





EURAZEO'S CORPORATE SOCIAL RESPONSIBILITY

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2.1 A proactive CSR strategy

As an active and responsible shareholder, Eurazeo is the first French private equity firm to have incorporated sustainable development into its business through a proactive CSR strategy.

Corporate Social Responsibility (CSR) is a value creation opportunity for Eurazeo and its portfolio companies and fully contributes to their transformation and sustainable growth. Eurazeo's commitments embody this ambition which aims at combining value enhancement and responsibility throughout the investment cycle. To this end, Eurazeo contributes the necessary time and resources, while combining economic development, social progress, reduced environmental impacts and balanced governance.

Focusing on CSR issues since 2008, Eurazeo formulated a four-part CSR strategy in 2014, with quantitative targets for 2020.

→ Details relating to this section

The investments reviewed in respect of Eurazeo's CSR strategy in 2018 are as follows (those with an asterisk are part of the Non-Financial Performance Statement scope): **CPK ***, **CIFA ***, **Dessange International ***, **Elis**, **Eurazeo PME ***, **Eurazeo ***, **Europcar Mobility Group**, **Grandir**, **Grape Hospitality ***, **Iberchem ***, **In'Tech Medical ***, **Léon de Bruxelles ***, **MK Direct ***, **Nest Fragrances ***, **Orolia ***, **Péters Surgical ***, **Planet ***, **Reden Solar**, **Redspher ***, **Seqens ***, **Smile ***, **Sommet Education ***, **Trader Interactive** and **WorldStrides ***.

The list of investments reviewed in respect of 2017 and 2018 in assessing the results of Eurazeo's CSR strategy on a *pro forma* basis is as follows: CIFA, Dessange International, Elis, Eurazeo PME, Eurazeo, Europcar Mobility Group, Grandir, Grape Hospitality, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Planet, Reden Solar, Redspher, Seqens and Sommet Education.

2020 EURAZEO CSR STRATEGY

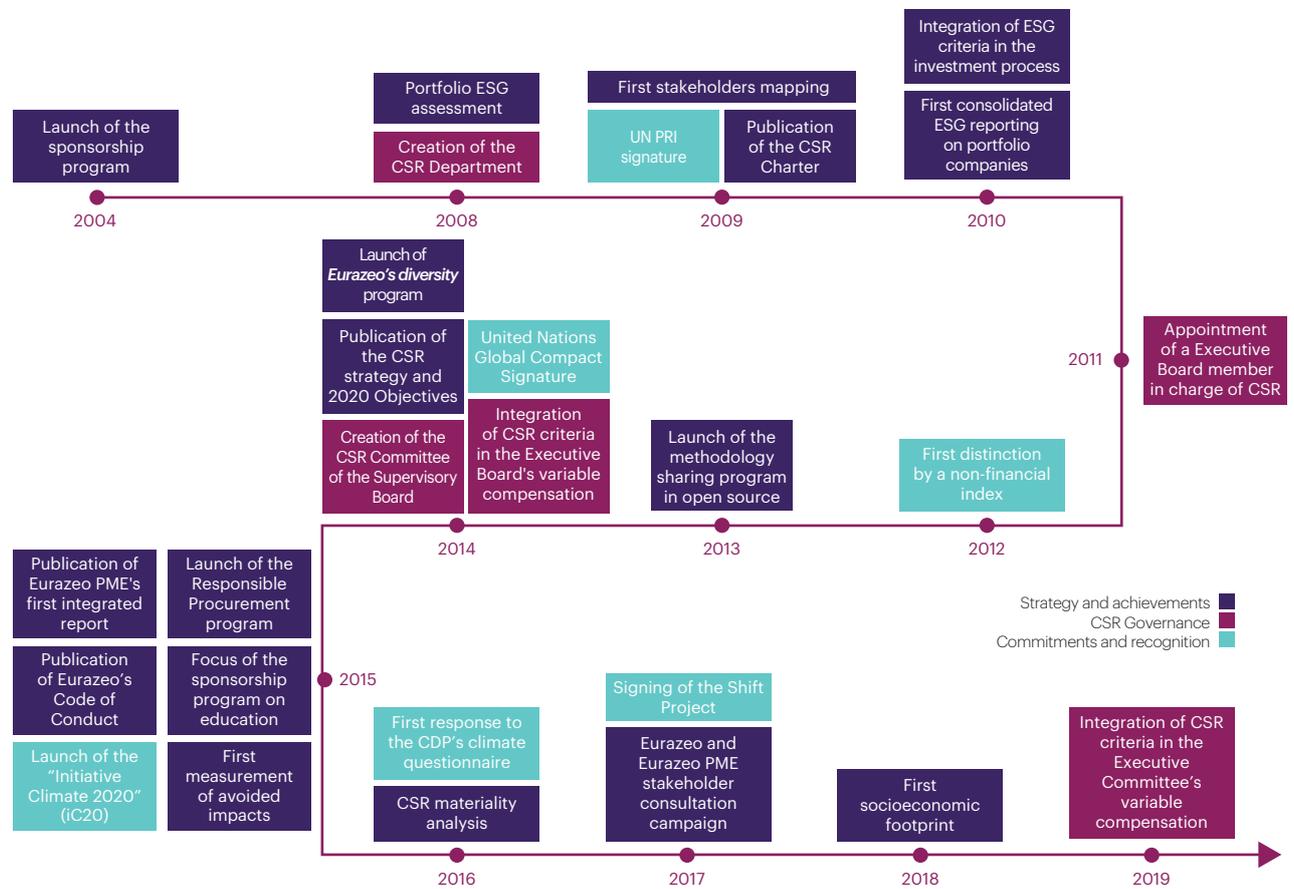


ACKNOWLEDGMENTS AND AWARDS

In 2018, Eurazeo's CSR commitment was recognized by the main non-financial rating agencies and expert bodies:

- ▶ the rating agency ISS-Oekom awarded Eurazeo a Prime Status which rewards the most performing companies with regard to corporate social responsibility;
- ▶ Eurazeo's presence was renewed in the 5 main series of ESG indices: Euronext Vigeo, Ethibel Sustainability, FTSE4Good, MSCI ESG World Leaders and Stoxx Global ESG Leaders;
- ▶ Eurazeo has moved up 14 places since 2017 to 7th position in the ranking of women on governing bodies of the largest listed French companies (SBF 120);
- ▶ HSBC Global Research has considered Eurazeo as one of the most advanced listed companies in terms of ESG;
- ▶ the rating agency Vigeo-Eiris has ranked Eurazeo among the world's top 5 in the Financial Services General sector and in the 1% top performers with regard to Human Rights as part of thematic studies.

HISTORY OF THE CSR COMMITMENT



2.1.1 INVEST RESPONSIBLY

Ambition: integrate CSR at all stages of the investment cycle

Eurazeo's CSR strategy is focused on continuous improvement and adopts a sustainable growth process for portfolio companies that extends well beyond the investment horizons.

CSR is integrated at each stage of the investment cycle:

- during the identification phase, Eurazeo's goal is to perform CSR due diligence on all prospective acquisitions undergoing advanced review. During this phase, CSR serves to enrich the analysis of the sector and the target company, and to obtain an in-depth understanding of the various risks and opportunities;
- during the acceleration phase, Eurazeo provides companies with all the human, financial and technical resources needed to support them in their transformation. This phase is based on a roadmap allowing the deployment of a pragmatic and value-creating CSR approach. Eurazeo's goal is that all Group companies perform annual CSR reporting to measure the progress achieved;
- during the divestment phase, Eurazeo's goal is to share the CSR progress achieved by the companies with the potential buyers via CSR vendor due diligences for all divestments.

	2017	2018
2020 objectives		
100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR section ⁽¹⁾	100%	92%
100% of investments to perform CSR reporting	100%	100%
100% of divestments to incorporate CSR information	50%	83%
2018 monitoring indicators		
% of acquisitions that included CSR due diligence	100%	100%
Number of non-financial indicators monitored	164	109
Number of investments performing CSR reporting ⁽²⁾	22	24
Number of CSR workshops held with investments	72	86

Methodological details: see Section 2.3 Methodology, page 117.

(1) CSR due diligence is deemed to be in the advanced study phase when legal due diligence has been performed. The indicator covers all companies reviewed, including those that were not ultimately acquired.

(2) 24 investments perform CSR reporting, 19 of which are part of the non-financial performance reporting regulation scope.

2.1.1.1 Criteria examined and information used

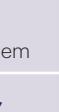
During the due diligence phases, Eurazeo's goal is to identify and analyze the main CSR challenges, risks and opportunities for the investment target. The approach covers the following areas: social, environment, societal, supply chain, ethics and governance.

To conduct these analyses, Eurazeo relies on data supplied by the company, opinions and studies produced by consulted experts and available public data.

The list of criteria examined derives from a cross-cutting analysis of several recognized French and international standards:

- the Principles for Responsible Investment (PRI);
- the Non-Financial Performance Statement;
- the Global Reporting Initiative;
- the work of the France Invest ESG Commission;
- the 10 principles of the United Nations Global Compact;
- the United Nations Sustainable Development Goals;
- the CDP's climate change questionnaire;
- the Sustainability Accounting Standards Board (SASB) Materiality Map.

MATRIX OF CRITERIA AND ISSUES EXAMINED

SOCIAL	ENVIRONMENTAL	SOCIETAL	ETHICS AND GOVERNANCE
Employment Workforce, variations, turnover and compensation 	General policy Approach, awareness raising/training, risk prevention, provisions and guarantees 	Territorial, economic and social impact Employment, local development 	Fair trade practices Ethics, corruption, taxation 
Organization of work Working time and absenteeism 	Pollution Prevention/reduction/repair of discharges - air, water, soil, nuisances 	Relationships with stakeholders Dialogue, partnership 	Health and safety of consumers and users Quality, communication, transparency 
Labor relations Organization of social dialogue and collective agreements 	Circular economy Waste management, food waste, use of resources: water, energy, raw materials 	Corporate philanthropy, Donations to associations 	Human rights Actions taken 
Health and safety Working conditions, health insurance, workplace accidents 	Protection of biodiversity Measures to develop, protect 	SUPPLY CHAIN Suppliers and subcontractors Procurement policy and subcontracting 	Diversity and independence of the Supervisory Board (SB) 
Training Policy, hours delivered 	CLIMATE Emissions Significant sources of GHG emissions 	Social and environmental impacts related to the supply chain 	Committees of the Supervisory Board 
Equal treatment Gender equality, fight against discriminations 	Adaptation to climate change Physical and transition risks 	Raw materials and scarcity of resources 	Risk management and internal control system 
ILO conventions Freedom of association, discrimination, forced labor and child labor 			Crisis management, reputation 



► The pictograms presented above correspond to the United Nations' 17 Sustainable Development Goals, a common framework for addressing sustainable development within organizations.

2.1.1.2 Methodology, integration and results of the analysis

Collection of information

The first phase, consisting in finding and gathering information, is carried out during the identification phase. This phase includes documentary research based on reports, sector and thematic benchmarks and press articles on the sector of activity and on competitors.

More in-depth research is carried out in the form of interviews with experts and managers, due diligence conducted by external firms, and site audits.

Analysis and perspective

The careful appraisal of a target acquisition in respect of CSR issues increase the ability to forge strong convictions in the selection of investments.

The objective is to analyze the target company from three angles:

- the performance of the target company itself;
- the positioning of the Company in relation to its business sector and its competitors;
- the stakeholder perspective.

This analysis is used to identify the most significant CSR issues and the Company's performance in this respect.

Restitution to stakeholders

The CSR analyses are submitted to the three main stakeholders:

- the investment team in charge of examining the target company to determine any aspects requiring further analysis;
- the Investment Committee to enlighten its decision-making;
- the Company's management – if the acquisition is completed – to draw up the CSR action plan.

Monitoring and roll-out of action plans

During the acceleration phase, an action plan is drawn up with the Company. It is prepared on the basis of the material issues identified during the identification phase, for which the Company will define progress targets. It also includes the essentials that make up the CSR roadmap recommended by Eurazeo (see Section 2.1.3).

To monitor the roll-out of the action plans, Eurazeo organizes one to three yearly meetings with each portfolio company. The number of meetings depends on the materiality of the challenges that must be developed.

Value enhancement

During the divestment phase, an overview is carried out to measure progress achieved since the acquisition.

EXAMPLE OF PROGRESS ACHIEVED BY VIGNAL LIGHTING GROUP ACQUIRED BY EURAZEO PME IN 2014 AND SOLD IN 2018

		2014 – post acquisition	2015	2016	2017	2018	
Governance	2014: Acquisition by Eurazeo PME	- Appointment of a CSR Manager - First CSR reporting	- Signature of the United Nations Global Compact - Creation of an operational* CSR Committee - Inclusion of CSR issues on the Supervisory Board's agenda	- Creation of the Audit Committee of the Supervisory Board - Formal establishment of an Ethics Code	- Definition of 2020 CSR objectives - Measurement of socioeconomic footprint	/	End 2018: divestment by Eurazeo PME
Social		/	- Increase in the percentage of employee shareholders (>6%) - First social barometer on one of the entities	/	/	- Extension of the social barometer to the entire Group	
Environment		/	- Measurement of the carbon footprint (Scope 1 + 2 + 3)	- Plant's move to a new site with improved energy performances	- Renewal of the ISO 14001 certification	- Decrease in the carbon footprint by 22% compared to 2014	
Procurement		/	- Production of a supplier mapping	- Formalization of a Code of Conduct for business relations	- Supplier portfolio CSR analysis - Signature of the Code of Conduct by nearly 90% of suppliers	- Roll-out of a CSR questionnaire to over 70% of suppliers	

* inclusion of CSR issues on the Supervisory board's agenda



ROLL-OUT OF THE CSR STRATEGY IN ALL STAGES OF THE INVESTMENT CYCLE

IDENTIFICATION PHASE		
PHASE 1 (100% OF PROJECTS WITH AN INDICATIVE OFFER)	UPSTREAM (100% OF PROJECTS STUDIED IN ADVANCED PHASE)	PHASE 2 (100% OF PROJECTS WITH AN INDICATIVE OFFER)
<ul style="list-style-type: none"> Initial identification of CSR challenges facing the target company and its sector by the CSR Department (benchmark, reputation, material issues, etc.) <p>► First summary discussed during presentation to the Investment Committee, including a list of potential risks and a favorable or unfavorable positioning from a CSR perspective</p>	<ul style="list-style-type: none"> Validation of the analyses and additional work to be carried out in the subsequent phase Identification of experts and consulting firms to be called on and validation of the provisional budget 	<ul style="list-style-type: none"> Performance of a CSR due diligence <p>► Inclusion in the shareholders' agreement of a CSR commitment</p>
ACCELERATION PHASE		
YEAR 1	YEAR 2	YEAR 3 AND BEYOND
<p>Deployment of the essentials:</p> <ul style="list-style-type: none"> Appointment of a CSR manager Creation of an operational CSR Committee Establishment of a CSR reporting Drafting of a CSR progress plan based on the issues identified during the identification phase Formal establishment of an Audit Committee of the Board Employee's awareness raising on CSR issues (according to the companies) <p>► Implementation of one to three follow-up meetings per year between the CSR Department and the company's CSR Manager</p>	<p>Continued deployment of the essentials:</p> <ul style="list-style-type: none"> Inclusion of the CSR issues on the Supervisory Board agenda Completion of a carbon/ environmental footprint survey, an action plan to reduce emissions and a social barometer (spanning years 2 & 3) Implementation of a responsible procurement approach Participation in the annual CSR reporting (audit by a third party possible) Update of the CSR progress plan Formal establishment of a Compensation Committee on the Board <p>► Continuation of the follow-up meetings</p> <p>► Annual meeting to present the reporting results with the company's management and Eurazeo's investment teams</p> <p>► Inclusion of CSR issues on the Supervisory Board's agenda</p>	<p>Continued reinforcement of actions undertaken:</p> <ul style="list-style-type: none"> Drafting of a CSR progress plan with quantified targets (including one target for reducing greenhouse gas emissions) Measurement of impacts avoided on social (absenteeism) and environmental (water, energy, carbon) aspects <p>► Continuation of the follow-up meetings</p> <p>► Annual meeting to present the reporting results with the company's management and Eurazeo's investment teams</p> <p>► Inclusion of CSR issues on the Supervisory Board's agenda</p>
VALUE ENHANCEMENT		
DIVESTMENT		
<ul style="list-style-type: none"> Supply of CSR information as part of the divestment, specific analyses according to the materiality of issues (by the CSR Department or by an external firm) and valuation of the impacts avoided since the acquisition <p>► Inclusion in the Information Memorandum as well in the data room</p>		

2.1.2 ESTABLISH EXEMPLARY GOVERNANCE

Ambition: ensure that all companies have exemplary governance bodies

Eurazeo is convinced that high-quality governance is a key factor in the performance and long-term success of companies. Eurazeo's CSR

strategy sets out 2020 objectives for criteria involving gender diversity, independence and the Board's specialized committees.

