

Promoting diversity, equity and inclusion through an inclusive talent management and well-being approach

EXECUTIVE SUMMARY

As part of our Environment, Social and Governance (ESG) [roadmap](#), EUROAPI is committed to fostering diversity and creating an inclusive work environment for all our employees. Our aim is to enhance diversity representation within our headquarters and local workforce, both in the hiring process and in professional growth opportunities.

We believe we can promote diversity, equity and inclusion through an inclusive talent management and well-being approach.

At all hierarchical levels of EUROAPI, and across all departments and sites, our new company culture, mission and values, together with our renewed focus on talent acquisition, development, and retention, aims to drive diversity, equity and inclusion through employee learning and development and through offering equal career opportunities.

With employees from 45 different nationalities in 11 countries, at EUROAPI we believe that cultural diversity has a positive impact on our performance and on the development of our employees. We are committed to achieving a balanced representation of women and men across all levels of the organization as well as to promoting equal opportunities for all our employees, at all seniority levels within the company hierarchy.

Our goal is to promote diversity and balance representation of women and men in senior management. EUROAPI's initial target of reaching 30% women in our Extended Leadership Team by 2025 was reached in 2022. With respect to our Board of Directors, it now includes six women among the eleven members who are not employee representatives (55%).

One of the most emblematic initiatives implemented in our first year was the introduction of a global standard for inclusive and equal parental leave which grants 14 weeks of paid parental leave to any EUROAPI employee who becomes a parent, including those who become a parent through adoption or surrogacy. This policy was implemented worldwide starting from January 1, 2022.

EUROAPI remains committed to promoting diversity, inclusivity, and equality in all aspects of our business.

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1. BACKGROUND

At EUROAPI, we believe that Diversity, Equity, and Inclusion (DE&I) are interconnected and important values which, in combination, make a positive contribution in the workplace and on society as a whole.

“Diversity” typically describes differences that are represented in the workplace. Examples of diversity may include, among other things, gender, age, religion, sexual orientation, cultural identity, ethnicity, nationality, socioeconomic status, language or disability.¹ “Diversity” at company level means using our collective differences to our advantage.

“Equity” is ensuring that access, resources, and opportunities are provided for all to succeed and grow, regardless of background, gender, age, or other personal factors.¹

“Inclusion” is a workplace culture that is welcoming to all people regardless of cultural identity, ethnicity, gender identity, age, abilities, background and religion and everyone is valued, respected and able to reach their full potential.¹ “Inclusion” means that every employee feels that they belong, are respected, and are always valued.

Diversity, Equity and Inclusion are key components of the UN Sustainable Development Goals agenda, promoted notably through Goal 4 (Quality Education - “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”), Goal 5 (Gender Equality - “Achieve gender equality and empower all women and girls”), Goal 8 (Decent Work and Economic Growth - “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”) and Goal 10 (Reduced Inequalities - “Reduce inequality within and among countries”)².

EUROAPI has been a signatory of the United Nations Global Compact initiative since 2022 and supports the sixth principle: the elimination of discrimination in respect of employment and occupation.

2. STRATEGIC APPROACH

High on the list of our ESG priorities, Diversity, Equity and Inclusion are at the heart of EUROAPI’s third commitment (Create a safe & multicultural workplace).

Our approach includes:

- ensuring that all employees are uniquely valued and work in an inclusive environment;
- promoting cultural diversity and international mobility; and
- fostering learning and mentoring.

References

1. Diversity, Equity, and Inclusion Definitions. Office of Research, Diversity, Equity, and Inclusion, University of Washington. <https://www.washington.edu/research/or/office-of-research-diversity-equity-and-inclusion/dei-definitions/> - accessed 27/02/23
2. United Nations Sustainable Development Goals - 17 Goals to Transform Our World - <https://www.un.org/sustainabledevelopment/> - accessed 27/02/23

3. OUR COMMITMENT AND OUR ACHIEVEMENTS TO DATE

3.1. Promoting diversity, inclusion and equal opportunity

Diversity is one of EUROAPI's strengths and convictions. It is both a source of motivation for our employees and a source of innovation for the Group.

With 45 different nationalities represented at our sites located in 11 countries, diversity is a valued element in our day-to-day operations.

