

# WAVESTONE

**Statement of non-financial  
performance  
2019/20**

# Embodying and sharing our own values

Having introduced its CSR approach in 2011, Wavestone has included CSR as one of the four pillars of its strategic plan.

Wavestone's CSR approach is built around four priorities and seven structural commitments.



Wavestone has set a goal of placing the firm in the Top 3 in its CSR category each year. Over the last four years we have succeeded, Wavestone topped the Gaia Rating for companies in the category of firms with revenue between €150m and €500m. To read the statement of extra-financial performance, go to page 75.

CSR is at the core of our strategy. It is one of the pillars of Wavestone's 2021 strategic plan and all our employees are committed to achieving this objective. Our approach is one of progress and implementing new initiatives every year. In 2019, for example, we formed a Disability Program with the role of providing personalized support to employees affected by a disability and improve their day-to-day lives. Also, more than 120 employees have carried out some forty skill-based sponsorship missions to support associations.



Hélène CAMBOURNAC  
CSR MANAGER

# A dynamic team thriving in a locked-down world

Faced with the restrictions imposed by social distancing, the firm's employees adopted new approaches to maintain links and contribute to energizing working life at the firm. The Covid-19 health crisis turned out to be an unexpected opportunity to invent various original new ways of spending time together.

## Shared moments

**How can close ties be maintained while social distancing? Firm employees found not one but several answers to this question.**

In the Digital & Emerging Technologies teams, a specialized task force rolled out a fully virtual e-festival, with a complete range of activities. "Cultural scene," "Musical scene," "Sport and Wellness scene," "Snacks and Drinks—At Bernadette's": the event included all the hallmarks of a genuine festival, except that it all took place online. This moment of sharing music and cultural activities allowed employees to end each week of remote working on a festive note. Almost everywhere, virtual break rooms popped up. Social distancing did not prevent our employees from continuing to share more informal moments and news of their daily lives, as if taking a coffee break. The idea was a big success, with an E-Café application rolled out throughout the firm. The concept: the app randomly selects another participating employee for you to share a 15-minute e-break with, the other employee may be from your own network or not.

## Friendly competitions

**Be they artistic, culinary or sporting, competitions were popular with many employees.**

The CSE France team (staff representative committee) was particularly active in this respect. With a specially-created newsletter, it offered various challenges, including the "Children's drawings" or "Reproductions of celebrated works" competitions.

In an approach which was not concerted but nevertheless collective, the Swiss office also offered a number of challenges including the best remote working set-up photo competition as well as an Easter egg

## Sporting activities

**Faced with lockdown restrictions, sports enthusiasts also invented new approaches.**

The New York office illustrated their prowess with the "Q2 Fitness Challenge": in less than one month, the 12 joggers who signed up reached their target of running 800 kilometers for the office as a whole. Thanks to the Nike Run Club application, each participant was informed when a

colleague went out for a run. As a result, even with social distancing measures, employees could run at the same time and motivate each other. In London, the 20 members of the Wavestone Running Club shared their weekly performance logs, photos and training program details, for running, walking and cycling activities. Meanwhile, the Luxembourg team adopted a different approach, with one employee hosting group exercise classes every Tuesday and Thursday at lunchtime. All told, either via individual or group efforts, together, all Wavestone employees rose to the challenge!

**▮▮ Social distancing did not prevent our employees from continuing to share more informal moments and news of their daily lives, as if taking a coffee break.**



# 2019/20 Management Board Report

## - Statement of non-financial performance

This statement of non-financial performance describes Wavestone's Corporate Social Responsibility (CSR) approach, strategy and actions. It forms an integral part of the Management Board Report and is made up of five sections:

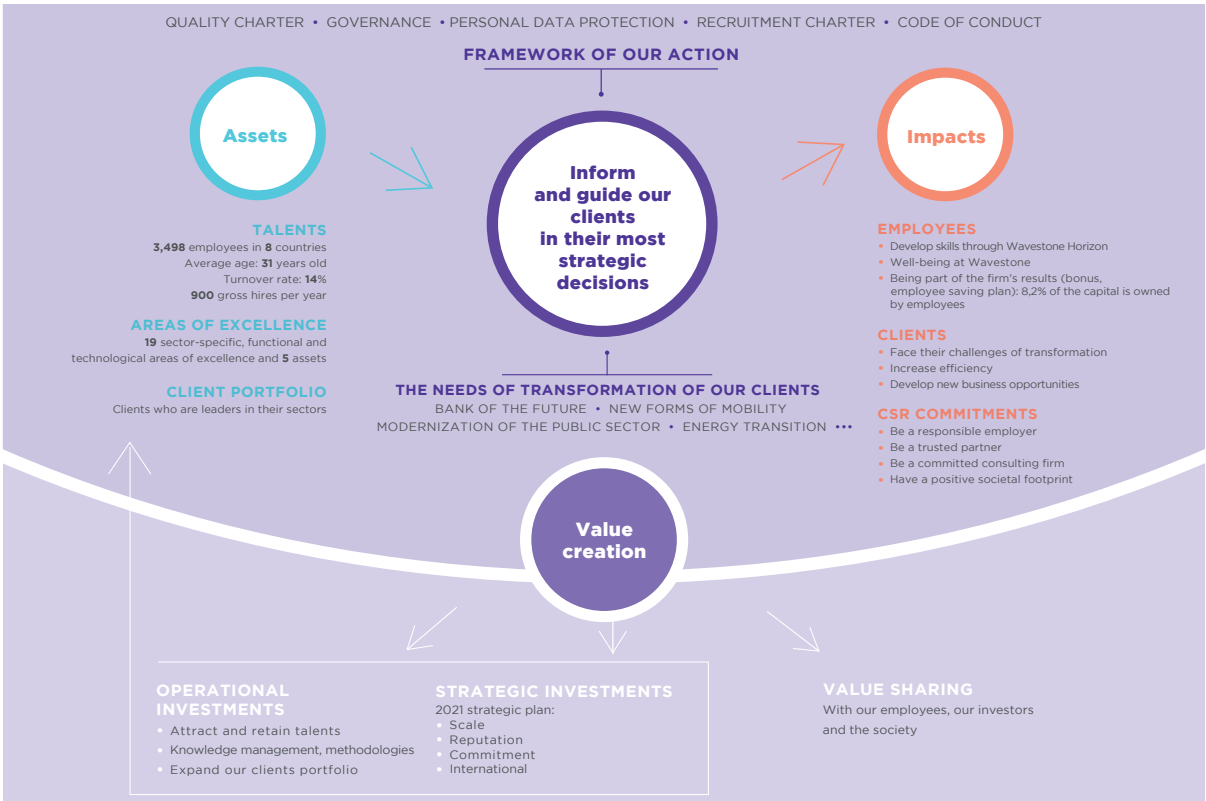
1. Presentation of the Company's business model.
2. Presentation of the Company's general CSR strategy and its principal non-financial risks.
3. Information on how Wavestone incorporates the social, societal and environmental consequences of its activities, as well as the effects of these activities on human rights, anti-corruption and anti-tax evasion matters, pursuant to Articles L.225-102-1 and R.225-104 of the French Commercial Code<sup>(1)</sup>.
4. The methodology note regarding Wavestone's 2019/20 non-financial reporting.

5. The independent Auditor's certificate of presence and limited assurance report on the Company's social, societal, environmental and economic information.

Additional information on the firm's CSR strategy can be found in chapter 1 of Wavestone's Universal Registration Document and on the Company's website: [www.wavestone.com](http://www.wavestone.com) - "About Us" - "Corporate Social Responsibility" section.

The 2019/20 fiscal year was Wavestone's fourth year of non-financial reporting, in accordance with the reporting framework in Articles L.225-102-1 and R.225-104 of the French Commercial Code. 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 (paragraph 4). Since 2013/14, Wavestone's published CSR information has been verified by an external independent body.

### 1. Presentation of the Company's business model



(1) Wavestone has not made specific commitments to reduce food waste and food insecurity, protect animal welfare or to promote responsible, fair and sustainable nutrition. These matters are not significant challenges for the firm's business activities.

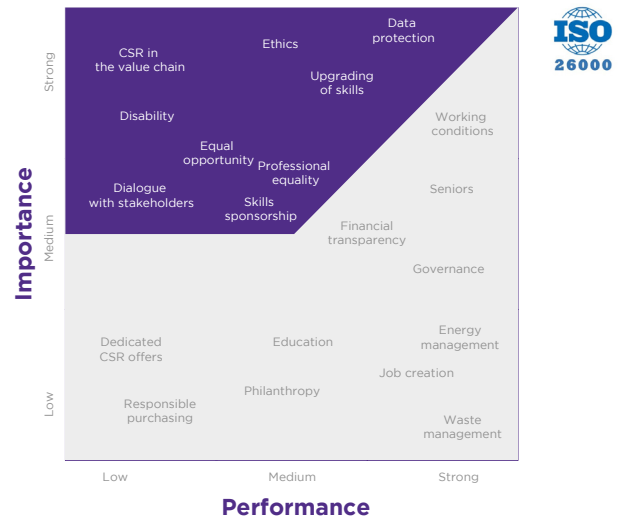
## 2. Wavestone's general CSR approach and strategy

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. Our objective is to achieve a top-3 CSR ranking (in our class) in the Gaïa-Index every year over the period.

We engaged a specialist consulting firm to carry out a CSR audit in 2017/18 and draw up the "performance/importance" matrix based on ISO 26000 below.



This analysis highlighted the most strategic issues for Wavestone in view of its activity. Combined with a consultation of the employees (more than 25% participation worldwide), it led the firm to redefine its CSR strategy according to 4 axes and 7 commitments.

## NEW CSR APPROACH

- Top Left Panel:** Background image of a child with arms raised. Text: "ACT FOR THE A VARIETY OF PROFILES AND EQUALITY OF TREATMENT FOR OUR EMPLOYEES AND CANDIDATES" (with people icon), "BE A RESPONSIBLE EMPLOYER", "ENSURE THE DEVELOPMENT OF OUR EMPLOYEES" (with graduation cap icon).
- Top Right Panel:** Background image of a person with a backpack. Text: "EMAINTEIN A RESPONSIBLE RELATIONSHIP WITH OUR SUPPLIERS" (with envelope icon), "BE A TRUSTED PARTNER", "ENSURE THE RESPECT FOR TRANSPARENCY RULES, ETHICS AND DATA PROTECTION ACROSS THE WHOLE VALUE CHAIN" (with shield icon).
- Bottom Left Panel:** Background image of a person in a cape. Text: "INTEGRATE CSR ISSUES INTO OUR CONSULTING PRACTICES" (with lightbulb icon), "BE A COMMITTED CONSULTING FIRM".
- Bottom Right Panel:** Background image of a person walking on a path. Text: "LIMIT THE ENVIRONMENTAL EFFECTS OF OUR FIRM" (with recycling icon), "HAVE A POSITIVE SOCIAL FOOTPRINT", "SUPPORT PROJECTS THAT CREATE SOCIAL VALUE AND PUT OUR SKILLS AT THEIR SERVICE" (with smiley face icon).



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

<b>2021 objectives</b>	<b>Performance at 03/31/20</b>	<b>Performance at 03/31/19</b>	<b>Performance at 03/31/18</b>
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 41%, respectively	28% and 38%, respectively	30% and 36%, respectively
Achieve 30% representation of women on the Executive Committee	15%	15%	17%
Triple the number of employees with disabilities (objective 33)	22 at 12/31/19	15 at 12/31/18	11 at 12/31/17
Have trained 100% of employees <sup>(1)</sup> in business ethics	79% of employees trained in the fight against corruption	Training being developed	No training
Have trained 100% of employees <sup>(1)</sup> in data protection	100% of new hires 86% of employees	86.4% of new hires 71% of employees	70% of new hires 13% of employees
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	Policy being drafted	Policy being drafted	No policy
Draw up a responsible consulting charter and train all employees in how to follow it	Charter and training being drafted	Charter being drafted	No charter
Devote 1% of the firm’s time to supporting social organizations	0.53%	0.24%	Approximately 0.16% <sup>(2)</sup>

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

(2) The number has been recalculated: [number of days worked / (218\*headcount as of 03/31/N)].

## 2.1. 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 Director of Human Resources, the Head of Recruitment, the Head of CSR and the holders of each axis.

