

03

**Eurazeo Corporate  
Social Responsibility**

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## 3.1 CSR Strategy

### 3.1.1 2014-2019: THE 5-YEAR RESPONSIBILITY REVIEW

#### → Preamble: scope

The investments reviewed in respect of Eurazeo's CSR strategy in 2019 are as follows (those with an asterisk are part of the Non-Financial Performance Statement scope): **2RH\*, Albingia, Groupe C2S\*, CIFA\*, CPK\*, Dessange International\*, EFESO Consulting\*, Eurazeo\*, Eurazeo PME\*, Europcar Mobility Group, Grandir, Grape Hospitality\*, Iberchem\*, Idivest Partners\*, In'Tech Medical\*, MK Direct\*, Nest Fragrances\*, Orolia\*, Péters Surgical\*, Planet\*, Reden Solar, Redspher\*, Seqens\*, Smile, Sommet Education\*, Trader Interactive, Vitaprotech\* and WorldStrides\***.

The list of investments reviewed in respect of 2018 and 2019 in assessing the results of Eurazeo's CSR strategy on a *pro forma* basis is as follows: **CIFA, CPK Dessange International, Eurazeo, Eurazeo PME, Europcar Mobility Group, Grandir, Grape Hospitality, Iberchem, In'Tech Medical, MK Direct, Nest**

**Fragrances, Orolia, Péters Surgical, Planet, Reden Solar, Redspher, Seqens, Smile, Sommet Education, Trader Interactive and WorldStrides.**

The Eurazeo CSR strategy is a framework common to all its investment branches. Due to its recent acquisition by Eurazeo, Idivest's investment divisions are not yet consolidated in the 2019 CSR strategy results.

However, Eurazeo and Idivest Partners share the same vision of responsible investment and consider CSR throughout the investment cycle. The 2019 indicators relating to the Idivest Partners portfolio are calculated based on 136 portfolio companies which responded to the annual questionnaire on the reporting date.

#### 3.1.1.1 Introduction: a high-impact and internationally recognized CSR approach

As an active and responsible shareholder, Eurazeo is the first French investment group to have incorporated sustainable development into its business through a proactive CSR strategy since 2008.

Corporate Social Responsibility (CSR) is a value creation opportunity for Eurazeo and its portfolio companies. Throughout the investment cycle, CSR fully contributes to their transformation and sustainable growth.

Eurazeo's ambition: to combine economic development, social progress, reduced environmental impacts, balanced governance and value creation. In order to achieve this objective, Eurazeo provides the expertise, time and means needed for each of the portfolio companies.

Eurazeo currently remains the only listed investment company whose performance is recognized by leading rating agencies and international non-financial initiatives.

#### Eurazeo's 2014-2019 CSR strategy

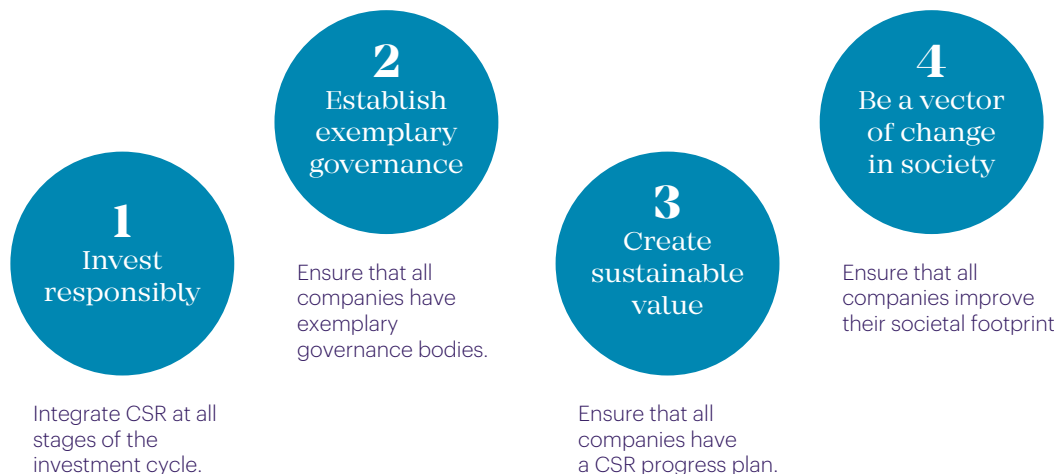
As a committed company, Eurazeo formulated a four-part CSR strategy in 2014, with quantitative targets for late 2019.

Being transparent, Eurazeo publishes its results annually after having them audited by one of its statutory auditors, as independent third party.

2019 is a key stage, with the 5-year responsibility review.

The impacts of Eurazeo CSR programs are substantial: over one million metric tons of CO<sub>2</sub> reduced (*i.e.* the equivalent of the annual emissions of 116,000 Europeans), 471,000 hours of absences reduced (*i.e.* the equivalent of 243 full-time employees) and €243 million of expenses reduced.

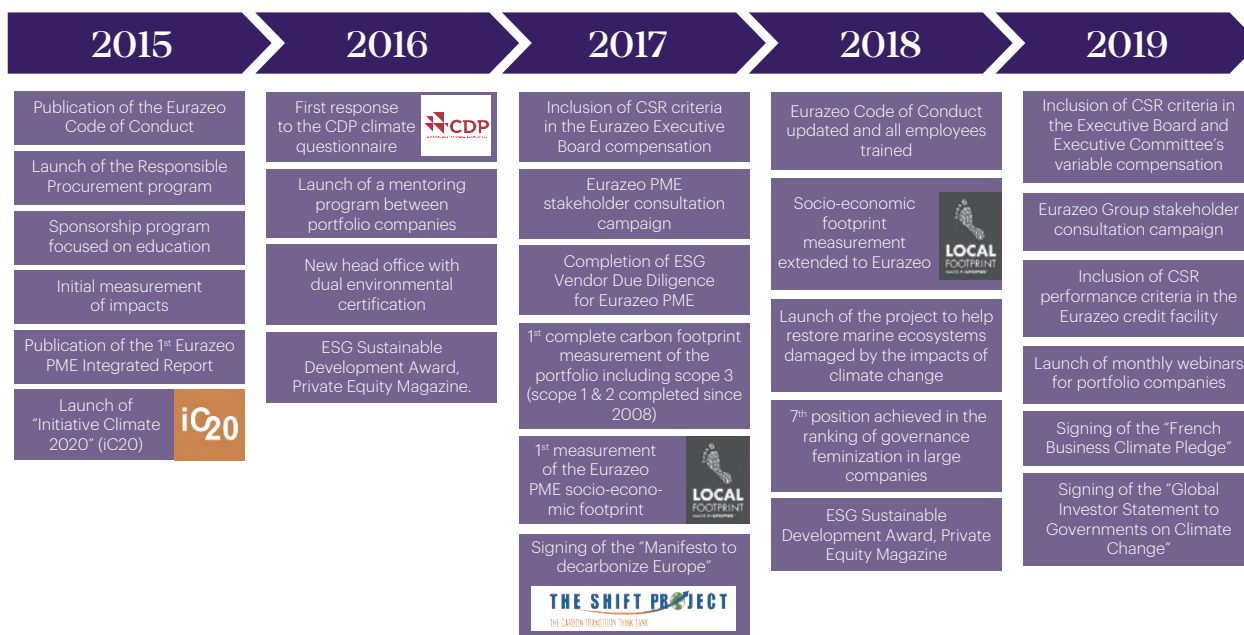
They prove that it is possible to combine economic, social and environmental performance. They also demonstrate the key role that an investment company can play in combating climate change and the emergence of a socially fairer society.



Ambitions	2020 objectives	2014	2015	2016	2017	2018	2019	Proforma	
		results	results	results	results	results	results	2019 results	
INVEST RESPONSIBLY	100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR Section	67%	53%	70%	100%	92%	100%	100%	
	100% of companies to perform CSR reporting	79%	100%	100%	100%	100%	100%	100%	
	100% of divestment operations to incorporate CSR information	100%	100%	100%	50%	83%	100%	100%	
ESTABLISH EXEMPLARY GOVERNANCE	100% of companies to have at least 40% women Directors on the Board	7%	13%	6%	24%	39%	37%	43%	
	100% of controlled companies to have at least 30% independent Directors on the Board	50%	50%	45%	33%	28%	76%	81%	
	100% of companies to have an Audit Committee and a Compensation Committee	57%	63%	69%	67%	78%	85%	90%	
CREATE SUSTAINABLE VALUE	100% of companies to have deployed Eurazeo's "CSR essentials"	45%	66%	67%	61%	70%	83%	89%	
	100% of companies to have quantified CSR progress targets	21%	31%	35%	36%	42%	57%	68%	
	100% of companies to be involved in at least one CSR acceleration program	79%	75%	82%	91%	96%	85%	81%	
BE A VECTOR OF CHANGE IN SOCIETY	100% of companies to improve the protection and well-being of employees	NA	56%	69%	86%	70%	93%	90%	
	100% of companies to share value created or company profits with employees	NA	56%	63%	81%	70%	59%	62%	
	100% of companies to reduce their environmental impact	NA	75%	77%	72%	71%	77%	82%	



5 years of CSR commitment and innovation



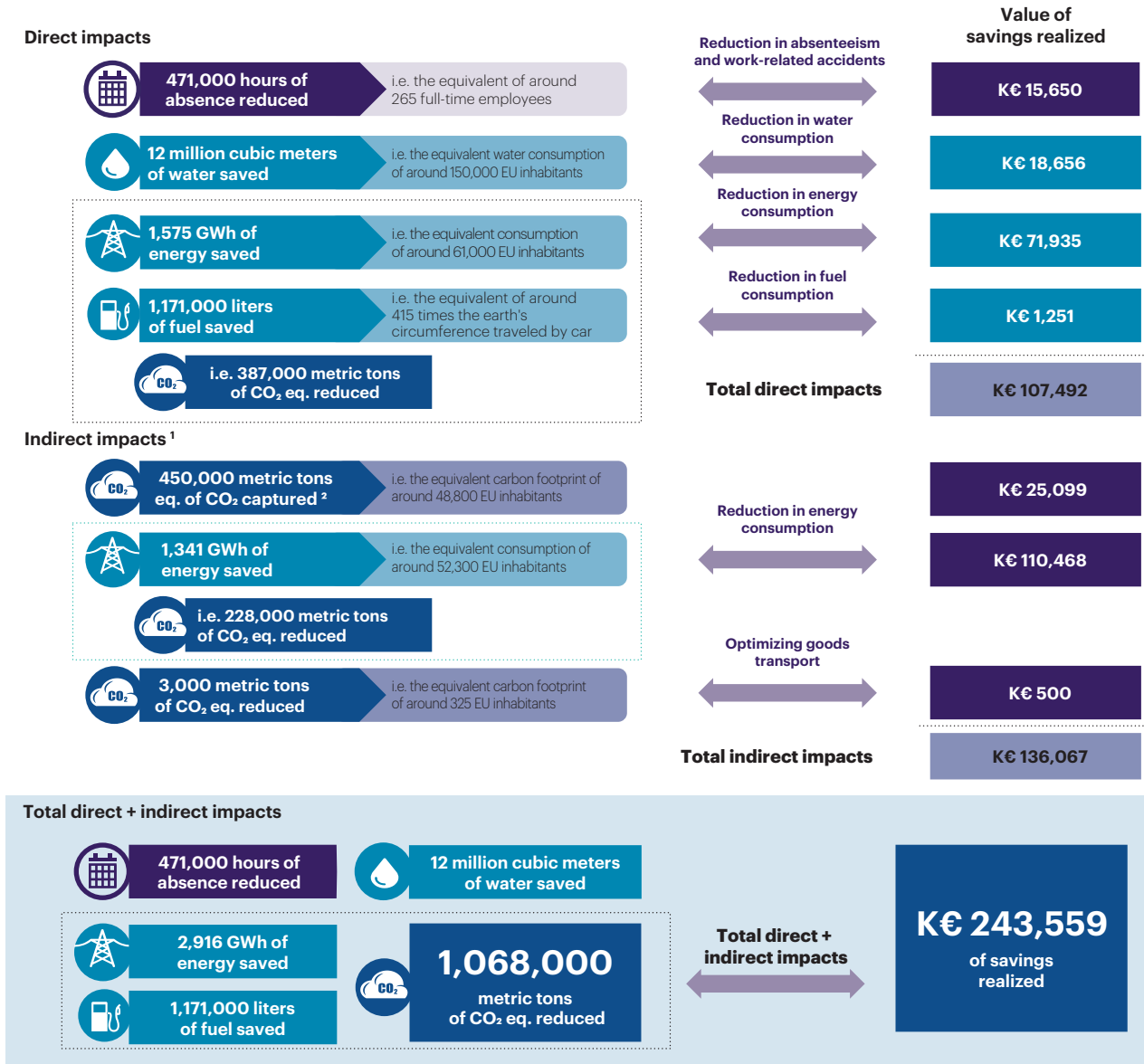
Tangible and measured results

Measurement of impacts

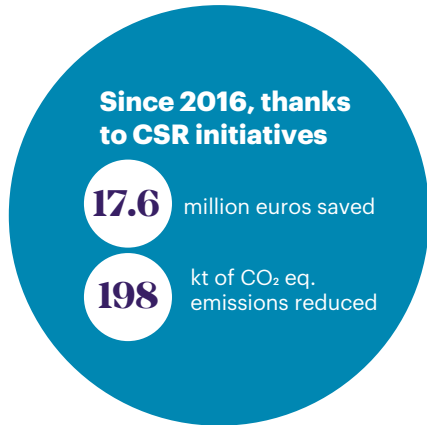
In 2015, Eurazeo was the first investment group to launch a methodology for measuring improvements in its social and environmental impacts to demonstrate the financial value created by its CSR policies. In order to guarantee high standards and a methodologically rigorous approach, this methodology was developed with a specialized firm.

Over the past nine years, CSR programs helped save more than €243 million in expenditure, with direct savings totaling over €107 million. They also enabled reductions of 1,068,000 metric tons of CO<sub>2</sub> equivalent in emissions, nearly 12 million cubic meters in water, more than 2,900 GWh in energy and nearly 471,000 hours of absence.

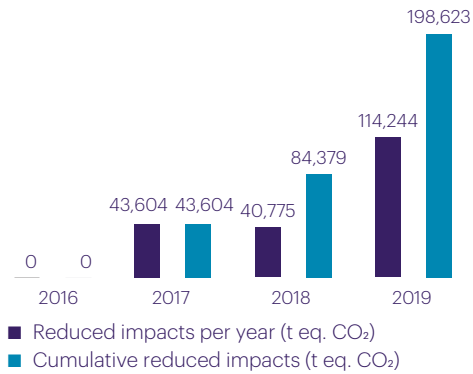
This methodology is presented in Section 3.4.