The Group is committed to promoting diversity as a strength and an asset, to acting for inclusion and to combating all forms of discrimination. Within the Human Resources team, the Head of Talent Management coordinates the Diversity, Equity and Inclusion Policy, reporting to the Chief Human Resources Officer, a member of EUROAPI's Executive Committee. Together, they define, lead and coordinate policies and practices, and implement training and awareness-raising actions at Group level.

All our DE&I policies and initiatives are validated, sponsored and monitored by both the Board of Directors and the Executive Committee.

An internal DE&I ambassadors' network will be created in 2023 to promote DE&I in their departments, sites and countries and align actions at Group and local levels. The Group also plans to create and publish a Group Diversity Charter.

EUROAPI plans to have its Executive Committee, Extended Leadership Team and senior leaders all trained on unconscious bias by 2024 as well as to raise managers' awareness of inclusive culture.

3.1.1. Gender equality

EUROAPI is particularly committed to gender equality. The Group has been a signatory of the United Nations Global Compact for the elimination of discrimination since 2022.

One of our first actions to promote gender equality in our first year was to introduce a global standard for inclusive and equitable parental leave, which was implemented worldwide. Effective January 1, 2022, any EUROAPI employee who becomes a new parent (whether it be through childbirth or adoption) and is recognized as the child's parent according to local legislation or practice, will receive 14 weeks of paid parental leave, regardless of which country they are working in and irrespective of gender or sexual orientation.

<i>Proportion of women</i>	Employees at December 31		
	2022	2021	2020
Proportion of women in the Company's salaried workforce	28%	27%	24%

EUROAPI has set itself the goal of boosting the recruitment and internal promotion of women in order to increase their presence at all levels of the Group.

EUROAPI communicates with its partner recruitment agencies and recruitment managers on the issue of gender diversity to ensure there is a balanced gender representation among shortlisted candidates.

	New hires in 2022	%
Female	195	40%
Male	297	60%
Total	492	100%

As for gender pay equity, in 2022, the result of the index for professional equality between women and men (Pénicaud Index) at EUROAPI in France was 76/100. To improve these results, the Group will focus specifically on gender pay equity in 2023.

3.1.2. Promoting talented women and supporting women leadership

As part of our “People Review”, the Group will identify high-potential employees with a strong focus on women, and co-design with them individual development plans, reflecting on their own ambitions and career plans, and leading to specific action plans which will be regularly reviewed and discussed with their manager.

In 2023, the Group will pilot a training curriculum to strengthen women leadership for both “young talents” and “experienced” groups. Delivered by diversity experts, these training courses are aimed at women who have the potential and the ambition to grow within the Group.

New initiatives will be launched in 2023 around gender and diversity. In addition to existing processes aimed at facilitating the promotion of women within our organization, the Group intends to launch women’s networking initiatives at site level to facilitate communication and experience sharing. EUROAPI also intends to showcase the careers of female leadership role models to inspire other women within the Group, to emphasize the range of opportunities available to all women and to discuss how to overcome potential obstacles.

3.1.3. Increasing diversity within governing bodies

EUROAPI wants to increase diversity at all levels of the organization, in particular within its governing bodies.

At Executive Committee level, the proportion of women increased from 9% in 2021 to 15% in 2022. Furthermore, for the Board of Directors and irrespective of the two employee representatives, there are six women out of eleven members as of December 31, 2022, which conforms to the combined provisions of Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code providing for a balanced representation of women and men on the Board of Directors and setting the bar at a minimum of 40% women.

	Total	% Women
Board of Directors	13	46%
Executive Committee	13	15%
Extended Leadership Team	30	30%
Senior leadership position	165	34%

EUROAPI’s initial objective of reaching 30% women in the Extended Leadership Team by 2025 was achieved within just one year, thanks to the determined promotion and recruitment of women in executive positions.

3.1.4. Attention to Disability

Thanks to its non-discriminatory approach in recruitment, EUROAPI has maintained a stable percentage of recruitments of people with disability in 2022 (7% in France in 2021 and 2022 for example).

At most of the Group's sites, employees with disability are supported by several internal and external professionals to ensure job suitability and adaptation of the work environment when required.

All actions towards this specific population are followed up at site level by designated Disability Committees.