This Committee, which meets twice a year, monitors the firm’s social, societal, environmental and economic performance, the progress of current projects and the achievement of objectives.

### Operational organization

Wavestone’s CSR strategy is implemented operationally by a five-strong team dedicated to CSR, headed up by the CSR manager who reports to the HR Development Department.

The manager is in charge of coordinating projects in different areas (social, societal, environmental, economic), as well as employee awareness actions, and the production of non-

financial reporting and the response to the various CSR performance questionnaires.

Since September 2018, the CSR team has been supported by four pairs of operational staff (one per area) whose role is to steer the action plan for each area, with the support of employee volunteers.

In addition, CSR ambassadors at each site and per department are in charge of implementing the action plan locally and relaying communication.

### CSR strategy monitoring

Once a year, the firm’s CSR policy is shared with the Supervisory Board.

## 2.2. CSR awards and labels

In 2019/20, Wavestone received several awards for its actions in terms of CSR.

- **Gaïa-Rating:** this benchmark SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies according to their action to non-financial transparency and sustainable development performance (CSR policy, HR management, management

of environmental impact, etc.). In October 2019, Wavestone topped the Gaïa-Rating for companies in our segment (firms with revenues of between €150m and €500m) for the third year in a row.

- **Ecovadis:** an independent non-financial rating agency specialized in four aspects of CSR performance assessment (social, environmental, business ethics and responsible purchasing). In 2019, Wavestone was once again awarded a **“Gold” rating from Ecovadis, with a score of 73/100.**
- **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 fourth year taking part, Wavestone ranked in **4<sup>th</sup> place** of the best companies in France with more than 500 employees. 83% of our people say it’s 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. 2019 was Wavestone France’s sixth consecutive year to be awarded the Happy Trainees label, with an overall rating of 4.05/5 and a **recommendation rate of 86.8%.**
- **ISO 27001 Certification** of the Information security management system. First obtained in September 2014 and renewed in September 2017 for three years as part of security audit and digital investigation services for information systems at the Paris and Nantes sites.

### 2.3. CSR commitments

We are committed to the:

- **Global Compact:** in 2019/20, Wavestone renewed its membership of the UN Global Compact and 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.
- **LGBT+ Commitment Charter:** on 09/27/19, Wavestone signed the LGBT+ Commitment Charter of *l’Autre Cercle*, together with 130 other companies. The charter aims to ensure the inclusion of lesbian, gay, bisexual and transgender people in their workplace.

- **Handicap charter:** on 11/13/19, Wavestone signed a handicap charter together with around 100 French companies aimed at enhancing inclusion of handicapped employees in their workplace.
- **Consulting group’s responsible manager Charter:** against the unprecedented backdrop of the Covid-19 crisis, in early April 2020, Wavestone took part in and signed the Charter drawn up in collaboration with Syntec Conseil. It sets out the commitments and responsibilities of consulting firm managers.

We also work with a range of different organizations that address key concerns for the firm, such as *Elles Bougent*, *Femmes@numérique*, *AFMD*, *Hack Academy*...

### 3. Information on Wavestone’s social, societal, environmental and economic performance

#### Forward

In accordance with Articles L.225-102-1 and R.225-104 of the French Commercial Code, we reviewed the firm’s main non-financial risks based on an analysis of their materiality, relevance, and how important they are in an assessment of financial risk.

This section complies with the provisions in Articles L.225-102-1 and R.225-104 of the French Commercial Code on corporate transparency obligations with respect to social, societal and environmental matters and on disclosures relating to anti-corruption, initiatives to promote human rights and measures to curb tax evasion.

*Details of the Company’s CSR reporting methodology are provided in paragraph 4.1. Wavestone’s 2019/20 reporting scope includes all of the Company’s subsidiaries.*

#### 3.1. Social information

We are committed to be a socially responsible and engaged employer. We make two commitments under the CSR strategy:

- promote diversity and equal treatment of employees and job applicants;
- promote the development and self-fulfillment of all our employees.

Compliance with these commitments is the responsibility of the HR Development Department. To achieve these goals, Wavestone has engaged substantial resources, since the Company’s success essentially hinges on its ability to attract and retain the best talent on the market and develop their potential.

### How the HR Development Department is organized

Wavestone's HR Development Department is responsible for defining and implementing the Company's Human Resources strategy. To do this, the department is assisted by:

- a central HR development team, which includes the CSR team;
- decentralized HR development 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.

For the record, Wavestone's HR strategy is presented in the corporate part of the Company's Universal Registration Document.

### 3.2. Employment

#### 1) Total workforce

At 03/31/20, Wavestone's total workforce stood at 3,498 employees, up 13% on the previous year (3,094).

The Company's workforce breaks down as follows:

- 66.2% of employees are under 30 years of age;
- 40.8% of employees are women;
- 88.1% of employees are based in France;
- 80.8% of employees are based in the Paris region (Wavestone head office);
- 3,408 permanent employment contracts, which represents 97.4% of the total workforce; of these, 88.3% are in France;
- 90 non-permanent employment contracts, of which 15 are fixed-term contracts and 75 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

We are committed to promoting gender equality and consistently support measures to ensure strict non-discrimination in the workplace.

(% of total workforce)	At 03/31/20	At 03/31/19	At 03/31/18
Men	59.2%	61.4%	63.6%
Women	40.8%	38.6%	36.4%

##### Breakdown for consultants

Men	62.8%	65.2%	67.4%
Women	37.2%	34.8%	32.6%

For more details, see 3.2.6. "Equal opportunities".

### Breakdown by age

The average age of Wavestone's workforce at 03/31/20 was stable at 31. The following table gives a breakdown of the Company's workforce by age:

(% of total workforce)	At 03/31/20	At 03/31/19	At 03/31/18
18-25 years	17.3%	15.9%	13.5%
25-30 years	48.9%	48.3%	48.0%
30-50 years	27.0%	29.2%	32.1%
>50 years	6.8%	6.6%	6.4%
o/w over 55 years	3.7%	3.3%	2.7%

### Average length of service

The average length of service at 03/31/20 for all positions was stable year-on-year to 4.2 years.

	2019/20	2018/19	2017/18
Total Group	4.2 years	4.3 years	4.5 years
Consultants	4 years	4.1 years	4.2 years

### Breakdown by geographic area

All our Paris-based teams work at the Paris La Défense office. Wavestone has three other French offices – in Lyon, Marseille and Nantes – and ten offices abroad: Casablanca (Morocco), London and Edinburgh (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York, Philadelphia (United-States), New Delhi (India) and Hong Kong.

(% of total workforce)	At 03/31/20	At 03/31/19	At 03/31/18
Paris region	80.8%	82.0%	82.7%
Regional offices	7.3%	7.7%	7.8%
International	11.9%	10.3%	9.5%

### 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 03/31/20	At 03/31/19	At 03/31/18
Consultants	88.1%	89.0%	89.0%
Sales teams	3.5%	3.0%	3.0%
Back office staff	8.4%	8.0%	8.0%

At 03/31/20, Wavestone employs 3,080 consultants, of which 50 on skills-acquisition or work-study contracts.



### 3) Hiring and departures

#### Recruitment policy

The firm's recruitment policy prioritizes 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 400 trainees every year (in the form of sabbaticals and end-of-studies internships) and trainee positions. For example, in 2019/20, over 70% of the Company's end-of-studies trainees and 50% of interns interested in joining the firm were hired on permanent contracts at the end of their training period. The recruitment process for interns and trainees is as demanding

#### Details of new hires and departures (excluding internships)

New hires and departures during the 2019/20 fiscal year are shown below:

#### Recruitment

<b>Total external recruitment (excluding internal mobility transfers)</b>
<i>o/w permanent employment contracts</i>
<i>o/w temporary employment contracts</i>
- <i>o/w fixed-term</i>
- <i>o/w skills-acquisition and work-study contracts</i>

2019/20		2018/19	
Number	%	Number	%
1,132	100%	965	100%
1,037	91.6%	890	92.2%
95	8.4%	75	7.8%
30		10	
65		65	

#### Staff departures

<b>Departures (excluding internal mobility)</b>
<i>o/w resignations</i>
<i>o/w end of temporary employment contracts (fixed-term, skills-acquisition and work-study contracts)</i>
<i>o/w suspension of trial periods</i>
<i>o/w redundancies</i>
<i>o/w employment-contract termination by mutual consent</i>
<i>o/w acknowledgement</i>
<i>o/w retirement</i>
<i>o/w deaths</i>
Departures of permanent employees

2019/20		2018/19	
Number	%	Number	%
789	100%	762	100%
486	61.6%	569	74.7%
96	12.2%	64	8.4%
151	19.1%	101	13.3%
36	4.6%	19	2.5%
9	1.1%	1	0.1%
2	<0.3%	NC	
7	0.9%	7	0.9%
2	<0.3%	1	0.1%
683		696	

During the 2019/20 fiscal year, Wavestone recruited 886 permanent employees (excluding end of trial period and internal mobility transfers) and 17 part-time employees were taken on in France.

The increase in terminations during trial periods, recorded in certain companies, can be mainly attributed to weaknesses in our recruitment process (demanding selection criteria). The action plan rolled out (implementation of a recruitment charter, review of recruiter profiles) should enable a gradual return to more standard levels by the end of the fiscal year.

and selective as the process for all new employees. They're also offered the same onboarding and support program once they join the firm.

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

	2019/20	2018/19	2017/18
Business schools (%)	40.7%	44.0%	43.3%
Engineering schools (%)	27.6%	27.2%	31.2%
Universities (%)	31.7%	28.8%	25.5%

#### Staff turnover

Annual staff turnover (number of departures due to resignations compared to the number of employees at the end of the fiscal year) amounted to 13.9% for the 2019/20 fiscal year, down sharply compared to previous years, in line with Wavestone's objective of reducing its turnover below 15%.

	2019/20	2018/19	2017/18
Staff turnover (%)	13.9%	18.4%	16.3%

#### 4) Compensation and salary trends

##### Pay policy

###### Pay policy: core principles

Our remuneration policy is based on three principles:

- **A single salary scale for each job category and countries**

We apply the same salary scale across all our activities. 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, it’s essential to have a competitive pay policy to attract and retain the best talent. This policy is based for each country and each job category, considering market practices (annual benchmark).

- **Commitments to ethics and transparency**

In France and Luxembourg, we publish all our pay policy rules (starting salary, packages per grade, bonus calculation, etc.) on the Wavestone corporate website.

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

##### Employee profit-sharing

Employee profit-sharing for Wavestone SA and Wavestone Advisors, calculated on the basis of the statutory formula, totaled €5,289k in the 2019/20 fiscal year.

For more than 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. 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 5 years, nearly 40% 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.

#### 3.2.1. Organization of work

##### 1) Organization of working time

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

##### 2) Absenteeism

Wavestone’s absenteeism rate in France<sup>(2)</sup> was 2.3% for the 2019/20 fiscal year, mainly due to sick leave and work-related and travel accidents. Maternity and paternity leave, as well as unpaid leave (including full-time parental leave) are not factored into the absenteeism rate.

#### 3.2.2. Social relations

##### 1) Organization of social dialogue

In France, an Economic and Social Committee for the Economic and Social Unit is made up of Wavestone SA and Wavestone Advisors.

The CFE-CGC union is the representative union and has appointed 2 representatives to represent it.

Social actions are managed by the Group’s Economic and Social Committee (ESC), and mainly consist of sports and cultural activities. For example, every year for more than 25 years, the ESC organizes a skiing weekend open to all employees. There are also a number of clubs, with interests ranging from sport to cultural activities (including photography, climbing, running and music, theater...). We also arranged a partnership with Gymlib in August this year that gives staff access to more than 200 sporting activities in more than 2,000 sports centers around France.

(1) Organization of Working Time.

(2) Excluding Metis.

### Meetings between management and employee representative bodies held in 2019/20 by scope

15 meetings, including 5 exceptional meetings, were held with the ESC during the year.

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

- Consultation on the Group's inclusion policy to promote recruitment of disabled people
- Consultation on the gender equality report and quality of life in the workplace
- Consultation on the presentation of the CSR action plan
- Consultation on the training plan and training actions

#### 2) Review of collective agreements signed

Within the UES, which brings together Wavestone SA and Advisors, an agreement to set up a complementary health plan was signed on 12/02/19.

