

JULY 2021

**LATOUR CAPITAL**  
OPERATIONAL EQUITY

2020 ESG REPORT

DISCLAIMER

*This document has been prepared for the exclusive attention of investors in Latour Capital funds.*

*This document is communicated on a strictly confidential basis.*

*This document has been prepared in collaboration with the advisor SIRSA, on the basis of information provided by Latour Capital and its portfolio companies, for the financial year 2020.*

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## I. Introduction

**Latour Capital**, as a professional investor, sees its role as a catalyst for acceleration and transformation. We are also convinced that the performance of the companies we support cannot be understood in isolation from the impact they generate on the environment, on their employees and on society in general. Consequently, we consider that it is our responsibility as shareholders to ensure the sustainability of their business models. Respect for Humans and the Environment must be present at every phase of our business. We therefore constantly ensure that ESG issues find their rightful place in the financial and operational strategy of the companies we support. True to our entrepreneurial spirit, we are convinced that this responsible state of mind creates value over the long term.

Our commitment to these ESG issues naturally led us to make new public commitments in 2020: Latour Capital is now a signatory of the France Invest Gender Equality Charter, which aims to promote gender parity, both within our team and within our portfolio companies. We have also joined the International Climate Initiative in 2021.

We continue to make progress towards a deeper integration of ESG issues into our business. The purpose of this report is to present our main ESG achievements and those of our portfolio companies for the year 2020.

Firstly, in order to ensure that Latour Capital has the means to achieve its ambitions, we have strengthened our internal resources. The ESG team, supervised by Didier Gaudoux, is now comprised of three people: two members of the investment team, joined by a cross-functional officer. The aim of this joint team is to ensure that the ESG procedures we implement are ambitious and pragmatic at the same time, both at the level of the management company and within the operational strategy deployed by our portfolio companies.

In addition to harmonising and formalising procedures, new initiatives were launched in 2020. For example, we were keen to reinforce the place given to ESG in our dialogues with the management teams we support. As a result, it is now mandatory to discuss the ESG achievements of our companies at least every quarter during board meetings. At the end of every year, these discussions feed into every company's annual ESG assessment, which we use as a basis to elaborate an action plan for the coming year. Our commitment to truly improving sustainability indicators is also reflected in our structuring choices when we invest: for instance, in the case of our investment in Santiane<sup>(1)</sup>, we have set up a financing scheme whose cost is set to decrease based on the company's ESG progress.

Similarly, we have put more focus onto the accountability of our management teams on ESG matters, firstly by appointing a dedicated ESG officer among the senior managers of our portfolio companies. We have continued this effort by making sure that, from now on, we systematically condition part of our company managers' variable remuneration to a certain number of ESG criteria, which are tailored to the specific issues of each company (e.g. accidentology, initiatives to reduce CO2 emissions, etc.).

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<sup>1</sup> Note : this type of structuring scheme was also used in our investment in Omni-Pac in 2021

*Since maintaining a quality dialogue with our investors is a crucial part of our business, Latour Capital pays particular attention to the transparency of its ESG achievements. For several years, significant work has been done in this direction: ESG issues are now mandatory at our General Meeting and in our annual reports. In addition, Latour Capital is still committed to provide a dedicated ESG report to its investors every year, which will be constantly improved. The 2020 edition that you are about to read has been enriched with a more in-depth analysis of our portfolio: the Sustainable Development Goals to which each specific portfolio company contributes are now clearly identified. Work has also been done to introduce a global vision of the portfolio issues, following the methodology recommended by the SASB framework.*

*The year 2020 was also marked by new initiatives in terms of transparency. Latour Capital has systematised the annual sending of ESG questionnaires to its portfolio companies, in order to be able to carry out a rigorous, detailed and quantitative monitoring of their progress in this area. Thanks to this new procedure, Latour Capital is preparing for the entry into force of the SFDR reporting on "adverse impacts on sustainability factors", currently scheduled for 2023.*

*With the implementation of the SFDR regulation, 2021 promises to be a year of profound transformation for our profession in general and for Latour Capital in particular. As such, we continue to work daily towards greater transparency and better integration of ESG at the heart of our investment activity. New milestones have recently been set, subsequent to the 2020 financial year end. For example, in the second half of 2021, we plan to organise a workshop between the ESG officers of all our portfolio companies in order to create an "ESG community", aimed at promoting the sharing of best practices in this area. Similarly, several of our companies took the initiative in 2020 to measure their carbon footprint, and we are already working to systemise this assessment across our entire portfolio. Finally, we are currently implementing a scheme to integrate Latour Capital's own ESG performance into the remuneration structure of all Latour Capital employees.*

*We are proud of the initiatives we have undertaken over the past few years, but we are also aware of the progress that still has to be made. We are currently working on a new ESG roadmap to be more responsible every year.*

**Cédric Bannel**

**Philippe Leoni**

**Didier Gaudoux**

**Maxime Gutton**

## II. Presentation of Latour Capital

### An experienced team with an entrepreneurial and operational profile

For 10 years now, Latour Capital has been supporting companies in their development and growth. Founded by Cédric Bannel, Philippe Leoni and Alain Madelin, Latour Capital has built an innovative and entrepreneurial identity, completed by a strong operational vision, based on the multi-sector experience of its managers.

Now joined by two new partners, Didier Gaudoux and Maxime Gutton, who respectively bring solid industrial and transactional expertise, Latour Capital's management team puts its entrepreneurial DNA, operational expertise and network of contacts at the service of the development of the companies it supports.

The team is now comprised of 18 professionals.

### Investment strategy

Latour Capital is an independent management company, active in the mid and large cap segment of the French private equity market and dedicated to growth capital and LBO transactions in growth companies. Our target sectors are industry, business services and digital.

### Latour Capital key figures

Latour Capital currently manages c. €1,600m of assets, spread over three main funds:

Latour Capital I	Latour Capital II	Latour Capital III
(€115m)	(€306m)	(€827m)
raised in 2012 and fully invested in 7 companies between 2011 and 2015	raised in November 2015 and fully invested in 6 companies between 2015 and 2019	raised in November 2020 and invested in 2 companies before the end of 2020 (and 3 additional companies since the end of 2020, i.e. 5 companies as of the date of this report).

Four co-investment funds complete these 3 main funds, for a total amount of €395 million.

