

Communication on Progress (COP)

2017/2018



United Nations Global Compact

Advanced Level

December 2018



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



About Eurazeo:

With a diversified portfolio of over €16 billion in assets under management, including over €10 billion from investment partners, Eurazeo is a leading global investment company with offices in Paris and Luxembourg, New York, Shanghai and Sao Paulo. Its purpose and mission is to identify, accelerate and enhance the transformation potential of the companies in which it invests. The firm covers most private equity segments through its five investment divisions - Eurazeo Capital, Eurazeo Croissance, Eurazeo PME, Eurazeo Patrimoine and Eurazeo Brands - and through three Idinvest business divisions: Venture Capital, Private Debt and Dedicated Portfolio & Funds. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term. As a global long-term shareholder, the firm offers deep sector expertise, a gateway to global markets, and a stable foothold for transformational growth to the companies it supports.

About Eurazeo's CSR commitment:

Eurazeo is convinced that CSR is an essential factor for company's transformation, sustainable growth, and thus value creation. In an increasingly complex environment, Eurazeo also believes that the implementation of a CSR approach is an integral part of its role as a responsible shareholder. Eurazeo's teams provide portfolio companies with both the time and the resources necessary for their transformation, while combining economic development, the reduction of environmental impacts, social progress and balanced governance.

A pioneer in this field, Eurazeo carried out a complete assessment of the environmental impacts of its portfolio as early as 2008. Since then, the Group factored ESG issues into its business through the creation of a Sustainable Development department, written a CSR charter, and developed a reporting system for its annual nonfinancial indicators. 2014 marked the beginning of a new phase in Eurazeo's CSR progress and ambition, with the definition of a CSR strategy comprising quantified objectives for 2020. This strategy comprises four pillars, with the third pillar consisting of a roadmap for investments.

In December 2011, Eurazeo signed the Principles for Responsible Investment (PRI) of the United Nations, thereby confirming its goal of factoring non-financial criteria into its management, investment strategy and portfolio of companies. Eurazeo signed the United Nations Global Compact in 2014, and its first Communication on Progress (COP) was submitted at the Advanced level.

Learn more about Eurazeo's CSR commitments and strategy in the following documents:

- [Eurazeo's 2017 Registration Document.](#)
- [Eurazeo's 2017 Annual Review.](#)
- [Eurazeo's Code of Conduct.](#)
- "[Responsibility](#)": the CSR section of the Eurazeo's corporate website.

Statement of Continued Support



Virginie Morgon,

CEO and Chair of the Executive Board

The imperative of adapting to climate change, the integration of the UN's sustainable development goals, the growing influence of civil society and NGOs, greater regulation and taxation... In an increasingly complex environment, CSR is undoubtedly a lever for performance enhancement, sustainable value creation and contribution to the common good.

Viewing Corporate Social Responsibility as a sustainable value creation lever, Eurazeo has chosen to make it one of its key catalysts for change. We are one of the first private equity firms to have formalized a CSR policy, which serves as an incentive for both our investments and ourselves to progress across various CSR measures. Our CSR vision is structured around a practical approach focused on continuous progress that extends well beyond the investment horizons of our portfolio companies.

In 2018, Eurazeo continued to unlock significant potential, driven by a CSR strategy that has been methodically implemented with boldness and rigor. All the developments over the past months, and they are numerous, have made us a leading player in the investment ecosystem in France, Europe, and, more recently, the United States. Just as we continue to optimize the ways in which we enhance the growth of our portfolio companies, we strive to continuously drive and support the major transformations that are essential to the creation and expansion of sustainable value at these companies. We are fully aware of our responsibility in the work we do, which is why we've been recognized by Vigeo as one of the 120 most advanced companies in the world and one of the 20 most advanced companies in France in terms of ESG.

As Eurazeo's CEO, I am proud to renew our support for the United Nations Global Compact and its 10 principles, in the areas of Human Rights, labour, environment, and anti-corruption.

We look forward to continuing to share our progress with you, our stakeholders and the international community.

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Criterion 1: The COP describes mainstreaming into corporate functions and business units

- *Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives*
- *Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy*
- *Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary*
- *Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs*
- *Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

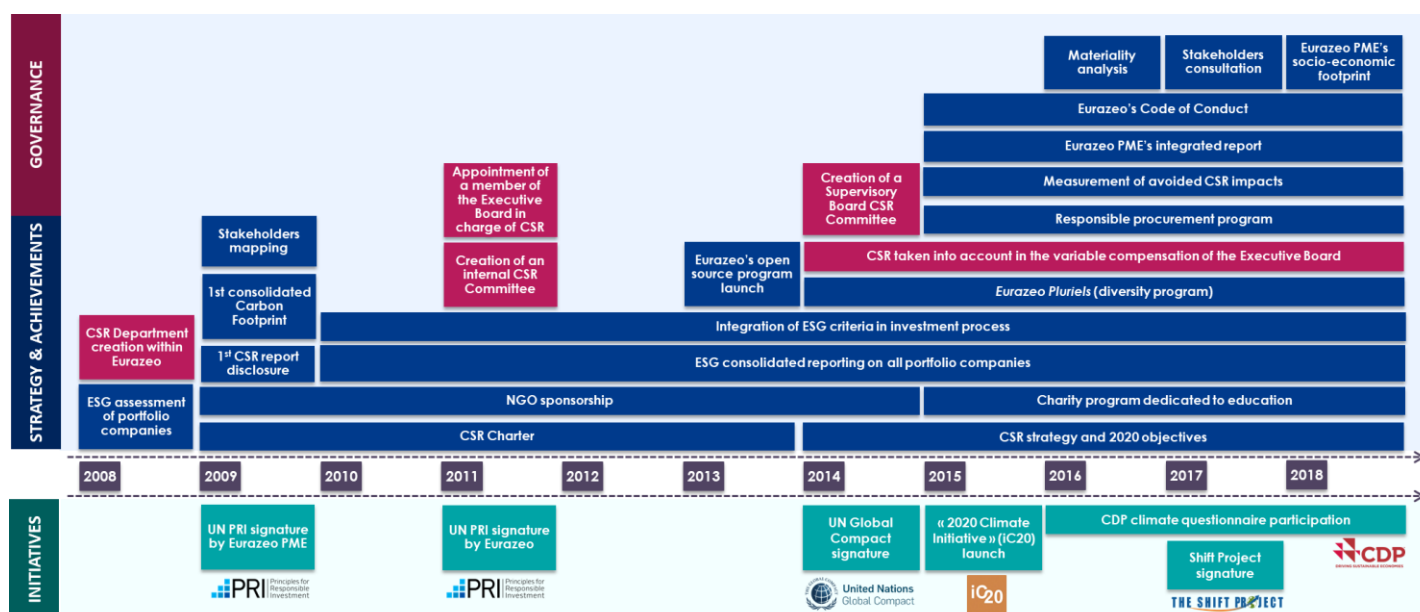
As a professional and responsible investor, Eurazeo accompanies companies over the long term to help them deploy all their growth potentials, with perspectives reaching beyond Eurazeo's investment horizon. The purpose of Eurazeo is to identify, accelerate and enhance the transformation potential of the companies in which it invests, even in the long term with control over exit timing. This is an extensive role, enabling it to combine business development and Corporate Social Responsibility (CSR).

As a performance driver, CSR is a vital component for the extensive transformation and long-lasting growth of a business. Eurazeo is indeed convinced that Corporate Social Responsibility is an essential factor for companies' transformation and sustainable growth, and thus a fundamental component of the Eurazeo model, reflected by value creation.

In an increasingly complex environment, Eurazeo considers that the implementation of a CSR approach is an integral part of its role as a responsible shareholder. This commitment is realized through a concrete approach, providing portfolio companies with both the time and the resources necessary for their transformation, while combining economic development, the reduction of environmental impacts, social progress and balanced governance.

For over ten years, Eurazeo has formalized and strengthened its commitment to CSR in a practical approach, focused on continuous improvement. In 2008, Eurazeo's CSR commitment started with an environmental assessment of portfolio companies. Eurazeo factored CSR issues into its business through the creation of a sustainable development department in 2010. Since then, Eurazeo has accelerated the deployment of CSR tools and objectives.

In 2009, a CSR charter was published, a shared framework for Eurazeo and its portfolio companies, encouraging progress on various Environmental, Social, Societal and Governance (ESG) issues it addresses. Since 2010, CSR is integrated into the investment and reporting process (please refer to Criterion 2 for more details). In December 2011, Eurazeo signed the Principles for Responsible Investment of the United Nations (UNPRI), thereby confirming its goal of factoring non-financial criteria into its management, investment strategy and portfolio of companies. The same year, Eurazeo published its first CSR report, with a voluntary external evaluation by an independent auditor, and prior to its obligation to report under French Grenelle II Act.



2014 marked a new stage for Eurazeo, with the disclosure of a comprehensive CSR strategy incorporating quantified targets. This strategy is based on four actions: invest responsibly, establish exemplary governance, create sustainable value and be a vector of change in society.

Each of the 4 pillars of the CSR strategy owns ambitious quantitative objectives by 2020, which reflect Eurazeo's commitment to patient capitalism which takes a long-term view of a company's development. Eurazeo publishes a progress report about these objectives, on an annual basis.

The CSR strategy responds to the most stringent CSR requirements and includes the specificities of its investor activity. It reflects Eurazeo's belief that sustainable development and value creation go hand-in-hand, and our ambition to combine value enhancement and responsibility throughout the investment cycle.

It includes a CSR road map (as its third pillar) distributed to all portfolio companies to be adapted to their specific structures and sectors, in order to facilitate the implementation of CSR into their activities. This CSR road map provides an operational frame of references for the companies in the portfolio. The aim is to see it implemented in all companies by 2020.

→ Eurazeo's CSR Strategy and 2020 objectives:

AMBITIONS	2020 OBJECTIVES
1. INVEST RESPONSIBLY Integrate CSR at all stages of the investment cycle.	100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR Section ⁽¹⁾ 100% of companies to perform CSR reporting 100% of divestment operations to incorporate CSR information
2. ESTABLISH EXEMPLARY GOVERNANCE Ensure that all companies have exemplary governance bodies	100% of companies to have at least 40% women directors on the Board ⁽²⁾ 100% of controlled companies to have at least 30% independent Directors on the Board ⁽²⁾ 100% of companies to have an Audit Committee and a Compensation Committee
3. CREATE SUSTAINABLE VALUE Ensure that all companies have a CSR progress plan	100% of companies to have deployed Eurazeo's "CSR essentials" ⁽³⁾ The 7 "CSR essentials" ⁽⁴⁾ : <ul style="list-style-type: none"> • Appoint a CSR manager • Establish annual CSR reporting • Create an operational CSR committee • Include CSR issues on the agenda of Board meetings at least once a year • Conduct an environmental and/or greenhouse gas assessment every three years • Perform a social barometer every three years • Conduct CSR audits of priority suppliers 100% of portfolio companies to have quantified CSR progress targets 100% of portfolio companies to be involved in at least one CSR acceleration program ⁽⁴⁾
4. BE A VECTOR OF CHANGE IN SOCIETY Ensure that all companies improve their societal footprint	100% of portfolio companies to improve the protection and well-being of employees 100% of portfolio companies to share value created or company profits with employees 100% of portfolio companies to reduce their environmental impact

(1) Due diligence is deemed to be in the advanced study phase when a firm offer has been made.

The indicator covers all companies reviewed, including those that were not ultimately acquired.

(2) On Supervisory Boards (SB) or Boards of Directors (BD).

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

(4) Eurazeo has three CSR acceleration programs: environmental footprint, gender equality and responsible purchasing.

Environmental footprint (or life-cycle assessment, LCA) is a measurement of energy consumption, raw material use and discharges into the environment, as well as potential environmental impacts associated with a product, process or service over its entire life cycle (ISO 14040 definition).

In 2015, in partnership with four other private equity companies, Eurazeo launched the “Initiative Climate 2020” (also known as iC20), the first long-term approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies. iC20 is the first collective commitment by the French private equity industry in favor of the responsible and transparent management of greenhouse gas emissions by the companies of which they are shareholders. Eurazeo has a leading role in this initiative and Noëlla de Bermingham (Eurazeo’s CSR manager) is in charge of coordinating the action of the signatories since 2017. Since the Climate Finance Day 2018, the UN PRI endorses the initiative.

Eurazeo’s commitment to fight climate change was strengthened in 2017 by the signing of the Shift Project’s “Decarbonize Europe Manifesto” and the “Letter from global investors to governments of the G7 and G20 nations”.

CSR policy is a strategic issue for Eurazeo, embodied at the highest level by the General Secretary, to whom Eurazeo’s CSR Director reports. Eurazeo’s dedicated CSR team is composed of 4 people and works closely with each of the other departments at Eurazeo, including Investment, Finance, Human Resources, Audit, Legal and Communication teams.

CSR issues feature on the Executive Board agenda at least three times per year. CSR objectives are also part of the factors taken into account for the calculation of the variable compensation of each member of the Executive Board and of the Executive Committee (since this year).

Eurazeo’s Supervisory Board has a CSR committee since 2014. Its purpose is to assist the Supervisory Board in monitoring CSR-related issues to allow Eurazeo to better anticipate the associated opportunities, challenges and risks. The CSR committee considers these issues in coordination with the Executive Board, reports to the Supervisory Board on the exercise of its duties, and issues recommendations on Eurazeo CSR policy and actions.

Dialogue between the CSR Director, Eurazeo’s internal teams, and the portfolio companies is a key feature of Eurazeo’s CSR implementation. Eurazeo also actively encourages its portfolio companies to appoint dedicated staff. To monitor the deployment of specific action plans for each company, Eurazeo organizes at least three meetings per year with each of its investments, and ensures that CSR is placed on the agenda of a Supervisory Board and/or Audit Committee meeting at least once a year.

