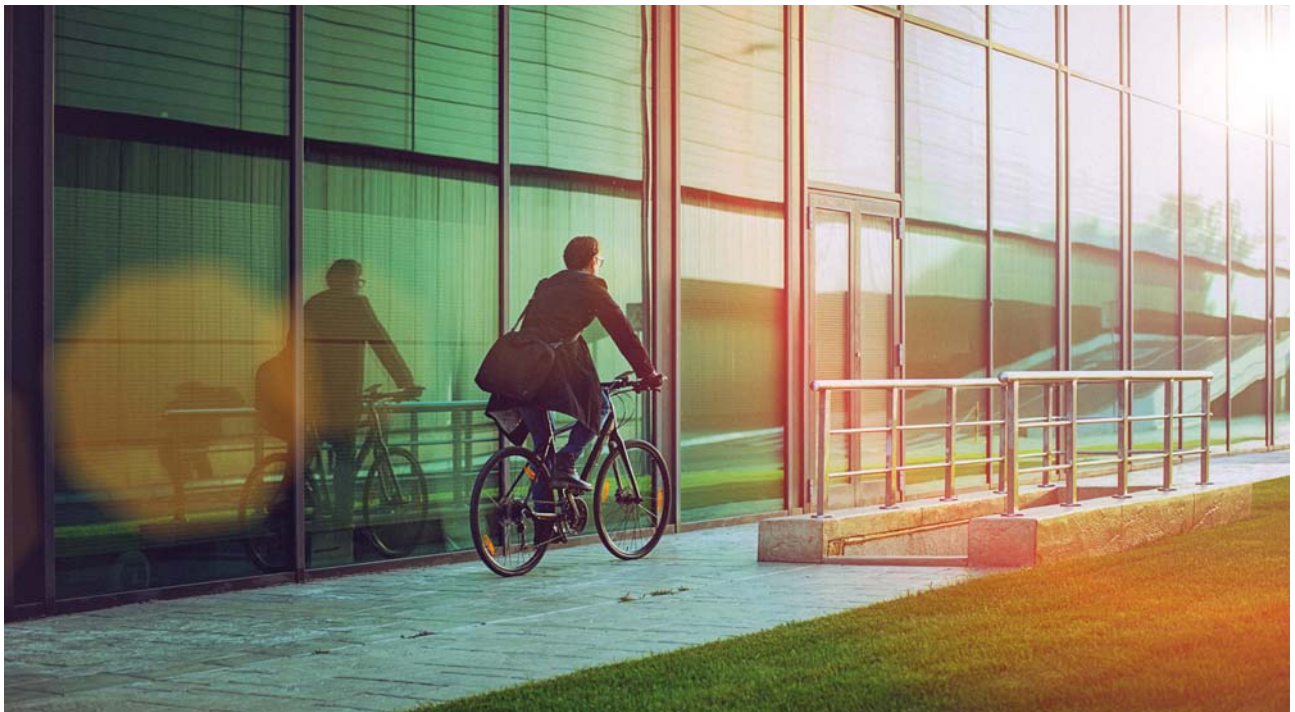
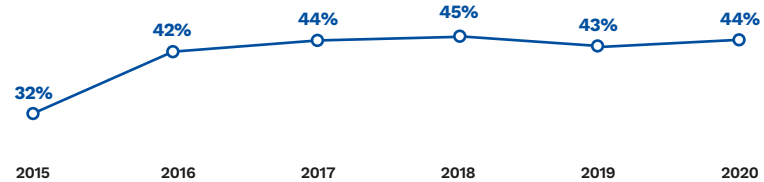
**v. 20 (39%) in 2019**

**companies assess  
their suppliers on  
both environmental  
and social criteria**

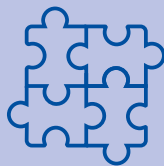
### Companies with a health and safety policy of their customers



### Companies engaging in community involvement projects







## Stakeholders

# Portfolio snapshot: Good practices and initiatives



(design and manufacturing of bathroom furniture)

**has adopted the ISO 26000 framework** (guiding principles for CSR best practices) to assess working conditions of suppliers which now also include larger social criteria (human rights and fair practices). Chêne Vert possesses the gold medal by Ecovadis (assessment covering 21 criteria on environment, fair labor & human rights, ethics and sustainable procurement).



(BtoB distribution of small equipment to the hospitality and catering sectors)

**integrates environmental and social criteria** in the procedure for selecting and referencing suppliers. Since 2008, the Group has carried out 40 audits to assess the social practices of the Group's suppliers.



