



Year 2019

Statement on Extra-Financial Performance

FROJAL

**LEFEBVRE
SARRUT**

2018 Financial Year

FROJAL - Lefebvre Sarrut

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FROJAL – LEFEBVRE SARRUT: A family story

Our story

Our Group came into being in 1999, after two families came together:

- The LEFEBVRE family, seeking to take forward the legacy of their grandfather, was a hard-hitting publishing and training group in the tax and accounting law field;
- The SARRUT family, for whom the success of Editions Législatives and Elégia earned them recognition as an indispensable player in the company law field.

These two families progressively incorporated around themselves a number of renowned companies in the fields of law, accounting and training in Europe.

This history is what makes us a Group that is characterised by person-centred entrepreneurial and family values.

Our mission

The mission of our Group is to offer its customers services that enable them to consolidate, develop and also extend their knowledge through market-renowned documentation and training services, whose added value is primarily based on excellence.

In an economic and regulatory environment that is increasingly 'VUCA' (Volatile, Uncertain, Complex & Ambiguous), we act as a trusted partner, offering high added-value services that support our customers in their daily activities and in the transformation of their core businesses.



Our ambition



To become the leader in Europe for enhanced knowledge services. Being an actor in the knowledge economy means being an actor in an economy that is inexhaustible! In fact, as long as it is shared, knowledge never runs out... Quite the opposite, it increases.

We approach this ambition from the standpoint of a long-standing, trusted partner in the field of documentation solutions and training services for companies and for the legal, tax and regulatory professions.

Our vision

We develop our activity within the context of societal and digital transformations impacting our customers.

Automation and new forms of interactivity made possible by digital technologies are effecting profound changes within our market, and additionally, markets are becoming more complex, relationships are increasingly legally framed and above all, compliance obligations exist.

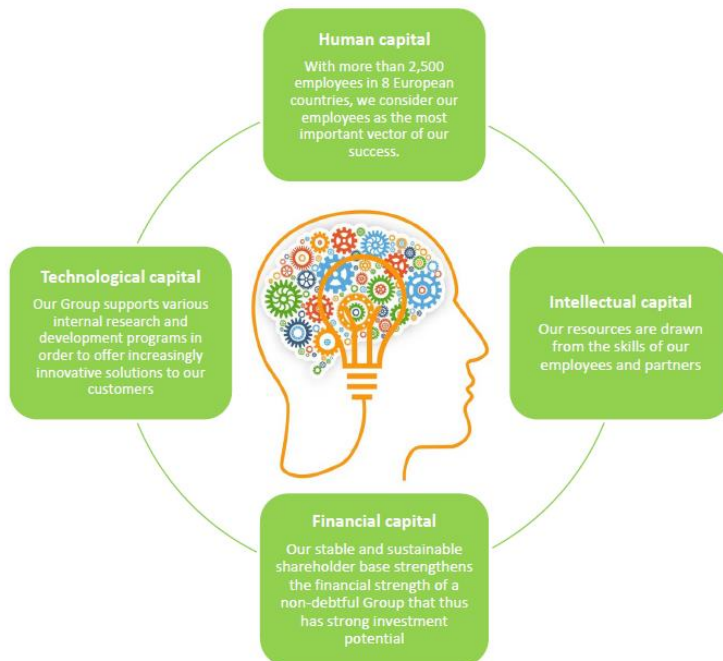
Whether they are corporate lawyers, advocates, notaries, accountants or CFOs, or whether HRDs or SME bosses, fast access to accurate information and its correct usage are often a guarantee of success for our customers. And any service positioned to facilitate this use of information - predictive support, customized and on-demand training - are all assets for the development of our customers.

This vision has also been adapted over the years to take into account the human and environmental aspects of our society. We are committed to a responsible approach because we believe that our activity needs to have a positive impact on society as a whole and on the environment, and that corporate social responsibility is a driver of performance and value creation.



Our value-creation process

➤ Our resources



To respond to these changes and ensure the long-term success of our value-creation process, we rely on four essential factors.

➤ Our strengths



The value of our Group is based on potent strengths - our shareholders, our brands, our content, our experts and talent and also our customers.

These are the strengths we rely on to build our value process.

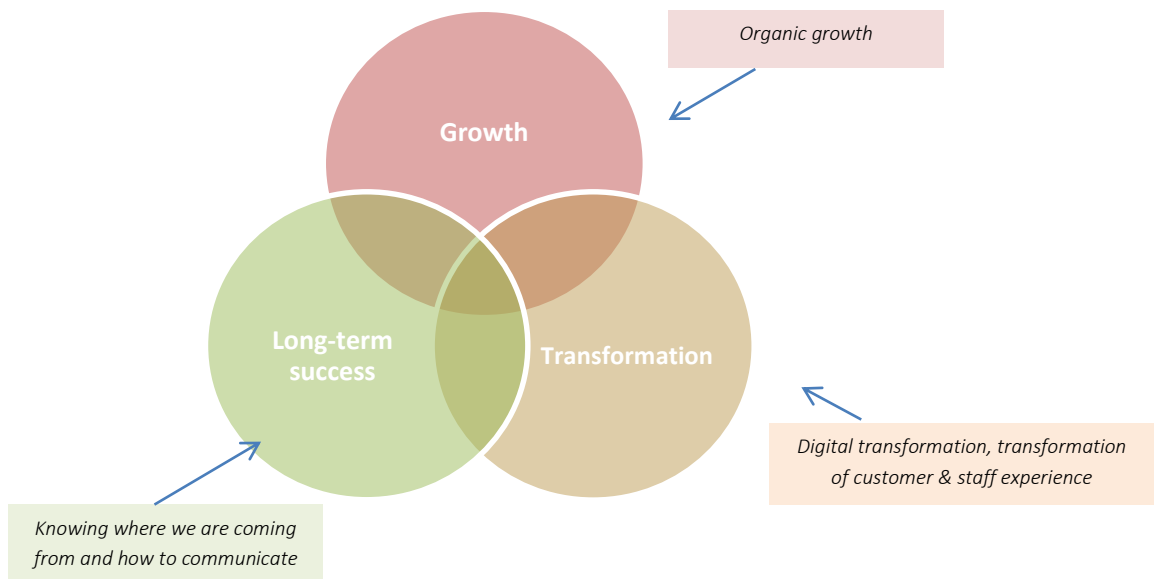
Thanks to them, our Group can respond to the major changes in our environment brought about by the development and evolution of technology.

➤ Our growth strategy

To establish our corporate strategy, we started from findings within our markets:

- The changing requirements and expectations of customers;
- Solutions that are increasingly focused on technology and data;
- A new world requiring new skills and new behaviours.

We used this analysis to develop an overall strategic vision based on:



Our markets



Companies

We work with Legal Departments, Human Resources and Training Departments, Administrative and Financial Departments and also with the General Management of companies, whatever their size.

The evolution of regulatory and standards environments imposes increasingly complex compliance and monitoring requirements upon them. We support them every step of the way in this process.

Regulated professions

Lawyers, accountants, notaries, bailiffs, magistrates ... These have always been our customers and even if each of these professions has their own characteristics, they are all being impacted horizontally by similar transformation phenomena. Our role is to support them, both through innovation and through customised attentiveness to their concerns.

Public-sector actors and State departments

The state sets down laws and standards, ensuring these are complied with. In this regard, we have been one of its trusted partners since our inception. Alongside the bodies created by the State, we are working for example on the challenges of Open Data to strengthen digital access to public data for all.

Our subsidiaries, our brands, our core businesses



Our Group is currently structured around two core businesses, professional publishing (legal, tax and regulatory) and professional training.

For a number of years, we have been developing new activities to offer our customers innovative services closer to their needs.

Currently present in eight countries, we are a key player within French and European markets. Each of our brands is a leader in the country in which it is present.

