

03. 

Eurazeo Corporate Social Responsibility

01

02

03

04

05

06

07

08

09

3.1 ESG Strategy	58
3.1.1 Eurazeo is stepping up its commitment to ESG with O+	58
3.1.2 Climate: reach carbon net neutrality by 2040	59
3.1.3 Inclusion: promote a more inclusive economy	61
3.1.4 ESG integrated across the investment cycle	63
3.1.5 A recognized commitment	70
3.2 Non-financial Performance Statement	74
3.2.1 Summary table of risks and opportunities	74
3.2.2 Social and employee-related matters	75
3.2.3 Environmental matters	88
3.2.4 Ethics	99
3.2.5 Respect for human rights	101
3.3 Table of indicators	103
3.4 Methodology	106
3.4.1 Scopes	106
3.4.2 Environmental and social impacts	106
3.4.3 SDG assessment	107
3.4.4 Climate risks	109
3.4.5 Non-Financial Performance Statement	110
3.4.6 European regulations on sustainable finance	112
3.5 Statutory Auditors' reports	113
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	113
3.5.2. Reasonable assurance report by one of the Statutory Auditors on a selection of social and environmental information provided in the management report	117
3.6 Vigilance plan	118
3.6.1 Introduction	118
3.6.2 Fundamental principles and references	118
3.6.3 Mapping, identification, analysis and ranking of risks	119
3.6.4 Regular evaluation procedures	119
3.6.5 Actions adapted to risk mitigation or prevention of serious harm	120
3.6.6 Whistleblowing system	120
3.6.7 Measurement monitoring system	120

3.1 ESG Strategy

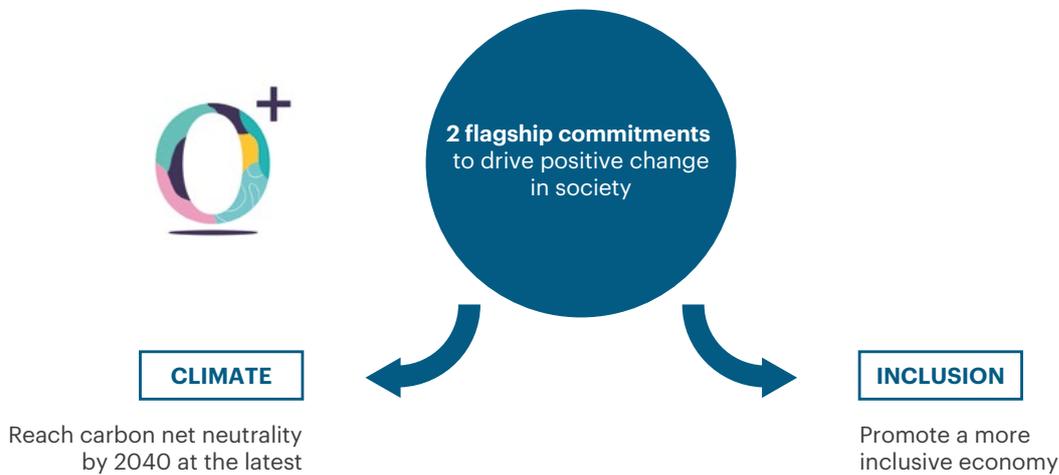
3.1.1 EURAZEO IS STEPPING UP ITS COMMITMENT TO ESG WITH O+

Eurazeo is one of the first investment groups to have incorporated sustainable development into its business through a proactive ESG (Environment, Social, Governance) strategy since 2008. ESG is an assurance of sustainability and performance for Eurazeo and its portfolio companies. Throughout the investment cycle, it fully contributes to their selection, transformation and sustainable growth.

Eurazeo has stepped up its ESG commitment with its O+ strategy, a new step to drive positive change in society by working toward shared and sustainable prosperity.

O+ has two main pillars: reach carbon net neutrality by 2040 at the latest and promote a more inclusive economy. It is strengthened by a principle of action to progress on all ESG dimensions, as defined by the Sustainable Development Goals of the United Nations (SDGs).

The Eurazeo Group strives to combine economic growth with social progress, a lower environmental footprint, balanced governance and value creation. To do so, Eurazeo provides its investments with the necessary time, resources and expertise.



A PRINCIPLE OF ACTION TO PROGRESS ON ALL ESG DIMENSIONS



3.1.2 CLIMATE: REACH CARBON NET NEUTRALITY BY 2040

It is now agreed that there is a link between greenhouse gas (GHG) emissions, human activities and climate change. Climate change generates heightened risks for health, food safety, water supply, personal safety and economic development. The activity of businesses and their entire value chain are directly impacted: decline of ecosystems, scarcity of resources, multiplication of natural disasters, etc. We can no longer ignore climate change and its repercussions.

3.1.2.1 INVEST IN THE FAST-GROWING, LOW-CARBON ECONOMY

The demand for low-carbon economy will open up new investment opportunities creating maximum value. New markets and new offers will be created to satisfy a demand that is increasingly concerned about the climate emergency. Aware of the challenges and opportunities arising from a low carbon economy, Eurazeo is boosting its investments in assets with high GHG emission reduction potential.

By way of illustration, the Eurazeo Sustainable Maritime Infrastructure (ESMI) fund was set up to support and accelerate the decarbonization and energy transition of the maritime sector by financing innovative and sustainable technologies for maritime assets, equipment and infrastructures. In its Real Assets division, Eurazeo also hired a team dedicated to investing in sustainable infrastructures to accelerate the ecological transition. This team

3.1.2.2 REDUCE EXPOSURE TO CARBON COST RISK

Eurazeo aims to align its activities with a scenario limiting global warming to a well below 2°C threshold and has set an ambitious target of carbon net neutrality by 2040 at the latest. This commitment resulted in the filing of reduction targets calculated using the world renowned scientific methodology: Science-Based Targets Initiative (SBTi).

Measure and reduce Eurazeo's footprint

To achieve carbon net neutrality by 2040, Eurazeo has defined its decarbonization targets for scope 1, 2 and 3, with the Science Based Targets Initiative. Eurazeo undertakes to reduce its scope 1 and 2 emissions by 80% per employee by 2030.

Private equity firms have a key role to play due to their ability to invest in and support businesses and therefore have a multiplier effect in the fight against climate change. As a leading international Group, Eurazeo seeks more than ever to boost the transition towards a low-carbon economy.

specializes in supporting ongoing changes in Europe, which require renewable, decarbonized, competitive and digital energy in a data-driven economy which will improve the effective use of real assets. Through all its business divisions, Eurazeo also finances companies whose products and services contribute to decarbonizing the economy.

In addition to financing companies that focus on low-carbon transition, Eurazeo rolls out pioneering investment strategies to finance "positive solutions". Eurazeo was shortlisted by the French Insurance Federation (FFA) and the Caisse des Dépôts to manage the Nov Santé Actions Non Cotées fund dedicated to developing the French Care hub of excellence.

Eurazeo's SBTi climate commitments have three key phases: measure and reduce Eurazeo's carbon footprint, that of the portfolio and balance its residual emissions.

Some of these emissions will be reduced by supplying renewable energy to all the Group's sites.

Eurazeo results ⁽¹⁾



56%

**% of the energy consumed
from renewable sources**



7,521

**tons of CO₂ equivalent
emitted in 2020 (Scope 1, 2, 3)**



-27%

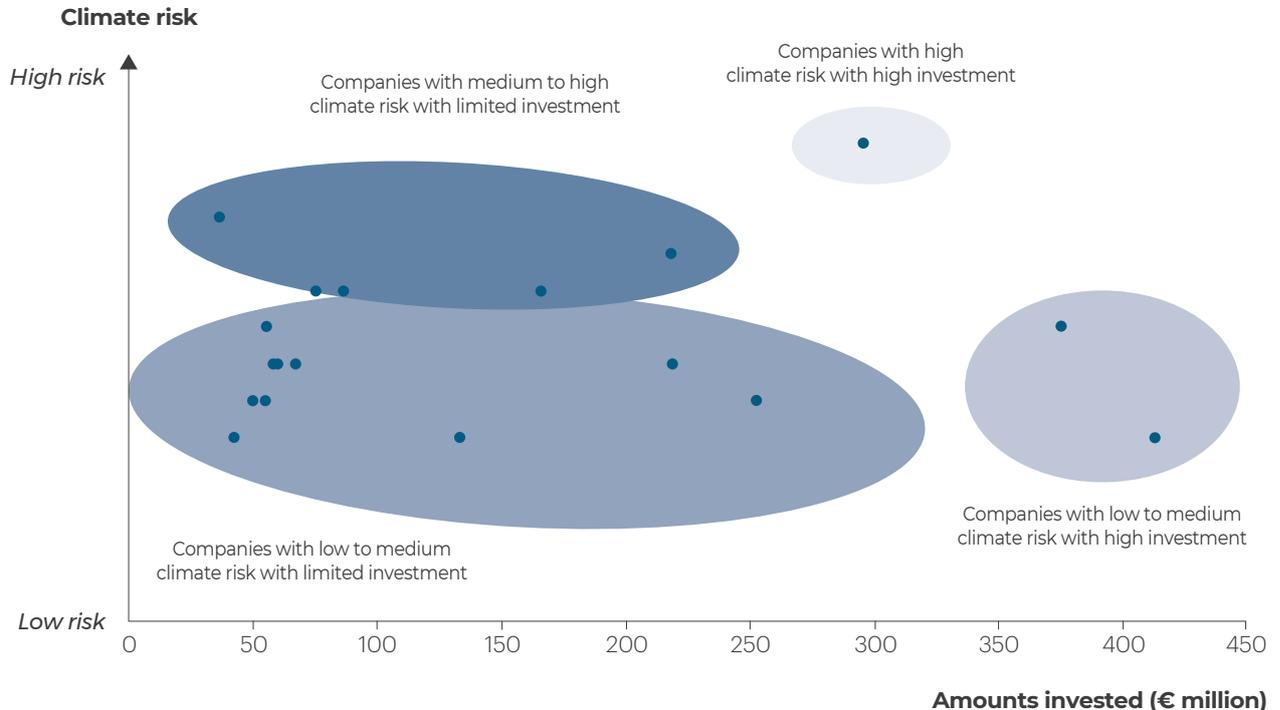
**of tons of CO₂ equivalent
emitted compared to 2019**

03

Measure and reduce the portfolio's footprint

To boost its impact in combating climate change, Eurazeo mobilizes and encourages the companies that it finances to decarbonize their activities. A key prerequisite to any efficient action, Eurazeo provides all its companies with tools designed to measure and monitor their greenhouse gas (GHG) emissions for scope 1, 2 and 3.

Eurazeo also conducts an extensive analysis of its investments' exposure to climate risks (physical and transition risks). This work is supported by the recommendations of the TCFD (Task Force on Climate-Related Disclosure), which calls on the financial sector to give greater consideration and transparency regarding climate issues. The scope ⁽²⁾ and methodology are detailed in the appendix (see Section 3.4.4).



(1) The data relating to Eurazeo covers Eurazeo's activities in France, China, the United States and Luxembourg, as well as the activities of Eurazeo PME and Idivest Partners in France, as presented in the methodology note 3.4.

(2) The data relating to the portfolio covers the companies that are fully consolidated in the Eurazeo balance sheets and income statements as presented in methodology note 3.4.

Balance residual emissions

Eurazeo's primary objective is to reduce its GHG emissions. However, to become carbon net neutral, Eurazeo balances its residual emissions by financing sequestration projects in order to gradually reduce them.

Furthermore, on December 20, 2019, Eurazeo renewed the syndicated credit line. This new facility has been indexed against ESG performance criteria. If the criteria are fulfilled, the margin calculation will give rise to savings on fees that Eurazeo has pledged to put toward funding projects to reduce greenhouse gas emissions, certified by recognized organizations (see Section 5.15).

3.1.2.3 MEASURE CARBON FOOTPRINT THROUGHOUT THE INVESTMENT CYCLE

Under its exclusion policy, Eurazeo decided to exclude those companies which contribute the most to climate change from its investment scope. Companies whose main activity is the production or sale of coal, oil, gas or palm oil are excluded (more information in the exclusion policy on the Group's website).

During the due diligence phase, Eurazeo undertakes to factor the carbon variable in all its investment business plans. All Private Equity due diligences also include a climate risk analysis. This practice is gradually rolled out across all investment divisions.

In terms of financing, in 2020 Eurazeo negotiated the first unitranche backed by 5 ESG criteria, including the annual measurement of the carbon footprint.

3.1.3 INCLUSION: PROMOTE A MORE INCLUSIVE ECONOMY

Eurazeo believes that companies can be a key vector of positive change in society. In keeping with this goal, Eurazeo encourages the businesses that it finances to achieve gender equality, improve

the protection and well-being of employees, share value creation and combat inequality.

3.1.3.1 END GENDER INEQUALITY

Eurazeo observes its gender diversity and equality commitment right from the recruitment process. The HR team systematically asks recruitment agencies to submit applications from equal numbers of men and women for available positions. Specific focus is given to women at key moments of their career. Eurazeo also promotes specific cross-mentoring programs for women in the Private Equity industry. Eurazeo is a founding member of the France LEVEL 20 committee launched in 2019.

Eurazeo became a signatory to the France Invest diversity charter in March 2020. Private equity firms undertake to promote gender

equality in management companies and in their investments. In addition to its achievements, Eurazeo has set objectives for 2030:

- 40% for the least represented gender in the executive positions.
- Difference of less than 20% between both genders in the entire workforce.
- Gender Diversity Index (Pénicaud-Schiappa) greater than or equal to 85/100.
- Maintain a representation greater than or equal to 40% for the least represented gender in the Supervisory Board.

Eurazeo results ⁽¹⁾

44%

**Percentage
of women**

in management teams

25

**Number
of nationalities**

30%

**Percentage
of women**

in investment teams

30%

**Percentage
of women**

in executive positions

86/100

**at the Gender
Diversity Index**

(1) The data relating to Eurazeo covers Eurazeo's activities in France, China, the United States and Luxembourg, as well as the activities of Eurazeo PME and Idivest Partners in France, as presented in the methodology note 3.4. Management teams include Managing Partners, Partners, Managing Directors and directors of Corporate departments. The 86/100 rating corresponds to Eurazeo SE's result in the Gender Diversity Index.

