



2021  
CORPORATE  
AND INVESTMENT  
RESPONSIBILITY  
REPORT

emz<sup>7</sup>

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## I N T R O

*“The future is not yours to predict,  
but to allow”*

ANTOINE DE SAINT-EXUPÉRY

EMZ undertakes transactions that enable managers, executives, family shareholders or founders to become or remain the principal shareholders of their company. This enables us to help form stable and sustainable shareholder structures by working over the long term with all the company’s stakeholders.

A lasting and balanced partnership with the management teams is therefore a core component of the EMZ ESG (Environmental, Social and Governance) policy. Alongside this, we have embarked on a number of initiatives in recent years to assert the importance of ESG criteria in our investment policy and in the management of the company itself. EMZ therefore satisfies the sustainable and responsible investment criteria of governmental institutions and inter-governmental organisations.

# EMZ IN FIGURES

*EMZ Partners has forged a unique positioning as a key private equity player in France and, since 2020, in the DACH region. EMZ's specificity lies in its differentiated positioning on the flexible capital segment, the importance it gives to governance aspects and the strength of the relationships it builds with portfolio companies' management teams.*

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1999

CREATION OF  
EMZ PARTNERS  
(formerly Euromezzanine)

143

COMPANIES  
partnered with  
since 1999

4.2

BILLION EUROS  
invested in companies

2.5

BILLION EUROS  
realised value

33

PORTFOLIO  
COMPANIES  
incl. 25 in France  
and 8 in the DACH region

24

PROFESSIONALS

INTEGRATION  
OF ESG MATTERS  
SINCE 2016

NEW FUND  
BEING RAISED  
UNDER ARTICLE 8



# EMZ AND ITS ECOSYSTEM 2021 HIGHLIGHTS

## Regulatory changes / SFDR

**10.03.2021**

Entry into force of the Sustainable Finance Disclosure Regulation (SFDR)

**06.2021**

Publication of the decree implementing the French energy-climate act

## Key climate / social / biodiversity events

**09.08.2021**

Release of the first part of the IPCC's sixth assessment report

**09.2021**

IUCN World Conservation Congress, Marseille, France

—  
United Nations Biodiversity Conference (COP 15), Montreal, Canada

**26.10.2021**

Climate Finance Day, Paris, France

**1-12.11.2021**

United Nations Climate Change Conference (COP26), Glasgow, UK

## Highlights of the year at EMZ Partners

**At end-2021**

Expansion of the Munich office: 8 people and 7 investments by December 2021

**Early 2022**

Launch of EMZ 10 fundraising

### Going forward: ESG at EMZ Partners in 2022

- ✓ Stepping up ESG awareness efforts and training
- ✓ Upgrading the ESG reporting tool

# THE EMZ TEAM

*Our 24-strong team has raised and invested seven funds, providing support to 143 management teams since EMZ Partners was founded.*

In an industry in which building a relationship based on trust, both in-house and with portfolio companies, is a key factor for long-term success, the team's stability and cohesion are the very demonstration of the attention EMZ pays to human capital and truly embodies the values that EMZ conveys.

In France, Partners average 18 years on the team, while two of the eight members of the German team have been present since the office was opened in 2020.

## An experienced and cohesive investment team



**Thierry RAIFF**  
CHAIRMAN



**François CARRE**  
MANAGING PARTNER



**Charles MERCIER**  
SENIOR PARTNER



**Klaus MAURER**  
SENIOR PARTNER



**Ajit JAYARATNAM**  
PARTNER



**Pierre-François GUEIT**  
PARTNER



**Ludovic BART**  
PARTNER



**Guntram KIEFERLE**  
INVESTMENT DIRECTOR



**Juliette JIQUEL**  
INVESTMENT PROFESSIONAL



**Mathieu BARLET**  
INVESTMENT PROFESSIONAL



**Matthias KNUEPFER**  
INVESTMENT PROFESSIONAL



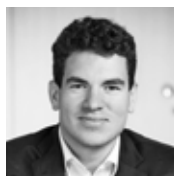
**Annabell GRIMM**  
INVESTMENT PROFESSIONAL



**Louiza KHERCHI**  
INVESTMENT PROFESSIONAL



**Christoph SCHMÜCK**  
INVESTMENT PROFESSIONAL



**Charles THUEUX**  
ANALYST



**Philipp ISSELSTEIN**  
ANALYST

The Munich office, which opened in 2020, now counts eight team members. The investment team is composed of six professionals and covers all the DACH region: Germany, Switzerland, and Austria, and has already completed eight transactions to date.

## Supported by a competent and dynamic middle office team



**François DESPREZ**  
COMPANY SECRETARY



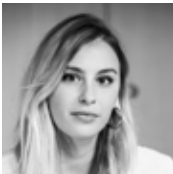
**Christelle CHOPLIN**  
CHIEF FINANCIAL OFFICER



**M-A PUTZ-PERRIER**  
ESG DIRECTOR



**Tulin UCPINAR**  
ADMIN. & FINANCIAL MANAGER



**Carla MILLIEN**  
MIDDLE OFFICE MANAGER



**Aurélie RIGELO**  
OFFICE MANAGER



**Julia BOERSCH**  
OFFICE MANAGER



**Nirmana TAHMAZ**  
OFFICE MANAGER

*“The team’s stability and cohesion are the very demonstration of the attention EMZ pays to human capital and truly embodies the values that EMZ conveys.”*

# NEWS FROM THE PORTFOLIO

## 6 NEW INVESTMENTS

### IN 2021

*Six new companies were added to EMZ's portfolio in 2021, including four in the DACH region and two in France.*

FRANCE

## FAUCHÉ

Founded in 1963, Fauché is the leading independent electrical engineering specialist in France. With a workforce of 1,710, spread across 77 branches and service centres, it operates across the entire value chain, through design-installation services for electrical and automated systems, maintenance, and manufacturing of electrical equipment.

EMZ invested in Fauché in 2021 as part of the management team's buyout of the company with the ambition to pursue its development and secure its independence.



