

ESG REPORT 2019

PARQUEST
CAPITAL ●●●

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“What you are holding in your hands is our first ESG report. It is a significant step towards the implementation of our ESG strategy, underlining our willingness to formalise even more our practice of responsible investment, which has been part of our team’s DNA from the start.

It was our wish that the report would be made from testimonies and evidence-based facts to the best extent possible.”

Denis Le Chevallier

WHO WE ARE

Founded in 2002, Parquest Capital is an independent investment firm with a well-established franchise on the French mid-market segment.

Parquest Capital supports SMEs and management teams in the implementation of ambitious development projects, in France and abroad, through majority or minority equity interests in companies.

The will to develop and nurture a real, solid, and transparent partnership with the management teams of the companies we support, along with high availability and mutual trust, is at the heart of Parquest Capital's strategy.

The team is characterised by its great stability since its inception as well as a good gender-parity ratio.

Our priority investment sectors are B-to-B services, consumer goods and healthcare, with a predilection in all three sectors for networkbased activities with a strong local base.

OUR PHILOSOPHY

INVESTORS OF COURSE, BUT WITH AN ENTREPRENEURIAL SPIRIT.

To us, investing in a company is firstly sharing its project. This is why we want close, involved and reactive partnerships to enable quick decision-making. Preserving this availability is a reason we are willingly limiting the number of our investments.

THERE CAN BE NO UNDERSTANDING WITHOUT AUTONOMY AND TRANSPARENCY

We are not business managers; our role is to accompany management teams on their projects, offering support, suggestions, encouragements and development assistance while leaving them a managerial autonomy based on transparency and mutual trust.

LIKE TRUST, GROWTH NEEDS TIME

Our objective is never a short-term one. What inspires us truly is the businesses' development and the fulfilment of their potential.

OUR RESPONSIBILITY

We pay special attention to ESG criteria (Environmental, Social and corporate Governance) as part of our investment strategy, based on the long-term development of our portfolio companies. We are signatories of the "Charte d'Engagement des Investisseurs pour la Croissance de France Invest" (Investors' Charter of Commitment to Growth by France Invest) since 2008 and of the PRI (Principles for Responsible Investment) since 2015.

OUR ACTION AS RESPONSIBLE INVESTORS
(EXTRACTS FROM OUR ESG CHARTER)

TOWARDS OUR INVESTORS

- Annual ESG reportings
- Sectors in which we forbid ourselves to invest
- Our ESG commitments being written in our funds' bylaws

