

COUNTRY	→ Tunisia
BUSINESS FOCUS	→ Discount supermarket chain
INVESTMENT DATE	→ July 2019
INVESTMENT FUND	→ Mediterrania Capital III
COMPANY TYPE	→ Mid-Cap (At investment)

# AZIZA

---

## THE COMPANY

Founded in 2014 by Ghassen Slama, Aziza is one of the leading food retail operators in Tunisia with 300+ stores across the country covering 92,000 sq. m. of sales area. With over 2,500 employees, the company operates one of the largest store networks in Tunisia, targeting the middle-class customer market.

## VALUE CREATION

Since Mediterrania Capital Partners' investment, Aziza has placed considerable emphasis on providing the highest-quality products at the lowest possible cost. Its own-brand product offering has expanded to fulfil customer needs from food to cleaning and hygiene, with a range of 200 labels. On average, the company's products are 40% cheaper than those of competitors and are consistently ranked #1 in terms of "value for money" by customers.

One of the key elements of Aziza's operating model is the company's close relationship with its suppliers. At the recommendation of Mediterrania Capital Partners, Aziza began to implement long-term offtake agreements with local suppliers in order to establish durable relationships, guarantee constant prices, ensure the highest level of quality and responsiveness and shorten the logistics chain by using trucks at full capacity.

Following Mediterrania Capital's investment, Aziza hired an external consultant who worked with the management to improve the price/quality ratio of the product offering and ensure that enough resources were dedicated to innovation both in-house and by its suppliers in order to develop new products. The consultant also worked on the development of new store portfolios and concepts, analysed Aziza's branded and private-label offerings and helped define the right omnichannel strategies.

Aziza's powerful IT system, which covers accounting and cash management and delivers planograms and automated replenishment of the warehouses and sales outlets, has been extended to include a people and talent component. In 2019, the company also acquired HR software covering all staff processes from the recruitment phase to employee management, including working time and absences, evaluation of talent, etc.

## ESG ACTIONS

Following Mediterrania Capital Partners' investment, Aziza created an ESG department headed by a Quality, Health, Safety and Environment (QHSE) Director who leads a team of 10 people including a Quality Manager, a HSE Manager and three internal QSHE auditors. Aziza also appointed an Energy Efficiency Director to supervise the implementation of a new, highly efficient store model resulting in energy savings.

Aziza's HR policies include the hiring of new employees from neighbouring communities to ensure an easy commute encouraging a good work-life balance. Aziza has implemented a transparent employee communication policy regarding working conditions, health risks, compensation and pay practices, making it easier to understand and to correct unfair pay differences and respond to growing concerns about societal income inequality. The company's transparency on all these matters has had a positive impact on employee satisfaction and significantly reduced staff turnover.

A Responsible Sourcing Policy (RSP) applying to locally sourced products has been developed, directly improving the lives of workers along the local supply chain, their communities and the environment. For all private labels, the supplier audit protocol has been upgraded to include social issues and assessment criteria related to labour and working conditions, child labour, human rights, etc.



“The team of Mediterrania Capital Partners, with its hands-on approach, solid business expertise, ethical working standards and deep respect for the employee and the customer is the perfect partner for us. With Mediterrania Capital Partners’ support, we are developing the company further as Aziza enters a new expansion phase.”

GHASSEN SLAMA, FOUNDER AND CEO OF AZIZA

REVENUES 2020 (€)

€234 million

308 store network