➤ **Legal, tax and regulatory publishing**

The subsidiaries of the Publishing Division are as follows:

- **Editions Francis Lefebvre:** tax, legal and accounting publisher for companies and lawyers. The creator of Memento, a practical and essential tool for legal and accounting professionals, publisher of the Navis and Inneo portals and software solutions for accountants, notaries, lawyers and companies.
- **Editions Législatives:** publisher of the ELnet portals, creator of the Dictionnaires Permanents for companies and particularly HR professionals, accountants, real estate professionals, social action and HSE, administrations and more generally all legal professions.
- **Editions Dalloz:** publisher of a wide range of works, codes, reviews, encyclopaedia, portals and digital solutions for lawyers and other law professionals, students and academics, and administrations. Its Juris Edition department is a reference for non-profit organisations.
- **Sdu :** the second largest legal publisher in the Netherlands, with a wide range of digital and paper offerings (databases and online services, tools and software, mobile applications, magazines and books) for lawyers, companies, tax specialists, and public actors, including the central government and local authorities. Sdu also runs events and seminars.
- **Lefebvre:** foremost legal publisher in Spain, resulting from the merger between the subsidiary created in Spain in 1989 by Editions Francis Lefebvre and El Derecho Quantor, acquired in 2010. Lefebvre offers a wide range of paper-based and digital documentation, including in the mobility field, for legal and accounting professionals.
459 employees, EUR 39 M in turnover (with EUR 0.4 M of turnover from its training activities)
- **Lefebvre Sarrut Belgium,** with the brands:
 - **Larcier:** thanks to its prestigious professional legal publishing brands, Larcier proposes documentary solutions tailored to the specific needs of all legal practitioners in Belgium, Luxembourg and France (lawyers, magistrates, notaries, company lawyers, etc.). Larcier also assists economic and HR professions in Belgium.
 - **Indicator:** legal publisher for SMEs and their boards. Indicator offers valuable, clear and expert advice on changes to regulations and case law through its advice letters and associated portals, in addition to practical and directly applicable cases.
 - **Intersentia:** renowned Dutch legal and accounting publisher. Intersentia publishes many monographs and prestigious reviews in Dutch and English for Belgian and international academic and professional markets.
- **Giuffrè Francis Lefebvre:** market-leading legal publisher in Italy, partnering law and tax professionals with publishing content and innovative services that are continually informed by the actual needs of its customers. The company is the result of a merger between the subsidiary established in Italy by Editions Francis Lefebvre and the company Giuffrè Editoré, acquired in 2017.
- **juris:** the leading digital legal publisher in Germany, through a joint-venture with the federal government and in partnership with independent publishers.

➤ Vocational training

The subsidiaries of the Training Division are as follows:

- **Francis Lefebvre Formation:** a leader in training programmes for companies, banks and their boards with a catalogue of over 440 training programmes, Francis Lefebvre Formation trains over 20,000 trainees each year. Its customers include two thirds of CAC 40 and SBF 120 companies as well as numerous SMEs in all sectors.
- **Elégia:** leader in social law and human resources training, Elégia also runs training programmes in health, safety, quality, environment, finance, urban planning, construction, real estate management, management and personal development. It hosts around 20,000 participants.
- **Dalloz Formation:** over 500 practical and topical training programmes run for law professionals: lawyers, notaries, companies, accountants, bailiffs, real estate professionals, local authorities, etc.
- **CSP:** CSP supports individual skills development and the collective capabilities of organisations, drawing upon innovative intervention methods and types. CSP runs over 300 inter-company placements in 10 major cross-cutting fields (management, leadership, project management, HR, written and oral communication, professional efficiency, QSE, customer relations/sales, finance/management).

➤ The Group's other activities:

➡ Support activities:

- **Lefebvre Sarrut Services:** created in 2014 to centralise the support functions of the French subsidiaries, particularly sales administration, IT, accounting, manufacturing and part of human resources. This also includes 'Appel Expert'.

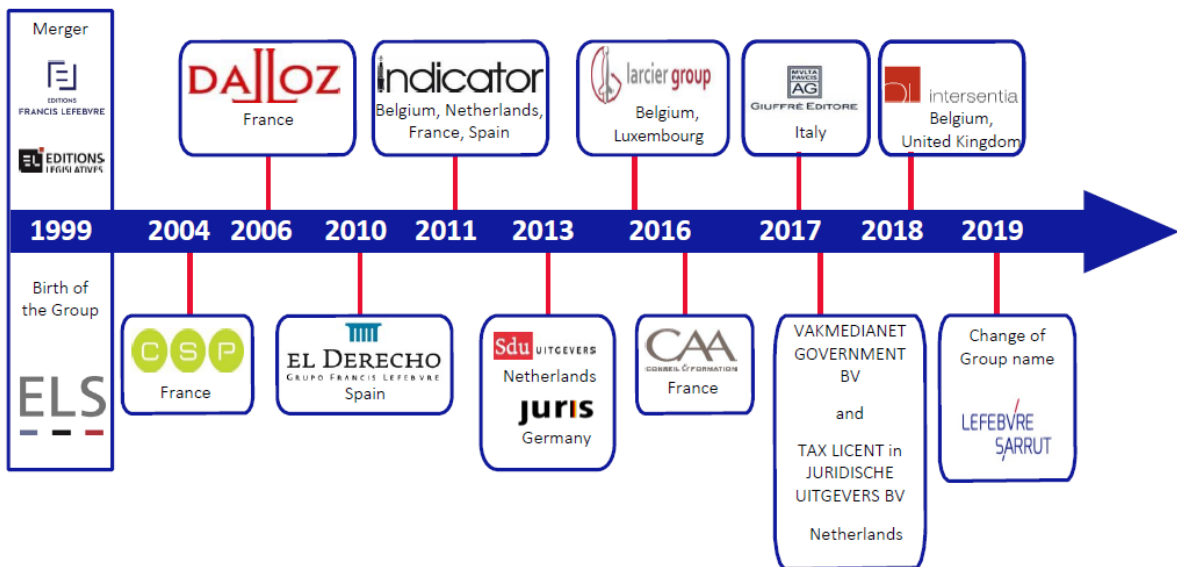
➡ Start-up:

- **I-Lefebvre Sarrut:** created in 2016 to host the Group's innovative projects, including the launch of BtoC mobile training applications ('Smartcoaching'), the development of in-house training academies for companies ('Académie d'Entreprise') and a training search platform ('Keytoform').
- **ELS Partnership:** formed from the cooperation between Editions Lefebvre Sarrut and Rocket Lawyer Incorporated, this subsidiary proposes an online legal assistance platform.
- **Francis Lefebvre e-Compliance:** created in 2018 from the cooperation between Editions Francis Lefebvre, Francis Lefebvre Formation and CMS Francis Lefebvre Avocats, this joint-venture offers an overall compliance assistance online solution.

Our Group in a nutshell...



Constantly growing:

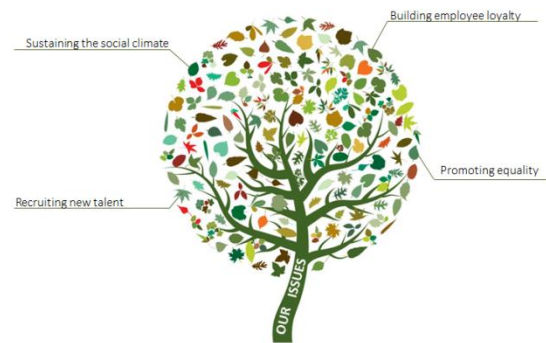


Our values are central to our commitments

1. A person-centred approach

Our person-centred approach means having faith in our employees, which still leaves room for oversight and monitoring of tasks carried out but fosters reassurance and the taking of responsibility. It results in the greatest possible autonomy in assignments and in a working environment in which each individual can demonstrate the greatest possible creativity.

In a changing and sometimes challenging company context, human imperatives must be foremost among our concerns. Our aim is to mobilise and build loyalty among employees. To this end, we make workplace well-being a priority by developing and valuing employee skills and promoting social dialogue and good managerial practices.



