

# WAVESTONE



## Corporate Social Responsibility Report 2017/18





# LIVING AND DISSEMINATING OUR OWN VALUES

Having introduced its CSR approach in 2011, Wavestone injected new energy into that commitment during 2017 by including CSR as one of the four central challenges of the Wavestone 2021 strategic plan.



## INTERVIEW

Séverine Hassler, CSR Manager

### WHAT IS THE CONTEXT IN WHICH THE WAVESTONE CSR APPROACH OPERATES?

**S.H.** Over recent years, we've launched many different CSR initiatives, but they'd become too dispersed. We saw the launch of the Wavestone 2021 strategic plan as an excellent opportunity to restructure our CSR policy with the aim of putting our company in the Top 3 consulting firms by CSR rating every year. In 2017, we topped the Gaia Rating for companies in our segment. In July 2017, we decided to launch an invitation for tenders to review our CSR approach and breathe new ambition into it in ways that would be fully compatible with our strategic plan.

### HOW DID THIS 2.0 CSR APPROACH COME TO BE?

We worked with two specialist consulting firms—Des Enjeux Et Des Hommes and Ékodev—to conduct a flash audit of where we were, and quickly confirm our strengths (our HR strategy), and the areas in which we need to improve (diversity, equal opportunities, disability, etc.). On the basis of those findings, our steering committee defined a series of key priorities to act as a framework for the next phase of consideration and discussion. It was absolutely essential that this new policy reflect the values of our employees so that it would integrate naturally and directly into the way we work. In January 2018, we launched a major consultation via Yammer, our company social media

**S.H.**

## INITIATIVES

## Wavestone introduces its own Disability Award

**The first Disability Award by Wavestone achieved all its goals, especially that of starting a conversation around the issues of disability and raising the awareness of all employees to the issues by involving them in the selection process.**

Initiated by a team of employees that included consultant Alexia Bros, the adventure of the first Disability Award by Wavestone was sparked by the desire to raise the profile of disability issues within the company, and raise the profile of the firm among its student target group. The contest format, which Alexia had previously experimented with during her own time as a student, encouraged a spirit of competition that dovetails with the Wavestone philosophy of seeking out ideas and solutions wherever they may be found. Having reached out to all its target educational institutions and their non-profit associations, fifteen Disability project entries were received, and, together with their feasibility studies, were voted on by employees via Yammer, the company social media network.

**“It’s an excellent employee initiative, especially since it addresses the issue of disability, which is one of our priorities for 2021 and an area where we are committed to raising employee awareness.”**

Séverine Hassler

The nine nonprofits that received the most votes were then invited to present their projects at the competition final. The Disability Award of a €2,500 grant was awarded to the Trimmersion project submitted by Triathlo Audencia, a nonprofit that works to raise awareness of sports opportunities for disabled children using virtual reality headsets to deliver an immersive experience of what it is like to be a disabled athlete. The Special Judging Panel Award of a €1,500 grant went to the Handiamo project developed by Atlantique Sans Frontières, the nonprofit based at the IMT Atlantique engineering graduate school, for its project to create tourist itineraries for disabled travelers.

network. We didn’t really expect such a level of enthusiasm: with hundreds of likes, comments, suggestions, and counter-proposals, Wavestone employees got to grips with this subject. There was so much commitment demonstrated that we organized face-to-face workshops at nine locations involving more than 300 participants to prioritize the proposals going forward.

**“This new approach to CSR has motivated Wavestone employees to get involved on a scale way beyond our expectations, and that’s something we’re particularly proud of!”**

### HOW IS THIS NEW APPROACH STRUCTURED?

S.H. It is built around four priorities and seven structural commitments:

- To be a responsible employer: at Wavestone, this means facilitating the development and self-fulfillment of our people, and by implementing practical initiatives that promote diversity and equal treatment from the recruitment process onward.
- To be a trusted partner whose commitment is proven through compliance with strict rules governing transparency, business ethics and data security, and through the relationships we build with our suppliers
- To have a positive social footprint by succeeding in the challenge of limiting the environmental impact of our business activities and supporting projects that create value for the wider society
- Lastly, and a new priority introduced because we firmly believe that it is the right thing to do, we want to be a consulting firm with real and tangible commitment

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## INITIATIVES

### **Wavestone For All tackles the issues of gender and diversity for the benefit of all**

**Brought together by a group of employees in October 2017, the Wavestone For All network seeks to address the issues around gender and diversity to drive progress on these issues within the company for all of its people.**

To deliver its mission of combating discrimination and promoting diversity, the network focuses on three key challenges:

- Providing practical responses to employees on handling the everyday issues that surround respecting differences, equality and multiculturalism.
- Making diversity an effective lever for innovation and performance that benefits the firm.
- Contributing to the overall CSR approach by kick-starting initiatives and discussion around these issues.

#### **WHAT DOES IT MEAN TO BE A COMMITTED CONSULTING FIRM?**

**S.H.** In terms of the way we work, it means integrating CSR challenges into our consulting practice. It is essentially the logical extension of our value system. We believe in our commitments, so it seems only natural that we should make them a reality in our consulting assignments, and make our employees CSR ambassadors for our clients. It is also about our conviction: being responsible means taking action at our own level to change society and the world we live in. Our best route to action is to use our consulting expertise to disseminate these values.

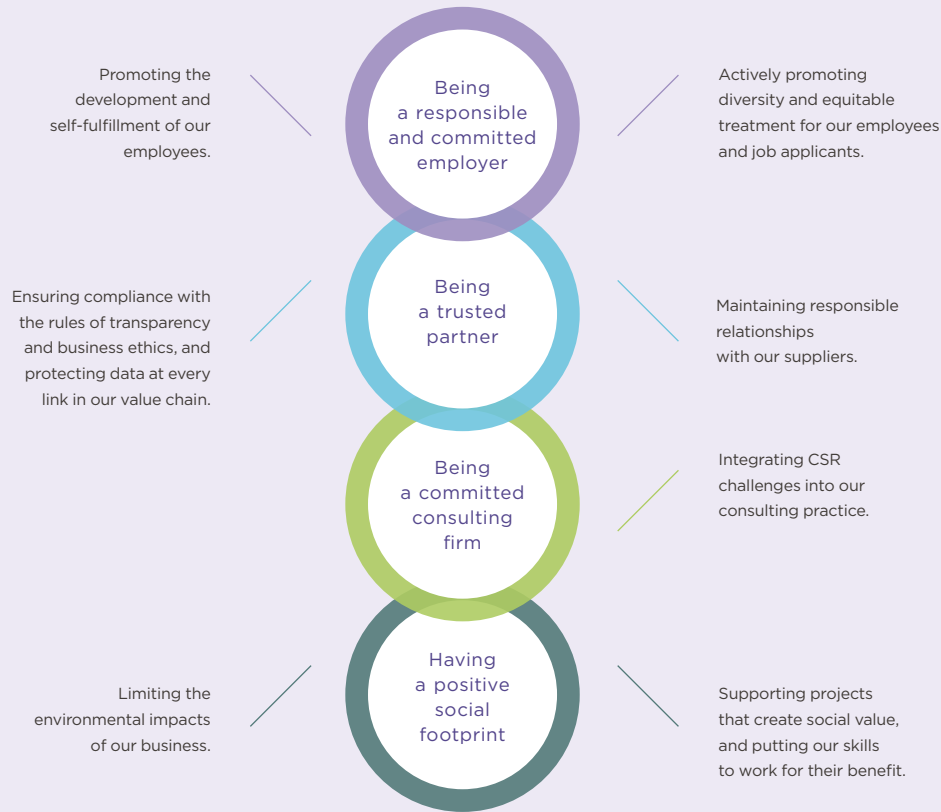
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This requires us to go further than our own specific area of responsibility to have a positive impact on the individual companies we interact with through our actions. Naturally, this requires us to train 100% of our employees in what CSR means in practice, but the appetite for that is already there, the conviction is already shared and that is essential. Giving everyone the freedom and resources to change the world in modest ways enables our employees to make it happen and make their own useful contribution.

#### **HOW IS THIS PROCESS DELIVERED?**

**S.H.** Following the consultation process launched in January 2018 and the clear formulation of priorities and commitments, we have set out a series of goals for 2021 that provides this process with a timeframe and tangible criteria. Each work stream is entrusted to a team of two, whose role is to ensure a successful action plan, and to guide working groups of volunteer employees to achieve all the goals and targets set. The first half of fiscal 2018/19 will be devoted to these next steps, but we already have many initiatives that make CSR a daily reality within the firm, and are driving forward the process of building momentum. We hope to see it flourish further, but I have no doubt that our employees will apply all their enthusiasm to delivering this major corporate project.

## A NEW CSR APPROACH: 4 PRIORITIES & 7 COMMITMENTS



## 8 PRIORITY GOALS FOR THE PERIOD TO 2021:

### Goal for 2021

### Current performance

To have the same proportion of women in operational and line management posts as we do among our staff	<b>30%</b> and <b>36%</b> respectively at 03/31/2018
To achieve 30% representation of women on the Executive Committee	<b>17%</b> at 03/31/2018
To triple the number of disabled employees	<b>11</b> at 12/31/2017
To have trained 100% of employees <sup>1</sup> in business ethics	No training in place
To have trained 100% of employees <sup>1</sup> in data protection	<b>70%</b> of new recruits at 03/31/2018
To do business within the framework set out by a clear and responsible conviction governing our choices of assignment and client	No conviction in place
To prepare a responsible consulting charter and train 100% of employees <sup>1</sup> in its application	No charter in place
To devote 1% of the firm's time to supporting social organizations	Approximately <b>0.2%</b> at 09/01/2017

<sup>1</sup> Employees who have worked with the firm for at least one year

# 2017/18 Management Board Report - Corporate Social Responsibility Report

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 performance in accordance with Article 225 of the French law no. 2010-788 dated 07/12/10 (known as the "Grenelle II" law) and its implementing decree;
3. Other CSR information (economic responsibility);
4. The methodology note regarding Wavestone's 2017/18 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 the corporate section of Wavestone's Registration Document, and on the "Corporate Social Responsibility" page of the Company's website under the "About us" section: [www.wavestone.com](http://www.wavestone.com)

Wavestone was created following the merger between Solucom and the European activities of Kurt Salmon in January 2016. The 2017/18 fiscal year was Wavestone's second year of non-financial reporting, in accordance with the "Grenelle II" regulatory framework. Unless indicated otherwise, this report traces the comparability of quantitative data for the past fiscal year. 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 body.

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

Launched in 2011, Wavestone's CSR approach is based on three main objectives:

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

Corporate Social Responsibility is one of the 4 key challenges defined in the "Wavestone 2021" strategic plan drawn up in December 2016. 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.

Given the strategic nature of this challenge, during the 2017/18 fiscal year, the firm carried out an audit of its CSR approach which led it to redefine its CSR strategy based on 4 key areas and 7 commitments. Wavestone is strongly committed to involving its personnel in the firm's development and, in January 2018, consulted its employees to validate the proposed areas of focus and develop the related action plan. This survey involved over 25% of the firm's employees worldwide.

The first half of the 2018/19 fiscal year will be dedicated to implementing this new approach.

## A new CSR approach: 4 key areas and 7 commitments



**Be a responsible employer**

Foster the development and personal fulfillment of our employees

Promote diversity and equal treatment among our employees and candidates



**Be a trustworthy partner**

Ensure compliance with ethical transparency rules and protect data across our value chain

Maintain responsible relations with our suppliers



**Be a committed Company**

Integrate CSR challenges into our consultancy approach



**Have a socially positive impact**

Limit the environmental impact of our activity

Support projects that create social value and use our skills to help them progress

Alongside the “Wavestone 2021” strategic plan, the Company has decided to base its action plan on 8 main objectives:

<b>2021 objectives</b>	<b>Current performance</b>
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 36% respectively at 03/31/18
Achieve 30% representation of women on the Executive Committee	17% at 03/31/18
Triple the number of employees with disabilities	11 at 12/31/17
Have trained 100% of employees <sup>(1)</sup> in business ethics	No training
Have trained 100% of employees <sup>(1)</sup> in data protection	70% of new recruits at 03/31/18
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	No policy
Draw up a responsible charter of advice and train all employees <sup>(1)</sup> in its application	No charter
Devote 1% of the firm’s time to supporting organizations with a civic mission	Approximately 0.2% at 09/01/17

(1) Employees who have been with the Company for at least 1 year.

N.B.: As the 2017/18 fiscal year was mainly devoted to defining the new CSR strategy, Wavestone carried out priority actions consistent with its initial areas of commitment: to be a responsible and committed employer; to guarantee our stakeholders compliance with strict rules in terms of governance, transparency and ethics; to promote equal opportunities and non-discrimination; and limit the Company’s carbon footprint.

