

# WAVESTONE



## Corporate Social Responsibility Report 2016/17

## CSR

# Responsible and committed

**The Wavestone CSR strategy is designed to structure and develop its commitment to sustainable development. This strategy addresses the three challenges identified by the firm: to conduct itself as a responsible business within its environment and sphere of influence, to contribute to the quality of its relationships with stakeholders, and to ensure full compliance with all applicable legal and regulatory obligations.**

### A corporate plan

Wavestone has structured its CSR strategy in a framework of responsible and professional practices, with the aim of making continuous progress on four key commitments:

- + To be a responsible and committed employer,
- + To provide stakeholders with guaranteed adherence to strict governance, transparency and ethics rules,
- + To promote equal opportunities and eliminate all forms of discrimination,
- + To limit its environmental footprint.

CSR is one of the four cornerstones of the Wavestone 2021 strategic plan. In this context, the firm has set itself the annual goal of being in the Top 3 (in its category) of the Gaia sustainable development index that analyzes and rates the ESG (Environment, Social and Governance) performance of midsize listed companies.

### Everyone's business

Wavestone employees are invited and encouraged to get involved in building and coordinating this plan on a daily basis:

- + Through sponsorship initiatives that promote equality of opportunity and work to counter discrimination:
  - + For the Wavestone Foundation which every year supports non-profit projects (12 in 2016) to help underprivileged children,
  - + With students at the Villebon-Georges Charpak training project; an innovative pilot education program where the aim is to provide universal access to the highest levels of further education,
  - + For the non-profit organization Laafi in its work to provide training in digital tools and practices for young entrepreneurs in Burkina Faso.
- + By attending discussion meetings and workshop sessions with partner non-profits:
  - + By adopting eco-friendly practices,
  - + By collecting clothing for people engaged in workplace reintegration,
  - + By promoting gender diversity in the workplace and in further education in science subjects.

Employees can also contribute to developing the ethical policy of the firm by escalating personal experience of potential breaches of ethics.

## Powerday: the Wavestone Solidarity Day

Every year, all Wavestone employees are encouraged to volunteer a full day of their time to help with a project run by a non-profit organization. Employees are free to provide their support to the organization of their choice as contributors to a skills sponsorship program or hands-on campaign in the field.

The first Powerday held on August 26, 2016 involved 600 employees representing all Wavestone offices around the world. From Asia to Europe and North Africa

to North America, around sixty non-profit organizations, foundations and international NGOs benefited from the firm's support on that day.

The organizations supported operate across a broad spectrum, including environmental protection (45% of projects), health and disability (13% of projects), childhood, employment integration, education & citizenship and sport & culture.

## CSR awards and labels



**The Global Compact:** Wavestone renewed its membership of the UN Global Compact in 2016, and with it its commitment to align its operations and strategy with the 10 universal principles of the Global Compact in terms of human rights, working conditions, the environment and countering corruption.



**The corporate parenthood charter:** as a signatory since 2013, Wavestone is committed to promoting parenthood-related representation within the firm, creating an appropriate working environment for employees with children, and ensuring that there is no workplace discrimination in terms of career progression on the basis of parenthood.



**Elles bougent:** since 2016, Wavestone has partnered with Elles Bougent, a non-profit organization devoted to promoting workplace gender equality. Its key missions are to encourage more women to pursue scientific and technological careers and to facilitate exchanges of career-related experience and ideas between high school students, further education students and engineers.



Gaïa-Index

**The Gaïa-Index:** this benchmark socially responsible investment (SRI) index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies on the basis of their commitment to transparency on non-financial issues and their sustainable development performance. In 2016, Wavestone was ranked Number 3 in the segment for companies with annual revenues of between €150m and €500m.



**Ecovadis:** this independent non-financial ratings agency assesses and rates four aspects of CSR performance: social, environmental, business ethics and responsible purchasing. In 2016, the firm was rated as 'Gold Level' by Ecovadis, with a score of above 62/100. This ranking puts Wavestone into the top 5% of companies most highly rated by Ecovadis.



**Shareholder & Investor Relationship Award:** in November 2016, Wavestone received the Mid/Small Caps Digital Award at the Mazars/ Les Echos Group/Investir Shareholder & Investor Relationship Awards. This award is presented to listed companies that excel in terms of the level of responsibility and transparency exercised in their relationships with their institutional and employee shareholders and investors.



**Mieux Vivre en Entreprise Award:** presented by the MVE Institute. In 2016, Wavestone received a 'Mieux vivre en entreprise' (Better Life in the Workplace) award in recognition of the social and international commitment shown by Powerday, the Wavestone global solidarity day. The jury presents its awards to companies that have implemented innovative and exemplary initiatives to promote long-term well-being in the workplace.

# Management Board Report – Corporate Social Responsibility

This report describes Wavestone's Corporate Social Responsibility (CSR) approach, strategy and actions. It forms an integral part of the Management Board Report and comprises five sections:

1. Presentation of the Company's general CSR strategy.
2. Information concerning Wavestone's social, societal and environmental performances in accordance with Article 225 of the Grenelle II law no. 2010-788 dated 12/07/10 and its implementing decree.
3. Other CRS information (economic responsibility).
4. The methodology note regarding Wavestone's 2016/17 non-financial reporting.
5. The independent auditor's certificate of presence and report on the Company's social, societal and environmental information.

Additional information concerning the Company's CSR information is presented in Chapter 1 of the present Registration Document, and the Corporate Social Responsibility page on the Company's website under "About us": [www.wavestone.fr](http://www.wavestone.fr).

For the record, Wavestone was created out of the merger between Solucom and the European activities of Kurt Salmon in January 2016. 2016/17 fiscal year is Wavestone's first year of non-financial reporting, in accordance with the "Grenelle II" regulatory framework. Following the merger, more than 70 projects were launched for completion in 2016/17 and 2017/18 fiscal year. Unless contraindicated, the present report traces the comparability of quantitative data over the past two years under the Solucom name. Changes in the scope of consolidation are detailed at the end of the methodology note. Since 2013/14, Wavestone's published CSR information has been verified by an external independent party.

## 1. Wavestone's general CSR approach and strategy

### 1.1. General strategy

For 5 years, Wavestone has launched an initiative aimed at structuring and developing its sustainable development commitments. These include a set of concrete commitments in all areas of responsibility and are in line with ethical initiatives carried out by the Company, as well as transparency

issues and, more broadly, Wavestone's social, societal, environmental and economic performance.

Wavestone's CSR approach is founded upon a three-fold objective to:

- conduct itself as a responsible business in its environment and sphere of influence;
- contribute towards enhancing the quality of its relationships with stakeholders;
- ensure the compliance of the Company with applicable legal and regulatory obligations.

In addition to the fact that Corporate Social Responsibility is a legal corporate obligation, it is one of the 4 key challenges defined in the "Wavestone 2021" strategic plan. In this respect, the firm has set an objective to achieve a top-3 CSR ranking (in its category) in the Gaïa-Index every year over the period.

To determine its CSR priorities, Wavestone mapped out its sphere of influence and identified the stakeholders in the ecosystem that are impacted the most by its strategy: employees, candidates, clients and suppliers, shareholders and investors, environment and local authorities, associations.

### 1.2. Commitments

Wavestone has identified four areas of CSR commitments, each with its own hierarchy of prioritized actions:

1. To be a responsible and committed employer
2. To guarantee respect of strict rules in terms of governance, transparency & ethics
3. To promote equal opportunity and the elimination of all forms of discrimination in the workplace
4. To reduce the firm's carbon footprint

These four commitments have been defined on the basis of the key goal set by Wavestone in terms of CSR: to be a responsible business vis-à-vis its principal stakeholders.

Encouraging our employees to participate in the development of the firm is a central feature of the Company's corporate model. Thanks to the mobilization of our teams, these four engagements have been transformed into concrete actions, the principles of which are detailed in this document.

*(More details are given in Chapter 1 of the Wavestone Registration Document).*

## CSR objectives by area of responsibility

Wavestone's CSR strategy is focused on implementing these commitments and pursuing continuous improvement in the four related fields of responsibility.

### Commitment no. 1 - To be a responsible and committed employer:

- Guarantee employees the possibility of acquiring more skills and greater responsibilities
- Implement a competitive, transparent and fair pay policy and promote internal cohesion
- Provide a high-quality working environment
- Combat stress and suffering in the workplace
- Promote job security for staff members over 50 years old
- Providing assistance for employees who have children.

### Commitment no. 2 - To guarantee compliance with strict rules in terms of governance, transparency and ethics:

- Conduct consultancy activities with integrity, independence and transparency
- Guarantee candidates an exemplary and value-added recruitment process
- Develop lasting relationships with our suppliers based on a shared set of values (respect, integrity)
- Provide our shareholders (including individuals), with regular and transparent information on a regular basis and promote dialogue.

### Commitment no. 3 - To promote equality of opportunity and non-discrimination:

- Foster the promotion of women to positions of responsibility
- Develop the level of qualification, and promote the professional integration of young disabled employees
- Promote the emergence of new graduate profiles
- Develop skill-based sponsorship.

### Commitment no. 4 - To limit the Company's carbon footprint:

- Improve the firm's waste management and recycling policy
- Make its carbon footprint grow slower than its international growth
- Raise employee awareness to eco-gestures and responsible procurement practices.

## 1.3. Organization of Wavestone's CSR approach

### CSR implementation and steering

Wavestone's CSR approach and strategy are defined and implemented by a multidisciplinary steering committee which represents the Company's key challenges in terms of CSR. This committee comprises the Chairman of the Board, the CEO of Wavestone Advisors, the Director of Human Resources, the Director of Communications and Treasurer of the Wavestone Corporate Foundation, as well as the Head of Recruitment and Educational Relations, and the Head of CSR.

This committee is in charge of defining Wavestone's CSR strategy policy and monitoring the Company's social, societal, environmental and economic performances.

### Operational organization

At the operational level, Wavestone's CSR strategy is implemented by an HR representative who reports to the HR Department. The manager is in charge of coordinating the projects in the various fields concerned (social, societal, environmental, economic), as well as employee awareness actions, and the consolidation of non-financial reporting.

For every project, the manager has access to an internal support network of contacts in charge of specific issues within the Group's sites or regarding the services in question.

### CSR strategy monitoring

Once a year, the Company's CSR strategy is presented to, and debated by the Supervisory Board.

## 1.4. CSR awards and labels

In 2016/17, Wavestone received several awards for measures carried out in terms of CSR.

### • Social responsibility:

- **Great Place To Work**<sup>®</sup> label awarded by the Great Place to Work France Institute. Based on an internal survey carried out with all Company employees and an assessment of its HR practices, this label recognizes companies which are good to work for. For its first participation, Wavestone was part of the top 5 best companies to work for in France, out of a total of 58 French firms with more than 500 employees.

- **Happy Trainees** label awarded by Meilleures-Entreprises.com. Based on an anonymous satisfaction questionnaire addressed to interns of companies being assessed, this independent label rewards firms for their excellence in how they welcome, accompany and monitor their trainees. In 2016, Wavestone became part of the top 10 and ranked 7<sup>th</sup> in the category of companies who recruit more than 100 trainees a year.
- **Mieux Vivre en Entreprise** Trophies awarded by the MVE institute. In 2016, Wavestone received a *Mieux Vivre en Entreprise* trophy for its “social and international engagement” undertaken within the context of Powerday, the Group’s global solidarity-day event. The MVE institute jury rewards companies having launched innovative and exemplary initiatives promoting sustained well-being for their employees in the workplace.
- **Economic responsibility and non-financial transparency:**
  - **Gaïa Index:** the SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies according to their level of implication in terms of non-financial transparency and CSR performance. In 2016, Wavestone was ranked second in its category (firms with revenues of between €150m and €500m).
  - **Ecovadis:** an independent non-financial rating agency specialized in four aspects of CSR performance assessment (social, environmental, business ethics and responsible purchasing). In 2016, Wavestone obtained a “Gold” level rating from Ecovadis, with a mark of more than 62/100 pushing it into the top 5% of companies with the best Ecovadis marks.
  - **Shareholder and investor relations** award organized by Mazars, Les Échos group and the French weekly financial magazine, Investir: In November 2016, Wavestone was awarded the “Digital Prize” for the best shareholder and investor e-communication strategy in the Mid/Small Cap category. This prize highlights the best practices in terms of financial communication and rewards listed companies that have adopted a responsible and transparent communication approach with their shareholders, investors, individuals, institutional bodies and employees.

- **Societal responsibility:**

- **ISO 27001 Certification** obtained in September 2014 for a period of 3 years for the Group’s Information security management system with respect to its security auditing and IT Systems digital investigation services.

### 1.5. CSR commitments

- **Global Compact:** In 2016, Wavestone renewed its membership with the UN Global Compact and, as such, its commitment to align its operations and strategy with the ten universal principals applying to human rights, labor standards, the environment and the fight against corruption.
- **Corporate Parenthood Charter:** As a signatory of the Charter since 2013, Wavestone has a three-fold commitment to promote parenthood-related representation within the Company, create a working environment that is conducive to working mothers and fathers, and respect the principle of non-discrimination throughout the professional development of parents in the workplace.
- **The “Elles Bougent” Association:** Since 2016, Wavestone has been a partner of “Elles Bougent”, an association whose main mission is to encourage women from middle school to university to pursue scientific and technological careers and to foster the exchange of experience and ideas on career-related subjects between students and engineers within student associations.

## 2. Information relative to Wavestone’s social, societal and environmental performance, in accordance with the Grenelle II Law (Article 225)

### Forward

This section complies with the provisions in Articles L.225-102-1 and from R.225-104 to R.225-105-2 of the French Commercial Code relating to corporate transparency obligations regarding social, societal and environmental issues. The information presented below covers the 42 topics included in the decree of application dated 04/24/12 and updated in August 2016. *Details of the Company’s CSR reporting are given in section 4. In accordance with the methodological principals defined in 2012/13, non-financial reporting does not cover acquisitions carried during the fiscal year. As such, the companies historic activities of Wavestone in Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon, acquired respectively on 07/07/15 and 01/07/16, have been excluded from the 2016/17 consolidation scope unless indicated otherwise. Wavestone’s 2016/17 reporting scope therefore includes the Wavestone parent company, as well its subsidiaries<sup>(1)</sup>.*

(1) The Hong Kong office, opened in November 2016, is also taken into account because of the small number of employees present in that office.

