An aerial, top-down view of a large, vibrant green tree with dense foliage. The tree is situated in a futuristic, glowing landscape with light blue and white curved paths and glowing lines. Numerous small, dark figures of people are scattered across the landscape, some walking along the paths. The overall scene is illuminated with a soft, warm glow, suggesting a sunset or sunrise. The background is a light, hazy sky.

Statement of non-financial performance

2022/23

WAVESTONE

Editorial

The CSR results for the 2022/23 fiscal year are overall positive, with the majority of our targets met or exceeded. In particular, Wavestone has made progress in deploying its responsible consulting approach, on the topics of diversity and inclusion, societal commitment and reducing its carbon footprint.

In terms of employee commitment, we were awarded Great Place To Work® certification in all our offices worldwide, and in France we were delighted to be ranked 1st in our category for the 2nd year running.

On the environmental front, we obtained SBTi's validation of our short-term (2026) and long-term (2050) objectives, along with the trajectory for reducing our greenhouse gas emissions, a trajectory aligned with SBTi's Net Zero Standard. On scopes 1 & 2, i.e. our direct and indirect emissions linked to energy consumption, we have reduced our carbon footprint by -51% compared with the 2019/20 reference year. And on scope 3, indirect emissions linked to our value chain, the decline is -27%.

As part of our Impact strategic plan, we aim to be among the top 5% of companies in terms of CSR each year. This objective was fully achieved over the past year, with results obtained from Ethifinance ESG Ratings and Ecovadis.

For the year just begun, we have set ourselves three priorities: improving client satisfaction, strengthening their support in sustainable development issues, and pursuing our actions to reduce our greenhouse gas emissions as part of the SBTi trajectory.



PASCAL IMBERT
CEO
Wavestone



H EL ENE CAMBOURNAC
CSR Leader
Wavestone

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Introduction



1.1 Wavestone's framework of business

1.1.1 BUSINESS MODEL

Wavestone's mission is to inform and guide large organizations in their most critical transformations. Three challenges underpin these transformations: increasingly fierce competition, an acceleration in the digital transition and growing environmental awareness. In response, Wavestone unveiled its Impact strategic plan: to replicate the firm's success in France on a global scale. This plan has three objectives: achieve a target revenue of €750 million by 2025, add five large non-French companies to the Top 20 clients, and position Wavestone in the Top 5% of companies with the best CSR performance.

To achieve this ambition, Wavestone is leveraging all its resources² :

- its intangible capital: 18 practices supporting its Business, Technology and Sustainability value proposition, backed by the firm's assets, to serve its portfolio of clients;
- its financial capital (€299.1 million in shareholders' equity);
- its human capital, with 4,406 employees based in nine countries, and 1,637 new hires³ over the last fiscal year.

Three key pillars shape the way Wavestone is executing its mission: The Positive Way, the set of values on which Wavestone is founded, an Ethics Charter and a Client Satisfaction Charter.

Wavestone seeks to make a positive impact for stakeholders across the board:

- for clients, by helping them meet their sustainable challenges and transformations, and by responding to emerging business opportunities;

Our targets for 2025

- A Net Promoter Score[®] of 50 or more
- A continued drive for ambitious growth in the number of initiatives carried out as part of its responsible consulting approach⁴
- 95% of employees to receive business ethics training

- for candidates and employees, by fostering commitment and well-being at work, by championing diversity and inclusion and by fully involving employees in the Company's success;

Our targets for 2025

- Staff turnover rate of 15%
- Employee engagement index of 74 or more
- 36.5% female managers
- 73 employees with disabilities supported in France

- for the planet, by curbing our environmental impact;

Our targets for 2025

- A 25% reduction in scope 1 and 2 CO2 emissions (in absolute terms) and a 35% reduction in scope 3 emissions (per employee) versus the reference year of 2019/20

- for shareholders and investors, by combining a commitment to transparency, dialogue, and proximity with the creation of sustainable shareholder value;
- for civil society, by providing our know-how and resources to initiatives spearheaded by charities, associations and foundations.

Nos objectifs à horizon 2025

- 1% of the firm's time allocated to projects that create value for society

² Data as of 03/31/2023

³ Permanent, fixed-term and work-study contracts

⁴ At the end of 2023/24 fiscal year, the firm intends to review the wording of its responsible consulting objectives

⁵ Employees with administrative recognition of disability

OUR CLIENTS' CHALLENGES

Intense competition
Switch to digital
Environmental urgency

Inform and support our clients in their major and sustainable transformation

IMPACT

Replicate Wavestone's success in France internationally

1

Reach a new growth horizon, with a target revenue of **€750m by 2025**

2

Include **5 large non-French companies** in the TOP 20 clients

3

Position Wavestone in the **top 5%** of the best companies when it comes to CSR

FRAMEWORK OF OUR ACTION

The Positive Way

- Client satisfaction
- Employee's development
- Ethical and responsible company
- Strength of the collective

ASSETS

- Intangible capital
- Financial capital
- Human capital

VALUE CREATION



1.1.2 WAVESTONE'S GOVERNANCE AND CSR POLICY

Wavestone's governance is described in the Corporate Governance report in the Company's Universal Registration Document

In an effort to lay the foundations for the firm's future development, and to kick-start the transition to a new management team from 2025, **a change in governance structure was put to the vote of shareholders at the General Meeting of 07/28/2022. The change involved moving from a Management Board and Supervisory Board to a Board of Directors.** Pascal Imbert became Chairman and Chief Executive Officer of the Company, while Patrick Hirigoyen was appointed Chief Operating Officer. Michel Dancoisne became a Director, and a permanent representative of his family holding company, FDCH. **Upon completion of this transitional new governance phase, the firm intends to change its governance structure starting in 2025**, by separating the roles of Chairman and Chief Executive Officer.

To align with best corporate governance practices, **the Board of Directors has appointed Marie-Ange Verdickt as its Lead Director.** The Lead Director is responsible for ensuring that the Board operates properly. In particular, **she oversees that communications between the governance bodies and the shareholders remain fluid, and that Directors can carry out their work in the best possible conditions** (see Corporate Governance report for an in-depth presentation).

Each of the Board's Committees (Audit Committee, Compensation and Appointments Committee and CSR Committee) is chaired by an **independent director**. Two Employee Directors, appointed by the Social and Economic Committee, and one Employee Shareholder Representative⁶, appointed at **the July 2022 General Meeting**, sit on the Board of Directors.

⁶ Pursuant to French law, employee shareholders holding more than 3% of the firm's capital.

Definition and supervision of Corporate Social Responsibility (CSR) policy

Wavestone fully complies with the Middelnext Code of Corporate Governance. As such, the Board of Directors has held quarterly CSR Committee meetings since April 2022. This Committee includes four Directors (three independent) and is chaired by one of the independent directors, Marlène Ribeiro. **It provides external insights into the Company's social, societal, ethical, and environmental performance and also monitors objectives and action plans.**

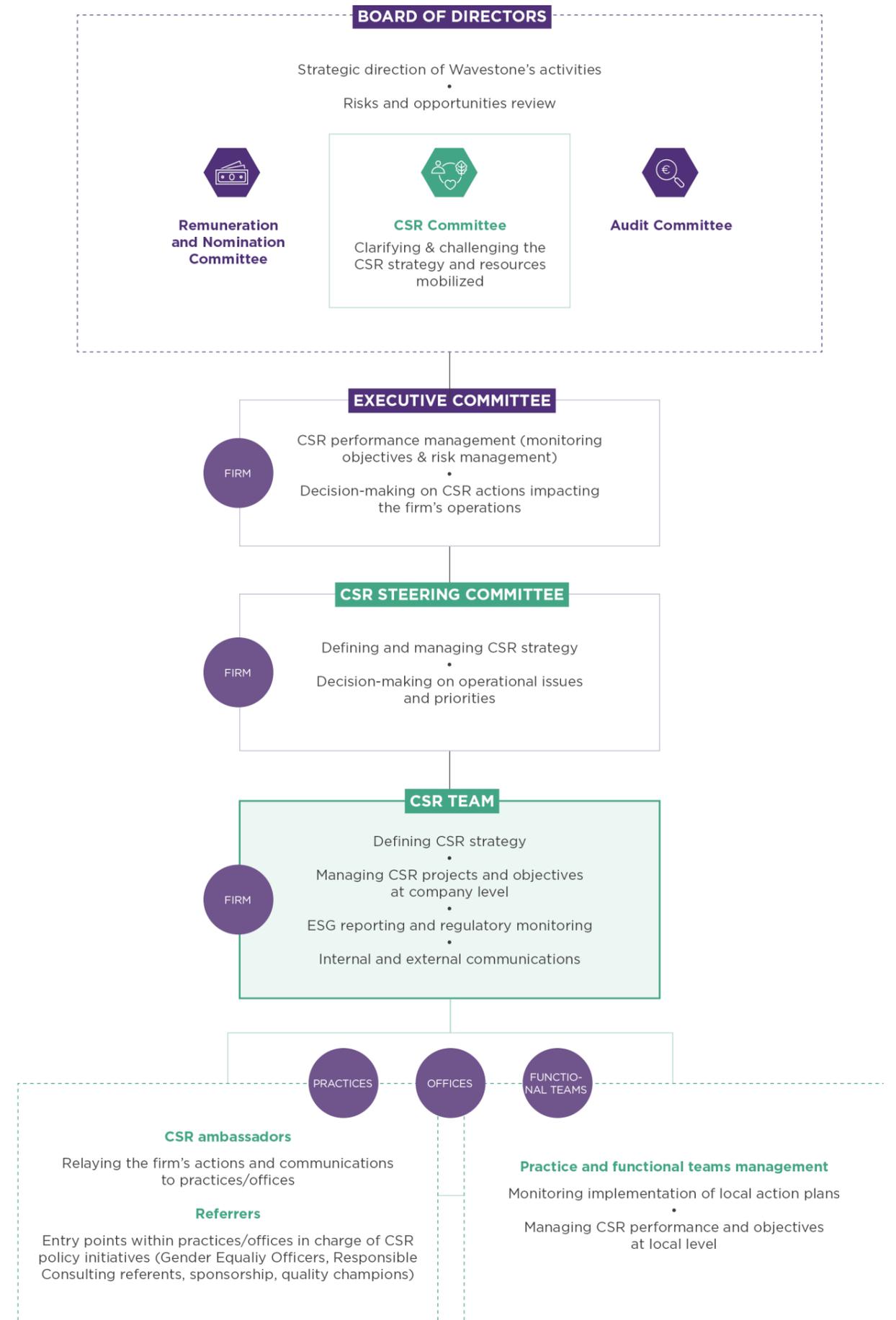
Priorities for 2022:

- regulatory updates (European Union Taxonomy, Corporate Sustainability Reporting Directive - CSRD) and Statement of non-financial performance;
- Near-term and Net-zero commitments (Science Based Target initiative [SBTi] Net-Zero Standard);
- gender equality policy;
- responsible consulting approach.

Wavestone's CSR policy is defined and managed by **a quarterly cross-functional Steering Committee with the following members: Chairman and Chief Executive Officer, Chief Operating Officer, CSR Manager, Human Resources (HR) Development Director, Head of Recruitment, Chief Financial Officer, and sponsors of specific CSR topics.**

Wavestone's Executive Committee (EXCOM) makes the key decisions on **CSR strategy, targets and resulting actions plans, and ensures that they are duly implemented.** Wavestone's CSR Manager has been a member of **the EXCOM since September 2021.**

Since fiscal year 2021/22 and based on proposals by the Board of Directors, compensation for the Chairman and Chief Executive Officer and the Chief Operating Officer has included CSR criteria, accounting for **20%** of the Individual Performance Index (for further details, see the Corporate Governance report).



1.2 Wavestone's CSR approach

1.1.3 OVERSIGHT OF THE CSR POLICY

CSR team

Reporting to the HR Development Department, **the CSR team oversees and implements the Group's CSR policy from an operational standpoint.** Spearheaded by a CSR Manager, a 12-strong team oversees CSR targets and performance, project management, internal and external communications and non-financial reporting across a spectrum of relevant areas (social, societal, ethical and environmental).

The CSR team is assisted by CSR ambassadors appointed within each practice area and office. They implement Wavestone's CSR policy by acting as relays for the dissemination of communications. Employee volunteers can also contribute to the firm's projects and initiatives.

Oversight of CSR performance

Across all locations (offices and practice areas), the firm oversees its global CSR performance, as well in each of its practices and offices. Two initiatives have helped to strengthen it in 2022/23:

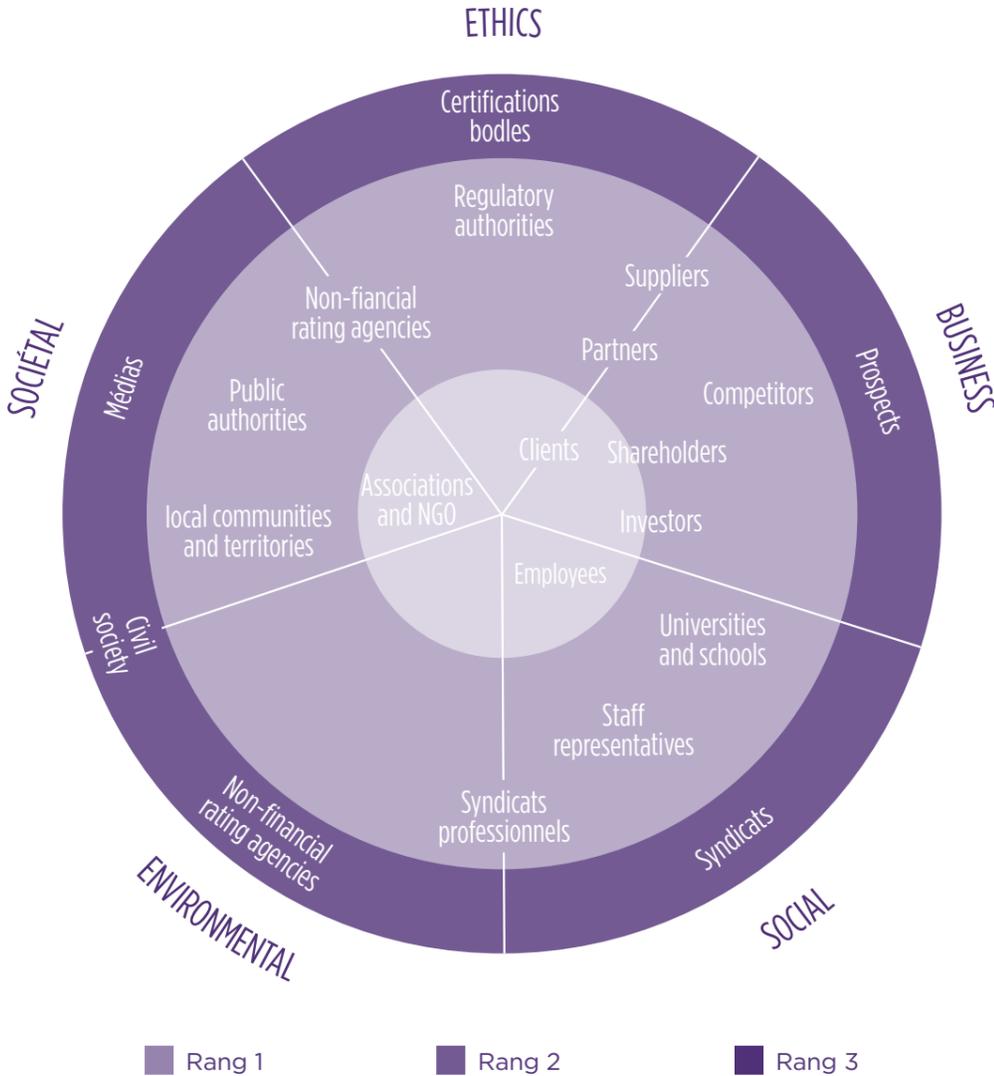
- office- and practice area-targets are set, to align with each of the firm's five CSR commitments. These targets are monitored by Performance Managers;
- monitoring of CSR performance indicators is incorporated into the firm's performance processes and bodies.

1.2.1 NON-FINANCIAL PERFORMANCE ISSUES

Wavestone places CSR at the heart of its business strategy, to manage non-financial risks and to ensure sustainable performance.

Stakeholder map and mechanisms for dialogue

Wavestone has identified its stakeholders in order to determine which players are directly and indirectly involved in its activities.



As a responsible business, Wavestone is committed to having a positive impact on all its stakeholders through a set of actions that are designed to promote close dialogue with each and every one of them. **With this goal in mind, the table below outlines the firm's main initiatives:**

 CLIENTS	<ul style="list-style-type: none"> Client satisfaction management system (client satisfaction charter, annual survey, client risk management, satisfaction feedbacks) Thought leadership and expertise Responsible consulting approach Client CSR surveys and assessments Organization and participation in market events
 EMPLOYEES & CANDIDATES	<ul style="list-style-type: none"> Great Place To Work® and Pulse@Wavestone annual surveys Social dialogue Proximity management and Wavestone Horizon career path Employees and employee shareholders representatives on the Board of Directors Dialogue on D&I issues with Wavestone For All Employee participation in defining and implementing the <i>Impact</i> strategic plan Happy Trainees® and Glassdoor Meilleurs Employeurs certifications <hr/> <ul style="list-style-type: none"> Happy Trainees® certification Wavestone Connect events integrated into the recruitment process School presentations and events Mentoring (Institut Villebon,...)
 SHAREHOLDERS & INVESTORS	<ul style="list-style-type: none"> Transparent shareholder and financial communication Shareholders' Club and Individual Shareholders' Consultative Committee Roadshows and investor meetings Answers to extra-financial rating agencies
 PLANET	<ul style="list-style-type: none"> Dialogue with CDP and SBTi teams as part of the Net Zero trajectory Participation in market initiatives (Planète Tech'care, Boavitza, INR charter, etc.) Development of Sustainability offers
 PARTNERS & CIVIL SOCIETY	<ul style="list-style-type: none"> Associations supported through Powerday, skills sponsorship and the Corporate Foundation Supplier dialogue as part of our responsible purchasing policy Active participation in the Middelnext CSR working group Participation in professional associations (Syntec Conseil, Numeum, etc.) Participation in industry initiatives (Femmes@Numérique, Women's Forum, Rencontres d'Aix, charter for ethical AI, etc.)

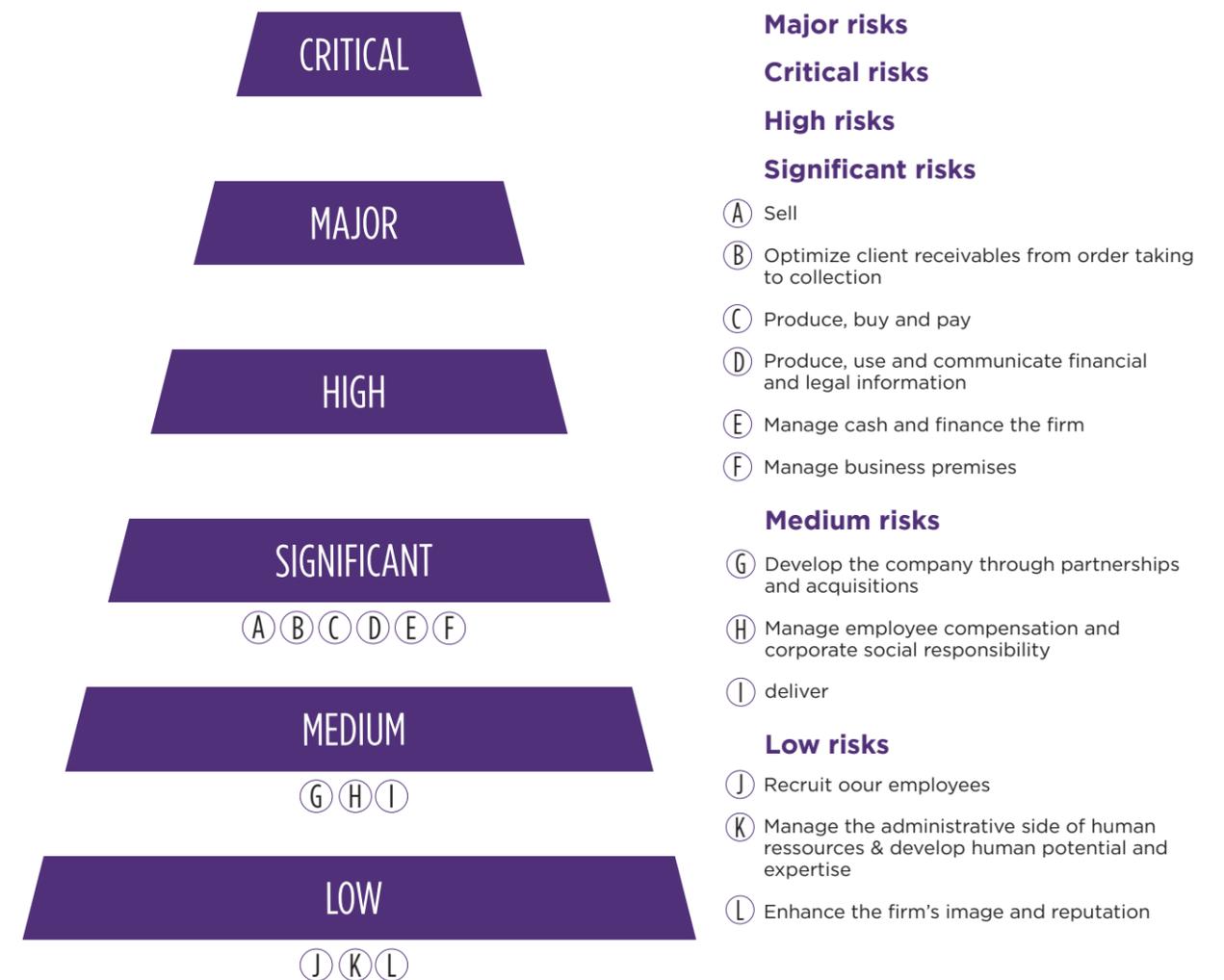
Non-financial risk map

Wavestone reviewed its risk mapping to account for non-financial risks. The firm's risk map is structured around its main processes («selling», «delivering», «recruiting and developing employee potential», etc.). Non-financial risks can be defined as a lack or absence of social and environmental concerns in a company's strategy as well as how it conducts operations with its stakeholders. **For each process, the firm identified and analyzed the criticality of these risks.**

Fraud and corruption risks are separately **analyzed and monitored as part of the firm's risk management policy.**

The CSR section of the risk map is jointly assessed by the CSR and Internal Control teams. This risk map is approved by the CSR Steering Committee and by the CSR and Audit Committees (representing the Board of Directors).

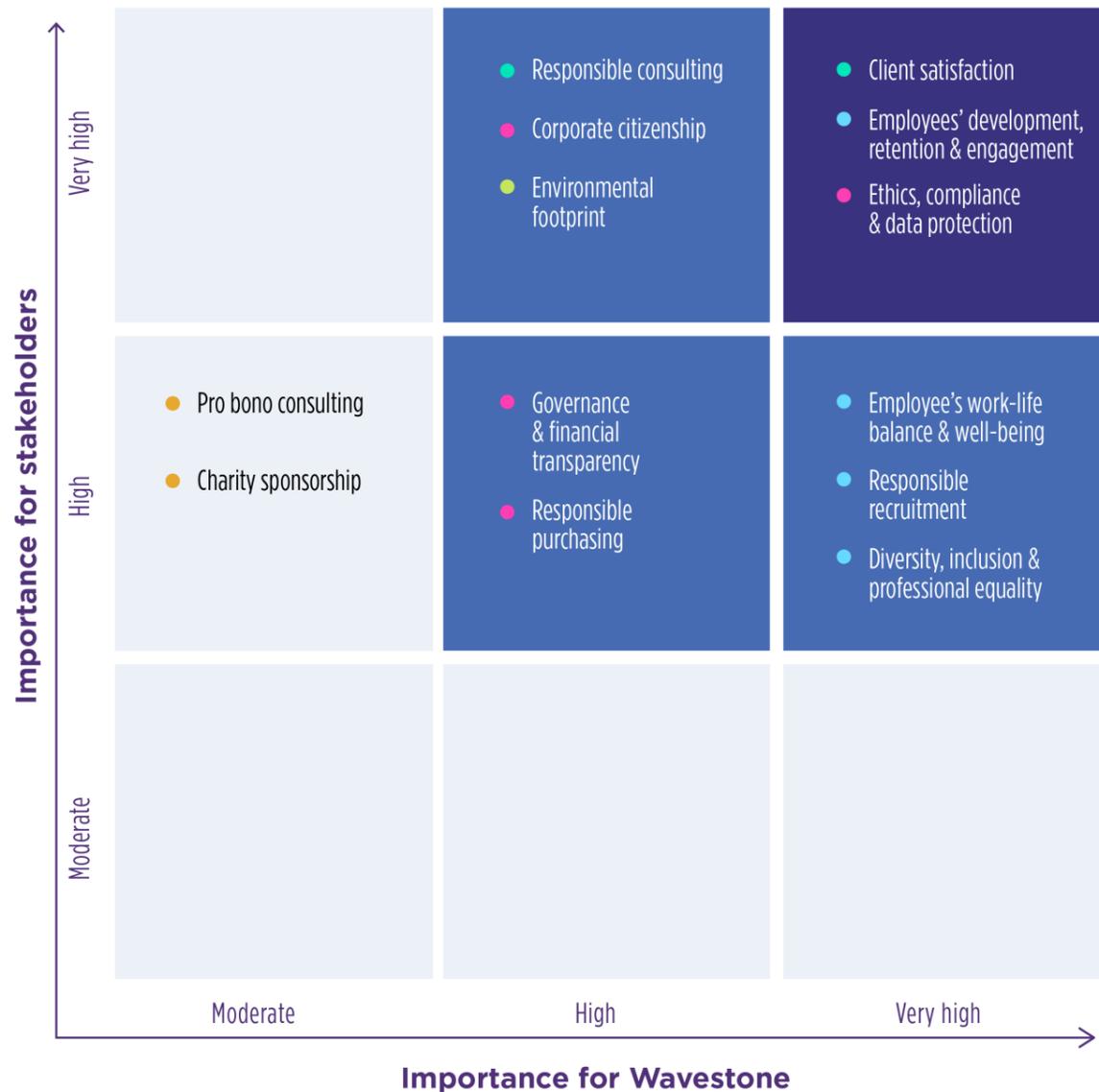
The diagram below summarizes the non-financial component of the firm's risk mapping. It presents the processes most at risk from a CSR standpoint (net risks factoring in remediation plans underway):



The materiality matrix

Analysis of materiality enables the most relevant non-financial performance issues for Wavestone and its internal and external stakeholders to be identified and classified, in light of their importance and the related risks.

Thirteen issues have thus been identified.



- Environment
- Social
- Ethics
- Business
- Societal

1.2.2 WAVESTONE'S CSR COMMITMENTS

Based on the most material issues identified, and in line with the firm's business model, Wavestone structures its CSR policy **into five commitments**.

The table below sets out these commitments, the issues they address and the United Nations Sustainable Development Goals (UN SDGs) to which they contribute.

	Commitments	Challenges	Contribution to SDGs
1	Improve client satisfaction and support clients in sustainable performance	- client satisfaction - responsible	
2	Promote employee engagement , well-being, and quality-of-life at work	- employee development, retention, and engagement - work-life balance and well being	
3	Act for diversity , and create an inclusive working environment where everyone is free to be themselves, and has the same opportunity to fulfill their potential	- diversity, inclusion, and professional equality - responsible recruitment	
4	Be a corporate citizen that behaves ethically and responsibly	- corporate citizenship - ethics, compliance, and data protection - governance and financial transparency - responsible purchasing - pro bono consulting - charity sponsorship	
5	Minimize the impact of our activity on the environment	- environmental footprint	

1.2.3 OBJECTIVES AND 2022/23 PERFORMANCE

The Impact strategic plan aims to position Wavestone in **the Top 5% of companies with the best CSR performance, by 2025**. Achievement of this target depends on the firm's CSR performance, which is assessed by two of the leading rating agencies, **EcoVadis and Ethifinance ESG Ratings (formerly Gaia Research)**.