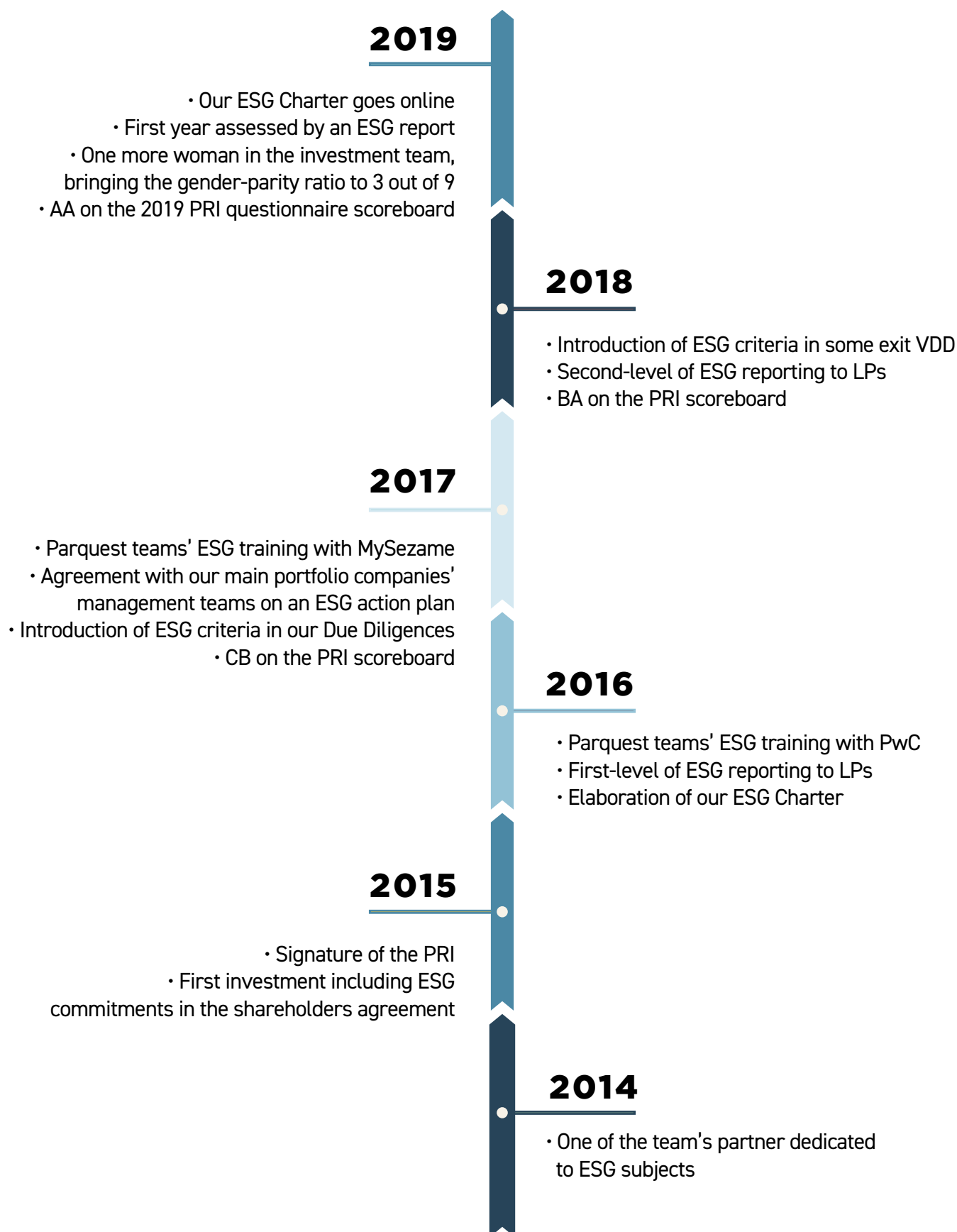
WITHIN OUR TEAMS

- A sound and transparent governance
- Sharing value creation
- An ESG committee

TOWARDS OUR PORTFOLIO COMPANIES

- ESG due diligences when necessary
- ESG commitments in our shareholders agreement
- Priority ESG objectives in agreement with management with a detailed action plan
- An annual request of ESG indicators

THE MAIN STEPS OF OUR ESG ROAD MAP



OUR ESG COMMITMENT

Pierre Decré, Partner in charge of ESG

Hi Pierre, you are one of the founding partners of Parquest Capital. Could you tell us why Parquest developed an ESG approach towards its portfolio companies?

We believe that the sustainability of our economic system, and therefore of our job as investors, goes beyond simple economic performance, through the search of purpose for businesses.

What is your approach?

We try to encourage companies we support to integrate an improvement plan for the main ESG subjects that matter to them within their strategic planning. According to the business sector, subjects vary from diminishing environmental impact to eco-design products, as well as a common themes like a broader sharing of value creation.

How do your portfolio companies react to your willingness to develop an ESG approach?

Our portfolio companies are very much like us and share our philosophy. I actually note that a lot of them did not wait for us to implement such an approach! The fact that the financial shareholder shares their ESG concern comes as a surprise to some, but it helps managers prioritise these actions and implement them within their strategic planning.

Did you establish a link between the development of an ESG approach in your portfolio companies and their performance?