3.1.3.2 DRIVE ACCESS TO HEALTHCARE COVERAGE AND VALUE CREATION

Eurazeo seeks to extend health, death and disability insurance to all the companies in which it is shareholder. Eurazeo focuses on allowing employees to benefit from the Company's performance and seeks to ensure that 75% of portfolio company employees can benefit from a value creation sharing scheme. Furthermore, ESG criteria have been taken into account since 2017 for the calculation of the variable compensation of Executive Board members, and more particularly since 2020 when ESG strategy

objectives were factored into the individual assessment representing 15% of this variable compensation. Since 2019, ESG criteria have also been taken into account for the calculation of the variable compensation of all Partners Committee members with specific objectives depending on their scope of responsibility. For more details, refer to Section 5.8.2.2.1.

3.1.3.3 CHAMPION EQUAL OPPORTUNITY AND PHILANTHROPY

The Eurazeo Group started to pursue a proactive sponsorship policy in 2004. Eurazeo has since invested over €9 million in its philanthropy programs and supported 37 organizations. In 2015, Eurazeo refocused its efforts on education and the protection of young people. Over 260,000 children and young people have since benefited from the programs financed by Eurazeo.

To boost the impact of its sponsorship policy and inject additional financial resources, Eurazeo set up an endowment fund in November 2020 with a non-profit philanthropic, social and educational purpose. Its initial objectives include protecting

children, improving access to education and enabling young people to benefit from school or vocational training, whatever their nationality, age, background or origins, living in France or countries in which the Group operates.

Beyond its societal impact, the purpose of the Eurazeo fund is also to its employees to contribute to societal projects. Since 2015, the sponsorship program has enabled employees to become involved with students and young entrepreneurs and contribute to key projects developed by the supported associations.

Covid-19: solidarity measures

In April 2020, with the support of its core shareholders, Eurazeo announced the creation of a €10 million solidarity fund to buy and donate products and services from its investee companies to support organizations helping the most vulnerable communities affected by the Covid crisis and help any employees of Eurazeo

and its subsidiaries in urgent need. The members of the Eurazeo Executive Board took part in the overall scheme by contributing up to 10% of their 2019 annual variable compensation collected in April 2020 to the solidarity plan.

3.1.4 ESG INTEGRATED ACROSS THE INVESTMENT CYCLE

ESG is integrated at all stages of the investment cycle:

- During the identification phase, Eurazeo carries out ESG 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 deploy ESG essentials and perform an annual ESG reporting to measure the deployment, progress and results of ESG programs;
- During the divestment phase, Eurazeo communicates ESG performance elements to potential buyers through the integration of ESG data in datarooms or via vendor due diligence.

Objectives ⁽¹⁾	2020	2019
100% of due diligence in the advanced study phase of acquisitions to incorporate an ESG section	100%	100%
100% of companies to perform ESG reporting	100%	100%
100% of divestment operations to incorporate ESG information	100%	100%

Roll-out of the ESG strategy in each stage of the investment cycle



EXCLUSION POLICY

Sectorial: weapons, coal and oil, tobacco, narcotics, gambling, fur, alcohol, nuclear, GMOs, net fishing, palm oil, pesticides (materiality thresholds can apply cf. Exclusion policy)
Practices: corruption, money laundering, forced labor, violation of human rights, child labor...

CLIMATE AND ESG ASSESSMENT

For all investment committees:

- Climate and ESG assessment
- SDG materiality assessment
- Integration of ESG risks and opportunities

LEGAL DOCUMENTATION

100% of shareholder agreements integrate ESG audit and report clauses
Signature of an “ESG manifesto” by all investments

ESG ACCELERATION

Implementation of “ESG Essentials” progress plans with dashboards
Adoption of tools and webinars on specific topics

ANNUAL REPORTS

ESG indicators collected annually from companies
Impact and progress measured and published

ENGAGEMENT & VOTING POLICY

Continuous support as board members
Voting reports published in annual reports

ESG INFORMATION

Integration of ESG data into datarooms

(1) The data relating to the portfolio covers the companies that are fully consolidated in the Eurazeo balance sheets and income statements as presented in methodology note 3.4.

3.1.4.1 PRE-INVESTMENT

Sector and standard exclusions

Eurazeo has adopted an ambitious and balanced approach to accelerate the transition to a low-carbon economy and contribute to “positive solutions”. As part of its exclusion policy, Eurazeo has singled out two sector categories:

- The first category encompasses certain sectors whose negative direct or indirect impacts are incompatible with its strategy as a responsible investor or cannot be overcome through transformation. Eurazeo will not invest in these sectors. For example, the pornography sector.
- The second category encompasses sectors for which a materiality threshold has been determined. This approach is used to prevent the exclusion of companies whose revenue is less than 20% for the relevant sectors. If a company meets the aforementioned exclusion criteria, Eurazeo is prepared to support the company in transforming its activities provided that the transformation goals are formalized to ensure compliance as soon as possible.

The list of sectors included in the exclusion policy is periodically revised to take into account any socio-environmental changes.

In addition, certain identified practices are also banned: corruption, money laundering, violations of human rights, activities in war-torn areas and breaches of International Labor Organization principles, i.e.:

- Freedom of association and effective recognition of the right to collective bargaining
- Elimination of all forms of forced and compulsory labor
- Effective abolition of child labor
- Elimination of discrimination in respect of employment and occupation.

Criteria examined and information used in the due diligence phase

During the due diligence phases, Eurazeo's goal is to identify and analyze the main ESG 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;
- The adverse impact indicators included in the draft regulatory technical standards related to Regulation (EU) 2019/2088 (“Disclosure” regulation).

Themes studied

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

The icons presented above correspond to the United Nations' 17 Sustainable Development Goals, a reference framework adopted by Eurazeo to address all ESG aspects.

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 may be carried out in the form of interviews with experts, due diligence conducted by external firms, and site audits.

Analysis and perspective

The careful appraisal of a target acquisition in respect of ESG issues increases the ability to forge strong convictions in the selection of investments. The objective is to analyze the target company from three angles:

- The ESG performance of the target company itself;
- The positioning of the Company in relation to its business sector and its competitors;
- Stakeholder expectations.

This analysis is used to identify the most significant ESG issues and opportunities and the performance of the Company and its sector, primarily in climate issues (see Section 3.1.2.3).

Restitution to stakeholders

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

- The investment team in charge of the acquisition to jointly 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 ESG action plan.

Financing

After having indexed its syndicated credit facility to ESG criteria in 2020, Eurazeo negotiated the first ESG unitranche for one of its investments. Backed by 5 ESG criteria, the margin from this financing will be reviewed annually depending on the achievement

of those objectives. A second financing backed by ESG clauses was signed in 2020. Eurazeo seeks to develop this practice for its direct investing and debt activities.

3.1.4.2 HOLDING PERIOD

ESG road map

To help portfolio companies integrate ESG into their business model and move forward, Eurazeo has developed a progress plan which is adapted to any company, whatever their size and level of ESG maturity. Built across 4 levels – bronze, silver, gold and platinum – the plan integrates 20 “ESG essentials” that help to elaborate a gradual yet efficient and comprehensive ESG

approach. This system also helps to define the target level required for companies in which Eurazeo is the majority shareholder, i.e. gold, in compliance with the Group's ambitions and regulatory requirements.

“ESG essentials”: four levels to build an efficient ESG approach

2 SILVER LEVEL

- ESG Coordinator
- 40% of the other gender at board level
- **85/100 at Pénicaud-Schiappa** (French companies only)
- Health, life and disability insurance for all
- Profit sharing scheme for all⁽¹⁾
- Green energy for all offices



4 PLATINUM LEVEL

- ESG criteria in management remuneration scheme
- Carbon neutrality trajectory
- 40% (2030) - 50% (2040) of the other gender at management levels
- 75% (2030) - 100% (2040) of industrial facilities using green energy

1 BRONZE LEVEL

- Eurazeo ESG manifesto signed
- ESG reports
- Carbon footprint
- SDGs assessment
- ESG on the agenda for board meetings

3 GOLD LEVEL

(required for investments in which Eurazeo is majority shareholder)

- 30% of independent board members
- Audit & remuneration Committees set up
- ESG objectives, incl. CO₂ and SDG targets
- Duty of care plan
- Business ethics and anti-corruption program

(1) At least 75% of employees benefits from a profit sharing scheme.

To support the development of ESG skills in the companies that it finances, Eurazeo organizes monthly webinars. Experts regularly discuss topics such as climate change, sustainable digital technology or new consumer expectations. Nine webinars were organized in 2020, bringing together more than 150 participants. To increase the streaming of these webinars, in 2020 Eurazeo developed EurazeoConnect, a digital platform open to all portfolio

companies. A community focusing on responsibility and impact enables the ESG managers of companies to access all the documentation, tools and training offered by Eurazeo. For example, the platform includes an ESG reporting tool, a carbon calculator and a supplier ESG rating tool.

The United Nations Sustainable Development Goals (SDGs)

In addition to its commitment to carbon net neutrality and inclusion, the Group seeks to address ESG challenges based on a holistic approach. Accordingly, Eurazeo supports the international reference framework of the United Nations Sustainable Development Goals (SDGs).

The SDGs constitute a comprehensive blueprint to tackle the challenges facing the world in terms of social, environmental and economic development. Adopted in 2015 by the United Nations Member States, the SDGs are made up of 17 goals.

SDG impact of operations

A company can generate a negative or positive impact depending on how it conducts its business. Eurazeo selected seven primary SDGs to assess company operations:

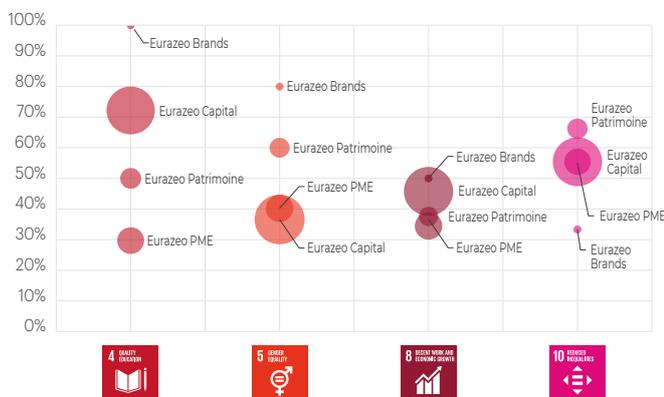
- Quality education (SDG 4)
- Gender equality (SDG 5)
- Decent work (SDG 8)
- Reduced inequalities (SDG 10)
- Responsible consumption and production (SDG 12)

The purpose of analyzing businesses according to the SDGs is to identify positive contributions and negative impacts (or obstruction) of the company's activities. Eurazeo conducts this assessment for company operations and for products and services. This measurement is systematically conducted for each investment case to clarify the decision-making process and define ESG progress plans during the holding phase.

- Climate action (SDG 13)
- Peace, justice and strong institutions (SDG 16)

The contribution to the SDGs of the companies in which Eurazeo is a shareholder is mapped below. It should be noted that a positive impact does not balance a negative impact, as each type of impact is assessed separately. Bubble size represents the amounts invested; the detailed scope ⁽¹⁾ and methodology are presented in Section 3.4.

Positive impact through operations



Mitigation of operations negative impacts



Chart keys:

- positive impact through operations: the score presented in the chart is the relative score compared to the maximum contribution score that can be achieved with regard to the assessment methodology (i.e. 100%). For example, a relative score of 50% indicates that 50% of the maximum contribution objective has been achieved, with the main goal being to reach 100%.

- mitigation of the negative impacts of operations: the score presented in the chart is the relative score compared to the maximum obstruction score that can be achieved with regard to the assessment methodology (-100%). For example, a score of -20% indicates that 80% of the negative impacts have been mitigated, with the main goal being to reach 0%.

(1) The data relating to the portfolio covers the companies that are fully consolidated in the Eurazeo balance sheets and income statements as presented in methodology note 3.4.

SDG impact of products and services

A company also generates negative and positive impacts through the products and services it produces or sells. The assessment is specific to each company, as products and services have specific types of impact according to their nature and means of production. By way of example, the logistics service offering, such as goods transport, has a negative impact on climate change due to the CO₂ emissions generated by the performance of the service. The weight of this negative impact varies according to the type of vehicle used, the distances covered, load weight, etc.

Here is an assessment of the contributions of a portfolio's products and services, weighted by the invested amounts. The portfolio's investments demonstrate a positive impact on health (SDG 3) through the investments in Groupe C2S, Intech, Peters Surgical and Seqens and education (SDG 4) with Sommet Education and WorldStrides.

The negative impacts are more striking for SDG 12 relating to responsible consumption and production which aims to ensure sustainable management of resources, a well-reasoned use of chemicals and waste reduction. The detailed scope and methodology are presented in Section 3.4 ⁽¹⁾.

POSITIVE



NEGATIVE



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 link between the financial value created and ESG programs. In order to guarantee the quality of assessment, this method was developed with a specialized firm.

Over the last ten years, ESG programs have generated savings of around €263 million. They also enabled reductions of 1.5 million metric tons of CO₂ equivalent in emissions, nearly 12 million cubic meters in water, more than 3,100 GWh in energy and nearly 480,000 hours of absence. This methodology is presented in Section 3.4.2.

Engagement policy

The Eurazeo Group invests in companies for the long term. As a genuine partner, the Group maintains regular dialogue with the leadership teams of the companies in which it invests, in particular during Board of Directors' or Supervisory Board meetings. The Group has adapted its strategy of dialogue and engagement with the companies it finances through debt instruments to take into

account its more limited role as lender in the company's governance. The Group primarily manages unlisted assets. However, its Engagement policy regarding shares traded on a regulated market is rolled out through the Voting policy, for which reports are published each year.

(1) The data relating to the portfolio covers the companies that are fully consolidated in the Eurazeo balance sheets and income statements as presented in methodology note 3.4.

3.1.4.3 VALUE ENHANCEMENT

During the divestment phase and depending on the materiality of the issues, an ESG overview is carried out and transmitted to the buyer to report on the progress achieved since the acquisition and the non-financial performance of the sold company.

