



at the
heart of
Evol:
sustainable
development

2022 Impact Financing Report

A stylized tree graphic with a dark green trunk and branches, and several large, rounded, light green leaves. The text 'table of contents' is overlaid on the lower part of the tree.

table of contents

Opening remarks

The first year for the impact financing envelope **3**

The impact envelope: for a sustainable entrepreneurial ecosystem

Our partners, ambassadors of change **5**

Part of Evol's DNA: the UN's Sustainable Development Goals **7**

First anniversary: from vision to reality

A structured effort **9**

Impact financing **11**

How it works **12**

One year later: results and our first findings

Our portfolio at a glance **15**

Our clientele **16**

Sustainable development goals central to the effort **18**

Behind businesses, human engagement **26**

Vision of the future

Impact in 2023-2024: supporting businesses at different stages of maturity **30**

Another step toward a more sustainable economy **30**

opening remarks



The first year for the impact financing envelope

September 15 was the first anniversary of Evol (formerly Femmessor) and the creation of its first financing envelope dedicated to businesses with diverse, inclusive ownership that want to have a positive impact on society.

This change was made with the ambition of transforming the economy to make it more inclusive, equitable, and sustainable. Drawing inspiration from the words evolution and envol – French for flight – Evol is confident that entrepreneurship can be a vector for positive change.

Thanks to the engagement of major public and private partners, the organization now has over \$60 million at its disposal to keep its promise of financing change. During this past year of operations, Evol granted **\$7.14 million to support businesses owned by entrepreneurs who represent the multiplicity of faces that make up our society and who want to have a positive impact aligned with the United Nations' (UN) 17 Sustainable Development Goals (SDGs).**

Given the scope of the challenges facing our society, we cannot sit idly by. We would like to thank the members of our board of directors for their vision and their trust as we redefine our organization. We would also like to recognize the invaluable contribution of our financial partners and collaborating partners, as well as the firm commitment of a team that has done outstanding work. Finally, we reserve a special thought for our clients and their enthusiasm for building prosperous businesses that create value for society.

By integrating sustainable development criteria in selecting candidates for financing, we decided to help change Quebec's entrepreneurial ecosystem. And there is reason to celebrate. This new envelope has generated keen interest in the ecosystem, and the positive spinoffs in the first year give us a glimpse of a promising future.

Let's celebrate this first year of change together. Because when we work together, we can make a difference.

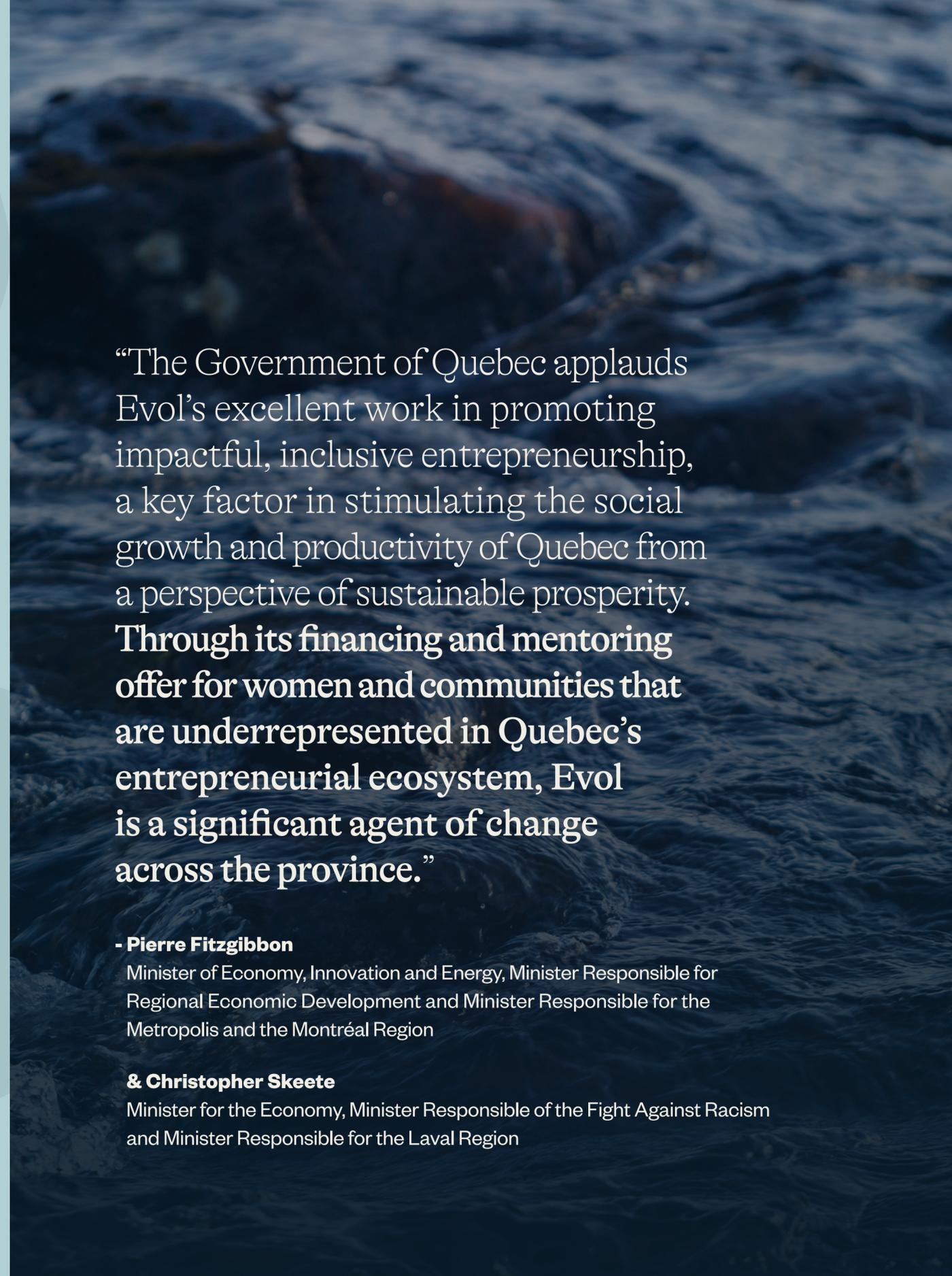
— **Alain-Olivier Desbois** - Member of the Board of Directors
Chantal Thieblin Goffoz - Director, Impact and Sustainable Development



\$7,14 M
disbursed
to support
entrepreneurs

A large, stylized graphic of a leaf or fan shape, composed of several overlapping, semi-transparent light blue shapes, centered on the left side of the page.

the impact
envelope:
for a sustainable
entrepreneurial ecosystem

A background image of dark blue water with ripples and a small, dark object floating on the surface, located on the right side of the page.