To make this ambition a reality, Wavestone's five CSR commitments are also linked each year to numerical targets⁷ presented in the table below:

Commitments		2021/22 performance	2022/23 objectives	2022/23 performance
Improve our clients' satisfaction and help them achieve sustainable results in that area	Net Promoter Score ⁸	48	50	45
	Number of projects completed using a responsible consulting approach*	37	100	119
Promote employee commitment, well-being, and quality of life at work	Employee commitment index (out of 100)	70	71	74
	Staff turnover rate	18 %	15 %	16 %
Take action in favor of diversity and an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential	% of women in management ⁹	33 %	33 %	35 %
	Number of employees with disabilities*	35	40	49
Act as a corporate citizen by adopting ethical and responsible practices	% of employees trained in the application of the Business Ethics Charter	97 %	95 %	96 %
	% of firm time dedicated to societal commitments	1,0 %	1,0 %	1,3 %
Minimize the impact of our activity on the environment	% reduction in the firm's carbon footprint compared to 2019/20*	Scopes 1 & 2 (In absolute terms from 2022/23)	13 %	51 %
		Scopes 3 (Per employee)	20 %	27 %

⁷ Minimum performance targeted for each objective, except for staff turnover (maximum percentage)
⁸ The NPS[®] or Net Promoter Score[®] is a tool for measuring client satisfaction, ranging from -100 to 100. (NPS[®] is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld).
⁹ Management positions include operating management and/or hierarchical management.
¹⁰ Reduction in scope 1 and 2 emissions and business trips before changes in scope linked to the SBTi's near-term and net-zero commitments, starting in 2022/23

*Objectives defined for the purposes of the impact credit.

Fiscal year 2022/23 is the first year in which Wavestone has implemented its Impact strategic plan. **Wavestone met most of its ambitious targets, and even exceeded them in some cases**. In doing so, the firm has demonstrated continuous improvement in responsible consulting, its environmental footprint and in social and societal aspects.

Reflecting its commitment to place CSR at the forefront of its consulting business, the firm has stepped up the application of its responsible consulting approach to **119 projects** (versus a target of 100), i.e., **three times more than in 2021/22**, with a focus on environmental topics.

As regards social aspects, initiatives to foster employee engagement have enabled the firm to deliver strong results as a Great Place To Work[®] (first place in France, with certification in all offices) and a high employee engagement index, **scoring 74 out of 100 (versus a target of 71)**.

Wavestone continued its diversity and inclusion efforts, making progress on its key commitments:

- in terms of professional equality, across all entities, Wavestone developed its initiatives on employee retention, **tackling sexism and career development for women**, resulting in an increase of nearly 2 points in the percentage of women represented in management positions to 35% (versus a target of 33%);
- the firm surpassed its target of onboarding employees with recognized disabilities, with **49 employees with disabilities in France** (versus a target of 40) at 03/31/23, an increase of 40% thanks to a specific recruitment initiative and the contribution from Mission Handicap (presented in section 4.2) which currently supports 90 employees with disabilities (with or without administrative recognition);
- Wavestone championed the inclusion of **LGBT+ employees** (it notably re-signed the LGBT+ Commitment Charter of l'Autre Cercle and shared results from the internal LGBT+ survey) and **tackling racism at work** (Black History Month, conferences, Diversity & Inclusion Day).

As for the societal component of CSR, the firm exceeded its ambitious target in allocating **1.3%** of its time to the support of societal endeavors (versus a target of 1%), which is all the more remarkable considering that this period was largely focused on business development. A total of **9,221 man-days were dedicated to charities and associations through skills sponsorship initiatives or the firm's solidarity day, and mentoring.** The Company also continued its **drive to promote an ethics-based culture** (96% of employees received training, versus a target of 95%) and to raise awareness of client data protection (100% of employees received training).

Lastly, on the environmental front, the **Science Based Targets initiative (SBTi)** approved Wavestone's short- and long-term emissions reduction target, in line with scientific knowledge. The firm has committed to an emissions reduction trajectory, setting targets for **2026 and 2050.** During the 2022/23, Wavestone considerably reduced its carbon footprint by 51% for scopes 1 and 2, and by 27% for scope 3 (versus respective targets of 13% and 20% compared to the reference fiscal year of 2019/20). On the one hand, this progress is mainly owing to smaller premises, **the promotion of renewable energy contracts and changes in the reporting methodology for emissions** (GHG Protocol). On the other, it can be attributed to control over the resumption of emissions in specific activities (e.g., business trips) post-pandemic.

In a less favorable market environment, two targets were not achieved:

- **first**, the staff turnover rate, which was at 16% despite a marked slowdown in the second half of the year, bringing it close to our normative target of 15%;
- **second**, the Net Promoter Score (NPS) which stood at 45 (versus a target of 50). The high staff turnover rate in the first half of the year led to disruptions at clients (turnover of consultants) and was unquestionably one of the main factors behind this result. To date, the measures taken over the fiscal year to improve the NPS are yet to meet expectations.

Multi-year targets

Wavestone has set multi-year targets for each of its commitments:

Commitments		2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
Improve our clients' satisfaction and help them achieve sustainable results in that area	Net Promoter Score®	45	50	50	50
	Number of projects completed with a responsible consulting approach ¹¹	119	300	-	-
Promote employee commitment, well-being, and quality of life at work	Employee commitment index (out of 100)	74	74	74	74
	Staff turnover rate	16%	15%	15%	15%
Take action in favor of diversity and an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential	% of women in management* ⁹	35%	34,5%	35,5%	36,5%
	Number of employees with disabilities	49	58	73	90
Be an ethical and responsible corporate citizen	% of employees trained in applying the Business Ethics Charter	96%	95%	95%	95%
	% of firm time spent on societal commitments	1,3%	1,0%	1,0%	1,0%
Minimize the impact of our activity on the environment	% reduction in the firm's carbon footprint compared with 2019/20				
	Scopes 1 & 2 (In absolute terms from 2022/23)	51%	17%	21%	25%
	Scopes 3 (Per employee)	27%	25%	30%	35%

¹¹ At the end of 2023/24 fiscal year, the firm intends to review the way its responsible consulting targets is formulated.

Impact credit

To support the concrete implementation of its CSR commitments, Wavestone has, since 2021, **chosen to link its financing and its Environmental, Social and Governance (ESG) performance**, by integrating environmental, social and societal criteria into its existing credit facilities (additional clause signed on December 12, 2022).

Four objectives, addressing key areas of CSR progress for Wavestone, have been defined:

- deploy Wavestone's responsible consulting approach in an increasing number of projects;
- increase the representation of women in management positions;
- become an increasingly disability-friendly company with a growing number of employees with disabilities;
- significantly reduce the firm's environmental footprint by adopting an avoid-reduce-offset approach.

The value of these non-financial performance indicators is certified annually by the non-financial performance rating agency EthiFinance. **The extent to which these objectives are met determines Wavestone's eligibility for a bonus on the margin applicable to all of its credit facilities.** In the event that the bonus is awarded, Wavestone pays the full amount of the savings to the Wavestone Corporate Foundation.

During the first half of the 2024 calendar year, Wavestone and its banking partners will amend these CSR criteria, aligning them with the firm's changing ambitions out to 2026.

1.3 Assessing ESG performance

During fiscal year 2022/23, Wavestone won a number of awards in recognition of its **CSR initiatives and performance** (based on data from the 2021/22 fiscal year).

The firm especially relies on the assessments carried out by two leading rating agencies, EcoVadis and EthiFinance ESG Ratings (formerly Gaïa Research), to validate the achievement of its strategic ambition to be ranked in the Top 5% of companies with the best CSR performance.



EthiFinance ESG Ratings (formerly Gaïa Research), which is the benchmark SRI (socially responsible investment) index, assesses and ranks 400 French SMEs and mid-sized companies based on their non-financial reporting and sustainable development performance. For the thirteenth year running, Wavestone featured in the rankings, placing fifth in 2022 among companies with revenue between €150 million and €500 million and scoring **80/100** to achieve a 'Gold' recognition level and rank in **France's Top 5%**. The firm was also **ranked first in its sub-sector** (software and services).



A world-leading rating agency, EcoVadis assesses over 100,000 companies worldwide, comparing their performance against international CSR standards. In 2022, Wavestone was awarded a Platinum rating. As a result, the firm placed in the panel's **Top 1% of companies with the best CSR performance**. Here is the detailed score by topic:



The Carbon Disclosure Project (CDP) is a non-profit organization and a standard bearer of corporate environmental performance with its annual assessment of 18,000-plus companies the world over. In 2022, Wavestone obtained a **B- score**, placing the firm in the «Management» level category versus its competitors and scoring above average in its sector (rated C).



Having maintained a position in the Top 5 of the France rankings for several years, the firm **claimed the first** spot for companies with more than 2,500 employees in France for the second consecutive year. For the first time, Wavestone also **received a ranking for all its offices around the world**, ranking as the fourth Great Place to Work® in Luxembourg and scooping the Great Place to Work for Wellbeing® award in the United Kingdom.

**Supporting our
clients to generate
sustainable
performance**

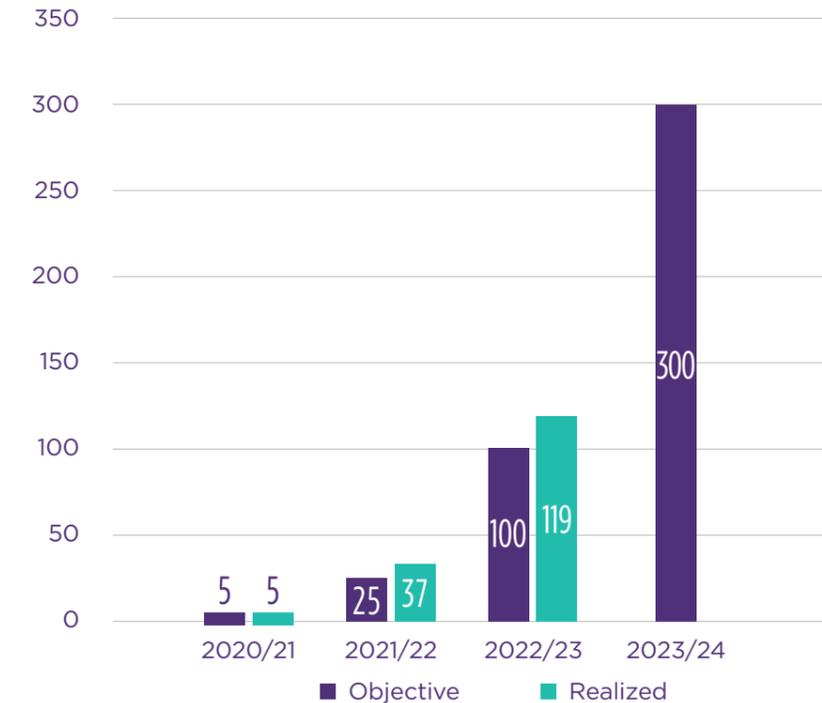


2.2 Responsible consulting approach

As part of its Impact strategic plan, Wavestone seeks to assist clients in delivering sustainable performance, by prioritizing CSR issues in its consulting. This is achieved through:

- the development of solutions implemented by teams with expertise in Sustainability (digital responsibility, low-carbon procurement, etc.);
- a proactive approach to integrating CSR issues into client projects.

Kick-started in 2020/21, the responsible consulting approach continues to gather pace, with 119 projects completed in fiscal year 2022/23 (versus a target of 100) either through its Sustainability practice (77) or CSR recommendations that are proactively integrated into other assignments (42).



	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
Net Promoter Score®	50	44	50	50	50
Number of projects completed using a responsible consulting approach ¹²	100	119	300	-	-

2.1 Client satisfaction

For Wavestone, **client satisfaction is key to a sustainable relationship with clients. In this connection**, the firm aims to maintain its Net Promoter Score® above 50 and to be best ranked in the consulting market on these criteria.

The Client Satisfaction Charter outlines the key principles to guarantee the satisfaction of Wavestone’s clients. The Charter is systematically distributed to new employees upon arrival, and each new arrival must confirm awareness and commit to compliance.

Wavestone’s NPS® score for fiscal year 2022/23 was 45 (versus a target of 50), compared to 48 in the previous fiscal year. **This performance fell short of our ambitions and is caused by two main factors.** On the one hand, the negative impact of the staff turnover rate which accelerated in the first half of the year, increasing the turnover of consultants assigned to clients. On the other, the uneven effects of the action plan introduced in 2022/23 to improve the NPS® score. **Looking ahead to fiscal year 2023/24, these weaknesses represent areas for improvement.**

Developing a commercial Sustainability practice

The establishment of a Sustainability practice in early fiscal year 2022/23 signaled the firm's ambition to support its private and public sector clients in framing and implementing their sustainable transformations, and in driving the energy and ecological transition. The practice has **170 consultants** and leverages the expertise of Nomadéis, a consulting firm specialized in sustainable development, which joined Wavestone in April 2022.

The Sustainability practice focuses **on five sustainable transformation priorities:** strategy, transformation of corporate functions (HR, IT, Marketing, Supply Chain, Procurement, etc.), cross-functional initiatives (e.g., decarbonization, the circular economy, biodiversity), management and governance of sustainable performance and change management.

Step-by-step, the challenges of sustainable transformation are influencing all areas of expertise within the firm's practices, which are cultivating solutions to address sustainability issues including the green supply chain, digital and energy sobriety. **Successful sustainable transformation requires a cross-disciplinary strategy. To this end, Wavestone combines its expertise in business, technology and sustainable development.**

As a result, 77 projects were completed in fiscal year 2022/23. By way of example, the following projects were carried out:

- Organizing an international forum on sustainable mobility for an automotive group, which brought together diverse members of civil society (NGOs, public institutions, employee representatives, private sector, young people, etc.) to consider the challenges facing the sector and potential sustainable solutions;
- Managing and supporting a project to eliminate single-use plastic for a leading hotel group;
- Developing a five-year digital responsibility roadmap for a bank with a view to decarbonizing its information system.

Proactively integrating CSR issues into client projects

Wavestone's responsible consulting approach aims to proactively pinpoint sustainability issues arising in run-of-the-mill projects completed by the firm for its clients, and to provide insight and achievable and measurable recommendations where relevant.

The approach is based on a method that can be applied by each consultant: an initial assessment and thematic diagnoses serve to guide reflection on the environmental and social aspects, as well as a set of enablers (documentary resources, leveraged methodologies and tools), supplemented by a community of sustainability experts.

To disseminate these recommendations throughout the firm, **an ambassador network was established in 2022** with in each practice and office, responsible for identifying opportunities to introduce these recommendations, applying them with clients and harnessing their full potential.

Fiscal year 2022/23 saw the widespread rollout of this approach, impacting 42 projects. For example, the following assignments were carried out:

- identification of initiatives to improve the digital accessibility of an internal computer network for a company in the luxury sector and people with disabilities, including recommendations on the interface, browser friendliness and image processing;
- launch of a data deletion campaign to shrink the digital footprint of an insurance company, as part of an initiative to adopt collaborative tools;
- assistance in the ergonomic design of new workstations as part of the construction of a new warehouse for a company in the luxury sector, aimed at reducing musculoskeletal disorders.

In the long term, the firm hopes that responsible consulting will become second nature to each and every one of its employees. In fiscal year 2023/24, Wavestone intends to capitalize on the momentum provided by the Impact strategic plan, with a view to tripling its impact in terms of project volume (300 projects) and expanding the range of topics offering potential insights.

In its efforts to drive forward this ambition, awareness initiatives (themed days, challenges, etc.) will be boosted by a compulsory e-learning course scheduled for the start of fiscal year 2023/24, with the goal of training all employees (consulting and sales) by 2024.

Moreover, the firm will refocus the way it steers its responsible consulting targets, which are currently geared towards project volumes.

2.3 Qualiopi certification



Wavestone has been a Qualiopi-certified training provider since April 2023. This certification is proof of the quality of upskilling services that the firm provides its clients.

Promote employee engagement and wellness at work



	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
Employee commitment index (out of 100)	71	74	74	74	74
Staff turnover rate	15 %	16 %	15 %	15 %	15 %

3.1 Development and self-fulfillment of employees

The Positive Way: a set of values, and the pillar of our development

The Impact strategic plan reflects Wavestone's ambition to take its development to the next level. However, fulfilling this ambition is meaningful only if we respect the cornerstone values that form the basis of the firm's intended development. Its success will only be complete if its development benefits stakeholders across the board.

Wavestone's values constitute the foundations, roots and glue that bind teams together across businesses and regions. Foundations that seek to transform the firm into a responsible company and retain its core values while rising to the challenge of growth.

Developed during fiscal year 2022/23 by a working group comprising employees from various countries and Wavestone's businesses, the Positive Way Book formalizes and illustrates the four core values of the Positive Way in day-to-day activities:

- Client Satisfaction;
- Employee Development;
- Responsibility & Ethics;
- Collective Mindset.

How the HR Development Department is structured

The HR Development Department at Wavestone is in charge of defining and overseeing actions which contribute to the recruitment, integration, development and retention of talent. **It is structured as follows:**

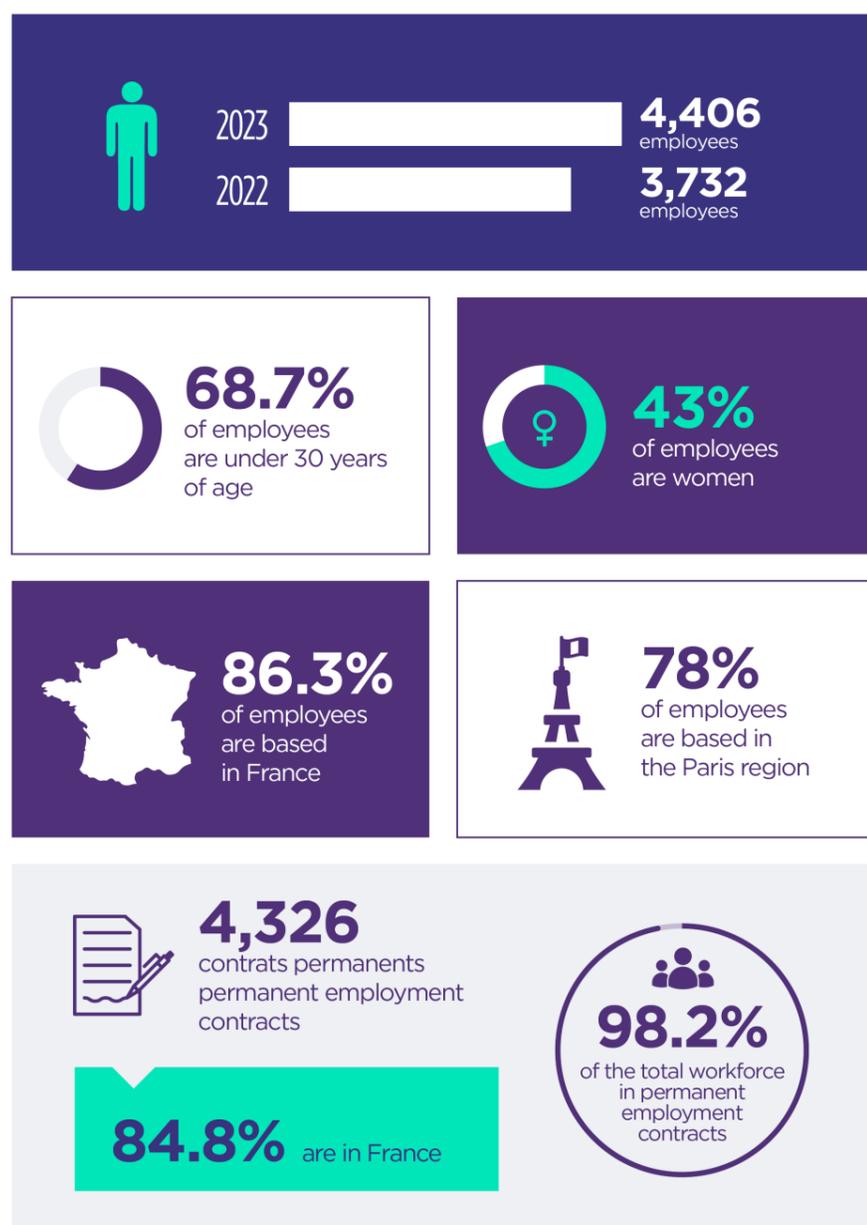
- a global HR Development team, decentralized within the practices and/or offices. Wavestone has continued to expand this team, particularly in offices outside France during fiscal year 2022/23;
- a CSR team responsible for defining the CSR policy and coordinating related actions;
- a Compensation & Benefits team, which is responsible for the application of Wavestone's salary policy, the management of profit-sharing, shareholding and employee savings schemes and the management of payroll operations in France;
- recruitment teams organized by practice area/office/functional department, responsible for recruitment, in coordination with operations staff who play a key role in achieving annual objectives. A central team responsible for Wavestone's recruitment plan.

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

Breakdown of the workforce

On March 31, 2023, Wavestone's total workforce was 4,406 employees (including 3,816 consultants), versus 3,732 a year earlier, i.e., an increase of 18.1% from the prior fiscal year. The average age of Wavestone's workforce on March 31, 2023, was stable at 31.

Our French teams are based in four locations: Paris La Défense, and three regional offices: Lyon, Marseille and Nantes. Wavestone has eight offices outside France: Casablanca (Morocco), London (United Kingdom), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), the United States (New York and Dallas), Singapore and Hong Kong.



New hires

In 2022/23, nearly 8,320 applicants for permanent positions started the recruitment process with Wavestone. These applicants come from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, headhunted via LinkedIn and spontaneous applications).

During fiscal year 2022/23, Wavestone recruited 1,637 employees (excluding end of trial period and internal mobility transfers) and two part-time employees in France, equating to 0.75 full-time employees (FTE).

The firms' new hires mainly come from major engineering schools, business schools and universities. As part of its preemployment strategy, in fiscal year 2022/23, the firm took on nearly 585 trainees (in the form of cesure and end-of-studies internships) and work-study positions.

Departures

In fiscal year 2022/23, 916 permanent employees left the firm (including 679 resignations). The number of terminations during trial periods remained stable compared with a year earlier. However, there were more terminations during trial periods at the initiative of employees, owing to increased hirings over the fiscal year. This recruitment drive has led to a broader search for candidates, in some cases resulting in a less accurate match between the required skills and selected profiles.

In the first part of 2022/23 fiscal year, departures accelerated sharply, heralding the development of an action plan during the summer which produced results and enabled a slowdown towards the end of the fiscal year.

The breakdown of departures is presented in paragraph 9.3 of the appendices.

Recruitment policy

As the majority of Wavestone recruitment is targeted at young graduates (accounting for close to 85% of permanent positions filled in fiscal year 2022/23), internships and work-study positions are filled based on the same stringent selection criteria as for any employee, and benefit from the same integration and training processes. Ensuring they gain skills and responsibilities rapidly is therefore a key challenge for the firm.

Wavestone applies an active partnership policy with schools to support students in their professional lives via the transmission of knowledge and know-how in consulting jobs (project management, client relationship management), but also in their personal development, by providing a variety of career coaching programs.

Every year, multiple on-campus initiatives take place: 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 lasting relations with the career's services and faculty bodies of its target schools.

Wavestone seeks to guarantee a positive experience to candidates, by training recruitment staff, but also by structuring its recruitment methods around for main principles, described in its Recruitment Charter:

- consider each candidate as a future employee;
- assess each candidate's potential and knowledge, from the single standpoint of Wavestone's fundamentals;
- guide candidates through individual support and clarify their understanding of the decisions made at each stage;
- help candidates make informed decisions.

These four principles are applied by all the candidates' contacts during the recruitment process. This notably involves support provided by a dedicated recruitment representative, at each stage of the process. With a view to personalization and transparency, the recruitment representative presents to the candidate the expectations and terms and conditions of each interview, and then debriefs at each stage. The objective: to deliver a positive experience and give the candidate all the keys to a successful job application.

To guarantee application of the Recruitment Charter and with the aim of making continuous improvements, Wavestone participates in the Happy Candidates satisfaction survey managed by the independent body ChooseMyCompany. This year, Wavestone ranked seventh in its category in France (companies with more than 1,500 employees).

For fiscal year 2023/24, the firm plans to develop its Wavestone Alumni initiative, to stay connected with former employees, particularly with a view to enabling some of them to rejoin the Company.

Integration program

At the global level, the integration process is structured into four priorities: discovery, mentoring, managerial monitoring and HR and the training program.

The discovery program

The discovery program takes place during the first weeks following the arrival of new employees and includes discussions as well as company presentations, including ways of working.

In France, this program is spread out over four weeks. The first day is allocated to discussions with executive management and general management at Wavestone, as well as assigning equipment, discovering the office premises and learning about the firm's HR policy. The discovery program continues with thematic workshops: development program, CSR policy and focus on diversity & inclusion, sales model, best practices for remote working and time management, presentation of the Economic and Social Committee (ESC), provisional scheduling (weekly allocation of consultants to their assignments).

The sponsor system

Each new arrival, in each of the firm's offices, is allocated a sponsor who is active in the same area and has at least six months' experience with the Company. The objectives of the sponsor are to support the new employee in learning about the firm, to answer any questions and to facilitate integration.

Managerial monitoring and HR

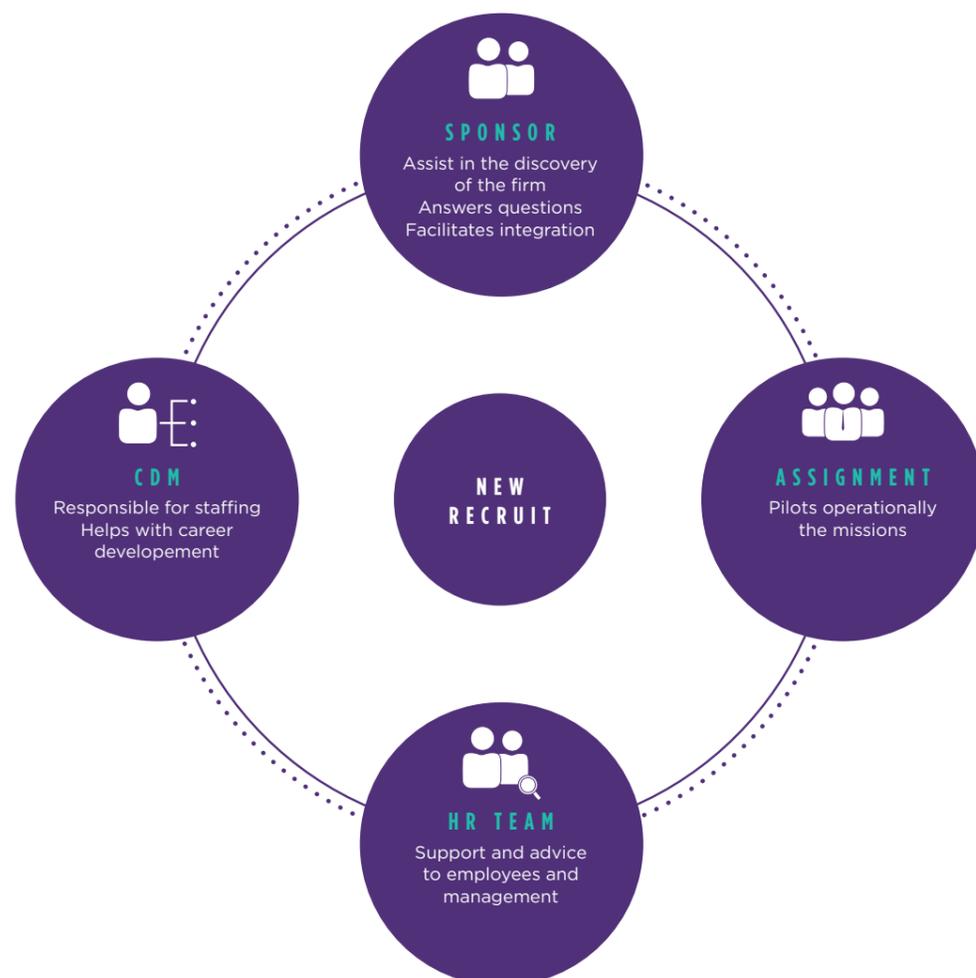
Each new employee benefits from specific monitoring during the first few months, materialized by regular reviews with their Career Development Manager (CDM)/tutor, as well as the HR team. This enables the new arrival to obtain feedback, to take stock of their first few months with the Company and to discuss development prospects within Wavestone.