## 2.1. Social information

At the social level, Wavestone is committed to being a responsible and engaged employer. This involves attaining the four key objectives mentioned above, which fall under the responsibility of the Director of HR development. To achieve these goals, Wavestone has mobilized a considerable amount of resources, since the Company's success essentially hinges on its ability to attract the best talents on the market, develop their potential, and retain them.

### Organization of the HR Development department

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. To achieve this, the department is assisted by:

- a central HR development team
- decentralized HR teams within each of the firm's domains
- the personnel management team, in charge of pay and administrative management operations
- a team dedicated to facility management and conditions in the workplace
- the recruitment team in charge of carrying out the firm's recruitment strategy.

For the record, Wavestone's HR strategy is presented in Chapter 1 of the Company's Registration Document.

#### 2.1.1. Employment

##### 1) Total workforce

At 03/31/17, Wavestone's total workforce stood at 2,628 employees, up 4.7% on the year-earlier<sup>(1)</sup> level of 2,511.

The Company's workforce at 03/31/17 breaks down as follows:

- 59.2% of employees - under 30 years of age;
- 36% of employees - women;
- 90.5% of employees - based in the Paris region (Wavestone head office);
- 2,579 permanent employment contracts which represents 98% of the total workforce;
- 49 non-permanent employment contracts, of which 44 apprenticeship contracts;
- 3 job categories - consultants; sales teams; support functions.

## 2) Breakdown of workforce by gender, age, geographic region and job category

### Breakdown by gender

(% of total workforce)	At 03/31/17	At 03/31/16 <sup>(1)</sup>	At 03/31/15
Men	64%	65.9%	68.2%
Women	36%	34.1%	31.8%
Consultants			
Men	68.4%	70.3%	72.8%
Women	31.6%	29.7%	27.2%

The Company implemented measures to ensure the strict application of gender equality.

(For more details, see section 2.1.7 - "Equal opportunity" of the present report.)

### Breakdown by age Group

The average age of Wavestone's workforce at 03/31/17 stayed stable at 32 years. The following table gives a breakdown of the Company's workforce by age Group:

(% of total workforce)	At 03/31/17	At 03/31/16 <sup>(2)</sup>	At 03/31/15
18-25 years	13.7%	15.3%	14.7%
25-30 years	45.5%	48.7%	46.7%
30-50 years	34.5%	30%	32.8%
> 50 years	6.3%	6%	5.8%
o/w > 55 years	2.5%	2.3%	2.4%

(2) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon.

The percentage of employees under 30 years old fell in 2016/17 following the integration of more than 700 ex-Kurt Salmon employees with an average age of 34.

(1) Includes all of the Wavestone scope on 03/31/16, including the staff from Wavestone Switzerland (ex-Arthus Technologies) and the activities of Kurt Salmon, the Company excluding the latter had 1,716 employees.

### Average length of service

The average length of service at 03/31/17 for all job positions was **4.5 years** compared with 5.3 in 2016/17. This decline was due to a combination of high levels of recruitment but also employee resignations, mainly within the European activities of Kurt Salmon.

	2016/17	2015/16 <sup>(1)</sup>	2014/15
<b>Total Group</b>	<b>4.5 years</b>	<b>5.3 years</b>	<b>5.3 years</b>
Consultants	4.2 years	5.1 years	5.2 years

### Breakdown by geographic region

Since July 2016, all of the Company's Parisian teams work at the Paris La Défense<sup>(2)</sup> site. In addition, Wavestone has 3 regional offices, namely: Rhône-Alpes (Lyon), PACA (Marseille) and West (Nantes), as well as 7 offices abroad: in Casablanca (Morocco), London (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York (USA) and Hong Kong.

(% of total workforce)	At 03/31/17	At 03/31/16 <sup>(1)</sup>	At 03/31/15
Paris region	82.6%	91.8%	92.4%
Regional offices	7.8%	6.4%	7.0%
International	9.5%	1.9%	0.5%

The acquisition of Kurt Salmon's European activities has expanded the firm's international footprint.

### Breakdown by job category

The breakdown by job category (consultant, sales and support function staff) of the Company's workforce is given in the table below:

(% of total workforce)	At 03/31/17	At 03/31/16 <sup>(1)</sup>	At 03/31/15
Consultants	88%	86.9%	86.7%
Sales teams	3%	3.7%	4.2%
Support functions	9%	9.4% <sup>(3)</sup>	9.1%

<sup>(3)</sup> The firm's support function staff includes 12 employees with work-study contracts who work on consulting missions.

At 03/31/17, Wavestone employs 2,312 consultants, of which 22 in skills-acquisition or work-study contracts.

## 3) Hirings and departures

### Recruitment policy

The firm's recruitment policy prioritizes the recruitment of young graduates, recruited mainly from the most prestigious engineering and business schools and universities. In addition, as part of its pre-employment strategy, the Company takes on over two hundred trainees every year (in the form of sabbaticals, end-of-studies internships, apprenticeships and work/study programs). For example, in 2016/17, over 50% of the Company's end-of-studies trainees seeking employment received permanent employment contracts at the end of their training period. Trainees undergo a recruitment process that is as demanding and selective as for all new employees, and benefit from the same integration and support program.

Wavestone regularly hosts "Wavestone Connect soirées" in prestigious venues for candidates so that they can meet the firm's top executives in a warm, friendly atmosphere and talk to Wavestone employees about their missions, the values of the firm and its growth prospects.

### Breakdown of consultant hiring by type of diploma

	2016/17	2015/16 <sup>(1)</sup>	2014/15
Business schools (%)	42%	32%	31%
Engineering schools (%)	38%	53%	58%
Universities (%)	20%	15%	11%

<sup>(1)</sup> Data on 03/31/16 does not include Solucom Switzerland (ex Arthus Technologie) staff and the European activities of Kurt Salmon.

<sup>(2)</sup> Employees from the Neuilly office of the European activities of Kurt Salmon moved out in July 2016.



## Details of staff hirings and departures (excluding internships)

Staff hirings and departures in 2016/17 fiscal year are given in the tables below:

	2016/17		2015/16 <sup>(1)</sup>	
	Number	%	Number	%
<b>Recruitment</b>				
<b>Total external recruitment (excluding internal mobility transfers)</b>	<b>736</b>	<b>100.0%</b>	<b>463</b>	<b>100.0%</b>
<i>o/w permanent employment contracts</i>	689	93.6%	436	94.2%
<i>o/w temporary employment contracts:</i>	47	6.4%	27	5.8%
- <i>of which long term</i>	8		0	
- <i>o/w skills-acquisition and work-study contracts</i>	39		27	

(1) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon acquired respectively in July 2015 and January 2016.

	2016/17		2015/16 <sup>(1)</sup>	
	Number	%	Number	%
<b>Staff departures</b>				
<b>Departures (excluding internal mobility)</b>	<b>619</b>	<b>100.0%</b>	<b>261</b>	<b>100%</b>
<i>o/w resignations</i>	459	74.2%	177	67.8%
<i>o/w end of temporary contracts (work/study programs and apprenticeships)</i>	40	6.5%	15	5.7%
<i>o/w suspension of trial periods</i>	74 <sup>(2)</sup>	11.9%	51	19.5%
<i>o/w redundancies</i>	26	4.2%	13	5.0%
<i>o/w employment-contract termination by mutual consent</i>	10	1.6%	1	0.4%
<i>o/w retirement</i>	8	1.3%	4	1.5%
<i>o/w deaths</i>	2	0.3%	0	
Departures of permanent employees	578		297	

(1) Data on 03/31/16 does not include staff from Wavestone Switzerland (ex-Arthus Technologies) and the European activities of Kurt Salmon acquired respectively in July 2015 and January 2016.

(2) Of which one temporary contract.

During the fiscal year, Wavestone recruited over 600 permanent employees (excluding end of trial period and internal mobility transfers) and 16 part-time employees were employed within the Company.

### Staff turnover

	2016/17	2015/16	2014/15
Staff turnover (%)	17.5%	10.3%	10.7%

The yearly staff turnover rate (the number of resignations divided by the total workforce at year end) for Wavestone is at 17.5%. It was particularly high on the scope of Kurt Salmon's European activities at 33% but remained low for the rest of Wavestone at 12%.

## 4) Compensation and salary trends

### Pay policy

As part of the creation of the new firm, Wavestone's pay policy in France was reviewed during the 2016/17 fiscal year and will be applicable starting 04/01/17. This policy aims to be rolled out through to 2017/18.

### Structuring principles of the new pay policy

Wavestone's pay policy is based on three principles:

- **One reference tool for salaries for all consulting activities**

For each level of Wavestone Horizon (the job reference tool for Wavestone France), the pay policy associates a benchmark salary. Wavestone has chosen to adopt the same wage grids for every consulting activity.

- **A competitive salary baseline**

In a competitive market, having a competitive pay policy is essential for the Group to attract and retain the best talents. This policy was built according to the practices of the management consulting market (annual benchmark).

- **Commitment to ethics and transparency**

In France, every rule regarding pay policy (starting salary, reference packages per job type, bonus calculation...) is published on the Wavestone corporate website.

Wavestone has implemented a standardized salary framework for all of its employees and notably commits to applying a coherent pay policy for staff members with similar career paths.

### Pay policy trends

The payroll system is undergoing two major changes:

- **Paperless pay slips**

In a bid to reduce paper consumption, Wavestone decided to dematerialize pay slips and introduced paperless solutions for all of its employees in France in May 2017.

- **Solidary rounding**

In 2017/18, Wavestone will forge a partnership with *Microdon* to enable employees to support a charitable project they would like to take part in by contributing monthly donations from their pay.

Employee profit sharing, calculated on the basis of the statutory formula, totaled €4,402k in 2016/17 fiscal year, versus the year-earlier level of €2,542k.

For 10 years, employees of the Wavestone parent company have been able to acquire a stake in the Company in the form of free shares granted by the firm when profit sharing is paid

out. As such, employees choosing to place all or part of his profit will receive free shares 2 years later, if he is still an employee of the firm and has not sold his FCPE Wavestone Actions shares.

For 2 years, over 50% of employees place all or part of their profit share in the FCPE Wavestone Actions.

Not only does employee shareholding grant free shares, it also gives employees a sense of pride of being part the shareholders of the company they work for.

### 2.1.2. Organization of work

#### 1) Organization of working time

Wavestone employees fall into one of the following three working-hour categories: level 1 - 37 hours/week, with 11 paid days off per year (ATTs<sup>(1)</sup>); level 2 - a fixed number of 166 h 42mn per month and 218 days a year, including "Solidarity day"; and level 3 - a fixed number of 218 days per year, including "Solidarity day".

#### 2) Absenteeism

Wavestone's absenteeism rate in 2016/17 which remained low at 1.86% mainly due to sick-leave. Maternity and paternity leave, as well as unpaid leave (including full-time parental leave) are not factored into the absenteeism rate calculation.

### 2.1.3. Social relations

#### 1) Organization of social dialogue

In France, Wavestone is made up of parent-company Wavestone SA and Wavestone Advisors. Their employee-representative bodies are summed up in the table below:

Companies	Works Council (WC)	Staff Representatives (SR)	Sole Employee Representative Body (SERB)
Wavestone SA	X	X	
Wavestone Advisors	X	X	X

Social actions are managed by the Group's Works Councils. Most of these involve sports and cultural activities. For example, the Group's works councils<sup>(2)</sup> organized a 3-day skiing weekend open to all employees in January 2016 in the *Les Arcs* ski resort, in France. 540 employees participated,

33% more than in 2016/17. Another weekend is planned to take place in Marseille in June 2017. The WCs also proposed numerous clubs where employees could play a sport or carry out some form of cultural activity (music, singing, photography, etc.) in a convivial setting.

(1) Organization of Working Time.

(2) The WCs of the Wavestone parent company and Wavestone Advisors.

## Meetings between management and employee representatives held in 2016/17 by scope

<b>Wavestone SA</b>	<b>WC meetings</b>	<b>SR meetings</b>	<b>Wavestone Advisors</b>	<b>WC meetings</b>	<b>SR meetings</b>
Number of meetings	15	5	Number of meetings	16	11
	<i>o/w 4 exceptional</i>			<i>o/w 4 exceptional</i>	

### Examples of subjects on the agenda (for information or consultation)

- Consultation on the Group's policy concerning the recruitment of disabled people
- Information on Wavestone's policy concerning parenthood and employees in the later phase of their career
- Consultation on the operating model for support-function teams
- Information on the development of the Group's payroll system
- Consultation on the project to introduce new entry passes

## 2) Review of collective agreements signed

Agreements presented within Wavestone in 2016/17, plus date of signature or presentation:

Addendum to the profit-sharing agreement, as well as to the rules applying to the Group's Savings Plan (PEG) and its retirement savings plan (PERCO): application of the Macron Law	05/27/16
2016/17 agreement on gender equality and quality of life in the workplace	06/28/16
Consultation on rollout of teleworking in France	07/28/16
2016/19 three-year generation contract	12/16/16

Agreement presented in Wavestone Advisors for 2016/17, with date of signature:

Agreement on Mandatory Annual Negotiation (MAN)	02/18/16
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### 2.1.4. Health and safety

#### 1) Hygiene, Safety and Working Conditions Committee

Wavestone SA and Wavestone Advisors each have a Hygiene, Safety and Working Conditions Committee which respectively held 4 ordinary meetings and 4 exceptional meetings, and 5 ordinary meetings and 1 extraordinary meeting in 2016/17.

The HSWCC is involved in professional risk and working condition enhancement measures. In accordance with Articles L.4611-8 and L.4612 of the French Labor Code, the Committee draws up an annual review of the actions carried out and implemented during the year.

#### Other health and safety actions

- First aid
- Road safety
- Office remodeling
- Ergonomics in the workplace and prevention of musculoskeletal disorders
- Prevention of psycho-social disorders

Since 2013, Wavestone also employs an occupational nurse on a full-time Monday through Friday basis at the Company's head office, working together with the occupational doctor.

## 2) Occupational health and safety agreements

No occupational health and safety agreements have been signed by Wavestone.

However, in October 2016, after completing teleworking trials and securing an agreement between the WC and HSWCC bodies of Wavestone and Wavestone Advisors, teleworking was rolled out in all Wavestone offices in France.

## 3) Occupational accidents and illness

France perimeter	2016/17	2015/16	2014/15
Number of occupational accidents	23	20	18
<i>o/w commuting accidents</i>	15	11	16
Number of occupational illness declarations	0	0	0
Rate and frequency of occupational accidents <sup>(1)</sup>	2.7	4.6	4.9
Severity rate of occupational accidents <sup>(2)</sup>	0.05	0.094	0.096

(1) Number of accidents with leave per 1 million hours worked.