	2017 (Pro forma)	2018 (Pro forma)	2018
2020 objectives			
100% of companies to have at least 40% women Directors on the Board ⁽¹⁾⁽²⁾	31%	31%	39%
100% of controlled companies to have at least 30% independent Directors on the Board ⁽¹⁾	33%	33%	28%
100% of companies to have an Audit Committee and a Compensation Committee ⁽³⁾	63%	88%	78%
2018 monitoring indicators			
Average percentage of women on Boards	27%	26%	30%
Average percentage of independent Directors	22%	30%	26%
Percentage of companies with an Audit Committee	71%	94%	83%
Percentage of companies with a Compensation Committee	71%	94%	83%

Methodological details: see Section 2.3 Methodology, page 117.

(1) On Supervisory Boards (SB) or Boards of Directors (BD). Independence within the meaning of the AFEP-MEDEF recommendations.

(2) In the 2018 scope: Women account for 30% or more of Directors in 12 companies, between 10% and 29% in ten companies and less than 10% in just one company.

(3) Committees that assist the SB or BD in the decision-making process.

Created in 2008, the **Eurazeo CSR Department** is managed by Sophie Flak, Director of CSR and Digital. The four-member team reports to Nicolas Huet, General Secretary and member of the Eurazeo Executive Board.

A **CSR Committee** has been set up within **Eurazeo's Supervisory Board** since 2014. Its purpose is to assist the Supervisory Board in monitoring CSR-related issues. The CSR Committee considers these issues in coordination with the Executive Board and reports regularly to the Supervisory Board on the exercise of its duties and issues recommendations on Eurazeo CSR policy and actions. As of December 31, 2018, it had 5 members, including 3 independent members, and was chaired by Mrs. Anne Lalou (see Section 3.1.3 Specialized Committees, page 156).

The objectives relating to the fulfillment of the 2020 CSR strategy are also part of the factors taken into account when calculating the variable compensation of all members of the Eurazeo Executive Board and will be extended to the Executive Committee in 2019.

2.1.3 CREATE SUSTAINABLE VALUE

Ambition: ensure that all companies have a CSR progress plan

To facilitate the implementation of a pragmatic and value-creating CSR approach, Eurazeo has laid down a CSR roadmap made available to all of its investments. Its goal is to see it deployed by all of them within 2 years of their acquisition.

The roadmap has three major objectives:

- provide a robust CSR base: 100% of companies to have deployed Eurazeo's "CSR essentials";
- identify the challenges and opportunities of sustainable performance: 100% of companies to have quantified CSR progress targets;
- accelerate and maintain sustainable value creation: 100% of companies to be involved in at least one CSR acceleration program.

Eurazeo supports its portfolio companies in deploying the essentials and **setting 2020 quantitative CSR progress targets**. This approach, jointly created based on each company's reporting and an analysis of sector issues, consists in defining a limited number of indicators covering environment, social, governance and supply chain aspects. It is used to focus on priority CSR areas of activity and factually measure the progress achieved from one year to the next.

Eurazeo has developed several **CSR acceleration programs** to promote the sharing of expertise and best practices and ultimately speed up the roll-out of progress plans on areas such as responsible procurement or gender diversity. Eurazeo's objective is to have 100% of companies contribute to at least one CSR acceleration program by 2020.

	2017 (Pro forma)	2018 (Pro forma)	2018
2020 objective			
100% of companies to have deployed Eurazeo's "CSR essentials" ⁽¹⁾	63%	74%	70%
<i>The "CSR essentials" ⁽²⁾</i>			
Appoint a CSR manager	88%	100%	91%
Establish annual CSR reporting	100%	100%	100%
Create an operational CSR Committee	56%	75%	74%
Include CSR issues on the agenda of Board meetings at least once a year	69%	81%	70%
Measure the greenhouse gas (GHG) footprint every 3 years and/or define an action plan to reduce emissions	53%	94%	92%
Perform a social barometer every three years	56%	44%	48%
Conduct CSR audits of priority suppliers	18%	24%	17%
2020 objective			
100% of companies to have quantified CSR progress targets	41%	53%	42%
Number of companies with quantified CSR progress targets	7/17	9/17	10/24
2020 objective			
100% of companies to be involved in at least one CSR acceleration program ⁽³⁾	94%	94%	96%
Number of companies involved in at least one CSR acceleration program	16/17	16/17	23/24

Methodological details: see Section 2.3 Methodology, page 117.

(1) The result is expressed as an average percentage of actions put in place by companies.

(2) The results are expressed in number of companies.

(3) Eurazeo has several CSR acceleration programs, including one for responsible procurement.



2.1.4 BE A VECTOR OF CHANGE IN SOCIETY

Ambition: ensure that all companies improve their societal footprint

Eurazeo aims to present a broader vision of its societal footprint and value the many different kinds of contributions that companies make

to their ecosystem, and more generally, to civil society. Under its CSR strategy, Eurazeo's objective is to ensure that 100% of its portfolio companies improve their societal footprint.

	2017 (Pro forma)	2018 (Pro forma)	2018
2020 objective			
100% of portfolio companies to improve the protection and well-being of employees ⁽¹⁾	88%	69%	70%
Calculation indicators			
Percentage of companies at which 100% of employees have access to social insurance ⁽²⁾	50%	56%	61%
Or			
Percentage of companies that have reduced the number of days of absence	50%	31%	31%
2020 objective			
100% of portfolio companies to share value created or company profits with employees ⁽¹⁾	81%	75%	70%
Calculation indicators			
Percentage of companies with employee shareholders	38%	38%	39%
Or			
Percentage of companies to have implemented a profit-sharing scheme ⁽³⁾	63%	63%	52%
2020 objective			
100% of portfolio companies to reduce their environmental impact ⁽¹⁾	53%	71%	71%
Calculation indicators			
Percentage of companies to have reduced their carbon emissions as a proportion of EBITDA	24%	53%	53%
Or			
Percentage of companies to have reduced their water consumption as a proportion of EBITDA	47%	29%	29%
Or			
Percentage of companies to have increased their recycling rate	35%	41%	41%

Methodological details: see Section 2.3 Methodology, page 117.

(1) Percentage of companies satisfying at least one of the underlying indicators.

(2) Health and/or disability insurance and/or retirement plan.

(3) Establishment of an incentive scheme or collective bonus (outside legal obligations).

2.1.5 AN INNOVATIVE APPROACH TO CSR IMPACT MEASUREMENT

2.1.5.1 Environmental and labor-related impacts

Since 2015, Eurazeo has measured the impact of its social and environmental actions to demonstrate the financial value created by CSR policies. Eurazeo has established a methodology for assessing so-called "avoided" impacts with a specialized firm.

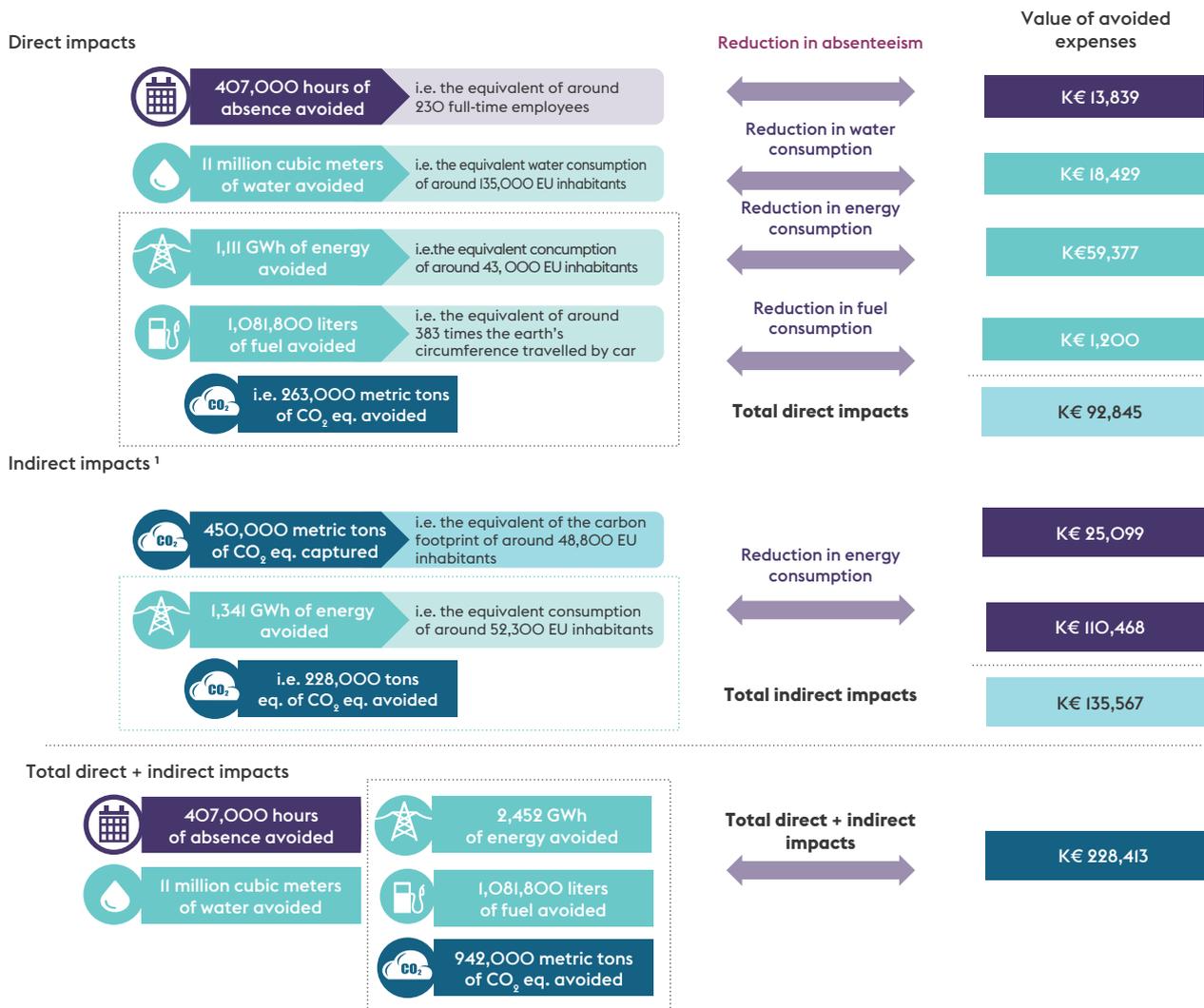
16 companies are included in the study of avoided impacts in 2018: AccorHotels (divested in 2018), Asmodee (divested in 2018), Elis, Foncia (divested in 2016), Planet, Seqens and Sommet Education for Eurazeo Capital, Grape Hospitality for Eurazeo Patrimoine, and Colisée Group (divested in 2017), Dessange International, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Redspher and Vignal Lighting Group (divested in 2018) for Eurazeo PME.

Four indicators are measured, three relating to environmental issues (water, energy, fuel), and a fourth bearing on employee-related items (absenteeism).

Avoided impacts are calculated on the scope of the Company (direct impacts), as well as beyond through the measurement of the environmental and economic benefits of specific initiatives that have an impact outside the Company's scope (indirect impacts).

Over the last eight years, CSR programs helped avoid more than €228 million in expenditure, with direct savings totaling over €92 million. The companies avoided the equivalent of 942,000 metric tons of CO₂ equivalent, nearly 11 million cubic meters of water, more than 2,400 GWh of energy and nearly 407,000 hours of absence.

Summary of the cumulative results of all the participating companies



(1) Measures for AccorHotels (divested in 2018) and Foncia (divested in 2016)

Clarifications on indirect impacts

AccorHotels (divested in 2018): Plant for the Planet

As part of the Plant for the Planet program, hotel guests are encouraged to reuse their towels when staying more than one night. In 2014, AccorHotels assessed the impact of the Plant for the Planet program since its implementation in 2009 and demonstrated that the trees already planted will capture 450,000 tons of CO₂ equivalent over a 100-year reference period.

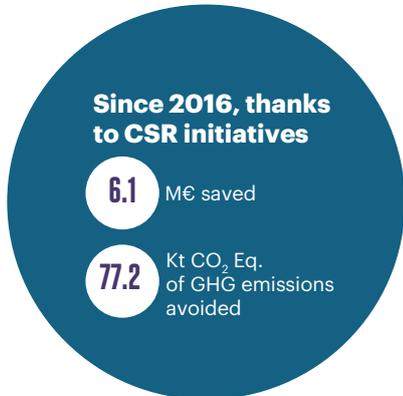
Foncia (divested in 2016): energy efficiency work

Avoided impacts were measured in 2015 thanks to Foncia's performance of maintenance works improving the energy performance of buildings.

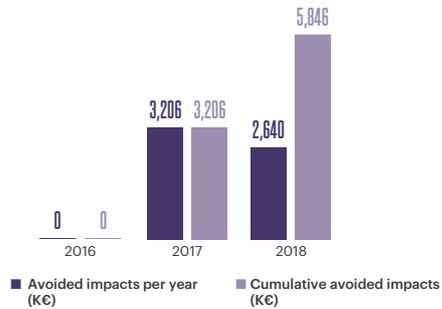
► The methodological note on avoided environmental and social impacts is available in section 2.3, page 117.

FOCUS ON COMPANY RESULTS

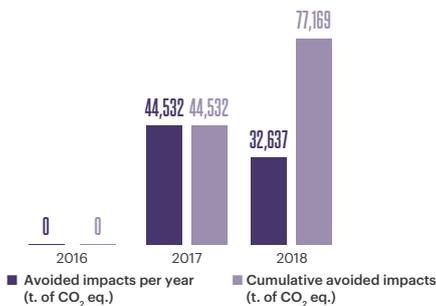
SEQENS



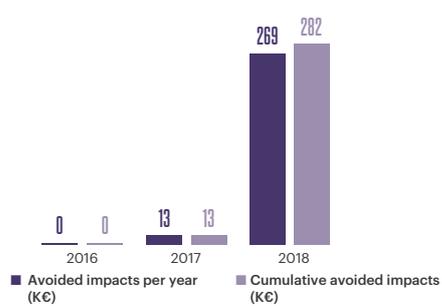
AVOIDED COSTS: TOTAL ENVIRONMENTAL (ENERGY, WATER AND FUEL)



AVOIDED IMPACTS: GHG EMISSIONS (TONS OF CO₂ EQ.)