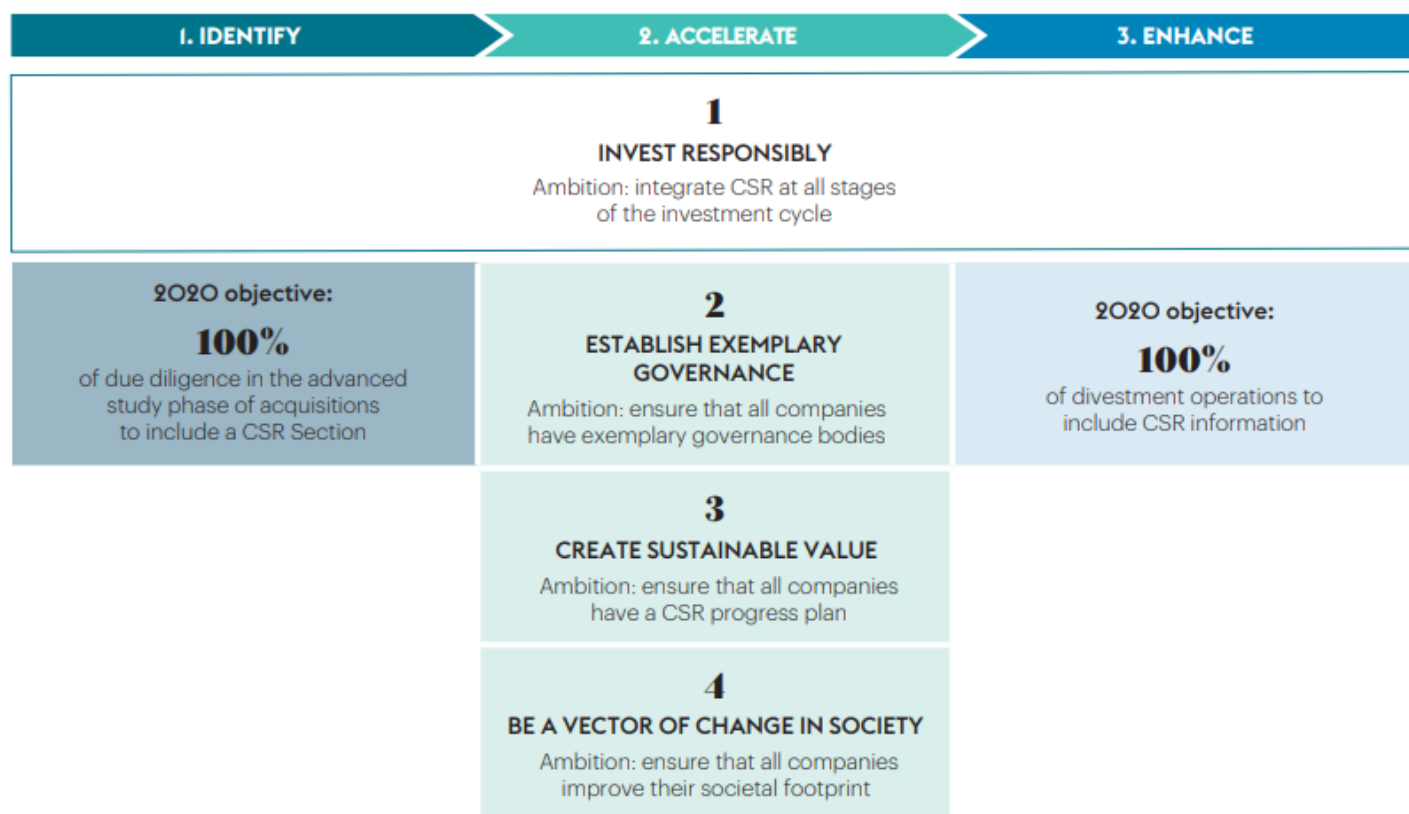
See also:

- “CSR strategy: 2017 results” section of [Eurazeo’s 2017 Registration Document](#) (pages 96-98).
- “CSR in the investment policy” section of [Eurazeo’s 2017 Registration Document](#) (pages 90-95)
- “CSR, responsible commitments” section of [Eurazeo’s 2017 Annual Review](#) (pages 26-27)
- “Responsibility”: the CSR section of the [Eurazeo’s corporate website](#).

Criterion 2: The COP describes value chain implementation

- *Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts*
- *Communicate policies and expectations to suppliers and other relevant business partners*
- *Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence*
- *Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

In an increasingly complex environment, CSR is a performance and long-term value creation driver. It is incorporated into the very core of Eurazeo's business, with teams systematically considering environmental, social, societal and governance challenges at each stage of the investment cycle: phase of identification of investment opportunities, during the transformation phase, and at the exit phase. Eurazeo thus develops and uses several CSR tools to analyze its activity both upstream and downstream through its value chain.



Upstream, during the detection of investment opportunities, CSR provides a twofold contribution:
































































- the consideration of environmental, social and societal developments enriches the prospective analysis of different sectors and economic trends. This helps identify new opportunities in areas as diverse as energy, the service economy, recycling and waste treatment.
- the appraisal of a target acquisition in respect of environmental, social, societal and governance issues can help improve the understanding of the risks and opportunities, thereby increasing the ability to forge strong convictions in the selection of investments.

During the due diligence procedures for target investments, the list of criteria examined derives from a cross-cutting analysis of several recognized French and international standards:

- the Principles for Responsible Investment (PRI);
- French ordinance 2017-1180 (that replaced Article 225 of the Grenelle II law);
- the Global Reporting Initiative;
- the work of the France Invest ESG Commission;
- the 10 principles of the United Nations Global Compact;
- the United Nations Sustainable Development Goals;
- the CDP's climate change questionnaire;
- the Sustainability Accounting Standards Board (SASB) Materiality Map.

Eurazeo conducted CSR due diligence on 100% of acquisitions and prospective acquisitions made in 2017.

MATRIX OF CRITERIA AND ISSUES EXAMINED

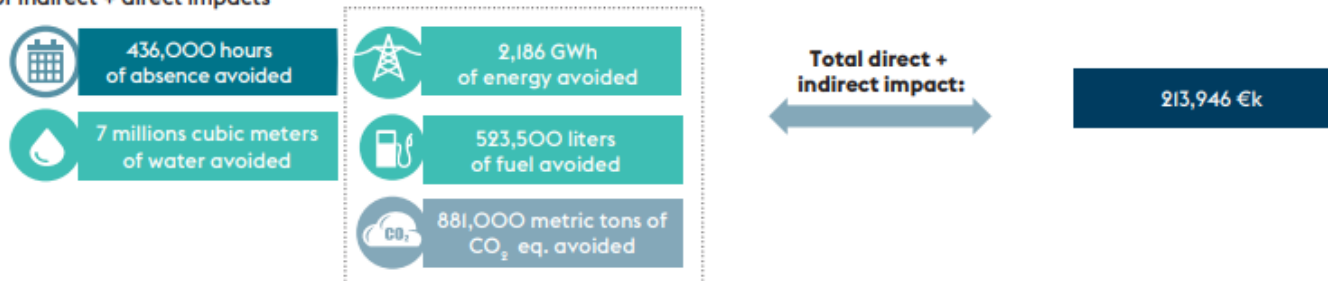
SOCIAL		ENVIRONMENT		SOCIETAL		ETHICS AND GOVERNANCE	
Employment (workforce, variations, turnover and compensation)	      	General policy (approach, awareness raising/ training, risk prevention, provisions and guarantees)	  	Territorial, economic and social impact (employment, local development)	  	Fair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

This support is adapted to the degree of the company's maturity with respect to CSR issues and the means at its disposal on the subject. It also depends on the specific challenges of each company and the resources it can mobilize. Expertise is communicated to portfolio companies through discussion seminars, work meetings, the sharing of good practice and the regular monitoring of performance indicators. Eurazeo also initiated CSR awareness sessions for its portfolio companies. In 2017, Eurazeo conducted 72 CSR workshops held with subsidiaries.

The follow-up of achievements and progress made in the field of CSR was made reliable thanks to the deployment of a reporting system, used by more than 20 companies of the portfolio in 2018. The CSR reporting results of each company are given to their management teams and diverse boards, on the basis of which are established plans of progress and quantitative targets. As every year, Eurazeo publishes the consolidated results of this reporting and it is checked by an **independent third party**.

Seeking to value the impact of its actions on social and environmental issues in order to demonstrate that businesses can use CSR policies to leverage their performance and value creation, Eurazeo has decided to establish a methodology for assessing avoided impacts and determining the financial effects in partnership with a specialized firm. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017: 12 companies are therefore included in the study of avoided impacts in 2017. Over the last six years, CSR programs implemented by the companies reviewed were able to avoid more than €196 million in expenditure, with direct savings totaling nearly €65 million. The companies also avoided the equivalent of 1,264,600 metric tons of CO₂ equivalent, almost 6 million cubic meters of water, 1,916 GWh of energy, 328,000 liters of fuel and 426,000 hours of absence. Eurazeo's goal is to gradually extend this analysis to all of its portfolio companies, and to conduct year-on-year performance monitoring.

Sum of indirect + direct impacts

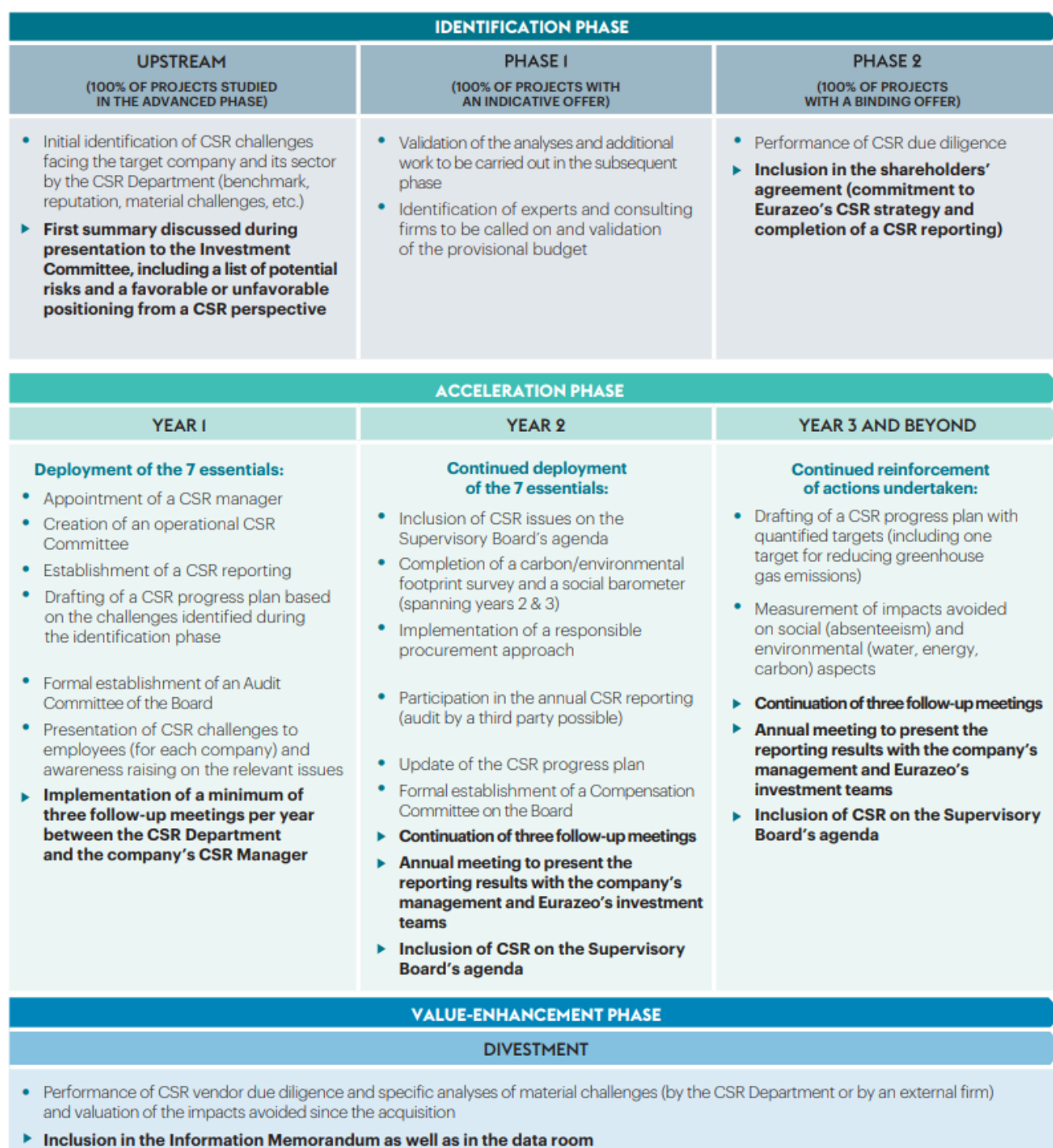


Eurazeo also looks to implement sustainability factors further along the value chain. As part of its 2020 CSR Strategy, Eurazeo portfolio companies participate in a Responsible Procurement working group, organized by Eurazeo, which brings together the managers responsible for procurement from each portfolio company. By providing a space to share best practices and define goals, this working group aims to accelerate the implementation of responsible procurement throughout Eurazeo's portfolio. During the programme's launch in November 2015, Eurazeo unveiled its own Code of Conduct for Business Partners. Two meetings were held by Eurazeo in 2016 to facilitate the sharing of responsible supply practices from a human and environmental perspective. In 2018, Eurazeo relaunched this working group for its new investments. A new session in English is planned in 2019.

Lastly, downstream, during the divestment phase, CSR assessments are performed to measure CSR outcomes achieved while the company was part of the portfolio. In 2016, a CSR vendor due diligence was realized for Foncia's

divestment: this analysis highlights the progress achieved by the company since its acquisition by Eurazeo. In 2017, ANF Immobilier's divestment also incorporated CSR information.