### ESG FOCUS

- Opening of company's capital to employees (nearly 30% of staff members are shareholders).
- Creation of a "multi-stakeholder" CSR steering committee incorporating external stakeholders alongside representatives of key in-house functions.
- Diversity policy and promotion of greater female representation in the workforce in conjunction with the *Elles Bougent* association.
- Development of a specific renewable energy product line.
- Decision to use low-emission vehicles, alongside the staging of an eco-driving competition and a reduction in work-related travel to reduce the company's carbon footprint.





GERMANY

## PIPERSBERG

Founded in 1843, Pipersberg is a major manufacturer of gas meters and provider of related specialised services. Its status as the leading supplier of gas and water meters in Germany gives it a unique competitive edge and enabled to develop a business model through which it can enjoy profitable and steady growth. Pipersberg is also a leader in innovation and is actively involved in the digital transformation of the market.

This deal gave EMZ a majority stake alongside the management team, with the CEO and managers becoming significant shareholders.

### ESG FOCUS

- CSR topics discussed at board or executive committee meetings.
- Formal definition of an environmental policy.
- Roll-out of an ISO14001-certified environmental management system.
- Implementation of carbon footprint reduction measures: using shorter supply chains, prioritising the use of recycled, recyclable, reusable or easy-to-repair materials.

GERMANY UNITED STATES

## INGENTIS

Ingentis is a human resources software publisher founded in 1997 and based in Nuremberg, with offices also in the United States. It provides workflow management solutions to more than 2,000 customers in 100 countries, including its flagship product “org.manager” to create and publish custom organisation charts, in which it is a leader in the DACH markets.

EMZ took up an interest alongside the founding manager, who reinvested in the transaction.



### ESG FOCUS

- Formal definition of a responsible purchasing charter and inclusion of ESG criteria in supplier assessments.
- Use of renewable energy sources.
- Support for local NGOs.



FRANCE

LOS ANGELES MEXICO LONDON HONG KONG

## ARTURIA

Arturia, founded in 1999, designs and develops music software and equipment for music-lovers, semi-professional and professional musicians. Based in Grenoble, it operates in 90 countries and has a strategic presence in Los Angeles, Mexico, London and Hong Kong, enabling it to serve more than 1.3 million users.

Having initially acquired a stake in the company in 2019, EMZ increased its interest in 2021 to enable Arturia to seize development opportunities.

### ESG FOCUS

- Formal definition of an environmental action plan and completion of a carbon audit, the results of which were presented to staff.
- The bank financing set up under the deal is partly indexed to ESG criteria, demonstrating Arturia's commitment to such issues and its desire to improve its social and environmental impact.

GERMANY

## SIMON HEGELE

Founded in 1920 and employing a workforce of 2,500, Simon Hegele is a major player in industrial contract logistics (3PL) in Germany and a global leader in the healthcare services sector. With a wide range of value-added services, it caters for a diverse key account customer base through its 50+ sites worldwide.

In this minority investment, EMZ joined forces with the company's management team to ensure the transition between the company's founder - who remains a shareholder - and the managers, and to continue to develop Simon Hegele's activities.



### ESG FOCUS

- CSR topics discussed at board or executive committee meetings.
- Implementation of an environmental management system.
- 35% of energy consumed comes from renewable sources, and energy consumption has fallen sharply thanks to efficiency measures.
- Roll-out of production models (transport boxes and packaging) under way in keeping with circular economy principles.

GERMANY

## CELEBRATE

Founded in 2010, Celebrate Group has become the European leader in online personalised cards and photos. It has also developed an application that provides users with cloud storage solutions to share their photos and print them in high definition. Celebrate's extensive product range, high-quality designs and excellent online user experience are what set it truly apart.

EMZ acquired a minority interest in Celebrate in 2021, alongside the managers who increased their own stakes as part of the deal.



### ESG FOCUS

- CSR topics discussed at board or executive committee meetings.
- Formal definition of a code of conduct.
- Profit-sharing mechanisms above and beyond statutory requirements.
- Involvement in community-based cultural and environmental projects for the common good.









1.  
ESG  
STRATEGY

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Creating shared  
value



# A COMMITTED AND RESPONSIBLE MANAGEMENT COMPANY

*ESG is a core component of EMZ Partners' activity. This is reflected in the way it does business and in the principles that govern its investment policy.*

## EMZ Partners' goals

**EMZ's ESG goals are inseparable from the values it conveys, its investment strategy and the specificities of its market segment:**

- building strong partnerships with portfolio companies, based on mutual trust and common governance principles, and taking action to support entrepreneurs and management teams in implementing their CSR approach, with a view to creating inclusive and shared value;
- integrating not just risk factors, but also opportunities,

associated with non-financial criteria, and being in a position to identify their potential impact on value creation;

- ensuring that the investment policy does not adversely impact the sustainability of the portfolio;
- committing to continuous improvement, both in-house and through the investment strategy, which must consider the specific characteristics of the unlisted market and the size of the companies in the portfolio.

## Dedicated resources

The original members of the ESG team - the Managing Partner and the Company Secretary - were joined at the end of 2021 by an ESG Director. Working closely with the investment team and the finance and risk team, the ESG team is central to EMZ's investment strategy and way of operating.

The EMZ team as a whole works to ensure that ESG is an integral part of the investment process, with added support from the dedicated ESG Director who assists the investment team with ESG due diligence and performs ESG monitoring of portfolio companies in the investment phase, namely

by identifying sustainability-related risks and opportunities, coordinating ESG reporting and promoting the adoption of best ESG practices by portfolio companies, etc.

The ESG team is also involved in the management companies, through the promotion and implementation of sustainable practices, awareness-raising and training of the team on ESG issues, and the coordination of EMZ's civic engagement.

The ESG team may call expert outside firms to assist on specific needs when these arise.

## Asserting responsible principles

EMZ underpins its commitment to ESG in the eyes of its various stakeholders in-house and outside the firm through formally-defined principles and policies governing its activity.

These include our ethics charter, our voting and shareholder engagement policy, our ESG policy - formally defined in accordance with the SFDR - and the EMZ ESG charter.