The initial training program

The training program begins with the "Delivering in Wavestone" module, designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards. It is followed by other training programs: Consulting behavior, Introduction to Project Management, etc.

Lastly, the training program concludes with an integration seminar, Wavestone Inside, which brings together all new arrivals regardless of their entity, job or level of experience. Two separate seminars are organized for employees from European and Moroccan offices on the one hand, and US employees on the other. Regardless of the region where it is held, the objective of the seminar is two-fold: to enable new recruits to connect with the Wavestone identity (values, know-how, positioning, etc.) and to develop their internal network. The day is organized around workshops, team challenges and even testimonials from the firm's partners and inspirational speakers before closing with a Q&A session with members of the Wavestone management team.

Close employee monitoring



Assessment mechanisms

Assignments and on-the-job training

For all employees, the professional consulting assignments they carry out also provide an opportunity for them to develop and enhance their individual skills. As such, at the beginning of every assignment, the project manager informs the consultants of the objectives involved and provides feedback (or at regular intervals in the case of long-term assignments).

In addition, individual development objectives to develop new skills are taken into account in the consultants' workload planning. Lastly, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the firm's development activities. Each year, a number of consultants carry out assignments of between 6 and 12 months within the firm's back-office departments (recruitment, communication, finance, CSR, IT, etc.).

Talent reviews and annual assessments

Every year, across all of the Group's business lines, each employee's performance is discussed as part of a talent review involving their superiors and the Career Development Managers and HR teams within the scope concerned. The topics addressed include: the employee's current position in respect of their Wavestone Horizon career path presented below; 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 Career Development Manager (CDM) for an annual performance review in order to discuss their annual evaluation, career prospects, training/upskilling, pay and work-life balance. Each CDM within the firm has, among their objectives, that of promoting the development of the firm's employees. The annual performance review is a key moment for discussion in which the Group's Career Development Managers receive special training.

Training programs

A common training program for all young recruits

Young graduates follow a four-day training program 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 networks by bringing them into contact with employees from various backgrounds (practice areas, jobs, offices, etc.).

Training modules vary based on the business. They are spread out over the year to provide them with a better understanding of the firm. Each new recruit attends at least three training sessions during their first year.

Digital training programs

The purpose of Wavestone's training program is to foster the continuous development of its employees' skills. The digital training offering combines several programs (integration training and two e-learning platforms, Edflex and Sequoia) open to all employees:

- Edflex (formerly My MOOC), a digital content platform covering topics related to Wavestone's challenges and businesses. Articles, podcasts, certification courses and videos are available in English and French;
- Sequoia, which makes educational training materials available online in a fun format created by employees of Wavestone's practice areas with a view to improving skills and know-how and sharing them within the firm. 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.

Both platforms are international in scope and have a cross-functional approach (multi-practice area 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 courses¹⁴

Wavestone's training institute (The Wavestone Academy) proposes around forty programs delivered in-person or remotely, which are designed to develop key job-related skills (business development, delivery, communication, assignment management, etc.). Several of these programs award certificates upon completion, including ITIL, Foundation V4, as well as Lean Six Sigma - Green Belt, etc.

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

A number of initiatives complement this cross-functional approach:

- Our catalogs for practice areas and offices which are designed to meet scope-specific training needs: training focused on sectors, technologies and specific certifications. These courses can be arranged and delivered either in-house or externally;
- An external coaching course, geared towards individual needs.

Learning Factory

In line with its Impact strategic plan, the firm intends to ramp up investment in employee training via a new asset: the Learning Factory.

To achieve this, Wavestone has formed a special team to boost and accelerate training within the firm, partnering up with the Wavestone Academy as well as all practice areas and offices. In the short term, the team aims to develop technical training, targeting hard skills and certification, with priority given to advanced and expert levels.

A number of projects were launched in fiscal year 2022/23, including:

- the rollout of My Sustainability Learning Journey, a training program addressing the challenges of climate change which is compulsory for all employees and supplemented by Climate Fresk training for all teams;
- the introduction of new training courses on data, agility and project management;
- the development and management of a community of learning relays to support the rollout of new training courses and provide feedback on the needs of practice areas and offices;
- the launch of a comprehensive training catalog to publicize and capitalize on existing training courses provided firmwide.

The Learning Factory also communicates about training initiatives within Wavestone at regular intervals, via a newsletter and a dedicated space on its Intranet.

Summary of training courses completed during the fiscal year

On average, Wavestone employees received 19 hours of training in 2022/23, compared to 20 in the previous fiscal year. The total number of training days delivered was 8,543 (versus 7,356 in 2021/22).

Internal mobility scheme

Wavestone aims to offer its employees diversified development prospects. Internal mobility is one of the professional opportunities that enable them to enrich their career path.

All positions available under the annual recruitment plan are eligible for the scheme. 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 available. 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 three months. 120 employees took advantage of internal mobility opportunities in fiscal year 2022/23, with 46.7% moving to another office.

The Wavestone Horizon professional development tool

The Wavestone Horizon career path tool provides a guide to employees' professional careers, 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 their career within Wavestone.

These development paths are defined for the consulting, business and functional teams and are common to all Wavestone employees, regardless of geographical region.

Compensation policy

Our pay policy is based on three principles:

- a unique pay benchmark for each business line and country: including starting salary and pay package for each grade;
- a competitive salary benchmark: against a competitive backdrop where competition in relation to salaries is a key factor in attracting and retaining the best talents, Wavestone's benchmark is based on market practices in each country and area of business. To ensure competitiveness in each country, Wavestone regularly updates its salary benchmarks. Fiscal year 2022/23 saw mounting pressures on salaries, which led to tighter monitoring of Wavestone's salary policies in all its geographies, and to an adjustment of salary scales;
- commitments to ethics and transparency: Wavestone is committed to treating all career development plans in a consistent manner, with the same compensation rules for the same level of experience. In France, the United Kingdom, Luxembourg and, most recently, the United States, salary packages by grade are published on the firm's Intranet and this practice is an objective in all the countries where Wavestone is developing its presence.

Employee profit-sharing

Employee profit-sharing for Wavestone SA, calculated on the basis of the statutory formula, was €9,269,418 in fiscal year 2022/23.

For more than 10 years, Wavestone's French employees have been able to acquire a stake in the Company in the form of free shares awarded by the firm when profit sharing entitlements are paid out. Accordingly, for each unit held in the Wavestone Actions fund, employees are awarded one free share two years later if they are still an employee of the Company and have not sold their units in the Wavestone Actions Fund.

The employee shareholding scheme offers free shares and boosts employees' sense of pride in being part of the Company.

Since 2021, Wavestone has offered all its employees in its international offices the opportunity to buy shares in the Company under the ESOP (Employee Stock Ownership Plan), which offers the same employer contribution benefits as awards of free shares in France.

In addition, three individual employee shareholders sit on the Individual Shareholders' Consultative Committee, out of a total of six members. This ensures regular and constructive dialogue between Wavestone and its individual shareholders. It also enables to gather their perspective on the various aspects of shareholder communication, and to improve the quality of documents sent to them.

Talent Management, an initiative to upskill the firm's HR practices

In 2022/23, Wavestone embarked on a structural transformation for its future development, aimed at transforming and leveling up Talent Management practices, tapping into the best market practices provided by the Workday solution. The initiative is expected to bring multiple benefits (HR data, learning management, career development) to meet the challenges that lie ahead in terms of recruitment, engagement, and retention.

3.1.3 EMPLOYEE WELL-BEING AND SELF-FULFILLMENT

The HR promise made by Wavestone to candidates and employees is that they will benefit from a high-quality work environment which is both stimulating and offers the possibility of striking a successful work-life balance.

The attention paid to employees' work-life balance is part of a more comprehensive approach to quality of life at work at Wavestone, which aspires to be sustainable and to make continual improvements. This approach encompasses both measures to improve the quality of career paths as mentioned above, but also the workspaces within Wavestone's offices, the flexibility of how work is organized through initiatives such as remote working or co-working, measures to support parents and all types of initiative that enable employees to be involved in the Company's vision.

Working environment and work-life balance

Working time

Wavestone, of course, complies with the legal framework applicable to each of the countries in which it operates.

Since July 1, 2017, all Wavestone's employees in France have fallen into one of the following three working hour categories: category 1 (37 hours/week with 10 paid days off ("ATT")), category 2 (a fixed number of 166 hours and 42 minutes per month and 218 days per year, including the "Solidarity Day"), and category 3 (a fixed number of 218 working days per year, including the "Solidarity Day").

Taking paid holidays

Taking time off regularly is also part of the work-life balance equation. All Wavestone's employees are therefore encouraged to take days off on a regular basis. The HR and management teams also regularly check that leave is taken in compliance with local legislation and with relevant health and safety requirements.

Lastly, workload and work/life balance in general are among the topics that are discussed between employees and their Career Development Manager (CDM) throughout the year, and which are, notably, covered during the annual performance review.

The right to switch off

Employees have the right to switch off communication devices provided by the Company.

To ensure that employees' right to switch off is respected, Wavestone has taken a "collective regulation" approach to digital communication by promoting the sharing of a common framework and best practices for all its employees, in keeping with its corporate culture:

As an example, in France, it breaks down as follows:

- a benchmark switch-off time slot applies to all employees, from Monday through Friday, from 8:30 p.m. to 8:00 a.m.;
- a sanctuary time slot has been set at 1:00 p.m. to 2:00 p.m.;
- a standard timeframe for holding internal meetings is between 9:00 a.m. and 7:30 p.m.

These provisions vary for each country, to align with its local practices.

To ensure that everyone exercises their freedom to organize their working time while also respecting the freedom of others, a set of rules and best practices have been introduced, which take into account the specific situation of each Wavestone office. Outside of this framework, each employee is encouraged to avoid sending messages or making business calls as much as possible, except in extraordinary circumstances (a threat to the health of employees, a threat to goods or services, or necessary communications between different time zones). Nonetheless, this switch-off period is not intended to constrict employees' flexibility, particularly when it comes to achieving a work-life balance.

A discussion of work-life balance is a compulsory part of every annual performance review.

The reference framework is communicated via the firm's Intranet. The Company's management and HR teams are equally responsible for ensuring that the right to switch off is respected. They must lead by example in their practices.

Smartworking@Wavestone

Rethinking our ways of working

Smartworking@Wavestone allows everyone to choose, at any given moment, the most appropriate ways of working for them, taking into account their current activities and assignments, their clients, their work group, as well as the stage they have reached in their career. It is based on a framework of mutual trust between employees and their management team.

The initiative has three objectives:

- To work more efficiently, especially for Wavestone's clients and by leveraging synergies between the firm's teams in different geographical regions;
- To strengthen the commitment of employees and the attractiveness of the firm to candidates through a better work-life balance;
- To reduce the firm's carbon footprint.

In France, this new framework was defined by an internal working group (members of the Economic and Social Committee (ESC), practice leaders, sales and functional team managers) with a new remote working agreement, effective from September 1, 2022. It applies to all Wavestone offices.

This framework is based on five key principles:

- Client satisfaction;
- Flexibility;
- Responsibility;
- Collective mindset;
- Health and well-being at work.

Remodeling our premises

At the same time as the firm rethinks its ways of working, Wavestone is modernizing its premises to fully cater to the new expectations that emerged from the Covid pandemic. The repurposed features include new spaces for socializing.

In the fall of 2022, new offices were opened in Nantes, enabling the firm to try out new meeting room facilities which facilitate hybrid formats and new «grand café» (large cafeteria)-style social spaces. Wavestone also inaugurated new spaces in Paris at the end of March 2023, with the addition of better-equipped meeting rooms, more and larger social spaces, as well as furniture designed to boost interaction. Going forward, these developments will influence plans for the firm's other offices.

Supporting parenthood

Taking parenthood into account is part of an approach that respects professional gender equality and work/life balance. **Wavestone is committed to taking practical steps to support parents and commits to:**

- changing perceptions of parenting in the Company by raising awareness with HR teams and managers;
- developing a favorable workplace for employees who are parents, by adapting working conditions and by fostering a better work/life balance;
- respecting the principle of non-discrimination as part of the professional development of employee-parents by identifying and eliminating discriminatory practices.

In an endeavor to implement this commitment across the board, the Company has implemented several measures at the local level. Employees in France can sign up to the schemes below, as outlined in Wavestone's universally accessible Parenting Guide.

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 employees with children. In this respect, since 2013, Wavestone has been a signatory of the Corporate Parenting Charter from the Quality of Life at Work Observatory.

Nursery service

In France, Wavestone provides nursery service to help employees with children/who are expecting a child to find nursery places in the Babilou and Maison Bleue networks, and more recently in LPCR (Les Petits Chaperons Rouges), which represent over 7,000 nurseries in France. In fiscal year 2022/23, Wavestone financed an average of 75.6 cribs per month for its employees' children in France, i.e., a total of 147 cribs over the fiscal year.

In the United Kingdom, Wavestone also grants preferential access to a network of more than 800 nurseries, through its «Enjoy Benefits» scheme.

Childcare leave

Employees in France with one or more children (aged 0 to 12 years inclusive) may take up to three paid days of leave per child each year. These days may be taken individually or together during the fiscal year.

Parenting conferences and workshops

Wavestone offers its French-speaking employees conferences run by an external parenting coach and covering various topics including «How to support your child with their schooling» and «How to help your child find their confidence.» In addition, individual coaching is offered to employees in France on a remote basis.

Maternity leave support

In France, the Smartworking@Wavestone framework allows pregnant employees to enjoy maximum flextime, equipping them with a second computer at home to reduce the need to carry loads.

Prior to maternity leave, pregnant employees who so wish may benefit from an individual meeting with their HR representative, with a focus on Wavestone's Corporate Parenting Charter.

Special attention is paid to parental leave of up to six months, so as to eradicate any negative impact on the promotion decisions of employees eligible for promotion.

Paid maternity, paternity and adoption leave

In France, full pay is maintained throughout maternity, paternity, co-parenting, settling-in and adoption leave, irrespective of the employee's length of service within the Company. What's more, Wavestone has implemented a subrogation scheme for its employees to ensure that they do not suffer a shortfall in cash flow while awaiting the payment of their social security benefits.

Phased return to work after maternity, adoption or parental leave

In France, 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 systematically benefit from two meetings with their HR representative and their Career Development Manager (CDM). These meetings are organized by the HR representative and the CDM.

Social relations

Wavestone aims to ensure constructive social dialogue with its personnel representatives. This dialogue addresses issues related to corporate strategy, economic and financial policy as well as the firm's social policy.

Wavestone's aim is to establish social dialogue bodies in each of its geographical regions. These include:

- An Economic and Social Committee (ESC) in France, a regulated body whose missions are outlined below;
- Sounding Boards in the United States and United Kingdom, comprising management and employee representatives from the firm's various functions, to discuss any strategic topic with the Board;
- The Délégation du Personnel in Luxembourg (Luxembourg Employee Delegation), appointed every five years by employees, acts as a mediator between the employer and employees to defend employees' interests as well as their working conditions. The Delegation also has a limited consulting role, advising the Company on its decisions.

Each body has different targets and approaches that reflect their countries' respective regulatory frameworks.

Organization of social dialogue in France

In April 2022, elections were held to appoint a new ESC on a four-year term. It has 25 full and 25 alternate members. The CFE-CGC trade union is the representative union and has appointed two specific representatives.

Following the transfer of assets (Transmission Universelle de Patrimoine - TUP) between Wavestone SA and Wavestone Advisors, a single Economic and Social Committee (ESC) was established for Wavestone SA, effective from January 1, 2023.

Social actions are managed by the Group's Economic and Social Committee (ESC), and mainly consist of sports and cultural activities. For instance, every year, the ESC organizes skiing and summer weekends open to all employees. There are also a number of clubs, with interests ranging from sport to cultural activities, including photography, climbing, running, music, wine-tasting and theater. The Group has also established a partnership with Gymlib that provides employees with access to more than 200 activities in more than 2,000 sports centers around France.

Meetings between management and employee representative bodies held in 2022/23

23 meetings, including six exceptional meetings, were held with the ESC in fiscal year 2022/23.

Examples of agenda topics (for information or consultation):

- strategic plan – proposal to review the France business model, aligning it with the implementation of Impact;
- report of gender balance – Review and action plan;
- presentation of the CSR action plan;
- annual review of working hours.

Collective agreements signed during the fiscal year

Mandatory Annual Negotiations led to an agreement signed on 4/07/22. A review of the remote working agreement was signed off on 8/31/22. **Other agreements and additional clauses signed during fiscal year 2022/23:**

- additional clause – overriding profit-sharing agreement signed on 9/15/22;
- provisional employment and skills development agreement (PESD) signed on 4/01/22;
- disability agreement signed on 1/17/23.

Health and Safety

Health, Safety and Working Conditions Committee (HSWCC)

In France, the ESC has a Health, Safety and Working Conditions Committee comprising eight members. In fiscal year 2022/23, this Committee organized four meetings, which were attended by the occupational doctor.

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 fiscal year. **It contributes to drafting and updating:**

- the Single Professional Risk Assessment Document (DUERP);
- an annual report on health, safety and the workplace;
- reflections and remedial action plans in terms of psychosocial risks (PSRs) presented on a half-year reporting basis.

Training sessions on the prevention of risks are organized by Wavestone:

- managerial training to pinpoint and prevent PSRs;
- awareness sessions on casual sexism;
- stress management to improve well-being and performance;
- overload situation training module on best practices to adopt to avoid work overload situations.
- first aid in the workplace training;
- fire drill training (superintendent, fire officer). All Wavestone's sub-contractors are systematically invited to take part in fire evacuation training and a copy of the prevention plan including information relative to safety, first aid and fire evacuation procedures is provided to them;
- Workshop on close screen work and prevention of musculoskeletal disorders.

A full-time occupational nurse is present (Monday through Friday) at the Company's head office, who works alongside the occupational doctor. She arranges appointments for information and prevention meetings with new arrivals.

Wavestone offers a group and obligatory healthcare coverage regime to all its employees. This regime covers employees and their children and provides optional coverage for spouses.

Absenteeism

Wavestone's absenteeism rate in France was 1.8% for fiscal year 2022/23, down year-on-year, and attributable to sick leave and occupational and commuting accidents. Unpaid leave is not factored into the absenteeism rate. Including maternity, paternity, and parental leave in the absence of sickness, occupational and commuting accidents, Wavestone's absenteeism rate was 2.4% for fiscal year 2022/23.

Prevention and treatment of psychosocial risks (PSRs)

Wavestone has adopted a local management policy whereby groups of 10 to 15 employees are monitored by a CDM, backed by a decentralized HR team. This approach ensures that staff stress-related issues can be detected well in advance.

That said, if employees experience stress, bullying, harassment or discrimination of any kind, they can go to one of a number of trained people. These include HR teams, the Health, Safety and Working Conditions Committee (HSWCC), the occupational doctor, the occupational nurse or the support unit. The support unit is on hand to assist employees who may be experiencing a difficult period, whether professionally or personally. All conversations are strictly confidential and the unit can be reached by phone or email, in French and English.

An external anonymous reporting tool, Whispli, was also deployed in April 2021 to encourage discussion of these difficult topics or situations when the context does not allow for open discussion with the usual designated in-house contacts. Such reporting is processed anonymously by the firm's in-house Ethics Officers.

When validating their assignments at the end of each month, employees can use a checkbox to alert their management and HR team of an overload situation.

All managers (CDMs, Assignment Managers, as well as managers of the Business development and Functional teams) are systematically trained in the prevention and treatment of psychosocial risks as part of the new managerial program deployed for all Wavestone's managers. This training course includes an e-learning module and a day of face-to-face training dedicated to real-life examples and case studies. Wavestone has also developed a training module focused on the prevention of sexism in the workplace, which is mandatory for all managers. Workshops on "Combating sexism in the workplace" and e-learning modules on casual sexism are offered to all employees. Lastly, the ESC has appointed a specific point of contact in relation to sexual harassment and sexist behavior.

In-house actions

To promote strong cohesion within its teams, Wavestone has adopted an operational mode whereby management regularly consults all teams to receive their feedback on initiatives to improve the day-to-day running of the Company, but also to contribute to development and strategy. By way of example, on September 30, Wavestone held the 2022 edition of its Bridges event, with a focus on the training and thought leadership aspects of Impact. That day, a total of 3,000 participants were involved in close to 400 actions. This process allows new initiatives to emerge regularly, creating value for the firm and its employees.

The firm actively takes part in multiple meetings and discussions: Wavestone Inside, annual galas, team meetings and seminars for practices. These informal events foster cohesion within teams and open up further opportunities to develop internal networks. They are accompanied by an annual gala event, arranged by each office.

Convivial social events took place throughout the year: free breakfasts every Monday and Friday or for special occasions, after-work meetings, team dinners, receptions for new arrivals, etc. Team meetings are also organized in different formats depending on the event to be celebrated (management seminar, regular team discussion meetings, etc.) always with the goal of enabling teams to meet up and share common objectives.

Wavestone also hosts a wide range of cultural and sporting activities run by France's ESC.

3.2 Assessment of quality of life in the workplace

Assessment methods

Wavestone has developed a way of measuring employee engagement in the firm. This initiative is based on the annual Great Place to Work® survey. The latter is often supported by one or two annual Pulse@Wavestone surveys, conducted as and when appropriate. During fiscal year 2022/23, the Company did not schedule a Pulse@Wavestone survey.

The engagement index is calculated based on positive answers to four engagement questions included in the Great Place to Work® survey:

- I am proud to work at Wavestone;
- I would gladly recommend Wavestone as a company that is great to work for;
- I rarely think of leaving Wavestone;
- I still see myself working at Wavestone two years from now.

During fiscal year 2022/23, the Wavestone engagement index stood at 74 (versus a target of 71 out of 100), representing a four-point increase, year-on-year.

Great Place to Work®

By way of an anonymous Great Place to Work® survey questionnaire, employees at all the Company's sites can express themselves on the quality of life at Wavestone. The questions cover five topics: credibility, respect, fairness, employee pride and conviviality.

In November 2022, 74% of the Group's employees completed the GPTW® questionnaire, and 88% of them considered Wavestone a Great Place to Work (up 2 points from 2021). For the first time in Wavestone's history, all offices involved in this edition of the survey (France, Luxembourg, United Kingdom, United States, Switzerland, Belgium, Morocco and Hong Kong) were awarded the GPTW® label on the basis of their results.

April 2023 saw Great Place to Work unveil its Best Workplaces France ranking: for the second year running, Wavestone took the top spot among companies with over 2,500 employees. Similarly, the Wavestone office in Luxembourg ranked fourth in the category of mid-sized companies that are great places to work. Lastly, in the UK, Wavestone was recognized as a Great Place to Work for Wellbeing®

Analysis of these results revealed progress in nearly all the areas covered by the survey. The identified areas for improvement – which center on meaningful work, training and premises – will influence Wavestone's HR roadmap in the years ahead.

Other labels and certifications

As detailed below in this section 1.3, during fiscal year 2022/23, Wavestone obtained the following labels and certifications:



This independent label works with a stringent set of criteria to measure the satisfaction of interns/trainees and work-study students. In 2023, Wavestone was awarded the Happy Trainees label for the ninth consecutive year in France, scoring a total of 4.13/5 with a recommendation rate of 89.7%, up 5.7 points versus 2022. The firm now ranks among the Top 5 companies welcoming between 200 and 499 interns/trainees and work-study participants.



After receiving nearly 3,000 responses to this year's satisfaction survey, Wavestone was awarded the Happy Candidates 2023 label (managed by the independent organization ChooseMyCompany), which singles out companies that take the greatest care of their candidates. The firm placed seventh in its category for France (companies with more than 1,500 employees). More specifically, Wavestone's efforts were commended in numerous geographic regions: Worldwide, Europe, France, Switzerland, and the UK.

At the global level, Wavestone scored 3.95/5, with a recommendation rate (70% this year) up 11.7 points since 2017. In Switzerland, Wavestone achieved a score of 4.25/5 with a recommendation rate of almost 89%, while in the UK, the firm scored 4.02/5 with a recommendation rate of nearly 74%.



Since 2009, Glassdoor's Best Employers awards have distinguished the companies that are most liked by their employees. Participating for the first time, Wavestone placed 14th in a ranking of the 25 Best Employers in France for 2023. This ranking is exclusively determined by anonymous comments posted on the platform by current and former employees.



Wavestone has been a Qualiopi-certified training provider since April 2023. This certification is proof of the quality of the upskilling services that the firm provides to its clients.



A change in methodology delayed Humpact's assessment of Wavestone, which will be available during 2023/24. As such, no corresponding assessment is published for fiscal year 2022/23. For the record, in 2021/22, Wavestone topped the Technology sector rankings, finishing sixth out of a total of 200 assessed companies.

Acting in favor of diversity and inclusion



	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
% of women in management**15	33,0 %	35,0 %	34,5 %	35,5 %	36,5 %
Number of employees with disabilities*	40	49	58	73	90

In line with its commitment to being a responsible employer, Wavestone strives to strictly comply with the principles of ethics and equal opportunities. Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

4.1 Gender equality in the workplace

As part of its action plan to promote equality in the workplace between women and men and achieve its objectives, Wavestone has identified five main performance drivers:

- accelerate gender diversity in hirings;
- ensure equal treatment in performance assessment, promotion and compensation;
- combat stereotypes, sexism and sexual harassment;
- promote a healthy work/life balance for all employees;
- support employees with children in achieving a healthy work-life balance.

Wavestone's ambition is to increase the representation of women in management (manager grade and above, and CDM role). 2022/23 saw the firm exceed its target by almost two points, with 35% of women represented in these positions (versus a target of 33%).

The Company is also committed to ensuring a gender balance in its management, in compliance with the relevant legal requirements. In 2022/23:

- the percentage of women on the Executive Committee (EXCOM) was 37% (up 6 points vs. 2021/22), in line with the quota required from 2026 onwards under France's Rixain Law;
- women make up 42% of the Board's Directors, thereby aligning the firm with France's Copé-Zimmermann Law.

On March 1, 2023, under the French law on the freedom to choose an occupation (September 5, 2018), Wavestone disclosed a gender equality score of 82/100 for the Wavestone Economic and Social Unit (ESU), representing a decline from 2022. This decrease is automatically due to the impact of promotions of employees who joined the firm in 2020/21. At the peak of the health crisis, Wavestone was forced to scale back its hirings to graduates of engineering schools, most of whom are men.

Recruitment

As regards recruitment, Wavestone is particularly focused on gender diversity, with a commitment to applying an inclusive recruitment policy. Recruitment teams include «Diversity & Inclusion» ambassadors who are tasked with monitoring Key Performance Indicators (KPIs) and introducing awareness initiatives for campus managers, recruitment officers, recruitment firms and schools.

Anti-sexism

The drive to champion an anti-sexist company culture – denouncing sexism, harassment and sexual assault – is embodied in the firm's training actions:

- e-learning course on casual sexism, developed in 2022 by the #StOpE (Stop Casual Sexism in the Workplace) initiative and mandatory for all staff;
- in-person training on sexism, mandatory for all managers;
- workshops organized on the topics of «How to show your support for diversity» and «How to respond to sexist comments»;
- launch of a dedicated Intranet page and communication across escalation reporting channels.

Careers

Wavestone seeks to guarantee the most equitable career pathways possible for women in each of its practice areas and offices, by focusing on:

- proactive initiatives to increase women's representation in management (gender-based KPIs, talented women hub, HR engagement catch-up interviews, coaching and training, parenting support, awareness sessions for management, etc.);
- applying a policy regarding career development and parental leave;
- the representation and visibility of women, with a view to raising the profile of female role models. To fulfill this ambition, Wavestone schedules a round of monthly meetings, known as Women@Wavestone.

In 2022/23, the Company continued to drive local initiatives throughout its practice areas, with targets set to increase women's representation in management and action plans to achieve these targets, coupled with firm-wide actions.

Partnerships

Wavestone is also committed to partnering with several entities that strive to achieve professional equality.

Since 2016, Wavestone has been a partner of the Elles Bougent association, which aspires to encourage more women to pursue scientific and technical careers. Each year, the firm's female employees with a background in engineering share their experiences as mentors. The Company has also partnered up with the Women's Forum since 2017, regularly publishing white papers that summarize the event program. Wavestone also covered the 2022 event on social networks.

Since 2018, Wavestone has paired up with Fondation Femmes@Numérique (France's Foundation for women working in digital and tech) as a founding member and through skills-sponsorship consulting assignments. This initiative aims to bring together a strong group of economic, social and public players to increase women's representation in digital professions.

Since 2018, Wavestone has also worked with the French Association of Managers of Diversity, which brings together French companies around the promotion of diversity and inclusion. The firm has supported the association in skills-sponsorship since 2021 through its promotion of the #StOpE (Stop Casual Sexism in the Workplace) initiative, which Wavestone joined in January 2022. It aims to tackle sexism in the workplace and share best practices on this topic.

4.2 Inclusion of people with disabilities

In line with its commitment to diversity and inclusion, and to honor its ambition to enable all employees to achieve their full potential, Wavestone has set ambitious targets for the inclusion of people with disabilities. To this end, the firm's action plan is structured into four priorities: recruitment, support, awareness and societal impact.

Wavestone runs a Disability Program (Mission Handicap) to spearhead these targets and priorities. The Program is overseen by three employees, who are all CSR team members, as well as an external expert on disabilities. On a daily basis, the Disability Program is tasked with ensuring the smooth integration of employees whose health has an impact on their life at work.

Recruitment

To help improve access to employment, Wavestone intends to recruit an increasing number of people with disabilities while upholding a clear commitment to hiring in all professions with no compromise on requirements, irrespective of the disability. **To achieve this, Wavestone's Disability Program is supported by:**

- a recruitment task force, assisted by ambassadors who ensure that the disability policy is enforced at every stage of the hiring process. The Disability Program works closely with this task force to review and adapt the hiring process for candidates with disabilities;
- training for all recruiters: disability awareness sessions are conducted, workstations are adapted and discussions with the Disability Program are widely recommended for all candidates;
- expert recruitment platforms: the «Hello Handicap» forum, partnerships with higher education institutions.

In 2022, this approach helped to increase the number of hires of employees with disabilities, without the adoption of a disability reporting incentive policy. As a result, during that year, Wavestone recruited 18 new employees with disabilities (including six with administrative recognition) in addition to eight interns (including two with administrative recognition).

Support

Numerous initiatives underpin Wavestone's job retention strategy which is implemented by the Disability Program (Mission Handicap):

- the adaptation of workstation equipment and/or the schedule of working hours for relevant employees. In France, Wavestone authorizes four additional days of absence for employees with administrative recognition of a disability;
- local, one-to-one performance monitoring sessions for all employees interested in such sessions. These strictly confidential sessions involve the employee's local HR representative and/or CDM and aim to increase awareness among all stakeholders involved in the employee's career;
- strictly confidential, one-on-one interviews for employees with disabilities, as and when required, to answer their questions and assist them with the administrative formalities of declaring a disability;
- support for HR, recruitment and management teams to answer any questions they may have, and to help them monitor employees with disabilities in the most benevolent, non-discriminatory way possible, including a half-day training course on how to manage people with disabilities.

Raising awareness

In an effort to mainstream the topic of disability internally and encourage people to speak up, during fiscal year 2022/23, **Wavestone led several awareness-raising and communication campaigns both in-house and externally. These included:**

- a two-week Accessibility challenge, in collaboration with the Streetco app, in which employees from all offices helped to improve street accessibility;
- the organization of «Cafés signes» (sign language cafés), in the Paris and Lyon offices, to raise employees' awareness of the daily obstacles experienced by people who are deaf or hard of hearing;
- training for volunteer employees on the challenges of disabilities in the workplace at a special conference hosted by Wavestone's Disability Program (Mission Handicap) during the Bridges 2022 event;
- a panel discussion on endometriosis in the workplace, featuring the President of the EndoFrance association and a Wavestone employee affected by the disease.

As a result of this series of communications campaigns, some twenty new employees contacted the Disability Program (Mission Handicap) between January 1 and December 31, 2022, including seven with administrative recognition of their disabilities.

Societal impact

Wavestone also stepped up its societal commitments to disability by broadening the scope of its initiatives:

- a commitment to the Inclusion Manifesto since 2021, which aims to ensure better inclusion of people with disabilities in the workplace, and involvement of the Manifesto's signatories in the association;
- the use of sheltered workshops for different types of services, such as the printing of training materials or the delivery of meal baskets;
- the continuation of school partnerships, e.g., Grenoble Ecole de Management to promote the «Management and Disabilities» certificate and EmLyon Business School to support students with disabilities as part of its Disability Awareness Week;
- consulting assignments for four disability-focused associations (Make.org as part of Grande Cause Handicap [Worthy Cause for Disabilities], APF France Handicap, Handicap International and the Simon de Cyrène association) as part of the skills-sponsorship program: five projects representing 854 days of support.

2022/23 results and signing of an approved multi-year agreement

As of December 31, 2022, Wavestone's Disability Program (Mission Handicap) supported approximately 100 employees with disabilities, including 47 with administrative recognition, versus a target of 40 (49 beneficiaries as of March 31, 2023). Following its three-year partnership with Agefiph (France's National Agency for employees with disabilities), Wavestone signed its first three-year company-wide agreement. Approval was made official on May 30, 2023 (with retroactive effect to January 1, 2023). Through this agreement, Wavestone is pursuing its ambition to lead the way in disability inclusion for other consulting firms.

The agreement sets out an extensive and comprehensive roadmap, defining initiatives for recruitment, improved onboarding, support for job retention, communications and awareness campaigns, as well as access to premises and training. Furthermore, it increases the use of the sheltered sector. The ambition of this agreement is reflected in quantitative and qualitative targets. For instance, Wavestone aims to publicly declare 90 employees with disabilities on permanent contracts within its French workforce by December 31, 2025, and to achieve a satisfaction rate (with the firm's support for disabilities) of around 80% among relevant employees.

Wavestone For All

In 2017, a group of employees took the initiative to create an independent network, Wavestone For All, with the goal of promoting diversity and inclusion within the firm. Network members include diverse people within society (LGBT+ and racialized communities, people with disabilities, etc.) and committed supporters, all of whom volunteer as individuals acting freely and independently of Wavestone.

This network strives to act as a «catalyst» for accelerating diversity initiatives and breaking the silence on issues that have gone unnoticed. **The network focuses on three priority actions:**

- actively listening to employees, whether collectively through workshops, surveys and events, or individually through informal discussions;
- showing commitment to the cause and driving change with management;
- continuously collaborating with management and the CSR team, to implement proposals that align with all diversity initiatives.

During fiscal year 2022/23, more than 40 employees volunteered for the network, which has extended its reach to all geographic regions since 2021 thanks to the establishment of Wavestone For All ambassadors.

In 2022/23, the network led the following initiatives:

- panel discussions on the topic of diversity in consulting;
- co-development of a diversity and inclusion workshop for all new hires;
- launch of anti-racism and LGBT+ action plans;
- a set of initiatives to foster the inclusion of LGBT+ communities.

4.3 LGBT+

In 2022/23, based on a recommendation made by Wavestone For All and following the initial signing in 2019, the firm re-signed the LGBT+ Commitment Charter of l'Autre Cercle in 2023. The Charter seeks to ensure the inclusion of LGBT+ communities in their workplace. Through this Charter, Wavestone is committed to sharing best practices for an inclusive workplace, reinforcing preventive action, supporting all those who are victims of discriminatory comments or acts as well as fighting prejudice.

Wavestone also participated in the "2022 LGBT+ in the workplace barometer" survey in collaboration with L'Autre Cercle and market research firm, IFOP, on the perception of inclusion of LGBT+ people at Wavestone. 98% of employees (out of 900+ responses) described Wavestone as an open and welcoming company for members of LGBT+ communities.

Results of the barometer were used to develop a three-year action plan for the inclusion of LGBT+ communities, including two priorities:

- LGBT+ inclusion training for managers (as part of their training program) and all employees – particularly new hires – via a dedicated e-learning module;
- the strategic decision to raise the profile of LGBT+ employees, with the appointment of a LGBT+ sponsor on the Executive Committee (EXCOM) and the introduction of Proud@Wavestone virtual cafés to spotlight role models.

In addition, fiscal year 2022/23 saw the firm celebrate Pride Month and International Transgender Day of Visibility for the first time. These celebrations helped to raise employees' awareness using multiple formats such as quizzes, panel discussions and conferences, with one talk on the visibility of lesbian women in the workplace.

4.4 Anti-racism

After conducting a survey with all employees, both in France and abroad, Wavestone introduced an anti-racism action plan in fiscal year 2022/23 which was achieved through the launch of employee awareness-raising initiatives:

- discussions within entities on the results of the survey;
- testimonials of experiences at Wavestone;
- sharing of best practices and resource materials.

These initiatives, which will continue throughout 2023/24 fiscal year, include a conference presented by SOS Racisme to mark International Day for the Elimination of Racial Discrimination and further awareness-raising campaigns with support from initiatives across the firm's various geographic regions.

4.5 Senior employees

Wavestone undertakes to support its senior employees. At end-March 2023, employees aged over 50 accounted for almost 6.2% of the firm's total workforce. **In France, specific actions were implemented to meet their expectations 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 scheduled for all employees as of their 50th birthday to provide them with an overview on retirement in France and supply them with key information;
- full coverage of a preventive health assessment;
- full coverage of an 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;
- upon request, employees aged 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 pension and supplementary pension contributions are maintained at a full-time rate, with the Company bearing the cost difference.

4.6 Diversity and social inclusion

For fiscal year 2023/24, Wavestone intends to kick-start initiatives aimed at championing social diversity in its recruitment, aligning its actions with other industry players.

Moreover, when it comes to social diversity, stakeholders have considerably heightened their expectations, and a growing number of mainly public sector clients have developed workplace integration requirements for suppliers, notably through social inclusion clauses (involvement or recruitment of employees with disabilities, acceptance of interns/trainees who left school early, etc.). In fiscal year 2022/23, Wavestone started the process of identifying and reviewing these clauses and ensuring that they are properly implemented and monitored.

On top of this, the firm established an onboarding program for younger generations (Villebon Institute, early school leavers) for short internships to discover Wavestone's businesses.

Being a responsible and ethical corporate citizen



	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
% of employees trained in applying the Business Ethics Charter	95 %	96 %	95 %	95 %	95 %
% of firm time spent on societal commitments	1,0 %	1,3 %	1,0 %	1,0 %	1,0 %

5.1 Societal action

5.1.1 SKILLS SPONSORSHIP

CONSULTING MISSION

The firm puts the skills and expertise of its employees at the service of socially-oriented structures, through free consulting missions.

114 consulting missions in 2022/23

POWERDAY

For one day, all of the firm's employees can support the association of their choice, through field action or skills sponsorship.

112 associations supported in September 2022

MENTORING

Wavestone is a sponsor of the Villebon Training Institute - Georges Charpak, the result of a unique partnership between leading engineering schools, universities and companies.

90 students helped in 2022/23

Wavestone is committed to allocating 1% of its employees' time to the support of projects which create societal value and to making their skills available to this cause. For fiscal year 2022/23, the firm exceeded its target, scoring 1.3%, the equivalent of 10,747 days. This commitment reflects the firm's ambition to contribute to and become involved in major charitable causes such as sustainable development, workplace integration, diversity and the fight against poverty and to involve its employees in such initiatives. To meet this ambitious goal, Wavestone is stepping up its skills sponsorship efforts.

Consulting assignments completed in the form of skills sponsorship

The firm offers the skills and expertise of its employees to structures with a societal vocation, with pro bono consulting assignments. These free initiatives require the same level of skill and methodology, the same added value, and above all, the same targets to achieve client satisfaction as Wavestone's regular consulting assignments. Their management is fully integrated into the firm's processes and tools and is backed by a network of contacts both for support functions (finance, communication, IT, etc.) and in practice areas, whose role is to liaise with employees and associations.

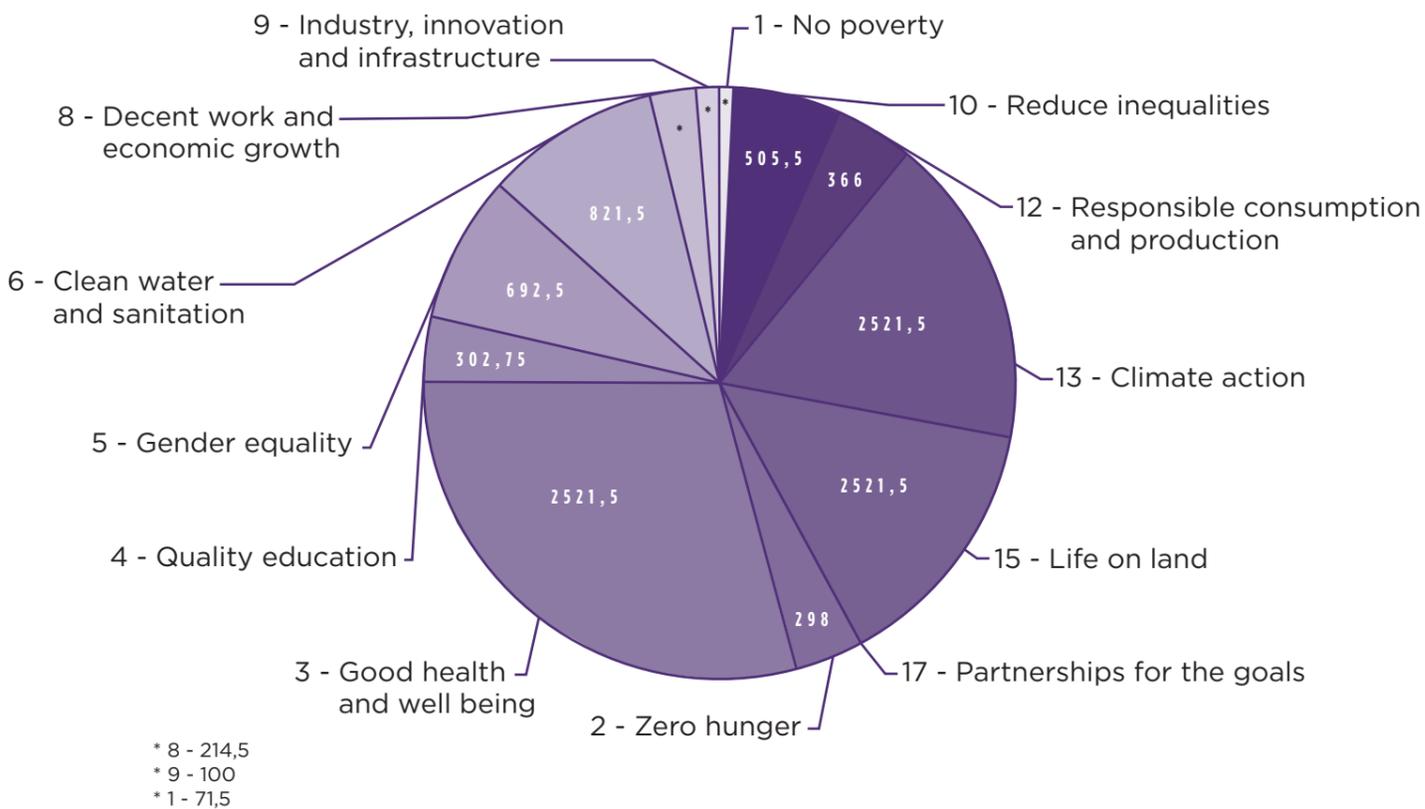
Fiscal year 2022/23 was characterized by a very high level of skills sponsorship. The initiative benefited 54 charities and associations, with 114 consulting assignments completed (excluding Powerday) and contributions from 311 employees, lasting a total of 9,221 days. Skills sponsorship initiatives were stepped up the world over, starting in the London office, and are set to continue in other offices in 2023/24.

The firm's skills sponsorship program meets the twofold challenge of making a firm, long-term commitment to specific stakeholders (French Red Cross, Make.org Foundation, Share.IT, Femmes@Numérique, and Solidarités International), while making its services available to support a diverse range of partners (École de la deuxième chance, Vivre aux éclats, GoodPlanet Foundation, Ares Charitable Foundation, etc.). Wavestone will continue its efforts to structure its charitable portfolio over fiscal year 2023/24, in an effort to manage and prioritize the multiple requests it receives.

Wavestone supports its partner associations in their innovation and transformation endeavors. The firm's partner associations include:

- French Red Cross: the firm supports the association in its sustainable performance challenges, e.g., in framing its future carbon footprint platform and developing its responsible purchasing practices;
- Stop Exclusion Energétique: Wavestone assists the association in structuring its activities and managing large-scale projects (e.g., digitization of its activities, rollout of Zero Energy Exclusion Territories);
- Share.IT: the Company lends its support to this Tech for Good accelerator, in the framing and management of digital and innovative projects for the benefit of the social and solidarity economy. In 2022/23, Wavestone leveraged its digital transformation expertise for around ten associations to endorse the following causes: the inclusion of young people from diverse backgrounds; support for people with disabilities; the promotion of sport among disenfranchised populations; and women's entrepreneurship with notable support for the Femmes des Territoires association in one of Share.IT's largest-scale endeavors (more than 1,000 man-days of support);
- APF France Handicap: Wavestone aids the charity on a series of cybersecurity issues, ranging from penetration tests and crisis management to stakeholder awareness

Breakdown of days worked (10,747), based on the UN's sustainable development goals



Powerday, our annual global solidarity day

Wavestone organizes an annual solidarity day, the Powerday on which employees from offices the world over are invited to lend their support to an association or charity. Based on the principle of volunteering, employees endorse an association of their choice for a day, either as part of a grassroots endeavor or via skills sponsorship. The assisted associations are committed to a variety of causes. These include the environment, health and disabilities, child welfare, workplace integration, education and citizenship, as well as sports and culture.

The sixth Powerday, which was held on September 2, 2022, across all offices (except the United States where it was held on September 14, 2022), saw 1,584 employees participate. All 112 of the assisted associations were either «highly satisfied» or «satisfied» with the support provided, which mainly enabled them to «gain a fresh perspective» or «save time» conducting their activities.

Wavestone's employees were involved in an array of initiatives, including:

- eco-friendly engineering works and small-scale woodcutting to protect the environment at a site located in Greater Paris;
- development of an escape game to produce an educational toolkit for pupils aged 9 to 14, in support of a Paris-based association fighting pediatric diseases;
- creation of content for a digital application intended to educate children and introduce them to digital professions, in Paris;
- supervision of children with disabilities as part of a surfing initiation day in Nantes;
- contribution to the renovation and development of a solidarity apartment-sharing project in Marseille;
- support for an association to clear outdoor footpaths, trim hedges, shrubs and trees, and dispose of waste near London;
- assistance for two abandoned animal shelters in Hong Kong, to clean the premises, prepare meals, care for the animals and take them for walks.

The 2023 Powerday is scheduled for September 1 (September 9 in the United States).

The mentoring initiative: the Villebon Institute – Georges Charpak

Since 2012, Wavestone has been a sponsor of the Villebon Training Institute – Georges Charpak, as part of a partnership with major engineering schools, universities and companies. The Institute prepares students for a science degree from the Paris Saclay University, enabling high-potential graduates to achieve excellence even though they are not part of the “traditional” French higher education system.

The Institute applies an experimental and interdisciplinary approach that fosters teamwork in project mode. This serves to disseminate best practices and innovative teaching methods in the university environment.

Over a three-year period, this equal opportunity project supports year groups of around 30 to 36 students in obtaining their science degrees and preparing for competitive exams at engineering schools, all the while guaranteeing social, cultural and intellectual diversity. In 2022/23, 93 students joined the scheme, including 49% on social scholarships and 33% with disabilities.

This educational approach was awarded the Excellence in Innovative Education (IDEFI) label and has been validated by the success of all year groups since the first year. The vast majority of students continued their studies at university level (Paris Cité, Paris-Saclay and Evry), École Normale Supérieure Paris-Saclay or engineering schools (AgroParisTech, Institut d’Optique Paris Tech, Télécom Paris, ENSTA Paris, l’École des Ponts ParisTech, ESPCI Paris, Mines Paris, Paris Sciences et Lettres and Arts et Métiers ParisTech).

Wavestone's contribution to the development of the Institute and assistance to students takes various forms:

- financial aid for the course (€100,000 over five years);
- active contribution to the definition of school strategy as a result of our presence on the Strategy Committee;
- assistance with workplace integration through student sponsorships across all year groups, organizing annual professional workshops and hosting student internships so that students can discover the world of consulting.

In fiscal year 2022/23, around 89 employees sponsored students from Villebon Institute, allocating a total of 30 days to workshops during their working hours. Wavestone renewed its partnership as a financial sponsor and mentor through June 2024.

5.1.2 FINANCIAL SPONSORSHIP WITH THE WAVESTONE CORPORATE FOUNDATION

The Wavestone Corporate Foundation was created in 2009 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 particularly focused on developing long-term development projects and upholds the principle of empowering its beneficiaries.

To date, the Foundation has endorsed 204 socio-educational projects, mainly in Africa and Asia, as well as 10 emergency projects (war in Ukraine, earthquakes in Turkey and Syria).

During fiscal year 2022/23, 55 or so employees were involved in the Wavestone Corporate Foundation, maintaining the link with associations, and participating in selection committees that make decisions about the new projects to be financed. Furthermore, the Foundation continued to support ongoing projects with partner associations.

On March 25, 2023, the Board of Directors of the Wavestone Corporate Foundation decided to reallocate funds to the Foundation in order to implement its initiatives for fiscal year 2022/23:

- €200,000 to cover the 2022 call for projects;
- An exceptional endowment of €150,000 to meet current and future needs due to the impact of the war in Ukraine¹⁶.

The Charter of the Foundation and all activity reports for previous years are available on the Foundation's website:

www.fondation-wavestone.com.

Wavestone supports the Ukrainian people and has rapidly taken action to help the associative actors in the field through the implementation of a dedicated crisis unit, enabling several NGOs and associations to benefit from various forms of aid.

The Wavestone Corporate Foundation was able to allocate an exceptional solidarity fund of €250,000 to helping Ukrainian children and their families. Below are some of the emergency projects funded:

- **Solidarités Internationales:** emergency food assistance for women and their children, displaced persons or refugees in transit;
- **Action Santé Femmes & Pompiers Solidaires:** implementation of a mobile gynecological/obstetrical consultation unit at the Polish border managed by a medical team on mission;
- **SOS Villages d'Enfants:** provision of emergency aid to help children and families affected by the war, to provide them with security and a caring family environment, and prevent the separation of families in transit countries;
- **Vision du Monde:** creation of two children's spaces (construction, furniture, games, school kits, hygiene kits, etc.) in refugee camps in Romania hosting Ukrainian families. Medical and psychological assistance is also offered.

Since the war in Ukraine, the Foundation has set up a global communication channel – Solidarity initiatives. The purpose of this channel is to relay solidarity initiatives so that everyone can communicate and publicize the associations with which to work.

The Wavestone Corporate Foundation was also able to help affected populations, particularly children, during the violent earthquakes that occurred in Turkey and Syria in February 2023. In this spirit, the Wavestone Corporate Foundation successfully allocated an exceptional solidarity fund of €150,000 to helping children and their families. Below are two of the emergency projects funded:

- **Solidarités Internationales:** emergency hygiene assistance for families affected by the February 6 earthquakes in northwest Syria;
- **Vision du Monde:** emergency aid the day after the earthquake (search for survivors and injured persons and needs assessment) - Turkey and Syria.

Having joined Wavestone in 2022, Pen Partnership finances and manages its own charitable endeavors through Pen Trust. Founded in 2016 and with an annual budget of £150,000, Pen Trust seeks to promote education among young people in need with a focus on improving their writing skills. Working in tandem with charitable organizations, the Trust develops programs such as Pen Partnerships (linking schools from disadvantaged areas with professional writers), the Young Writers' Hub (an online platform for young writers) and the Pen Prize (an annual writing competition for young people).

5.2 Business ethics

Wavestone is committed to complying with a high standard of business ethics, and fighting corruption, conflicts of interest, and any other form of fraud or unlawful practice. The dedicated action plan put in place to fulfill this ambition is described below.

Framework of Wavestone's activities



As a signatory of the United Nations Global Compact (UNGC) since 2012, Wavestone is committed to aligning its activities with the Sustainable Development Goals (SDGs) and annually communicates its progress on topics such as Human Rights, Labor rights, the environment and the fight against corruption in its scope as well as that of its stakeholders.

Although the consulting and localization activities of its office do not expose it directly to these issues, Wavestone refuses to accept the use of child labor or forced labor, as stipulated in the fundamental conventions of the International Labour Organization (ILO), including in relations with its suppliers. Wavestone is also committed to the fight against slavery within the firm and its supply chain via the UK Modern Slavery Act, one of the most advanced laws on the subject of slavery, applicable to companies operating in the United Kingdom.

Wavestone also respects the conventions of the ILO on the freedom of association, the right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in section 4 of this report.

Within the scope of its activity, Wavestone is not involved in any lobbying and the Internal Audit team carries out an annual review of any potential conflicts of interest of the members of the Board of Directors.

Business Ethics Charter

Wavestone published its Business Ethics Charter in July 2021 for its employees and then in January 2022 for its external stakeholders (available on the website). It sets out the key principles which guarantee that Wavestone is a trusted partner while also defining a clear framework regarding acceptable behavior and situations in terms of business ethics. It applies to Wavestone's stakeholders across the board. All employees must be aware of these principles and undertake to comply with them.

Whistleblowing system and the role of the Ethics Officers

Wavestone has rolled out a whistleblowing system to allow employees to report on any behavior that is not compliant with the firm's ethical commitments. An external platform called Whispli is always available (web or mobile app) for all the firm's stakeholders. This platform allows them to ask questions and anonymously report any situation that appears to be inconsistent with Wavestone's ethical commitments. Example scenarios include: corruption, conflict of interest, anti-competitive practices, fraud, money laundering, sensitive transactions, influence peddling, non-compliance with information system rules as well as situations of harassment or all forms of discrimination (based on gender, race, sexual orientation, etc.).

The Ethics Officers are the standard bearers of ethics for all Wavestone's stakeholders and are employees appointed by the Chairman - Chief Executive Officer for their skills, integrity, loyalty and company knowledge. Together with the Internal Audit Department, they are committed to doing everything possible to guarantee confidentiality in the handling of queries/alerts and have all signed the Confidentiality Charter that is part of the whistleblowing system. In February 2023, Wavestone appointed two new Ethics Officers to ensure representation in its main geographic regions.

Ethics Officers are responsible for assessing the admissibility of alerts, ensuring that they are followed up and processed and answering questions. Whenever possible, they may contact the employee who raised the alert to obtain details of the facts and, if necessary, conduct further investigations, with the support of Internal Audit and the Functional Department concerned.

The Executive Committee (EXCOM) ensures that the Ethics Charter is effectively applied and, in this respect, may be mobilized by the Ethics Officers to rule on matters.

In fiscal year 2022/23, Ethics Officers reported 32 situations, including:

- 21 questions;
- 11 alerts considered valid, of which 10 were processed and closed and 1 was still under investigation as of 03/31/23.

Most of these situations relate to situations involving the risk of conflicts of interest, but also situations of non-competitive behavior, non-protection of confidential data or even gifts and invitations. This number was stable compared with the previous fiscal year.

Moreover, Wavestone has made certain amendments to its whistleblowing reporting and handling process to comply with France's Whistleblower Protection Act introduced in March 2022.

Anti-corruption

Wavestone's General Management adopted the Anti-Corruption Code of Conduct published by Middlednext in December 2017. The Code establishes the principles to be followed by all employees in the performance of their duties, irrespective of their position or location. It also applies to anybody acting on behalf of the firm.

Wavestone has published the Business Ethics Charter, Middlednext Code of Corporate Governance and Frequently Asked Questions (FAQ) on its Intranet. The Charter is restricted to employees and uses real-life cases and questions received by the Ethics Officers. It is regularly updated in line with new alerts and questions raised.

A mapping of corruption-related risks is updated annually and helps to identify the populations most exposed to risks and to plan prevention and awareness initiatives. This year, for the first time, the firm included its mapping of corruption-related risks in its overall risk mapping.

