

# ESG REPORT 2020

PARQUEST  
CAPITAL ●●●●



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« 2020 has of course been marked by the Covid-19 pandemic. It has put our organisation and our portfolio companies under severe strain but has also been formidably revealing of corporate cultures, underlining the key input of HR policies and the importance of an adaptable, engaging and resilient governance.

Beyond the traditional content of an annual ESG report, it was our wish to bring forward a few testimonies on the subject.”

**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 and of the France Invest charter on gender-parity in 2020.

### 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

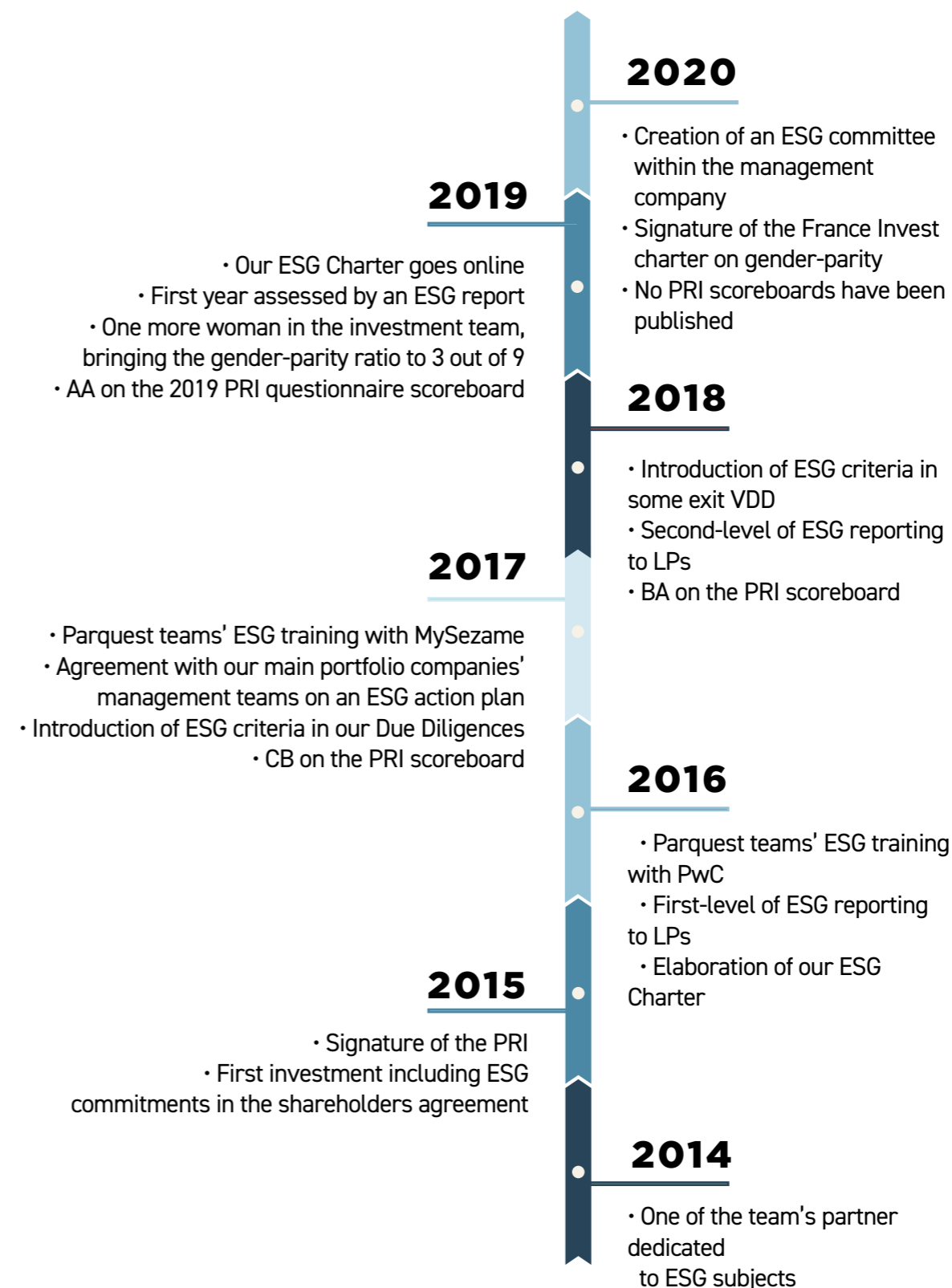
#### WITHIN OUR TEAMS

- 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

## Interview of Pierre Decré, Partner in charge of ESG

**Hello Pierre, you are one of the founding partners of Parquest Capital. Could you tell us how you and your teams worked through the Covid crisis?**

The start of lockdown was a moment of strong involvement from the team, who started working remotely overnight in new and sometimes complex conditions – two of our members, for instance, contracted Covid 19 within the first few days of lockdown.