Within the UES, which brings together Wavestone SA and Advisors, an agreement to set up a provident scheme was signed on 12/02/19.

The Mandatory Annual Negotiations commenced on 01/21/19 and culminated in an agreement signed by the ESU in April 2019.

#### 2) Occupational health and safety agreements

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

#### 3) Occupational accidents and illness

France (excluding Metis)	2019/20	2018/19	2017/18
Number of occupational accidents	29	22	25
<i>o/w commuting accidents</i>	22	11	11
Number of occupational illnesses declared	0	0	1
Rate and frequency of occupational accidents <sup>(1)</sup>	2.0	1.7	2.3
Severity rate of occupational accidents <sup>(2)</sup>	0.04	0.01	0.02

(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 29 accidents reported in 2019/20, 10 resulted in time off work on medical grounds.

#### 3.2.4. Wellness in the workplace

Ensuring a high-quality working environment and work-life balance for our employees is an integral part of Wavestone's human resources policy and underpins our commitment to promote the development and fulfilment of our staff.

### 3.2.3. Health and Safety

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

##### Health, Safety and Working Conditions Committee (HSWCC)

The ESU formed of Wavestone SA and Wavestone Advisors have a single Health, Safety and Working Conditions Committee. It met 4 times during the 2019/20 fiscal year.

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.

It helps to draft and update the workplace risk assessment document, known as the single document for the evaluation of occupational risks (DUERP).

##### Other health and safety actions

- First aid in the workplace training
- Safety officer training
- Office remodeling
- Ergonomics in the workplace and prevention of musculoskeletal disorders
- Prevention of psychosocial disorders

For more than 5 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.

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

In this respect, an agreement on professional gender equality, quality of life in the workplace and the right to switch off from work was drawn up and was the subject of negotiations with the Economic and Social Committee during fiscal year 2019/20.

Nevertheless, owing to the Covid-19 pandemic, the signature of the agreement was postponed to fiscal year 2020/21.

## 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 known as the "AIR" project.

It aims to inject more flexibility, comfort, creativity and opportunities for exchanging ideas into the way we work.

The main features of the AIR project are:

- 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 beginning 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.);
- special facilities on each floor of the head office: IT Bar, "CreaPlace" creativity center, video studio, "Hub" customer space, "Nomad Zone", etc.;
- new technologies are central to the project: digital signage screens, meeting room touch-screen booking terminals, video-conferencing equipment, etc.;
- the concept also includes a rest room, to allow employees to recharge their batteries during a "Power Nap" (a short restorative nap).

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

### Flexible working arrangements

#### • Teleworking

Teleworking is an option for employees throughout France since end of 2016 and is also common practice in London, Geneva and Luxembourg.

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 people with disabilities.

In the 2019/20 fiscal year, in excess of 80% of employees in France stated they occasionally worked remotely<sup>(1)</sup>. Teleworking promotes work-life balance and also reduces the firm's environmental footprint by reducing the number of trips made by employees.

#### • Coworking

For fiscal year 2019/20, Wavestone developed an optional scheme for employees to work up to three days per month (included in the three teleworking days) in a coworking space. Employees can book their place among the 600 on offer free of charge, via the Neo-nomade platform. This platform is available to all employees in France eligible for teleworking, via the Wavestone intranet.

Coworking enables employees to:

- reduce travelling time when they are working with two clients or at two sites;
- work in optimum conditions (environment where they can concentrate, with access to printers, etc.).

#### • 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.

#### • 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.

(1) Data from 04/01/19 to 03/16/20. Teleworking was imposed from 03/16/20 due to the Covid-19 epidemic.

## 2) Specific measures for expectant parents

Wavestone is committed to helping female and male employees achieve a healthy work-life balance.

More broadly, Wavestone intends to make an active commitment to change representations related to parenthood within the Company, and to encourage the principle of non-discrimination of employee-parents.

To implement this commitment, the Company has taken several measures, outlined below and presented in Wavestone's Parenthood Guide for employee parents in France:

### Corporate nursery service

Wavestone France first introduced its nursery service in 2008 to help its employees with children/expecting a child to find creche places. The Company works with the Babilou network, which includes more than 300 nurseries in France.

In 2019/20, Wavestone financed 90 cots for its employees' children.

### Childcare leave

Staff 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 every year, Wavestone offers conferences in its Parisian offices and in the regions (Nantes, Lyon, Marseille) led by a parenting coach. These 2-hour conferences focus on practical themes, such as "Sleep for children from 0 to 4 years old" or "Making parenting a breeze".

Since 2019, individual support is also provided to employees in France via face-to-face meetings or by telephone. These 30-minute meetings are presented by a parenting coach who offers parents personalized advice on sleep or nutrition, for instance.

In fiscal year 2019/20, two conferences and around ten individual coaching sessions were organized.

### Support for maternity

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

Prior to maternity leave, pregnant employees who so wish may benefit from an individual meeting with their HR representative, with a specific focus on Wavestone's corporate parenthood charter.

### Paid maternity, paternity and adoption leave

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

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

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

When returning from maternity, adoption or parental leave, employees benefit systematically from two meetings with their HR representative and with their Career Development Manager in the month they return to work. These meetings are organized by the HR representative and the Career Development Manager.

### 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 is committed to cohesion in 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.

### Employee-led projects

Every year, many initiatives are organized by employees. For example, the following projects were carried out in fiscal year 2019/20:

- renewed organization of a blood donation in the Parisian offices of Wavestone in partnership with the *Etablissement Français du Sang* in October 2019. This initiative was a resounding success with 100% of the proposed slots occupied and 71 donors;

- organization of the second internal international ideas competition, The Idea, aimed at showcasing the best employee ideas and helping them put them into practice thanks to a collective innovation process. Of the 10 finalists, 3 were awarded prizes by the jury (replacement of plastic cups with mugs, creation of a Wavestone podcast) and a special public choice prize was awarded to an idea to extend paternal leave;
- re-edition of the clothing collection operation at the Paris office committing employees to donate clothing and shoes to the association "*La Maison de l'amitié*"; thus 7 boxes were donated to people in very precarious and isolated situations who live in or pass through La Défense.

#### 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 staff members and their partners, new employee get-togethers, etc.

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

Wavestone has adopted a local 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 staff stress problems can be detected well in advance.

If employees experience stress, bullying or harassment, they can go to one of a number of trained people: in the HR teams, the Health, Safety and Working Conditions Committee, the occupational health doctor or the support unit. The support unit is there for employees who may be having a tough time, either professionally or personally. All conversations are strictly confidential. The unit is accessible by phone or e-mail, in French and English.

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 managerial program deployed for all of Wavestone's management. This training course includes an e-learning module and a day of face-to-face training dedicated to real-life examples and practical cases. Wavestone has also created a training module dedicated to

the prevention of sexism in the workplace, which is mandatory for all management.

In addition, in March 2019, Wavestone launched an anti-sexism communication campaign to prevent certain cases of PSR. In addition, a focal point for harassment and violence in the workplace has been appointed.

Wavestone's in-house training institute also offers two staff training programs designed to help employees concerned maintain efficiency during stressful situations.

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

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

##### • Great Place to Work®

In November 2019, 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 were able to express themselves on the quality of life within the Company. The survey assesses the Company on 5 levels: credibility, respect, fairness, employee pride and conviviality. A total of 76% of employees responded to the questionnaire and 82% of them consider Wavestone to be a great place to work.

In April 2020, the institute unveiled its France 2020 Awards. Wavestone ranks 4<sup>th</sup> in the 2020 ranking, among companies with more than 500 employees.

A read-out of the results shows where the firm made progress and where more needs to be done.

##### • Happy Trainees

Wavestone France was awarded the Happy Trainees label for the 6<sup>th</sup> consecutive year in 2019, with a score of 4.05/5 and a recommendation rate of 86.8%.

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.

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

### 3.2.5. Integration and development of skills

#### 1) Integration program

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 staff 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.

##### "Wavestone Inside" integration seminar

It now takes place over two days twice a year in Deauville. It 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 (markets, positioning, values, etc.) and to build-up their internal network.

The first day's program features team-building exercises and challenges organized by entity. It ends with an evening event kicked off by an inspirational speaker. Day two focuses on what Wavestone does best, our assets and areas of excellence, and producing videos that reflect an understanding of Wavestone's stand-out practices and values and our commitment to creating a positive impact for all stakeholders. We end the day with a Q&A session with top management.

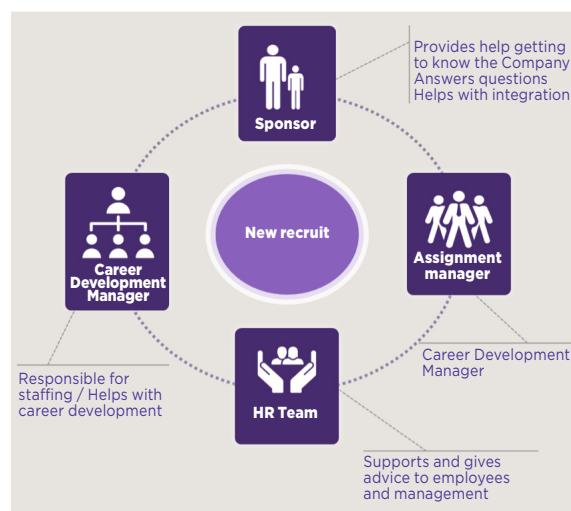
##### Training program

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 attends at least 3 training sessions during their first year.

#### Close employee monitoring



#### Integration of newly acquired companies

Wavestone's external growth strategy involves 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.

#### 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 recruiting young graduates<sup>(1)</sup> (almost 60% of new hires in 2019/20). To this end, the Group has implemented additional measures, as described below.

##### The Wavestone Horizon professional development tool

Career development programs, called *Wavestone Horizon*, are designed for our consulting and business functions.

A new career path dedicated to functional professions has been built and will be deployed over the next fiscal year (starting 04/01/20).

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

(1) Six months or less experience.

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 in order to progress and successfully reach new milestones. By choosing their training programs, each employee is actively involved in the development of his or her career within Wavestone.

**In-house training institute (the "Wavestone Academy") 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<sup>(1)</sup>;
- local training programs.

**Digital training programs**

The purpose of Wavestone's training program is to foster the continuous development of its employees' skills. Digital training opportunities draw on: integration training and 3 e-learning platforms, My Mooc, Vodeclis and Sequoia programs, open to all employees:

- Vodeclis: tuition in professional office tools;
- My Mooc: a monthly catalog of around ten Moocs emailed to all staff members. Articles, podcasts and YouTube videos were recently added to the platform;
- Sequoia: on-line educational training courses in a game-based format developed by the Group's practices to

**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 such as anti-corruption or data protection e-learning) for all of Wavestone employees (excluding Hong Kong and WGroup).

<b>Fiscal year</b>	<b>2019/20 fiscal year</b>	<b>2018/19 fiscal year<sup>(1)</sup></b>	<b>2017/18 fiscal year</b>
Number of employees that attended at least one training course during the fiscal year	2,519	2,080	1,766
Percentage of headcount that attended at least one training course during the fiscal year	72%	67%	63%
Number of training days provided during the year	8,067	6,604	4,611
Number of training hours provided during the year	56,468	38,288	32,275
Average number of training hours provided during the year per employee	22	18	18

(1) Missing data for the Morocco and Wavestone Advisors Switzerland offices (98.4% of staff represented).

The number of employees that attended training was up this year, due to a better information on training.

transmit Wavestone's savoir faire and 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 international in scope and have a cross-functional approach (multi-practice and multi-function). In addition, to enrich 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>(2)</sup>**

The Wavestone Academy offers over forty attendance-based programs designed to develop key job-related skills (business development, delivery, communication, project management, etc.). 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.

Training accounts for 3.9% of total payroll in France. The training spend in the 2019/20 fiscal year in France was €6,437k.

(1) See paragraph 3.2.5.1. on the integration of new recruits.

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



### Assignments and on-the-job training

For all Company employees, the professional consulting assignments they carry out also provide the opportunity for them to develop and enhance their individual skills. This hands-on learning approach is an essential growth driver within the Group. As such, at the beginning of every assignment, the project manager informs the consultants of the objectives involved. Once the assignment has been completed (or at regular intervals in the case of long-term assignments), the project manager carries out an evaluation to assess the consultant's work. This feedback highlights the progress achieved and identified 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 carry out 6-to-12 months assignments within the firm's back-office departments (recruitment, communication, finance, etc.).