(For more details, see Chapter 1 of Wavestone’s Registration Document).

### 1.1. CSR governance 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 Management Board, the CEO of Wavestone SA, 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, the Head of CSR and the CSR Sponsor (Partner).

This Committee is in charge of defining Wavestone’s CSR policy and monitoring the Company’s social, societal, environmental and economic performance.

### Operational organization

At the operational level, Wavestone’s CSR strategy is implemented by a CSR manager 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 each project, the manager has access to an internal support network of specialists within the various entities or departments concerned.

#### CSR strategy monitoring

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

### 1.2. CSR awards and labels

In 2017/18, Wavestone received several awards for its actions in terms of CSR.

- **Gaïa Index:** this SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies based on their level of implication in terms of non-financial transparency and sustainable development performance (CSR policy, HR management, management of environmental impact, etc.). In 2017, Wavestone came first 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 2017, Wavestone obtained a “Silver” level rating from Ecovadis, with a score of 60/100.
- **Great Place to Work®** label awarded by the Great Place to Work France Institute. Based on an internal survey involving all of the Company’s employees and an assessment of its HR practices, this label recognizes companies that create a positive work environment. For its second year taking part, Wavestone ranked among the top 5 best companies in France with more than 500 employees. 78% of its employees considered it was a Great Place to Work®.
- **Happy Trainees** label awarded by Meilleures-Entreprises.com. Based on an anonymous satisfaction questionnaire addressed to the interns of the companies being assessed, this independent label rewards firms for how they welcome, accompany and monitor their trainees. In 2017, Wavestone was awarded the label in the category of companies who recruit more than 100 interns a year.
- **Happy Candidates** label awarded by Meilleures-Entreprises.com. This independent label values those companies that provide the best welcome to candidates during their recruitment process. Based exclusively on the candidates’ opinions, this label rewards the quality of the application process based on 4 criteria: the quality of the recruitment process, the reputation of the company, the accessibility of information concerning the company, and the quality of the welcome received. Wavestone was awarded the label for the first time in 2017/18.
- **Employees’ Choice Award** presented by Glassdoor. This award recognizes companies and “outstanding leaders” in every corner of the world. The Glassdoor Employee Choice Awards are entirely based on anonymous employee feedback and recognizes the best employers and most valued CEOs. Wavestone ranks third among companies employing 1,000 or more employees with a score of 4.3 out of 5 in 2018. Wavestone’s Chairman Pascal Imbert ranked third in Glassdoor’s list of Top CEOs for 2017 in France.
- **LinkedIn’s list of Top Companies:** this unique list is based on LinkedIn data, which is used to select the 25 most attractive employers in France. It is based on 3 main factors: job offers, members’ commitment to the content distributed by the company and the employee retention rate. In 2017, Wavestone made the list for the first time, coming in among the Top 20.
- **Corporate Governance Grand Prix:** the Corporate Governance Grand Prix Awards are presented each year to issuers that meet the level of excellence demanded by investors, both in terms of transparency and the effective implementation of best practices. A jury of specialists draws up several lists of nominees based on major governance criteria and then submits them to a vote by approximately 100 professionals with recognized expertise in the field. In 2017, Wavestone was awarded the Silver Governance award in the Mid-Cap Corporate Governance category.
- **ISO 27001 Certification** Information security management system. Obtained in September 2014 for a period of 3 years, and renewed in September 2017 as part of security audit and digital investigation services for information systems at the Paris and Nantes sites.

### 1.3. CSR commitments

- **Global Compact:** In 2017/18, 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 is committed to promoting parenthood-related representation within the Company, creating a working environment that is conducive to working mothers and fathers, and respecting the principle of non-discrimination in the professional development of parents in the workplace.
- **The “Elles Bougent” Association:** Since 2016, Wavestone has been a partner of the “Elles Bougent” association to promote professional equality between men and women. The association’s 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 topics between students and engineers within the association.
- **The Villebon Institute:** Wavestone has been a sponsor of the Villebon-Georges Charpak Training Institute since 2012. This socially-responsible initiative is supported by the ParisTech Foundation, higher education bodies (business schools and universities) and socio-economic players. This undergraduate training institute issues Bachelor degrees in “Science and Technology”. Students can then pursue a Master’s degree or enter an engineering school.



## 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 challenges. 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 method are provided in paragraph 4. In accordance with the methodological principals defined in 2012/13, non-financial reporting does not cover acquisitions completed during the fiscal year<sup>(1)</sup>. Wavestone's 2017/18 reporting scope therefore includes all of the Company's subsidiaries.*

### 2.1. Social information

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

#### HR Development Department organization

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;
- a recruitment team in charge of carrying out the firm's recruitment strategy;
- a personnel management team, in charge of pay and administrative management operations; and
- a team focused on facility management and conditions in the workplace.

*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 03/31/18, Wavestone's total workforce stood at 2,793 employees, up 6.3% on the previous year (2,628).

The Company's workforce at 03/31/18 breaks down as follows:

- 61.5% of employees are under 30 years of age;
- 36.4% of employees are women;
- 90.5% of employees are based in France;
- 82.7% of employees are based in the Paris region (Wavestone head office);
- 2,727 permanent employment contracts, accounting for 97.6% of the total workforce;
- 66 non-permanent employment contracts, of which 59 are apprenticeship contracts;
- 3 job categories - consulting; sales; back office.

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

##### Breakdown by gender

(% of total workforce)	At 03/31/18	At 03/31/17	At 03/31/16
Men	63.6%	64.0%	65.9%
Women	36.4%	36.0%	34.1%
Consultants			
Men	67.4%	68.4%	70.3%
Women	32.6%	31.6%	29.7%

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

*For more details, see paragraph 2.1.7 "Equal opportunities" of this report.*

##### Breakdown by age

The average age of Wavestone's workforce at 03/31/18 remained unchanged at 32 years. The following table gives a breakdown of the Company's workforce by age:

(% of total workforce)	At 03/31/18	At 03/31/17	At 03/31/16
18-25 years	13.5%	13.7%	15.3%
25-30 years	48.0%	45.5%	48.7%
30-50 years	32.1%	34.5%	30.0%
> 50 years	6.4%	6.3%	6.0%
o/w less than > 55 years	2.7%	2.5%	2.3%

(1) Acquisitions were completed in 2017/18.

### Average length of service

The average length of service at 03/31/18 for all job positions remained unchanged year-on-year at **4.5 years**.

	2017/18	2016/17	2015/16
Total Group	4.5 years	4.5 years	5.3 years
Consultants	4.2 years	4.2 years	5.1 years

### Breakdown by geographic region

Since July 2016, all the Company's Parisian teams work at the Paris La Défense site. Wavestone has 3 other French offices - in Lyon, Marseille and Nantes - and 7 offices abroad: Casablanca (Morocco), London (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York (USA) and Hong Kong.

(% of total workforce)	At 03/31/18	At 03/31/17	At 03/31/16
Paris region	82.7%	82.6%	91.8%
Regional offices	7.8%	7.8%	6.4%
International	9.5%	9.5%	1.9%

### Breakdown by job category

The breakdown by job category (consulting, sales and back office) of the Company's workforce is given in the table below:

(% of total workforce)	At 03/31/18	At 03/31/17	At 03/31/16
Consultants	89.0%	88.0%	86.9%
Sales teams	3.0%	3.0%	3.7%
Back office personnel	8.0%	9.0%	9.4% <sup>(1)</sup>

(1) The firm's support function staff includes 12 employees with work-study contracts who work on consulting missions.

At 03/31/18, Wavestone employs 2,482 consultants, of which 29 on skills-acquisition or work-study contracts.

### 3) Recruits 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 250 trainees every year (in the form of sabbaticals, end-of-studies internships, apprenticeships and work/study programs). For example, in 2017/18, 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 the process for all new employees, and benefit from the same integration and support program.

Wavestone regularly hosts "Wavestone Connect soirées" in prestigious venues in the heart of Paris to give selected candidates the chance to get to know the firm first hand. There they can meet the firm's top executives and managers in a warm, friendly atmosphere and talk to Wavestone employees about their missions, the values of the firm and its growth prospects. Ten "Wavestone Connect" soirées were held throughout 2017/18.

#### Breakdown of consultant hiring by type of diploma

	2017/18	2016/17	2015/16
Business schools (%)	43.3%	42.0%	32.0%
Engineering schools (%)	31.2%	38.0%	53.0%
Universities (%)	25.5%	20.0%	15.0%

(1) Employees recruited at our international offices are all indicated under "universities" because there is no equivalent of business or engineering schools. In France, 44.7% of the consultants recruited come from business schools, 33.8% from engineering schools and 21.5% from universities.

## Details of personnel recruits and departures (excluding internships)

Personnel recruits and departures during the 2017/18 fiscal year are shown below:

	2017/18		2016/17	
	Number	%	Number	%
<b>Recruitment</b>				
<b>Total external recruitment (excluding internal mobility transfers)</b>	<b>785</b>	<b>100%</b>	<b>736</b>	<b>100%</b>
<i>o/w permanent employment contracts</i>	722	92.0%	689	93.6%
<i>o/w temporary employment contracts:</i>	63	8.0%	47	6.4%
- <i>of which long term</i>	14		8	
- <i>o/w skills-acquisition and work-study contracts</i>	49		39	

	2017/18		2016/17	
	Number	%	Number	%
<b>Staff departures</b>				
<b>Departures (excluding internal mobility)</b>	<b>620</b>	<b>100%</b>	<b>619</b>	<b>100%</b>
<i>o/w resignations</i>	455	73.4%	459	74.2%
<i>o/w end of temporary contracts (work/study programs and apprenticeships)</i>	46	7.4%	40	6.5%
<i>o/w suspension of trial periods</i>	90 <sup>(1)</sup>	14.5%	74	11.9%
<i>o/w redundancies</i>	23	4.2%	26	4.2%
<i>o/w employment-contract termination by mutual consent</i>	1	0.2%	10	1.6%
<i>o/w retirement</i>	3	0.5%	8	1.3%
<i>o/w deaths</i>	2	0.3%	2	0.3%
<b>Departures of permanent employees</b>	<b>573</b>		<b>578</b>	

(1) Of which end of trial period for an apprenticeship contract.

During the 2017/18 fiscal year, Wavestone recruited 633 permanent employees (excluding end of trial period and internal mobility transfers) and 26 part-time employees were taken on by the Company in France.

### Staff turnover

Wavestone's yearly personnel turnover rate (the number of resignations divided by the total workforce at year end) was 16.3% for the 2017/18 period.

	2017/18	2016/17	2015/16
Staff turnover (%)	16.3%	17.5%	10.3%

## 4) Compensation and salary trends

### Pay policy

As part of the creation of Wavestone, the Company's pay policy in France was reviewed during the 2016/17 fiscal year and became applicable as of 04/01/17.

### Structuring principles of the new pay policy

Wavestone's pay policy is based on three principles:

- **One wage grid for all consulting activities**

Wavestone has chosen to adopt the same wage grid for every consulting activity. For each grade within "Wavestone Horizon" (Wavestone's professional development tool), there is an associated wage package.

- **A competitive pay policy**

In a competitive market, having a competitive pay policy is essential for the Group to attract and retain the best talent. This policy is based on management consulting market practices (annual benchmark).

- **Commitment to ethics and transparency**

In France, all of the rules regarding pay policy (starting salary, packages per grade, bonus calculation, etc.) are published on the Wavestone corporate website.

Wavestone has implemented a standardized salary framework for all its employees, including experienced new recruits, and notably commits to applying a coherent pay policy for personnel members with similar career paths.



## Employee profit-sharing

Employee profit sharing, calculated on the basis of the statutory formula, totaled €5,946k in the 2017/18 fiscal year, compared with €4,402k in 2016/17.

For 10 years, Wavestone employees have been able to acquire a stake in the Company in the form of bonus shares granted by the firm when profit sharing is paid out. As such, employees choosing to invest all or part of their share will receive bonus shares two years later, if they are still an employee of the Company and have not sold their Wavestone Actions Fund units.

For the past 3 years, over 50% of employees have chosen to invest all or part of their share in the Wavestone Actions Fund.

Not only does employee shareholding provide bonus shares, it also gives employees a sense of pride in their company.

## 2.1.3. Social relations

### 1) Organization of social dialogue

In France, Wavestone is made up of the 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)	Union Representatives
Wavestone SA	X	X	
Wavestone Advisors	X	X	X

Social actions are managed by the Group's Works Councils (WCs), and mainly consist of sports and cultural activities.

For example, the Group's WCs organized a 3-day skiing weekend open to all employees in January 2018 at Alpe d'Huez, in France. 720 employees attended, 33% more than in 2016/17. Another weekend was due to be organized in Nice in June 2018. The WCs also set up numerous clubs where employees can play a sport or carry out some form of cultural activity (photography, massage, cooking, music, etc.) in a relaxed and enjoyable atmosphere.

## 2.1.2. Organization of work

### 1) Organization of working time

Since 07/01/17, all of Wavestone's employees in France fall into one of the following three working-hour categories: category 1 - 37 hours/week, with 10 paid days off per year (ATTs<sup>(1)</sup>); category 2 - a fixed number of 166hrs 42mn per month and 218 days a year, including "Solidarity day"; and category 3 - a fixed number of 218 days per year, including "Solidarity day".

### 2) Absenteeism

Wavestone's absenteeism rate in France was 2.3% for the 2017/18 fiscal year, 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.

The employee representative bodies are currently organized into four separate groups. Starting from the next professional elections in May-June 2018, all Wavestone employees in France will elect the members of the future SEC: Social and Economic Committee. This SEC will replace the three employee representative bodies that previously existed: the Works Council<sup>(2)</sup>, the Hygiene, Safety and Working Conditions Committee (HSWCC), and the Staff Representatives.

(1) Organization of Working Time.

(2) The WCs of the Wavestone SA and Wavestone Advisors.

### Meetings between management and employee representative bodies held in 2017/18 by scope

Wavestone SA	Meetings with the WC	Meetings with the SR	Wavestone Advisors	Meetings with the WC	Meetings with the SR
Number of meetings	15	7	Number of meetings	15	7
	<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
- Consultation on the commercial sector's benchmark packages

#### 2) Review of collective agreements signed

Agreements presented in 2017/18, plus date of signature:

- within Wavestone SA:

2017/20 three-year agreement on gender equality and quality of life in the workplace	07/28/17
Addendum to the Group profit-sharing agreement: inclusion of Wavestone Advisors in the Wavestone Group's profit-sharing agreement	06/26/17
Agreement on the implementation of a Social and Economic Committee	02/22/18

- within Wavestone Advisors:

Agreement on working hours	03/24/17
Addendum to the Group profit-sharing agreement: inclusion of Wavestone Advisors in the Wavestone Group's profit-sharing agreement	06/26/17
Addenda relating to the inclusion of Wavestone Advisors in the Group's Savings Plan (PEG) and its retirement savings plan (PERCO)	07/04/17
Agreement on the implementation of a Social and Economic Committee	02/22/18
Addendum to the PEG rules: collective transfer of employee savings	03/07/18
Agreement on the adoption of the electronic vote	03/21/18
Agreement on the Mandatory Annual Negotiations (MAN)	03/26/18

#### 2.1.4. Health and Safety

##### 1) Health and safety conditions in the workplace

##### The Hygiene, Safety and Working Conditions Committee (HSWCC)

Wavestone SA and Wavestone Advisors each have a Hygiene, Safety and Working Conditions Committee, which each held 4 ordinary meetings and 2 exceptional meetings in 2017/18.

The HSWCC is involved in actions to prevent occupational risks and improve working conditions. 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

For more than four years, Wavestone has also employed an occupational nurse on a full-time basis (from Monday through Friday) at the Company's head office, who works alongside 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 trials and securing an agreement between the WCs and HSWCC of Wavestone SA and Wavestone Advisors, teleworking was rolled out in all the Group's offices in France

All Wavestone employees with at least 6 months' seniority are entitled to work remotely, either on a regular basis (up to 2 days per week) or occasionally (up to 3 days per month), provided their jobs are compatible. Occasional teleworking does not require managerial approval but must be declared on a dedicated platform. To take special situations into account, some employees may benefit from a regular

teleworking arrangement of more than 2 days per week. This principle applies in particular to pregnant women and individuals with disabilities.

In France, the review conducted one year after its implementation shows positive results:

- employees are aware of the teleworking system and make use of it; almost 1,200 employees (50% of Wavestone's headcount) have benefited from occasional teleworking;
- it improves the work-life balance;
- it reduces the firm's environmental footprint by reducing the number of trips made by employees.

Teleworking is very common in London and Geneva.

A teleworking system equivalent to that in France has also been set up in Luxembourg since early 2018.

## 3) Occupational accidents and illness

### France

	2017/18	2016/17	2015/16
Number of occupational accidents	25	23	20
<i>o/w commuting accidents</i>	11	15	11
Number of occupational illness declared	1	0	0
Rate and frequency of occupational accidents <sup>(1)</sup>	2.3	2.7	4.6
Severity rate of occupational accidents <sup>(2)</sup>	0.02	0.05	0.094

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

(2) Number of days lost due to an occupational accident per 1 thousand hours worked.

Out of 25 occupational accidents reported in 2017/18, 10 resulted in time off work on medical grounds.

### 2.1.5. Wellness in the workplace

Ensuring a high-quality working environment and work-life balance for its employees is an integral part of Wavestone's human resources policy.

The Company strives to ensure that its employees benefit from a daily working environment that is both pleasant and conducive to their professional development.

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

##### Office premises: the AIR project

To enhance the quality of the working environment for its employees and to strengthen relationships between teams at all levels, Wavestone developed a new design concept for its offices in 2015. The "AIR" project as it is known has been implemented in the offices in Paris, Nantes, Lyon, Marseille,

London, Luxembourg and New York, and is set to be rolled out to all of the Group's offices.

It aims to inject more flexibility, comfort, creativity and exchange into the way we work.

The main features of the "AIR" project are:

- standardized workstations allocated to all employees (no free seating);
- open-plan work areas featuring glass walls to ensure a constant flow of natural sunlight;
- a noise-canceling environment thanks to the choice of fittings at the start of the project (suspended, sound-proofed ceiling tiles, specific furniture, etc.), service centers for printers and similar equipment, and dedicated spaces for employees seeking a quiet, isolated place to work (the Quiet Room, My Boxes, etc.);
- a wide range of working areas: 8 types of meeting rooms for as many types of group sessions in France (meeting rooms for 4 to 16 people, My Box, Teambuzzer, Project and Visio rooms, etc.);



- special facilities on each floor of the head office: IT Bar, “CreaPlace” creativity center, video studio, etc.;
- new technologies are central to the project: digital signage screens, meeting room touch-screen booking terminals, video-conferencing equipment, etc.

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

### Flexible working arrangements

#### • Teleworking

All Wavestone employees in France with at least 6 months’ seniority are entitled to work remotely, either on a regular basis (up to 2 days per week) or occasionally (up to 3 days per month), provided their jobs are compatible. Occasional teleworking does not require managerial approval but must be declared on a dedicated platform. To take special situations into account, some employees may benefit from a regular teleworking arrangement of more than 2 days per week. This principle applies in particular to pregnant women and individuals with disabilities.

A similar teleworking system has also been set up in Luxembourg since early 2018.

#### • Flexible leave

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

Wavestone pays particular attention to its employees’ remaining vacation and ATT days and sends them an individual email indicating the amounts of days left.

#### • Meeting schedules

The Company raises employee awareness of the importance of scheduling regular Meetings during standard working hours, namely between 9.30 a.m. and 6.30 p.m.

#### • Right to switch off

Employees are entitled to switch off the remote communication devices provided by their company.

There is no obligation to reply to emails and calls received on non-working days (weekends, paid leave, ATT days, public holidays, sick-leave days) and outside normal working hours.

Emails sent or calls made on a non-working day or outside normal working hours must only be sent in emergency situations, and therefore be exceptional.

Wavestone’s management and HR teams ensure that employees’ right to switch off is respected by the various 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 achieve a healthy work-life balance.

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 its employees with children/expecting a child to find creche places via the Babilou network (more than 400 creches in France) and its partner network, “1001 Crèches” (over 1,500 creches). In 2017/18, Wavestone financed 74 cribs for its employees’ children. The Company did not turn down any requests.

#### Childcare leave

Personnel members with one or more children aged 12 years and under may take up to 3 paid days of leave per child each year. These days may 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 specific topics such as “How to get your children to obey right away”, “Homework: How to help your children while working” or “How to peel your children away from the screen”. Six workshops and one conference were held during the 2017/18 fiscal year in Paris, and were accessible by videoconference for employees in the regional offices or not present at headquarters.

#### 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.

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

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

To ensure a smooth return to work, full-time employees may work part-time (4 out of 5 days) with full-time pay during their first two weeks back.

### Flexible working hours during pregnancy

Pregnant personnel 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 heavy 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

Wavestone's is committed to maintaining strong cohesion within its teams and to rallying its employees around the company's mission. The Company has adopted an operating approach that involves management regularly asking all teams for their ideas and opinions and taking them into account in its decisions. This process allows new initiatives to emerge regularly, creating value for the firm and its employees. It is within this framework, for example, that some of Wavestone's assets (Creadesk, The Faktory, Machine Learning & Data Lab, Shake'Up) were developed.

### Collective exchange of views

The Group's employees were involved in the various stages of the creation of Wavestone's CSR strategic plan. Over a three-week period, a major survey was conducted via an internal network among all employees to gather ideas for CSR actions. This survey yielded over 200 ideas and involved 25% of the Company's employees. Twelve workshops were subsequently held in nine offices abroad. More than 300 employees were called upon to identify and develop the ideas proposed (in France and abroad) during the consultation phase.

In addition to these construction projects, several initiatives proposed by employees were launched in 2017/18.

They included:

- the Company's first intrapreneurship competition, "The Idea", was launched in September 2017. The concept is simple: to help reveal our employees' best ideas and then help them to become a reality. In total, the competition

gathered over 2,600 votes on the Company's social network. Following the initial selection, 10 finalists were invited to pitch their idea to a jury. Three of them were then selected to launch a pilot of their project in 2018.

- The second edition of the Wavestone Hackathon was organized in February 2018, aimed at testing chatbot technology and prototyping innovative solutions to transform tomorrow's professional experience. Roughly 60 Wavestone employees and 15 students had 36 hours to transform their idea into a functional prototype, helped by about thirty coaches and experts in various fields. The winning team designed a chatbot designed to facilitate access to all the Company's HR information. It is set to be developed for the summer of 2018. This innovative approach is also used by Wavestone's consultants during client assignments.

### Convivial social events

Numerous opportunities are organized for employees to meet and exchange ideas with their colleagues: integration seminars, team meetings, practice forums, etc.

Several social events are also held throughout the year: free breakfast offered every Friday to Group employees, drinks after work, team diner parties, annual gala for all personnel members and their partners, new employee get-togethers, etc.

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

- All managers (career development managers, assignment managers, sales and back-office managers) are systematically trained in the prevention and treatment of psychosocial risks as part of the new managerial program rolled out as of September 2018 for all Wavestone's management. This training course includes an e-learning module and a full day of face-to-face training focused on real-life examples and practical cases.
- A special intranet page lists the solutions available within the Company in the event of difficulties and the people to contact in each country.
- Wavestone's in-house training institute also offers two personnel training programs designed to help employees concerned maintain efficiency during stressful situations.
- Wavestone has adopted a personnel proximity management policy whereby groups of 10 to 15 employees are monitored by a career development manager who, in turn, is backed by a HR contact, delegated to their team. This approach ensures that personnel stress problems can be detected well in advance.

As such, in 2017/18, the following psychosocial risks were detected and monitored:

	2017/18	2016/17
Number of support calls made by employees	7	6
Number of new PSR cases declared between 04/01/17 and 03/31/18	48	49
<i>Being processed</i>	31	15
<i>Cases resolved between 04/01/17 and 03/31/18</i>	32	47

#### 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.

- **Great Place to Work®**

In November 2017, Wavestone renewed its participation in the Great Place to Work® survey. By way of an anonymous satisfaction questionnaire, employees at all of the Company's sites<sup>(1)</sup> were able to express themselves on the quality of life within the Company. The survey assesses the Company on five levels: credibility, respect, fairness, employee pride and conviviality.

In March 2018, the results of the 2018 edition were announced: the Wavestone Group was taking part for just the second year running and ranked among the Top 5 best companies to work for in France out of a total of 64 French companies with more than 500 employees. Overall, 78% of the Group's employees completed the questionnaire, (up from 76% in 2017) and 78% of them considered Wavestone to be a good place to work.

Following the publication of the results, 3 working groups were created. All of Wavestone's employees were invited to suggest areas for improvement which will be implemented as part of the 2018/19 HR action plan.

- **Happy Trainees**

In 2017, Wavestone took part in the Happy-trainees survey, conducted by Meilleures-Entreprises.com. Based on an anonymous satisfaction survey addressed to the interns of the companies being assessed, this independent label rewards firms for the quality of the welcome and guidance they offer trainees.

Other anonymous internal surveys by practice can be proposed.