(out-of-home catering services)

is **signatory of the UN Global Compact** and supports a variety of actions carried out by NGOs in the more than 58 countries in which it operates. In the context of the Covid-19 crisis, Newrest has donated the equivalent of over 20,000 meals to various associations and distributed several thousand protective masks and other equipment to various hospitals.



(nursing homes and senior residences management)

has set up a **foundation promoting integration and equal opportunities** through partnerships. In this context, nine of the Group's residences have set up sponsorship partnerships with "Restos du Coeur", providing support in preparing meals for the most disadvantaged.



ET LA VILLE SE PARTAGE

(real estate – property development and management)

has supportive financial **partnerships with the association "Cravate Solidaire"** for clothing support and job interview coaching for the disadvantaged in the labor market.



Isolez aujourd'hui, économisez à vie

(blown-in loft insulation)

is supporting a project to create an **Endowment Fund** to support initiatives in the field of Sustainable Development.




(software developer)

**has set up a foundation** supporting associations which contribute to the fight against inequalities and the preservation of biodiversity (€35k yearly donated to 2-3 associations).







# Appendices

## SCORING Methodology

**The global ESG score of the portfolio and the ESG score of each portfolio company are based on an in-house methodology built on the answers of each company to our ESG questionnaire (more than 160 indicators). The questionnaire has been distributed to companies where Naxicap's funds investment exceeds € 5 million.**

**Defining  
a scoring scale**

**Developing  
the scoring system**

**Elaborating coefficients  
to highlight particular  
important issues**

**Consolidating scores  
of each dimension of ESG  
for each company**

**Calculating a global  
portfolio score of each  
subject and dimension**

**Deriving a global  
ESG score of the portfolio**



- 
- A scoring scale from '0 – 10' is defined in order to have a well-balanced system where annual improvements can easily be reflected on the scoring scale.
  - Different intervals are created to categorize the scores. '0 – 4' is classified as **'Poor or not formalized ESG Practices'**, '4 – 7' is classified as **'Good ESG Practices'** and the category '7 – 10' is classified as **'Very Good ESG Practices'**.
- 

- The majority of the indicators in the questionnaire is scored. Some indicators are scored in a binary system, e.g. an indicator is awarded a score of either '0' or '10', depending on the answer. This is especially the case for indicators answered by 'Yes' or 'No' or/and indicators where the company can disclose information.
  - Other indicators are scored based on a progressive or regressive model or a combination of the both.
- 

- Coefficients are created for each indicator to give higher importance to the questions regarded as **'Key Performance Indicators'** (KPI).
  - The KPI's selected are regarded as more material issues compared to questions not used as KPI's.
  - A question selected as a KPI is given a coefficient equal to the value of '2', while other questions are given a coefficient equal to the value of '1'.
- 

- Each dimension of ESG (**'Environment'**, **'Social'** and **'Governance'**) consists of different subjects in the questionnaire. For instance, 'Environment' consists of subjects such as 'Environmental management', 'Energy consumption' etc. An average score is calculated for each subject and then forms a consolidated score for each dimension **'Environment'**, **'Social'** and **'Governance'** for each company.
  - An ESG Score for each company is derived by weighing the average score of **'Environment'**, **'Social'** and **'Governance'** with the materiality of the company's sector and activity.
- 

- These three different average portfolio scores of **'Environment'**, **'Social'** and **'Governance'** are not weighted with the materiality of each sector and activity.
- 

- Finally, a global ESG score of the portfolio is derived through the average of all companies' ESG score, already weighted with the materiality of the companies' sectors and activities.
-

# SCORING Methodology

## Methodology tool

- The weights of the different industries and types of activities are derived based on our own interpretation of the publicly available materiality framework of the Sustainability Accounting Standards Board (SASB).
- The SASB Materiality Framework is designed to prioritize the issues that are likely to have material impacts on companies within their industry.
- The framework relies heavily on investor interest and evidence of financial impact, and adjusts to changes in long-term sustainability principles which could have potential financial impact.
- SASB is not responsible for any of the conclusions or assumptions undertaken by **Naxicap Partners** related to the sector weights and the ESG scores that are provided in this report.