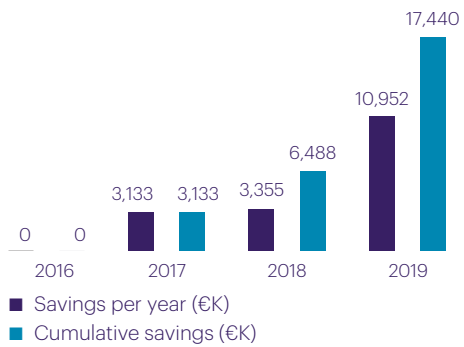
(1) Measured for AccorHotels (divested in 2018), Foncia (divested in 2016) and CPK  
 (2) Measured in 2014 by AccorHotels for its "Plant for the Planet" reforestation program



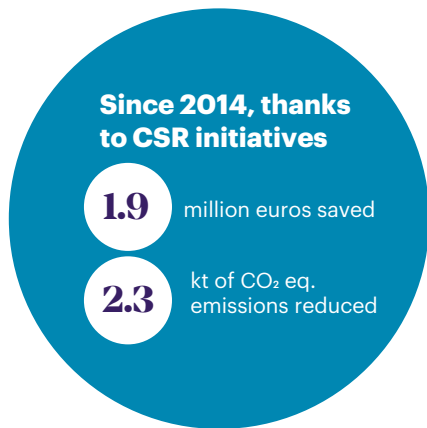
REDUCED IMPACTS: GREENHOUSE GAS EMISSIONS (T EQ. CO<sub>2</sub>)



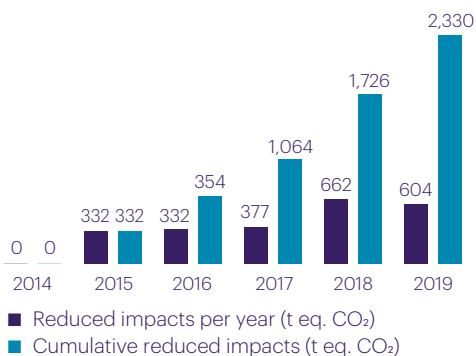
COSTS SAVINGS: TOTAL ENVIRONMENT (ENERGY, WATER AND FUEL) (€K)



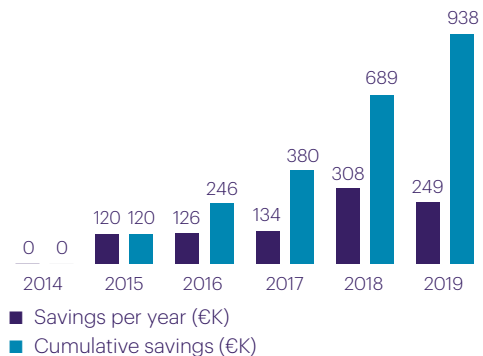
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REDUCED IMPACTS: GREENHOUSE GAS EMISSIONS (T EQ. CO<sub>2</sub>)



COSTS SAVINGS: TOTAL ENVIRONMENT (ENERGY, WATER AND FUEL) (€K)

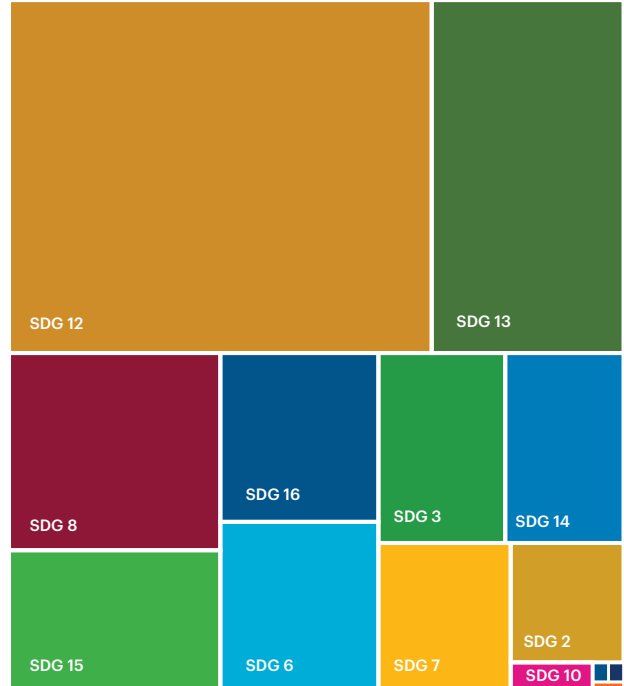
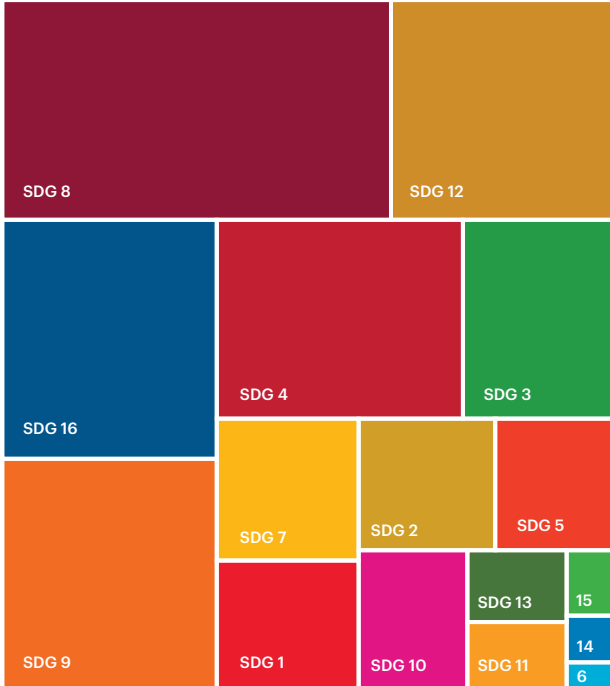


**Measuring the impact on the UN's Sustainable Development Goals (SDG)**

In 2018, Idivest Partners incorporated a measurement of the impacts on Sustainable Development Goals (SDG) when making investment decisions and monitoring the performance of its portfolio companies.

To do this, Idivest developed a unique methodology to identify the positive and negative contributions of companies to the SDG via their products and services, on the one hand, and their operations, on the other.

Impact maps were created by weighting the impact scores of amounts invested, resulting in a consolidated overview of the contribution of Idivest investments to the SDG.



**THE PORTFOLIO'S POSITIVE CONTRIBUTION TO ACHIEVING THE SDG**

The most significant positive portfolio contributions relate to decent work and economic growth for all (SDG 8), responsible consumption and production (SDG 12), implementing effective, accountable and transparent corporate governance (SDG 16), sustainable industrialization (SDG 9), developing technical and vocation skills for employment through training (SDG 4) and good health and well-being (SDG 3).

**THE PORTFOLIO'S NEGATIVE CONTRIBUTION TO ACHIEVING THE SDG**

All economic activities have a footprint which could slow the achievement of the SDG. The main identified potentially negative impacts are linked to responsible resource consumption (SDG 12) and the contribution to climate action (SDG 13), due to the inclusion of industrial companies in the private debt portfolio.

**A recognized commitment**

**Rating agencies**

Eurazeo’s commitment and continual progress in terms of CSR are recognized by the main international non-financial rating agencies.

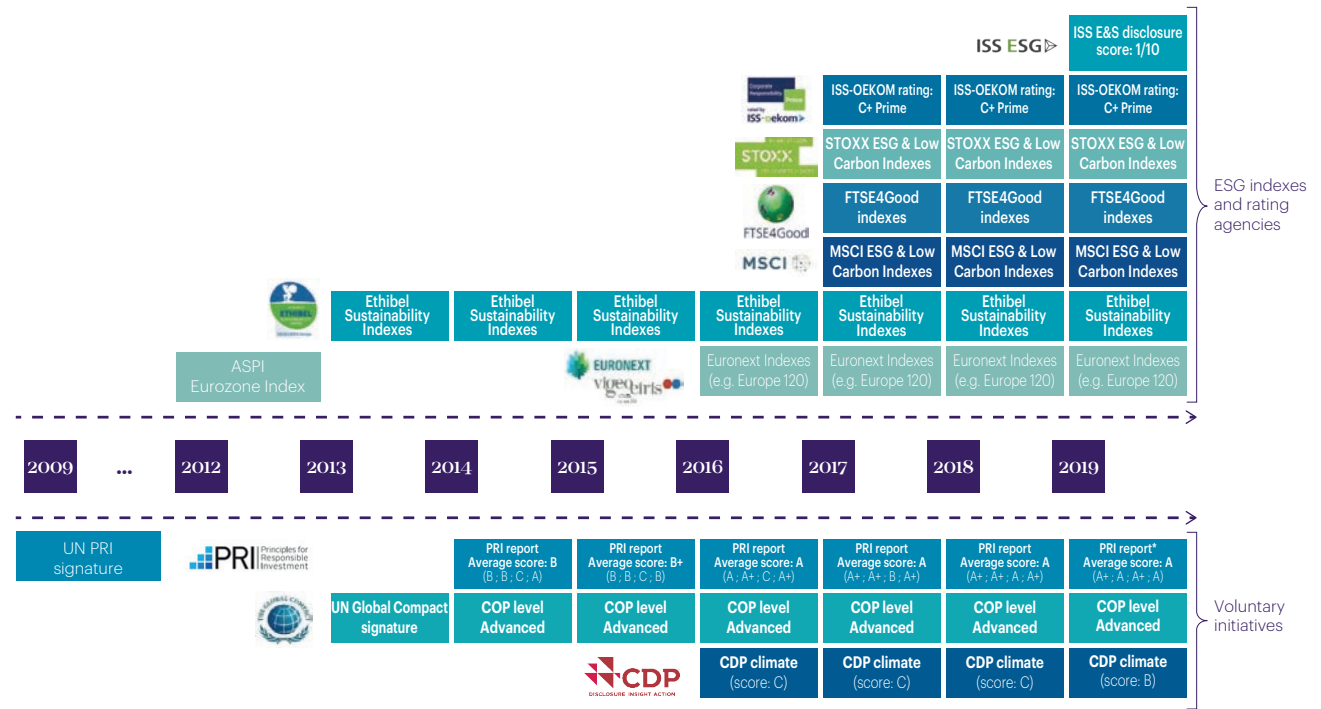
Being part of these indices is increasingly important, as there is increasing demand by individual and institutional investors for responsible investment products and securities.

To date, Eurazeo is the only listed investment company to feature in the five families of non-financial 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, rated C+, is considered a leader in its sector in CSR by ISS-Oekom, which gave it Prime status in its ESG rating and a score of 1/10 (1 being the best score) in the social and environmental sections of the QualityScore for the comprehensiveness and quality of the information provided.

Eurazeo and Idivest obtained one more time the best scores for the UN PRI - Principles for Responsible Investment - with scores of A+ for the Strategy and Governance and Private Equity modules and A for Fixed Income and indirect Private Equity. These scores exceed the industry medians.

In 2019, Eurazeo also received a B score in the CDP climate change rating, exceeding the averages for the finance industry and Europe.



\* First report consolidating Eurazeo and Idivest





## Awards, initiatives and recognition

- 2019: Signing of two initiatives:
  - “**French Business Climate Pledge**” supported by MEDEF, this initiative was signed by 99 French businesses
  - “**Global Investor Statement to Governments on Climate Change**”, an initiative launched by The Investor Agenda before COP 25. The joint letter was signed by 631 investors representing 37,000 billion dollars of assets,
- 2018: Eurazeo took the **7<sup>th</sup> place** in the **ranking of governance feminization in large companies**, a gain of 14 places compared with 2017 and 82 places compared with 2013.
- 2018: **HSBC Global Research** considered Eurazeo as one of the most advanced listed companies in terms of ESG;
- 2018: The rating agency Vigeo-Eiris 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.
- 2017 and 2018: **Finalist** in the SME/Mid-cap category at the **Integrated Thinkings Awards**.
- 2017: Signing of initiatives:
  - “**Manifesto to decarbonize Europe**,” a call in favor of a decarbonation strategy made by the Shift Project,
  - “**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.
- 2017: Winner of the **Swen ESG Best practices Honors** for Idinvest Venture Capital
- 2016 and 2018: Winner of the **Swen ESG Best practices Honors** for Idinvest Private Debt
- 2016 and 2018: Winner of the ESG Sustainable Development Award, **Private Equity Magazine**.
- 2014: Signing of the **United Nations Global Compact** with “**Advanced**” level achievement.
- 2009: Signing of the **Principles for Responsible Investment (PRI)** of the United Nations.

## External commitments

### PROFESSIONAL ASSOCIATIONS

- In 2019, Noëlla de Bermingham, Eurazeo's Deputy Head of CSR, was appointed to the **Principles for Responsible Investment's** Private Equity Advisory Committee (PRI PEAC).
- Since 2019, Caroline Hadrbolec, Human Resources Director and Member of the Eurazeo Executive Committee, has been a member of the France committee for the **LEVEL 20** initiative, which aims to improve female representation in Private Equity.

- Since 2018, Sophie Flak, Eurazeo CSR and Digital Director, has been a member of the **CNUM (Conseil National du Numérique)** where she specifically contributes to work relating to ecology and digital.
- At European level, Eurazeo is an active member of **Invest Europe**, a European private equity association. Erwann Le Ligne, 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 since 2018.
- In partnership with four other private equity companies, Eurazeo launched the “**Initiative Climate 2020**” (renamed Initiative Climate International), the first initiative encouraging private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies. Since 2017, Noëlla de Bermingham, Eurazeo's Deputy Head of CSR, 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).
- Olivier Millet, member of the Eurazeo 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. Since 2018, Olivier Millet, has also been a member of 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 2019, Idinvest has been a signatory of the **SISTA charter**, which aims to improve diversity in digital.
- 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.
- 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 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.
- In 2004, Eurazeo launched a corporate **sponsorship program** and accompanied 21 associations with a budget of €3.7 million. Focused on education since 2015, this program supports over 116,000 young people.

Since 2015, roadshows specifically dedicated to SRI (Socially Responsible Investment) have been organized to meet specialized SRI investors. Reflecting growing interest on their part, the Eurazeo teams have had a very busy year: two SRI roadshows were organized in 2019, one in Paris and the other in London.

### 3.1.1.2 Invest responsibly

**Ambition: integrate CSR at all stages of the investment cycle**

**Results: 100% of objectives reached**

Integrate CSR at all stages of the investment cycle:

- during the identification phase, Eurazeo carries out CSR due diligence on 100% of prospective acquisitions undergoing advanced review 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 asks companies for which it is shareholder to perform an annual CSR reporting to measure the deployment, progress and results of CSR programs;
- during the divestment phase, Eurazeo communicates CSR performance elements to potential buyers via vendor due diligence.

	2014	2019
<b>2020 objectives</b>		
<b>100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR section <sup>(1)</sup></b>	<b>67%</b>	<b>100%</b>
<b>100% of companies to perform CSR reporting</b>	<b>79%</b>	<b>100%</b>
<b>100% of divestment operations to incorporate CSR information</b>	<b>100%</b>	<b>100%</b>

Methodological details: see Section 3.4, Methodology.

Detailed results: see Section 3.3.

(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.