We kept daily contact as a team through videoconference and also set up a WhatsApp group which enabled a lot of interaction and mutual support. And we managed the arrival of our new recruit Juliette, who was welcomed remotely into our team!

This period has of course hastened the shift to more digital ways of working. In that respect, we have been able to carry out one of the first 100% dematerialised closing with our investment in JVS on April 9. The period also provided the opportunity to intensify the relationships with our investors remotely through our first digital Annual General Meeting (and regular videoconference follow ups).

**And what about your portfolio companies?**

Of course, we rallied around our portfolio companies to offer them the moral support they needed, to provide them with consulting teams to build cash-flow plan forecasts, to also share with them governmental mea-

asures to put in place and good practices developed by each and every one of our companies. For example, several of our portfolio companies benefited from a supply source of face masks that one of them had found.

We had not invested in the hardest-hit sectors (retail, restaurants, hospitality, tourism, aeronautics...), meaning the large part of our portfolio companies went through the crisis unscathed. Three of them however, service providers in construction and industry, saw a large part of their clients' activities stop overnight. They managed to adapt quickly though to stay up and running while their clients organised themselves and started operating again.

**Have you established a link between the strengthening of ESG actions and the resilience of your portfolio companies' activities?**

I find that this exceptional period has been very revealing of their corporate cultures, of the quality of their governance, and the care they show to their teams. The best among them benefited from an incredible engagement and show of solidarity from teams to continue operating, with a strong contribution to find operational solutions and keep the business running in secure sanitary conditions.

Moreover, it has created good market opportunities. I would like to mention the case of Accès Industrie, which specialises in the



rental of lifting platforms. They continued operating despite 80% of construction projects shutting down for a few weeks, all the while their competitors themselves stopped running. Thus, they won market shares when construction sites reopened as a lot of clients turned their way.

**What initiatives did you take to make these ESG approaches sustainable in the long run?**

This period has put forth even more the need to find meaning at work, to build cohesive human organisations and the necessity for businesses to develop ambitious ESG strategies that go beyond risk management. We have decided to strengthen our ESG organisation by creating an ESG committee within Parquest, which will allow us to better accompany our portfolio companies in this direction. ●



## Establishment of an ESG committee

The ESG Committee meets at least once a semester to discuss the agenda and the terms of dissemination of information to investors and third parties, as well as the topical ESG issues of the management company and portfolio companies. In practice, the Committee can meet more regularly in order to follow the ongoing ESG action plans.

The Committee has four members, each representing different functions at Parquest Capital (executive management, investment teams, finance department):

- Pierre Decré, Partner in charge of ESG
- Sonia Karimjee, Financial controller,
- Camille Coutelet, Investment Director,
- Adrien David, Associate.

This composition allows us to:

- Group together different profiles with complimentary sensitivities,
- Engage the whole Parquest team, from top management to investment teams and middle/back office,
- Operate our ESG approach in a business and regulatory framework.

### An interview with Sonia Karimjee and Adrien David

#### Sonia, why did you join the ESG Committee?

Since my arrival at Parquest, I answer – in coordination with Pierre – our investors' ESG questionnaires and other surveys on our ESG policy and practices. I also ensure we respect the commitments written out in our by-laws. Finally, I also raise awareness within the investment team about shifting ESG expectations, both from investors and the regulatory body.

Joining the ESG Committee has allowed me to structure the regulatory aspect and being better able to answer the investors' expectations.

#### What about you Adrien?

In the past few years, private equity as an industry has understood the importance of these ESG issues to ensure its own sustainability and that of its ecosystem. This rising awareness will continue to increase with a more restrictive European regulatory framework coming into effect. Several major ESG themes are an integral part of our team's DNA – the sharing of value for instance – and are applied quite naturally.

