



MBO⁺

**sustainability
report
2023**

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Avant- propos

Faced with both national and international instability, we remain convinced that private equity firms in France are crucial in supporting SMEs and allocating capital to projects that create financial, environmental, and social value.



To strengthen MBO+'s position in the Lower Mid Cap market, we successfully transformed into a platform in 2023. We concentrated on two key projects: launching the MBO Flex strategy and creating MBO Continuation, a fund dedicated to two assets of our MBO Capital 4 fund: Osmaïa and Groupe LT.

This strategy reflects our strong convictions. With MBO Flex, we aimed to broaden our ability to offer solutions to the entrepreneurs we support by providing debt tools that enable them to retain a majority stake. With our continuation fund, we and the management of the two companies decided that continuing the journey together, based on a buy-and-build approach, was the best option to strengthen their leadership in their respective markets. These new funds allow us to offer our customers investment diversification in assets with risk/return profiles that complement our traditional buyout offering.

On the investment side, the rise in interest rates in 2023 significantly slowed the transaction market. Nevertheless, we maintained our deal activity, as shown by investments in Camping Paradis/Néocamp, the exit from Sequoiasoft (x3.4 in summer 2023).

This positive news coincided with an increased focus on ESG considerations in all our activities. The arrival of Ladislav Smia at the end of 2022 accelerated our commitment to these issues. All our new funds have strengthened their ESG approaches. Our interactions with companies in this area are an integral part of our due diligence and are becoming increasingly important, both on entry and exit.

This new edition of our ESG report is not just an exercise in transparency and compliance but also an opportunity to share our experiences on these issues.

Xavier de Prévoisin
CEO, MBO+

Edito

Amplified by the arrival of El Niño, climate change broke all heat records in 2023. With the average global temperature rising by 1.48°C, the international target of 1.5°C now seems out of reach. Despite this, we must intensify our efforts to reduce emissions swiftly and prepare for rising temperatures to mitigate disasters.



This temperature rise occurs in an increasingly unstable world, marked by a new war in the Middle East, the ongoing war in Ukraine, rising trade and territorial tensions between the West and China, and political instability in major democracies, especially France and the United States. These factors raise profound questions about wealth distribution and the types of solidarity we wish to establish at all levels.

Amid these complexities, French SMEs, and the funds supporting them, must demonstrate adaptability, rethink risk management, and continually reassess their product and service offerings.

For several years, MBO+ has focused its investments on companies providing essential services in healthcare, education, new technologies, and B2B services. This positioning naturally addresses major challenges such as universal access to healthcare and education, transitioning to a low-carbon economy, and combating biodiversity collapse.

This strategic focus does not prevent our companies from working to reduce their negative externalities and share value more effectively. This is our daily practice with the managers of our portfolio companies and their teams. In this report, we feature representatives from two of our leading companies—our most recent investment and our most recent portfolio exit—to illustrate the actions and interactions we have with them.

Finally, this report allows us to conduct the traditional meter-reading exercise, monitoring ESG indicators. We have detailed, as much as possible, the actions taken and results achieved for each issue in each company. We hope this level of detail helps all our stakeholders understand the importance we place on sustainability in our investments.

Ladislav Smia
HEAD OF SUSTAINABILITY, MBO+

Our ESG way



Entrepreneurs centric

We are the Lower Mid-Cap investment leader that entrepreneurs trust:
75% of our deals are primary deals.



Performance driven

For more than 20 years we adapt our organization every day to meet the highest performance standards, ESG included.



A committed team

We think a career in private equity is not just about high standards, expertise, and professionalism, but also about commitment, teamwork, and people.

125+

companies supported
(€20m < EV < €200m)

22

years of performance

€1.3bn

raised over 7 funds

13

portfolio companies

30

team members

MBO+ Buyout : a strong ambition to tackle sustainability challenges



of our portfolio companies
address sustainability issues
with their products & services (1)



of our portfolio companies
have a bespoke
ESG roadmap (1)



Average net job creation growth rate
vs 0,54% in the French economy
in 2023

(1) As of December 31, 2023, on MBO Capital 3, MBO Capital 4 and MBO Capital 5



FOCUS ON OUR NEW FLEX ESG APPROACH AT INVESTMENT LEVEL

Accelerate growth
of **solutions providers**

≥ 50% investment
in solution provider

Support **companies'**
transformation

Systematic financial incentive
(up to **100bps** ESG margin
ratchet)

Sustain **high**
ESG standards

100% of deals going through
an internal ESG analysis &
external due diligence process

MBO+

“Joining MBO+ in 2023 was in line with two personal convictions: the first, to be able to work in my field with a renowned Private Equity firm in the lower mid-cap segment, and also the certitude that I would be working within a demanding framework with regards to social and environmental impact.

Zoé Tournilhac
ANALYST, MBO+

01

CHAPTER 01

MBO+ & Sustainability

MBO+ a lead investor in the French Lower Mid-Market...

As an historical player in the French lower mid-cap companies market, MBO+ provides its investor with the best investment opportunities. MBO+ brings together an ecosystem of expertise around high-potential entrepreneurs to enable our investments to accelerate their growth trajectory, while implementing an active policy of positive impact. This active investment approach enables us to offer our clients consistent and high-performance investment strategies. With more than 22 years experience in this segment, MBO+ has a unique track record, having raised over €1.3 billion and backed more than 125 companies since our inception.

In 2022, MBO+ has decided to transform the firm into a platform of funds with multiple investment strategies. In addition to our buyout team, which targets companies looking to open their capital to equity investors, MBO+ announced the launch of a new Flex investment strategy in 2023. The Flex fund is aimed at entrepreneurs who wish to pursue their development projects while limiting their dilution potential. In 2023, MBO carried on this diversification strategy with a new continuation fund dedicated to two of our historical investments, Osmaïa and Groupe LT.

€1.3bn
raised since inception

30
team members

125+
companies supported since MBO+s inception

...looking for impactful entrepreneurs.

Since its inception in 2002, MBO+ has taken a proactive approach to meet the environmental and social challenges of our time.

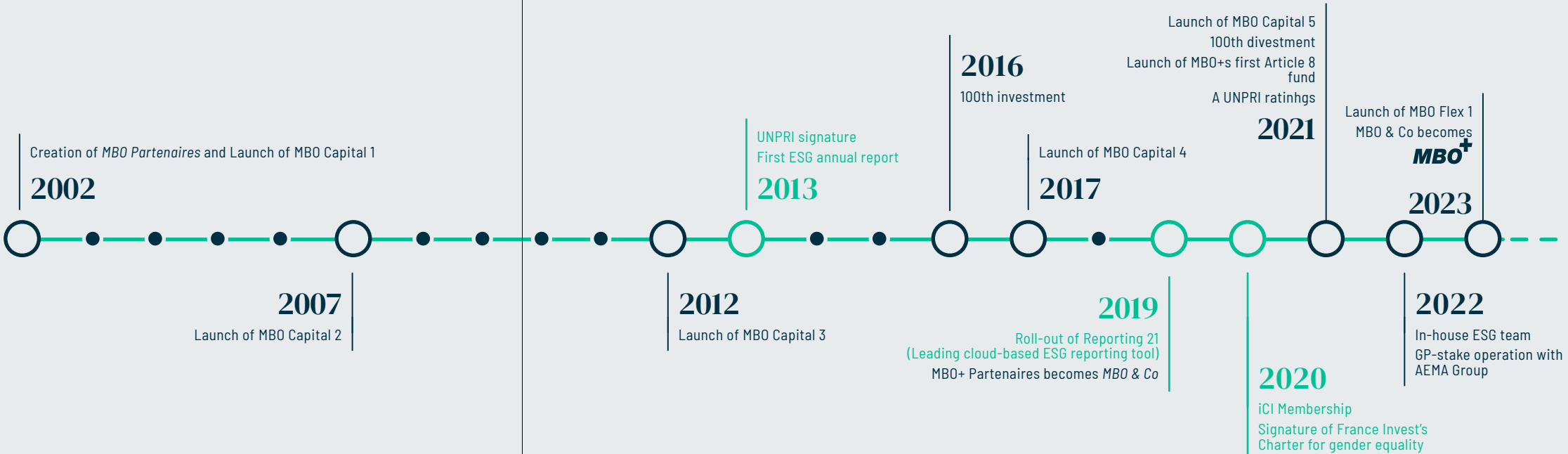
The visible effects of the environmental crises we are currently facing are becoming more pronounced, including heat waves, droughts, forest fires, floods, and the alarming decline of biodiversity. While there is still a long way to go, businesses, consumers and public authorities can no longer ignore these trends. This challenge to our societies is driving structural changes in innovation, regulation and consumer choices from the development of low-carbon energy, less polluting mobility solutions, to better and waster manageent and alternatives to intensive agriculture - the list of sectors having to fundamentally question their development model is rapidly expanding.

These environmental shocks are occurring in a world where the vast majority of people still aspire to have a better life. The private sector has an important role to play in increase access, without discrimination, to decent work, good health, adequate housing and quality education. Reconciling these aspirations for progress with increasingly stringent environmental constraints, in a world of growing inequality, is a major challenge for our economies.

The companies we finance are already affected by these environmental and social challenges, with material consequences for their business. Consumers and regulators expect companies to provide solutions on sustainability issues, with significant potential for technological, regulatory or behavioural disruption. As well as providing solutions, many companies need to adapt their practices to these changes. Whether it is management practices, supply chain, eco-design, energy or waste management, no company can ignore the risks involved.

While many financial players now factor these issues into their investment decisions, we believe that our role extends beyond merely integrating these risks and opportunities into our analytical framework to maximise returns. The financial sector, through its constant contact with a large part of the economy, has a major responsibility to contribute to a more positive economy.