### OUR ESG CHARTER

- ✓ Confirms the recognition of entrepreneurs and management teams of portfolio companies as key players in value creation
- ✓ Asserts EMZ's ambition to be a committed and responsible player, both as an employer and as an investor
- ✓ Describes the principles for implementing the ESG approach throughout the investment process and the manner in which environmental, social and governance aspects are factored in

## Committing to sustainable finance: EMZ is a signatory of the PRI

Our commitment to pursuing an investment policy that incorporates environmental, social and governance issues is reflected in our decision to sign the United Nations' Principles for Responsible Investment (PRI).

By adopting the PRI, EMZ is committed to upholding six principles:

INVESTMENT PRINCIPLES	ACTIONS
1. Incorporate ESG issues into investment analysis and decision-making processes.	<ul style="list-style-type: none"> <li>⊙ Exclusion policy</li> <li>⊙ ESG analysis</li> </ul>
2. Be an active investor incorporating ESG issues into shareholder policies and practices.	<ul style="list-style-type: none"> <li>⊙ ESG monitoring</li> <li>⊙ Assessment of the portfolio's carbon footprint</li> <li>⊙ Annual ESG reporting</li> </ul>
3. Seek appropriate disclosure by portfolio companies on ESG issues.	<ul style="list-style-type: none"> <li>⊙ Annual questionnaire sent to investee companies</li> <li>⊙ Analysis of ESG data</li> </ul>
4. Promote acceptance and implementation of the Principles in the industry.	<ul style="list-style-type: none"> <li>⊙ PRI reporting</li> </ul>
5. Work collectively to enhance EMZ's effective implementation of the Principles.	<ul style="list-style-type: none"> <li>⊙ Use of external consultants regarding ESG and climate issues</li> </ul>
6. Report EMZ's activities and progress towards implementing the Principles.	<ul style="list-style-type: none"> <li>⊙ Annual ESG reporting for all the funds and the management company</li> <li>⊙ Regular ESG disclosures to investors</li> </ul>

## Integrating ESG into operational practices

EMZ strives to act as a responsible company, both in environmental, labour-related and social issues, as well as governance practices.

### Environment: decarbonising travel and commute

EMZ is keenly aware of environmental issues and understands the need to take climate action, which is why it promotes low-carbon modes of travel. Whenever possible, the team prioritises travel by train for work-related trips. Public transport is used almost systematically for work/home commutes. Similarly, all staff (except the person at reception) can mix teleworking and in-office working, and can attend meetings remotely, thus limiting greenhouse gases linked to commuting.

### Labour issues: raising awareness and training

Although ESG is a natural part of EMZ's investment policy, regular interactions with the ESG team, combined with newsletter publications and training also ensure that topics relating to governance, environment, labour, and social issues are regularly discussed. With this in mind, sessions have been held for the entire investment team and support functions to present latest regulatory developments.

### Promoting civic engagement

EMZ's civic engagement has been evidenced for many years through our support for associations.

The whole team is actively involved in selecting the initiatives that EMZ supports. Every team member can propose an association to be supported, and the donations are allocated using a collective process.

The team has also chosen to engage with our portfolio companies, as part of the second pillar of our philanthropic commitment. EMZ supports the Onet Foundation, which combats poor housing and provides hygiene and food aid for homeless people. EMZ also work with the Ginger Group endowment fund, which seeks to contribute to creating a fairer and more inclusive society through employment, the integration of people with disabilities, diversity, and gender equality.

# A RESPONSIBLE INVESTOR ESG IN OUR INVESTMENT POLICY

*By recognising the central role played by entrepreneurs and management teams in creating value, and by striving to build a balanced and long-term relationship with them, EMZ has been able to carve out a unique positioning in the private equity market. This perspective, which looks resolutely to the long term, coupled with the strong focus on governance criteria in our investment policy, are not only central to the EMZ ESG strategy, but also, more broadly, ensure that ESG is an integral part of our investment strategy.*

## I Integrating ESG throughout the investment cycle

ESG PROCESS IN THE INVESTMENT CYCLE



### *Furthering our engagement with EMZ 10, classified under Article 8*

**EMZ started the fundraising of its Fund 10 at the end of 2021. EMZ 10 is classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), in a reflection of EMZ's commitment to promoting environmental, social and governance criteria in all investments**

## Pre-investment phase

The incorporation of ESG criteria into EMZ's investment strategy is primarily based on the exclusion policy.

### This covers five sectors:

- the manufacture or sale of tobacco or distilled alcoholic beverages and related products;
- the manufacture and sale of weapons or ammunition;
- casinos and equivalent activities;
- research, development or technical applications in connection with programmes or solutions relating to Internet gambling, online casinos or pornography;
- food speculation.

## Holding period

EMZ systematically incorporates an ESG clause into **shareholders agreements**, evidencing how important environmental, labour, social and governance issues are to EMZ. This ESG clause underpins the consideration, during the investment and monitoring phases, of criteria such as the use of natural resources, environmental impact, employment, labour relations, human resources, attention paid to people, relations with suppliers and customers, relations with local communities and "stakeholders" in general, and governance. It also specifies the social responsibility commitments of the portfolio companies throughout the value chain.

In the holding phase, the **ESG reporting** procedure that is implemented, and more particularly the annual ESG questionnaires that are sent out, which contain qualitative and quantitative questions on governance, the environment, labour practices, social engagement, and relations with

Furthermore, our exclusion policy stipulates that, where financing is intended to be used for technical applications relating to human cloning, for research or therapeutic purposes, or GMOs, the management company will ensure that all legal, regulatory and ethical issues are duly verified.

Lastly, as part of the fundraising for EMZ 10, the coal sector has also been excluded from the investment scope.

Once the exclusion criteria have been met, EMZ's ESG criteria are taken into account in the pre-investment phase using an analysis grid to assess the company's level of maturity on these matters, its specific governance, environmental, labour and social risks, as well as its relations with suppliers and customers.

suppliers, facilitates detailed monitoring of portfolio companies' sustainability practices. EMZ also conducts a climate-related analysis, based both on the data provided by portfolio companies and the data compiled and analysed by an external consulting firm specialised in environmental issues.