“The Government of Quebec applauds Evol’s excellent work in promoting impactful, inclusive entrepreneurship, a key factor in stimulating the social growth and productivity of Quebec from a perspective of sustainable prosperity. **Through its financing and mentoring offer for women and communities that are underrepresented in Quebec’s entrepreneurial ecosystem, Evol is a significant agent of change across the province.**”

- Pierre Fitzgibbon

Minister of Economy, Innovation and Energy, Minister Responsible for Regional Economic Development and Minister Responsible for the Metropolis and the Montréal Region

& Christopher Skeete

Minister for the Economy, Minister Responsible of the Fight Against Racism and Minister Responsible for the Laval Region

Our partners, ambassadors of change

In September 2021, Evol introduced a new financing tool for businesses with diverse, inclusive ownership in Quebec: the impact financing envelope.

Through partnerships with the Government of Québec (with Investissement Québec as its agent), the Government of Canada, National Bank, BDC, the Fonds de solidarité FTQ, and Fondation, Evol now has an envelope of \$60 million to support businesses with diverse, inclusive ownership generate positive impacts aligned on the UN's Sustainable Development Goals (SDGs).

According to the study "Entrepreneurial diversity: Major impacts for Quebec and Montréal," conducted jointly by Evol and the Chamber of Commerce of Metropolitan Montreal (CCMM), while female entrepreneurship increased 32% between 2017 and 2019, women, as well as diverse communities, are underrepresented in Quebec's entrepreneurial ecosystem. And yet, members of cultural communities have clearly greater entrepreneurial intentions compared with native-born Canadians, and their businesses are more likely to show strong growth (Statistics Canada).

The study also points to the fact that women, along with people from diverse communities, are more sensitive to environmental and social issues.

The challenges they face are also similar: access to capital, support, and networks. However, people from diverse communities face the added challenge of unfamiliarity with cultural codes and commercial practices and difficulties integrating to the Quebec business community.

The study shows that investors have started to prefer businesses with best practices and performance with respect to the economy, environment, and social climate, while almost half of Quebecers (48%) believe that environmental protection should be a government priority.

With this as a premise, Evol expanded its clientele, dedicating its services to all communities that are underrepresented in the Quebec entrepreneurial ecosystem.

Evol wants to contribute to the success of businesses owned by women and racialized people, immigrants, members of First Nations and Inuit communities, the LGBTQ2+ community, and people living with a disability, generating positive social and environmental impacts aligned with at least one of the UN's 17 Sustainable Development Goals (SDGs).

Women

Racialized people

Immigrants

Members of First Nations and Inuit communities

The LGBTQ2+ community

People living with a disability



The UN's Sustainable Development Goals

The UN's Sustainable Development Goals identify 17 priorities for socially equitable, environmentally sustainable, economically prosperous, inclusive, and predictable development by 2030. They were adopted in September 2015 by the UN as part of the 2030 Agenda.



Thanks to partners who invested in this new financial tool, Quebec can now count on a unique model in the world for financing businesses with diverse ownership. This specialized impact envelope, which rounds out the existing offer in the entrepreneurial ecosystem, is a pipeline, driver, and incubator for projects, some of which will become flagships for the Quebec economy.

We would also like to thank partners for making Quebec fertile ground for creating and innovating in local businesses. This major mobilization is also part of achieving SDG 17.

Part of Evol's DNA: the UN's Sustainable Development Goals

Our purpose

To empower equity-seeking entrepreneurs to actively participate in creating a better world.

Our mission

Evol is dedicated to the development of diverse and inclusive entrepreneurship in the 17 regions of Quebec, and its mission is to contribute directly to the creation, growth, and acquisition of businesses that have a positive impact aligned with the UN's Sustainable Development Goals.

Our vision

Recognized for its direct impact on increasing the number of businesses with diverse, inclusive ownership in Quebec, Evol plays a leading role in entrepreneurship and actively participates in the economic vitality of our society and in creating a better world.



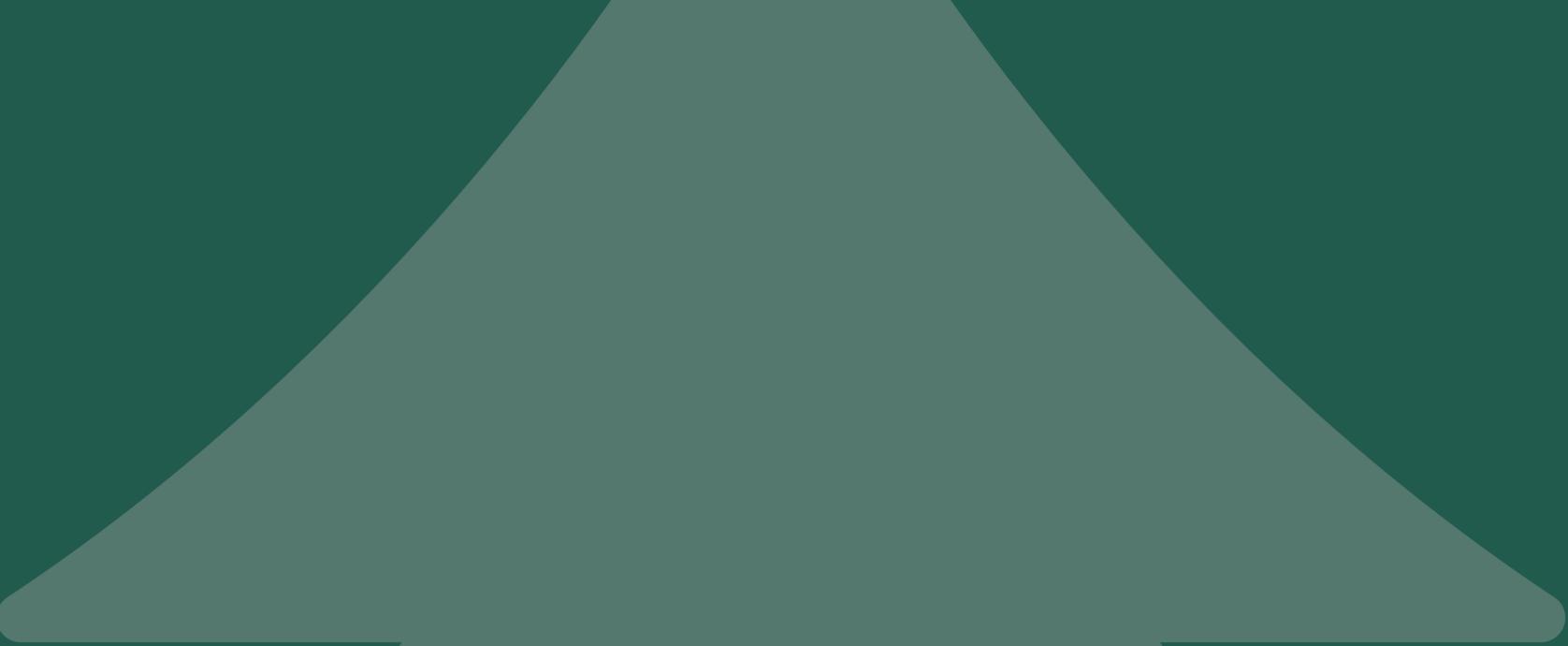
— Éloïse Viens, Marie-Chantale Viens & Annick Bachand - malterre

“The Government of Canada is proud to pursue its commitment to encourage inclusion and diversity while promoting sustainable economic development. Strategic, targeted investments with key partners such as Evol make it possible to improve the economic prospects of different groups in the population and to support local businesses that are creating value. Congratulations to the Evol team!”