(1) Excluding the U.S. whose fiscal year is different.

This approach allows new ideas to emerge and creates a culture of exchange and transparency while fostering team spirit.

#### 2.1.6. Integration and development of skills

##### 1) Integration program

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.

##### Welcome session

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

For new recruits based in France, this two-day program takes place in Wavestone's Paris offices. For those based outside of France, the welcome session, topical presentations and "Delivering in Wavestone" training program are all conducted within the office where the new recruits are to be based.

Since September 2017, a new welcome program has been rolled out on a pilot basis and will be deployed for all new arrivals in 2018/19. It includes access to an onboarding application (in partnership with the "Helloteam" start-up). Thanks to this application, new recruits can access all the information they need before they even arrive in the Company and throughout their first year, helping them to understand Wavestone and become an integral part of the Company.

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

This one-day integration seminar brings together all new recruits, regardless of their entity, job, level of experience and regional site. Its two-fold aim is to enable new recruits to connect with the Wavestone identity (Group markets, positioning, values, etc.) and to build-up their internal network. The day is organized around plenary presentations (strategic objectives, presentation of Group assets and areas of excellence, etc.), and themed workshops, followed by a gala evening. Five "Wavestone Inside" seminars were organized during the 2017/18 fiscal year.



As of June 2018, the seminar will take place over two days with an overnight stay, and will cater for 350 new Wavestone employees.

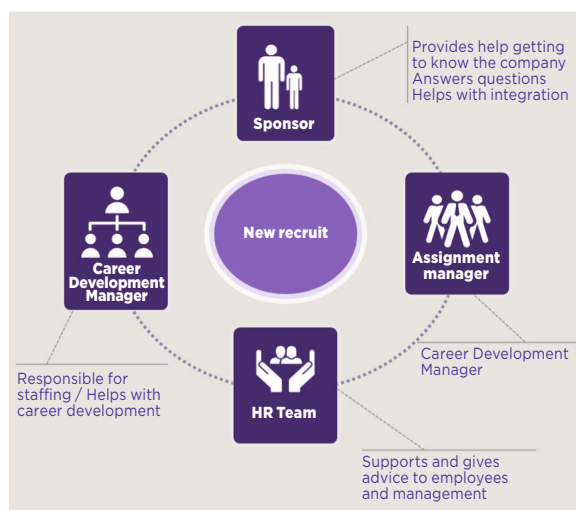
### Training program

Young graduates follow a 5-day training program days during their first year in the Company. The dual objective of the program is to enable recruits to obtain the initial skills required to do their job in the best conditions, and to develop their internal network by bringing them into contact with employees from various backgrounds (practices, jobs, offices, etc.).

Training modules vary based on the employee's role and are spread out over the year to allow them to become acquainted with the Company.

Each new recruit follows at least three training sessions 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 led 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, a dedicated "Boosting Wavestone" team was formed to oversee and steer the transformation, leading to the creation of Wavestone. Although the creation of Wavestone became effective in September 2017, this team continues its efforts to complete the final harmonization projects and to ensure the smooth merger of future acquisitions.

### 2) Skills development

Given the nature of the consulting business, developing employee potential is a key priority for the Wavestone Group. The rapid acquisition of skills and responsibility is a major challenge for the Company, particularly since its HR model is founded on the recruitment of young graduates (more than 70% of new recruits in 2017/18). To this end, the Group has implemented additional measures, as described below.

### The "Wavestone Horizon" professional development tool

During the 2017/18 fiscal year, new career programs were developed for the consulting and business functions. These programs are made known to all of Wavestone's employees, irrespective of their geographical zone. The "Wavestone Horizon" tool provides a guide to the professional career of the Company's employees, enabling them to visualize their development over the long term. It provides employees and their managers with points of reference to understand what is expected at each grade and helps them to identify the skills they need to develop to progress and successfully reach new milestones. By choosing their training programs, each employee is actively involved in the development of their career within Wavestone.

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

- Skills development at Wavestone is underpinned by:
- digital training courses (e-learning platforms, MOOCs, etc.);
  - a common training program for all young recruits;
  - local training programs.

### Digital training programs

The purpose of Wavestone's training program is to foster the continuous development of its employees' skills. Following the merger, the training catalog was expanded to include integration courses and the rollout of the My Mooc, Vodeclit and Sequoia programs.

(1) See paragraph 2.1.6.1 on the integration of new recruits.

- Wavestone's training catalog offers employees a variety of learning programs to choose from:
  - Vodeclis: 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 and iOS (available in French and English).
    - > Assessment tests (to determine the employee's level), as well as skills acquisition programs and exercises.
- My Mooc: a monthly catalog of around ten MOOCs emailed to all personnel members.
- Sequoia: on-line educational training courses in a game-based format developed by the Group's practices to transmit Wavestone's expertise to employees. Each training program takes the form of several episodes, delivered in an offbeat tone, and result in trainees being awarded badges and certificates on completion. These training sessions are developed by and for Wavestone's employees to meet the specific needs and skills required by the Company's various practices.

All the training programs are developed abroad and have a cross-functional approach (multi-practice and multi-function). In addition, to enhance the training options available, each office is encouraged to contribute to the program. The New York and London offices are thus driving the development of the internal platform, Sequoia.

#### Attendance-based training and blended learning courses<sup>(1)</sup>

Wavestone's training institute proposes over thirty attendance-based programs designed to develop key job-related skills (business development, delivery, communication, project management, etc.) and/or aspects of personal development. Several of these programs award certificates upon completion. These include ITIL (Information Technology Infrastructure Library) Foundation V3, Lean Six Sigma - Green Belt, etc.

These training sessions also provide employees the opportunity to extend their internal network by mixing with colleagues from other practices, offices and divisions.

To meet training requirements in areas that are not covered by the Wavestone training institute, the Group also resorts to external training solutions.

#### Time allocated to training

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 99.7% of Wavestone employees (excluding Hong Kong).

Fiscal year	Calendar year		
	2017/18	2016/17 <sup>(1)</sup>	2015
Number of employees receiving at least one training course during fiscal year	1,766	1,891	1,095
Percentage of employees receiving at least one training course during the fiscal year	63%	73.1%	63.8%
Number of training days given in the year	4,611	4,118	3,292
Number of training hours given in the year	32,275	31,711	23,048
Average number of training hours per employee given in the year	18	16	21

(1) Data missing for Wavestone Morocco and Wavestone Advisors Switzerland (98.4% of the headcount is represented).

The number of employees that attended at least one training course during the year is lower in 2017/18 due to the implementation of new training programs during the period. Some training courses were also revised and will be rolled out during the next fiscal year.

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

For all Company employees, the professional consulting assignments they conduct 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 start of every assignment, the project manager informs the consultants of the objectives involved. Once the assignment has been completed (or at

regular intervals in the case of long-term assignments), the project manager conducts an evaluation to assess the consultant's work. This feedback highlights the progress achieved and pinpoints areas for improvement. Individual goals concerning the development of new skills are also taken into account during the consultant staffing process (weekly placement of consultants on assignments).

In addition, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the Company's development activities. Each year, a number of consultants complete 6-to-12-month assignments within the firm's back-office departments (recruitment, communication, finance, etc.).

(1) Blended learning: combination of several forms of learning (e.g. attendance-based, e-learning and phone-based modules).

### Internal mobility

Internal mobility is one of several HR mechanisms that enable employees to enrich their career and benefit from diversified career prospects.

All positions open under the annual recruitment plan are eligible. 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 a maximum of three months.

#### Breakdown of internal transfers by type

Regional transfers
Occupational transfers
Inter-practice transfers
<b>Total</b>

2017/18	
25	39%
14	22%
25	39%
<b>64</b>	<b>100%</b>

2016/17		2015/16	
16	33%	8	27%
13	27%	10	33%
19	40%	12	40%
<b>48</b>	<b>100%</b>	<b>30</b>	<b>100%</b>

### Performance reviews and annual assessments

Every year, across all of the Group's business lines, each employee's performance is discussed as part of a review involving their superiors and the career development managers and HR teams within the entity concerned. The topics addressed include: the employee's current position in respect of their career path; their career prospects within 12-24 months and the associated development plan; possible changes in their salary and/or bonuses; promotion prospects.

In addition, all employees meet their team manager for an annual assessment to discuss their annual evaluation, career prospects, compensation and work-life balance.

The purpose of the Company's career development managers is to help employees achieve their full potential. The annual performance review is a key moment for discussion in which the Group's career development managers receive special training.

#### 2.1.7. Equal opportunities and non-discrimination

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.

As of 2018/19 and in keeping with the Wavestone 2021 strategic plan, the Company has decided to base its action plan on 3 main objectives:

#### 2021 objectives

Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce
Achieve 30% representation of women on the Executive Committee
Triple the number of employees with disabilities

#### Current performance

30% and 36% respectively at 03/31/18
17% at 03/31/18
11 at 12/31/17

In this respect, in October 2017 a group of employees committed to the values of gender equality and diversity created the "Wavestone For All" network. This network aims to work towards the implementation of initiatives to combat discrimination and promote diversity.

The network has three main objectives:

- provide concrete answers to employees in everyday situations, within Wavestone and on assignment with clients. Key aspects include: respecting differences,

ensuring equality, protecting diversity, addressing the different cultures of a multinational company, the societal approach, etc;

- make diversity a strong innovation and performance driver for the firm;
- contribute to Wavestone's CSR strategy by focusing on clients' social responsibility.



## 1) Gender equality in the workplace

### Percentage of female employees in the Group

	At 03/31/18	At 03/31/17 <sup>(1)</sup>	At 03/31/16 <sup>(1)</sup>
% of total workforce	36.4%	36.0%	33.4%
% of consultants	32.6%	31.6%	29.3%

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

The percentage of female employees in the Group continued to increase and came to 36.4% at 03/31/18.

During the 2017/18 fiscal year, Wavestone continued its commitment in the following areas:

- **Recruitment:** apply a strict gender non-discrimination policy to ensure that the number of female consultants is proportionally in line with the number of female students in the Company's target schools.
- **Career development:** gradually achieve 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").

Wavestone is also involved with a number of organizations working for professional equality between women and men:

- Wavestone has been a partner of "Elles Bougent", an association that promotes professional gender diversity, since February 2016. The association aims 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. Female graduates from engineering schools seeking to exchange their points of view and share their career experience can become sponsors of the association. At end-March 2018, "Elles Bougent" had roughly 30 Wavestone sponsors.
- In February 2018, Wavestone also sponsored the Global Startup Weekend Women event, which aims to encourage diversified entrepreneurial actions and the emergence of start-ups. Wavestone lent its support to the teams taking part in Paris and Hong Kong thanks to the involvement and contribution of the "Shake'Up" and "Wavestone for All" teams. This event provided the chance for 2,000 women from five continents to create, inspire and confirm the role of women in entrepreneurship.

In April 2018, Wavestone paired up with **Foundation Femmes@Numérique**, an initiative that aims to bring together for the first time a strong group of economic, social and public players to focus on increasing the number of women in the digital professions.

### 2) Employment and integration of people with disabilities

At 03/31/18, Wavestone France employed 11 people with disabilities based on the definition provided in the mandatory declaration of employment of people with disabilities (DOETH form). Wavestone France's employer contribution to the AGEFIPH fund for the professional integration of people with disabilities amounted to €714k<sup>(1)</sup> in 2017. The Group is aware that it is well behind on this challenge. As a result, it has pledged to triple the number of employees with disabilities within the Group as part of its 2021 strategic plan.

During the 2017/18 fiscal year, Wavestone continued to show its commitment at the social and societal level:

#### Social action

- Wavestone France continued its partnership with the company "Made in TH", which offers personalized support to employees who are directly or indirectly concerned by disability. This partnership, which was created in June 2017, involves organizing an on-call service twice a month, either by phone or in Wavestone's Paris offices. Personnel members can thus benefit from personal and strictly confidential support with the administrative tasks associated with disability challenges. These on-call sessions are conducted by a Made in TH ambassador who is specialized in this area.
- The Company also carries out awareness-raising actions to highlight disabilities, which include:
  - the organization of a conference held on 12/20/17. Guests included quadruple paralympic medalist Mickaël Jeremiasz, Wavestone's Made in TH Ambassador, and over 90 Group employees;
  - the creation of a video presenting the activities of Made in TH;
  - the planning of several events to highlight disabilities (themed breakfasts, quizzes, etc.).

(1) It should be noted that Wavestone has made the choice not to introduce a disability reporting incentive policy.

- The Group's HR and recruitment teams follow training courses on how to recruit and ensure the integration of employees with disabilities, both organized by CED, a French communications agency promoting the recruitment of people with disabilities.
- Wavestone France calls on the services of the ESAT, a vocational rehabilitation center for the disabled, mainly for printing documents for in-house training courses, taking orders for tray-meals, fruit baskets and event buffets, collecting and recycling used paper, and recycling IT equipment (printers, ink cartridges, toners, etc.).

