

**United Nations Global Compact  
2018/2019 Communication in Progress (COP)**



**Advanced Level  
December 2019**

## About Eurazeo:

Eurazeo is a leading global investment company. With its considerable private equity, venture capital, real estate, private debt and fund of funds expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its 235 professionals and by offering deep sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. Within the Group, Idinvest Partners represents 98 employees. Its solid institutional and family shareholder base, robust financial structure, and flexible investment horizon enable Eurazeo to support its companies over the long term.

Beginning of 2018, the company accelerated its investment momentum by acquiring interests in Idinvest Partners and Rhône Capital. Eurazeo operates in virtually all private equity markets on three continents and has a large portfolio of companies of various sizes and sectors, with a mix of ownership stakes.

## About Eurazeo's CSR commitment:

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

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

After having initiated its CSR strategy in 2008, Eurazeo formulated a four-pillars CSR strategy in 2014, with quantitative targets for 2020. In December 2009, 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.

Eurazeo and Idinvest - acquired by Eurazeo in April 2018 - share the same vision of responsible investment and embed CSR throughout the investment cycle. Eurazeo's CSR strategy is a common framework to all of its divisions, however, due to its recent acquisition, Idinvest's investment divisions are not yet consolidated in the CSR strategy's 2018 results. The two entities are currently working on a common Responsible Investment approach.

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

- [Eurazeo's 2018 Registration Document](#)
- [Eurazeo's Code of Conduct](#)
- ["Responsibility": the CSR section of the Eurazeo's corporate website](#)
- [Idinvest's 2019 Sustainability & Impact report](#)
- Eurazeo PME's [2018 Integrated Report](#)



## Statement of Continued Support



**Virginie Morgon,**

*CEO and Chair of the Executive Board*

*In 2018, we set the milestones for a Group that was more international, multi-business and enriched with new talent, a Group with greater diversity and ambition. It was a year of intense strategic transformation, particularly with the arrival of Idinvest in the Group.*

*Eurazeo and Idinvest share the same vision of responsible investment. We are convinced that solid and sustainable growth can only be achieved by taking into account the impacts of economic activities throughout the company. Responsibility is a building block of our identity and I am deeply attached to this cardinal principle, which undoubtedly boosts our performance over the long term.*

*Eurazeo is incidentally the only investment company in the world to feature in the five families of CSR benchmark indicators. We are among the top 120 most advanced companies in Europe and worldwide, as determined by Euronext Vigeo Eiris. This is a source of great pride and a fundamental component of our performance.*

*As Eurazeo's CEO, I am also 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.*

## Table of Contents

### *Implementing the Ten Principles into Strategies & Operations*

<b>Criterion 1:</b> The COP describes mainstreaming into corporate functions and business units	p. 5
<b>Criterion 2:</b> The COP describes value chain implementation	p. 9

### *Robust Human Rights Management Policies & Procedures*

<b>Criterion 3:</b> The COP describes robust commitments, strategies or policies in the area of Human Rights	p. 13
<b>Criterion 4:</b> The COP describes effective management systems to integrate the Human Rights principles	p. 15
<b>Criterion 5:</b> The COP describes effective monitoring and evaluation mechanisms of Human Rights integration	p. 16

### *Robust Labour Management Policies & Procedures*

<b>Criterion 6:</b> The COP describes robust commitments, strategies or policies in the area of labour	p. 17
<b>Criterion 7:</b> The COP describes effective management systems to integrate the labour principles	p. 19
<b>Criterion 8:</b> The COP describes effective monitoring and evaluation mechanisms of labour principles integration	p. 20

### *Robust Environmental Management Policies & Procedures*

<b>Criterion 9:</b> The COP describes robust commitments, strategies or policies in the area of environmental stewardship	p. 22
<b>Criterion 10:</b> The COP describes effective management systems to integrate the environmental principles	p. 25
<b>Criterion 11:</b> The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	p. 26

### *Robust Anti-Corruption Management Policies & Procedures*

<b>Criterion 12:</b> The COP describes robust commitments, strategies or policies in the area of anti-corruption	p. 28
<b>Criterion 13:</b> The COP describes effective management systems to integrate the anti-corruption principle	p. 31
<b>Criterion 14:</b> The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	p. 33

### *Taking Action in Support of Broader UN Goals and Issues*

<b>Criterion 15:</b> The COP describes core business contributions to UN goals and issues	p. 34
<b>Criterion 16:</b> The COP describes strategic social investments and philanthropy	p. 43
<b>Criterion 17:</b> The COP describes advocacy and public policy engagement	p. 45
<b>Criterion 18:</b> The COP describes partnerships and collective action	p. 47

### *Corporate Sustainability Governance and Leadership*

<b>Criterion 19:</b> The COP describes CEO commitment and leadership	p. 49
<b>Criterion 20:</b> The COP describes Board adoption and oversight	p. 50
<b>Criterion 21:</b> The COP describes stakeholder engagement	p. 51

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

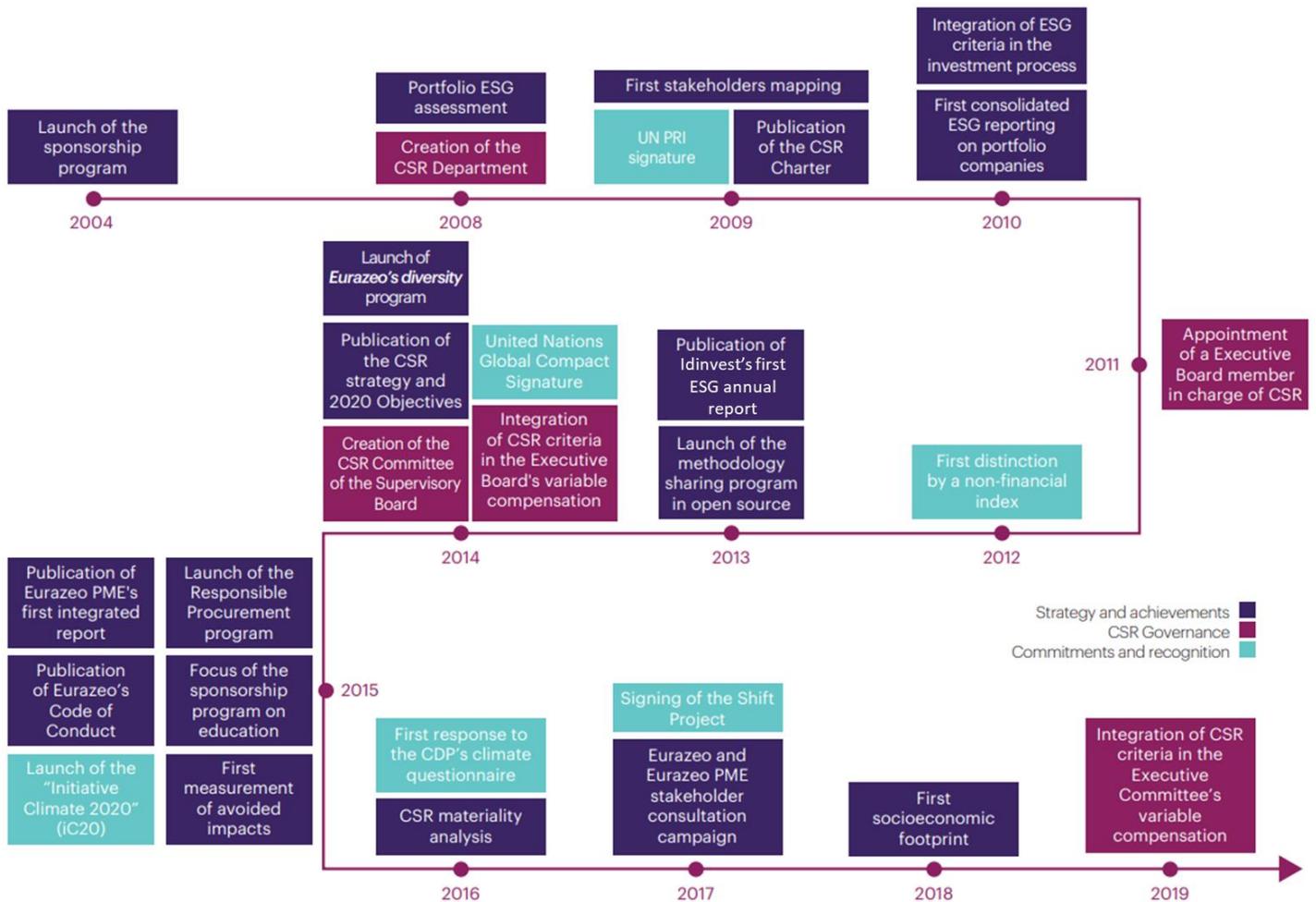
- *Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives*
- *Align strategies, goals and incentive structures 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. Eurazeo's mission is to identify, develop and enhance the transformation potential of the companies in which it invests. This is an extensive role, enabling it to combine business development and Corporate Social Responsibility (CSR).