At the end of 2021, EMZ explored new reporting tools to adapt to changing needs in terms of ESG strategy implementation and best answer demands of investors. With 142 indicators covering governance, environment, labour and social issues, EMZ's upgraded reporting tool will, by analysing these indicators, enable to identify the sustainability-related risks, strengths and weaknesses of our portfolio companies. This will make it easier to monitor companies' sustainable performance, enable to provide more targeted support to help them to define and implement their CSR policies, and facilitate the identification of best practices.

## Exit

At exit, the disposed company may be asked to conduct an ESG audit while EMZ may complete a disposal ESG questionnaire.







# 2. ESG IN ACTION(S)

Sustainable initiatives

# ARTURIA

## DECARBONISING THE MUSIC INDUSTRY



**Frédéric Brun,**  
CEO



**Nicolas Dubois,**  
Industrial Manager

*A strong commitment to promote an inclusive value creation plan and a well-defined and ambitious environmental strategy are the two key pillars of Arturia's corporate social responsibility policy. Interview with Frédéric Brun, CEO, and Nicolas Dubois, Industrial Manager of Arturia.*

**Frédéric, you have chosen to get your employees closely involved in the success of your company by opening the capital to them. Tell us more about that.**

**Frédéric Brun** – I believe it is crucial that the value our company creates is shared with all those who contribute to its success, and therefore primarily with the employees. It is also about sharing a common objective and strengthening employee's commitment to the group while promoting our employer brand.

**In 2020, Arturia embarked on an ambitious project to reduce its environmental footprint. How did this come about?**

**FB** – Consumers do not necessarily perceive the music industry as having a major impact on the environment. Yet, our impact is real by using many types of electronic components and plastic, transporting raw materials or finished products, using packaging, etc.

Therefore, we wanted to develop solutions to reduce this impact, particularly our carbon footprint, at a time when the company was strongly growing. The carbon audit carried out at the end of 2020 helped us quantify our main emission sources and structure our environmental policy.

**What were the main findings of your carbon audit?**

**Nicolas Dubois** – The carbon audit identified raw materials as the biggest chunk of our carbon footprint. It is currently difficult to reliably gauge the impact of electronic components, but we are working on this. Plastic and packaging were pinpointed as being less impactful emission sources, but we are able to accurately quantify and reduce them through action taken. Emissions related to our head office operations or to transportation are other areas in which we can take action.

**How have you shaped the Arturia action plan, and how are you implementing it?**

**NB** – Our environmental policy is based on seven pillars: products eco-design, limiting carbon-intensive modes of transportation, reusing production tools, implementing an internal energy saving policy, shrinking the carbon footprint of our purchases, taking a low-carbon approach to marketing communications and, lastly, collecting and recycling Arturia products at the end of their life.





**FB** – By focusing on these seven areas, we are able to combine long-term and high-impact actions with smaller actions that are also important to drive the entire process while involving all team members.

**Coming back to products eco-design. There is a strong focus on recycled plastic with your recent flagship product, Minilab 3. Did you come up against any challenges in the development phase?**

**ND** – We had to make sure that the recycled plastic could meet the same requirements as virgin plastic, both in terms of mechanical properties, and aesthetic criteria. Our teams worked long and hard to develop a product that is mostly made of recycled plastic with the same quality as a virgin plastic-based product. We have also extended the warranty period from two to five years!

**You have also been focusing your efforts on packaging. Tell us what you have been able to do so far.**

**ND** – We recently replaced the protective foam used to package our lightest models (which is recyclable in theory, but rarely actually recycled) with moulded pulp packaging, which is widely recycled. We have also removed the blister-packed paper-based instructions once included in our packaging, and instead now print the instructions directly on the interior of our packaging.

**What other areas are you working on or exploring to further shrink your carbon footprint?**

**ND** – There are many areas, but it is worth mentioning our actions to reduce the impact of transportation, by prioritising maritime logistics, which are less carbon-intensive, and locating our warehouses closer to distribution sites. We are also working on greener mobility options, spurred on by our staff, as well as energy savings, with a closer look at self-consumption possibilities, and product development compatible with a more systematic reuse of our production tool. We have also started to look at ways of limiting the impact of the end of product life.

All teams are involved in this process. Our R&D team of course is coordinating the eco-design approach, but it also involves our product, HR and marketing teams.

**Have you faced any challenges with the implementation of your environmental approach?**

**FB** – Constant innovation is needed to embark on an eco-design process. This poses technical challenges, but also organisational challenges, because all teams need to work together as it affects every aspect of the business, be it technical or functional. This cooperation is essential to the success of our environmental policy.

# ONET

## A COMMITTED GOVERNANCE TO BE A SOCIAL IMPACT COMPANY



**Laurence Acerbo-Grillet,**  
Responsible Development  
Director

*For more than 20 years now, under the impetus of its governance bodies, Onet has been working to make corporate social responsibility a core component of its business model. It is today looking to have a greater social impact, by making labour-related and social issues a central focus of its model, in keeping with its business lines.*

**A social impact company: that is quite a powerful and committed term. What does it mean for Onet?**

**Laurence Acerbo-Grillet** – As a family-owned group, Onet has, since its creation more than 160 years ago, defended a corporate vision with a strong focus on sustainability, the long term and social responsibility. This vision is echoed in our CSR approach, which is fully integrated into our strategy, and in the statement of our Management Board's Chairman, Emilie de Lombarès, that Onet is committed to becoming a social impact company.

It is this ambition that governs our “One present for the future” responsible development policy and our 2020-

2023 CSR roadmap. This roadmap sets goals and determines actions and key indicators for particular projects and practices, to enable us to measure our impact and look at ways to improve further.

As a provider of essential services, we want to have a two-fold impact. This involves, first of all, incorporating a social and environmental dimension into the way we do business in order to contribute to the well-being of everyone involved, by providing solutions that are less harmful to the environment, and by creating working and living environments that support the well-being of as many people as possible.

This positive impact focus is echoed in the way we operate internally, by making our employees a core aspect of our development, and by taking action to ensure that they have an inclusive, safe working environment that does not negatively impact their health, and have the opportunity to develop their skills and know-how.