- The Honourable Pascale St-Onge

Member for Brome–Missisquoi

Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec



first anniversary: from vision to reality



“ Between now and 2030, Quebec entrepreneurship will actively contribute to achieving the UN’s Sustainable Development Goals **through more inclusive entrepreneurship and the development of businesses that have a positive social and environmental impact.** ”

This is how the Evol team defined the impact it wants to have through the impact financing envelope.

A structured effort

To support entrepreneurs on the journey to sustainable development, Evol has identified short-, medium-, and long-term milestones to track the evolution of results. Assisted by experts, the organization undertook the Theory of Change exercise.

In the long term, the impact envelope is **designed to increase the number of businesses with diverse, inclusive ownership that have a positive social and environmental impact on Quebec.**

The Theory of Change

The **Theory of Change** is a strategic tool organizations use to be agents of change. It makes it possible to describe the transformations desired and identify how to achieve them. It shows we can dream of a better world while keeping our feet firmly planted on the ground.

To achieve this, Evol focuses on three main levers of action:

- 1** Positioning Quebec as fertile ground to develop high-performance models for businesses with diverse ownership.
- 2** Influencing financial actors and increasing financial support (public and private) to impact entrepreneurs from diverse communities.
- 3** Contributing to the socio-ecological transition of the economy by scaling environmentally responsible businesses with impact.

Evol positions itself as an agent of change and acts as a catalyst in the financial and entrepreneurial ecosystems of Quebec. It aspires to a successful transition to a more equitable economy that is concerned about social and environmental issues and acts as a conduit for solutions to achieve this.

Evol also has a governance structure that reflects its goals. Whether through a liberated organization model, its internal policies that promote equity, well-being, and work-life balance, or simply its culture of kindness and empathy, Evol strives to be an example of an organization with modern, innovative governance.





Lydie & Gogbeu Ouehi - Amango Cacao

In the coming years, the Evol team will implement structuring actions that will make it possible to:

Long term

1 Position Quebec as fertile ground for developing models for high-performance businesses with diverse ownership

2 Influence financial actors and increase financial support (public and private) to impact entrepreneurs from diverse communities

3 Contribute to the socio-ecological transition of the economy by scaling environmentally responsible businesses with impact

Medium term

Support the startup and growth of businesses with diverse ownership

Strengthen the ability of ecosystem actors to understand issues of diversity to better address them, particularly by developing and supporting environmentally responsible entrepreneurship with impact

Increase the ability of entrepreneurs to take action that has a social and environmental impact

Short term

Increase access to financing and support for businesses with diverse ownership

Make the ecosystem aware of issues of diversity in entrepreneurship and environmentally responsible entrepreneurship with impact

Increase access to financing and support for entrepreneurs who want to have a social and environmental impact



Impact financing

Evol wants to play a leading role in entrepreneurship and actively participate in the economic vitality of Quebec and creating a better world. It therefore supports environmentally responsible, impact businesses that want to make a positive contribution to our society.

What is impact financing?

Impact financing is financing with the goal of creating social and environmental benefits while generating financial performance.

What is an impact business?

An **impact business** wants to provide a solution to a social or environmental challenge. It wants to be part of positive change for our society. Social or environmental added value is central to its business model and cannot be dissociated from the creation of economic wealth.

What is an environmentally responsible business?

An **environmentally responsible business** tries to limit the negative impact of its activities, protect the environment, and respect the community. Some have already put in place more limited environmentally responsible practices but need recommendations and advice from Evol to be more ambitious in sustainable development and prioritize appropriate efforts. Others have integrated environmentally responsible management practices to their business models but want to go further by integrating an environmentally responsible strategic effort in their organization.

Evol has developed a new financing policy to include notions of impact and sustainable development at every step. These criteria are now considered in risk assessment, analysis tools, reports, and accountability. This is how we ensure effective governance for the organization and see to it that goals are achieved.

Who is eligible?

Whether for starting, growing, acquiring, or planning the succession for a business, the impact financing envelope can meet the needs of entrepreneurs from communities that are underrepresented in entrepreneurship, nation-wide. Evol also mentors businesses from a range of sectors.

In addition to needing financing for a specific project, the business has to meet the following criteria:

- Be headed up by at least one person from a community that is underrepresented in entrepreneurship. This person must hold at least 25% of the shares (and votes) and a strategic position within the business.
- OR**
- Have a formal succession plan for the gradual acquisition by one or more people who are members of a community underrepresented in entrepreneurship with the intention of holding a strategic position in the company, with a minimum of 25% shares (and votes).
- AND**
- Be able to demonstrate its intention to contribute (in the next 12 months), or its current contribution to at least one of the 17 SDGs.

How it works



1. Initial contact and eligibility

From the initial contact, Evol supports entrepreneurs in defining their social and environmental impact strategy and in using the financing for its implementation.

Regardless of the SDG targeted, the business's impact effort is welcome.



2. Application for financing

To ensure equity in evaluating requests for financing, Evol has developed an analysis grid with a point system to evaluate businesses based on their contribution to certain SDGs, chosen specifically by Evol.



3. Investment decision

The impact financing envelope has independent governance to avoid any conflict of interest and effectively manage risk.

Decisions are made by the appropriate financing committee based on the amount of the loan, the region, the sector of activity, and the case particulars. Members of the financing committees are players in the financial sector, entrepreneurship, and sustainable development. All have received training on Evol's impact objectives.



4. Disbursement and mentoring path

Evol supports entrepreneurs throughout the term of the loan, particularly in implementing and measuring their social and environmental engagement. The complete mentoring offer includes elements that reflect the needs of entrepreneurs.



Alexane Thiffaut - Les Snorôs

In analyzing applications for financing, Evol seeks to measure its own performance in achieving its objectives, which are to:

- Foster the creation of impact businesses whose mission, vision, and values are aligned with at least one of the UN's 17 Sustainable Development Goals.
- Foster a business ethic that enables healthy, sustainable growth.
- Create quality jobs and develop skills that are useful for the job market of the future.
- Promote an inclusive work environment, guarantee equity, and promote greater diversity in businesses.
- Promote the implementation of responsible procurement policies.
- Support the offer of quality, safe products and services, satisfying the needs of society from an environmentally responsible perspective.
- Achieve sustainable management and a reduction in the use of natural resources, particularly through circular economy strategies.
- Help achieve objectives to reduce greenhouse gas emissions in Quebec (Accélérer 2030).

To maximize its impact, Evol has developed a complete, customized post-financing mentoring path:

- Diagnosis of entrepreneurial skills;
- Personalized support plan;
- Financial forecast tool;
- Monitoring the company's financial statements;
- Online information capsules;
- Free consultations with experts from the Brigade-conseil;
- Access to specialized resources in sustainable development.

Evol's financing and mentoring

The financing and mentoring offered by Evol is a driving force of entrepreneurship in Quebec. When business projects are financed through the impact financing envelope, a team of Evol specialists supports entrepreneurs throughout the business project.