We found at the very least that, during the March-April 2020 lockdown, the portfolio companies which showed versatility and great employee involvement were those with the strongest culture of staff care, thus creating opportunities for market share gains.

What are the most commonly implemented actions?

Each situation has its own specificities according to the key issues of each company but there is a commonality in the implementation of tools towards a better sharing of profit. It is, for instance, profit-sharing and incentive plans going beyond the minimum legal requirements, capital investment from the largest possible part of executives, and, in some cases, the retrocession of part of the capital gains to the company's staff by the shareholders upon exit.

What are the main challenges you face?

Convincing our portfolio companies that the implementation of an ESG strategy benefits the long-term value of the project, that it is not just an additional layer of reporting (reporting being crucial to benchmark its practices and measure its progress).



What is, according to you, the future of these ESG actions?

The multiplication of business cases establishing a link between ESG approach and value creation will answer the skeptics. They will be self-evident in a few years!

What would it take to speed up their implementation?

We probably need more feedback and sharing of good practices. ●

Initiatives within the management company

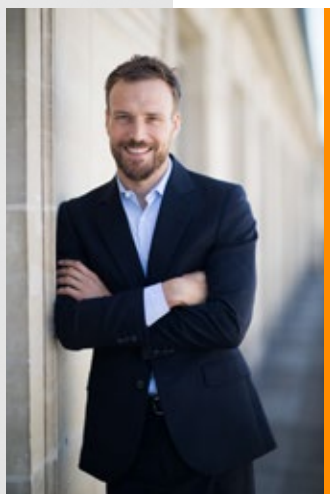
OUR CHOICE OF A BALANCED GENDER DIVERSITY

Testimony by Denis Le Chevallier

"It has been our longstanding conviction that gender parity has a positive impact on companies, and we did not wait for France Invest's charter on parity to go down this road. We are proud of counting 50% of women in the team as a whole, and 30% in the investment team, including one of our partners. We notice this balance's beneficial effect everyday."

TRAINING OUR PARTNERS

We offer training in partnership with l'École de Guerre (i.e. a military school attached to the French Ministry of Defence) to our partners. This training's objective, with an innovative program grouping people from both civil and military backgrounds, is to prepare the leaders of tomorrow to act in a globalised VUCA world (Volatility Uncertainty Complexity Ambiguity). The educational approach mixes content input from speakers and experiential workshops.



Testimony by Vincent Warlop

"This course has been a great opportunity to take a moment away from a world in perpetual motion, one night a month, and go, through contact with others, on a journey of self-discovery. Thanks to these eye-opening speakers, the program encourages an open and attentive attitude which we can then apply to our

everyday life, offering different perspectives on our direct environment."

DEVELOPING OUR TEAMS' SKILL SET

In order to facilitate integration within the team, we have put in place an "integration kit" for all our new entrants and interns.

Testimony by Marion Mazzariol, associate since January 2019

"My integration within the team was seamless! Everything was put in place for me to feel at ease in my new role (welcome meeting, lunch with each member of the team to



discuss my expectations and needs, integration kit presenting Parquest's good practices and the other tools at my disposal). I also worked as a pair during the first few weeks to fully appreciate

the ins and outs of the job and better understand Parquest's internal practices."

A COACHING PROGRAM FOR OUR COLLABORATORS' DEVELOPMENT AND GROWTH



Testimony by Pierre Decré

"We offer the possibility of individual coaching to all willing members of our investment team. We wish them to benefit from this great opportunity to grow in terms of self-knowledge, self-confidence, interactions with others and leadership skills. This investment in the team has had a very beneficial effect on the coached members' personal development but also on the operation of the team as a whole".

view are often diverse, and by the end the decisional osmosis does not prevent partners taking their responsibilities and deciding if necessary on the final strategy to adopt".

A VERY BROAD SHARING OF VALUE

Each member of the team, whatever his role or seniority, has access to carried interest.