### 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.

Almost 200 employees availed of internal mobility opportunities in 2019/20, 56% moving to a new entity.

#### Breakdown of internal transfers by type

	2019/20		2018/19		2017/18	
Regional transfers	43	29%	39	41%	25	39%
Occupational transfers	22	15%	19	20%	14	22%
Inter-practice transfers	82	56%	38	39%	25	39%
<b>Total</b>	<b>147</b>	<b>100%</b>	<b>96</b>	<b>100%</b>	<b>64</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 in order 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.

#### 3.2.6. 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 2019/20, and in keeping with the Wavestone 2021 strategic plan, the Company has decided to base its action plan on 3 main objectives:

2021 objectives	Performance at 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 41% respectively	28% and 38% respectively	30% and 36% respectively
Achieve 30% representation of women on the Executive Committee	15%	15%	17%
Triple the number of employees with disabilities	22 at 12/31/19	15 at 12/31/18	11 at 12/31/17

Wavestone renewed its membership in the French Association of Diversity Managers (AFMD) in January 2020 in order to continue to identify best practices with the aim of making progress, among other things on the subject of professional equality between women and men but also on LGBT+ and disability issues.

In addition to the work of the CSR team, a group of dedicated employees formed the *Wavestone For All* network in October 2017 with the aim of promoting diversity and inclusion and ensuring fair treatment within the firm.

The network listens to employees, proposes solutions and provides concrete answers to situations experienced by employees, at Wavestone and with customers.

### 1) Gender equality in the workplace

#### Social action

#### Percentage of female employees in the Group

	At 03/31/20	At 03/31/19	At 03/31/18
% of total workforce	40.8%	38.6%	36.4%
% of consultants	37.2%	34.8%	32.6%

The percentage of female employees in the Group continued to increase and came to 40.8% at 03/31/20. This increase was mainly down to higher numbers recruited from management schools and universities that have equal numbers of male and female graduates.

In fiscal year 2019/20, Wavestone carried out several actions to strengthen its commitment to gender equality, in particular:

- the organization of “Women@Wavestone” events in France, the UK and the US, including breakfasts, open to all employees, provided opportunities for discussion between women in positions of responsibility and employees. All told, more than 100 employees took part in these first rounds of breakfast meetings;
- a more detailed quantitative analysis in order to deepen the understanding of the gender distribution within the different entities and the implementation of gender-differentiated indicators, particularly on promotion rates and turnover rates, in order to identify areas for improvement;
- a sexism awareness campaign that reached more than 1,000 employees and included:
  - a sexism module, to supplement the management training program;
  - an e-learning program open to all employees based on actual employee experiences;
  - role-play workshops to give a clearer understanding of what sexism means and how to react as either victim or witness.

During the year, the network put together:

- the organization of 5 diversity awareness workshops that mobilized nearly 70 employees;
- organizing diversity awareness breakfasts.

Finally, Wavestone has made commitments to the inclusion of LGBT+ employees by signing the LGBT+ Commitment Charter of the association *l'Autre Cercle* on 09/27/19. An associated action plan has also been defined to ensure the operational implementation of all of the Charter's commitments.

Last but not least, on 02/28/20, under the French law on the freedom to choose an occupation (09/05/18), Wavestone disclosed a gender equality score of 86/100 for the Wavestone economic and social unit. The aim of the law is to eliminate pay differences between men and women in France.

#### In society

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. About thirty employees at Wavestone are now sponsors;
- since April 2018, Wavestone paired up with Foundation Femmes@Numérique, as a member and through skills sponsorship actions. This initiative 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;
- in November 2019, Wavestone was again a partner of the Women's Forum Global Meeting in Paris. For this edition, the theme chosen was inclusion.

## 2) Employment and inclusion of people with disabilities

For the calendar year 2019, Wavestone France employed 22 people with disabilities according to the definition provided in the mandatory declaration of employment of people with disabilities (DOETH form<sup>(1)</sup>). Wavestone France's employer contribution to the AGEFIPH fund for the employment of people with disabilities came out at €768k<sup>(2)</sup> in 2019, up slightly on last year's amount (€700k) partly due to the increase in the number of employees. The Group is aware that it is behind on this issue. As a result, it has pledged to triple the number of employees with disabilities relative to 12/31/17 numbers as part of its 2021 strategic plan, i.e. 33 at 03/31/21.

The firm stepped up its commitment in 2019/20 focusing on awareness and on recruiting and supporting people with disabilities.

### Recruitment:

- sourcing campaigns using a range of online platforms and handicafés;
- partnership with a firm specializing in employment of the disabled;
- continued training of all those involved in hiring in a program called "Guide to hiring the disabled", delivered by CED, a French communications agency promoting the recruitment of people with disabilities;
- identification of new Wavestone partner target schools on the theme of disability.

As a result of all these endeavors, Wavestone hired 6 new employees with disabilities on permanent contracts during the year, including 3 permanent contracts without recognition, and 2 trainees without recognition.

### Support:

- since 2018, in order to structure its commitment to disability, Wavestone France has created a "Mission Handicap", made up of two internal employees and one external expert on disability. This "Mission Handicap" has the following vocation:
  - to provide close follow-up for employees already declared disabled to ensure their well-being on the long term;

- to offer strictly confidential and individual interviews to employees concerned by disability to answer their questions and help them with their administrative procedures;
- to offer support to HR, recruitment and managerial teams to answer their questions and help them in the follow-up of the employees. Note that the "Mission Handicap" makes regular calls to our regional offices to provide support locally;
- in addition, the HR and managerial teams of the employees concerned have been specifically trained on the subject of disability.

### Awareness:

We organized a number of information sessions this year to raise employee awareness and break down prejudice and preconceived ideas:

- organization of the 3<sup>rd</sup> edition of the "handi cap prize by Wavestone", a competition aimed at rewarding the best initiatives of student associations working in favor of disability. This 3<sup>rd</sup> edition, sponsored by Manon Genest, paratriathlon world champion and health and safety engineer at the French Ministry of the Army, was a success with the participation of 14 student associations;
- organization of a conference with Virginie Delalande, a deaf lawyer by birth, which brought together more than 80 employees;
- hosting of a guide dog student in Wavestone's office;
- participation in the "Ensemble race", which brought together nearly 70 disabled and non-disabled employees. Throughout the day, employees also had the opportunity to learn about Paralympic sports in the presence of champions and to discover the actions carried out in favor of the disabled by partner companies;
- production and sharing of a video to present the "Mission Handicap" and its role;
- activities for the European Week for the Employment of People with Disabilities 2019 (SEEPH): theatrical workshops on the invisible disability on the Nantes, Lyon and Paris sites, complemented by the intervention of the guide dog school for the blind on the Parisian premises.

(1) Mandatory declaration of the employment of people with disabilities.

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

To strengthen these commitments and build an adapted and sustainable employment policy, Wavestone signed a 2-year partnership agreement with AGEFIPH on 03/31/19.

Wavestone also continued with its broader social engagement in the area of disability:

- Wavestone France uses establishments in the protected and adapted sector for different types of services, such as printing training materials or delivering lunch baskets;
- Wavestone is also continuing its partnership with Grenoble École de management on the “Management and Disability” certificate offered at the school to some 30 students;
- the Wavestone Foundation, which supports associations working to help disadvantaged children around the world, ensures that, whenever possible, it supports projects related to disability. In 2020, the Wavestone Foundation financed 2 projects in Congo and Bangladesh in this context;
- on Powerday, Wavestone’s global corporate solidarity day, the organizing team takes care every year to identify projects related to disability. For example, one of the association projects for the 2019 edition was to advise the “Handichiens” association on developing its reputation and simplifying its donation collection process.

### 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 older employees.

At end-March 2020, employees aged 50 and over accounted for nearly 7% of the total workforce, slightly up from last 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;
- retirement information meetings provided to all employees as of their 50<sup>th</sup> birthday to provide them with an overview on retirement in France and provide them key information;
- 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;

- employees over 50 with more than five years’ service at Wavestone can benefit from a professional review funded by the firm from an organization selected by the latter;
- 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.

*More details on some anti-discrimination initiatives carried out by the firm are given in paragraph 3.4. of this report.*

#### 3.2.7. 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 3.2.6. of this report.

A positive social footprint is an integral aim of our CSR policy, reflected in two commitments:

- reduce the environmental impact of our business;
- support projects that create social value and put our skills to work for their benefit.

#### 3.3. Environmental information

Since Wavestone’s activities are purely intellectual, the Company’s impact on the environment is limited. Nevertheless, for the past eight years, Wavestone has been committed to actively monitoring and reducing our environmental footprint.

To measure the main areas of impact and identify our priority actions, the Company completes a carbon audit (Bilan Carbone®) every two years. We did this for the first time in 2012/13, it was subsequently updated every two years until today.

The main environmental issues identified by the audits stem from business travel and the building footprint of our offices. Reporting and action plans therefore focus on these areas. However, the other areas for study and improvement are not neglected (management of the computer park, management of resources and waste produced, etc.).

#### Details concerning Wavestone's environmental reporting methodology

While Wavestone has used the same reporting methodology for the past eight years, some regulatory reporting points that are less relevant to the Company's activities<sup>(1)</sup> are excluded from the reporting scope as not significant for Wavestone's environmental impact (biodiversity, soil use, noise and light pollution, etc.).

The scope of environmental reporting covers almost all of Wavestone's offices, representing 98.1% of the workforce:

Offices	Workforce at 03/31/20	Breakdown (% of total workforce)
Paris (Head office)	2,827	80.8%
Regional offices	256	7.3%
Lyon	134	3.8%
Nantes	95	2.7%
Marseille	27	0.8%
International	347	11.9%
Casablanca	15	0.4%
Brussels	23	0.7%
London	117	3.3%
Geneva	67	1.9%
New York	51	1.5%
Luxembourg	63	1.8%
Hong Kong	11	0.3%
<b>Total</b>	<b>3,430</b>	<b>98.1%</b>

The Edinburgh, New Delhi and Philadelphia offices, which employ respectively 1, 3 and 64 employees, totaling 1.9% of the Group's total headcount, do not report environmental information owing to the lack of a dedicated physical office. The different headcount ratios presented were therefore calculated excluding the headcounts from these three offices.

Given the context of the Covid-19 crisis, as a significant part of the data could not be collected from all the offices, more extrapolations had to be used on the basis of the ratios of the Paris headquarters.

In order 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.

#### 3.3.1. Global environmental policy

At the time of developing its CSR approach, Wavestone committed to reducing its environmental impact with a view to having a positive societal impact.

*For further details, see section 2 of the report.*

Wavestone's commitment to acting in favor of the environment focuses on two main drivers.

First, Wavestone is committed to creating a positive impact with its clients via its "Responsible Consulting" approach. In fiscal year 2019/20, Wavestone drew up a Responsible Consulting Charter covering five commitments, two of which relate to the environment: reducing carbon emissions and waste management. During fiscal year 2020/21, employees will be trained and tools made available to enable implementation of these commitments to offer clients solutions with positive environmental impacts for their transformation projects.

*For more details, refer to section 3.4.2.*

Also, Wavestone wants to reduce the daily environmental footprint of its internal operations through:

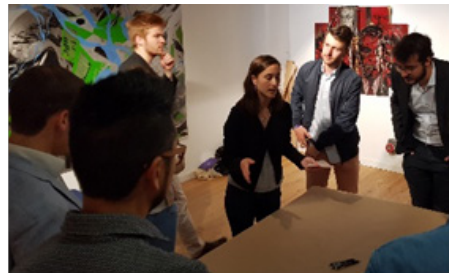
- awareness-raising actions;
- an active policy to reduce air travel, Wavestone's main source of CO<sub>2</sub> emissions;
- an ambition to move towards zero waste, which is reflected in multiple information initiatives within the French and international offices.

(1) Environmental reporting appendix - Cross-reference table between Wavestone data and Article 225 of the Grenelle II Law.