The 11 portfolio companies for the reporting period are:

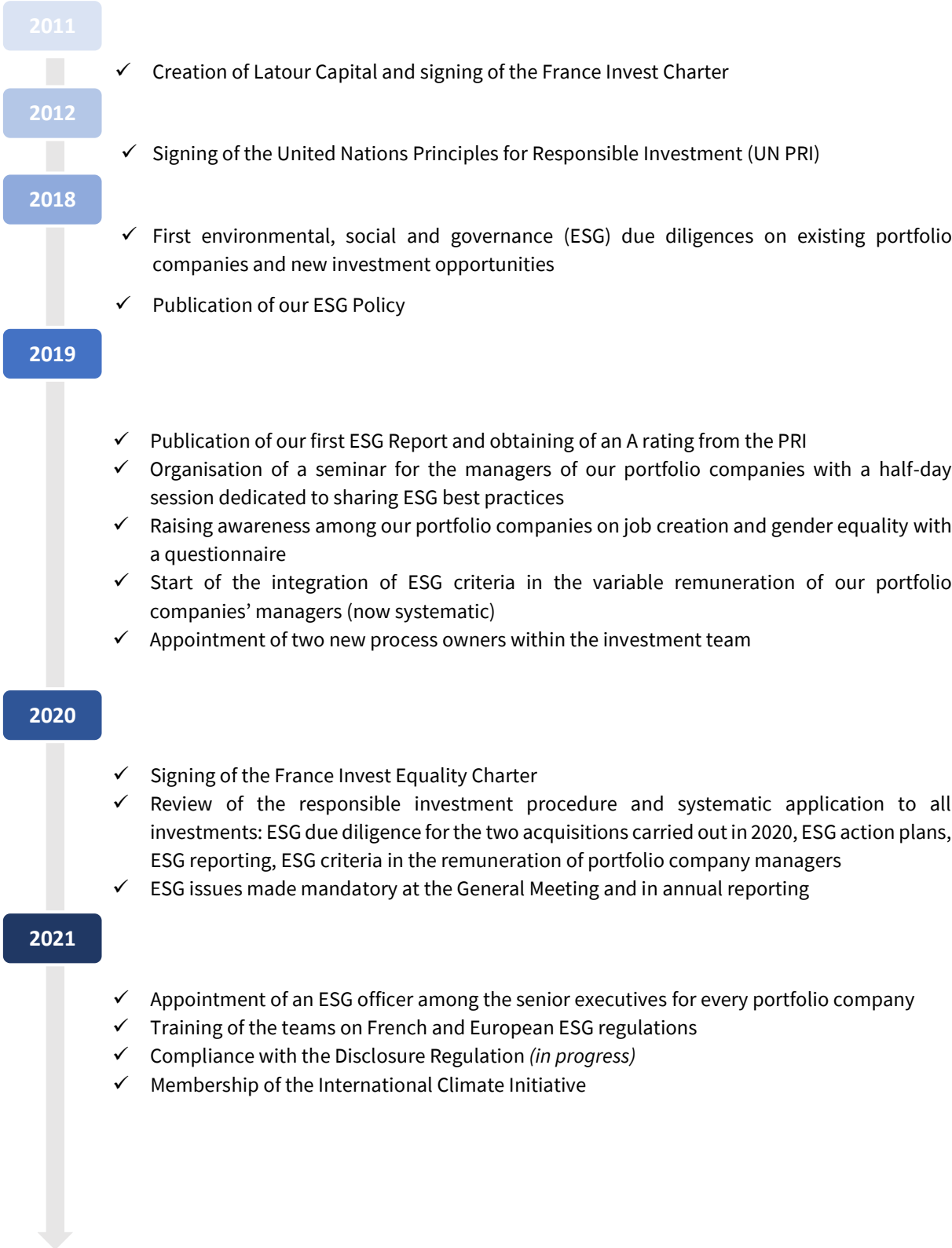


In early 2021, Latour also invested in three companies, which are not presented in the consolidated data for 2020. A specific analysis of Kandelium is however presented on p.37.



# III. Latour Capital’s commitments towards responsible investment

## a. A decade of progressive ESG integration



## b. Clear, identified and shared ESG governance



Cédric Bannel  
*Founding Partner*



Didier Gaudoux  
*Partner*

Our ESG approach is supported and led by two of our partners: Cédric Bannel, founding partner of Latour Capital and Didier Gaudoux, Partner.

The implementation of the ESG approach through procedures is led by a team of two investors (Caroline Ballaloud and Antoine Bonnefous) and the General Secretary, Carole Sappia-Bonnetti, whose responsibilities within Latour Capital are cross-functional. This team of

3 people is assisted by the Financial Director, Camille Defaye, who is responsible for communicating Latour Capital's ESG achievements to our investors.

The choice to have a dual ESG team, mixing central functions and members of the investment team, aims to ensure that ESG finds its place at the heart of the investment strategy, first within our internal committees, but above all in the financial and operational strategy implemented over the long term within the companies.

In addition to defining Latour Capital's ESG strategy and the internal procedures enabling its implementation, this team is responsible for training the employees to ensure that the ESG policy is properly implemented at the portfolio company level.



Caroline Ballaloud  
*Senior Associate*



Antoine Bonnefous  
*Associate*



Carole Sappia-Bonnetti  
*General Secretary*

Indeed, it is the role of the investment team to monitor the ESG performance within each of the portfolio companies and to ensure that the topic is discussed at least once every quarter at the Supervisory Board/Board of Directors.

## c. ESG commitments to stakeholders and 2020 achievements



### To investors

We are committed to treating our investors fairly and being transparent with them, providing them with clear and accurate information about our investment practices and ESG issues throughout the investment process. We are committed to reporting to them about the ESG performance of our portfolio companies and to alerting them in case of any incidents.

A procedure has been formalised to describe how this is done at every stage of the investment cycle.

ESG Report published  
**annually**

**Systematic answer** to our  
investors ESG questionnaire

**100%** of the 2 companies  
acquired in 2020 were subject to  
a specific ESG due diligence

*(as well as all acquisitions carried out in  
2021 so far)*

ESG achievements discussed at least  
**every quarter** at the board of our  
portfolio companies

ESG Roadmap reviewed **annually**  
in the light of the year's achievements

**ESG officer** among the top  
management of every portfolio  
company

**78%** of portfolio company  
executives have a variable  
compensation linked to ESG  
performance

**100%** of respondents to our ESG  
questionnaire, aimed at  
quantitatively measuring year-on-

### To portfolio companies



We put our entrepreneurial spirit at the service of our company managers and are committed to support them in their development projects.

In 2020, Latour has for instance helped portfolio companies on compliance issues (Sapin II law implementation).

Over the past 12 months, Latour has also put in place procedures to ensure that ESG issues find their place in the strategy implemented within our companies. The integration of ESG performance among the criteria determining the variable remuneration of the managers we support is one example. Similarly, at the beginning of 2021, Latour has asked its portfolio companies to identify an ESG officer among their top management, in order to increase their accountability on these issues.