At MBO+, we share this vision with our portfolio companies, clients, peers and public authorities. Our aim is to invest and support entrepreneurs who want to be part of this movement, whether through their products and services, or by improving their ESG practices.



Resources & Governance on Sustainability

Over time, MBO+ has strengthened its resources to take greater account of environmental, social and governance issues into its investment decisions. Today, MBO+ relies on both internal and external resources, as well as collaboration with key industry players.

Internal resources

Everyone at MBO+ is involved in addressing environmental and social issues within the company. Moreover, to drive the integration of sustainability, MBO+ has a dedicated sustainability team with three main responsibilities.

- **ESG within the investment process.** The team oversees all ESG-related processes and works closely with the investment teams on pre-investment deal analysis, post-investment ESG follow-up and action plans, and the exit phase.
- **Partnering with our stakeholders.** The sustainability team is the primary point of contact for our stakeholders on sustainability related issues including LPs, industry-led initiatives and, regulators.
- **Direct MBO+ impact.** The team is involved in driving the firm's internal sustainability policies, such as promoting diversity in the workforce or reducing our direct environmental impact.

The sustainability team is also responsible for raising awareness of sustainability issues and providing training to all employees.

All members of the investment teams are involved in the ESG-related processes throughout investment cycle. For example, the investment teams ensure that ESG risks and opportunities are properly integrated into investment cases. Post-investment, they work with the sustainability team to develop ESG action plans and ensure their proper implementation. They are also involved in the integration of ESG issues during the exit phase.

Investor relations and middle office teams play an important role in the firm's ESG processes. As regulatory and LPs expectations continue to evolve, they work closely with the sustainability team to ensure that MBO+ implements the best available practices.

Our assistants are also mobilised on sustainability issues to support all employees with internal sustainability policies such as travel or office management. Such engagement is essential to reduce MBO+'s direct impact and to ensure the consistency of our overall ESG approach.

External resources

We work alongside a network of experts and advisors to help us define and implement our sustainability policy.

cority

- **ESG data collection.** Since 2019, we have been working with Cority (formerly Reporting21 / Sirsa) which provides us with the tools to collect and consolidate ESG data for all of our portfolio companies.

- **Due Diligence.** Each investment opportunity is subject to a third party ESG due diligence, selected based on the advisor's expertise, which may vary depending on the transaction.

Carbometrix

- **Carbon footprint.** To assess the carbon footprint of all our portfolio companies and management company, we work with Carbometrix. Carbometrix is recognised for its expertise on carbon accounting, trajectory, and benchmark solutions, in particular expertise on small and medium-sized enterprises.

Almond

- **Cybersecurity.** Cybersecurity risks are a growing threat to all businesses. A breach can have serious operational and financial consequences, as well as exposing personal and sensitive data. To encourage our portfolio companies to strengthen their tools and procedures, we work with Almond Consulting, a company specialised in this area.

In addition to these recurring partners, we work with external consultants on an ad hoc basis on our ESG approaches.

ESG Governance

ESG & Climate risks and opportunities are reviewed within several governing bodies.

- **Investment Committee.** All investment committee' members are trained on ESG. Furthermore, our head of sustainability participates in the Investment Committee of our funds.
- **Executive Committee.** Our head of sustainability sits on the Executive Committee where ESG considerations are fully integrated within MBO+ strategy.

An active member of the Responsible Investment ecosystem

As responsible investment is still a work in progress within the financial industry, with increasing regulatory pressure and constant innovation from market participants, we believe it is important for MBO+ to play an active role in market initiatives and discussions with public authorities on these issues. This involvement allows us to promote our views on responsible investment, to participate in the dynamics of the market and to stay in touch with the best practices of our peers.

Broad ESG commitments

- **France Invest.** The French PE industry association, France Invest, has published several charters to promote responsible investment practices within the industry. MBO+ signed the first charter on responsible practices in June 2013 as well as its updates since then. In addition to these formal commitments, the firm actively participates in France Invest's sustainability initiatives. We are also an active member of the working groups on climate change and lead the working group on ESG regulation for financial institutions.
- **PRI.** MBO+ has been a signatory to the UNPRI since 2013¹. The firm also actively participated in the consultation process launched by the PRI in 2022 on its future vision, mission and purpose.



Signatory of:



Thematic initiatives

- **Climate Change.** MBO+ joined the iCI (Initiative Climat International) in 2020 to strengthen its focus on climate action. The iCI is an initiative launched in November 2015 to develop shared methodologies for measuring and reducing climate risks.
- **Gender Diversity.** MBO+ signed the France Invest Charter for Parity in Private Equity in 2020. The France Invest Charter in favour of Parity in Private Equity is a set of guidelines and commitments put forward by France Invest to promote gender diversity within the PE industry, both at management company and investment level. The firm also participates in Level20, a mentoring and coaching programme, with specific actions for women.
- **Social integration.** We believe that promoting social integration is crucial to creating a more just and equitable society. To do so, we have worked with Article 1, an organisation that promotes social integration and equal opportunities for underrepresented groups since 2021. Through this partnership, we aim to foster DEI both at management company level and within portfolio companies.



In addition to our commitment to industry-led initiatives, MBO+ maintains close connections with regulators on the development of sustainable finance and regularly participates in public consultations on the subject.

¹ <https://www.unpri.org/signatory-directory/mbo/1469.article>



FOCUS

BEING TRANSPARENT ABOUT OUR ACTION

Despite the proliferation of regulations and initiatives, responsible investment practices vary significantly across different players in the industry. In this context, we recognise the importance of transparency regarding our Environmental, Social, and Governance (ESG) approach, ensuring our clients and stakeholders have a clear understanding of our decision-making process.

Since 2019, we have prioritised full transparency by sharing our general approach with customers, outlining how it influences our investment decisions and daily operations. Additionally, we have provided consolidated reports and company-specific analyses, accompanied by relevant indicators. Last year, we have taken further steps to enhance transparency by publishing a publicly available report on our website, complementing the information shared with our clients.

Our investor clients trust us because “
they know how carefully we select
and support companies that combine
financial success with a positive impact
on people and the planet. And always
by pushing them to “aim higher”.

Géraldine Lanthier
HEAD OF INVESTOR
RELATIONS, MBO+

02

CHAPTER 02

Our Sustainability Approach as an Investor

Environmental & Social Challenges for MBO

By signing the UN Global Compact, MBO+ committed to promoting and implementing the United Nations' Sustainable Development Goals (UN SDGs), a set of 17 goals designed to address pressing social, economic and environmental challenges on a global scale. As an investment company, we believe our primary responsibility is to promote the application of these principles within the companies in which we invest. To this end, we have defined a list of seven environmental and social characteristics that we seek to promote in all our strategies.



MBO+ supports the Sustainable Development Goals

ENVIRONMENT

CLIMATE CHANGE. We aim to contribute to climate change mitigation either by investing in companies that provide solutions to climate change (e.g., renewable energy, low carbon mobility, green buildings, energy efficient industry) or by working with our portfolio companies to reduce their carbon emissions. We also work with our portfolio companies to conduct risk assessments and develop resilience plans to deal with the impacts of climate change (adaptation).

HEALTHY ECOSYSTEMS. We focus on preserving and restoring healthy ecosystems (air, water and land), which are essential to sustaining biodiversity and human life. This pillar includes a specific focus on issues such as the use of chemicals, air and water pollution, waste management and sustainable land use.

RESOURCE PRESERVATION. As human development implies the exploitation of scarce resources, we work with portfolio companies to adopt circular economy principles that prioritise eco-design, reuse and recycling.



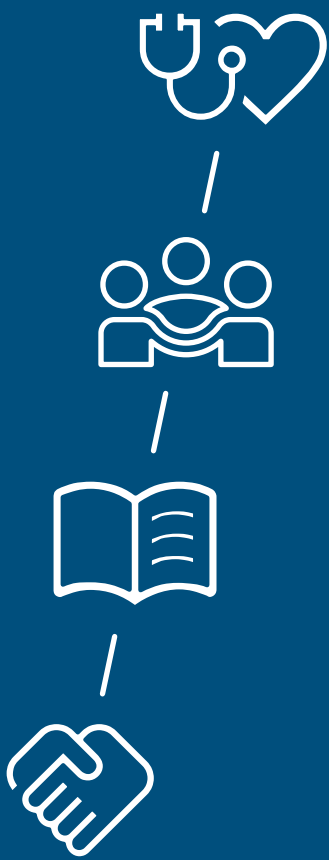
SOCIAL

HEALTH. Our investments promote health by focusing on access to healthcare, research and development of new treatments, and healthy lifestyles. We also pay close attention to the impact on health throughout the life cycle of our companies' products and services.

DECENT WORK. We promote decent work with a focus on safe working conditions, fair pay and opportunities for career development. This includes investing in training and development and creating a positive work culture that supports employees' well-being.

EDUCATION & CULTURE. We support education and culture by seeking initiatives that improve access to education and promote lifelong learning. This includes supporting educational institutions, providing scholarships and other forms of financial assistance, and developing partnerships with educational organisations.

HUMAN RIGHTS & REDUCED INEQUALITIES. We prioritise the respect and promotion of human rights as a fundamental aspect of our investment strategy. Beyond human rights protection, we encourage initiatives that address inequalities by providing affordable basic services to people in need and by promoting social cohesion, understanding and cooperation among diverse groups. This pillar also includes a focus on Diversity, Equity & Inclusion and Shared Value Creation, such as providing equal opportunities and profit-sharing schemes for all employees and investing in people from diverse backgrounds.



These environmental and social characteristics, together with our financial objectives, have strong interactions with the UN SDGs.