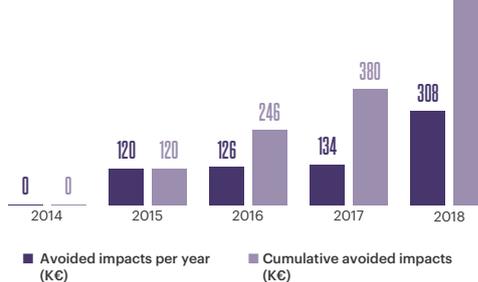
AVOIDED COSTS: ABSENTEEISM (K€)



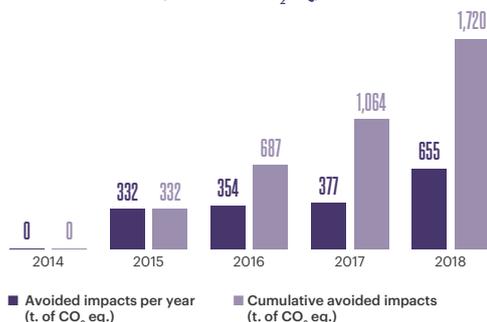
Péters SURGICAL



AVOIDED COSTS: TOTAL ENVIRONMENTAL (ENERGY, WATER AND FUEL) (K€)



AVOIDED IMPACTS: GHG EMISSIONS (TONS OF CO₂ EQ.)



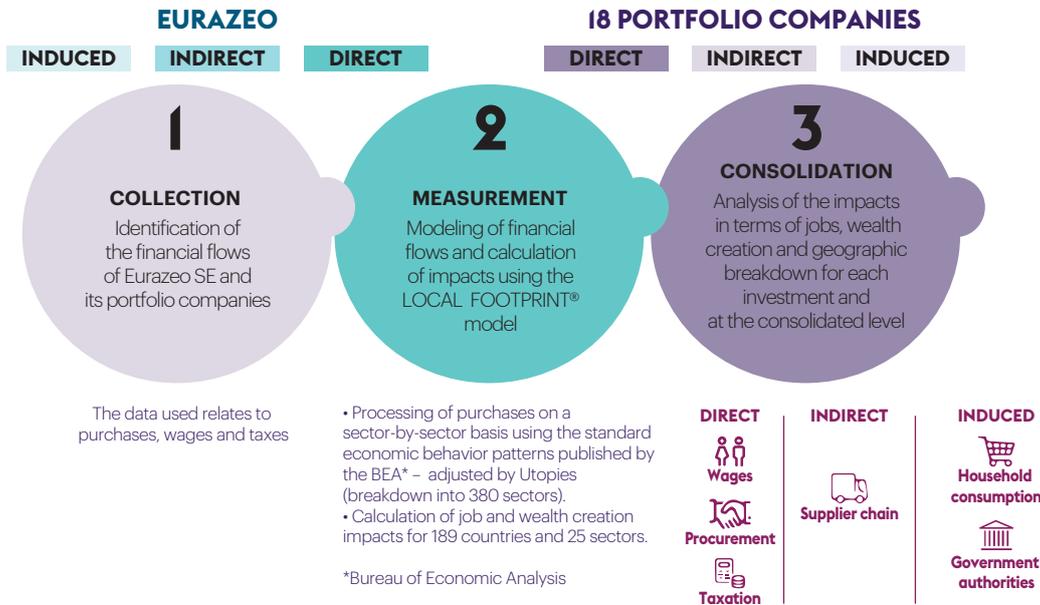
AVOIDED COSTS: ABSENTEEISM (K€)



2.1.5.2 Socioeconomic footprint

In 2017, Eurazeo conducted the first socioeconomic footprint survey in the private equity sector. This survey initially carried out on Eurazeo PME was extended to the entire Eurazeo group in 2018 to obtain a more comprehensive view of its impact on employment and the creation of economic value.

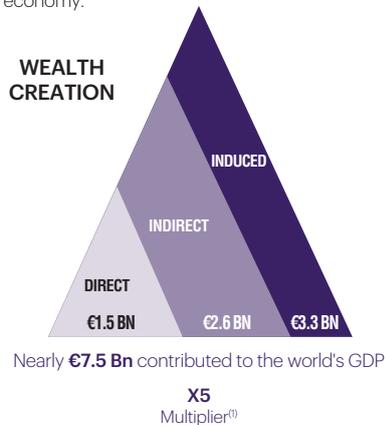
It was conducted with high ambitions: it measures the fallout of Eurazeo's investor activity in terms of global employment and economic wealth creation. The scope covers Eurazeo and its fully consolidated portfolio companies and measures impacts at three levels: **direct** (added value and Eurazeo employees and portfolio companies), **indirect** (supported by goods and service purchases by Eurazeo and its portfolio companies from their suppliers and by households) and **induced** (by government spending) impacts.



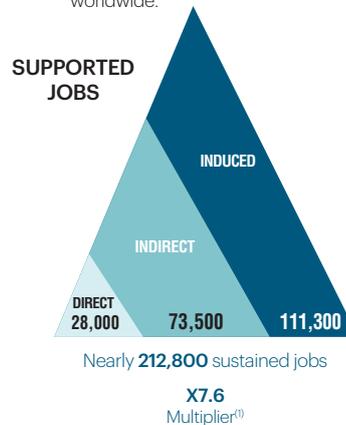
The results of the study revealed that Eurazeo and its portfolio companies supported more than **212,000** jobs in 2017, i.e. a multiplier of **7.6**. Moreover, the contribution to GDP (Gross Domestic Product) amounted to **€7.5** billion.

WITHIN EURAZEO PME AND ITS INVESTMENTS

€1 of added value generated
€4 OF ADDITIONAL WEALTH
in the global economy.



one job sustained
6.6 ADDITIONAL JOBS
worldwide.



(1) Ratio of total sustained impacts (GDP or jobs) to direct impacts.

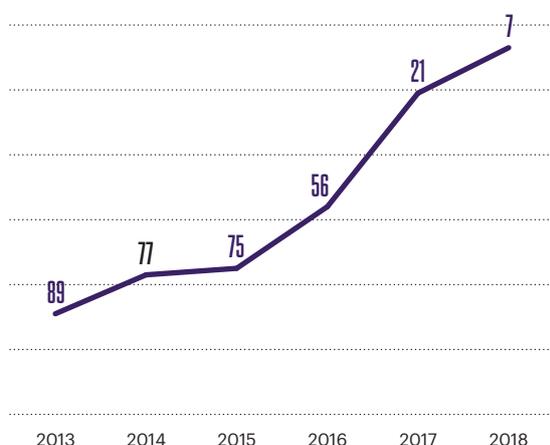
► The methodological note of the socio-economic footprint is available in section 2.3, page 117.

2.1.5.3 Recognized commitment

Awards and initiatives

- 2009: Signing of the **Principles for Responsible Investment (PRI)** of the United Nations.
- 2014: Signing of the **United Nations Global Compact** with "Advanced" level achievement.
- 2016 and 2018: ESG Sustainable Development Award, **Private Equity Magazine**.
- 2017: Signing of two initiatives:
 - "Manifesto to decarbonize Europe," a call in favor of a decarbonation strategy made by the Shift Project to political leaders;
 - "Letter from global investors to governments of the G7 and G20 nations," an initiative supported by the United Nations Principles for Responsible Investment (PRI), signed by more than 200 major global investors calling on governments to implement the Paris Agreement.
- 2017 and 2018: **Finalist** in the SME/Mid-cap category at the **Integrated Thinkings Awards**. The major annual European prize, organized for the first time in 2017, rewards companies that have made the most progress in incorporating CSR into their business, missions and strategies.
- **2018: 7th place in the ranking of governance feminization in large companies (SBF 120)**, up 14 places compared with 2017 and 82 places compared with 2013.

CHANGE IN EURAZEO'S RANKINGS OF GOVERNANCE FEMINIZATION IN LARGE COMPANIES



External commitments

Professional associations

- At European level, Eurazeo PME is an active member of **Invest Europe**, a European private equity association. Erwann Le Ligné, member of the Executive Board of Eurazeo PME, is Deputy Chair of the responsible investment working group and in charge of the climate change working group.
- Olivier Millet, a member of the Eurazeo Executive Board and Chairman of the Eurazeo PME Executive Board, helped set up the **France Invest ESG** (Environment, Social, Governance) Commission in 2012, which he chaired until 2015. Eurazeo now sits on the Steering Committee of this Commission.
- In partnership with four other private equity companies, Eurazeo launched the "Initiative Climate 2020" (iC20), the first approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies. Since 2017, Noëlla de Bermingham, Eurazeo's CSR Manager, is in charge of the initiative's coordination and steering. In 2018, this initiative was supported by the United Nations Principles for Responsible Investment (PRI).
- In 2018, Olivier Millet, member of the Eurazeo Executive Board, was appointed to the **MEDEF** (Mouvement des entreprises de France) Executive Committee as well as the Committees for New Entrepreneurial Responsibilities and Ecological and Economic Transition. In the latter Committee, he chairs the Sustainable Finance and Non-Financial Performance working group.

Other commitments

- Since 2008, it has lent its support to the Rising Talents program, a unique network of high-potential young women created through the Women's Forum for the Economy and Society. Eurazeo is actively involved in the selection process of the 20 young women who join the network each year.
- Since 2012, Eurazeo has supported the **Women's Forum for the Economy and Society and Human Rights Watch**, where Virginie Morgon (Chairwoman of Eurazeo's Executive Board) has served as Deputy Chair (Paris Committee) and Co-Chair respectively since 2017.
- Since 2015, Eurazeo has been a partner of "Printemps de la Mixité," an event that brings together employees from major French companies in the Spring each year. Its primary objective is to promote gender equality through lectures and workshops.
- For the 2015-2016 school year, Eurazeo refocused its **sponsorship policy on Education**. Today, Eurazeo supports seven associations: *Agir pour l'école*, *Le Choix de l'École* (formerly Teach for France), *l'Agence du Don en Nature*, *les Amis de Mikhy*, the DFCG and Martine Aublet Foundations and *Sciences Po*.

Non-financial rating agencies

Eurazeo is the only private equity company to feature in the five families of ESG benchmark indices alongside the world's most advanced companies in terms of CSR: *Ethibel Sustainability Index (ESI)*, *Euronext Vigeo*, *FTSE4Good*, *MSCI ESG* and *Low Carbon Leaders* and *STOXX Sustainability*, *Low Carbon* and *ESG Leaders*. Eurazeo was also rated by ISS-Oekom (C+) and awarded the Prime status. Companies with this status are considered as leaders in their sectors in terms of CSR.

Since 2015, roadshows specifically dedicated to SRI (Socially Responsible Investment) have been organized to meet specialized SRI investors. Sensing a growing interest among investors, the Eurazeo teams adopted a very active approach in 2018 by organizing two SRI roadshows, one for the first time in London with major institutional investors in line with the launch of specialized SRI funds.



In December 2018, Eurazeo was renewed in 4 Euronext Vigeo indices: **Euronext Vigeo World 120**, **Euronext Vigeo Europe 120**, **Euronext Vigeo Eurozone 120** and **Euronext Vigeo France 20**. This index range covers listed companies which obtain the best opinions from Vigeo Eiris on their CSR performance.



In September 2018, Eurazeo was renewed in the **Ethibel Sustainability (ESI) Excellence Europe** index which is composed of companies belonging to the Ethibel Register, based on a best-in-class approach combined with ethical exclusion criteria. Eurazeo has been included in this index since September 2014.



In June 2018, Eurazeo was renewed in the **TSE4Good index series**. This series was designed to identify companies that apply solid environment, social and governance (ESG) practices. This is the second consecutive year that Eurazeo is part of this series of indices.



In 2018, Eurazeo received an **"AA" rating** from MSCI ESG Research and features among the 15% best rated companies from the financial services sector. Following this rating, Eurazeo was renewed in the **MSCI World ESG Leaders** indice series as well as the **MSCI World Low Carbon Leaders indices**.



Eurazeo has featured in the **STOXX Global ESG Leaders** and **STOXX Low Carbon** indices since 2017. These indices are based on ESG information provided by the Sustainalytics ratings agency and estimated and reported carbon intensity data taken from the CDP climate questionnaire.



The rating agency ISS-Oekom awarded Eurazeo a **Prime Status** which rewards the most efficient companies with regard to corporate social responsibility.



Since 2016, Eurazeo has responded to the **CDP** climate questionnaire, a sign of its commitment to transparency in integrating CSR, and more particularly, the fight against climate change. In 2018, Eurazeo was rated "C".



Eurazeo signed the **Principles for Responsible Investment (PRI)** of the United Nations in 2009. In 2018, Eurazeo was awarded an A+ in three PRI assessment modules and an A in the fourth.



2.2 Non-Financial Performance Statement

→ Details relating to this section

This section meets the requirements of the Non-Financial Performance Statement and covers companies fully consolidated by Eurazeo, which differs from the scope of Eurazeo's CSR strategy that includes all the companies in which Eurazeo is shareholder with more than 5% of capital. A comprehensive methodological note is available in Section 2.3, page 117.

The list of investments reviewed in respect of 2018 and included in the non-financial performance statement reporting scope is as follows: **CPK, CIFA, Dessange International, Eurazeo PME,**

Eurazeo, Grape Hospitality, Iberchem, In'Tech Medical, Léon de Bruxelles, MK Direct, Nest Fragrances, Orolia, Péters Surgical, Planet, Redspheer, Seqens, Smile, Sommet Education and WorldStrides. The 2018 reporting scope includes the following changes compared with 2017: Asmodee, Odealim and Vignal Lighting Group are no longer in the reporting scope due to their divestment in 2018; CPK, Iberchem, In'Tech Medical, Nest Fragrances, Smile and WorldStrides are included for the first time. These changes preclude trend analysis between 2017 and 2018.

2.2.1 SUMMARY TABLE OF RISKS AND OPPORTUNITIES

Eurazeo may be concerned by risks that could affect its investment activities. An internal control and risk management system has been established. It is led by a dedicated department under the supervision of the Executive Board, and serves to identify, prevent and limit the impact of these key risks. CSR is an integral part of risk assessments conducted.

To achieve this objective, Eurazeo ensures the deployment of actions:

- for Eurazeo, as a company in its own right;
- for the portfolio;
- for the supply chain of Eurazeo and its portfolio companies.

In 2018, Eurazeo analyzed the potential CSR areas of risks or opportunities and highlighted 13 priority issues that are detailed in this document.

The analysis methodology is explained in Section 2.3, page 117.

	POTENTIAL AREAS OF RISKS OR OPPORTUNITIES FOR EURAZEO	UN SUSTAINABLE DEVELOPMENT GOALS
Social and employee related matters	• Working conditions and freedom of association	
	• Equal treatment	
	• Health and safety	
	• Attractivity and employability	
	• Societal impact	
Environmental matters	• Climate change	
	• Site safety and industrial accident prevention	
	• Substances in the air, water and soil	
	• Responsible use and consumption of resources	
Ethics	• Biodiversity	
	• Anti-corruption • Taxation	
Respect of human rights	• Responsible procurement	



2.2.2 SOCIAL AND EMPLOYEE-RELATED MATTERS

2.2.2.1 Introduction

Description of the potential areas of risk or opportunities

Eurazeo identified five major issues arising from social and employee-related matters on its business and within its portfolio companies:

- working conditions and freedom of association (Section 2.2.2.2);
- equal treatment (Section 2.2.2.3);
- health and safety (Section 2.2.2.4);
- attractiveness and employability (Section 2.2.2.5);
- societal impact (Section 2.2.2.6).

The materiality of these issues mainly varies according to the business sector and the breakdown of employees across the world. The risks, opportunities, policies and procedures relating to these issues are described in the relevant sections of this document.

Policy applied at Eurazeo level

Eurazeo realizes that its growth and performance rely on its employees. It has endeavored to set up a constructive dialogue and working environment that promote respect from each and everyone. Hence, the HR tool digitization strategy initiated in 2018 supports Eurazeo's growth mainly by making HR documents paperless and through the use of new software, the set-up of an intranet and publication of newsletters.

Eurazeo presents its employee-related values and policy in its Code of conduct and CSR strategy.