“The National Bank is proud to participate in the impact envelope and proud of its partnership with Evol. Inclusion and diversity are core values for us that underlie a more human, prosperous economy. **I congratulate Evol for its leadership and for implementing a fund that is having a concrete impact on better representation in entrepreneurship.**”

- Geneviève Turbide-Potvin

Senior Vice-President of National Bank,
Commercial & Private Banking, Québec & Eastern Ontario

one year later: results and our first findings

In the first year of the impact financing envelope, Evol is proud to have granted **\$7.14 million to 56 businesses with diverse, inclusive ownership that have a positive impact on society.**

Our portfolio at a glance

The first year of the impact financing envelope saw the launch of the financial policy and implementation of a brand-new analysis grid that combines financial and non-financial factors.

Financing granted

\$7,14 M
in conventional loans

Impact on jobs

390
jobs maintained through the projects financed

+283
jobs created through the projects financed

=673
jobs in total created or maintained through the projects financed

Envelope of loans granted

The average loan granted per business is **\$127,000**.

63%
\$100,000 or less

7%
\$300,000 to \$450,000

30%
\$100,000 to \$300,000



Our clientele

Communities represented

The study “Entrepreneurial diversity: major impacts for Quebec and Montréal” showed that entrepreneurs from underrepresented groups have limited access to financing of over \$20,000 and support services that reflect their needs.

In 2021, the evolution of Evol’s mandate made it possible to reach new categories of entrepreneurs, while maintaining its initial support to women-owned businesses. Based on its 25 years of existence and unique expertise in financing and mentoring, Evol now supports a wider diversity of entrepreneurs.

Clienteles supported by Evol

86%

of entrepreneurs financed identify as female.

29%

of entrepreneurs financed identify with at least one of the other groups underrepresented in entrepreneurship, i.e.:

- Racialized people
- Immigrants
- Members of First Nations and Inuit communities
- Members of the LGBTQ2+ community
- People living with a disability

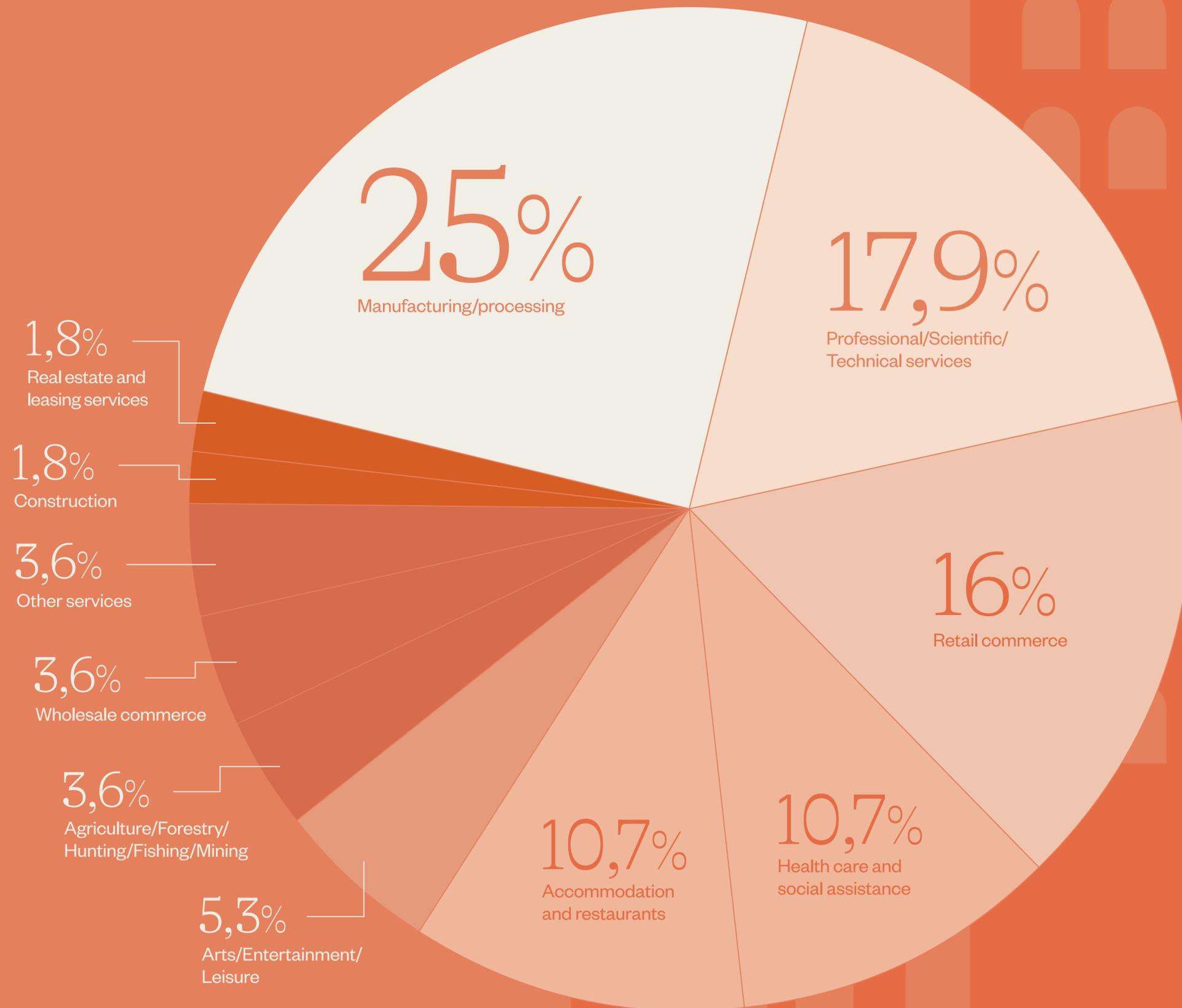
Sectors of activity of businesses financed

Sustainable development investment funds tend to offer only equity or specialize in certain sectors – clean tech, for example. The sectors Evol supports are diverse and represent the plurality of economic activities in Quebec.

Life cycle stages of businesses financed

Offers of financing for startup businesses or those from riskier sectors of activity (retail, service businesses, accommodations, restaurants, etc.) are harder to find. One of the particularities of the impact envelope is to support businesses at different stages in their life cycle, including startup, which is essential to the vitality of the Quebec economy.

Stage in the life cycle	Number	%
Startup	25	44,7%
Expansion/growth	19	33,9%
Acquisition/takeover	12	21,4%
Total	56	100%



Sustainable development goals central to the effort

Impact intentions targeted by businesses

At Evol, all impact intentions and themes are welcome. To qualify for financing, entrepreneurs have to show their intention (in the next 12 months) or real contribution to at least one of the UN's Sustainable Development Goals.