Wavestone is pursuing its partnership with the Grenoble Ecole 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 disabilities. As a member of the selection panel, Wavestone is required to read and assess these journals to discern which 30 students should be admitted to the course.

During the 2018/19 fiscal year, in addition to pursuing actions already under way, Wavestone plans to conduct an in-depth analysis in partnership with AGEFIPH, with the aim of creating an appropriate and sustainable employment policy.

#### Societal actions

- In January 2018, Wavestone launched the first edition of the "Prix Handi Cap by Wavestone", a competition to reward the best initiatives by student associations working in favor of people with disabilities. This project, which is sponsored by Axel Allétru (12 times French champion and European vice-champion in para swimming), aims to increase visibility of disabilities while dispelling popular stereotypes. In total, 15 associations from various schools took part to try to win one of the two prizes on offer: the Prix Handi Cap by Wavestone, worth €2,500, and the Prix Coup de Cœur, worth €1,500. The Group's employees were then invited to vote for the project of their choice, before the top contenders attended the final at Wavestone's premises on 05/17/18.
- 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 (business schools and universities), and socio-economic players. This undergraduate training institute issues Bachelor degrees in "Science and Technology". After graduating, students may pursue their university studies by enrolling on a Master's program or in an engineering school. The institute guarantees the social, cultural and intellectual diversity of its students, 20% of whom have disabilities.

*For more information on the Institute, see paragraph 2.3.2.*

- The Wavestone Foundation participates in humanitarian projects, by supporting or developing initiatives to benefit

children worldwide. Some of the projects chosen offer support to people with disabilities. In 2018, for instance, the Foundation selected the "Professional integration of mothers of children with disabilities in Rwanda" project, aimed at building a bakery run by these women.

- On Powerday, Wavestone's global corporate solidarity day, 700 Company employees lent their support to various associations by taking part in skill-based sponsorship or in-the-field projects. During the second edition in 2017, 18% of the projects supported were related to disabilities, including a project designed to promote surfing among youths with disabilities in Nantes.

#### 3) Anti-discrimination policy

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

At end-March 2018, employees aged 50 and over accounted for 6.4% of the total workforce, on a par with the figure for the previous year.

Specific actions have been implemented to meet the expectations of employees aged 50 and over in France, and to optimize the expertise they have gained while adapting to their individual situations:

- Close monitoring by the HR team at key end-of-career milestones, notably at the ages of 50 and 60, 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 switching from full- to part-time (3-day week), during which time old-age insurance and supplementary pension contributions are maintained at a full-time rate, 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 250 trainees, including on work/study contracts. The firm commits to providing all trainees with an environment that promotes learning and personal fulfillment. Trainees receive regular guidance from a manager, an internship advisor and a 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 recruits under 26 years old.

*More details on some anti-discrimination initiatives carried out by the firm are given in paragraph 2.3 of this 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 right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in paragraph 2.1.7 of this report.

### 2.2. Environmental information

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

To measure its main areas of impact and identify its priority actions, the Company carries out a carbon audit (Bilan Carbone®) for each fiscal year. Based on previous audits, Wavestone's main environmental challenges are: business travel, the environmental footprint of the Company's premises, paper consumption and IT management. While the Company's reporting process and actions focus on these areas in particular, Wavestone also examines other areas for improvement.

To support its various actions, the Company has implemented an environmental reporting procedure in compliance with Articles 75 and 225 of the Grenelle II Law. This initiative has made it possible to: identify the key benchmarks and contacts for obtaining data; implement a 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<sup>(1)</sup> have been excluded from the reporting scope.

During the previous fiscal year, the reporting scope under review 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.

The number of employees increased by 6.3% compared with the previous year. It should also be noted when interpreting the data that the office space used is 38% less than in 2016/17. Indeed, during the previous fiscal year, there were several different premises in certain cities (for example, the Tour Franklin and Neuilly-sur-Seine offices in Paris). The Group's employees are now based in the same premises in each city where Wavestone is based.

For this report, all of Wavestone's offices 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 headcount at end-March 2018:

Offices	Headcount at 03/31/18	Breakdown (% of total workforce)
Paris (Head office)	2,310	82.7%
<b>Regional offices</b>	<b>219</b>	<b>7.8%</b>
Lyon	131	4.7%
Nantes	69	2.5%
Marseille	19	0.7%
<b>International</b>	<b>265</b>	<b>9.5%</b>
Casablanca	12	0.4%
London	36	1.3%
Brussels	12	0.4%
Luxembourg	101	3.6%
Geneva	70	2.5%
New York	27	1.0%
Hong Kong	7	0.3%
<b>Total</b>	<b>2,793<sup>(1)</sup></b>	<b>100.0%</b>

(1) The total number of employees at each of the sites is 2,794, but the total number of employees is 2,793 since one employee is employed at both the Paris and Geneva sites.

Certain information that could not be gathered at the Lyon, Marseille, Nantes, Luxembourg, Casablanca, Geneva and London sites was extrapolated from the Paris-site ratios. Moreover, when data pertaining to the 2017/18 fiscal year were not readily available, total results were based on the 2017 calendar year.

To ensure a good understanding of the information reported, the definitions and calculation methods specific to certain indicators are explained in footnotes to this document.

(1) Please refer to the cross-reference table in the Appendices (1).

### 2.2.1. Global environmental policy

#### 1) Wavestone organization's concerning environmental challenges

Wavestone has set up an organizational structure focused on CSR and the treatment of environmental challenges (see paragraph 1.1 of this report).

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

Wavestone raises personnel awareness of environmental challenges by briefing its employees on key environmental actions carried out relating to the implementation of new practices (using Ecolabel paper, environmentally-responsible printing methods, etc.). For example:

- An employee survey on CSR was conducted in January 2018. It sparked a lot of interest in environmental challenges, with over 200 contributions being submitted on this topic.
- CSR workshops were held in January and February 2018, one of which focused on environmental challenges. These included: mobility, waste management and energy consumption, which were addressed in the workshops to generate positive ideas that were then proposed to a specialized committee for further study and implementation (e.g. setting up a bicycle fleet for employees).
- A guide on environmentally-friendly practices is being finalized for publication in 2018/19.

The results of the carbon audits, together with the main lessons learned from Wavestone's environmental continuous improvement strategy, are communicated to all personnel 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 project. This project notably includes:

- the installation of "Canibal" beverage-packaging recycling machines in the break rooms at the Paris offices;
- the removal of individual rubbish baskets to encourage a reduction in paper waste;
- the installation of presence detectors to limit electric lighting consumption;

- the roll out of IT solutions (video-conferencing equipment in conference rooms) designed to limit personnel travel.

This layout project has been deployed in the Paris, Nantes, Casablanca, Lyon, Marseille, Luxembourg, London and New York offices.

### 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 either recycled or sent to new processing 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).

#### 1) Office waste

During 2017/18, Wavestone collected some 56.7 tons of waste<sup>(1)</sup>, equivalent to roughly 20.5kg per employee. This breaks down as follows:

- Non-recycled waste: 43.5 tons of non-hazardous<sup>(2)</sup> office waste.
- Recycled waste:
  - 12.7 tons of paper waste, including 9.8 tons from the Paris offices, were recycled by the association ANRH (Association for the Professional and Respectful Integration and Reintegration of People with Disabilities);
  - 0.43 tons of ink cartridges<sup>(3)</sup>, including 0.36 tons from the Paris offices. In Paris, all ink cartridges are collected by the company Conibi, transported by Geodis, and recycled by Clodloop, a company specialized in ink-cartridge recycling. Information is not available concerning the recycling of cartridges in the Group's other offices.

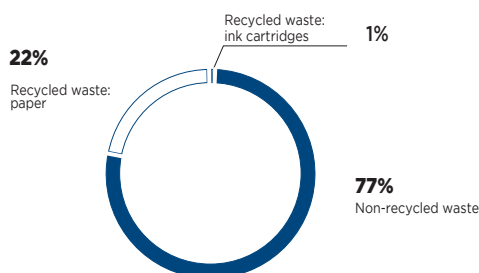
(1) These data come from a real weigh-in for the Paris offices (132kg/day). Estimations were conducted by the directors of the general services departments for the Marseille, Geneva and Luxembourg offices. Extrapolations were conducted based on the Parisian ratio for the Villeurbanne, Brussels, Nantes, Casablanca and London offices. This methodology has been the same since 2012.

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

(3) Recycled ink cartridge data for the Company's French premises is underestimated since cartridge order tracking is not automatic. As a lots of the photocopiers are leased, the cartridges are ordered automatically by the photocopier and are already included in the cost of the lease.



■ Office waste (2017/18)



(kg/employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Office waste	20.5	22.2	28.7	27.8	29.5

Over the past five years, the average weight of waste generated per employee within the Company’s CSR reporting scope has been reduced by around 30%. Year-on-year, the amount of waste generated has been reduced by roughly 7%.

The quantity of paper waste decreased from 14.5 tons in 2016/17 to 12.7 ton in 2017/18, representing a decrease of 12%.

To assist this reduction in paper waste, since May 2018 Wavestone has digitized pay slips for all Wavestone employees in France.

For the record, as part of the renovation of the Company’s Tour Franklin offices, Wavestone installed beverage packaging recycling machines for cans, plastic cups and plastic bottles. The waste-management company, Canibal, installed 12 waste recycling machines in 2017:

- Wavestone collected a total of 87,762 beverage packaging items (including 83,746 plastic cups) equivalent to 538kg;
- Recycling allowed Wavestone to save 1.44 ton of CO<sub>2</sub>eq and produced 90,017 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 that requires the regular replacement of IT equipment, especially laptops (4-year life-span).

In 2017/18, 1,183 machines reached the end of their service life (mainly computers and mobile phones), making for about 594 kg in computer waste. The difference in the number of machines replaced in 2016/17 (471 in total) stems from the purchasing cycles of this type of equipment.

To prolong the life-span of IT equipment (particularly computers) that has reached the end of their service period, personnel members may buy these devices for their own personal use. Equipment that is not bought back by employees is either stored or recycled.

Wavestone implemented a procedure for the systematic recycling of end-of-service IT equipment at all of its sites. The cooperative company “Les Ateliers du Bocage”<sup>(1)</sup> was chosen to treat electrical and electronic waste (WEEE) for Paris and Marseille, through the clean disposal of toxic components and the recycling of recyclable materials.

**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 implementing decree for this law was published on 08/19/16.

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

Nevertheless, Wavestone offers skills-based sponsorship to SOLAAL (a public interest association), which acts against food waste. This association collects unsold crops from farmers and farm cooperatives and distributes them to 20 national associations specializing in food aid. Since its creation in 2013, SOLAAL has collected 13,785 tons of agricultural products and contributed to the equivalent of 27 million meals (at end-2017).

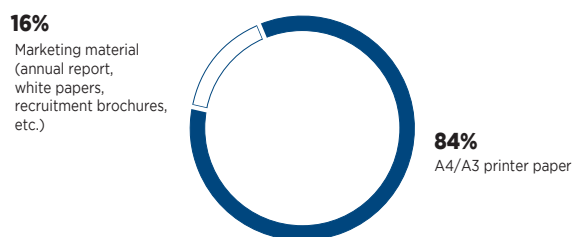
**2.2.3. Sustainable use of resources**

Since Wavestone has no manufacturing activities, its use of resources is limited to office consumables and shared resources used to operate the buildings in which its offices are located.

(1) <https://ateliers-du-bocage.fr/>.

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

### ■ Paper consumption (2017/18)



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). In 2017/18, Wavestone consumed 16 tons of paper, equivalent to 5.8 kg per employee.

(kg/employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Paper consumption	5.8	5.8	8.7	9.6	10.1

There was a significant increase in the amount of paper purchased (+48%) compared with the previous year. This is due to a significant increase in A3 printing paper purchases (multiplied by 11) and a 40% increase in paper used for marketing publications.

Paper consumption is estimated on the basis of paper orders placed during the year. However, a major A3 paper order was placed to cover the firm's consumption for several years. After adjustment to take account of the fact that A3 paper consumption is no longer estimated on the basis of paper orders, but on the basis of an average annual consumption of approximately 0.7 ton<sup>(2)</sup> of A3 paper, paper consumption is estimated at 5.8 kg/employee. This ratio is on a par with the previous year and shows a significant decrease compared with the 2015/16 fiscal year.

On the other hand, consumption of A4 paper fell by 2%.

For example, photocopier settings are automatically set to "Green print", a black & white, recto-verso printing mode. In addition, the Company's meeting rooms are equipped with wall screens to project documents and avoid having to print copies for each participant.