By setting up this committee, we want to lay the groundwork for a more ambitious and structured ESG approach, in line with the values promoted by Parquest for the past 20 years. I naturally wanted to join the task force to bring a certain generational sensitivity.

#### What is the committee's role?

**Sonia:** The committee will bring forward a medium and long-term vision for Parquest's ESG approach. It also enables us to project our ESG vision within a constantly evolving regulatory framework, both on a national and European level, while being constantly in line with our ecosystem's expectations in terms of ESG (peers, regulatory bodies).

**Adrien:** This committee enables the proper implementation of our ESG policy within the management company and during the investment process. It also allows for the tracking and analysis of ESG KPIs from our portfolio companies. Finally, this committee will provide transparent communication both internally and externally (towards

investors, France Invest, PRI, regulatory bodies) while introducing new practices and projects and sharing good practices.

#### What are you working on right now?

**Sonia:** We have several on-going projects. We will reinforce and restructure our ESG approach, update our ESG charter and equip the company with a digital solution to collect our portfolio companies' data and KPIs.

**Adrien:** We have also planned, for instance, to carry out a carbon footprint assessment of the management company and will be establishing a new ESG road map to set up new procedures regarding European Sustainable Finance Disclosure (Article 8) ●

## A long-lasting support to BGE PaRIF's initiatives

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. Parquest is 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.

Here are the testimonies and feedback of three beneficiaries of our initiative ●

**Jérôme B. and his business partner Etienne Monka : a platform for caregivers (for the sick and elderly). Fundraising of 200k€ and a grant application with Innov'up.**  
Meeting with Vincent

“The drill was very useful to take a step back from my investor pitch and submit it to the eye of a professional. It has allowed me to better understand the levers and points of attention at work with professional investors. These differ from the ones I consider as a project leader and entrepreneur. It thus enables me to understand the codes and adapt my approach to this kind of interlocutor.”

**Yacine E. YFI Partners.**  
**FOODriv project : food delivery mobile application working in partnership with innovative restaurateurs.**  
Meeting with Adrien

“The drill will help us improve our pitch deck. It put us in real-life conditions to prepare for the day we'll have to call on investors. The discussions were very constructive.

We have also learned to be clearer on our product, given it is a new concept, while explaining our financing requirements.”

**Denis F. and his business partner Alex F.**  
**WYZENGROUP : Next-gen design office. Digital product Project'in: construction site supervision software.**  
Meeting with Denis

“The presentation to Parquest Capital was not only very useful, but also very gratifying. It enabled us to identify our weaknesses in terms of communication around the project. The program's strong point lies in the benevolence and consideration of Parquest Capital's speaker. He put aside a purely technical outlook on our project to focus on the development side of things, which will enable us to bring value. Even though he presented himself as a “non-expert” in our field, Parquest's correspondent proved to be a very insightful analyst who pointed out shortcomings we did not see (or did not want to see...)”

The analytical approach developed by Parquest's correspondent allowed us to better understand the mechanisms at work with a VC or an investor in the context of an LBO. Thus, the presentation's orientations are perceived better and can be expressed in a clearer way. We understood the need to insist strongly on our analysis and perception that lead us to create the project, as well as making use of the Project'IN video as a teaser.

It is clear now that our presentation was too “technical” and didn't make space for concrete examples that could illustrate the needs of potential clients. We also have to explain in a better way the issues and needs that justify fundraising rounds for the project's development. In short, we need it to be more concise, clearer, and illustrated with concrete examples...”



Sonia Karimjee



Adrien David

## Other initiatives

**The choice of gender-parity (50% of women)** since the management company's inception, leading to the recent signing of the France Invest charter on parity.

**Training courses for our partners:** Our partners have access to a training course in partnership with l'École de Guerre (ie. a military school attached to the French Ministry of Defence). The course's objective is to prepare the leaders of tomorrow to act in a VUCA world (Volatility Uncertainty Complexity Ambiguity). It is shaped as an original one-year program mixing the civil and the military world.

**Skills development for our team:** an "integration kit" is available to new recruits and interns to facilitate their integration in our teams.