A COLLECTIVE INVESTMENT COMMITTEE

Committees take place with the whole investment team. Everyone has the right and the opportunity to speak and voice his opinion.



GOVERNANCE BODIES

We have put in place an Advisory Board on which four independent professionals sit. We submit all our operations for advice and sit down with them for a quarterly review of our portfolio.



Testimony by Damien Bachelot, member of the Advisory Board

"I have been really impressed by the actual dialogue taking place since the start of my working relationship with the team at Parquest, even more so since joining the Advisory Board. Each member is involved and listened to, regardless of his seniority or hierarchical position. Debates are rich, points of

Our support to BGE PaRIF



Testimony by Vincent Warlop

Hi Vincent, you are one of the partners at Parquest Capital. You have been involved through Parquest Capital with the charity organisation BGE PaRIF since April 2018. Can you tell us a few words about this charity?

BGE PaRIF is the leading business development network in France. They support individual entrepreneurial initiatives – job seekers, employees, young people, students, pensioners, etc. – through advising and training, from the very first idea to its implementation and development as a business. In over 30 years, BGE PaRIF has contributed to the creation of more than 300,000 businesses.

What does your commitment entail and why did you choose BGE PaRIF?

It was our wish here at Parquest Capital to find the opportunity to contribute as a team to the common good while capitalising on our know-how as professional investors. Thanks to Laurence Grandcolas of MySesame, we got to know BGE PaRIF with which we committed to a pro bono sponsorship to help their often isolated entrepreneurs with little access to the capital world.

We organise our contribution through a few morning meetings each year, during which we offer a “dress rehearsal” for investment pitches. Indeed, a lot of entrepreneurs know nothing of the financial world, its codes or expectations.

Our objective is to give them a tangible experience of such a crucial drill in the success of their project. We offer them live investor feedback on their project and their presentation, in a constructive and benevolent way of course.

What are, according to you, the benefits of such a commitment for you and for Parquest Capital?

The benefits are very important to us on several levels. First of all, it keeps us fresh and up-to-date by meeting entrepreneurs at the heart of the development phase. They are always full of a highly communicative energy and enthusiasm, which brings us back to the origins of our mission as investors. Here at Parquest Capital, we consider investment to be a human adventure through sharing and exchanging experiences. This sponsorship is one way of putting into practice this strong belief.

Furthermore, it allows the younger members of our team to exchange directly with entrepreneurs, thus giving them the opportunity to gain experience in a crucial dimension of our work, which is the ability to connect and build a strong working relationship with entrepreneurs. It is a great motivational and educational tool for our team. ●



Testimony by Sylvie-Marie Brunet, Manager of the Innovative Enterprises Division at BGE PaRIF

I have always been impressed by the transformation of our entrepreneurs following their exercise pitch with Parquest Capital. There clearly is a “before” and

an “after” the meeting, despite it being only a two-hour face-to-face exchange.

Our creation advisors are experts in business development and planning but have less legitimacy than the experts at Parquest Capital, who are professional investors (to each their own trade). Parquest Capital’s commitment can shake things up in terms of equal opportunities to help democratise entrepreneurship. Most of our beneficiaries could never afford such expertise at this stage of their project.

Parquest Capital’s input is considerable for us as advisors. It helps us offer our entrepreneurs expert coaching and training in order to learn how to pitch and defend their project in front of bankers or investors. This training is vital and providential for our entrepreneurs, who are often isolated, without the financial know-how and culture. They can thus better prepare themselves in a learning-by-doing, low-pressure environment.

Our entrepreneurs feel proud after the “test”. They feel considered, supported. The exercise builds confidence and contributes to them feeling stronger and sometimes more realistic. This financial expertise, which complements our jobs as advisers, coupled with Parquest Capital’s benevolent and careful approach are key assets for our charity BGE PaRIF. I would like to thank everyone at Parquest Capital for the miracle they accomplish through sheer presence and availability at our side.