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	
Governance	2014: Acquisition of the Group by Eurazeo PME	- Appointment of a CSR manager - 1 st 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		End of 2018: Group divestment
Social			- 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	
Environment			- 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	
Procurement			- 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	

3.1.5 A RECOGNIZED COMMITMENT

3.1.5.1 HISTORY OF THE CSR COMMITMENT

- ▲ 2004: Sponsorship program
- ▲ 2008: Portfolio ESG assessment (first edition)
- ▲ 2008: Creation of the ESG Department
- ▲ 2009: Stakeholders mapping (first edition)
- ▲ 2009: UN PRI signature
- ▲ 2009: Publication of the ESG charter
- ▲ 2010: Integration of ESG criteria in the investment process
- ▲ 2010: Group and portfolio ESG reporting (first edition)
- ▲ 2011: ESG reporting directly to an Executive Board member
- ▲ 2011: Responsible investment policy (first edition)
- ▲ 2012: First distinction by a non-financial index
- ▲ 2013: Methodology sharing program in open source
- ▲ 2014: Eurazeo's diversity program
- ▲ 2014: Publication of the 2014-2020 ESG strategy
- ▲ 2014: Creation of the CSR Committee of the Supervisory Board
- ▲ 2014: United Nations Global Compact Signature
- ▲ 2015: Integrated report (first edition)
- ▲ 2015: Publication of a Code of Conduct
- ▲ 2015: Launch of the Responsible Procurement program
- ▲ 2015: Focus of the sponsorship program on education
- ▲ 2015: Impact measurement (first edition)
- ▲ 2015: Co-foundation of the "Initiative Climat International" (formerly iC20) during COP 21
- ▲ 2016: Response to CDP's climate questionnaire (first edition)
- ▲ 2017: ESG criteria in the variable compensation of the Executive Board
- ▲ 2017: Stakeholder consultation campaign
- ▲ 2017: Socioeconomic footprint (first edition)
- ▲ 2017: Signing of the Shift Project
- ▲ 2017: Climate reports by funds (first edition)
- ▲ 2018: TCFD reporting (first edition)
- ▲ 2018: Portfolio SDG assessment (first edition)
- ▲ 2019: Signing of the French Business Climate Pledge
- ▲ 2019: Participation in the Investor Agenda initiative
- ▲ 2019: ESG criteria in the variable compensation of the Partners Committee
- ▲ 2019: Fund carbon intensity (first edition)
- ▲ 2020: New ESG strategy O⁺
- ▲ 2020: Publication of the exclusion policy
- ▲ 2020: Creation of a Eurazeo Endowment fund
- ▲ 2020: Creation of the Covid solidarity fund
- ▲ 2020: Commitment to the Science Based Targets Initiative
- ▲ 2020: ESG Managing Partner appointed to the Partners Committee
- ▲ 2020: Launch of Connect, ESG knowledge sharing platform for portfolio companies

3.1.5.2 RATING AGENCIES

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

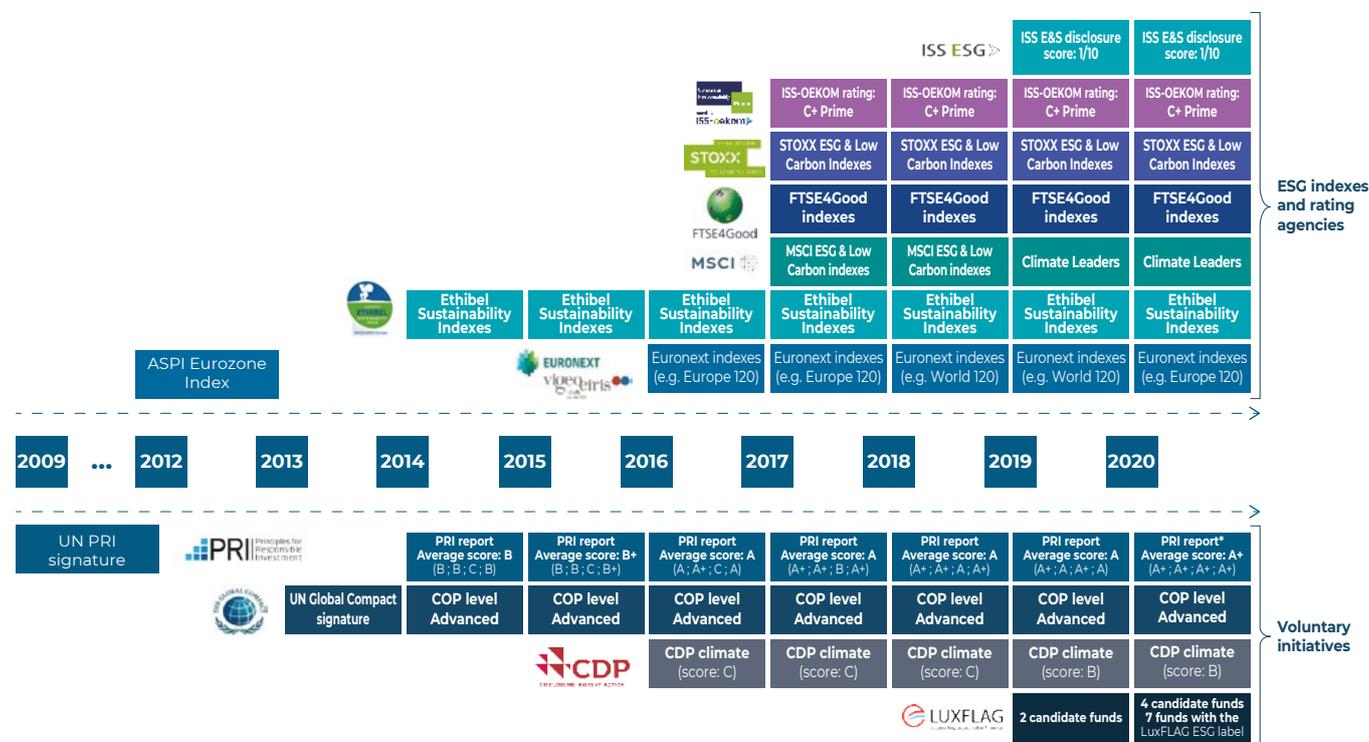
Being part of these indices is increasingly important, as there is growing demand by individual and institutional investors for responsible investment products and securities.

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 ESG: Ethibel Sustainability Index (ESI), Euronext Vigeo, FTSE4Good, MSCI ESG Leaders and Cimate Change and STOXX, Low Carbon and ESG Leaders.

Eurazeo, rated C+, is considered a leader in its sector in ESG by ISS, 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 achieved the maximum score (A+) in each of the four UN PRI - Principles for Responsible Investment - assessment categories relating to its businesses: Strategy & Governance, Private Equity (indirect), Fixed Income (direct), Private Equity (direct). In each of these categories, Eurazeo’s scores therefore exceed the median score for its sector.

In 2020, Eurazeo also received a B score in the CDP climate change rating, exceeding the European average.



* First report consolidating Eurazeo and Idinvest

3.1.5.3 AWARDS, INITIATIVES AND RECOGNITION

- 2020: Winner of the **Swen Multi-strategy Investment Platform award**.
- 2020: Eurazeo present in the Science-Based Targets “Financial sector Science-Based Targets guidance”.
- 2019: Signing of two initiatives:
 - “**French Business Climate Pledge**” supported by MEDEF and 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: **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 decarbonization 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 the Venture Capital activity.
- 2016 and 2018: Winner of the **Swen ESG Best practices Honors** for the Private Debt activity.
- 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 2020, Sophie Flak, Managing Partner and ESG and Digital Director joined the **EFRAG (European Financial Reporting Advisory Group)** non-financial reporting standards task force.
- In 2019, Noëlla de Bermingham, Eurazeo's Deputy Head of ESG, was appointed to the **Principles for Responsible Investment's** Private Equity Advisory Committee (PRI PEAC).
- Since 2019, Benoist Grossmann, Senior Managing Partner and Chief Executive Officer of Idinvest Partners in charge of venture and growth activities, has been co-President of **France Digitale**, which works on impact and diversity issues within the Tech community in Europe.
- Since 2019, Caroline Hadrbolec, Managing Partner and Human Resources Officer, has been a member of the France committee for the **LEVEL 20** initiative, which aims to improve female representation in Private Equity.
- From 2018 to January 2021, Sophie Flak, Managing Partner and ESG and Digital Director, was a member of the **CNUM (Conseil National du Numérique)**, mainly contributing to work relating to ecology and the digital sector.
- 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 ESG, is in charge of the initiative's coordination and steering. This initiative has been supported by the PRI since 2018.
- With a long-standing commitment to ESG, Olivier Millet, member of the Eurazeo Executive Board, set up in 2009 the **France Invest** Sustainable Development Club which became the ESG (Environment/Social/Governance) Commission that he chaired for 6 years until 2015. Through these bodies, he contributed to societal commitment approaches and measures for the French private equity sector. He participated in France Invest's signing of the PRI (UN Principles for Responsible Investment) in 2013, and in the preparation of the association's new professional charter in 2014. Olivier is also Chairman of the France Invest association's Appointments Committee and was Chairman of the Association from June 2016 to June 2018. He was also a member of the **MEDEF** (Mouvement des entreprises de France) Executive Committee from 2018-2020 as well as the Committees for New Entrepreneurial Responsibilities and Ecological and Economic Transition. In the latter committee, he chaired the Sustainable Finance and Non-Financial Performance working group.

Other commitments

- In 2020, signing of the **France Invest Diversity charter** promoting gender-balanced representation within the Private Equity sector and across their portfolios.
- In 2019, signing 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 2015, roadshows specifically dedicated to SRI (Socially Responsible Investment) have been organized to meet specialized SRI investors. Two SRI roadshows were organized in 2020.
- In 2004, Eurazeo launched a corporate **sponsorship program** and has since supported 37 associations with a budget of €9 million. **Focused on education** since 2015, this program supports over 260,000 young people. The year 2020 marked a new chapter with the creation of the Eurazeo Endowment fund.

3.2 Non-financial Performance Statement

→ Details relating to this section

This section meets the requirements of the Non-Financial Performance Statement, covering companies that are fully consolidated by Eurazeo. The comprehensive methodology is available in Section 3.4.

The list of investments reviewed in respect of 2020 and included in the non-financial performance statement reporting scope is as follows: **2Ride Group, Groupe C2S, CPK, Dessange International, EFESO Consulting, Elemica, Eurazeo, Eurazeo PME, Grape Hospitality, Idinvest**

Partners, Intech, MK Direct, Nest New York, Orolia, Péters Surgical, Planet, Redspher, Seqens, Sommet Education, Vitaprotech and WorldStrides. The 2020 reporting scope includes the following changes compared with 2019: following their divestment in 2020, CIFA and Iberchem are no longer included in the reporting scope. Elemica was recently added. These changes preclude trend analysis between 2019 and 2020.

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. ESG 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 ESG issues creating risks and opportunities.

The analysis methodology is explained in Section 3.4.

	MAIN ISSUES CREATING RISKS AND OPPORTUNITIES FOR EURAZEO	UNSUSTAINABLE 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	 
	• Biodiversity	  
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

The Group has endeavored to set up a constructive dialogue and working environment that promote the respect and well-being of its employees. The Eurazeo Group therefore proposes the following selection of measures:

■ working conditions and freedom of association

Eurazeo is committed to creating social dialogue and ensuring respect for the freedom of association and representation, with the creation of a Social and Economic Committee (SEC) and employee representation on the Supervisory Board. In 2019, Eurazeo signed a charter on remote working which became widespread in 2020 due to the Covid crisis. Eurazeo promotes work flexibility, giving each employee autonomy in their work organization.

In order to offer a first-rate working environment, Eurazeo has designed its infrastructures and lay-out of its premises to meet the expectations of its employees.

■ equal treatment

Eurazeo strives to prohibit any form of discrimination, and promote equal treatment for employees during their recruitment and development and in their daily activities.

As part of its ESG strategy O*, which has selected inclusion as one of its pillars, Eurazeo champions gender diversity to meet the challenge of workplace gender equality. This also resulted in the sharing of value creation through the introduction of profit-sharing and incentive schemes for all employees. Drawing on its commitments, Eurazeo seeks to build a more inclusive economy.

■ health and safety

To ensure the health and safety of its employees, Eurazeo has gone one step further than the legal requirements and undertaken measures to build a secure working environment. To ensure the physical health of its employees, the Group has built adapted wellness areas. To promote the well-being of its employees, Eurazeo identifies and adopts measures to manage the psychosocial risks associated with its activity.

In 2020, in response to the Covid crisis, the Group adopted a proactive approach to anticipate, adapt, and prevent the related risks as much as possible.

■ attractivity and employability

The Group acts to develop the employability of all its employees via a training, skills development, high-potential employee identification and succession plan program. Eurazeo supports the development of its employees through its evaluation program, including annual, semi-annual and 360° reviews, in order to determine annual objectives and identify development needs.

The Group proposes individual and group training programs on hard and soft skills for all its employees to satisfy their requirements and anticipate changes in their activity.

Due diligence procedures for portfolio companies

During acquisition due diligences, Eurazeo includes all the social aspects presented in this section as described in Section 3.1.4.1. Following an acquisition, action plans are monitored over several years, as described in the chart of ESG strategy deployment (Section 3.1.4.2).

Portfolio companies 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 and the set-up of value creation sharing mechanisms;
- 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. As part of its O+ strategy, Eurazeo reiterated its goal of promoting gender diversity, driving access to health, death and disability insurance and sharing value creation in all the companies in which it is shareholder.

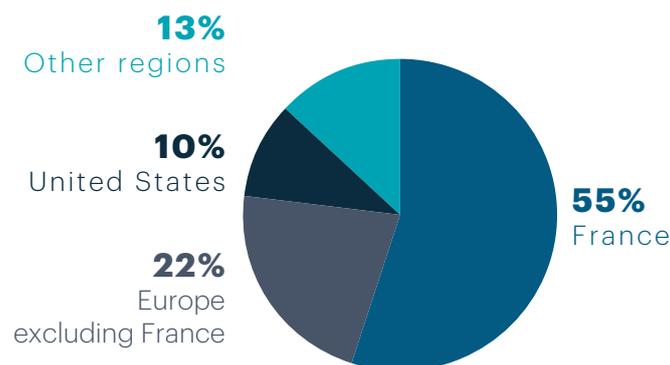
Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Total number and breakdown of employees		
Permanent workforce	272	11,258
Percentage of women in the permanent workforce	45%	51%
Percentage of managers in the permanent workforce	89%	20%
Percentage of non-permanent workforce in relation to the total number of employees ⁽¹⁾	2%	7%

The coverage rate for Eurazeo and for Eurazeo and its portfolio companies was 100% in 2020.