## 1) Training and environmental awareness of employees

Wavestone has adopted an approach aimed at mobilizing its employees to focus on environmental issues. Awareness initiatives are mainly focused on climate change, waste management and the environmental impact of digitalization. To this end, Wavestone leverages:

- an active network of internal ambassadors in its different practices and offices;
- a “Green Place to Work” workgroup, which organizes awareness initiatives, like the “Climate Fresco” workshop which was attended by 130 employees to foster awareness of climate change issues. Given the success of these workshops and assuming expansion, 27 employees have been trained to manage these workshops. These workshops have also been adopted by consultants at several of our clients, including L’Oréal and GRTgaz;



- employees produced a guide (in English and French) on everyday practices in an effort to protect the environment, which was distributed at all Wavestone offices. It shares the initiatives that could be introduced in our offices and practices (challenges, videos, events, workshops, etc.);
- a guide on eco-friendly initiatives, in English and French, distributed to all employees to raise awareness of everyday environmental protection practices both in the workplace and at home (energy conservation, minimizing motorized travel, nutrition, etc.);



- emergence of innovative ideas, particularly with the in-house competition, The Idea, which rewards the best ideas suggested by firm employees. The 2020 Idea competition rewarded an initiative to protect the environment: replacing plastic drinking cups with mugs;
- participation in environmental-themed projects as part of the Wavestone Powerday.

Since digital is at the heart of Wavestone's actions, its environmental impact is a key area of focus. At the end of fiscal year 2019/20, Wavestone had planned a major "digital responsibility week", including workshops and several conferences on the impact of digital technologies on the environment and promoting best practices to be applied both internally and with clients. Owing to the Covid-19 crisis, this event has been postponed.

Overall, the results of the carbon audits and the steps taken to reduce our carbon footprint are communicated to all personnel through the intranet site. This promotes awareness and communicates environmental initiatives to employees.

## 2) Wavestone office remodeling and renovation

Since 2015, Wavestone began to roll out "AIR", its new office layout project. This project notably includes:

- the removal of individual rubbish baskets to encourage waste sorting;
- 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 staff travel.

*For more details, refer to paragraph 3.2.4.*

Its deployment has had significant results in terms of waste reduction and sorting efficiency.

### 3.3.2. Pollution and waste management

Waste generated by Wavestone is mainly office waste (paper, organic waste, packaging and ink cartridges) and end-of-service IT equipment (computers, monitors, servers, etc.).

#### 1) IT waste

Electrical and electronic waste (WEEE) accounts for 15% of the total waste generated by Wavestone's activities in weight. Although small in terms of weight, this type of waste represents a major environmental challenge given its large carbon footprint throughout its entire lifespan (use of water, metal and energy resources at all stages from product design through to recycling). At Wavestone, we recycle all this waste or channel it for reuse or energy recovery. Thus, 17.5% of WEEE was reused for the 2019/20 fiscal year.

To ensure the smooth running of its business, Wavestone makes sure that its employees are equipped with the best high-tech IT equipment, a strategy which means our IT equipment is replaced on a regular basis, especially laptops (4-year lifespan).

A significant amount of IT equipment came to the end of this cycle in the 2019/20 fiscal year and was replaced: about 1,500 laptops and 1,000 mobile phones were taken out of operation. Over the 2019/20 fiscal year, in total, approximately **10.3 tons of IT waste** were sent to recycling channels, representing **3.0kg per employee**.

To prolong the lifespan of mobile phones that has reached the end of their service period, staff members may buy these devices for their own personal use. Equipment that is not bought back by employees is either returned to the telephone service provider or sent to responsible recovery channels. Wavestone implemented a procedure for the systematic recycling of end-of-service IT equipment in most 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 the Company Lemontri for Marseille, through the clean disposal of toxic components and the recycling of recyclable materials.

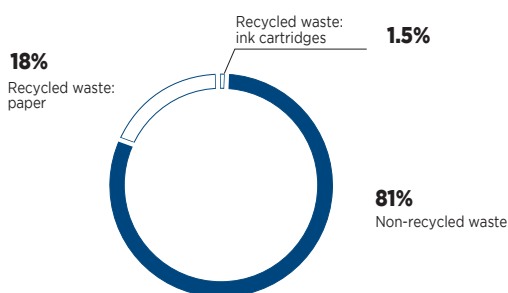
## 2) Office waste

In fiscal year 2019/20, each employee generated approximately **17 kg of office waste** for a **total weight of 58.1 tons of waste** for the Company<sup>(2)</sup>. This represents the weight of 567 one-liter plastic bottles per employee.

The breakdown is as follows:

- non-recycled waste: 47.0 tons of non-hazardous office waste<sup>(3)</sup>;
- recycled waste<sup>(4)</sup>:
  - 10.3 tons of paper waste, including 8.6 tons from the Paris offices, were recycled by the association ANRH (Association for the Professional and Respectful Integration and Reintegration of People with Disabilities);
  - 0.8 ton of ink cartridges<sup>(5)</sup>. In Paris, all ink cartridges are collected by the Company Conibi.

### Office waste – 2019/20



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

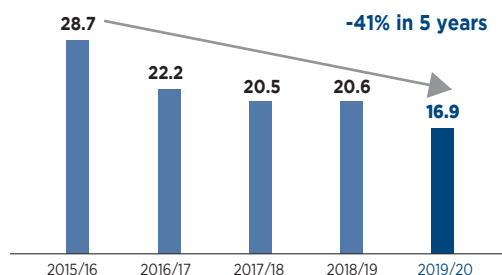
(2) The data obtained are the result of the findings of a service provider responsible for waste treatment at the Geneva and London offices, in the absence of results from the Paris office owing to the Covid-19 crisis. The previous year's findings were extrapolated and adjusted to the revised Parisian headcount. Extrapolations were conducted based on the Parisian ratio for the other offices. This methodology has been the same since 2012.

(3) This is conventional office waste (packaging, office supplies, etc.) classified as non-hazardous waste.

(4) The methodology does not include the drinks packaging waste recovered by Canibal. If we include this packaging in the waste, office waste for the fiscal year comes to a total of 58.8 tons.

(5) 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.

### Evolution over 5 years of office waste production (kg/employee)



Wavestone is committed to a zero-waste approach and the action plans implemented are showing results:

- over the fiscal year 2019/20, the amount of office waste per employee continues to decline, by approximately 18% compared to the previous year, mainly due to improved practices in France and in some international offices;
- over the last five fiscal years, the average weight of waste generated per employee has decreased by approximately 40% in all offices, thanks to the introduction of new "AIR" workspace layouts (centralization of trash cans and improved recycling), and to local initiatives implemented (introduction of selective sorting at certain sites, "zero waste" awareness, more responsible practices at events and in the selection of service providers, etc.).

To go further, a project to overhaul recycling practices and methods is underway. The elimination of single-use plastics is one of the main lines of work, and several devices for recycling and reducing beverage packaging have been tested:

- installation of 12 "Canibal" recycling stations in Paris. The experiment lasted 2 years and was completed in early 2020;
- the "Lemon Tri" solution in Marseille;
- the NewCy initiative conducted from March 2019 to March 2020, which provided Wavestone employees with washable and reusable plastic cups in "relaxation areas" in Paris;



- throughout the month of January 2020, an initiative was aimed at offering coffees of Paris employees using their personal mugs.

These pilots identified the main levers and obstacles to the deployment of a zero-waste approach and enabled Wavestone to make progress in its approach.

### 3) Food waste (fight against food waste)

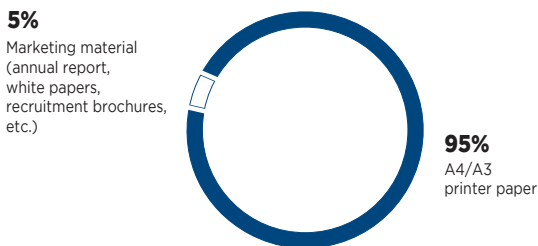
Although Wavestone does not manage the food service locations used by its employees, it can influence the choice of the service provider in charge of the food service, particularly for the Paris site, which employs nearly 3,000 people. As a result, one of the main selection criteria in the last call for tenders was the environmental commitment of the service provider and its ability to offer a vegetarian alternative to meet the growing demands of its employees.

#### 3.3.3. Sustainable use of resources

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

#### 1) Consumption of raw materials

##### ■ Paper consumption - 2019/20



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). Wavestone recycles paper (see 2.2.2.) and uses only PEFC and FSC labeled paper (see 2.2.5.). In 2019/20, Wavestone consumed 15.2 tons of paper, equivalent to 4.4 kg per employee, equivalent 1.8 reams of paper<sup>(1)</sup> per year.

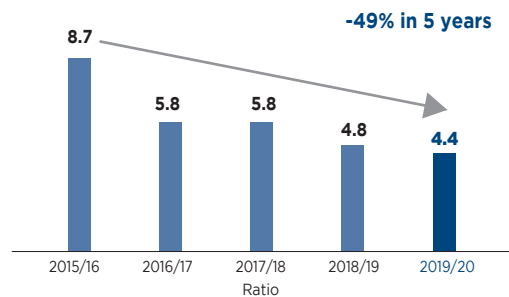
(1) Reams of 500 sheets A4 80g.

(2) Paper is defined as: A4 and A3 white 80 g and 90 g, other types of paper being marginal. In fiscal year 2017/18, a large order for A3 paper was placed in order to cover the consumption of the Paris office for several years. The hypothesis of an average annual consumption of approximately 0.7 ton of A3 paper was made over 10 years. Therefore, for fiscal year 2019/20, 0.7 ton of A3 paper was added to the total purchase quantity for the current fiscal year to estimate the real consumption of the Company.

Down 9% this year, per-person paper consumption continues its significant and steady decline of 50% on the past five fiscal years.

Paper consumption is estimated on the basis of paper orders placed during the year<sup>(2)</sup>.

Evolution over 5 years of paper consumption (kg/employee)



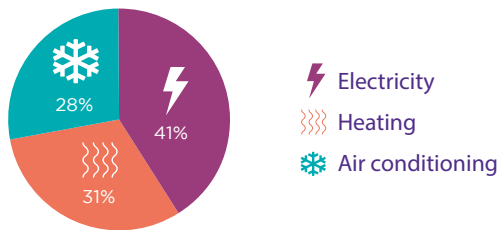
We are actively working to reduce paper use. For instance, we use screens in meeting rooms to project presentations and information instead of printing them. Photocopier settings are automatically set to "Green print", a black & white and recto-verso printing mode.

During 2019/20, Wavestone continued to implement its paperless solutions for annual General Meeting notices and preparatory documents with e-notices and e-voting. A partnership forged with Reforest'Action helped bring about the planting of 485 trees.

#### 2) Energy consumption

Like many businesses, our offices use heating, air conditioning, ventilation, lighting and office equipment, which account for our direct energy consumption.

The consumption considered here corresponds to the energy required to supply the electricity network, the heat production network (heating) and the cold production network (air conditioning).

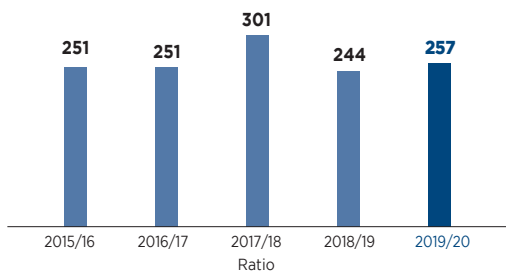


4.7 GWh in 2019/20



Energy use came out at 257 kWh/m<sup>2</sup>. By comparison, the average energy in France in 2019<sup>(1)</sup> was 179 kWh/m<sup>2</sup>. Over its entire perimeter, Wavestone is therefore less efficient in its use of energy per square meter than the French average. This is due in particular to the predominant impact of the Paris office, which houses 81% of the staff, housed in an old building that does not benefit from high-performance insulation.

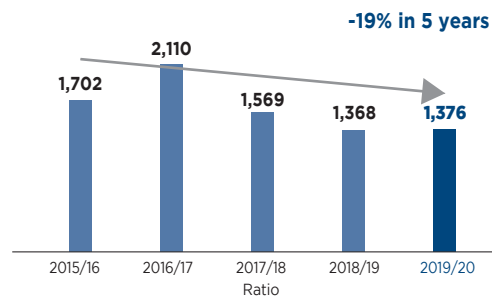
**Evolution over 5 years of energy consumption per surface area (kWh/m<sup>2</sup>)**



In 2019/20, Wavestone's final energy consumption is 4.7 GWh. Total energy consumption is up 11% compared to the previous year, and follows the increase in headcount at company level (+11%). Energy consumption per employee remained stable

(+0.5%), rising from 1,368 kWh/collaborator/year to 1,376 kWh/collaborator/year. As an indication, the energy footprint of an employee in Wavestone's offices represents 32%<sup>(2)</sup> of the average annual consumption of a French individual (professional and personal activities).

