



LEA 02	Discipline: Mandatory	Priority: Gateway	Principle: PRI 1, 2, 3
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p>		
<p>Type of engagement</p> <p>Collaborative engagements</p>	<p>Reason for interaction</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p>		
<p>Type of engagement</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p>		

RI TRANSPARENCY REPORT

2017

Eurazeo PME

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	✓	Private							✓
SG End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 09	Encouraging improvements in investees	✓	Private	✓	✓					
PE 10	ESG issues impact in selection process	✓	Private	✓						
PE 11	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 12	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 13	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 14	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 15	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 16	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 17	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 18	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 19	Approach to disclosing ESG incidents	✓	Private							✓
PE End	Module confirmation page	✓	-							

Eurazeo PME

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2 Additional information. [Optional]

Eurazeo PME is an investment firm and subsidiary of Eurazeo dedicated to majority investments in French SMEs with an enterprise value of less than €200 million. Eurazeo PME acts as a long-term shareholder, providing its portfolio companies with all the financial, human and organizational resources they need for a durable transformation. It guides its portfolio companies in creating sustained and, hence, responsible growth. This commitment is formalized and deployed through a CSR (Corporate Social Responsibility) policy.

In 2016, Eurazeo PME generated €965m in consolidated revenues and accompanied the development of the following companies: AssurCopro, Dessange International, Léon de Bruxelles, Péters Surgical, Colisée, Vignal Lighting Group, Flash Europe, MK Direct Group, Orolia and The Flexitallic Group and Fondis Bioritech as a minority shareholder. These companies are solidly positioned on their market and led by experienced management teams.

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

15

6

OO 02.4 Additional information. [Optional]

Eurazeo PME has a single main site in Paris (headquarter office).

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2016

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM			404	900	000
Currency	EUR				
Assets in USD			433	325	401

OO 06 **Mandatory** **Public** **Descriptive** **General**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 How you would like to disclose your asset class mix.

- as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	100	0
Property	0	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

To consult the detailed Eurazeo PME's asset class mix as of December 31, 2016, please refer to the 2016 Eurazeo Registration Document and Eurazeo PME Annual Report, which will be available from April 2017.

Gateway asset class implementation indicators

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Private equity
- None of the above

OO 11.3 Additional information. [Optional]

Eurazeo PME has no externally managed assets classes.

Eurazeo PME

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Code of Ethics <input checked="" type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<div style="background-color: #0070C0; color: white; padding: 2px;">other (2) description</div> Deontology Code	

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

Article 225 of the Grenelle II Act

Other, specify (2)

other (2) description

Sustainable Development Goals (SDGs)

Other, specify (3)

other (3) description

Sustainability Accounting Standards Boards (SASB)

None of the above

No

SG 01.6 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

In 2014, Eurazeo PME disclosed its comprehensive CSR strategy, incorporating quantified objectives for 2020. This CSR strategy is divided into four actions: invest responsibly, establish exemplary governance, create sustainable value and be a vector of change in society.

At the heart of Eurazeo PME's value creation model, CSR is integrated into every stage of the investment process: phase of identification of investment opportunities, during the transformation phase, and at the exit phase. The CSR strategy thus includes quantitative goals for the year 2020, including the following:

- . 100% of due diligence procedures in the advanced phase incorporate a CSR section
- . 100% of portfolio companies complete CSR reporting
- . 100% of divestments include CSR information

To conduct its responsible investment approach, Eurazeo PME also uses complementary documents:

- . a Code of ethics
- . a Deontology code
- . an anti-fraud and anti-corruption good practices guide

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

<http://www.eurazeo-pme.com/en/responsibility/strategy-and-objectives/csr-strategy/>

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<http://www.eurazeo-pme.com/en/responsibility/>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<http://www.eurazeo-pme.com/en/responsibility/>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<http://www.eurazeo-pme.com/en/responsibility/>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

<http://www.eurazeo-pme.com/en/responsibility/>

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Code of Ethics

URL/Attachment

URL

URL

<https://www.eurazeo.com/wp-content/uploads/2016/06/Code-dethique-vfinEN.pdf>

Attachment (will be made public)

Other, specify (2)

Other, specify (2) description

Deontology Code

URL/Attachment

URL

URL

<https://www.eurazeo.com/en/responsibility/csr-strategy-and-2020-objectives/establish-exemplary-governance/fair-trade-practices/>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.4 Additional information [Optional].