(2) Number of days lost due to temporary incapacity caused by occupational accident per 1 thousand hours worked.

Out of 23 occupational accidents reported in 2016/17, 9 resulted in work stoppage for sick leave. The bulk of occupational accidents reported over the period were caused by falls outside of Wavestone premises.

### 2.1.5. Well-being in the workplace

Ensuring the quality of the working environment and a work-life balance for its employees is an integral part of Wavestone's Human Resources strategy.

The Company strives to ensure that its employees can further their careers in a daily working environment that is pleasant to work in and conducive towards building trust.

#### 1) Working environment and work/life balance

##### Office premises: the AIR concept

To enhance the quality of the working environment for its employees and foster proximity of its teams at all levels, Wavestone developed a new lay-out concept for its offices in 2015. The "AIR" office-layout concept as it is known has been implemented in Group offices in Paris, Nantes, Lyon and New York. More offices will be remodeled in 2017/18, with a view to extending the layout-concept to all Group offices.

The aim of the concept is to inject greater flexibility, comfort and creativity into ways of working, and facilitate exchange.

The main features of the AIR concept include:

- standardized workstations allocated to everybody (no free seating)
- open-plan work areas fitted with window walls to ensure a constant flow of natural sunlight
- muted sound environment thanks to the choice of fittings made at the beginning of the project, including suspended, sound-proofed ceiling tiles, specific furniture, services

centers (for printers, etc.) and dedicated spaces for employees seeking a quiet, isolated place to work, such as the Quite Room, Bubble chairs and My Boxes

- a wide range of work areas: 8 meeting rooms formats for as many working situations (meeting rooms for 4 to 16 people, My Box, Teambuzzer, Project rooms, Visio rooms, etc.)
- special venues on every floor: IT Bar, "CreaPlace" creativity center, video studio, etc
- new technologies are central to the project: digital signage wall screens, meeting room touch-screen booking system, video-conferencing equipment, etc.

In addition, employees at the Paris offices have access to a company concierge services and a private sports club.

##### Flexible working arrangements

#### • Teleworking

Teleworking has been available to all Wavestone employees in France since October 2016 either on a regular basis (up to 2 days a week) or occasionally (up to 3 days a month). Pregnant staff members may also benefit from up to 3 days teleworking a week to reduce their commuting time.

A common practice in Group offices in London and Geneva, teleworking is reserved for exceptional occasions in other regional Wavestone offices.

All employees who have been with Wavestone for at least six months are entitled to work on a remote basis providing their jobs are compatible. Those wishing to work on a regular teleworking basis may do so if they have a long way to travel and/or if commuting is complicated. In addition, employees can opt for the work days of their choice, without management approval.

In France, 713 employees (35% of eligible staff members) benefited from an occasional teleworking arrangement barely five months after the system was launched. This work option was adopted by all support functions.

In addition to simplifying job organization of Group employees, teleworking is also a way for the Company to reduce its carbon footprint, by cutting down on staff commuting.

- **Flexible leave**

Seniority is not a prerequisite for taking time off, and no vacation periods are imposed (outside heavy workload periods).

- **Meeting schedules**

The Company raises employee awareness to the importance of scheduling regular meetings during standard working hours, namely between 9:30 am and 6:30 pm.

- **Right to disconnect**

Employees are entitled to disconnect the remote communication devices supplied by their companies.

Wavestone's management and HR teams ensure that employee disconnection rights are respected by the different teams and endeavor to demonstrate exemplary behavior in this respect.

## 2) Specific measures for expectant parents

Wavestone is committed to helping female and male employees strike a healthy work life balance between their professional and family lives.

To implement this commitment, the Company has taken several measures, outlined below and presented in Wavestone's Parenthood Guide for Employee Parents in France<sup>(1)</sup>:

### Corporate nursery service

In 2008, Wavestone SA France launched a nursery service designed to help present and future parent employees find creche places via the Babilou network (more than 300 crèches in France) and its partner network, "1001 Crèches" (over 900 crèches). At 03/31/17, Wavestone SA had financed 64 cots for its employees' children.

### Childcare leave

Staff members with one or more children aged 12 years and under can take up to 3 paid leave days per sibling, per year. These days leave make be taken individually, or together.

### Parenting conferences and workshops

As of June 2017, Wavestone will be proposing a series of workshops at its Paris-based offices and remote conferences, conducted in-house by a parenting coach. These 2-hour sessions will be based on themes, such as, "Benefiting to the full from your children, as a working parent", and "The digital family".

### Paid maternity, paternity and adoption leave

Full pay is maintained throughout maternity, paternity and adoption leave, irrespective of the employee's length of service within the Company. In addition, Wavestone has implemented a subrogation scheme for its employees to ensure that they do not have to bear a shortfall in cash flow while awaiting the payment of their social security benefits.

### Phased return to work after maternity, adoption or parental leave

To ensure a smooth return to work, full-time employees may work part-time (32 hours) with full-time pay during their first two weeks back.

### Flexible working hours during pregnancy

Pregnant staff members may benefit from up to 3 teleworking days a week, and are given a second computer to work with at home to avoid carrying loads.

### Corporate Parenthood Charter

Wavestone will pursue its commitment to changing the perception of parenthood in the workplace and advocates the principle of non-discrimination of parent employees. Wavestone has been a signatory of the Corporate Parenthood Charter since 2013.

## 3) Communication and in-house actions

Promoting close working ties within its teams and encouraging staff members to participate in the corporate project and Company strategy are core features of Wavestone's corporate model. This dynamic in-house drive is designed to trigger new, value-enhancing initiatives for Wavestone and its staff. It is within this framework, for example, that the five Wavestone assets (R&K Center, Creadesk, The Faktory, Machine Learning & Data Lab, Shake'Up) were envisaged and developed.

### Collective exchange of views

Throughout the merger process, staff members were encouraged to take part in a number of Wavestone's different new projects.

(1) Practices implemented by Wavestone SA since 2012/13. Wavestone Advisors France employees had access to all of these services as of 07/01/17.

For example:

- The Wavestone 2021 action plan: developed and disclosed via 20 exchange meetings and a Yammer chat held between management officials and employees.
- The Career Path project<sup>(1)</sup>: developed with the support and participation of 250 employees during 9 workshops held in all Wavestone offices in France. For the launch of the new HR model, a Yammer chat was organized, enabling employees to exchange their views with the HR teams.
- The creation and implementation of new workstations tailored to meet employees' needs: over 1,000 employees expressed their views on workstation design in a survey open to all staff members carried out over two weeks in March 2017. Workstations were chosen and employees were able to test them as of April 2017.

In addition to the Company's various construction projects, the first Wavestone *hackathon* (organized in July 2016) was a key moment of exchange and innovation for Group employees. The aim of this hack fest was to optimize the business of an energy company by designing innovative connected services based on the theme, "10 days to get an energy company's business off the ground" and with the help of the Internet of Things (IoT). With the support of Wavestone's prototype testing-validation platform, the *Faktory*<sup>(2)</sup>, around one hundred employees were given ten days to define a use case and produce Proofs of Concept (PoC) to validate the relevance and feasibility of their project. The winning team designed a connected street lamp solution enabling discontinuous lighting on roads at night. This innovative, effective and challenging approach is also used by Wavestone consultants during client on-site assignments.

#### Convivial social events

Numerous opportunities are organized for employees to meet and exchange ideas with colleagues: integration seminars, team meetings, practice forums, etc. One memorable occasion was the Group's annual staff gala, in July 2016, when Wavestone unveiled its new brand to all of its employees at the *Grand Rex* in Paris.

Social events are organized throughout the year: free breakfast offered every Friday to Group employees, after-hour drinks, team diner parties, annual gala for all staff members and their partners.

#### 4) Prevention and treatment of psychosocial risks (PSR)

Management and HR teams, as well as staff representatives and HSWCC members, systematically receive training in psychosocial risks so that they can identify PSR risks as soon as possible and implement action plans adapted to every situation<sup>(3)</sup>. In 2017/18, RPS training will be extended to include managers.

Staff members have access to a dedicated space on Wavestone's intranet site providing information (name, role, etc.) on all of the Group's RPS contacts. A call center has also been set up to provide support to employees in difficulty. Recourse to this service is kept strictly confidential. Wavestone's in-house training institute also offers two staff training programs designed to help employees concerned maintain efficiency during stressful situations (levels 1 and 2).

In addition, Wavestone has adopted a staff proximity management policy whereby groups of 10 to 15 employees are monitored by a team leader who, in turn, is backed by an HR contact, delegated to their team. This approach ensures that staff stress problems can be detected well in advance.

As such, in 2016/17, the following psychosocial risks were detected and monitored:

	2016/17	2015/16
no. of employee support call-center contacts	6	4
no. of new PSR cases declared <i>between 04/01/16 and 03/31/17</i>	49	37
<i>no. of PSR cases being processed</i>	15	13
<i>no. of PSR cases resolved between 04/01/16 and 03/31/17</i>	47	36

#### 5) Assessment of quality of life in the workplace

Wavestone participates in 2 annual surveys to assess the quality of its working environment and in line with its continuous improvement strategy.

(1) Career-path development, assessment and compensation.

(2) La Faktory: one of Wavestone's 5 key assets. This technical platform, which is run by high-level techs and designers, enables the rapid testing and validation of concepts through prototype creation.

(3) A special "staff delegates" session is organized.

- **Great Place to Work®**

In November 2016, Wavestone conducted an internal employee satisfaction survey in association with the Great Place to Work France® (GPTW) Institute. By way of an anonymous satisfaction questionnaire, employees were able to express themselves on the quality of life within the Company. The GPTW® survey assesses the Company on five levels: credibility, respect, fairness, employee pride and conviviality.

In March 2017, the institute announced the results of the 2017 GPTW® Awards: for its first-time participation, Wavestone was ranked among the Top 5 best companies to work for in France out of a total of 58 French firms with more than 500 employees which received GPTW® 2017 recognition. Overall, 76% of Group employees completed the questionnaire, and 81% of these considered Wavestone a company that would be good to work for.

Wavestone's participation in Great Place to Work® was in line with the merger between Solucom and Kurt Salmon's European activities. Carried out quickly, and placing the human factor at the core of the newly-formed company, the merger program led to the creation of Wavestone in barely six months. Obtaining GPTW certification was a major step in building the new consultancy and underscores the firm's Human Resources goal to be, and to remain, an employer of choice.

- **Happy Trainees**

In 2016, Wavestone took part in the Happy-trainees survey, conducted by Meilleures-Entreprises.com. Based on an anonymous satisfaction survey addressed to interns of companies being assessed, this independent label rewards firms for the quality of the welcome and guidance they offer trainees. This year, Wavestone ranked 7<sup>th</sup> in the category of companies recruiting over 100 trainees a year.

### **2.1.6. Integration and development of skills**

#### **1) Integration path**

As of September 2016, all Wavestone recruits follow the same four-stage integration program comprising a welcome session, an integration seminar, a training program and HR and management support.

#### **Recruit welcoming**

All recruits joining the firm spend the first two days attending an integration program: informal exchange of ideas, theme-based presentations (on the Group's Human Resources policy, management tools, recruitment and communication) and the "Delivering in Wavestone" training program, designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards.

For recruits based in France, this two-day program takes place in Wavestone's Paris offices. For those outside France, the welcome session takes place at the regional office where the employees work, and the theme-based presentations and "Delivering in Wavestone" program are conducted within two weeks of their arrival.

#### **The "Wavestone Inside" integration seminar**

The one-day integration seminar brings together all new recruits, regardless of their entity, job, level of experience and regional site. The two-fold aim here is to enable trainees to assimilate the Wavestone identity (Group markets, positioning, values, etc.) and to build-up their in-house network. The day is organized around plenary presentations (strategic objectives, presentation of Group assets and areas of excellence, etc.), and theme-based workshops, and followed by a gala evening. 3 Wavestone Inside seminars were held in 2016/17.

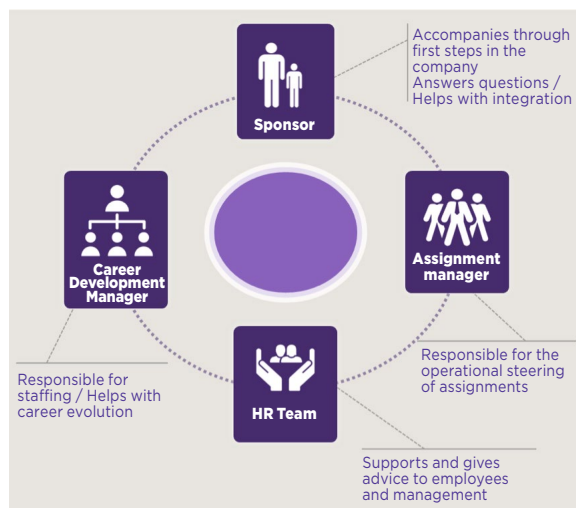
#### **Training modules**

Young graduates follow a training program of five days during their first year in the Company. The two-pronged aim of the program is to allow recruits to obtain the initial skills required to do their jobs in the best conditions, and to meet Wavestone employees from a wide range of horizons (practices, jobs, offices, etc.).

Training modules vary according to the employee's function and are scheduled at different times over the first year. Sales staff, for instance, benefit within 3 to 6 months of their arrival from training to acquire efficient prospecting skills and optimize their performances. Consultants receive training within 6 to 9 months of their arrival in skills related to pre-sales processes and optimizing their contributions.

All new recruits follow at least three training courses during their first year.

## Close employee monitoring



## Integration of newly acquired companies

Wavestone's external growth strategy requires the regular integration of newly acquired companies. The integration process is piloted by a dedicated task force, comprising the directors of the acquired company and members of the Wavestone Executive Committee representing the different operational and support functions involved.

As soon as the acquisition of Kurt Salmon's European operations was announced in January 2016, management decided to redesign the corporate model and change the company name in order to create a new firm. A dedicated "Being Wavestone" team was formed to steer the change and ensure the follow-up and monitoring of the 70 transformation projects identified in 2016/17.

### 2) Skills development

Given the nature of the consulting business, developing employee potential is a key priority for the Group. The rapid acquisition of skills and responsibility is a major challenge for Wavestone particularly since the Company's HR model is founded on the intensive recruitment of young graduates (more than 70% of new hirings in 2016/17). To this end, the Group has implemented additional measures, as described below.