Eurazeo seeks to improve the protection and well-being of employees and share value created or company profits with them. Four indicators are used to measure the progress achieved:

- number of employees with access to social insurance;
- reduction in the number of days of absence;
- number of employee shareholders;
- existence of an incentive scheme or collective bonus.

Due diligence procedures for portfolio companies

Eurazeo incorporates labor-related aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment (Section 2.1.1.2).

The investments are encouraged to practice responsible management of human resources, particularly in the following areas:

- quality of life at work, which encompasses working conditions, social dialogue, career management, and welfare and social protection, including access to healthcare services, provident insurance and preparation for retirement;
- employability throughout working life, from training to skills development.

Eurazeo ensures that the conditions are in place to allow shareholder value to grow, in accordance with best practice in terms of human resources management, regardless of the sector and the country in which the Company operates.

Results and performance indicators

Eurazeo:



Eurazeo and its portfolio companies:

	2018	
	Eurazeo	Eurazeo and its portfolio companies
Total number and breakdown of employees		
Permanent workforce	104	10,616
Percentage of women in the permanent workforce	46%	45%
Percentage of managers in the permanent workforce	81%	20%
Percentage of non-permanent workforce in relation to the total number of employees ⁽¹⁾	7%	8%

The coverage rate for Eurazeo was 100% in 2018; for Eurazeo and its portfolio companies, it was 92-100% in 2018.

(1) The total number of employees includes the permanent (employees with open-ended contracts) and non-permanent (employees with fixed-term contracts) workforce.

GEOGRAPHIC BREAKDOWN OF PERMANENT WORKFORCE (EURAZEO AND ITS PORTFOLIO COMPANIES)



2.2.2.2 Working conditions and freedom of association



Description of the potential areas of risks or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
Promote respect for the fundamental rights and the provision of decent work	<ul style="list-style-type: none"> Unfamiliarity with local and international laws and regulations Use of subcontractors in at-risk countries High-intensity business sector with low qualified labor Industrial activity in at-risk countries 	<ul style="list-style-type: none"> Assessment of measures undertaken to ensure compliance with regulations (e.g.: hours worked) and proper working conditions for all employees (e.g.: signing of agreements) Study on lack of job security (e.g.: non-permanent employees, part-time workers, etc.) Measurement of commitment (social barometer)

RISK MANAGEMENT

- Formalization and roll-out of a Code of conduct
- Acquisition due diligences: integration of social aspects
- Performance of a social barometer every three years

OBJECTIVES

OPPORTUNITY FACTORS

Offer employees working conditions likely to boost their commitment and performance

- Be mindful of employee working conditions, beyond the legal requirements, create well-being, greater commitment and boost appeal as an employer

EXAMPLE OF INITIATIVE

- In Switzerland, **Sommet Éducation** set up a partnership with the CRST (Regional Occupational Health Center). This innovative approach includes the prevention of psychosocial risks with the set-up of a confidential healthline, individual interviews with a psychologist, analysis of the working environment and management of long absences (more than 30 days), with support when returning to work.

Policy applied at Eurazeo level

As an employer, Eurazeo must ensure that all of its employees work in a healthy and stimulating environment that respects human dignity. Eurazeo is particularly mindful of its employees' working conditions. Eurazeo employees are guaranteed the right to associate and to organize in accordance with the applicable labor law. Eurazeo will respect employee representative bodies and the right to collective bargaining. The policies on these topics are set up by the Human Resources and Risk Departments.

At Eurazeo, dialogue is based on proximity between management and employees, and the ability to hold discussions in an atmosphere of trust and transparency. The current measures are as follows:

- two members of the Eurazeo Supervisory Board represent employees;
- a Social and Economic Committee represents 100% of employees in France and holds monthly meetings for an ongoing dialogue.

In 2015, Eurazeo for the first time conducted a survey on the quality of work life. The Eurazeo employee response rate exceeded 84%. This survey will be repeated: the next one is currently being organized and will be deployed in 2019.

2018 was marked by the launch of a welcome program for new employees even more complete. Upon his or her arrival, the new employee receives a welcome booklet during an HR interview that explains how the company operates. An induction program is organized whereby the new employee meets with employees from various departments to discuss and understand the diversity of jobs performed. Three months after joining Eurazeo, the Human Resources

Director interviews the new employee to get his or her first impressions on the work management, organization and atmosphere at Eurazeo as well as his or her own contribution. An assessment is then carried out with the employee's immediate manager to assess the difficulties and success of integration as well as the next steps in terms of development (e.g: advancement, training, etc.).

Due diligence procedures for portfolio companies

Eurazeo incorporates aspects relating to working conditions and the right to associate into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

Eurazeo is attentive to the implementation of policies and measures promoting quality labor relations within its portfolio companies. It aims

to promote voluntary initiatives such as employee surveys and social barometers, which are a tool for the expression of social dialogue in companies.

Eurazeo's objective is to ensure that 100% of portfolio companies conduct a social barometer survey at least once every three years (see Section 2.1.3, page 85).

Results and performance indicators

Eurazeo:

Eurazeo SE signed its first incentive agreement in 1998 and has since renewed it every three years. The current Eurazeo SE incentive agreement applies to fiscal years 2016 to 2018.

In 2015, two new company agreements were signed:

- the first involves the action plan on professional equality between women and men;
- the second relates to the intergenerational contract mechanism.

These 3-year corporate agreements will be renewed in early 2019 for fiscal years 2019 to 2021. Only the intergenerational contract mechanism agreement will not be renewed as it was canceled in September 2017.

Eurazeo and its portfolio companies:

	2018
Eurazeo and its portfolio companies	
Working hours (% of permanent workforce)	
Percentage of full-time employees	89%
Percentage of part-time employees	11%
Agreements bearing on wage increases and more balanced sharing of value creation	
Effective wages, duration and organization of working hours	5
Incentive bonuses	5
Mandatory annual negotiations	8
Agreements bearing on the Company's internal bodies	
Conditions governing the election of representative bodies of the personnel	6
Establishment of the Works Council	5
Trade union law	1
Agreements bearing on the protection and working conditions of employees	
Organization of working hours	8
Complementary coverage of health expenses and health insurance	6
Gender equality	4

The coverage rate for Eurazeo was 100% in 2018; for Eurazeo and its portfolio companies, it was 92-100% in 2018.



2.2.2.3 Equal treatment



Description of the potential areas of risks or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
Avoid any discrimination	<ul style="list-style-type: none"> Recruitment process lacking transparency and equality Lack of diversity within teams 	<ul style="list-style-type: none"> Study of policies against discrimination and for the promotion of diversity Analysis and monitoring of diversity in governance bodies and among employees

RISK MANAGEMENT

- Formalization and roll-out of a Code of conduct
- Acquisition due diligences: integration of gender diversity criteria
- Annual monitoring of gender diversity indicators
- Promotion of gender diversity within governance bodies

OBJECTIVES

OPPORTUNITY FACTORS

Ensure talent diversity

- Talent diversity is a key factor for innovative and sustainable growth

EXAMPLES OF INITIATIVES

- Planet's** HR team members systematically receive training on discrimination and its prevention.
- Professional equality between men and women is a major focal point of **Smile's** CSR policy. To attract more women to digital jobs, Smile partnered with other sector companies in 2018 to help finance the "Femmes@numérique" foundation. This foundation was set up to implement measures at national level to attract and retain women in the digital sector.

Policy applied at Eurazeo level

In 2015, Eurazeo established a Code of conduct, signed by all employees. This code prohibits any form of discrimination based on gender, age, ethnicity, nationality, social origin, family status, religion, sexual orientation, physical appearance, state of health, disability, state of pregnancy, union membership or political views. Eurazeo thus intends to apply an equitable human resources policy that complies with the laws and regulations in force, and in so doing promote diversity and prohibit all forms of discrimination and harassment. Eurazeo promotes equal opportunity for its employees or candidates in terms of recruitment, access to training, remuneration, social protection and professional development.

The Human Resources Department is responsible for implementing and monitoring the non-discrimination policy within Eurazeo. Recruitment is a key component in the diversity and non-discrimination policy. Eurazeo therefore grants people with disabilities access to all job offers. Eurazeo's premises and offices are adapted to the needs of people with disabilities. Eurazeo orders specific equipment and adapts work stations according to the individual needs expressed by employees. Eurazeo is also mindful of fairness between men and women with the 2015 signing of an agreement on the action plan relating to professional equality between men and women and careful about wage gaps, which were the subject of a specific study in 2017.

Eurazeo believes that gender equality is a factor in the performance and competitiveness of companies. Eurazeo launched an internal diversity network in 2014. Known as "Eurazeo Pluriels," its aim is to advance diversity at Eurazeo, in all of its investments and across its entire sphere of influence. As part of this network, Eurazeo promotes awareness about gender diversity among all the employees and managers of Eurazeo and its portfolio companies: awareness and training sessions, survey among managers to identify their understanding of the issue. As part of this internal network, Eurazeo has a cross-generational, mixed and inter-company mentoring program. The program aims to support employees in their professional development, to allow them to share their experience with a skilled mentor who is not a superior and lastly to develop their professional network.

Due diligence procedures for portfolio companies

Eurazeo incorporates gender diversity aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2. Eurazeo's objective is to achieve 40% representation of women on Boards of Directors or Supervisory Boards by 2020 (see Section 2.1.2, page 84). This goal applies to Eurazeo, as well as to all investments, regardless of their size or thresholds in respect of legal requirements.

Results and performance indicators

Eurazeo:

The percentage of women recruited to the investment teams in 2018 was 36%, compared to a sector average of 29%. Women now represent nearly 30% of investment teams, compared to a sector average of 22% (source: 2018 study of gender diversity in private equity by Deloitte & France Invest).

Eurazeo and its portfolio companies:

	2018	
	Eurazeo	Eurazeo and its portfolio companies
Diversity (permanent staff)		
Percentage of women	46%	45%
Percentage of women among managers in the permanent workforce	46%	42%
Percentage of women on the SB or BD ⁽¹⁾	43%	28%
Percentage of women on the first decision-making body ⁽²⁾	25%	21%

The coverage rate for Eurazeo was 100% in 2018; for Eurazeo and its portfolio companies, it was 92-100% in 2018.

(1) Supervisory Board (SB) or Board of Directors (BD)

(2) Companies may have several different kinds of decision-making bodies, the names of which may vary depending on the company. At Eurazeo, the first decision-making body is the Executive Board, composed of four members.

2.2.2.4 Health and safety



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
Ensure that all employees benefit from working conditions that minimize risks to their health and safety	<ul style="list-style-type: none"> Work station exposure to at-risk activities Insufficient training and awareness-raising for exposed employees Poor risk assessment and lack of adapted individual or group protective equipment 	<ul style="list-style-type: none"> Study of the health & safety policy Monitoring and analysis of indicators relating to health and safety (e.g.: absenteeism, accidents) Monitoring of employee participation rates for dedicated training Expenditure for protection / safety equipment

RISK MANAGEMENT

- Acquisition due diligences: analysis of working conditions
- Annual monitoring of absenteeism and accident-related indicators
- Training and awareness-raising
- Supply of adapted equipment
- Encouragement for companies to improve the protection and well-being of employees

OBJECTIVES	OPPORTUNITY FACTORS
Ensure that employees are covered by health and fatality and disability insurance	<ul style="list-style-type: none"> Securing health insurance cover for all employees worldwide is a key to employee differentiation and retention
Promote well-being to improve performance	<ul style="list-style-type: none"> An effective Health & Safety policy was drawn up to reduce absenteeism and the number of accidents

EXAMPLES OF INITIATIVES

- Nest Fragrances**, a U.S.-based company, provides all its full-time eligible employees with access to medical, dental and eye care services. The company also offers health insurance, a retirement savings plan and legal assistance.
- In March 2018, the **Iberchem** group headquarters in Spain was OHSAS 18001 certified (occupational health and safety management). In May 2018, the site also received public recognition from a Spanish insurance company reserved for companies that have recorded accident rates below the sector average.



Policy applied at Eurazeo level

Eurazeo has resolved to ensure the health and safety of its employees by respecting the laws in force, preventing health and occupational risk, and training personnel. All employees must integrate the health and safety component in their conduct by respecting the guidelines and notifying any risk identified.

The nature of Eurazeo's business limits the risk of serious accidents occurring in the workplace. Eurazeo did not record any accidents in 2018. Occupational health-safety risk is assessed annually in the single risk assessment document in which no "high" level risks have been identified.

Eurazeo ensures that each employee has access to work areas with the possibility of obtaining equipment adapted to individual needs. Its offices are ergonomic and there are several relaxation areas. In addition, regular physical activity and sports are encouraged. Eurazeo provides its employees with a gym and classes taught by qualified fitness instructors.

In 2018, Eurazeo conducted a study of psychosocial risks in its Paris premises. An analysis was carried out using a self-assessment tool

developed from the work of reference bodies such as the INRS (French National Research and Safety Institute). The impact of psychosocial impacts on the company and employees was judged to be low. Two components were assessed as having a moderate risk level: intensity and working time. These issues are regularly covered in awareness-raising sessions. Members of the Social and Economic Committee were trained in occupational psychosocial risks. They are able to identify warning signs in the event of chronic stress or burn-out suffered by an employee and escalate them to Management which can quickly adopt the appropriate measures.

Due diligence procedures for portfolio companies

Eurazeo incorporates health and safety aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

Eurazeo's objective is to ensure that 100% of its portfolio companies improve the protection and well-being of employees, via social insurance for 100% of employees or the reduction in the number of days of absence.

Results and performance indicators

Eurazeo:

All Eurazeo employees (France, China, North America) take out mandatory private health insurance fully paid by Eurazeo and are also insured for business or private travel abroad.

Eurazeo and its portfolio companies:

	2018
Eurazeo and its portfolio companies	
Health and safety conditions <i>(permanent and non-permanent workforce)</i>	
Fatalities	1
Accidents with lost time	290
Frequency rate ⁽¹⁾	15
Working days lost due to accidents	12,177
Severity rate ⁽²⁾	0.7
Absenteeism rate ⁽³⁾	6%
Health insurance cover (permanent employees)	
Percentage of employees with health insurance	95%
Percentage of employees with fatality and disability insurance	97%

The coverage rate for Eurazeo and its portfolio companies was 77-100% in 2018.

Travel-related accidents are excluded from workplace accident indicators.

(1) Frequency rate: accidents with time lost/(actual number of hours worked x 1,000,000).

(2) Severity rate: days lost due to accidents/actual number of hours worked x 1,000.

(3) Absenteeism rate: number of hours of absence (paid or unpaid)/actual number of hours worked. The absenteeism rate is calculated on the total workforce (permanent and non-permanent).

2.2.2.5 Attractivity and employability



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<p>Have the necessary talents for growth</p>	<ul style="list-style-type: none"> Non-identification of needs in terms of skills and talents Inability to retain and attract talents Unadapted or insufficient recruitment and training policies 	<ul style="list-style-type: none"> Study of the number of available positions Analysis of measures for assessing performance, training and sharing value creation

RISK MANAGEMENT

- Pre-acquisition labor due diligences: analysis of vacant positions and loyalty building schemes
- Annual monitoring of specific indicators
- Encouragement for companies to share value creation or company profits with employees

OBJECTIVES

OPPORTUNITY FACTORS

Ensure that employee skills contribute to the Company's performance over the long term

- The set-up of a recruitment and integration policy leading to training and career development schemes is essential to building employee loyalty

EXAMPLE OF INITIATIVE

- In partnership with a French business school (ESC), the **Grape Hospitality** group set up a VAE (Validation of Acquired Experience) system to enable certain employees to obtain the PGE (*Programme Grande École*) master's degree or the Bachelor *Activity Manager* business management degree. The aim of this program is to enable 20 Group employees to adapt to changes in their business environment and develop their employability.

Policy applied at Eurazeo level

Each employee's individual development is essential to collective success. Eurazeo employees are associated with the Company's development and their participation in professional training is encouraged. Eurazeo ensures that its employees receive fair compensation and share in value creation and that working hours and paid holidays comply with the law.