These risks and ways of preventing them are outlined in the Chapter entitled "Risk factors and their management," in Wavestone's Universal Registration Document.

Business ethics training and awareness

A mandatory e-learning training module on business ethics has been rolled out firm-wide covering all topics of the Ethics Charter: anti-corruption, anti-competitive practices, protection of client data and conflicts of interest. In fiscal year 2022/23, 95.7% of employees who had worked at the firm for less than a year completed the course (versus a target of 95%). This training module will be updated during the next fiscal year to include feedback from the alerts and questions addressed.

The two new Ethics Officers were trained by an external provider in applying the relevant legal framework. During 2023/24 fiscal year, pursuant to France's Sapin II Law of 2016, Wavestone will continue to train the populations most exposed to the risks of corruption or conflicts of interest, as a result of their duties.

In February 2023, the firm organized its first-ever «Ethics Day.» The Day, which was coordinated by the Ethics Officers and Internal Audit teams, helped to raise participants' awareness of business ethics. From now on, the «Ethics Day» will become an annual fixture in Wavestone's calendar.

Lastly, «ethics coffee breaks» are scheduled for the entire firm. Hosted by Ethics Officers or internal audit employees, these breaks aim to obtain feedback from participants on an actual case inspired by real-life events and to share best practices. In the next fiscal year, Wavestone intends to schedule two new ethics coffee breaks.

Tax fraud and evasion

Wavestone oversees compliance with the regulations in force in the countries in which the firm operates and ensures that it files all tax returns and pays all taxes due within the deadlines.

5.3 Data protection across the value chain

True to its commitment to conduct itself as a responsible economic player in its environment, the firm is committed to protecting data across its value chain. The firm set a target to train 100% of new hires in data protection. This target was achieved in fiscal year 2022/23.

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. With this in mind, each day, the firm processes a substantial amount of data entrusted to it by its clients. As a trusted partner, Wavestone has made data protection its priority. That is why, in recent years, the Company has reviewed and strengthened its information system protection measures to ensure maximum protection against the growing number of cyber threats (Endpoint Detection and Response - EDR, protection of email systems, Active Directory protection, etc.). To protect against any incident that could impact the brand image, business and financial health of its clients but also of Wavestone, a range of functional and technical measures have been implemented throughout the firm. This means that each information system user plays a pivotal role in preventing cyber-risks.

In order to raise awareness among its employees, Wavestone reviewed its awareness materials in 2019 to create a global program called TRUST. **In addition to existing media (Confidentiality Agreement (NDA), User Charter, dedicated Intranet page), the firm has established new communication channels:**

- mandatory cybersecurity awareness course for all new employees, which blocks access to work tools until it is completed (with the aim of training 100% of the firm's new hires);
- organization of an annual e-learning campaign for all employees. After covering topics on protection of personal life (2019), phishing (2020) and protecting client data (2021), the 2022 campaign focused on compliance with security regulations and carrying out phishing campaigns;
- creation of a humorous awareness video including Information System Security Managers (ISSMs) from some major corporate clients as well as members of Wavestone's General Management;
- creation of animated videos for simplified use of data protection tools;
- organization of events to meet employees, Cyber-coffee quizzes;
- creation of monthly videos to share best practices and cyber news.

Cyber-resilience

Wavestone has harnessed the capabilities of its Information System, which is mostly Cloud-based, to develop an effective cyber-resilience strategy:

- a «red button» system has been introduced to isolate compromised components of the Information System (IS) and to limit the scale of any cyber-attack;
- if the IS experiences downtime as a result of a cyber-attack, Wavestone is able to automatically reboot the system. Annual tests are performed to ensure that backup and recovery systems are working properly;
- the firm has designed communication channels that are isolated from the rest of the IS to guarantee a response in the event of a crisis that shuts down normal discussion channels.

Fiscal year 2021/22 provided an opportunity for Wavestone to conduct an internal audit of its cyber-resilience capabilities, supplemented by a crisis exercise in February 2022 involving the Information Systems Department and General Management. In this regard, fiscal year 2022/23 was a year of consolidation, with final conclusions collectively drawn from the audit and the exercise.

Data protection across the value chain

Protecting clients' data represents a cornerstone challenge for Wavestone, with the firm implementing best-in-class market practices:

- provision of classification and file protection tools (encryption, etc.) for all employees;
- a secure document hosting platform and client data flows (access management, encryption, etc.);
- detection of data leaks (transfers of unusual data, publication of sensitive files, etc.);
- certifications and external audits of information system components that host critical client data (PASSI – Information Systems Security audit providers, PRIS Security incident response providers, ISO 27001, Restricted Access, etc.);

To reflect the importance of the issue within Wavestone, the EXCOM and the Audit and Risk Steering Committees, in fiscal year 2022/23, drafted and validated a new Data Protection Policy. With its rollout ongoing, the Policy addresses two concerns:

- To increase the confidentiality of client data by further restricting access to documents created by Wavestone's consultants during assignment and automating the deletion of client documentation upon completion of any given assignment;
- To reduce our carbon footprint by deleting non-final versions of documents.

ISO 27001



Wavestone received ISO 27001 certification for its Information Security Management System for the first time in September 2014. In February 2021, the certification was renewed for a three-year period as part of a security audit and digital investigation into Information Systems at the Paris and Nantes offices.

Cyber Essentials



As is the case every year, Wavestone's UK office received the Cyber Essential Plus certification, confirming the high level of security of its systems in protecting against standard cyber-attacks. This certification is issued after an annual external review conducted by a qualified expert.

5.4 Responsible relations with our suppliers

The firm's commitment to responsible purchasing

Since 2019, Wavestone has included responsible purchasing practices in its purchasing processes:

- sourcing of services from the sheltered employment sector, social employment companies or companies that hire older people;
- use of local and responsible suppliers, by favoring providers that supply organic products or follows zero waste production methods;
- true to its ethical commitments, most new suppliers agree to sign Wavestone's Anti-Corruption Appendix aimed at complying with the Middlednext Corporate Governance Code, which the firm applies;
- for tender procedures in France, new suppliers are required to fill out the questionnaire assessing their CSR practices as part of the firm's supplier selection criteria.

Lastly, it should be noted that the bulk of Wavestone's partners and suppliers are based in France and subject to French human rights and labor laws and obligations. As a signatory of the United Nations Global Compact (UNGC), 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.

In fiscal year 2022/23, the firm conducted an audit of its responsible purchasing practices and continued to structure its policy into three commitments:

- implement purchasing practices with a view to reducing their environmental, social and societal impact;
- become a trusted partner by managing performance in the sourcing-to-pay process;
- manage supplier risks.

To meet these commitments, the firm has developed a multi-year roadmap with the following priorities for 2023/24 fiscal year:

- redesign the CSR policy assessment questionnaire for suppliers to include more relevant topics and make it easier to use;
- step up efforts to reduce supplier payment times (see below **Reducing supplier payment times**);
- structure and align the supplier risk assessment with France's Duty of Vigilance and Sapin II laws;
- bolster these initiatives by improving the cross-functional sourcing-to-pay process so as to include responsible purchasing best practices and accelerate their adoption by all stakeholders.

Reducing supplier payment times

In fiscal year 2022/23, Wavestone implemented a series of checks and reminder mechanisms at every step of the purchasing process, to ensure that the firm meets its suppliers' payment deadlines. This particularly applies to small-sized suppliers. In parallel with this approach, improving supplier risk management will be a priority for 2023/24 fiscal year.

To this end, the firm will enforce documentation requirements to better match the various supplier categories while automating invoice validation to a greater extent with a view to streamlining the process. Wavestone will also launch a paperless invoicing initiative to meet the requirements of France's Finance Law of 2021. Moreover, a large-scale training and awareness campaign will ensure that all involved stakeholders within the firm have a firm grasp of the topic.

Outsourcing arrangements

As part of its consulting services to large corporations, Wavestone may occasionally outsource some of the services it provides to other specialist firms, particularly where a specific skill that does not fall within Wavestone's own area of expertise is needed to complete the project. In such cases, outsourcers and subcontractors undertake to comply with Wavestone's Business Ethics Charter.

An aerial photograph of a river winding through a landscape. The left side of the river is a wide, sandy, braided riverbed. The right side is a dense, green forest. The text is overlaid on the left side of the image.

Minimizing the impact of our activity on the environment

—

Science Based Targets initiative (SBTi)		2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
% reduction of the firm's carbon footprint compared with 2019/20 ¹⁷	Scopes 1 & 2 (In absolute terms from 2022/23)	51 %	17 %	21 %	25 %
	Scope 3 (Per employee)	27 %	25 %	30 %	35 %

6.1 The environment in Wavestone's strategy

The firm factors environmental issues into its strategy by making concrete commitments throughout its value chain: assisting clients and focusing on its own activity.

Since fiscal year 2021/22, Wavestone has analyzed its environmental risks and opportunities on the basis of recommendations issued by the TCFD (Task Force on Climate-Related Financial Disclosures) which was founded in 2015 by the FSB (Financial Stability Board) and the TNFD (Taskforce on Nature-Related Financial Disclosures). Together, they focus on the firm's direct operations, purchases and use of goods and services (see section 5.4 for in-depth analysis). **Supplemented by the materiality matrix (see section 1.2), this analysis helps to define the following material environmental issues for Wavestone:**

- providing assistance to clients in managing environmental issues (transition risks);
- mitigating against climate change (transition risks and physical risks for purchasing);
- managing waste (transition risks);
- protecting and restoring the biodiversity of ecosystems (transition risks and physical risks related to purchasing).

The definition and management of environmental strategy, and the analysis and recognition of risks and opportunities are all fully integrated into the firm's CSR governance (see section 1.1). By way of example, in spring 2022, EXCOM validated decisions on near-term and net-zero SBTi commitments.

In October 2022, Wavestone established a Carbon Steering direction made up of representatives from all relevant functions (Information System Division, Purchasing, Real Estate, etc.) with the aim of steering the environmental roadmap as well as a trajectory for reducing greenhouse gas (GHG) emissions.

6.2 Providing assistance to clients in managing environmental issues

Wavestone participates in the ecological transition by assisting its clients in their transformation via a responsible consulting approach (see section 2.2 on responsible consulting):

- development of eco-friendly solutions, as promoted by the Sustainability practice and other firm practices;
- the Responsible Consulting approach seeks to proactively integrate CSR issues into the support provided to clients.

Deploying eco-friendly solutions to drive the ecological transition

In response to the environmental and climate emergency and as part of its Impact strategic plan, Wavestone has accelerated the deployment of its eco-friendly solutions to meet the challenges faced by its clients. Established in 2022, the Sustainability practice focuses on all aspects of sustainable transformation with a focus on decarbonization, the circular economy and biodiversity.

¹⁷ Carbon footprint recalculated using the GHG Protocol method as part of SBTi. (see section 6.3.1).

¹⁸ The market-led Task Force on Nature-Related Financial Disclosures (TNFD) is a science-based organization backed by governments. It is made up of institutions and groups which form the TNFD Alliance.

In the years ahead, Wavestone intends to step up the development of this practice, by capitalizing on the strategic transformations which it already supports. These include the following projects:

- for a major hotel group: design and management of a Group-wide transformation plan (5,000 hotels in 110 countries), management of environmental and social projects including the elimination of single-use plastic, decarbonization of hotels, reduction of food waste, development of non-financial reporting and coordination of sustainable performance and change management for all employees, including hotel staff;
- for a multinational bank: decarbonization of purchasing and development of a responsible purchasing roadmap, carbon footprint assessment for Group-wide IT systems and identification of ways to reduce the Group's footprint;
- for a global insurance firm: definition and development of a Green IT roadmap to shrink the carbon footprint of digital activities carried out by several Group entities in France and abroad;
- for a luxury player: development of a Sustainability strategy and support for its operational rollout;
- for an oceanography institute: assistance in the organization of an awareness-raising event on protected marine areas in a city.

What's more, Wavestone's functional and sectoral practice areas have devised eco-friendly solutions to tackle the challenges specific to each function and sector:

- decarbonization of industry, renewables, energy efficiency and electric mobility;
- Green IT;
- sustainable finance and purchasing;
- decarbonization of the supply chain.

Proactively integrating environmental challenges to support clients

As part of its responsible consulting approach, Wavestone also seeks to take account of the CSR issues arising on standard projects for clients, regardless of the purpose of the firm's assignment. **On the environmental front, the firm is proactive in two areas (likely to be developed by further aspects):**

- reducing greenhouse gases (GHGs);
- transitioning to a circular economy.

Wavestone is fully aware that these challenges are systemic in nature. For this reason, the firm leverages its functional and sectoral expertise acquired through its clients' transformations, with topics ranging from digital technologies, the supply chain, goods and services and their production, real estate and employee travel.

As an example, on the digital front, the firm issues recommendations to curb the environmental impact of Information Systems. In this context, as part of a project to review the compliance of a banking group's data centers, Wavestone proposed integrating CSR criteria in order to assess their environmental footprint. These criteria will now be included in the client's data center compliance analysis.

As part of its assistance to clients in their business process transformations, the Company's analysis focuses on the identification and rollout of sustainable performance drivers. For instance, in a project to redevelop the premises of a public sector player, Wavestone included building energy efficiency in its review. This contribution provided insights into ways of optimizing building energy efficiency, which were supported by a set of actionable recommendations to expedite the rollout.

By promoting a responsible consulting approach, the firm has successfully identified client scenarios that are conducive to the systematic development of recommendations on environmental issues. The latter focuses on how such issues are included in tenders and how to measure greenhouse gases in logistics reviews.

How Wavestone contributes to sector initiatives

Wavestone takes part in a number of sector initiatives in an endeavor to champion digital responsibility, including:

- Contribution to Numeum's energy efficiency initiative

As a member of the «Numérique et Environnement (Digital and Environment)» committee under Numeum's union for digital professionals, Wavestone has helped to draft a list of ten sector-wide measures that focus on energy efficiency in response to the French government's target to reduce energy consumption by 10%, out to 2024.

- Planet Tech'Care & Green Tech forum

Wavestone participates in the Planet Tech'Care initiative, which aims to help companies integrate digital technology into their environmental strategy and to support training providers in the development of responsible digital skills. At the Green Tech Forum in December 2022, Wavestone was involved in a conference on the environmental impact of IT equipment (Digital Workplace).

- Institut du Numérique responsable (INR)

After becoming a signatory of the Responsible Digital Charter of the Institut Numérique Responsable (INR - France's Responsible Digital Institute) in 2021, Wavestone officially joined the INR in fiscal year 2022/23 and contributes to workshops alongside France's Association of IT Services Companies.

- Boavizta

Wavestone is involved in an inter-organizational working group to co-develop solutions that measure the impact of digital technologies in organizations. As part of this initiative, Wavestone attends bi-monthly workshops on how to measure the digital sector's carbon footprint and oversees the development of a formalized methodology for measuring the carbon footprint of Information Systems (IS).

- Change Now

Wavestone organized two discussion panels at the Change Now forum in May 2022, to share and discuss the first edition of its CSR barometer:

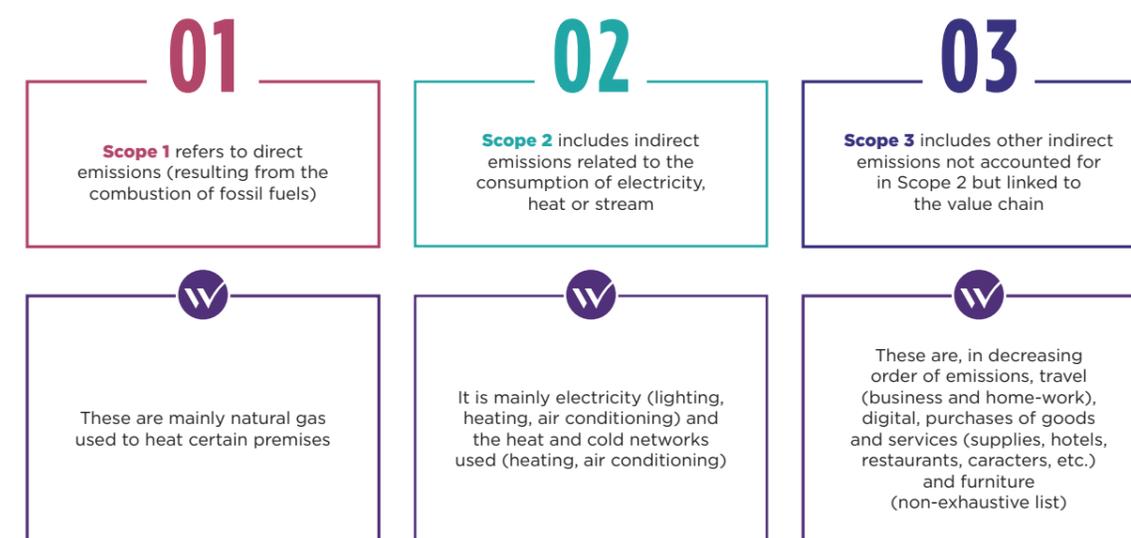
- CSR barometer, to illustrate how CSR factors in companies' strategies and significantly transforms their business;
- Purchasing decarbonization barometer, an in-depth review of the scale of decarbonization within companies' Purchasing Departments.

6.3 Mitigating climate change

6.3.1 TARGETS AND KEY POLICIES

Presentation of the various scopes

To better understand Wavestone's climate policy, it is important to understand the different scopes in which greenhouse gas emissions may be measured. Three different scopes are analyzed to carry out a Bilan Carbone® (Carbon Audit). In the context of the firm's activities, scope 1 is the most restrictive while scope 3 is the broadest in nature.



Climate commitments and targets

At the start of 2021/22, the firm committed to reducing each employee's carbon footprint by at least 40% in fiscal year 2022/23 compared with fiscal year 2019/20, a target that is integrated into the impact credit. The scope of the commitment included scope 1 and 2 emissions as well as business trips for all Wavestone offices on March 31, 2021.

At the start of fiscal year 2022/23, Wavestone decided to step up its contribution to the climate challenge by committing to reducing its greenhouse gas (GHG) emissions in line with the Net-Zero Standard of the Science Based Targets initiative (SBTi). The targets were submitted to SBTi in June 2022 with a focus on reducing near-term emissions by 2026/27 and achieving net-zero by 2050. They were approved in May 2023.

SBTi is a demanding, global benchmark, enabling companies to develop a climate strategy based on targets defined by independent experts and validated by climate science. These targets are aligned with the Paris Agreements to limit climate change to 1.5°C.

Greenhouse gas emissions	Carbon footprint Fiscal year 2019/20	Fiscal year 2026/27 objectives	2050 objectives ¹
Scopes 1 & 2 emissions Gas heating, gas leaks Electricity consumption Heating/cooling network	637 tCO2e 0,17 tCO2 per employee	-29% in absolute	-90% in absolute
Scopes 3 emissions Business travel Home-work travel Digital Purchase of goods and services Fixed assets	5 096 tCO2e 1,82 tCO2 per employee	-40% per employee	-97% per employee

N.B.: The scope of CO2 emissions recognized under the SBTi standard covers all three market-based scopes, excluding acquisitions made in fiscal year 2022/23 and optional scopes as defined in the GHG Protocol methodology (hotel expenses, remote working for employees and external use of sites).

¹Once it has met the 2050 target, Wavestone is committed to offsetting its residual emissions.

Wavestone chose fiscal year 2019/20 as the reference year, a year in which the firm already had a carbon footprint per employee among the lowest in the market, around 52% below the average carbon footprint observed in the consulting sector in 2019/20 .

Priority actions to meet targets by 2026/27 are geared towards the main carbon footprint categories, namely:

- management of business trips (particularly by plane) as the firm continues its international expansion;
- optimization of equipment for digital uses;
- Reduction of energy use at premises;
- introduction of a responsible purchasing policy.

By 2050, Wavestone intends to scale up its stakeholder collaboration in an effort to promote decarbonization across its value chain. Once this target has been achieved and thereafter, Wavestone is also committed to offsetting its residual emissions.

This commitment is part of the Avoid-Reduce-Offset approach adopted by the firm which involves always prioritizing the avoidance and the reduction of GHG emissions over offsetting measures.

Wavestone included the companies acquired during fiscal year 2022/23 in the calculation of its carbon footprint (Nomadéis, Pen Partnership and Coeus Consulting) from the moment they were consolidated for accounting purposes, to involve them in this approach at the earliest possible stage . However, these companies are not currently included in the firm’s near-term and net-zero commitments.

The more extensive coverage of material indirect emissions, the frequency of updates and performance monitoring (see section 6.1) and the recognition of acquisitions for the current fiscal year all serve to demonstrate the firm’s commitment to transparency and its ambition to drive forward sustainable practices in its area of expertise. Furthermore, every year, Wavestone works on improving measurements by fine-tuning the data collected and the measurement methods used (see section 8).

Changes in carbon accounting methodology: GHG Protocol

To track the achievement of its targets, Wavestone calculates and communicates its carbon footprint on an annual basis, and has published a Bilan Carbone® (Carbon Audit) every two years since 2012/13 .

To honor the firm’s new commitments and align with the SBTi benchmark, data shared from fiscal year 2022/23 onwards will be calculated using GHG Protocol methodology. The global-reaching GHG Protocol provides a measurement and accounting framework on managing GHG emissions from private and public sectors alike.

The Protocol is developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The GHG Protocol calculation and reporting standards are generally recognized the world over, which is less the case for France’s Bilan Carbone® (Carbon Audit) methodology used by Wavestone in previous years.

²² Average carbon footprint per employee based on a review of around six consulting firms.

²³ Pen Partnership and Coeus Consulting are not included in the non-environmental sections of this non-financial performance statement.
²⁴ Practice extending beyond regulatory obligations, which require a GHG Audit (scopes 1 and 2) to be published every four years.

The results for fiscal year 2022/23 set out in the paragraphs below are aligned with this methodology. **The following line-by-line comparisons with previous fiscal years may be marginally impacted by this change in methodology:**

- fixed assets (category 3-2): compared with Bilan Carbone® (Carbon Audit), only the year's fixed asset purchases are recognized (e.g., works and equipment) versus the total inventory, without depreciation. This results in greater variation for this category each year, based on the firm's activity, which includes changes in the number of new hires and changes in premises;
- direct emissions from mobile combustion sources (category 1-2): combustion-powered emissions from short-term rental vehicles are included in scope 1 versus scope 3 using the Bilan Carbone® (Carbon Audit) methodology;
- Indirect emissions from electricity consumption (category 2-1): renewable electricity contracts are valued in the GHG protocol's market-based approach (using the electricity supplier's emissions factor – lower than the average mix in different countries), unlike the Bilan Carbone® (Carbon Audit) methodology (location-based – average emissions factor for the country).

For a better comparison between fiscal years and an overall understanding of the approach taken, data from the Bilan Carbone® (Carbon Audit) methodology for 2022/23 and a comparison of the GHG Protocol and Bilan Carbone® are included in the appendices (sections 8.4 and 8.5).

6.3.2 WAVESTONE'S CARBON FOOTPRINT, ASSESSED BY EMISSIONS CATEGORY

By calculating the full scope of the firm's direct and indirect emissions (scopes 1, 2, 3) Wavestone's total carbon footprint was 5,680 tCO₂e in 2022/23, i.e., 1.29 tCO₂e per employee, versus 1.82 tCO₂e per employee in 2019/20, a 42% fall from 2019/20 on a like-for-like basis, with digital impact and business trips measured more exhaustively than before.

Within the scope of the impact credit (scope 1, scope 2 and business trips), Wavestone's total carbon footprint was 1,643 tCO₂e, i.e., 0.38 tCO₂ per employee compared to 0.96 tCO₂ per employee in 2019/20. As a result of this 60% reduction from year 2019/20, the firm achieved its target 40% reduction for fiscal year 2022/23, without any offsetting activities.

Lastly, in terms of near-term and net-zero commitments (SBTi), Wavestone's carbon footprint ended at 4,908 tCO₂e in fiscal year 2022/23.

²⁵ the location-based approach illustrates the average intensity of GHG emissions from an entire power grid (national or local), the market-based approach refers to emissions generated by the supplier(s) selected by a specific company.

²⁶ Wavestone's total carbon footprint, GHG Protocol (Market-based), including all scopes and all acquisitions in fiscal year 2022/23.

²⁷ Value recalculated using the GHG Protocol (Market-based) to compare results over time.

²⁸ Under the impact credit, the scope of CO₂ emissions includes scopes 1 and 2 emissions as well as business trips, under the GHG Protocol (Market-based), and excluding acquisitions since 03/31/2021 (start date).

²⁹ The SBTi CO₂ emissions scope covers all three GHG Protocol scopes (Market-based), excluding optional GHG Protocol emissions (hotel expenses, remote working for employees and external use of sites) and excluding acquisitions in fiscal year 2022/23.

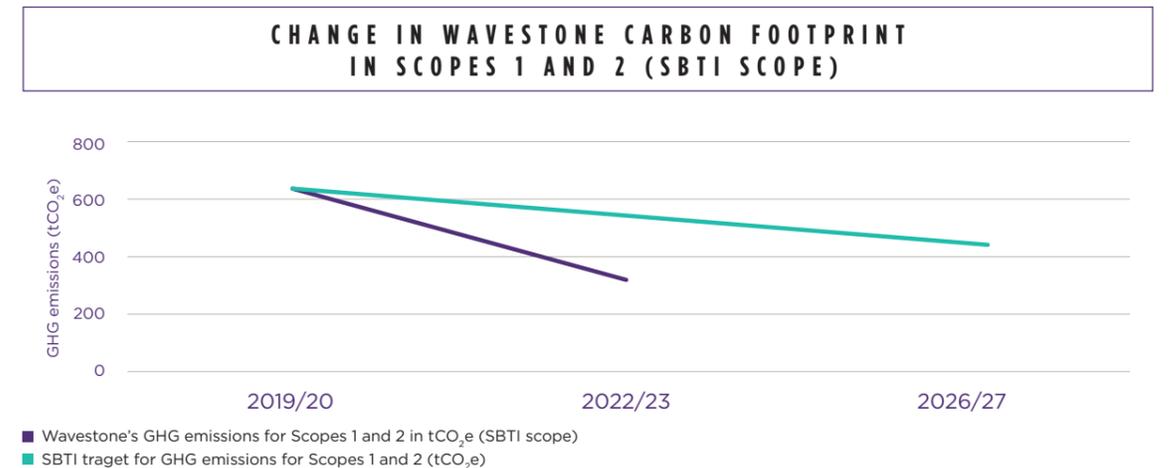
Changes in carbon footprint in terms of Wavestone's near-term and net-zero commitments (SBTi)

Below is an overview of Wavestone's carbon footprint in terms of its SBTi near-term et net-zero commitments, versus the 2019/20 reference year:

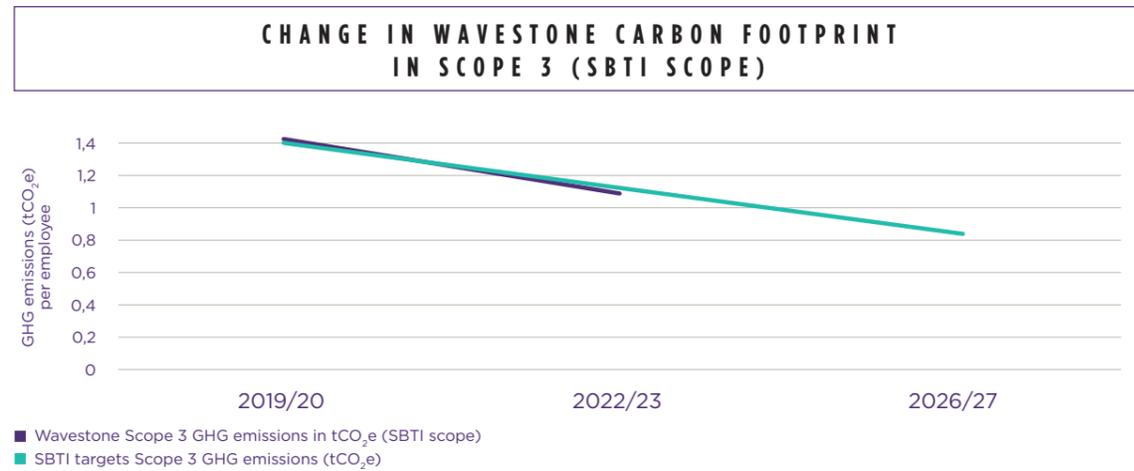
	Reduction target in 2022/23	Reduction performance in 2022/23	Carbon footprint 2022/23
Scopes 1 & 2 emissions	- 13% in absolute terms	- 51% in absolute terms	313 tCO₂e 0.07 tCO ₂ per employee
Scope 3 emissions	- 20% Per employee	- 27% Per employee	4 595 tCO₂e 1.06 tCO ₂ per employee

N.B.: the scope of CO₂ emissions recognized by the SBTi standard includes all three GHG Protocol scopes (Market-based), excluding optional emissions under the GHG Protocol (hotel expenses, remote working for employees and external use of sites), and excluding consolidations in fiscal year 2022/23.