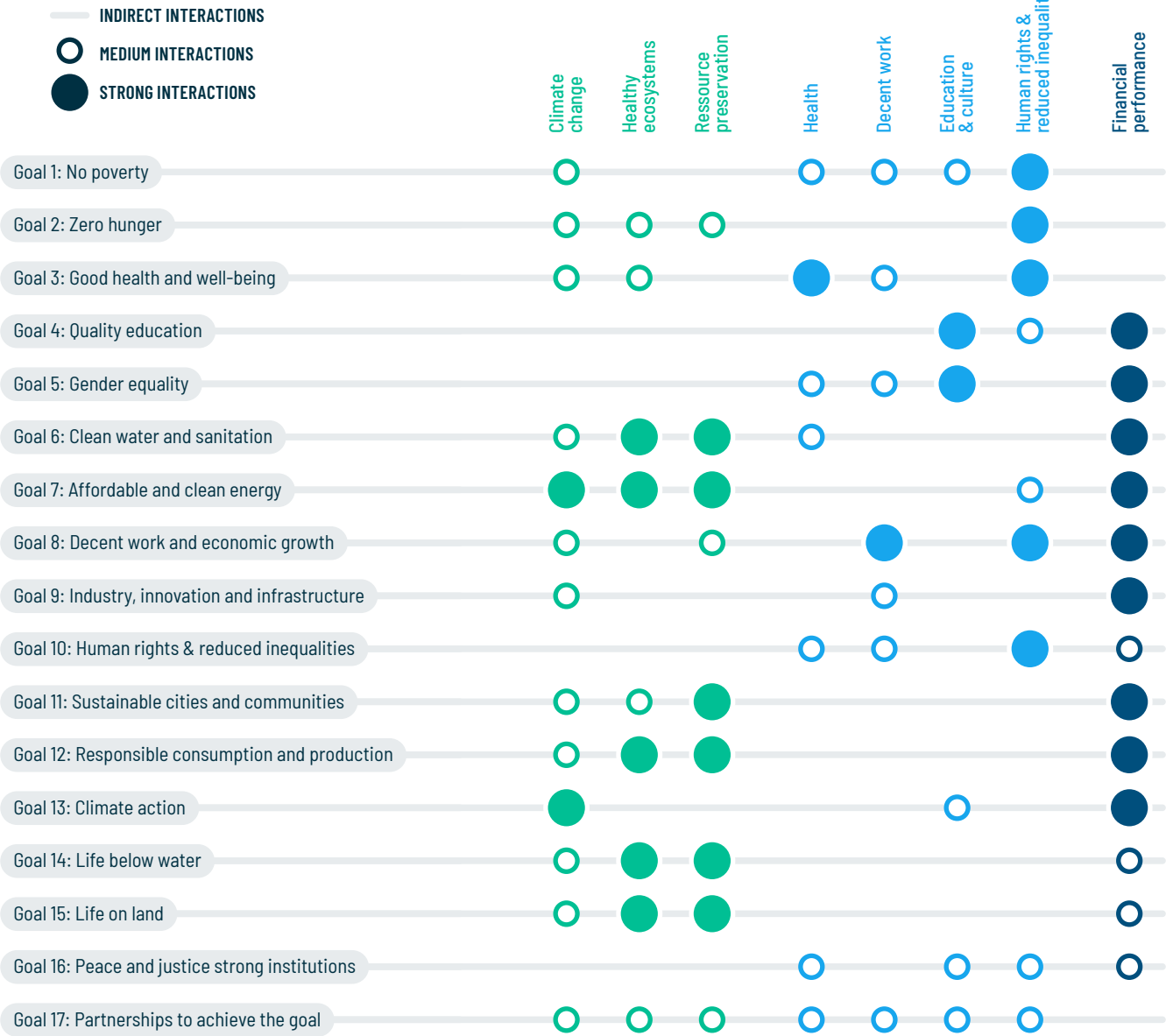


Figure 2: Interactions between MB0+ environmental, social and financial targets & UN SDGs. Source: MB0+.

In addition to promoting these environmental and social characteristics to create a positive impact, we believe that our economies are rapidly evolving to meet environmental and social challenges. These changes have had -and will- continue to have both positive and negative financial implications for our investments. Throughout the lifecycle of our investments, we therefore consider how sustainability issues may be a source of new risks or opportunities that have a material impact on the performance of our portfolio companies and portfolio construction.

By seeking both a positive impact on society through our work with portfolio companies and the integration of environmental and social issues into our financial analysis, we align with the “double materiality” guidelines promoted by EU regulations.



FOCUS

GOVERNANCE & SUSTAINABILITY

In order to incorporate environmental and social considerations into their operations, companies must adapt their governance practices. Consequently, we actively encourage each of our companies to establish a robust governance framework, which includes:

- **Management quality.** Implementing a clear and effective management structure that emphasises quality and ensures a well-defined allocation of responsibilities at the executive level.
- **Non-executive board.** Establishing a non-executive board who can provide valuable insights and offer a diverse perspective to the company’s decision-making process. This board serves as a crucial check and balance, enhancing the overall governance system.
- **Integration of CSR.** Clearly assigning and addressing corporate social responsibility (CSR) issues and developing a dedicated roadmap to guide the company’s sustainable initiatives. This roadmap should outline specific goals and actions to be undertaken, enabling the company to proactively address environmental and social concerns.
- **Business ethics.** Placing a strong emphasis on business ethics throughout all levels of the organisation. This includes promoting a culture of integrity, transparency, and adherence to ethical principles in all business dealings. We engage with our portfolio companies to establish codes of conduct, provide ethics training to employees, and enforce ethical standards consistently.



Responsible Investment Strategy

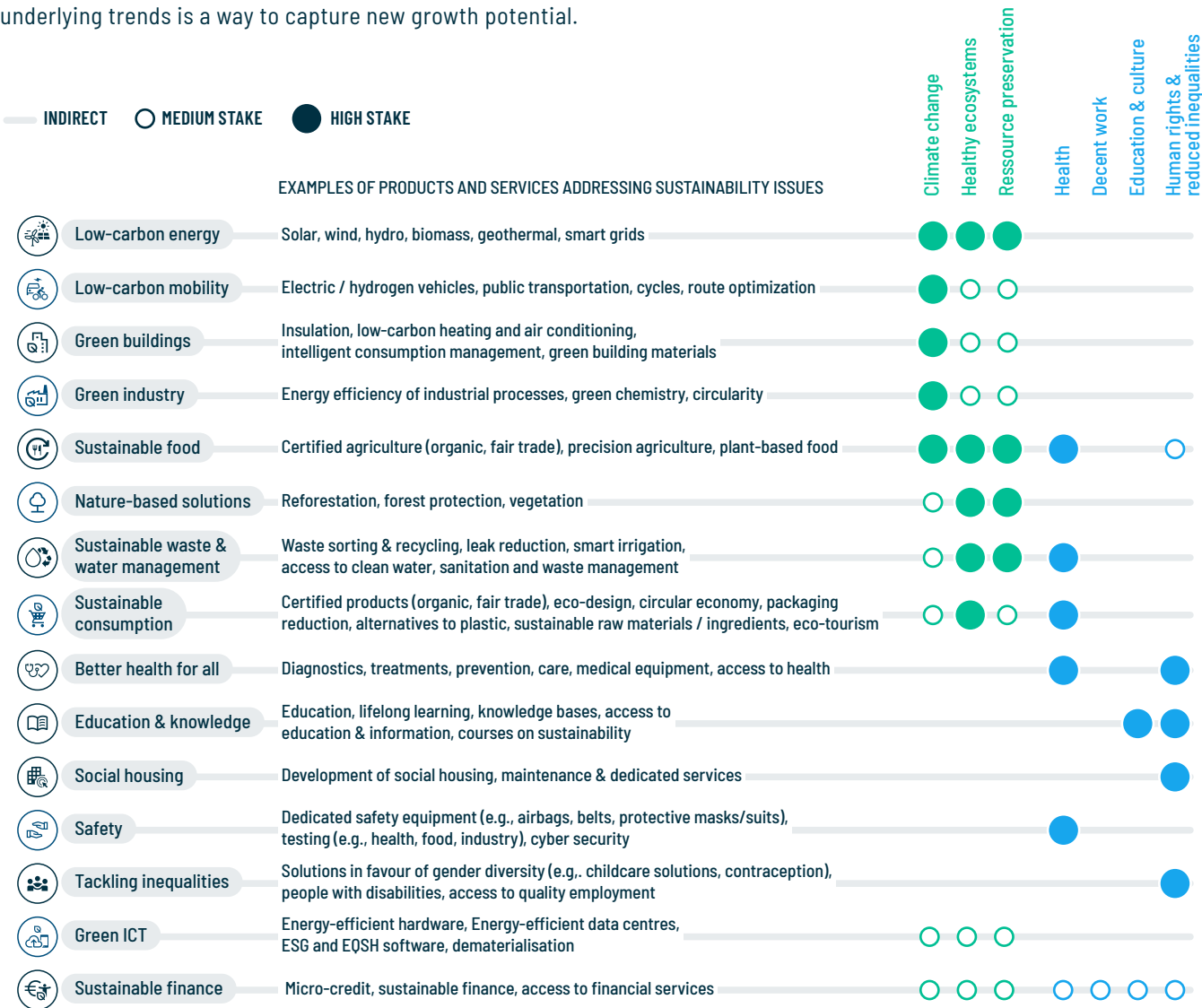
In order to both contribute to a more sustainable economy and better integrate sustainability issues into our financial analysis, MBO+ has developed a responsible investment strategy based on three pillars.

Exposure to solutions providers

Investors can have a positive impact on society by investing in companies that provide solutions to environmental or social challenges. From a macro perspective, redirecting capital flows towards a more sustainable economy is critical to the success of the transition. In addition, by being an active investor in our portfolio companies, we believe that we can help our managers accelerate the growth of their businesses and thereby increase their positive impact. From a financial perspective, focusing on such companies and the underlying trends is a way to capture new growth potential.