Since mid-2017, the HR Department has chosen to organize a cycle with four major phases:

- organizational reviews: HR needs over 3 years are defined in line with the Company's strategy. This enabled Eurazeo to set up at the beginning of the cycle an HR action plan comprising recruitments, mobility projects and training;
- annual individual employee performance reviews: know-how and social skills are assessed during this phase. This assessment comprises a self-evaluation, 360° feedback and an annual manager-employee interview;
- wage reviews;
- semi-annual reviews: a formal manager-employee interview is organized at the end of the first half-year to review the achievement of objectives or activate an individual share plan (e.g.: training, mobility, recruitment, etc.).

This process applies to all Eurazeo permanent employees.

The compensation policy in respect of the members of the Eurazeo Executive Board is consistent with the AFEP-MEDEF recommendations (see Section 3.2.1.2, page 165). The fixed and variable compensation of all employees is reviewed annually, and analyzed in relation to a review of compensation in the markets where Eurazeo operates. Employees are also eligible for collective compensation in the form of incentive bonuses. Eurazeo firmly believes in allowing employees to benefit from growth in the Company's earnings, and encourages the sharing of value creation, notably by granting free shares and/or stock options within its team and among its investments. 2020 CSR strategy criteria are also taken into account for the calculation of the variable compensation of all Eurazeo Executive Board members and will be extended to the Executive Committee in 2019.

With regard to training, Eurazeo seeks to offer its employees the chance to unlock their potential and meet their requirements and expectations in terms of development. Training courses are selected in relation to investment projects underway and/or job-related issues. Furthermore, Eurazeo seeks to satisfy the individual training needs of its teams. Once a need is identified, the employee is offered a training course at the earliest opportunity.

Due diligence procedures for portfolio companies

Eurazeo incorporates appeal and talent retention aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

This issue is also an integral part of Eurazeo's CSR strategy with the objective of ensuring that 100% of companies share value creation or company profits with their employees.



Results and performance indicators

Eurazeo:

The main training topics offered to Eurazeo employees in 2018 were communication, personal development, foreign languages, the use of IT and digital tools, and health and safety.

Eurazeo and its portfolio companies:

	2018	
	Eurazeo	Eurazeo and its portfolio companies
Hires and departures (permanent workforce, number of employees)		
Total hires	20	2,118
Total departures	11	2,195
Compensation and benefits (permanent workforce, in millions of euros)		
Total payroll ⁽¹⁾	24	479
Amount of incentive scheme or collective bonus outside legal obligations	1	10
Percentage of employees receiving payments under an incentive scheme or collective bonus outside legal obligations	76%	60%
Percentage of employee shareholders	70%	4%
Training (permanent and non-permanent workforce)		
Total number of training hours	628	166,080
Annual training expenditure (in millions of euros) ⁽²⁾	0.3	6
Percentage of employees who attended at least one training course during the year ⁽³⁾	44%	80%

The coverage rate for Eurazeo was 78% in 2018; for Eurazeo and its portfolio companies, it was 94-99% in 2018.

(1) On the total workforce (permanent and non-permanent).

(2) Training expenditure does not include payroll charges.

(3) Within the permanent workforce.

2.2.2.6 Societal impact



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
Ensure that all products and services do not generate negative impacts on clients, employees and local communities	<ul style="list-style-type: none"> Business sector using products or services under the supervision of the regulatory authorities or end consumers Unfamiliarity with suppliers and raw materials used 	<ul style="list-style-type: none"> Analysis of substances and products under surveillance Study of measures adopted in favor of the health and safety of consumers

RISK MANAGEMENT

- Conditions of stakeholder dialogue
- Risk mapping and identification of substitutes
- Product analysis, product reformulation

OBJECTIVES	OPPORTUNITY FACTORS
Anticipate regulatory changes and consumer behavior	<ul style="list-style-type: none"> The integration of CSR should result in the development of more environmentally-friendly and innovative products and services that are more in line with consumer expectations and new consumption patterns

EXAMPLES OF INITIATIVES

- CPK** is committed to developing products which satisfy expectations in terms of consumer satisfaction, quality, transparency and health. In 2018, the Group launched a new candy with organically farmed, gelatin-free and naturally colored ingredients.
- The products of Linvosges and Françoise Saget from the **MK Direct** Group were awarded the Oeko-Tex label. This independent label certifies that textiles and their dyes are non-toxic and manufactured without harmful substances.

OBJECTIVES	OPPORTUNITY FACTORS
Be a vector of a positive societal impact	<ul style="list-style-type: none"> Engaging in sponsorship activities enables a company to generate a positive footprint beyond its direct activity

EXAMPLE OF INITIATIVE

- The Linvosges and Envie de Fraise brands of the **MK Direct** Group donate the clothing and home linen from their previous collections. In 2018, over 3,000 products were given to associations for people facing hardship.

Policy applied at Eurazeo level

Stakeholder dialogue is an essential ingredient of sound governance and a better understanding of internal and external expectations. In 2013, Eurazeo conducted an initial assessment of the dialogue held with its stakeholders based on mapping and an identification of dialogue processes and tools. Today, Eurazeo has a structured dialogue with most of its stakeholders, particularly with its shareholders and institutional investors.

Eurazeo has sought to expand the scope of its societal measures and impact through a sponsorship policy focused on education.

In the firm belief that education is a fundamental vector for development and a growth driver for the future competitiveness of the economy, Eurazeo began taking initiatives in favor of education in September 2015 by setting up innovative projects developed with NGOs and teachers in the fields of reading, tutoring, commitment among young teachers and the provision of school materials.

Eurazeo provides support for a specific program allowing children to learn to read using a digital application with the *Agir pour l'école* association. Eurazeo also pursued its commitment with *Le Choix de l'École* (formerly Teach for France) which offers young volunteer graduates the possibility of occupying vacant two-year positions in schools located in priority education networks, as well as *Agence du Don en Nature* (ADN) for the "solidarity school bags" initiative.

Since September 2018, Eurazeo has backed Sciences Po's Priority Education Agreements and refocused its previous support for the Gustave Roussy cancer-research institute on educational initiatives undertaken with the association *Les Amis de Mikhy*.

Lastly, the DFCG and Martine Aublet Foundations received Eurazeo's financial support to fund scholarships for students.

In addition, Eurazeo has pursued its previous commitment with Human Rights Watch, an international NGO whose purpose is to promote and act in favor of the defense of human rights. Virginie Morgon, Chairwoman of Eurazeo's Executive Board, currently co-chairs the Human Rights Watch Support Committee in Paris.

Furthermore, Eurazeo decided to allocate most of its 2018 apprenticeship tax to Priority Education Network and second chance schools.

Due diligence procedures for portfolio companies

Eurazeo incorporates societal impact aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

Managing Corporate Social Responsibility is now a corporate necessity, particularly for a company that produces goods and services for consumers who pay increasing attention to their health and environmental protection.

In a context where consumers increasingly ask questions about products, their composition and impact, Eurazeo is mindful of the strategies rolled out by the companies in which it is shareholder to deal with this issue and anticipate changes.

Eurazeo encourages and supports companies in monitoring regulations and analyzing stakeholder expectations after having first examined during the acquisition the substances, products and services under surveillance.

Results and performance indicators

Eurazeo:



	2018
	Eurazeo
Financial support (in thousands of euros)	
Amount allocated to social and educational patronage (associations and NGOs)	355
Amount allocated to think-tanks, forums and institutions	242
Amount allocated to cultural patronage	18
Amount allocated to professional bodies	164
TOTAL AMOUNTS ALLOCATED	779

2.2.3 ENVIRONMENTAL MATTERS

2.2.3.1 Introduction

Description of the potential areas of risk or opportunities

As part of an analysis conducted in 2018, Eurazeo identified five major issues arising from environmental impacts on its business as investor and within its portfolio companies:

- climate change (Section 2.2.3.2);
- site safety and industrial accident prevention (Section 2.2.3.3);
- substances in the air, water and soil (Section 2.2.3.4);
- responsible use and consumption of resources (Section 2.2.3.5);
- biodiversity (Section 2.2.3.6).

The materiality of these issues mainly varies according to the business sector. The risks, opportunities, policies and procedures are described in the relevant sections of this document.

Policy applied at the Eurazeo level

The Company firmly believes that a business can create sustainable value while minimizing its environmental impacts and strives to attain

the highest standards of environmental protection. Eurazeo's environmental policy and commitments are formalized in the Code of conduct and CSR strategy with the objective of ensuring that 100% of the companies in which it is shareholder reduce their environmental impact. This impact reduction is measured using three indicators and also applies to Eurazeo:

- reduction in carbon emissions as a proportion of EBITDA;
- reduction in water consumption as a proportion of EBITDA;
- increase in the recycling rate.

Due diligence procedures for portfolio companies

Eurazeo incorporates environmental impact aspects into acquisition due diligences as described in Section 2.1.1.1. Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

Eurazeo's objective is to ensure that 100% of companies reduce their environmental impact. Furthermore, Eurazeo measures annually the environmental impacts generated and avoided by its portfolio companies as described in Section 2.1.5.

Results and performance indicators

Eurazeo:



27%

of energy consumed
in France generated
by renewable sources



5.49

tons of recovered waste,
i.e. 49% of total generated waste



6,407

tons of CO₂
equivalent emitted

2.2.3.2 Climate change



Description of the potential areas of risk or opportunities

OBJECTIVES		RISK FACTORS	RISK ASSESSMENT METHODS
Physical risks	Manage and reduce site exposure to natural hazards	<ul style="list-style-type: none"> ● Presence in locations exposed to direct short- and medium-term physical risks. 	<ul style="list-style-type: none"> ● Assessment of the degree of exposure, the ability to implement risk mitigation measures and the existence of insurance coverage.
	Ensure the resilience of the business activity	<ul style="list-style-type: none"> ● Use of natural resources exposed to supply sustainability issues ● Lack of substitution capacity for potentially scarce resources ● Unfamiliarity with regulations: total or partial ban on the activity or the use of raw materials ● Poor anticipation of client behavior changes 	<ul style="list-style-type: none"> ● Assessment of critical supply chains and possible substitutions ● Study of regulatory risk ● Analysis of consumer trends and NGO campaigns.
Transition risks	Ensure the resilience of the industrial model	<ul style="list-style-type: none"> ● Inability to adapt production and distribution facilities when faced with regulatory, energy or supply chain constraints 	<ul style="list-style-type: none"> ● Assessment of technical, technological and financial feasibility
	Ensure the resilience of the business model	<ul style="list-style-type: none"> ● Company's inability to maintain a level of economic performance if it faces some or all of the risks mentioned above 	<ul style="list-style-type: none"> ● Modeling of test scenarios

RISK MANAGEMENT

- Acquisition due diligence on exposure to climate change
- Annual monitoring of related environmental indicators
- Encouragement for companies to reduce carbon emissions as a proportion of EBITDA
- Identification of alternative supply channels
- Monitoring of regulatory changes

OBJECTIVES	OPPORTUNITY FACTORS
Improve energy performance and obtain energy from renewable or low-emission sources	<ul style="list-style-type: none"> ● Creation of a energy performance project that will generate potential financial gains ● Promotion of renewable energies to reduce exposure to any increase in fossil fuel prices and costs relating to greenhouse gas emissions

EXAMPLES OF INITIATIVES

- **In'Tech Medical** carried out energy saving work on its La Farlède site (France). Consumption decreased by 2,970 MWh following the replacement of a compressor and set-up of a compressor heat recovery system.
- Following a complete analysis of its carbon footprint, the **Seqens** group adopted a strategy to control its GHG emissions through the following measures: ISO 50001 energy efficiency plan at sites (annual CO₂ reduction of 4,000 tons), reduction in steam consumption in China (11,000 tons of CO₂ avoided), recovery of CO₂ discharges at the Nancy site (CO₂ reduction of 7,500 tons). Other innovative projects are being studied: partnership with an incineration plant (potential reduction of 50,000 tons of CO₂ per year), replacement of charcoal with recovered wood (potential reduction of 120,000 tons of CO₂ per year) and study of the installation of photovoltaic panels in Thailand.

OBJECTIVES	OPPORTUNITY FACTORS
Design products or services with a reduced carbon footprint	<ul style="list-style-type: none"> ● Competitiveness gain ● Diversification of the offering ● Development of innovations contributing to energy transition ● Response to a growing consumer demand

EXAMPLE OF INITIATIVE

- **Péters Surgical** reorganized its transport between sites, thus reducing its costs and GHG emissions: goods manufactured in Thailand are now sent to France by sea and no longer by air. Furthermore, finished goods are now delivered directly to the headquarters, thereby reducing air transport by 14,000 km/year and road transport by 5,000 km/year.

OBJECTIVES	OPPORTUNITY FACTORS
Ensure sustainability throughout the supply chain	<ul style="list-style-type: none"> Continuous supply chain sustainability, anticipation of risks of shortages and/or price increases

EXAMPLE OF INITIATIVE

- Eurazeo** coordinates a "Responsible Procurement" group to promote awareness among its portfolio companies on the CSR issues relating to their supply chains, identify potential risks and implement mitigation plans.

OBJECTIVES	OPPORTUNITY FACTORS
Invest in new high-growth potential sectors	<ul style="list-style-type: none"> Value creation by investing in high-growth potential sectors

EXAMPLE OF INITIATIVE

- Reden Solar** is a major player in the photovoltaic solar energy sector in France and internationally. Operating in seven countries, it has built more than 550 sites representing cumulative power of 520 MW, of which 420 MW are directly operated.

Policy applied at Eurazeo level

In 2015, Eurazeo gave its commitment to combating climate change a solid footing by founding "Initiative Climate 2020" (iC20) with four other private equity companies. This initiative now comprises 25 private equity firms that are keen to measure and reduce their carbon footprint. Since 2017, Noëlla de Bermingham, Eurazeo's CSR Manager, is in charge of the initiative's coordination and steering within the ESG Commission of France Invest (Investors Association for Growth). Eurazeo signed the Shift Project's "Manifesto to decarbonize Europe" and the "Letter from global investors to governments of the G7 and G20 nations," (see Section 2.1.5.3, page 90) and has responded to the CDP's Climate Change questionnaire since 2016 to contribute to the approach adopted by companies to ensure transparency in their Climate reporting.

Eurazeo updates its carbon footprint measurement every three years. The last full measurement in 2017 confirmed that the two primary impact areas are buildings and travel. To reduce its impacts, Eurazeo relocated in 2016 to an office building that has earned the Exceptional rating under the High Environmental Quality (HQE) standard, Excellent status under the BREEAM (Building Research Establishment Environmental Assessment Method) standard and low energy consumption status (BBC). In 2016, Eurazeo also deployed videoconferencing and teleworking tools to reduce employee travel, carried out an energy audit of its building in 2017 and subscribed to a 100% renewable energy contract in 2018.

Eurazeo also partnered Pur Projet to help restore marine ecosystems damaged by the impacts of climate change. The amount allocated to the project is based on emissions arising from employee travel and buildings to which an internal carbon price is applied. With the installation of 13 underwater structures, Eurazeo helped restore more than 1,500 corals in 2018.

Due diligence procedures for portfolio companies

Eurazeo incorporates climate change aspects into acquisition due diligences as described in Section 2.1.1.1.

By way of example:

- modeling of the financial impact arising from changes in the European allowance trading system by 2030;
- studies of exposure to physical climate risks at production sites.

Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2.

Eurazeo seeks to ensure that the potential impacts of climate change do not jeopardize the operating activities, economic performance and growth potential of the companies in which it is shareholder. To prepare its portfolio companies for a low carbon economy, Eurazeo has set the following objectives:

- 100% of portfolio companies to conduct an environmental and/or greenhouse gas assessment and draw up an updated action plan to reduce emissions every three years;
- 100% of portfolio companies to reduce their carbon emissions as a proportion of EBITDA.