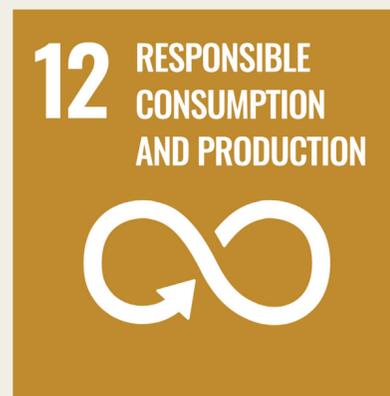
Evol's teams support entrepreneurs in formalizing their impact intention and tying it to one or more of the 17 SDGs and then mobilize them to achieve their impact intention, throughout the term of the loan.

SDG targeted by businesses financed

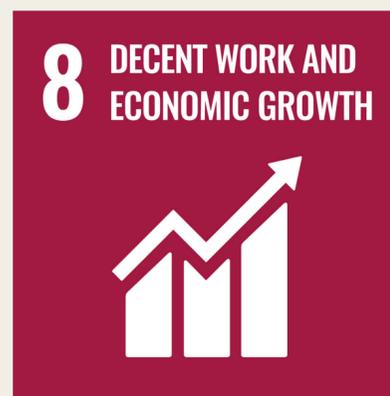
With their impact intentions falling mainly under SDG 12 – Responsible Consumption and Production - (representing 22% of businesses financed by Evol), entrepreneurs show their concern for adjusting their practices and adopting circular economy strategies.

SDGs targeted in impact intentions of businesses financed by percentage

Very often targeted



22%



20%



19%

Often targeted



7%



6%



5%



4%



4%



4%

Rarely targeted



3%



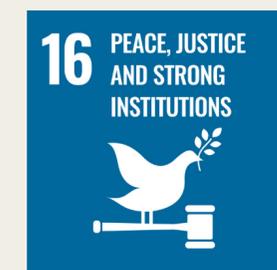
3%



2%



2%



1%



1%

The circular economy

The circular economy is intended to optimize the use of resources at every step in the life cycle of a good or service. This approach contrasts with the linear model that involves extraction, manufacturing, use, and disposal, and responds to growing environmental and social challenges and risks, while generating major economic advantages. Our businesses get it! They prioritize sustainable products, local supply, and stricter social norms.

Examples of circular economy businesses

Timinious allows parents to consume less and better thanks to its durable, scalable, versatile clothing, suited to all seasons, made in Quebec from environmentally responsible, renewable, biodegradable materials. By improving practices in valorizing textile waste – a scourge of the industry – Timinious hopes to find better solutions by leveraging circularity.

Les Passions de Julie offers a turnkey delivery service for healthy meals. Its strength lies in working with local fruit and vegetable growers. Thanks in part to Evol's financing, the business has been able to set up shop and purchase quality equipment to optimize the efficiency of its strategy of short channels and food waste reduction.

Examples of businesses serving people and their community

As for the other SDGs most often targeted by our businesses, **SDG 8 – decent work and economic growth** - is central to the efforts of 20% of them, while **SDG 3 – good health and well-being** - is targeted by 19% of our clientele.

These include **the Marché des saveurs gaspésiennes**, recently purchased by an entrepreneur couple from Peru, a local business that provides jobs in the Gaspésie region.

The business **Douceurs et Petits Poids**, an innovative centre for well-being, supports pregnant women and new mothers with pre-natal and post-natal fitness, aiming to help improve reproductive, maternal, and child health.

Finally, **the sustainable cities and communities theme, related to SDG 11** resonates with 7% of our clientele, while **SDGs 5 and 10, regarding reducing inequality (gender and diversity)**, are targeted respectively by 6% and 4% of businesses.



Business performance related to sustainable development

While every business financed can choose an impact intention aligned with at least one of the 17 UN's SDGs, all businesses financed are evaluated with 8 shared criteria.

Evol developed an analysis grid with 8 criteria related to sustainable development and with a point system to evaluate the level of business maturity. The scores on the grid are inspired by [BNQ 21000](#), the [B Impact Assessment](#) and the [UN Global Compact](#).

The 8 criteria strategically chosen by Evol

- | | |
|---|--|
| <p>1 Mission, vision, values
SDG 1 to 17</p> | <p>5 Responsible procurement
SDG 12</p> |
| <p>2 Business ethics
SDG 16</p> | <p>6 Environmental responsibility in products and services
SDG 12</p> |
| <p>3 Skills development
SDG 4 & 8</p> | <p>7 Circular economy strategies
SDG 12</p> |
| <p>4 Equity, diversity, and inclusion
SDG 5 & 10</p> | <p>8 Reduction of greenhouse gas emissions
SDG 13</p> |

For financial criteria, a score of 1 (low risk) to 4 (high risk) is assigned by the person responsible for the assessment. This score evaluates **the level of maturity** of the business with the impact theme.

For example, all businesses financed are evaluated on their responsible procurement practices based on this grid:

Impact criteria

The business has implemented a **responsible procurement policy** that includes non-financial criteria in selecting its suppliers, considering the social and environmental impacts of its choices.

Low risk (1)

The business has a responsible procurement policy that enables it to choose suppliers based on non-financial criteria (social and environmental impact).

Moderate risk (2)

The business has a purchasing policy that identifies at least 2 environmentally responsible criteria for most of its product and service purchases (certified products, sustainable development efforts, short chains, etc.).

Employees know and apply these criteria in their purchasing decisions.

High risk (3)

The business uses purchasing criteria focused solely on value. In the case of comparable value, it uses suppliers engaged in sustainable development.

Very high risk (4)

The business applies solely financial criteria in its procurement of raw materials and other purchases.

Determination of the risk premium and interest rate

To make the financing offer more effective and equitable, this evaluation is considered in establishing the risk premium, which is used to calculate the loan interest rate.

“We are very pleased to contribute financially to this new financing envelope and to pursue our partnership with Evol and its partners to **further support businesses that use sustainable development criteria in their business strategy, improving overall performance and reinforcing their resilience.**”