Wavestone's carbon footprint for scopes 1 and 2 totaled 313 tCO₂e (Market-based), representing a 51% fall from 2019/20 (637 tCO₂) which was mostly in line with the 13% reduction target, as approved by SBTi for fiscal year 2022/23. The factors behind this reduction are described below.



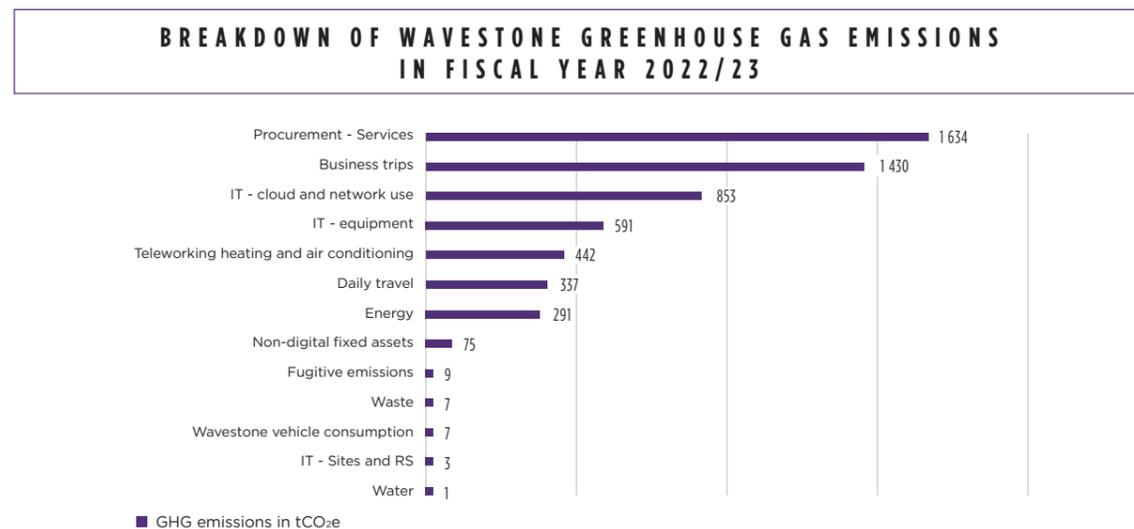
Wavestone's carbon footprint for scope 3 (SBTi scope) totaled 4,595 tCO₂e (1.06 tCO₂e per employee), representing a 27% fall from 2019/20 (1.46 tCO₂e per employee), in line with the 20% reduction target, as approved by SBTi for fiscal year 2022/23.



Change in Wavestone's carbon footprint

In fiscal year 2022/23, the main GHG emissions categories were as follows: purchasing, business trips, digital use and equipment, commuting and remote working, and energy consumption.

The graph below shows the firm's main sources of emissions:



The below table outlines the various carbon emissions categories, using the GHG Protocol methodology:

		2019/20 (tCO ₂ e) market-based	2020/21 (tCO ₂ e) market-based	2021/22 (tCO ₂ e) market-based	2022/23 (tCO ₂ e) market-based
1-1	Direct emissions from stationary combustion sources	23	28	21	16
1-2	Direct emissions from mobile combustion sources	33	6	32	54
1-3	Direct emissions from processes	-	-	-	-
1-4	Direct fugitive emissions	37	25	37	9
Scope 1 total		93	59	90	80
2-1	Indirect emissions from electricity consumption	271	89	264	116
2-2	Indirect emissions linked to steam, heat and cooling	271	351	233	122
Scope 2 total		543	440	497	238
Upstream scope 3 emissions					
3-1	Purchased products and services	1 431	2 047	1 169	2 253
3-2	Fixed assets	466	287	466	665
3-3	Emissions from fuel and energy (not included in scopes 1 and 2)	85	87	50	38
3-4	Inbound and outbound freight	-	-	-	-
3-5	Generated waste	18	10	5	7
3-6	Business trips	2 704	263	421	1381
3-7	Commuting to work	391	5	425	337
3-8	Upstream leasing assets	-	-	-	-
Downstream scope 3 emissions					
3-15	Capital expenditure	-	-	3	-
Scope 3 total		5 096	2 699	2 541	4 682
3-6	Optional - business trips (hotels)	645		130	235
3-7	Optional - remote working			357	442
Others (optional)	Optional - websites			2	3
Total optional emissions		645	0	489	680
TOTAL		6 377	3 198	3 617	5 680

N.B.: this year's results include one uncertain measurement amounting to 770 tCO₂e (14% of the Market-based total).

³¹ The breakdown of Location-based GHG emissions for 2022/23 is set out in the appendix.

³⁰ In calculating scope 3 of Wavestone's near-term and net-zero SBTi commitments, optional emissions under the GHG Protocol (hotel expenses, remote working for employees and external use of sites) are not recognized.

The reduction in scope 2 emissions in 2022/23 versus previous years is partly due to a gradual reduction in the surface area of the Paris office and to the valuation of contracts for renewable energy in Wavestone's offices that have signed a Market-based agreement.

Since the health crisis in 2020, ways of working have changed (increased frequency of remote working and the deployment of digital tools). As a result, compared with 2019/20, scope 3 emissions from business trips have fallen while those from Cloud-based use, telephone systems (category 3-1) and remote working (category 3-7) have increased.

2022/23 was marked by a recovery in activities as the health crisis abated, as well as an increase in headcount (+15%) versus 2021/22. These trends were reflected in:

- the increased frequency in travel compared to 2021/22, causing emissions from mobile combustion-powered sources (category 1-2) to rise, e.g., vehicle rentals, business trips (category 3-6) particularly by plane and with more indirect purchasing (accommodation and catering costs, category 3-1);
- the relocation to new offices, (Nantes, Casablanca, Dallas, etc.) coupled with a larger workforce, required purchases to be made that increased emissions.

Starting in fiscal year 2022/23, the firm decided to no longer include employee food consumption in its carbon footprint emissions (excluding expenditure on business trips or events, etc.) since there are relatively limited ways of reducing such consumption (awareness-raising campaigns will be continued). Therefore, the calculation of the carbon footprint for food consumption in 2021/22 was revised downwards (category 3-1).

Purchasing (see section 5.4)

Wavestone pays particular attention to selecting its providers of products and services and includes clauses in contracts wherever possible in an endeavor to reduce the carbon footprint of these services. The CSR questionnaire, which is sent out to new suppliers involved in tenders for France, includes a section on the environment.

In fiscal year 2022/23, Wavestone put in place additional initiatives to reduce the carbon footprint of its supplies:

- purchase of second-hand furniture to equip the new Nantes office;
- review of practices and formalized guidelines (for publication in 2023/24) to optimize purchases of goodies for in-house and external events (use of stock before placing any new orders, CSR selection criteria and selection of goodies designed for multiple events);
- efforts made in relation to supplies of food to Wavestone's premises. A case in point is Wavestone's European offices, which work with local catering services to serve breakfast and lunch: caterers in the Marseille and Geneva offices supply exclusively organic food produce while those in Brussels, Nantes and London deliver food by cargo bike;
- continuous improvement of the purchasing process (initial progress to be stepped up in fiscal year 2023/24).

In fiscal year 2022/23, Wavestone's purchasing was focused on services (accommodation, catering, cleaning, food, etc.) as well as purchases of supplies. This year, the carbon impact of these purchases ranked them as the firm's highest emissions category, representing 29% (1,634 tCO₂ excluding digital) of total emissions. **This footprint is double that of 2021/22 because of the increased headcount (+15%) as well as a combination of several factors:**

- The business recovery observed in 2022/23 has triggered an increase in spending on events and business trips, in turn generating indirect purchases (accommodation, catering, etc.) as well as purchases of services;
- the fit-out of the new Nantes office. These fit-out works required numerous items of equipment (notably second-hand furniture) to be purchased;
- the recognition of new purchasing categories that were not included in recent years (expense report categories) and improved categorization of purchases.

Acutely aware of the impact of this category, in 2023/24, Wavestone will aim to continue the work it has begun on decarbonizing purchases.

Travel and transportation

Business trips and commuting, including energy consumption from remote working, represent the second (26%) and fourth (14%) GHG emissions categories, respectively. As such, they are key areas in which Wavestone could make reductions.

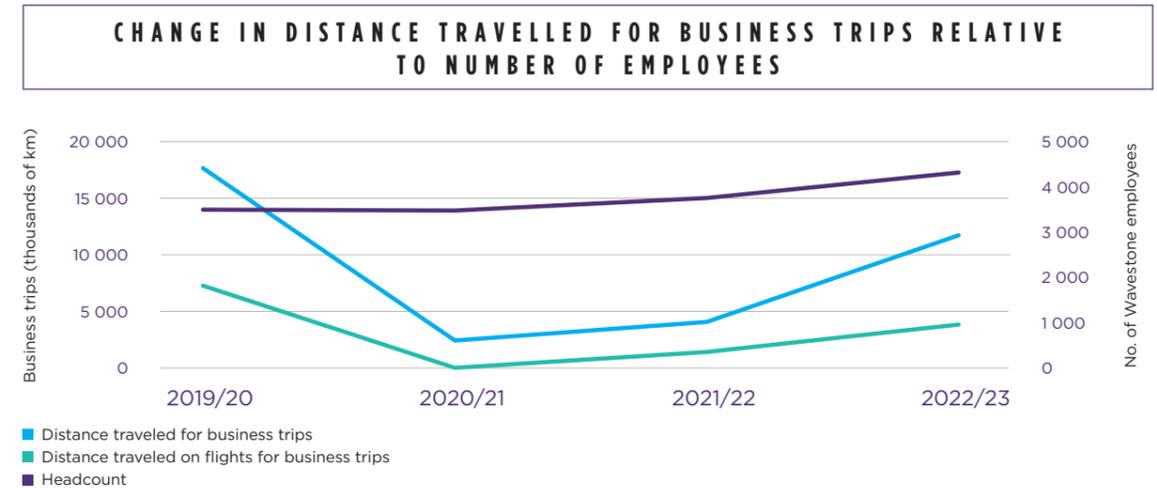
To this end, the firm has adopted various measures to limit the use of transport methods that emit the most CO₂, and to encourage active mobility.

Business trips:

- Experimentation with guidelines in the US offices (employee awareness-raising sessions, review of emissions-intensive projects, etc.);
- car travel is authorized for business trips only when public transportation is not available, or the schedule is too inconvenient. The same is true for the use of taxis and cars with drivers (refunded only after 10:00 pm);
- raising employees' awareness of the impact of their travel: when making a booking on the travel platform, an active notification system provides alternatives for transport and accommodation options with lower emissions.

Business trips account for 26% (1,430 tCO₂e including vehicle rentals) of the firm's carbon impact, with over 11 million kilometers (7 million miles) traveled in 2022/23 (versus 16.9 million kilometers/10.5 million miles in 2019/20). This trend is mainly attributable to the increased headcount as well as the resumption of air travel (36% of all business trips in kilometers), which represent 20% (1,119 tCO₂e) of Wavestone's total GHG emissions.

Looking to the years ahead, since air travel is key to reducing emissions, monthly monitoring was conducted in 2022/23 with targets set for 2023/24 which will apply to the most affected practice areas and offices.



In spite of this year's increase, the number of kilometers traveled fell 31% between 2019/20 and 2022/23.

Commuting to work

The firm has put measures in place to encourage soft mobility:

- Wavestone pays 50% of employee subscriptions to public bike-rental schemes (Vélib, Vélo'v, Bicloo, etc.) at all its French offices (possibly combined with public transport costs);
- meanwhile, the Geneva office covers the full cost of employees' public transport subscriptions.

Commuting to work (including energy consumption from remote working) accounted for 14% of the firm's total footprint in 2022/23 (i.e. 780 tCO₂e, which breaks down as 337 tCO₂e for business trips and 442 tCO₂e for remote working). The carbon impact of these business trips is higher than in 2019/20 (337 tCO₂e), although the overall number of kilometers traveled in this respect was approximately halved. This variation can be explained by the improvement made in measuring commuting to work and traveling to clients premises (see section 8), the inclusion of energy consumption from remote working and the increase in trips made with personal cars (0.8 million km/0.5 million miles in 2022/23 versus 0.7 million km/0.4 million miles in 2019/20).

Digital technologies

Digital technologies form the third GHG emissions category at Wavestone. In response, the firm seeks to measure and reduce its carbon footprint more effectively, accounting for all aspects of this value chain.

Through its efforts, Wavestone strives to improve the way it measures and monitors the carbon impact of its digital activities with active involvement in discussions within its ecosystem thanks to a community of signatories of the Responsible Digital Charter of the Institut Numérique Responsable (INR – France's Responsible Digital Institute) in 2021 (see section 6.2). **To meet its commitments, Wavestone worked on several reduction initiatives in fiscal year 2022/23:**

Reduction of the firm's carbon footprint from computers:

- lifespan of computers owned by the firm (10% of the network): equipment is replaced if it is more than five years old or if it is out of order;
- lifespan of leased computers (90% of the network): in the past two years, leases were extended from four to five years. This period includes an initial storage and preparation phase, a usage phase for employees, potential preparation phases for a change of user, and a recovery phase for preparation before the equipment is returned to the lessor. The average lifespan per employee is approximately four years;
- Selection of laptop computer models with the Electronic Product Environmental Assessment Tool (EPEAT) label, Gold and Silver level (HP EliteBook G8/HP EliteBook G9/Lenovo Thinkbook 13S).

Reduction of the firm's carbon footprint from mobile/cell phones:

- Changes to internal support processes, since November 2022: renewal campaigns held after three years of use, have been replaced by the processing of requests as and when they are made, again after three years of use;
- changes in employee communications: more eco-responsible conduct and practices, awareness of the need to cut down on phone time and encourage the shared use of business and personal phones.

Reduction of the firm's carbon footprint from Cloud-based services:

- implementation of the energy efficiency plan within the IT Department (see section on «Building and energy management»);
- 100% renewably-sourced electricity for Wavestone's cloud-based infrastructure by 2025;
- generalized automated SharePoint cleanup to limit data storage. A script automatically deletes older versions of a document: if a document has recently been opened, users can only consult the previous thirty versions using the «Version History» feature. If not, all older versions are deleted.

Raising employees' awareness:

- Development of the Wavewatcher app which uses gamification to educate employees, and give them greater responsibility, regarding their digital carbon footprint. By using this tool, employees can monitor and manage their digital footprint on a monthly basis, by comparing their performance against the firm's average score. The project was tested out with the Information System Division (ISD) and a group of employees during fiscal year 2022/23. Its scope will be extended to other practice areas in 2023/24.

For fiscal year 2022/23, the digital carbon footprint represented 25% (i.e. 1,446 tCO₂e) of the firm's overall footprint, in correlation with the firm's core business activities and changes in ways of working, particularly since 2020. Cloud and telephone systems (59%) and equipment (41%) represent the two main categories. Fully aware of their impacts, Wavestone continues to work towards improving its measures and identifying areas for improvement (see section 8).

Building and energy management

Fiscal year 2022/23 saw the Company launch a series of initiatives with the goal of managing its energy consumption:

- CSR ambassadors form part of the «relocation» project teams in the relevant offices. Their role is to provide insights into the selection of new offices using environmental and societal criteria. The overarching goal is to gradually align the firm's entire real estate portfolio with its carbon reduction trajectory;
- gradual review of electricity contracts to supply 100% of offices with renewable electricity by 2025. As of March 31, 2023, four Wavestone offices have entered into renewable electricity contracts; Wavestone's global headquarters in Paris (almost 80% of the total headcount) as well as the Geneva, Luxembourg and London offices. The other offices do not currently qualify for renewable electricity contracts. Energy contracts are either handled by office managers or renewable electricity contracts are not offered in the countries in which the Wavestone offices are located;
- update of the regulatory energy audit conducted in 2021/22 which enabled the firm to identify its main sources of energy consumption and potential ways of reducing emissions.

Further to these global initiatives, Wavestone reacted to the French government's appeal to cut energy consumption by 10% out to 2024, with the initial effects expected in winter 2022/23. Against the background of an energy crisis in France and Europe, Wavestone introduced an energy efficiency plan comprising both short-term measures – to avoid power cuts – and recommendations for the medium term.

The below measures were put in place for the Paris office. The offices in France's other regions and abroad then introduced action plans for their own locations.

These plans are based on three priority measures:

- reducing the energy footprint of social and private spaces within premises; optimizing heating, air conditioning and lighting; and closing part of the premises in a timely manner whenever there are only a few people using the premises (Fridays and the end-of-year holiday season) or even close the entire premises in times where there is a risk of a likely power cut (RTE, France's national electricity transmission system operator, will issue a warning via Ecowatt). This risk did not materialize in fiscal year 2022/23;
- optimizing digital usage by removing dynamic display screens from social spaces, reducing two-screen workstations and optimizing Cloud storage space;
- stepping up efforts to increase awareness among employees by regularly providing information on recommended eco-practices in Wavestone's offices and at home.

These measures are part of two initiatives of which Wavestone is a member:

- Paris La Défense Business Community: an initiative launched in 2022 by the Paris La Défense public institution with the goal of reducing the district's electricity consumption by 15% by the end of winter 2022/23. As a reminder, Wavestone's Paris office is located in this district.
- Involvement of Numeum (of which Wavestone is a member) in the September 2022 initiative to champion energy efficiency (see section 6.3 – Digital technologies).

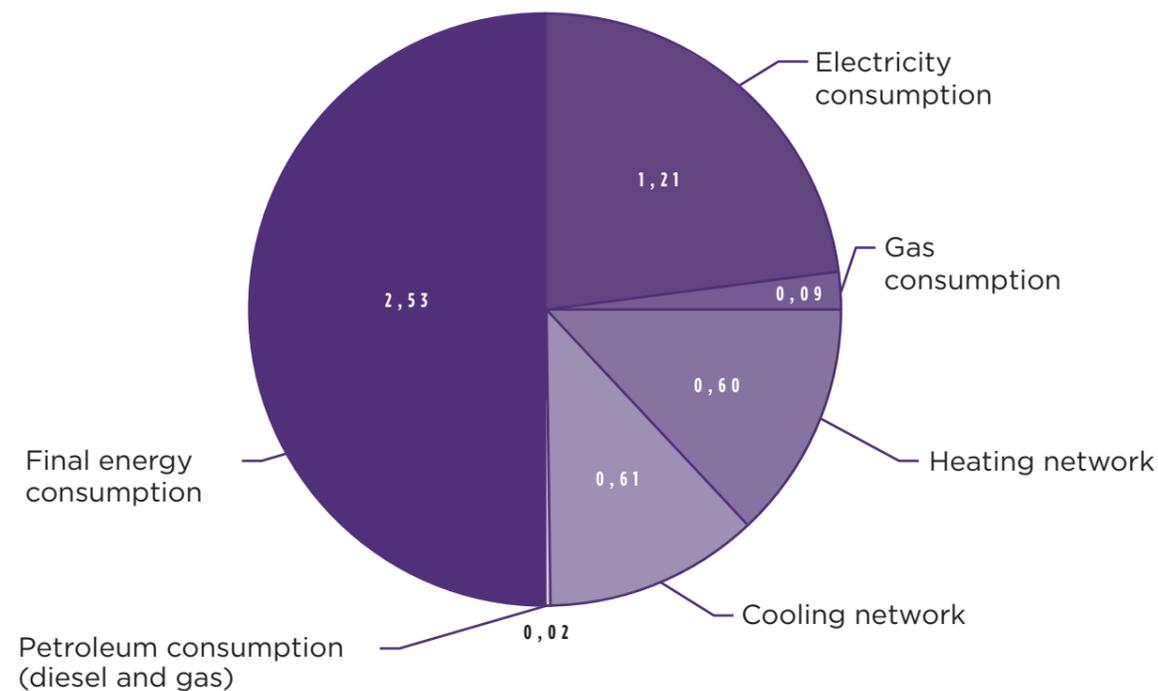
Lastly, in 2022/23, Wavestone tapped into its skills sponsorship expertise in an effort to support two charitable endeavors working towards energy efficiency:

- STOP à l'Exclusion Énergétique (STOP Energy Exclusion): Wavestone lent its support to foster the growth of the association, which aspires to eradicate fuel poverty for over a million people;
- Cités Caritas: Wavestone helped to structure the renovation of the non-profit's real estate portfolio, with a focus on energy performance

Wavestone's total energy consumption accounted for 5% (i.e., 291 tCO₂e, Market-based) of the firm's carbon footprint in 2022/23, a total of 2.53 GWh of final energy consumed over the year. All offices are taken into account, as is energy consumption in communal areas. The difference from the previous fiscal year is largely due to the fact that the firm occupies a smaller surface area of office space (decrease of around 30%), coupled with the valuation of renewable electricity contracts using the Market-based methodology.

Energy consumption was down from 2019/20 (4.7 GWh), particularly electricity consumption. The downturn can be attributed to measures implemented by the firm such as freeing up floors and the development of remote working (part of this impact was nevertheless transferred to commuting to work).

BREAKDOWN OF ENERGY CONSUMPTION (KWH)



Other categories

Wavestone's other categories for GHG emissions account for slightly more than 1% of the total carbon footprint (i.e., 98 tCO₂e). Other categories comprise fixed assets (excluding digital, 74.7 tCO₂e), fugitive emissions (9.2 tCO₂e), waste (7.3 tCO₂e), energy consumption from Wavestone's vehicles (6.6 tCO₂e) and water consumption (0.6 tCO₂e).

6.3.3 EMPLOYEE TRAINING AND COMMITMENT

To bolster its efforts to reduce its carbon footprint, Wavestone is committed to involving its employees in training and awareness-raising sessions. With this in mind, the firm is focused on upskilling its employees on climate-related and environmental topics.

In 2022/23, the firm launched My Sustainability Learning Journey, a micro-learning platform featuring innovative and interactive modules that focus on the topic of sustainable development. The training course has a twofold objective: to understand the challenges of sustainable development and promote sustainable transformation. Encompassing twenty different modules, the platform will be developed gradually. Modules are divided into several chapters, each lasting five to ten minutes, with quizzes to be completed in short periods, at the end of each section.

On a firm-wide basis, all employees must complete five modules:

- the collapse of biodiversity;
- the overuse of natural resources;
- the impact on society;
- developing a roadmap to take action;
- reducing our carbon footprint.

Four additional and compulsory modules were included for Sustainability practice employees to improve their knowledge. That said, these modules can also be completed by the rest of the firm's employees:

- introduction: the Great Acceleration;
- the global climate system;
- the incredible story of planet Earth, on the verge of a biodiversity collapse;
- the low-carbon transition.

2022/23 saw Wavestone continue its awareness-raising actions by leveraging its network of CSR ambassadors:

- coordination of compulsory «Climate Fresk» workshops for employees across the board since last October: 1,168 employees have received training since the wide-scale rollout in October 2022 (1,792 employees since 2019) and 49 employees are instructors. Reflecting its commitment to the cause, Wavestone became Climate Fresk-certified. In 2023/24, the firm will focus on hosting workshops in its offices outside France (Europe, the UK and the US), by training English-speaking instructors;
- coordination of «Digital Fresk» workshops : 183 employees received training, with seven employee-instructors to date;
- coordination of «Biodiversity Collage» workshops : 24 employees received training, with three employee-instructors to date;
- organization of the Sustainable Tech Week: 300 employees were involved in 17 events to raise awareness and share best practices.

Parallel to this, the Sustainability practice area established a plan to upskill its employees with a view to organizing seven training courses on various topics: the energy transition and decarbonization, CSR strategy and ESG performance, the circular economy, biodiversity conservation, digital responsibility, purchasing transformation and responsible HR.

In fiscal year 2023/24, on the back of work to develop a training inventory, all CSR-related training courses for the various practice areas will be made available to all the firm's employees.

For some of its employees, Wavestone also delivers training on Bilan Carbone®(Carbon Audit) methodology:

- 42 consultants completed a training course delivered by France's Carbon Training Institute, to obtain Bilan Carbone® BMC1 or BMC2 certification;
- 12 managers completed a Carbon Footprint training course provided by the Carbone 4 Academy.

6.3.4 POLICY OF CONTRIBUTING TO CARBON NEUTRALITY

Wavestone aims to contribute to global carbon neutrality beyond its value chain.

In 2022/23, this contribution was reflected in various awareness-raising, skills sponsorship, and startup incubation initiatives:

- Organization of 1,108 days of skills sponsorship (excluding Powerday) with a focus on Sustainable Development Goal (SDG) no. 13 : support for associations taking climate action (e.g., redesign of three modules included in the GoodPlanet Foundation's carbon calculator) and support for associations in reducing their carbon footprint (e.g., rollout and change management phases to implement a carbon inventory tool for Solidarités International as well as needs identification for a carbon footprint measurement platform to be deployed by the French Red Cross);
- Support for startups: for the fifth edition of its call for applications, Shake'Up, Wavestone's startup accelerator, targeted startups specializing in sustainability issues with a focus on four verticals: circularity of consumer goods, sustainable mobility, digital responsibility, and energy-efficient buildings. **This year's winning startups were:**
 - Néolithe, which transforms non-recyclable, non-inert and non-hazardous waste into mineral aggregates for use in the construction sector;
 - Bibak, which specializes in the reuse of containers for events, mass catering and fast-food restaurants;
 - UMotion, which has developed a utility vehicle designed for last-kilometer (last-mile) deliveries to transport the capacity of a standard van (1 ton and 5 cubic meters) at the cost of a cargo bike;
 - Smart & Connective, which aims to transform the technical management of buildings and revolutionize the very architecture of automation solutions, enabling companies to make large-scale energy savings.
- Student awareness-raising sessions via event participation or organization, including:
 - hosting a «Burger Quiz» at the Centrale Nantes and École des Ponts ParisTech during the Nantes Digital Week;
 - involvement in a CSR (Green Banking) case study presented at Emlyon Business School;
 - coordination of a Digital Fresk session at Arts et Métiers ParisTech engineering school.

In the years ahead, Wavestone intends to step up the initiatives begun in 2022/23 to develop its strategy for accelerating carbon neutrality worldwide through the future financing of projects aimed at increasing carbon sinks.

³⁴ fun workshops to raise employees' awareness of climate change. To learn more, go to: fresqueduclimat.org.

³⁵ fun workshops to raise awareness of environmental and social digital challenges; for more information go to climatefresk.org.

³⁶ fun workshops to increase awareness of biodiversity protection and conservation; for more information, go to fresquedelabiodiversite.org. (the «Biodiversity Collage»).

³⁷ SDG 13: Climate action.