The CSR strategy, quantified objectives for 2020 and annual results are publicly available on Eurazeo PME's website. This information is also available in the Annual Report.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

 Yes**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

To manage potential conflicts of interest in the investment process, Eurazeo PME uses its code of ethics, deontology code and anti-fraud and anti-corruption good practices guide. These three documents define the concept of conflict of interests, explain what is at stake, give examples and describe the appropriate behaviour and procedures to follow.

The Code of ethics especially identifies the various issues and situations that employees and stakeholders are liable to face, indicating the procedure to follow and whom to contact. In situations where risks of conflicts of interest are identified, employees can consult a Compliance Officer. The Code of ethics has been signed by all Eurazeo PME's employees as of the end of 2015.

These three documents also serve as a tool for portfolio companies, provide them with information and best practices on the subject, and can be adapted to their own needs.

 No

Objectives and strategies

SG 05**Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

Governance and human resources

SG 07**Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - CSR Director**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Eurazeo PME's CSR governance is provided by a CSR Department, attached to Eurazeo and composed of 4 full-time associates, which reports to the Eurazeo Secretary of the Executive Board. The Eurazeo's CSR department is driven by a CSR Director. Thanks to a set up within Eurazeo, investment analysts and teams are highly involved into ESG incorporation and engagement processes.

Within portfolio companies, the CSR progress plan includes the appointment of a CSR manager and the inclusion of CSR issues on the agenda of meetings of the Supervisory Board or the Board of Directors at least once a year.

For some cases or specific subjects, Eurazeo PME can call on external service providers to help the company to get the necessary expertise. Investigations are outsourced to external providers when specific skills are required (lawyers, IT specialists, etc.). These experts are usually called during CSR due diligences. As an example, when a specific risk is identified, specific external audit work can be identified and is being outsourced to external and independent specialists.

Investor relations associates within Eurazeo are in charge to communicate ESG activities of Eurazeo PME and portfolio companies as well as annual results with regard to its CSR strategy to investors. This communication is made through newsletters dedicated to investors communication, but also through road-shows and conferences. In 2016, one road-show and several RI meetings were held with RI analysts and investors aware of these subjects.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

4

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- . Joined the initiative in 2011 and publish an annual RI transparency report since then.
- . Attended conferences as a participant, such as the annual Responsible Investment Forum.
- . Use UN PRI studies, publications, etc.

. Participated in the LP DDQ redaction

AFIC – La Commission ESG

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Olivier Millet, Chairman of the Executive Board of Eurazeo PME, played a key role in the creation of the AFIC's (Association Française des Investisseurs pour la Croissance - French Association of Investors for Growth) Sustainable Development Club, which was replaced by the ESG Commission (Environment, Social and Governance) in 2013. Olivier Millet has been Chairman of this ESG Commission until 2015.

Eurazeo PME is highly involved in reflections workshops and working groups organized by the ESG Commission.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

. Erwann Le Ligné, a member of Eurazeo PME's Executive Committee, is a member of the Invest Europe Responsible Investment Roundtable

- . Attended conferences or assisting to events as a participant
- . Use of EVCA studies, publications, etc.

- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2015, Eurazeo PME reasserts its market leadership and continues CSR integration at the very heart of its model, whose aim is linking economic, social, societal and environmental variables, by disclosing its first integrated report. A third integrated report will be published in 2017.

Eurazeo PME thus becomes the first company in the private equity sphere, and among the pioneers in France, to adopt integrated reporting.

- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

. Disclosing the UN Global Compact annual COP (Communication On Progress), submitted in the Advanced category (2015 and 2016)

. Attended conferences as a participant

. Use of UNGC studies, publications, etc.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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Chairman of the Eurazeo PME Executive Board since 2005, Olivier Millet has also been Chairman of AFIC (the French Private Equity Association) since May 2016. He was also Vice-Chairman of AFIC (2014-2016) and Chairman of AFIC's ESG Commission from 2009 to 2015.

Erwann Le Ligné, member of Eurazeo PME's Executive Committee, has made some presentation in the MEDEF (Movement of the Enterprises of France) concerning the integration of CSR in the investment business.

Eurazeo PME also regularly participates to the activities and reflections carried out by the IIRC.

Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 12.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
 - Allocation between asset classes
 - Determining fixed income duration
 - Allocation of assets between geographic markets
 - Sector weightings
 - Other, specify
Eurazeo PME integrates CSR at all stages of the investment cycle: during acquisition, support and divestment phases
- We do not consider ESG issues in strategic asset allocation

SG 13	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 13.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change

SG 13.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Launch of the "Carbon Initiative 2020" (or iC20)

None of the above

SG 13.3 | Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify

other description

Measurement of avoided carbon impacts in portfolio companies

None of the above

- Resource scarcity
- Technology developments
- Other, specify(1)

other description (1)

Consumers-social trends

- Other, specify(2)

National, European and international regulatory trends

- None of the above

SG 13.5 | Additional information [Optional]

During the detection of investment opportunities, long-term trends provides a twofold contribution:

. the consideration of environmental, social and societal developments enriches the prospective analysis of different sectors and economic trends. This helps identify new opportunities in areas as diverse as energy, the service economy, recycling and waste treatment;

. the appraisal of a target acquisition in respect of environmental, social, societal and governance issues can help improve the understanding of the risks and opportunities, thereby increasing the ability to forge strong convictions in the selection of investments.

During the transformation phase, long-term trends are also taken into account for the integration of CSR issues into companies' activities and the deployment of improvement plans. ESG trends are also considered to potentially adapt activities to the evolving context in which companies are operating.

Besides, as a long-term investor, Eurazeo PME seeks to value the impact of its actions on social and environmental issues in order to demonstrate that businesses can use CSR policies to leverage their performance and value creation. Eurazeo PME has accordingly decided to establish a methodology for assessing avoided impacts and determining the financial effects in partnership with a specialized firm. Three companies were included in the first assessment, and two others have joined in 2016: Groupe Colisée, Dessange International, Léon de Bruxelles, Péters Surgical and Vignal Lighting Group. 4 indicators were measured within the various companies, three relating to environmental issues (water, energy, fuel), and a fourth bearing on the social aspect (absenteeism). Eurazeo PME's goal is to gradually extend this analysis to all of its portfolio companies, and to conduct year-on-year performance monitoring.

Eurazeo PME

Reported Information

Public version

Direct – Private Equity

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PE 03	Voluntary	Public	Descriptive	PRI 1-6
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PE 03.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
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Eurazeo PME believes that the implementation of a CSR approach is an integral part of its role as a responsible shareholder. Since 2008, the CSR commitment is enhanced by integrating environmental, social and governance (ESG) criteria into investment activity.

In an increasingly complex and demanding environment, Eurazeo PME continues to roll-out its commitment adopting since 2014 a CSR strategy in 4 pillars, each including quantitative targets for 2020, focused on continuous improvement and extending well beyond the sale of its investments.

CSR strategy has been specifically designed to meet the challenges of the responsible shareholder trade of Eurazeo PME, and in order to embody its commitment to a patient capitalism. It also provides an operational framework for portfolio companies: indeed, it includes a CSR roadmap they can deploy and adapt to their specific structures and sectors.