**Concretely, how are you going about this?**

The focus on employee health and safety is central to our labour policy through our *Piloteur Onet en prévention* policy (“taking a preventive management approach at Onet”). For example, we provide our staff with equipment to limit the development of musculoskeletal disorders (MSDs) and we have also set up an MSD prevention network. We are also taking action to raise awareness of driving risks and to prevent psychosocial risks, with the creation of a unit of work psychologists, which any of our employees can contact if they need to talk about work-related or personal problems.

It is also worth mentioning that we first developed our Biogistic ecological cleaning solution for customers with our employees' health in mind. Biogistic draws on circular economy principles and uses products that carry a green label.

### Are you also taking action in terms of training?

Giving our employees the means to progress, flourish and improve their performance is a strong commitment at Onet, and we believe that we have a major societal role to play in this.

Employability was an issue that we identified very early on, as evidenced by Onet University, which has been running for two generations now. Initially intended for managers, including local managers, who act as a liaison with the rest of our staff, Onet University runs certification programmes in managerial or commercial fields. It also includes less conventional modules, covering psychosocial risks or issues related to religion for instance.

More recently, Onet University also launched an e-learning platform designed for agents who are not easily reached through daily in-person interaction, or through programmes to combat illiteracy, which can be a vector for exclusion.

Onet University also plays a key role in sharing our corporate vision. One of the fundamental modules in our manager training programmes is exclusively dedicated to brand strategy and CSR, as we felt it was essential for our employees to be the primary ambassadors of our values and strategy in this area.



Onet University is also a way for our organisation to promote a common vision of positive impact management, through seven key principles designed to help us truly become a social impact company.

### Onet also pursues an active integration and inclusion policy?

Yes, because we firmly believe that diversity and empowerment – regardless of social background, ethnic origin, gender, age or disability – make companies stronger and more resilient. We want everyone to be able to express their potential.

With this in mind, we have set up a special team within our HRD. We have also introduced a network of liaison officers, from both human resources and our operational departments.

Selected based on their interest in such areas and on a voluntary basis, they serve as a resource and a point of contact on the ground and play a key role in identifying people who may have disabilities, passing on tools and best practices, or escalating problems.

As the issue of housing is central to integration and a particular concern for some of our employees, we have introduced measures to promote access to social housing and have appointed someone in-house to serve as a link between social landlords and our staff.

Beyond the labour-related aspect, these are very real social issues, which we want to tackle even more actively, by further exploring areas in which we can act. We will be helped in this by our strong local roots, which are inextricably linked to sustainable development, the partnerships we have forged to promote inclusivity and equal opportunities, and the actions of the Onet Foundation.







# 3. PORTFOLIO COMPANIES' IMPACT REVIEW —

# IMPACT REVIEW OF PORTFOLIO COMPANIES

## Contribution of portfolio companies to the SDGs

All countries are facing development problems - global warming, endangered biodiversity, worsening inequalities, conflicts - which cannot be addressed in isolation and need a concerted approach by all countries. This is the reality reflected in the 2030 Agenda, through the 17 Sustainable Development Goals (SDGs), broken down into 169 targets, which look not only at the economic dimension of development but the environmental and social dimensions as well.

As economic agents, companies have a role to play alongside governments to ensure the right conditions for lasting and sustainable development. They can use the SDGs as a compass to assess the positive and negative effects of their activities on society and on the environment, and to determine and assess their contribution to sustainable development.



COMPANY	SDG NO.
Airvance	3, 7, 8, 12
Ankerkraut	2, 3, 4, 6, 11, 12, 13, 15
Arturia	3, 8, 9, 11, 12, 13
Assepro	8, 9
Azaé	1, 4, 5, 8
Biogroup	3, 8, 12, 15
Carso	3, 6, 12, 14, 15
Castellet	5, 8, 11, 12, 13
Celebrate	5, 12, 13, 17
Ceva	3, 5, 6, 8
Coventya	3, 8, 9, 12, 13
Crouzet	4, 5, 8, 9
Diam	1, 4, 5, 6, 8, 12, 13
Eurodatacar	5
Fauché	1, 4, 5, 7, 10, 11, 13
Forlam	6, 8, 9
Ginger	3, 5, 6, 7, 9, 10, 11, 13, 14, 15

COMPANY	SDG NO.
Jacky Perrenot	3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 16, 17
HRworks	9
Ingentis	3, 4, 9
Labelys	12, 13
Lumibird	3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 16
MCI	1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13
MyMedia	5, 8
Onet	3, 4, 5, 10, 11, 12, 13
Pipersberg	5, 6, 7, 8, 9, 11, 13
Rail Industries	5, 8, 11, 13
Safic Alcan	3, 8, 12, 13, 15
Simon Hegele	5, 8, 9
SPIE Batignolles	3, 5, 8, 11, 17
Ubiquis	5, 8, 10, 11, 12, 13
Vignal	3, 5, 6, 7, 8, 9, 10, 12, 13, 16, 17
Weyou	5

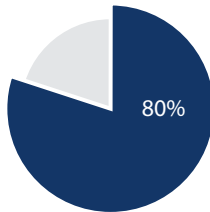
Source : Portfolio companies and EMZ estimates.

*The companies in the EMZ portfolio contribute to varying degrees to the achievement of the Sustainable Development Goals, both through the very nature of their activity and through their CSR commitments, particularly when it comes to climate action (SDG 13), gender equality (SDG 5) and decent work and economic growth (SDG 8).*

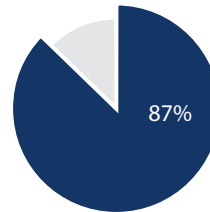
## ESG performance of the portfolio

### Making ESG an integral part of EMZ's operations

PERCENTAGE OF COMPANIES THAT RESPONDED TO THE ESG QUESTIONNAIRE



PERCENTAGE OF COMPANIES STILL IN THE PORTFOLIO AT 31 DECEMBER 2021 THAT RESPONDED TO THE ESG QUESTIONNAIRE



### Methodology

The ESG performance of EMZ portfolio companies is monitored and analysed via an annual ESG survey. This survey is based on a questionnaire. It is scalable to meet portfolio analysis needs, investor demands and regulatory requirements for funds and management companies, and includes 142 questions covering the topics included in ISO 26000 standard.