→ Eurazeo's CSR Strategy deployment:



See also:

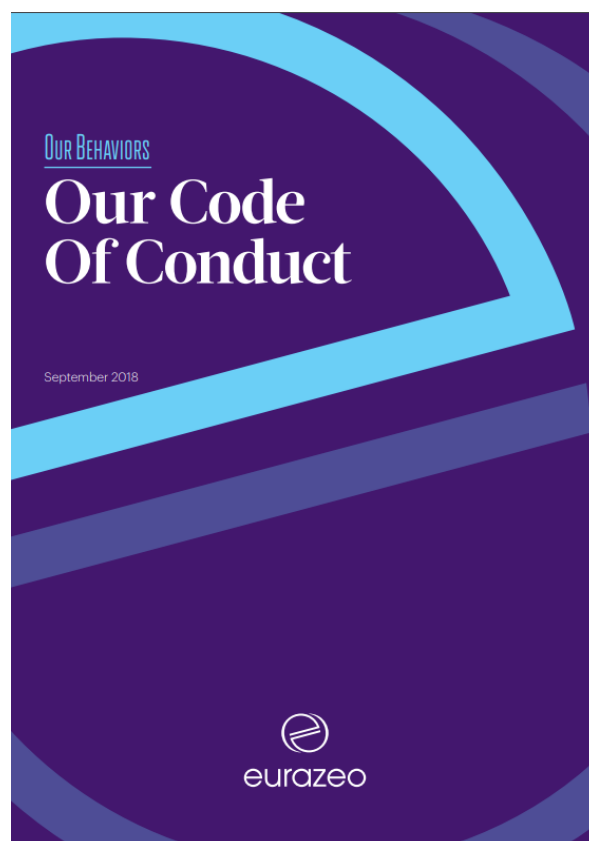
- "CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- "CSR in the investment policy" section of [Eurazeo's 2017 Registration Document](#) (pages 90-95)
- "CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)
- "Responsibility": the CSR section of the [Eurazeo's corporate website](#).

Criterion 3: The COP describes robust commitments, strategies or policies in the area of Human Rights

- *Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)*
- *Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)*
- *Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)*
- *Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo is strongly committed to the protection of Human Rights. In 2015, Eurazeo published a Code of Conduct for Commercial Relations, which includes clauses on the respect of Human Rights. These clauses cover issues such as child labour, forced labour, fair wages, decent working hours and discrimination and harassment in the workplace. This Code of Conduct for Business Partners has been especially designed for suppliers and business partners.

Moreover, Eurazeo published in 2018 its new Code of Conduct, that replaces its former Code of Ethics. This Code includes commitments to respect and support Human Rights. Eurazeo ensures compliance with ethical principles governing its activities and is committed to upholding the highest standards in the conduct of its business. Eurazeo seeks to raise awareness of ethical behavior among staff and stakeholders, and to establish the necessary tools.



The Code of Conduct addresses Eurazeo's commitments (ethical approach, compliance with international human rights standards, fight against corruption, respect for the environment, etc.) and what is expected from its personnel, business partners, shareholders and investments. The Code also identifies the various issues and situations that employees and stakeholders are liable to face, indicating the procedure to follow and whom to contact.

The Code of Conduct is circulated to all personnel and can be accessed on the Eurazeo's intranet and website. As defined by the Code, employees must receive a minimum amount of training regarding the Code of Conduct, particularly each new personnel upon taking up their duties at Eurazeo, and all personnel each time the Code is updated. Under Eurazeo's Anti-Corruption Compliance Program, each year all personnel are asked to formally renew their individual commitment to act in accordance with the values and principles of the Code.

Although Eurazeo's offices are located in areas that do not directly encounter Human Rights risks, some of Eurazeo's portfolio companies operate in different countries around the world. Eurazeo thus works to ensure that these portfolio companies have the support needed to ensure that Human Rights are respected, including in the companies' supply chains.

Judging by the index published by the NGO *Freedom House* on freedom of association, and that of the International Labour Organization (ILO) on forced and child labour, Eurazeo and its portfolio companies operate mainly in areas with low risk. Nonetheless, several portfolio companies have supply chains that are at risk for Human Rights abuses. Eurazeo takes these risks extremely seriously and works closely with its portfolio companies to minimize them.

Eurazeo promotes compliance with the International Labour Organization conventions and encourages its portfolio companies to join the United Nations Global Compact and/or to adopt a Code of conduct or Code of ethics. In the 2017 regulatory reporting, four companies are signatories of the Global Compact: Eurazeo PME, Novacap, Redspher and Vignal Lighting Group. Outside the regulatory reporting scope, Elis and Europcar are also signatories.

See also:

- “CSR strategy: 2017 results” section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- “CSR, responsible commitments” section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)
- [Eurazeo's Code of Conduct](#)
- “Social information” section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- “Societal information” section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).

Criterion 4: The COP describes effective management systems to integrate the Human Rights principles

- *Process to ensure that internationally recognized human rights are respected*
- *On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)*
- *Internal awareness-raising and training on human rights for management and employees*
- *Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)*
- *Allocation of responsibilities and accountability for addressing human rights impacts*
- *Internal decision-making, budget and oversight for effective responses to human rights impacts*
- *Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)*
- *Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Virginie Morgon, Eurazeo's CEO, is co-chair of the *Human Rights Watch's* support committee. Human Rights Watch is a leading independent international organization dedicated to the protection and defense of Human Rights. Eurazeo also gives annual financial support to *Human Rights Watch*, and has supported this association since 2012. Having a visible internal figure bringing Human Rights issues to the forefront, combined with Eurazeo's own support of these issues, contributes to all employees' awareness.

Eurazeo pays close attention to the respect of Human Rights by its portfolio companies. The respect of Human Rights is ensured in three main ways:

- through due diligence procedures carried out in the detection and/or divestment phase. CSR due diligence guidelines for detection phases have been developed in 2013. These guidelines include Human Rights topics, such as child labour, forced labour, or fair wages. Eurazeo conducted CSR due diligence on 100% of the acquisitions made in 2017.
- through continued interactions with portfolio companies' teams;
- and through the annual CSR reporting. Results of the CSR reporting are annually analyzed by the CSR department, investment teams, and the management of portfolio companies.

One of Eurazeo's 2020 objectives included in its CSR strategy is to perform a new social barometer every three years for 100% of portfolio companies. Eurazeo helps and monitors portfolio companies in reaching this objective. To perform a social barometer, although more closely tied to the labour principles, is an essential tool for enforcing the respect of Human Rights. In 2017, 52% of portfolio companies in the reporting scope have already conducted a social barometer.

Moreover, in the frame of its responsible procurement programme, Eurazeo conducts detailed analysis with portfolio companies on their suppliers, and thus carry audits out on suppliers that can be more at risks in the area of Human Rights.

See also:

- "CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- "CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)
- [Eurazeo's Code of Conduct](#)
- [Eurazeo's Code of Conduct for Commercial Relations](#)
- "Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- "Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of Human Rights integration

- *System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)*
- *Monitoring drawn from internal and external feedback, including affected stakeholders*
- *Leadership review of monitoring and improvement results*
- *Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)*
- *Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)*
- *Outcomes of integration of the human rights principles*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Stakes related to Human Rights are included in Eurazeo's CSR reporting and CSR due diligence procedures. During due diligence, Eurazeo pays particular attention to the procurement policy and to compliance with the conventions of the International Labour Organization (ILO) across the entire supply chain. Assessments are tailored by sector to reflect the specific issues and risks facing each business.

Eurazeo's Code of Conduct for Commercial Relations, edited in 2015, includes control tools development recommendations, such as audits by third parties, to ensure that commitments are met. Moreover, Eurazeo's Code of Conduct also includes commitments on compliance with and support for human rights.

Concerning its portfolio companies, responsible procurement is one of the key areas that Eurazeo aims to strengthen in its investments. For this purpose, a specific "responsible procurement" working group allows portfolio companies to work together to ensure respect of Human Rights along their supply chains and share experiences and best practices.

Additionally, Eurazeo encourages portfolio companies, that are most exposed in terms of risks of Human Rights violations, to subject themselves to voluntary audits, preferably carried out by an independent third party. Eurazeo also encourages the use of external ethics auditors, in order to evaluate the performance and exposure of portfolio companies' supply chains, as well as risk mapping analysis, that includes Human Rights topics. Moreover, Eurazeo makes regular visits to the sites of its portfolio companies, to ensure proper working conditions and respect for Human Rights.

See also:

- *"CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).*
- *"CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *"Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).*
- *"Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).*

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

- *Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies*
- *Reflection on the relevance of the labour principles for the company*
- *Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).*
- *Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners*
- *Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation*
- *Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business - trade union - government).*
- *Structural engagement with a global union, possibly via a Global Framework Agreement*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo's Code of Conduct covers several issues related to the working environment, health and safety, talent development, anti-discrimination, freedom of association and fair compensation and working hours. In 2018, all employees have received training on this Code and have signed it. Please refer to Criterion 3 for more details.

At Eurazeo, a first collective profit-sharing agreement was signed in 2013, and elections for personnel representatives were held for the first time in 2014. The rate of participation was 89.1%. Following these elections, a works council was established, and operating and social activity budgets were allocated. Coordination meetings between the works council and management are held every month. In 2018, new elections were held, and the rate of participation was 78%. Besides, during the last three years, Eurazeo signed three company agreements in the works council. The first was on profit-sharing, the second on professional equality between women and men, and the third relates to the intergenerational contract mechanism. These agreements are all valid for a three-year period and then they're usually renewed. For example, the first profit-sharing agreement has been renewed since 1998.

Eurazeo also believes that gender equality is a factor in the performance and competitiveness of companies. As such, since 2008, it has lent its support to the Rising Talents program, a unique network of 150 high-potential young women created through the Women's Forum for the Economy and Society. Eurazeo is involved in the selection process of the 20 women who join the network each year.



In October 2014, Eurazeo also launched Eurazeo Pluriels, a mixed network that aims to promote and advance gender equality at Eurazeo, in all portfolio companies and among partners. It aims to provide a focus on the issue within Eurazeo and across all portfolio companies by organizing a range of annual events including conferences, crossed coaching and training. Eurazeo Pluriels provides a framework with which to work with portfolio companies to make measurable progress toward professional gender equality.

In November 2016, as a part of Eurazeo Pluriels, Eurazeo has deployed a “cross-mentoring” program between managers and high potential employees of portfolio companies. This program was financed by Eurazeo and included participants from approximately 15 portfolio companies.

Eurazeo recognizes its responsibility to encourage its portfolio companies to provide the best possible labour conditions. With 7 911 employees in its 2017 reporting scope (Eurazeo and its investments), Eurazeo ensures that all portfolio companies have policies in place to promote quality labour relations. Labour conditions, including quality of social dialogue and collective agreements, rates of absenteeism and turnover, accident rates, and gender equality are all included in Eurazeo's annual social reporting.

Among 2020 objectives included in its CSR strategy, Eurazeo encourages portfolio companies to improve the protection and well-being of employees. For example, through the CSR reporting system, the number of companies at which 100% of employees to have access to social insurance, and/or number of companies that have reduced the number of days of absence can be tracked. Eurazeo also promotes the creation of systems that allow portfolio companies to share value created or company profits with employees. For example, through the CSR reporting system, the number of portfolio companies with employee shareholders, and the number of portfolio companies to have implemented a profit-sharing scheme can be reported.

Within the framework of valuing avoided social and environmental impacts, Eurazeo measured the impact of social actions over the last 7 years on absenteeism. An innovative methodology was set up with a firm of experts, with the aim of rolling out this measure to all portfolio companies. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017. This initiative is important to demonstrate that social actions aiming to improve labour conditions and to reduce absenteeism can leverage a business performance and create value.

As part of its commitment toward implementing the labour principles, Eurazeo promotes compliance with the ILO conventions, and encourages its portfolio companies to join the United Nations Global Compact and/or to adopt a Code of conduct. Eurazeo also aims to extend voluntary initiatives, such as employee surveys, to all portfolio companies. Nine portfolio companies, besides Eurazeo, have conducted employee surveys. Performing employee barometers at least once every three years is part of the CSR roadmap set out for portfolio companies as part of Eurazeo's CSR strategy.

See also:

- *"CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).*
- *"CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *"Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).*
- *"Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).*

Criterion 7: The COP describes effective management systems to integrate the labour principles

- *Risk and impact assessments in the area of labour*
- *Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards*
- *Allocation of responsibilities and accountability within the organization*
- *Internal awareness-raising and training on the labour principles for management and employees*
- *Active engagement with suppliers to address labour-related challenges*
- *Grievance mechanisms, communication channels and other procedures (e.g., whistle-blower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

With 95 permanent employees, as of 31/12/2017, the implementation of labour principles within Eurazeo is facilitated by its small size, and the proximity between management and employees at all levels. In 2015, Eurazeo for the first time conducted a survey on the quality of work life in partnership with Great Place to Work, a human resources consultancy. The response rate was over 84% for Eurazeo SE and Eurazeo PME employees combined.

Also in 2015, Eurazeo has implemented a Code of ethics, distributed to all employees and stakeholders. This Code was replaced by a Code of Conduct in 2018. All Eurazeo's employees have signed it. The Code of Conduct addresses Eurazeo's commitments (ethical approach, compliance with international human rights standards, fight against corruption, respect for the environment, etc.) and what is expected from its personnel, business partners, shareholders and investments. The Code also identifies the various issues and situations that employees and stakeholders are liable to face, indicating the procedure to follow and whom to contact.

The CSR department conducts an annual social reporting for Eurazeo's team, as well as for portfolio companies included in Eurazeo's CSR reporting scope. Among 2020 objectives included in its CSR strategy, Eurazeo encourages portfolio companies to improve the protection and well-being of employees. For example, through the CSR reporting system, the number of companies at which 100% of employees to have access to social insurance, and/or number of companies that have reduced the number of days of absence can be tracked. Eurazeo also promotes the creation of systems that allow portfolio companies to share value created or company profits with employees. For example, through the CSR reporting system, the number of portfolio companies with employee shareholders, and the number of portfolio companies to have implemented a profit-sharing scheme can be collected.

See also:

- *"CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).*
- *"CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *"Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).*
- *"Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).*

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

































- *System to track and measure performance based on standardized performance metrics*
- *Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future*
- *Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards*
- *Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices*
- *Outcomes of integration of the Labour principles*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*
































The social section of Eurazeo's annual CSR reporting allows a detailed monitoring of working conditions. This reporting included 35 quantitative indicators and 6 qualitative indicators in 2018. Eurazeo and its portfolio companies that are in the regulatory reporting scope all report on social dialogue and collective agreements, in addition to other topics such as rates of absenteeism and turnover, accident rates, and gender equality.

A formal debriefing of CSR reporting results for individual companies is annually conducted with the top management of each company, as well as with the Supervisory Boards. These results are used as the basis for building progress plans and defining quantitative objectives.