**Evolution over 5 years of energy consumption per employee (kWh/employee)**



Wavestone is constantly improving its energy consumption per employee over the past five years. Installing modern technology devices on the Company's premises (motion detectors for lighting, timers, LED bulbs, etc.) has helped to streamline consumption.

Wavestone's renovated "AIR" offices in Paris are equipped with presence and daylight detectors that turn off the lights automatically when a space has been unoccupied for 15 minutes. In Paris, the offices are lit between 8.00 a.m. and 8.00 p.m., Monday through Friday, to save energy. Switches are also installed to control lighting outside of office hours.

Wavestone's head office (comprising 81% of its workforce) occupies 14,000 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 conditioning for the offices.

The Paris site has subscribed to an electricity supply offer from Engie using the Guarantee of Renewable Origin mechanism.

**Focus on computer and telecommunications equipment**

Our business calls for heavy use of computer equipment from phones to laptops and servers, which account for a substantial share of our energy consumption.

(1) Source: Energy Efficiency Highlights IEA - <https://www.iea.org/statistics/efficiency/>.

(2) According to IEA (International Energy Agency - 2016) statistics, on average a French person consumes 4,241.6 kWh/year.

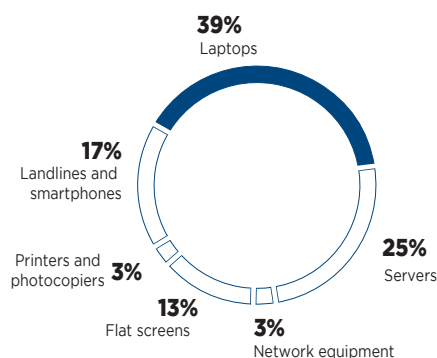
In total, this is estimated<sup>(1)</sup> at 0.25 GWh per year (equivalent to the annual power consumption of 59 French households). This electricity consumption is down by more than 45% compared to last year.

This can be explained both by a better estimate of IT equipment consumption, but above all by the migration to the cloud of part of the Wavestone servers in 2019, in the interests of functionality and energy efficiency.

The power consumption of virtualized servers will be estimated next year for completeness. The selected cloud provider also has a 100% renewable electricity supply. Factoring in certain usages outside of Wavestone premises<sup>(2)</sup>, total energy consumed by IT equipment represented 13% of the Group's total electricity consumption (1.92 GWh).

Wavestone's energy consumption breaks down as follows:

■ Total energy consumption per use – 2019/20



Aware of the environmental impact caused by the manufacture of computer equipment, Wavestone has improved the characteristics of its fleet of laptops. All Company laptops are now EPEAT<sup>(3)</sup> labeled; 22% of all IT equipment carry the "Gold" label, and 78% the "Silver" 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<sup>(4)</sup> 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

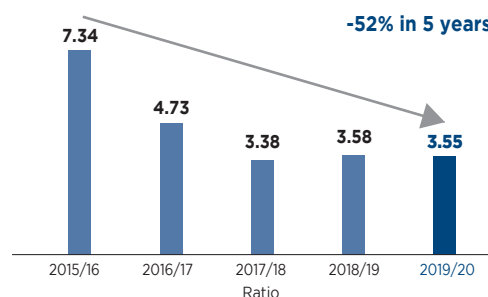
Information related to the Group's water consumption below mainly concerns the domestic water supply used for sanitary and cleaning purposes, and by air conditioning systems.

Each employee consumed an average quantity of water estimated at 3.55 m<sup>3</sup> in fiscal year 2019/20, which represents 16 liters per day, or the equivalent of 12% of the daily consumption of an average French individual<sup>(5)</sup>. This year, water consumption was extrapolated mainly from last year's data because the trustees were unable to provide Wavestone with actual consumption in view of the Covid-19 crisis.

Wavestone's total annual water consumption<sup>(6)</sup> is estimated at approximately 12,200 m<sup>3</sup>, representing a 10% increase over the previous year, in line with the increase in headcount.

As a result of the calculation method used for this fiscal year, estimated consumption per employee remains stable, after a sharp decrease over the last five fiscal years:

Evolution over 5 years of water consumption per employee (m<sup>3</sup>/employee)



(1) The estimate was made on the basis of the number of equipment operated by Wavestone, the average use observed and the average performance of this equipment in France (source IDATE). The assumptions for use are as follows: laptops, monitors and cell phones would have an average use of 1,760 hours per year and servers of 8,760 hours. The assumption for the printers is 10,000 annual prints per device and this year 134 kWh per year for the multifunction photocopiers.

(2) Estimated at 50% for laptops and mobile phones: teleworking, checking and answering emails on mobile phones, etc.

(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) Label awarded to energy-efficient products (<https://www.energystar.gov/>).

(5) Consumption of 329 liters per household of 2.5 people according to INSEE.

(6) 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 Lyon, Marseille, Casablanca, Brussels and Luxembourg offices were provided by the owner. For the Group's other offices (Nantes, Geneva, London, New York, Hong Kong and Edinburgh), water consumption was extrapolated from the data for the Paris offices (m<sup>3</sup>/employee ratio).



All of Wavestone's offices are located outside water stress areas (areas with a water supply of less than 1,700 m<sup>3</sup> per capita per year for all uses combined)<sup>(1)</sup>. In addition, the pressure exerted by Wavestone on local water resources is very limited.

### 3.3.4. Climate change: greenhouse gas emissions<sup>(2)</sup>

In addition to the evaluation of GHG emissions on its own perimeter described below, as part of the consulting approach undertaken, Wavestone is working on the implementation of a tool enabling any consultant to estimate whether he can have an impact on his client's carbon footprint in this context.

#### 1) Summary table

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

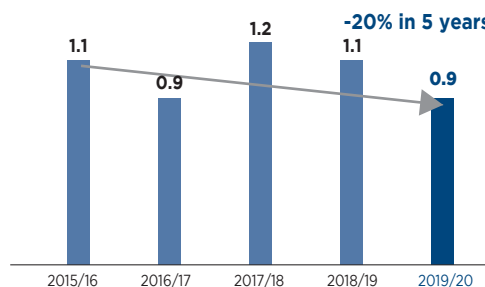
- business travel and commuting;
- energy consumption of buildings;
- paper purchases (marketing and printing);
- refrigerant gas leaks in air conditioning systems.

The carbon assessment carried out every two years within Wavestone covers a much more complete scope by including more items: services, furniture purchases, etc.

Of the 4 positions considered here, Wavestone's greenhouse gas emissions for the 2019/20 fiscal year amount to approximately 3,035 tCO<sub>2</sub>eq, or 0.88 tCO<sub>2</sub>eq per employee. This 19% decrease is mainly due to:

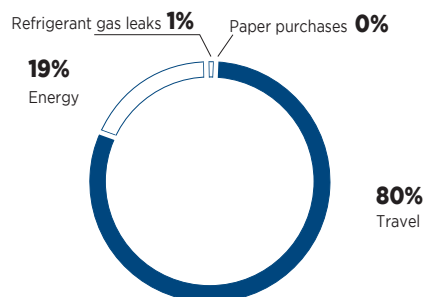
- reducing air travel in favor of the train;
- a 28% improvement in the emission factor of the heating network at the Paris headquarters, which accounts for 81% of the workforce.

Evolution over 5 years of greenhouse gas emissions per employee (tons of CO<sub>2</sub> equivalent/employee)



The Company's GHG emissions break down as follows:

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



#### 2) Focus on travel

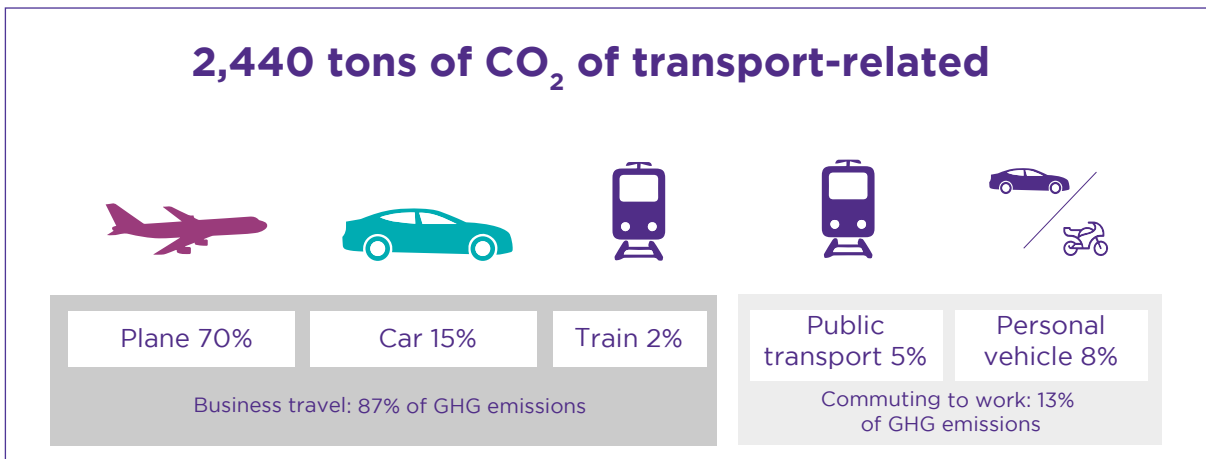
For the scope referred to above, employee transport is the main source of greenhouse gas emissions<sup>(3)</sup> (80%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in staff commuting. Air travel alone accounts for 71% of greenhouse gas emissions generated by our business travel and staff commuting.

(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 (scopes 1 and 2), as well as paper purchases and travel, which have been identified as major emission sources for Wavestone's business.

(3) The scope used to produce the GHG statement is not considered in its entirety for the 2019/20 financial year; only emissions related to travel, energy, refrigerant gas leaks and paper purchases are taken into account.

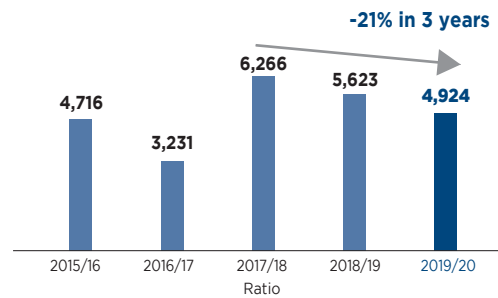
## 2,440 tons of CO<sub>2</sub> of transport-related



### 3) Business trips

Business trips, using all methods of transport<sup>(1)</sup>, amount to roughly 16.9 million km per year, or approximately 4,924 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. The internal policy implemented in the last two years has been successful, with a significant reduction in business travel, particularly air travel.

Evolution over 5 years of business travel per employee (km/employee)



The distance covered for business travel by all Wavestone collaborators represents trips

**421 round-the-world trips**

(1) Data for journeys by train, plane and short-term car rental were supplied mainly by the Egencia Travel Agency and the SNCF. The methodology used is unchanged: the calculation of air and train journeys include data issued in the Wavestone Carbon Emissions Report (Egencia); the journeys made now take into account the estimated mileage recorded in expense reports, based on Egencia mileage. Data on journeys by public transportation, taxis and private vehicles were obtained from the accounting department. The amounts collected (in €) were converted into distances travelled (km). For rental vehicles, the mileage is either taken directly from the travel agency or is estimated on the basis of the amounts recorded in expense notes.

### Breakdown of business trips by type of transport in 2019/20:

(km/year)	2019/20	2018/19	2017/18	2016/17	2015/16
Plane	43.4%	51.3%	49.6%	40%	37%
Train	46.6%	38.0%	32.5%	42%	44%
Public transport	1.6%	1.9%	7.8%	3% <sup>(1)</sup>	9%
Cars	8.4%	8.8%	10%	14%	10%
o/w employee cars	5.6%	5.5%	7.9%	8.5%	9.4%
o/w rental cars	0.8%	1.2%	0.4%	0.1%	0.2%
o/w taxis	2.0%	2.1%	1.7%	5.9%	1.4%

(1) This percentage is underestimated due to a lack of data for Kurt Salmon's European activities. The data from the ERP is not granular enough. In the future, the departure and arrival points will have to be provided in the management tool in order to be able to keep track of the distances travelled.