Furthermore, we are convinced that a balanced sharing of the value that is created within our portfolio

companies is essential, insofar as it promotes the involvement of all stakeholders, and it contributes to building relationships of trust between shareholders and management. Therefore, where possible, we support employee share ownership schemes in our portfolio companies.

**3 out of 8 companies** give access to capital to their employees  
(excluding executive committee)

On average, in these 3 companies, **24%** of employees are shareholders, and **5%** of the capital is held by these employees.





### To employees

Our employees are a key component of our project, so we offer them a fulfilling and rewarding professional environment, as well as training throughout their career.

We strive to have an open work organisation, encouraging exchange and communication between all team members. This takes the form of regular meetings at which we discuss all the companies in our portfolio, so that everyone has a sufficient level of information.

We have implemented a dynamic remuneration policy, based on an alignment between the interests of the employees and the interests of the shareholders. This policy is illustrated in particular by the extension of the Carried Interest to the entire Latour Capital team.

All employees are involved in taking ESG criteria into account in their activity. The experience and expertise of the partners, particularly in the industrial and financial sectors, gives the team a good understanding of the specific ESG issues of the portfolio companies. In order to develop the ESG skills of the team, training was provided in 2020, particularly on the Sapin II regulation (fight against corruption).

Our executive employees' "right to disconnect" was officially formalised by an amendment to their employment contract, and measures to facilitate working from home were also put in place.

Finally, concerned about gender equality in its sector, Latour has signed the France Invest Gender Equality Charter, and is thus publicly committed to measuring and promoting parity in its teams and in its portfolio.

**38%** of women within the team

**33%** within the investment team

*By 2020 year-end*

The ambition of this Charter is to reach 40% of women in the investment teams and 30% of women in the executive committees of the portfolio companies by 2030. The second objective has already been achieved by Latour Capital: the average number of women on management committees is 35% at the portfolio level.



### To society

As we wish to have a broad societal impact, we have also defined key areas for sponsorship. For example, we are a regular sponsor of the "Petits Princes", an association recognised as being of public utility, which for 30 years has been helping children and teenagers suffering from serious illnesses to fulfil one of their dreams.

**€40,000** paid  
in 2020  
*(x2 vs 2019)*



### To the environment

The direct environmental impact of our activity is limited, but we are working to reduce it. To this end, we have set up a waste sorting system and seek to limit the carbon footprint of our travel.

In addition, we have completely eliminated the use of plastic water bottles within the management company by installing a filtering water fountain. Finally, we use a "zero non-recyclable waste" coffee machine.

Aware of the challenge posed by climate change and the role of investors in the transition to a low-carbon economy, we have taken steps to join the International Climate Initiative. In the coming years, we are committed to taking climate change issues into account throughout the investment process, to progressively measuring the carbon footprint of the portfolio companies for which this issue is material, and to defining an action plan to reduce emissions and adapt to climate change, in line with the Paris Climate Agreement.



### To the ecosystem

In order to have a positive impact on our entire ecosystem, we are committed to promoting responsible investment practices in our industry.

We are committed to being transparent about our practices and to participating in market actions that promote responsible investment. We are a signatory of the France Invest Charter of Commitments for Growth, which promotes the implementation of good practices in economic, social, environmental and governance issues. We are also a signatory of France Invest's Parity Charter.



As a signatory of the PRI since 2012, we advocate for a better consideration of ESG issues within the financial industry. By signing the PRI, we commit to the following principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

**Key 2020 achievements at portfolio level**

The 2020 ESG performance of the portfolio is described in detail in Part VI, but we are particularly proud of the following achievements:

ENVIRONMENT	SOCIAL	GOVERNANCE
<p><b>Carbon footprint:</b> 100% of companies have an environmental policy and some (50%) have started to measure their carbon footprint. In addition to calculating their carbon footprint, most (63%) have already implemented actions to reduce it.</p> <p><b>Eco-design:</b> 67% of the companies offer products or services with a reduced environmental footprint or that helps to reduce their customers' footprint</p>	<p><b>Diversity:</b> The average gender equality index rose by 2 points, indicating consistent outperformance (from 87/100 to 89/100), on a scope of 5 participations</p> <p><b>Covid-19 impact:</b> In the 2020 context marked by the Covid-19 pandemic, 62% of companies did not lay off employees for this reason, favouring short-time working and temporary hiring freezes.</p> <p><b>Non-mandatory profit-sharing mechanisms:</b> 75% of companies have a non-mandatory profit-sharing mechanism in place (<i>intéressement</i>)</p>	<p><b>Diversity:</b> Increase in the share of women in governance bodies, particularly in executive committees (+7pts between 2019 and 2020)</p> <p><b>Fight against corruption:</b> Formalisation of anti-corruption policies for 100% of companies</p>

# V. Consolidated view of ESG issues and contribution to the Sustainable Development Goals



The **Sustainability Accounting Standards Board (SASB)** was used to identify and present the most material ESG issues for the portfolio

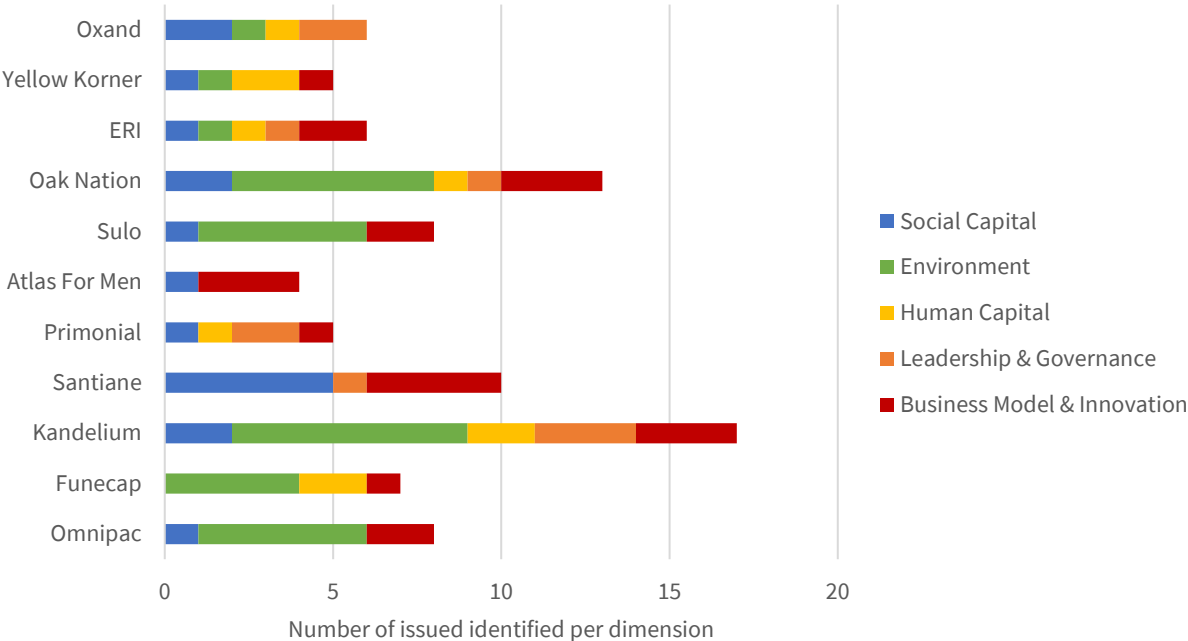
The SASB Foundation was established in 2011 as an independent, not-for-profit standards development organisation. The SASB Foundation's mission is to establish and maintain industry-specific standards that help companies communicate the most financially material and useful sustainability information to investors.