Furthermore, Eurazeo set up in 2015 an innovative methodology, in partnership with a specialized firm, to value the impact of its actions on social and environmental issues in order to demonstrate that businesses can use CSR policies to leverage their performance and value creation. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017. One social indicator is measured in the assessment: absenteeism. Actions aiming to improve labour have a direct impact on this indicator, and the assessment allowed Eurazeo to value it in terms of hours of absence avoided and its financial effects. For the 12 portfolio companies, 436,000 hours of absence have been avoided and more than €14 million were saved.



Investments						
Indicators valued	 	   	   	   	  	   
Geographical scope						
	46 countries – 56% of owned and managed hotels in 2015	France - 28% of activity in 2017	France - 46% of activity in 2017	2 countries – 40% of activity in 2017 ^(a)	France - 77% of activity in 2015	France - 54% of activity in 2017
Reference year	2011	2015	2011	2016	2013	2016
Year of acquisition	2005	2014	2007	2015	2011	2016
Year of divestment	2018	-	-	-	2016	-

Investments						
Indicators valued	  	   	  	   	  	  
Geographical scope						
	France - 92% of activity in 2016	France - 44% of activity in 2017	2 countries – 33% of activity in 2017	France - 100% of activity in 2017	2 countries – 92% of activity in 2017 ^(a)	2 countries – 97% of activity in 2017
Reference year	2015	2011	2016	2009 / 2011 ^(b)	2014	2014
Year of acquisition	2014	2008	2015	2008	2013	2014
Year of divestment	2017	-	-	-	-	-

Besides social reporting, Eurazeo is attentive to the implementation of policies and measures promoting quality labour relations within its portfolio companies. It aims to extend voluntary initiatives, such as employee surveys, to all portfolio companies. Performing employee barometers at least once every three years is although part of the CSR road map set out for portfolio companies (as third pillar of Eurazeo's CSR strategy). Employee surveys and social barometers are key tools for assessing employees' perceptions on topics related to life in the company (quality of life at work, compensation, measurement of commitment, etc.) and their understanding and appropriation of the company's strategy. As such, these measures are essential instruments of labour relations in companies.

Moreover, Eurazeo makes regular visits to the sites of its portfolio companies, to ensure proper working conditions. Companies are encouraged to perform or to undergo social audits, and to put in place measures such as social barometers.

See also:

- [“CSR strategy: 2017 results” section of Eurazeo’s 2017 Registration Document \(pages 96-98\).](#)
- [“CSR, responsible commitments” section of Eurazeo’s 2017 Annual Review \(pages 26-27\)](#)
- [Eurazeo’s Code of Conduct](#)
- [Eurazeo’s Code of Conduct for Commercial Relations](#)
- [“Social information” section of Eurazeo’s 2017 Registration Document \(pages 106-111\).](#)
- [“Societal information” section of Eurazeo’s 2017 Registration Document \(pages 120-124\).](#)

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

- *Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)*
- ***Reflection on the relevance of environmental stewardship for the company***
- ***Written company policy on environmental stewardship***
- ***Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners***
- *Specific commitments and goals for specified years*
- *Other established or emerging best practices*
- ***Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff***

The preservation of the environment is a performance and longevity factor for companies. As a responsible investor, Eurazeo is witness to the growing impact of environmental issues on economic models and believes that natural resources represent a precious form of capital. Throughout the world, the availability of energy and water is the sine qua non of human, economic and industrial development. Their accessibility and cost will determine whether companies can sustain and develop their activities, and more largely, create conditions conducive to progress.

In 2014, Eurazeo created an internal working group known as “*Eurazeo Exempleire*” bringing together Eurazeo and Eurazeo PME employees to propose and deploy actions within Eurazeo’s own offices. By settling, early 2016, in the office building “Le Most”, Eurazeo has chosen a building certified High Environmental Quality (HQE) standard at Exceptional rating, Excellent status under the BREEAM (Building Research Establishment Environmental Assessment Method) standard and low energy consumption status (BBC). Other initiatives have been undertaken, such as measures to reduce paper consumption by making HR documents paperless and the use of centralized printers controlled by a badge, the installation of a water filtration solution to reduce plastic waste, and the encouragement of low-emission means of transportation with the installation of charging stations for electric vehicles in the car parking lot.

Moreover, wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest (Apax Partners, Ardian, LBO France, and PAI Partners) have decided to launch the Initiative Climate 2020, also known as the IC20. Conscious of their responsibility as shareholders, the IC20 signatories have decided to unite on these issues, in order to make their contribution to the COP21 objective of limiting global warming to two degrees Celsius.

They thus recognize that climate change will have material impacts on the global economy, human societies and ecosystems. They believe that these consequences will generate both risks and opportunities for the companies in which they invest. The IC20 signatories have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance. Since 2017, Noëlla de Bermingham, Eurazeo’s CSR Manager, is in charge of the initiative’s coordination and steering within the ESG Commission of France Invest. Since the Climate Finance Day 2018, the UN PRI endorses the initiative.

Eurazeo’s commitment to fight climate change was strengthened in 2017 by the signing of the Shift Project’s “Decarbonize Europe Manifesto” and the “Letter from global investors to governments of the G7 and G20 nations”.

PUBLIC, CONCRETE AND MEASURABLE COMMITMENTS

The IC20 signatories are committed to:

1. Recognizing that climate change will have effects on the economy which represent risks and opportunities for businesses

- Engaging publicly through the signature of the IC20
- Spreading the initiative among Private Equity actors

2. Joining forces to contribute, at their level, to the objective of COP21 of limiting global warming to two degrees

- Including climate issues in the investment process

3. Contribute to reduce the greenhouse gas emissions of their portfolio companies and ensuring sustainability of performance

- Carrying out gradual measurement of the carbon footprint of carbon-material companies
- Defining with management of the companies an emissions reduction and adaptation to climate change action plan for these companies

More specifically, the **Initiative Climate 2020's** methodological approach will comprise of three stages:

- During the investment phase: assessment of carbon impact on the company's future development.
 - During the holding phase: Climate change awareness-raising for the management teams; Materiality analysis of the company's carbon impacts;
- Based on the challenges, a thorough calculation followed by the definition of an action plan to reduce emissions and adapt to climate change.
- During the disposal phase: capitalize on significant improvements made and major progress achieved.

The signatories hope to share both the methodology and the commitments with all sector players that wish to participate in the fight against global warming.

The **Initiative Climate 2020** is an integral part of the pledges that were undertaken by the Paris financial market and co-signed by France Invest. The signatories wish to make this pragmatic and operational contribution in order for the private equity asset class, a major growth player in France, to be a driving force in building a climate-conscious world.

In order to further integrate these challenges in the development activities and policies of its portfolio companies, Eurazeo actively supports the deployment of strategies, processes and indicators covering all environmental impacts. Eurazeo also encourages its investments to consider these impacts in their innovation process.

Thus, in its CSR strategy, Eurazeo aims to reduce the environmental footprint by 2020 for 100% of portfolio companies, as part of its CSR strategy (fourth pillar). To this end, Eurazeo monitors portfolio companies on several performance indicators:

- Number of portfolio companies to have decreased their carbon emissions as a proportion of EBITDA
- Number of portfolio companies to have decreased their water consumption as a proportion of EBITDA
- Number of portfolio companies to have increased their recycling rates

In the CSR roadmap (third pillar of the CSR strategy), Eurazeo encourages its portfolio companies to calculate their environment footprint and to develop an action plan to reduce emissions.

In 2017, Eurazeo updated its carbon emissions audit, which serves to identify the biggest emission sources and to prioritize mitigation measures. In 2017, Eurazeo also carried out a complete carbon audit of its investments (Scopes 1, 2 and 3) jointly with a specialized firm. This approach consisted in identifying the main emission sources within each of the investments and to calculate their emissions. Regarding Eurazeo and its investments the most significant source of emissions in 2017 was the use and end of life of products sold.

See also:

- “CSR strategy: 2017 results” section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- “CSR, responsible commitments” section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)
- “Environmental information” section of [Eurazeo's 2017 Registration Document](#) (pages 112-119).
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 10: The COP describes effective management systems to integrate the environmental principles

- *Environmental risk and impact assessments*
- *Assessments of lifecycle impact of products, ensuring environmentally sound management policies*
- *Allocation of responsibilities and accountability within the organisation*
- *Internal awareness-raising and training on environmental stewardship for management and employees*
- *Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

In the process of reviewing investment projects, due diligence on social, environmental and governance issues is conducted by specialized firms, or internally by the CSR department. During due diligence, the study of the sites has an environmental compliance focus, furthermore, Eurazeo pays particular attention to possible pollution effects and to the exposure to climate change. The risks identified are factored into the investment decision and the subsequent monitoring of the investment.

Moreover, wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest have decided to launch the Initiative Climate 2020, also known as the IC20. The IC20 signatories have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance. Please refer to criterion 9 for more details.

The environment section of Eurazeo's annual CSR reporting allows a detailed monitoring of environmental principles. This environmental reporting includes 24 quantitative and 13 qualitative indicators in 2018. Eurazeo and its portfolio companies that fall within the regulatory reporting scope all report on water, energy and waste reduction action plans, circular economy, use of resources, air emissions and climate changes, biodiversity protection, and/or environmental management. In 2017, Eurazeo also carried out a complete carbon audit of its investments (Scopes 1, 2 and 3) jointly with a specialized firm. Please refer to criterion 9 for more details.

A formal debriefing of CSR reporting results for individual companies is annually conducted with the top management of each company, as well as with the Supervisory Boards. These results are used as the basis for building progress plans and defining quantitative objectives.

Besides environmental reporting, Eurazeo is attentive to the implementation of policies and measures promoting quality environmental policies within its portfolio companies. It aims to extend voluntary initiatives, such as environmental surveys or ISO standards, to all portfolio companies.

See also:

- *“CSR strategy: 2017 results” section of [Eurazeo’s 2017 Registration Document](#) (pages 96-98).*
- *“CSR, responsible commitments” section of [Eurazeo’s 2017 Annual Review](#) (pages 26-27)*
- *“Environmental information” section of [Eurazeo’s 2017 Registration Document](#) (pages 112-119).*
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

- *System to track and measure performance based on standardized performance metrics*
- *Leadership review of monitoring and improvement results*
- *Process to deal with incidents*
- *Audits or other steps to monitor and improve the environmental performance of companies in the supply chain*
- *Outcomes of integration of the environmental principles*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

In 2014, Eurazeo created a CSR Committee, specialized committee of the Eurazeo Supervisory Board. The purpose of this new CSR Committee is to assist the Supervisory Board in monitoring CSR-related issues so as to allow Eurazeo to better anticipate the associated opportunities, issues and risks. It also makes recommendations on the company's policy and achievements in the field of CSR, including for environmental topics.

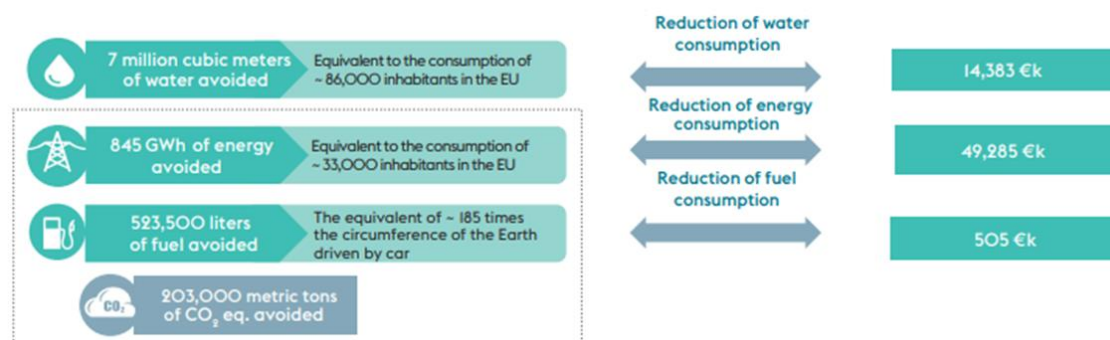
Wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest have decided to launch the Initiative Climate 2020, also known as the IC20. The IC20 signatories have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance. Please refer to criterion 9 for more details.


































Moreover, Eurazeo's robust annual environmental reporting allows a detailed monitoring of portfolio companies' environmental policies, impacts, and goals. Please refer to criterion 10 for more details.




































A formal debriefing of CSR reporting results for individual companies is annually conducted with the top management of each company, as well as with the Executive and Supervisory Boards. Meetings are held with each portfolio company's managers to discuss the reporting results. Annual results are used as the basis for action plans to further develop the company's CSR strategy.

Although the same CSR reporting system is used by all, portfolio companies vary greatly in their size, location, and CSR maturity: environmental priorities and objectives will also differ from one to another. Eurazeo analyses the environmental impacts of its portfolio companies and measures their materiality every year. Some portfolio companies have detailed environmental monitoring in place at company, country, or site level.

Furthermore, in 2015, Eurazeo set up an innovative methodology, in partnership with a specialized firm, to value the impact of its actions on social and environmental issues in order to demonstrate that businesses can use CSR policies to leverage their performance and value creation. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017. Three environmental indicators are measured in the assessment: water, energy and fuel. For the 12 companies, the direct impacts were 203,000 tons of CO₂ avoided and more than €64 million saved.