**GOVERNANCE | ENVIRONMENT | LABOUR ISSUES | SOCIAL ISSUES | FAIR PRACTICES | COMMUNITY**

### Main themes covered by the ESG reporting tool



**GOVERNANCE**

- ☑ Female representation on company boards
- ☑ Diversity
- ☑ CSR governance
- ☑ Fair operating practices



**ENVIRONMENT**

- ☑ Environmental governance system
- ☑ Resource management (water, waste, land use, etc.)
- ☑ Climate policy



**LABOUR ISSUES**

- ☑ Training
- ☑ Diversity and inclusion
- ☑ Gender equality
- ☑ Health, safety and well-being at work



**SOCIAL ISSUES**

- ☑ Support for local associations
- ☑ Active community involvement







# GOVERNANCE

*At EMZ, our investment policy hinges on an enduring and balanced partnership with company managers, which is why governance matters are central to its ESG strategy and the corollary of any investment.*

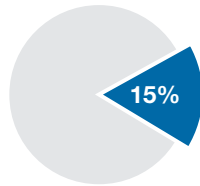
The relationship of trust that EMZ forges with managers, hinging on the quality of the management teams and commonly shared values, is the cornerstone of the partnerships built by EMZ. As a minority investor most of the times, EMZ relies even more on implementing these sound governance principles and practices.

With this in mind, the EMZ vision is to actively support and promote the formal definition of best governance practices and initiatives already applied at many of its portfolio companies, with specific attention to female representation in management and governance bodies and the integration of CSR issues into portfolio companies' strategy.

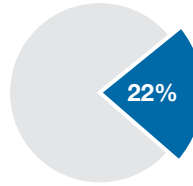


## I Female representation in management and governance bodies

PERCENTAGE OF COMPANIES WITH A FEMALE LEADER



AVERAGE PERCENTAGE OF WOMEN ON MANAGEMENT BOARDS

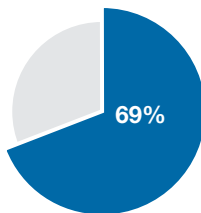


### BEST PRACTICE

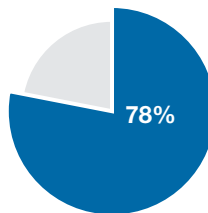
**Diam** and **Onet** are both led by women, who are actively committed to incorporating environmental, labour-related and social issues into their company's strategy.

## I Integrating CSR into company strategy

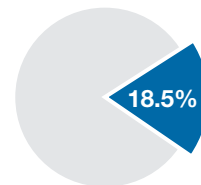
PERCENTAGE OF COMPANIES THAT HAVE FORMALLY INTRODUCED A CSR POLICY



PERCENTAGE OF COMPANIES WITH A CSR DEPARTMENT OR A CSR COMMITTEE



PERCENTAGE OF COMPANIES WITH SUSTAINABILITY-RELATED PERFORMANCE-BASED REMUNERATION TERMS



### BEST PRACTICE

**Perrenot** has set up a CSR committee that coordinates, approves, and monitors CSR commitments and actions. The committee holds a meeting every six months and Perrenot's partners attend once a year. Indicators facilitate accurate monitoring, quantify progress and identify areas for improvement, as part of a continuous improvement process.

**Lumibird** appointed a CSR director in June 2021, adopted a 2022-2024 CSR roadmap in November and published an SDG-based CSR charter in December of the same year.

**Onet** embarked on its CSR strategy more than 15 years ago and has its own Sustainable Development department and a responsible development committee which is chaired by Elisabeth Coquet-Reinier, who chairs the family holding company. Committee meetings are held quarterly and are attended by representatives of all departments.

**Vignal's** sustainable development strategy is conducted, from a governance perspective, by CSR managers at group level and at each subsidiary level, together with a Group CSR committee and a annual CSR review by the supervisory board.



# ENVIRONMENT

## I Our climate policy

There is now a consensus that global warming is linked to human activities. The findings of the 6th IPCC report published in 2021 show that CO<sub>2</sub> emissions must be reduced rapidly and drastically in order to avoid dramatic and irreversible consequences for the planet's ecosystems and humanity. It is clear that all areas of human life – health, food, access to water resources in particular – are concerned by climate change.

The consequences of global warming on economic activities will only intensify in the coming years. Scarcer resources, more frequent natural disasters, more unpredictable and more frequent extreme weather events, risks associated with rising water levels and the harm caused to biodiversity will have a

bearing on companies' businesses and require them to review their business models in light of the risks and opportunities that climate change represents.

The EMZ environmental policy has been designed to factor in this reality, making the monitoring of portfolio companies' environmental performance a core aspect of its ESG policy. Environmental issues are regularly discussed with the management teams of portfolio companies. EMZ also monitors the status of its environmental policy in detail as part of its annual ESG campaign, during which the company collects and analyses data relating to 42 environmental indicators, supplemented by data and analyses compiled by specialised consultants.

### EMZ particularly monitors the following areas:

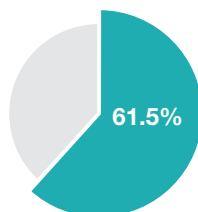
- ✔ Quality and maturity of portfolio companies' environmental governance
- ✔ Portfolio companies' carbon footprint and actions they take to reduce it
- ✔ Exposure to climate risk, both in terms of physical risks and transition risks

## I Environmental governance

Consideration of environmental issues by the company's decision-making bodies is a sine qua non for the implementation of a coherent and effective environmental policy, with a view to continuous improvement.

## Companies' environmental commitment

### PERCENTAGE OF COMPANIES THAT HAVE FORMALLY INTRODUCED AN ENVIRONMENTAL POLICY

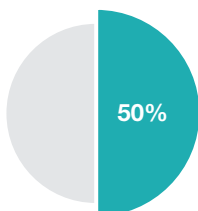


Around 60% of portfolio companies have formally introduced an environmental policy, with as much as 80% of companies in the manufacturing sector having done so and 100% of companies operating in the transport sector.

### BEST PRACTICE

**Perrenot's** CSR approach is supported by the QHSE department, which reports directly to top management. Perrenot also has a CSR committee that steers, approves, and monitors CSR commitments and actions, based on specific indicators. This committee holds a meeting every six months and the company's partners attend once a year.