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

Geographic breakdown of permanent workforce (Eurazeo and its portfolio companies)



3.2.2.2 WORKING CONDITIONS AND FREEDOM OF ASSOCIATION



Description of main issues creating risks and opportunities

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

RISK MANAGEMENT

- Formalization and roll-out of a Code of Conduct
- Acquisition due diligences: integration of social aspects
- Performance of a social barometer every three years
- Set-up of an ethics whistleblowing line

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

EXAMPLE INITIATIVES

- 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. Six clinics received the best score (A). By way of example, to improve the quality of life at work, the Belledonne clinic worked with a group of HR Master's students to conduct a social barometer.
- In 2020, **DESSANGE** initiated a social barometer to identify best practices in terms of quality of life at work for its Products division, its directly owned salons and its training centers. Focus was placed on working from home, the company's management of the Covid crisis and the identification of recommendations in order to improve the quality of life at work. Employee support for this approach was demonstrated in the participation rate and the many suggestions submitted.

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. The policies on these topics are set up by the Human Resources and Risk Departments.

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

- Two employees are members of the Eurazeo Supervisory Board
- 100% of employees in France are represented by a Social and Economic Committee (SEC)

Eurazeo focuses on implementing policies and measures to promote social dialogue. The Social and Economic Committee holds monthly meetings to ensure continuous dialogue and collective feedback from employees to take their interests into consideration. The SEC covers the following topics: Company

Savings Plan, incentive scheme, Gender Equality index, new work arrangements, preparation of festive events, etc.

Eurazeo is particularly mindful of its employees' working conditions. The Group creates a stimulating, collaborative and inclusive working environment that boosts performance and talent development. Mindful of the well-being of its employees, Eurazeo proposes schemes to promote their professional and personal development:

- Remote working charter created in 2019 and widespread working from home in response to the Covid situation in 2020
- Flexible work organization, ensuring autonomy and a working arrangement adapted to each employee
- New collaborative working methods: shared offices to encourage knowledge sharing between young and experienced employees
- Aid for young parents, supply of Universal Service Employment Vouchers (CESU) to facilitate the daily lives of employees
- Equipment tailored to the needs of each employee:
 - Dedicated areas for discussions, creativity, relaxation and well-being
 - Ergonomic and adaptable offices, supply of IT tools
 - Spacious, modern and eco-responsible premises

- Sporting activities: gym, group lessons, participation in inter-company events
- Breakfast and coffee meetings

The Group fosters a relationship in which it listens to employees. Based on their feedback, ideas of how to adapt spaces and organize work emerge, resulting in the joint creation of a healthy working environment. To demonstrate its commitment, Eurazeo conducts regular surveys. In 2019, 90% of employees took part in the survey, i.e. an overall commitment rate of 8.3/10.

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.

Results and performance indicators

Eurazeo

Eurazeo SE signed its first incentive agreement in 1998 and has since renewed it every three years. The current Eurazeo SE incentive agreement applies to fiscal years 2019 to 2021.

The action plan relating to workplace gender equality is reviewed at the start of each year, accompanied by the monitoring of key indicators at Group level.

Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Working hours (% of permanent workforce)		
Percentage of full-time employees	98%	89%
Percentage of part-time employees	2%	11%
Collective agreements bearing on the company's economic performance and working conditions of employees		
Agreements bearing on wage increases and more balanced sharing of value creation		
Incentive scheme and/or Profit-sharing	26	
Effective wages, duration and organization of working hours	25	
Mandatory annual negotiations	17	
Purchasing power exceptional bonus	6	
Collective performance	2	
Replacement and adaptation	1	
Corporate mutual funds	1	
Agreements bearing on the company's internal bodies		
Implementation and activities of the staff representative bodies	4	
Agreements bearing on the protection and working conditions of employees		
Compulsory Group supplementary health and/or death and disability benefit plan	9	
Remote working	6	
Company Savings Plan	6	
Gender equality	4	
Sustainable mobility	2	
Reorganization	1	
TOTAL NUMBER OF AGREEMENTS SIGNED DURING THE YEAR	110	

The coverage rate for Eurazeo was 100%; for Eurazeo and its portfolio companies, it was 97-100% in 2020.

3.2.2.3 EQUAL TREATMENT



Description of main issues creating risks and opportunities

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

RISK MANAGEMENT

- Formalization and roll-out of a Code of Conduct
- Acquisition due diligences: integration of gender diversity criteria
- Annual monitoring of gender diversity indicators
- Set-up of an ethics whistleblowing line
- Promotion of gender diversity within governance and management bodies

OBJECTIVES	OPPORTUNITY FACTORS
Ensure talent diversity	Talent diversity is a key factor for innovative and sustainable growth

EXAMPLE INITIATIVES

- Intech** works with several educational institutions (high schools, IUT, etc) to promote its company and first-time job access for young people from underprivileged backgrounds. In the past three years, more than 15 interns were hired by the company. In addition, HR managers are regularly trained to prevent discriminatory practices during recruitment.
- Nest New York** offers all employees training dedicated to diversity, inclusion and combating sexual harassment. In 2020, the company set up a working group on diversity and inclusion. Within this group, Nest focuses on specific initiatives to increase diversity in the company and raise employee awareness.
- Planet** provides equal opportunities for all. Recruitment managers receive training on discrimination, particularly on how it impacts the recruitment process. Job descriptions are based on the requirements needed to efficiently perform the work. Where possible, applicants are interviewed by two or more recruitment managers to eliminate any unconscious bias. Candidates for a position or promotion are assessed according to the job requirements, taking into account any reasonable adjustment that may be necessary for candidates and employees with disabilities.
- In 2020, **WorldStrides** established a Diversity, Equity and Inclusion (DEI) Council comprising employees from across the company with varying experience levels, roles and backgrounds. This council has developed a comprehensive road map to address inequities in the marketplace, to foster a culture of inclusion and belonging in the workplace and to enhance the Group's demographic diversity best practices around recruitment, retention and promotion of talent in the workforce.

Policy applied at Eurazeo level

Since 2015, a Code of conduct must be systematically 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. All employees can thus exercise their right to signal, in all confidentiality, actual or potential violations of the Code of Conduct, particularly in relation to cases of discrimination.

To comply with the new recommendations of the AFEP-MEDEF code, Eurazeo undertook to roll out its gender diversity policy within management bodies. Furthermore, as part of the ESG strategy O+ launched in 2020 and the challenges for a more inclusive economy, a certain number of objectives and measures were announced to ensure gender equality in the workplace. Specific measurement tools (KPIs) were proposed to gauge and monitor its commitment.

Since it represents a societal issue and a lever for improving performance, Eurazeo strives to create conditions to ensure a greater representation of women within its teams, especially in management teams.

The promotion of gender equality at Eurazeo resulted in the deployment of:

- A general gender diversity policy
- Quantified objectives set by Executive Management
- Human Resource processes that take into account the gender equality concept
- Agreements promoting an improved work/life balance
- Awareness-raising and training initiatives

Eurazeo pursues its gender equality and diversity commitment through various actions:

- Eurazeo encourages applications from women in the recruitment process. The HR team systematically asks recruitment agencies to submit applications from equal numbers of men and women for available positions, particularly at “graduate” level where women and men are equally represented. Eurazeo also takes part in Outreach events held to promote the Private Equity business among students from various schools.
- Eurazeo undertakes to create a more flexible organization, either through working from home (charter set up before the Covid-19 crisis and extended since then), 100% financing of places in nurseries, or the distribution of CESU vouchers to facilitate the daily lives of families.
- The set-up in 2021 of a program to identify and monitor high-potential employees and succession plans to support the development of female employees (and male employees).
- A campaign to raise awareness on cognitive biases of “ordinary sexism”. The group also proposes annually that all its employees take part in the “*Printemps de la mixité*” and the “*Assises de la Parité*” events.
- Enhancement of training programs. Eurazeo seeks to offer its female employees the chance to unlock their potential and meet their requirements and expectations in terms of development. Accordingly, the Group deploys training programs relating to technical and behavioral skills.
- The expansion of personalized guidance with external coaches and specific cross-mentoring programs for women within the Private Equity industry (through Level 20 sponsorship). Special care is taken with women during key moments of their career: e.g. when they come back to work from maternity leave or during periods of promotion.

In addition to the measures adopted within the company and with the daily observation of a lack of gender diversity in the Private Equity sector, Eurazeo has been working for several years to encourage gender diversity and women in leadership in order to change practices across its ecosystem and lead by example. Accordingly, Eurazeo sought to increase its involvement in LEVEL 20. Launched in 2019, this mentoring program brings together a group of 40 mentors and mentees. In 2020, 2 mentees and 2 mentors took part in this program which will continue in 2021. Finally, Eurazeo has demonstrated its commitment by signing the SISTA charter in 2019 and the Charter for Diversity launched by the France Invest association in 2020.

To ensure equal treatment and value sharing in Eurazeo, the Group decided to enable employees to share in the Company's success and solid performance by setting up an incentive agreement in 1998, which has since been renewed every three years. The current Eurazeo SE incentive agreement applies to fiscal years 2019 to 2021. The scheme is optional for the companies and Eurazeo has also elected to use all the possibilities offered by the PACTE Law to benefit employees. The funding for this incentive scheme is the maximum amount provided by French law.

Results and performance indicators

Eurazeo

The action plan relating to workplace gender equality is presented at the start of each year, accompanied by the monitoring of key indicators at Group level and the identification of new measures intended to reduce inequalities in the workplace.

Findings on professional equality at the end of 2020:

- The Executive Board, comprising 4 members, is headed by a woman, Chairwoman of the Executive Board, Virginie Morgon.
- Women account for 30% of the executive positions ⁽¹⁾ and head many departments (HR, ESG, Financial matters, Consolidation, Accounting, Communication, Securities & Compliance, Legal M&A).
- Women represent 30% of the investment teams (exceeding the PE industry average of 14% according to the BVCA/LEVEL 20 survey).
- Women represent 45% of the workforce (compared to 29% in the Private Equity industry according to the BVCA/LEVEL 20 2018 survey among 179 Private Equity companies in Europe).
- Eurazeo adheres to the Copé-Zimmermann Law (40% for the least represented gender in Boards of Directors), as demonstrated by the 46% for the least represented gender in its Supervisory Board.
- The Gender Equality index (Pénicaud-Schiappa) of Eurazeo SE is 86/100, i.e. 11 points above the regulatory 75/100 score.

In addition to its achievements, Eurazeo has set objectives for 2030:

- 40% for the least represented gender in the executive positions by 2030
- Difference of less than 20% between both genders in the entire workforce by 2030
- Gender Diversity Index (Pénicaud-Schiappa) greater than or equal to 85/100, by 2030
- Maintain a representation greater than or equal to 40% for the least represented gender in the Supervisory Board.

(1) Management teams include Managing Partners, Partners, Managing Directors and directors of Corporate departments.

Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Diversity (permanent staff)		
Percentage of women	45%	51%
Percentage of women among managers in the permanent workforce	44%	43%
Percentage of women on the SB or BD ⁽¹⁾	46%	32%
Percentage of women in management teams ⁽²⁾	25%	25%

The coverage rate for Eurazeo and for Eurazeo and its portfolio companies was 100% in 2020.

(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.

	2020	
	Eurazeo and its portfolio companies	
Percentage of companies having implemented actions to encourage the employment and integration of disabled employees	67%	

The coverage rate for Eurazeo and for Eurazeo and its portfolio companies was 100% in 2020.

3.2.2.4 HEALTH AND SAFETY



Description of main issues creating risks and opportunities

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

RISK MANAGEMENT

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

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

EXAMPLE INITIATIVES

- TIL Technologies, a **Vitaprotech** group company, renewed its ISO 45001 certification in 2020 and defined an employee first-aid worker policy. Training to become a first-aid worker was proposed to all employees, based on voluntary participation. Furthermore, field employees received road safety training to improve the level of safety during their travel.
- In the context of the Covid crisis, **Seqens** boosted its production of hand sanitizer and delivered them as a priority to hospitals and food centers. With a maximum daily production capacity of 70,000 liters, the company accounts for a significant amount of hand sanitizer production in France. It also supplies medicine and is contributing to the development of a treatment for Covid-19.

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. 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.

Regular physical activity and sports are encouraged. Eurazeo provides its employees 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 impacts on the company and employees was judged to be low. Two components were assessed as having a moderate risk level: intensity and working time. These issues are regularly covered in awareness-raising sessions. Members of the Social and Economic Committee were trained in occupational psychosocial risks. They are able to identify warning signs in the event of chronic stress or burn-out suffered by an employee and escalate them to Management which can adopt the appropriate measures.

Eurazeo makes sure to discuss workload during the year-end evaluation between employees and their managers. The group also implements awareness-raising and prevention measures regarding physical and mental health at work, mainly by encouraging employees to take leave, including in these complicated times of widespread remote working and lockdown.

In 2020, in response to the Covid crisis, Eurazeo adopted a certain number of measures to protect the health and integrity of each employee:

- Set-up of a specific health protocol in line with government guidance
- Rapid provision of masks and hand sanitizer
- Organization of Covid-19 testing sessions
- Close partnerships with laboratories
- Creation of a tracing unit in event of employees testing positive
- Discussion and close relations with the occupational doctor
- Distribution of newsletters and ongoing communications between the Human Resources Department and employees
- Allocation of a bonus to set up remote working
- Organization of sports training and online cooking lessons to prevent risks of isolation.

Results and performance indicators

Eurazeo

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

Eurazeo did not record any accidents in 2020.

Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Health and safety conditions (permanent and non-permanent workforce)		
Fatalities	0	0
Accidents with lost time	0	223
Frequency rate ⁽¹⁾	0	13.8
Working days lost due to accidents	0	12,708
Severity rate ⁽²⁾	0	0.79
Absenteeism rate ⁽³⁾	0.7%	7.6%
Health insurance cover (permanent employees)		
Percentage of employees with health insurance	100%	99%
Percentage of employees with death/disability insurance	100%	97%

The coverage rate for Eurazeo was 88-100% in 2020, and the coverage rate for Eurazeo and its portfolio companies was 93-100% in 2020. 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
Have the necessary talents for growth	<ul style="list-style-type: none"> Non-identification of needs in terms of skills and talents Inability to retain and attract talents Poorly adapted or insufficient recruitment and training policies 	<ul style="list-style-type: none"> Study of the number of available positions Analysis of systems for assessing performance, training and the sharing of value creation

RISK MANAGEMENT

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

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

EXAMPLE INITIATIVES

- The **Seqens** group has adopted a proactive policy to promote professional integration and sustainable employment for young students, trainees or apprentices. The Group hired 96 work-study students and 40 trainees at the beginning of the 2020 university year, i.e. a threefold increase in the total number of students compared to 2017.
- Sommet Education** launched the #MentoringDev program, its new mentoring initiative which promotes inclusion and offers employees personalized support at important stages of their career within the company. At the same time, this program enables the Group to strengthen internal solidarity and further support its CSR commitment.