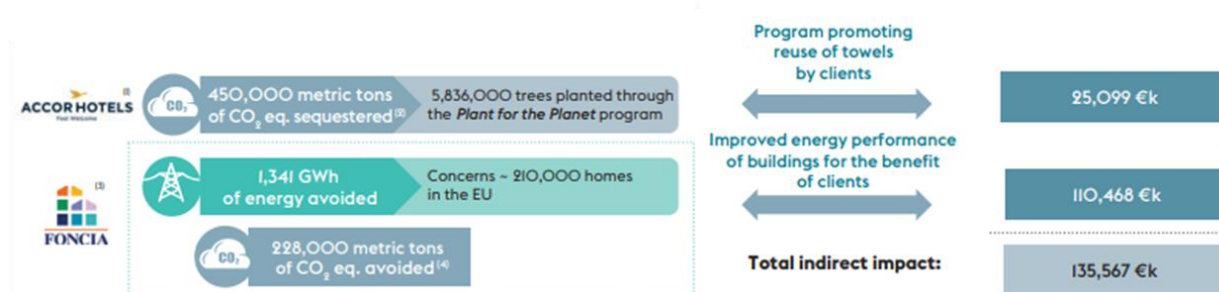


Investments						
Indicators valued	 	   	   	   	  	   
Geographical scope						
	46 countries – 56% of owned and managed hotels in 2015	France - 98% of activity in 2017	France - 46% of activity in 2017	2 countries – 40% of activity in 2017 ⁽¹⁾	France - 77% of activity in 2015	France - 54% of activity in 2017
Reference year	2011	2015	2011	2016	2013	2016
Year of acquisition	2005	2014	2007	2015	2011	2016
Year of divestment	2018	-	-	-	2016	-

Investments						
Indicators valued	   	   	   	   	   	   
Geographical scope						
	France - 92% of activity in 2016	France - 44% of activity in 2017	2 countries – 33% of activity in 2017	France - 100% of activity in 2017	2 countries – 92% of activity in 2017 ⁽¹⁾	2 countries – 97% of activity in 2017
Reference year	2015	2011	2016	2009 / 2011 ⁽¹⁾	2014	2014
Year of acquisition	2014	2008	2015	2008	2013	2014
Year of divestment	2017	-	-	-	-	-

Eurazeo also wished to identify specific efforts driven by the companies through innovative projects. These initiatives enable the creation of further environmental and economic benefits, outside the scope of the Company itself. In 2015 and 2016, two initiatives were recorded in indirect impacts:

- the Plant for the Planet program of the AccorHotels group, under which hotel guests are encouraged to reuse their towels when staying more than one night, with half of the money saved on laundry being donated to reforestation projects. Since its launch in 2009, the initiative has enabled the sequestering of 450,000 metric tons of CO₂, over a reference period of 100 years;
- the energy efficiency work carried out by Foncia, aimed at improving the energy performance of buildings, resulted in over 210,000 households enjoying total annual savings in excess of €26 million, i.e. over €110 million in four years, by avoiding the consumption of 1,341 GWh of energy.



See also:

- “CSR strategy: 2017 results” section of [Eurazeo’s 2017 Registration Document](#) (pages 96-98).
- “CSR, responsible commitments” section of [Eurazeo’s 2017 Annual Review](#) (pages 26-27)
- “Environmental information” section of [Eurazeo’s 2017 Registration Document](#) (pages 112-119).
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

- Publicly stated formal policy of zero-tolerance of corruption (D1)
- **Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)**
- Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)
- Detailed policies for high-risk areas of corruption (D4)
- **Policy on anti-corruption regarding business partners (D5)**
- Other established or emerging best practices
- Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff

Eurazeo ensures compliance with ethical principles governing its activities and is committed to upholding the highest standards in the conduct of its business. Eurazeo seeks to raise awareness of ethical behavior among staff and stakeholders, and to establish the necessary tools.

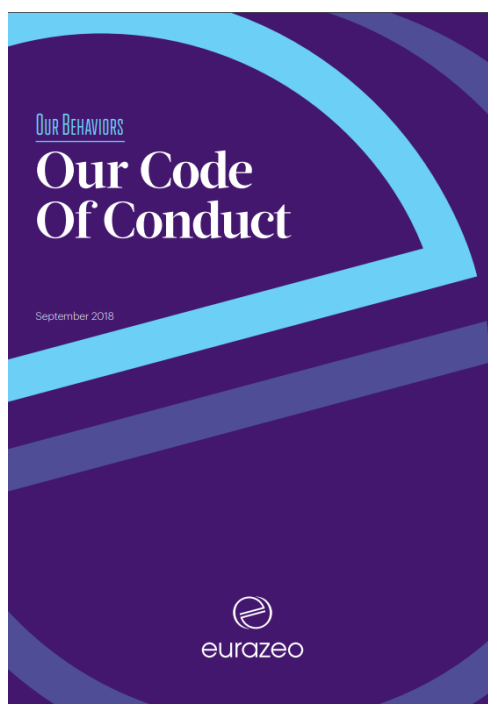
The application of best practices in terms of ethics is a commitment under Eurazeo's responsible shareholder policy. It is part of a process aimed at developing a strong and exemplary governance model. Establishing an exemplary governance although constitutes the second pillar of Eurazeo's CSR strategy. Its ambition is to ensure that all companies have exemplary governance bodies. This illustrates Eurazeo's determination to adopt best practices in terms of transparency and independence.

AMBITIONS	2020 OBJECTIVES
2. ESTABLISH EXEMPLARY GOVERNANCE Ensure that all companies have exemplary governance bodies	100% of companies to have at least 40% women directors on the Board ⁽²⁾ 100% of controlled companies to have at least 30% independent Directors on the Board ⁽²⁾ 100% of companies to have an Audit Committee and a Compensation Committee

Moreover, in 2012, an anti-fraud and anti-corruption good practice guide was implemented in Eurazeo. This guide, replaced by Eurazeo's Code of Conduct in 2018, provided a reference framework and served as a methodological tool in the implementation of anti-fraud mechanisms. Topics covered in the guide included asset protection, the role of internal control, delegation systems, the reliability of the production of accounts and financial statements, relations with public officials, gifts given and received, business travel, conflict of interests, relationships with suppliers, and the prevention of money laundering.

The anti-fraud and anti-corruption good practice guide makes reference to the *Transparency International's Corruption Perception Index* as a tool for evaluating corruption risk in their business dealings.

In 2015, Eurazeo's also implemented a Code of ethics, distributed to all employees and stakeholders. This Code was also replaced by a Code of Conduct in 2018. All Eurazeo's employees have signed it. The Code of Conduct addresses Eurazeo's commitments (ethical approach, compliance with international human rights standards, fight against corruption, respect for the environment, etc.) and what is expected from its personnel, business partners, shareholders and investments. The Code also identifies the various issues and situations that employees and stakeholders are liable to face, indicating the procedure to follow and whom to contact.



Topics of this Code include the prevention of corruption and influence peddling. A dedicated section of the Code seeks to clarify:

- the concepts of corruption and influence peddling;
- the various types of prohibited conducts likely to feature in cases of corruption or influence peddling.

For example:

FUNDAMENTAL PRINCIPLES
Eurazeo personnel are prohibited from:

<ul style="list-style-type: none">• Proposing, offering or promising, any advantage, financial or not, directly or via a third party, to a person (a public agent or a person from the private sector), for this person or for another one, so as to conclude or maintain a commercial transaction, or so as to get the person to carry out or abstain from carrying out an act relating to his/her/their duties, assignments or mandate, or made possible by their duties, assignments or mandate . <p>By way of illustration, the following are strictly prohibited:</p> <ul style="list-style-type: none">• <i>The payment of "bribes" (sum of money or gift offered to influence a decision);</i>• <i>The payment of hidden or illegal commissions to third parties;</i>• <i>The acceptance of commissions from third parties (unless expressly authorized by an Executive Board member as part of a legitimate transaction).</i>	<ul style="list-style-type: none">• Responding to solicitations from any person who, claiming influence on a public or private agent, offers to use his or her influence with a view to obtain any favorable decision (e.g. contracts, permits, authorizations, commercial terms and conditions, etc.).• Granting an advantage, financial or not, to a public agent soliciting such an advantage so as to carry out an administrative formality in the area of responsibility of the public agent, and that Eurazeo could legitimately be eligible for through normal legal avenues (e.g. permits, authorizations, legal proceedings, etc.).• Requesting, accepting or receiving any advantage, financial or not, for one's own benefit or that of a close person, in return for a decision or an act in the performance of one's duties that is contrary to the principles of independence and defense of Eurazeo's interests.
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Eurazeo has formalized the integration of CSR issues into its procurement policy by establishing a code of conduct for commercial relations. Serving as the framework established by Eurazeo for all business relations, it contains 16 commitments, including fighting corruption and money laundering and avoiding conflicts of interest.

On anti-fraud and anti-corruption stakes, Eurazeo gets support from Eurazeo's Audit and Risk Department. This team, composed of two experts, works on mapping and monitoring of risks, and especially on fraud and corruption. It gives support to Eurazeo's teams during all investment phases, from the detection of investment opportunities to the exit phase.

In June 2017, entered into force the French anti-corruption law addressing transparency, anti-corruption and economic modernization, also known as the Sapin II law. This law concerns directly Eurazeo and some portfolio companies, and it might also have an indirect impact on other portfolio companies. Eurazeo accompanies portfolio companies and promotes best practices and compliance with this new law. At its own scope, Eurazeo trained in 2018 its employees on its new Code of Conduct and in anti-corruption.

In a process of continual improvement, Eurazeo also encourages its portfolio companies to implement best practices in the detection and prevention of fraud and corruption, suited to the specific characteristics of each company. For example, the anti-fraud and anti-corruption good practice guide also aims to help portfolio companies build a culture of integrity in training staff on the ethical conduct expected of them. This guide has been distributed to all Eurazeo's portfolio companies. Eurazeo's code of conduct for business relations was also made available to portfolio companies. At the end of 2017, 11 companies of the 16 included in the regulatory reporting scope had already established their own business relationship code of conduct.



CODE OF CONDUCT FOR COMMERCIAL RELATIONS

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See also:

- [Eurazeo's Code of Conduct](#)
- [Eurazeo's Code of Conduct for Commercial Relations](#)
- ["Social information" section of Eurazeo's 2017 Registration Document \(pages 106-111\).](#)
- ["Societal information" section of Eurazeo's 2017 Registration Document \(pages 120-124\).](#)
- ["Fair Trade Practices" section of Eurazeo's 2017 Registration Document \(page 124\).](#)
- ["An environment which seeks to promote honest and ethical behavior" sections of Eurazeo's 2017 Registration Document \(pages 190-191\).](#)
- ["Risk management, internal control and main risks factors" section of Eurazeo's 2017 Registration Document \(pages 186-200\).](#)
- ["Risk management" section of Eurazeo's 2017 Annual Review \(page 82\).](#)

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

- *Support by the organization's leadership for anti-corruption (B4)*
- *Carrying out risk assessment of potential areas of corruption (D3)*
- *Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)*
- *Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)*
- *Actions taken to encourage business partners to implement anti-corruption commitments (D6)*
- *Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)*
- *Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)*
- *Internal accounting and auditing procedures related to anticorruption (D10)*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo's Code of Conduct serves as a methodological tool in the implementation of anti-fraud mechanisms. The guide features an introduction by Virginie Morgon, Eurazeo's CEO, who reaffirms the Group's commitment to ethics and the prevention of corruption. With the anti-fraud and anti-corruption good practice guide, it gives support to Eurazeo's teams during all investment cycle, from the detection of investment opportunities to the divestment phase.

For the phase of identification of investment opportunities, Eurazeo developed an analysis guide in 2013, and uses it in conducting CSR due diligence. Eurazeo conducted CSR due diligence on 100% of the acquisitions in 2017. During the acquisition phase, close attention is paid to factors that encourage the emergence of fraud and corruption risks. Specific due diligences on corruption and fraud are also conducted when necessary, with the help of experts.

On anti-fraud and anti-corruption stakes, Eurazeo gets support from its Audit and Risk Department. This team, composed of two experts, works on mapping and monitoring of risks, and especially on fraud and corruption. It gives support to Eurazeo's teams during all investment phases, from the detection of investment opportunities to the exit phase. During the acquisition phase, close attention is paid to factors that encourage the emergence of fraud and corruption risks (activities, sectors, stakeholders, etc.). An update on progress with measures to prevent fraud and corruption is presented and discussed in the meetings of the Audit Committees of the investments. This offers Eurazeo an opportunity to follow the roadmap of each investment and to monitor progress over time.

Management teams of Eurazeo's investments are encouraged to comply with the recommendations contained in Eurazeo's Code of Conduct and in the anti-fraud and anti-corruption good practice guide. The principles of conduct and action cover topics including asset protection, the role of internal control, delegation systems, the reliability of the production of accounts and financial statements, relations with public officials, gifts given and received, business travel, conflict of interests, relationships with suppliers, and the prevention of money laundering.

This recurrent and virtuous process consists on the one hand of a top-down approach and, on the other hand, of bottom-up initiatives undertaken by each investment. The guide to good anti-fraud and anti-corruption practices provides a reference framework geared towards helping investments build a culture of integrity, helping them train staff on the ethical conduct expected of them, and for use as a methodological tool in the implementation of anti-fraud mechanisms.

See also:

- [Eurazeo's Code of Conduct](#)
- [Eurazeo's Code of Conduct for Commercial Relations](#)
- ["Social information" section of Eurazeo's 2017 Registration Document \(pages 106-111\).](#)
- ["Societal information" section of Eurazeo's 2017 Registration Document \(pages 120-124\).](#)
- ["Fair Trade Practices" section of Eurazeo's 2017 Registration Document \(page 124\).](#)
- ["An environment which seeks to promote honest and ethical behavior" sections of Eurazeo's 2017 Registration Document \(pages 190-191\).](#)
- ["Risk management, internal control and main risks factors" section of Eurazeo's 2017 Registration Document \(pages 186-200\).](#)
- ["Risk management" section of Eurazeo's 2017 Annual Review \(page 82\).](#)

Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

- *Leadership review of monitoring and improvement results (D12)*
- *Process to deal with incidents (D13)*
- *Public legal cases regarding corruption (D14)*
- *Use of independent external assurance of anti-corruption programmes (D15)*
- *Outcomes of integration of the anti-corruption principle*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

In the case of fraud or corruption risks or allegations, Eurazeo's employees should consult their immediate supervisor, the Ethics Officer or the Compliance Officer, who are the ethics advisors, in order to determine the most appropriate response or procedure.

In portfolio companies, risks of corruption inherent to the business or specific processes (e.g. purchase to pay, vendor selection, contracting...) are captured in fraud risk mappings. For those specific risks, specific external audit work has been identified and is being outsourced to external and independent specialists.

Since 2010, an update on actions taken in preventing fraud has been included on the agenda of the meetings of Audit Committee of portfolio companies. This allows Eurazeo to follow the roadmap of each portfolio company and monitor progress over time. Some portfolio companies have developed tools to guard against the types of fraud to which they are exposed. Some have developed risk maps focused on fraud or reporting procedures for cases of fraud that are identified and dealt with. The subject of fraud is a priority in the internal audit plans of the various investments.

