

ACTIVA
CAPITAL

**Annual Communication On Progress
2019**

Activa Capital

Foreword

I am pleased to confirm that Activa Capital, signatory since December 2018, reaffirms its support of the Ten Principles of the United Nations Global Compact in terms of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders.

Yours sincerely,

Christophe Parier,

Partner

Principle 1: Businesses are encouraged to promote and respect the protection of international human rights law.

Principle 2: Companies are urged to ensure that they are not complicit in human rights violations.

Principle 3: Businesses are encouraged to respect freedom of association and to recognize the right to collective bargaining.

Principle 4: Businesses are encouraged to contribute to the elimination of all forms of forced or compulsory labour.

Principle 5: Businesses are encouraged to contribute to the effective abolition of child labour.

Principle 6: Businesses are invited to contribute to the elimination of all discrimination in employment and occupation.

Principle 7: Businesses are encouraged to apply the precautionary approach to environmental issues.

Principle 8: Businesses are encouraged to take initiatives to promote greater environmental responsibility.

Principle 9: Businesses are encouraged to promote the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses are encouraged to take action against corruption in all its forms, including extortion and bribery.

Activa Capital, as a company

Activa Capital renewed in March 2019 its ESG charter whose 16 commitments are summarized as follow:

Environment

- Reduce the consumption of paper, ink & consumables
- Reduce energy consumption by turning off lights and computer equipment
- Reduce the amount of waste & better sort it
- Use the most environmentally friendly transport possible

Social

- Ensure that the diversity of profiles & categories is promoted
- Support employee training
- Ensure the health and safety of employees
- Create and maintain a framework for professional development
- Provide the necessary tools to carry out the work
- Provide fair compensation and recognition for work done personally and collectively

- Take care of your computer equipment & make useful use of it
- Empty your mailbox twice a year
- Clean your computer equipment twice a year
- Ensure the end of used equipment's life either through reconditioning and donation, or at least recycling

Digital

Stakeholders

- Support charitable associations with a financial or personal commitment
- Ensure that our third parties also have responsible approaches

Activa Capital complied with most of its commitments regarding Environment, Social and Stakeholders categories. But improvements need to be made regarding our computers and their maintenance.

Some of those commitments are related to the principles of the Global Compact and some will be detailed from this perspective:

Human Rights

Based in France, Activa Capital does not face any particular risks for human rights and does not consider necessary to implement particular measures.

Despite the fact that Activa Capital employees face few risks, the company decided to install a video surveillance system to protect people and goods.

Finally, Activa Capital's employees took part to two events that promote health and research:

- they had in February a one-day aid training for the first time with *La Protection Civile (a French organization attached to the Ministry of Health whose mission is to protect population through relief and prevention operations)*
- they participated in May to the No Finish Line run in Paris in order to raise funds for underprivileged or sick children in France or abroad

Labour

Activa Capital which is a management company does not face any particular risks for labour.

In April, the company moved out to an office in the center of Paris. The new office was refurbished improving the work environment.

Also, Activa Capital whose workforce is below twenty employees faces an imbalance in the gender distribution among its employees. This year, the company recruited in 2019 one man and two women that strengthen the investment and financial department and reduce the gender imbalance.

Finally, before mid-March 2019, human resources management was fully externalized. The recruitment of a Chief Financial Officer handling the management of human resources, the monitoring and fixing of employees' issues were eased.

Environment

Activa Capital does not represent any particular risks to the environment due to its direct activities. Also, thanks to its relocation, it benefits from an office with improved energy efficiency contributing to reduce its electricity consumption and therefore greenhouses gas emissions.

Also, Activa Capital chose an electricity supply contract which provides CO2-free electricity.

Anti-corruption

Activa Capital could face potential threat in term of corruption as it required to order financial flows.

The control and prevention against corruption was reinforced by the hiring of a financial and administrative director that watch closely all the issues related to that matter.

Also, a managing partner is responsible for compliance and internal control which greatly reinforce the monitoring of those issues.

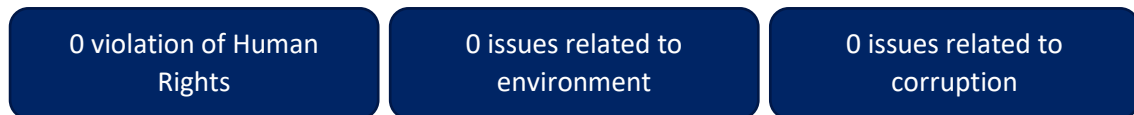
Finally, employees are required in November 2019 to be trained to anti-money laundering measures in order to raise awareness and prevent any kind of corruption.

Activa Capital, as an investor: portfolio's companies

As a private equity company, we invest in small and medium sized companies that we support in their development.

Part of this support is through our ESG policy that includes promoting sustainable development in all of its forms: socially, environmentally and governance. Those three pillars are closely related to the ten principles of the Global Compact and some of the Sustainable Development Goals.

Since December 2018:



Our new investments

Since December 2018, as part of our investment strategy, four ESG audits were carried out for the new investments Activa Capital made and following those, four roadmaps have been planned to improve ESG practices.

Actions in relation to principles 1, 2, 3, 4, 5 & 6

- Most of our companies are subject to French legislation which respects the highest standards towards human rights, labour rights and can enforce the law
- For the three companies that have operations abroad and specific risks, none have been related to actions against these principles
Moreover, employees for two of those three companies enjoy specific measures to improve their working conditions compared to other local workers like affording private transports to get workers home
- In France, the reforms of the Macron government impacted in 2019 the labour law with a simplified workers' social representation in the French companies. All our portfolio companies were concerned. They worked together with specialized consulting firm to comply with this new work legislation
- One of our company, with a subsidiary company based in Madagascar, has created in 2017 a free vocational law school to promote education and jobs related to insurance. Each year, it

delivers diplomas to tens of people. This promotes awareness of education and acknowledgement of work

Actions in relation to principles 7, 8 & 9

- As part of our commitment towards Initiative Climat France, Activa Capital asked its portfolio's companies to measure its carbon emissions which is the result of a collaborative work. For the first time, it will enable to create a reference level and enable measures to reduce it with the relevant actions
- Most of our companies took actions to reduce their carbon footprint in their operations. For example, one of our companies that works a lot with paper (label printer) can now get 100% of its paper from forests that are certified Forest Stewardship Council or equivalent. Those certifications ensure that forests are managed in a sustainable way

Actions in relation to principle 10

- Most of our companies do not face high risks of corruption. Nevertheless, one of our portfolio companies reviewed the management of some of the employees' tasks to avoid any risk of corruption into its Madagascar subsidiary