During 2017/18, Wavestone continued to implement its paperless solutions for annual General Meeting notices and preparatory documents. In this context, a partnership forged with Reforest'Action helped bring about the planting of 363 trees in Haiti.

*For the record, Wavestone recycles all of its paper (see paragraph 2.2.2) and only uses PEFC- and FSC-certified paper (see paragraph 2.2.5).*

Envelopes 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 2017/18, the Group's final power consumption (electricity, heating and air-conditioning) came to 4.33 GWh, representing a decrease compared with the previous year.

Converted into primary power (the power needed to produce this final power), this corresponds to 11.16 GWh EP, or 823 kWh EP/sq. m.

Thus, final energy consumption per employee also fell by 26%, from 2,110 kWh/employee/year to 1,569 kWh/employee/year. This decrease can be partly attributed to the merger of the teams in our various offices.

(kWh/employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Final energy consumption	1,569.16	2,110.00	1,702.00	1,942.00	2,151.00

Wavestone is constantly improving its energy consumption per employee. Awareness-raising campaigns and the installation of modern technical devices on the company's premises (motion detectors for lighting, timers, LED bulbs, etc.) have helped to streamline consumption. Similarly, Wavestone's practices are now applied at all sites and for all employees.

Wavestone's head office (comprising 82.7% of its workforce) occupies 10,345 sq. m. 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

(1) Excluding the London office (data not available).

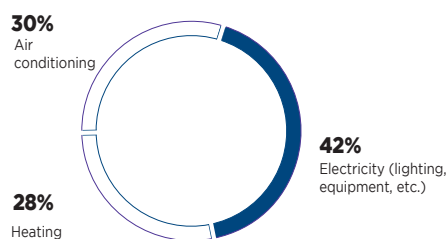
(2) 0.63 ton in 2016/17. Taking into account the increase in personnel over the 2017/18 fiscal year, it would appear consistent to estimate actual consumption of A3 paper at 0.7 ton/year.

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 Tour Franklin (recycling, waste reduction, environmental communication) was implemented in 2015/16 within the framework of the AIR office-layout project

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

The energy consumption of this site breaks down as follows:

■ **Total energy consumption at the Paris site by type (2017/18)**



Wavestone's renovated "Air" offices in Paris are equipped with presence and daylight detectors that result in the lighting systems turning off automatically when a space has been unoccupied for 15 minutes. In Paris, the offices are lit between 8:00 am and 8:00 pm, Monday through Friday, to save energy. Switches are also installed to control lighting outside of office hours.

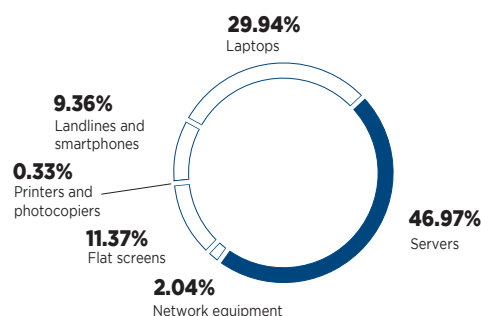
**Focus on computer and telecommunications equipment**

Wavestone's IT equipment consumes a considerable amount of electricity. In total, this is estimated<sup>(1)</sup> at 0.32 GWh per year, based on the average number of working hours in use and average consumption data. A significant decrease in the number of physical servers was observed in 2016/17, dropping from 59 to 26. In 2017/18, 43 servers were listed, in addition to 32 items of network equipment. It would appear that the number of IT servers listed in 2016/17 was incorrect. Factoring in certain usages outside of Wavestone premises<sup>(2)</sup>, total

energy consumed by IT equipment represented 17% of the Group's total electricity consumption.

Wavestone's energy consumption breaks down as follows:

■ **Energy consumption estimates – Computer and telecommunications equipment (2017/18)**



All Company laptops are EPEAT<sup>(3)</sup> labeled; 42% of all IT equipment carry the "Silver" label, and 58% the "Gold" label. Among other things, this label guarantees the precautionary use of natural resources in the manufacturing of the products, as well as their recyclable nature 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 below mainly 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 9,326 m<sup>3</sup> in 2017/18, equivalent to 3.38 m<sup>3</sup> per employee. Water consumption at all sites has been significantly reduced (29%). During the previous fiscal year, employees were not necessarily grouped on a single site for each office. The reduction in water consumption is also facilitated by the following technical measures implemented by Wavestone: tap aerators inserts to reduce the flow of the taps, and specific automatic detection for the restroom washbasin taps as part of the AIR project.

(1) The methodology used 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 sustainability, low power consumption and low environmental impact packaging (<http://www.epeat.net/>).

(4) Water consumption for the Tour Franklin offices is based on the consumption for the building as a whole and a ratio per floor. The consumption for the Casablanca and Brussels offices was provided by the owner. For the Group's other offices (Lyon, Marseille, Nantes, 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 is mainly due to the change in scope compared to the previous year.

(m <sup>3</sup> /employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Water consumption	3.38	4.73	7.34	7.09	9.40

All of Wavestone's offices are located outside water stress areas (areas with a water supply of less than 1,700m<sup>3</sup> per capita per year for all uses combined)<sup>(1)</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>(2)</sup>

##### 1) Summary table

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

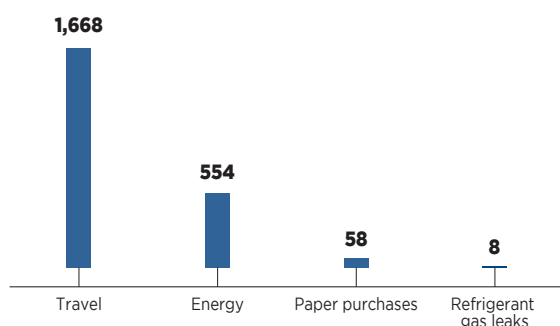
- energy consumption of buildings;
- refrigerant gas leaks in air conditioning systems;
- paper purchases;
- business travel and commuting.

Wavestone's greenhouse gas emissions created by these four sources in 2017/18 amounted to 2,288 tons of CO<sub>2</sub> equivalent, or 0.8 ton of CO<sub>2</sub> equivalent per employee.

(tons of CO <sub>2</sub> equivalent/employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Greenhouse gas emissions	0.8	0.9	1.1	0.9	0.9

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

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



##### Travel

Employee transport is the main source of Wavestone's greenhouse gas emissions (72.9%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in personnel commuting.

##### Business trips

Business trips<sup>(3)</sup> account for approximately 10.2 million km per year, all transport methods combined, or approximately **3,686 km per year per employee**. This is due to the high level of mobility of Wavestone's employees, which is a characteristic feature of the consulting sector, amplified by the Group's international expansion.

(km/year/employee)	2017/18	2016/17	2015/16	2014/15	2013/14
Business trips	3,686	3,231	4,716	4,752	4,655

*N.B.: The methodology used to measure the number of rental car kilometers is the same as in 2016/17. The number of actual kilometers communicated by Egencia and recorded in employee expense reports is now taken into account for the estimation of business trips made using rental vehicles.*

The data gathered during the previous year was hampered by the disparity of the various information systems due to the merger. Consequently, the number of business trips in 2016/7 was more than likely underestimated. A comparison of reliable data for 2017/18 and 2015/16 shows a significant reduction in mileage per employee. This can be explained by the continued implementation of the firm's travel policy.

##### Breakdown of business trips by type of transport in 2017/18:

(km/year)	2017/18	2016/17	2015/16	2014/15	2013/14
Plane	28.5%	40%	37%	18%	22%
Train	41.5%	42%	44%	51%	53%
Public transportation	13.1%	3% <sup>(4)</sup>	9%	17%	19%
Cars	16.9%	14%	10%	14%	6%
o/w employee cars	13.3%	8.5%	9.4%	11%	4%
o/w rental cars	0.7%	0.1%	0.2%	1%	0.3%
o/w taxis	2.9%	5.9%	1.4%	2%	1.7%

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

(2) 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.

(3) Data concerning journeys by train, plane and short-term car rental were supplied mainly by the Egencia Travel Agency and the SNCF. The methodology used was slightly altered: the calculation of air and train journeys include data issued in the Wavestone Carbon Emissions Report (Egencia and BCD Travel); the journeys made now take into account the estimated mileage of the journeys recorded in expense reports, based on Egencia mileage. The data concerning journeys by public transportation, taxis and private vehicles were obtained from the accounting department. The amounts collected (in €) were converted into distances covered (km).

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



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 means of transportation for short-distance trips:** Wavestone employees are highly encouraged to use public transportation for business trips in accordance with the current travel policy. Some examples of the measures implemented include:

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

**Commuting to work**

**Commuting <sup>(1)</sup> to and from work represents approximately 14.5 million km per year, or approximately 24.1km per employee per day worked.**

Wavestone's employees are encouraged to use public transportation to commute to work. The means of transportation chosen by employees breaks down as follows:

**Percentage of commuting trips by mode of transport :**

(% km)	2017/18	2016/17	2015/16	2014/15	2013/14
Public transportation	92%	92%	86%	86%	85%
Own vehicles (car & motorbike)	8%	8%	14%	14%	15%

Exceptionally, taxis and VTCs are reimbursed for employees traveling home after 10 pm.

Since 10/01/16, teleworking has been available to employees in all the Group's French offices to reduce commuting. This policy was continued in 2017/18. Teleworking is also very common 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. However, Wavestone has a limited indirect impact through the amount of paper consumed in its activities. To minimize this impact, the firm only 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.

(1) To calculate the distance traveled by employees using their own vehicles, the analysis is based on the postal codes declared by employees with a car or motorbike parking space. The distance traveled by employees using public transportation is calculated on the basis of the transportation ticket declared. For public transportation in the Paris area, the calculation method has changed since the regional travel pass system is no longer divided into transportation zones. This means that estimates are less precise than in previous years.

## Appendices

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

<b>Theme-based indicators</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>Unit</b>	<b>% change yr-on-yr</b>	<b>% change over 5 years</b>
Office waste	20.5	22.2	28.7	27.8	29.5	kg/headcount	-7%	-30%
Final energy consumption (per sq. m)	319.4	251.3	250.9	300.0	322.8	kWh/sq. m	+27%	-1%
Final energy consumption per employee	1,569	2,110	1,702	1,942	2,151	kWh/headcount	-26%	-27%
Water consumption	3.38	4.73	7.34	7.09	9.40	m <sup>3</sup> /headcount	-29%	-64%
Paper consumption	5.8	5.8	8.7	9.6	10.1	kg/headcount	0%	-43%
Greenhouse gas emissions (for the reporting scope)	0.8	0.9	1.1	0.9	0.9	tons of CO <sub>2</sub> equivalent/headcount	-8%	-8%
Total distance traveled for business trips	3,686	3,231	4,716	4,752	4,655	km/headcount	+14%	-21%
Business flights as a percentage of business trips	28%	40%	37%	18%	22%	% of total km traveled	-29%	32%
% of employees commuting by public transportation	92%	92%	86%	86%	85%	% of total km traveled	0%	8%

## 2. Environmental reporting appendix - Cross-reference table between Wavestone data and Article 225 of the Grenelle II Law

The following table shows the cross-reference 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 (in gray below) was considered irrelevant given Wavestone's activities (See details in the "Actions taken by Wavestone" column).

Decree 2012-557, Article 1, para. 2		Actions taken by Wavestone
a) General policy	Organization of the Company to take environmental challenges into account and, where necessary, environmental assessment and certification initiatives	Paragraph 2.2.1 1)
	Measures carried out to ensure employee access to environmental training and protection	Paragraph 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 the air, water or soil, noise pollution, 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 the context of an ongoing dispute	
b) Pollution and waste management	Measures taken to prevent, reduce or remedy releases into the air, water or soil that seriously harm 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 the air, water or soil, noise pollution, soil use, etc.)
	Measures being carried out to prevent, recycle and eliminate waste	Paragraph 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	Paragraph 2.2.3 3)
	Consumption of raw materials and measures taken to optimize their use	Paragraph 2.2.3 1)
	Energy consumption measures taken to improve energy efficiency, and recourse to renewable energy	Paragraph 2.2.3 2)
	Land use	Since Wavestone's activities are not of a material nature, they do not present any 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	Paragraph 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	Paragraph 2.2.5

### 2.3. Information concerning societal commitments

In the area of social responsibility, Wavestone's approach aims to promote equal opportunities and non-discrimination. This commitment mainly concerns three areas of action: education, access to higher education, professional integration and employment.

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

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 integration, access to further education, the promotion of diversity and equal opportunities.

Given the nature of Wavestone's consulting business, the regional and economic impact of its activities is relatively limited.