Corporate Social Responsibility (CSR) is a value creation opportunity for Eurazeo and its portfolio companies and fully contributes to their transformation and sustainable growth. Eurazeo's commitments embody this ambition which aims at combining value enhancement and responsibility throughout the investment cycle. To this end, Eurazeo contributes the necessary time and resources, while combining economic development, social progress, reduced environmental impacts and balanced governance. Idivest Partners - acquired by Eurazeo in April 2018 - share this same vision of responsible investment and also embed CSR throughout its investment cycle.

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. In the same year, 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. Since 2010, CSR is integrated into the investment and reporting process (please refer to Criterion 2 for more details). And in 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 and the EU Non-Financial Reporting Directive.



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 is a common framework to all of its divisions, however, due to its recent acquisition, Idinvest's investment divisions are not yet consolidated in the CSR strategy's 2018 results. The two entities are currently working on a common Responsible Investment approach.

→ Eurazeo's CSR Strategy and 2020 objectives:

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

<sup>(1)</sup> 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.

<sup>(2)</sup> On Supervisory Boards (SB) or Boards of Directors (BD).

<sup>(3)</sup> The result is expressed as an average percentage of actions undertaken by the companies.

<sup>(4)</sup> Eurazeo has three CSR acceleration programs: environmental footprint, gender equality and responsible procurement.

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 International” (former iC20), the first long-term approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies. IC International 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. Idinvest Partners is also a signatory of the IC International. 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”. And in 2019, by the signing of the French Business Climate Pledge.

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 Group’s dedicated CSR team is composed of 5 people and works closely with each of the other departments at Eurazeo and Idinvest, including Investment, Finance, Human Resources, Audit, Legal and Communication teams.

CSR issues feature on Eurazeo’s 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 2019).

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.

In addition, Eurazeo’s subsidiaries Idinvest Partners and Eurazeo PME have set up dedicated CSR operational committees. Within Idinvest, a quarterly operational Sustainability & Impact Committee was set up, where Idinvest CEO, COO, VC Managing Partner, head of Marketing and Sustainability & Impact Manager seat. Within Eurazeo PME, the operational committee meets monthly and includes a member of Eurazeo PME’s Executive Board, one senior associate, Eurazeo’s CSR director and CSR manager. This committee makes quarterly restitutions to Eurazeo PME’s Executive Board.

Dialogue between the CSR Director, Eurazeo Group’s internal teams, and portfolio companies is a key feature of the Group’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 fully consolidated and equity-accounted investments and ensures that CSR is placed on the agenda of their Supervisory Board and/or Audit Committee meeting at least once a year. Idinvest also carries out an initial ESG rating of 100% of its new investments and measures improvements through an annual ESG reporting.