Loyalty-building amongst our employees is also essential. Within our companies, internal promotion is prioritised wherever possible. Accordingly, **40 staff members hired on temporary contracts led to the signing of long-term contracts**, **95 employees were promoted** during the year (non-subsidary promotions in the Netherlands) and **11 employees benefited from professional mobility**. Also, in order to promote our core businesses and promote professions, each year the Group welcomes young people for training and as part of their professional accreditation process. In 2018, **27 young people** were able to join our staff through a **sandwich contract** and **another 40** through an **internship**.

In France, through our corporate university, ELS Campus, we offer mechanisms that enable employees to involve themselves in our growth on a long-term basis. For example, we have set up an open access training portal for personal development and professional efficiency.

We have also created a Mobility Centre that allows employees to obtain all the information and support they need for career management. Specifically, it is a platform dedicated to mobility that lists all of the Group's employment offers in one place, together with testimonials from employees who have benefited from mobility. This offer is accompanied by a Mobility Charter which presents the Group's system and streamlines the process, provides a guide on international mobility to help our employees who would like to join one of our companies abroad (Europe) and who need to complete many personal steps, and Personal Branding sessions, to support employees in identifying and enhancing the value of their skill-set.

Our new core business standards have been put in place to facilitate skills and mobility development within the Group. The evolution of our HRIS will enable us, in the coming months, to map jobs and skills in order to identify mobility areas to facilitate the process. A new evaluation system (annual interview, professional interview, training interview, follow-up interview) has also been set up.

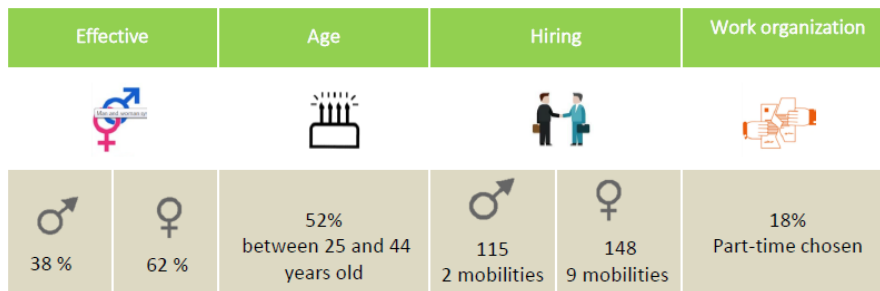
All of these actions enable our employees to play an active role in their career path and to be involved in our projects and growth in a long-term way.

We also foster a **positive social climate that is allied as closely as possible with our core values**. Accordingly, we have chosen a "home-based" approach in order to offer our employees a more family-oriented framework that takes into account the specifics of each country and in particular each company. In like manner, the proximity of our Human Resources teams to the Employee Representative Bodies allows us to implement quality agreements and innovative social advances to benefit our employees.

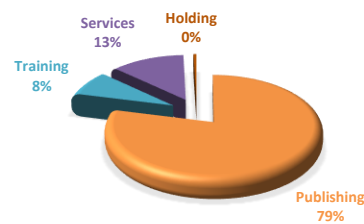
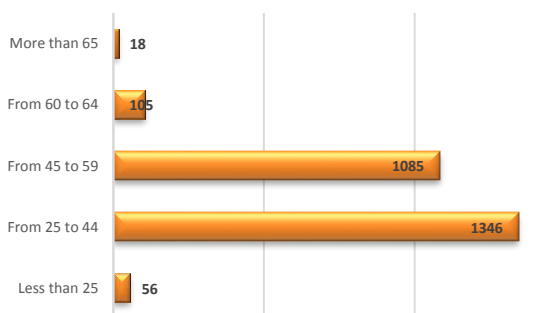
In 2018, the General Management of our subsidiaries held **125 meetings** with Employee Representative Bodies. Additionally, other negotiation meetings resulted in the signature of **18 agreements** on various subjects: social agreement, remote working, the right to disconnect, profit sharing, matching, meal vouchers, wages, etc.

Finally, **the principles of diversity and equal opportunity** are present throughout the employee's career: when it comes to hiring, training, promotion and remuneration, etc. We focus on job fit and skill-set during our recruitment process, which is free of any form of discrimination.

➤ *Presentation of our employees and our social environment:*



The indicated mobility is only for subsidiaries in France and Spain:



As shown in the graphs above, our Group's workforce is predominantly female and more than half of our employees are between 25 and 44 years old. 79% of our employees work for Publishing Division subsidiaries.

➤ *Work/life balance:*

We have put in place measures to focus on the work/life balance of all our employees. Our various working time and remote working agreements mean that everybody can harmonise the two. In France, we also encourage our employees to respect the right to disconnect, which we established formally during negotiations within our various subsidiaries and which we detail in an explanatory guide.

➤ *Workplace health:*

In France, we offer all our employees a health and pension insurance contract so that they benefit from cover on favourable terms and can plan for the future with total peace of mind. Finally, we regularly conduct awareness-raising about workplace ergonomics to prevent musculoskeletal disorders (MSDs). These measures are essential for quality of life in the workplace and much appreciated by our employees, making them all the more willing to give of their best.

Finally, in terms of absenteeism, **4.7 days of absence due to sickness** were counted during the course of 2018.

➤ *Working environment:*

Major overhauls were also carried out in the majority of the subsidiaries to modernize the workspace by incorporating new technologies: co-working, home office, open space, working café, gym, nap room, relaxation area, etc.

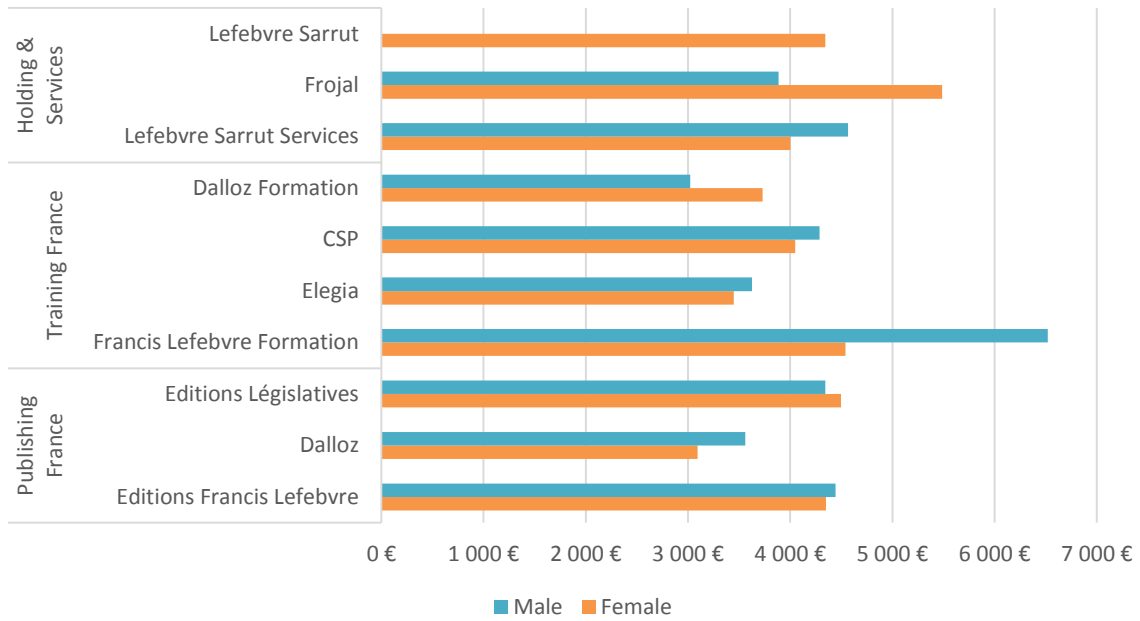
These allow everyone to work in a pleasant environment that promotes comfort, dialogue and well-being at work.