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 legal provisions.

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. Furthermore, ESG criteria have been taken into account since 2017 for the calculation of the variable compensation of Executive Board members, and more particularly since 2020 when ESG strategy objectives were factored into the individual assessment representing 15% of this variable compensation. Since 2019, ESG criteria have also been taken into account for the calculation of the variable compensation of all Partners Committee members with specific objectives depending on their scope of responsibility. For more details, refer to Section 5.8.2.2.1.

The Human Resources Department has chosen to organize its development policy into the following lines of action:

Monitoring of recruitment needs

The HR department supervises and accompanies the Group's development by annually collecting the recruitment needs of the various departments. It then determines a strategy and the most appropriate recruitment channel and coordinates this process and ensures that positions are filled.

Evaluation process

To measure the achievement of employee objectives and identify areas of development, Eurazeo rolls out an evaluation program including: annual and semi-annual performance reviews (self-assessment then discussion with Managers), and 360° evaluations consolidating the feedback from immediate supervisors and team members as well as from peers. Due to this process, new tangible development and training measures are defined and proposed to each employee.

Individual and collective training programs

Eurazeo seeks to offer its employees the chance to unlock their potential. With this in mind, Eurazeo develops an annual general training plan for all employees. It is built around Career Track, enabling team development by type of population. This training plan encompasses hard skills (technical skills relating to the investment business) and soft skills (behavioral skills).

A few example training sessions:

- hard skills: Operational Excellence, Data Analytics, Topline growth based on price strategy, Management Package, Quality of Earnings and Quality of Debt, Locked Box, Optimization of exchanges with experts, etc.
- soft skills: "How to act as a new member of a portfolio company Supervisory Board"
- series of training sessions on ESG fundamentals for all Eurazeo employees

In addition to the training programs, Eurazeo organizes individual training sessions to meet the growing needs for skills identified during the evaluation process. In 2020, certain employees received English and Spanish language training and even regulatory or IT training.

Besides training programs, Eurazeo ensures that new joiners are properly integrated and has set up an induction program that is proposed to each new entrant during their first month at Eurazeo. This consists of presentations of the various teams and the specificities of the investment business at Eurazeo.

■ Identification and monitoring of high-potential employees

Eager to develop and retain its talents, Eurazeo has set up a program to identify and monitor high-potential employees to better support their development and ensure a succession plan for key positions.

Results and performance indicators

Eurazeo

Several types of training were offered to Eurazeo employees in 2020:

- Training on behavioral skills, particularly for new members on the Supervisory Boards of portfolio companies.
- Training in technical skills relating to the investment business: operational excellence, data analytics, topline growth, etc.
- Series of training sessions on ESG issues and the new O+ strategy for all Eurazeo employees.

79% of employees were trained.

Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Hires and departures (permanent workforce, number of employees)		
Hires	32	1,238
Departures	18	1,985
Compensation and benefits (permanent workforce, in millions of euros)		
Total payroll ⁽¹⁾	53	542
Amount of mandatory collective bonus or profit-sharing schemes	2	7
Amount of incentive or collective bonus schemes	2	11
Percentage of employees benefiting from a value creation sharing scheme	90%	58%
Percentage of employee shareholders	64%	3%
Training (permanent and non-permanent workforce)		
Total number of training hours	3,543	166,454
Percentage of employees who attended at least one training course during the year ⁽²⁾	79%	72%

The coverage rate for Eurazeo was 88-100% in 2020; for Eurazeo and its portfolio companies, it was 90-100% in 2020.

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

(2) Within the permanent workforce.

3.2.2.6 SOCIETAL IMPACT



Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHODS
<p>Ensure that all products and services do not generate negative impacts on clients, employees and local communities</p>	<ul style="list-style-type: none"> Business sector using products or services monitored by regulation or the end-consumer Unfamiliarity with suppliers and raw materials used 	<ul style="list-style-type: none"> Analysis of substances and products under surveillance Study of measures adopted in favor of the health and safety of consumers
<p>RISK MANAGEMENT</p> <ul style="list-style-type: none"> Stakeholder dialogue Risk mapping and identification of substitutes Product analysis, product reformulation 		
OBJECTIVES	OPPORTUNITY FACTORS	
<p>Anticipate regulatory changes and consumer behavior</p>	<ul style="list-style-type: none"> The integration of ESG should result in the development of more environmental-friendly and innovative products and services more in phase with consumer expectations and new consumption patterns 	
<p>EXAMPLE INITIATIVES</p> <ul style="list-style-type: none"> In 2020, the Hôpital Privé d'Ambérieu de Groupe C2S signed a contract with a local supplier of eco-friendly diapers. These products have more natural components and are free of endocrine disruptors. In response to growing consumer expectations for transparency and quality, CPK launched a product innovation program called "bons et bons". 19 products were 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 - ranked no. 1 out of 14 spreads tested by <i>60 Millions de Consommateurs</i> in January 2021 - removed aspartame from Vichy sugar-free sweets and reviewed the historic Krema product with 100% natural flavorings and colorings in 2020. 		
OBJECTIVES	OPPORTUNITY FACTORS	
<p>Be a vector of a positive societal impact</p>	<ul style="list-style-type: none"> Engaging in sponsorship activities enables a company to generate a positive footprint beyond its direct activity 	
<p>EXAMPLE INITIATIVES</p> <ul style="list-style-type: none"> In the United States, Orolia joined forces with the local Chamber of Commerce to enable employees to make donations (time, food, money) for the distribution of Thanksgiving meals to the needy, whose number has increased with the Covid-19 crisis. Inclusive and committed to the sustainable recovery of the hotel industry that was hard hit by the Covid crisis, Sommet Education joined forces with the World Tourism Organization (WTO) to launch the Hospitality Challenge. The winners will have free access to study programs in hospitality and the culinary arts. Sommet Education will sponsor a total of 30 undergraduate and graduate teaching programs at the Glion, Les Roches and École Ducasse institutions. 		

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.

Sponsorship policy

A committed sponsor since 2004, Eurazeo sought to focus its societal efforts on education and the protection of young people which are key to the economy's growth and competitiveness. Since September 2015, Eurazeo has supported innovative educational projects and projects for the protection of human rights and health and assistance for underprivileged children and young people.

Education

In 2020, 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 pursued its commitment with Le Choix de l'École which offers young volunteer graduates the possibility of occupying vacant two-year positions in schools located in priority education networks.

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.

Protection of human rights and health

Eurazeo has furthered 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.

Eurazéo also supports the Institut Gustave Roussy through educational initiatives undertaken with the Les Amis de Mikhy association. Eurazéo financially supports a survey on the benefits of personalized support for children in remission from brain cancer and their families.

Combating exclusion and poverty

Since 2015, Eurazéo has supported l'Agence du Don en Nature (ADN) through the "Rentrée Solidaire" program which consists in providing children and young people with all the supplies they need to go back to school.

In 2020 Eurazéo focused on promoting equal opportunities and improving the employability of young people by supporting the "Entrepreneurs dans la Ville" initiative in Île-de-France, established by the association Sport dans la Ville. Eurazéo supports groups of around twenty young entrepreneurs from disadvantaged areas to help them develop their business creation project.

An endowment fund dedicated to young people

As part of the O⁺ launch, Eurazéo strengthened its educational commitment by creating an endowment fund. This new philanthropic initiative will receive an initial endowment dedicated to guiding and supporting projects intended to protect young people and provide them with access to education and academic and professional training.

Solidarity fund

In connection with its solidarity fund, Eurazéo has allocated donations to structures helping vulnerable groups both at the heart of the health crisis, but also over the longer term, to cope with the consequences of the economic crisis:

- The Ambulance Service (Samu Social) which, at the height of the health crisis, intensified its role to help the most vulnerable and required protective equipment and supplies for families confined to hotels.
- The New York association, The Bowery Mission, enables to shelter the most vulnerable persons exposed to Covid-19 and continues to perform its services in the midst of an economic crisis.
- The Paris university hospital trust (APHP) to revamp its emergency reception services and actions for the benefit of its personal.

Products and services

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, Eurazéo is mindful of the strategies rolled out by the companies in which it is shareholder to deal with this issue and anticipate changes.

Eurazéo 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

Eurazéo



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
- ▲ Site safety and industrial accident prevention
- ▲ Substances in the air, water and soil
- ▲ Responsible use and consumption of resources
- ▲ Biodiversity

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 its O⁺ strategy with the target of carbon net neutrality by 2040 at the latest, as described in Section 3.1.2.

Due diligence procedures for portfolio companies

Eurazeo includes environmental impact aspects during acquisition due diligence as described in Section 3.1.4.1. By way of example for climate change:

- ▲ Modeling of the financial impact arising from changes in the European allowance trading system by 2030;
- ▲ Studies of exposure to physical climate and climate transition risks at production sites.

In the industrial sector, due diligences include Environment, Health and Safety (EHS) components, including an analysis of environmental liabilities, insurance reports and the procedures in place. In the event of actual pollution, Eurazeo identifies, upstream of the investment, the cost of site decontamination and/or of installing equipment to reduce or stop discharges.

Following an acquisition, action plans are monitored over several years, as described in Section 3.1.4.2. These plans may include the investment expenses relating to compliance work or the improvement of site safety.

Furthermore, Eurazeo measures the environmental impacts generated and reduced by its portfolio companies on an annual basis, as described in Section 3.1.4.2. Eurazeo seeks to ensure that the potential impacts of climate change and other environmental risks do not jeopardize the operating activities, economic performance and growth potential of the companies in which it is shareholder. Finally, Eurazeo encourages the issue of certifications to reinforce and assess the environmental strategies of companies for which this is a major challenge.

3.2.3.2 CLIMATE CHANGE



Description of main risk factors and opportunities

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

RISK MANAGEMENT

- Acquisition due diligence on exposure to climate change
- Annual monitoring of related environmental indicators
- Encouragement for companies to reduce their environmental footprint, particularly their carbon emissions
- 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 energy performance projects 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

The Spectratime entity of the **Orolia** group, based in Neuchâtel (Switzerland), took part in the proactive climate protection and energy efficiency program of the Energy Agency of the Swiss Private Sector (EnAW). The company therefore contributes to reducing its CO₂ emission and enhancing its energy performance.

Design products or services with a reduced carbon footprint

- Competitiveness gain
- Diversification of the offering
- Development of innovations contributing to energy transition
- Response to a growing consumer demand

EXAMPLE INITIATIVES

- ▲ 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 reduces CO₂ emissions by 3,000 tons and generates savings of around €500,000 a year.
- ▲ **Elemica** won the Food Logistics Green Supply Chain Award in 2020. This prestigious award recognizes companies whose products, services, or exemplary leadership enhance sustainability within the food and beverage industry. Using its SaaS solutions, Elemica clients can optimize their commercial exchanges and supply chain flows, thus minimizing costs, fuel consumption and carbon emissions.
- ▲ As part of its 2019-2023 strategic plan, **Péters Surgical** established a climate roadmap with the objective to reduce the group's total GHG emissions by 30% by 2023. This objective will be achieved through an eco-design program for products and their packaging.
- ▲ **Redspher** has developed a proactive environmental policy to reduce its GHG emissions while boosting its operational efficiency. The group joined the Lean & Green program to reduce its most significant source of emissions: the emissions generated by the transport organized for its clients. The company's efforts were rewarded with the 3rd Lean & Green star in 2020.

OBJECTIVES

Ensure sustainability throughout the supply chain

OPPORTUNITY FACTORS

- ▲ Continuous supply chain sustainability, anticipation of risks of shortages and/or price increases

EXAMPLE INITIATIVES

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

OBJECTIVES

Invest in new sectors with high potential

OPPORTUNITY FACTORS

- ▲ Value creation by investing in high growth potential sectors

EXAMPLE INITIATIVES

- ▲ **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 600 sites representing cumulative installed power of 780 MW, of which 650 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 ESG, 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 signed the "French Business Climate Pledge", a commitment by French business to the climate (see Section 3.1.5.3).

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. Two important emissions sources for the Group 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). Furthermore, an energy audit was carried out in 2017 followed by an action plan to reduce consumption. In 2018, Eurazeo took out a 100% renewable energy contract for its Paris headquarters. Since 2016, Eurazeo has widely deployed video conferencing and remote working tools to reduce employees' travel while improving their quality of life at work.

2020 marks a new chapter in the Group's quest to combat climate change and accelerate the emergence of a low carbon economy with the launch of its new O⁺ strategy (see Section 3.1.2). Under this program, Eurazeo aims to align its activities with a scenario limiting global warming to well below the 2°C threshold and has set an ambitious target to reach carbon net neutrality by 2040. This commitment resulted in the filing of reduction targets with the Science-Based Targets Initiative (SBTi) (see Section 3.1.2.2).

Results and performance indicators

Eurazeo

In 2020, 100% of electricity consumed at Eurazeo's Paris headquarters was generated by renewable sources, due to the subscription of a green energy contract.

In 2020, Eurazeo received a rating of B in the CDP Climate Change questionnaire, exceeding the European average.

Eurazeo and its portfolio companies

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Energy consumption excluding fuel (in MWh)		
Electricity ⁽¹⁾	396	280,251
Steam ⁽¹⁾	0	580,945
Renewable energies	504	237,490
Natural gas	3	855,122
Heavy fuel oil and heating oil	0	2,756
Coal	0	833,203
Other energy ⁽²⁾	0	5,430
TOTAL ENERGY CONSUMPTION	903	2,795,197
Energy expenditure (in millions of euros)	0.1	69
Share of renewable energies	56%	9%
Fuel consumption (in liters)		
Gasoline	5,705	183,527
Diesel	3,971	1,329,856
TOTAL FUEL CONSUMPTION	9,676	1,513,383
Fuel expenditure (in thousands of euros)	18	1,969
GHG emissions (3) (in metric tons of CO₂ equivalent)		
Number of companies with an action plan to reduce emissions and/or to have conducted a greenhouse gas assessment in the past 3 years	Yes	21
Scope 1 ⁽⁴⁾	24	577,998
Scope 2 ⁽⁵⁾	111	212,078
TOTAL (SCOPE 1 + 2)	135	790,076
Scope 3 ⁽⁶⁾	7,386	2,587,370
TOTAL (SCOPE 1 + 2 + 3)	7,521	3,377,446

The coverage rate for Eurazeo was 88-100% in 2020; for Eurazeo and its portfolio companies, it was 96-100% in 2020.

(1) Excluding renewable energies.