SASB standards are designed to identify a minimum set of sustainability issues that are most likely to affect the operational performance or financial position of a typical company in an industry, regardless of its country of location.

The annex contains the definition of each sector and the description of the sustainability dimensions and issues mentioned in this document.

It should be noted that this analysis is based on 77 industries, which cover a variety of activities and business models, which may be exposed to different issues. Similarly, the issues identified may vary from country to country.

## Most material issues for each company in the Latour portfolio, according to the SASB framework

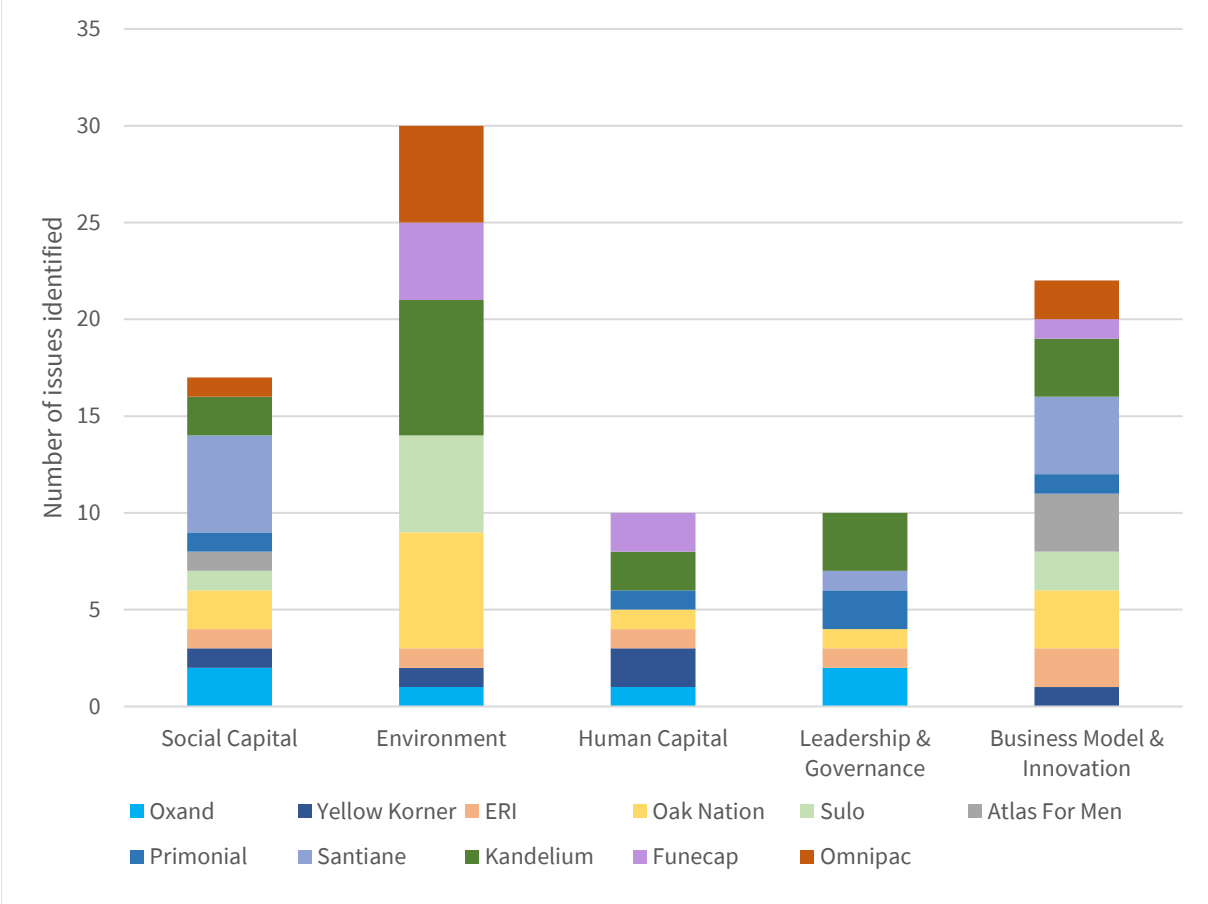


Details of the sector identified for each company and the most material sustainability issues are listed in the annexes.

The companies with the highest number of sustainability issues are Kandelium and Oak Nation, where most of the issues are environmental. Indeed, Kandelium is a player in the chemical sector and Oak Nation operates in the cooperage sector, with the environmental issues associated with the entire wood value chain.

**Main material ESG issues by dimension at portfolio level**

The issues were also consolidated at portfolio level, according to each theme. This exercise shows that the main issues in the portfolio are environmental.



Latour Capital has chosen to communicate on the **Sustainable Development Goals (SDGs)** to which each portfolio company contributes positively through its business model. The SDGs have been identified in collaboration with the stakeholders of each portfolio company<sup>(2)</sup>.