- **Chantal Rémy**

Senior Vice-President of BDC
Quebec and Atlantic and Advisory Services

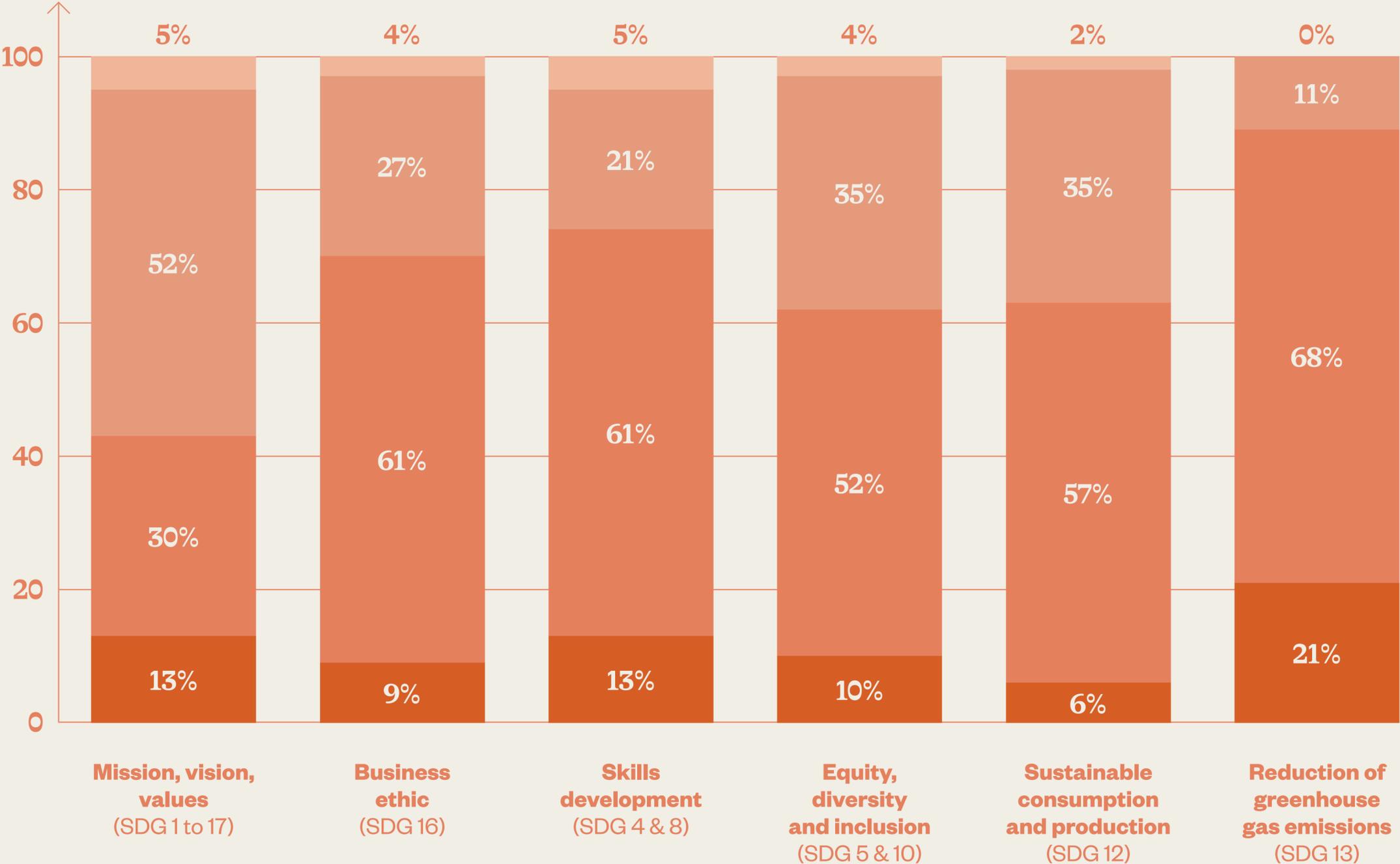
The interest rate

In other words, the interest rate for a project is determined based on the business's contribution to sustainable development. **The more mature a business is in its sustainable development effort, the lower the interest rate for the loan from Evol.** Engaging in this sort of effort pays off!



Social and environmental performance of businesses at the time of the analysis (for disbursed loans)

In the past year, businesses financed by Evol have varied in their levels of maturity in social and environmental performance.



- Legend**
- Advanced maturity
 - Average maturity - high
 - Average maturity - low
 - Low maturity

Mission, vision, values (SDG 1 to 17)

Social and environmental considerations are central to the concerns of businesses financed by the Evol impact envelope. Among the businesses financed, 57% have a stated mission in line with these values.

These include the mission of **Le Camping du Lac Lyster**, which is to offer campers and glampers an environmentally responsible site and outdoor activities. Their strong values are: respect for others and nature, equity, and peace.

57%

mention social and environmental values in their mission statement

31%

of businesses financed exceed regulatory obligations

Business ethics (SDG 16)

31% of businesses financed exceed regulatory obligations. They have adopted one of the following practices: a formal code of ethics, a written whistleblower policy, internal financial controls against fraud or corruption, a privacy policy for client and stakeholder personal data, and risk assessment based on ethics.

These businesses generally have an organizational structure that reflects their impact goals. The business plan or strategic plan enables the organization to adapt to change to fulfill their mission. The business has identified the internal and external risks to their project and has planned for or implemented mitigation measures.

These include **Physio Logis**, a physiotherapy clinic dedicated to a clientele that is often neglected. The business now offers functional rehabilitation services to people living with neurological conditions, such as multiple sclerosis, Parkinson's, strokes, spinal cord injuries, and car accidents.

By specializing in care for people suffering from neurological disorders, it also decided to ensure accessibility and adapt to its clientele. The clinic set up its space and equipment accordingly, including bathrooms, a suspension system, and parallel bars. In addition to adapted equipment, the clinic offers clients a sliding scale that reflects their ability to pay. The business has formed a partnership with the CIUSSS de Lanaudière, which covers fees for certain patients who have long been on a waiting list. Physio Logis also differs in offering flexible length of appointments based on patient needs.



26%

of businesses financed want to develop skills in sustainable development

40%

of businesses financed prioritize equity, diversity, and inclusion

35%

of businesses financed prioritize responsible production and consumption

Skills development (SDG 4 & 8)

26% of businesses financed have a skills development strategy aligned with tomorrow's market. 4% of our businesses are already highly mature on this criterion, i.e., the business uses innovation to foster employee advancement (promotions, benefits, fostering innovation, and sharing experience, etc.), has a succession plan, and has a training budget as a percentage of its payroll.

This is the case for the company **Chez Excel entretien Ménager**, where a staff training plan is formally established and the person responsible for training takes new recruits under their wing and oversees their advancement through the organization. The plan is based on retention and inclusion mechanisms.

Equity, diversity, and inclusion (SDG 5 & 10)

Close to 40% of businesses financed have high or moderately high maturity on these criteria, which are important to Evol. Many of our businesses show their commitment to diversity, equity, and inclusion. They have set diversity goals (gender, age, origin), including for executive roles. Some have also implemented formal monitoring systems and goals to increase the sense of belonging and well-being of employees.

For example, **iPlomberie** tries to create space for women in the construction sector, specifically in plumbing. Wanting to see its sector of activity open up, the business took the risk of hiring two people without diplomas whom they trained for two years. Based on the success of this effort, iPlomberie is now looking at the possibility of hiring people in social reintegration who want to work during a diploma of vocational studies in plumbing. It wants to be an example of inclusion and openness in the construction industry and to encourage more women to join the industry.

Through its efforts, Evol wants to inspire other organizations in the entrepreneurial ecosystem to adopt practices to foster employee well-being.

Responsible consumption and production (SDG 12)

Evol encourages entrepreneurs to question their contributions to SDG 12 from three angles:

- Has the business implemented a responsible procurement policy that includes non-financial criteria in selecting suppliers and does it consider the social and environmental impacts of their choices?
- Does the business integrate environmental responsibility and innovation in the quality criteria for its products and services?
- Does the business foster the reduction in the use of non-recyclable raw materials through circular economy principles (Rethink, Reduce, Reuse, Recycle, Value and Eliminate)?

35% of businesses financed obtain medium-high scores on the combination of these 3 questions, while 2% obtain scores that showed advanced maturity.