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

IDENTIFICATION		
PHASE 1 (100% OF PROJECTS WITH AN INDICATIVE OFFER)	UPSTREAM (100% OF PROJECTS STUDIED IN ADVANCED PHASE)	PHASE 2 (100% OF PROJECTS WITH A FIRM OFFER)
<ul style="list-style-type: none"> <li>Initial identification of CSR challenges facing the target company and its sector by the CSR Department (benchmark, reputation, material challenges, etc.)</li> </ul> <p>▶ <b>Initial summary discussed during presentation to the Investment Committee, including a list of potential risks and a favorable or unfavorable position from a CSR perspective</b></p>	<ul style="list-style-type: none"> <li>Validation of analyses and additional work during the next phase</li> <li>Identification of experts and consulting firms to be called upon and validation of the provisional budget</li> </ul>	<ul style="list-style-type: none"> <li>Completion of CSR due diligence</li> </ul> <p>▶ <b>Inclusion in the shareholders' agreement (commitment to Eurazeo's CSR strategy and completion of a CSR report)</b></p>
ACCELERATION		
YEAR 1	YEAR 2	YEAR 3
<p><b>Deployment of the 7 essentials:</b></p> <ul style="list-style-type: none"> <li>Appointment of a CSR manager</li> <li>Creation of an operational CSR Committee</li> <li>Establishment of a CSR report</li> <li>Drafting of a CSR progress plan based on the issues identified during the identification phase</li> <li>Formal establishment of an Audit Committee on the Board</li> <li>Presentation of CSR challenges to employees (for each company) and awareness raising on the relevant issues</li> </ul> <p>▶ <b>Implementation of one to three follow-up meetings per year between the CSR Department and the company's CSR Manager</b></p>	<p><b>Continued deployment of the 7 essentials:</b></p> <ul style="list-style-type: none"> <li>Inclusion of CSR issues on the Supervisory Board's agenda</li> <li>Completion of a carbon/environmental footprint survey, an action plan to reduce emissions and an employee survey (spanning years 2 &amp; 3)</li> <li>Implementation of a responsible procurement approach</li> <li>Participation in the annual CSR reporting (audit by a third party possible)</li> <li>Update of the CSR progress plan</li> <li>Formal establishment of a Compensation Committee on the Board</li> </ul> <p>▶ <b>Continuation of the follow-up meetings</b></p> <p>▶ <b>Annual meeting to present the reporting results with the company's management and Eurazeo's investment teams</b></p> <p>▶ <b>Inclusion of CSR issues on the Supervisory Board's agenda</b></p>	<p><b>Continued reinforcement of actions undertaken:</b></p> <ul style="list-style-type: none"> <li>Definition of a CSR progress plan with quantified targets (including one target for reducing greenhouse gas emissions)</li> <li>Measurement of impacts reduced on social (absenteeism) and environmental (water, energy, carbon) aspects</li> </ul> <p>▶ <b>Continuation of the follow-up meetings</b></p> <p>▶ <b>Annual meeting to present the reporting results with the company's management and Eurazeo's investment teams</b></p> <p>▶ <b>Inclusion of CSR issues on the Supervisory Board's agenda</b></p>
VALUE ENHANCEMENT		
DIVESTMENT		
<ul style="list-style-type: none"> <li>Supply of CSR information as part of the divestment, specific analyses depending on the materiality of issues (by the CSR Department or by an external firm) and valuation of progress accomplished regarding social and environmental impacts since the acquisition</li> </ul> <p>▶ <b>Inclusion in the Information Memorandum as well in the data room</b></p>		

**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 benchmark French and international standards:

- the Non-Financial Performance Statement;
- the Duty of Vigilance Law;

- the 10 principles of the United Nations Global Compact;
- the United Nations Sustainable Development Goals;
- the Principles for Responsible Investment (PRI);
- the Sustainability Accounting Standards Board (SASB) Materiality Map;
- the Task Force on Climate-related Financial Disclosure (TCFD);
- the Global Reporting Initiative;
- the CDP’s climate change questionnaire;
- the work of the France Invest ESG Commission;

**THEMES STUDIED**

SOCIAL	ENVIRONMENTAL	SOCIETAL	ETHICS and GOVERNANCE
<b>Employment</b> (workforce, changes, turnover and compensation) 	<b>General policy</b> (approaches, awareness/training, challenges, risk prevention, provisions and guarantees) 	<b>Territorial, economic and social impact</b> (employment, local development) 	<b>Fair trade practices</b> (ethics, corruption, taxation) 
<b>Organization of work</b> (working hours and absenteeism) 	<b>Pollution</b> (prevention/reduction/repair of discharges - air, water, soil, nuisances) 	<b>Relationships with stakeholders</b> (dialogue, partnership) 	<b>Health and safety of consumers and users</b> (quality, communication, transparency) 
<b>Labor relations</b> (organization of social dialogue and collective agreements) 	<b>Circular economy</b> (waste management, food waste, use of resources: water, energy, raw materials) 	<b>Corporate philanthropy</b> (donations to associations) 	<b>Human Rights</b> (actions taken) 
<b>Health and safety</b> (working conditions, health insurance, occupational accidents) 	<b>Biodiversity protection</b> (measures to develop, protect) 	<b>SUPPLY CHAIN</b>	
<b>Training</b> (policy, hours received) 	<b>CLIMATE</b>		<b>Diversity and independence</b> of the Supervisory Board (SB) 
<b>Equal treatment</b> (gender equality, fight against discriminations) 	<b>Emissions</b> (significant sources of GHG emissions) 	<b>Suppliers and subcontractors</b> (procurement policy and subcontracting) 	<b>Committees of the Supervisory Board</b> 
<b>ILO Conventions</b> (freedom of association, discrimination, forced labor and child labor) 	<b>Adaptation to climate change</b> (physical and transition risks) 	<b>Social and environmental impacts</b> relating to the supply chain 	<b>Risk management</b> and internal control system 
		<b>Raw materials and resource scarcity</b> 	<b>Crisis management, reputation</b> 

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



**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. It also relies on documents made available via the data room, where applicable.

Depending on the issues identified, 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 opportunities and the Company's performance in this respect.

**Restitution to stakeholders**

The CSR analyses are submitted to three of the main stakeholders:

- the investment team in charge of the acquisition to determine the areas for improvement;
- 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 elements identified during the identification phase, plus the essential commitments underpinning the CSR roadmap recommended by Eurazeo (see Section 3.3).

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 addressed.

**Value enhancement**

During the divestment phase and depending on the materiality of the issues, 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 DIVESTED IN 2018**

		2014 after acquisition	2015	2016	2017	2018	
<b>Governance</b>	<b>2014: Acquisition of the Group by Eurazeo PME</b>	- Appointment of a CSR manager  - 1 <sup>st</sup> CSR report	- Signing of the United Nations Global Compact  - Creation of an operational CSR committee	- Creation of an Audit Committee on the Board - Formalization of a Code of Ethics	- Definition of 2020 CSR objectives - Measurement of the Eurazeo socio-economic footprint		<b>End of 2018: Group divestment</b>
<b>Social</b>			- Extension of employee share ownership (>6%)  - Completion of a social barometer for the 1st time in one of the entities			- Completion of a social barometer for the entire Group	
<b>Environment</b>			- Measuring carbon footprint (Scope 1 + 2 + 3)	- Moving the factory to a new site with improved energy performance	- Renewal of ISO 14001 certification	- 22% reduction in carbon footprint vs. 2014	
<b>Procurement</b>			- Creation of a supplier mapping	- Formalization of a code of conduct for business relations	- CSR Analysis of the suppliers portfolio - Code of Conduct signed by nearly 90% of suppliers	- Deployment of a CSR questionnaire to over 70% of suppliers	

Between 2014 and 2018, the Vignal Lighting Group's CSR programs enabled:



### 3.1.1.3 Establish exemplary governance

**Ambition: ensure that all companies have exemplary governance bodies**

**Results: substantial progress, 70% of companies have achieved at least two objectives in 2019**

Convinced that high-quality governance is an essential factor for performance and business sustainability, Eurazeo has established highly ambitious objectives regarding diversity and independence criteria and the implementation of specialized Board committees, well exceeding regulatory requirements or industry recommendations.

The number of companies with 40% women in supervisory boards remains insufficient, even if it has increased five-fold. The number of companies with 30% independent members has increased by 50% and 90% of companies have audit and compensation committees, compared to 57% in 2014.

In terms of governance, Eurazeo aims to set a positive example.

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.

**Eurazeo's Supervisory Board has also had a CSR Committee 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, 2019, it had four members, including two independent members, and was chaired by Mrs. Anne Lalou (see Chapter 5, Section 5.6, Specialized Committees).

Finally, CSR criteria are also part of the factors taken into account when calculating the variable compensation of all members of the Eurazeo Executive Board since 2017 and Executive Committee since 2019. These objectives are assessed for each member, taking into account the results of the investment divisions for division heads and consolidated results for other members. The calculation compares pro forma results for the current year with prior year results. Variable compensation is attained when the investment division or consolidated results improve across at least one-third of indicators.

	2014	2019	2019 (Proforma)
<b>2020 objectives</b>			
<b>100% of companies to have at least 40% women Directors on the Board <sup>(1)(2)</sup></b>	7%	37%	43%
<b>100% of controlled companies to have at least 30% independent Directors on the Board <sup>(1)</sup></b>	50%	76%	81%
<b>100% of companies to have an Audit Committee and a Compensation Committee <sup>(3)</sup></b>	57%	85%	90%

Methodological details: see Section 3.4, Methodology.

Detailed results: see Section 3.3.

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

(2) In the 2019 scope: Women account for 30% or more of directors in 13 companies, between 10% and 29% in 13 companies and less than 10% in just one company.

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

For companies in which **Idinvest** is a shareholder, the average rate of independent directors in Boards is 21%, and the average rate of women is 14%; 10% of companies have more than 40% women on their Board.



## 3.1.1.4 Create sustainable value

**Ambition: ensure that all companies have a CSR progress plan**

**Results: over 80% of companies have achieved at least two objectives**

To foster the implementation of a pragmatic CSR approach which creates value, Eurazeo has defined a CSR roadmap based on three major objectives:

- 100% of companies to have deployed Eurazeo's "CSR essentials"
- 100% of companies to have quantified CSR progress targets;
- 100% of companies to be involved in at least one CSR acceleration program.

Results improved significantly in 2019: with 89% deployment of the "CSR essentials" and 68% of companies having formalized quantitative CSR progress objectives. Finally, all companies took part in CSR acceleration programs in the past three years, including 81% in 2019.

The strong commitment to the CSR roadmap proposed by Eurazeo demonstrates its importance in ramping up the inclusion of CSR in the business model and the operations of companies in which it is a shareholder.

Over 460 working meetings dedicated to CSR topics have been led by Eurazeo since 2014, including 86 in 2019.

Since 2014, Eurazeo has developed several CSR acceleration programs to promote the sharing of expertise and best practices and ultimately speed up the roll-out of improvement plans on areas such as responsible procurement or climate change. In 2019, programs were digitalized in the form of webinars to encourage their dissemination amongst a growing number of people, in both French and English.

	2014	2019	2019 (Proforma)
<b>2020 objective</b>			
<b>100% of companies to have deployed Eurazeo's "CSR essentials" <sup>(1)</sup></b>	<b>45%</b>	<b>83%</b>	<b>89%</b>
<b>100% of portfolio companies to have quantified CSR progress targets</b>	<b>21%</b>	<b>57%</b>	<b>68%</b>
<b>100% of companies to be involved in at least one CSR acceleration program</b>	<b>79%</b>	<b>85%</b>	<b>81%</b>

Methodological details: see Section 3.4, Methodology.

Detailed results: see Section 3.3.

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

**Idinvest** also encourages its portfolio companies to formalize CSR policies. At the end of 2019, 42% of portfolio companies had formalized a CSR policy and 35% had appointed a CSR officer. 47% of

portfolio companies declared that they had taken CSR criteria into account in the supplier selection and assessment process, and 34% had formalized a responsible procurement policy.

## 3.1.1.5 Be a vector of change in society

**Ambition: ensure that all companies improve their societal footprint**

**Results: 93% of companies improved the protection and well-being of employees**

Eurazeo believes that companies can be a key vector of change in society. With the objective that 100% of companies improve the protection and well-being of their employees, share value created with their employees and reduce their environmental footprint, Eurazeo has increased its positive impact on society.

Despite the portfolio rotation, the results have been excellent in terms of social protection and reducing absenteeism - an advanced indicator of quality of life at work: 90% of companies improved the protection and well-being of employees, compared to 56% in 2015.

The share of companies sharing value created with their employees increased slightly. Finally, 82% of investments reduced their environmental impact. This high rate demonstrates an increased uptake of more environmentally-friendly practices.

	2014	2019	2019 (Proforma)
<b>2020 objective</b>			
<b>100% of companies to improve the protection and well-being of employees</b>	<b>N/A</b>	<b>93%</b>	<b>90%</b>
<b>100% of companies to share value created or company profits with employees</b>	<b>N/A</b>	<b>59%</b>	<b>62%</b>
<b>100% of companies to reduce their environmental impact</b>	<b>N/A</b>	<b>77%</b>	<b>82%</b>

Methodological details: see Section 3.4, Methodology.

Detailed results: see Section 3.3.

**Idinvest** encourages portfolio companies to implement systems to share value, particularly through employee shareholding or profit-sharing; 46% of companies have implemented similar measures.

Moreover, 68% of Idinvest portfolio companies indicate that they have implemented initiatives to reduce their environmental footprint (mainly for waste management and water/energy consumption).

## 3.1.2 2020-2030: A NEW AMBITION

### IN 2020, A NEW AMBITIOUS CLIMATE POLICY

#### Target: net zero emissions by 2040

Aware of the threat of the global climate crisis, Eurazeo has been fully committed for over the last 10 years to measuring, avoiding and reducing its emissions and those of its portfolio. In 2019, as a result of its measures, the reduction of more than 1 million tons of CO<sub>2</sub> equivalent of direct and indirect emissions was achieved.

2020 marks a new chapter in the Group's quest to combat climate change and accelerate the emergence of a low carbon economy. Eurazeo aims to align its activities with a scenario limiting global warming to below the 2°C threshold and has set an ambitious target of zero net emissions by 2040.

To achieve this, the Group has chosen to measure its climate goals in line with the recommendations set out by the IPCC (Intergovernmental Panel on Climate Change) to meet the carbon

budget allocated to the global economy as a whole. This objective will be met by reducing the emissions of its value chain aligned with scenarios below the 2°C threshold and adopting solutions designed to capture an equivalent volume of residual greenhouse gas emissions. These objectives will be rolled out in adapted ways for Eurazeo's specific activities and its investments. Furthermore, due to the diverse investment strategies, the reduction trajectory will be adapted insofar as the levers of action differ. Eurazeo will submit its objectives for validation to the Science-Based Targets initiative and will publish its detailed information in 2020.

These strategies will be the cornerstone of Eurazeo's responsibility policy and its ESG commitments (environment/social/governance) for the period 2020-2030.

### THREE FLAGSHIP COMMITMENTS

#### Prepare for high performance in a low carbon economy

- Gain a foothold in high-growth potential markets of the low carbon economy.
- Incorporate the cost of carbon in performance measurement throughout the investment cycle.
- Reduce our exposure to carbon risk by targeting carbon neutrality in 2040.

#### Contribute to the emergence of an inclusive society

- Promote gender equality.
- Guarantee social welfare and value creation sharing in all our portfolio companies.
- Enhance our positive impact on society by creating a venture philanthropy fund dedicated to education for all.

#### Commit all our companies to an ESG improvement approach

- Measure and reduce greenhouse gas emissions.
- Progress on the UN Sustainable Development Goals.
- Report annually on the progress made.





## 3.2 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. This scope differs from that of Eurazeo's 2020 CSR strategy which includes all the companies in which Eurazeo is shareholder with more than 5% of capital. The comprehensive methodology is available in Section 3.4.

The list of investments reviewed in respect of 2019 and included in the non-financial performance statement reporting scope is as follows: **2RH, Groupe C2S, CIFA, CPK, Dessange International, EFESO Consulting, Eurazeo, Eurazeo PME, Grape Hospitality,**

**Iberchem, Idivest Partners, In'Tech Médical, MK Direct, Nest Fragrances, Orolia, Péters Surgical, Planet, Redspher, Seqens, Sommet Education, Vitaprotech and WorldStrides.** The 2019 reporting scope includes the following changes compared with 2018: due to their divestment (complete or partial) in 2019, Léon de Bruxelles and Smile are no longer in the reporting scope; 2RH, Groupe C2S, EFESO Consulting, Idivest Partners and Vitaprotech are included for the first time. These changes preclude trend analysis between 2018 and 2019.

### 3.2.1 SUMMARY TABLE OF RISKS AND OPPORTUNITIES

Eurazeo may be concerned by risks that could affect its investment activity. 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.

Since 2018, Eurazeo has led an analysis of CSR issues creating risks and opportunities.

The analysis methodology is explained in Section 3.4.

	MAIN ISSUES CREATING RISKS AND OPPORTUNITIES FOR EURAZEO	UN SUSTAINABLE DEVELOPMENT GOALS (SDG)
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	• Anti-corruption	
	• Taxation	
Respect for human rights	• Responsible procurement	

## 3.2.2 SOCIAL AND EMPLOYEE-RELATED MATTERS

### 3.2.2.1 Introduction

#### Description of main issues creating risks and opportunities

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

- working conditions and freedom of association;
- equal treatment;
- health and safety;
- attractivity and employability;
- societal impact.

The materiality of these issues varies mainly according to the business sector and the location 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 every one. Hence, since 2018 the HR tool digitization strategy supports Eurazeo's growth mainly by making HR documents paperless and through the use of new software, the setup 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 includes labor aspects during acquisition due diligence as described in Section 3.1.1.2. Following an acquisition, action plans are monitored over several years, as described in the chart of CSR strategy deployment (Section 3.1.1.2).

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 resource management, regardless of the sector and the country in which the Company operates.