#### The Wavestone Horizon business skills repository

As of 04/01/17, the Group outlined a new development path for its consultants. The 2016/17 business skills repository will

be deployed to all the employees involved in sales and marketing functions.

The Wavestone Horizon reporting framework is a career path guide designed to give Company employees a long-term perspective of their professional development prospects. It gives employees and their managers points of reference so that they know what is expected at every professional level and can identify the skills to be developed in order to improve and successfully achieve every new stage. Career paths also serve as a tool enabling employees to play a key role in their own professional development within the firm. In 2016/17, 323 staff members (more than 12% of the workforce) received promotions.

#### In-house training institute and external training programs

Skills development at Wavestone is underpinned by:

- Digital training courses
- A common training program for all young recruits<sup>(1)</sup>
- Local training schemes.

#### Digital training offer

The purpose of Wavestone's training program is to foster the sustained skills development of Group employees. Following the merger, the training catalogue was widened to include integration training, as well as My Mooc, Vodeclit and Sequoia programs.

Wavestone's diverse digital training catalogue offers employees a variety of learning programs to choose from:

- Vodeclit: tuition in professional office tools used by Wavestone and its clients.
  - 5-minute e-learning training sessions on over 300 professional office tools, such as Office Suite, LinkedIn, Photoshop, Trello, Android, iOS (available in French and English).
  - Plus assessment tests (to determine the employee's level), as well as skills acquisition path and exercises.
- My Mooc: a monthly catalogue of around ten Moocs emailed to all staff members.
- Sequoia: on-line educational training courses in a game-based format developed by the Group's practices to transmit Wavestone's savoir-faire and expertise to employees. Each training program is conceived as a series of game-based episodes, delivered in an offbeat, zany tone; on completion, trainees are awarded badges and certificates. These training sessions are developed by, and for Wavestone employees to meet the specific needs and skill requirements of the Company's different practices.

(1) See paragraph 2.1.6. on the integration path of new recruits.



All the training programs are also developed abroad with a cross-functional approach (multi-practice and multi-function). In addition, to enrich the training offer, each office is encouraged to contribute to the program. Wavestone's New York and London-based offices are thus drivers in the development of the in-house Sequoia platform.

None of these training modules were factored into the total number of training hours received by Group employees.

#### Traditional on-site training and blended learning<sup>(1)</sup> courses

Wavestone's training institute proposes over thirty on-site programs designed to develop key job-related skills (business development, delivery, communication, project management,

etc.) and/or themes related to personal development. Several of these programs award certificates upon completion. These include ITIL Foundation V3 - (Information Technology Infrastructure Library), Lean Six Sigma - Green Belt, etc.

These in-class training sessions provide an opportunity for employees to build up an in-house network by getting together with colleagues in other practices, offices, and jobs, as well as to share feedback on their respective experiences and explore different viewpoints.

To meet its training needs in areas not covered by the Wavestone in-house training institute, the Group also makes recourse to external training solutions.

#### Total number of training hours and days

The table below gives an overview of the figures relative to external training programs, as well as in-house courses provided by the Company's training institute (excluding digital-based courses) for 98.4% of Wavestone employees<sup>(2)</sup>.

Fiscal year	2016/17	2015/16	Calendar year 2014
Number of employees receiving at least one training course during fiscal year	1,891	1,095	853
Percentage of employees receiving at least one training course during the fiscal year	73.1%	63.8%	60%
Number of training days given in the year	4,118	3,292	2,370
Number of training hours given in the year	31,711	23,048	16,587
Average number of training hours per employee given in the year	16	21	19

#### Assignments and on-the-job training

For all Company employees, the professional consulting assignments they carry out also provide the opportunity for them to develop and enhance their individual skills. This hands-on learning approach is an essential growth driver within the Group. As such, at the beginning of every assignment, the project manager informs the consultants of the goals involved. Once the assignment has been completed or at intermediary stages (in the case of long-term missions), the project manager carries out an evaluation to assess the consultant's work giving feedback on the progress achieved and pinpointing specific areas for improvement. Individual goals concerning new-skills development are also taken into account during the consultant staffing process (weekly assignment of consultants on missions).

In addition, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the Company's development activities. Every year, consultants

regularly carry out 6-to-12 month assignments within the firm's support-function departments (recruitment, brand image and recognition, etc.).

#### Internal mobility

Wavestone seeks to ensure bright career development prospects for its entire staff. Internal mobility is one way of providing professional opportunities allowing employees to enhance their career paths and benefit from a range of different development prospects.

All employees can apply for job vacancies advertised by Wavestone within the context of the Group's annual recruitment plan. Wavestone commits to reviewing all job applications, whatever the level of experience of the employee and the job applied for, even when a position is not open. As in the case of external recruitment, internal mobility is a formalized process monitored by the Company's HR teams. All Wavestone employee applicants receive a reply within at

(1) Blended learning: combination of several learning methods (in-person, e-learning, telephone).

(2) Training data not available for the Morocco office and Wavestone Advisors Switzerland.

least three months.

#### Breakdown of internal transfers by type

	2016/17		2015/16		2014/15	
Regional transfers	16	33%	8	26.7%	8	33%
Occupational transfers	13	27%	10	33.3%	5	20.8%
Inter-Practice transfers	19	40%	12	40%	11	45.8%
<b>Total</b>	<b>48</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>24</b>	<b>100%</b>

#### People reviews and annual staff performance assessments

Every year, the career-paths of Group employees are reviewed by the People Review Committee, comprising representatives from management, the career development manager and the HR team of the employee's specific practice. The current stage of development of employees' career-path plans are also reviewed, together with their 12-24 month medium-term outlook, the associated development plan, wage trends and bonus possibility and promotion prospects.

In addition, all employees meet their team manager for a yearly performance review in order to discuss their annual evaluation, compensation, promotion and career path.

The purpose of the Company's career development managers is to help employees achieve their full potential. The annual performance review is a privileged moment of exchange and a training ground.

#### 2.1.7. Equal opportunity and treatment

The Company is deploying a number of equal-opportunity action plans, in accordance with its commitment to adhere strictly to the principles of ethics and fairness. Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

#### Percentage of female employees in the Group

	At 03/31/17	At 03/31/16 <sup>(1)</sup>	At 03/31/15 <sup>(1)</sup>
% of total workforce	36%	33.4%	32%
% of consultants	31.6%	29.3%	27%

(1) Excluding Arthus Technologies and the European activities of Kurt Salmon.

The increase in the number of woman as a percentage of total consultants (up from 29.3% in 2014/15 to 31.6% at the end of 2015/16 fiscal year) stemmed essentially from the increase in the number of recruits from management schools and universities with an equal number of women and men students. For example, woman consultant recruits as a percentage of total hirings rose from 29% in 2014/15 to 36.7% in 2016/17.

In addition, in February 2016, Wavestone became a partner of "Elles Bougent", an association which promotes

At the social level, the Group's key priorities with respect to anti-discrimination are professional gender equality, employment and insertion of people with disabilities, and job security for employees over 50.

#### 1) Professional gender equality

Wavestone is pursuing its commitments in terms of professional equality for women and men in four specific areas:

- **Recruitment:** apply a strict gender non-discrimination policy to ensure that the number of woman consultants is proportionally in line with the number of female students in the Company's target schools.
- **Career development:** move towards a balance between the percentage of women in roles of responsibility (operational or top management) and their percentage of the total workforce.
- **Compensation:** maintain a strict equal pay policy for men and women.
- **Work-life balance:** promote a healthy work/life balance for women and men alike, notably by implementing specific measures aimed at facilitating this balance for employees with children (see paragraph 2.1.5.2: "Specific measures for expectant parents").

professional gender diversity and whose mission is to encourage more women to pursue scientific and technological careers. For Wavestone, the main goal of this partnership is to share best practices with other companies. Women graduates from engineering schools seeking to exchange their points of view and share their career experience can become sponsors of the association. In October 2016, Wavestone organized a creativity workshop in its Paris offices to produce new communication ideas for "Elles Bougent". Around twenty engineering students met with members of

the Association and Wavestone sponsors, and had the opportunity to discover the firm and learn more about the consulting business. At end-March 2017, “Elles Bougent” had nearly 20 Wavestone sponsors.

Wavestone also participated in the **2016 Women’s Forum Global Meeting** based on the theme “Is the sharing economy a sharing world?”. This forum was the opportunity for participants to take part in enriching discussions on economic, societal and social issues with respect to the role of women within the context of the “sharing economy” and, more broadly, in the world today. Following the forum, the Company plans to set up a network dedicated to gender diversity in 2017/18 fiscal year, with workshops open to all employees.

## 2) Employment and insertion of people with disabilities

Wavestone’s strategy promoting professional support for the disabled is in line with the firm’s 3<sup>rd</sup> CSR commitment to promote equal opportunity and the elimination of all forms of discrimination in the workplace” at the social and societal level.

### • At the social level:

- Wavestone is pursuing its partnership with the Grenoble École de Management to promote the “Management and Disabilities” certificate. Student applicants are required to submit a “study journal” illustrating their views on the subject of handicap. As a member of the selection panel, Wavestone is required to read and assess these journals to discern the 30 students admitted to the course.
- Wavestone France continues to take part in *Handicafés*<sup>(1)</sup> forums which provide a privileged meeting ground for disabled candidates and recruitment officers.
- Wavestone France calls on the services of the ESAT vocational rehabilitation center for the disabled, mainly for printing documents for in-house training courses, taking weekly orders for tray-meals and fruit baskets, and orders for event buffets, collecting binned paper and recycling IT equipment (printers, ink cartridges, toners, etc.).
- HR teams follow a training course for the integration of disabled employees, which is delivered by CED, a French communications agency promoting the recruitment of disabled people.
- During Disabled Persons Week, held in November 2016, Wavestone endeavored to raise staff awareness to 1) disability issues, by posting a quiz on the Company intranet on the statistics and preconceived ideas related to disability, and to 2) paper recycling by working with an ESAT center.

- For 2017/18, in addition to pursuing actions already in hand, the Company aims to offer personalized support to employees who are directly or indirectly concerned by disability. The project, launched in June 2017, will be carried out in partnership with the Company Made in TH, and involves organizing an on-call service twice a month, by phone, or in Wavestone’s Paris-based offices. This service enables staff members to benefit from personal and strictly confidential support to deal with the administrative tasks associated to disability issues. These on-call sessions are conducted by a specialist representative of Made in TH.

### • At the societal level:

- The Wavestone Foundation participates in humanitarian projects, by supporting or developing initiatives to benefit children worldwide. Some of the projects chosen offer support to disabled people. In 2016/17, for instance, the Foundation chose to back a project involving “the construction of a vocational training center for underprivileged children and disabled youths, located near Benare” (in the Reunion Island).
- Since 2012, Wavestone has sponsored the Villebon - Georges Charpak training institute, a social project co-sponsored by the ParisTech Foundation, as well as further education establishments (*grandes écoles* and universities), and socio-economic players. The training institute is an undergraduate establishment that delivers Bachelor degrees in Sciences and Technologies. After graduating, students may pursue their university studies by going on to do a Masters or enrolling in an Engineering School. The institute guarantees the social, cultural and intellectual diversity of its students, 20% of whom are disabled.

*Further details of the institute are outlined in section 2.3.2. of this report.*

Powerday, Wavestone’s global corporate solidarity day, is an opportunity for Company employees to support associations by taking part in skill-based sponsorship or in-the-field projects. For its first Powerday event (held in 2016), 13% of the projects supported were related to disability. Staff support included projects such as referencing areas in the Paris Region that are accessible to persons with reduced mobility.

In addition to pursuing actions already in hand, in 2017/18, the Company will offer employees the opportunity to participate in charity races related to disability, such as the *Handicap International marathons* in Paris on 05/14/17 and in Lyon on 07/02/17. The Group will also organize a competition designed to reward the best student association projects promoting disability initiatives.

(1) Created by ADAPT in 2007 and deployed throughout the student community via FEDEEH (*Fédération Etudiante pour une Dynamique Etudes et Emploi avec un Handicap*).

At 03/31/17, the firm had 8 employees with disabilities. Wavestone contributed €686k to the Agefiph disability support fund in calendar year 2016. Note that, Wavestone has decided not to implement a disability declaration incentive policy.

### 3) Anti-discrimination policy

In addition to the aforementioned commitments in favor of women employees and people with disabilities, Wavestone is also committed to ensuring job security for employees over 50 years.

At 03/31/17, employees aged 50 and over accounted for 6.3% of the total workforce, stable on year-earlier levels.

Specific actions have been implemented<sup>(1)</sup> to meet the expectations of employees aged 50 in France, and optimize the expertise acquired while adapting to their individual situations:

- Close monitoring by the HR team at key end-career stages, notably at the 50 and the 60 year-old stages and during the year employees retire
- Full medical check-up: 100% financed
- Individual retirement review, designed to verify the rights acquired by employees and determine the age required for them to qualify for a full pension, and to estimate the amount of their pension: 100% financed
- Possibility of shifting from full-time to part-time (up to 32 hours a week), during which full-time, old-age insurance and supplementary pension contributions are maintained with the Company bearing the cost difference.

Wavestone also commits to ensuring long-term employment for young employees. Within the context of its pre-employment strategy, every year, Wavestone recruits more than 200 trainees, some of which on work/study contracts. The firm commits to providing all trainees an environment that promotes learning and personal fulfillment. Trainees receive regular monitoring ensured by a manager, an internship tutor and an HR representative, participate in the day-to-day running of the Company and benefit from training modules adapted to their profession. Every year, more than 70% of the firm's new permanent contracts concern young people under 26 years old.

*More details on some anti-discrimination initiatives carried out by the firm are given in section 2.3.1 of the present report.*

### 2.1.8. Promote and respect core ILO agreements

In accordance with commitments specified in the Global Compact, Wavestone is opposed to all forms of child labor and forced labor, in line with the core conventions of the International Labor Organization (ILO). Given the nature of the firm's consulting activities and the location of its offices, Wavestone is not directly exposed to the challenges related to eliminating forced or compulsory labor, and the effective abolition of child labor.

Wavestone also respects the conventions of the International Labor Organization relative to the freedom of association, the effective right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in paragraph 2.1.17 of the present report: "Equal opportunity and treatment".

## 2.2. Environmental information

Since Wavestone's activities are purely intellectual, the Company's impact on the environment is limited. Nevertheless, for five years, Wavestone has been committed to the active monitoring and reduction of its environmental footprint.