## Materiality weights by sector and activity

Sector	Environment	Social	Governance
<b>Consumer Goods</b>			
Apparel, Accessories & Footwear	0.25	0.25	0.50
Building Products & Furnishings	0.50	0.25	0.25
E-Commerce	0.40	0.40	0.20
Household and Personal Products	0.50	0.25	0.25
Multiline and Specialty Retailers & Distributors	0.26	0.47	0.27
<b>Financials</b>			
Asset Management & Custody Activities	0.03	0.32	0.65
<b>Food &amp; Beverage</b>			
Processed foods	0.38	0.25	0.37
<b>Health care</b>			
Managed care	0.20	0.60	0.20
Medical Equipment & Supplies	0.21	0.36	0.43
<b>Infrastructure</b>			
Home Builders	0.33	0.33	0.33
Real estate owners, Developers & Investment trusts	0.40	0.20	0.40
Real estate services	0.06	0.31	0.63
<b>Resource transformation</b>			
Chemicals	0.60	0.20	0.20
Construction materials	0.67	0.11	0.22
Electrical/Electronic equipment	0.43	0.29	0.28
Industrial Machinery & Goods	0.50	0.25	0.25
<b>Services</b>			
Education	0.20	0.40	0.40
Hotels & Lodging	0.44	0.33	0.23
Leisure facilities	0.25	0.50	0.25
Professional & Commercial Services	0.05	0.48	0.47
<b>Technology &amp; communication</b>			
Internet media & Services	0.20	0.20	0.60
Software & IT Services	0.14	0.29	0.57
Telecommunication services	0.12	0.25	0.63
<b>Transportation</b>			
Auto Parts	0.43	0.29	0.28
<b>Activity</b>	<b>Environnement</b>	<b>Social</b>	<b>Governance</b>
Manufacturing	0.50	0.40	0.10
Distribution	0.33	0.33	0.33
Services	0.20	0.60	0.20
Manufacturing & Distribution	0.42	0.36	0.22
Manufacturing & Services	0.35	0.50	0.15
Distribution & Services	0.27	0.46	0.27

# GLOBAL PORTFOLIO PERFORMANCE IN DETAIL

## ESG score – Breakdown by sector

Sector	ESG Score Portfolio 2015	ESG Score Portfolio 2016	ESG Score Portfolio 2017	ESG Score Portfolio 2018	ESG Score Portfolio 2019	ESG Score Portfolio 2020
Transportation	5.2	5.1	5.1	5.6	6.5	8.6
Financials	Not applicable	Not applicable	Not applicable	Not applicable	6.3	7.3
Technology & Communications	4.6	5.2	5.2	5.5	5.7	6.6
Services	4.7	5.1	5.1	5.6	5.9	6.4
Consumer Goods	4.4	5.1	5.5	5.5	5.9	6.0
Health care	4.7	4.8	5.7	Not applicable	5.5	5.9
Resource transformation*	4.3	5.6	5.7	5.9	5.3	5.9
Food and Beverage	Not applicable	Not applicable	Not applicable	Not applicable	8.4	5.8
Infrastructure	4.9	5.3	5.8	5.4	4.3	4.0
Non-renewable resources	5.3	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

## ESG score – Breakdown by activity

Activity	ESG Score Portfolio 2015	ESG Score Portfolio 2016	ESG Score Portfolio 2017	ESG Score Portfolio 2018	ESG Score Portfolio 2019	ESG Score Portfolio 2020
Manufacturing	5.2	6.0	5.5	5.6	5.4	6.7
Services	4.8	5.3	5.6	5.5	5.8	6.2
Distribution	4.6	5.2	5.5	5.4	5.8	5.9
Manufacturing & Distribution	3.4	5.3	6.2	6.1	6.0	5.8
Manufacturing & Services	4.6	3.4	4.3	Not applicable	3.8	4.1

0 > 4 Poor practices/not formalized





































4 > 7 Good practices

7 > 10 Very good practices

























\* Includes the sub sectors “Chemicals”, “Electrical / Electronic Equipment” and “Industrial Machinery & Goods.”




# CHANGING OF SCOPE

## Companies out of Scope 2020\* ESG performance in 2019 (when leaving)

Company	Sector	Activity	Environment	Social	Governance	ESG
Company 1	Food & Beverage	Distribution				
Company 2	Consumer Goods	Distribution				
Company 3	Consumer Goods	Distribution				
Company 4	Consumer Goods	Manufacturing				
Company 5	Services	Services				
Company 6	Technology & Communications	Distribution & Services				
Company 7	Technology & Communications	Services				
Company 8	Services	Services				
Company 9	Services	Services				
Total (average)			5.4	6.0	4.6	5.4

## Companies integrated into Scope 2020\*\* ESG performance in 2020 (when entering)

Company	Sector	Activity	Environment	Social	Governance	ESG
Company 1	Resource Transformation	Manufacturing				
Company 2	Resource Transformation	Manufacturing				
Company 3	Resource Transformation	Manufacturing				
Company 4	Services	Services				
Company 5	Services	Services				
Company 6	Infrastructure	Services				
Total (average)			5.6	6.8	3.7	6.0

 0 > 4 Poor practices/not formalized
  4 > 7 Good practices
  7 > 10 Very good practices

\* Includes exits and companies which have not responded or not completely responded to our ESG questionnaire in 2020 for valid .