### Results and performance indicators

#### Eurazeo



**123**

**permanent employees**  
79% managers



**46%**

**women**  
in the permanent workforce



**27%**

**women**  
in the investment team



**40**

**Average age**



**6 years**

**Average length of time working for the company**

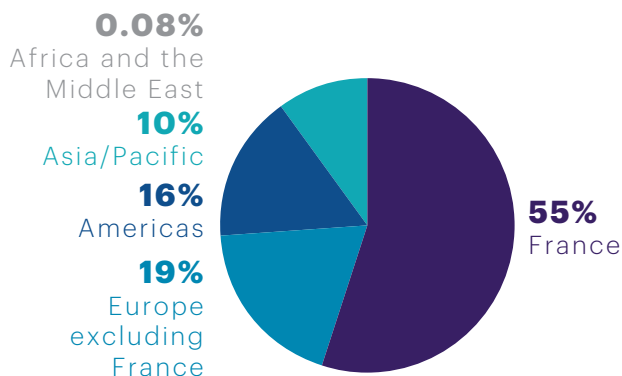
#### Eurazeo and its portfolio companies

	2019	
	Eurazeo	Eurazeo and its portfolio companies
<b>Total number and breakdown of employees</b>		
Permanent workforce	123	11,156
Percentage of women in the permanent workforce	46%	52%
Percentage of managers in the permanent workforce	79%	20%
Percentage of non-permanent workforce in relation to the total number of employees <sup>(1)</sup>	3%	9%

The coverage rate for Eurazeo and for Eurazeo and its portfolio companies was 100% in 2019.

(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 INVESTMENTS)**



**3.2.2.2 Working conditions and freedom of association**



**Description of main issues creating risks and opportunities**

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<b>Promote respect for the fundamental rights and the provision of decent work</b>	<ul style="list-style-type: none"> <li>● Ignorance of local and international laws and regulations</li> <li>● Use of subcontractors in at-risk countries</li> <li>● High-intensity business sector with low qualified labor</li> <li>● Industrial activity in at-risk countries</li> </ul>	<ul style="list-style-type: none"> <li>● 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)</li> <li>● Study on lack of job security (e.g.: non-permanent employees, part-time workers, etc.)</li> <li>● Measurement of commitment (e.g. social barometer)</li> </ul>

**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
- Set-up of an ethics whistleblowing line

OBJECTIVES	OPPORTUNITY FACTORS
<b>Offer employees working conditions likely to boost their commitment and performance</b>	<ul style="list-style-type: none"> <li>● Be mindful of employee working conditions, beyond the legal requirements, create well-being, greater commitment and boost appeal as an employer</li> </ul>

**EXAMPLE INITIATIVE**

- All **Groupe C2S** clinics are certified by the French Health Authority which confirms patient safety and risk management within the establishments, whilst evaluating the quality of life at work for professionals. 3 clinics received the best score (A). As an example, in order to reinforce quality of life at work, the Clinique du Parc in Lyon set-up a dedicated multi-professional committee which includes professionals in the field, nursing managers, the director and the Quality manager.

**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 and undertakes to ensure compliance with freedom of association and their representation in accordance with applicable labor law. Eurazeo respects employee representative bodies and the right to collective bargaining. The policies on these topics are implemented 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.

Since 2015, Eurazeo has regularly conducted surveys with its employees. An engagement study in 2019 had a participation rate of 90%, with an overall engagement score of 8.3/10. In line with this survey, Eurazeo implemented an action plan at Group level for different types of employee. Several actions were implemented:

- the onboarding program is now fully integrated within the HR development cycle of Eurazeo employees. On their arrival, the new employee receives a welcome handbook. An induction program is organized whereby the new employee meets with employees from various departments to discuss and understand the diversity of jobs performed. After the probationary period, the Human

Resources Director interviews the new employee to get his or her first impressions. 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.);

- a remote working charter which authorizes and governs this practice for employees who are interested, was formalized in October 2019;
- Eurazeo has also intensively deployed training programs relating to people skills. These programs focused on leadership and managerial best practices.

### Due diligence procedures for portfolio companies

Eurazeo includes aspects relating to working conditions and the freedom of association during acquisition due diligences as described in Section 3.1.1.2. Following an acquisition, action plans are monitored over several years, as described in Section 3.1.1.2.

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

Eurazeo promotes the implementation of surveys with employees, key labor relations tools within a company. This objective is that by the end of 2019, 100% of portfolio companies have completed a social barometer at least once every three years (see Section 3.3). At the end of 2019, 63% of companies *proforma* had completed a social barometer in the past three years.

### Results and performance indicators

#### Eurazeo

In 2019, an agreement relating to working time arrangements was signed. It aims to organize and govern the different applicable working time arrangements. It also outlines the implementation of a time-savings account (*compte épargne temps* - CET) allowing employees to manage their rest time to accumulate rest days not taken in order to use them as leave or for retirement savings.

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 2019 to 2021.

The action plan relating to workplace gender equality will be reviewed in the first-half of 2020 in light of the results of the Gender Pay Gap Index.

#### Eurazeo and its portfolio companies

	2019
<b>Eurazeo and its portfolio companies</b>	
<b>Working hours (% of permanent workforce)</b>	
Percentage of full-time employees	90%
Percentage of part-time employees	10%
<b>Collective agreements bearing on the company's economic performance and working conditions of employees</b>	
<b>Agreements bearing on wage increases and more balanced sharing of value creation</b>	
Effective wages, duration and organization of working hours	6
Incentive bonuses	3
Purchase power one-off bonus	3
Mandatory annual negotiations	7
<b>Agreements bearing on the company's internal bodies</b>	
Implementation and activities of the staff representative bodies	3
<b>Agreements bearing on the protection and working conditions of employees</b>	
Reorganization	2
Right to disconnect	1
Remote working	1
Employee transport fees	1
Working time arrangements	2
Company Savings Plan	1
Gender equality	4
Difficult working conditions & quality of life at work	3
<b>TOTAL NUMBER OF AGREEMENTS SIGNED DURING THE YEAR</b>	<b>37</b>

The coverage rate for Eurazeo and its portfolio companies was 99-100% in 2019.



### 3.2.2.3 Equal treatment



#### Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<b>Avoid any discrimination</b>	<ul style="list-style-type: none"> <li>Recruitment process lacking transparency and equality</li> <li>Lack of diversity within teams</li> </ul>	<ul style="list-style-type: none"> <li>Study of policies against discrimination and for the promotion of diversity</li> <li>Analysis and monitoring of diversity in governance bodies and among employees</li> </ul>
<b>RISK MANAGEMENT</b>		
<ul style="list-style-type: none"> <li>Formalization and roll-out of a Code of Conduct</li> <li>Acquisition due diligences: integration of gender diversity criteria</li> <li>Annual monitoring of gender diversity indicators</li> <li>Set-up of an ethics whistleblowing line</li> <li>Promotion of gender diversity within governance bodies</li> </ul>		
OBJECTIVES	OPPORTUNITY FACTORS	
<b>Ensure talent diversity</b>	<ul style="list-style-type: none"> <li>Talent diversity is a key factor for innovative and sustainable growth</li> </ul>	
<b>EXAMPLE INITIATIVES</b>		
<ul style="list-style-type: none"> <li><b>Nest Fragrances</b> offers all employees training dedicated to diversity, inclusion and combating sexual harassment.</li> <li><b>WorldStrides</b> has implemented an affirmative action plan when recruiting qualified people without distinguishing between gender, sexual orientation, ethnicity, race, religion, nationality, physical or mental disability, status as a veteran or any other characteristic. In 2019, WorldStrides engaged a diversity, equality and inclusion consultant and launched a dedicated council which makes recommendations to the Executive Committee on programs, policies and other initiatives.</li> </ul>		

#### 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 seeks 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. Eurazeo has set-up an ethics whistle-blowing line to report behavior contrary to the principles of the Code of Conduct and prevailing law.

The Human Resources Department is responsible for implementing and monitoring the non-discrimination policy within Eurazeo. Recruitment is an essential part of this 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.

In addition, Eurazeo underpins its commitment in terms of diversity and equality through various actions, notably the recruitment process during which the HR team always asks recruitment firms to put forward as many women as men for vacancies. Special care is taken with women during key moments of their career and meetings are offered with an external coach which are adapted to their specific needs.

Eurazeo also aims to promote diversity within Private Equity through different external initiatives, which employees are invited to join. Eurazeo encourages cross-over mentoring programs specific to women. For this purpose, Eurazeo is a founder member of the LEVEL 20 France committee, an initiative launched in 2019 which aims to improve female representation in Private Equity via a mentoring program.

The Eurazeo Group, through Idivest Partners, was one of the first signatories of the SISTA charter created in 2019. This charter, which is aimed at investment funds, is underpinned by quantified objectives to ensure more inclusive finance: 25% of start-ups financed in 2025 should be founded or co-founded by women, then a third in 2030, and finally 50% by 2050.

Since its creation in 2007, Eurazeo has continued to support the Women's Forum "Rising Talents" initiative, which aims to promote female talent under 40. In 2019, 12 exceptional candidates were selected.

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 to promote gender equality through conferences and workshops.

#### Due diligence procedures for portfolio companies

Eurazeo includes gender diversity aspects during acquisition due diligences as described in Section 3.1.1.2. Following an acquisition, action plans are monitored over several years, as described in Section 3.1.1.2. Eurazeo's objective is to achieve 40% representation of women on Boards of Directors or Supervisory Boards by 2020 (see Section 3.1.1.3). This goal applies to Eurazeo, as well as to all investments, regardless of their size or legal thresholds.

## Results and performance indicators

### Eurazeo

- Women represent 46% of Eurazeo's total workforce and 27% of investment teams (vs. 29% and 14% respectively in the Private Equity industry according to the BVCA/LEVEL 20 2018 study on 179 Private Equity companies in Europe).
- The Executive Board is made up of 25% women, and the Executive Committee is 20% women.
- Eurazeo's score in the Gender Equality Index (Pénicaud-Schiappa Index) was 92/100 for 2019.
- The engagement survey conducted in June 2019 highlighted the lack of significant disparity between the responses given by women and men. The study showed that the overall engagement score was 8.3/10 for men and 8.0/10 for women.
- In 2018, Eurazeo achieved 7<sup>th</sup> place in the ranking of governance feminization in large companies (SBF 120), up 14 places compared with 2017 and 82 places compared with 2013.

### Eurazeo and its portfolio companies

	2019	
	Eurazeo	Eurazeo and its portfolio companies
<b>Diversity (permanent staff)</b>		
Percentage of women	46%	52%
Percentage of women among managers in the permanent workforce	44%	45%
Percentage of women on the SB or BD <sup>(1)</sup>	47%	32%
Percentage of women on the primary decision-making body <sup>(2)</sup>	25%	27%

The coverage rate for Eurazeo and for Eurazeo and its investments was 100% in 2019.

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

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

	2019	
	Eurazeo and its portfolio companies	
Share of companies having implemented actions to encourage the employment and integration of disabled employees	59%	

The coverage rate for Eurazeo and for Eurazeo and its investments was 100% in 2019.



### 3.2.2.4 Health and safety



#### Description of main issues creating risks and opportunities

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

#### 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
<b>Ensure that employees are covered by health and death and disability insurance</b>	<ul style="list-style-type: none"> <li>• Securing health insurance cover for all employees worldwide is a key factor for differentiation and employee retention</li> </ul>
<b>Promote well-being to improve performance</b>	<ul style="list-style-type: none"> <li>• An effective Health &amp; Safety policy can reduce absenteeism and the number of accidents</li> </ul>

#### EXAMPLE INITIATIVES

- The **2RH** group conducted a study on workstation ergonomics in collaboration with the occupational health department in order to prevent MSD (musculo-skeletal disorders). In the same vein, the group’s Portuguese subsidiary provided employees with weekly ergotherapy sessions.
- In 2019, **Grape Hospitality** launched a campaign called “Grape Stop Tabac” which aims to improve employee health and well-being by getting them to stop smoking. This employee-focused campaign includes a poster campaign, information and negotiations with the Group mutual fund to pay for hypnotherapy.

#### Policy applied at Eurazeo level

Eurazeo has resolved to ensure the health, safety and well-being of its employees by respecting the laws in force and preventing health and occupational risk by 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. 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 sport are encouraged. Eurazeo provides its employees with a gym, with classes taught by qualified fitness instructors.

In 2018, Eurazeo conducted a study of psychosocial risks at 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 risks 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 includes health and safety aspects during acquisition due diligences as described in Section 3.1.1.2. Following an acquisition, action plans are monitored over several years, as described in Section 3.1.1.2.

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 via a 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 recorded just one accident in 2019.

### Eurazeo and its portfolio companies

	2019
Eurazeo and its portfolio companies	
<b>Health and safety conditions (permanent and non-permanent workforce)</b>	
Fatalities	0
Accidents with lost time	283
Frequency rate <sup>(1)</sup>	15
Working days lost due to accidents	13,173
Severity rate <sup>(2)</sup>	0.69
Absenteeism rate <sup>(3)</sup>	6%
<b>Health insurance cover (permanent employees)</b>	
Percentage of employees with health insurance	96%
Percentage of employees with personal accident insurance	99%

The coverage rate for Eurazeo and its investments was 88-100% in 2019.

Travel-related accidents are excluded from workplace accident indicators.

(1) Frequency rate: accidents with lost time/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 days of absence (paid or unpaid)/theoretical number of days worked. The absenteeism rate is calculated on the total workforce (permanent and non-permanent).



### 3.2.2.5 Attractivity and employability



#### Description of main issues creating risks and opportunities

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

#### 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
<b>Ensure that employee skills contribute to the company's performance over the long term</b>	<ul style="list-style-type: none"> <li>● The set-up of a recruitment and integration policy leading to training and career development schemes is essential to building employee loyalty</li> </ul>

#### EXAMPLE INITIATIVE

- In 2019, **Iberchem** was recognized by the University of Murcia and the COIE (Spanish Center for Employment Guidance and Information) for welcoming trainees into its laboratories each year, giving them the option to supplement their academic training. This experience allowed some of them to acquire a full-time job. Internal promotion is an integral part of the Group's HR policy, offering employees career advancement opportunities within the company.

#### 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 paid holidays comply with the law.

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

- organizational reviews;
- annual individual employee performance reviews;
- wage reviews;
- semi-annual reviews.

The compensation policy for members of the Eurazeo Executive Board is consistent with the AFEP-MEDEF recommendations (see Section 5.8). 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. 2020 CSR strategy criteria are also taken into account for the calculation of the variable compensation of all Eurazeo Executive Board members and was extended to the Executive Committee in 2019. The criteria are listed in Section 3.1.1.3.

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. It is with this in mind that the Eurazeo 2019-2021 global training program was developed, taking into account business issues, the need to develop behavioral and managerial skills and individual training requirements.

#### Due diligence procedures for portfolio companies

Eurazeo includes appeal and talent retention aspects during acquisition due diligences as described in Section 3.1.1.2. Following an acquisition, the relevant action plans are monitored over several years, as described in Section 3.1.1.2.

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

Several types of training were offered to Eurazeo employees in 2019. Training relates both to behavioral skills as well as technical skills linked to investment. Training sessions on work time management were also proposed to assistants.

77% of employees were trained.

### Eurazeo and its portfolio companies

	2019	
	Eurazeo	Eurazeo and its portfolio companies
<b>Hires and departures</b> (permanent workforce, number of employees)		
Total hires	25	2,048
Total departures	9	1,832
<b>Compensation and benefits</b> (permanent workforce, in millions of euros)		
Total payroll <sup>(1)</sup>	29	514
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%	54%
Percentage of employee shareholders	62%	3%
<b>Training</b> (permanent and non-permanent workforce)		
Total number of training hours	687	175,172
Annual training expenditure (in millions of euros) <sup>(2)</sup>	0.3	4
Percentage of employees who attended at least one training course during the year <sup>(3)</sup>	77%	79%

The coverage rate for Eurazeo was 77-100% in 2019; for Eurazeo and its investments, it was 97-100% in 2019.

(1) Total workforce (permanent and non-permanent).

(2) Training expenditure does not include payroll charges.

(3) Within the permanent workforce.

### 3.2.2.6 Societal impact



#### Description of the potential areas of risk or opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<b>Ensure that all products and services do not generate negative impacts on clients, employees and local communities</b>	<ul style="list-style-type: none"> <li>Business sector using products or services monitored by regulation or the end-consumer</li> <li>Unfamiliarity with suppliers and raw materials used</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of substances and products under surveillance</li> <li>Study of measures adopted in favor of the health and safety of consumers</li> </ul>
<b>RISK MANAGEMENT</b>		
<ul style="list-style-type: none"> <li>Conditions of stakeholder dialogue</li> <li>Risk mapping and identification of substitutes</li> <li>Product analysis, product reformulation</li> </ul>		

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

#### EXAMPLE INITIATIVES

- In response to growing consumer expectations for transparency and quality, **CPK** launched a product innovation program called *bons et bons* with 15 products launched between September 2019 and April 2020 containing organic and/or plant-based ingredients and less sugar. CPK has also implemented a program to remove controversial ingredients from its products. CPK decided to remove titanium dioxide from its recipes from 2018, before regulation was introduced. The company also replaced palm oil with sunflower oil in its new Poulain spread, will remove aspartame from Vichy sugar-free sweets in Q1 2020 and will review the historic Krema product with 100% natural flavorings and colorings in 2020.
- The products of Linvosges and Françoise Saget in 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
<b>Be a vector of a positive societal impact</b>	<ul style="list-style-type: none"> <li>Engaging in sponsorship activities enables a company to generate a positive footprint beyond its direct activity</li> </ul>

#### EXAMPLE INITIATIVE

- Since 2015, the US subsidiary of **Dessange International** has partnered with the “REINVENT” operation, which supports female soldiers wanting to “return” to civilian life through recruitment workshops and custom beauty, hairdressing and fashion advice.

#### 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 or financing study bursaries.

As part of its new 2020-2030 CSR strategy, Eurazeo has recently furthered its commitment to education through an Endowment Fund. This new philanthropic initiative will receive an initial endowment dedicated to guiding and supporting projects to access education, academic and professional training or childhood protection.

In 2019, Eurazeo continued to provide support for a specific program allowing children to learn to read using a digital application with the Agir pour l'école association. Eurazeo also renewed 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 areas, as well as Agence du Don en Nature (ADN) for the “solidarity school bags” initiatives organized for the new school year and for the “Semaine du Don en Nature” in March 2019.

Since September 2018, Eurazeo has backed Sciences Po's Priority Education Agreements and helped finance study bursaries for students supported by Fondation DFCG and Fondation Martine Aublet.

Also, by refocusing its previous support for the Institut Gustave Roussy towards educational initiatives undertaken in conjunction with the association Les Amis de Mikhy, Eurazeo financially supports a study evaluating the benefit of personalized support for children in remission after a brain tumor and their families.

In addition, Eurazeo has renewed 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. Since 2019, support has been focused on the Children's Rights Division and study reports on the living conditions and treatment of unaccompanied child migrants in France.

Finally, in 2019 Eurazeo focused on promoting equal opportunities and improving the employability of young people by supporting the launch of the "Entrepreneurs dans la Ville" initiative in Île de France, established by the association Sport dans la ville. Eurazeo supports groups of around twenty young entrepreneurs from disadvantaged areas to help develop their business start-up project.

### Due diligence procedures for portfolio companies

Eurazeo includes societal impact aspects during acquisition due diligence as described in Section 3.1.1.2. Following an acquisition, the relevant action plans are monitored over several years, as described in Section 3.1.1.2.

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



2019	
Eurazeo	
<b>Financial support (in thousands of euros)</b>	
Amount allocated to social and educational patronage (associations and NGOs)	405
Amount allocated to think-tanks, forums and institutions	276
Amount allocated to cultural patronage	35
Amount allocated to professional bodies	160
<b>TOTAL AMOUNTS ALLOCATED</b>	<b>876</b>

### 3.2.3 ENVIRONMENTAL MATTERS

#### 3.2.3.1 Introduction

##### Description of main issues creating risks and opportunities

Eurazeo identified five major issues arising from environmental impacts on its business and within its portfolio companies:

- climate change (Section 3.2.3.2);
- site safety and prevention of industrial accidents (Section 3.2.3.3);
- substances in the air, water and soil (Section 3.2.2.4);
- responsible use and consumption of resources (Section 3.2.2.5);
- biodiversity (Section 3.2.2.6).

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 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 includes environmental impact aspects during acquisition due diligences as described in Section 3.1.1.2. Following an acquisition, action plans are monitored over several years, as described in Section 3.1.1.2.

Eurazeo's objective is to ensure that 100% of companies reduce their environmental impact. Furthermore, Eurazeo measures the environmental impacts generated and reduced by its portfolio companies on an annual basis, as described in Section 3.1.1.1

#### Results and performance indicators

Eurazeo



**99%**

**of energy consumed in France from renewable sources**



**5.3**

**metric tons of waste recovered, i.e. 63% of the total generated**



**7,084**

**metric tons equivalent of CO<sub>2</sub> emitted**

### 3.2.3.2 Climate change



#### Description of main risk factors and opportunities

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

#### 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 sectors
- Keeping abreast of regulatory changes

#### OBJECTIVES

**Improve energy performance and obtain energy from renewable or low-emission sources**

#### OPPORTUNITY FACTORS

- Creation of an energy performance project that will generate potential financial gains
- Promotion of renewable energies to reduce exposure to a possible increase in fossil fuel prices and costs relating to greenhouse gas emissions.

#### EXAMPLE INITIATIVES

- In 2019, **Iberchem** signed a green energy contract and increased the use of LED lighting at its Spanish sites by 75%. In early 2020, the company aims to install solar panels at its registered offices in Spain.
- The **Seqens** group has significantly reduced its carbon footprint, going from 23 tCO<sub>2</sub>/€k of EBITDA in 2008 to 8 tCO<sub>2</sub>/€k of EBITDA in 2018, corresponding to around 300,000 metric tons of CO<sub>2</sub> per year compared to 2008.



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

### EXAMPLE INITIATIVES

- As part of its 2018-2023 strategic plan, **Péters Surgical** established a climate roadmap with the objective to reduce the group's total Greenhouse Gas Emissions (GHG) by 30% by 2023. This objective will be achieved through an eco-design program for products and their packaging.
- Since 2019, the **CPK** group has approached several suppliers to group together their goods transport and limit the number of trucks on the road. This initiative has had a positive impact on the environment with a reduction of over 3,000 metric tons of CO<sub>2</sub> per year by taking 10,000 trucks off the roads, and subsequent savings of €500,000 per year linked to this improved transport program.

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

### EXAMPLE INITIATIVES

- **Eurazeo** coordinates a "Responsible Procurement" awareness-raising cycle within its portfolio companies 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
<b>Invest in new sectors with high potential</b>	<ul style="list-style-type: none"> <li>● Value creation by investing in high growth potential sectors</li> </ul>

### EXAMPLE 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 installed power of 575 MW, of which 450 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", renamed Initiative Climate International in 2019, with four other private equity companies. This initiative now includes around 40 investment companies. Since 2017, Noëlla de Bermingham, Eurazeo's Deputy Head of CSR, is in charge of the initiative's coordination and steering and its international expansion with the support of the UN's PRI (Principles for Responsible Investment).

During COP 25, Eurazeo signed a joint declaration with 630 investors (representing over €37,000 billion in assets) to state leaders and organized by the Investor Agenda. In addition, during the MEDEF La Rencontre des Entrepreneurs de France (LaREF), Eurazeo also signed the "French Business Climate Pledge", a commitment by French business to the climate (see Section 3.1.1.1).

Eurazeo 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.

Each year Eurazeo updates its carbon footprint measurement. The two main areas of impact are buildings and employees' business travel. For buildings, Eurazeo relocated in 2016 to an office building that has earned an 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). Also, an energy audit was conducted in 2017 with an associated action plan, and Eurazeo signed a 100% renewable energy contract in 2018. Since 2016, Eurazeo has widely deployed video conferencing and remote working tools to reduce employees' travel.

Eurazeo also partnered with 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 14 underwater structures, Eurazeo helped restore more than 1,700 corals in 2018 and 2019.

## Due diligence procedures for portfolio companies

Eurazeo includes climate change aspects during acquisition due diligences as described in Section 3.1.1.2.

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.

Following an acquisition, action plans are monitored over several years, as described in Section 3.1.1.2.

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 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 2019, 100% of electricity consumed in Eurazeo's Paris premises was generated by renewable sources, due to the subscription of a green energy contract.

In 2019, Eurazeo received a rating of B in the CDP Climate Change rankings. By improving its rating from C to B, Eurazeo has exceeded the averages for the finance industry and companies in Europe.

### Eurazeo and its portfolio companies

	2019	
	Eurazeo	Eurazeo and its portfolio companies
<b>Energy consumption excluding fuel (in MWh)</b>		
Electricity <sup>(1)</sup>	260	303,771
Steam <sup>(1)</sup>	0	730,285
Renewable energies	546	193,994
Natural gas	3	676,515
Heavy fuel oil and heating oil	0	1,693
Coal	0	943,800
Other energy <sup>(2)</sup>	0	14,204
<b>TOTAL ENERGY CONSUMPTION</b>	<b>809</b>	<b>2,864,262</b>
Energy expenditure (in millions of euros)	0.07	75
Share of renewable energies	67%	7%
<b>Fuel consumption (in liters)</b>		
Gasoline	3,411	242,100
Diesel	695	1,394,817
<b>TOTAL FUEL CONSUMPTION</b>	<b>4,106</b>	<b>1,636,917</b>
Fuel expenditure (in thousands of euros)	7	1,698
<b>GHG emissions <sup>(3)</sup> (in metric tons of CO<sub>2</sub> equivalent)</b>		
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	22
Scope 1 <sup>(4)</sup>	10	640,298
Scope 2 <sup>(5)</sup>	101	267,332
<b>TOTAL (SCOPE 1 + 2)</b>	<b>111</b>	<b>907,630</b>
Scope 3 <sup>(6)</sup>	6,973	1,979,273
<b>TOTAL (SCOPE 1 + 2 + 3)</b>	<b>7,084</b>	<b>2,886,903</b>

The coverage rate for Eurazeo was 77-100% in 2019; for Eurazeo and its portfolio companies, it was 84-99% in 2019.

(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 Greenhouse Gas (GHG) Protocol methodology.

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

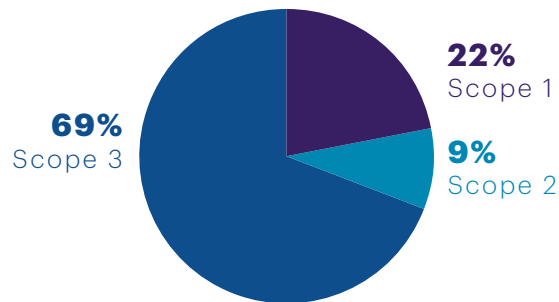
(5) Scope 2 emissions are indirect emissions caused by the generation of electricity, steam, heating or cooling bought and consumed.

(6) Scope 3 emissions are related to indirect emissions, upstream or downstream of the activity. The portfolio companies' Scope 3 emissions have been assessed since 2017.



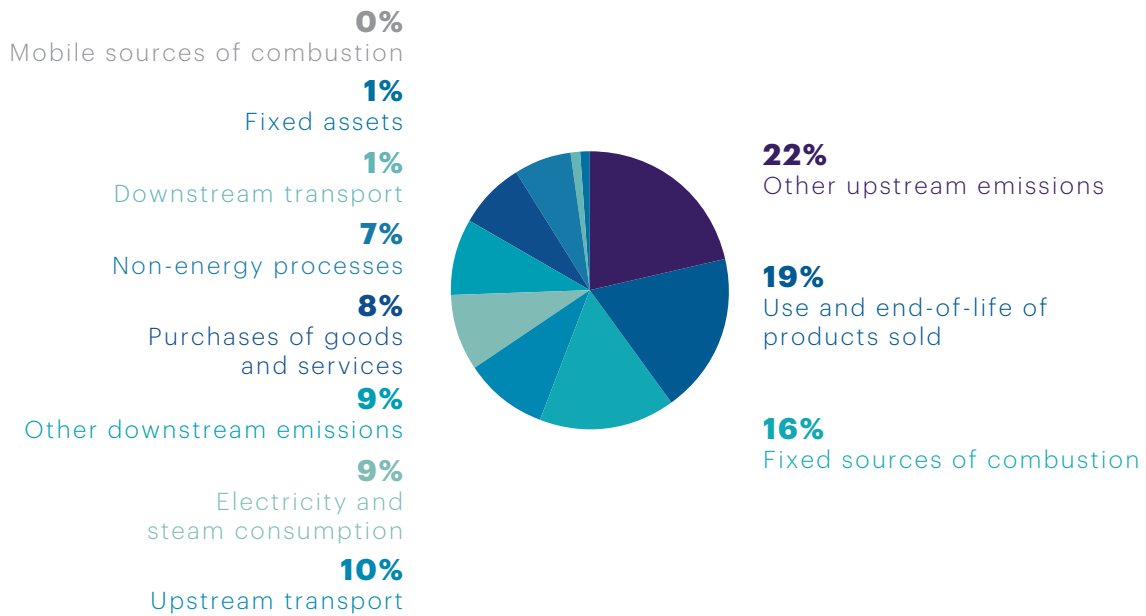
**BREAKDOWN OF 2019 EMISSIONS BY SCOPE**

(Eurazeo and its portfolio companies)



**BREAKDOWN OF 2019 EMISSIONS BY SOURCE**

(Eurazeo and its portfolio companies)



### 3.2.3.3 Site safety and prevention of industrial accidents



#### Description of main issues creating risks and opportunities

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

#### 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
<b>Ensure business continuity</b>	<ul style="list-style-type: none"> <li>A robust policy and operating processes, training and tests were set up to anticipate and reduce business continuity risks</li> </ul>

#### EXAMPLE INITIATIVE

- The Seqens group is determined to prevent incidents and accidents likely to harm employees, facilities or Group reputation. The approach is based on three pillars:
  - sharing of common values and strengthening 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 arrival of a Security Director in 2016, Eurazeo improved the physical security of its sites with the deployment of crisis management procedures and employee training.

#### Due diligence procedures for portfolio companies

Eurazeo includes site safety and industrial accident prevention aspects during acquisition due diligences as described in Section 3.1.1.2. 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 3.1.1.2, including the investment expenses relating to compliance work and the improvement in site safety conditions.

#### Results and performance indicators

##### Eurazeo and its portfolio companies

	2019
<b>Eurazeo and its portfolio companies</b>	
<b>Compliance work and litigation (in thousands of euros)</b>	
Environmental compliance work expenses during the year	7,940
Environmental provisions and guarantees	4,466
Fines and compensation paid in respect of environmental litigation	0

The coverage rate for Eurazeo and its portfolio companies was 99-100% in 2019.



### 3.2.3.4 Substances in the air, water and soil



#### Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<p><b>Limit discharges and ensure their optimal treatment</b></p>	<ul style="list-style-type: none"> <li>● Unfamiliarity with regulations: fines, total or partial activity ban due to non-compliance with thresholds</li> <li>● Poor training or unfamiliarity with procedures, process inefficiency or maintenance faults</li> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>● Assessment of the level of exposure (liability, sector, etc.)</li> <li>● Analysis of current procedures and policies</li> <li>● Analysis of threshold compliance audits</li> </ul>
<p><b>Avoid all pollution likely to harm employees, inhabitants and biodiversity in the short-, medium and long term</b></p>		

#### 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 FACTORS
<p><b>Anticipate regulations and their amendments</b></p>	<ul style="list-style-type: none"> <li>● 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</li> </ul>

#### Policy applied at Eurazeo level

No significant risk involving substance discharges has been identified in direct relationship with Eurazeo’s activity as an investor.