These include **malterre**, which has made the circular economy central to its business. The company makes delicious crackers by valorizing draff, a plant coproduct from brewing beer. Using this ingredient, which is rich in protein and fibre, reduces waste from microbreweries and results in a healthy new product that tastes great.

“For the Fonds de solidarité FTQ, financial returns must be balanced with benefits to society. We use the economic leverage of our savers to invest in businesses and advance Quebec, both economically and socially. The contribution of the Fonds to Evol’s financing envelope is in line with our desire to contribute to a more just, equitable, diverse, and sustainable economy.”

- Dany Pelletier

Executive Vice-President, Private Equity and Impact Investing for the Fonds de solidarité FTQ



Reduction of greenhouse gas emissions (SDG 13)

Evol plays an important role in awareness among local businesses for taking concrete action to reduce greenhouse gas emissions so that the private sector actively supports Quebec in achieving its goal of carbon neutrality by 2050.

- The climate challenge of reducing greenhouse gas emissions is the main challenge businesses support. 11% of our businesses financed are at a high level of maturity, indicating that they have put in place a number of mitigation measures to reduce their carbon footprint.

EnerProx has developed PV-T solar and thermodynamic modules to reduce energy loss related to heating, air conditioning, and ventilation in buildings in the industrial and agrifood sectors. This is an innovative product, suited to the environmental challenges we face.

- Businesses can quickly take concrete action to reduce their environmental impact. While they do not always include them in their strategic plan, 68% of businesses have taken isolated action.

These include Création MonLove, which is exploring options to reduce greenhouse gases generated by air transportation for international touring shows.

Evol’s support makes a big difference in translating the entrepreneur or management team’s good intentions and making them part of the business’s DNA. As a result, during business growth, impact and environmental responsibility are more in evidence than ever. And who knows, maybe the business will be a role model to others!

11%
of businesses
financed want
to reduce their
carbon footprint

Behind businesses, human engagement

OLA Bamboo – An impact business

OLA Bamboo is run by three entrepreneurs: Jean-Philippe Bergeron, Simon-Pier Ouellet, and Vicky Jodry, who want to make a difference for the environment.

How?

By developing everyday products that help reduce the use of plastic, one of the most polluting materials on the planet.

A low carbon footprint

The team first identified a raw material with a limited impact on biodiversity: bamboo, which requires no fertilizer or pesticides, plantations of which regenerate quickly, and which is 100% compostable. To offset greenhouse gas emissions related to shipping, OLA Bamboo contributes to Compensation CO2 Québec to plant trees, leaving almost no carbon footprint.

Their products

Starting with environmentally friendly toothbrushes manufactured in Drummondville, over time they added other products with components that have historically been polluting: natural deodorant in a cardboard tube, a cleaning tablet, reusable bamboo utensils and straws, bamboo fibre-based makeup remover pads, environmentally friendly dental floss, and more.

A network with common values

OLA Bamboo works with partners who share the same values. This collaboration extends to local social economy businesses. For international suppliers, OLA Bamboo ensures it applies standards in line with best practices in health and safety.

The environment has not only become OLA Bamboo's trademark, it is also the foundation of the business and its values. In the language of Evol, it is an impact business, because it seeks profound change in our system of consumption and production.

To support OLA Bamboo, Evol offered favourable payment terms in the pursuit of the business's activities and its sustainability. The business was then able to mobilize additional financing from other actors in the ecosystem.

At OLA Bamboo

Responsible consumption and production (SDG 12)

Establish sustainable modes of consumption and production





“It is important for us to respect our values in every aspect of our business, whether in developing products or choosing business partners. **Our mission is to reduce plastic waste, and if we can work with caring people to do that, that’s a big plus!**”

- **Vicky Jodry**
Vice-President, OLA Bamboo

Résidences Latour - A business mobilized by social impact

Résidences Latour is a business based in Saint-Jérôme, founded by François Minier and Maxime Latour. Like the impact financing envelope, this retirement home is celebrating its first anniversary this year.

A unique project

With seven rooms, this retirement home wants to offer a living environment on a human scale for residents who agree to live according to the home's founding principle: openness to others. With its primary vocation to welcome gay men aged 65 and older, the two owners have adopted an inclusive approach, which enables residents to live authentically in complete freedom.

The background of the two fighters

These two entrepreneurs had such faith in their project that they invested their personal savings, hoping to find support from financial institutions to complete their financing package. But no financing was available given their age and the fact that their company was too young to have generated any revenue. Then they discovered Evol and the possibility of tying their vision to that of an organization that is a perfect match in terms of social aims. Through Evol financing, Maxime and François were finally able to complete the groundwork to make their dream come true.

An inclusive living environment

The owners' vision reveals the social concerns central to sustainable development. They want their residents to live with dignity and receive appropriate care in an environment where quality of life takes precedence over profit at all costs and where concern for individual needs is reflected down to dietary preferences. In developing the retirement home, Maxime and François also decided that residents would be accepted based on the ability of the two men to provide care and manage the home on their own, to ensure stability for their residents.

Chez Résidences Latour

Good health and well-being (SDG 3)