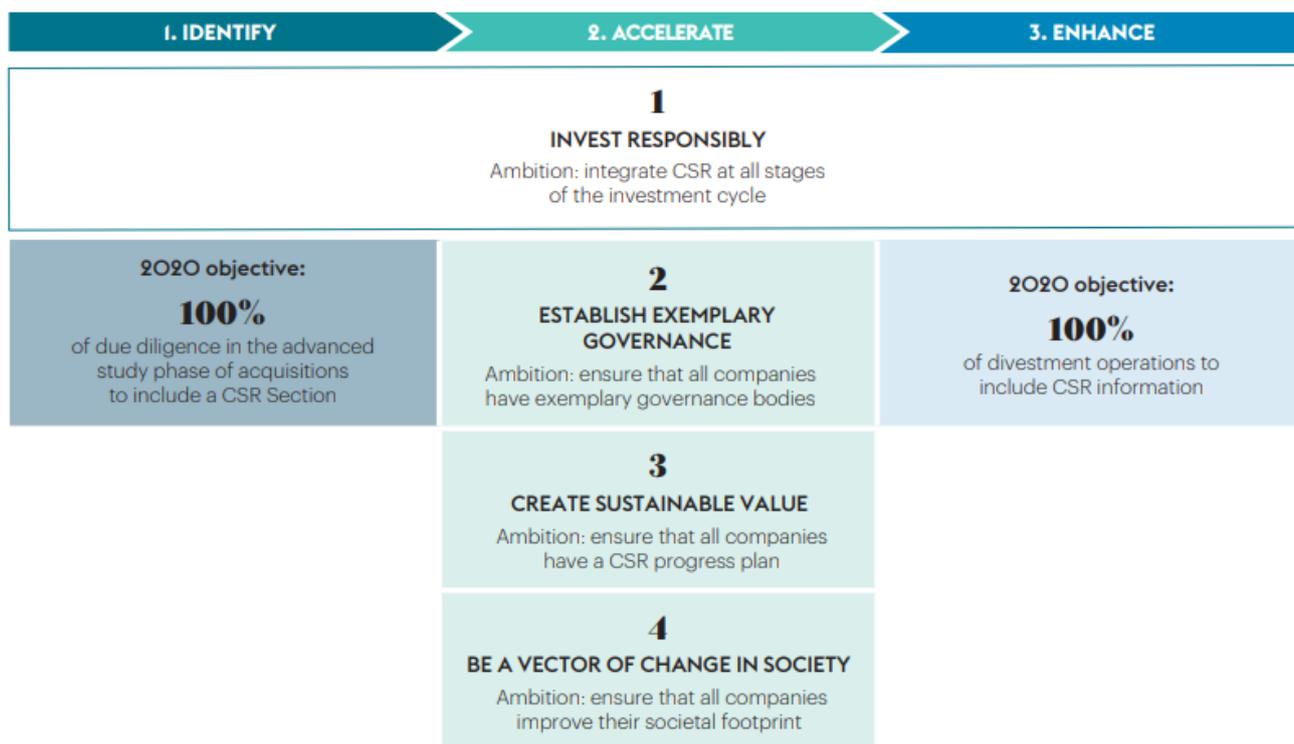
**See also:**

- *“A proactive CSR strategy” section of [Eurazeo’s 2018 Registration Document](#) (pages 78-91)*
- *“[Responsibility](#)”: the CSR section of the [Eurazeo’s corporate website](#)*
- *[Idinvest’s 2019 Sustainability & Impact report](#)*
- *[Eurazeo PME’s 2018 Integrated Report](#) (pages 38-39)*

## 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 Group'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.



During the identification phase, Eurazeo's goal is to perform CSR due diligence on all prospective acquisitions undergoing advanced review. During this phase, CSR serves to enrich the analysis of the sector and the target company, and to obtain an in-depth understanding of the various risks and opportunities.

To conduct these analyses, Eurazeo relies on data supplied by the company, opinions and studies produced by consulted experts and available public data. The list of criteria examined derives from a cross-cutting analysis of several recognized French and international standards:

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

In 2018, 100% of acquisitions made by the Group incorporated ESG criteria and included within the investment documents a specific chapter on ESG issues.

**MATRIX OF CRITERIA AND ISSUES EXAMINED**

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

During the acceleration phase, Eurazeo provides companies with all the human, financial and technical resources needed to support them in their transformation. This phase is based on a roadmap allowing the deployment of a pragmatic and value-creating CSR approach.

This support is adapted to the degree of the company's maturity with respect to CSR issues, its sector's challenges and the means at its disposal on the subject. Expertise is communicated to portfolio companies through discussion

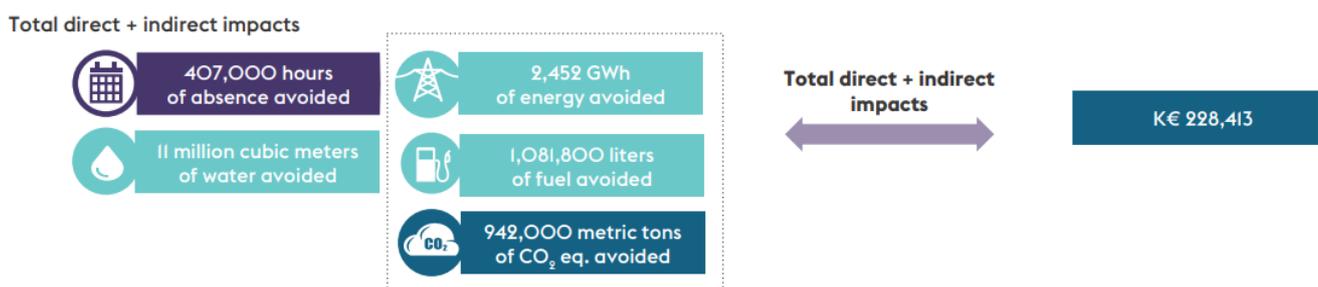
seminars, work meetings, the sharing of good practice and the regular monitoring of performance indicators. Since 2014, Eurazeo has developed several CSR acceleration programs and workshops designed to increase awareness and to promote the sharing of expertise and best practices among portfolio companies. In 2018, Eurazeo conducted 86 CSR workshops with its investments.

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 2019 (100% of the fully consolidated and equity-accounted companies). The CSR results of each company are presented to its management. As every year, Eurazeo publishes the consolidated results of this reporting and it is checked by an independent third party.

Regarding Iinvest Partners, support on an ad-hoc basis is provided through Iinvest Partners' SME Academy (a business development hub that provides its portfolio companies with tools and a solid network to address their growth challenges) and its social platform where entrepreneurs can share best practices. In addition, and when requested by the management of portfolio companies, Iinvest Partners' Sustainability and Impact Manager assists them in the definition of sustainability projects or relevant initiatives in ESG areas.

Iinvest also conducts an annual CSR reporting of its investments. In 2018, 140 companies carried out this reporting and received a tailored feedback including a set of improvement recommendations.

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. 16 companies are included in the study of avoided impacts in 2018: AccorHotels (divested in 2018), Asmodee (divested in 2018), Elis (divested in 2019), Foncia (divested in 2016), Planet, Seqens and Sommet Education for Eurazeo Capital, Grape Hospitality for Eurazeo Patrimoine, and Colisée Group (divested in 2017), Dessange International, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Redspher and Vignal Lighting Group (divested in 2018) for Eurazeo PME. Over the last eight years, CSR programs helped avoid more than €228 million in expenditure, with direct savings totaling over €92 million. The companies avoided the equivalent of 942,000 metric tons of CO<sub>2</sub> equivalent, nearly 11 million cubic meters of water, more than 2,400 GWh of energy and nearly 407,000 hours of absence. Eurazeo's goal is to gradually extend this analysis to all of its fully-consolidated portfolio companies, and to conduct year-on-year performance monitoring.



Eurazeo also looks to implement sustainability factors further along the value chain. As part of its 2020 CSR Strategy, Eurazeo portfolio companies participate in acceleration programs organized by Eurazeo, such as the Responsible Procurement working group, 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 private equity 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 in a webinar format and, since 2019, sessions are also available in English and open to Iinvest's investments.

Lastly, downstream, during the divestment phase, CSR assessments are performed to measure CSR outcomes achieved while the company was part of the portfolio.

→ **Eurazeo’s CSR Strategy deployment:**

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

**See also:**

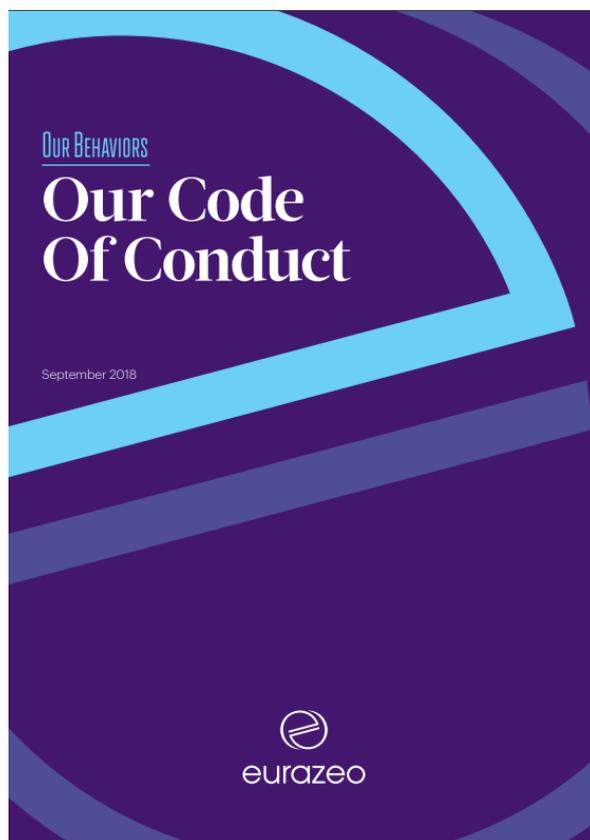
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- [Idinvest’s 2019 Sustainability & Impact report](#)
- [Eurazeo PME’s 2018 Integrated Report](#) (pages 38-39)

## **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 Group 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 has been especially designed for suppliers and business partners.