To measure its main impact zones and identify its priority actions, the Company carried out three carbon audits (Bilan Carbone®) in 2012/13, 2013/14 and 2015/16. These revealed that Wavestone's main environmental challenges were: business travels, the environmental footprint of Company premises, paper consumption and IT management. While reporting and actions carried out by the Company prioritize these points in particular, Wavestone also focuses on other areas of study and improvement.

At the same time, the firm implemented an environmental reporting procedure in compliance with Articles 75 and 225 of the Grenelle II Law. This initiative made it possible to identify the key benchmarks and contacts to obtain data, implement an information feedback system, and provide the data necessary to produce key annual indicators.

### Details concerning Wavestone's environmental reporting methodology

While Wavestone still uses the same environmental reporting methodology defined in 2012/13, certain regulatory reporting points that are not considered relevant to the Company's activities have been excluded from the reporting scope.

(1) These services will be available to Wavestone Advisors France employees starting 07/01/17.

The reporting scope under review for this new fiscal period underwent significant changes following the merger between Solucom and the European activities of Kurt Salmon which resulted in the creation of Wavestone in July 2016.

For this report, all offices in the new Wavestone scope have been taken into account with the exception of those in New York and Hong Kong, which represented less than 2% of the Group's staff at 03/31/17.

Site	Workforce at 03/31/17	Breakdown (% of total workforce)
Paris La Défense (Head office)*	2,172	82.6%
<b>Regions</b>	<b>206</b>	<b>7.8%</b>
Lyon*	120	4.6%
Nantes	64	2.4%
Marseille	22	0.8%
<b>International</b>	<b>250</b>	<b>9.5%</b>
Casablanca	10	0.4%
London	31	1.2%
Brussels	17	0.6%
Luxembourg	95	3.6%
Geneva	62	2.4%
New York	33	1.3%
Hong Kong	2	0.1%
<b>Total</b>	<b>2,628</b>	<b>100%</b>

\*NB: In Paris and Lyon, teams were spread out on two different premises until their union in one office on 06/30/16 for Parisian teams and 09/30/16 for Lyon teams. For readability reasons, workforce figures refer to 03/31/17.

Data was collected from current sites as well as sites occupied at the beginning of the fiscal year according to their time of occupation. Certain information that could not be gathered at the Lyon, Marseille, Luxembourg, Casablanca and London sites was extrapolated from the Paris-site ratios. Moreover, when data pertaining to 2016/17 fiscal year were not readily available, total results were based on the 2016 civil year. More generally, given the ongoing standardization of processes carried out within the context of the merger, certain information could not be obtained for some ex-Kurt Salmon teams.

#### Scope of data collection for analysis

Offices	Location	Date of transfer	April to June 2016	July to September 2016	October to December 2016	January to March 2017
Paris	La Défense		ex-Solucom	Wavestone	Wavestone	Wavestone
	Neuilly-sur-Seine	07/01/16	ex-Kurt Salmon			
Lyon	Villeurbanne 1	09/22/16	ex-Solucom	ex-Solucom		
	Villeurbanne 2	10/21/16	ex-Kurt Salmon	ex-Kurt Salmon		
	Villeurbanne 3				Wavestone	Wavestone
Nantes	Nantes	03/11/16	Wavestone	Wavestone	Wavestone	Wavestone
Marseille	Marseille		Wavestone	Wavestone	Wavestone	Wavestone
London	London		Wavestone	Wavestone	Wavestone	Wavestone
Brussels	Brussels		Wavestone	Wavestone	Wavestone	Wavestone
Casablanca	Casablanca	April 2016	Wavestone	Wavestone	Wavestone	Wavestone
Luxembourg	Luxembourg		Wavestone	Wavestone	Wavestone	Wavestone
Geneva	Geneva	04/25/16	Wavestone	Wavestone	Wavestone	Wavestone

To ensure a good understanding of the reported information, the definitions and calculation methods specific to certain indicators have been detailed in the footnotes of the present document.

### 2.2.1. Global environmental policy

#### 1) Wavestone organization concerning environmental issues

Wavestone has set up an organizational structure dedicated to CSR and the treatment of environmental issues.

*For more details, see paragraph 1.3 - "Organization of the Group's CSR approach" of the present report.*

#### 2) Employee environment training and information initiatives

Wavestone raises staff awareness of environmental issues by briefing its employees on key environmental actions carried out relating to the implementation of new practices (using eco-label paper, eco-responsible printing module, etc.).

For example:

- During disability week in 2016, Wavestone teams carried out communication actions on paper and cardboard recycling
- In March 2017, Wavestone, in partnership with the PikPik Environnement Association, organized a series of workshops in its Paris offices to raise employee awareness to the importance of eco-gestures and eco-consumption. These fun interactive workshops were designed to enable employees to:
  - acquire the best practices to improve waste sorting and avoid food waste
  - learn how to read stickers, labels and logos so that they can consume in a more responsible manner
  - discover how to make their own household products
  - recognize environment-friendly products.

The results of the carbon audits, together with the main lessons learnt from Wavestone's environmental continuous improvement strategy, were communicated to all staff members via the Company Intranet site.

#### 3) Wavestone office remodeling and renovation

In 2015/16, Wavestone began to roll out "AIR", its new office-layout concept. This concept notably includes:

- installation of « Canibal » beverage-packaging recycling machines in rest areas
- removal of individual rubbish baskets to encourage a reduction in paper waste

- installation of occupancy sensors to limit electric lighting consumption
- roll out of IT solutions (video-conferencing equipment in conference rooms) to limit staff travel.

This layout has been deployed throughout Paris, Nantes, Casablanca, Lyon and New York offices. For other sites the layout is still in consideration.

### 2.2.2. Pollution and waste management

Waste generated by Wavestone is mainly office waste and end-of-service IT equipment (computers and mobile phones). Electrical and electronic waste (WEEE), which accounts for less than 1% of the total waste generated by Wavestone's activities, is recycled (either on-site or via external channels). Nevertheless, waste represents a major challenge for the Company. This type of equipment has a high ecological footprint throughout its entire life-span (use of water, metal and energy resources at all stages from product design through to recycling).

During office relocation operations carried out to bring employees from Solucom and the European activities of Kurt Salmon together in the same offices, 256 tons of furniture was managed by destruction and recycling teams, notably for the office premises in Lyon and Paris. This exceptional amount of waste was not factored into the following analysis.

#### 1) Office waste

In 2016/17 fiscal year, Wavestone collected some 57.6 tons of waste<sup>(1)</sup>, equivalent to roughly 22.2 kg per employee. This breaks down as follows:

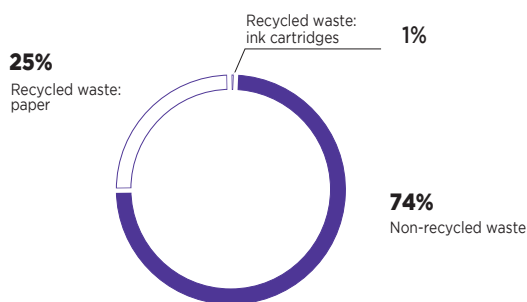
- Non-recycled waste: 42.5 metric tons of non-hazardous<sup>(2)</sup> office waste.
- Recycled waste:
  - 14.5 tons of paper waste were recycled by the association ANRH (Association for the Professional and Respectful Insertion and Reinsertion of Disabled People)
  - 0.7 tons of used ink cartridge<sup>(3)</sup> from printers and photocopiers. In Paris, all ink cartridges are collected by the company Netser and recycled by Clozloop, a company specialized in ink-cartridge recycling. In the Group's regional offices, ink cartridges are now recuperated by Ricoh services and in London by the building's own ink-cartridge recuperation service.

(1) These data come from a real weigh in for the Paris offices (134 kg/day). Estimations were conducted by the directors of the general service department for the Aubagne, Nantes, and Geneva offices. Extrapolations were conducted from the Parisian ratio for Brussels, Luxembourg, Casablanca and London figures. This methodology has been the same since 2012.

(2) Classic office waste (plastic wrap, office supplies, etc.) classified as non-hazardous.

(3) Recycled ink cartridge data concerning the French scope of Kurt Salmon European activities were lost during the relocation. The volume of recycled ink cartridges is thus underestimated here.

■ Office waste - 2016/17



(kg/employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Office waste	22.2	28.7	27.8	29.5	31.0

Since the first environmental report published in 2012/13, the average weight of waste generated per employee within the Company's CSR reporting scope has been reduced by around 28%. Excluding unusual waste load from relocating offices, the waste/employee ratio would have been 22.2 kg.

The percentage of recycled waste continued to increase in 2016/17 (26%, versus 15% in 2012/13). For the record, within the context of the renovation of the Company's Tour Franklin headquarters, Wavestone installed beverage package recycling machines for cans, plastic cups and plastic bottles. The waste-management company, Canibal installed 12 waste recycling machines.

In 2016/17:

- Wavestone collected a total of 65,301 beverage of packaging containers (of which 61,459 plastic cups) equivalent to 416 kg
- Recycling allowed Wavestone to save 1,1 ton of CO<sub>2</sub>eq and produced 69,235 kWh

**2) Computer waste**

To ensure the smooth running of its business, Wavestone makes sure that its employees are equipped with the best high-tech IT equipment; a strategy which requires the regular replacement of IT equipment, especially desktop computers (4-year life-span)<sup>(1)</sup>.

In 2016/17, 471 machines reached the end of their service life (mainly computers and mobile phones), making for about 444 kg in computer waste. The difference in the number of machines trashed in 2014/15 and 2015/16 (600 and 274

respectively) stems from the purchasing cycles of this type of equipment.

To prolong the life-span of IT equipment and in particular cell phones which have reached the end of their service period, staff members may buy these devices for their own personal use. Equipment that is not reused is either stocked or recycled.

Wavestone implemented a procedure for the systematic recycling of end-of-service computers at all sites. Wavestone engaged APR2<sup>(2)</sup> (a certified company which promotes the employment of disabled persons) for its WEEE treatment services. This company uses a clean process to eliminate toxic components and recycle recoverable materials. The London site recycles IT waste via the website [www.commsrecycling.com](http://www.commsrecycling.com) and [www.takeback/ltd.uk](http://www.takeback/ltd.uk), the Villeurbanne site uses ALGED.

**3) Food waste**

Article 4 of the 2016-138 law dated 02/11/16 specifies that food waste be integrated into corporate environmental reports. The enforcement decree of this law was published on 08/19/16.

Wavestone does not handle the restauration spaces used by its employees, and is thus not directly concerned by this issue. Consequently, Wavestone has not defined an indicator to follow this issue.

Nevertheless, Wavestone offers skill-based sponsorship to SOLAAL (an association of public interest) which acts against food waste. This association collects unsold crops from farmers and farm cooperatives and gives them out to 20 national associations dedicated to food aid. Since its creation in 2013, SOLAAL has collected 10,660 tons of agricultural products and contributed to the equivalent of 21 million meals (at end-2016).

**2.2.3. Sustainable use of resources**

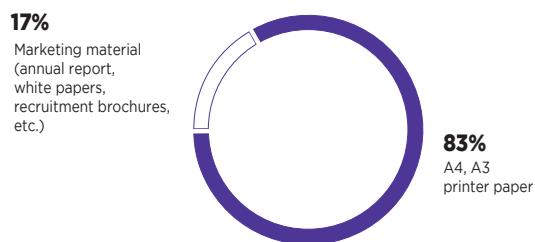
Since Wavestone has no manufacturing activities, its use of resources is limited to office consumables and resources which are both used to operate its office premises.

(1) Wavestone owns its own computers except the ones used by employees from the European activities of Kurt Salmon which are leased.

(2) For more details concerning APR2 visit: [www.proreseau.com](http://www.proreseau.com).

## 1) Consumption of raw materials<sup>(1)</sup>

### ■ Paper consumption - 2016/17



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). In 2016/17, Wavestone consumed 15.12 tons of paper, equivalent to 5.8 kg per employee.

(kg/employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Paper consumption	5.8	8.7	9.6	10.1	12.7

This sustained reduction in the level of paper consumption per employee (down 33% between 2015/16 and 2016/17) is the result of employee awareness campaigns carried out by the Company.

For example, photocopier parameters are automatically set to “green print”, a black & white and recto-verso printing module. In addition, conference rooms are equipped with wall screens to project documents and avoid having to make print outs for each participant.

In 2016, Wavestone introduced paperless solutions for Annual General Meeting convocation notices and preparatory documents. In this context, a partnership forged with Reforest’Action enabled the 100 shareholders who had subscribed to electronic convocation to plant 100 trees in Haiti.

For the record, Wavestone recycles all of its paper (see 2.2.2) and only uses PEFC and FSC certified paper (see 2.2.5.) in accordance with its paper purchasing policy.

Envelops are labeled “GPV Green” and/or “NF Environment” and/or “Recycled PEFC”. All notebooks bear the “PEFC recycled” eco-label, post-its are labeled “100% recycled” and “PEFC”, and folders are labeled “PEFC” and are recyclable.

## 2) Energy consumption

Wavestone’s direct power consumption is related to its heating, air conditioning, ventilation, lighting and office equipment needs for its offices.

In 2016/17, the Group’s final power consumption (electricity, heating and cooling) was 5.5 GWh EP<sup>(2)</sup>, or 251.3 kWh EP/m<sup>2</sup>, which, once converted into primary power (the power needed to produce this final power), is estimated at 12.3 GWh PP, or 565 kWh PP/m<sup>2</sup>.

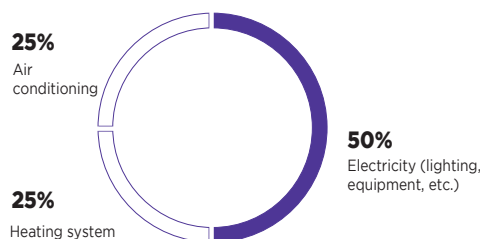
(kWh/m <sup>2</sup> )	2016/17	2015/16	2014/15	2013/14	2012/13
Final energy consumption	251.3	250.9	300.0	322.8	332.1

Wavestone’s main office (comprising 83% of its workforce) occupies approximately 12,414 m<sup>2</sup> of the Tour Franklin in the La Défense business district of Paris. This tower is connected to urban heating and cooling networks that provide heating and air conditioning for the offices. Offices are equipped with individual systems to regulate the temperature by bench (block of 4 to 6 people). An environmental policy specific to the Franklin Tower (recycling, environmental communication) was deployed in 2015/16 within the framework of the AIR office-layout project.