Ensure healthy lives and promote well-being for all at all ages

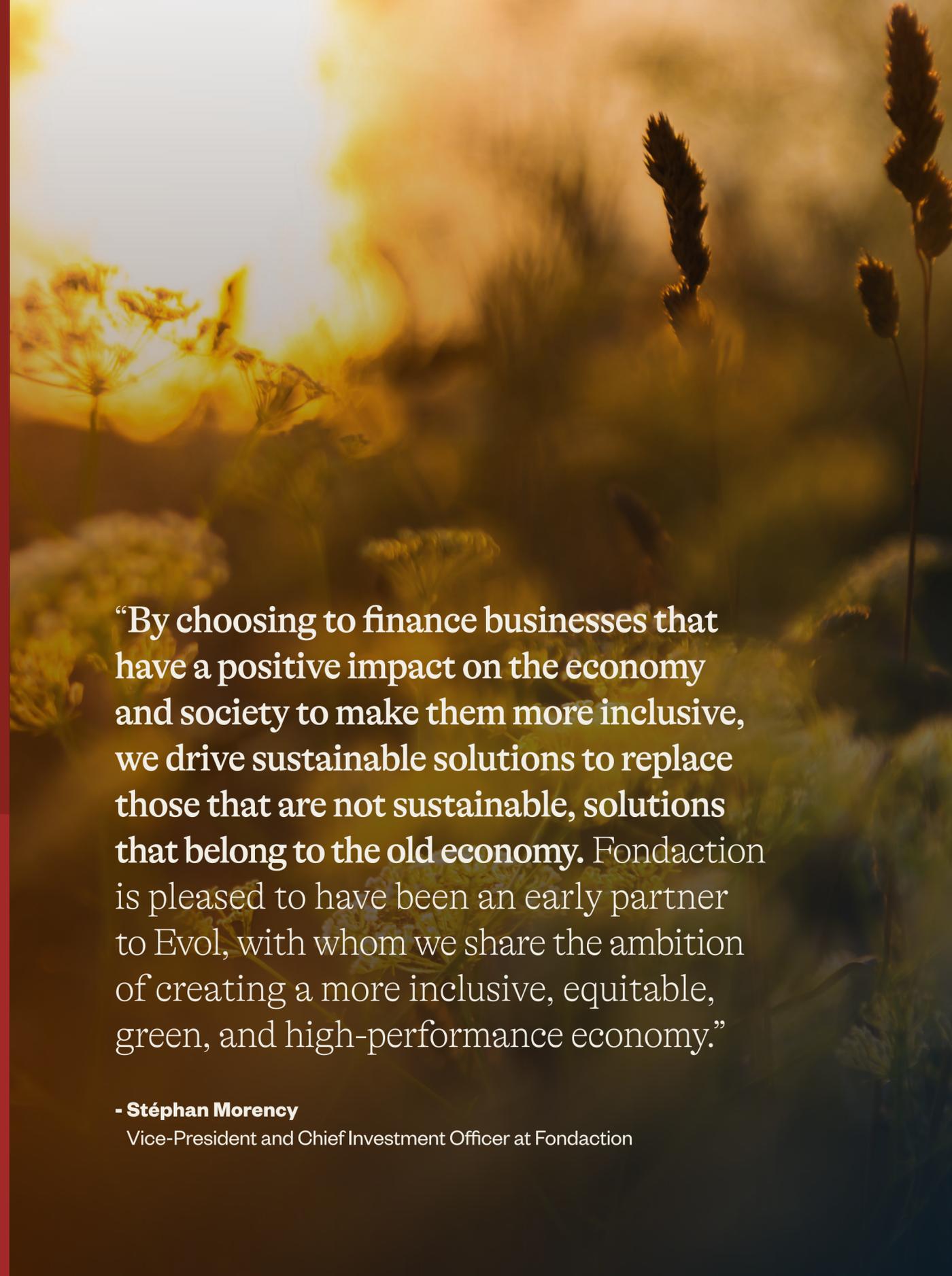
“It’s as if at some point we came to a cliff and looked over to the other side, wondering whether, if we took a run at it and jumped, we could make it without falling. **But Evol appeared and gave us the bridge we needed to cross, saying: you can do it.**”

- **Maxime Latour**

Co-owner, Résidences Latour



vision of the future



“By choosing to finance businesses that have a positive impact on the economy and society to make them more inclusive, we drive sustainable solutions to replace those that are not sustainable, solutions that belong to the old economy. Fondaction is pleased to have been an early partner to Evol, with whom we share the ambition of creating a more inclusive, equitable, green, and high-performance economy.”

- **Stéphan Morency**

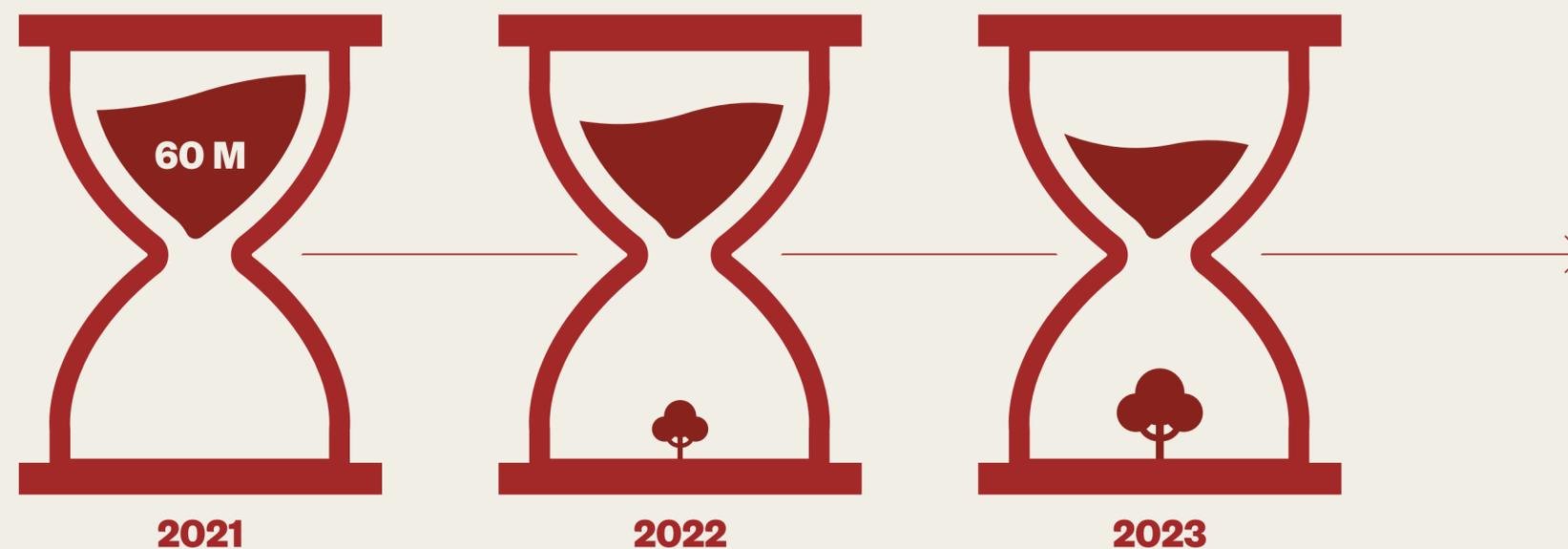
Vice-President and Chief Investment Officer at Fondaction

Impact in 2023-2024: supporting businesses at different stages of maturities

Evol has distinguished itself for its desire to support businesses regardless of their level of maturity in social and environmental performance. During this first year, over 80% of businesses financed were already classified as environmentally responsible based on our internal analysis grid. In 2023, Evol wants to further support these businesses that are involved in a complete sustainable development effort and continue to guide them in their transition to increase their positive impact on society.

To do this, Evol has focused mainly on enhancing and promoting its mentoring offer. We believe that our mentoring distinguishes us in the market and allows us to increase the number of impact businesses among those financed, as well as the positive impact of all businesses supported.

Evol continuously improves its processes. We are currently developing a more granular categorization of businesses based on level of maturity to get a better picture of their sustainable development efforts. This will enable us to better measure the progress of businesses during the financing term and, in turn, the real impact of our organization.



Another step toward a more sustainable economy

The publication of this first impact financing report is more than a simple exercise in transparency. It is a milestone necessary for the transformation of our economy.

The climate emergency and social inequalities remind us of the importance of having a sustainable economy at the service of all people and prompt us to take concrete, even bold, action to reverse the trend.

In publishing this report, we hope to inspire other actors in the ecosystem to do likewise and to show that our social and environmental impact is an imperative, as important to us as our financial responsibilities.

It is more important than ever that Evol adapt to the current context and respond to the needs of entrepreneurs and, more specifically, to those who are agents of change.

In the coming year, Evol would like to increase its impact on the Quebec economy, through financing and support for businesses and the mobilization of our partners in the ecosystem and our respective teams (SDG 17).

By working hard together we can tackle the challenges facing us and bring real change to our economy to make it finally more just, inclusive, and sustainable.