Moreover, Eurazeo updated in 2018 its Code of Conduct, which 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. In 2018, 87% of employees likely to be exposed to corruption risk due to their responsibilities within the organization attended a training course and 84% of the other employees received online training. 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.

Regarding Idivest Partners, a Code of Ethics, along with anti-money laundering and fraud prevention procedures, form an integral part of each employee's employment contract. A Compliance book of procedures on processes and regulatory obligations for all Idivest team members, in particular related to anti-money laundering, fight against terrorism and conflict of interests is also in place.

Although more than 95% of Eurazeo Group's employees are located in areas that do not directly encounter significant Human Rights risks, the Group is very attentive to its offices located in more exposed countries. As Eurazeo's portfolio companies could also possibly operate in more exposed countries, the Group works to ensure that they have the necessary support to ensure that Human Rights are respected, including in their supply chains.

Judging by the indexes published by the NGO Freedom House on freedom of association and by 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 could be exposed to Human Rights abuses. Eurazeo takes these risks extremely seriously and works closely with its private equity 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 2018 regulatory reporting, three companies are signatories of the Global Compact: Eurazeo PME, Redspher and Seqens. Outside the regulatory reporting scope, Elis and Europcar are also signatories.

**See also:**

- *"A proactive CSR strategy" section of [Eurazeo's 2018 Registration Document](#) (pages 78-91)*
- *"Ethics" and "Respect for Human Rights" sections of [Eurazeo's 2018 Registration Document](#) (pages 113-116)*
- *"Responsibility": the CSR section of the [Eurazeo's corporate website](#)*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *Idivest's [2019 Sustainability & Impact report](#)*

## **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 supports 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 2018.
- 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 2018, 48% 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:**

- *"A proactive CSR strategy" section of Eurazeo's [2018 Registration Document](#) (pages 78-91)*
- *"Ethics" and "Respect for Human Rights" sections of [Eurazeo's 2018 Registration Document](#) (pages 113-116)*
- *"Responsibility": the CSR section of the Eurazeo's corporate website*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *Idinvest's [2019 Sustainability & Impact report](#)*

## **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.

During the acceleration phase, Eurazeo's annual CSR reporting allows a detailed monitoring of Human Rights policies and suppliers' evaluation mechanisms. This reporting included around 40 social and 9 dedicated Human Rights indicators in 2018. Eurazeo and its portfolio companies that are in the regulatory reporting scope all report on the implementation of their human rights policies and the monitoring of their supply-chain.

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.

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. Idinvest's suppliers and service providers must also comply with the company's Code of Business Conduct.

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:**

- *"A proactive CSR strategy", "Ethics" and "Respect for Human Rights" sections of [Eurazeo's 2018 Registration Document](#) (pages 78-91, 113-116)*
- *"Responsibility": the CSR section of the Eurazeo's corporate website*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*

## **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, 87% of employees likely to be exposed to corruption risk due to their responsibilities within the organization attended a training course and 84% of the other employees received online training. Each year all personnel are asked to formally renew their individual commitment to act in accordance with the values and principles of the Code. 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%. Eurazeo signed its first incentive agreement in 1998 and has since renewed it every three years. The current Eurazeo incentive agreement applies to fiscal years 2019 to 2021.

Because the company's employees are its most valuable asset, Idinvest Partners pays particular attention to attracting and retaining talented individuals so as to maintain its level of excellence. In light of this concern, the employee benefits and compensation policy are based on 4 fundamental principles: Fairness, Due recognition, Alignment of individual and company objectives and, Transparency.

Idinvest Partners also pays close attention to its employees' well-being, both in the workplace and while traveling on business. The nature of a management company's business means that the risk associated with workplace accidents is limited in terms of both frequency and severity. However, certain occupational risks are inherent in any work-related activity, which Idinvest has identified in its company-wide risk assessment form. Idinvest Partners endeavors to mitigate such risks by equipping its workstations with ergonomic furniture and helping cover the cost of its employees' sports activities.

The Group 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.

Since 2018, Eurazeo’s Chief Human Resources Officer is a member of Level 20’s French Committee. Level 20 is a not for profit organisation set up to inspire more women to join and to succeed in the private equity industry.

For a number of years, on the occasion of International Women’s Day, Idinvest has run an awareness-raising campaign among its staff. This initiative included financial support for a nonprofit associated with the Epic Foundation, SNEHA, which works to help women in India.

Eurazeo recognizes its responsibility to encourage its portfolio companies to provide the best possible labour conditions. With 10 616 employees in its 2018 regulatory reporting scope (Eurazeo and its fully-consolidated 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 8 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. Twelve investments participated in the first three evaluations; a further four joined the initiative in 2018. 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. Eleven portfolio companies (in the regulatory reporting scope), besides Eurazeo and Idinvest Partners, 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:**

- *“A proactive CSR strategy” and “Social and Employee-related matters” sections of [Eurazeo’s 2018 Registration Document](#) (pages 78-91, 93-101)*
- [Eurazeo’s Code of Conduct](#)
- [Idinvest’s 2019 Sustainability & Impact report](#)

## **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 104 permanent employees, as of 31/12/2018, 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 conducted a first survey on the quality of work life. The response rate was over 84% for Eurazeo and Eurazeo PME employees combined. This survey was renewed in 2019 and had an overall participation rate of 90%.

In 2018, Idinvest also launched an employee engagement platform, which allows all employees to instantly and anonymously share their opinions, concerns and ideas with management. This initiative was followed up by action plans.

Eurazeo's 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 regulatory 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:**

- *“A proactive CSR strategy” and “Social and Employee-related matters” sections of [Eurazeo's 2018 Registration Document](#) (pages 78-91, 93-101)*
- *[Eurazeo's Code of Conduct](#)*
- *[Idinvest's 2019 Sustainability & Impact report](#)*

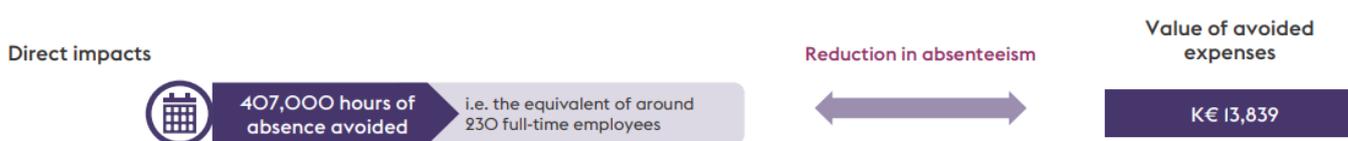
## **Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration**

- *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 who are in the regulatory reporting scope 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. Twelve investments participated in the first three evaluations; a further four joined the initiative in 2018. 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 16 portfolio companies, 407,000 hours of absence have been avoided and more than €13 million were saved.



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.

Portfolio companies play a key role by creating jobs and ensuring decent, inclusive working conditions. Idinvest Partners encourages responsible management practices, which enrich a company's talent pool and promote diversity, equal access to employment opportunities and strong employee engagement.

**See also:**

- *“A proactive CSR strategy” and “Social and Employee-related matters” sections of [Eurazeo's 2018 Registration Document](#) (pages 78-91, 93-101)*
- *[Eurazeo's Code of Conduct](#)*
- *[Idinvest's 2019 Sustainability & Impact report](#)*

## **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 Exemplaïre” 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.

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

The nature of Idinvest’s business means its direct impact on the environment is limited: its carbon footprint (Scope 1 and 2) in France totaled 34 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in 2018. Nevertheless, Idinvest Partners attaches great importance to environmental issues, both for itself and for the companies in which it invests. In order to reduce travel-related emissions, Idinvest applied a balanced employee travel policy that favors rail travel and encourages staff to limit air travel by using teleconferencing as often as possible. The company also aims to limit its energy consumption by replacing traditional light bulbs with LED lighting, activated by motion detectors, installing a thermostat in each office for heating and air conditioning, and monitoring electricity use by floor. In 2019, members from Idinvest Partners’ team joined Fondation Yves Rocher and planted 2,500 trees in the suburbs of Paris. Idinvest also financed the planting of a further 4,500 trees.

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 International, previously known as the IC20. Conscious of their responsibility as shareholders, the IC International 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 IC International 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. Idinvest Partners is also a signatory of this initiative since 2018.

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". And in 2019, by joining the French Business Climate Pledge.

### INITIATIVE CLIMAT INTERNATIONAL COMMITMENTS

**1. We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.**

- Publicly demonstrate a commitment to act on climate change by becoming a signatory to the iC International.
- Promote the initiative among private equity firms and encourage them to become a signatory to the iC International.

**2. We will join forces to contribute to the objective of The Paris Agreement to limit global warming to well-below two degrees Celsius.**

- Integrate climate change analysis into investment processes.

**3. We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.**

- Identify companies where climate change poses a material risk and carry out a measurement of its carbon footprint.
- Meaningfully engage with management teams of portfolio companies to develop an emissions reduction and climate change action plan.

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.

Since 2017, Eurazeo measures the complete carbon footprint 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.

Idinvest Partners also worked with a specialized firm to measure the carbon footprint of its three funds with the most material issues (Novi 2, IDS 3 and IPD IV) and two private funds. 84 companies were analyzed, representing 58% of total direct investments. The goal of this analysis is to identify which investments emit the most CO2 and, if necessary, help them put in place action plans to reduce their impact.

**See also:**

- *“A proactive CSR strategy” and “Environmental matters” sections of [Eurazeo’s 2018 Registration Document](#) (pages 78-91, 102-112)*
- *[Eurazeo’s Code of Conduct](#)*
- *[Idinvest’s 2019 Sustainability & Impact report](#)*
- *[Initiative Climate International website](#)*

## **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 International, previously known as the IC20. The IC International 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.

Since 2017, Eurazeo measures the complete carbon footprint of its investments (Scopes 1, 2 and 3) jointly with a specialized firm. Idinvest Partners also measures the carbon footprint of its three funds with the most material issues (Novi 2, IDS 3 and IPD IV) and two private funds. 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:**

- ***“A proactive CSR strategy” and “Environmental matters” sections of [Eurazeo’s 2018 Registration Document](#) (pages 78-91, 102-112)***
- ***[Eurazeo’s Code of Conduct](#)***
- ***[Idinvest’s 2019 Sustainability & Impact report](#)***
- ***[Initiative Climate International website](#)***

## **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**

A CSR Committee has been set up within Eurazeo's Supervisory Board since 2014. Its purpose is to assist the Supervisory Board in monitoring CSR-related issues 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.

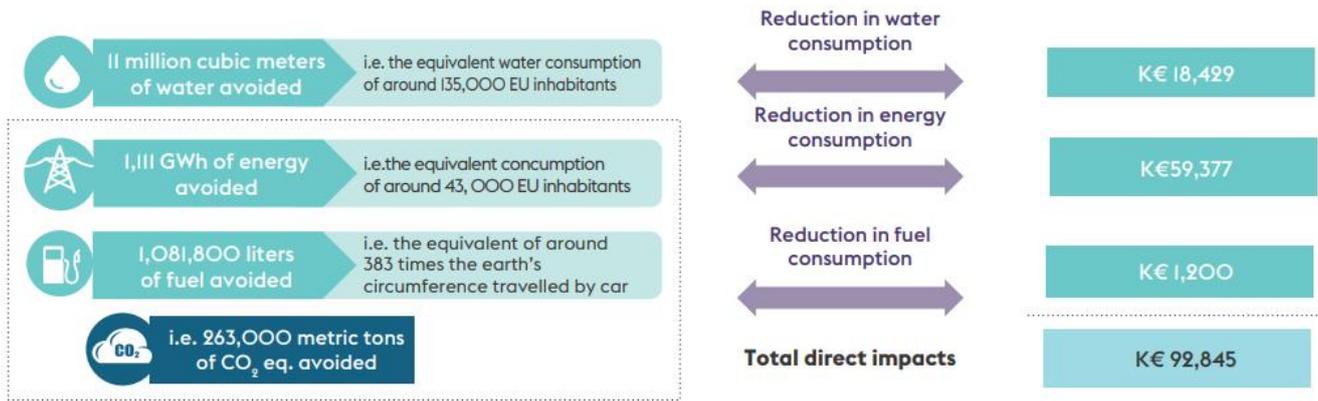
Moreover, wishing to proceed further with one of the major sustainable development challenges, Eurazeo, with four other private equity companies belonging to France Invest have decided to launch the Initiative Climate International, previously known as the IC20. The IC International signatories have 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.

Eurazeo's annual environmental reporting allows a 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 Supervisory Boards. These results are used as the basis for building progress plans and defining quantitative objectives.

Idinvest also conducts an annual CSR reporting of its investments, which allows monitoring environmental KPIs. In 2018, 140 companies carried out this reporting and received a tailored feedback including a set of improvement recommendations.

The group's portfolio companies vary greatly in their size, location, and CSR maturity: environmental priorities and objectives 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, 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. Twelve investments participated in the first three evaluations; a further four joined the initiative in 2018. Three environmental indicators are measured in the assessment: water, energy and fuel. For the 16 companies, the direct impacts were 263,000 tons of CO<sub>2</sub> avoided and more than €92 million saved.