**A coaching program** for our collaborators' personal development and growth.

**A governance body** with 4 independent professionals as members.

**An extensive distribution of value** to each member of the team, regardless of their role or seniority.

**A collective investment comity** held with the entire team, with the possibility for everyone to speak up and raise their opinion.

**Juliette Pigné's integration at a glance (joined on April 1st 2020)**



**How did your arrival at Parquest in the middle of Covid lockdown go ?**

In a period of uncertainty linked to Covid, my arrival at Parquest on April 1st was exceptional in more ways than one! Everything

was put in place for my remote onboarding to happen in the best possible conditions, starting with the delivery of computing equipment to my door. Even remotely, the team was particularly caring and mindful of my integration, through several meetings on Teams (digital welcome drink, regular videoconferences – nearly every day at the start of the pandemic) and my first steps in the company: working in pair with Adrien, who helped me quickly find my feet and develop core skills, Laurence's and Vincent's mentoring, who trusted me from day one on a key project for Parquest...

**A what about the return to normal life?**

Well, I am the only Parquest employee to have had a second "first day" when we all came back to the office! I felt particularly at ease and welcomed: welcome lunch with every member of the team to discuss my expectations and needs, sharing an office

with an Associate to improve quickly, integration kit presenting Parquest's good practices and the tools at my disposal...

**One key characteristic of the Parquest team?**

Everyone's benevolence and the "family" feel of the team! It is a real opportunity in complicated times like the ones we just went through, and a key characteristic to perform our work as investors peacefully and with intelligence in the long run.

**An ESG initiative at Parquest that you remember during this first year?**

Our sponsorship with entrepreneurs from BGE-PaRIF. It is an incredibly useful exercise, both for entrepreneurs, advised by professional and experienced investors', and for the investors themselves, especially new recruits like myself who can continue to open themselves to the world, discovering new ideas and new markets. ●



# ESG INDICATORS 2020

## PARQUEST PORTFOLIO

ESG indicators are subject to an annual reporting to our portfolio companies, and we use them to follow the ESG dynamic of each company.

It was our wish to draw indicators from this reporting showing the very positive evolution of our portfolio companies' ESG approach.

## ENVIRONMENT

We believe it is very important that our companies take ESG issues in consideration for each of their ecosystem's stakeholders. Thus, we encourage them to measure their carbon footprint and establish a plan to reduce their GHG emissions.

**45 %**

of companies have implemented an environmental action compared to 17% in 2017 and 45% in 2019

**45 %**

of companies take in consideration ESG issues in the evaluation or audit of their suppliers compared to 25% in 2017 and 36% in 2019

**45 %**

of companies have a notable action plan aiming to reduce GHG emissions compared to 17% in 2017 and 36% in 2019

**45 %**

of companies offer eco-friendly services or products compared to 36% in 2019

## SOCIAL

We believe the development of our portfolio companies and the resultant creation of value are correlated in part with the increase in training opportunities, the place of women in organisations and a better distribution of profits. It is for this reason that we keep a close eye on the following indicators.

In 2020, we noted 336 net jobs created, an 11% increase compared to 2019.

**44 %**

of employees benefited from a training course in 2020

## GOVERNANCE

We believe it is very important that companies define ESG commitments, in order to be able to follow their implementation in a concrete way.

Just as it is the case for our own teams, we attach great importance to the place of women in the governing bodies. We strongly encourage our portfolio companies to include them even more.

**55 %**

of companies have defined ESG commitments compared to 17% in 2017 and 45% in 2019

The gender ratio is stable, around

**50 %**

**100 %**

of companies have at least one woman sitting on their executive committee compared to 67% in 2017

**64 %**

of companies have put in place a distribution of profits going beyond legal obligations.

**91 %**

of companies have at least one independent member sitting on their supervisory board compared to 75% in 2017

# CASE STUDY



## INTERVIEW WITH PATRICK ZMIROU, CEO OF FAUCHÉ

**Hello Patrick, you are the CEO of Fauché. Could you describe your activity in a few words?**

For over 55 years, Fauché has designed, conducted, optimised and ensured the maintenance of automated and electric installations for public companies and authorities.

**For what reasons have you committed your group to an ESG approach?**

Our DNA as a human-size company, our model of short decision-making channels, our core human values and our strong local roots with clients and collaborators require us to act in full Corporate Social Responsibility (CSR). As an eco-responsible actor mindful of societal issues, the Fauché Group is committed to a long-term vision.