More than ever, especially in a time of crisis, we need meetings like these to accompany our entrepreneurs, who hold

solutions for a better world tomorrow. We have lots to learn from Parquest Capital. These meetings are always highly anticipated, they also attract our advisors, who would like to take part in them. I hope they are as richly instructive to the Parquest team as they are to our entrepreneurs.

ABOUT BGE PARIF

Since 1979, BGE PaRIF works towards making entrepreneurship a reality open to all. The charity supports individual entrepreneurial initiatives – job seekers, employees, young people, students, pensioners, etc. – by accompanying them through advising and training, from the very first idea to its implementation and development as a business. BGE PaRIF celebrated 40 years of existence in 2019. ●





ESG INDICATORS 2019

PARQUEST PORTFOLIO

ESG indicators are subject to an annual reporting on more than forty indicators issued by our portfolio companies. We use it to pursue the ESG dynamic with each one of them.

We wished to extract indicators showing the very positive evolution of our portfolio companies' ESG approach.

ENVIRONMENT

Regarding environment, we encourage our portfolio companies to measure their carbon footprints and draw up a plan to reduce greenhouse gas emissions. Furthermore, it is very important to us that companies take into account ESG issues for every stakeholder in their ecosystem.

27 %

of our companies measured their carbon footprint in 2019 (8% in 2017)

36 %

of companies offer eco-friendly products or services

36 %

of our companies have a practical action plan aiming at reducing greenhouse gas emissions (17% in 2017)

36 %

of companies take into account ESG issues when evaluating or auditing their suppliers (25% in 2017)

SOCIAL

We believe the development of our portfolio companies and the ensuing value creation is correlated, among other things, to the increase in training programs, to the place of women in organisations, and to a better distribution of profit. For these reasons, we pay special attention to the following indicators:

In 2019, we are proud to have noted a net job creation of 304.

68 %

of employees benefited from a training program in 2019

The gender ratio is stable overall at

45 %

55 %

of companies have put in place a profit-sharing mechanism exceeding minimum legal requirements

GOVERNANCE

As well as in our own teams, we are very committed towards the place of women on the managing boards of our companies. We strongly encourage our portfolio companies to give women an increasingly important role. Furthermore, we believe it is very important for companies to define their commitment regarding ESG in order to follow their implementation in a more tangible way.

45 %

of companies defined ESG commitments in 2019 (17% in 2017)

45 %

of companies have at least one woman on their Board of Directors (33% in 2017)

82 %

of companies have at least one woman on the Executive Board (67% in 2017)

CASE STUDY



A WORD FROM THE PRESIDENT, CATHERINE MIFFRE

By committing itself to an ESG approach, 5 Santé Group wished to bring together every individually-led actions in each of our facilities in an institutionally-backed action. This commitment took form during the “Rencontres 5 Santé ” in June 2019 during which each clinic presented the background work directed by their teams. On this occasion, a photography contest we organised showed our clinics originality and creativity in presenting their diverse and committed actions.

We all became aware that Sustainable Development within a business goes way beyond

the environmental issue, by also questioning the durability of our activity in the social and societal sphere.

We wish our ESG commitment to be:

Integrated: it is a guarantee of quality and fully integrates itself in the quality approach of each of our clinics;

Rallying: its success lies in rallying everyone, from top management to teams and all employees;

Federative: by bringing teams together around concerted actions

2019 brought to light actions usually flying under the radar, which led us to publish the Group's first ESG report

5 Santé Group unites six health facilities mainly dedicated to aftercare and rehabilitation : four Cliniques du Souffle® (ie. Breath Clinics), the Clinique Val Pyrène® and the Gustav Zander Clinic. Located in the Pyrénées-Orientales, Hérault, Cantal, Ain and Savoie regions, these clinics total close to six hundred beds, and welcome 7,600 patients a year. The 5 Santé Group employs 575 people and generated 45M€ in revenue in 2019.