#### Due diligence procedures for portfolio companies

Eurazeo includes aspects relating to substances in the air, water and soil during acquisition due diligences as described in Section 3.1.1.2 on the criteria analyzed. In the event of actual pollution, Eurazeo identifies the cost of site decontamination upstream of the investment and/or of installing equipment to reduce or stop discharges.

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 3.1.1.2. 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 liable 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**

2019	
Eurazeo and its portfolio companies	

**Air emissions** (in metric tons)

Sulfur oxide emissions (SO <sub>x</sub> )	2,086
Nitrogen oxide emissions (NO <sub>x</sub> )	1,203

The coverage rate for Eurazeo and its portfolio companies was 84-99% in 2019.

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.

2019			
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, Redspher	2
LEED	Leadership in Energy and Environmental Design	WorldStrides	1
ISO 50001	Energy management system	CPK, Seqens	4
ISO 14001	Environmental management system	CPK, Iberchem, Redspher, Seqens, Sommet Éducation	8
OHSAS 18001	Occupational health and safety management system	CPK, Seqens	5
ISO 45001	Occupational health and safety management system	Vitaprotech	1
ISO 14064	Specifications and guidelines for quantification and reporting of greenhouse gas emissions and removals	Iberchem	2
SGE 21	Ethical and socially responsible management system	Sommet Éducation	1
Oeko-TEX	International testing and certification system for harmful substances in textiles	MK Direct	2
<b>TOTAL</b>			<b>27</b>



### 3.2.3.5 Responsible use and consumption of resources



#### Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
<b>Limit exposure to at-risk raw materials</b>	<ul style="list-style-type: none"> <li>Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues</li> <li>Lack of substitution capacity for at-risk resources</li> </ul>	<ul style="list-style-type: none"> <li>Shortage risk assessment: use of a raw material that could run out, supply sustainability, rising costs</li> </ul>
<b>RISK MANAGEMENT</b>		
<ul style="list-style-type: none"> <li>Acquisition due diligences on the sustainability of raw materials</li> <li>Identification of replacements</li> </ul>		
OBJECTIVES	OPPORTUNITY FACTORS	
<b>Ensure business resilience throughout the supply chain</b>	<ul style="list-style-type: none"> <li>Anticipating risks relating to raw material sustainability may reduce the risk of supply chain shortage and be a decisive factor.</li> </ul>	
<b>EXAMPLE INITIATIVE</b>		
<ul style="list-style-type: none"> <li><b>Iberchem</b> currently uses over 1,400 different natural and man-made raw materials. 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.</li> </ul>		
OBJECTIVES	OPPORTUNITY FACTORS	
<b>Prevent food waste</b>	<ul style="list-style-type: none"> <li>Encourage companies to roll out voluntary measures to combat food waste</li> </ul>	
<b>EXAMPLE INITIATIVE</b>		
<ul style="list-style-type: none"> <li>Preventing food waste is a priority topic in the <b>Groupe C2S</b> CSR approach, in relation to the sustainable use of resources. In this vein, professionals review their practices to guarantee the right product, the right drug and the right care for the right patient, at the right time. This pursuit of relevance is deployed to all clinical care processes. Preventing food waste is also important in healthcare facilities. Clinics have adapted the amount of bread they give to patients to limit waste. Moreover, canteen sorting bins raise awareness of food waste amongst professionals, whilst recovering product waste.</li> </ul>		
OBJECTIVES	OPPORTUNITY FACTORS	
<b>Encourage a reasoned use of resources while promoting the circular economy</b>	<ul style="list-style-type: none"> <li>Guidance for companies towards more virtuous models to limit resource consumption and reduce costs</li> </ul>	
<b>EXAMPLE INITIATIVES</b>		
<ul style="list-style-type: none"> <li>Across all its production sites, the <b>2RH</b> group always reuses boxes received from suppliers to refurbish them and ship them to customers. Moreover, the Group uses recycled cardboard for product packaging and continues to remove polystyrene and gradually introduce recycled materials into its product design.</li> <li>The <b>Seqens</b> site in Yangzi (China) has implemented a water treatment project to reduce environmental impacts as part of a circular economy initiative: saltwater, a bi-product of the site, is reused as a raw material by a caustic soda supplier.</li> <li><b>WorldStrides</b> has launched a box lunch recycling program. This initiative, in partnership with several food suppliers, helps reduce packaging waste and raise awareness of recycling amongst students and teachers. In 2019, around 32,000 lunch boxes were served as part of the initiative, avoiding 2.7 metric tons of potential waste per year. Thanks to this program, WorldStrides was named "Top Innovator 2019" at the "Climate Collaborative's Better Business Challenge" in Charlottesville (USA).</li> </ul>		

### 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 service 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 includes aspects relating to the responsible use of resources during acquisition due diligences as described in Section 3.1.1.2 on the criteria analyzed. To assess shortage risks that may hamper a company's performance or development, Eurazeo relies on its experts.

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 3.1.1.2. Finally, Eurazeo encourages its companies to implement circular economy programs.

### Results and performance indicators

#### Eurazeo

In 2019, nearly 6.6 metric tons of paper were collected and recycled by Eurazeo and Eurazeo PME. The environmental impact of this initiative is equivalent to saving over 110 trees, nearly 200,000 liters of water and 3,629 kg of CO2 equivalent.

#### Eurazeo and its portfolio companies

	2019	
	Eurazeo	Eurazeo and its portfolio companies
<b>Water consumption</b>		
Water consumption (in cu.m)	1,438	37,979,804
Amount spent on water consumption (in euros)	4,573	3,653,049
<b>Waste production (in metric tons)</b>		
Hazardous waste produced	-	30,255
Non-hazardous waste produced	13	14,122
Percentage of waste recovered	63%	60%
<b>TOTAL WASTE</b>	<b>13</b>	<b>44,377</b>

The coverage rate for Eurazeo was 77-100% in 2019; for Eurazeo and its portfolio companies, it was 72-98% in 2019.



### 3.2.3.6 Biodiversity



#### Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
<p><b>Avoid any activity likely to damage biodiversity</b></p>	<ul style="list-style-type: none"> <li>● Use of a raw material, manufacture of a product or performance of a service, use or end-of-life with an impact on biodiversity</li> <li>● Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues</li> <li>● Lack of substitution capacity for hazardous resources</li> <li>● Poor anticipation of reputation and consumer/client behavior change issues</li> </ul>	<ul style="list-style-type: none"> <li>● Impact analysis with regard to biodiversity (supply, activity, etc.)</li> </ul>
<p><b>RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>● Pre-acquisition due diligences</li> <li>● Annual monitoring during CSR reporting (policy)</li> </ul>		
<p><b>EXAMPLE INITIATIVES</b></p> <ul style="list-style-type: none"> <li>● At <b>Dessange International</b>, the biodiversity-friendly responsible raw materials sourcing program has been continued, particularly for the Phytodess range. Suppliers are invited to sign the Positive Sourcing charter, thereby committing to confining their use of raw materials to those produced in a manner respectful of ecosystems and biodiversity. To date, the Positive Sourcing program has 28 responsible sourcing sectors.</li> <li>● In 2019, <b>Grape Hospitality</b> continued to install hives on the roofs of all its facilities, with 14 hotels involved to date, and a total of 44 hives, an estimated population of 1 million bees and 420 kg of honey produced locally and then offered to hotel guests and in Group restaurants.</li> </ul>		

#### Policy applied at Eurazeo level

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

As part of a coral reef rehabilitation project carried out in partnership with Pur Projet, Eurazeo contributes to preserving and restoring unique ecosystems in Indonesia while promoting the return of marine fauna and flora. Thanks to the installation of 14 underwater structures, Eurazeo helped restore more than 1,700 corals in 2018 and 2019. 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.

#### Due diligence procedures for portfolio companies

Eurazeo includes biodiversity aspects during acquisition due diligences as described in Section 3.1.1.2 on the criteria analyzed. Following an acquisition, relevant action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 3.1.1.2.

#### 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.

#### Eurazeo and its portfolio companies

	2019
<b>Eurazeo and its portfolio companies</b>	
Percentage of companies having implemented actions to protect and/or restore biodiversity	45%

The coverage rate for Eurazeo and its investment was 100% in 2019.

### 3.2.4 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. It 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.

#### 3.2.4.1 Anti-corruption



#### Description of main issues creating risks and opportunities

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

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

#### 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 undertakes to comply with international anti-corruption agreements. This is notably the case for anti-corruption laws in those countries where it has business operations and particularly the French 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 is available on the Company's website. It 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 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 and 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 includes anti-corruption aspects during acquisition due diligences as described in Section 3.1.1.2 on the criteria analyzed.

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 3.1.1.2.

On acquisition, 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).

## Eurazeo and its portfolio companies

2019	
Eurazeo and its portfolio companies	
Percentage of companies whose anti-corruption system implementation/enhancement is monitored	100%

## 3.2.4.2 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.

Tax risks can result from uncertainties in the interpretation of laws and regulations applicable to commercial transactions performed by Eurazeo group members, or changes in the group's activities or structure. Eurazeo proactively endeavors to identify and appropriately manage potential risk elements.

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 be filed in a timely manner and all taxes and deductions 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 recognizes its responsibilities to its shareholders, as well as other stakeholders (such as employees or co-investors), and the tax authorities in the countries where Eurazeo and its group members operate. Eurazeo's tax strategy must take these various interests into account whilst respecting all laws and regulations.

## 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 to comply with) was set up in 2019: 98% of employees likely to be exposed to corruption risk due to their responsibilities within the organization attended an in-person training course and 96% of the other employees received online training.

Eurazeo has set up country-by-country reporting as well as complete documentation in terms of transfer pricing (Master File and Local File) pursuant to French regulations and international recommendations.

Eurazeo adopts a responsible approach in managing and verifying its taxes, based on documentation and rigorous internal control of tax processes involving accounting, tax and legal teams with the support, where necessary, of external tax experts or advisors. The Eurazeo group supports different OECD and government initiatives to combat tax evasion.

As a parent company and pursuant to local regulations, Eurazeo publishes a tax strategy report on behalf of its British subsidiaries relating to the management of tax risks and the stance to adopt for tax planning in the United Kingdom (<https://www.eurazeo.com/assets-eurazeo/uploads/2019/12/Eurazeo-Tax-Strategy.pdf>).

## Results and performance indicators

### Results and performance indicators

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 (32.02% for fiscal 2019) is explained in Note 11.1 Tax proof to the consolidated financial statements.

The Eurazeo entities are regularly audited by the relevant tax authorities. These audits did not give rise to any significant reassessments for the Eurazeo SE tax group.

### 3.2.5 RESPECT FOR HUMAN RIGHTS



#### Description of main issues creating risks and opportunities

The issues relating to the respect of human rights for Eurazeo employees were covered in Section 3.2.2, Social and employee-related

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

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

#### Policy applied at Eurazeo level

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

This Code commits the Group's business partners respecting 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 the materiality of the CSR risks of a portfolio of suppliers. This analysis serves to prioritize suppliers requiring particular vigilance.

This analysis is done 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 includes aspects relating to the respect of human rights during acquisition due diligences as described in Section 3.1.1.2 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.

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of CSR strategy deployment in Section 3.1.1.2.

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

2019	
Eurazeo and its portfolio companies	
<b>Monitoring of Responsible Procurement strategies</b>	
Percentage of companies which participate in the responsible procurement program	73%
Percentage of companies to have rolled out a Responsible Procurement Code of Conduct	68%

*The coverage rate for Eurazeo and its investments was 100% in 2019.*

## 3.3 Table of indicators

### 3.3.1 2014-2019 CSR STRATEGY: DETAILED RESULTS

INVEST RESPONSIBLY	2018	2019
<b>2020 objectives</b>		
<b>100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR section <sup>(1)</sup></b>	<b>92%</b>	<b>100%</b>
<b>100% of companies to perform CSR reporting</b>	<b>100%</b>	<b>100%</b>
<b>100% of divestment operations to incorporate CSR information</b>	<b>83%</b>	<b>100%</b>
<b>2019 monitoring indicators</b>		
% of acquisitions that included CSR due diligence	100%	100%
Number of non-financial indicators monitored	109	112
Number of companies performing CSR reporting <sup>(2)</sup>	24	28
Number of CSR workshops held with investments	86	86

Methodological details: see Section 3.4, Methodology.

(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) 28 investments perform CSR reporting, 22 of which are part of the non-financial performance reporting regulation scope.

ESTABLISH EXEMPLARY GOVERNANCE	2018 (Proforma)	2019 (Proforma)	2019
<b>2020 objectives</b>			
<b>100% of companies to have at least 40% women Directors on the Board <sup>(1)(2)</sup></b>	<b>38%</b>	<b>43%</b>	<b>37%</b>
<b>100% of controlled companies to have at least 30% independent Directors on the Board <sup>(1)</sup></b>	<b>50%</b>	<b>81%</b>	<b>76%</b>
<b>100% of companies to have an Audit Committee and a Compensation Committee <sup>(3)</sup></b>	<b>76%</b>	<b>90%</b>	<b>85%</b>
<b>2019 monitoring indicators</b>			
Average percentage of women on Boards	30%	33%	31%
Average percentage of independent Directors	25%	33%	31%
Percentage of companies with an Audit Committee	81%	95%	92%
Percentage of companies with a Compensation Committee	81%	95%	92%

Methodological details: see Section 3.4, Methodology.

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

(2) In the 2019 scope: Women account for 30% or more of directors in 13 companies, between 10% and 29% in 13 companies and less than 10% in just one company.

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

## Eurazeo Corporate Social Responsibility

Table of indicators

CREATE SUSTAINABLE VALUE	2018 (Proforma)	2019 (Proforma)	2019
<b>2020 objective</b>			
<b>100% of companies to have deployed Eurazeo's "CSR essentials" <sup>(1)</sup></b>	<b>69%</b>	<b>89%</b>	<b>83%</b>
The "CSR essentials" <sup>(2)</sup>			
Appoint a CSR manager	90%	100%	89%
Establish annual CSR reporting	100%	100%	100%
Create an operational CSR committee	76%	95%	85%
Include CSR issues on the agenda of Board meetings at least once a year	67%	100%	96%
Measure the greenhouse gas (GHG) footprint every 3 years and/or define an action plan to reduce emissions	91%	95%	93%
Perform a social barometer every three years	43%	71%	63%
Deploy a Responsible Procurement approach	14%	64%	56%
<b>2020 objective</b>			
<b>100% of companies to have quantified CSR progress targets</b>	<b>41%</b>	<b>68%</b>	<b>57%</b>
Number of companies with quantified CSR progress targets	9/22	15/22	16/28
<b>2020 objective</b>			
<b>100% of companies to be involved in at least one CSR acceleration program <sup>(3)</sup></b>	<b>95%</b>	<b>81%</b>	<b>85%</b>
Number of companies involved in at least one CSR acceleration program	21/22	17/21	23/27

Methodological details: see Section 3.4, Methodology.

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

(2) The results are expressed as a percentage of companies.

(3) Eurazeo has implemented several CSR acceleration programs through a series of monthly webinars, "CSR Fridays".

BE A VECTOR OF CHANGE IN SOCIETY	2018 (Proforma)	2019 (Proforma)	2019
<b>2020 objective</b>			
<b>100% of companies to improve the protection and well-being of employees <sup>(1)</sup></b>	<b>71%</b>	<b>90%</b>	<b>93%</b>
<b>Calculation of indicators</b>			
Percentage of companies at which 100% of employees have access to social insurance <sup>(2)</sup>	59%	71%	78%
Or			
Percentage of companies that have reduced the number of days of absence	36%	38%	43%
<b>2020 objective</b>			
<b>100% of companies to share value created or company profits with employees <sup>(1)</sup></b>	<b>67%</b>	<b>62%</b>	<b>59%</b>
<b>Calculation of indicators</b>			
Percentage of companies with employee shareholders	43%	38%	41%
Or			
Percentage of companies to have implemented a profit-sharing scheme <sup>(3)</sup>	48%	43%	30%
<b>2020 objective</b>			
<b>100% of companies to reduce their environmental impact <sup>(1)</sup></b>	<b>73%</b>	<b>82%</b>	<b>77%</b>
<b>Calculation of indicators</b>			
Percentage of companies to have reduced their carbon emissions as a proportion of EBITDA	53%	55%	45%
Or			
Percentage of companies to have reduced their water consumption as a proportion of EBITDA	33%	68%	55%
Or			
Percentage of companies to have increased their recycling rate	47%	45%	41%

Methodological details: see Section 3.4, Methodology.