6.4 Transition to the circular economy: waste management

Waste management

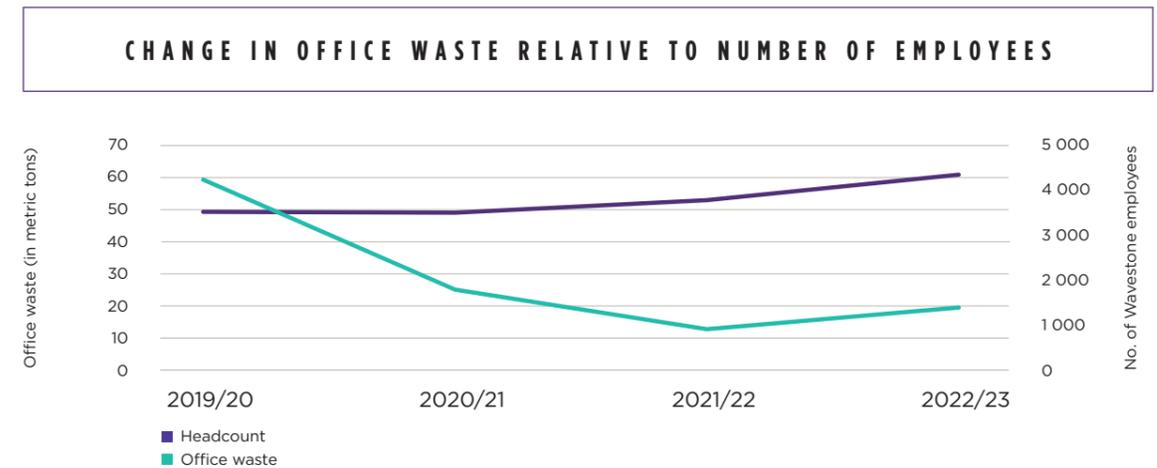
The main waste-related challenges facing Wavestone center on IT equipment (laptop computers, peripherals, screens, servers, etc.) and office waste (paper, organic waste, packaging and ink cartridges, etc.). The firm is addressing these challenges by opting for a zero-waste approach in all its offices.

To achieve this, Wavestone has implemented policies and procedures to enable a reduction in digital waste (notably in the French offices, accounting for nearly 87% of the headcount), including:

- the systematic recycling of end-of-service laptop computers, with a leasing service provider that recovers the equipment;
- a policy aimed at giving a new lease of life to end-of-life IT equipment (mobile phones, laptop computers not covered by leasing contracts, printers, unused ink cartridges, screens and specific network equipment) by sending them to responsible recovery circuits (particularly ESAT and the Bocage Workshops social cooperative organization);
- the treatment of waste electrical and electronic equipment (WEEE) through the clean disposal of hazardous components and the recycling of recyclable materials by certified companies;
- the extension of the life cycle of laptops leased and owned by Wavestone (see the paragraph of section 6.3 on digital technologies).

Parallel to this, Wavestone seeks to actively reduce office waste and increase recycling:

- collaboration with a recycling company to optimize waste sorting in the Paris, Nantes, Marseille, Brussels and London offices;
- the systematic reuse of furniture when it is no longer required:
 - as part of the redevelopment of social spaces in the Paris office, the resale of furniture to a partner that then repurposes it;
 - as part of the Nantes office's relocation, all the furniture was resold to the new tenant.
- Improved selective sorting and discussions on introducing biowaste sorting in the Paris office, in an effort to further recycle waste:
 - installation of new waste garbage cans in the Paris office social spaces, with four sorting categories;
 - discussions with the service provider to structure the sorting process and manage the project (targets, KPIs, etc.).



Wavestone's policies and procedures have helped to reduce waste production, gradually dissociating production from changes in headcount. Despite an increase compared to 2021/22 fiscal year, this downward trend is confirmed for the year against the background of a recovery in activity relative to 2019/20.

Impact on food waste, food poverty and animal welfare

Wavestone fully understands its role in tackling food waste and food insecurity as well as promoting responsible, fair and sustainable nutrition. A case in point is the firm's systematic redistribution of leftover food to associations as part of its Bridges event. Furthermore, Wavestone's activities do not have a direct impact on animal welfare.

6.5 Protection and restoration of biodiversity and ecosystems

Wavestone has used the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and the TNFD (Task Force on Nature-Related Financial Disclosures) **to identify two categories of biodiversity risk:**

- the firm's client-facing services;
- the management of its premises.

To reaffirm its commitment to biodiversity, Wavestone referred to the Act4Nature International initiative to structure its biodiversity protection and restoration actions (plans to sign the Act4Nature Commitment Charter in fiscal year 2022/23 were postponed to give priority to the firm's near-term and net-zero SBTi commitments).

Wavestone accordingly developed a three-pronged plan:

- mobilizing and training employees and raising their awareness of biodiversity issues: including biodiversity in training courses for employees of the firm and the Sustainability practice area (see section 6.3 - Training and developing employee commitment);
- promoting clients' awareness of biodiversity issues: increased client support on biodiversity, led by the Sustainability practice area;
- reducing the impact of the firm's biodiversity activities and stepping up actions to protect and restore biodiversity:
 - implementation of policies to reduce the carbon footprint, aligning with the SBTi's near-term and net-zero commitments (see section 6.3) and to manage waste (see section 6.4);
 - skills sponsorship for associations taking climate action: this year, the firm spent 1,538 days on Sustainable Development Goal (SDG) no. 15. As an example, Wavestone worked with Société Nationale de Protection de la Nature (France's National Society of Nature Protection), Terre de liens, On the Green Road and Fonds pour l'Arbre (France's National Tree Association);
 - review of suppliers' biodiversity performance using a questionnaire that is systematically sent to them for purchases as part of tenders. In 2023/24, the Responsible Purchasing Policy may be changed to include criteria on biodiversity impacts (for each purchasing family). For instance, the firm already includes this criterion in its office purchasing activities by opting for equipment with recognized labels (IT equipment with the Electronic Product Environmental Assessment Tool [EPEAT] labeling).

6.6 Other environmental matters: pollution and water management

Information related to the Group's water consumption mainly concerns the domestic water supply used for sanitary and cleaning purposes, and air conditioning systems. In fiscal year 2022/23, each employee consumed an average quantity of water estimated at 1.1 m³, half the amount consumed in the two previous years. Wavestone's total annual water consumption is estimated at approximately 4,711 m³.

Owing to the nature of its activities, Wavestone does not discard hazardous substances into the water system

6.7 Labels and environmental certifications



The Carbon Disclosure Project (CDP) is a non-profit organization and a standard-bearer of corporate environmental performance with its annual assessment of 18,000-plus companies the world over. In 2022, Wavestone obtained a B- score, placing the firm in the «Management» level category versus its competitors and scoring above average in its sector (rated C).

In France, Wavestone has been «Climate Fresk» certified since February 2023. This label serves to recognize the firm's high-quality and professional rollout of the Fresk and has gradually been awarded to all the firm's employees since 2022.

European Green Taxonomy



Entry into force of the European (EU) Taxonomy

European Regulation 2020/852 or the “European Taxonomy” entered into force on January 1, 2022. It aims to accelerate the European Union’s transition to a sustainable economy, against a backdrop where climate and environmental emergencies are being felt more every day. The regulation lays out a common framework enabling financial investments to be channeled towards «sustainable» economic activities.

Meaning of sustainable, eligible and aligned activities

The European (EU) Taxonomy aims to prioritize the economic transition to sustainable activities. The implementation of the European Taxonomy distinguishes between “eligible” and “aligned” activities. Both of these concepts are described below.

Sustainable activities

An economic activity is considered to be “sustainable” within the meaning of the European Taxonomy if it contributes to achieving at least one of the six environmental objectives defined by the European Commission. **The first two environmental objectives currently apply:**

1. Climate change mitigation
2. Climate change adaptation

They will gradually be supplemented by four other objectives, which are scheduled for publication in 2023:

3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The contribution of an economic activity to one of the environmental objectives is measured in three ways:

- compliance with technical criteria specific to each activity and defined by the European Commission, as listed in the delegated acts of the Taxonomy Regulation;
- do no significant harm to the other environmental objectives;
- business activities must comply with the minimum social guarantees as defined by international law.

Eligible activities

An economic activity is considered “eligible” within the meaning of the European Taxonomy if it can be carried out sustainably, or if it is likely to promote the transition to a sustainable economy. This involves recognition of its potential environmental impact, rather than its actual impact. The European Taxonomy includes a list of activities considered eligible.

Starting in fiscal year 2021/22, companies within the scope of the European Taxonomy are required to publish the share of their total business activities that are eligible for the Taxonomy, based on three indicators:

- the share of eligible revenue (REV);
- the share of eligible capital expenditure (CAPEX);
- the share of eligible operating expenditure (OPEX).

Aligned activities

An economic activity is considered “aligned” within the meaning of the European Taxonomy if its effective environmental impact has been demonstrated: the activity is, in fact, carried out sustainably or, in fact, promotes the transition to a sustainable economy.

As well as disclosing the share of eligible activities, starting in fiscal year 2022/23, relevant companies must publish the share of their total business activities that are aligned activities, using the same indicators:

- the share of aligned revenue;
- the share of aligned capital expenditure;
- the share of aligned operating expenditure.

Scope & calculation method

Wavestone has applied the Taxonomy regulations in determining the indicators presented for fiscal year 2022/23:

- the scope applied covers all of the firm's activities, excluding acquisitions completed in the fiscal year under consideration;
- financial data is taken from the financial statements as of 3/31/23 as well as from internal audit sources (notably for OPEX data). This data was assessed in a coherence audit conducted by the Finance Department, operations teams and the CSR team;
- Capital expenditure and operating expenditure for fiscal year 2022/23 correspond to expenditure linked to carrying out eligible activities as well as cost items eligible by their very nature, and identified by the regulation under the cost terminology "individually sustainable";
- CAPEX corresponds to capitalized costs linked to tangible and intangible fixed assets as well as rights of use on leasing contracts (IFRS 16) acquired over the fiscal year, before depreciation and amortization;
- OPEX covers certain uncanceled cost items such as research and development activities, building renovations, short-term rentals, maintenance as well as all expenses directly related to the maintenance of tangible assets.

Analysis methodology and change in Wavestone's revenue eligibility situation

In fiscal year 2021/22, Wavestone had estimated that a marginal share of its activity was eligible (<1%) for the Taxonomy and its climate change adaptation objective. As such, the firm took a cautious approach based on its understanding of the regulations at that date.

Wavestone has continued to analyze the impact of the Taxonomy regulation on its activities, establishing a project organization combining the CSR team, the Finance Department, General Management and experts from its operations teams. This analysis has been supplemented by discussions within the firm's ecosystem – involving peers, professional unions, investors, etc. – to ensure compliance with a framework shared by all players in the consulting industry.

Drawing on its conclusions from this work, Wavestone considers that, as they stand, the regulations do not apply to transformation consulting activities since the European Green Taxonomy focuses on activities with the most significant impact on climate. Given that none of the activities listed in the regulations correspond to Wavestone's business model, the firm's revenue is not eligible.

Revenue

Eligibility and alignment

For fiscal year 2022/23, Wavestone is publishing a taxonomy-eligible revenue indicator of 0%, in line with its updated analysis of the application of the Taxonomy Regulation. Incidentally, for the same fiscal year, Wavestone is reporting a taxonomy-aligned revenue indicator of 0%.

Regulatory reporting table

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria					DSNH criteria					Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity)	Category (transitional activity)		
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution						Circular economy	Biodiversity & ecosystems
<i>Text</i>		<i>Mi€</i>	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
		0.00	0.0%	-	-												0.0%	-	-	-
Turnover of environmentally-sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.0%	-	-												0.0%	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.1)																				
		0.00	0.0%	-	-														-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0.0%	-	-															
Total (A.1+A.2.)		0.00	0.0%	-	-															
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities		532.30	100.0%																	
Total (A+B)		532.30	100.0%																	

Alternative activity indicator proposal

The European Taxonomy allows businesses to publish alternative indicators that are complementary to regulatory indicators. Wavestone is exploring this option, supported by its responsible consulting approach (detailed in section 2). This approach reflects the firm's commitment to implementing sustainable transformations for its clients, in connection with its Impact strategic plan.

Fiscal year 2022/23 saw Wavestone complete 68 projects as part of its sustainability support initiatives, which seek to improve its clients' environmental performance.

Capital expenditure (CAPEX)

Eligibility

In fiscal year 2022/23, the share of capital expenditure eligible for the Taxonomy totaled 45.7% of Wavestone's CAPEX.

This second indicator solely relates to fixed assets (property, plant and equipment and intangible assets) and rights of use of lease assets (IFRS 16) acquired during the fiscal year, before depreciation and amortization. Companies acquired during the year are not included in this indicator.

For fiscal year 2022/23, CAPEX corresponds to the fit-out of office premises and equipment and the right of use of the new premises in Nantes and Casablanca, the extension to certain leases in Singapore and the UK, as well as the increase in rights of use linked to the positive re-indexation of certain other leases. Among these investments, only the increase in rights of use is included in the numerator of the eligibility indicator.

Alignment

In fiscal year 2022/23, the share of CAPEX aligned with the Taxonomy was 27.7% of all of Wavestone's CAPEX as defined above. This aligned CAPEX corresponds to the right of use for the new premises leased in Nantes during the fiscal year.

This CAPEX meets the following criteria:

- significant contribution to achieving the objective of climate change mitigation (in respect of activity 7.7 «Acquisition and ownership of buildings»);
- do no significant harm to other environmental objectives;
- compliance with the minimum guarantees defined in Article 18 of the Taxonomy Regulation.

Regulatory compliance table

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria							DSNH criteria					Minimum safeguards	Taxonomy aligned proportion of CAPEX Year N	Taxonomy aligned proportion of CAPEX Year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems					
Text		Mi€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings	7,7	1,96	27,7%	100,0%	-	-	-	-	-	-	-	-	-	-	-	27,7%	-	-	-	
CAPEX of environmentally-sustainable activities (Taxonomy-aligned) (A.1.)		1,96	27,7%	100,0%	-	-	-	-	-	-	-	-	-	-	-	27,7%	-	-	-	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																				
Acquisition and ownership of buildings	7,7	1,27	18,0%	100,0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		1,27	18,0%	100,0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A.1+A.2.)		3,23	45,7%																	
B. Taxonomy-non-eligible activities																				
CAPEX of Taxonomy-non-eligible activities		3,84	54,3%																	
Total (A+B)		7,07	100,0%																	

Operating expenditure (OPEX)

Eligibility and alignment

Not all OPEX is included in the definition of this third indicator. In the denominator, only expenditure related to R&D expenses, building renovations, short-term leases, maintenance, upkeep, repairs as well as any other direct expense linked to the maintenance of property, plant and equipment is to be included. Owing to the nature of the consulting activity, such expenditure is immaterial as a proportion of Wavestone's total OPEX. In fact, the firm's main cost items are personnel expenses and leases, with lease expenditure not counted as operating expenditure for the purposes of IFRS 16. Totalling €3.5 million, the amount of operating expenditure to be included in the indicator's denominator thus represents less than 4% of the firm's total operating expenditure.

The amount of operating expenditure to be included in the indicator's denominator represents 3.9% of total OPEX for fiscal year 2022/23. Since this represents less than 5% of the firm's total operating expenditure, Wavestone accordingly relies on the materiality exemption for this indicator.

Regulatory compliance table

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria							DSNH criteria					Minimum safeguards	Taxonomy aligned proportion of OPEX Year N	Taxonomy aligned proportion of OPEX Year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems					
Text		Mi€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
N/A	N/A	0,00	0,0%	-	-	-	-	-	-	-	-	-	-	-	-	0,0%	-	-	-	
OPEX of environmentally-sustainable activities (Taxonomy-aligned) (A.1.)		0,00	0,0%	-	-	-	-	-	-	-	-	-	-	-	-	0,0%	-	-	-	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																				
N/A	N/A	0,00	0,0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0,00	0,0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A.1+A.2.)		0,00	0,0%																	
B. Taxonomy-non-eligible activities																				
OPEX des activités non éligibles à la taxonomie (B)		90,50	100,0%																	
Total (A+B)		90,50	100,0%																	

Methodology note regarding Wavestone's non-financial reporting

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8.1 Glossary

- **Nordic Swan Ecolabel:** this sustainability label applies to IT products. It guarantees the compliance of a product's production method with environmental criteria (in terms of the raw materials used, toxicity, biodegradability, amount of packaging, etc.).
- **Carbon dioxide equivalent (CO2e):** the Bilan Carbone® (Carbon Audit) is the inventory not only of CO2 emissions but also of other greenhouse gas emissions. Each gas has a different global warming potential (GWP): the extent to which gases contribute to the greenhouse effect depends on their characteristics. As a result, releasing the same amount of two different gases into the atmosphere will not have the same impact on global warming. Bilan Carbone® (Carbon Audit) reporting requires a common unit be used and that all other greenhouse gas emissions be converted to this unit. This refers to Global Warming Potential (GWP), calculated by the Intergovernmental Panel on Climate Change (IPCC), which allows greenhouse gas emissions to be converted into the common unit used for carbon audits: tons of CO2 equivalent (tCO2e).
- **GHG Protocol:** this global-reaching protocol provides a measurement and accounting framework on managing GHG emissions from private and public sectors alike. The Protocol is developed by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI).
- **Blue Angel label:** this environmental label is awarded to computer equipment. It specifically takes into account the recycling of a product as early as its design stage, the reduction of pollution during the manufacture of the product, the reduction of energy consumption, chemical emissions and noise, and lastly, the end of life of computer equipment.
- **EPEAT (Electronic Product Environmental Assessment Tool) label:** as the name suggests, this is a tool for the environmental assessment of electronic products. It takes into consideration all product life cycle phases from environmental, social and health standpoints. Specifically, it applies to computers, laptops, screens and servers. Among other things, the EPEAT label guarantees responsible use of natural resources in the manufacture of the products, limited use of dangerous substances, guaranteed recycling and sustainability, low environmental impact packaging and low energy consumption while in use.
- **Energy Star Label:** this label assesses the energy efficiency of electronic devices. It solely considers environmental criteria. The label sets an energy consumption threshold, which must not be exceeded.
- **The Forest Stewardship Council (FSC) Label:** this environmental label strives to provide assurance to consumers that the production of wood or a wood-based product follows processes which ensure sustainable forest management.
- **PEFC (Program for the Endorsement of Forest Certification) label:** this label promotes sustainable forest management. It assures consumers that the purchased product is from sustainably-managed forests.
- **RoHS (Restriction of Hazardous Substances in electrical and electronic equipment):** this is a European directive that aims to limit the use of hazardous substances in electrical and electronic equipment.
- **SBTi (Science Based Targets initiative):** this initiative aims to encourage companies to set GHG emission reduction targets that are consistent with scientific recommendations.

8.2 Scope of consolidation

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

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

- Wavestone Advisors (France), merged with Wavestone SA (dissolved on December 31, 2022);
- Nomadéis, merged with Wavestone SA (dissolved on December 31, 2022);
- Wavestone US Inc. (United States), merged with NewVantage Partners on January 1, 2023 (dissolved on March 31, 2023);
- why innovation! Pte. Ltd (Singapore);
- Wavestone Advisors UK Ltd and its subsidiaries (United Kingdom);
- Wavestone Belgium SA/NV (Belgium);
- Wavestone Luxembourg SA (Luxembourg);
- Wavestone Hong Kong Ltd and its subsidiary (Hong Kong);
- Wavestone Advisors Morocco SARL (Morocco);
- Wavestone Switzerland SA (Switzerland).

Pen Partnership and Coeus Consulting (and their subsidiaries), acquired during the fiscal year, are included, from their accounting consolidation dates, in the calculation of the staff turnover rate and the percentage of time spent supporting socially responsible structures. The specific scope of the carbon footprint calculation is described in section 8.3.

The number of registered employees with disabilities is calculated for Wavestone SA only.

Reporting period

The data provided in this report covers fiscal year 2022/23 ended 3/31/23. In exceptional cases which are explicitly mentioned, particularly for employment aspects, the information covers the 2022 calendar year.

8.3 Sources of, and methods used to collect, non-financial data

Data collection and consolidation

Employment data

Considering the nature of Wavestone's consulting activity, the employment aspect of CSR is a major issue and a key priority for the firm.

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. The department mainly relies on a central team and decentralized HR Development teams.

Employment reporting and the monitoring of the associated indicators fall under the responsibility of the CSR Manager in Wavestone's HR Development Department, who is in charge of data consolidation at Group level.

Environmental data

On the environmental front, data collection is overseen by a team tasked with collecting and consolidating all information from the contributors identified within the relevant departments (Accounting, Payroll, Offices, etc.). The processing and analysis of environmental data are carried out and supervised by experts in environmental issues and carbon footprint calculation. In fiscal year 2022/23, Wavestone worked with BL Evolution, while in-house experts focused on SBTi aspects.

Method used to analyze environmental risks

To identify its environmental risks, the firm relied on the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and the TNFD (Task Force on Nature-Related Financial Disclosures). This work was based on the Bilan Carbone® (Carbon Audit) analysis, the firm's dependence on ecosystem services, and the impacts of Wavestone's activity on drivers of biodiversity erosion. The expectations of the firm's stakeholders (see section 1.2) were taken into account in carrying out the analysis. Lastly, the impact level of the risks was considered in order to prioritize them.

Nine main risks related to nature and the climate were identified, based on short (2-5 years), medium (5-10 years) and long (>10 years) term horizons, along with the corresponding risk level in accordance with the recommendations of the TNFD, the TCFD and the firm's development prospects.

All elements of the analysis method were reviewed by a firm that specializes in the ecological transition.

Risk category	Risk description	Risk level	Time (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Physical commodity risks	Depletion of resources (water, rare metals, wood, etc.) due to overconsumption and pollution of the soil and water	Low to medium	Long term (>10 years)	<p>Risk:</p> <ul style="list-style-type: none"> - Difficulty procuring various goods (computer equipment, furniture, food) <p>Opportunity(ies):</p> <ul style="list-style-type: none"> - Preventive actions and training on environmental issues could have a positive impact in terms of managing and rationalizing resources (water, office equipment, computer equipment, etc.) 	<ul style="list-style-type: none"> - Commitments in favor of sustainable IT (see section 6.3) - Commitment in favor of biodiversity (see section 6.5) - Policies to encourage soft mobility (see section 6.3) - "Zero waste" approach (see section 6.4)
Risks associated with extreme events (physical)	Increased risk of high winds, storms, flooding, earthquakes, etc.	Low to medium	Medium term (5-10 years)	<p>Risk:</p> <ul style="list-style-type: none"> - Interruption of IT services company-wide (network core: Wi-Fi infrastructure, storage servers, virtualization servers, VPN, etc.) <p>Opportunity(ies):</p> <ul style="list-style-type: none"> - Diversification of data storage infrastructures (proprietary / Cloud) 	<ul style="list-style-type: none"> - Interruptions to the operation of data centers taken into account in the continuity/disaster recovery plan established annually within the Information System Division (ISD) - Most data is stored in the Cloud using SaaS applications, Microsoft Q365 or others -> risks are therefore directly managed by the end publishers, not by Wavestone, even if the firm performs its own analysis of this type of risk when selecting a publisher
Financial risks (transition)	Access to competitive financing	High	Short term (2-5 years)	<p>Risks:</p> <ul style="list-style-type: none"> - Impact loan taken out by Wavestone = interest rate linked to its GHG emission rate - Difficulty attracting investors (especially in the context of the Green Taxonomy) or benefiting from innovative financing <p>Opportunity:</p> <ul style="list-style-type: none"> - Minimize the firm's GHG emissions to attract more investors and benefit from innovative financing: impact loans or other types of green financing 	<ul style="list-style-type: none"> - Reinforced ambition to reduce the carbon footprint (see section 6.3)
Market risks (transition)	Change in clients' expectations in terms of environmental commitment	High	Short/medium term (2-7 years)	<p>Risk(s):</p> <ul style="list-style-type: none"> - Loss of clients in the event of non-compliance with expectations concerning GHG reductions (where the firm is expected to lead by example), as well as waste management and responsible purchasing (importance of transparency with respect to Wavestone's value chain, reflecting its integrity) <p>Opportunity(ies):</p> <ul style="list-style-type: none"> - The firm's environmental commitments may serve to leverage competitive advantages (calls for tenders) - These commitments also make the development of new environmental offerings more credible 	<ul style="list-style-type: none"> - Reinforced ambition to reduce the carbon footprint (see section 6.3) - Commitments in favor of sustainable IT (see section 6.3) - Implementation of policies to limit the use of transportation that emits the most GHGs, and to encourage soft mobility (see section 6.3) - Building and energy management: target of 100% of offices powered by low-carbon electricity, out to 2025 (see section 6.3) - Actions to reduce the carbon footprint of the firm's procurement (see section 6.3) - "Zero waste" approach (see section 6.4) - Commitment in favor of biodiversity (see sections 6.1 and 6.5) - Establishment of a new Sustainability practice area - Underscoring of the firm's commitments through responses to non-financial rating questionnaires (EthiFinance ESG Ratings, CDP, EcoVadis)

Risk category	Risk description	Risk level	Times (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Market risks (transition)	Change in clients' expectations regarding the skills expected of consultants in addressing environmental issues	High	Short/medium term (2-7 years)	<p>Risks:</p> <ul style="list-style-type: none"> - Loss of clients due to quality incidents as a result of insufficient employee training on environmental issues and a lack of qualified internal resources in this area <p>Opportunity(ies):</p> <ul style="list-style-type: none"> - Employee training on environmental issues, combined with the development of Wavestone's Sustainability practice area, represents a significant opportunity to improve our legitimacy with clients 	<ul style="list-style-type: none"> - Wavestone has carried out major organizational changes with the establishment of a dedicated Sustainability practice area (see sections 2.2 and 6.2) - Wavestone intends to accelerate and structure the pace of its awareness and training initiatives (see section 6.3)
Reputational risks (transition)	Environmental commitments made by Wavestone and rollout of awareness-raising initiatives	High	Short term (2-5 years)	<p>Risks:</p> <ul style="list-style-type: none"> - Loss of candidates and employees through a lack of environmental commitments (GHG reductions, waste management, responsible purchasing, etc.) and sponsorship initiatives - Loss of candidates and employees through a lack of employee prevention and awareness-raising sessions intended to address environmental issues <p>Opportunities:</p> <ul style="list-style-type: none"> - Improving employee loyalty and reinforcing the employer brand (appeal of the Wavestone brand) 	<ul style="list-style-type: none"> - Multiple environmental commitments made by the firm (see sections 6.3, 6.4, 6.5, 6.6) - Mobilization of employees via awareness-raising actions, particularly with regard to travel and digital equipment/use (see section 6.3) - Support for associations and startups that promote development (see section 6.3)
	Communication on environmental issues	High	Medium term (5-10 years)	<p>Risk:</p> <ul style="list-style-type: none"> - Negative impact on the firm if there is a lack of information in sustainability communications (need to justify commitments made using concrete examples) <p>Opportunities:</p> <ul style="list-style-type: none"> - Increase non-profits' awareness of the firm, collaboration with eco-responsible companies 	<ul style="list-style-type: none"> - Objectives and concrete examples shared via the firm's non-financial communications (see Statement of non-financial performance, Bilan Carbone® - Carbon Audit) - Establishment of a diversified internal communications plan on CSR, including environmental issues (Wavestone news, environmental commitments, awareness-raising initiatives, etc.) - Presence of a network of CSR contacts within Wavestone's governance, tasked with conveying key messages on environmental issues
	Environmental commitments and results	High	Short/Medium term (2-7 years)	<p>Risk:</p> <ul style="list-style-type: none"> - Negative media coverage in the event of a discrepancy with the commitments made, particularly regarding GHG reductions (SBTi) - greenwashing <p>Opportunity:</p> <ul style="list-style-type: none"> - Securing employee loyalty and reinforcing the employer brand (appeal of the Wavestone brand) 	<ul style="list-style-type: none"> - Strong governance on CSR matters (including the environment) (see section 1.1) - Reporting: every year, the firm improves the monitoring and measurement of its carbon footprint in order to make decisions that align with its climate challenges (see section 8.3) - Compliance with the recommendations of the French Environment and Energy Management Agency (ADEME), notably in terms of environmental communication - Support from a specialized firm with drafting the statement of non-financial performance
	Non-financial ratings	High	Short/Medium term (2-7 years)	<p>Risk:</p> <ul style="list-style-type: none"> - Negative ratings by non-financial rating agencies if commitments to various environmental and responsible purchasing criteria are not met <p>Opportunity:</p> <ul style="list-style-type: none"> - Positive ESG ratings will bolster interest in the firm from ESG investors, providing Wavestone with a competitive advantage on environmental issues 	<ul style="list-style-type: none"> - The firm's commitments, outlined in sections 6.3, 6.4, 6.5 and 6.6 meet the rating criteria used by non-financial rating agencies

Methodology used to calculate the carbon footprint

Information on CO2-equivalent emissions may be characterized by uncertainty that is inherent in the current state of scientific or economic knowledge and the quality of external data. Certain items of information are sensitive to the methodological decisions, assumptions and/or estimates used in their preparation and presented in the statement. As a result, this year's results include one uncertain measurement amounting to 770 tCO2e (14% of the Market-based total).