Results and performance indicators

Eurazeo:

In 2018, 27% of the energy consumed in Eurazeo's Paris premises was generated by renewable sources, mainly due to the subscription of a green energy contract in the second half of the year. This percentage will increase to 100% in 2019.

Eurazeo and its portfolio companies:

	2018	
	Eurazeo	Eurazeo and its portfolio companies
Energy consumption excluding fuel (in MWh)		
Electricity ⁽¹⁾	598	285,670
Steam ⁽¹⁾	0	660,796
Renewable energies	154	203,956
Natural gas	33	581,528
Heavy fuel oil and heating oil	0	6,349
Coal	0	1,153,285
Other energy ⁽²⁾	0	11,223
TOTAL ENERGY CONSUMPTION	785	2,902,807
Energy expenditure (in millions of euros)	0.07	77
Share of renewable energies	20%	7%
Fuel consumption (in liters)		
Gasoline	3,416	100,163
Diesel	1,740	1,321,764
TOTAL FUEL	5,156	1,421,927
Fuel expenditure (in thousands of euros)	9	1,564
GHG emissions ⁽³⁾ (in metric tons of CO₂ equivalent)		
Number of companies with an action plan to reduce emissions and/or to have conducted a greenhouse gas assessment in the past 3 years	Yes	19
Scope 1 ⁽⁴⁾	19	682,953
Scope 2 ⁽⁵⁾	108	243,022
TOTAL (SCOPE 1 + 2)	127	925,976
Scope 3 ⁽⁶⁾	6,280	1,965,046
TOTAL (SCOPE 1 + 2 + 3)	6,407	2,891,022

The coverage rate for Eurazeo was 78-100% in 2018; for Eurazeo and its portfolio companies, it was 76-99% in 2018.

(1) Excluding renewable energies.

(2) Other gases.

(3) The emissions factors come from the Intergovernmental Panel on Climate Change (IPCC) 2006 (combustibles and fuel) and the International Energy Agency (IEA) (electricity consumption), in accordance with the methodology of the Greenhouse Gas (GHG) Protocol.

(4) Scope 1 emissions are direct emissions from fuel consumption on site (gas, oil, etc.), fuel consumption in vehicles and leakage of refrigerant substances.

(5) Scope 2 emissions are indirect emissions caused by the generation of electricity, steam, heating or cooling bought and consumed.

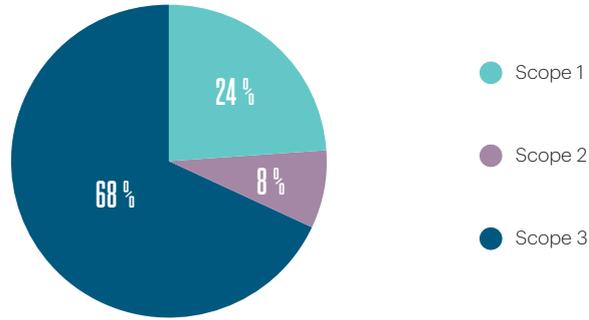
(6) Scope 3 emissions are related to indirect emissions, upstream or downstream of the activity. The full Scope 3 emissions of portfolio companies were assessed in full for the first time in 2017.

EURAZEO'S CORPORATE SOCIAL RESPONSIBILITY

Non-Financial Performance Statement

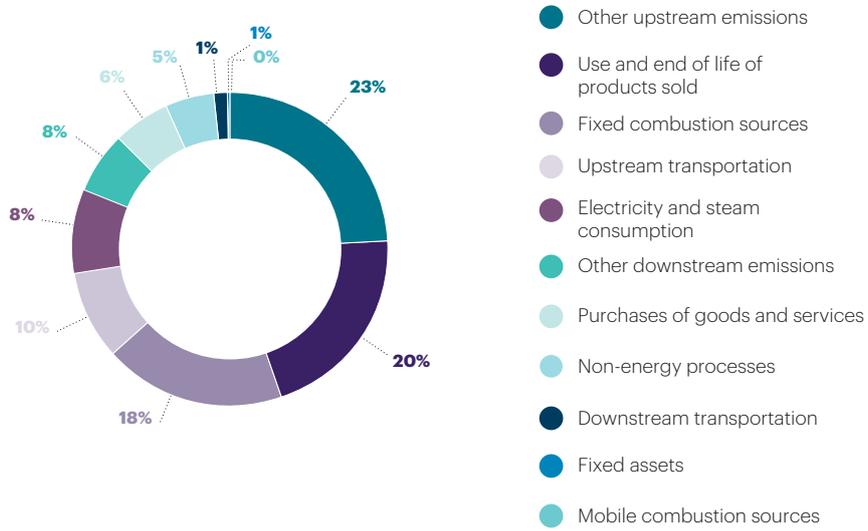
BREAKDOWN OF 2018 EMISSIONS BY SCOPE

(Eurazeo and its portfolio companies)



BREAKDOWN OF 2018 EMISSIONS BY SOURCE

(Eurazeo and its portfolio companies)



2.2.3.3 Site safety and industrial accident prevention



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
Ensure safety for sites, employee and local communities	<ul style="list-style-type: none"> Activity that may generate pollution relating to industrial processes, the use of raw materials and manufacture of goods Lack of training or unfamiliarity with procedures, process inefficiency or maintenance faults Sector that may be subject to deliberate external intrusions or attacks 	<ul style="list-style-type: none"> Assessment of the level of exposure Analysis of current procedures and policies

RISK MANAGEMENT

- Pre-acquisition due diligence on HSE (Hygiene, Health/Safety and Environment) issues for all companies with industrial sites
- Annual monitoring during CSR reporting

OBJECTIVES	OPPORTUNITY FACTORS
Ensure business continuity	<ul style="list-style-type: none"> A robust policy and operational processes, training and tests were set up to anticipate and reduce business continuity risks

EXAMPLE OF INITIATIVE

- The Seqens group is resolved to prevent industrial process incidents, serious injuries, deaths, pollution and any events likely to damage facilities or its reputation. The approach is based on 3 pillars:
 - Sharing of common values and strengthening of the Group's safety culture;
 - Development of an efficient HSE management system integrating process safety;
 - Development of skills needed to roll out improvement programs.

All the production sites are subject to audits, inspections and regular visits which are used to prepare the annual HSE action plans.

Policy applied at Eurazeo level

Following the recruitment of a Security Director in 2016, Eurazeo improved the physical security of its sites by modifying its facilities, crisis management procedures and employee training.

Due diligence procedures for portfolio companies

Eurazeo incorporates site safety and industrial accident prevention aspects into acquisition due diligences as described in Section 2.1.1.1. In the industry sector, due diligences include Hygiene, Safety and Environment (HSE) components, including an analysis of environmental liabilities, assurance reports and the procedures in place.

Post-acquisition action plans are monitored over several years, as described in Section 2.1.1.2, including the investment expenses relating to compliance work and the improvement in site safety conditions.

Results and performance indicators

Eurazeo and its portfolio companies:

	2018
Eurazeo and its portfolio companies	
Compliance work and litigation (in thousands of euros)	
Environmental compliance work expenses during the year	3,748
Environmental provisions and guarantees	3,657
Fines and compensation paid in respect of environmental litigation	136

The coverage rate for Eurazeo and its portfolio companies was 100% in 2018.

2.2.3.4 Substances in the air, water and soil



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<p>Limit discharge and ensure their optimal treatment</p> <p>Avoid all pollution likely to harm employees, inhabitants and biodiversity in the short, medium and long term</p>	<ul style="list-style-type: none"> Unfamiliarity with regulations: fines, total or partial activity ban due to non-compliance with thresholds Poor training or unfamiliarity with procedures, process inefficiency or maintenance faults Activity that could damage health and safety and expose the Company to a reputation risk in the event of pollution impacting the environment and local communities 	<ul style="list-style-type: none"> Assessment of the level of exposure (liability, sector, etc.) Analysis of current procedures and policies Analysis of threshold compliance audits

RISK MANAGEMENT

- Pre-acquisition due diligence on HSE (Hygiene, Health/Safety and Environment) issues systematically for industrial targets
- Annual monitoring during CSR reporting

OBJECTIVES	OPPORTUNITY FACTOR
<p>Anticipate regulations and their amendments</p>	<ul style="list-style-type: none"> Close monitoring of regulatory amendments, particularly in regions which already impose stringent requirements such as Europe and anticipation of new regulations primarily in emerging countries, may give Eurazeo a competitive edge if properly managed

Policy applied at Eurazeo level

No significant risk involving substance discharges has been identified as directly related with Eurazeo's activity as an investor.

Due diligence procedures for portfolio companies

Eurazeo incorporates aspects relating to substances in the air, water and soil into acquisition due diligences as described in Section 2.1.1.1 on the criteria analyzed. In the event of actual pollution, Eurazeo identifies the costs of site decontamination upstream of the

investment and/or of installing equipment to reduce or stop discharges.

Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 2.1.1.2. The monitoring includes the investment expenses relating to compliance work or projects to mitigate and treat the discharges. CSR reporting is used to monitor compliance with the thresholds for air, water and soil emissions and the results of compliance audits for the relevant companies. Finally, Eurazeo encourages the issue of certifications to reinforce and assess the environmental strategies of companies for which this is a major challenge.

Results and performance indicators

Eurazeo:

Eurazeo's premises in Paris have dual environmental certification (HQE Excellent and BREEAM Exceptional), as well as BBC low energy consumption status. These certifications guarantee top levels of environmental and energy performance.

Eurazeo and its portfolio companies:

	2018
Eurazeo and its portfolio companies	
Air emissions (in tons)	
Sulfur oxide emissions (SOx)	2,550
Nitrogen oxide emissions (NOx)	1,405
Environmental certifications	
Number of environmental certifications	26

The coverage rate for Eurazeo and its portfolio companies, it was 77-100% in 2018.

Source of emission factors: Organization and Methods of the National Atmospheric Emissions Inventory of France (OMINEA), Interprofessional Technical Center for the Study of Atmospheric Pollution (CITEPA), 2014.

			2018
Eurazeo and its portfolio companies			
Certification	Type of certification	Companies covered	Number of sites certified
HQE	High Environmental Quality	Eurazeo	1
BREEAM	Building Research Establishment Environmental Assessment Method	Eurazeo, Redsphe	2
ISO 50001	Energy management system	CPK, Seqens	6
ISO 14001	Environmental management system	CPK, Seqens, Sommet	8
OHSAS 18001	Occupational health and safety management system	CPK, Seqens	6
SGE 21	Ethical and socially responsible management system	Sommet Education	1
Oeko-TEX	International testing and certification system for harmful substances in textiles	MK Direct	2
TOTAL			26



2.2.3.5 Responsible use and consumption of resources



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
Limit exposure to hazardous raw materials	<ul style="list-style-type: none"> Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues Lack of substitution capacity for hazardous resources 	<ul style="list-style-type: none"> Shortage risk assessment: use of a raw material that could run out, supply sustainability, rising costs

RISK MANAGEMENT

- Acquisition due diligences on the sustainability of raw materials
- Identification of substitutes

OBJECTIVES	OPPORTUNITY FACTORS
Ensure business resilience throughout the supply chain	<ul style="list-style-type: none"> Anticipating risks relating to raw material sustainability may reduce the risk of supply chain shortage and be a decisive factor.

EXAMPLE OF INITIATIVE

- Iberchem** currently uses around 1,400 different raw materials from either natural and synthetic origins. To prevent supply shortages, the company assesses supply chain risk and criticality. Furthermore, to safeguard its production, Iberchem has rolled out the following measures: major increase in inventories, intensified search for alternative suppliers to minimize the shortage risk and development of substitutes.

OBJECTIVES	OPPORTUNITY FACTORS
Prevent food waste	<ul style="list-style-type: none"> Encourage companies to roll out voluntary measures to prevent food waste

EXAMPLES OF INITIATIVES

- CPK** has set up a system to recover production waste from its 6 sites in France. In addition, the Strasbourg site donates any goods it can no longer sell as long as they comply with food safety regulations. In 2018, over 8,000 kg of chocolate was therefore given to employees belonging to an association, the food bank and visitors.
- At **Léon de Bruxelles**, orders of mussels are managed on the basis of a consumption indicator determined based on the origin of the product and activity. Deliveries are made near daily, thereby ensuring that customers receive fresh mussels, while limiting losses. In addition, bonuses paid to restaurant managers are determined in part on the basis of respect for actual raw material consumption compared with theoretical consumption.

OBJECTIVES	OPPORTUNITY FACTORS
Encourage a reasoned use of resources while promoting the circular economy	<ul style="list-style-type: none"> Guidance for companies towards more virtuous models to limit resource consumption and reduce costs

EXAMPLE OF INITIATIVE

- As part of its refurbishment program, in 2018, the **Grape Hospitality** group renovated more than 1,600 bathrooms in its hotels. The new facilities are designed to avoid wasting water and will reduce Group consumption by 25% to 30% per year.



Policy applied at Eurazeo level

Eurazeo's activity as an investor does not involve significant consumption of raw materials or natural resources.

Paper is the biggest source of waste for Eurazeo. According to ADEME statistics, an employee in the services industry in France produces between 120 kg and 140 kg of waste on average each year in his or her place of work, of which 75% is paper and cardboard.

Eurazeo collects and recycles its main sources of waste, such as paper, batteries, cans and coffee capsules. Eurazeo encourages its employees to use paperless documents and to limit printing. It has also implemented a paperless system for pay slips and other company documents for all employees. The installation of a microfiltration system to purify tap water directly has allowed Eurazeo to eliminate the use of plastic bottles.

Due diligence procedures for portfolio companies

Eurazeo incorporates aspects relating to the responsible use of resources into acquisition due diligences as described in Section 2.1.1.1 on the criteria analyzed. Eurazeo relies on its experts to assess shortage risks that may hamper a company's performance or development.

Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 2.1.1.2. Finally, Eurazeo encourages its companies to implement circular economy programs.

Results and performance indicators

Eurazeo:

In 2018, more than 6.8 metric tons of paper were collected and recycled by Eurazeo and Eurazeo PME. The environmental impact of this initiative is equivalent to saving 120 trees, more than 200,000 liters of water and 3,748 kg of CO₂ equivalent.

Eurazeo and its portfolio companies:

	2018	
	Eurazeo	Eurazeo and its portfolio companies
Water consumption		
Water consumption (in cu.m)	1,375	37,589,762
Amount spent on water consumption (in euros)	4,105	3,595,947
Waste production (in metric tons)		
Hazardous waste produced	-	30,557
Non-hazardous waste produced	11	13,468
Percentage of recovered waste	49%	61%
TOTAL WASTE	11	44,025

The coverage rate for Eurazeo was 78-100% in 2018; for Eurazeo and its portfolio companies, it was 67-96% in 2018.

2.2.3.6 Biodiversity



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
<p>Avoid any activity likely to damage biodiversity</p>	<ul style="list-style-type: none"> ● Use of a raw material, manufacture of a product or performance of a service, use or end of life with an impact on biodiversity ● Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues ● Lack of substitution capacity for hazardous resources ● Poor anticipation of reputation and consumer/client behavior change issues 	<ul style="list-style-type: none"> ● Impact analysis with regard to biodiversity (supply, activity, etc.)
<p>RISK MANAGEMENT</p>		
<ul style="list-style-type: none"> ● Pre-acquisition due diligences ● Annual monitoring during CSR reporting (policy) 		
<p>EXAMPLE OF INITIATIVE</p>		
<ul style="list-style-type: none"> ● At Dessange International, the biodiversity-friendly responsible raw materials sourcing program has been stepped up. In 2018, 73% of suppliers of the Phytodess brand signed the Positive Sourcing charter, thereby committing to confining their use of raw materials to those produced in a manner respectful of ecosystems and biodiversity. This approach is monitored by a specialized firm. 		