\*\* Includes new investments and companies not responding to the indicators last year.



# CARBON FOOTPRINT PORTFOLIO SCOPE

## Scope and methodology

- Carbon footprint (Scope 1, 2 & 3 emissions) were calculated using a bottom-up approach. Scope 1 and 2 emissions were already calculated by Naxicap with standardized emission factors for each company. Scope 3 emissions were previously estimated but have been specifically calculated for the first time for this reporting. After analysis of its activity by Sirsa, emission factors were defined specifically for each company.
- The 30 companies included in this calculation represent 71% of the total amount invested in Naxicap's ESG monitored companies in 2020.
- Sirsa, an ESG consulting firm was commissioned for all calculations. The calculations were based on ADEME (Agence de l'environnement et de la maîtrise de l'énergie) emission factors data base and additional sources when required. Data sources are available upon request.
- Sirsa's experts are officially trained to use the carbon footprint methodology by the French Carbon Footprint Association. The methodology used here is simplified and does not conform to French legal requirements imposed on certain types of companies to realize a carbon footprint.
- The methodology analyses the entire supply chain of the portfolio companies but provides the bulk of greenhouse gas emissions, not an exhaustive list.
- Data inputs for each portfolio company were collected and consist of the following variable types: data activity (energy and fuel consumption, purchase of products or services, downstream or upstream freight, travel, investment, product or service usage and end of life), emission factors and corresponding levels of uncertainty, company information (localization, turnover, headcount, etc.).
- Companies without a sufficient quality and thorough level of data for scope 3 calculation were excluded from the scope of reporting. Companies with missing data for scope 1 and 2 were still included, explaining low or no results for some of the companies analysed.

# Carbon emission factors: scope and methodology

- Additional indicators were added to the annual ESG questionnaire of Naxicap Partners, allowing a calculation of the carbon emissions (scope 1, 2 & 3) of the portfolio companies.
- The emission factors used for the carbon emissions calculation do not reflect the company's entire emissions. It is rather a selection of the company's most significant emission sources when calculating its scope 1, 2 & 3 carbon emissions.
- A hundred emission factors were used to calculate scope 3 emissions. They were specifically chosen for each company. Therefore, they are not included in the table below but are available upon request.

Carbon emission source*	Scope emissions	Emission factor	Emission factor uncertainty*
Gas (kWhPCI)	Scope 1	0.21	5%
Fuel (kWh)	Scope 1	0.28	5%
Gasoline (L)	Scope 1	2.28	10%
Diesel (L)	Scope 1	2.51	10%
Electricity excl. renewable (kWh)	Scope 2	Country specific	Country specific
Renewable electricity (kWh)	Scope 2	0.02	Origin specific
Heating(kWh)	Scope 2	0.22	30%
Other energy(kWh)	Scope 2	Energy specific	Energy specific

\* Source: ADEME (Agence de l'environnement et de la maîtrise de l'énergie) – the French Environment and Energy Management Agency. The table only shows a sample of emission factors used for carbon footprint calculation.

## Acknowledgements



We would like to thank our portfolio companies which carefully completed our annual ESG questionnaire enabling us to create the analyses in the second part of this report (chapters 4 and 5).

*In the alphabetical order:*

**ABF**  
**ADCASH**  
**ALTARES**  
**ALWITRA**  
**APIXIT**  
**ASTORIA**  
**CHENE VERT**  
**CLUB SENIOR**  
**DECK**  
**DEFTA**  
**E.CF**  
**ECS**  
**EMERA**  
**EQUIVALENZA**  
**EUREKA**  
**FINDIS**  
**GROUPE FERRE**

**GROUPE 2RIDE**  
**IAD**  
**IPELEC**  
**KARTESIS**  
**KEYS ASSET**  
**MANAGEMENT**  
**LA PARFUMERIE EUROPE**  
**LE BICHON**  
**LET'S GO FITNESS**  
**MADER**  
**MAISONS PIERRE**  
**MAXI BAZAR**  
**MORIA**  
**ONE DIRECT**  
**OMIA**  
**ONDULINE**  
**P.I.L**

**QUARTUS**  
**SIBLU**  
**SOFTWAY MEDICAL**  
**SOGELINK**  
**SRI**  
**STELLIANT**  
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**THOHR**  
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