**See also:**

- [“A proactive CSR strategy” and “Environmental matters” sections of Eurazeo’s 2018 Registration Document \(pages 78-91, 102-112\)](#)
- [Eurazeo’s Code of Conduct](#)
- [Idinvest’s 2019 Sustainability & Impact report](#)
- [Initiative Climate International website](#)

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

# 2.

#### **ESTABLISH EXEMPLARY GOVERNANCE**

Ensure that all companies have exemplary governance bodies

### 2020 OBJECTIVES

- 100% of companies to have at least 40% women directors on the Board<sup>(2)</sup>
- 100% of controlled companies to have at least 30% independent Directors on the Board<sup>(2)</sup>
- 100% of companies to have an Audit Committee and a Compensation Committee

Idinvest Partners remains particularly vigilant with respect to business ethics and anticorruption compliance. It keeps a close watch on the structuring of growth companies, encouraging the gradual adoption of a procedural framework to guide actions, particularly in relation to corporate social responsibility.

In 2012, an anti-fraud and anti-corruption good practice guide was implemented in Eurazeo. This guide provided a reference framework and served as a methodological tool in the implementation of anti-fraud mechanisms. In 2015, Eurazeo’s also implemented a Code of Conduct, distributed to all employees and stakeholders. This Code was updated in 2018, and 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:

- **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 .**
- **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.

By way of illustration, the following are strictly prohibited:

- *The payment of "bribes" (sum of money or gift offered to influence a decision);*
- *The payment of hidden or illegal commissions to third parties;*
- *The acceptance of commissions from third parties (unless expressly authorized by an Executive Board member as part of a legitimate transaction).*

Besides the Code of Conduct, Eurazeo's corruption prevention system also includes:

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

Idinvest Partners has also implemented a Code of Ethics, along with anti-money laundering and fraud prevention procedures, which form an integral part of each employee's employment contract, as well as a Compliance book

of procedures on processes and regulatory obligations for all Idinvest team members, in particular related to anti-money laundering, fight against terrorism and conflict of interests.

Eurazeo and Idinvest have also formalized the integration of CSR issues into their procurement policy by establishing a Code of conduct for commercial relations / Code of Business Conduct. Serving as the framework established by the Group for all business relations, it contains commitments, including fighting corruption and money laundering and avoiding conflicts of interest.

On anti-fraud and anti-corruption stakes, the Group 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 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. During acquisitions, each portfolio company is required to implement best anti-corruption practices while taking into account its sector, organizational and geographical specificities. To facilitate this process, Eurazeo has developed a guide on how to implement or reinforce an anti-corruption system, this guide complies with the Sapin II Law. An update on progress with measures to prevent corruption is presented and discussed at meetings of the Audit Committees of the portfolio companies. This offers Eurazeo an opportunity to follow the roadmap of each portfolio company and monitor progress over time.

Besides, Eurazeo's code of conduct for business relations was also made available to portfolio companies. At the end of 2018, 53% of companies included in the regulatory reporting scope had already established their own business relationship code of conduct.

**See also:**

- *“A proactive CSR strategy”, “Ethics” and “Respect for Human Rights ” sections of Eurazeo's 2018 Registration Document (pages 78-91, 113-116)*
- *“Responsibility”: the CSR section of the Eurazeo's corporate website*
- *Eurazeo's Code of Conduct*
- *Eurazeo's Code of Conduct for Commercial Relations*
- *Idinvest's 2019 Sustainability & Impact report*

## **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 2018. 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. Please refer to criterion 12 for more details.

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.

Regarding Idinvest Partners, the compliance, internal control and risk monitoring system helps ensure that the company's commercial and financial processes run smoothly. It also helps protect physical and intangible assets such as Idinvest Partners' expertise, image and reputation. Idinvest has implemented:

- A Code of Ethics, along with anti-money laundering and fraud prevention procedures, which form an integral part of each employee's employment contract
- A Code of Business Conduct, with which Idinvest's suppliers and service providers must comply
- A Compliance book of procedures on processes and regulatory obligations for all Idinvest team members, in particular related to anti-money laundering, fight against terrorism and conflict of interests.

**See also:**

- *"A proactive CSR strategy", "Ethics" and "Respect for Human Rights" sections of [Eurazeo's 2018 Registration Document](#) (pages 78-91, 113-116)*
- *"[Responsibility](#)": the CSR section of the Eurazeo's corporate website*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *[Idinvest's 2019 Sustainability & Impact report](#)*

## **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. Please refer to criterion 12 for more details.

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:**

- *"A proactive CSR strategy", "Ethics" and "Respect for Human Rights" sections of [Eurazeo's 2018 Registration Document](#) (pages 78-91, 113-116)*
- *"Responsibility": the CSR section of the Eurazeo's corporate website*
- *[Eurazeo's Code of Conduct](#)*
- *[Eurazeo's Code of Conduct for Commercial Relations](#)*
- *[Idinvest's 2019 Sustainability & Impact report](#)*

## **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 and its subsidiaries aim to contribute to UN goals and issues directly and also through their portfolio companies. With its Sustainability & Impact philosophy, Idinvest is one of the pioneers in measuring the impact of its portfolio in relation to the United Nations Sustainable Development Goals (SDGs). Measures were undertaken to commit companies to reducing their negative impact while identifying opportunities where they can contribute to the SDGs.

Please find below a detailed list of the more relevant UN goals to Eurazeo Group's activity and its contribution to them.

### **SUSTAINABLE DEVELOPMENT GOAL 1** End poverty in all its forms everywhere



Eurazeo Group 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 55,000 children have benefited from the education program. Please refer to criterion 16 for more details.

Idinvest Partners is committed to making a positive social impact, with a special focus on initiatives promoting economic empowerment and inclusion, health and non-violence, starting in early childhood. In particular, the company provides support to several social change organizations via the Epic Foundation, whose goal is to connect givers with NGOs and social enterprises committed to redressing the inequities that affect children and young adults around the world.

Furthermore, Eurazeo Group'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 Group 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 2018, 70 % 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 2018 were communication, personal development, foreign languages, the use of IT and digital tools, and health and safety.

Idinvest Partners offers its employees the opportunity to receive training to maintain and develop their skills. Moreover, all employees concerned are invited to take part in conferences and information days organized by professional bodies (France Invest and AFG). Employees are also encouraged to take the chartered financial analyst exam administered by the CFA Institute. Idivest Partners covers all training expenses and allows staff to take 2 days' paid leave for this purpose.

Professional training is key to expanding employees' skill-sets, helping them prepare for the professions of the future and improving their career prospects. Idivest Partners encourages its investees to offer training to their employees and holds its own workshops open to all its investees through the Idivest SME Academy. A workshop entitled "The Future of Work" was summed up in a white paper shared with its community.

Half of employees at the companies that responded to the survey received training in 2018, helping develop technical and vocational skills required for employment and obtaining decent work. Besides, Eurazeo Group has invested in companies whose business contribute to promote lifelong learning opportunities and quality education.