To date, there is no universally accepted framework to define a list of activities answering environmental or social challenges. MBO+ has therefore developed its own framework of solution providers, i.e., products and services that specifically address sustainability issues.

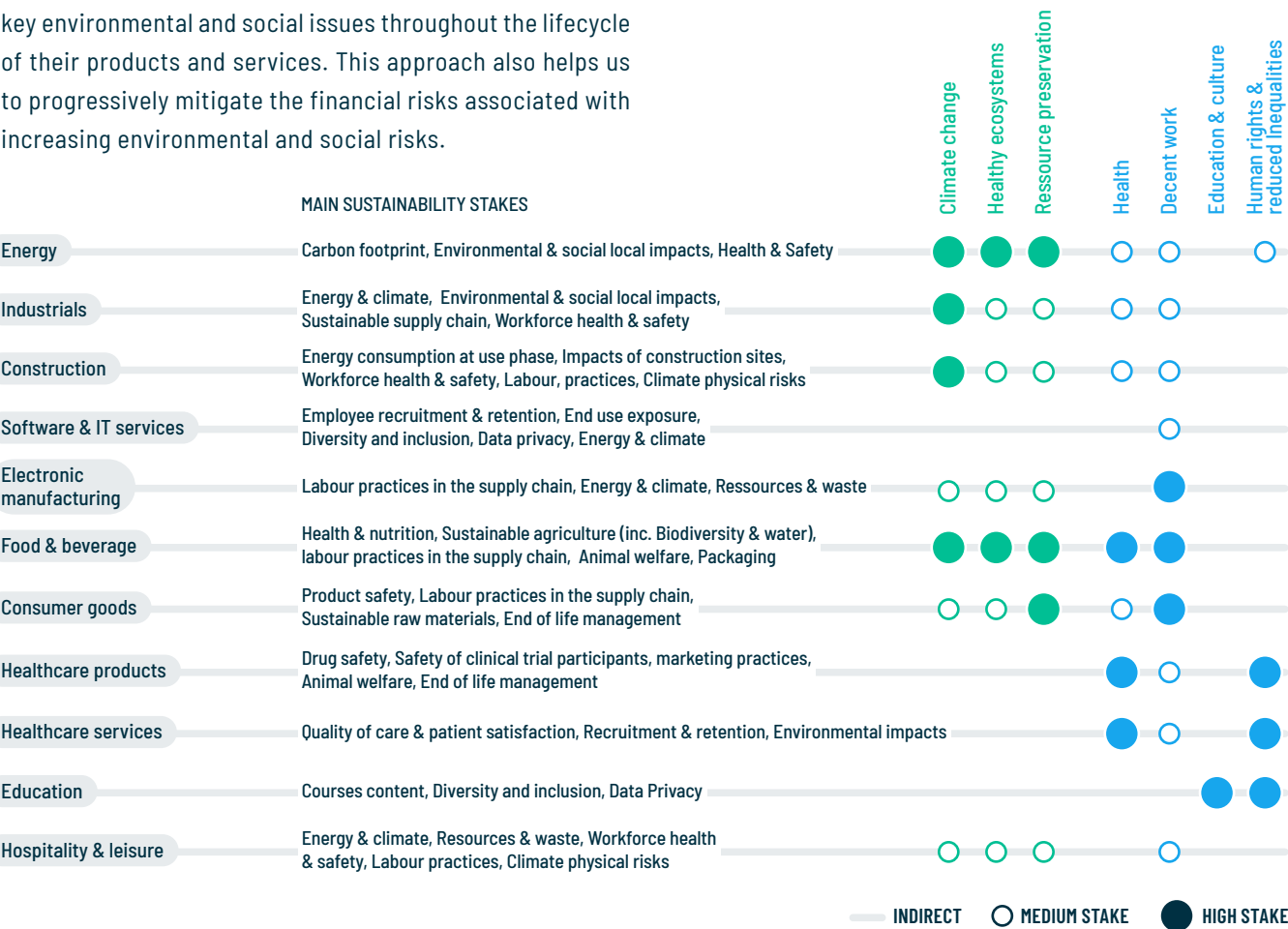
MBO reports publicly on its exposure to companies providing such solutions. In addition, from 2023 on, MBO will consider investment targets in such companies for all new portfolios.



Support companies' ESG transformation

As an active investor with more than 20 years experience in the lower mid-market segment, we have a long track record of interacting with company managers and employees. These daily interactions give us leverage to drive change at all levels of the companies in which we invest in.

To encourage companies to accelerate their ESG journey, we build on these relationships to promote the integration of key environmental and social issues throughout the lifecycle of their products and services. This approach also helps us to progressively mitigate the financial risks associated with increasing environmental and social risks.



High ESG Standards

In addition to investing in solution providers and engaging in transformation, we apply high ESG standards in our deal screening. This approach enables us to avoid businesses that could be severely disrupted by sustainability trends, while avoiding supporting activities with high negative impacts and limited transformation opportunities.

All MBO+ investment opportunities undergo a rigorous ESG screening process, drawing on both internal and external resources. These reviews aim to ensure that the development plans of our investment targets are compatible with the achievement of the UN SDGs and respect international frameworks such as the 'United Nations Guiding Principles on Business and Human Rights' (UNGPs) or the 'OECD Guidelines for Multinational Enterprises'.

As a result, we work with each portfolio company to define an ESG roadmap based on the specifics of their industry.

Each portfolio company is also invited to participate in our annual ESG reporting campaign. This reporting is integrated into our tracking of ESG roadmaps.

This pillar also implies for us to maintain a list of sectors that are excluded from our investment scope due to their negative environmental and/or social impacts.

Examples of sector excluded

- Fossil fuel production
- Pesticides/GMO
- Tobacco
- Weapons and ammunition
- Palm oil production
- Fur farming/manufacturing
- Gambling

Investment process

Pre-Investment

For each potential investment, both the investment and sustainability teams define a list of material ESG risks and opportunities to be analysed from an impact and financial point of view. For each item, the teams assess the level of exposure and maturity of the company.

Following this first internal review, the teams work with external advisers to conduct a dedicated ESG due diligence. This external review aims at collecting evidence of companies' sustainability claims and to challenge the team's internal views.

Holding Period

Potential ESG improvements that have been identified during the pre-investment phase serve as the basis for discussion with future portfolio companies to build an ESG roadmap. Following investments, we put a strong emphasis on strengthening the governance of ESG in portfolio companies without any dedicated ESG resources. ESG topics are discussed at least once a year with the board.

To ensure alignment of our company managers with these strategic roadmaps, we have been adopting financial incentive tools that incorporate ESG criteria into executive variable remuneration and debt rates (such as ESG margin ratchets). By incorporating these criteria, we incentivise our executives to prioritise and achieve environmental, social, and governance goals, reinforcing our commitment to sustainable practices.

Exit

MBO+ places an emphasis on ESG risks and opportunities at the time of exit for all its portfolio companies. MBO+ works with portfolio companies to formalise their sustainability strategy, their past ESG performance and future targets. This approach may involve conducting a dedicated external ESG due diligence process.

To implement this strategy, the MBO+ teams integrate ESG criteria throughout the investment cycle.

Pre-investment phase

- > Screening against the **Exclusion** policy
- > Pre-identification of **key ESG risks**
- > Internal ESG assessment through MBO+ proprietary **ESG risk assessment**
- > **ESG due diligence by third-party**
- > ESG section in the **investment memo** and review at the investment committee
- > ESG clause in the **shareholder agreement**

Holding phase

- > **Dedicated ESG progress plan definition** with the management of the portfolio company
- > **Implementation and follow up** of the ESG roadmap (day to day contacts, ESG committee, Strategic committee)
- > Performance monitoring through the annual **ESG questionnaire**
- > **Cybersecurity committees** to review risks and process in place

Exit phase

- > **Performance and progress made on ESG** included in the information Memorandum.
- > **ESG Vendor Due Diligence (VDD)** when relevant.

03

Growing your company “
by pursuing both financial
success and positive impact
is a daily struggle.
MBO+’s teams have helped
us do it with empathy,
intelligence, and excellent
hands-on advice.

Chantal Berdaa
CEO, IEF2I

CHAPTER 03

Our Sustainability Approach within our Management Company

As an investment company, MBO+ believes that most of its impact is related to its investment strategies. However, we believe that we need to align our investment principles with our internal practices. As a result, several measures have been implemented to manage direct ESG impacts.



HUMAN CAPITAL

MBO+ believes that human capital is its most important asset as a management company. Encouraging employee engagement, retention and development helps to create a more supportive and inclusive workplace culture that improves performance and retains top talent.

- **Professional development programmes.** MBO+ provides training and development programmes for employees as well as leadership development initiatives (assertive communication, coaching, etc.). These programmes are designed to enhance skills and promote careers within the firm.
- **Assessments.** The annual appraisal interview process focuses on both technical and behavioural skills, as well as ESG issues. The criteria are communicated transparently to employees. The interview is also used to discuss any training or development needs, including opportunities for coaching or mentoring to help achieve goals and improve performance.
- **Working environment.** MBO+ ensures that employees have a stimulating working environment in the office and the opportunity to work remotely. Weekly sports classes are also offered to employees.
- **Wage policy.** The company offers profit-sharing scheme and access to carried interest to all employees.

DIVERSITY, EQUITY, AND INCLUSION

MBO+ also places a strong emphasis on Diversity, Equity, and Inclusion (DEI) in all aspects of business. The DEI Policy of the firm mainly focuses on two pillars.