Policy applied at Eurazeo level

Eurazeo's investor activity does not have any direct and material impact on biodiversity.

According to UNESCO, coral reefs threaten to disappear completely by 2050. Reefs are considered as the oceans' tropical forests and are home to one million species, including a quarter of the world's fish. As part of a coral reef rehabilitation project in partnership with Pur Projet, Eurazeo contributes to preserving and restoring unique ecosystems in Indonesia while promoting the return of marine fauna and flora. Following the installation of 13 underwater structures, Eurazeo helped restore more than 1,500 corals in 2018.

Due diligence procedures for portfolio companies

Eurazeo incorporates biodiversity aspects into acquisition due diligences as described in Section 2.1.1.1 on the criteria analyzed. Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 2.1.1.2.

Results and key performance indicators

A qualitative indicator is monitored as part of the CSR reporting to annually assess measures taken to preserve or restore biodiversity.

2.2.4 ETHICS

Risk prevention and compliance with internal procedures is the responsibility of everyone within the organization. The internal control system is therefore based on an environment that promotes honest and ethical behavior, particularly through the communication of a certain number of essential principles, values and practices.

Eurazeo has a Code of conduct that defines the values and principles that must guide the behavior of its employees and the stakeholders with which Eurazeo has a relationship. In particular, the code covers

certain commercial practices (notably the amount of gifts received from outside), the management of conflicts of interest, the confidentiality of information, respect for persons and private life, data protection, the use of Company assets and the prevention of corruption and influence peddling. Each employee formally undertakes to comply with this code.

Two issues are covered in greater detail in the following sections: anti-corruption and the fight against tax evasion.

2.2.4.1 Anti-corruption



Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<p>Comply with national and international anti-corruption laws</p> <p>Adopt an ethical approach in Eurazeo's third-party business and relationships</p>	<ul style="list-style-type: none"> Unfamiliarity with applicable laws and regulations Low awareness among employees exposed to corruption risk Country where a third party is domiciled and country where the relationship is established; typology of the third party and nature of the business relationship Business sector/third parties/location of targets 	<ul style="list-style-type: none"> Risk assessment by documenting a specific corruption mapping Country risk assessment in relation to Transparency International's Corruption Perceptions Index Assessment of integrity for third parties and the nature of the business relationship with them

RISK MANAGEMENT

- Formalization and roll-out of a Code of conduct
- Set-up of a prevention system (mapping, third party assessment, whistleblowing mechanism, training)

OBJECTIVES	OPPORTUNITY FACTORS
<p>Improve transparency in business affairs</p>	<ul style="list-style-type: none"> Guide the behavior of each stakeholder with which Eurazeo has a relationship Support portfolio companies in strengthening their anti-corruption system

Policy applied at Eurazeo level

Eurazeo had adopted a "zero tolerance" approach vis-a-vis active or passive corruption and influence peddling. Eurazeo prohibits all forms of corruption in the conduct of its activities and has pledged to comply with the international anti-corruption agreements. This is particularly the case for anti-corruption laws in those countries where it has business operations (specifically, in France, law no. 2016-1691 of December 9, 2016, known as the Sapin II law). This commitment applies to all employees.

The Eurazeo Code of conduct, updated in 2018 and available on the Eurazeo website, is the basis of the corruption prevention system built around the eight pillars defined by the French Sapin II Law. By way of illustration, this prevention system includes:

- a risk mapping which identifies and prioritizes corruption risks in relation to their occurrence and impact. It is used to define the corruption prevention system in proportion to the Company's specific issues;
- a third-party assessment process prior to starting up a new relationship or continuing an existing business relationship. These assessments are conducted in proportion to the third-party risk profile and the nature of the relationship. This process is designed to classify the nature of the relationship and assess third-party integrity by distributing questionnaires, using a reputation analysis tool, and, where necessary, through extensive due diligences performed by external experts;
- an internal whistleblowing mechanism which, while keeping the whistleblower's identity strictly confidential, is designed to signal conduct or situations that may represent a crime, offense, serious or obvious breach of the law or a regulation, serious damage for the general interest, or violations of the Eurazeo Code of conduct;
- an anti-corruption training program which enables Eurazeo employees to better grasp the regulatory environment and adopt the key procedures and tools of the prevention system. In addition, employees formally renew every year their individual commitment to act in accordance with the values and principles of the Code of conduct.

Due diligence procedures for portfolio companies

Eurazeo incorporates anti-corruption aspects into acquisition due diligences as described in Section 2.1.1.1 on the criteria analyzed.

Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 2.1.1.2.

During acquisitions, each portfolio company is required to implement best anti-corruption practices while taking into account its sector, organizational and geographical specificities. To facilitate this process, Eurazeo has developed a guide on how to implement or reinforce an anti-corruption system (this guide complies with the Sapin II Law).

An update on progress with measures to prevent corruption is presented and discussed at meetings of the Audit Committees of the portfolio companies. This offers Eurazeo an opportunity to follow the roadmap of each portfolio company and monitor progress over time (notably with regard to the Sapin II law).

Results and performance indicators

Eurazeo:

- **100%** of new third parties with whom Eurazeo seeks to start up a business relationship are assessed and authorized beforehand by the Compliance Department (under the direction of the General Counsel).
- A training campaign that enables employees to master the Eurazeo anti-corruption system (principles, rules, tools and procedures) was set up in 2018: **87%** of employees likely to be exposed to corruption risk due to their responsibilities within the organization attended a training course and **84%** of the other employees received online training.

Eurazeo and its portfolio companies:

	2018
	Eurazeo and its portfolio companies
Percentage of companies whose anti-corruption system implementation/enhancement is monitored	100%

2.2.4.2 Taxation

Policy applied at Eurazeo level

Tax risk management forms an integral part of Eurazeo's general risk management process. The Tax Structuring Director informs the Executive Board and the Audit Committee on the general tax situation, the status of risks and litigation and the impact of the main expected measures or changes. Eurazeo has pledged not to set up artificial or tax aggressive schemes.

Eurazeo ensures compliance in all the countries where it operates with the tax regulations applicable to its activities pursuant to international agreements and national laws. This implies that all tax returns required by law and regulations are filed in a timely manner and all taxes and debits be paid.

Eurazeo ensures that cross-border intragroup transactions comply with the arm's length principle pursuant to OECD recommendations and the organization of our investments meets the operational and financial objectives of our projects. Eurazeo has also set up country-by-country reporting pursuant to French regulations and international recommendations.

Eurazeo adopts a responsible approach in managing and verifying its taxes, based on a documentation and rigorous internal control of tax processes involving accounting, tax and legal teams with support, where necessary, of external tax experts or advisors.

Results and performance indicators

Eurazeo:

The effective tax rate for Eurazeo group companies is lower than the standard corporate income tax rate applicable in France, where the company is headquartered. The difference between the effective tax rate and the standard corporate income tax rate in France (34.4% for fiscal 2018) is explained in Section 11.1 Tax proof to the consolidated financial statements.

The Eurazeo entities are regularly audited by the relevant tax authorities. Regarding the Eurazeo SE tax group, these audits did not give rise to any significant reassessment.

2.2.5 RESPECT FOR HUMAN RIGHTS



Responsible procurement

Description of the potential areas of risk or opportunities

The issues relating to the respect of human rights for Eurazeo employees were covered in Section 2.2.2 "Social and employee-related

matters". The issues covered in this section are only those relating to Eurazeo's Responsible supply chain and procurement strategy.

	RISK FACTORS	RISK ASSESSMENT METHOD
Promote respect for the fundamental rights of workers and the provision of decent work throughout the supply chain	<ul style="list-style-type: none"> ● Business sector exposed to risks in the supply chain ● Lack of knowledge or control of the supply chain ● Supply chain location 	<ul style="list-style-type: none"> ● Mapping and analysis of the materiality of risks associated with suppliers and raw materials
RISK MANAGEMENT		
<ul style="list-style-type: none"> ● Formalization and roll-out of a code of conduct for business relations ● Set-up of a Responsible Procurement program (mapping, questionnaires, supplier audits) 		

Policy applied at Eurazeo level

Eurazeo has also formalized the integration of CSR issues into its procurement policy by establishing a Code of business conduct in cooperation with a specialized law firm.

This code commits the Group's business partners to respect human rights in the employment relationship. Partners undertake to promote, respect and enforce human rights in the context of their professional activities. They must ensure that the working conditions of their employees comply with applicable local and international laws. In particular, business partners must undertake to prohibit child labor, forced labor or slavery, to pay fair compensation, to establish decent working hours, to ensure the absence of discrimination, harassment and inhuman treatment, to protect health and to ensure health and safety in the workplace.

Translated into two languages, it serves as the framework established by Eurazeo for all business relationships. It contains a total of 16 commitments bearing on human rights, the health and safety of people, respect for the environment and business ethics.

Eight commitments concern Eurazeo:

1. Dealing with business partners loyally and transparently;
2. Respecting financial commitments;
3. Refusing any situation of economic dependence;
4. Refusing gratuities and excessive gifts;
5. Fighting corruption and money laundering;
6. Avoiding conflicts of interest;
7. Respecting the confidentiality of exchanges;
8. Respecting intellectual property rights.

And eight commitments are expected from Eurazeo's business partners:

1. Respecting national and international legislation and regulations;
2. Respecting human rights in the working relationship;
3. Reducing economic dependency;
4. Ensuring the confidentiality of information;
5. Fighting corruption and money laundering;
6. Avoiding conflicts of interest;
7. Fighting anti-competitive practices;
8. Respecting the environment.

Eurazeo has also developed a tool for mapping and analyzing CSR risk materiality for a portfolio of suppliers. This analysis serves to prioritize suppliers requiring particular vigilance.

This analysis is performed in three steps:

- Identification of direct suppliers
This step involves performing a survey of suppliers by collecting key data such as the name of the supplier, its country of origin, its purchase category and the volume of purchases it represents.
- Assessment of the importance of suppliers
Assessing the importance of suppliers consists in identifying the most critical suppliers for the Company based on criteria such as the revenue and volume they represent, the substitutability and criticality of the product or service (e.g. scarce assets), and the duration and frequency of business relationships.
- CSR risk assessment to identify suppliers potentially representing a risk

In order to make an assessment of potential CSR risks, this tool determines a rating from the country of origin through the use of four international benchmarks.



Due diligence procedures for portfolio companies

Eurazeo incorporates aspects relating to the respect of human rights into acquisition due diligences as described in Section 2.1.1.1 on the criteria analyzed.

Eurazeo pays particular attention to its purchasing policy practices and compliance with the conventions of the International Labor Organization (ILO) across the entire supply chain.

Post-acquisition action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 2.1.1.2.

The deployment of a responsible procurement approach is one of the key themes that Eurazeo has sought to strengthen within its portfolio companies by proposing an acceleration program.

Via this program, Eurazeo encourages its portfolio companies to roll out a Responsible Procurement strategy and assess the supplier portfolio. This working group brings together the procurement managers, legal counsels and CSR managers of all investments. The topics covered are as follows:

- formalization of a responsible procurement charter (or code of business conduct);
- mapping and "materiality" analysis of supplier and raw material risks;
- means of verifying the implementation of a responsible procurement approach (questionnaires and audits);

Eurazeo encourages participating companies to send questionnaires to and/or conduct audits of their priority suppliers.

Results and performance indicators

Eurazeo and its portfolio companies:

	2018
Eurazeo and its portfolio companies	
Monitoring of Responsible Procurement strategies	
Percentage of companies which participate in the responsible procurement program	53%
Percentage of companies to have rolled out a Responsible Procurement code of conduct	53%

2.3 Methodology

2.3.1 SUMMARY OF SCOPES

	Fully-consolidated companies	Equity-accounted companies (excluding companies with the shareholding rate of < 5%)	Voluntary companies	Divested companies
2020 CSR Strategy	(in 2018) ■	(in 2018) ■		
Avoided environmental and social impacts			■	■
Socioeconomic footprint measurement	(in 2017) ■			
Non-Financial Performance Statement	(in 2018) ■			

2.3.2 2020 STRATEGY

Scope

Eurazeo's CSR strategy covers companies that are fully consolidated and equity accounted by Eurazeo and in which Eurazeo holds more than 5% of capital.

The investments reviewed in 2018 are as follows (those with an asterisk are included in the non-financial performance statement reporting scope): **CPK ***, **CIFA ***, **Dessange International ***, **Elis**, **Eurazeo PME ***, **Eurazeo ***, **Europcar Mobility Group**, **Grandir**, **Grape Hospitality ***, **Iberchem ***, **In'Tech Medical ***, **Léon de Bruxelles ***, **MK Direct ***, **Nest Fragrances ***, **Orolia ***, **Péters Surgical ***, **Planet ***, **Reden Solar**, **Redspher ***, **Seqens ***, **Smile ***, **Sommet Education ***, **Trader Interactive and WorldStrides ***.

The 2018 reporting scope includes the following changes compared with 2017: Asmodee, Desigual, Neovia, Odealim and Vignal Lighting Group are no longer in the reporting scope due to their divestment in 2018; CPK, Iberchem, In'Tech Medical, Nest Fragrances, Smile, Trader Interactive and WorldStrides are included for the first time. To conduct trend analyses between 2017 and 2018, Eurazeo calculated the results of each year for a stable "pro forma" scope. The 2017 results were recalculated including the companies present in the Eurazeo portfolio during the year, with the exception of those sold in 2018. The 2018 results were calculated including the companies present in the Eurazeo portfolio during the year, with the exception of those in their first year of reporting.

The list of investments reviewed in respect of 2017 and 2018 in assessing the results of Eurazeo's CSR strategy on a *pro forma* basis is as follows: CIFA, Dessange International, Elis, Eurazeo PME, Eurazeo, Europcar Mobility Group, Grandir, Grape Hospitality, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Planet, Reden Solar, Redspher, Seqens and Sommet Education.

The rules for the inclusion of divestments and acquisitions are identical for Eurazeo's reporting and the reporting of contributing companies:

- divestments made during the course of the year are removed from the 2018 reporting scope;
- acquisitions made during the course of the year are not taken into account in reporting in respect of 2018. They will be included in 2019 reporting;
- reporting is broken down by entity; each entity is responsible for producing its non-financial data.

Scope exceptions

Social and governance indicators are not applicable to CIFA.

Companies in the first year of reporting are not taken into account for monitoring indicators that analyze changes from one year to the next, such as changes in EBITDA ratios and the reduction in the number of days of absence.

Reporting tool

To collect and consolidate non-financial information, Eurazeo used an online collection, processing and consolidation tool for quantitative and qualitative data. This CSR reporting software is also used to collect data for the Non-Financial Performance Statement.

2.3.3 AVOIDED ENVIRONMENTAL AND SOCIAL IMPACTS

Scope and approach

The calculations were carried out over a period extending from the first full year in which Eurazeo held the company until 2018 inclusive (excluding divested companies).

The indicators subject to impact calculations were selected in accordance with the existence of progress approaches within the Company, and in accordance with materiality, availability and data quality criteria for the relevant years.

Calculation methodology

Calculations were based on operational indicators (e.g. kWh per kg of laundry washed for Elis, liters per night for Grape Hospitality, or a ratio to the number of meals served for Léon de Bruxelles). In the absence of an operational indicator, the calculations were based on revenue. For each company, a reference year was determined, allowing the trend for each indicator (improvement or deterioration) to be measured. Progress was measured and aggregated each year in relation to the reference year.

More details on the methodology is available on Eurazeo's website, under the heading Responsibility.

2.3.4 SOCIOECONOMIC FOOTPRINT

Scope

The study covers data in respect of 2017, and includes the following companies: **Eurazeo SE, Eurazeo PME, CPK, Iberchem, Planet, Seqens, Sommet Education, WorldStrides, Nest, Dessange International, In'Tech Medical, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Redpsher, Smile, Vignal Lighting Group, Grape Hospitality.**

Calculation methodologies

To measure this footprint, Eurazeo collected the three main financial flows from 18 portfolio companies and Eurazeo for 2017:

- purchases made;
- gross wages paid;
- axes including employer contributions.