(2) Other gases.

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

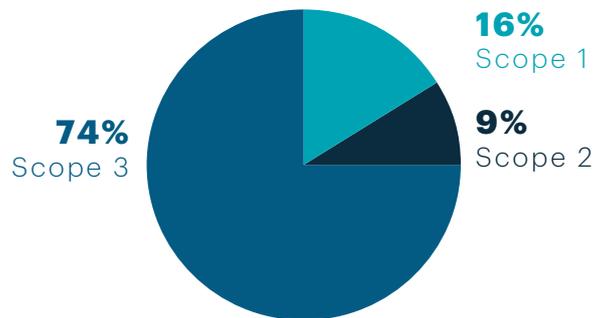
(4) Scope 1 emissions are direct emissions from fuel consumption on site (gas, oil, etc.), fuel consumption in vehicles and leakage of refrigerant substances.

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

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

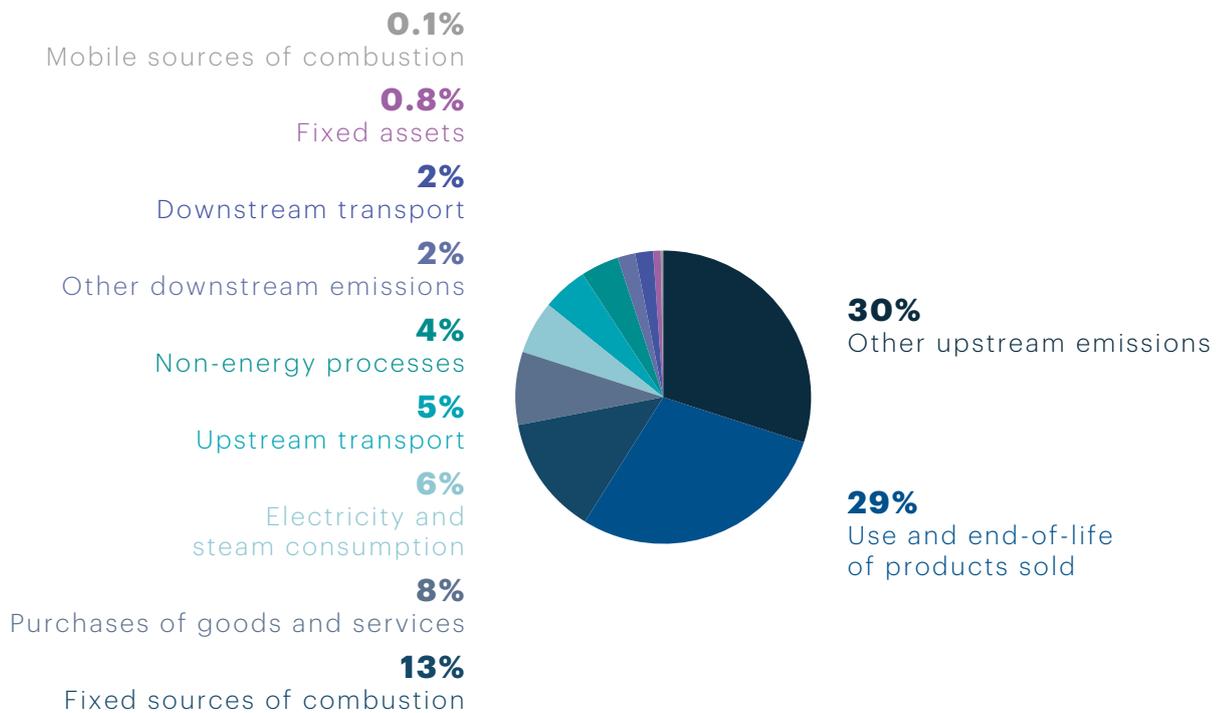
Breakdown of 2020 emissions by scope

(Eurazeo and its portfolio companies)



Breakdown of 2020 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
Ensure safety for sites, employees and local communities	<ul style="list-style-type: none"> Activity that may generate pollution relating to industrial processes, the use of raw materials and manufacture of goods Lack of training or unfamiliarity with procedures, process inefficiency or maintenance faults Sector that may be subject to deliberate external intrusion or attack 	<ul style="list-style-type: none"> Assessment of the level of exposure Analysis of current procedures and policies

RISK MANAGEMENT

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

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

EXAMPLE INITIATIVES

- The **Seqens** group is determined to prevent incidents and accidents likely to harm employees, facilities and Group reputation. The approach is built around three pillars:
 - Sharing of common values and strengthening of the safety culture;
 - development of an efficient Environment, Health and Safety (EHS) management system integrating process safety;
 - strengthening and 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 EHS 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.

Results and performance indicators

Eurazeo and its portfolio companies

	2020
Eurazeo and its portfolio companies	
Environmental compliance work and litigation (in thousands of euros)	
Environmental compliance work expenses during the year	3,833
Environmental provisions and guarantees	4,522
Fines and compensation paid in respect of environmental litigation	0

The coverage rate for Eurazeo and its portfolio companies was 98-100% in 2020.

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>Limit discharges and ensure their optimal treatment</p> <p>Avoid all pollution likely to harm employees, inhabitants and biodiversity in the short-, medium and long term</p>	<ul style="list-style-type: none"> Unfamiliarity with regulations: fines, total or partial activity ban due to non-compliance with thresholds Poor training or unfamiliarity with procedures, process inefficiency or maintenance faults Activity that could damage health and safety and expose the Company to a reputation risk in the event of pollution impacting the environment and local communities 	<ul style="list-style-type: none"> Assessment of the level of exposure (liability, sector, etc.) Analysis of current procedures and policies Analysis of threshold compliance audits
RISK MANAGEMENT		
<ul style="list-style-type: none"> Pre-acquisition due diligence on EHS (Environment, Health and Safety) issues systematically for industrial targets Annual monitoring during ESG reporting 		

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

Policy applied at Eurazeo level

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

For the companies in which Eurazeo is shareholder, ESG 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

2020	
Eurazeo and its portfolio companies	
Air emissions (in metric tons)	
Sulfur oxide emissions (SO _x)	1,842
Nitrogen oxide emissions (NO _x)	1,132

The coverage rate for Eurazeo and its portfolio companies was 96-99% in 2020.

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.

2020			
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	1
ISO 50001	Energy management system	CPK, Seqens	6
ISO 14001	Environmental management system	CPK, Redspher, Seqens, Sommet Éducation	16
OHSAS 18001 /ISO 45001	Occupational health and safety management system	CPK, Seqens, Vitaprotech	8
COSMOS	International certification for organic and/or natural cosmetics	Seqens	1
Responsible Care	Environment, Health and Safety (EHS) management system	Seqens	1
EcoVadis award	Corporate CSR management system	MK Direct, Redspher, Seqens, Vitaprotech	26
SGE 21	Ethical and socially responsible management system	Sommet Éducation	1
Lean&Green Star Award	CO ₂ emission reduction program in transport and logistics	Redspher	1
Emplitude label	Regional label rewarding social and societal actions and good practices	Vitaprotech	1
Oeko-TEX	International testing and certification system for harmful substances in textiles	MK Direct	2
TOTAL			65

3.2.3.5 RESPONSIBLE USE AND CONSUMPTION OF RESOURCES



Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
Limit exposure to at-risk raw materials	<ul style="list-style-type: none"> Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues Lack of substitution capacity for at-risk resources 	<ul style="list-style-type: none"> Shortage risk assessment: use of a raw material that could run out, supply sustainability, rising costs
RISK MANAGEMENT		
<ul style="list-style-type: none"> Acquisition due diligences on the sustainability of raw materials Identification of replacements 		
OBJECTIVES	OPPORTUNITY FACTORS	
Ensure business resilience throughout the supply chain	<ul style="list-style-type: none"> Anticipating risks relating to raw material sustainability may reduce the risk of supply chain shortage and be a decisive factor. 	
OBJECTIVES	OPPORTUNITY FACTORS	
Combat food waste	<ul style="list-style-type: none"> Encourage companies to roll out voluntary measures to combat food waste 	
EXAMPLE INITIATIVES		
<ul style="list-style-type: none"> Preventing waste is a priority topic in the Groupe C2S's CSR approach, in relation to the sustainable use of resources. In this context, professionals review and continuously improve 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. For example, clinics have adapted the amount of bread they give to patients. Moreover, canteen sorting bins raise awareness of food waste amongst professionals, whilst recovering product waste. 		
OBJECTIVES	OPPORTUNITY FACTORS	
Encourage a reasoned use of resources while promoting the circular economy	<ul style="list-style-type: none"> Guidance for companies towards more virtuous models to limit resource consumption and reduce costs 	
EXAMPLE INITIATIVES		
<ul style="list-style-type: none"> 2Ride Group aims to reduce the environmental footprint of its products and packaging throughout their life cycle. The group has launched an eco-design program to achieve this goal. For example, in 2020, 25% of SHARK brand helmets were manufactured with an interior lining made of recycled fabric and 86% of packaging was made from recycled materials. Grape Hospitality is testing a zero paper, zero plastic concept at two pilot hotels in France and Germany. The customer experience has been overall revamped and the service offering reviewed: arrival at the hotel, stay in the room, breakfast, and departure. Any items containing plastic have been removed or replaced by sustainable alternatives. These two pilot tests will help measure: the economics of these changes; the impact in terms of customer satisfaction as well as the impact of the environment. Péters Surgical is targeting Sustainable Development Goal (SDG) 12 by working hard to roll out its "no plastic" strategy. The company's initial aim is to reduce plastic consumption in offices and increase the recycling and recovery of the remaining plastic. The long-term goal of this strategy is to considerably reduce the plastic footprint of its product packaging. 		

Policy applied at Eurazeo level

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

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

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

Eurazeo and its portfolio companies

Results and performance indicators

Eurazeo

In 2020, more than 6.3 metric tons of paper were collected and recycled by Eurazeo.

The environmental impact of this initiative is equivalent to saving over 105 trees, nearly 190,000 liters of water and 3,474 kg of CO₂ equivalent.

	2020	
	Eurazeo	Eurazeo and its portfolio companies
Water consumption		
Water consumption (in cu.m)	1,730	37,181,108
Amount spent on water consumption (in euros)	6,252	3,341,110
Waste production (in metric tons)		
Hazardous waste produced	-	29,939
Non-hazardous waste produced	19	11,662
Percentage of recovered waste	40%	61%
TOTAL WASTE	19	41,600

The coverage rate for Eurazeo was 88-100% in 2020; for Eurazeo and its portfolio companies, it was 79-93% in 2020.

3.2.3.6 BIODIVERSITY



Description of main issues creating risks and opportunities

OBJECTIVES	RISK FACTORS	RISK ASSESSMENT METHOD
Avoid any activity likely to damage biodiversity	<ul style="list-style-type: none"> Use of a raw material, manufacture of a product or performance of a service, use or end-of-life with an impact on biodiversity Use of resources that may be subject to supply sustainability, shortage, ban or cost increase issues Lack of substitution capacity for hazardous resources Poor anticipation of reputation and consumer/client behavior change issues 	<ul style="list-style-type: none"> Impact analysis with regard to biodiversity (supply, activity, etc.)

RISK MANAGEMENT

- Pre-acquisition due diligences
- Annual monitoring during ESG reporting (policy)

EXAMPLE INITIATIVES

- Since 2017, the **CPK** group site in Strasbourg has become a refuge for the Bird Protection League, seeking to preserve nature and improve the biodiversity on its premises. In the most recent assessment of the General Biodiversity Index, all the site's indicators progressed and the agreement for 2020-2025 was renewed.
- At **Dessange International**, the biodiversity-friendly responsible raw materials sourcing program has been continued, particularly for the Phytodess body care and shampoo 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.
- In 2020, **Grape Hospitality** produced 500 kg of honey from bee colonies and hives developed within its network. The honey is served to the clients of the Group's hotels and restaurants.
- Intech** sponsors the "Rescue Ocean" association through Axel Trehin in the "Mini-Transat" race. "Rescue Ocean" raises public awareness, especially young people, of the state of the environment, the seas and oceans, by organizing clean-up operations on beaches and inland areas.
- Françoise Saget, a **MK Direct** group subsidiary, launched a range using ADVANSA "Aérelle® Blue" fiber to help preserve the oceans. This initiative comprises three stages: collection and recycling of plastic before it ends up on beaches and in the ocean, the production of high-quality Aerelle® Blue fiber using the recycled plastic, and finally the offer of a full range of duvets, pillows and mattresses equipped by licensed manufacturers.

Policy applied at Eurazeo level

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

Nevertheless, Eurazeo seeks to contribute to restoring and protecting natural marine and terrestrial ecosystems. In 2018 and 2019, Eurazeo financed the restoration of around 1,700 corals. Threatened with extinction by 2050, coral reefs are considered as the tropical forests of the oceans and are home to a million

species. In 2019, employees volunteered to plant 2,500 trees in the Paris region with the Yves Rocher Foundation and financed 4,500 additional planted trees.

Furthermore, in 2020 Eurazeo renewed the syndicated credit facility. This credit facility is also subject to ESG criteria. Depending on whether or not it meets these criteria, Eurazeo is required to pay a fee each year towards projects linked to reducing carbon emissions certified by recognized organizations (see Section 5.15).

Results and key performance indicators

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

Eurazeo and its portfolio companies

	2020
	Eurazeo and its portfolio companies
Percentage of companies having implemented actions to protect and/or restore biodiversity	48%

The coverage rate for Eurazeo and its portfolio companies was 100% in 2020.

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

RISK MANAGEMENT

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

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

Policy applied at Eurazeo level

Eurazeo had adopted a "zero tolerance" approach vis-a-vis active or passive corruption and influence peddling. Eurazeo prohibits all forms of corruption in the conduct of its activities and has pledged to comply with the international anti-corruption agreements. This is 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 Note 3.1.4.1 on the criteria analyzed.

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of ESG strategy deployment in Section 3.1.4.2.

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

	2020
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 debits be paid.

Eurazeo ensures that cross-border intragroup transactions comply with the arm's length principle pursuant to OECD recommendations and the organization of its investments meets the operational and financial objectives of its projects.

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 Secretary).
- 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 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.

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 a documentation and rigorous internal control of tax processes involving accounting, tax and legal teams with support, where necessary, of external tax experts or advisors. 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/2020/12/Eurazeo-UK-Tax-Strategy-2020.pdf>).

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 (28.92% for fiscal 2020) is explained in Note 11.1 Tax proof to the consolidated financial statements.