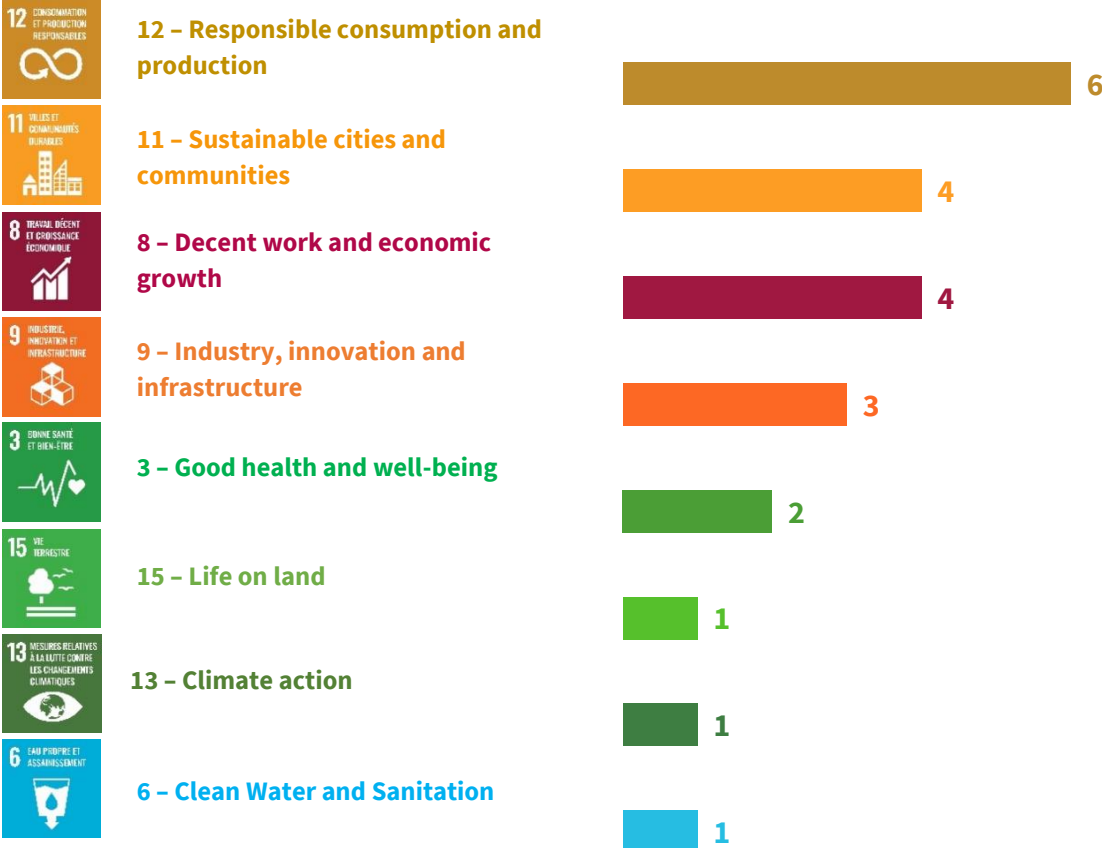


17 goals for humanity and the planet: The Sustainable Development Goals are a universal call to action to eradicate poverty, protect the planet and improve the lives of all people everywhere, while opening up opportunities for the future.

The 17 Sustainable Development Goals were adopted in 2015 by all Member States of the United Nations as part of the 2030 Agenda for Sustainable Development, which sets out a 15-year plan to achieve these goals.

<sup>2</sup> Study conducted excluding Yellow Korner

We present below a consolidated vision that allows to identify the portfolio contribution to the SDGs.



## VI. 2020 ESG Portfolio Performance

The following data refer to the year 2020 and were collected through questionnaires sent to participants, as well as through telephone interviews, which took place in May/June 2021. Where relevant, 2019 data is presented.

The scope covered corresponds to the following 8 companies: Oxand, Yellow Korner, ERI, Oak Nation, Sulo, Atlas For Men, Primonial and Santiane. Where the scope is narrower, this is specified (e.g. where information is not available).

### Environment

Portfolio companies having formalised an **environmental policy**

*8 respondent portfolio companies.*



- Carbon footprint and climate issues**

Portfolio companies that have already carried out an **assessment of the carbon footprint** of their activity

*8 respondent portfolio companies.*



The group's portfolio companies that carried out an assessment of their carbon footprint all took into account scopes 1, 2 and 3, i.e. their direct and indirect emissions.

The results presented below are not comparable due to the diversity of the activities represented and the calculation methodologies.

ERI	OAK Nation	Sulo	Primonial PREIM	Primonial LFDE
Scopes 1, 2 & 3 <sup>(3)</sup> 2020 data	Scopes 1, 2 & 3 <sup>(4)</sup> 2019 data	Scopes 1, 2 & 3 <sup>(5)</sup> 2020 data	Scopes 1 & 2	Scopes 1, 2 & 3 2020 data
44,313 tCO <sub>2</sub> eq	18,855 tCO <sub>2</sub> eq	Scopes 1 & 2 : 16,500 tCO <sub>2</sub> eq	Not communicated	1,106,418 t CO <sub>2</sub> eq
		Scope 3: estimated between 70 et 80,000 t CO <sub>2</sub> eq		

*LFDE has an investment activity, the carbon emissions take into account those of its investments, estimated via Trucost.*

#### **Scope of the carbon emissions calculations**

(3) ERI : energy consumption, refrigerants, purchases, freight, personal travel, waste, fixed assets

(4) Oak Nation (France) : energy consumption, refrigerants, purchases, packaging, freight, travel, direct waste, fixed assets

(5) Sulo : scope including all activities of the Langres plant (bin production), the Gennevilliers depot (bin management) and SULO's head office for the year 2019, with the exception of bin use.

Portfolio companies having formalised a **Greenhouse Gas (GHG) reduction policy**  
*8 respondent portfolio companies.*



The main practices mentioned to reduce the carbon footprint are the following: (i) using renewable energy (17% - 6 respondents); (ii) monitoring and/or reducing travel with polluting means of transport: either by air (40% - 5 respondents) or by car (50% - 6 respondents).

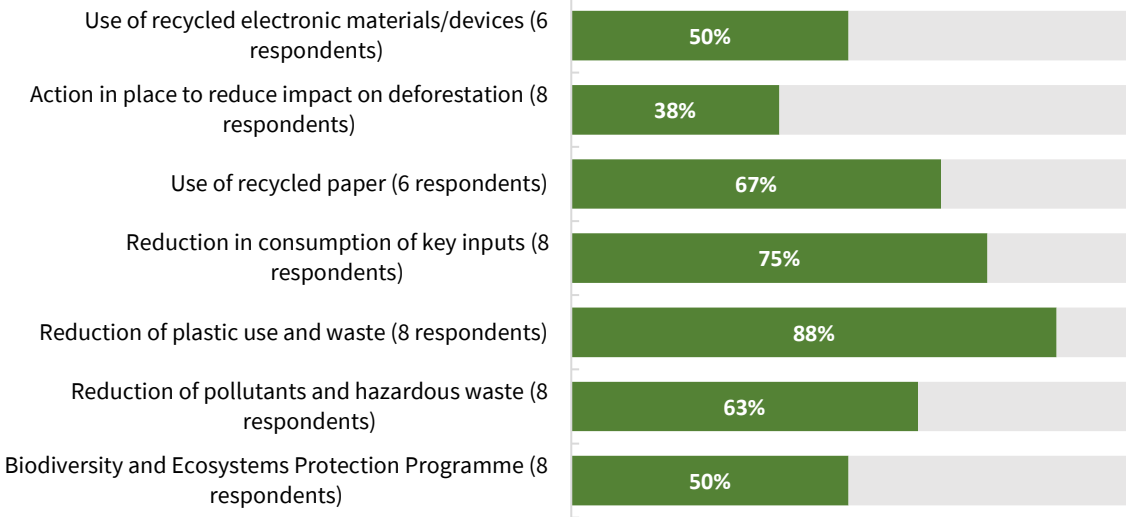
Three participants also indicated that they track their energy consumption, which allows them to monitor their progress.