To track the achievement of its targets, Wavestone calculates and communicates its carbon footprint on an annual basis – both historically based on the Bilan Carbone® (Carbon Audit) methodology and according to GHG Protocol conventions – which came into effect at the firm this year.

Since fiscal year 2012/13, Wavestone has published a Bilan Carbone® report every two years. Historically developed by ADEME – the French Environment and Energy Management Agency – this methodology has been implemented by Association Bilan Carbone® in France and abroad since October 2011.

Every year, the firm improves the monitoring and measurement of its carbon footprint in order to make decisions that align with its climate challenges. In 2022/23, this resulted in:

- monthly monitoring of business trip data, which is presented to the CSR Steering Committee on a quarterly basis;
- improvements to the questionnaire shared with all Wavestone's employees. 40.5% of employees (1,851) answered the questionnaire, versus 36% the previous fiscal year. The results of the questionnaire also helped to calculate specific items of data more accurately (heating and air conditioning at home when working remotely, and food), as well as raise employees' awareness, with a detailed article published on the Company's Intranet.

Breakdown of GHG emissions using the GHG Protocol:

		2019/20 (tCO ₂ e) market-based	2020/21 (tCO ₂ e) market-based	2021/22 (tCO ₂ e) location-based	2022/23 (tCO ₂ e) market-based	2022/23 (tCO ₂ e) location-based
1-1	Direct emissions from stationary combustion sources	23	28	21	16	16
1-2	Direction emissions from mobile combustion sources	33	6	32	54	54
1-3	Direct emissions from processes	-	-	-	-	0
1-4	Direct fugitive emissions	37	25	37	9	9
Scope 1 total		93	59	90	80	80
2-1	Indirect emissions from electricity consumption	271	89	264	116	155
2-2	Indirect emissions linked to steam, heat and cooling	271	351	233	122	122
Scope 2 total		543	440	497	238	277
Upstream scope 3 emissions						
3-1	Purchased products and services	1 431	2 047	1 169	2 253	2 253
3-2	Fixed assets	466	287	466	665	665
3-3	Emissions from fuel and energy (not included in scopes 1 and 2)	85	87	50	38	45
3-4	Inbound and outbound freight	-	-	-	-	-
3-5	Generated waste	18	10	5	7	7
3-6	Business trips	2 704	263	421	1 381	1 381
3-7	Commuting to work	391	5	425	337	337
3-8	Upstream leasing assets			-	-	-
Downstream scope 3 emissions						
3-15	Capital expenditure			-	-	-
Scope 3 total		5 096	2 699	2 541	4 682	4 689
3-6 (optional)	Optional - business trips (hotels)	645		130	235	235
3-7 (optional)	Optionnel - remote working			347	442	442
Others (optional)	Optional - websites			2	3	3
Total émissions optionnelles		645	0	489	680	680
TOTAL		6 377	3 198	3 617	5 680	5 726

Methodology used to measure the carbon footprint of digital technologies

Wavestone's carbon footprint from digital activities was calculated for the different areas of the Information System (IS):

- all personal equipment purchased during the fiscal year (PCs, smartphones, etc.), the number of which is obtained from Wavestone's inventories, in connection with the change in methodology (GHG Protocol). To measure the carbon footprint of this equipment, the emission factors published by the corresponding manufacturers were used, where available. The increase in volumes, particularly the use of PCs, which was observed for this category mainly results from logistics delays to the delivery of specific items of equipment during the fiscal year;
- shared equipment acquired in the fiscal year (printers, meeting room equipment, etc.), for which the Base Carbone (Carbon Database - ADEME) emission factors were used, and which were, at times, adjusted to accommodate for screen sizes (TVs);
- servers and networks, with the same level of granularity as personal equipment, by model, where this data was available, otherwise via an average factor or a factor provided by ADEME's Base Carbone.

Regarding the calculation of digital and telecommunication use, this year, Wavestone was once again able to calculate the volume of data transfers (e-mails, use of Teams, SharePoint, OneDrive, etc.) completed directly through employees' PCs (via the Zscaler tool), as well as mobile consumption (4G, voice, etc.), enabling the firm to continue making accurate measurements for this category. In particular, storage volumes were more accurate using data from the Microsoft 365 Admin Console. The models used are taken from the most recent studies in this area (Green Cloud Computing, NégaOctet and Cloud Carbon Footprint, among others).

Lastly, usage associated with the websites operated by Wavestone and social networks was also included this year via visitor statistics, without any material impact.

Methodology used to collect information on employee business trips

Business trips

Most of the train and air travel data is supplied by Egencia (France, Brussels and Luxembourg offices), Papillon Voyages (Casablanca) and Corporate Traveller (London). The additional effort to provide more accurate data from the reports provided by these agencies continued this year, producing results that were as reliable as in prior fiscal years, particularly with respect to distances traveled and travel classes.

As regards air travel, travel agencies provided information in kilometers and CO₂ equivalent. This CO₂ data was compared against figures calculated in kilometers and using factors from ADEME's Base Carbone. The two estimates are similar in size. Emissions were then estimated using factors from the Base Carbone, with a focus on the impact of contrails. The class of the flights was also factored in, as First Class requires more floor space than Economy Class. This estimate was based on a study conducted by the World Bank. For these trips, the carbon footprint was higher than the previous year, given the increase in distances flown, but was lower than the 2019/20 reference year.

Regarding transportation data, for which only financial information was available (details of kilometers traveled are not included in expense claims), the carbon footprint was calculated using kilometer conversions. The firm was able to estimate the distance traveled for all expense claims based on the mode of transport (plane, train, taxi/cab, etc.) and location (Wavestone office).

This year, the Company did not extrapolate travel data on an employee basis since information was collected for all its offices.

Commuting to work

As a result of new ways of working implemented in recent years, in fiscal year 2022/23, Wavestone's offices were not regularly occupied in any of its countries or locations. For the second year running, Wavestone assessed its employees' travel practices to measure their carbon footprint, once again including the impact of remote working.

The data was collected via a questionnaire and a descriptive memo sent to all Wavestone's employees at fiscal year-end, with a 40.5% response rate from employees.

The quantification resulting from this questionnaire shows that remote working has had a significant impact, and that it should continue to be included in future fiscal years. In fact, even if the amount of travel has reduced, there has been a transfer impact to employees.

Methodology used to collect information about energy consumption

Data collected for energy and fugitive emissions concerns the consumption of electricity, gas, and of the heating and cooling networks and air conditioning units in Wavestone's offices.

In fiscal year 2022/23, efforts were consistent with previous years in the collection of data on energy and fluid consumption, producing more accurate data on electricity consumption (particularly in relation to heating and air conditioning), in the Paris, Nantes, Luxembourg, New York and London offices. Lastly, once again this year, the firm also focused on including the energy consumption of shared spaces in the emissions linked to its occupation of the premises. As a result, with the exception of the French offices and the offices in Geneva, Hong Kong, Philadelphia, Dallas and Singapore, additional data on the consumption of shared spaces was collected for the other offices. It should be noted that the Hong Kong office does not have a heating network. As a result, the standard extrapolation for the Paris office was not applied in the interests of consistency.

Despite these efforts, the reliability of the data collected still differs between offices for a number of reasons:

- some components of energy consumption—in shared spaces, for instance—were extrapolated using Paris office data. This category accounts for approximately 4% of the firm's energy consumption;
- the inclusion of data in expenses (for the Philadelphia office) does not produce a reliable estimate of related consumption.

Concerning fugitive emissions, data from five offices (Paris, Marseille, Brussels, Luxembourg and Geneva) was collected. Data for our other offices was extrapolated using the surface area of the head office. The impact of these emissions is small compared to the total. Overall, these extrapolations hardly impact the accuracy of quantifying greenhouse gas (GHG) emissions. Conversely, specifying the type of greenhouse gas in certain offices has had an upward impact on scope 1 emissions.

Methodology used to collect information on waste

The data collected covers office and recyclable waste (cardboard, paper, WEEE, glass, plastic, etc.).

Data was collected from the offices in Paris, Marseille, Nantes, Brussels, London, Luxembourg and Geneva. The data is provided by service providers in charge of waste collection (Marseille, Brussels, Nantes, London) or based on weight estimates (Paris). It is provided in kilograms (kg).

Data for our other offices was estimated on the basis of headcount and the ratio used for the Paris office.

In light of the representation of the Paris office (headcount and activity) compared to other offices, the reliability of the data from the Paris office, and Wavestone's activity, it is considered that sufficient data was collected (Paris and extrapolated offices) to estimate the firm's waste-related carbon impact.

Methodology used to collect information on water consumption

Data on water consumption has several sources:

- water consumption for the Tour Franklin offices is based on the consumption for the building as a whole and a ratio per floor based on the number of floors occupied by Wavestone;
- water consumption in the Marseille, Brussels and Luxembourg offices is supplied by the lessors or service providers. For these offices, there was no data for certain months of the fiscal year, so the footprint was extrapolated based on the office data;
- figures for the other offices were extrapolated from the data for the Paris office (m³/m² of office space ratio).

8.4 GHG emissions in the Bilan Carbone® (Carbon Audit) format

To enable comparisons to be made with previous years, the assessment of Wavestone's GHG emissions is also available in the Bilan Carbone® (Carbon Audit) categories set out below. However, it should be noted that the GHG Protocol (Location-based) is still the applicable convention, particularly regarding «Fixed assets» (without depreciation).

	2019/20 emissions (tCO ₂ e)	2020/21 emissions (tCO ₂ e)	2021/22 emissions (tCO ₂ e)	2022/23 emissions (tCO ₂ e)	% of total emissions in 2022/23
Scope 1	41	55	64	31	1%
Scope 2	493	685	497	277	5%
Scope 3	4,893	2,705	3,487	5,418	95%
o/w:					
8: Fuel and energy-related activities	75	92	47	45	1%
9: Purchase of goods and services	1,608	581	565	1,635	29%
10: Fixed assets	775	963	860	665	12%
11: Waste generated by activities	17	10	5	7	0%
13: Business trips	2,112	186	451	1,430	25%
15: Investments	-	-	3	0	0%
22: Commuting to work and remote working	306	4	782	780	14%
23: Other indirect emissions	0	869	773	856	15%
Total	5,427	3,445	4,047	5,726	

8.5 Comparison of GHG emissions in Bilan Carbone® (Carbon Audit) and GHG Protocol formats

In the interests of comparison and in an effort to understand the impact of transitioning from the Bilan Carbone® (Carbon Audit) to the GHG Protocol, below is a breakdown of emissions in fiscal year 2022/23 using both methodologies, reflecting emissions included in the current fiscal year.

	Bilan Carbone® 2022/23 emissions (tCO ₂ e)	GHG Protocol Market-based 2022/23 emissions (tCO ₂ e)	Description of changes
Scope 1	2022/23 emissions (tCO ₂ e)	GHG Protocol	Short-term rentals/leases are included in scope 3 of the Bilan Carbone® (Carbon Audit) and scope 1 of the GHG Protocol, increasing scope 1 under the new methodology.
Scope 2	Market-based 2022/23 emissions (tCO ₂ e)	Description of changes	The Bilan Carbone® (Carbon Audit) is Location-based by default, while the new GHG Protocol Market-based methodology estimates emissions from renewables contracts with lower factors (renewables) than the average mix of the relevant countries/locations.
Scope 3	5,418	5,362	It is important to note that the optional emissions under the GHG Protocol were included by default in the Bilan Carbone® (Carbon Audit).
<i>o/w business trips (excluding hotels)</i>	1,430	1,381	Same comment as on scope 1 (short-term rentals/leases).
<i>o/w commuting to work and remote working</i>	780	780	Emissions are identical when combining categories, but the GHG Protocol considers remote working emissions to be optional.
<i>o/w purchasing</i>	1,635	2,491	Cloud-based emissions were included in other indirect emissions under the Bilan Carbone® (Carbon Audit) methodology, and are now included in the purchases category of the GHG Protocol.
<i>o/w fixed assets</i>	665	665	This year, fixed assets are booked using the 'flow rate' convention, as preferred by the GHG Protocol (inclusion of purchases for the year on which emissions are not depreciated), also permitted under the Bilan Carbone® (Carbon Audit) method, and which was calculated in fiscal year 2022/23 using the Bilan Carbone® (Carbon Audit) method. However, there was a change in this category compared to previous years.
Total	5,726	5,680	

Appendices Performance indicators



9.1 Progress of CSR objectives over the last four fiscal years

	03/31/23	03/31/22	03/31/21	03/31/20
NPS®	45	48	54	51
Projects completed using a responsible consulting approach	119	37	5	-
Engagement Index	74	70	-	-
Staff turnover rate	16%	18%	11%	14%
Representation of women in management (operational or senior positions)	35%	33%	31%	30%
Number of employees with disabilities	49 at 3/31/23	35 at 12/31/21	29 at 12/31/20	22 at 12/31/19
% of the firm's time devoted to supporting organizations with a civic mission	1,3%	1,0%	0,79%	0,53%
% of new employees trained in business ethics	96%	97%	84%	3
Reduction of the firm's carbon footprint vs. 2019/2020	Scopes 1 & 2 (In absolute terms from 2022/23)	51%	64% ⁴⁵	-
	Scope 3 (Per employee)	27%		

9.2 Workforce data

Change in total workforce

	03/31/23	03/31/22	03/31/21	03/31/20
Total workforce	4406 100,0%	3732 100%	3453 100%	3498 100%
Permanent contracts	4326 98,2%	3674 98,4%	3408 98,7%	3408 97,4%
<i>o/w permanent contracts in France</i>	3735 84,8%	3 251 88,9%	3 040 89,2%	3 00 88,2%
Temporary contracts	80 1,8%	58 1,6%	45 1,3%	90 2,6%
<i>o/w fixed-term</i>	15 0,3%	22 0,6%	13 0,4%	15 0,4%
<i>o/w work-study contracts</i>	65 1,5%	36 1,0%	32 0,9%	75 2,2%

Breakdown by gender

(% of total workforce)	03/31/23	03/31/22	03/31/21
Men	57,0%	58,7%	59,5%
Women	43,0%	41,3%	40,5%
Breakdown for consultants			
Men	60,9%	62,5%	63,2%
Women	39,1%	37,5%	36,8%

Breakdown by age category

(% of total workforce)	03/31/23	03/31/22	03/31/21
18-25 years	20,3%	16,4%	13,5%
25-30 years	52,6%	49,9%	52,6%
30-50 years	21,2%	26,6%	27,4%
>50 years	5,9%	7,1%	6,5%
o/w over 55 years	3,9%	4,2%	3,6%

Average length of service

	2022/23	2021/22	2020/21
Firm total	4.1 years	4.5 years	4.7 years
<i>Consultants</i>	3.9 years	4.3 years	4.4 years

Breakdown by geographic area

(% of total workforce)	03/31/23	03/31/22	03/31/21	03/31/20
Paris region	78,3%	80,3%	81,3%	80,8%
Regional offices	8%	8,3%	7,6%	7,3%
<i>Nantes</i>	3,0%	3,2%	3,0%	2,7%
<i>Lyon</i>	3,9%	3,9%	3,8%	3,8%
<i>Marseille</i>	1,1%	1,1%	0,9%	0,8%
Outside France	13,8%	11,4%	11,1%	11,9%

Breakdown by job category

(% of total workforce)	03/31/23	03/31/22	03/31/21
Consultants	3 816	3 250	3 053
% consultants	87%	87%	88,4%
Salespeople	138	131	116
% salespeople	3%	4%	3,4%
Back-office staff	452	351	284
% back-office staff	10%	9%	8,2%

9.3 Details of new hires and departures

Breakdown of new consultants by type of diploma

	2022/23	2021/22	2020/21
Business schools (%)	36%	32%	27,3%
Engineering schools (%)	33%	44%	53,2%
Universities (%)	23%	22%	19,5%

Recruitment	2022/23	2021/22	2020/21			
	Number	Number	Number			
Total external hires (excluding internal transfers)	1 637	100%	1 151	100%	540	100%
<i>o/w permanent employment contracts</i>	1 568	95,8%	1 084	94,2%	501	92,8%
<i>o/w temporary employment contracts:</i>	69	4,2%	67	5,8%	39	7,2%
- <i>o/w fixed-term</i>	13	0,8%	37	3,2%	21	3,9%
- <i>o/w skills-acquisition and work-study contracts</i>	56	3,5%	30	2,6%	18	3,3%
Staff departures						
Departures (excluding internal transfers)	963	100%	872	100%	585	100%
<i>o/w resignations</i>	679	70,5%	649	74,4%	391	66,8%
<i>o/w end of temporary employment contracts (fixed-term, skills-acquisition and work-study contracts)</i>	46	4,8%	53	6,1%	92	15,7%
<i>o/w terminations during trial periods</i>	195	20,2%	121	13,9%	68	11,6%
<i>o/w redundancies</i>	21	2,2%	28	3,2%	20	3,4%
<i>o/w employment contract terminated by mutual consent</i>	17	1,8%	7	0,8%	8	1,4%
<i>o/w constructive dismissal claims</i>	0	0%	0	0%	0	0%
<i>o/w retirements</i>	4	0,4%	12	1,4%	4	0,7%
<i>o/w deaths</i>	1	0,1%	2	0,2%	2	0,4%
Departures of permanent employees	963	100%	872	100%	585	100%
	2022/23	2021/22	2020/21			
Staff turnover (%)	15,5%	17,6%	11,3%			

9.4 Development of employee potential

Occupational accidents and illness

<i>France</i>	2022/23	2021/22	2020/21
Number of occupational and commuting accidents	9	10	1
o/w commuting accidents	5	5	1
o/w occupational accidents	4	5	0
Number of occupational illnesses declared	0	0	0
Rate and frequency of occupational and commuting accidents	0,00	1,0	0
Severity rate of occupational and commuting accidents	0,04	0,01	0

	31/03/23	31/03/22	31/03/21
Proportion of sites that underwent a health and security risk assessment	100% of sites in France	100% of sites in France	100% of sites in France
Proportion of the total workforce represented by an occupational health and safety committee	89% (France workforce)	89% (France workforce)	89% (France workforce)
Proportion of the workforce covered by collective agreements on working conditions	89% (France workforce)	89% (France workforce)	89% (France workforce)

Time allocated to training

<i>Fiscal year</i>	2022/23	2021/22	2020/21
Number of employees who attended at least one training course during the year	3 156	2 572	2 147
Percentage of employees who attended at least one training course during the year	72%	69%	62%
Number of training days provided during the year	8 543	7 356	4 739
Number of training hours provided during the year	59 773	52 643	33 163
Average number of training hours provided during the year per employee	19	20	15

Career development

	03/31/23	03/31/22	03/31/21
Proportion of employees who benefited from annual career reviews	100%	100%	100%

Internal transfers

<i>Breakdown of internal transfers by type</i>	2022/23		2021/22		2020/21	
Regional transfers	43	35,83%	53	50,5%	28	29%
Transfers between business lines	21	17,50%	28	26,7%	18	18%
Inter-practice transfers	56	46,67%	24	22,8%	51	53%
Total	120	100%	105	100%	97	100%

9.5 Diversity and inclusion

Gender equality in the workplace

	03/31/23	03/31/22	03/31/21
Representation of women in management ⁴⁸	35%	33%	31%

Employment and inclusion of people with disabilities

	03/31/23	12/31/21	12/31/20
Number of employees with disabilities	49	35	29

9.6 Ethics and social commitment

Amount of donations and skills sponsorships

(in €)	12/31/22	12/31/21	12/31/20
Donations made by the Wavestone Foundation	336 061	115 929	-
Value of skills sponsorship	2 062 549	1 645 286	-
Total	2 398 610	1 761 215	-

Business ethics

	03/31/23	03/31/22	03/31/21
Percentage of employees trained in business ethics	96% of employees trained in business ethics	97% of employees trained in business ethics	84% of employees trained in tackling corruption
Number of cases reported	32	33	4
Number of eligible alerts	11	8	2

Data protection

(Excluding Pen Partnership and Coeus Consulting)	03/31/23	03/31/22	03/31/21
Percentage of employees trained in data protection	100% of new hires 100% of employees	100% of new hires 100% of employees	100% of new hires 100% of employees
Sites equipped with an ISO 27001-certified information security management system	Sites in France: Paris, Lyon, Marseille, Nantes	Sites in France: Paris, Lyon, Marseille, Nantes	Sites in France: Paris, Lyon, Marseille, Nantes

Responsible relations with our suppliers

	03/31/23	03/31/22	03/31/21
Proportion of suppliers assessed on their CSR performance	100% of suppliers that respond to a call for tenders	100% of suppliers that respond to a call for tenders	100% of suppliers that respond to a call for tenders

9.7 Recap of CSR rankings and certifications for fiscal year 2022/23

Label/Certification	Note
EthiFinance ESG Ratings 	<ul style="list-style-type: none"> - Score of 80/100 – Gold rating - Fifth place among companies with revenue of between €150 million and €500 million - TOP 5%
Ecovadis 	<ul style="list-style-type: none"> - Score of 78/100 - Platinum level certification - Top 1% of panel companies with the best CSR performance
Moody's 	<ul style="list-style-type: none"> - Score of 63/100 - 146th place out of nearly 5,000 companies - TOP 5%
CDP 	<ul style="list-style-type: none"> - B- score
Great Place To Work® 	<ul style="list-style-type: none"> - 1st place for companies with 2,500+ employees in France - 4th place for mid-sized companies in Luxembourg - Best Workplace Certification for all firm offices
Climate Fresk 	<ul style="list-style-type: none"> - Certification in February 2023

Label/Certification	Note
Happy Trainees 	<ul style="list-style-type: none"> - Overall score of 4.13/5, with a recommendation rate of 89.7% - Ranked in Top 5 companies welcoming between 200 and 499 interns/trainees and work-study participants.
Happy Candidates 	<ul style="list-style-type: none"> - Overall score of 3.95/5, with a recommendation rate of 70% - France: 7th place in companies with 1,500+ employees - Switzerland: score of 4.25/5, with a recommendation rate of nearly 89% - United Kingdom: score of 4.02/5, with a recommendation rate of nearly 74%
Glassdoor 	<ul style="list-style-type: none"> - 14th place in a Best Employers ranking in France for 2023
Glassdoor 	<ul style="list-style-type: none"> - Certification in April 2023
ISO 27001 	<ul style="list-style-type: none"> - Certification renewed in February 2021 for three years.
Cyber Essentials 	<ul style="list-style-type: none"> - Certification obtained each year in the UK

Independent auditor's report

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To the shareholders,

Further to the request made to us by Wavestone SA (hereinafter «entity») and in our capacity as an independent third-party organization («third party»), accredited by COFRAC Inspection under No. 3-2013 (Accréditation Cofrac Inspection, available on www.cofrac.fr), we have carried out work to provide a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) of the statement of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the «Referential»), for the year ended March 31, 2023 (hereinafter respectively the «Information» and the «Statement»), presented in the Group's management report in application of the provisions of articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the «Nature and scope of our work» section, and on the information we have obtained, we have not identified any material misstatements that would call into question the fact that the non-financial performance statement complies with the applicable regulations and that the Information, taken as a whole, is presented fairly, in accordance with the Referential.

Preparation of the statement of non-financial performance

The absence of a generally accepted and commonly used reference framework or established practices on which to base the evaluation and measurement of information allows the use of different, but acceptable, measurement techniques that may affect comparability over time.

Consequently, the information must be read and understood with reference to the Referential, the significant elements of which are presented in the Statement.

Limits inherent in the preparation of information

As indicated in the paragraph «Carbon footprint calculation methodology», information relating to CO2 equivalent emissions may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used in its preparation and presented in the Statement.

Responsibility of the entity

The Board of Directors is responsible for:

- select or establish appropriate criteria for the preparation of Information;
- establish a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement such internal control procedures as it believes are necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error.

The Statement has been established by applying the Group's Referential as mentioned above.

Responsibility of the independent third-party auditor

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the sincerity of the historical information (recorded or extrapolated) provided in application of 3° of I and II of Article R.225-105 of the French Commercial Code, i.e. the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the information as prepared by management, we are not authorized to be involved in the preparation of this information, as this could compromise our independence.

Our responsibility does not include expressing an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Regulatory requirements and applicable professional doctrine

We conducted our audit in accordance with the requirements of articles A.225-1 and following of the French Commercial Code, the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes relating to audit procedures in lieu of an audit program, and the international auditing standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the requirements of Article L.822-11 of the French Commercial Code and the Code of Ethics for the profession of statutory auditor. In addition, we have set up a quality control system comprising documented policies and procedures designed to ensure compliance with the applicable laws and regulations, ethical rules and professional doctrine of the Compagnie Nationale des Commissaires aux Comptes.

Means and resources

Our work mobilized the skills of 3 people and took place between February 2 and May 30, 2023, over a total intervention period of 7 days.

We called on our specialists in sustainable development and corporate social responsibility. We conducted 4 interviews with the people responsible for preparing the Statement, representing in particular general management, administration and finance, risk management, compliance, human resources, and environment.

Nature and scope of work

We planned and performed our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance:

- we have reviewed the entity's business activities and the main risks;
- we have assessed the relevance, completeness, reliability, neutrality and comprehensibility of the Referential, taking into account, where appropriate, best practices in the sector;
- we have verified that the Statement covers each category of social and environmental information specified in III of Article L.225-102-1;
- we have verified that the Statement presents the information required under II of Article R.225-105 where relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required under paragraph 2 of III of Article L.225-102-1;
- we have verified that the Statement presents the business model and a description of the principal risks associated with the entity's activity, including, where relevant and appropriate, the risks created by its business relationships, products and services as well as policies, actions and results, including key performance indicators relating to the principal risks;
- we have consulted documentation sources and conducted interviews in order to:
 - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with the main risks and policies presented, and
 - corroborate the qualitative information (actions and results) we considered most important, presented in Appendix 1;
- we have verified that the Statement covers all of the entity's offices;
- we have reviewed the internal control and risk management procedures put in place by the entity, and have assessed the data collection process aimed at ensuring the completeness and fairness of the information provided;
- for the key performance indicators and other quantitative results we considered most important in Appendix 1,
- we have implemented:
 - analytical procedures to verify the correct consolidation of the data collected and the consistency of data trend;
 - detailed tests based on sampling or other selection methods, consisting in verifying the correct application of definitions and procedures, and reconciling data with supporting documents. These tests have been carried out at the entity level, and cover between 32% and 100% of the data selected for testing;
- we have assessed the overall consistency of the Statement in relation to our knowledge of the entity.

The procedures performed as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes; a higher level of assurance would have required more extensive verification work.

Lyon, May 31, 2023

ISABELLE LHOSTE

Associate

FINEXFI

Appendix

Audited quantitative information:

Societal theme:

- percentage of employees trained in business ethics
- donations made by the Wavestone Foundation
- percentage of the company's time dedicated to support for socially-responsible organizations
- number of cases reported
- number of admissible alerts
- proportion of employees trained in data protection (process verification)
- number of man-days dedicated to skills sponsorship

Environmental theme:

- carbon footprint reduction compared to 2019/20 - scope 1 & 2
- carbon footprint reduction compared to 2019/20 - scope 3
- scope 1 & 2 - market based (SBTi scope)
- scope 3 - market based (SBTi scope)

Social theme:

- total workforce
- permanent contracts, including permanent contracts in France
- non-permanent contracts, including fixed-term contracts, including work-study contracts
- breakdown by gender, of which male consultants, of which female consultants
- breakdown by age group
- average seniority total firm, of which consultant workforce
- breakdown by geographical area
- breakdown by function
- share of consultant hires by educational category
- details of new recruits, details of departures, staff turnover
- number of hours of training given over the year (verification of process)
- internal mobility
- proportion of women in positions of responsibility (operational or management level)
- number of disabled employees
- engagement index

Audited qualitative information:

- ISO 27001 certifications (Paris, Nantes scope)
- Modern Slavery Act Transparency Statement
- LGBT+ Commitment Charter
- Scores (Ecovadis, Gaïa, CDP, Happy Trainees, Happy Candidates)
- Cyber Essentials certifications
- Company agreements (disability agreement, telework agreement, NAO agreement)



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