Engie, Wavestone’s new energy supplier for the Franklin Tower, provides electricity generated exclusively from renewable energies.

The energy consumption of this site breaks down as follows:

### ■ Final energy consumption - 2016/17



Energy consumption levels at Company headquarters in the Tour Franklin (La Défense) are high (346 kWh/m<sup>2</sup> at the top end of the office-building range in the Paris area). This is due to the building techniques used when the Tower was built in 1972.

(1) Excluding London office due to unavailable data.

(2) Due to incomplete data for March 2017 an extrapolation was used to include this month.



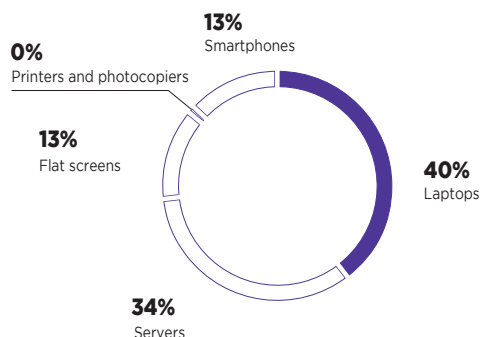
Wavestone's renovated "Air" offices in Paris are equipped with occupancy and daylight sensor mats designed to control the lighting systems which turn off when the office has been unoccupied for 15 minutes. Other offices on the platform are lit between 8:00 am and 8:00 pm, Monday through Friday, to save energy. Switches are also installed to control lighting outside office hours.

#### Focus on computer and telecommunications equipment

Wavestone's computer equipment consumes a considerable amount of electricity. In total, this is estimated<sup>(1)</sup> at 0.29 GWh per year, based on the average number of working hours in use and average consumption data. A significant decrease in the number of material servers was observed, going from 59 to 26. Factoring in certain usages outside of Wavestone premises<sup>(2)</sup>, total energy consumed by computers represented 10% of Wavestone's total electricity consumption in 2016/17.

Wavestone's energy consumption breaks down as follows:

#### ■ Energy consumption estimates – Computer equipment - 2016/17



All Company laptops are EPEAT<sup>(3)</sup> labeled; 47% of total equipment carry the "Silver" label, and 53% the "Gold". Among other things, this label guarantees a precautionary use of natural resources in the manufacturing of the products, as well as their

recyclability and compliance with the Energy Star standard for energy consumption while in use. Labeling is now included in the selection criterion used by the Company in its procurement process.

### 3) Water consumption

The main source of water consumption at Wavestone is used for sanitary purposes. Information related to the Group's water consumption data given below notably concerns the domestic water supply used for sanitary and cleaning purposes, and by air conditioning systems. Wavestone's total annual water consumption<sup>(4)</sup> was around 12,267 m<sup>3</sup> in 2016/17, equivalent to 4.73 m<sup>3</sup> per employee.

(m <sup>3</sup> /employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Water consumption	4.73	7.34	7.09	9.40	9.52

With the deployment of the AIR layout in the Parisian offices, a specific detection has been implemented in the bathroom faucets.

All of Wavestone's offices are located outside water stress areas (with a water supply of less than 1,700m<sup>3</sup> per capita per year for all uses combined<sup>(5)</sup>). As such, there is no need to study the pressure exerted by Wavestone on local water resources.

#### 2.2.4. Climate change: greenhouse gas emissions<sup>(6)</sup>

##### 1) Summary table

The scope of this analysis is limited to four sources of emissions, namely:

- energy consumption of buildings
- refrigerant gas leaks in air conditioning systems<sup>(7)</sup>
- paper purchases
- business travel and commuting.

(1) The methodology remains unchanged: the estimate was based on the number of devices used by Wavestone and the average utilization rate and performance of said equipment in France (source IDATE). Utilization rate estimates are based on the following assumptions: laptops, screens and mobile phones are used 1,760 hours a year on average and servers, 8,760 hours. The assumption used for photocopiers and printers is based on 10,000 copies per device per year.

(2) Estimated at 30% for laptops and smartphones.

(3) The Electronic Product Environmental Assessment Tool (EPEAT) label requires, among other things, the limited use of dangerous substances, guaranteed recycling and durability, low power consumption and low environmental impact packaging <http://www.epeat.net/>

(4) Water consumption for the Tour Franklin offices is calculated with the consumption for the whole tower and a ratio per floor. The consumption for the Casablanca offices was given by the owner. For other offices (Lyon, Marseille, Nantes, Brussels, Luxembourg, Geneva and London), the water consumption was extrapolated from the Parisian offices (m<sup>3</sup>/employee ratio). The significant decrease in water consumption at the Tour Franklin in 2016 is mainly due to the city-wide curative campaign on the water meters, especially private meters. Private consumption of city water fell 30% between 2015 and 2016.

(5) For more information on water stress areas, visit: <http://www.un.org/french/waterforlifedecade/scarcity.html>

(6) The methodology used is in line with requirements specified in Article 75 of the Grenelle II Law. The emission sources taken into account are those required by Article 75 (scope 1 and 2), as well as paper purchases and travel which have been identified as major emission sources with regard to Wavestone's activity.

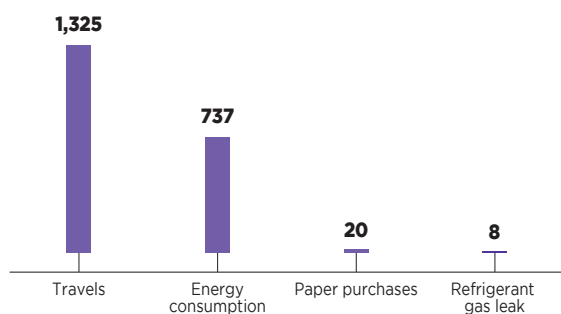
(7) A new system which uses R407c gas (SYSTEMAIR type SYSHRW 120 RC with a cooling capacity of 24.4 kW) has been installed in the Paris offices.

In 2016/17 fiscal year, Wavestone's greenhouse gas emissions created by these four sources amounted to 2,090 teq CO<sub>2</sub>, or 0.8 teq CO<sub>2</sub>teq per employee.

(tCO <sub>2</sub> eq/ employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Greenhouse gas emissions	0.8	1.1	0.9	0.9	1.2

The Company's greenhouse gas emissions break down as follows:

#### Greenhouse gas emissions (teq CO<sub>2</sub>) of defined scope



#### Focus on travel

Employee transport is the main source of Wavestone's greenhouse gas emissions (63%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in staff commuting.

#### Business trips

Business trips<sup>(1)</sup> account for approximately 8 million km travelled per year, all transport methods combined, or approximately 3,231 km travelled per year per employee. This stems from the high level of mobility of Wavestone employees, which is a characteristic feature of the consulting sector, amplified by international expansion.

(km/year/ employee)	2016/17	2015/16	2014/15	2013/14	2012/13
Business trips	3,231	4,716	4,752	4,655	5,712

*NB: The methodology used to measure the number of rental car kilometers is the same as in 2015/16. To enhance reporting reliability, the number of real kilometers collected from Hertz (Wavestone's main car-rental supplier) is now included in the number of car-rental business trip estimates.*

#### Breakdown of business trips by type of transport in 2016/17:

(km/year)	2016/17	2015/16	2014/15	2013/14	2012/13
Plane	40%	37%	18%	22%	22%
Rail	42.5%	44%	51%	53%	54%
Public transport	3% <sup>(2)</sup>	9%	17%	19%	14%
Cars	14.5%	10%	14%	6%	10%
o/w private cars	8.5%	9.4%	11%	4%	8%
o/w rented cars	0.1%	0.2%	1%	0.3%	0.2%
o/w taxis	5.9%	1.4%	2%	1.7%	1.8%

Wavestone has adopted a two-pronged strategy to reduce the environmental impact of business trips within the context of its international expansion strategy, namely by:

**1. Limiting business trips by using audio and video-conferencing systems:** Wavestone's meeting rooms are equipped with remote conferencing systems used mainly for in-house discussions between the firm's various sites.

**2. Choosing the least polluting transport options for short-distance trips:** Wavestone employees are highly encouraged to use public transport for business trips in accordance with the current travel policy. Some examples of the measures put in place include:

- air travel is authorized only if the train would take more than three hours;
- Wavestone pays 50% of the costs for public bike-rental schemes (Vélib, Vélov, Bicloo, etc);
- car rental is authorized only when there is no access to public transport.

(1) Data concerning journeys by train, plane and short-term car rental were supplied mainly by the Egencia Travel Agency, the SNCF and Hertz car hire. The methodology used was marginally modified: the calculation of air and train journeys include data issued by the Wavestone Carbon Emissions Report (Egencia), journeys made in the framework of the use of BlueBiz points and, henceforth, the estimated data regarding the mileage indicated by expense claims, based on Egencia mileage. The data concerning journeys by public transport, taxis and private vehicles were obtained from the accounting department. The amounts collected (€) were converted into distances covered (km).

(2) This percentage is underestimated because data from the European activities of Kurt Salmon is lacking: the ERP used does not allow for sufficiently detailed information. In the future, precise starting and ending points will need to be put into the management tool to account for all covered distances.

## Commuting

Commuting<sup>(1)</sup> to and from work totals approximately 10.3 million km per year, all modes of transport combined, or approximately **18.3 km per employee per day worked**.

Wavestone employees are encouraged to use public transport for commuting. This can be broken down as follows:

(% km)	2016/17	2015/16	2014/15	2013/14	2012/13
Public transport	92%	86%	86%	85%	81%
Private vehicles (cars & motorcycles)	8%	14%	14%	15%	19%

Exceptionally, taxis and VTCs are reimbursed at night to go home, only after 10 pm.

Since 10/01/16, teleworking has been available to employees in all of the Group's French offices to commuting. This is also a regular practice in London and Geneva.

### 2.2.5. Protection of biodiversity

None of Wavestone's sites are situated in protected or high biodiversity areas. The Company's activities have no direct or significant impact on biodiversity. Wavestone has a limited indirect impact through the amount of paper consumed in its activities. To minimize this impact, the firm mainly uses paper made from pulp from sustainably managed forests (FSC or PEFC certified) or 100% recycled paper. Since 2012, this requirement has been incorporated into printing-services specifications, as well as printing paper purchases.

## Appendix

### 1. Summary of Wavestone's environmental performance indicators over the past 5 years

Theme-based indicators	2016/17	2015/16	2014/15	2013/14	2012/13	%	% change over 4 years
Office waste	22.2	28.7	27.8	29.5	31.0	kg/employee	-28.4%
Final energy consumption	251.3	250.9	300.0	322.8	332.1	kWh/m <sup>2</sup>	-24.3%
Water consumption	4.73	7.34	7.09	9.40	9.52	m <sup>3</sup> /employee	-50.3%
Paper consumption	5.8	8.7	9.6	10.1	12.7	kg/employee	-54.3%
Greenhouse gas emissions (for the reporting scope)	0.8	1.1	0.9	0.9	1.2	tCO <sub>2</sub> eq/employee	-33.3%
Total distance traveled for business trips	3,231	4,716	4,752	4,655	5,712	km/employee	-43.4%
Business flights as a percentage of business trips	40%	37%	18%	22%	22%	% of total km traveled	+18 points
Commuting by public transport	92%	86%	86%	85%	81%	% of total km traveled	+11 points

(1) To calculate the distance traveled by employees using their own vehicles, the analysis is based on the postal codes declared by the beneficiaries of car or motorbike parking. The distance traveled by employees using public transport is calculated on the basis of the transport ticket declared. For public transport in the Paris area, the calculation has changed because of the end of zones for transport tickets which makes estimates less precise than in previous years.

## 2. Environmental reporting appendix - Table of concordance between Wavestone data and Article 225 of Grenelle II

The following table shows the concordance between the information presented in this report and implementing decree no. 2012-557 dated 04/24/12 relative to the obligation concerning corporate, social and environmental transparency. Certain information considered not relevant given Wavestone's activities is not applicable to the Company (See details in column "Actions taken by Wavestone").

Decree 2012-557, Article 1- 2°		Action taken by Wavestone
a) General policy	Organization of the Company to take into account environmental issues and, if necessary, address environmental assessment and certification initiatives	§ 2.2.1 1)
	Measures carried out to ensure employee access to environmental training and protection	§ 2.2.1 2)
	Measures employed to prevent environmental risks and pollution	Since Wavestone's activities are not of a material nature they do not present any high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.) Wavestone did not write any provisions or guarantees for environmental risk
	The amount of provisions and guarantees for environmental risks, provided that such information is unlikely to cause any serious damage to the Company in an ongoing litigation	
b) Pollution and waste management	Measures taken to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment	Since Wavestone's activities are not of a material nature they do not present any high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.)
	Measures being carried out to prevent, recycle and eliminate waste	§ 2.2.2
	Management of noise pollution and any other kind of pollution specific to the Group's activity	Because Wavestone's activities are not of a material nature they are not a source of major noise pollution
c) Sustainable use of resources	Water consumption and supply in accordance with local restrictions	§ 2.2.3 3)
	Consumption of raw materials and measures taken to optimize their use	§ 2.2.3 1)
	Energy consumption measures taken to improve energy efficiency, and recourse to renewable energy	§ 2.2.3 2)
	Land use	Wavestone's activities are not of a material nature and, as such, do not present high environmental risk or cause major soil pollution. In addition, Wavestone's premises are located in already urbanized areas
d) Climate change	Greenhouse gas emissions	§ 2.2.4
	Adaptation to the consequences of climate change	Since Wavestone's activities are not of a material nature they are not directly impacted by the consequences of climate change
e) Protection of biodiversity	Measures taken to preserve and/or develop biodiversity	§ 2.2.5

### 2.3. Information concerning societal commitments

Wavestone's approach with regard to its responsibility to society is to promote equal opportunity and non-discrimination. This commitment mainly concerns three areas of action: education, access to higher education, occupational integration and employment.

#### 2.3.1. Regional, economic and social impact of the Company's activities

Given the nature of Wavestone consulting business, the regional and economic impact of its activities is relatively limited. However, several examples of consulting services delivered in 2016/17 should be noted:

- The "Real-Estate" practice developed a project designed to measure and regulate energy costs of numerous social housing projects by using smart, connected sensors installed inside buildings. This project cut the CO<sub>2</sub> emissions of the buildings concerned by 20% and raised the awareness of the residents and property owners to the issue.
- The "People & Change" practice has for 4 years proposed a specific quality of life in the workplace and human development offering. This involves carrying out a comprehensive diagnostic of the quality of life in the workplace and proposing the improvement drivers to be implemented. Around ten clients took advantage of the offer which enhanced the quality of life in the workplace, thanks to management training, a better definition of corporate values and personalized coaching.