To assess all the socioeconomic impacts generated by a monetary flow, macro-economic modeling is required. Eurazeo used the LOCAL FOOTPRINT® tool that is designed to estimate indirect (generated across the entire supplier chain) and induced impacts (household consumption and government spending) in 189 countries and across 25 business sectors.

The LOCAL FOOTPRINT® model is based on "Input-Output" tables and the "reverse matrix" concept invented by Wassily Leontief, who was awarded the Nobel Prize for Economics. Eora "Input-Output" tables show the economic links that exist between business sectors, households and the public arena. This is the most realistic way of representing an economic system. They are used by major international bodies such as the OECD, WBCSD, and the IMF.

As a listed company, Eurazeo is required to provide a Non-Financial Performance Statement that encompasses all its portfolio companies within its consolidated financial scope in respect of fiscal 2018.

Eurazeo's non-financial performance statement is part of its overall CSR approach, which goes beyond regulatory requirements. The annual campaign is organized in several stages stretching from October to May: (1) preparation; (2) collection and verification of data; (3) consolidation and auditing of data; (4) publication; (5) sharing of results with investment teams and the management teams of investments; and (6) drafting and monitoring of action plans.

For questions concerning Eurazeo's CSR report, please contact rse@eurazeo.com.

2.3.5 NON-FINANCIAL PERFORMANCE STATEMENT

Period and frequency

The report covers the calendar year from January 1 to December 31, 2018. Eurazeo's Non-Financial Performance Statement has been included in its Registration Document every year since 2011.

Scope

Section 2.2 satisfies the requirements of the Non-Financial Performance Statement and covers Eurazeo and companies fully consolidated in the Eurazeo balance sheet and income statement, which differs from the scope of Eurazeo's CSR strategy that includes all the companies in which Eurazeo is shareholder with more than 5% of capital.

These investments are included in the calculation of indicators no later than the end of the second full year of ownership. The first full year of ownership determines when necessary a baseline derived from initial CSR reporting, from which subsequent variations are measured.

Information relating to Eurazeo is presented separately for clarity. Reference to "Eurazeo" covers Eurazeo's activity in France, China, the United States and Luxembourg, excluding Eurazeo PME.

The list of investments reviewed in respect of 2018 with respect to Non-Financial Performance Reporting is as follows: **CPK, CIFA, Dessange International, Eurazeo PME, Eurazeo, Grape Hospitality, Iberchem, In'Tech Medical, Léon de Bruxelles, MK Direct, Nest Fragrances, Orolia, Péters Surgical, Planet, Redpsher, Seqens, Smile, Sommet Education and WorldStrides.**

The 2018 reporting scope includes the following changes compared with 2017: Asmodee, Odealim and Vignal Lighting Group are no longer in the reporting scope as they were sold in 2018; CPK, Iberchem, In'Tech Medical, Nest Fragrances, Smile and WorldStrides are included for the first time. These changes preclude trend analysis between 2017 and 2018.

The rules for the inclusion of divestments and acquisitions are identical for Eurazeo's reporting and the reporting of contributing companies:

- divestments made during the course of the year are removed from the 2018 reporting scope;
- acquisitions made during the course of the year are not taken into account in reporting in respect of 2018. They will be included in the 2019 reporting;
- the reporting is broken down by entity; each entity is responsible for producing its non-financial data.

The reporting scope defined by the 2018 Non-Financial Performance Reporting law covers a total of 19 companies, broken down into 68 separate entities in 14 countries, involving approximately 150 contributors.

2.3.5.1 Methodological details relating to risk and opportunity analysis

The analysis of CSR issues that create risks and opportunities was published for the first time in this document to satisfy the Non-Financial Performance Reporting regulation.

Potential CSR areas of risks or opportunities for Eurazeo

Thirteen issues were identified using the risk matrix prepared jointly by the CSR, Legal, Digital, IT and Risk Departments.

This matrix corresponds to the risk universe that is systematically used for due diligence procedures to identify and prioritize the material issues of an investment target. The 13 issues extracted from this matrix correspond to the major priority issues that may confront Eurazeo as investor with regard to labor, the environment, ethics and human rights. Each of these issues may create various risks and opportunities which will be prioritized annually according to the changes in the Eurazeo portfolio.

The list of CSR issues that create risks and opportunities for Eurazeo is available in Section 2.2.1, page 92. The risks and opportunities relating to these issues as well as the policies and procedures rolled out are described in the Registration Document in the relevant sections on each issue.

Performance indicators

Eurazeo identified the material indicators that can be used to enhance risk and opportunity assessment for each issue.

These indicators can be used to monitor how risks are taken into account and managed by the portfolio companies.

Risk assessment and issue prioritization

Risks were assessed for each portfolio company based on a cross-assessment of each issue between the probability of occurrence (external assessment using international sector and country indices) and the potential severity (internal assessment based on Eurazeo's knowledge of its investments, evaluated during due diligences and monitoring). The severity assessment was weighted compared to the weight of the companies in the NAV.

Based on this assessment work, Eurazeo has prepared for each company a matrix of the CSR issues creating risks and opportunities as well as a consolidated matrix for Eurazeo, designed to prioritize issues and the portfolio companies.

2.3.5.2 Organization of performance indicator collection

The collection approach is set out in a protocol customized by each company.

In every company, the relevant departments manage the collection of non-financial data. Eurazeo's CSR Department coordinates the process and consolidates the information.

Reporting tool

To collect and consolidate non-financial information, Eurazeo used an online collection, processing and consolidation tool for quantitative and qualitative data. The CSR reporting software breaks down the indicators into four themes: labor-related impacts, environmental impacts, respect of human rights and governance and ethics.

Data control, consolidation and verification

In each company, entity managers carry out the necessary checks to ensure the accuracy and reliability of the data. Local managers perform initial data validation using the reporting software. The software also contains the data from previous years to facilitate consistency checks, with an alert system when a 10% variation appears between the current year and the previous year. Each indicator is accompanied by a precise definition in French and English.

At Eurazeo, several internal controls have been set-up to ensure data reliability:

- consistency check with the data of the previous year;
- automatic calculation of ratios and totals in the software;
- comparison with market and/or external data.

Finally, the consolidated data are also subject to consistency checks on consolidation. PwC, a Statutory Auditor appointed as an independent body by Eurazeo, reviewed the CSR information published in this report (See Section 2.4, page 120).

Choice of Indicators

Eurazeo's choice of CSR indicators is aimed at achieving two main objectives: managing the CSR performance of Eurazeo and its portfolio companies, and meeting reporting requirements as laid down by the Non-Financial Performance Reporting regulation. The indicators are reviewed each year with a view to achieving continuous improvement. In 2018, Eurazeo's reporting framework comprised more than 100 quantitative and qualitative indicators.

The indicators formulated as yes/no questions are consolidated in accordance with one of the following two methods: (1) the answer is deemed to be "yes" for a company when units responding "yes" within the Company represent more than 50% of its reference scope (revenue for environmental indicators and total workforce for social indicators); or (2) only the holding company's response is taken into account.

Frameworks used

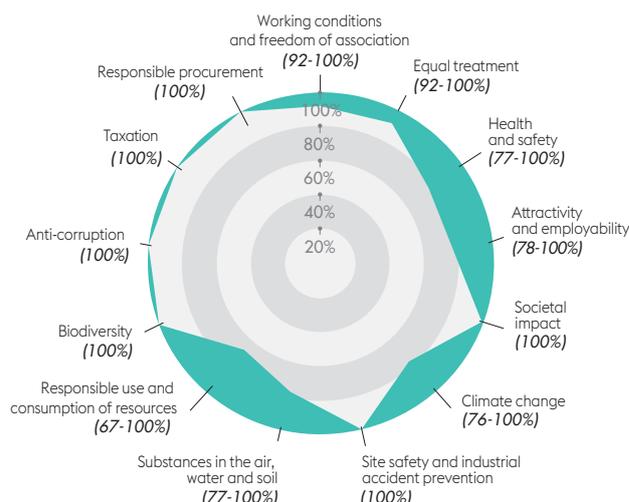
The indicators were defined by Eurazeo in accordance with the Non-Financial Performance Reporting law requirements in collaboration with the Statutory Auditors and the portfolio companies. Eurazeo also took into account the Global Reporting Initiative (GRI) and the Advanced level of the United Nations Global Compact. A cross-reference table (see page 417) details references to the different standards used: Non-Financial Performance Reporting law, Article 173 of the law on the ecological and energetic transition, GRI 4, the Global Compact Advanced Level, the United Nations Sustainable Development Goals (SDGs) and the France Invest Charter of Commitments for Investors in Growth.

Coverage rate

The data covers all or part of the total scope. For this reason, a coverage rate is calculated for each indicator. It is calculated on the basis of a reference scope completed by each reporting entity: revenue (environmental component), total workforce (social component) and total purchases (purchasing component). For each indicator, the contributor enters the scope covered, which allows the coverage rate to be calculated (equal to the scope covered divided by the reference scope). Thus, when data is not available for an entity, its coverage rate is 0%.

Some indicators are not applicable to all companies. The entities for which these indicators are not applicable are removed from the associated coverage rates.

COVERAGE RATES BY ISSUE FOR THE NON-FINANCIAL PERFORMANCE STATEMENT SCOPE OF EURAZEO AND ITS PORTFOLIO COMPANIES



2.4 Statutory Auditors' reports

2.4.1 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

Year ended December 31, 2018

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of Eurazeo (hereinafter the "entity"), appointed as an independent third party and certified by COFRAC under number 3-1060 rév.2 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended December 31, 2018 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Chair of the Executive Board is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement in Section 2.3 "Note on methodology" and available on request from the entity's head office.

Independence and quality control

Our independence is defined by the provisions of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the consistency of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A.225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional standards applicable in France to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the labor and environmental risks associated with their activities, and the impact of those risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in article L.225 102 1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L.225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;

- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R.225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L.233-16, within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important (see the list provided in the appendix), we implemented:
 - o analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - o tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, i.e., Eurazeo and Seqens (Novapex, Novcarb and Uetikon sites and consolidation), and covers between 18% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important (see the list provided in the appendix);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of five people between October 2018 and March 2019 and took a total of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted four interviews with the people responsible for preparing the Statement, representing the Corporate Social Responsibility Department and the Risks Department.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Neuilly-sur-Seine, March 15, 2019

One of the Statutory Auditors

PricewaterhouseCoopers Audit

David Clairotte

Partner

Sylvain Lambert

Partner in charge of the Sustainable Development Department

Appendix: List of CSR Information that we considered to be the most important

Key performance indicators and other quantitative results:

- Permanent workforce, percentage of employees with non-permanent contracts in the total workforce, percentage of managers in the permanent workforce;
- New hires and departures;
- Collective bargaining agreements signed relating to increasing the payroll and enhancing the sharing of value created, internal bodies of the company and the protection and work conditions of employees;
- Percentage of part-time employees;
- Percentage of companies that have carried out a social barometer survey every three years;
- Gender diversity indicators (percentage of women in the workforce, among permanent managers, on the Supervisory Board or the Board of Directors and in the primary decision-making body);
- Indicators of health and safety in the workplace (accident frequency and severity rates, rate of absenteeism);
- Percentage of workforce covered by company health insurance plans;
- Training indicators (total number of training hours, annual training budgets, percentage of employees who have taken part in at least one training program during the year);
- Percentage of employees covered by profit-sharing or collective bonus agreements excluding legal obligations and percentage of employee shareholders;
- Amount of Eurazeo sponsorship spending;
- Energy consumption, excluding fuel, broken down by source (MWh), percentage of renewable energies;

- Fuel consumption (in liters);
- Greenhouse gas emissions (Scopes 1, 2 and 3), breakdown by line item for scope 3;
- Compliance expenditures during the year, environmental provisions and guarantees and environmental certifications;
- Emissions of sulfur oxide (SOx) and nitrogen oxide (NOx);
- Production of hazardous and non-hazardous waste; percentage of recycled waste;
- Water consumption and amount spent on consumption;
- Percentage of companies monitored for the implementation and strengthening of their anti-corruption procedures;
- Percentage of companies that have rolled out a sustainable procurement code of conduct;

Qualitative information (measures and outcomes)

- Eurazeo and its investments - results of the CSR strateg
- Eurazeo – HR policy and commitments (non-discrimination and equal treatment, employee wellbeing, compensation)
- Eurazeo – Dialogue with stakeholders
- Seqens – Greenhouse gas emissions control policy
- Eurazeo – Ethics policy and anti-corruption program
- Eurazeo – Tax risk management policy
- Eurazeo and investments - Roll out of the sustainable procurement policy.

2.4.2 REASONABLE ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS ON A SELECTION OF LABOR AND ENVIRONMENTAL INFORMATION PROVIDED IN THE 2018 MANAGEMENT REPORT

Year ended December 31, 2018

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Pursuant to a request made and in our capacity as Statutory Auditor of Eurazeo SE (hereinafter "Eurazeo"), we have carried out certain verification work in order to be able to provide reasonable assurance concerning a selection of social and environmental information provided in Eurazeo SE's 2018 management report in the "Eurazeo's Corporate Social Responsibility" section.

The social information selected by Eurazeo covers Eurazeo's scope of consolidation, excluding investments, and is as follows:

- Workforce at December 31, 2018 (men/women, FTEs/full-time employees, part-time, permanent/non-permanent) and employee turnover during the year;
- Hours of training and number of employees trained and training costs;
- Rate of absenteeism.

The environmental information selected by Eurazeo covers Eurazeo's scope of consolidation, excluding investments, and is as follows:

- Energy consumption, including electricity, renewable energies, combustibles and fuel;
- Greenhouse gas emissions, scopes 1, 2 and 3;
- Water consumption and waste production.

This information was prepared under the responsibility of Eurazeo's CSR (Corporate Social Responsibility) Department in accordance with the Eurazeo CSR reporting guidelines, available on request from the CSR Department.

It is our responsibility, on the basis of our work, to provide a conclusion of reasonable assurance with regard to this selected information.

Nature and scope of our work

We carried out the work described above in accordance with the professional standards applicable in France to such engagements, as well as with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We planned and performed the procedures set out below in order to provide reasonable assurance that the social and environmental information selected by Eurazeo SE was prepared, in all material respects, in accordance with the 2018 CSR reporting guidelines.

At the Eurazeo company level we assessed the reporting procedures developed by Eurazeo in terms of their relevance, completeness, reliability, neutrality and understandability.

We verified the implementation of a process for collection, compilation, processing and control while focusing on the completeness and consistency of the information and we obtained an understanding of the internal control and risk management procedures relating to the preparation of this information.

We implemented analytical procedures and verified, on a random basis, the calculations and data consolidation. This work was based specifically on interviews with the individuals within the CSR and the Human Resources departments responsible for the preparation and application of the procedures and the consolidation of the data.

We selected a sample of entities:

- Eurazeo – Paris;
- Eurazeo – Shanghai;
- Eurazeo – Luxembourg;
- Eurazeo – New York.

At the level of the selected entities:

- Based on interviews with the people in charge of preparing the data, we verified their proper understanding and application of the procedures;
- We performed detailed tests, on the basis of samples, consisting in verifying the calculations made and reconciling the data from the supporting documents.

These entities of Eurazeo represent the total Group workforce and environmental information selected.

We were assisted in the performance of our work by our experts in CSR.

Conclusion

In our opinion, the social and environmental information selected by Eurazeo SE and referred to above, and provided in its 2018 management report, was prepared in all material respects in accordance with the guidelines used by Eurazeo and applicable in 2018.

Neuilly-sur-Seine, March 15, 2019

One of the Statutory Auditors

PricewaterhouseCoopers Audit

David Clairotte

Partner

Sylvain Lambert

Partner in charge of the Sustainable Development Departmen