Awareness campaigns are rolled out for all employees at all site levels to ensure people with disability are well integrated and successful in their job function.

3.2. Culture and values to help drive diversity, equity and inclusion

As a newly listed entity, EUROAPI wants to develop a new Group culture centered on entrepreneurship, agility, empowerment and customer focus. To start this journey, in 2022, the Group defined its core values:

- Taking Ownership
- Achieving Together
- Driven by our Clients
- Caring for All

These values have been shared with all employees through various communication campaigns and have been promoted at site level through several workshops.

The Group's values have been translated into expected behaviors where respect and inclusiveness are clearly stated. Several training materials and sessions have been developed to ensure managers and employees adoption and translation at their level.

To collect and assess its employees' perceptions of the Group, of their daily work and to ensure alignment with the Group's values, EUROAPI conducted "EUROAPI&me", its first annual engagement survey of all employees in October and November 2022.

The survey covered a broad range of topics: safety, client focus, empowerment, work-life balance, line management, corporate culture, strategy, collaboration, sustainable engagement, career and development and compensation.

Thanks to this survey, EUROAPI has been able to evaluate the level of employee engagement through a global index including several criteria:

- whether respondents would recommend the Group as a good place to work;
- whether respondents feel they have the means to do their job effectively;
- respondents' level of energy;
- respondents' sense of personal accomplishment.

The participation rate for the 2022 survey was 68%, which is good for a first year of implementation. The engagement rate was 63% and a remediation plan was determined: the results were analyzed at Group, function and site level and specific action plans have been designed at each of these levels, based on the needs expressed in the survey.

Short surveys, called “Pulse Surveys”, will be launched in 2023 throughout the organization focusing on a specific topic or population. A new engagement survey is planned in 2024 for all employees, which will allow us to monitor progress, and identify trends and areas for improvement.

3.3. Diversity, equity and inclusion: an integral part of our recruitment, talent management and personal development

EUROAPI employees represent an essential pillar of the success of the Group, which must be able to rely on the best teams around the world to maintain a competitive advantage, anticipate future trends, remain agile and invest in innovation. EUROAPI is convinced that employee commitment and the promotion of diversity are major drivers of performance and engagement.

EUROAPI is therefore committed to:

- promoting diversity and inclusion;
- attracting talents through inclusive recruitment processes and diversification of talent sourcing; and
- developing talents by ensuring equal career, learning and development opportunities for all employees throughout their professional lives.

3.3.1. Driving talent acquisition

In 2022, the Group recorded 494 permanent and fixed-term contract hires. The site teams worked intensely to attract the best candidates in a context of tight labor markets in most countries.

	New Hires 2022		
	Permanent contract	Fixed Term contract	%
France	125	52	35.8%
Hungary	29	114	28.9%
Germany	63	30	18.8%
United Kingdom	28	22	10.1%
Italy	7	11	3.6%
Other	12	1	2.6%
Total	264	230	100.0%

The Group plans to reinforce its employer branding to ensure EUROAPI mission and values are better known, and to increase its use of social media to attract candidates. Various events will also be organized to boost recruitment of young graduates in all countries.

Through inclusive recruitment processes and diversification of talent sourcing, the aim is to further strengthen our Diversity, Equity, and Inclusion commitment. Coordinated at Group level, the recruitment teams in each country will implement local recruitment programs for young graduates and early-career professionals.

To drive talent acquisition, the Group encourages sponsorship and patronage, especially with targeted schools and universities. For example, in 2021, the Group decided to sponsor “Promotion 2024” of Chimie ParisTech school and in 2022 a partnership was created with the Petrik High School (Chemistry vocational school) in Budapest and the SIGMA Engineering School from Clermont-Ferrand. In addition to a strong exchange program on specific study themes, lectures given by the Group’s leaders, the partnership also provides students with opportunities in terms of visits to the Group’s industrial sites, career advice, project management skills reinforcement and interview skills development for future job searches.

In addition to this, the Group will aim to maintain the high level of women recruited (40% in 2022) and to even increasing it in the coming years.

3.3.2. Fostering learning and development

Learning and development for all is a key commitment for EUROAPI. As in most scientific and pharmaceutical industries, the Group’s success relies on having highly qualified and committed employees.

The Group will ensure that employees acquire new skills through a comprehensive learning and development strategy combining learning opportunities, training and career evolutions.