Other more specific good practices have also been put in place:

- Atlas for men has outsourced 90% of its data centres to a service provider committed to green IT actions with the objective of using 100% renewable energy (currently 50%).
- Sulo has invested in an eco-design approach for its waste bins to use the right amount of material and energy. The bins are made of 100% recycled HDPE, which reduces the CO2eq emission factors per product by 10.

• **Good practices to reduce environmental externalities**

Many practices to reduce environmental externalities have been reported by portfolio companies.



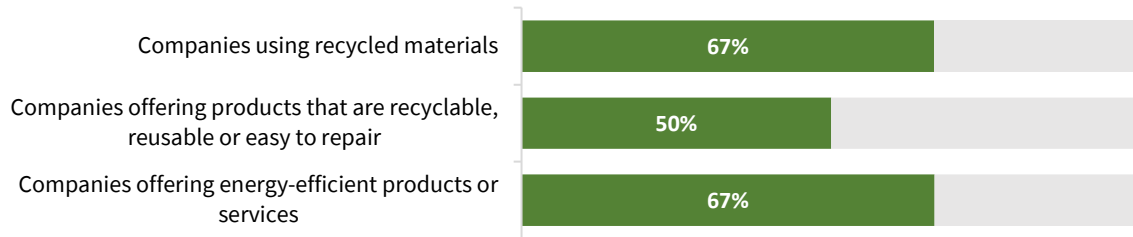
Some examples include:

- Sulo uses closed-circuit water for the presses in its factories to limit water consumption.
- 100% of the Atlas For Men group's paper purchases are FSC or PEFC certified.
- OAK Nation has formalised a tree planting policy.
- Yellow Korner is reducing its paper consumption, particularly in its packaging.



- **Products and services environmental impact**

In addition to the externalities associated with their operations, portfolio companies are actively working to reduce the environmental impact of their products and services.



6 respondent portfolio companies

These practices include:

- Sulo is increasingly using recycled HDPE, reusing wheels or lids where possible, and working to reduce the weight of bins to limit energy consumption;
- ERI reports that on some construction sites, materials are sourced from recycled sources;
- Yellow Korner has developed a new, more sustainable retail concept with lower energy consumption in the shops;
- Since 2020, Atlas For Men has joined Amfori BEPI (Business Environmental Performance Initiative), an international organisation that aims to improve the environmental performance of factories or of the supply chain in countries at risk. Atlas For Men's goal is to deploy this initiative by 2022 on selected products and factories.

## Social

- **Employment**

**The consolidated workforce** of the portfolio is **5,221 FTEs** (Full Time Equivalents) in 2020, which is stable compared to 2019.

**90%** of these employees are **permanent** (CDI contracts in France or equivalent).

**Net job creation** was **-88 FTEs** (Full Time Equivalents) in 2020<sup>(6)</sup>, a year marked by the Covid-19 health crisis, which had a greater impact on some sectors (e.g. ERI in construction or Sulo in industry).

- **Measures taken in the context of the COVID-19 health crisis**

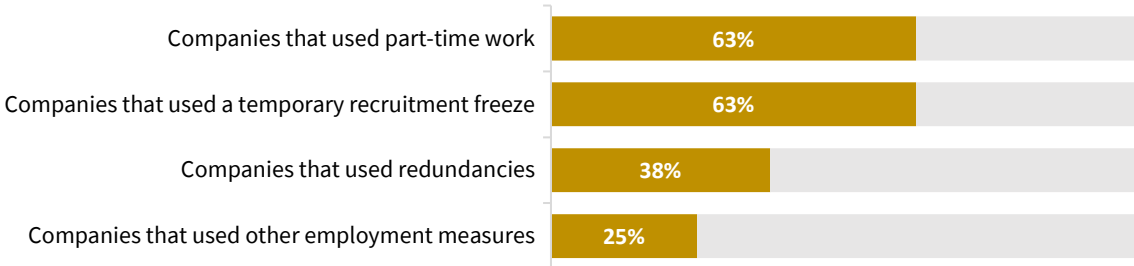
The year 2020 was marked by the global Covid-19 pandemic, which affected all portfolio companies, with a variable impact on employment depending on their activities.

6 (Scope: 6 companies out of 8) / Calculation method: Permanent hirings - Permanent departures / Oxand reported on the French scope only.

When operational activities were interrupted and sales were impacted, the measures on employment were the most significant. This was the case for ERI, which froze recruitment, put 65% of the workforce on short-time working and/or leave during the first lockdown (March-April 2020) and dismissed 3% of the workforce (layoffs and unreplaced departures). The redundancies have also affected Oxand and Sulo.

Other companies were able to continue their activity after a transition period in order to be able to put in place teleworking measures, where this was not already the case. Santiane and Primonial, for example, did not use any of the measures below.

The following measures have been implemented:



*Other employment measures: Oxand and Sulo report that they have imposed paid holidays.  
Redundancies: Oxand, Sulo, ERI.*

- **Health and safety**

Health and safety is an important issue for most of the companies in the portfolio, particularly the industrial companies (Sulo, Oak Nation), or those employing workers providing a service in the field (ERI).

Thus, all the companies monitor accident statistics (see detailed pages for each company) and implement actions to prevent the risk of accidents or situations at risk and to improve the quality of life at work.

For example, Oak Nation has made systematic safety training for all employees and specific training for each business line has also been implemented (training in working at heights for all employees in the tank factory). Sulo is in the process of deploying a safety culture involving all employees and managers. The managers have all received a safety training, which has led to better communication on accidents. Employees have also been involved in the process by defining their own safety priorities and objectives for 2021. These actions make it possible to involve the whole company in this approach.

There were no fatal accidents in the company during the year 2020.

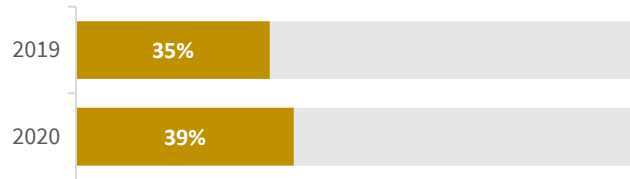
**Average absenteeism** across the portfolio increased from **5.55%** in 2019 to **6.29%** in 2020<sup>(7)</sup>. There was an increase of **+1.79pts** on a like-for-like basis<sup>(8)</sup>, which can be partly explained by the pandemic period.