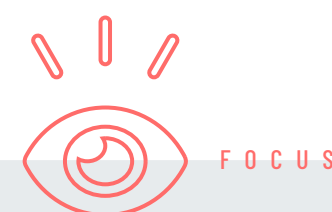
- **Gender Diversity.** MBO+ recognises the barriers to advancement and inclusion that women can face, leading to a less welcoming environment and limiting their potential. By prioritising gender diversity, we aim to create a more equitable workplace culture that is supportive of all employees, regardless of gender.
- **Social integration.** We believe that promoting social integration is crucial to creating a more just and equitable society. As a private equity firm, we recognise that we can play a role in promoting social integration within our own organisation by ensuring that people with different background can access their full range of talent and potential.

ENVIRONMENTAL IMPACT

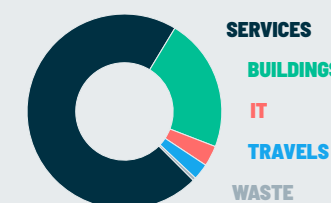
In terms of direct environmental impact, MBO+ has taken several initiatives.

- **Building.** Environmental criteria, such as building insulation and heat pumps, were important factors in the choice of the firm's new office (2022). Furthermore, we have worked with our heating and air conditioning operator to implement automation tools to improve energy efficiency.
- **Transport.** Our teams are strongly encouraged to opt for train travel or videoconferencing for meetings outside Paris. The firm has also set up a sponsorship programme to help employees purchase electric bicycles for commuting.
- **Waste.** Teams are encouraged to reduce printing and avoid single-use plastics (e.g., we provide a fully equipped kitchen and dishwasher). The firm also works with an external organisation to give a second life to its IT equipment when it is no longer fit for purpose and to recycle its paper waste.

The firm also considers social and environmental criteria in its purchasing.



CARBON FOOTPRINT OF OUR OPERATIONS



In addition to calculating the carbon footprint of each of our portfolio company, we assess every year the carbon footprint of our operations, even if the related impact is much lower than the impact of our investments. In 2023, this direct carbon footprint is assessed at ~180 t CO2 eq, ~6 t CO2 eq/employee. As most of our portfolio companies are based in France, we have a very limited use of planes, leading to a relatively low carbon footprint, as median emissions for PE companies is ~12 t CO2 eq./employee.

Therefore, the bulk of our direct impact is concentrated on our offices. In 2022, we moved from an office using fossil gas, to an office operating a heat pump. Our other sources of direct emissions are related to our IT

equipment, transportation and waste management. On transportation, the significant items are related to employees' commuting and to business travels. Although we avoid planes as much as possible, we still use this mean of transportation on an occasional basis, when no suitable alternative is available.

As a management company, we also have indirect impact related to the services we buy from third party providers, such as consultants and lawyers for due diligences or compliance. Although the related figure appears to be important, the level of uncertainty regarding these numbers are quite high and we have limited leverage to reduce the carbon footprint of these service providers.

04

There were many reasons we chose “
MBO+ to help Néocamp Group grow,
including their ability to listen,
their financial know-how,
their community of expertise,
and their desire to do big things
in ESG, which we share.

Olivier Lachenaud
CEO, NÉOCAMP GROUP

CHAPTER 04

Sustainability Performance of our Portfolio Companies

CONSOLIDATED VIEW

In early 2023 MBO+ acquired a stake in Néocamp, a major campsite company in France with its brands Camping Paradis, Ushuaïa Villages, and Bel Air Villages. We invested in this company and sector, which offers fun, local tourism opportunities in natural settings, for six good reasons:

- The French have a great fondness for outdoor vacations.
- The “Camping Paradis” brand is very well known thanks to the eponymous TV show aired by TF1 since 2006.
- Its business model combining directly owned campsites with franchises boosts visibility and operating efficiency and sets the company apart in the market.
- Néocamp has an excellent track record: founded in 2019, it is now France’s third-largest campsite chain and generated €35 million in revenue in 2023.
- It has an outstanding team of entrepreneurs at the helm.
- It has a cutting-edge CSR policy that meets the requirements of increasingly eco-conscious campers.

Pauline Dugravot joined Néocamp in 2023 to head up its CSR efforts.



QUESTIONS FOR
PAULINE DUGRAVOT

The tourism industry faces a number of environmental challenges. One of the most sensitive is the impact of transport to tourist destinations. What’s your take on this issue?

It’s true, transportation represents 75% of the French tourism industry’s carbon footprint. But we have an advantage : most of our guests come from France and almost all our sites are in France, which makes them easier to get to. Most of our guests don’t have to fly to stay at our campsites.

That said, most of them still drive internal combustion engine vehicles. To help the transition to low-carbon mobility, we promote our campsites that are less than 5 km from a bus or train station, and also offer our clients EV charging stations and non-motorized options for short trips.

How is Néocamp making its sites greener?

One of the first things I did at Néocamp was launch a group-wide CSR audit: I was pleasantly surprised to find that 95% of our campsite managers care about these issues.

In fact, 2/3 of our sites had already invested in water- and electricity-saving devices: meter sensors to monitor usage in real time, smart shower bracelets that regulate water usage to raise guest awareness, and so on. These efforts have reduced volumes by 25-40%.

Really, the goal is not to make the sites “greener” but rather to formalize and amplify the concrete work that’s already being done by working with our campsites, involving our guests, and getting all our suppliers on board.

Campsites are also on the front line when it comes to the impacts of global warming. How can a campsite chain prepare for those kinds of risks?

Global warming has a direct impact on our top line and the appeal of the regions where we operate.

In 2022, 21% of our sites were at risk of wildfires or flooding. And 26% were affected by the drought! That’s why we’ve rolled out a climate

We’ve rolled out a climate adaptation plan to raise awareness about future climate uncertainty, pinpoint concrete preventive measures, and analyze risks when a new campsite wants to join our group.



FULL VIDEO INTERVIEW AVAILABLE ON MBO.PLUS

adaptation plan to raise awareness about future climate uncertainty, pinpoint concrete preventive measures, and analyze risks when a new campsite wants to join our group.

Néocamp is also a community of employees, franchisees, event staff, and more. What are you doing to get everyone to embrace these issues?

We must all be involved in managing the shift to more virtuous tourism. The management team and our shareholder MBO+ are closely involved in day-to-day operations, as is the entire Néocamp tribe.

We motivate our people in various ways. I, for one, always attend our two national conferences and three regional gatherings to present our CSR roadmap. We organize four workshops a year with campsite managers on topics like water, electricity, waste, and sustainability practices. We’ve also created a toolbox of 260 solutions so each site can get up to speed on the topic.

What are your top priorities for the coming years?

We’re going to roll out our roadmap in close collaboration with MBO+. First, we will calculate our carbon footprint so we know exactly how our business impacts the environment and can set CO2 reduction targets. Then, we will ramp up our climate change adaptation plan to make sure we can keep operating well into the future in attractive destinations. And lastly, we will eco-upgrade all our campsites so they can keep improving.

Pauline Dugravot
NÉOCAMP

Reporting Scope

As of December 2023, MBO+ has three active portfolios, invested in 13 companies with diverse activities and size¹. For 2022, all but one of the companies have reported their sustainability indicators. These KPIs have been formally reviewed by the MBO+ teams for all twelve companies.

	COMPANY	INDUSTRY	BUSINESS DESCRIPTION	Turnover 2023 (M€)	#FTEs 31/12/2023	Date of Investment
MBO+ Capital 3	Cosmogen	BtoB - Services	Design and manufacturing of cosmetics packaging	20	20	nov. 2016
	Icare	Healthcare & Life Sciences	Laboratory analysis and testing of pharmaceuticals and medical devices	16	153	dec. 2016
MBO+ Capital 4	Groupe LT	BtoB - Services	Construction equipments rental	65	333	july 2018
	BCF Life Sciences	Healthcare & Life Sciences	Natural amino acids production	51	220	july 2018
	Osmaïa (previously Pinson Paysage)	BtoB - Services	Landscaping services provider	185	1551	oct. 2019
	Dentylis	Healthcare & Life Sciences	Dental care centers	123	830	sept. 2020
	Groupe IEF2I Education	BtoC - Consumer Goods & Retail	Private higher education specialised in digital and IT	23	61	juin 2021
	Groupe Bage	BtoB - Services	Design and construction of energy, telecommunication and water supply networks	86	514	july 2021
	Klee Innovative Services	BtoB - Services	Digital business solutions and consulting	105	767	nov. 2021
MBO+ Capital 5	Evesio (previously CMN)	Healthcare & Life Sciences	Healthcare company dedicated to nuclear medicine diagnosis.	31	89	dec. 2021
	Praxedo	Software & IT Services	Field Service Management (FSM) software solutions	23	166	mar. 2022
	Len Médical	Healthcare & Life Sciences	Communication platform dedicated to healthcare professionals	12	43	july 2023
	Néocamp	BtoB - Services	Outdoor accomodation	36	111	jan. 2023

Source: MBO

1 In addition to these 13 companies, MBO+ has two inactive investments, one in MBO Capital 2 and one in MBO Capital 3. Both companies are valued at €0.

Solution providers

10/13 companies in MBO+ Portfolios have a significant exposure to products or services that tackle sustainability issues. Health is the main theme in the portfolio, with five companies involved in health centres, diagnostics, analysis and testing of healthcare products, in the production of pharmaceuticals and devices, and in knowledge management for healthcare professionals. Regarding other impacts, three companies provide products and services that tackle environmental concerns such as low carbon energy, nature-based solutions or sustainable water management. Two companies focus on education and knowledge. Two companies provide IT services addressing environmental or social issues.