New technologies have a major place within these new spaces. In fact, voice-over-IP, video-conferencing, audio-conferencing and projection screens have been increased to bring the functionality of powerful tools to employees.

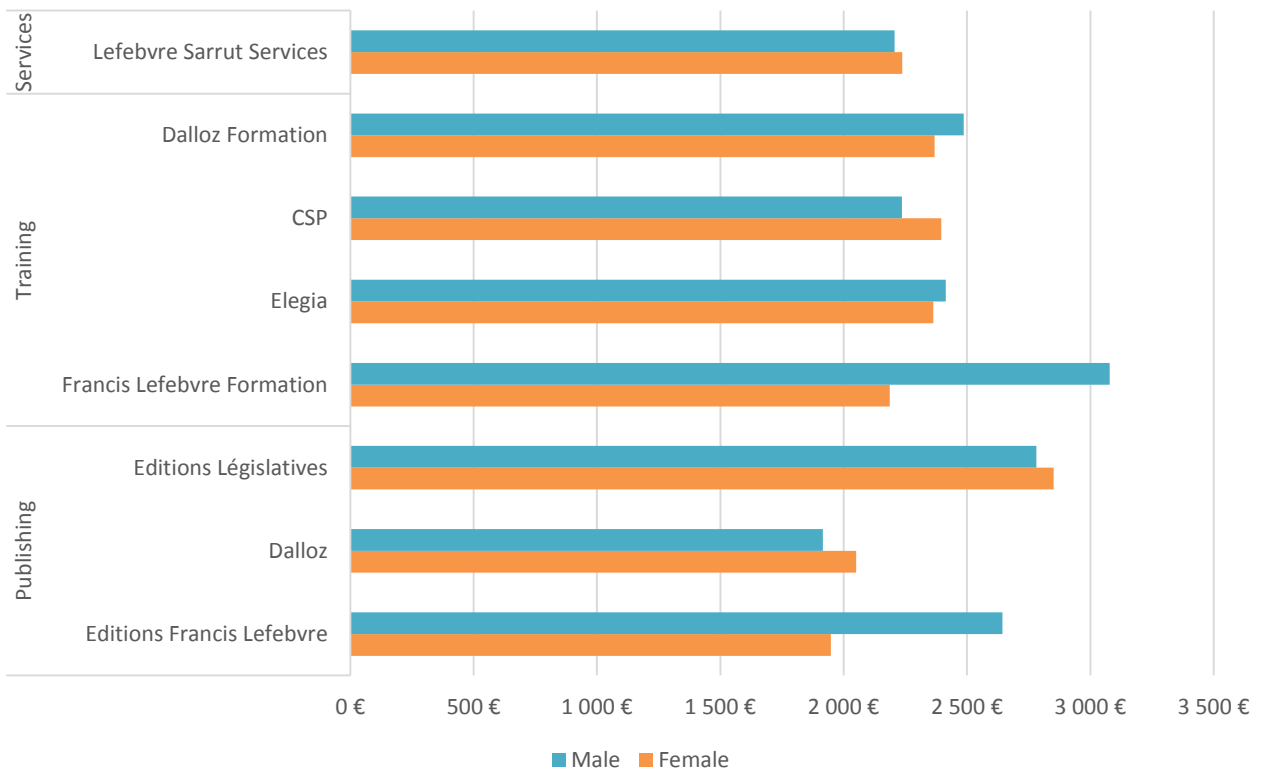
➤ *Redistribution of wealth:*

The contribution of each employee to the Group's positive results is also recognised by financial benefits. Participation and incentivisation agreements and Company Savings Plans offered within subsidiaries are a perfect illustration of this. Furthermore, **remuneration levels** applied within the Group recognise the contribution of each individual at their fair value and are revised in line with their true worth.

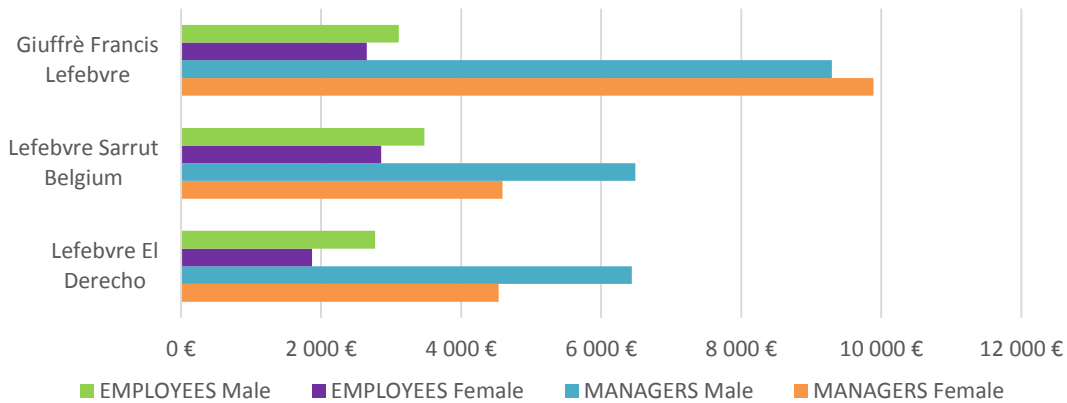
Managerial remuneration - France



Employee remuneration - France



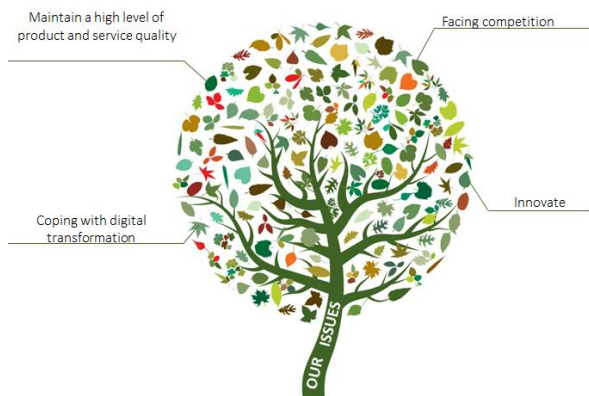
Foreign subsidiaries remuneration



Some data does not appear in the tables above: for ELS Partnership and Lefebvre Sarrut, staff numbers are insufficient to guarantee data confidentiality. The lack of information for SDU is due to the difficulty of specifying the managerial / employee status used for other companies.

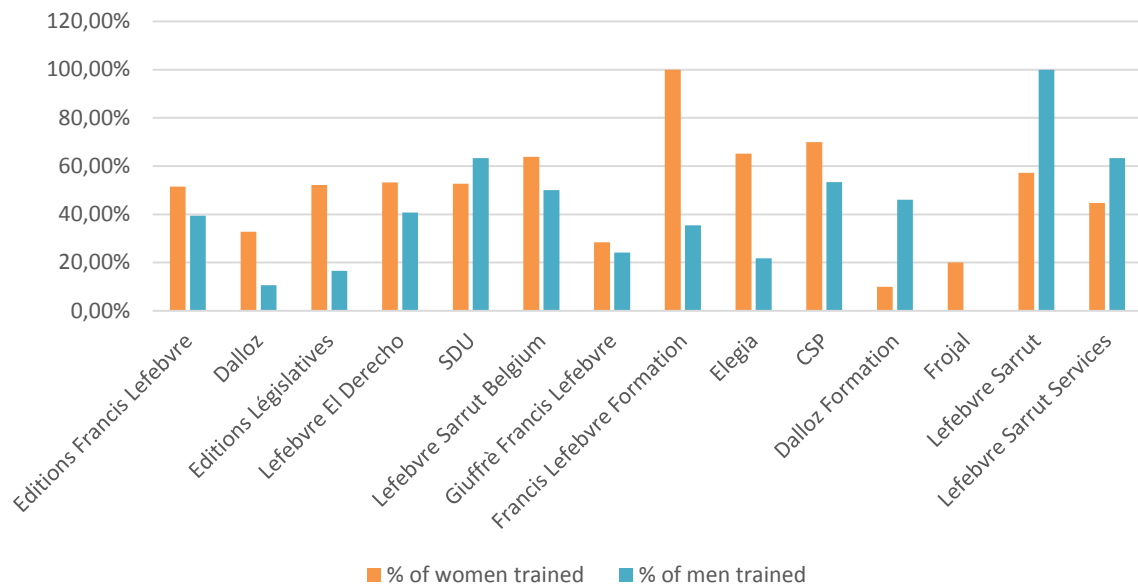
2. Our customers

It is our duty to offer them relevant, high-quality and increasingly personalised solutions. We take a long-term approach to the meeting of their current and future needs and to supporting them throughout their careers. We strive to innovate and be recognised as a benchmark in order to offer new solutions that meet their expectations as closely as possible.