(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).

## 3.3.2 NON-FINANCIAL PERFORMANCE STATEMENT

Potential areas of risk and opportunity	Key performance indicators & results	2018		2019		CHANGE	
		Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies*
Introduction	<b>Total number and breakdown of employees</b>						
	Permanent workforce	104	10,616	123	11,156	18%	N/A
	Percentage of managers in the permanent workforce	81%	20%	79%	20%	-2%	N/A
	Percentage of non-permanent workforce in relation to the total number of employees	7%	8%	3%	9%	-57%	N/A
	<b>Geographic breakdown of permanent workforce</b>						
	● France	79%	65%	76%	55%	-3%	N/A
	● Europe excluding France	6%	16%	6%	19%	-1%	N/A
	● Americas	1%	10%	3%	16%	239%	N/A
	● Asia/Pacific	14%	9%	15%	10%	1%	N/A
	● Africa and the Middle East	0%	0.01%	0%	0.08%	-	N/A
Working conditions and freedom of association	<b>Working hours (% of permanent workforce)</b>						
	Percentage of full-time employees	92%	89%	94%	90%	1%	N/A
	Percentage of part-time employees	8%	11%	7%	10%	-15%	N/A
Equal treatment	<b>Diversity (permanent staff)</b>						
	Percentage of women	46%	45%	46%	52%	0%	N/A
	Percentage of women among managers in the permanent workforce	46%	42%	44%	45%	-4%	N/A
	Percentage of women on the SB or BD	43%	28%	47%	32%	9%	N/A
	Percentage of women in the primary decision-making body	25%	21%	25%	27%	0%	N/A
Health and safety	<b>Health and safety conditions (permanent and non-permanent workforce)</b>						
	Fatalities	0	1	0	0	-	N/A
	Accidents with lost time	0	290	1	283	-	N/A
	Frequency rate	0	15	7.07	15	-	N/A
	Working days lost due to accidents	0	12,177	16	13,173	-	N/A
	Severity rate	0	0.7	0.11	0.69	-	N/A
	Rate of absenteeism	0.56%	6%	0.87%	6%	55%	N/A
	<b>Health insurance cover (permanent employees)</b>						
	Percentage of employees with health insurance	100%	95%	100%	96%	0%	N/A
	Percentage of employees with personal accident insurance	100%	97%	100%	99%	0%	N/A

## Eurazeo Corporate Social Responsibility

Table of indicators

Potential areas of risk and opportunity	Key performance indicators & results	2018		2019		CHANGE	
		Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies*
Attractivity and employability	<b>Hires and departures</b> (permanent workforce, number of employees)						
	Total hires	20	2,118	25	2,048	25%	N/A
	Total departures	11	2,195	9	1,832	-18%	N/A
	<b>Compensation and benefits</b> (permanent workforce, in millions of euros)						
	Total payroll	24	479	29	514	21%	N/A
	Amount of incentive scheme or collective bonus outside legal obligations	1	10	1	10	0%	N/A
	Percentage of employees receiving payments under an incentive scheme or collective bonus outside legal obligations	76%	60%	76%	54%	0%	N/A
	Percentage of employee shareholders	70%	4%	62%	3%	-11%	N/A
	<b>Training</b> (permanent and non-permanent workforce)						
	Total number of training hours	628	166,080	687	175,172	9%	N/A
	Annual training expenditure (in millions of euros)	0.3	5	0.3	4	0%	N/A
	Percentage of employees who attended at least one training course during the year	44%	80%	77%	79%	75%	N/A
	Societal impact	Total amount allocated (in thousands of euros)	779		876		12%
Climate change	<b>Energy consumption excluding fuel</b> (in MWh)						
	Electricity	598	285,670	260	303,771	-57%	N/A
	Steam	0	660,796	0	730,285	-	N/A
	Renewable energies	154	203,956	546	193,994	255%	N/A
	Natural gas	33	581,528	3	676,515	-91%	N/A
	Heavy fuel oil and heating oil	0	6,349	0	1,693	-	N/A
	Coal	0	1,153,285	0	943,800	-	N/A
	Other energy	0	11,223	0	14,204	-	N/A
	Total energy consumption	785	2,902,807	809	2,864,262	3%	N/A
	Energy expenditure (in millions of euros)	0.07	77	0.07	75	0%	N/A
	Share of renewable energies	20%	7%	67%	7%	235%	N/A
	<b>Fuel consumption</b> (in liters)						
	Gasoline	3,416	100,163	3,411	242,100	0%	N/A
	Diesel	1,740	1,321,764	695	1,394,817	-60%	N/A
	Total fuel consumption	5,156	1,421,927	4,106	1,636,917	-20%	N/A
	Fuel expenditure (in thousands of euros)	9	1,564	7	1,698	-22%	N/A
	<b>GHG emissions</b> (in metric tons of CO <sub>2</sub> equivalent)						
Scope 1	19	682,953	10	640,298	-47%	N/A	
Scope 2	108	243,022	101	267,332	-6%	N/A	
Scope 3	6,280	1,965,046	6,973	1,979,273	11%	N/A	
Total (Scope 1 + 2 + 3)	6,407	2,891,022	7,084	2,886,903	11%	N/A	

Potential areas of risk and opportunity	Key performance indicators & results	2018		2019		CHANGE	
		Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies	Eurazeo	Eurazeo and its portfolio companies*
<b>Compliance work and litigation</b> (in thousands of euros)							
Site safety and industrial accident prevention	Environmental compliance work expenses during the year	0	3,748	0	7,940	-	N/A
	Environmental provisions and guarantees	0	3,657	0	4,466	-	N/A
	Fines and compensation paid in respect of environmental litigation	0	136	0	0	-	N/A
<b>Air emissions</b> (in metric tons)							
Substances in the air, water and soil	Sulfur oxide emissions (SO <sub>x</sub> )	0	2,550	0	2,086	-	N/A
	Nitrogen oxide emissions (NO <sub>x</sub> )	9.03	1,405	0.76	1,203	-92%	N/A
<b>CSR certifications</b>							
	Number of CSR certifications	2	26	2	27	0%	N/A
<b>Water consumption</b>							
Responsible use and consumption of resources	Water consumption (in cu.m)	1,375	37,589,762	1,438	37,979,804	5%	N/A
	Amount spent on water consumption (euros)	4,105	3,595,947	4,573	3,653,049	11%	N/A
	<b>Waste production</b> (in metric tons)						
	Hazardous waste produced	-	30,557	-	30,255	-	N/A
	Non-hazardous waste produced	11	13,468	13	14,122	18%	N/A
	Percentage of waste recovered	49%	61%	63%	60%	29%	N/A
	Total waste	11	44,025	13	44,377	18%	N/A
Biodiversity	Share of companies having implemented actions to protect and/or restore biodiversity			-	45%	-	N/A
Anti-corruption/ taxation	Percentage of companies whose anti-corruption system implementation / enhancement is monitored	-	100%	-	100%	-	N/A
Responsible procurement	Percentage of companies which participate in the responsible procurement program	-	53%	-	73%	-	N/A
	Percentage of companies that have rolled out a responsible procurement code of conduct	-	53%	-	68%	-	N/A

\* Annual changes in scopes (investments and divestments) preclude trend analysis between 2018 and 2019.





## 3.4 Methodology

### 3.4.1 SUMMARY OF SCOPES

	Fully-consolidated companies	Equity-accounted associates (excluding companies with shareholding < 5%)	Voluntary companies	Divested companies
2020 CSR strategy	X (in 2019)	X (in 2019)		
Environmental and social impacts improvement program			X	X
Non-Financial Performance Statement	X (in 2019)			

### 3.4.2 2014-2019 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 2019 are as follows (those with an asterisk are included in the non-financial performance statement reporting scope): **2RH\***, **Albingia**, **Groupe C2S\***, **CIFA\***, **CPK\***, **Dessange International\***, **EFESO Consulting\***, **Eurazeo\***, **Eurazeo PME\***, **Europcar Mobility Group**, **Grandir**, **Grape Hospitality\***, **Iberchem\***, **Idinvest Partners\***, **In'Tech Medical\***, **MK Direct\***, **Nest Fragrances\***, **Orolia\***, **Péters Surgical\***, **Planet\***, **Reden Solar**, **Redspher\***, **Seqens\***, **Smile**, **Sommet Education\***, **Trader Interactive**, **Vitaprotech\*** and **WorldStrides\***.

The 2019 reporting scope includes the following changes compared with 2018: due to their divestment in 2019, Elis and Léon de Bruxelles are no longer in the reporting scope; Albingia, 2RH, Groupe C2S, EFESO Consulting, Idinvest Partners and Vitaprotech are included for the first time. To conduct trend analyses between 2018 and 2019, Eurazeo calculated the results of each year for a stable *pro forma* scope. The 2018 results were recalculated including the companies present in the Eurazeo portfolio during the year, with the exception of those sold in 2019. The 2019 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 2018 and 2019 in assessing the results of Eurazeo's CSR strategy on a *pro forma* basis is as follows: CIFA, CPK, Dessange International, Eurazeo, Eurazeo PME, Europcar Mobility Group, Grandir, Grape Hospitality, Iberchem, In'Tech Medical, MK Direct, Nest Fragrances, Orolia, Péters Surgical, Planet, Reden Solar, Redspher, Seqens, Smile, Sommet Education, Trader Interactive and WorldStrides.

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

- divestments during the year are removed from the 2019 reporting scope;
- acquisitions during the year are not taken into account in reporting for 2019. They will be included in 2020 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.

### 3.4.3 ENVIRONMENTAL AND SOCIAL IMPACTS

#### Scope and approach

16 companies are included in the measurement of reduced impacts in 2019: AccorHotels (divested in 2018), Asmodee (divested in 2018), CPK, Elis (divested in 2019), Foncia (divested in 2016), Planet, Seqens and Sommet Education for Eurazeo Capital, Grape Hospitality for Eurazeo Patrimoine, and the Colisée group (divested in 2017), Dessange International, In'Tech Médical, Léon de Bruxelles (divested in 2019), Orolia, Péters Surgical and Vignal Lighting Group (divested in 2018) for Eurazeo PME.

The calculations were carried out over a period extending from the first full year in which Eurazeo held the company until 2019 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.

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

Reduced 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).

## Calculation methodologies

A size unit is chosen to measure the business volume of each company. It is used to calculate a consumption ratio. Where possible, this unit is an operational unit (e.g. kg of laundry washed for Elis, nights for Grape Hospitality, number of students for Sommet Education or number of covers served for Léon de Bruxelles). In the absence of an operational indicator, the calculations were based on revenue.

The consumption ratio for the reference year defines the “basic indicator”. The difference between the ratio for year Y and this “basic indicator” corresponds to improved or worsened performance. By multiplying this difference by the company’s business volume for year Y, we receive the environmental savings for the year in question. Progress was measured and aggregated each year in relation to the reference year.

## Clarifications on indirect impacts

### AccorHotels (divested in 2018): Plant for the Planet

As part of the Plant for the Planet program, hotel guests of the AccorHotels group are encouraged to reuse their towels when staying more than one night. Half of the money saved on laundry is donated to reforestation projects. In 2014, AccorHotels conducted an impact assessment of the Plant for the Planet program since its launch in 2009. It showed that the projects implemented to date will, over a reference period of 100 years, allow the sequestering of 450,000 metric tons of CO<sub>2</sub> equivalent.

### Foncia (divested in 2016): energy efficiency work

Avoided impacts were measured in 2015 thanks to the performance of maintenance work by Foncia to improve the energy performance of buildings. This work resulted in over 210,000 households enjoying total annual savings in excess of €26 million, over €110 million in four years.

### CPK: optimizing goods transport

Since 2019, the Group has approached several suppliers to group together their goods transport and limit the number of trucks on the road. This initiative has helped avoid over 3,000 metric tons of CO<sub>2</sub>. The gains linked to this optimization were evaluated at nearly €500,000.

**More detail on the methodology is available on the Eurazeo website, under the heading Responsibility.**

## 3.4.4 NON-FINANCIAL PERFORMANCE STATEMENT

### Period and frequency

The report covers the calendar year from January 1 to December 31, 2019. Eurazeo’s Non-Financial Performance Statement has been included in its Registration Document every year since 2011.

### Scope

Section 3.2 satisfies the requirements of the Non-Financial Performance Statement and covers Eurazeo and companies fully consolidated in the Eurazeo balance sheets and income statements. This 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.

The portfolio companies 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 2019 with respect to Non-Financial Performance Reporting is as follows: **2RH, Groupe C2S, CIFA, CPK, Dessange International, EFESO Consulting, Eurazeo, Eurazeo PME, Grape Hospitality, Iberchem, Idivest Partners, InTech Medical, MK Direct, Nest Fragrances, Orolia, Péters Surgical, Planet, Redspheer, Seqens, Sommet Education, Vitaprotech and WorldStrides.**

The 2019 reporting scope includes the following changes compared with 2018: due to their divestment in 2019, Léon de Bruxelles and Smile are no longer in the reporting scope; 2RH, Groupe C2S, EFESO Consulting, Idivest Partners and Vitaprotech are included for the first time. These changes preclude trend analysis between 2018 and 2019.

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

- divestments during the year are removed from the 2019 reporting scope;
- acquisitions during the year are not taken into account in reporting for 2019. They will be included in 2020 reporting;
- reporting is broken down by entity; each entity is responsible for producing its non-financial data.

The reporting scope defined by the 2019 Non-Financial Performance Reporting law covers a total of 22 companies, broken down into 91 separate entities in 24 countries, involving over 190 contributors.

### 3.4.4.1 Methodological details relating to risk and opportunity analysis

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

## CSR issues creating risks and 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 3.2.1. 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.

The example initiatives to help illustrate the descriptions of the main issues were chosen based on the materiality of the topic for the company amongst the entire Eurazeo portfolio.

### 3.4.4.2 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 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 validation of the data 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 third party by Eurazeo, reviewed the CSR information published in this report. Its opinion is provided in Section 3.5.

## Choice of Indicators

Eurazeo's choice of CSR indicators is aimed at achieving two main objectives: managing the CSR performance of Eurazeo and its investments, 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 progress. In 2019, 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 Chapter 9, Section 9.7) indicates the cross-references with different standards used:

- the **NFPS (Non-Financial Performance Statement) law**, presented in Section 3.2;
- **Article 173 of the law on the Ecological and Energy Transition**, which establishes the duties of disclosure for institutional investors regarding their management of climate-related risks, and more generally the inclusion of environmental and social parameters in their investment policy;
- the **TCFD** (Task Force on Climate-related Financial Disclosures) which includes 4 guidelines to reinforce transparency on the consideration of climate issues within businesses;
- the **Global Reporting Initiative** standards, an international reference framework for non-financial reporting. Eurazeo voluntarily uses this framework with “essential compliance”;
- the **United Nations Global Compact**, a voluntary commitment framework through which companies are invited to comply with the ten principles covering human rights, labor standards, the environment, and anti-corruption. As a signatory since 2014, Eurazeo offers Advanced reporting on its progress regarding the Compact’s universal principles;
- the **United Nations Sustainable Development Goals (SDG)**, a framework defining global priorities for 2030. Eurazeo uses this framework voluntarily to measure its impacts compared to these pillars;
- the **France Invest Charter of Commitments for Investors in Growth**, which defines 16 commitments to disseminate ESG best practices in the private equity sector. Eurazeo has been a signatory of this charter since its publication in 2008.