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

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

Policy applied at Eurazeo level

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

Translated into three 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.

This Code commits the Group’s business partners to respect for 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.

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 ESG risks of a portfolio of suppliers. This analysis serves to prioritize suppliers requiring particular vigilance.

This analysis is done in three steps:

Due diligence procedures for portfolio companies

Eurazeo includes aspects relating to the respect of human rights during acquisition due diligences as described in Section 3.1.4.1 on the criteria analyzed.

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

Following an acquisition, relevant action plans are monitored over several years, as described in the chart of ESG strategy deployment in Section 3.1.4.2.

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.

Results and performance indicators

Eurazeo and its portfolio companies

2020	
Eurazeo and its portfolio companies	
Monitoring of Responsible Procurement strategies	
Percentage of companies which participate in the Responsible Procurement program	76%
Percentage of companies that have rolled out a Responsible Procurement code of conduct	48%

The coverage rate for Eurazeo and its portfolio companies was 100% in 2020.

■ 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;

■ ESG risk assessment to identify suppliers potentially representing a risk

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

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 ESG managers of all investments. The topics covered are as follows:

- Formalization of a Responsible Procurement charter (or Code of conduct for business relations);
- 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.

3.3 Table of indicators

Potential areas of risk and opportunity	Key performance indicators & results	2019	2020	Change	2020
		Eurazeo			Eurazeo and its portfolio companies
Breakdown of the workforce	Total number and breakdown of employees				
	Permanent workforce	255	272	7%	11,258
	Percentage of managers in the permanent workforce	89%	89%	-	20%
	Percentage of non-permanent workforce in relation to the total number of employees	4%	2%	-56%	7%
	Geographic breakdown of permanent workforce				
	▲ France	89%	86%	-4%	55%
	▲ Europe excluding France	3%	5%	67%	22%
Working conditions and freedom association	Working hours (% of permanent workforce)				
	Percentage of full-time employees	95%	98%	3%	89%
	Percentage of part-time employees	5%	2%	-53%	11%
	Gender equality (permanent workforce)				
	Percentage of women	45%	45%	-	51%
	Percentage of women among managers in the permanent workforce	44%	44%	-	43%
	Percentage of women on the SB or BD	47%	46%	-	32%
Equal treatment	Percentage of women in the primary decision-making body	25%	25%	-	25%
	Percentage of companies having implemented actions to encourage the employment and integration of disabled employees	Yes	Yes	-	67%
	Health and safety conditions (permanent and non-permanent workforce)				
	Fatalities	0	0	-	0
	Accidents with lost time	1	0	-100%	223
Health and safety	Frequency rate	2.77	0	-100%	13.8
	Working days lost due to accidents	16	0	-100%	12,708
	Severity rate	0.04	0	-100%	0.79
	Absenteeism rate	0.3%	0.7%	141%	7.6%
	Health insurance cover (permanent employees)				
	Percentage of employees with health insurance	100%	100%	-	99%
	Percentage of employees with death/disability insurance	100%	100%	-	97%

Potential areas of risk and opportunity	Key performance indicators & results	2019	2020	Change	2020
		Eurazeo			Eurazeo and its portfolio companies
Attractivity and employability	Hires and departures (permanent workforce, number of employees)				
	Hires	55	32	-42%	1,238
	Departures	24	18	-25%	1,985
	Compensation and benefits (permanent workforce, in millions of euros)				
	Total payroll	49	53	8%	542
	Amount of mandatory collective bonus or profit-sharing schemes	ND	2	-	7
	Amount of incentive scheme or collective bonus outside legal obligations	1.3	1.9	46%	11
	Percentage of employees benefiting from a value creation sharing scheme	ND	90%	-	58%
	Percentage of employee shareholders	43%	64%	49%	3%
	Training (permanent and non-permanent workforce)				
Total number of training hours	2,206	3,543	61%	166,454	
Percentage of employees who attended at least one training course during the year	90%	79%	-12%	72%	
Climate change	Energy consumption excluding fuel (in MWh)				
	Electricity	390	396	2%	280,251
	Steam	0	0	-	580,945
	Renewable energies	660	504	-24%	237,490
	Natural gas	3	3	-7%	855,122
	Heavy fuel oil and heating oil	0	0	-	2,756
	Coal	0	0	-	833,203
	Other energy	0	0	-	5,430
	Total energy consumption	1,054	903	-14%	2,795,197
	Energy expenditure (in millions of euros)	0.1	0.1	4%	69
	Share of renewable energies	63%	56%	-11%	9%
	Fuel consumption (in liters)				
	Gasoline	5,942	5,705	-4%	183,527
	Diesel	5,897	3,971	-33%	1,329,856
	Total fuel consumption	11,839	9,676	-18%	1,513,383
	Fuel expenditure (in thousands of euros)	22	18	-18%	1,969
	GHG emissions (in metric tons of CO ₂ equivalent)				
	Scope 1	30	24	-20%	577,998
	Scope 2	110	111	1%	212,078
	Scope 3	10,129	7,386	-27%	2,587,370
Total (Scope 1 + 2 + 3)	10,269	7,521	-27%	3,377,446	

Potential areas of risk and opportunity	Key performance indicators & results	2019	2020	Change	2020
		Eurazeo			Eurazeo and its portfolio companies
Site safety and industrial accident prevention	Environmental compliance work and litigation (in thousands of euros)				
	Environmental compliance work expenses during the year	0	0	-	3,833
	Environmental provisions and guarantees	0	0	-	4,522
	Fines and compensation paid in respect of environmental litigation	0	0	-	0
Substances in the air, water and soil	Air emissions (in metric tons)				
	Sulfur oxide emissions (SO _x)	0	0	-	1,842
	Nitrogen oxide emissions (NO _x)	0.92	0.86	-7%	1,132
	CSR certifications				
	Number of CSR certifications	2	2	-	65
Responsible use and consumption of resources	Water consumption				
	Water consumption (in cu.m)	2,261	1,730	-23%	37,181,108
	Amount spent on water consumption (in euros)	7,822	6,252	-20%	3,341,110
	Waste production (in metric tons)				
	Hazardous waste produced	-	-	-	29,939
	Non-hazardous waste produced	31	19	-39%	11,662
	Percentage of recovered waste	25%	40%	60%	61%
Biodiversity	Percentage of companies having implemented actions to protect and/or restore biodiversity	Yes	Yes	-	48%
Anti-corruption/taxation	Percentage of companies whose anti-corruption system implementation/enhancement is monitored	Yes	Yes	-	100%
Responsible procurement	Percentage of companies which participate in the Responsible Procurement program	-	-	-	76%

3.4 Methodology

3.4.1 SCOPES

	Fully-consolidated companies	Voluntary companies	Divested companies
Environmental and social impacts improvement program		X	X
SDG assessment	X		
Climate risks	X		
Non-Financial Performance Statement	X		

3.4.2 ENVIRONMENTAL AND SOCIAL IMPACTS

SCOPE AND APPROACH

19 companies are included in the measurement of reduced impacts in 2020: 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, Groupe C2S and Grape Hospitality for Eurazeo Patrimoine, and the Colisée group (divested in 2017), Dessange International, InTech Médical, Léon de Bruxelles (divested in 2019), MK Direct, Orolia, Péters Surgical, 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 2020 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, number of covers served for Léon de Bruxelles or quantities produced for Seqens). 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 CO₂ equivalent. CO₂.

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

In 2019, the Group 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 CO₂. The gains linked to this optimization were evaluated at nearly €500,000.

3.4.3 SDG ASSESSMENT

The SDGs constitute a comprehensive blueprint to tackle social, environmental and economic development challenges facing the world. Adopted in 2015 by the Member States of the United Nations, the SDGs comprise 17 sustainable development goals (SDG), broken down into 169 targets and 232 measurement indicators.

An SDG-based analysis seeks to identify positive contributions and negative impacts (or obstructions) of companies.

Eurazeo conducts this assessment for companies' operations and for products and services. An assessment is systematically

RISKS OF SDG WASHING

The defining principles of our methodology are aimed at preventing the following SDG-washing risks:

- **Positive contribution bias effect:** consists in highlighting a product's positive contributions (e.g. electric mobility) while ignoring the negative impacts in the value chain (e.g. raw material extraction, product waste and second life) or how the company manages its operations (e.g. decent working conditions);

ASSESSMENT OF OPERATIONS

Eurazeo selected 7 SDGs and 8 targets to assess company operations:

- SDG 4 - Quality education
 - 4.4. Increase the number of youth and adults who have relevant skills, including technical and vocational skills
- SDG 5 - Gender equality
 - 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
- SDG 8 - Decent work
 - 8.5. Achieve decent work for all women and men
 - 8.8. Protect labour rights and promote safe and secure working environments for all workers
- SDG 10 - Reduced inequalities
 - 10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- SDG 12 - Responsible consumption and production
 - 12.2. Achieve the sustainable management and efficient use of natural resources
- SDG 13 - Climate action
 - 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- SDG 16 - Peace, justice and strong institutions
 - 16.5. Substantially reduce corruption and bribery in all their forms.

The score is calculated for each portfolio company for each of the 8 targets. The targets are then aggregated with an equal weighting for each SDG.

performed for each investment to clarify the decision-making process and define ESG progress plans during the holding phase.

In the absence of a baseline methodology to perform impact measurements, Eurazeo has developed a methodology which takes into account the related targets and objectives to assess operations and uses the Impact Management Project (IMP) framework for products and services.

- **Magnifying glass effect:** consists in focusing on a positive aspect of an activity, even if it only represents a small percentage (e.g. an eco-designed product which represents 1% of overall revenue, the remainder being generated by standard products);
- **Offsetting effect:** consists in reporting a neutral impact by offsetting the positive and negative impacts (e.g. production of medicine). The positive (healthcare) and negative (pollution) impacts are real and as such should be taken into consideration separately.

The impact score comprises two factors:

- **The theoretical impact level**, determined according to the significance and criticality of the target in the considered business sector. This assessment is conducted by an external firm to ensure quality and objectivity.
- **The probability of the impact's occurrence**, which depends on the measures adopted by each company to either mitigate a negative impact or strengthen a positive impact. The probability for the various selected SDG targets is derived from the indicators of the ESG reporting collected by Eurazeo from its portfolio companies. These indicators can be quantitative or qualitative:
 - 16 quantitative indicators from the reporting are used (e.g. percentage of trained employees, percentage of women in management bodies, accident frequency rate, carbon intensity, etc.),
 - 16 qualitative indicators from the reporting are used (e.g. set-up of environmental policies (water management, energy efficiency, impacts on biodiversity, etc.), Responsible Procurement, Code of Conduct, Audit Committee policies, etc.).

The scoring system has four levels, from 0 (immaterial impact) to 3 (strong impact).



03

PRODUCTS AND SERVICES

The impact of products and services is assessed based on the Impact Management Project (IMP) guidance which sets out a framework for analyzing how the management of both positive and negative impacts in relation to the SDGs is measured, reported and improved.

Firstly, the SDGs on which products and services sold by each company may have an impact are identified. Three of the five IMP dimensions - What, Who and How much - are then analyzed to assess the impact of products and services.

IMPACT DIMENSION	QUESTIONS WHICH EACH IMPACT DIMENSION SEEKS TO ANSWER
WHAT	<ul style="list-style-type: none"> • WHAT outcome does the impact drive? • How important is the outcome to the stakeholders experiencing the impact?
WHO	<ul style="list-style-type: none"> • WHO experiences the impact? • To what extent were these stakeholders underserved in relation to the outcome?
HOW MUCH	<ul style="list-style-type: none"> • What is the scale, depth and duration of the impact?

The product or service impact score for an SDG target depends on the response given to each dimension, as summarized in the following table.

WHAT	Important negative outcomes		Mitigation outcomes	Important positive outcomes	
WHO	Various			Various	Underserved
HOW MUCH	High degree of negative change	Moderate degree of change	High degree of mitigation	Moderate degree of positive change	High degree of positive change
	↓	↓	↓	↓	↓
Classification of impact	May cause significant harm	May cause harm	Act to avoid harm	Benefit stakeholders	Contribute to solutions
Score	-3/-2	-1	1	2	3

The impact of a company's products and services is measured in relation to the SDGs identified for their positive contribution and their obstruction. It should be noted that positive and negative impacts are not offset.

3.4.4 CLIMATE RISKS

Climate risk analysis is based on financial and non-financial information (sector, location, type of facility, revenue and number of employees). It covers physical risks and energy transition risks in accordance with the French Energy Transition Law and Task Force for Climate-related Financial Disclosure (TCFD) recommendations.

Each of the five risks is assessed on a scale from 1 to 3 (1: low risk to 3: high risk). Risk assessment is based on each company's sector, geographical location and activity.

Type	Climate risks	Potential financial impacts ⁽¹⁾
PHYSICAL RISKS	Physical risks result from climate change impacts: rising temperatures, drought, extreme weather events, rising sea levels worldwide. Physical risks are assessed by combining their probability of occurrence and their severity.	Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism) Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants) Increased capital costs (e.g., damage to facilities) Reduced revenues from lower sales/output Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations
	POLICY AND LEGAL	
	Increased pricing of GHG emissions Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services Exposure to litigation	Increased operating costs (e.g., higher compliance costs, increased insurance premiums) Write-offs, asset impairment, and early retirement of existing assets due to policy changes Increased costs and/or reduced demand for products and services resulting from fines and judgments
TECHNOLOGY		
TRANSITION RISKS	Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs to transition to lower emissions technology	Write-offs and early retirement of existing assets Reduced demand for products and services Research and development (R&D) expenditures in new and alternative technologies Capital investments in technology development Costs to adopt/deploy new practices and processes
	MARKET	
	Changing customer behavior Uncertainty in market signals Increased cost of raw materials	Reduced demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) Abrupt and unexpected shifts in energy costs Change in revenue mix and sources, resulting in decreased revenues Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)
REPUTATION		
	Shifts in consumer preferences Stigmatization of sector Increased stakeholder concern or negative stakeholder feedback	Reduced revenue from decreased demand for goods/services Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions) Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) Reduction in capital availability

(1) Source: TCFD 2017. Report of the Task Force on Climate-related Financial Disclosures, INDEFI analyses.

3.4.5 NON-FINANCIAL PERFORMANCE STATEMENT

PERIOD AND FREQUENCY

The report covers the calendar year from January 1 to December 31, 2020. Eurazeo's Non-Financial Performance Statement has been included in its Universal Registration Document every year since 2011.