See also:

- [Eurazeo's Code of Conduct](#)
- [Eurazeo's Code of Conduct for Commercial Relations](#)
- "Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- "Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).
- "Fair Trade Practices" section of [Eurazeo's 2017 Registration Document](#) (page 124).
- "An environment which seeks to promote honest and ethical behavior" sections of [Eurazeo's 2017 Registration Document](#) (pages 190-191).
- "Risk management, internal control and main risks factors" section of [Eurazeo's 2017 Registration Document](#) (pages 186-200).
- "Risk management" section of [Eurazeo's 2017 Annual Review](#) (page 82).

Criterion 15: The COP describes core business contributions to UN goals and issues

- *Align core business strategy with one or more relevant UN goals/issues*
- *Develop relevant products and services or design business models that contribute to UN goals/issues*
- *Adopt and modify operating procedures to maximize contribution to UN goals/issues*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo aims to contribute to UN goals and issues directly and also through its portfolio companies. Please find below a detailed list of the more relevant UN goals to Eurazeo's activity and its contribution to them.

SUSTAINABLE DEVELOPMENT GOAL 1

End poverty in all its forms everywhere



Eurazeo contributes to eradicate extreme poverty through its philanthropic program. Access to education is a key factor to pull families and communities out of the cycle of poverty. In 2014, Eurazeo drew up a new sponsorship strategy focusing on education in severe poverty areas in France. Philanthropic donations are decided on at Executive Board level with the CSR department responsible for strategy and implementation. Since its launch in 2015, more than 50,000 children have benefited from the education program. Please refer to criterion 16 for more details.

Furthermore, Eurazeo's compensation policy ensures that all employees have fair compensation and benefits. Concerning its supply-chain, Eurazeo requires in its Code of conduct for commercial relations that a fair compensation is paid to all employees, regardless of their country.

SUSTAINABLE DEVELOPMENT GOAL 3

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



Eurazeo maintains a long-standing support for organizations that address persistent and emerging health issues, including Institut Gustave Roussy and Human Rights Watch. The Institut Gustave Roussy is one of the world's leading cancer-research institutes and the first European Cancer Centre. Human Rights Watch's work examines the right to health and a healthy environment, the right to be free from discrimination and arbitrary detention, and the right to information, free speech, expression and assembly as critical means of achieving health.

Eurazeo also has an engagement to promote the well-being of employees, either at its own level or at portfolio companies level. Published in 2015, Eurazeo's Code of conduct which was reviewed in 2018 and covers several issues related to quality of the workplace, health and safety, talent development, discrimination, freedom of association and representation at the workplace. This code was signed by all Eurazeo's employees. In its CSR strategy, Eurazeo aims that 100% of portfolio companies improve the protection and well-being of their employees. To this end, Eurazeo monitors the number of portfolio companies at which 100% of employees have access to social insurance and number of portfolio companies that have reduced the number of days of absence. In 2017, 86 % of portfolio companies have achieved this objective.

SUSTAINABLE DEVELOPMENT GOAL 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



In 2014, Eurazeo has redefined its philanthropy policy with a view toward maximizing impact and integrating it into the CSR strategy. The company thus drew up a new sponsorship strategy focusing on the theme of education. Please refer to criterion 16 for more details.

Eurazeo strives to offer its employees the opportunity to achieve and maintain their full potential, and to meet their learning needs and expectations. Training courses are selected in relation to investment projects underway and/or job-related issues. The main topics of training offered in 2017 were communication, personal development, foreign languages, the use of IT and digital tools, and health and safety.

Besides, Eurazeo has invested in three companies whose business contribute to promote lifelong learning opportunities and quality education: Les Petits Chaperons Rouges, Sommet Education and Worldstrides.

- Les Petits Chaperons Rouges is a pioneer in employer-sponsored nurseries and is now the number two private player in the French nursery market. It also stands out through its leading position in France in the growing Public Service Delegation and micro-nursery segments. The company is recognized for its solid educational project based on the best educational trends.
- Sommet Education is a network of hospitality schools in Switzerland, Spain, China, United Kingdom and the U.S. The schools offer degrees to suit a wide range of personalities, career goals and country preferences.
- Worldstrides is a premier experiential education provider serving students of all ages. Its full offering of programs caters to students at all stages from elementary through post-graduate levels, and feature specializations such as performing arts, sports and study abroad.

At other portfolio companies, some good practices regarding education also exist.

SUSTAINABLE DEVELOPMENT GOAL 5

Achieve gender equality and empower all women and girls



Eurazeo launched in 2014 “Eurazeo Pluriels”, a gender equality network in which Eurazeo and its portfolio companies are active participants:

- In November 2016, as a part of Eurazeo Pluriels, Eurazeo has deployed a **“cross-mentoring” program** between managers and high potential employees of portfolio companies. This program includes participants from 15 portfolio companies. Please refer to criterion 6 for more details.
- Eurazeo believes that gender equality is a factor in the performance and competitiveness of companies. As such, since 2008, it has lent its **support to the Rising Talents program**, a unique network of high-potential young women created through the Women’s Forum for the Economy and Society. Eurazeo is actively involved in the selection process of the 20 young women who join the network each year. Virginie Morgon, CEO of Eurazeo, co-hosts each year this initiative.
- Since 2015, Eurazeo has been a **partner of “Printemps de la Mixité”**, an event that brings together employees from major French companies in the Spring each year. Its primary objective is to promote gender equality through lectures and workshops. In 2017, several Eurazeo and Eurazeo PME employees took part in the event.

- Eurazeo **participates annually in the ranking conducted by Ethics & Boards** on the number of women on the governing bodies of the largest listed French companies (SBF120). In 2017, Eurazeo took the 21st spot in the ranking of governance feminization in large companies, a gain of 35 places compared with 2016 and 54 places compared with 2015. The move up the rankings is attributable to the appointment of a woman to the Supervisory Board and the Compensation Committee, and the increased number of women among managers.

Eurazeo also promotes woman empowerment in its CSR strategy. Eurazeo aims that 100% of portfolio companies have at least 40% women directors on the Board by 2020. In 2017, 24% of portfolio companies have achieved this objective.

Finally, Eurazeo maintains a long-standing support for Human Rights Watch, that works toward the realization of women's empowerment and gender equality - protecting the rights and improving the lives of women and girls. Virginie Morgon, CEO of Eurazeo, is co-chair of the Human Rights Watch Support Committee in Paris.

SUSTAINABLE DEVELOPMENT GOAL 7

Ensure access to affordable, reliable, sustainable and modern energy for all



In 2017, Eurazeo Patrimoine has invested in Reden Solar, a major player within the photovoltaic energy sector in France and abroad. The company has 500 sites in 7 countries and more than 500 MWc built or in development. Reden Solar activities cover the entire photovoltaic value chain: project origination, design and development, financial engineering, construction and control, operation and maintenance of solar power plants. Its business contributes directly to increase renewable energy consumption.

In 2018, to reduce its environmental impacts and CO2 emissions, Eurazeo has signed a contract guaranteeing the exclusive use of electricity derived from renewable sources.

SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Eurazeo aims to provide operational guidance to companies over a long-term trajectory, which is a driver of sustainable and constant growth. Eurazeo's goal is to accelerate the transformation of companies and prepare them to anticipate future trends so that they remain versatile beyond the divestment horizon.

Published in 2015, Eurazeo's Code of conduct, covers several issues related to quality of the workplace, health and safety, talent development, discrimination, freedom of association and representation at the workplace. This code was signed by all Eurazeo's employees. In its CSR strategy, Eurazeo aims that 100% of portfolio companies to improve the protection and well-being of employees and to ensure that all companies have a CSR progress plan, which includes performing a social barometer every three years and defining quantified CSR progress targets.

During due diligence, Eurazeo pays particular attention to the procurement policy and to compliance with the conventions of the International Labour Organization (ILO) across the supply chain. Assessments are tailored by sector to reflect the specific issues and risks facing each business.

As a part of its CSR acceleration programs, Eurazeo aims to strengthen some key areas in its investments, including responsible procurement. For this purpose, a specific “responsible procurement” working group allows portfolio companies to work together to ensure respect of Human Rights and the compliance with the conventions of the International Labour Organization (ILO) along their supply chains, and share experiences and best practices. As a part of the CSR roadmap set out for portfolio companies (third pillar of the CSR strategy), Eurazeo encourages portfolio companies to conduct CSR audits of priority suppliers.

SUSTAINABLE DEVELOPMENT GOAL 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Eurazeo rolls out all its human, financial and technical resources to accelerate the transformation of its investments, accompany them in their long-term vision and help them realize their full potential. This process includes encouraging innovation and providing international and digital transformation support for portfolio companies. Eurazeo has a digital director who is in charge of deploying a digital programme in portfolio companies. The digital sector offers a major development opportunity for Eurazeo’s investments. For the past several months, Eurazeo’s assessments of target acquisitions have included digital and technological reviews. These analyses then serve as a basis for the transformation plan.

Eurazeo has a business division specialized in accompanying high growth companies: Eurazeo Croissance. The growth equity sector is undergoing significant change, with the emergence and extremely rapid expansion of disruptive models driven by digital transformation and changing consumption patterns. The investments of Eurazeo Croissance are innovating in their own sectors. For example, PeopleDoc, a leading expert in the digital transformation of HR processes, thanks to its innovative technology and its responsiveness to the needs of its client.

Every 18 months, takes place the Eurazeo Academy’s Transformation Labs, an event that brings together Eurazeo’s employees, its portfolio companies and specialist speakers to discuss major disruption topics, such as digital transformation, CSR and diversity, and their impact on businesses.

In 2018, Eurazeo PME has invested in Smile, a pivotal player in its market, thanks to a unique service range combining technical and business expertise in the areas of digital technology, E-business, embedded systems, the Internet of things, infrastructures, and business apps. Relying on the best open source solutions, Smile’s ambition is to free up IT to release the innovation potential that lies in all companies.

At portfolio companies, there are some good practices regarding sustainable industrialization. For example, Novacap, a global player in pharmaceutical synthesis and specialty chemicals, aiming to reduce the saline liquid discharges on its Yangzi industrial platform, in China, invested in a unit nicknamed “Salty”. This unit allows the platform to reduce waste and establish a circular economy through the recovery of part of the saline discharges of sodium chloride consumed on site, thereby creating 17 jobs and confirming Novacap’s key role in this industrial zone.

SUSTAINABLE DEVELOPMENT GOAL 10

Reduce inequality within and among countries



Eurazeo aims to reduce inequality in the regions influenced by its business. In its CSR strategy, Eurazeo wants to ensure that all companies share value created with employees and improve their societal footprint, for example,

by making health coverage accessible to all employees, regardless of their country. To this end, Eurazeo monitors the number of companies at which 100% of employees have access to social insurance.

Eurazeo's sponsorship strategy, that focus on the theme of education, also aims to reduce inequality in access to education services. Within its education philanthropic program, in 2018, seven projects have been supported. Please refer to criterion 16 for more details.

SUSTAINABLE DEVELOPMENT GOAL 12

Ensure sustainable consumption and production patterns



Eurazeo has set up a financial assessment methodology to measure avoided social and environmental impacts, it aims to promote more sustainable production models. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017: 12 companies are therefore included in the study of avoided impacts in 2017. Four resources are measured in this approach (water, energy, fuel and human resources with a measurement of the impact of absenteeism). Please refer to criterion 2 for more details.

As a part of its CSR acceleration programs, Eurazeo encourages portfolio companies to perform analysis of the footprint of their organization. Eurazeo's CSR strategy includes conducting an environmental and / or greenhouse gas assessment every 3 years. At the end of 2017, 11 portfolio companies had already conducted an environmental assessment.

In 2018, Eurazeo Croissance has invested in Back Market, the first marketplace focused on bringing thousands of refurbished electronic devices and appliances from certified professionals to consumers (smartphones, tablets, laptops, televisions, hi-fi equipment, game consoles, household appliances, and other products).

An example of good practice in a portfolio company is at Dessange International, expert of the high-end comprehensive beauty care. Dessange has conducted a life-cycle assessment of all of its activities and a pilot life-cycle assessment (LCA) on the Camille Albane range. New packaging was developed in accordance with eco-design criteria thanks to the new approach: the new bottles reduce CO2 emissions by 35% and cut the impact on biodiversity and water abstraction by 75%. Since 2015, Dessange also has a responsible sourcing approach, Positive Sourcing Phytodess, and it assess and audit its suppliers.

SUSTAINABLE DEVELOPMENT GOAL 13

Take urgent action to combat climate change and its impacts*



Eurazeo aims to be exemplary on its own scope, and is committed to reducing its energy consumption. Its new offices have earned the Exceptional rating under the High Environmental Quality (HQE) standard, Excellent status under the BREEAM (Building Research Establishment Environmental Assessment Method) standard and low energy consumption status (BBC). Other initiatives have been undertaken, such as measures to reduce paper consumption by making HR documents paperless and the use of centralized printers controlled by a badge, the installation of a water filtration solution to reduce the use of plastic water bottles, and the encouragement of low-emission means of transportation with the installation of charging stations for electric vehicles in the parking lot.

Wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest (Apax Partners, Ardian, LBO France, and PAI Partners) have decided to launch the Initiative Climate 2020, also known as the IC20. The IC20 signatories have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance. Eurazeo has a leading role in this initiative. Since 2017, **Noëlla de Bermingham**, Eurazeo's CSR manager, is in charge of the IC20 coordination and animation within the framework of France Invest's working group. Please refer to criterion 9 for more details.

In the process of reviewing investment projects, due diligences on social, environmental and governance issues are conducted by specialized firms, or internally by Eurazeo's CSR department. During due diligences, the study of the sites focuses on its adequacy and environmental compliance, furthermore, Eurazeo pays particular attention to possible pollution effects and climate change exposure. The risks identified are factored into the investment decision and the subsequent monitoring of the investment.

In 2017, Eurazeo updated its carbon emissions audit, which serves to identify the biggest emission sources and to prioritize mitigation measures. In 2017, Eurazeo also carried out a complete carbon audit of its investments (Scopes 1, 2 and 3) jointly with a specialized firm.

In its CSR strategy, Eurazeo aims to reduce environmental footprint by 2020 for 100% of portfolio companies. To this end, Eurazeo monitors portfolio companies on several performance indicators, including the number of portfolio companies to have decreased their carbon emissions as a proportion of EBITDA.