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:

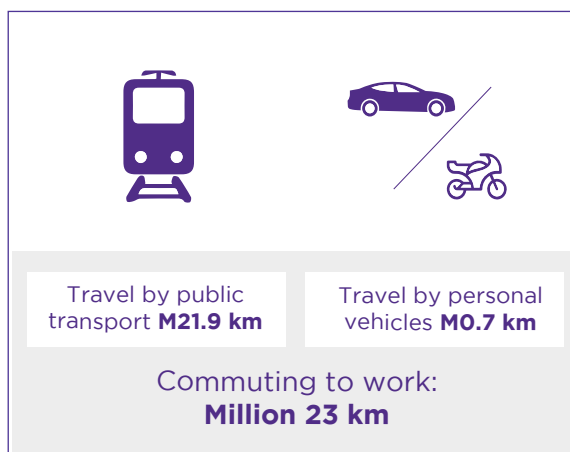
**1. Limiting business trips by using audio and videoconferencing systems:** Wavestone's meeting rooms are equipped with remote conferencing systems that are used mainly for in-house discussions between the firm's various sites.

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

- air travel is authorized only if the train would take more than three hours;
- Wavestone pays 50% of employee subscriptions to public bike-rental schemes (Vélib, Vélov, Bicloo, etc.) at all our French offices;
- car travel is authorized for business trips only when there is no access to public transportation or the schedule is too inconvenient. Using a private car for business trips requires prior authorization by the Career Development Manager. We are also promoting soft modes of travel locally. In Lyon, for instance, electric bikes are available for use by staff.

### Commuting to work

23 million km per year is the total for commuting to and from work<sup>(1)</sup> within the reporting scope<sup>(2)</sup>.



Wavestone's employees are encouraged to use public transportation to commute to work. The table below shows the transport choices made by our employees:

Share of home-to-work trips by mode of transport (%)	2019/20	2018/19	2017/18	2016/17	2015/16
Public transport	97%	96%	92%	92%	86%
Own vehicles (car & motorbike) <sup>(1)</sup>	3%	4%	8%	8%	14%

(1) Updating of the estimation methodology as of fiscal year 2018/19.

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

(1) The distance travelled by car by employees is calculated based on mailing codes for those with either car or motorbike parking spaces. Public transport use is estimated according to the tickets declared by employees. How average distances using public transport in Paris are calculated has changed since the regional travel pass system is no longer divided into transportation zones. This means that estimates are less accurate than in previous years.

(2) The public transport data we have covers 88.7% of staff and the private car data 81.0%.

Since 10/01/16, teleworking has been available to employees in all of the Group's French offices in order to reduce commuting. Teleworking is also very common in London, Luxembourg, New York and Geneva. In addition, a coworking experiment on the Paris and Nantes sites was launched 2 years ago, in collaboration with Neo-nomade for employees' teleworking.

For more details refer to paragraph 3.2.4.

### 3.3.5. 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. 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.

## Appendices

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

Theme-based indicators	2019/20	2018/19	2017/18	2016/17	2015/16	Unit	% change yr-on-yr	% change over 5 years
Office waste	16.9	20.6	20.5	22.2	28.7	kg/headcount	-17.8%	-41%
Final energy consumption (per sq. m)	257	244	300	251	251	kWh/sq. m	5.0%	2%
Final energy consumption per employee	1,376	1,368	1,569	2,110	1,702	kWh/headcount	0.5%	-20%
Water consumption	3.55	3.58	3.38	4.73	7.34	m <sup>3</sup> /headcount	-0.6%	-52%
Paper consumption	4.42	4.83	5.8	5.8	8.7	kg/headcount	-8.7%	-49%
Greenhouse gas emissions (within the reporting scope)	0.88	1.08	1.23	0.9	1.1	t.CO <sub>2</sub> eq/workforce	-19.2%	-20%
Total distance traveled for business trips	4,924	5,623	6,265	3,231	4,716	km/headcount	-12.4%	4%
Business flights as a percentage of business trips	43%	51%	50%	40%	37%	% of total km traveled	-15.5%	17%
% of employees commuting by public transportation	97%	96%	92%	92%	86%	% of total km traveled	0.6%	12%

## 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).

<b>Decree 2012-557, Article 1, para. 2</b>		<b>Actions taken by Wavestone</b>
<b>a) General policy</b>	Organization of the Company to take environmental issues 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>b) Pollution and waste management</b>	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
<b>c) Sustainable use of resources</b>	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
<b>d) Climate change</b>	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
<b>e) Protection of biodiversity</b>	Measures taken to preserve and/or develop biodiversity	Paragraph 2.2.5



### 3.4. Information concerning societal commitments

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

##### 1) Partnership and sponsorship initiatives to support projects that create value for society to which Wavestone contributed expertise

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

2021 objective	Performance at 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Devote 1% of the firm's time to supporting organizations with a civic mission	0.53%	0.24%	About 0.16% <sup>(1)</sup>

(1) Figure revised based on a new calculation basis.

Wavestone increases the many forms of skills sponsorship to achieve this objective:

##### Powerday is Wavestone's global solidarity day organized once a year to give our people the opportunity to take part in a voluntary project

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

More than 1,500 employees from all our offices worldwide took part in 100 or so projects in the fourth Powerday, held on 08/30/19.

Some of the 2019 Powerday projects include:

- forest clean-up workshops in the Paris region;
- helping to organize an annual nature festival to raise public awareness of the respect of the environment in Geneva;
- development of digital tools for the Handi'chiens association in Paris;
- collection and inventory of school supplies at *Secours Populaire* in Nantes;
- maintenance, construction and gardening of a wellness area that aims to help people suffering from moral and physical difficulties in London;
- beach cleaning in Hong Kong.

##### Pro bono consulting and advice for community groups

At the end of the fiscal year, against the backdrop of the Covid-19 crisis, a crisis management sponsorship unit was set up. The goal was to continue to our skill-based sponsorship commitments through teleworking and identify new pressing issues of charities, current Wavestone partners or otherwise, to be able to address such needs.

For example, Wavestone has already contributed its expertise to:

##### Solidarités International

Wavestone made a three-year commitment to provide Solidarités International with its consulting expertise in digital transformation and management. In this way, the firm can help Solidarités International in steering its transformation projects and updating its information system. Three ongoing assignments with timeframes of one to three months.

##### Les Restos du Cœur

Wavestone provides its skills in terms of digital transformation and management to the free-meal charity for the poor and homeless. These initial assignments are part of a medium-term partnership to support the charity in diversifying its activities.

##### Vendredi

Wavestone partners Vendredi, which gives to interns or employees the opportunity to work at least one day a week for an NGO or other voluntary group. The purpose of the initiative is to create a link between voluntary groups in the business world through skills sharing.

Wavestone also supports other associations within the framework of skills sponsorship missions such as Rejoué, Apprentis d'Auteuil, Make.org, etc.

### **Mentoring, during or outside of working hours, to help and support others in a specific area**

#### **Villebon – Georges Charpak 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. The Villebon Institute's goal is to widen access to the highest forms of education and extensive 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, 30% from technology studies and 11.5% have some form of disability;
- by deploying an experimental and interdisciplinary approach fostering teamwork 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 of the first four classes of students. Since 2016, more than 90% of students went on to Master's level or enrolled in engineering colleges, such as: AgroParisTech, EPITA, Arts et métiers, Polytech, EDHEC, 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 10 events a year), student selection, raising the profile of the Institute and participation on its governing bodies.

In 2019/20, around 100 Wavestone employees sponsored students from the Institute throughout their 3-year Bachelor's program.

#### **Apprentis d'Auteuil**

Since February 2018, Wavestone has lent its support to the "L'Ouvre Boite Paris". *L'Ouvre Boite* is a project designed to support young entrepreneurs aged 18 to 25 who show innovation, initiative, creativity and courage in starting up

their business, but who are faced with specific cases of social and professional exclusion (long-term unemployment, lack of qualifications, living in a disadvantaged 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 and a listening ear to young entrepreneurs to help them get their project off the ground.

#### **The Wavestone Corporate Foundation**

The Wavestone Corporate Foundation was created in 2009, and extended in 2019 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 130 youth-work projects, for the most part in Africa and Asia. Every project monitored by Wavestone is sponsored by an employee of the Company. During the fiscal year, 50 sponsors had contributed to the Wavestone Foundation's projects by continuing to lend their support.

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

At the end of fiscal year 2019/20, Wavestone had to tackle the Covid-19 crisis. Against this unprecedented backdrop, the firm was forced to suspend funding to the corporate Foundation this year. At its Board meeting of 03/27/20, the Foundation used remaining funds to finance seven new projects for a total amount of €46,000.

### **2) Actions taken with respect to employment and professional integration**

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

In 2019/20, close to 8,500 applicants from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, recruitment events and spontaneous applications) were interviewed by Wavestone for a permanent contract, of which 60% are young school leavers.

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 savoir-faire inherent in consulting jobs (project management, client relationship management); and
- personal, by providing a variety of career coaching programs.

There were over 150 on-campus initiatives in 2019/20: CV/cover-letter workshops; talks by members of the Company's alumni; attendance at educational meetings; organization of conferences, round tables and course modules, etc.

On an educational level, the Company also maintains strong relations with the careers services and faculty bodies of its target schools.

### 3) Raising awareness of IT security issues

With the growing importance of digital technology in our daily lives, IT security is more than ever a social issue. Following on from the previous year, the 2019/20 fiscal year was an opportunity to further strengthen the firm's commitments in this area.

#### A deep and lasting commitment to raising public awareness about the importance of online security

In fiscal year 2019/20, Wavestone continued to strengthen information system protection measures through a number of initiatives to make the general public more aware of the threats to cybersecurity and how to stay secure in the digital space.

We continued our partnership, active since 2015, with Hack Academy and its awareness raising platform.

Wavestone also continued to work with ISSA France to raise awareness among 7-11 years old, by co-leading game sessions based on the vacation guide "*Les As du Web*", developed the previous year under the patronage of the French Secretary of State for the Digital Economy.

The #TotalCyberAwakening video series initiated in the previous fiscal year continued, filmed by and with Wavestone employees to raise awareness in a fun format: password security, session locking and phishing.

Finally, in partnership with the French association of the Cyber Security Center for Youth ("*Centre de la Cybersécurité pour les Jeunes*") and with the support of [cybermalveillance.gouv.fr](http://cybermalveillance.gouv.fr),

Wavestone created a Board game on the theme of cybersecurity: 1,2,3 Cyber. It aims to make 11-14 years old aware of the risks of Internet and the good reflexes and good practices to adopt. This game has been used at various gatherings and with several college classes, in conjunction with school officials and educational teams. This card game is offered as a free download and under free license, to encourage its diffusion and continuous improvement.

#### Free, open-source cybersecurity for all

Wavestone regularly develops software to facilitate certain types of activity or to demonstrate feasibility, especially when it comes to cyber security: platform to hack into passwords, exploiting vulnerabilities in some technologies, looking into indicators of compromise if an attack is suspected, amongst others. We pick out the software that could prove useful to other cybersecurity operators and make it available on the web free of charge. The source code is also distributed under free license so that the software can be improved by other coders. The 2019/20 fiscal year was an opportunity to update several of these software programs and create a new one: Abaddon. Abaddon is an Open Source software that facilitates Red Team's operations in the context of security audits: infrastructure deployment, operations monitoring, consolidation, etc.

#### Cybersecurity skills mobilized in public utility organizations

By developing skills sponsorship in the 2019/20 fiscal year, Wavestone has supported several public utility organizations to ensure the security of their projects or information systems. These non-invoiced consulting missions are carried out with the same level of quality and standards as the invoiced missions. The first interventions corresponded to specific needs. The current actions aim to make these sponsorships part of a long-term collaboration.

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

At Wavestone, we take the regional, economic and social impacts of our business seriously.

Our goal is to be socially engaged. In other words, we intend to act responsibly to inform and guide large corporate and public bodies in their major transformation projects to yield positive results for all stakeholders.

To take CSR to the next level, we have built CSR goals into our consultancy practice and set priority targets to 2021:

<b>2021 objectives</b>	<b>Performance at 03/31/20</b>	<b>Performance at 03/31/19</b>	<b>Performance at 03/31/18</b>
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	Policy being drafted	Policy being drafted	No policy
Draw up a responsible charter of advice and train all employees in its application	Charter and training being drafted	Charter being drafted	No charter

Wavestone wants to make responsible consulting the default position for all employees in all our centers of excellence and offices, and across all subject areas.