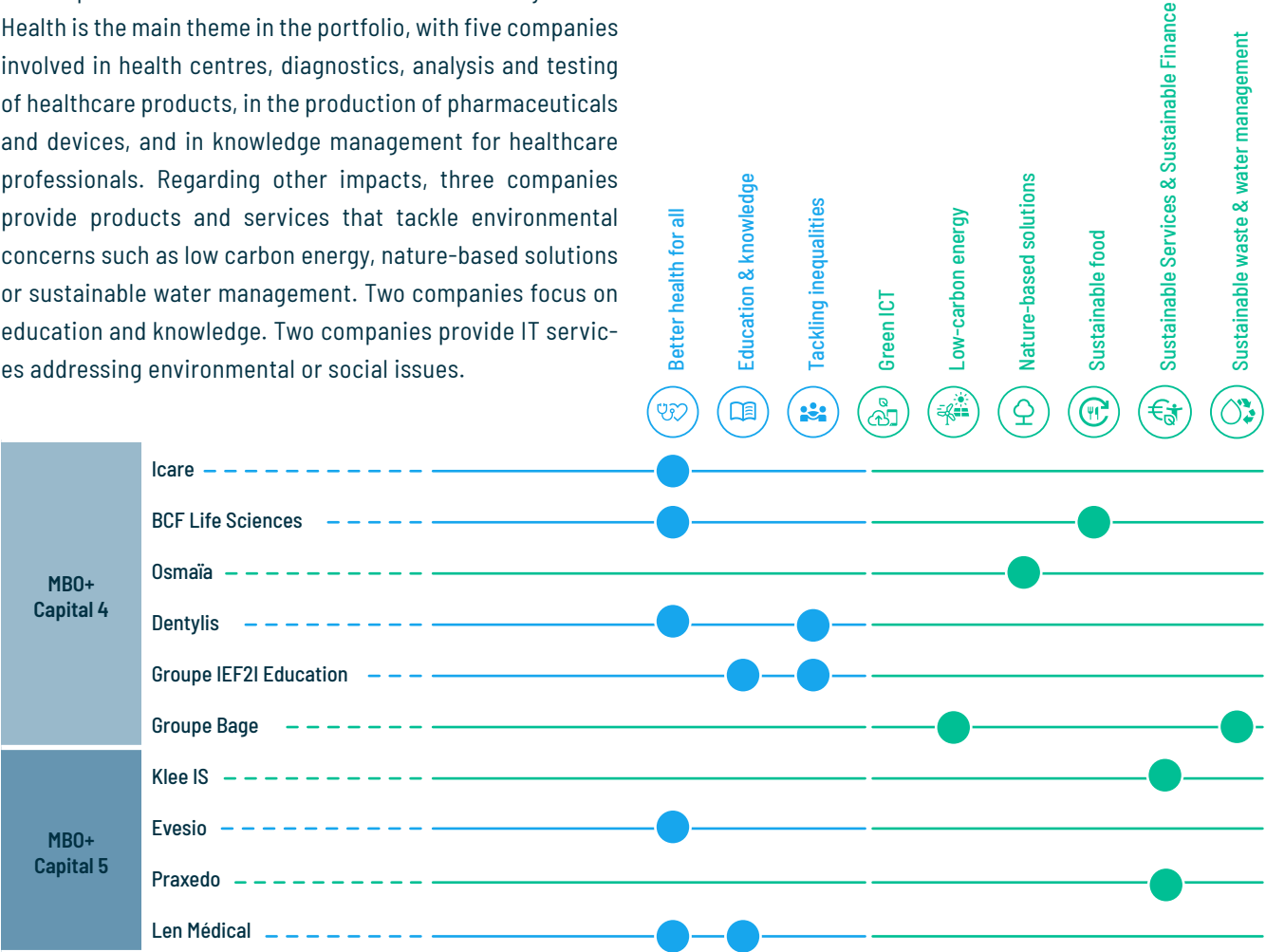


Figure 6: Portfolio companies providing solutions to sustainability issues – Source: MBO

In addition, to these ten companies, Cosmogen (MBO Capital 3) also provide some products and services answering sustainability issues. Cosmogen, through its eco-conception practices and increased focus on recycled plastics, encourages the development of a more responsible cosmetics industry. However, the environmental and social benefits of this approach remain difficult to quantify.

Regarding the alignment of our portfolio companies with the EU Taxonomy Climate Delegated Acts, although Groupe Bage, Osmaïa, BCF Life Sciences and Praxedo provide products and services that could contribute substantially to climate change mitigation, to date they are not able to calculate this figure.

Mitigating sustainability risks

Assessing how our portfolio companies work to mitigate their sustainability risks is a complex exercise. Given the diversity of sectors and situations, and the current level of disclosure in the private sector on such issues, we believe that only a limited set of indicators, can be aggregated at portfolios level.

We also provide at portfolios level a review of CSR governance and business ethics.

A detailed sustainability analysis is provided company per company in the “Company level” section.

TYPE OF INDICATOR		
CLIMATE CHANGE	Quantitative & qualitative review	
HEALTHY ECOSYSTEMS	Qualitative review	
RESOURCE PRESERVATION	Qualitative review	
	Quantitative & qualitative review on health & safety	HEALTH
	Quantitative & qualitative review on job creation, turnover rates and health & safety	DECENT WORK
	Only available at company level	EDUCATION AND CULTURE
	Quantitative & qualitative review on gender diversity	HUMAN RIGHTS AND REDUCED INEQUALITIES

Climate change

We have estimated greenhouse gas (GHG) emissions for all companies in the portfolio across their entire scope, including their operations, their entire supply chain, and the use and end-of-life of their products (Scopes 1, 2 and 3). This estimation is based on company reported data and industry averages. Building on this analysis, we encourage each portfolio company to develop a climate strategy targeting their main sources of emissions.

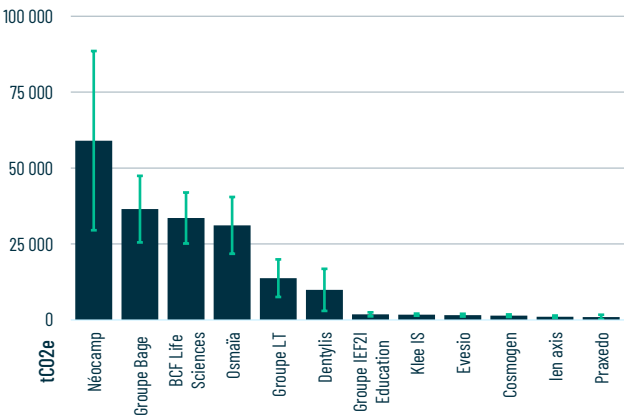


Figure 1: Absolute carbon footprint of MB0+ portfolio companies

Source: MB0+ / Company Data

The greenhouse gas emissions of the companies have been extrapolated based on last year carbon assessment. The assumptions used in this context may not correspond entirely to the actual activity of the companies. The result provides only a broad indication of the magnitude involved. Uncertainty levels are displayed on the graph (green error bars).

Emissions are concentrated (>95%) among six companies: Néocamp, BCF Life Sciences, Osmaïa, Groupe Bage, Groupe LT and Dentylis. The main sources of emissions for Néocamp come from clients travelling by car from their home to the camping site. For BCF Life Sciences, emissions are mainly due to the energy consumption associated with its industrial process, while Osmaïa, Groupe Bage, and Groupe LT have

high emissions due to their fleet vehicles. We have worked with each of these companies to develop ambitious action plans to reduce their emissions. Néocamp is working on providing charging stations on its campsites to facilitate use on Electric Vehicles. The company is also putting an emphasis on its campsites which can be accessed by train or by bus. BCF hired an energy manager in 2022 to implement an energy efficiency plan in its factory. This plan aims to reduce energy consumption by 30% by 2027 through investments and process optimisation. Groupe LT has converted a third of its trucks to biofuel (BE100), and Osmaïa and Groupe Bage are studying the electrification of their fleet vehicles alongside dedicated third parties.

Regarding Dentylis, their primary source of emissions is related to patients traveling to care centres. The company strategy to increase the number of health centre is already an answer to limit patient’s road travel, and the company has limited leverage to reduce emissions further.

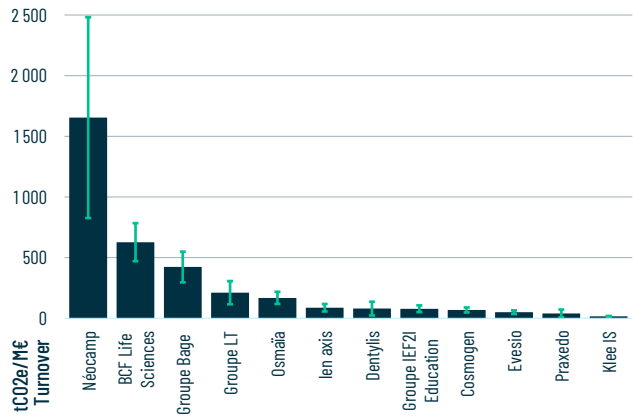


Figure 2: Carbon Intensity

Source: MB0+ / Company Data

- In terms of carbon intensity (GHG emissions/turnover), we can identify five types of companies:
- **Néocamp** which activity relies on car travel
 - **Industrial activity** with high level of emissions (BCF Life Sciences)
 - **Companies with fleet vehicles** and significant use of materials with medium level of emissions (Groupe Bage, Groupe LT, Osmaïa)
 - **Companies with clients** or students who need to travel to the company’s premises with low level of emissions
 - **IT companies** (Praxedo, Klee Innovative Services) with low level of emissions
- Cosmogen has a specific profile in our portfolios. Although the company relies on plastic production in China, its carbon intensity remains limited due to the relatively small amount of plastics produced. Both absolute and intensity figures can be put into perspective by the positive impact of some of the portfolio companies:
- **Néocamp** appears to be the most emitting company in our portfolio, it remains a relatively

low carbon type of tourism compared to other offers requiring air travel.