<sup>7</sup> 3 respondent portfolio companies in 2019 and 4 in 2020. The absenteeism reported by Oxand is for France only.  
<sup>8</sup> Excluding Oxand and Primonial for which we do not have 2019 data.

- **Gender Equality**

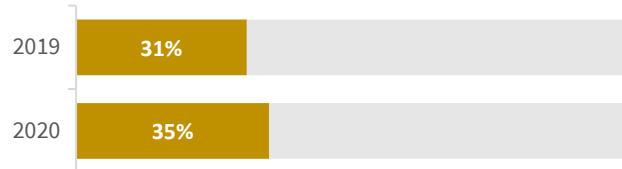
The **average share of women in the total workforce** within the portfolio companies **increased by +4pts** from 35% in 2019 to 39% in 2020.

*5 respondents portfolio companies in 2019 and 6 in 2020.*



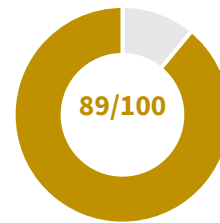
The **average share of female managers** in the portfolio companies has also **increased by +4pts**, from 31% in 2019 to 35% in 2020.

*5 respondent portfolio companies in 2019 and 7 in 2020. SULO data is as of October 2020.*



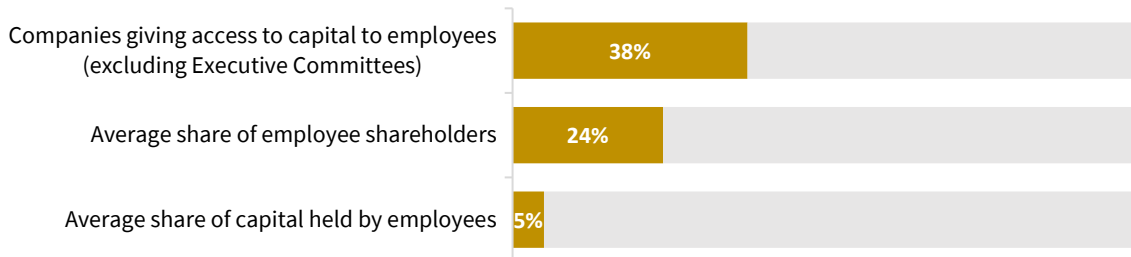
In 2020, 5 holdings reported having calculated their **gender equality index**<sup>(9)</sup> compared to 4 in 2019. The average index of the portfolio companies **increased by +2pts** between 2019 and 2020.

Average gender equality index of responding companies in 2020

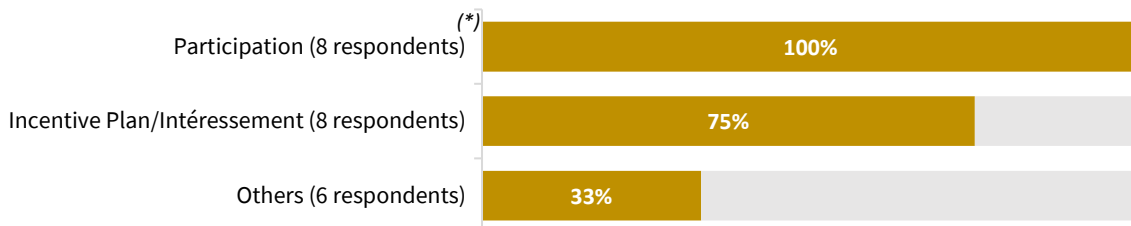


- **Profit-sharing**

3 companies in the portfolio give their employees (excluding the Executive Committee) access to the capital. On average, **5% of the capital is held by employees in these 3 companies.**



All portfolio companies have implemented at least one profit-sharing mechanism, including:

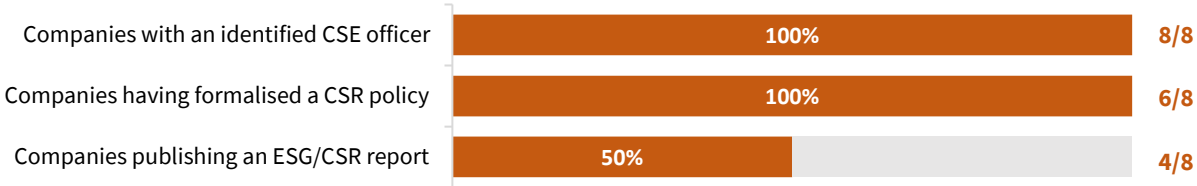


<sup>9</sup> The Gender Equality Index is designed to help companies make progress on gender pay equality. It allows companies to transparently measure gender pay gaps and highlight areas for improvement. Where pay gaps are found, corrective action must be taken. <https://index-egapro.travail.gouv.fr/>

# Governance

- CSR Governance**

**100%** of the portfolio companies had a CSR officer identified by the end of 2020, and have therefore implemented a CSR policy. Four of them publish an ESG/CSR report on at least one of the group's entities.

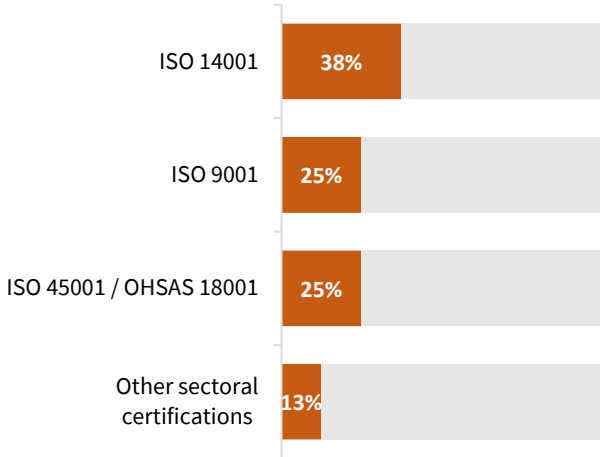


In addition, **100%** of the portfolio companies formally discuss the topic at least once every quarter at the Board of Directors / Supervisory Board.

Certification to ISO standards or similar frameworks is used by companies as a reference for certifying, among other things, quality, health and safety or environmental management systems. These certifications are increasingly required by customers.

**50%** of companies have had all or part of their activity certified. The most frequent certifications are presented here.

Other sectoral certifications mentioned: ISO 50001 (Energy) and AFAQ XP X30-901 (experimental standard for the circular economy).