Wavestone is committed to effectively integrating Corporate Social Responsibility issues into its recommendations to its clients. This commitment will be translated into a Responsible Council Charter (currently being finalized), based on three key pillars: people, environment and business market.

To ensure that each employee can meet this commitment, resources are being developed and consolidated. They will be made available to all and an adapted user experience will ensure their integration within each project.

The training of employees in the charter, its challenges and the process is a key factor of success: an e-learning program is currently being prepared. A community of experts is also beginning to take shape to support employees on a case-by-case basis, whether in the pre-sales phase or during the actual execution of projects.

In fiscal year 2019/20, Wavestone issued recommendations to several clients to help them in their transformations towards more efficient, sustainable and responsible business models. For example, as part of a project to renew its computer equipment, the firm assisted one of its clients in upgrading its old computer equipment in partnership with an ESAT (collection, sorting, recycling and resale of workstations). Several other projects have provided an opportunity to take action on energy transition, clean mobility, the circular economy and a more sustainable supply chain.

### **3.5. CSR information: economic responsibility**

Wavestone aims to be a trusted partner and conduct itself as a responsible player in its environment. As such, the firm guarantees all of its financial, economic, civic and social stakeholders:

- compliance with transparency and ethics rules and the protection of data from end to end of the value chain;
- responsible relations with our suppliers.

#### **3.5.1. 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 Middelnext Corporate Governance Code.

The Supervisory Board is composed of 7 members (2 women and 5 men), of which 4 are independent and 1 is an employee representative. As Wavestone is an equity-controlled company, the composition of the Supervisory Board ensures that the interests of the minority shareholders are respected. The Board has an Audit Committee and a Compensation Committee, both of whom are chaired by independent directors.

On the recommendation of the Audit Committee, internal controls were tightened during the 2018/19 fiscal year to secure processes and manage risk. IS, operational and financial incidents are monitored every month 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 (COPIL) was set up to oversee internal control, internal audit and IS-risk.

**Anti-corruption code of conduct and guide**

Wavestone’s Management Board adopted the anti-corruption code of conduct published by Middenext in December 2017. This code sets out the principles to be followed by all employees in the performance of their duties no matter what their job is or where they are based. It also applies to anybody acting on behalf of the firm.

Wavestone also drafted its own in-house guide for staff based on actual case studies.

**Commitment to business ethics training**

Our CSR strategic plan includes the commitment by 2021:

<b>2021 objective</b>	<b>Performance at 03/31/20</b>	<b>Performance at 03/31/19</b>	<b>Performance at 03/31/18</b>
Have trained 100% of employees in business ethics	79% of employees trained in the anti-corruption fight	Training being developed	No training

An anti-corruption training module has been deployed throughout the firm. On completion of the module, participants will be able to:

- understand what fraud, corruption and influence peddling are;
- know the sanctions that apply and their duties as an employee of the firm;
- know how to express their concerns or flag risky situations;
- recognize and avoid fraud and corruption risks and know what to do if faced with attempted bribery.

**Fraud and tax evasion**

Tax compliance is a central concern for Wavestone. We ensure we are compliant with all laws in our host countries, that we file our tax returns and pay all taxes due within the deadlines.

**Whistleblowing system and the role of the Ethics Officers**

Our whistleblowing policy allows staff to raise concerns about bribery, corruption and influence peddling. The system is also open to third parties working on behalf of Wavestone.

Central to this policy is the appointment of Ethics Officers representing all the firm’s functions. Their role is to review reports received from employees through internal audit to decide if there’s a case to answer, and monitor and oversee any matters referred for investigation.

Ethics Officers also answer questions from employees or third-parties on issues related to fraud, corruption, conflicts of interest and influence peddling.

**3.5.2. Data protection across the value chain**

**1) Raising awareness of IT security issues**

Wavestone’s core business is to assist its clients in the definition and implementation of their most critical 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.



In order to raise awareness among its employees, Wavestone redesigned its awareness materials in 2019 to create a global program called TRUST.

In addition to the existing media (confidentiality agreement, user charter, dedicated intranet page), new means of communication have been implemented:

- creation of a humorous awareness-raising video including ISSMs from some major French and international companies as well as Wavestone’s CEO and Chairman and COO;

- creation of animated videos for simplified use of data protection tools;
- organization of weekly events to meet employees, the Cyber-coffee quizzes;
- organization of a big contest during the Cyber Security Month, focused on the protection of personal digital life. This contest allowed to donate more than €2,300 to the ISSA association;
- creation of monthly videos to share best practices and cyber news.

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

<b>2021 objective</b>	<b>Performance at 03/31/20</b>	<b>Performance at 03/31/19</b>	<b>Performance at 03/31/18</b>
Have trained 100% of employees <sup>(1)</sup> in data protection	100% of new hires 86% of employees	86.4% of new hires 71% of employees	70% of new hires 13% of employees

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

### 3.5.3. Responsible relations with our suppliers

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

During the 2019/20 fiscal year, Wavestone continued work on drafting a new procurement policy for the firm to embed key CSR issues. 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 (see 3.3.3.).

Wavestone intends to make CSR criteria an integral part of supplier selection by:

- preparing a list of responsible suppliers for France;
- drafting a CSR appendix to be included with the specifications of calls for tender.

Our aim is to select suppliers that meet social (the sheltered employment sector, social employment companies, companies hiring older people, etc.), environmental (zero waste policy, organic foods, etc.) and community (Made in France) criteria.

To keep CSR high on the agenda, initiatives aimed at buyers led to sourcing locally produced, green goodies for new hires and a higher spend with the sheltered sector. The new ESC is also keen to select activities and providers based on CSR criteria.

Paying suppliers on time is also a key priority for Wavestone.

In addition, as a signatory of the United Nations Global Compact since 2012 (see 2.3.), 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.

## Measures taken to promote consumer health and safety

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

It should be noted, however, that the Group contributes towards raising awareness of cybersecurity (see 3.4.1.3.).

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

### 4.1. Scope of consolidation

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

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

- Wavestone Advisors UK, Xceed Group (Holdings), Xceed Group, Wavestone Consulting UK (offices in the United Kingdom);
- Wavestone Switzerland (office in Switzerland);
- Wavestone Advisors (French office);
- Wavestone US, UpGrow and WGroup<sup>(1)</sup> (offices in the United States);
- WGroup Consulting India Project (New Delhi)<sup>(2)</sup> ;
- Wavestone Luxembourg (office in Luxembourg);
- Wavestone Belgium (office in Belgium);
- Wavestone Advisors Morocco (Moroccan office);
- Wavestone HK, Metis Consulting HK (office in Hong Kong);
- M3G, Metis Consulting (French offices).

A different methodology, detailed in the environmental report (see 3.3.), is used for **environmental data**.

**Economic data** are both qualitative and quantitative.

### 4.2. Reporting period

Most of the data provided in this report covers the 2019/20 fiscal year ended 03/31/20. In exceptional cases which are explicitly mentioned, the information covers the 2019 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 Financial Department.

#### 1) Data collection and consolidation

##### Social data

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

Wavestone's HR Development Department is responsible for defining and implementing the 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 the CSR manager 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.).

(1) Joined the firm in August 2019.

(2) Joined the firm in August 2019.

For fiscal 2019/20, following the Covid-19 pandemic, it was not possible to obtain certain environmental data. This specifically applied to the Paris offices in terms of energy, water and waste. As a result, this information was obtained from year-earlier data adjusted prorata for changes in office space occupied for energy and adjusted in line with changes in headcounts for water consumption and waste production.

#### **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 Articles L.225-102-1 and R.225-104 of the French Commercial Code.

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 (actions to reduce food waste and food precariousness, to protect animal welfare, and promote responsible, fair and sustainable nutrition).

### **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 2019/20 fiscal year. The subsequent audit report is presented below.

### **5. The independent Auditor's limited assurance report on the Company's social, societal and environmental information.**

To the Shareholders,

Following our engagement by Wavestone 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 statement of non-financial information for the fiscal year ended 03/31/20 (hereinafter the "Statement"), included in the Company's management report, pursuant to Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

#### **Entity's responsibility**

The Management Board is responsible for preparing a Statement in accordance with applicable law and regulations, including a description of the Company's business model, the main non-financial risks, a presentation of the policies in place to address these risks as well as the outcomes of these policies, including key performance indicators.

This Statement was prepared in accordance with the reporting framework (the "Reporting Framework") used by the entity, the main points of which are available on the Company's website or on request at Wavestone's registered office.

#### **Independence and quality control**

Our independence is defined by Article L.822-11-3 of the French Commercial Code and by the audit profession's code of ethics. We also have a quality control system including documented policies and procedures to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

#### **Responsibility of the independent third-party**

It is our role, based on our work to express a substantiated limited assurance, on:

- compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the disclosures pursuant to Article R.225 105 -I(3) and II of the French Commercial Code, namely the outcomes of policies applied, including key performance indicators, and actions to address the main risks (hereinafter the "Disclosures").



It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable laws and regulations, specifically with regard to the due diligence, anti-corruption and anti-tax evasion plan;
- compliance of products and services with applicable regulations.

#### Nature and scope of our work

We conducted our work in accordance with professional standards applicable in France, which specify the terms and conditions for the performance of its engagement by the independent third-party organization, and with International Standard on Assurance Engagements (ISAE) 3000.

Our audit took place over an average of 6 persons/days between 05/04/20 and 05/20/20.

We conducted three interviews with the individuals responsible for drafting the Statement.

Our work allows us to assess the compliance of the Statement with the regulations and the fairness of the Disclosures:

- we reviewed the activity of all the companies included in the scope of consolidation, the presentation of the principal social and environmental risks related to this activity, the impacts on respect for human rights, anti-corruption and anti-tax evasion, as well as the policies in place to address these risks and their outcomes;
- we assessed how appropriate the Guidelines are in terms of relevance, completeness, reliability, neutrality, clarity, taking best practice in the industry into account where relevant;
- we checked that the Statement covers each category of disclosure required under Article L.225-102-1 of the aforementioned Code, with respect to social and environmental matters, respect for human rights, anti-corruption and anti-tax evasion;
- we verified that the Statement describes the business model and the main risks related to the activity of all entities within the consolidation scope, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies, actions and outcomes, including key performance indicators;

- where relevant to the risks or policies presented, we verified that the Statement presents the disclosures required by Article R.225-105;
- we assessed the process for identifying and validating the main risks;
- we investigated which internal control and risk management procedures are implemented by the entity;
- we assessed the consistency of the outcomes and key performance indicators selected in respect of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, in other words, all the companies included in the scope of consolidation as per Article L.233-16, within the limits specified in the Statement;
- the audit team reviewed the entity's data collection process to ensure comprehensive and fair Disclosures.

For the key performance indicators and other quantitative results we considered most important, we implemented:

- analytical procedures consisting in verifying the consistency of the data gathered and their correct consolidation;
- granular tests on samples that involved checking that definitions and procedures are correctly applied and reconciling the data with supporting documents. This was done on a selection of contributing entities<sup>(1)</sup> that cover 40 to 100% of the consolidated data from the selected key performance indicators for these tests<sup>(2)</sup>;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) that we considered most important;
- we assessed the overall consistency of the Statement based on our knowledge and understanding of all the companies included in the scope of consolidation.

(1) Scope of social disclosures: global database; scope of environmental disclosures: Wavestone SA sites in Paris, Marseille, Nantes, Nanterre and Villeurbanne.

(2) Employment, New Hires and Lay-offs, Health and Safety, Training, sustainable resource use (raw materials and energy), climate change, focus on business trips, social and charitable work.

We consider that through our work based on our professional judgement we have obtained sufficient appropriate evidence to support the limited assurance conclusion expressed in the assurance report. A higher level of assurance would have required more in-depth verification work.

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

#### **Comments on the disclosures**

Quantitative social data are primarily derived from a single group database, to which robust internal controls are applied.

#### **Opinion**

Based on the procedures performed, no material misstatements have come to our attention that caused us to believe that the Statement of non-financial information was not presented in accordance with applicable regulations and that the Disclosures, taken as a whole, are not truly and fairly presented, in accordance with the Reporting Framework.


Lyon, May 21, 2020

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