However, several examples of consulting services delivered in 2017/18 should be noted.

Wavestone provided its services to various clients in the energy sector, in particular:

- with the development of their industrial offerings, particularly those relating to energy efficiency with a view to reducing their carbon footprint;
- with the creation of an industrial system roadmap to facilitate the integration of renewable energies and the development of electric mobility;
- with the recommendation of alternative transport solutions to reduce greenhouse gas emissions.

Wavestone also supported a social housing developer in the Provence-Alpes-Côte d'Azur region, in the south-east of France, with the implementation of the "Smart Nudge

Currency", a nationwide solution that can be adapted to each region according to its priorities. Backed by a global energy renovation project, it relies on connected objects and a horizontal IoT platform to boost change in individual behavior, focusing on 5 major themes: energy and resources, cleanliness and waste, mobility and travel, the sharing and collaborative economy, and lastly, health, wellness, food and sport. The "Smart Nudge Currency" helps individuals to change their daily behavior: encouraged by nudges, individuals carry out environmental actions that are then measured and rewarded to increase loyalty. These digital currency points can then be used to access environmentally-responsible products and services.

Wavestone has been offering its clients a range of products and services over the past five years that contribute to improving the quality of life at work and to human development. A complete diagnosis of the quality of life at work within the company is carried out, and improvement drivers are proposed and then implemented. These drivers implement techniques that allow managerial relations to improve significantly. Among other things, these solutions help make it possible to respond to the major changes companies are faced with today (change in their legal framework, digital transformation, new regulations, etc.). These changes can only be permanently integrated by taking into account the human aspect of the transformation process at all levels, thus ensuring a positive work environment in the long term. To date, these services have helped to improve the work environment in some thirty private-sector companies and some twenty public-sector entities.

Wavestone wishes to take this process one step further and has chosen to integrate CSR challenges into its consulting practice by setting itself two main objectives in this area:

#### 2021 objectives

#### Current performance

Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients

*No policy*

Draw up a responsible charter of advice and train all employees<sup>(1)</sup> in its application

*No charter*

(1) Employees who have been with the Company for at least 1 year.

For more details, see paragraph 2.3.2 and paragraph 3 ("Economic responsibility") of this report.



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

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

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

For the record, at 03/31/18, Wavestone's workforce totaled 2,793 employees, for the most part comprising young executives (60% of employees under 30 years of age), working at the Group's 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

2017/18, including 94% on a permanent contract. In addition, as part of its pre-employment strategy, the Company takes on over 250 trainees every year (in the form of short-term internships, sabbaticals, end-of-studies internships and work/study programs).

In 2017/18, nearly than 7,000 candidates from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, recruitment events and spontaneous applications) were interviewed by Wavestone in France.

#### 2) Partnership and sponsorship actions to promote equal opportunities

As of 2018/19 and in keeping with the Wavestone 2021 strategic plan, the Company has decided to dedicate more time to supporting organizations with a civic mission:

#### 2021 objectives

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Devote 1% of the firm's time to supporting organizations with a civic mission

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#### Current performance

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Approximately 0.2% at 09/01/17

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During the 2017/18 fiscal year, the Company undertook numerous partnership and sponsorship actions to promote equal opportunities:

##### Wavestone Company 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 113 youth-work projects, for the most part in Africa and Asia. Every project monitored by Wavestone is sponsored by an employee of the Company. At end-March 2018, roughly 40 sponsors had contributed to the Wavestone Foundation's projects by continuing to lend their support.

In 2017, 12 projects were financed by the Foundation. In March 2018, 13 new projects were selected by the Foundation's Board of Directors following a new call for projects.

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

##### Villebon – Georges Charpak Institute

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 (business schools and universities) and socio-economic players.

Launched in September 2013, the Institute currently has three classes. Each class is limited to around forty students and leads to a Bachelor 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 teaching 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 2016 and 2017, of the first two classes of students.

87% of the first class of graduates and 93% of the second class of graduates went on to study a Master's or enroll in an engineering school. This is all the more impressive given their often poor academic performance in high school. The courses and establishments they enrolled in are extremely varied, in keeping with the students' profiles: AgroParisTech, CNAM, ESIEE, EPITA, Arts et métiers, Polytech, EDHEC, ENSTA ParisTech, ESIFE, ESPCI, Mines, Telecom Bretagne, University of Marne la Vallée/Civil Engineering Master's, etc.

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

In 2017/18, around 60 Wavestone employees sponsored students from the Institute throughout their 3-year Bachelor's program and gave them guidance on building their professional projects.

In 2017, Wavestone decided to renew its partnership with the Institute 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 a charitable project of their choice.

Personnel members wishing to volunteer can lend their support to the charitable association of their choice either by taking part in skills-based sponsorship programs or manual projects. Powerday helps to sponsor several associations committed to a variety of causes, such as the environment, health and disabilities, child welfare, social and professional integration, education and citizenship, sports & culture.

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

More than 700 employees across all Wavestone's offices worldwide participated in the second edition of Powerday, held on 09/01/17. Around sixty associations, foundations and international NGOs in Asia, North America, Europe and Northern Africa benefited from Wavestone's support, which saw 74 projects brought to life.

Some of the 2017 "Powerday" projects include:

- Cleaning up beaches in Morocco
- Preparing meals for families in need in Hong Kong
- Promoting an awareness-raising day in Paris
- Gardening/Nature projects in the Paris region
- Initiation to surfing for young people with disabilities in the Nantes region.

Following the success of the first two editions of "Powerday", Wavestone has decided to make the event an annual occurrence. The next edition will take place on 08/31/18 and will aim to mobilize 1,000 employees.

### Alter'Actions

In early 2017, Wavestone partnered up with the Alter'Actions association, the founder of an innovative educational program that aims to foster civic commitment among third-level students (in business schools and universities). Selected based on their motivation, Alter'Actions offers students the possibility to complete voluntary consulting assignments for associations with a major social impact. These assignments, which are overseen by corporate partner executives, favor hands-on training schemes and offer students practical experience that is central to current social and environmental challenges.

Since the implementation of this partnership, Wavestone has completed 3 assignments with the association. In October 2017, for example, one of Wavestone's employees took part in a project led by the social and solidarity economy (ESS) company, Somanyways. It aimed at facilitating young people's entry into the workforce and supporting them during periods of transition. To achieve this, two actions were carried out: free coaching was provided to young student volunteers and consulting assignments were completed to raise companies' awareness of youth recruitment challenges. To fulfill this assignment, the students had to assess Somanyways, a benchmark of competitors' activities and best practices, and provide recommendations on the development strategy.

### "Vestiaire solidaire": voluntary clothes collection and donation program

In April 2017, Wavestone organized the "Vestiaire solidaire" initiative in partnership with the "La Cravate Solidaire" association at its Paris-based offices. For 8 days, all employees were invited to donate their used working clothes (suits, jackets, blouses, shirts, shoes, accessories, etc). More than 130 kg of clothing were collected and distributed to people seeking to re-enter the workplace. On the back of the success of this operation, the Company decided to organize another clothes collection/donation event through May and June 2018.

### 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 start-ups 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, with the aim of connecting start-ups with Wavestone's employees and clients. In 2017, three theme-based events were organized in Wavestone's premises (Fintech, Assurtech and IA). The Company also attended the Vivatechnology trade fair, where it sponsored the press area and organized personalized tours for 20 of its VIP clients. Employees who expressed an interest received invitations to this event, allowing them to catch a glimpse of tomorrow's innovation.
- Start-ups benefiting from Wavestone's assistance are set up in the Group's offices in Paris and sometimes in other Group offices worldwide. There they receive personalized support based on the knowledge and expertise of the Company's teams (marketing approach, recruitment, security audits, etc.).

Since March 2016, Wavestone has hosted 16 start-ups. For Wavestone, these partnerships are aimed at reinforcing the collaborative culture, flexibility and open innovation of the Company. The program also contributes to instilling an entrepreneurial spirit throughout the Company. The 2018 call for projects made it possible to select 3 new start-ups, including Isahit, which helps women in developing countries to learn about digital technology and sell their services, and was awarded a "*coup de cœur*" (jury's favorite) prize.

### Ashoka

In 2017, Wavestone began a trial partnership with international NGO, Ashoka, as part of the latter's ShareIT program. This program, which combines technology, entrepreneurship and social commitment, was launched in 2017 with the objective of encouraging the development of innovative digital projects with a positive social impact (Tech for Good). Over the course of the year, 11 Wavestone employees were involved in 6 projects by leading half-day workshops. Based on the success of this trial period, Wavestone intends to strengthen this partnership over the 2018/19 fiscal year and plans to develop

its skill-based sponsorship by offering one of its employees the opportunity to join the program full-time for 7 months. In addition, Wavestone employees with expertise in a particular field will be able to support these ESS companies.

### Apprentis d'Auteuil

Since February 2018, Wavestone has lent its support to the "L'Ouvre Boite Paris" project organized by the "Apprentis d'Auteuil" association. L'Ouvre Boite is a project designed to support young entrepreneurs aged 18 to 25 who show innovation, initiative, creativity and courage in setting up their business, but who are faced with specific cases of social and professional exclusion (long-term unemployment, lack of qualifications, residence in a sensitive urban area, etc.).

In this instance, one Wavestone employee and a member of the Shake'Up initiative were chosen to be mentors for two years. Their objective is to provide support to a young entrepreneur so that their project can become a reality.

### Cybersecurity challenge for start-ups: 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, particularly in the area of banking. For this first edition, 42 start-ups submitted their application. On 07/05/17, three winners were announced on the occasion of Société Générale's TechWeek Cybersecurity Day:

- Alsid in the "Digital Trust for Banks" category, for its solution that continuously analyzes the security features of Active-Directory (AD) infrastructure to detect the appearance of attack vectors and produces action plans to remedy them.
- Skeyecode in the "Digital Trust for Clients" category. Skeyecode reconciles safety performance and ease of use with its strong, software-only, authentication solution, which draws on the latest advances in cryptography.
- Sscreen in the "Special France" category, which rewards start-ups whose head office is located in France and whose share capital is mainly held by French individuals or companies. Sscreen enhances the security of web applications against attacks, in a transparent and continuous manner.

The winning start-ups will have the opportunity to test their solutions within Société Générale, and will be invited to join Shake'Up, Wavestone's start-up accelerator program, in addition to presenting their ideas on BFM Business.

### 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 forging close links with higher education establishments. As such, with young graduates accounting for over 60% of recruits, Wavestone has for many years been building close-knit and lasting relationships underpinned by trust with around thirty schools and universities in France.

The objective of this proactive partnership policy is to lend support to students in their personal and professional development throughout their studies:

- professional, via the transmission of knowledge and expertise inherent in consulting jobs (project management, client relationship management); and
- personal, by providing a variety of career coaching programs.

In 2017/18, over 150 on-campus actions were carried out: CV/cover-letter workshops; talks by members of the Company's alumni; attendance at educational Meetings; organization of conferences, roundtables and course modules, etc.

In addition, in 2018, Wavestone took part in the fourth edition of HEC's Business Game. This event challenges students to tackle real-life case studies in specific management areas, coached by representatives from leading companies in their field. For this year's edition, Wavestone organized an innovative challenge on cyber crisis management. For three hours, the participants played the role of members of a company's executive committee in a crisis situation and had to make critical decisions, receiving unexpected instructions and information as they went along. More than 200 international students from 79 schools took part in the event.

On an educational level, the Company also maintains strong relations with the careers services and faculty bodies of its target schools. In this regard, Wavestone invited the Directors

and Corporate Relations Managers of its partner schools to its La Défense offices in January, to meet with members of Management and HR. This provided an opportunity to discuss the Group's current events and to explore new avenues for collaboration in the years to come.

Wavestone also continues its policy in relation to integrating employees on work/study contracts, initially launched in 2012/13. In 2017/18, the number of youths on work-study contracts within the Company increased from 44 to 52.

### 4) Raising awareness of IT security challenges

Wavestone's core business is to assist its clients in the definition and implementation of their most important projects. As a result, the Company handles a lot of data entrusted by its clients on a daily basis. As a trusted partner, Wavestone has made data protection its priority. That is why, in recent years, the Group has reviewed and strengthened its information system protection measures to ensure maximum protection against the growing number of cyber threats. To prevent any incident that could have a significant impact on the brand image, operations and financial health of its clients but also Wavestone itself, a series of functional and technical measures have been implemented Group-wide. Each information system user thus has a key role to play in this prevention.

To raise awareness among its employees, Wavestone has implemented a certain number of measures:

- creation of a user guide distributed to all new employees and available on the Company Intranet;
- creation of a series of animated awareness videos;
- dedicated page on the Intranet;
- confidentiality agreement signed by new recruits, e-learning modules for new employees recalling Wavestone's ISS best practices; etc.