**How do you implement your CSR action?**

The Group as a whole, along with all of our stakeholders, has to have positive CSR behaviour and actions on a day-to-day basis, in line with our values and DNA. We are developing wide-ranging initiatives in our communities, illustrated by seven themes:

governance, human rights, relationships and working conditions in the workplace, fair trade practices, client-based issues, development of local communities, and the environment.

These seven themes are enshrined in the Group's long-term project, allowing implementation of long-lasting, virtuous actions for all of the company's stakeholders.

**Could you give us examples of such initiatives?**

Of course. In terms of governance, we have opened equity to all of our employees to give them the opportunity to be shareholders; as for working conditions, we created the Fauché School in 2019, an in-house training center to accompany our collaborators through the changes their missions and trades are undergoing. In this way, we can adapt, and even anticipate the necessary evolutions of managerial behaviour.

On the environmental level, we advise our clients on the necessary replacement of high-consumption light sources and undertook a number of lighting installations or replacements using energy efficient equipment like LEDs. We have also developed a specific offer dedicated to renewable energies (photovoltaic, micro co-generation, electric charging stations for vehicles...). Our main impact being CO2 emissions, we

have put in place a specific "car policy" four years ago, integrating selection criteria like low-emission and fuel-efficient vehicles.

**How do you see the future of these initiatives?**

In order to make them sustainable while continuing to develop, expand and share these practices, the executive committee has decided to enrol the Group and all its components in the collective and participative conception of our CSR Approach.

This translates into the creation of a multi-stakeholder steering committee with representatives of key internal duties, but also incorporating outside members, whose mission will be to:

- act as a relay of fieldwork initiatives,
  - put forward action propositions,
- a way of adjusting a living road map and inject the necessary collective and individual engagement in all layers of the organisation on a social and environmental level, thus ensuring the Group's sustainability in a changing ecosystem.

Sector: Electrical engineering  
Sales 2020 : €224m  
Employees: 1656





## CASE STUDY

- Increase in the rental of hybrid machines. By the end of 2020, 60% of the rental fleet is hybrid, electric, or dual-energy.

- Implementation of a process chain for the recovery of used batteries, as well as the installation of extra holding tanks to mitigate the risk of toxic spills.

- Energy audit of the Transport branch (3.8 million km covered every year).



**Sector : Rental of lifting platforms**  
**Sales 2020 : €89m**  
**Employees : 477**

## SOPRAL

- Implementation of complete traceability from raw material to the clients: identification of origin for raw material, country of production of all raw material included in the products' composition.

- Application of HACCP and ISO 22000 certification for pet food.

- Application of HACCP and RCNA/STNE certification for equine food.

- Extensive control plan for possible contaminants on raw material and finished products (microbiology, heavy metals, mycotoxins, etc). Analysis of all pet food lots for salmonella and enterobacteria.

**Sector: Pet food**  
**Sales 2020: €50m**  
**Employees : 111**



- Inciting collaborators to go to work using environmentally friendly transportation (e.g. carpool options).

- Partnerships with local businesses for the treatment of biomedical waste.

- Commercial tools made of recycled materials (newsletters printed out on recycled paper, promotional ballpoints made of biodegradable plastic).

- Car fleet made of low-emission vehicles.

**Sector: Home care**  
**Sales 2020: €57m**  
**Employees: 330**



- Implementation of a new car fleet policy with hybrid vehicles.

- Web-based training courses to limit work trips.

- Generalisation of videoconference to greatly reduce transit time between schools and the head office.

- Dematerialisation of employee records and all supplier invoices.

- Implementation in each school of garbage collection and paper recycling.

**Sector: Private schools**  
**Sales 2020: €145m**  
**Employees: 1202**

## ALBERT MÉNÈS

MAISON FONDÉE EN 1981

- Roll-out of eco-refills for spices, giving customers the opportunity to re-use their glass containers.

- Substitution of conventional product references for references from organic farming.

- Screening of the whole delicatessen range on the Yuka app and elaboration of action plans if need be.

- Creation of wooden furniture with a pledge on reforestation.

**Sector: Delicatessen**  
**Sales 2020: €20m**  
**Employees: 75**



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