EUROAPI uses a development approach based on the 70/20/10 rule (individuals tend to learn 70% of their knowledge from job-related experiences, 20% from informal learning and interactions with others, and 10% from formal training), with employees owning their development with the support of both the Human Resources Department and their line manager.

Through development discussions, managers and employees identify development needs, build concrete action plans and implement these with the support of the Human Resources network. The training offer is managed at Group and country levels for both soft and technical skills.

To enrich its employees’ development, EUROAPI’s digital training system “iLearn” will be further extended to all employees in 2023, proposing language courses and a library of 8,500 courses covering professional skills, leadership skills and diversity, equity and inclusion.

The target for 2024 is to ensure, on average, seven hours of training per employee.

3.3.3. Developing leadership skills

In alignment with EUROAPI’s transformation and strategy, EUROAPI leadership expectations will be defined in 2023. Thanks to a clear understanding of what is expected from EUROAPI leaders within the company, the culture mindset change will be accelerated.

Leadership expectations will be fundamental to attract, assess and develop our leaders accordingly. It will encourage everyone to develop their own leadership potential and will serve as a reference for employees for their development.

3.3.4. Implementing annual performance appraisals

Each year, the Group launches a campaign to assess the performance of its employees. The annual appraisal, which takes place between managers and their employees, aims to evaluate performance against individual objectives set for the year and the employee’s behaviors in relation to EUROAPI’s values. Beyond evaluating and acknowledging employee’s performance, it is also a key moment to plan for the coming year and jointly define related individual objectives.

In 2022, 99% of managers were assessed during performance appraisals.

3.3.5. Evaluating and developing our high-potential employees

While EUROAPI provides support for the development needs of each employee, the Group also focuses on their expected potential over the coming years.

- Once a year, the Executive Committee reviews the Group's high-potential individuals with a particular focus on potential executive managers.
- The Group conducts an annual review of the teams ("People Review") at all levels: sites, functions, and Group. This is used to identify high-potential individuals, define succession plans for key positions and discuss career opportunities for them.
- Once a year, the Group's Executive succession plan is presented to members of the Board of Directors.

3.3.6. Providing equal career and development opportunities

EUROAPI is committed to providing equal opportunities, to avoid unlawful discrimination and promote a diverse and inclusive culture.

The Group aims to provide managers and professionals who are successful, and have demonstrated their potential, with equal career opportunities. It is based on annual performance appraisals, annual talent and succession reviews, as well as personal development plans.

Although EUROAPI is still a young company, it plans to offer diverse career paths and opportunities to its employees, including inter-function or inter-site mobility, project assignments and short-term missions, as well as international project or job opportunities. The aim is to support employees stepping out of their comfort zone for an accelerated development.

Lastly, EUROAPI plans to build a specific career management policy for its experts. The Group recognizes and values expertise in new technology and innovation, which is required in order to strengthen business skills and to boost future R&D efforts.

3.4. Well-being and healthy lifestyles for greater inclusion

Inclusion and employee well-being are linked in several ways, in particular workplaces that are inclusive tend to promote higher employee well-being, and employees who experience higher levels of well-being are often more inclusive.

In 2022, EUROAPI launched a global well-being program for all employees worldwide. Called "wellness4all", it has been rolled out across all sites including headquarters and sales sites. Its objective is to prevent chronic diseases and promote mental health. Examples of activities carried out in 2022 include health food deliveries, breast cancer awareness, health screenings, walking challenges, mental health day and psychosocial risk assessment.

As a company with high performance and inclusion ambitions, we need to support our colleagues to thrive, be healthy and be successful by energizing them and creating a collaborative working environment where they feel optimistic, hopeful about the future, and passionate about what they do.

wellness4all



Promotion of physical activities. These are small lifestyle changes to be more active, enjoy the outdoors and socialise with others.



Promotion of actions that can be taken to reduce the likelihood of lifestyle related diseases such as lung cancer through smoking or type 2 diabetes.



Promotion of actions that can be taken for positive mental health and advice on how to protect work-life-balance.



Promotion of healthy choices to include vitamin rich foods in a normal eating lifestyle.

To promote fitness, on some sites, employees have access to the Group's own sports clubs or shared sports facilities on site.