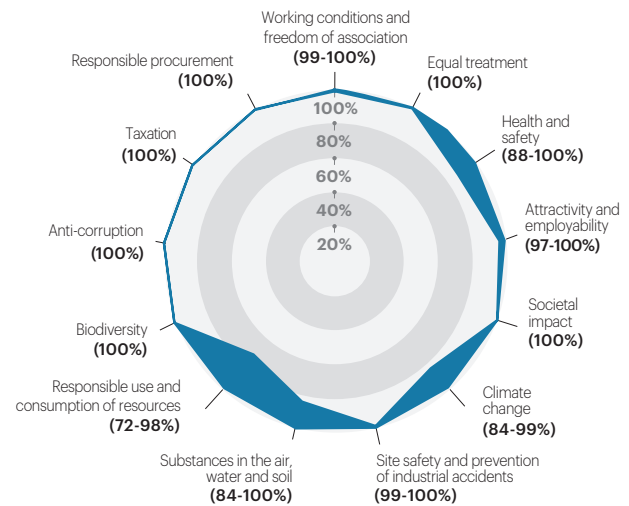
Eurazeo has chosen to incorporate these international and French reference standards into its cross-reference table to make its non-financial statement easier to understand.

### 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.

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



## **3.5 Statutory Auditors' reports**

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

#### **Year ended December 31, 2019**

*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 rev.2 (whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non-financial performance statement for the year ended December 31, 2019 (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 3.4 "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 deontologie*) 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 vigilance 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:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - 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, Idinvest Partners, Grape Hospitality France and Seqens (Novapex, Novacarb, Uetikon, PCAS and consolidation), and covers between 29% 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 2019 and March 2020 and took a total of five 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 16, 2020

One of the Statutory Auditors  
PricewaterhouseCoopers Audit

**David Clairotte**  
Partner

**Sylvain Lambert**  
Partner in charge of the Sustainable  
Development Department

**Annex: List of CSR information that we considered the most important**

Main issues	Sections of the Registration Document regarding policies, actions and associated results reviewed as part of our work
Working conditions and freedom of association	<ul style="list-style-type: none"> <li>● Section 3.2.2.2 Working conditions and freedom of association</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Total number and breakdown of employees"</li> <li>"Percentage of full-time and part-time employees"</li> <li>"Share of companies that have carried out a social barometer in the past three years"</li> <li>"2019 engagement rate"</li> </ul> </li> </ul>
Equal treatment	<ul style="list-style-type: none"> <li>● Section 3.2.2.3 Equal treatment</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Percentage of women"</li> <li>"Percentage of women among managers in the permanent workforce"</li> <li>"Percentage of women on the SB or BD"</li> <li>"Percentage of women in the primary decision-making body"</li> <li>"Share of companies having implemented actions to encourage the employment and integration of disabled employees"</li> <li>"Results from the 2019 Gender Equality Index in France"</li> </ul> </li> </ul>
Health & Safety	<ul style="list-style-type: none"> <li>● Section 3.2.2.4 Health and safety</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Rate of absenteeism"</li> <li>"Frequency rate"</li> <li>"Severity rate"</li> <li>"Percentage of employees with health insurance"</li> <li>"Percentage of employees with personal accident insurance"</li> <li>"Fatalities"</li> </ul> </li> </ul>
Attractivity and employability	<ul style="list-style-type: none"> <li>● Section 3.2.2.5 Attractivity and employability</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Percentage of employees receiving payments under an incentive scheme or collective bonus outside legal obligations"</li> <li>"Percentage of employee shareholders"</li> <li>"Percentage of employees who attended at least one training course during the year"</li> <li>"New hires and departures"</li> <li>"Compensation and benefits in kind"</li> <li>"Number of training hours"</li> <li>"Annual training expenditure"</li> </ul> </li> </ul>
Societal impact	<ul style="list-style-type: none"> <li>● Section 3.2.2.6 Societal impact</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Amount allocated to social and educational patronage (associations and NGOs)"</li> <li>"Amount allocated to think-tanks, forums and institutions"</li> <li>"Amount allocated to cultural patronage"</li> <li>"Amount allocated to professional bodies"</li> </ul> </li> </ul>
Climate change	<ul style="list-style-type: none"> <li>● Section 3.2.3.2 Climate change</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Share 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"</li> <li>"Energy and fuel consumption"</li> <li>"Greenhouse gas emissions (scopes 1, 2 &amp; 3)"</li> </ul> </li> </ul>
Site safety and industrial accident prevention	<ul style="list-style-type: none"> <li>● Section 3.2.3.3 Site safety and prevention of industrial accidents</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Compliance work and litigation (in thousands of euros)"</li> <li>"Environmental compliance work expenses during the year"</li> <li>"Environmental provisions and guarantees"</li> <li>"Fines and compensation paid in respect of environmental litigation"</li> </ul> </li> </ul>
Substances in the air, water and soil	<ul style="list-style-type: none"> <li>● Section 3.2.3.4 Substances in the air, water and soil</li> <li>Indicators:                             <ul style="list-style-type: none"> <li>"Sulfur oxide emissions (SOx)"</li> <li>"Nitrogen oxide emissions (NOx)"</li> </ul> </li> </ul>

Main issues	Sections of the Registration Document regarding policies, actions and associated results reviewed as part of our work
Responsible use and consumption of resources	<ul style="list-style-type: none"> <li>● Section 3.2.3.5 Responsible use and consumption of resources</li> </ul> Indicators: "Percentage of recovered waste" "Water consumption" "Amount spent on water consumption" "Waste production"
Biodiversity	<ul style="list-style-type: none"> <li>● Section 3.2.3.6 Biodiversity</li> </ul> Indicators: "Share of companies having implemented actions to protect and/or restore biodiversity" "Number of underwater structures as part of the coral reef restoration project with Pur Projet"
Anti-corruption/taxation	<ul style="list-style-type: none"> <li>● Section 3.2.4.1 Anti-corruption &amp; Taxation</li> </ul> Indicators: "Percentage of companies whose anti-corruption system implementation/enhancement is monitored" "Percentage of employees likely to be exposed to corruption risk due to their responsibilities within the organization having attended an in-person training course on ethics" "Percentage of other employees having completed online ethics training"
Responsible procurement	<ul style="list-style-type: none"> <li>● Section 3.2.5 Responsible procurement</li> </ul> Indicators: "Percentage of companies which participate in the responsible procurement program" "Percentage of companies that have rolled out a responsible procurement code of conduct"

**Qualitative information (measures and outcomes):**

- Eurazeo and its portfolio companies - Results of the CSR strategy;
- Eurazeo - HR policy and commitments (non-discrimination and equal treatment, employee well-being, 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 portfolio companies - Roll-out of the responsible procurement policy.





### 3.5.2. REASONABLE ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS ON A SELECTION OF LABOR AND ENVIRONMENTAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT

#### Year ended December 31, 2019

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 2019 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, 2019 (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 below 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 2019 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;
  - Idinvest - Paris (management company).

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 Eurazeo entities 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 2019 management report, was prepared in all material respects in accordance with the guidelines used by Eurazeo and applicable in 2019.

Neuilly-sur-Seine, March 16, 2020

One of the Statutory Auditors

PricewaterhouseCoopers Audit

**David Clairotte**

Partner

**Sylvain Lambert**

Partner in charge of the Sustainable Development Department

## 3.6 Vigilance plan

### 3.6.1 INTRODUCTION

Pursuant to Article L.225-102-4 of the French Commercial Code, Eurazeo's vigilance plan aims to cover reasonable vigilance measures to identify risks and prevent serious harm to human rights and fundamental freedoms, personal health and safety and the environment, resulting from Eurazeo activities and the activities of companies which it controls directly or indirectly, as well as the activities of subcontractors or suppliers with which it has an established business relationship, when these activities are linked to this relationship.

This vigilance approach is aligned with the Eurazeo's CSR strategy described in this document in Section 3.1 as well as on the Eurazeo's website in the Responsibility section. All CSR initiatives deployed by Eurazeo internally, with its portfolio companies and suppliers are described in Section 3.2. This chapter 3.6 aims to only cover the specific provisions relating to the Duty of Vigilance Law.

Actions to encourage best practices in the prevention of risks of serious harm to human rights, fundamental freedoms, personal health and safety and the environment in this vigilance plan are reasonable due diligence actions which should be implemented by Eurazeo, Eurazeo's suppliers, companies controlled by Eurazeo and their own suppliers. It is recalled that the companies controlled by Eurazeo have highly diverse activities. Accordingly, the Vigilance Plan cannot be applied uniformly across the entire scope or be considered to cover all the risks of each entity; each company must therefore adapt this plan to reflect its effective risks.

As part of a continuous improvement approach, this plan will be regularly reviewed and there will be close collaboration between the CSR department and the different departments involved: Audit and risks, legal and HR.

### 3.6.2 BASIC PRINCIPLES AND REFERENCES

Eurazeo is an investment company whose controlled portfolio companies operate in over 50 countries in varied contexts and with varied activities likely to present risks covered by the Duty of Vigilance Law.

In addition to compliance with applicable regulations in each of the countries where Eurazeo and its portfolio companies operate, Eurazeo relies on references and basic principles as well as demanding risk management systems.

The vigilance plan is founded first and foremost on Eurazeo's Code of Conduct, which aims to define the key values and principles as part of the Company's development, so that the conduct of all personnel and stakeholders linked to Eurazeo (business partners, shareholders and portfolio companies) can be guided by these core values and principles.

This Code of Conduct underlines Eurazeo's adherence to international standards, particularly the principles of the Universal Declaration of Human Rights, the International Labor Organization (ILO), and the Organization for Economic Co-operation and Development (OECD). This Code of Conduct, which can be viewed on the Eurazeo website, updated in 2018, is given to every Company employee and stakeholder.

Eurazeo also relies on strong CSR and ethical principles which guide its activity as a responsible investor. Since 2014, Eurazeo adheres to and obtained the highest score for the 10 principles of the UN Global Compact regarding respect for Human Rights, international standards on labor, the environment and anti-corruption. Eurazeo is also a signatory of the Principles for Responsible Investment (PRI) since 2009, and has obtained the highest ratings in the "Strategy and Governance" and "Private Equity" categories.

Regarding the fundamental principles with regards to suppliers, the Code of Conduct for commercial relations is the foundation of commitments expected by Eurazeo from its suppliers, particularly in terms of respect for national and international laws and regulations, human rights and the environment.

### 3.6.3 MAPPING, IDENTIFICATION, ANALYSIS AND RANKING OF RISKS

A global CSR risks map has been created as part of the non-financial performance statement and has helped identify 13 major issues for Eurazeo and its portfolio companies. These issues and their identification, ranking and analysis methodology are described on section 3.2.1. They were shared with the management of the portfolio companies.

A more specific map notably including the level of maturity of each company controlled by Eurazeo for the 3 issues covered by the Duty of Vigilance Law will be created gradually from 2020, with an analysis of each of the indicators presented below.

RISK ASSESSMENT INDICATORS	
<b>Human rights and fundamental freedoms</b>	<ul style="list-style-type: none"> <li>● Forced labor</li> <li>● Child labor</li> <li>● Non-respect of freedom of association and collective bargaining</li> <li>● Unequal opportunities and discrimination</li> <li>● Non-respect of international labor standards for migrant workers</li> <li>● Non-respect of data privacy</li> <li>● Excessive working hours</li> <li>● Inadequate social benefits and social security</li> <li>● Harassment and abuse/disciplinary practices</li> <li>● Other</li> </ul>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>● Occupational health and safety risks</li> <li>● Failure to protect the end customer's health and safety</li> <li>● Site safety risks and industrial accidents</li> <li>● Other</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>● Air pollution</li> <li>● Water pollution</li> <li>● Soil pollution</li> <li>● Inadequate waste management</li> <li>● Raw materials/resource depletion</li> <li>● Water scarcity</li> <li>● Destruction of land/ecosystems/biodiversity</li> <li>● Greenhouse gas emissions</li> <li>● Other</li> </ul>

In order to identify the CSR issues linked to suppliers, a specific tool has been developed by Eurazeo. It has been gradually deployed within portfolio companies since 2015. This tool to map and analyze the materiality of CSR risks for a supplier portfolio helps identify and rank the suppliers who require a specific vigilance. This tool is described in Section 3.2.5 of this document. Eurazeo creates and disseminates this tool each year with all new companies joining its portfolio. Each company is responsible for implementing this map.

### 3.6.4 REGULAR EVALUATION PROCEDURES

Eurazeo has a collaborative, pragmatic and constructive CSR approach with its portfolio companies, which respects the autonomy of legal entities.

Systems put in place by companies are evaluated in several stages:

- acquisition due diligence during which Eurazeo systematically includes issues in relation to human rights, health and safety and the environment as described in Section 3.1.1.2 on the criteria studied. The conclusions drawn from these due diligences are

subject to an action plan presented to company management post-acquisition;

- specific interviews conducted post-acquisition to evaluate the Company's actual level of maturity as well as to define an adapted roadmap;
- regular follow-ups during Audit Committee meetings and at least once a year during a Supervisory Board meeting;
- annual feedback of quantitative and qualitative indicators as part of the annual CSR report.

### 3.6.5 ACTIONS ADAPTED TO RISK MITIGATION OR PREVENTION OF SERIOUS HARM

Eurazeo pursues objectives with regard to each issue relating to the Duty of Vigilance Law. These objectives, as well as the risk factors, methods for evaluating these risks and managing these risks are described in Section 4.1.

Specific action plans will be determined gradually for each of the companies controlled by Eurazeo by relying on the fundamental principles and references described in Section 3.6.2.

#### Human Rights

- Promote respect for the fundamental rights of workers and the provision of decent work throughout the supply chain (Section 3.2.2.2 and Section 3.2.5)
- Avoid any discrimination (Section 3.2.2.3)

#### Health and safety (Section 3.2.2.4)

- Ensure that all employees benefit from working conditions that minimize risks to their health and safety
- Ensure that employees are covered by health and death and disability insurance
- Promote well-being to improve performance

#### Environment

- Improve energy performance and obtain energy from renewable or low-emission sources (Section 3.2.3.2)
- Ensure safety for sites, employee and local communities (Section 3.2.3.3)
- Limit discharges and ensure their optimal treatment (Section 3.2.3.4)
- Avoid all pollution likely to harm employees, inhabitants and biodiversity in the short-, medium and long term (Section 3.2.3.4)
- Encourage a reasoned use of resources while promoting the circular economy (Section 3.2.3.5)
- Avoid any activity likely to damage biodiversity (Section 3.2.3.6)

Regarding suppliers, Eurazeo encourages companies in which it is a shareholder to formalize and disseminate a responsible procurement charter (or code of conduct for business relations) and to deploy the means to control the implementation of a responsible procurement approach. Priority supplier audit plans identified through a materiality analysis are determined for each portfolio company.

### 3.6.6 WHISTLEBLOWING SYSTEM

Eurazeo encourages each employee to be active in preventing and detecting the risk of a breach of the Group's principles and values.

The workplace whistleblowing system put in place by Eurazeo allows any employee to exercise their whistleblowing right. This right allows employees to report violations of domestic law and international agreements ratified by France or serious threats or harm to the general interest, as well as conduct or situations that are contrary to the Company's Code of Conduct, or any infringement of human rights and fundamental freedoms, personal health and safety and the environment.

This system is secure and its purpose is to guarantee the confidentiality of any notification from an employee acting as a whistleblower.

As part of the application of the Duty of Vigilance Law, Eurazeo encourages controlled companies to implement their own whistleblowing systems.

### 3.6.7 MEASUREMENT MONITORING SYSTEM

In order to ensure the continued deployment of the vigilance plan, Eurazeo relies on existing monitoring procedures and tools and those being developed for human rights, health and safety and the environment made available to controlled companies.

The existing CSR reporting system will allow annual monitoring as well as the addition of specific indicators to monitor the implementation of the action plans. The objective is to strengthen the effective deployment of measures within all relevant entities.

This monitoring will be by the CSR Department and also shared during Eurazeo SE Audit Committee's meetings and at least once a year with the Supervisory Board.

Information on monitoring indicators will be more specifically developed in the 2020 vigilance plan to establish a deployment review but also the effectiveness of measures from the end of the first year of implementation of the vigilance plan.