PE 04	Mandatory	Public	Core Assessed	PRI 2
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PE 04.1	Indicate if your organisation's investment guidelines for private equity refer to responsible investment.
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Our investment guidelines do refer to responsible investment

PE 04.2	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].
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- The in-depth examination of a target acquisition in terms of environmental, social, governance (ESG) and supply chain factors adds to the understanding of risks and opportunities and the ability to forge solid convictions when selecting investments. The main purpose of the analysis is to assess the ESG performance, as well as the company's maturity and the opinion of its stakeholders on the importance given to these issues.
- Following the CSR analyses coordinated by the Eurazeo CSR department, a summary report procedure is initially scheduled with the investment team responsible for analyzing the target company. The summary report presents the material issues and is discussed during the presentation to the Investment Committee and includes the list of potential alerts and whether or not the position is favourable vis-a-vis CSR.
- The ESG strategy is systematically included in Eurazeo PME's Letter of Interest (LOI). The LOI always mentions that the target company has to commit to the CSR Strategy of Eurazeo PME, and conduct an annual CSR reporting. ESG issues are also systematically included into the Shareholders Agreement.

Our investment guidelines do not refer to responsible investment

We do not have investment guidelines

Fundraising of private equity funds

PE 05	Mandatory	Public	Core Assessed	PRI 1,4,6
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PE 05.1

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

PE 05.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

PE 05.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

A CSR Reporting is organized each year and is included in all annual publications such as the Annual Report (also available on our website). These documents are send to LPs. Moreover, some specific information about CSR are included in some regular communications with LPs. ESG information is also published in the dataroom.

- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

PE 07

Mandatory

Public

Gateway

PRI 1

PE 07.1

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

PE 07.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

The in-depth examination of a target acquisition in terms of environmental, social, governance (ESG) and supply chain factors adds to the understanding of risks and opportunities and the ability to forge solid convictions when selecting investments.

The main purpose of the analysis is to assess the ESG performance, as well as the company's maturity and the opinion of its stakeholders on the importance given to these issues.

The objective is therefore to study the company from three angles:

- The target company's performance itself;
- The positioning of companies in their sector of activity;
- The point of view of stakeholders.

The method used is based on the materiality principle. A specific analysis is conducted based on an internal risk matrix and a materiality tool developed by the Sustainability Accounting Standards Board. This analysis thus provides a list of material issues to be investigated as part of the investment decision and the definition of a post-acquisition action plan.

Projections are also formulated in order to measure any potential exposure of the target company to risks or opportunities. These studies are carried out systematically when a material climate change issue is involved.

By way of example, in 2016, climate change risk exposure studies were also conducted for acquisition dossiers based on recognized indices for flooding, water and energy access, and seismic risk.

Eurazeo PME's risk matrix is prepared jointly with the Eurazeo Internal Audit Department.

No

PE 07.3	Additional information. [Optional]
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Following the CSR analyses coordinated by the Eurazeo CSR department, a summary report procedure is initially scheduled with the investment team responsible for analyzing the target company.

The summary report presents the material issues, how they have been taken into account by the company given their materiality and lastly, the areas to be investigated during comprehensive due diligence procedures carried out internally or externally and/or following the acquisition.

This summary is discussed during the presentation to the Investment Committee and includes the list of potential alerts and whether or not the position is favorable vis-a-vis CSR.

CSR is included in the Shareholders' Agreement (commitment to the Eurazeo PME CSR strategy and completion of CSR reporting) on acquisition.

During the post-acquisition phase, an action plan based on the material issues identified and a roll-out schedule for the "7 CSR essentials" of the Eurazeo PME CSR strategy is determined with the company in tandem with the appointment of a CSR manager in the first year, the creation of an operational CSR Committee and the deployment of CSR Reporting.

PE 08	Mandatory	Public	Core Assessed	PRI 1,3
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PE 8.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
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- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

PE 8.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
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Following the CSR analyses coordinated by the Eurazeo CSR department, a summary report procedure is initially scheduled with the investment team responsible for analyzing the target company.