*ISO 14001: Environmental management system / ISO 9001: Quality management system / ISO 45001/OHSAS18001: Health and safety management system*

- Diversity among governance bodies**

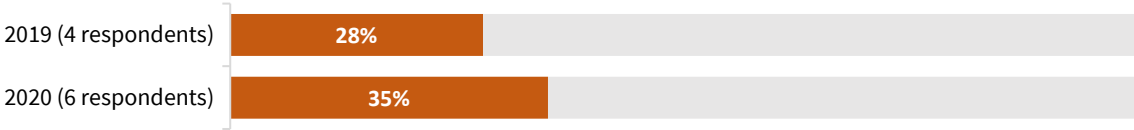
Board of directors or Supervisory boards

Although still low, the average share of women on boards has increased by **+7pts** between 2019 and 2020.



Executive committees

The average share of women on the management committee has increased by **+7pts** between 2019 and 2020.



- **Business ethics**

There were no business ethics related litigations in 2020 on any of the portfolio companies.

**100%** of the portfolio companies have a formalised **code of ethics and/or code of conduct**, as well as an **anti-corruption policy**. In addition, Latour Capital provided specific support in 2020 on issues related to the Sapin II law (fight against corruption).

- **Within the supply chain**

Portfolio companies that have defined a **responsible purchasing policy or charter**  
*8 respondent portfolio companies.*



Portfolio companies taking into account environmental, social and governance issues in the **evaluation or audits of its suppliers**  
*8 respondent portfolio companies.*



- **Cybersecurity**

The entire portfolio is aware of cybersecurity and personal or sensitive data protection issues and has associated appropriate governance processes.

Portfolio companies having formalised an **information systems security policy**  
*8 respondent portfolio companies.*



*(\*) "Participation" is a French profit-sharing mechanism that is mandatory for all companies with more than 50 employees*

Other types of mechanisms mentioned above correspond to variable compensation based on individual and economic performance for certain categories (Sulo) and a special bonus paid to employees in 2020 for their commitment during the COVID-19 health crisis and the company's good performance in this difficult context (Yellow Korner).

# Appendices

## Details of material ESG issues for each portfolio company according to the SASB benchmark



The SASB standard is organised into 5 dimensions of sustainability, covering 26 issues:

### Environment

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

### Leadership & Governance

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management



### Social Capital

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

### Human Capital

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion

### Business Model & Innovation

- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

For the production of this report, the issues have been presented by company, in table form, with one column per dimension:

	Identified SASB sectors	Social capital	Environment	Human capital	Leadership & Governance	Business model & innovation
<b>Oxand</b>	<b>Software &amp; IT Services</b>	Data Privacy & Freedom of Expression Data Security	Environmental Footprint of Hardware Infrastructure	Recruiting & Managing a Global, Diverse & Skilled Workforce	Intellectual Property Protection & Competitive Behavior Managing Systemic Risks from Technology Disruptions	
<b>Yellow Korner</b>	<b>Multiline and Specialty Retailers &amp; Distributors</b>	Data Security	Energy Management in Retail & Distribution	Labor Practices Workforce Diversity & Inclusion		Product Sourcing, Packaging & Marketing
<b>ERI</b>	<b>Engineering &amp; Construction Services</b>	Structural Integrity & Safety	Environmental Impacts of Project Development	Workforce Health & Safety	Business Ethics	Lifecycle Impacts of Buildings & Infrastructure Climate Impacts of Business Mix

<b>OAK Nation</b>	<b>Forestry Management &amp; Containers &amp; Packaging &amp; Road Transportation</b>	Rights of Indigenous Peoples Product Safety	Ecosystem Services & Impacts Greenhouse Gas Emissions Air Quality Energy Management Water Management Waste Management	Driver Working Conditions	Accident & Safety Management	Climate Change Adaptation Product Lifecycle Management Supply Chain Management
<b>SULO</b>	<b>Containers &amp; Packaging</b>	Product Safety	Greenhouse Gas Emissions Air Quality Energy Management Water Management Waste Management			Product Lifecycle Management Supply Chain Management
<b>Atlas For Men</b>	<b>Apparel, Accessories &amp; Footwear</b>	Management of Chemicals in Products				Environmental Impacts in the Supply Chain Labor Conditions in the Supply Chain Raw Materials Sourcing
<b>Primonial</b>	<b>Asset Management &amp; Custody Activities</b>	Transparent Information & Fair Advice for Customers		Employee Diversity & Inclusion	Business Ethics Systemic Risk Management	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory
<b>Santiane</b>	<b>Managed Care &amp; Insurance</b>	Customer Privacy & Technology Standards Access to Coverage Plan Performance Improved Outcomes Transparent Information & Fair Advice for Customers			Systemic Risk Management	Climate Change Impacts on Human Health Incorporation of Environmental, Social, and Governance Factors in Investment Management Policies Designed to Incentivize Responsible Behavior Environmental Risk Exposure
<b>Kandelium</b>	<b>Metals &amp; Mining &amp; Chemicals</b>	Security, Human Rights & Rights of Indigenous Peoples Community Relations	Greenhouse Gas Emissions Air Quality Energy Management	Labor Relations Workforce Health & Safety	Business Ethics & Transparency Management of the Legal & Regulatory Environment	Product Design for Use-phase Efficiency Safety & Environmental

			Water Management Waste & Hazardous Materials Management Biodiversity Impacts Hazardous Waste Management		Operational Safety, Emergency Preparedness & Response	Stewardship of Chemicals Genetically Modified Organisms
<b>Funecap</b>	<b>Waste management</b>		Greenhouse Gas Emissions Fleet Fuel Management Air Quality Management of Leachate & Hazardous Waste	Labor Practices Workforce Health & Safety		Recycling & Resource Recovery
<b>OmniPac</b>	<b>Containers &amp; Packaging</b>	Product Safety	Greenhouse Gas Emissions Air Quality Energy Management Water Management Waste Management			Product Lifecycle Management Supply Chain Management

## Compliance with Article 173 of the Energy Transition Law

Content required	Parts of the report
• ESG approach in the investment policies	III.d
• Content, frequency and means used to inform subscribers	III.d
• List of UCIs taking ESG criteria into account	II.
• Adherence to ESG charters, codes, initiatives or labels	III.
• General description of ESG risks, activities exposed to them and internal procedures to identify ESG risks	V.
• ESG criteria and reasons for choosing the main criteria relative to compliance with social, environmental and quality of governance objectives	V. – VI.
• Information used for the analysis carried out on the basis of these criteria	V. – VI.
• ESG analysis	V. – VI.
• Integration of the results of this analysis into the investment policy	III.



## Contacts

LATOIR CAPITAL - 104 Avenue des Champs Elysées 75008 Paris | Tél. (33) 1 40 62 30 00

Didier Gaudoux – Partner – [dgaudoux@latour-capital.com](mailto:dgaudoux@latour-capital.com)

Camille Defaye – CFO – [cdefaye@latour-capital.com](mailto:cdefaye@latour-capital.com)