Our strength resides in the reliability of our products and services. Maintaining a high level of quality and innovation in a context of increased competition and free content can sometimes be complicated.

To compete with our rivals and maintain a high level of quality for products and services, we have implemented various measures, including a responsible HR policy that is employee and market-oriented. This is reflected in a training programme that is on a par with our ambitions. The graph below shows the percentage of employees trained by gender and by company.



We have also created our corporate university, ELS Campus. The goals pursued by ELS Campus are to place employees at the centre of their learning, enabling them to play active roles in their training and to offer customised training that meets the business challenges of the business sector and the market. The different formats offered by ELS Campus also allow employees to pursue training in a way that suits their needs.

ELS Campus now offers training courses in key areas of our activity sector: management, project management, IT and writing. Our teams are currently working on a course specifically for sales forces, which will soon be available.

Because our group is increasingly required to work in a cross-cutting way, particularly with the teams from European subsidiaries, we also offer training in English that is adapted to suit the needs and constraints of each individual. We also offer them a smartphone app, Mosalingua, for daily training and/or refreshing of skills.

Digital transformation (of our tools, our practices and our offers) of the market and within our activity sector is vital in order continually to adapt to our environment and to maintain our leadership position. The development of core businesses and the change accompaniment resulting from this calls for considerable effort and a demonstration of creativity and agility to respond swiftly to market transformation needs. Our offers increasingly focus on customisation with "cross-selling" practices and cross-cutting work undertaken by teams within the Group's various companies.

Finally, the modernization of HR tools and practices is essential to focus on the true added value of this function, namely support in the evolution of core businesses and career paths in line with market developments.

All these measures allow us always to adapt the skill-set of our talent to market developments so as to best meet the expectations of our customers.

Within our Group, we also promote **innovation** because we know that it creates value for both our customers and our employees and allows us **to compete with our rivals**. For years, our R&D Department has worked on the design and implementation of ever more innovative new products.

In 2018, we went further and created an Innovation Lab whose missions are foresight, experimentation and support. Through this project, we want to participate in open innovation programmes, design new solutions and services, and facilitate and support start-ups. To this end, we have signed a partnership

with the incubator Village by CA through which we are committed to supporting five start-ups for a 12-month programme.

During that year, Editions Lefebvre Sarrut, Editions Législatives and Dalloz also committed to the "Labour Law Matrix 3.0" programme in partnership with "Ecole 42".

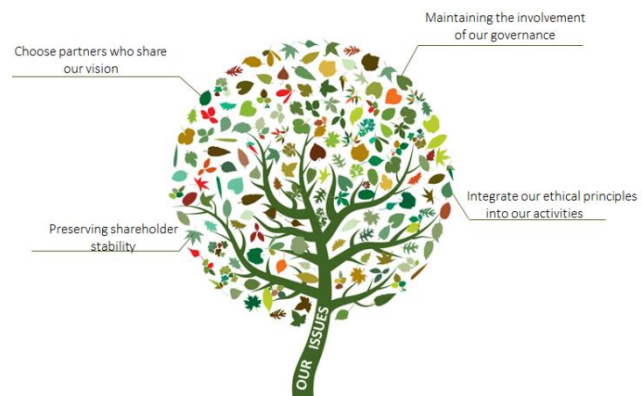
This is a collaborative project whose ambition is to create new digital tools to facilitate the accessibility of labour law. Through this partnership, we have taken an innovative pedagogical approach to broaden the range of options from a technological point of view.

Finally, because within our Group, Innovation is everyone's business, we created a specific event:

The "IdéAction" Awards. Through this competition, we value the creativity of our employees by rewarding them and by executing projects proposed by them each year. Accordingly, in 2018, **1,070 ideas were put forward!**

3. Our growth

Our growth in recent decades demonstrates that we always favour a long-term vision to consolidate our position as a recurrence model and ensure the Group's long-term future, for our customers, our suppliers, our partners and our employees.



However, certain factors could compromise this highly-coveted model of recurrence and long-term success. Partners whose practices are contrary to our values, a shifting shareholder base or failing governance are risks from which we seek to protect ourselves.

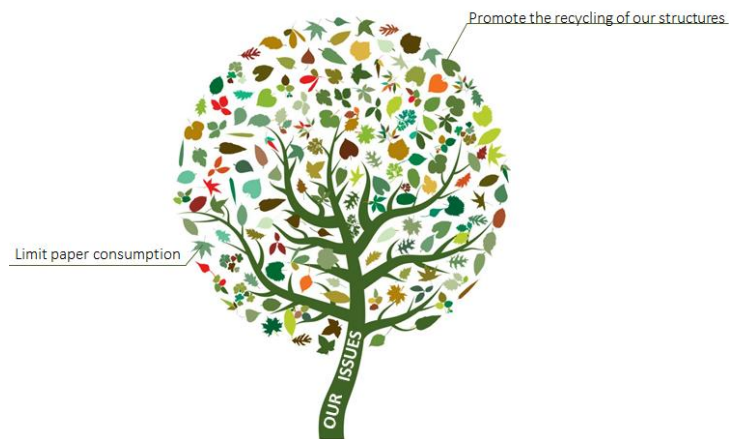
Also, our Group has implemented a **proactive purchasing policy that takes into account social and environmental issues**. Through this policy, we make sure that the companies (suppliers and subcontractors) with which we contract have requirements in terms of Social and Environmental Responsibility (CSR) that are similar to ours.

Our Group also has an ambitious **Ethics Charter** that covers topics such as choice, "Fair Treatment of Suppliers" and "Environmental Responsibility". We invite all our partners to respect these commitments.

Finally, in terms of shareholder base and governance, our shareholders support us on a daily basis and invest every day with us. Our entire economic, financial and social policy is **regularly monitored by Group Governance** through the Audit and Risks Committee, the HR and Remuneration Committee and, above all, our Supervisory Boards.

An environmentally-responsible Group

1. Paper has traditionally been central to our activities



The nature of our business means that our Group is particularly sensitive to issues related to the use of paper and, in the face of environmental risks, it is the duty of everyone to assess the consequences of uncontrolled consumption.

That's why we offer services on digital platforms as well as downloadable books and journals.

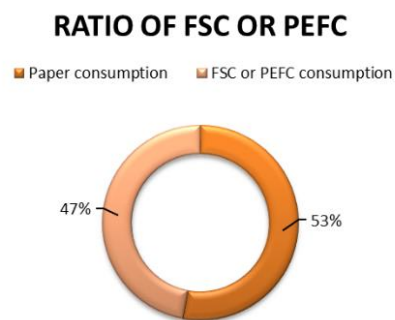
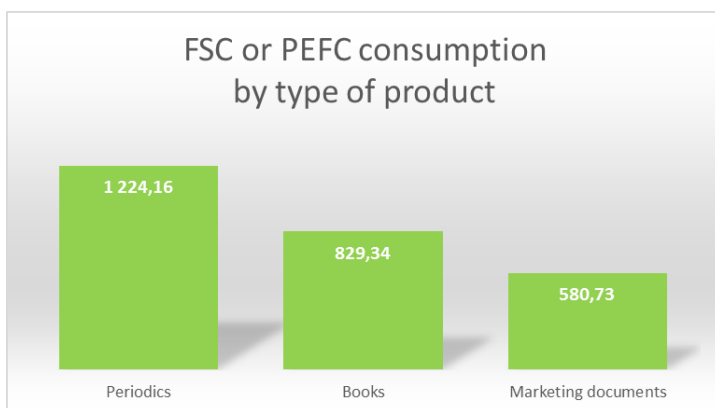
For vocational training, we opt for catalogues in digital versions and those that are accessible through our websites. Similarly, teaching materials are now printed double-sided and have been reformulated to pair them down to core elements or are otherwise offered in digital formats. We also offer a range of distance learning offers to limit our activity's environmental footprint (printing of documents, travel by trainers and trainees).

However, the production of certain books or news content still requires the use of paper, although such consumption is extensively monitored, in our quest to minimise its use.

In France, our Group is a member of Citéo, a State-accredited environmental organization, allowing it to meet its "Enhanced Manufacturer Responsibility" obligation, and to participate in the circular economy of the Paper industry. In 2018, we declared **1,213 tons of paper (67% of which was from sustainably managed forests)**. Our "eco-contribution" was EUR 71,432, providing for the financing of used paper from 57,800 inhabitants and subsequently the manufacturing of 970 tons of new recycled paper.

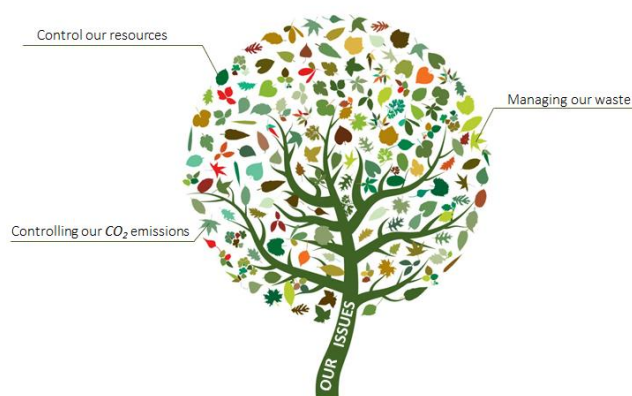
Lastly, to guarantee our customers environmentally-friendly publications, our printers are PEFC1 or Imprim'vert certified. These labels are a symbol of the responsible handling of dangerous waste products, secure storage of hazardous fluids to avoid any accidental pollution, and the exclusion of products labelled 'toxic' in OFFSET workshops.

¹ PEFC Chain of Custody certification is awarded to companies by an independent certification organisation. It is a process for tracking forest products from their place of origin through all stages of transfer and production to the final consumer as a PEFC-certified end product. At each stage, the certified wood must be clearly identifiable in stocks and on companies' documentation. The chain of custody concerns all stages of production – through harvesting, transporting, handling or processing and commercialisation of wood and wood-based products (such as paper). Purchases and sales are therefore monitored and tracked to ensure maximum reliability for final consumers.



The graphs above show our consumption of FSC and PEFC paper by product type as well as their share in our overall paper consumption. Today, more than half of our products are printed on FSC or PEFC paper.

2. Our environmental footprint

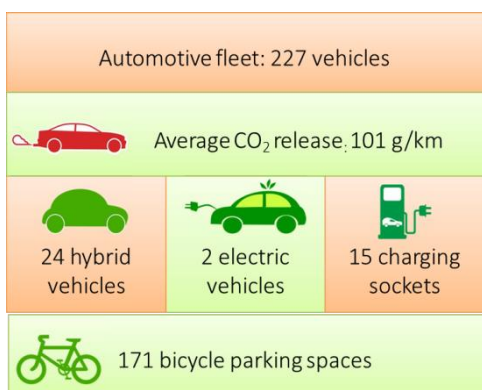


Failure to control our CO₂ emissions, the creation and treatment of waste, and failure to control our resources are all factors representing a major risk for the well-being and equilibrium of our planet and also of our customers, our employees and future generations.

As an environmentally-responsible and committed Group, it is up to us to work on implementing robust, concrete actions so that the development of our activities does not come at the expense of our environment.






➤ Vehicle and transportation fleet:

Our Group has a vehicle fleet composed of over **200 vehicles**. We have initiated a responsible approach to fleet renewal. Accordingly, we now have **24 hybrid vehicles** and **2 electric vehicles**. It is our desire to continue to promote investment in this type of vehicle in coming years.



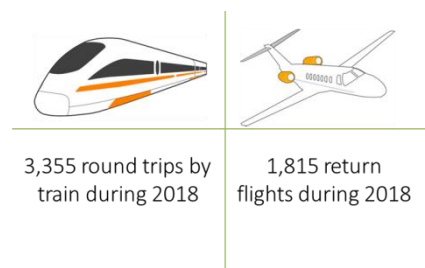
Our main vehicle fleet figures are set out in the diagram opposite.

And detailed below:

"Automotive fleet" data by country of location					
	 France	 Spain	 The Netherlands	 Belgium Luxembourg	 Italy
Number of vehicles :	27	22	67	95	16
- Of which electric	1	-	-	-	-
- Of which hybrid	2	18	4	1	-
Average CO ₂ release (in g/km)	99	92	102	112	130
Number of recharging sockets	9	-	5	1	-
Number of bicycle parking spaces	46	-	75	50	-

A number of bicycle parking spaces have been created at our sites, in addition to recharging points for electric vehicles with dedicated spaces. Additionally, for the past three years, the Group's service vehicles (France and Spain) have been replaced by electric vehicles.

For our transportation policy, the Group encourages low-impact and environmental solutions. All of our sites are located close to public transport (metro stations, train stations, bus stops, etc.). For travelling, we prioritise rail transport wherever possible.








Finally, to save our employees having to travel, we equip our meeting rooms with a video-conferencing system and install Skype Enterprise software on computers. Today, the Group has 19 meeting rooms equipped with video-conferencing facilities.

➤ *Consumables and recycling:*

We are taking the necessary steps to **control our paper consumption**. Accordingly, we have reduced the number of individual printers, programmed automatic double-sided printing, encouraged the non-printing of emails and set up a named-user printing system that reduces paper wastage (only in France).

Additionally, since 2017, in France we offer all our employees virtual pay slips using a digital safe, which considerably reduces paper usage.

The following table shows **annual consumption data for reprographic paper**:

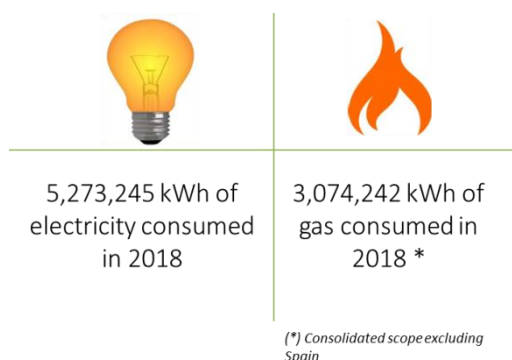
Annual consumption of reams of reprographic paper: 23,568					
	 France	 Spain	 The Netherlands	 Belgium Luxembourg	 Italy
Paper weight (in g/m ²)	75	80	75	80	75
Annual consumption of reams per employee	9,76	7,74	7,03	10,14	14,35
Annual volume of recycled paper (in kg)	31 703	-	5 963	1 020	-






At the other end of the chain, we also encourage the **reprocessing of our waste**. Initiatives have been taken within our various subsidiaries in France and in Europe.



➤ *Fuels and fluids:*

Internally we ensure optimal usage of the resources available to us, particularly as regards **electricity and gas consumption**.



Annual electricity / gas consumption by country of location					
	 France	 Spain	 The Netherlands	 Belgium Luxembourg	 Italy
Annual electricity consumption (in kWh)	2 643 713	515.799	1 147 106	409 759	557 334
Annual gas consumption (in kWh)	1 682 745	N.C*	639 722	393 626	358 149

(*) Not concerned

In France, the electricity that we consume comes from:

- Nuclear: 85.9%
- Hydro: 5.3%
- Gas: 3.7%
- Coal: 1.9%
- Fuel oil: 1.3%
- Other renewable energies: 1.9%

In terms of electricity consumption, as part of site renovation, we replace all energy-hungry appliances with greener solutions. For example, all lighting systems are replaced by low consumption LED fittings. Similarly, automatic switching on of lighting in rooms without windows has already been implemented by our French and Belgian subsidiaries.

Automatic switches (timers, presence detectors) are also being introduced to limit consumption. Old heating systems are also being replaced by low-consumption systems.

3. Biodiversity



Although our activities do not present risks for the preservation of biodiversity, the Group is particularly sensitive to this issue and promotes, to the extent of its abilities, **actions promoting ecosystem preservation**.

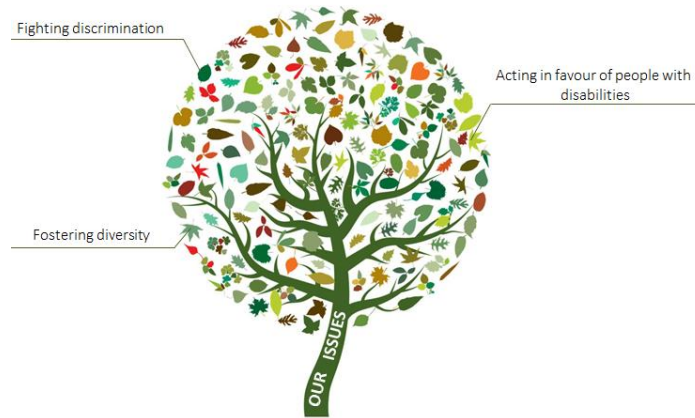
Hives are accordingly being introduced into our green areas (Levallois), and company allotments have also been created at our Montrouge site. Since our sites are predominantly located in urban environments, our actions are for the moment limited but other measures are under study.

A unified Group

1. Our social commitment

"He who accepts evil without fighting against it cooperates with it". This expression by Martin Luther King symbolises our vision of the fight against discrimination.

Allowing discrimination, of any kind, to have free reign within our Group is a risk that we will neither accept nor tolerate. By the same token, we take the view that diversity is opportunity and that depriving ourselves of it would penalize us.



Also, even though we scrupulously comply with the legislation in force in each of our host countries, we have gone further by putting in place an effective policy to fight all forms of discrimination, corruption and conflicts of interest. These principles, and other **core ethical values**, are included in the Group's **Ethical Charter** which is intended for all employees, and also for suppliers and customers.

We also wish to **promote diversity** within our Group. The HR France teams have, in this regard, been trained on non-discrimination in recruitment practices.

We are convinced that the diversity of our talent is an asset for us. Accordingly, we strive to hold on to this asset. Our recruitment, promotion, training and compensation practices are free from any form of discrimination.

The Group has also developed a **policy to support the integration and continued employment of disabled workers**. Two years ago, we set up a partnership in France with a digital platform to allow employees to obtain all necessary information on disability in the context of private and professional life. This has enabled them to engage in dialogue and to suggest actions for implementation within the Group. Employees also regularly receive awareness-raising on disability-related topics in different formats. In 2018, we launched an awareness-raising campaign to dispense with stereotypical ideas about disability, and this will also run in 2019.

Many subsidiaries call upon the services of assistance and service centres helping persons with a disability into work (ESAT - *établissements ou services d'aide par le travail*) every year for the purchase of office supplies or for various services. This allows persons with a handicap to find work within an adapted structure.

Foreign subsidiaries are also very attentive to inclusion and retention in post of persons with a disability.

2. Solidarity in action



Our Group relies on very strong **family and entrepreneurial values** that are of paramount importance to our shareholders and employees. For us, the notions of sharing and solidarity represent an ideal to which we attach great value and to which we devote our time, energy and contributions.

This is why, within each of our subsidiaries and even at Group level, we have chosen to set up numerous solidarity actions in partnership with various associations.

RECYCLIVRE.com <i>Partageons Le Savoir</i>	328 books collected, 149 of which resold after 2 months
&	55,20 € donated to the association Lire et Faire Lire
LEFEBVRE SARRUT	1,1 tree saved
	45 445 liters of water saved
	5 hours of work in an adapted company

Accordingly, we carried out book collections within subsidiaries through Recyclivre, which made it possible to transfer 10% of the profits from resale to the association *Lire et faire lire*. This association works to develop the joy of reading and intergenerational solidarity among primary school children and educational and cultural structures such as recreational centres, childcare centres and libraries.



224 kg of clothing collected
A donation of more than 2000 € to the association

We also carried out a clothing collection to support the association La Cravate Solidaire, which assists people with professional inclusion by providing the right clothing and by helping them to work on their appearance and prepare for their job interview. In addition to the clothes collected by employees, the Group took its commitment one step further by donating €10 per kilo of clothing collected.

The Group also organised a Blood Donation event with the French blood-donation body EFS at or near to subsidiary sites.

These events proved to be a great success and will be repeated.

Additionally, the Editions Lefebvre Sarrut Group has entered into a partnership with Micro Don to enable all employees to participate in a micro-donation scheme called Arrondi solidaire. This mechanism was put in place at Editions Francis Lefebvre



- ✓ 145 donors
- ✓ 3 associations supported
- ✓ Group contribution of 100 % on employee donations
- ✓ 12 706,70 € paid to associations since September 2017

following the Idéaction contest in 2017 and was extended to all French subsidiaries in 2018. Those who so choose can make a monthly donation from their wages - from a few cents up to €10 per month - to the associations selected by employees: Planète Urgence, Institut Curie and Make A Wish. The Group matches the sums paid by all employees. In 2018, **EUR 11,618 was collected** for the benefit of these three associations through donations from employees.

Also, the Group engages in sponsorship activities every year. In 2017, more than EUR 51,000 was paid to finance various projects or actions with associations and foundations.



As mentioned below, the solidarity commitment within our group extends beyond our employees. In 2017, our Group developed the "Immigration Guidance" project. This mobile legal solution is designed to simplify access to the law for foreigners arriving in Europe: students, entrepreneurs and those in search of an economically and politically stable living situation. A simplified version of this project for immigrants and refugees has been partially funded through donations from our shareholders.

With us, everyone can invest in their own way with those who need it.

Annex - Note on Methodology

The purpose of this note is to explain the methodology applied by our Group for the preparation of the Statement on Extra-Financial Performance (hereinafter "SEFP").

Legal Framework

In accordance with the provisions of Article L.225-102-1 of the French Commercial Code, our Group is required to publish a consolidated SEFP presenting information on how we take into account the social and environmental consequences of our activities. Our SEFP contains all the information required by article L.225-102-1 paragraph III, except for the following subjects:

- Fight against food waste,
- Fight against food insecurity,
- Respect for animal welfare and a responsible, equitable and sustainable diet.

These subjects were deliberately not addressed in the statement as, given our activities, our involvement is negligible.

Duration of the Financial Year

All indicators presented in our SEFP are calculated for the period from January 1 to December 31, 2018.

Scope of consolidation

The scope of consolidation of the SEFP extends to all of the Group's trading companies, with the exception of:

- the companies R.J.L and FROJAL & Cie, which are not trading and which have no employees
- JURIS, a joint venture over which we do not exercise exclusive or joint control,
- companies with five employees or less.

The scope of consolidation of the SEFP therefore includes 16 companies located in seven countries that are included within the scope of the Group's financial consolidation as of December 31, 2018.

Data collection method

Data for the purposes set out above was collected from:

- For social data: HR - Payroll services for each company in France and abroad. A collector within the CSR Department of the Group Human Resources Department was appointed for these purposes.
- For environmental and business data France: from the Working Environment and Purchasing Division (WEP) and the Manufacturing Division. The Directors of these Divisions chose to be collectors for their data.
- For environmental and business data outside France: no equivalent of the WEP exists in other countries, so it was the Financial Directors of each company who collected the data.

The data was then consolidated by the French collectors.

Indicators used

The selected indicators were communicated to contributors when launching collection campaigns together with a lexicon for better readability for each indicator.

These indicators are mostly provided for the entire scope of activities. However, for some indicators that are difficult to transpose to all European countries, an analysis of France's activities has been provided. Where the scope of the indicator differs from the definition for the indicator, a note appears in the SEFP to make this clear.

Some indicators appear in orange: these are our Key Performance Indicators ("KPIs") which are our main monitoring indicators.

Social indicator definitions

1) *Breakdown of workforce by gender:*

This indicator shows the workforce at 31 December of the year audited on permanent or temporary contracts (excluding replacement temporary contracts) as a *headcount*. Apprenticeships, professional accreditation contracts, traineeships, temporary positions and service provision are not counted. Employees included in the workforce must have an employment contract with one of the Group's companies.

2) *Age distribution:*

This indicator defines the average age of our employees. The selected ranges are as follows:

- Under 25
- Between 25 and 44
- Between 45 and 59
- Between 60 and 64
- Over 65

3) *Personnel hired during the year:*

This indicator shows all new recruits for the year on permanent contracts, broken down by gender. Apprenticeships, professional accreditation contracts, traineeships, temporary positions and service provision are not counted.

4) *Lay-offs during the year:*

This is for all types of dismissals effected during the year.

5) *Promotions*

This indicator is for changes from temporary to permanent contracts and for status changes (i.e. Categories) that occurred during the year, by gender.

6) *Change in average remuneration:*

This indicator includes basic gross remuneration (including any seniority bonuses and exceptional bonuses paid during the year) and variable remuneration received during the year (bonus, target bonus, variable remuneration of sales personnel) for permanent employees, excluding corporate officers. Compensation for part-time employees was recalculated as full-time equivalent. A distinction was made between "cadre"-category managers and employees for French subsidiaries and between managers and employees for foreign subsidiaries.

Benefits (for example, profit-sharing, participation, matching) are not included in this indicator.

7) *Organization of work:*

This indicator shows the number of full-time and part-time employees, by status and gender. The staff numbers used are the same as for breakdowns by gender and by age.

8) *Absenteeism:*

This indicator shows the number of working days lost due to absence as a result of sickness, by gender. Days of absence due to sickness do not include maternity leave, long-term illness (more than 90 days) and any sickness for which no certificate was issued.

For any therapeutic part-time sickness leave, the number of days of absence due to sickness is indicated separately.

9) *Social relations:*

This indicator sets out types of representative body for company personnel (Works Council, Personnel Representative, Health and Safety and Workplace Conditions Committee, Combined Works Council and Employee Representative, Economic and Social Committee), the number of union delegates, the number of meetings during the year (excluding negotiations), the number of agreements signed during the year and the thematic area covered by these agreements. These indicators are representative of the situation as at 31/12/2018.

10) *Training:*

This indicator tracks the percentage of employees trained, broken down by gender: it is calculated by dividing the number of persons trained by gender by the total number of employees at 31/12 by gender. Where the same employee undertakes training more than once per year he or she is only counted once. The indicator also includes the number of internships, professional accreditation contracts and apprenticeship contracts entered into during the year.

11) *Equal treatment:*

This indicator includes the measures set in place at the initiative of the company to promote gender equality, the fight against discrimination, work/life balance and inclusion or retention in post of personnel with a disability.

Environmental indicator definitions

Manufacturing

1) *annual paper tonnage per company consumed for printing paper products*

- Breakdown by category of products namely:
 - o Periodical publications
 - o Books
 - o Marketing Documents

2) *paper tonnage from sustainably managed forests consumed in the printing of paper products (FSC or PEFC)*

- Breakdown by category of products namely:
 - o Periodical publications
 - o Books
 - o Marketing Documents

The data collected relates to the manufactured products delivered and invoiced in year N. In the case of a partial delivery in year N and the balance in year N + 1, paper consumption will also be accounted for partially for year N, and the balance recognized in year N + 1 (2 invoices and 2 consumptions). The consumptions cumulate the consumed papers bought by the company and those provided by the printers.

3) *Percentage of paper consumption from sustainably managed forests:* Percentages are expressed to two decimal places

Product type definitions:

- Periodicals: regular magazine-style publication, journals, updates, newsletters
- Books: other paper products sold that are neither periodicals nor marketing materials
- Marketing documents: Documents intended for prospects/customers used for the sale or promotion of products, i.e. catalogues, mail-shots, brochures, leaflets.

Vehicle fleet: Size and changes in size of the vehicle fleet, shares of "clean" vehicles and initiatives for the development of low-carbon transport.

1) *Number of vehicles:* the number of vehicles belonging to the company or under long-term lease. This indicator is calculated on December 31 of the audited year.

2) *Number of electric vehicles:* the number of electric vehicles belonging to the company or under long-term lease. This indicator is calculated on December 31 of the audited year.

3) *Number of hybrid vehicles:* number of hybrid vehicles owned by the company or under long-term lease. This indicator is calculated on December 31 of the audited year.

4) *Number of electrical outlets installed in the premises:* total number of electrical outlets installed and invoiced during the audited year. In year 0, it corresponds to the combined total of the number of outlets existing in N-1 and those installed during the year.

- 5) *Number of parking spaces for bicycles*: number of parking spaces reserved for bicycles.
This indicator is calculated on December 31 of the audited year.
- 6) *Average emissions*: weight of average CO2 emissions per vehicle, divided by the total number of vehicles.
This indicator is calculated on December 31 of the audited year.

Transportation: Transportation of teams for work, changes in forms of transportation, development of alternative solutions.

- 1) *Number of return rail journeys*: number of return rail journeys for the year. This indicator is calculated as of 31 December of the audited year and does not take into account single journeys and combinations of different modes of transport.
- 2) *Number of round-trip flights*: number of round trip flights per year. This indicator is calculated as of 31 December of the audited year and does not take into account single journeys and combinations of different modes of transport.
- 3) *Number of video-conferencing sets installed*: total number of sets of equipment installed and invoiced during the audited year. In year 0, this is the combined total of the number of sets existing in N-1 and those installed during the year.
Video-conferencing sets means equipment connected by television circuits for the transmission of sound, images and documents.

Consumables and recycling: consumption, recycling and limiting the use of reprographic paper

- 1) *Annual consumption of reprographic paper reams*: the number of reams of paper, of all formats, invoiced during the audited year.
- 2) *Weight of reprographic paper (g / m²)*: the grammage mainly purchased in each Group entity.
- 3) *Average annual consumption of reams per employee*: paper purchases of all invoiced formats divided by the number of employees in full-time equivalent on 31 December of the audited year.
N.B.: For Spain, consumption is partly estimated as a result of a change of provider during the year.
- 4) *Annual volume of recycled paper*: the number of kilograms of paper collected by the recycling service provider
- 5) *Paper consumption limitation measures*: measures implemented in each company to reduce paper consumption
- 6) *Miscellaneous recycling*: actions implemented to promote recycling within companies

Electricity and liquid fuels: energy consumption and limiting measures for the sites of our facilities

- 1) *Annual electricity consumption:* electricity consumption in kW/h during the year and normally running to 31 December of the year audited.
If it was not possible to communicate the data as of December 31 of the audited year, the data was calculated over a rolling period (e.g. November N-1 to November N).
- 2) *Mixed electricity production:* breakdown of different energy sources used by our service providers for electricity production
- 3) *Annual gas consumption:* gas consumption in kW/h during the year and normally running to 31 December of the year audited.
If it was not possible to communicate the data as of December 31 of the audited year, the data was calculated over a rolling period (e.g. November N-1 to November N).
- 4) *Liquid fuels consumption limitation measures:* actions implemented by each company to reduce the consumption of fluids.