### PERCENTAGE OF COMPANIES THAT HAVE INTRODUCED AN ENVIRONMENTAL MANAGEMENT SYSTEM

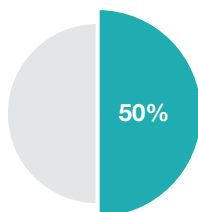


Around 50% of our portfolio companies have an environmental management system (EMS), with more than 80% of those operating in industry and 100% of those operating in transport having one.

### BEST PRACTICE

**Azae, Crouzet, Forlam, MCI Group, Onet, Spie Batignolles** and **Onet** all have a certified EMS, which means that they have rigorous procedures in place and are continually looking to improve in this area.

### PERCENTAGE OF COMPANIES THAT HAVE INTRODUCED A POLICY TO REDUCE THEIR ENVIRONMENTAL FOOTPRINT WITH A VIEW TO CONTINUOUS IMPROVEMENT



More than half of the companies in our portfolio, and more than 80% of those operating in manufacturing, have introduced a policy of reducing their footprint with a view to continuous improvement.

### BEST PRACTICE

**Biogroup** has opted for the PDCA (Plan-Do-Check-Act) cycle for improvement in order to reduce its environmental footprint, in accordance with the ISO 14001 standard, which is the global benchmark for the implementation of environmental management systems.

## I Climate change

### Managing climate change risks

There are two types of risks associated with climate change:

- physical risks that can have financial implications for organisations, depending on their sector of activity or location, and are a direct result of the effects of climate change, such as rising temperatures, more frequent and severe extreme weather events, increased risks of flooding or submersion, etc.;
- transition risks are potential financial risks to economic agents arising from the introduction of low-carbon economic models, such as a reduction of their asset value.

Portfolio companies' climate risk management is analysed based on their exposure to physical and transition risks, and their climate resilience, in other words, their ability to anticipate and adapt.

Climate change risk analysis incorporates a wide range of criteria to assess both physical and transition risk. These include the presence of production or sales sites or premises in locations that are exposed to physical hazards, risks relating to the countries from which they source raw materials or the nature of these raw materials, and risks relating to the supply of electricity or water. Transition risks may include the risk of being unable to take out insurance, exposure to social protests linked to the company's activity, regulatory changes that may call into question all or part of the company's activity, etc.

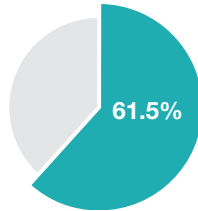
The assessment of the company's climate resilience factors in whether or not the company has internal resources to assess and manage the risks linked to climate change, whether or not it is in a position to rapidly adapt its activity (relocation, diversification of resources, etc.), and whether or not it can anticipate regulatory changes, innovate and change its business model.



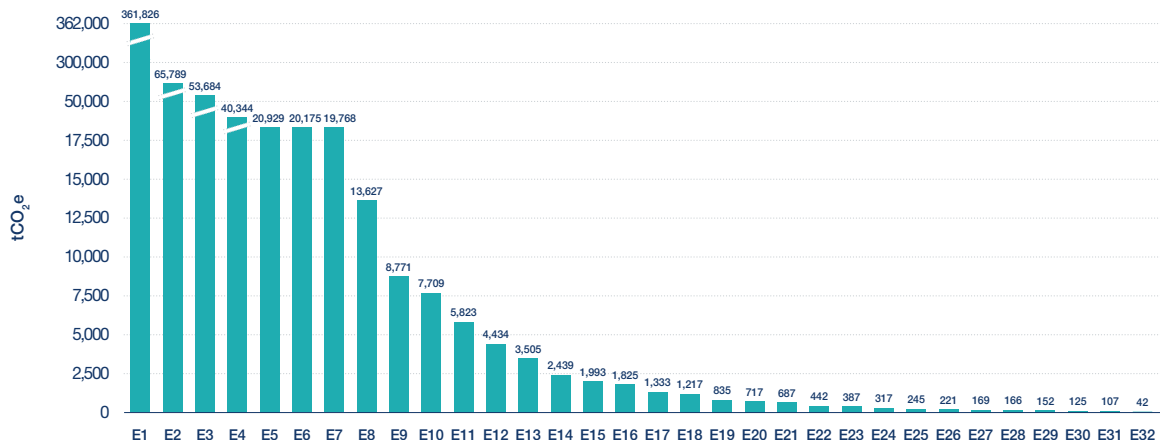


## Carbon footprint

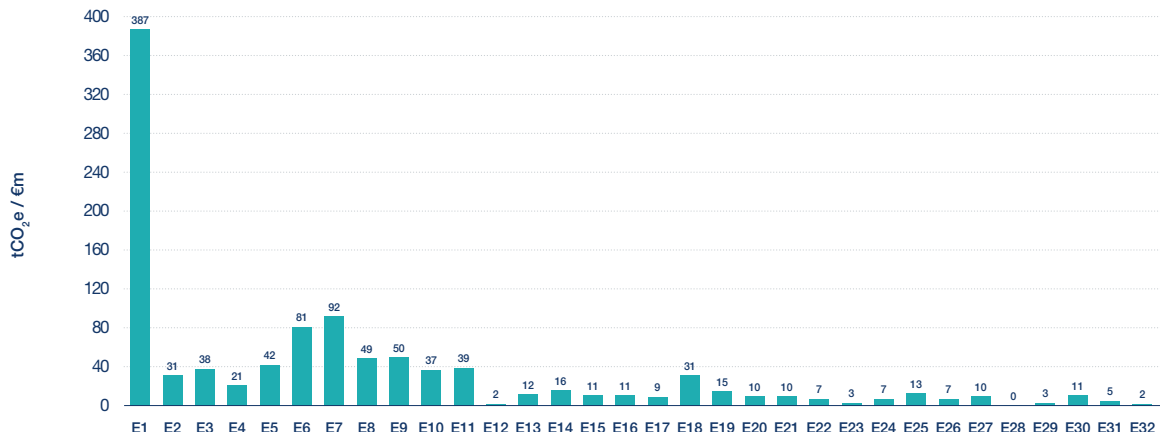
PERCENTAGE OF COMPANIES THAT HAVE CONDUCTED A CARBON AUDIT



ANNUAL GREENHOUSE GAS EMISSIONS (2020)  
BY PORTFOLIO COMPANIES - SCOPES 1 AND 2



RATIO OF GREENHOUSE GAS EMISSIONS TO ANNUAL REVENUE (2020)  
FOR PORTFOLIO COMPANIES - SCOPES 1 AND 2



### BEST PRACTICE

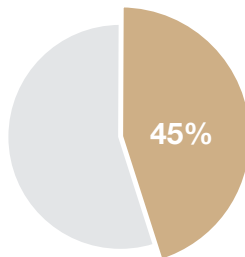
**Arturia** teamed up with independent sustainable development consulting firm UTOPIES in 2020 to quantify its carbon footprint and draw up a clear environmental policy structured around 7 well-identified pillars.