- **BCF Life Sciences** develops bio-stimulants (15% sales with strong growth potential) that reduce greenhouse gas emissions compared to chemical fertilisers and help increase carbon storage in soil.
- **Osmaïa** contributes to vegetation increase, thereby enhancing the carbon sink and improving cities' resilience to rising temperatures.
- **Groupe Bage** contributes to accelerating the energy transition through its activities on the power grid, on wind and solar projects, on EV charging stations or on the connection of biogas plants to the gas grid.
- **Praxedo's** products help its customers limit the number of technician visits and optimise their routes, thereby limiting road journeys and CO2 emissions. Praxedo estimates that its products contribute to the avoidance of more than 20,000 tonnes of CO2 per year.
- The digitalisation of healthcare content by players such as **LEN Medical** has led to a reduction in the number of medical sales representatives on the road.

We are working with these companies to better quantify the avoided emissions associated with the use of their products and services.

Healthy ecosystems & resource preservation

Regarding other environmental issues, the impact is also concentrated among a limited number of companies.

- **Air pollutants.** In addition to climate change, oil consumption, which for our portfolios comes mainly from the fleet vehicles of Osmaïa, Groupe Bage and Groupe LT, and gas consumption related to BCF Life Sciences, result in the emission of air pollutants such as nitrogen oxides (NOx), particulate matter (PM), volatile organic compounds (VOCs) or carbon monoxide (CO). The production of plastics in the Cosmogen supply chain also involves the emission of air pollutants. Although we have not quantified these emissions, our action plans to limit the use of fossil fuels for these companies also contribute to reducing these emissions.
- **Solid waste.** As a result of its landscaping activities, Osmaïa produces a significant amount of waste, particularly green waste. In order to reduce this amount of waste, the company offers its customers the opportunity to recycle green waste by re-integrating it into their site. BCF Life Science's industrial process also generates a significant amount of non-hazardous waste, but the company has managed to significantly increase waste recovery over the years (19% in 2021 vs 71% in 2022).

Other companies generate much lower amounts of waste, either directly or indirectly.

- **Water.** Direct water consumption is mainly concentrated in one company in the portfolio, BCF Life Sciences, as its industrial process requires significant volumes of water. BCF Life Sciences has planned to build a wastewater treatment plant to limit the amount of wastewater discharged in the public sewer.



FOCUS

BIODIVERSITY

The figures on the collapse of living organisms are alarming. Since 1970, vertebrate populations have declined by more than 2/3. The world loses 12 million hectares of tropical rainforest every year. Nearly 40% of freshwater fish species are at risk of extinction.

From a global perspective, agriculture is the main cause of this collapse of biodiversity. Nearly half of the world's habitable land is currently used for agriculture, for grazing and growing crops, as well as for cotton and tobacco. To date, our portfolios only have indirect exposure to the food and textile industries.

However, biodiversity collapse is also related to the fragmentation of ecosystems, climate change, the exploitation of marine resources, and, more broadly, the impact of industry. Our work to limit our portfolio companies' impact on climate change, and to safeguard healthy ecosystems and natural resources aim at providing a contribution to the global fight against this mass extinction.

Two portfolio companies have significant interactions with biodiversity issues:

- Osmaïa, actively engages in the maintenance and creation of green spaces, re-naturation efforts, and ecological compensation, thereby playing a significant role in mitigating biodiversity losses.
- As Néocamp operates and works with multiple camp sites, it has to pay attention to the interactions of these sites with local biodiversity concerns. It is worth mentioning that campsites in France can no longer extend and that Néocamp has hired in 2023 a person that supervised CSR issues at group level.

Although we are not able yet to quantify the biodiversity footprint of our portfolio companies, we keep a strong monitoring of on-going initiatives on this topic.

Job creation

From an employment perspective, our portfolio companies have very different sizes. The large majority of jobs are located in France.

As an investor targeting growth companies, most of our portfolio companies tend to create jobs. The companies creating the more jobs are Klee IS, Dentylis and Osmaïa. Only Groupe Bage saw a decrease in its staff due to organisational changes which might be solved in 2024.

Turnover

From a turnover perspective, departure rates (# of departures/total workforce) are around 20% for most portfolio companies.

Companies involved in physical work (Groupe Bage, Osmaïa, Groupe LT) tend to have higher departure rates than companies within the information technology area (Sequoiasoft, Praxedo, Klee IS).

We work with all our portfolio companies to identify the reasons for departure and to implement best practices on HR policies.

Health and safety

Within our portfolios, health and safety issues are mainly relevant for companies with fleet vehicles, manual work and industrial sites. All these companies have implemented dedicated Health and Safety policies and we are working with them to improve these figures.

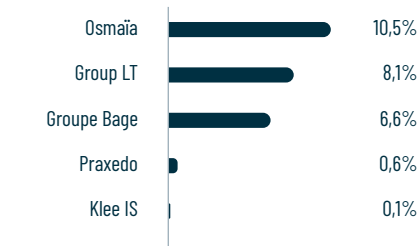


Figure 5: Absolute carbon footprint of MBO+ portfolio companies
Source: MBO+ / Company data
Scope: Companies with more than 100 employees, no data submitted in 2023 by Dentylis.

Figure 10: Number of employees in MBO+ portfolio companies - 31/12/2022

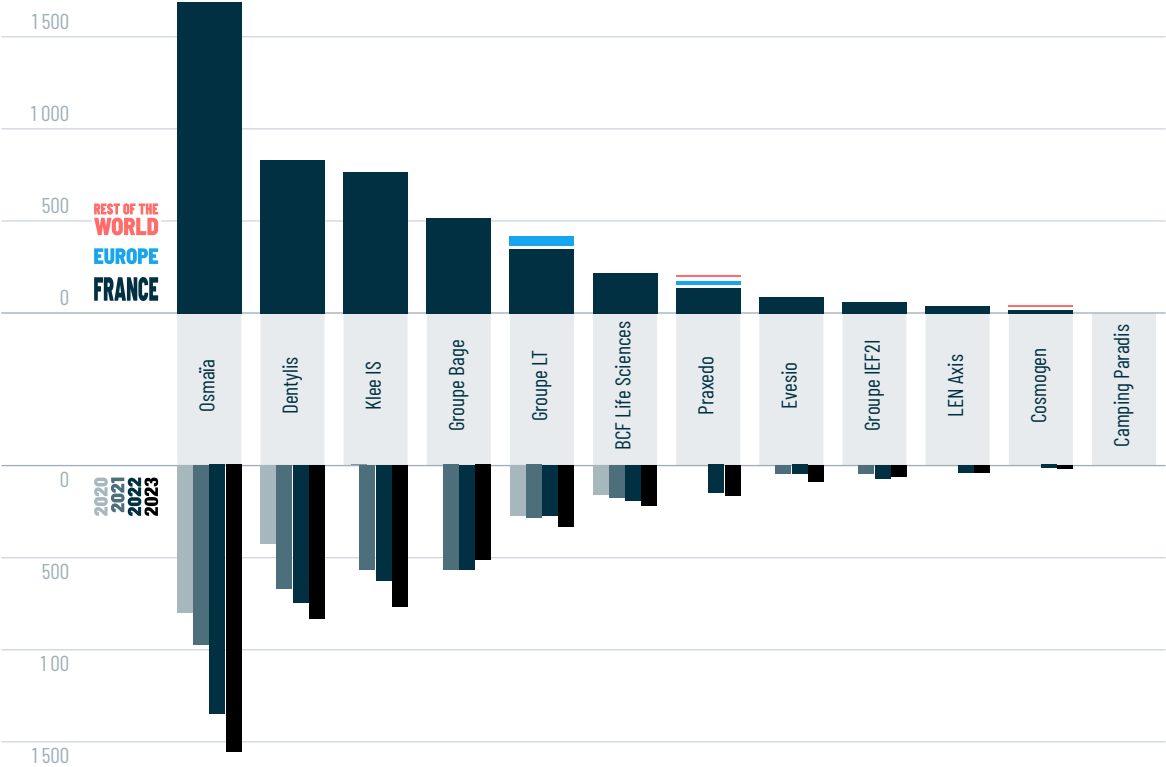
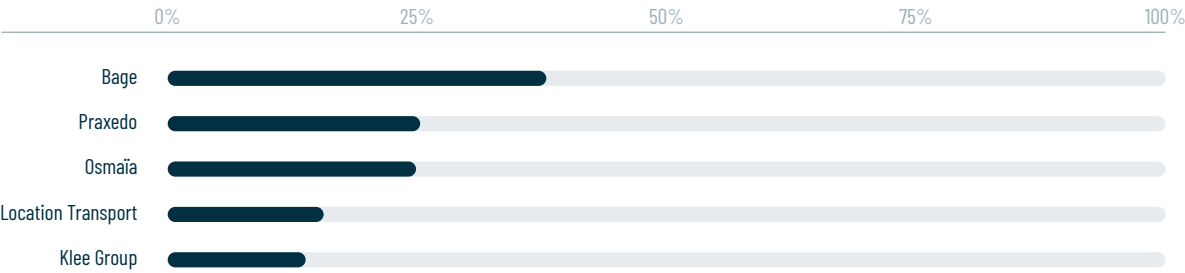


Figure 3: Job creation within portfolio companies over time
Source: MBO+ / Company data