SCOPE

Section 3.2 meets the requirements of the Non-Financial Performance Statement, covering Eurazeo and the companies that are fully consolidated in the Eurazeo balance sheets and income statements. The portfolio companies are included in ESG reporting as of the end of the first full year of ownership.

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

The list of investments reviewed in respect of 2020 with respect to Non-Financial Performance Reporting is as follows: **2Ride Group, Groupe C2S, CPK, Dessange International, EFESO Consulting, Elemica, Eurazeo, Eurazeo PME, Grape Hospitality, Idivest Partners, Intech, MK Direct, Nest New York, Orolia, Péters Surgical, Planet, Redspher, Seqens, Sommet Education, Vitaprotech** and **WorldStrides**.

The 2020 reporting scope includes the following changes compared with 2019: Following their divestment, CIFA and Iberchem are no longer included in the reporting scope. Elemica was recently added. These changes preclude trend analysis between 2019 and 2020.

The rules for the inclusion of entities in the reporting scope are identical for Eurazeo's reporting and the reporting of contributing companies:

- Divestments made during the course of the year are removed from the 2020 reporting scope;
- Acquisitions made during the course of the year are not taken into account in reporting in respect of 2020. They will be included in 2021 reporting;
- Companies with exceptional difficulties during the course of the year are removed from the 2020 reporting scope; They will be included in 2021 reporting;
- Reporting is broken down by entity; each entity is responsible for producing its non-financial data.

The reporting scope defined by the 2020 Non-Financial Performance Reporting law covers a total of 21 companies, broken down into 85 separate entities in 17 countries, involving over 160 contributors.

3.4.5.1 METHODOLOGICAL DETAILS RELATING TO RISK AND OPPORTUNITY ANALYSIS

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

ESG ISSUES CREATING RISKS AND OPPORTUNITIES FOR EURAZEO

Thirteen issues were identified using the risk matrix prepared jointly by the ESG, 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 ESG 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 Universal 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 ESG 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.

3.4.5.2 ORGANIZATION OF PERFORMANCE INDICATOR COLLECTION

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

In every company, the relevant departments manage the collection of non-financial data. Eurazeo's ESG 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 ESG 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 established 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 ESG information published in this report. Its opinion is provided in Section 3.5.

CHOICE OF INDICATORS

Eurazeo's choice of ESG indicators is aimed at achieving two main objectives: managing the ESG performance of Eurazeo and its portfolio companies, and meeting reporting requirements as laid down by the Non-Financial Performance Reporting regulation. The indicators are reviewed each year with a view to achieving continuous progress. In 2020, 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;
- The **Disclosure regulation**, which introduces transparency requirements for financial market players regarding the integration of sustainability risks in their investment process, consideration of the negative impacts of their investment decisions and financial products that "promote environmental or social characteristics" or have a "sustainable investment objective";
- **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 objectives;
- 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.

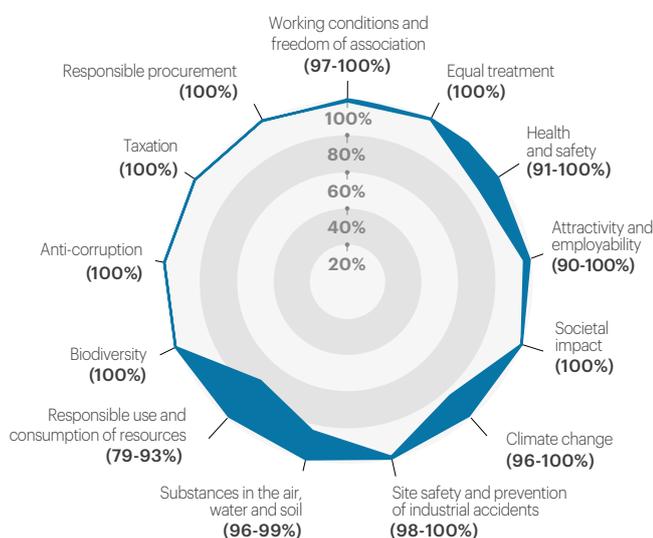
Eurazeo has chosen to incorporate these international and French reference standards into its cross-reference table to make its non-financial statement easier to understand.

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.

Coverage rates by issue for the Non-Financial Performance statement scope for Eurazeo and its portfolio companies



3.4.6 EUROPEAN REGULATIONS ON SUSTAINABLE FINANCE

In March 2018, the European Commission adopted its action plan for sustainable finance which has 3 primary objectives:

1. Reorient capital flows towards sustainable investment;
2. Manage financial risks stemming from climate change, resource depletion, environmental degradation and social issues;
3. Foster transparency and long-termism in financial and economic activity.

A key instrument of this action plan is Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("Disclosure" regulation) that was adopted in November 2019 by the European Parliament. The Disclosure regulation was supplemented in June 2020 by Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("Taxonomy" regulation). This second regulation determines what is an environmentally sustainable economic activity.

Implementing acts should be adopted in 2021 to clarify the enforcement of the aforementioned regulations.

This new regulation amends the Eurazeo ESG policy framework. The Group is therefore closely monitoring the procedure for drafting the implementing acts and conducting work so as to comply with the regulations. The first clauses will come into effect as of March 10, 2021.

The following initial work was carried out:

- Summary of how sustainability risks within the meaning of the Disclosure regulation are taken into account in the Eurazeo investment process;
- Analysis of consistency between the ESG indicators used by Eurazeo and the sustainability indicators laid down in the Disclosure regulation to assess the adverse impacts of investment decisions;
- Initial assessments of investment compliance with criteria defined in the draft delegated act of the Taxonomy regulation used to determine if an economic activity can be considered as environmentally sustainable;
- Development of funds whose investments focus on key sustainable development sectors (see funds described in Section 3.1.2).

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, 2020

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 SE (hereinafter the "entity"), appointed as an independent third party and certified by COFRAC under number 3-1060 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial performance statement for the year ended December 31, 2020 (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 Chairwoman 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 déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

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

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

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption 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 social 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 social and environmental information set out in Article L. 225-102-1-III, as well as information set out in Article L. 22-10-36, 2 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 includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- 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 SE, Eurazeo PME, Idinvest Partners and Seqens (Novapex, Novacarb, Uetikon, Yangzi, PCAS and consolidation), and covers between 18% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests.
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important (see the list provided in the appendix);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

MEANS AND RESOURCES

Our work was carried out by a team of seven people between November 2020 and March 2021 and took a total of 12 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 18 interviews with the people responsible for preparing the Statement, representing the Corporate Social Responsibility Department.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the consolidated 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, 2021

One of the Statutory Auditors
PricewaterhouseCoopers Audit

David Clairotte
Partner

Sylvain Lambert
Partner in charge of the Sustainable Development Department

APPENDIX: LIST OF CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Key performance indicators and other quantitative results:

Main issues	Sections of the Universal Registration Document regarding policies, actions and associated results reviewed as part of our work
Working conditions and freedom of association	<p>■ Section 3.2.2.2 Working conditions and freedom of association</p> <p>Indicators:</p> <ul style="list-style-type: none"> • total number and breakdown of employees; • percentage of full-time and part-time employees; • share of companies that have carried out a social barometer survey in the past three years; • 2020 engagement rate.
Equal treatment	<p>■ Section 3.2.2.3 Equal treatment</p> <p>Indicators:</p> <ul style="list-style-type: none"> • percentage of women; • percentage of women among managers in the permanent workforce; • percentage of women on the Supervisory Board or Board of Directors; • percentage of women on the primary decision-making body; • share of companies having implemented actions to encourage the employment and integration of disabled employees; • results of the 2020 Gender Equality Index in France.
Health and safety	<p>■ Section 3.2.2.4 Health and safety</p> <p>Indicators:</p> <ul style="list-style-type: none"> • rate of absenteeism; • frequency and severity rates; • percentage of employees with health insurance; • percentage of employees with personal accident insurance; • fatalities.
Attractivity and employability	<p>■ Section 3.2.2.5 Attractivity and employability</p> <p>Indicators:</p> <ul style="list-style-type: none"> • percentage of employees receiving payments under an incentive scheme or collective bonus outside legal obligations; • percentage of employee shareholders; • percentage of employees who attended at least one training course during the year; • new hires and departures; • compensation and benefits; • number of training hours; • annual training expenditure.
Societal impact	<p>■ Section 3.2.2.6 Societal impact</p> <p>Indicator:</p> <ul style="list-style-type: none"> • amount allocated to social and educational patronage (associations and NGOs), think-tanks, forums and institutions, to cultural patronage and to professional bodies.
Climate change	<p>■ Section 3.2.3.2 Climate change</p> <p>Indicators:</p> <ul style="list-style-type: none"> • share of portfolio companies conducting an environmental and/or greenhouse gas assessment and drawing up an updated action plan to reduce emissions every three years; • energy and fuel consumption; • greenhouse gas emissions (scopes 1, 2 & 3).
Site safety and industrial accident prevention	<p>■ Section 3.2.3.3 Site safety and industrial accident prevention</p> <p>Indicators:</p> <ul style="list-style-type: none"> • compliance work and litigation (in thousands of euros); • environmental compliance work expenses during the year; • environmental provisions and guarantees; • fines and compensation paid in respect of environmental litigation.
Substances in the air, water and soil	<p>■ Section 3.2.3.4 Substances in the air, water and soil</p> <p>Indicators:</p> <ul style="list-style-type: none"> • sulfur oxide emissions (SOx); • nitrogen oxide emissions (NOx).

Main issues	Sections of the Universal Registration Document regarding policies, actions and associated results reviewed as part of our work
Responsible use and consumption of resources	<p>■ Section 3.2.3.5 Responsible use and consumption of resources</p> <p>Indicators:</p> <ul style="list-style-type: none"> • waste production and percentage of recovered waste; • water consumption and amount spent on water consumption.
Biodiversity	<p>■ Section 3.2.3.6 Biodiversity</p> <p>Indicator:</p> <ul style="list-style-type: none"> • share of companies having implemented actions to protect and/or restore biodiversity.
Anti-corruption/taxation	<p>■ Section 3.2.4.1 Anti-corruption & Taxation</p> <p>Indicators:</p> <ul style="list-style-type: none"> • 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	<p>■ Section 3.2.5 Responsible procurement</p> <p>Indicators:</p> <ul style="list-style-type: none"> • percentage of companies which participate in the responsible procurement program; • percentage of companies to have rolled out a responsible procurement code of conduct.

Qualitative information (measures and outcomes):

- C2S – six clinics awarded the best score (A) by the French Health Authority;
- Dessange – launch of a social barometer survey in 2020;
- Nest New York – implementation of a diversity and inclusion working group;
- Worldstrides – implementation of an equality and inclusive diversity board;
- Worldstrides – Project Bold;
- Eurazeo – health and safety risk assessment in the single risk assessment document;
- TIL Technologies – renewal of ISO 45001 certification;
- Sommet Education – launch of the #MentoringDev program;
- Sommet Education – association with the World Tourism Organization and launch of the "Hospitality Challenge";
- Eurazeo – support of Human Rights Watch;
- Eurazeo – support of the "Entrepreneurs dans la Ville" initiative in Île-de-France;
- Grape Hospitality – paperless and zero plastic waste trial in two hotels in France and Germany;
- Péters Surgical – roll-out of a zero-plastic waste policy;
- Seqens – study into the reduction of chloride emissions;
- Seqens – study into the mapping out of a water irrigation system;
- Seqens – study into the reduction of sodium bicarbonate emissions;
- Seqens – reforestation of land to compensate for deforestation due to quarrying;
- Seqens – use of bicarbonate to treat incinerator smoke and limit acid rain;
- Seqens – contribution to the management of a Natura 2000 zone;
- Seqens – production of vapor through internal incinerators.

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

Year ended December 31, 2020

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,

As requested, 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, environmental and societal information provided in Eurazeo SE's 2020 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, 2020 (men/women, FTEs/full-time employees, part-time, permanent/non-permanent) and employee turnover during the year;
- hours of training, number of permanent 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.

The societal information selected by Eurazeo is as follows:

- portion of investments subject to ESG due diligence;
- percentage of companies in the portfolio that performed CSR reporting;
- percentage of companies in the portfolio that participated in CSR acceleration programs;
- amounts allocated to patronage (Eurazeo scope, excluding investments).

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

It is our responsibility, on the basis of our work, to provide a reasonable assurance conclusion 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 2020 CSR reporting guidelines.

- at the 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 collection, compilation, processing and control process 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, using sampling techniques, the calculations and data consolidation. This work was based specifically on interviews with the individuals within the CSR and 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 responsible for preparing the data, we verified their proper understanding and application of the procedures,
 - we performed tests of details, on the basis of samples, consisting in verifying the calculations made and reconciling the data with the supporting documents.

These Eurazeo entities represent the total Group workforce and environmental and societal 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 2020 management report, was prepared in all material respects in accordance with the guidelines used by Eurazeo and applicable in 2020.

Neuilly-sur-Seine, March 16, 2021

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 ESG strategy described in this document in Section 3.1 as well as on the Eurazeo's website in the Responsibility and impact section. All ESG 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 initiate and 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 ESG department and the different departments involved: Audit and risks, legal and HR.

3.6.2 FUNDAMENTAL 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 referentiels and fundamentals principles as well as state of the art 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, is given to every Company employee and made available to its stakeholders.

The Code of Conduct is supplemented by the Code of Conduct for commercial relations and 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.

Eurazeo also relies on strong ESG 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 in 2020 achieved the maximum score A+ in each of the four assessment categories relating to its businesses.

3.6.3 MAPPING, IDENTIFICATION, ANALYSIS AND RANKING OF RISKS

A global ESG 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 has been created for the 3 issues covered by the Duty of Vigilance Law.

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

In order to identify the ESG issues linked to suppliers, a specific tool was developed by Eurazeo in 2015. This tool to map the materiality of ESG 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. It is made available to all portfolio companies via the EurazeoConnect digital platform. Eurazeo organizes annual training on supplier mapping. Each company is responsible for implementing this map.

3.6.4 REGULAR EVALUATION PROCEDURES

Eurazeo has a collaborative, pragmatic and constructive ESG 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 3.1.4 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 ESG reporting.

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, their method of assessment and their management are described in Section 4.1.

Specific action plans are determined with 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, employees 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 by 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 the monitoring procedures and tools made available to controlled companies.

The ESG reporting system is used to monitor specific indicators for the 3 issues covered by the Duty of Vigilance Law. The ESG reporting results are shared with the Eurazeo Audit Committee at its meetings, with the management of the portfolio companies at special work meetings and at least once a year with the Supervisory Board.