ESG : A STRONG COMMITMENT FOR 5 SANTÉ GROUP

As a business, being conscious of our spot in our ecosystem, as well as our impacts on stakeholders, is fundamental. It is a key ESG issue. The close collaboration with each one of our stakeholders enables us in one way or another to offer quality care to the patient.

ESG and rehabilitation are two ambitions serving a global approach for a more sustainable and performant activity.

The key issue of our ESG commitment focuses on two vital areas:

- **considering all of our internal and external stakeholders;**
- **considering our impacts, whether they are positive or negative.**

The main objective is to practice our core profession while having the least negative impact possible and maintaining economic performance which enables us to grow and develop.

EXAMPLES OF 5 SANTÉ GROUP'S ESG INITIATIVES – SOCIETAL PILLAR

While our clinics' mission is to welcome patients coming from all over France for rehabilitation paths and long-term stays, we decided to engage actions towards a better access to care at a local level, in four concrete ways:

By developing day-time admission which allows the patient to benefit from complete care while keeping a close link with his home.

By opening internal expertise outwards which allowed local population to benefit from 706 consultations led by our employed doctors in 2019.

By opening our technical platforms to liberal professionals, which has generated more than twenty cooperations with medical and paramedical professionals, thus supporting local, specialised, in-town care services.

By developing active partnerships with local charities, to offer daily support to the patient during after-care, enabling him to maintain good habits acquired during his stay.

For example, the charity "APPRESCERDAGNE" with which the Clinique du Souffle La Solane has been collaborating for a number of years has come to existence after the active mobilisation of the clinic and its patients to offer the latter support to sustain physical activity after their stay.

EXAMPLES OF 5 SANTÉ GROUP'S ESG INITIATIVES – HUMAN PILLAR

We are committed to the well-being of our employees, which

particularly involves the improvement of working conditions and the increase in training programs.

The quality of life at work relies on a better balance between private and professional life. Maintaining personal balance while keeping intact the interest and motivation of our employees at work is a major focus of our approach. 5 Santé Group implements a set of dispositions to ensure this balance is maintained. For instance, requests for voluntary part-time working hours are consistently examined and 100% of them were accepted in 2019.

The reinforcement of know-hows and expertise is through investment in **training** and the capitalisation of internal skills.

In 2019

- **379 employees undertook a training program, which represents 66% of our total workforce**
- **7 899 hours of training were completed, totaling a budget of 377 000 €**

EXAMPLES OF 5 SANTÉ GROUP'S ESG INITIATIVES – ENVIRONMENTAL PILLAR

Real estate as a lever for global performance. The point of view of Christophe SOBRA, Real estate development manager at 5 Santé Group

"2019 has been a year of structuring in which the environmental component has played an important role for our ESG approach. Indeed, the design and management of a building has a direct impact on its environmental footprint, but also on the quality of life in the workplace for the entire workforce. Along with Energie 3 Prowatt, our priority this year has been the integration of "energy management".

Our objectives were:

- to consolidate and make our Group data more reliable for a better readability, objectivity and sharing of indicators;
- to make our buildings smart by integrating a technical building management for a better facility securisation, as well as strengthening the feeling of safety, promoting preventive technical actions and maintaining optimal conditions for collaborators and patients. "

In 2019, 32% of our electrical consumption came from renewable sources.

| CASE STUDY



INTERVIEW OF ERIC LACOMBE, CEO OF ACCÈS INDUSTRIE

Hi Eric, you are the CEO of AI. In the last few years, you have stepped up the implementation of an ESG approach. What are the reasons behind such a move?

ESG approaches have always been part of Accès Industrie's DNA. Our teams are deeply preoccupied by them and it does reflect in our values. The acceleration of these last few years serves a number of needs: those imposed by the increasingly demanding regulations, those of our share - and stakeholders, but also those of our employees, for whom these approaches are essential to the group's development.

What are the tangible benefits you get from them, both internally and externally? Are they easily measurable? And did you put a specific reporting in place for them?

Without a doubt, the first benefit is the federative impact they have had on our teams. These approaches allow teams to align themselves on shared values and create a

real dynamic. These approaches also enable us to differentiate ourselves from our competitors. We were the first to introduce hybrid lifting platforms in our fleet. These measures enable us to have a positive impact on our environment. Every action, as small as it might be, counts.

How did your teams welcome such an approach? What were their expectations on these subjects?

We took the decision to hire someone 100% dedicated to the implementation of the ESG action plan. His work is unanimously acknowledged. The teams are motivated, they take initiatives. It is a positive constraint with very positive impacts.

Which stakeholders in your ecosystem are most receptive to this approach, and do you have the feeling the theme of ESG is taken more and more seriously in your relationships with your partners?

In a way, we have no choice. Regulations are forcing us to make important breakthroughs. However, the development of clean hybrid-type or electric machines has fallen way behind schedule. Just to give an example, there is only one brand in the wor-

ld selling an electric-powered telescopic forklift. This is not normal, we need to speed up the development of clean machinery. Choices are complex and are dependent on a lot of regulations which aren't always clear.

What are the next important steps?

We opened several projects:

- The recycling of every material
- Investments in clean vehicles
- And, as always, improving our employees' quality of life.

EXAMPLES OF GROUPE ACCÈS INDUSTRIE'S ESG INITIATIVES

1 - Acquisition of material that may replace existing ones in a more ecological way

A step in the right direction was the acquisition of hybrid lifting platforms, initiated in 2018 and largely continued in 2019, Accès Industrie becoming the industrial lessor with the most hybrid lifting platforms in France! An avant-garde decision which translates the will to position ourselves as an eco-responsible actor by offering our clients an alternative which is respectful of the environment. This type of material is fully adapted to urban work while also respecting the different norms and constraints specific to these construction sites: reduction of noise disturbance and particles emissions, possibility to use the material all along the on-site project, versatility, adaptability and ... fuel economy. By focusing on the development of specific products: hybrid but also dual-energy lifting platforms (spider cranes, mini-cranes) or new-generation electric machines, Accès Industrie is adapting to our clients' emerging needs and uses. The products must be performant (outdoor use of electric machines, adaptation to urban restrictions, etc.) all the while having the least possible constraints.

2 - Adapting the logistics department through the evolution of machinery

The regular renewal of trucks brings Accès Industrie to sixty trailers meeting the latest antipollution Euro 6 norms. A further step will be carried out with the acquisition of CNG trucks (Compressed Natural Gaz) and hybrid and electric vehicles for our sales teams.

Simultaneously, several training programs in eco-driving are regularly dispensed to truck drivers working in our network's agencies. These programs enable them to have better knowledge of economic and ecologic driving, to evaluate and to adapt their own road behaviour in order to limit fuel consumption and risks of accidents. We have noted a near 10 percent-reduction of fuel consumption following these workshops.

3 - Improving the quality of life in the workplace, an action enabling employee fulfilment

Accès Industrie wants to build a work climate favourable to everyone's well-being all along their career in the company by practising a participative management which allows some room for autonomy and initiative, all the while preserving a balance between personal and professional life.

A few examples of the implementation of this approach:

- Accès Industrie favours internal promotion before each external recruitment;
- After each change of position or recruitment, an integration program adapted to each position is tailor-made and offers support to each collaborator during a few weeks before actually taking office;
- A training program is offered each year to every employee. It allows us to ensure everyone's fulfilment by adapting the skill set to the position. Annual interviews are also conducted: they allow a space for dialogue between collaborators and managers that is different than day-to-day affairs.

ACCÈS INDUSTRIE'S KEY FIGURES IN 2019

- 91 M€ in revenue
- 448 employees
- 35 agencies in France
- 6 832 machines : a diversified fleet of lifting platforms and forklifts



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