In 2015, Eurazeo has set up a financial assessment methodology to measure avoided social and environmental impacts. Nine investments participated in the first two evaluations; a further three joined the initiative in 2017: 12 companies are therefore included in the study of avoided impacts in 2017. Three environmental indicators were measured in the assessment: water, energy and fuel. For the 12 companies, 880,000 tons of CO2 have been avoided and more than €185 million were saved. Please refer to criterion 11 for more details.

SUSTAINABLE DEVELOPMENT GOAL 14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



In the process of reviewing investment projects, due diligences on social, environmental and governance issues are conducted by specialized firms, or internally by Eurazeo's CSR department. During due diligences, the study of the sites focuses on its adequacy and environmental compliance, furthermore, Eurazeo pays particular attention to possible pollution effects. The risks identified are factored into the investment decision and the subsequent monitoring of the investment.

In Eurazeo's portfolio, **Léon de Bruxelles** - one of the most popular theme-based restaurant chains in France - encourages good practices from its suppliers concerning the sustainable use of marine resources, particularly in the mussel industry. Among the certifications of its mussel suppliers there are: Marine Stewardship Council, Organic, ISO and Irish Quality Mussel.

SUSTAINABLE DEVELOPMENT GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



In the process of reviewing investment projects, due diligences on social, environmental and governance issues are conducted by specialized firms, or internally by Eurazeo's CSR department. During due diligences, the study of the sites focuses on its adequacy and environmental compliance, furthermore, Eurazeo pays particular attention to possible pollution effects and climate change exposure. The risks identified are factored into the investment decision and the subsequent monitoring of the investment.

The environment section of Eurazeo's annual CSR reporting allows a detailed monitoring of environmental issues. This environmental reporting includes a biodiversity, a soil conservation and environmental risk management indicators. All fully consolidated companies in Eurazeo's portfolio participate to this reporting.

Concerning its portfolio companies, responsible procurement is one of the key areas that Eurazeo aims to strengthen in its investments. For this purpose, a specific "responsible procurement" working group allows portfolio companies to work together, share experiences and best practices to ensure the sustainability of their production, the compliance with international conventions, as well as the criteria to promote deforestation-free products along their supply chains.

In its portfolio, some good practices concerning the sustainable management of forests and biodiversity. For example, Léon de Bruxelles has integrated supplies of local vegetables in season, sourced from responsible farms and produced within 200 km of distribution platforms, for restaurants in Paris and its region.

SUSTAINABLE DEVELOPMENT GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Through its Code of Conduct published in 2015, Eurazeo reaffirms its belief that ethics and transparency are key values to a company's development. This code covers themes like anti-corruption and anti-discrimination. The Code was reviewed in 2018 and distributed to all employees and stakeholders, and signed by all Eurazeo's employees.

Besides, Eurazeo's Code of conduct for commercial relations commits the Group's business partners to respect for human rights in the employment relationship. They 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.

In its CSR due diligence, Eurazeo is vigilant regarding ethics, fight against corruption and human rights. Due diligence is conducted by specialized firms, or internally by the CSR department in the process of reviewing investment projects. The risks identified are factored into the investment decision and the subsequent monitoring of the investment.

Eurazeo also maintains a long-standing support for Human Rights Watch, that actively engage in promoting international justice, which is an essential element of building respect for human rights. Human Rights Watch also ensures that human rights considerations are at the heart of various debates, branches and mechanisms of the United Nations.

SUSTAINABLE DEVELOPMENT GOAL 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development



Eurazeo believes that a successful sustainable development agenda requires partnerships. Thus, Eurazeo undertakes an open and transparent dialogue and partnership with many actors. It aims to promote responsible practices within the private equity sector.

Eurazeo is an active member of the ESG Commission of France Invest (Association Française des Investisseurs pour la Croissance - French Association of Investors for Growth). Olivier Millet, Chairman of the Executive Board of Eurazeo PME and Member of the Executive Board of Eurazeo, was Chairman of this ESG Commission until 2014 and he was France Invest's chairman until mid-2018. Eurazeo is currently a member of the ESG Commission's steering committee. Besides, Olivier Millet is member of the MEDEF's executive council. Please refer to criterion 17 for more details.

In partnership with four other private equity companies, Eurazeo launched the "Initiative Carbon 2020" (that was renamed Initiative Climate 2020 at the end of 2017), also known as iC20, the first long-term approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies. This initiative is a pragmatic approach aimed at promoting greater transparency and accountability within the field of private equity. It demonstrates the increasingly institutional character of this profession, which invests long-term savings, notably French, in unlisted companies. Eurazeo has a leading role in this initiative. Since 2017, Noëlla de Bermingham, Eurazeo's CSR manager, is in charge of the coordination and animation of the iC20 within the framework of France Invest's working group. Please refer to criterion 9 for more details.

Eurazeo is also highly involved at European level with Invest Europe. Erwann Le Ligné, Eurazeo PME's Managing Director and Member of the Executive Board, is vice-chairman of the Invest Europe Responsible Investment Roundtable.

Furthermore, Eurazeo maintains a long-standing support for organizations. In partnership with different NGO and associations, Eurazeo supports projects aimed at combating failure in school and initiatives regarding health issues and human rights. Please refer to criterion 16 for more details.

See also:

- [Eurazeo's Code of Conduct](#)
- "Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- "Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).
- "Environmental information" section of [Eurazeo's 2017 Registration Document](#) (pages 112-119).
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 16: The COP describes strategic social investments and philanthropy

- *Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy*
- *Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors*
- *Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff*

In 2014, Eurazeo has redefined its philanthropy policy with a view toward maximizing impact and integrating it into the CSR strategy. On the occasion of the 2015-2016 school year, the company thus drew up a new sponsorship strategy focusing on the theme of education. Philanthropic donations are decided on at Executive Board level with the CSR department responsible for strategy and implementation.

The work with these associations has given rise to specific projects, co-built with teaching professionals. These initiatives were selected mainly because they provide a wider impact on the transformation of society, including the possibility of gears to other institutions than those currently affected.

Eurazeo supports 7 associations working at different stages of the learning cycle:

With "Agir pour l'école", this is acting at the root of the problem by creating favorable conditions for the acquisition of basic skills for learning to read. The program supported by Eurazeo since 2015 is dedicated to the development of a digital application for learning to read, in addition to providing equipment in teaching materials and tablets to several hundreds of children.



le choix de l'école The year of 2016 marked the beginning of Eurazeo's support to Le Choix de l'École (former Teach for France). This organization is a member of the network Teach for All that works to expand educational opportunity by enlisting talented future leaders to the effort. The organization recruits and develops leaders to teach during two years in the most high-need classrooms and to work throughout their lives to increase opportunity for kids. Since its launch, Le Choix de l'École supported 150 teachers who reach more than 17,000 kids.

In addition to the projects mentioned above, during the beginning of the school year of 2016, Eurazeo has launched a project in partnership with *Agence du Don en Nature* (ADN). ADN is a French association that collects surplus stocks from businesses and redistributes it to those in need. The project supported by Eurazeo has provided school supplies and essential equipment (school bags, sports equipment and clothing, etc.) to 36,500 disadvantaged children since 2016.



SciencesPo

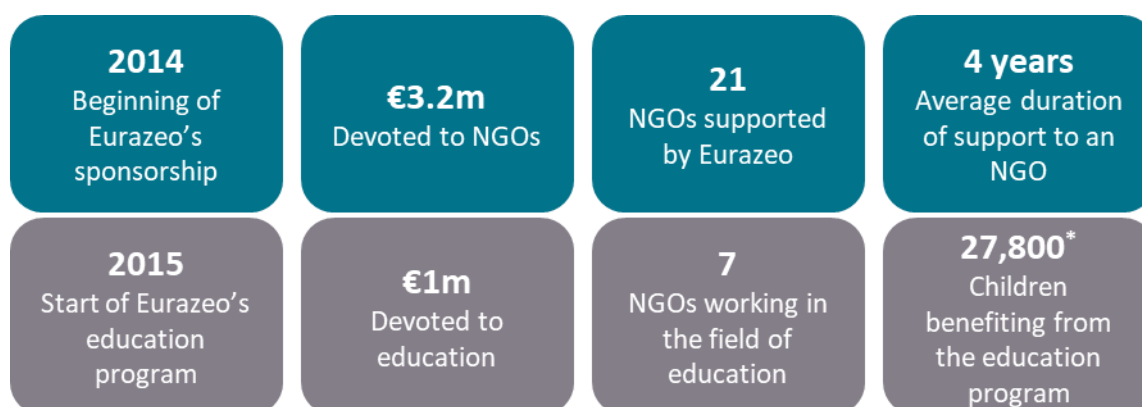
Concerned by the equality of opportunities, in 2018, Eurazeo broadened its commitment by supporting the Convention Education Prioritaire (CEP) of *Sciences Po*. Since 2001, this selective recruitment way is dedicated to deserving children from disadvantaged high school. Since its launch, 1,800 students integrated *Sciences Po* through the CEP procedure.

Since 2018, Eurazeo supports the educative actions implemented by the *Institut Gustave Roussy* in collaboration with *Les Amis de Mikhy*. The purpose of these actions is to provide a psychological support to children who have cancer and to their parents, notably when they go back to school. The project “Sac à dos: Ma Difference, Mon Histoire” allows kids to raise awareness of their teachers and classmates about cancer.



Eurazeo also supports the *Fondation DFCG* et the *Fondation Martine Aublet*. In the frame of this partnerships, Eurazeo provides funds for scholarships.

Eurazeo also maintains its long-standing support to *Human Rights Watch*. *Human Rights Watch* is a leading independent international organization dedicated to the protection and defense of human rights. Virginie Morgon, CEO of Eurazeo, is co-chair of the Human Rights Watch Support Committee in Paris.



* As of Dec 31, 2017

Eurazeo also fosters employee commitment to the various charities it supports by offering them the opportunity to invest their time in the various projects. In 2017, Eurazeo and its subsidiaries together allocated more than €350,000 to associations and NGOs and supported a total of 102 organizations.

See also:

- [Eurazeo's Code of Conduct](#)
- “Social information” section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- “Societal information” section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).
- “[Eurazeo invests in education](#)” section of [Eurazeo's website](#).
- [Education program press release: “Eurazeo invests in education and combats academic failure in France”](#)

Criterion 17: The COP describes advocacy and public policy engagement

- *Publicly advocate the importance of action in relation to one or more UN goals/issues*
 - *Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues*
 - *Other established or emerging best*
 - *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*
-
- **Human Rights & Labour:**

Eurazeo's commitments are embodied by **Virginie Morgon**, Eurazeo's CEO. She is co-chair of the Human Rights Watch's support committee and leads the support to this association since 2012. Having a visible internal figure bringing Human Rights issues to the forefront, combined with Eurazeo's own support of these issues, contributes to all employees' awareness.

Virginie Morgon also plays a crucial role in the gender professional equality commitment of Eurazeo. She is strongly involved in *Eurazeo Pluriels* internal network, and also participates to the *Rising Talents programme* and the *Women's Forum for the Economy and Society*. She consciously acts as a role model for women in the whole finance industry.

- **Environment:**

Wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest (Apax Partners, Ardian, LBO France, and PAI Partners) have decided to launch the Initiative Climate 2020, also known as the IC20. The IC20 signatories have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance. Eurazeo has a leading role in this initiative. Since 2017, **Noëlla de Bermingham**, Eurazeo's CSR manager, is in charge of the IC20 coordination and animation within the framework of France Invest's working group. Since the Climate Finance Day 2018, the UN PRI endorses the initiative. Please refer to criterion 9 for more details.

In 2017, **Patrick Sayer**, Eurazeo's former CEO, has strengthened the company's commitment to fight climate change by signing the Shift Project's "Decarbonize Europe Manifesto". The signatories of this manifesto call upon all European actors - individuals, businesses and public authorities - to implement concrete and coherent strategies which can meet the challenge posed by climate change and the limits of natural resources. Eurazeo has also become a signatory of the "*Letter from global investors to governments of the G7 and G20 nations*" in 2017.

PUBLIC, CONCRETE AND MEASURABLE COMMITMENTS

The iC20 signatories are committed to:

1. Recognizing that climate change will have effects on the economy which represent risks and opportunities for businesses

- Engaging publicly through the signature of the iC20
- Spreading the initiative among Private Equity actors

2. Joining forces to contribute, at their level, to the objective of COP21 of limiting global warming to two degrees

- Including climate issues in the investment process

3. Contribute to reduce the greenhouse gas emissions of their portfolio companies and ensuring sustainability of performance

- Carrying out gradual measurement of the carbon footprint of carbon-material companies
- Defining with management of the companies an emissions reduction and adaptation to climate change action plan for these companies

More specifically, the **Initiative Climate 2020's** methodological approach will comprise of three stages:

- During the investment phase: assessment of carbon impact on the company's future development.
- During the holding phase: Climate change awareness-raising for the management teams; Materiality analysis of the company's carbon impacts;
Based on the challenges, a thorough calculation followed by the definition of an action plan to reduce emissions and adapt to climate change.
- During the disposal phase: capitalize on significant improvements made and major progress achieved.

The signatories hope to share both the methodology and the commitments with all sector players that wish to participate in the fight against global warming.

The **Initiative Climate 2020** is an integral part of the pledges that were undertaken by the Paris financial market and co-signed by France Invest. The signatories wish to make this pragmatic and operational contribution in order for the private equity asset class, a major growth player in France, to be a driving force in building an climate-conscious world.

Environment, social and governance (ESG):

Eurazeo's innovative approach is also embodied by the leading role of **Olivier Millet**, Chairman of the Executive Board of Eurazeo PME and Member of the Executive Board of Eurazeo. In 2009, he played a role in the creation of *France Invest's (French Association of Investors for Growth) Sustainable Development Club*, which was replaced by the *ESG Commission* (Environment, Social and Governance) in 2013. Olivier Millet was Chairman of this ESG Commission until 2014. Eurazeo is currently a member of the ESG Commission's steering committee.

Since 2018, Olivier Millet is also a member of the MEDEF's executive council. The MEDEF is the leading network of entrepreneurs in France, and it places job creation and sustainable growth at the heart of its action. The role of the executive council is to set the general policy of the MEDEF in its various fields of competence and to make the corresponding decisions, in particular regarding internal rules, bodies, budget and the life of the association.