# LABOUR SOCIAL ISSUES

*The EMZ ESG policy's social dimension is expressed through two convictions: (i) the need for fair distribution, among all stakeholders, of the value created by the company, primarily through employee share ownership schemes, and (ii) the recognition of human capital as a key component of the company's value creation.*

On a social level, the company must operate responsibly in its community, namely through local partnerships or support for local associations. By supporting the charitable initiatives taken by some of its portfolio companies, EMZ asserts and underpins the importance placed on corporate social responsibility.

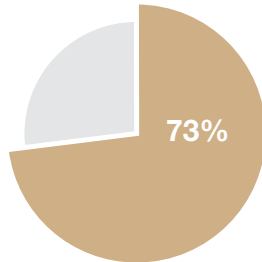
## **I Percentage of companies with an employee share ownership policy**



### **BEST PRACTICE**

**Arturia** has introduced a far-reaching employee share ownership policy. Of the 120 staff members, around 100 currently hold shares in the company. Successive capital increases, including one in 2021, have progressively extended the shareholder base to a greater number of employees. This policy is a key component of Arturia's strategy and satisfies three main objectives: enabling all employees to get a share of the value they collectively create, aligning the interests of the company's founder with those of its managers, and attracting and retaining talents.

### Percentage of companies that have introduced a training plan

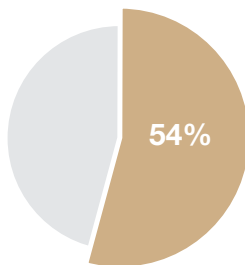


#### BEST PRACTICE

**Azaé** has opened its own training school. While it is not mandatory for graduates to subsequently join the company, most trainees do go on to work at Azaé.

**Onet University** is a perfect illustration of how important training is in the company's eyes. Onet considers training to be strategically important, particularly as it conveys the company's culture and ambition. In Brazil, Onet Club has joined forces with universities and foundations to provide inexpensive in-service training and certification programmes for employees and their families, with some **19,000 users** being enrolled at 30 educational institutions.

### Percentage of companies that have introduced a diversity policy

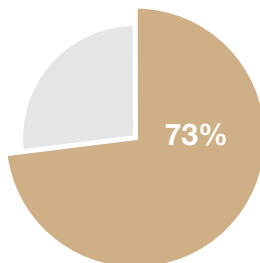


#### BEST PRACTICE

**Diam's** diversity policy is embodied in the local engagement of many of its factories in their eco-system and a commitment to social integration: 7.9% of FTE employees joined the company through pathway-to-work programmes and, in the UK, 25% of the workforce has been recruited via pathway into employment agencies.

In an effort to increase the impact of its diversity promotion policies, **Onet** came up with a plan in 2019 to coordinate its actions in terms of gender diversity, the employment of young people/seniors, local neighbourhood programmes, people with a disability, etc. It also trains and raises awareness among recruitment players to help improve their understanding of diversity issues, acquaint themselves with the laws in place and promote awareness of different forms of bias. Onet also set up a special inclusivity team in 2021, backed by a network of liaison officers. The company has signed the diversity charter.

### Percentage of companies that participate in local initiatives for the common good



#### BEST PRACTICE

The **Onet Foundation** promotes a healthy environment for local communities by taking steps to combat poor housing, namely through pathway-to-work programmes and the development of social infrastructure.









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PORTFOLIO  
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## PORTFOLIO COMPANIES

Company	ACTIVITY	COUNTRY	2021 REVENUE
 AIRVANCE GROUP	• Distribution of ventilation products		€498m
 ANKERKRAUT	• Spice mixes		€39m
 ARTURIA	• Music software and equipment		€55m
 ASSEPRO GRUPPE	• B2B insurance broker		€48m
 Azaé	• Services for the elderly		€174m
 BIOGROUP	• Medical biology laboratories		€2.5bn
 CARSO	• Testing laboratories		€215m
 CASTELLET HOSPITALITY	• Budget hotels		€19m
 celebrate	• Personalised cards		€67m
 Ceva	• Veterinary products		€1.4bn
 COVENTYA	• Specialty chemicals		€150m
 CROUZET	• Production and sale of electromechanical components		€153m
 DIAM	• Merchandising solutions for the luxury industry		€280m
 EURODATACAR	• Vehicle marking and guarantees		€33m
 FAUCHÉ	• Electrical engineering		€285m
 FORLAM	• Steel processing		€175m
 GINGER	• Infrastructure engineering		€209m
 JACKY PERRENOT	• Road carrier		€936m
 HR works	• HR software		€16m
 Ingentis	• HR software		€12m
 Labely's GROUP	• Label manufacturer		€56m
 LUMIBIRD	• Laser design and production		€162m























Company	ACTIVITY	COUNTRY	2021 REVENUE
	• Engagement and marketing agency		€116m
 	• Advertising space advisory and purchasing services		€65m
	• Sanitation services		€1.899bn
	• Gas and water meters		€49m
	• Electronics for railways		€20m
	• Distribution of specialty chemicals		€685m
	• Business process outsourcing		€250m
	• Construction and civil engineering		€2.153bn
	• Translation and transcription services		€70m
	• Lighting and signage for industrial and commercial vehicles		€154m
	• Trade shows		€20m



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## 2021 ESG REPORT

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