The Company has decided to strengthen its action plan by setting a priority objective in Wavestone's CSR strategic plan:

#### 2021 objectives

Have trained 100% of employees<sup>(1)</sup> in data protection

(1) Employees who have been with the Company for at least 1 year.

#### Current performance

70% of new recruits at 03/31/18

Via its partnership with the Hack Academy Foundation, Wavestone is also committed to raising awareness of cybersecurity in society.

In November 2017, the Company took part in the campaign launched by the French Information Systems Security Association (ISSA France) to create a digital security holiday activity book. The aim is to transmit digital safety rules to both children and parents, but also to establish an intergenerational dialogue on this subject.

### 2.3.3. Subcontracting and suppliers

#### Social and environmental challenges considered in the firm's procurement policy

During the 2017/18 fiscal year, Wavestone started working on a new procurement policy for the entire Group, which takes account of key CSR challenges. This new responsible procurement policy focuses on two main areas:

- the integration of CSR criteria when choosing suppliers;
- the creation of a procurement code of ethics for internal buyers.

Until now, sustainable development criteria (environmental, social and/or societal) were integrated into certain specific purchasing processes, but were not implemented and standardized at Group level. For example:

- Recycling of printing supplies, printing services and paper purchases (100% recycled or eco-label) (see paragraph 2.2.5).
- IT equipment: all company laptops are EPEAT<sup>(1)</sup> labeled (gold or silver level). Among other things, this label requires the limited use of dangerous substances, guaranteed recycling and sustainability, low power consumption and low environmental impact packaging (see paragraph 2.2.3).
- Recourse to the protected workers sector for certain services, in particular for the organization of internal and external events (catering, printing) (see paragraph 2.1.7). Wavestone has also implemented a procedure for the systematic recycling of end-of-service IT equipment at all its sites. The cooperative company *Les Ateliers du Bocage*<sup>(2)</sup> was chosen to treat electrical and electronic waste (WEEE) for Paris and Marseille, through the clean disposal of toxic components and the recycling of recyclable materials.

Moreover, as part of the AIR office layout project, Wavestone has:

- installed waste-sorting bins (organic/cardboard/paper) and removed individual bins;
- installed "Canibal" beverage-packaging recycling machines for cans, plastic cups and plastic bottles;
- installed LED-only lighting throughout its offices and presence detectors for 80% of its lighting installations, and fitted taps with sensors in the restrooms;
- laid a false floor with an access ramp for people with reduced mobility;

- fitted out its offices with furniture, of which 90% was made in France.

From 2018/19, Wavestone's new procurement policy will incorporate CSR criteria into the overall supplier evaluation process.

Furthermore, to maintain a responsible relationship with its suppliers, all buyers must adhere to the Company's Code of Ethics. Furthermore, Wavestone undertakes to be fair to all its suppliers, from the consultation phase to the sharing of information and unfolding of negotiations. Invitations to tender will be systematic to ensure fair competition.

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 that promote social progress and economic development.

Lastly, it should be noted that the bulk of Wavestone's partners and suppliers are based in France and subject to French laws and obligations relating to human rights, labor law, 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 that does fall within its own area of expertise, is necessary to complete the project.

#### 2.3.4. Fair trade practices

Wavestone launched a campaign to raise personnel awareness of this ethical approach. Aside from raising awareness through real-life experiences, the aim is to enable employees to identify and report similar cases to an Ethics Officer appointed in 2017/18 to encourage discussion.

#### 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. This underlines the Company's long-term commitment to pursuing all of its actions in a

(1) Label Electronic Product Environmental Assessment Tool.

(2) <https://ateliers-du-bocage.fr/>.



responsible and transparent manner. Accordingly, Wavestone supports and undertakes to promote the 10 principles of the UN 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 2017/18, the Company published its fifth “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 UN Compact.

During the past year, in compliance with the Sapin 2 Law, Wavestone undertook several new measures, including the adoption of the MiddleNext anti-corruption code of conduct, published in December 2017. This Code is designed to help companies adopt the right behavior to ensure the prevention and detection of corruption. It sets out the principles that employees must respect in their professional activities and is addressed to all employees regardless of their profession or geographic location, as well as to all persons acting on behalf of the Company. Wavestone will ensure that its partners share the same values.

The MiddleNext anti-corruption code of conduct defines the fundamental principles and rules on corruption and influence peddling concerning the following areas:

- Rules applying specifically to public officials
- Gifts and invitations
- Gifts to charitable or political organizations
- Patronage, sponsoring
- Facilitation payments
- Monitoring of third-parties
- Conflicts of interest
- Accounting records/Internal controls.

As this Code cannot address all the cases of corruption and influence peddling that may arise in the course of the Company's activities, Wavestone recommends that each of its employees exercise their own judgment and common sense. To enable its application within Wavestone, a special guide for employees has been drawn up based on real-life situation identified during workshops to illustrate the main principles of the Code.

In addition, an internal whistle-blowing system has been implemented to report any behavior contrary to the Code of Conduct. Wavestone has also appointed Ethics Officers to represent all departments; they may be approached by employees in the event of uncertainty.

### Measures taken to promote consumer health and safety

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

It should be noted, however, that the Group contributes towards raising awareness of the challenge posed by cybersecurity (see 2.3.2.4).

### 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 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 7 members (2 women and 5 men), of which 5 are independent. As Wavestone is an equity-controlled company, the composition of the Supervisory Board ensures that the interests of the minority shareholders are respected.

On the recommendation of the Audit Committee, internal controls were tightened during the 2017/18 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 code of ethics.

During the 2017/18 fiscal year, a new risk-monitoring committee (COFIL) was set up to gather monthly reports from the three existing risk-monitoring committees devoted to IS-risk, internal control and internal audits.

## Transparency

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

This approach is reflected in Wavestone's decision to maintain its quarterly financial reporting despite the suppression of this obligation on 12/31/14 upon the publication of measures to transpose the revised transparency directive (2013/50/EU) included in the "DDADUE" Law bringing a number of provisions in 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 Shareholders' club to strengthen relations with individual investors, and regularly participates in trade fairs.

These initiatives were rewarded at the "Corporate Governance Grand Prix Awards", presented each year to issuers that meet the level of excellence demanded by investors, both in terms of transparency and the effective implementation of best

practices. A jury of specialists draws up several lists of nominees based on major governance criteria and then submits them to a vote by approximately 100 professionals with recognized expertise in the field. In 2017, Wavestone was awarded the Silver Governance award in the Mid-Cap Corporate Governance category.

## 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 a campaign to raise personnel awareness of the Group's ethical approach in 2017/18. In addition to raising awareness through real-life experiences, the aim is to enable employees to identify and report similar cases to the Ethics Officers appointed in 2017/18.

The aim of this approach is to formalize a code of ethics 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 Company, as well as to advise employees and adopt a continuous improvement approach.

The purpose of this code is to serve as a professional behavior guide for all personnel members, irrespective of their position and level of responsibility.

The Company has also made a 3-year commitment in this area as part of its CSR strategic plan:

## 2021 objectives

Have trained 100% of employees<sup>(1)</sup> in business ethics

(1) Employees who have been with the Company for at least 1 year.

## Current performance

No training

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

## Client satisfaction

Client satisfaction is at the heart of Wavestone's value proposition, which is why Wavestone has defined and deployed a quality approach applicable to all its missions.

This approach is underpinned by the implementation of a dedicated organizational structure and a quality risk detection and control process, as well as by the conducting of an annual satisfaction survey. As part of this survey, in April 2017, Wavestone sought the opinion of its French clients (based on

a sample of 1,428 clients) on the assignments it completed during 2016.

The response rate for this survey was 23%, and highlighted several findings:

- 95% of respondents stated that they were generally satisfied with the quality of our assignments.
- Between 85% and 90% of respondents considered that the quality of the assignments was satisfactory in terms of the following criteria:
  - Quality of the relationship, transparency and listening skills
  - Commitment and involvement of the teams
  - Flexibility and responsiveness.

- The two criteria considered most important by the Company's clients when assessing the quality of an engagement are "Proactive thinking and ability to challenge objectives" and "Compliance with commitments, ability to achieve or exceed expected results". Based on these two criteria, the level of satisfaction stood at 71% and 79% respectively.
  - 15% of respondents stated that they had reported some dissatisfaction; of these, around two thirds considered that it had been dealt with either in line with or beyond their expectations.
  - Finally, in answer to the question "On a scale of 1 to 10, would you be prepared to recommend Wavestone?", 76% of respondents gave our firm a score of more than 8.

This survey is intended to be conducted each year in all the countries where the Group is present.

#### 4. Methodology note regarding Wavestone's 2017/18 non-financial reporting

##### 4.1. Scope of consolidation

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

Wavestone 2017/18 reporting scope therefore includes Wavestone SA (parent company) and its subsidiaries:

- Wavestone Advisors (French offices);
- Wavestone Advisors UK (UK office);
- Wavestone Advisors Morocco (Moroccan office);
- Wavestone Advisors Switzerland and Wavestone Consulting Switzerland (offices in Switzerland);
- Wavestone Belgium (office in Belgium);
- Wavestone Luxembourg (office in Luxembourg);
- Wavestone Hong Kong (office in Hong Kong);
- Wavestone US (Office in the U.S.).

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. Our operations in New York and Hong Kong, which represent less than 2% of the Group's workforce, have not been included in the environmental reporting data.

All **economic data** is solely qualitative.

##### 4.2. Reporting period

Most of the data provided in this report covers the 2017/18 fiscal year ended 03/31/18. In exceptional cases that are explicitly mentioned, the information covers the 2017 calendar year.

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

Wavestone's non-financial data is collected and consolidated at the Company's head office. Data collection and consolidation is the responsibility of the Head of 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 challenge and key priority for the Company.

Wavestone's HR Development Department is responsible for defining and implementing the Company'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's HR Development Department, who is in charge of data consolidation at Group level.

###### Environmental data

At the environmental level, Wavestone has worked with the firm, I Care & Consult, since 2013. Wavestone SA conducted its first carbon audit during the 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. It is overseen by Wavestone's HR 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 the “Cross-reference table: pursuant to decree 2012-557 of 04/24/12 Grenelle II” in the Appendices) 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 CSR 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 significant differences 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 the 2017/18 fiscal year. The subsequent audit report is presented below.

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

To the Shareholders,

Following the request made to us by Wavestone 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 our report on the consolidated corporate social responsibility information presented in the annual report for the period ending 03/31/18, pursuant to Article L.225-102-1 of the French Commercial Code.

## Management 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 “CSR Information”) and prepared in accordance with the guidelines (the “Guidelines”) used by the Company and available on request at Wavestone’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, our profession’s Code of Ethics, 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 rules, 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 annual report or, in the case of its omission, that an appropriate explanation has been provided in accordance with paragraph three 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 a fair manner in accordance with the reporting standards (limited assurance report).

## Attestation of presence of CSR Information

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

- we compared the CSR 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 CSR Information covers the consolidated scope, namely the Company and its subsidiaries within the meaning of Article L.233-1 and the entities which it controls within 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, we confirm the presence in the annual report of the required CSR Information.

### **Opinion based on the accuracy and fairness of the CSR Information**

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

Our work was completed between 05/09/18 and 05/17/18 for a period of roughly six man-days.

We conducted our work in accordance with the standards of professional practice applicable in France, with ISAE 3000, and with the Decree of 05/13/13 outlining how independent organizations are to conduct their assignments.

We conducted three interviews with the persons responsible for preparing the CSR Information in the departments in charge of the information collection process and, where applicable, those responsible for internal control and risk management procedures, in order to:

- assess the appropriateness of the guidelines in place, with respect to 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 as regards its completeness and consistency. We reviewed the internal control and risk management procedures relating to the preparation of the CSR Information.

We identified the consolidated information to be tested and determined the nature and extent of the 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 verify the qualitative information (organization, policies, actions, etc.);
- we conducted analytical procedures on the quantitative information and, based on sampling, verified the calculations and the consolidation of the data;
- we completed 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.

We believe that the sampling methods and sample sizes we have selected using our professional judgment allow us to provide limited assurance. A higher level of assurance would have required a more extensive review.

Our work covered over 50% of the consolidated value of the quantifiable indicators relating to employment and over 50% of the consolidated value of the quantifiable indicators relating to the environment.

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

#### **Comments on the CSR Information**

Social quantitative information is mainly derived from a single group database that is subject to strong internal control.

#### **Conclusion**

Based on our work, we have not identified any significant misstatements that would cause us to believe that the CSR Information, in all material respects, has not been presented fairly, in accordance with the reporting standards.

Lyon, May 18, 2018


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