Wavestone has decided to prioritize initiatives related to its social and civil footprint.

These initiatives are structured around the following challenges and fields of action: employment and professional insertion, access to further education, the promotion of diversity and equal opportunity.

*For more details, see sections 2.3.2 and 3 (Economic responsibility).*

#### 2.3.2. Relations between persons or organizations with an interest in the Company's activities

##### 1) Actions taken with respect to employment and occupational integration

###### As a responsible employer, Wavestone pays particular attention to its social footprint

- For the record, at 03/31/17, Wavestone's workforce (excluding the number of additional staff members stemming from companies acquired during the fiscal year), totaled 2,628 employees, for the most part comprising young executives (60% of employees under 30 years of age), working at Group sites in France (90.5%).

- As a growth company, Wavestone has been a net creator of jobs every year since its founding in 1990. In addition, the Group has always strived to provide job security for all of its employees. More than 700 employees were recruited in 2016/17, 94% of whom on a permanent contract basis. Moreover, every year the firm takes on over 200 trainees (short-term internships, sabbaticals, apprenticeships, end-of-study and work/study programs) on a pre-employment basis.
- In 2016/17, more than 8,000 candidates from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, events and spontaneous applications) took part in the Wavestone recruitment process and were accepted for a first interview.

##### 2) Partnership and skills-sponsorship actions to promote equal opportunity

###### Wavestone Corporate Foundation

The Wavestone Corporate Foundation was created in 2009, and extended in 2014 for a period of 5 years, for the purposes of carrying out humanitarian actions in France and abroad by lending support to, or developing, actions aimed at combating child poverty and extreme deprivation.

The Foundation is focused on developing long-term development projects.

Since its creation, the Foundation has backed and financed more than 98 youth-work projects, for the most part in Africa and Asia. Every project monitored by Wavestone is sponsored by an employee of the firm. At 03/31/17, more than 30 consultants sponsored Wavestone Foundation projects by maintaining contact with the association.

In 2016/17, 14 projects were financed; 1 of which was an urgent project in Haiti following hurricane Matthew. In March 2017, the Foundation launched a call for projects out of which the Foundation's Board of Directors retained 12.

The Foundation Charter and all previous-year activity reports are available on the Foundation's website: [www.fondation-wavestone.com](http://www.fondation-wavestone.com)

###### Villebon - Georges Charpak Institute

Since 2012, Wavestone has sponsored the Villebon - Georges Charpak Training Institute, a project with a social mission run jointly by the ParisTech Foundation, higher education bodies (major schools and universities), and the socio-economic world.

Launched in September 2013, the Institute currently has three classes open. Each class is limited to around forty students and leads to a generalist degree in Science and Technology.

The Villebon Institute, a new leader in educational innovation, wishes to offer access to the highest forms of education and long scientific studies:

- by promoting social, cultural and intellectual diversity for students. All the students show promise but do not excel in the mainstream educational system. 70% of these are on scholarships and 20% have some form of disability
- by deploying an experimental and interdisciplinary approach fostering team work in project mode
- by spreading best practices and innovative pedagogical methods in the university environment.

The success of this educational approach, awarded the Excellence in Innovative Education (IDEFI) label in 2012, was confirmed by the graduation, in June 2016, of the first intake of students. In September 2016, 87% of the first intake of students went on to do their Masters or enroll in engineering schools. This is more impressive than general academic performances in the mainstream high-school system. The Institute offers a diversified range of training programs tailored to match student profiles: AgroParisTech, CNAM, EDHEC, ENSTA ParisTech, ESYPE, ESPCI, Mines, Telecom Bretagne, University of Marne la Vallée/Civil Engineering Masters, etc.

As founder of the Villebon Institute, Wavestone lends support at different levels: student-sponsorship, vocational integration by way of conferences, career workshops, company visits (around 6 events a year), student selection, Institute promotion and participation on governing bodies.

In 2016/17, around fifty Wavestone employees sponsored students from the Institute throughout their 3-year Bachelors program and gave them guidance on constructing their professional projects.

In 2016, after having accompanied the Institute for five years, Wavestone renewed its partnership until 2021.

For more information, visit: [www.villebon-charpak.fr](http://www.villebon-charpak.fr)

### Powerday

Powerday is Wavestone's global solidarity day organized once a year enabling employees to devote one day of their working week to participate in a charitable project of their choice.

Staff members wishing to volunteer can lend their support to the charitable association of their choice either by assisting in skills-based sponsorship programs or on manual projects. Powerday is sponsoring several associations committed to a variety of causes, such as people with disabilities, health issues, the environment, social and professional insertion, education and culture, sports & culture.

All of the associations supported by Wavestone are required to respect the Company's CSR commitments and notably carry out an audit and/or control ensuring the ethics, financial transparency and quality of their governance.

More than 600 employees across all of Wavestone's offices worldwide participated in the Group's first Powerday event, held on Friday 08/26/16. Around sixty associations, foundations and international NGOs in Asia, North America and Europe, as well as in Maghreb benefited from Wavestone support. The "social and international" commitment of Wavestone's 600 volunteer employees who took part in the event was rewarded with the "*Mieux vivre en entreprise*" trophy in November 2016.

Some 2016 Powerday projects include:

- The renovation of a shelter for the homeless
- The collection of personal-care products and toiletries for hospitalized children
- A corporate prospecting operational plan
- A reputation-enhancing communication plan
- The referencing of zones accessible to people with reduced mobility
- The preparation of meals for homeless people.

The success of Wavestone's first Powerday has prompted the Group to make this an annual event. The next Powerday will be held on 09/01/17.

### Alter'Actions

Since the beginning of 2017, Wavestone has been carrying out a trial educational program with Alter'Actions. The aim of this innovative approach is to foster the civic commitment of students attending further education establishments (grandes écoles and universities). Alter'Actions offers students, selected on the basis of their motivation, the possibility to carry out voluntary consulting assignments for associations with a major social impact. These assignments, which are overseen by corporate partner executives, privilege hands-on training schemes and offer students on-the-ground experience that is central to current social and environment challenges.

Within this framework, a Wavestone employee has been supervising a Group of 4 students, since February 2017, with

the Solaal association. The purpose of this association is to foster relations between agricultural and food donation players, and food aid associations with a view to sharing donations between associations in the fight against food waste. The students are doing research work with French farmers to extract value from agricultural donation at the state level

#### **The LAAFI Village**

Within the context of its Corporate Foundation, Wavestone has been supporting the LAAFI association since 2010 and notably the "LAAFI Village", a multidisciplinary educational and cultural complex specialized in vocational training and artistic creation set up by the association in Koudougou in Burkina Faso. The village has since become an educational and cultural center for more than 15,000 people (primary and secondary level school children, university students, teaching bodies and artists, etc.).

In 2010 and again in 2014, Wavestone supported LAAFI's project to build a primary school in the village. Today, the village continues to develop and, with the support of Wavestone and several major European groups, has opened its own digital incubator, making it a real economic center in the region.

Since 2016, Wavestone has accompanied the association in its call for innovative digital projects from young Burkinabe people that could change their daily lives and that of their community. Selected projects will be accompanied and receive financial support for 12 months within the incubator, and benefit from the savoir-faire of digital experts. In addition to offering upstream project support, Wavestone will continue to accompany the association in 2017/18 by providing digital training to young Burkinabe people.

For more information : [www.laafi.com](http://www.laafi.com)

#### **"Vestiaire solidaire": voluntary clothes collection and sorting program**

In April 2017, Wavestone carried out a proximity and solidarity campaign in its Paris-based offices. Organized in partnership with the *La Cravate Solidaire* Association, this voluntary clothes collection and sorting program was designed to help those undergoing occupational reintegration. For 5 days, all employees were invited to donate their used working clothes (suits, jackets, blouses, shirts, shoes and accessories, etc). More than 130 kg of clothing were collected and distributed to people in search of work.

On the back of the success of this operation, the Lyon office will organize a clothes collection/sorting event in June 2017.

#### **Shake'Up: start-up acceleration program**

At end-2015, Wavestone launched its "Shake'Up" initiative designed to build a value creating ecosystem for the Group, its clients and start-ups.

The program covers several areas:

- Segment-specific monitoring (SmartEnergy, Fintech, Cybersecurity, etc.) in a bid to identify and decipher the positioning of start-ups. The objective is to gain a better understanding of how these innovative fledgling companies are transforming the sectors of activity of the Company's clients.
- The organization of events, exchange of views and sharing of best practices on current, cross-functional or sector-specific themes, and the bringing together of start-ups with Wavestone employees and clients. In February 2017, for example, the Group organized a "Shake'Up" event in its Paris offices based on two Fintech themes: the payment value chain, and the dematerialization of financial services. This event brought together 13 start-ups and more than 200 employees, as well as 30 clients and journalists.
- Start-ups benefiting from Wavestone assistance are set up in the Group's offices in Paris and sometimes in other regional offices, and receive personalized support based on the knowledge and expertise of the firm's teams (marketing approach, recruitment, security audits, etc.).

Since March 2016, Wavestone has hosted 8 start-ups. For Wavestone, these partnerships are aimed at reinforcing the collaborative culture, agility and open innovation of the firm. The program also contributes to deploying an entrepreneurial spirit throughout the firm. For example, Wavestone is assisting Yuka, a start-up which has developed an app that scans food-product bar codes enabling consumers to know what impact these products will have on their health and find healthier alternatives.

To pursue its development, "Shake'Up" launched a call for projects in February 2017, to accompany new start-ups selected by employees.

#### **Start-up's cybersecurity challenge: Banking Cybersecurity Innovation Awards**

In 2017, Wavestone teamed up with *Société Générale* to launch a challenge for innovative start-ups and SMEs in the Cybersecurity sector. The Banking Cybersecurity Innovation Awards is an initiative designed to encourage innovative European start-ups and SMEs to propose and showcase their cybersecurity solutions. The call for project entries for the 2017 Awards closes on 05/21/17.

At the closing ceremony on 07/05/17 held at “*Les Dunes*” (Société Générale’s new technology hub in Val de Fontenay), members of the jury, selected for their technical and strategic expertise, awarded prizes for digital trust for banks, digital trust for customers and a Special France prize, awarded to a start-up head-quartered and based in France and whose capital is mainly held by French individuals or corporate entities.

The 3 winners had the chance to test their solutions within Société Générale’s IT System and join Wavestone’s “Shake’Up” start-up acceleration program.

### 3) Relationships with higher education institutions

As part of its Human Resources strategy, and to meet its recruitment and talent-diversification objectives, Wavestone is developing a schools-relations policy based on close relationships with higher education establishments. As such, with young graduates accounting for over 60% of recruits and more than a hundred interns on the payroll, Wavestone has for many years been forging tight and lasting relationships underpinned by trust with around thirty school and French universities.

The objective of this proactive partnership policy is to lend support to students in their personal and professional development. Personal, via the transmission of knowledge and savoir-faire inherent in consulting jobs (project management, client relationship management); and professional, by providing a variety of career coaching programs, as well as the constant integration of trainees into the Company’s teams (more than a hundred trainees taken on every year). Some examples of on-campus actions carried out by the Company include: voluntary coaching and sponsoring (“Junior Enterprises”, student unions and association forums), CV/cover-letter workshops, mock interviews, experience feedback and informal discussions with members of the Company’s alumni.

The Company also participated in “*La semaine de l’humain*”; a CSR-initiative competition organized by the students’ organization of the ESSEC business school for all of the school’s student associations in April 2017 and sponsored by Wavestone. During the course of an afternoon, around 50 students representing 8 of the most promising student associations defended their projects before a panel of Wavestone employees for one of the three prizes:

- The most poignant CSR project
- The best thought-out CSR approach for a consulting firm
- The “*Coup de cœur*”.

At the pedagogical level, the firm also maintains strong relations with the careers services and faculty bodies of its target schools. In this respect, Wavestone actively takes part, at multiple levels, in major events in the life of these establishments by participating on selection panels and in promotional event sponsoring, as well as chairing conferences and round-tables and taking part in course modules.

To support the development of the firm’s partner schools and universities and to strengthen the measures already in place, Wavestone has been developing a strategy since 2012/13 to step up the integration of work/study programs and apprenticeships among its employees, across all spheres of professional activity. To this end, in 2016/17, Wavestone offered 44 young people skills-acquisition or work-study contracts (versus 27 in 2015/16).

### 4) Raising awareness to IT security issues

Via its partnership with the Foundation Hack Academy, Wavestone is committed to raising awareness of cybersecurity in society. Hack Academy is the communication campaign launched by CIGREF<sup>(1)</sup> in 2015 in collaboration with key accounts to raise the awareness of the public to the importance of adopting good reflexes on the Internet using a reality-TV format. In a series of four videos on [hack-academy.fr](http://hack-academy.fr), young candidates reveal their talent for computer-hacking to a jury of Hack Academy professionals; the objective being to identify the hackers of the future. In a humoristic way, candidates address the main threats that cybernauts may be confronted with such as phishing, password cracking and Trojan horse viruses. In 2016/17, Wavestone and the Foundation participated in educational action campaigns for the general good to raise public awareness in France and abroad to basic digital-life securitization gestures in the fight against cybercrime; limit its economic impacts; recruit talents with the requisite profiles and/or provide training in cybersecurity-related skills.

#### 2.3.3. Subcontracting and suppliers

##### Social and environmental issues taken into account in the firm’s procurement policy

Developing a structured responsible procurement policy will be an area of focus for the firm in the next year. Wavestone will adopt a single standardized policy for the whole firm that integrates its CSR criteria in its choice of suppliers.

(1) CIGREF is an association of large French companies whose mission is to promote digital culture as a source of innovation and performance.



At present, sustainable development criteria – environmental, social and/or societal – are incorporated into certain specific procurement processes, but not deployed and formalized on a Group-wide scale. For example, regarding:

- Printing services and paper purchases (100% recycled or eco-labeled) (see 2.2.5);
- Computer equipment: all Company laptops are EPEAT<sup>(1)</sup> labeled (level gold or silver). Among other things, this label guarantees the limited use of dangerous substances, recyclability and sustainability, low power consumption, and low environmental impact packaging (see 2.2.3);
- Recourse to the protected sector and adapted for certain services, notably related to in-house and external event organization (catering, printing) (see section 2.1.7).