## 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 2018, Eurazeo took the 7<sup>th</sup> spot in the ranking of governance feminization in large companies, a gain of 14 places compared with 2017 and 82 places compared with 2013.
- Since 2018, Eurazeo’s Chief Human Resources Officer is a member of Level 20’s French Committee. Level 20 is a not for profit organisation set up to inspire more women to join and to succeed in the private equity industry.

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 2018, 39% of portfolio companies have achieved this objective.

Driven by the firm conviction that diversity helps fuel performance for the company, Idinvest Partners also pays special attention to equal opportunity for men and women. Idinvest joined forces with a group of entrepreneurs and investors in a letter to French newspaper Les Echos in April 2019, entitled “Compter les femmes pour que les femmes comptent” (Count women in order to make women count) and works together with SISTA to make this commitment a reality.

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



Eurazeo Group has invested in companies whose business contribute to promote renewable energy, to improve energy efficiency and to expand infrastructure and upgrade technology for supplying sustainable energy services. 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 Group 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.

Portfolio companies play a key role by creating jobs and ensuring decent, inclusive working conditions. Idinvest Partners encourages responsible management practices, which enrich a company's talent pool and promote diversity, equal access to employment opportunities and strong employee engagement.

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 Growth. 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 Growth are innovating in their own sectors.

Besides, the agreement signed with Idinvest Partners will enable companies in the Hauts-de-France region (northern France region) to modernize their production facilities. This regional undertaking is based on the observation that many small and medium sized manufacturing companies would like to know how much they can and should spend on upgrading their equipment and other investments without undermining their financial stability. With the ISIA fund, the Hauts-de-France region helps these companies grow by providing them with specific financial support to add any new or used manufacturing equipment deemed strategic to the company's business.

The ISIA fund provides financing to SMEs through finance leases, leasebacks or operating leases for the equipment acquired. Up to 150 million euros in financing will be available to companies in Hauts-de-France, to help make its manufacturing sector more competitive and create jobs.

## SUSTAINABLE DEVELOPMENT GOAL 10

Reduce inequality within and among countries



Eurazeo Group 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. Idinvest Partners also provides support to several social change organizations via the Epic Foundation, whose goal is to connect givers with NGOs and social enterprises committed to redressing the inequities that affect children and young adults around the world. Please refer to criterion 16 for more details.

## SUSTAINABLE DEVELOPMENT GOAL 12

Ensure sustainable consumption and production patterns



Companies are a key link in the process of improving responsible production and consumption practices. They are always part of a value chain, upstream and downstream from which are suppliers and customers. By formally undertaking to promote corporate social responsibility (CSR) and responsible purchasing policies, companies can set an example and encourage the rest of their stakeholders to do the same. Nearly 35% of the companies supported by Idinvest Partners that responded to the ESG survey have established a formal CSR policy. Regarding Eurazeo's regulatory reporting scope, 91% of companies have appointed a CSR manager and 100% have established annual CSR reporting.

Eurazeo has set up a financial assessment methodology to measure avoided social and environmental impacts, it aims to promote more sustainable production models. Twelve investments participated in the first three evaluations; a further four joined the initiative in 2018: 16 companies are therefore included in the study of avoided impacts in 2018. 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.

## 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 headquarters in Paris 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.

In order to reduce travel-related emissions, Idinvest applied a balanced employee travel policy that favors rail travel and encourages staff to limit air travel by using teleconferencing as often as possible. The company also aims to limit its energy consumption by replacing traditional light bulbs with LED lighting, activated by motion detectors, installing a thermostat in each office for heating and air conditioning, and monitoring electricity use by floor.

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. Idinvest Partners is also a member of this initiative. 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 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. Twelve investments participated in the first three evaluations; a further four joined the initiative in 2018: 16 companies are therefore included in the study of avoided impacts in 2018. Three environmental indicators were measured in the assessment: water, energy and fuel. For the 16 companies, the direct impacts were 263,000 tons of CO2 avoided and more than €92 million saved. Please refer to criterion 11 for more details.

Since 2017, Eurazeo measures the complete carbon footprint 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.

Idinvest Partners also worked with a specialized firm to measure the carbon footprint of its three funds with the most material issues (Novi 2, IDS 3 and IPD IV) and two private funds. 84 companies were analyzed, representing 58% of total direct investments. The goal of this analysis is to identify which investments emit the most CO2 and, if necessary, help them put in place action plans to reduce their impact.

## 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.

## 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 Group 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.

## 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 Group'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.

Idinvest Partners remains particularly vigilant with respect to business ethics and anticorruption compliance. It keeps a close watch on the structuring of growth companies, encouraging the gradual adoption of a procedural framework to guide actions, particularly in relation to corporate social responsibility.

## SUSTAINABLE DEVELOPMENT GOAL 17

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



Eurazeo Group believes that a successful sustainable development agenda requires partnerships. Thus, the Group 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 and Idinvest are currently members 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 International", previously 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. Idinvest Partners is also a member of this initiative. Please refer to criterion 9 for more details.

As part of a task force formed by France Invest's ESG Commission, Idinvest Partners helped develop a standardized ESG reporting format, together with three other LPs (Bpifrance, Caisse des Dépôts and Swen Capital Partners). The main goal is to facilitate contributions throughout the entire value chain by standardizing questions. These questionnaires not only help Idinvest measure its investments' performance; they also raise awareness among management companies and encourage them to adopt responsible investment practices.

The Group 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, the Group maintains a long-standing support for organizations. In partnership with different NGO and associations, Eurazeo and Idinvest support projects aimed at combating failure in school, promoting economic empowerment and inclusion, initiatives regarding health issues and human rights. Please refer to criterion 16 for more details.

**See also:**

- [Chapter 2 of Eurazeo's 2018 Registration Document](#)
- ["Responsibility": the CSR section of the Eurazeo's corporate website](#)
- [Eurazeo's Code of Conduct](#)
- [Eurazeo's Code of Conduct for Commercial Relations](#)
- [Idinvest's 2019 Sustainability & Impact report](#)

## **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*

The Eurazeo Group has sought to expand the scope of its societal measures and impact through its sponsorship policy. In the firm belief that education is a fundamental vector for development and a growth driver for the future competitiveness of the economy, Eurazeo has drew up a sponsorship strategy focusing on the theme of education. And committed to making a positive social impact, Idivest Partners chose to focus on initiatives promoting economic empowerment and inclusion, health and non-violence, starting in early childhood.

Eurazeo began taking initiatives in favor of education in September 2015 by setting up innovative projects developed with NGOs and teachers in the fields of reading, tutoring, commitment among young teachers and the provision of school materials.

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



**le choix de l'école**



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

**SciencesPo**

**GUSTAVE ROUSSY**  
CANCER CAMPUS  
GRAND PARIS



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

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



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

As mentioned previously, Idivest Partners is committed to making a positive social impact, with a special focus on initiatives promoting economic empowerment and inclusion, health and non-violence, starting in early childhood.

In particular, the company provides support to several social change organizations via the Epic Foundation, whose goal is to connect givers with NGOs and social enterprises committed to redressing the inequities that affect children and young adults around the world. Idivest Partners supports two organizations through this partnership:

**Simplon.co** offers intensive training in web and mobile app design for people who want to make a living from these skills. Its main target demographic is young adults under 25, with little or no higher education, from working class neighborhoods and rural areas. Other candidates may include jobseekers looking for a change of career, women, and senior citizens, all of whom are underrepresented in the tech workforce. Simplon.co offers trainees the choice between free courses to enhance their qualifications and tuition charging programs that grant a certificate at the end. Anyone can apply - the only prerequisite is motivation!



**Sport dans la ville** is France's largest sports-based non-profit promoting social and workforce inclusion, with 4,000 young people participating in a full range of programs at its 26 athletic centers nationwide. The objective of Sport dans la Ville is to enable young people all over the country to build self-confidence and the values they need to succeed: commitment, open mindedness, respect, perseverance, high standards and hard work. Idivest took part in the "Entrepreneurs dans la Ville" program, run by Sport dans la Ville together with the EM Lyon business school. Six young entrepreneurs from the program were coached by Idivest employees who volunteered to participate.



Idivest also supported other initiatives during the period:

- **Leaders Pour la Paix**, whose mission is to raise awareness among world leaders and younger generations of the risks of regional and global armed conflict
- **Senegazelles**, a charity run to raise money for schoolchildren in Senegal
- With **Fondation Yves Rocher**, 10 Idivest team members volunteered to plant trees in the suburbs of Paris



**See also:**

- *"Societal impact" section of [Eurazeo's 2018 Registration Document](#) (pages 100-101)*
- *"Responsibility": the CSR section of the [Eurazeo's corporate website](#)*
- *[Idivest's 2019 Sustainability & Impact report](#)*

## 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 Group'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 International, previously known as the IC20. The IC International signatories, which also includes Idinvest, 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.

In 2019, Virginie Morgon signed the "French Business Climate Pledge initiative". During the annual gathering of the MEDEF, the leading network of entrepreneurs in France, Eurazeo and other 98 French companies weighting €1,650 of consolidated sales and 6 million jobs around the world reaffirmed the necessity to change direction. The objective is to do so by accelerating innovation and R&D through their investments in low-carbon solutions in order to drastically decrease global greenhouse gas emissions.

- **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 and Idinvest are currently members 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.

Idinvest Partners is also an active member of professional associations and key governance bodies. **Christophe Bavière**, Idinvest Partners' CEO, is a Board Member of the AFG, the French Asset Management professional association. Until 2015, he was Vice President of France Invest, the French private equity professional association. And he is a member of the "Asset Management and Institutional Investors" consultative commission of the French Regulator Authority (AMF).

**Benoist Grossmann**, Idinvest Partners' Managing Partner, has been censor at the Bpifrance Board since July 2016. He is also president of France Digitale, an association that brings together French digital entrepreneurs and investors. Its mission is to attract more talents and capital to grow its ecosystem, in France and internationally.

**See also:**

- *Chapter 2 of [Eurazeo's 2018 Registration Document](#)*
- *"Responsibility": the CSR section of the [Eurazeo's corporate website](#)*
- *[Idinvest's 2019 Sustainability & Impact report](#)*
- *[Initiative Climate International website](#)*

## **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*

Encouraging its stakeholders to ascribe greater significance to CSR issues is a key commitment for the Eurazeo Group, reflected by its active participation in several industry bodies. With the benefit of more than ten years of experience, the Group 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 Group is a leader on the market that is acknowledged by its peers. The most significant example of Eurazeo Group's commitment into the promotion of CSR in the private equity market is its key role 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 and Idivest are currently members 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 International, previously 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, and Idivest Partners is an active member of the initiative. Please refer to criterion 9 for more details.

As part of a task force formed by France Invest's ESG Commission, Idivest Partners helped develop a standardized ESG reporting format, together with three other LPs (Bpifrance, Caisse des Dépôts and Swen Capital Partners). The main goal is to facilitate contributions throughout the entire value chain by standardizing questions. These questionnaires not only help Idivest measure its investments' performance; they also raise awareness among management companies and encourage them to adopt responsible investment practices.

Idivest has also helped disseminate best practices for private debt by contributing to the guide published by the PRI entitled "Spotlight on Responsible Investment in Private Debt".

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 Group 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.

For the third consecutive year, Idinvest was awarded the ESG Best Honors prize by Swen in 2018, in the Private Debt category, having received the 2016 prize in the same category and the 2017 prize in the Venture Capital category. Idinvest was also named "Financial Investor of the Year" at the 2018 Global Cleantech 100 Awards, held in San Francisco, thus becoming the first European venture capital firm to have earned this distinction.



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 2019. 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 World 120 index.



**See also:**

- [Chapter 2 of Eurazeo's 2018 Registration Document](#)
- ["Responsibility": the CSR section of the Eurazeo's corporate website](#)
- [Idinvest's 2019 Sustainability & Impact report](#)
- [Initiative Climate International website](#)

## **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 Group'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, and currently working on a common Responsible Investment approach with Idinvest Partners.

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.

Please refer to criterion 17 for more information regarding the commitment and leadership of Idinvest's Partners' CEO and Eurazeo PME's Chairman of the Executive Board.

### **See also:**

- *Chapter 2 of [Eurazeo's 2018 Registration Document](#)*
- *"[Responsibility](#)": the CSR section of the Eurazeo's corporate website*

## **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.

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.

In addition, Eurazeo's subsidiaries Idinvest Partners and Eurazeo PME have set up dedicated CSR operational committees. Within Idinvest, a quarterly operational Sustainability & Impact Committee was set up, where Idinvest CEO, COO, VC Managing Partner, head of Marketing and Sustainability & Impact Manager seat. Within Eurazeo PME, the operational committee meets monthly and includes a member of Eurazeo PME's Executive Board, one senior associate, Eurazeo's CSR director and CSR manager. This committee makes quarterly restitutions to Eurazeo PME's Executive Board.

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 2018, 91% of portfolio companies in the reporting scope have fulfilled the first objective and 70% have fulfilled the second one.

### **See also:**

- Chapter 2 of [Eurazeo's 2018 Registration Document](#)
- "[Responsibility](#)": the CSR section of the Eurazeo's corporate website

## 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**

Stakeholder dialogue is an essential ingredient of sound governance and a better understanding of internal and external expectations. In 2013, Eurazeo conducted an initial assessment of the dialogue held with its stakeholders based on mapping and an identification of dialogue processes and tools. Today, Eurazeo has a structured dialogue with most of its stakeholders, particularly with its shareholders and institutional investors. Eurazeo 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 Group's CSR strategy. This mode of operating is well suited to the Group'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:

- Chapter 2 of [Eurazeo's 2018 Registration Document](#)
- [Eurazeo's 2018 Annual Review](#)
- "[Responsibility](#)": the CSR section of the Eurazeo's corporate website