Figure 4: Departure rates



Source: MBO+Company data
Scope: Companies with more than 100 employees

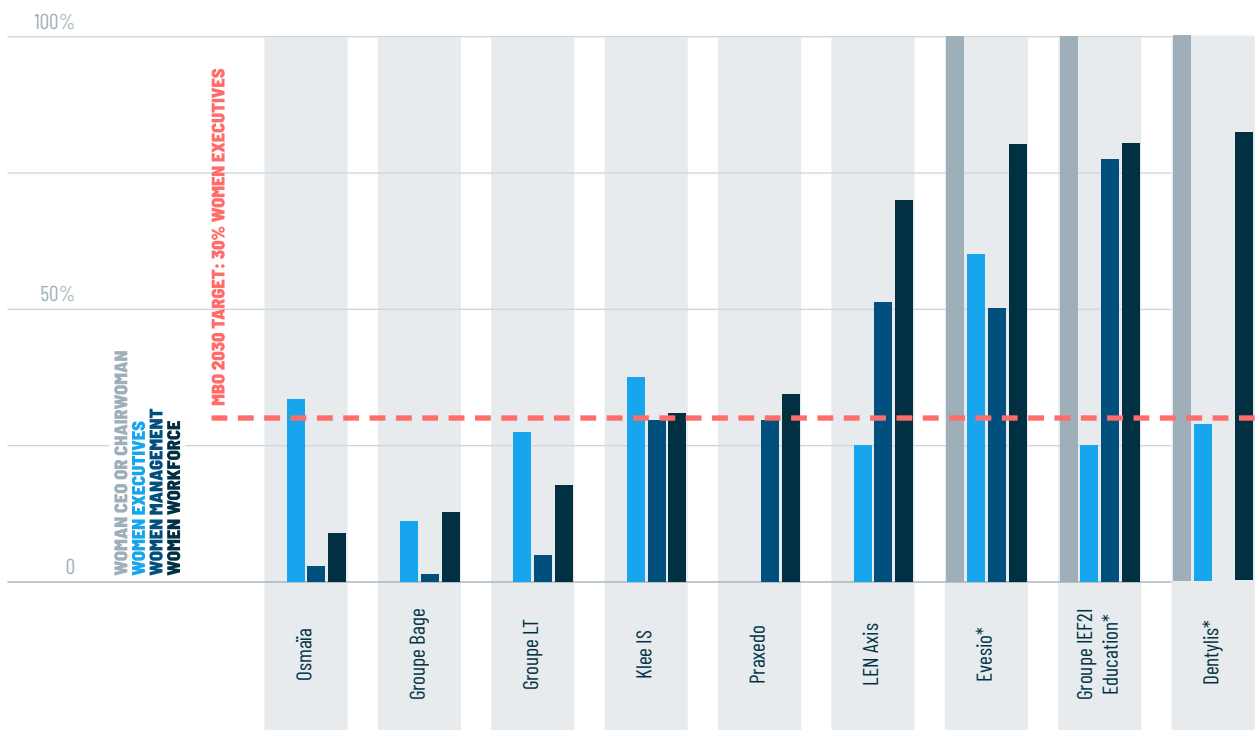
Gender diversity

As a signatory of the France Invest Gender Parity Charter, we promote gender diversity within our portfolio companies. To date, although the share of women in executive positions tends to be around 30% in most cases, we have very diverse situations from a gender diversity perspective from one portfolio company to another:

- Companies involved in civil engineering (Osmaïa, Groupe Bage, Groupe LT) and IT (Klee IS, Praxedo) tend to have a low share of women within the workforce but women tend to be significantly more represented in management and executive bodies than in the workforce.
- Companies in the health sector (LEN Axis, Evesio, Dentylis) tend to have a high share of women in the workforce but a much lower representation at executive positions.
- IEF2I (education) and Cosmogen (cosmetics) tend to have a high share of women, both within their workforce and at management positions.

To face this diversity of situation, we adapt the way we engage with companies on gender diversity. Increasing the share of women in the workforce of companies involved in civil engineering appears to be a long-term goal. In France for instance, women represent less than 2% of construction workers. For IT companies, increasing the share of woman in the workforce is also a challenge, as in France women represent less than 17% of developers. Still, we work alongside these companies to build specific policies to attract and retain women. Regarding health companies, we focus on increasing the share of women within executive positions. In early 2023 Dentylis hired a woman as CEO. Ultimately, for IEF2I and Cosmogen, the challenge in terms of gender diversity in such sectors is attracting and retaining more men.

Figure 13: Gender diversity within MBO+ Portfolio companies



Source: MBO+ / Company data

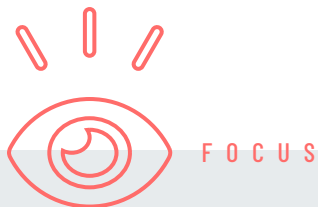
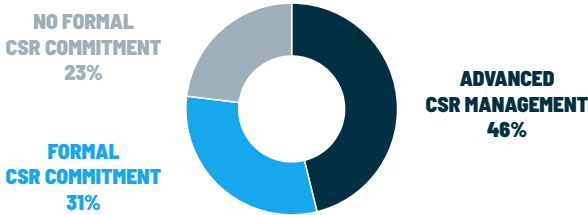
* companies with a woman CEO or chairwoman

Dentylis did not communicate in 2023 the share of women at management position

Governance

We actively promote the development of progress plans by each company in our portfolio, focusing on addressing their key sustainability issues. The majority of reporting companies (10 out of 13) have established formal CSR commitments. It is worth noting that smaller-sized companies with less than 100 employees may have limited resources, which could explain the absence of such policies. Certain companies in our portfolio have developed advanced CSR management practices, allocating dedicated resources, utilizing tools, and setting specific targets.

In terms of business ethics, no ethical disputes or breaches of ethical principles have been identified among our portfolio companies. We continue to prioritise and support ethical practices across on all our portfolio companies.



ESG FOR OUR NEW FUNDS

For our two new funds, we have adapted our Responsible Investment strategy to the specific needs of each strategy:



1. Exposure to solution providers

≥50% investment target in solution providers

2. Support companies' transformation

Up to 100 bps ESG margin ratchet and other interest alignment mechanisms (e.g., ESG KPIs in variable compensation)

3. Sustain high ESG standards

100% of deals going through an internal ESG analysis & external due diligence process

Moreover, to align the team's interests with the Firm's ESG commitments, 15% of the carried interest of the Fund is indexed on the achievement of sustainable investment targets. The fund is expected to start investing in 2023.



ESG quantitative targets on the following topics

1. Osmaïa

- Health & safety
- Fleet vehicles electrification
- Shared value creation
- Development of the ecological engineering

2. Groupe LT

- Health & safety
- Fleet vehicles electrification
- Shared value creation
- ESG certification

A part of the management package and the carried interest of MBO team is linked to the achievement of these targets.

Jacques Pidoux is the Chief Executive Officer of BCF Life Sciences, a specialist in high-quality amino acid extraction for the pharmaceutical, animal nutrition, and sustainable farming industries, which MBO+ sold to Sparkfood in April 2024.

MBO+ focused support on three growth areas:

- Devoting significant resources to innovation and consistently showcasing BCF products' added value through collaborations between the R&D team and public and private research teams around the world. This approach strengthened the company's strategic positioning and culminated in two marketing authorizations for the company's biostimulants.
- Investing heavily in the company's manufacturing facilities so it could pursue its growth trajectory and guarantee its clients a high level of quality.
- Constantly improving BCF's environmental and social impact.



QUESTIONS FOR JACQUES PIDOUX

What does BCF Life Sciences do, in a nutshell?

At BCF Life Sciences, we employ 220 employees in a space where biotechnology intersects with the circular economy. We extract amino acids from keratin—a natural protein found in poultry feathers—and turn them into active ingredients for human, animal, and plant health. We're the only company in Europe that does it.

BCF's amino acids have a host of applications, especially in farming, right?

Yes, what's amazing about amino acids is they can be used for lots of things—so many, it would be easy to spread ourselves thin! We've focused on high added value markets, including in Sustainability fields. Biostimulants are particularly attractive because of their positive impact on the environment. Our amino acid mixes are like food supplements for plants. Administered in small doses, they help plants adjust to various stresses—especially water stress—and improve their ability to capture carbon. They also boost the soil's ability to regenerate and hence its biological activity. What is more, our products are certified by Ecocert, so they can be used in organic farming.

Obviously, BCF Life Sciences' manufacturing plant consumes energy and resources. What have you done to reduce its impact?

The 2022 energy crisis spurred us to accelerate the revision of our very energy-intensive business model. I think the key is to give saving energy our full attention. That's why we hired an Energy Manager whose sole job is to reduce and optimize our gas and electricity use and get all the teams to embrace the issue. It's also really important to measure progress and set targets. We cut consumption by 10% between 2021 and 2023 and aim to make that 30% by 2027. We're also rolling out an even more structural and transformational decarbonization strategy across the company.

I believe companies that haven't integrated Sustainability into their strategy simply won't secure financing in the future.



FULL VIDEO INTERVIEW AVAILABLE ON MBO.PLUS

Along with the environment, you are also keen to have a positive social impact. What have you done in this respect?

Well, we believe in sharing our success, for example. During its investment phase, MBO+ was particularly instrumental in this regard, leading us to establish an employee ownership scheme. In 2019, we opened our capital to our employees, enabling them to invest their profit share in a Fonds Commun de Placement d'Entreprise (FCPE). For every €1 an employee invests, the company contributes an additional €1, up to €500. In all, 80% of our workforce has invested in the scheme! That's an incredible figure, as the average in France is more like 20-30%. This show of confidence has been a tremendous growth lever for BCF.

How important were your environmental and social policies in the exit process?

They were crucial. Sustainability was a major issue throughout the lengthy and exacting exit process, and all stakeholders viewed it as an advantage. I believe companies that haven't integrated Sustainability into their strategy simply won't secure financing in the future. BCF Life Sciences has taken loans whose interest rates are directly tied to our environmental and social performance—for example, our ability to reduce energy consumption and lower our accident rate. It's clear that social and environmental imperatives will soon be as important as financial ones. The two are converging.

Jacques Pidoux
BCF LIFE SCIENCES



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