The summary report presents the material issues, how they have been taken into account by the company given their materiality and lastly, the areas to be investigated during comprehensive due diligence procedures carried out internally or externally and/or following the acquisition.

This summary is discussed during the presentation to the Investment Committee and includes the list of potential alerts and whether or not the position is favorable vis-a-vis CSR.

CSR is included in the Shareholders' Agreement (commitment to the Eurazeo PME CSR strategy and completion of CSR reporting).

Post-investment (monitoring)

PE 11

Mandatory

Public

Gateway/Core Assessed

PRI 2

PE 11.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 11.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 11.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

Environmental

List up to three example targets of environmental issues

Complete a Greenhouse Gas (GHG) footprint or environmental footprint at least once every 3 years
Decreased the carbon emissions as a proportion of EBITDA
Increase the recycling rates

Social

List up to three example targets of social issues

Conduct a social barometer at least once every three years
Share value created or company profits with employees
Improve the protection and well-being of employees

Governance

List up to three example targets of governance issues

At least 40% women on the Board
At least 30% independent Directors on the Board
Put into place a Board-level Audit Committee and a Compensation Committee

We do not set and/or monitor against targets

No

PE 11.4

Additional information. [Optional]

At the heart of Eurazeo PME's value creation model, CSR is integrated into every stage of the investment process: phase of identification of investment opportunities, during the transformation phase, and at the exit phase.

To facilitate the implementation of a value-creating CSR approach, Eurazeo PME has laid down a CSR roadmap (corresponding to the third part of the CSR strategy) made available to all its portfolio companies. Eurazeo PME aims is to see it deployed by all of portfolio companies by 2020. The roadmap has three major objectives for 2020:

- provide a solid CSR foundation:100% of portfolio companies to have deployed the 7 Eurazeo's "CSR essentials". In 2016, 73% of Eurazeo PME's portfolio companies under a CSR reporting have deployed the 7 "CSR essentials".

- identify the challenges and opportunities of sustainable performance:100% of portfolio companies to have quantified CSR progress targets. In 2016, 43% of Eurazeo PME's portfolio companies under a CSR reporting have quantified CSR progress targets.

- accelerate and maintain sustainable value creation:100% of portfolio companies to be involved in at least one CSR acceleration program. In 2016, 100% of portfolio companies under a CSR reporting are involved in at least one CSR acceleration program.

PE 12

Mandatory

Public

Core Assessed

PRI 2

PE 12.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 12.2

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 12.3

Additional information. [Optional]

Through its CSR strategy, Eurazeo PME is able to measure the proportion of portfolio companies that have an ESG/sustainability-related policy (or similar guidelines). For example, it annually measures the number of portfolio companies that perform CSR reporting (100% in 2016), appoint a CSR manager (100% in 2016), create an operational CSR committee (86% in 2016) or having quantified CSR progress targets (43% in 2016).

Other indicators included among the 160 indicators of the CSR reporting framework allow to follow the number of portfolio companies that have an ESG/sustainability-related policy (or similar guidelines), such as the number of companies which have a CSR charter, code of ethics, ESG policy, etc. These indicators are not publicly disclosed but are deeply analysed by the Eurazeo CSR department and participate to the definition of CSR progress plans with portfolio companies.

Communication

PE 18	Mandatory	Public	Core Assessed	PRI 6
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PE 18.1 Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly

provide URL

<http://www.eurazeo-pme.com/index.php/eng/Financial-Information/Annual-report>

PE 18.2 Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.

- Yes

PE 18.3 Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

PE 18.4 Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients(LPs)/beneficiaries.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

PE 18.7 Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]

A CSR Reporting is organized each year and is included in all annual publications such as the Annual Report (also available on our website). These documents are send to LPs. Moreover, some specific information about CSR are included in some regular communications with LPs. ESG information is also published in the dataroom.

- No
- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries