

## 2016 ESG ASSESSMENT MERSEN GROUP

**OVERALL ESG SCORE: 64%**

**MERSEN'S ESG PERFORMANCE WAS RATED AS "ADVANCED" BY ETHIFINANCE, INDEPENDENT AGENCY SPECIALIZED IN ESG ASSESSMENT, WITH AN OVERALL SCORE OF 64%**

### ESG ASSESSMENT METHODOLOGY

The methodology used to assess the Mersen Group's ESG performance was defined in line with the reference framework developed by EthiFinance.

The framework comprises four major themes – corporate governance, environment, human capital and stakeholder relationships – which are broken down into sub-themes and related issues (see "ESG assessment framework" below). It also takes into account the company's size and sector of activity to gain a better understanding of the challenges it faces.

The assessment methodology is designed to assess the commitments made by the company, the procedures it has implemented and the results of its practices, as well as its efforts to anticipate future developments for each of the themes assessed. The assessment ranks the company according to five performance ratings, corresponding to the score thresholds below.

#### ESG ASSESSMENT FRAMEWORK

#### ESG SCORE/PERFORMANCE RATING

Themes	Sub-themes	ESG score	ESG performance rating
Corporate governance	Composition of governance bodies	<b>More than 75%</b>	Expert
	ESG risk control and management		
	Values and ethics		
Human capital	HR policy and system	<b>Between 56% and 75%</b>	Advanced
	Skills development and attractiveness		
	Working conditions		
Environment	Environmental policy and system	<b>Between 45% and 55%</b>	Standard
	Environmental impacts		
External stakeholders	Suppliers	<b>Between 25% and 44%</b>	Basic
	Customers		
	Civil society		
		<b>Less than 25%</b>	Beginner

## 2016 ESG ASSESSMENT

### OVERALL ESG SCORE

Overall ESG score	64%
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### SCORE BY THEME

Corporate governance	56%
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Human capital	66%
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Environment	75%
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External stakeholders	61%
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The Mersen Group has been awarded EthiFinance’s “Advanced” ESG performance rating for its CSR policy and processes. An in-depth analysis of its performance clearly reflects the Group’s sound management of non-financial issues.

**Corporate governance:** the Group has developed practices to ensure that its governance bodies are balanced and efficient. It has also implemented tools to identify risks, including the key non-financial risks to which it is exposed. An Ethics Charter governing its relationships with employees, customers, suppliers, competitors and shareholders has been published and issued internally.

**Human capital:** the current organizational structure of Mersen’s human resources management ensures that practices are coherent across all business units. For example, a health and safety management system has been introduced and rolled out across the Group.

**Environment:** the Group has developed and formalized a global environmental policy. For example, it is committed to reducing its energy consumption and using fewer raw materials and pollutants. The Group has a leading position in markets that can offer real added-value when it comes to the environment and has integrated environmental criteria in the design of its products.

**Stakeholder relationships:** Mersen has introduced a Group-wide quality management system. With regard to responsible purchasing, the Group does not work with suppliers who fail to abide by its Ethics Charter. In addition, it finances several corporate philanthropy and community integration initiatives.

For all the themes, EthiFinance has issued recommendations to enable the Mersen Group to continue to improve its ESG performance.