In addition, since August 2014, Wavestone systematically outsources the recycling of its end-of-service IT equipment to a services company in the protected sector, a solution the Group will systematically use every year.

Moreover, within the context of Wavestone's AIR office layout concept, the Group:

- installed waste-sorting bins (for organic, cardboard and paper waste) to replace individual rubbish baskets;
- installed "Canibal" beverage-packaging recycling machines (cans, goblets and plastic bottles);
- installed 100% LED lighting and 80% occupancy detection systems, and fitted water taps with presence detector sensors in office toilets;
- laid a false floor with an access ramp for people with reduced mobility;
- fitted out its offices with furniture, of which 90% were made in France.

In addition, as a signatory of the United Nations Global Compact since 2012 (see 2.3.4), Wavestone is committed to meeting international ethics standards and, as part of its continuous improvement initiative, to pursuing efforts promoting social progress and economic development.

For the record, the bulk of Wavestone's partners and suppliers are based in France and subject to French laws and obligations relating to human rights, and labor law and standards, etc.

## Outsourcing

As part of its consulting services to large companies, Wavestone may occasionally be called on to subcontract part of its services to other specialist firms, particularly when a specific skill out with its own field of expertise, is necessary to complete the project.

### 2.3.4. Fair trade practices

Wavestone launched a campaign to raise staff awareness to this ethical approach. Beyond raising awareness through real-life experiences, the aim is to enable employees to identify and pass on similar cases to an Ethics Officer appointed in 2016/17 to stimulate reflection.

### Actions taken to prevent corruption

Wavestone is committed to the prevention of, and the fight against corruption.

To this end, and in accordance with its basic principles, Wavestone has been a signatory of the United Nations Global Compact since the end of 2012, an engagement which officially binds the Company to honor its long-term commitment to pursue all actions in a responsible and transparent manner. Accordingly, Wavestone supports and undertakes to promote the 10 principles of the Compact (human rights, labor rights, protection of the environment, anti-corruption measures) in its sphere of influence (clients, employees, shareholders, clients and suppliers, and civil society).

In 2016/17, the Company published its fourth "Communication on Progress" (COP) report for its stakeholders detailing the initiatives it has launched and the work it is doing related to the principles of the Compact.

In 2017/18, in compliance with the 2<sup>nd</sup> Sapin Law, Wavestone will undertake new measures (implementation of a code of behavior, an ethics committee, procedures, and staff training, etc.).

### Measures taken to promote consumer health and safety

Since Wavestone provides corporate services, it is not concerned by consumer health and safety issues.

It should however be noted that the Group contributes towards raising awareness to the issue of cybersecurity (see 2.3.2.4).

(1) Electronic Product Environmental Assessment Tool label.

### 3. Other information related to Wavestone's corporate responsibility: economic responsibility

Wavestone aims to conduct itself as a responsible player in its environment. As such, the firm guarantees all of its financial, economic, civic and social stakeholders its adherence to the principles of good governance, transparency and ethics.

#### Governance

Wavestone has adopted a two-tier management structure comprising a Management Board and a Supervisory Board to ensure a clear separation between the Management and Control functions of the Company.

Wavestone complies unreservedly with the MiddleNext Corporate Governance Code.

The Supervisory Board is composed of five members (2 women and 3 men), of which three are independent. As Wavestone is an equity-controlled company, this composition of the Supervisory Board ensures that the interests of minority shareholders are respected.

On the recommendations of the Supervisory Board, internal controls were tightened in 2016/17 fiscal year to secure processes and manage risk. As such, IS, operational and financial incidents are monitored every quarter and, more than a hundred procedures have been drawn up and published.

In addition, an internal audit charter was drawn up together with an internal audit ethics code.

In 2017/18 fiscal year, a new risk-monitoring committee (COPIL) will be set up to gather monthly reports from the three existing risk-monitoring committees devoted to IS-risk, internal controls and the internal audit. Wavestone's repository project will also be launched at all of our offices.

*For more details, see the "Report of the Chairman of the Supervisory Board on the manner in which the work of the Board was prepared and organized, and on internal-control and risk-management procedures" in Chapter 3 of the Company's Registration Document.*

#### Transparency

In addition to ensuring its compliance with regulatory obligations regarding financial communication, Wavestone strives to achieve a greater degree of transparency and ensure a frequent and regular communication flow, regardless of the economic context or the Company's performance.

This approach is underpinned by Wavestone's decision to maintain its quarterly financial information reporting despite the suppression of this obligation on 12/31/14 with the publication of measures to transpose the revised transparency directive (2013/50/UE) included in the DDADUE Law bringing a number of provisions into line with European Union economic and financial law. Pursuant to AMF recommendations (DOC-2015-03), Wavestone has chosen to adopt a clear and steady approach over the long term.

Moreover, the Company makes every effort to ensure and maintain solid communications with analysts, institutional investors and individual shareholders by systematically organizing six meetings for its French-speaking investors and two for its English-speaking investors every year. In addition, Wavestone has created a club for its shareholders for the purposes of strengthening relations with individual investors and regularly participates in trade fairs.

These initiatives were rewarded in November 2016 at the 6<sup>th</sup> edition of the Shareholder and Investor Relations Awards organized by Mazars, *Les Échos* group and the French weekly financial magazine, *Investir*. On this occasion, Wavestone was awarded the "Digital Prize" in the Mid/Small Cap category for the best shareholder and investor e-communication strategy. This prize highlights the best practices in terms of financial communication and rewards listed companies that have adopted a responsible and transparent communication approach with their shareholders, investors, individuals, institutional bodies and employees.

#### Ethical approach

Ethics are of the utmost importance to the Group which is committed to respecting the strictest ethical standards and to conducting its activities with the greatest integrity.

Wavestone launched its first campaign to raise staff awareness to the Group's ethical approach in 2016/17. In addition to raising awareness through real-life experiences, the aim is to enable employees to identify and pass on similar cases to an Ethics Officer appointed in 2016/17 to stimulate reflection.

The aim of this approach is to formalize an ethical charter for several underlying subjects (corruption, anti-competitive practices, data security, etc.).

A controlling body will be set up to ensure these commitments are respected across the firm, as well as to counsel employees and adopt a continuous improvement approach.

The purpose of this charter is to serve as a professional conduct guide for all staff members whatever their function and level of responsibility.

*More details about the measures implemented by Wavestone to ensure the quality of services and the Group's ethics are given in the section - "Quality" - in Chapter 1 of the present Registration Document.*

## 4. Methodology note regarding Wavestone's 2016/17 non-financial reporting

### 4.1. Scope of consolidation

Unless stated otherwise, the **social and societal information** by default covers Wavestone's entire consolidation scope.

Wavestone 2016/17 reporting scope therefore includes Wavestone SA (parent-company) and its subsidiaries:

- Wavestone Advisors (French offices)
- Wavestone Advisors UK (UK offices)
- Wavestone Morocco and Wavestone Advisors Morocco (Morocco offices)
- Wavestone Advisors Switzerland and Wavestone Consulting Switzerland (Swiss offices)
- Wavestone Belgium and Solucom SA (Belgium offices)
- Wavestone Luxembourg (Luxembourg offices)
- Wavestone Hong Kong (Hong Kong offices)
- Wavestone US (US offices).

A different methodology, detailed in the environmental report (see 2.2), is used for **environmental data**. The environmental reporting scope covers all entities within the Group's scope of consolidation in France, excluding any new acquisitions finalized during the fiscal year. The key event of the year was the unification of employees from Solucom and the European activities of Kurt Salmon, which were merged within Wavestone. Activities in New York and Hong Kong (2% of Group staff) have not been included in the environmental reporting scope.

All **economic data** is qualitative.

### 4.2. Reporting period

Most of the data provided in this report covers the 2016/17 fiscal year ended 03/31/17. In exceptional cases which are explicitly mentioned, the information covers the 2016 calendar year.

### 4.3. Non-financial data collection sources and methods

Wavestone's non-financial data is collected and consolidated at the Company's head office. Data collection and consolidation is the responsibility of the Heads of Communication and HR Development, under the supervision of the Chief Financial Officer.

#### 1) Data collection and consolidation

##### Social data

Given the nature of Wavestone's consulting activity, the social aspect of sustainable development is a major issue and key priority for the Company.

Wavestone's HR Development Department is responsible for defining and implementing the firm's human resources strategy. The department is assisted mainly by a central team and decentralized HR development teams.

Social reporting and the monitoring of associated indicators fall under the responsibility of a single dedicated contact within Wavestone HR Development Department who is in charge of data consolidation at the Group level.

##### Environmental data

At the environmental level, Wavestone has worked with the firm I Care & Consult since 2013. Wavestone SA carried out its first carbon audit in 2012/13 fiscal year, using the Bilan Carbone® approach developed by the French Environment and Energy Management Agency, ADEME. An environmental reporting procedure, in accordance with Articles 75 and 225 of Grenelle II, was also set up in 2012/13.

The processing and analysis of environmental data is supervised by I Care & Consult. Data collection is monitored by a contact within Wavestone, in charge of gathering and consolidating all information from contributors identified in the departments concerned (IT, Pay, etc.).

##### Societal data

Societal reporting is mainly qualitative. This is overseen by the Human Resources Development Department, working in tandem with the specific contributors in the various departments.

##### Exclusions

In this report, Wavestone publishes qualitative and quantitative data on all the social, environmental and societal themes required by the implementing decree of Article 225 of the Grenelle II Law.

Note however, that in accordance with the "comply or explain" rule provided by law, information considered not relevant and

therefore not applicable to the Company because of its exclusively intellectual activity, is not included in this report. These exclusions mainly concern environmental information (see appendix “Concordance Table: pursuant to decree 2012-557 of 04/24/12 Grenelle II”), and societal information on topics relating to consumer health and safety, as well as actions to promote human rights.

#### 4.4. Control methods

##### Internal control

Data is initially assessed by the HR manager who reports to the HR Department.

Once data consolidation has been completed, data consistency checks are performed by the departments concerned. These checks include comparative analysis with data from previous years, and differences considered to be significant are systematically analyzed.

##### External control

Under the new regulatory provisions of the Grenelle II Law, its implementing decree, and the order of 05/13/13, Wavestone commissioned the firm FinexFi, a designated independent third-party, to audit its social, environmental and societal information for 2016/17 fiscal year. The subsequent audit report is presented below.

### 5. Independent auditor's certificate of presence and report on the Company's social, societal and environmental information

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

Following the request made to us by Wavestone SA and in our capacity as an independent third-party organization accredited by COFRAC under no. 3-1081 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), we submit to you our report on the consolidated corporate social responsibility information presented in the management report written with regard to the period ending 03/31/17 pursuant to Article L.225-102-1 of the French Commercial Code.

##### Company responsibility

It is the duty of the Board of Directors to prepare a management report including the consolidated corporate social responsibility information referred to in Article

R.225-105-1 of the French Commercial Code (hereinafter the “Information”) and prepared in accordance with the guidelines (the “Guidelines”) used by the Company and available on request at the Group's registered office, a summary of which appears in the methodological note available on the Group's website.

##### Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession, and the provisions of Article L.822-11 of the French Commercial Code. Furthermore, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

##### Third-party assurance report

It is our role, based on our work:

- To attest whether the required CSR Information is present in the Management Report or, in the case of its omission, that an appropriate explanation has been provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code and Decree no. 2012-557 of 04/24/12 (Attestation of presence of CSR information);
- To express a limited assurance on whether the CSR information is presented, in all material aspects, in accordance with the Reporting Criteria.

##### Attestation of presence of CSR Information

We conducted the following procedures in accordance with professional standards applicable in France:

- we compared the Information presented in the Management Report with the list as provided for in Article R.225-105-1 of the French Commercial Code;
- we verified that the Information covers the consolidated perimeter, namely the Company and its subsidiaries as aligned with the meaning of Article L.233-1 and the entities which it controls as aligned with the meaning of Article L.233-3 of the French Commercial Code;
- in the absence of certain consolidated information, we have verified that explanations were provided in accordance with the provisions of Decree no. 2012-557 of 04/24/12.

Based on this work, and given limitations mentioned above, we confirm the presence in the Management Report of the required CSR Information.

##### Opinion stating reasons on the accuracy and fairness of the CSR Information

###### Nature and scope of our work

We conducted the work in accordance with the standards of professional practice applicable in France, with ISAE 3000

and with the decree of 05/13/13 stating how the third-party independent organization is to carry out the assignment.

Our work was carried out between 05/09/17 and 05/19/17, for a period of about six person-days. We conducted five interviews with the persons responsible for preparing the CSR.

We made the following works:

- assess the appropriateness of the Guidelines in terms of their relevance, completeness, neutrality, comprehensibility and reliability, taking into consideration best practices, if any, in the sector;
- verify the implementation within the Group of a process for collecting, compiling, processing and checking the CSR Information with regard to its completeness and consistency. We reviewed the internal control and risk management procedures relating to the preparation of the CSR Information.

We identified consolidated information to test and determined the nature and extent of tests, taking into account the importance of the information in question in relation to the social, societal and environmental consequences of the activity and the characteristics of the Group, its CSR objectives and best practices in its sector.

For the CSR Information we judged to be most important at the level of the consolidating entity:

- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.);
- we carried out analytical procedures on the quantitative information and, based on sampling, verified the calculations and the consolidation of the data;
- we carried out detailed tests based on sampling that consisted of verifying the calculations made and comparing them with the data in the supporting documents, and we verified their consistency with the other information contained in the management report.

For the other consolidated CSR Information, we judged its consistency in light of our knowledge of the Company.

Finally, we judged the validity of any explanations given as to the total or partial absence of certain information.

It is our belief that the sampling methods and sample sizes we used in exercising our professional judgment allow us to draw a conclusion of moderate assurance. A higher level of assurance would have required a more extensive review.

Our work covered on average 50% of the consolidated value of the numerical indicators in the employment portion and 50% of the consolidated value of the numerical indicators in the environmental portion.

Due to the use of sampling techniques as well as to the limitations inherent in the operation of any information and internal control system, the risk of not detecting a material irregularity in the CSR Information cannot be totally ruled out.

#### Comments on the Information

Social qualitative information mainly come from the Group database for which internal control is strong.

#### Conclusion


Based on our work; we have not identified any significant misstatement that causes us to believe that CSR Information, taken together, have not been fairly presented, in accordance with the Reporting criteria.

Lyon, May 31, 2017

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