Besides, **Erwann Le Ligné**, Eurazeo PME's Managing Director and Member of the Executive Board, is vice-chairman of the Invest Europe Responsible Investment Roundtable. This permanent forum is dedicated to responsible investment practices and environmental, social and governance issues in Europe's private equity industry.

See also:

- [Eurazeo's Code of Conduct](#)
- "Social information" section of [Eurazeo's 2017 Registration Document](#) (pages 106-111).
- "Societal information" section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).
- "Environmental information" section of [Eurazeo's 2017 Registration Document](#) (pages 112-119).
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 18: The COP describes partnerships and collective action

- *Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy*
- *Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo actively promotes the integration of ESG issues in the private equity market. With the benefit of more than eight years of experience, Eurazeo has now fully industrialized its processes of integrating CSR in all stages of its activity: acquisition, transformation and divestment. With its technical expertise and field experience in rolling out its strategy, Eurazeo has made extra-financial criteria into a real tool of analysis, of interaction with management, and of the development of its portfolio companies.

As a pioneer of this approach in France and as an active promoter of addressing CSR challenges in the business of growth investing, Eurazeo is a leader on the market that is acknowledged by its peers.

The most significant example of Eurazeo's commitment into the promotion of CSR in the private equity market is the key role of Eurazeo within France Invest (*French Association of Investors for Growth*).

Olivier Millet, Chairman of the Executive Board of Eurazeo PME and Member of the Executive Board of Eurazeo, played a role in the creation of *France Invest's Sustainable Development Club*, which was replaced by the *ESG Commission (Environment, Social and Governance)* in 2013. Olivier Millet was Chairman of this ESG Commission until 2014 and he was France Invest's chairman until mid-2018. Eurazeo is currently a member of the ESG Commission's steering committee.



In 2015, Eurazeo with four other private equity companies belonging to France Invest (Apax Partners, Ardian, LBO France, and PAI Partners) have decided to launch the Initiative Climate 2020, also known as the IC20. Eurazeo is currently in charge of the coordination and the animation of the IC20 initiative within the framework of France Invest's working group. Please refer to criterion 9 for more details.

Moreover, Eurazeo's partnership with the *Women's Forum for the Economy and Society* reflects another strong Eurazeo's commitment, dealing with gender equality at work. Since 2008, Eurazeo has supported the *Rising Talents programme*, which identifies young women from diverse backgrounds and countries who have the potential to become leading figures in the world of tomorrow.

Eurazeo is also highly involved in different initiatives and/or finance sector gatherings, especially for private equity sphere, as events organized by Private Equity International (PEI) or the European private equity and Invest Europe. Erwann Le Ligné, Eurazeo PME's Managing Director and Member of the Executive committee, is vice-chairman of the Invest Europe Responsible Investment Roundtable.

In April 2018, Eurazeo won the ESG Sustainable Development Award of the Grand Prizes organized by Private Equity Magazine for the second time. This award recognizes Eurazeo's ESG commitments and confirms Eurazeo's leadership on the theme.

Lastly, rating agencies are another tool for the recognition of companies' performance and commitment. In 2012, Eurazeo got into Vigeo's ASPI Eurozone non-financial index, and in 2015 into the Ethibel Sustainability Index (ESI) Excellence Europe, its presence was renewed in 2018. In 2016 Eurazeo has re-entered the Ethibel EXCELLENCE Investment Register index and the Euronext Vigeo Europe 120 index. Eurazeo has also entered the Ethibel PIONEER Investment Register index. Since 2017, Eurazeo's presence was confirmed in other three ESG indexes families: FTSE4Good, MSCI ESG and Low Carbon Leaders and Stoxx ESG and Low Carbon Leaders. In 2018, Eurazeo also became a constituent of Euronext Vigeo France 20 index and Euronext Vigeo World 120 index.



2018 Constituent
MSCI ESG
Leaders Indexes



See also:

- [“CSR strategy: 2017 results” section of Eurazeo’s 2017 Registration Document \(pages 96-98\).](#)
- [“CSR, responsible commitments” section of Eurazeo’s 2017 Annual Review \(pages 26-27\)](#)
- [“Social information” section of Eurazeo’s 2017 Registration Document \(pages 106-111\).](#)
- [“Societal information” section of Eurazeo’s 2017 Registration Document \(pages 120-124\).](#)
- [“Environmental information” section of Eurazeo’s 2017 Registration Document \(pages 112-119\).](#)
- [IC 20 press release](#) / [IC 20 manifesto](#)

Criterion 19: The COP describes CEO commitment and leadership

- *CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact*
- *CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards*
- *CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation*
- *Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo's commitments are embodied by Virginie Morgon, Eurazeo's CEO. She is co-chair of the Human Rights Watch's support committee and leads the support to this association since 2012. Having a visible internal figure bringing Human Rights issues to the forefront, combined with Eurazeo's own support of these issues, contributes to all employees' awareness.

Virginie Morgon also plays a crucial role in the gender professional equality commitment of Eurazeo. She is strongly involved in Eurazeo Pluriels internal network, and also participates to the Rising Talents programme and the Women's Forum for the Economy and Society. She consciously acts as a role model for women in the whole finance industry.

Under the leadership of Virginie Morgon (Eurazeo's CEO and former deputy CEO) and Patrick Sayer (Eurazeo's former CEO), Eurazeo became the first private equity company to publish a CSR Charter, in 2011. In addition, Eurazeo was in 2011 the first to publish a CSR reporting, in anticipation of regulatory requirements. It is under the leadership of Virginie Morgon that Eurazeo is pursuing its ambitious 2020 CSR Strategy.

CSR objectives are also part of the factors taken into account for the calculation of the variable compensation of all Executive Board members and Executive Committee members.

See also:

- "CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- "CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)

Criterion 20: The COP describes Board adoption and oversight

- *Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance*
- *Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.*
- *Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)*
- *Other established or emerging best practices*
- *Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff*

Eurazeo's CSR governance is provided by a CSR Department, reporting to the General Secretary of Eurazeo. CSR issues feature on Eurazeo's Executive Board agenda at least three times per year. In 2014, the Executive Board validated Eurazeo's objectives and CSR strategy.

CSR issues feature on the Executive Board agenda at least two or three times per year. In 2014, the Executive Board validated Eurazeo's objectives and CSR strategy. CSR objectives are also part of the factors taken into account for the calculation of the variable compensation of all Executive Board and Executive Committee members.

Also in 2014, a specialized committee of the Eurazeo Supervisory Board was created. The purpose of this CSR Committee is to assist the Supervisory Board in monitoring CSR-related issues so as to allow Eurazeo to better anticipate the associated opportunities, issues and risks. It also makes recommendations on the company's policy and achievements in the field of CSR.

As described in criterion 19, Virginie Morgon embodies Eurazeo's CSR commitments, within Eurazeo, its portfolio companies and in the finance sphere.

Within Eurazeo's portfolio companies, the CSR progress plan includes the appointment of a CSR manager and the inclusion of CSR issues on the agenda of meetings of the Supervisory Board or the Board of Directors at least once a year. In 2017, 81% of portfolio companies in the reporting scope have fulfilled the first objective and 67% have fulfilled the second one.

See also:

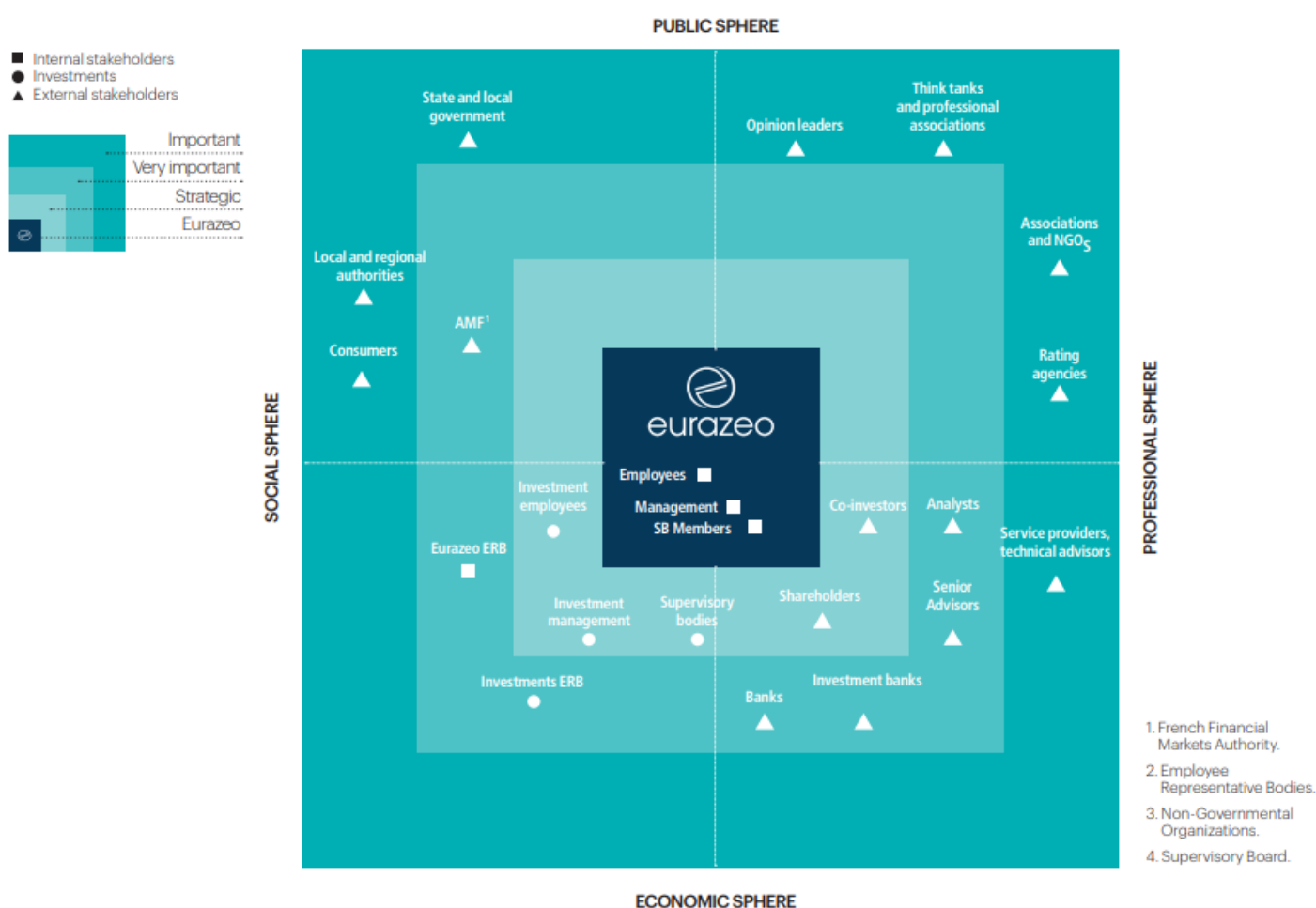
- *"CSR strategy: 2017 results" section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).*
- *"CSR, responsible commitments" section of [Eurazeo's 2017 Annual Review](#) (pages 26-27)*

Criterion 21: The COP describes stakeholder engagement

- Publicly recognize responsibility for the company's impacts on internal and external stakeholders
- Define sustainability strategies, goals and policies in consultation with key stakeholders
- Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance
- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'
- Other established or emerging best practices
- Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff

Eurazeo is convinced that structured and transparent dialogue with stakeholders is key to competitiveness and value creation. Engaging with stakeholders is an essential part of strong governance. To ensure the sustainability of its development, Eurazeo seeks to identify, prioritize and anticipate stakeholder expectations.

In 2013, Eurazeo assessed the dialogue conducted with its stakeholders through mapping and a survey of the processes and tools of its dialogue. The work performed included the mapping of stakeholders and a survey of dialogue methods and tools, essential first steps in structuring a strategy and as part of an ongoing reflection on stakeholder engagement. In 2015, Eurazeo updated its stakeholder mapping to identify and rank their importance and expectations.



Through discussions with those stakeholders considered a priority, Eurazeo enjoys a long-term relationship of confidence with each of them, by developing appropriate means of interaction and responding to their key expectations.

	MAIN EXPECTATIONS	MEANS OF ACTION
Directors	<ul style="list-style-type: none"> • Recurring performance • Perfect control and anticipation of risks • Transparency of financial and non-financial aspects • Highest standards of governance and high quality dialogue 	<ul style="list-style-type: none"> • Supervisory Board, Board committees • Board meeting documentation and minutes
Shareholders	<ul style="list-style-type: none"> • Recurring performance • Perfect control and anticipation of risks • Transparency of financial and non-financial aspects • Highest standards of governance and high quality dialogue 	<ul style="list-style-type: none"> • Regulatory and non-regulatory publications • Shareholders' Meetings and investor meetings • Road shows and investors meetings
Employees	<ul style="list-style-type: none"> • High-quality employees and management, trust and team spirit • Interesting subjects and projects • Attractive compensation package and profit-sharing • Skills development • Partnership • External growth support 	<ul style="list-style-type: none"> • Personal interviews • Weekly and monthly internal meetings • Company seminar • Internal and external communication
Investments	<ul style="list-style-type: none"> • Funding investments • Assistance with international expansion • Contribution of expertise • Network 	<ul style="list-style-type: none"> • Meetings and interviews • Supervisory Boards and Board committees • Shareholder and other agreements • Seminars and conventions

Eurazeo has structured dialogue with most of its stakeholders, especially its shareholders. Eurazeo is also in regular contact with the managers of its portfolio companies. The annual CSR reporting provides one occasion to engage with managers on their own CSR strategies and how Eurazeo can help to implement further progress.

Regarding employee relations, several working groups made up of employee volunteers have been organized to define and implement key parts of Eurazeo's CSR strategy. This mode of operating is well suited to Eurazeo's small size, as it allows any employee to make a contribution in the areas of CSR that interest him or her the most. It also ensures that any actions taken have built-in support and are adopted quickly.

See also:

- “CSR strategy: 2017 results” section of [Eurazeo's 2017 Registration Document](#) (pages 96-98).
- “Our stakeholders” section of [Eurazeo's 2017 Annual Review](#) (page 70)
- “Societal information” section of [Eurazeo's 2017 Registration Document](#) (pages 120-124).