CORPORATE SOCIAL AND ENVIRONMENTAL - 2018

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**About this reporting document**

The company Club Med Holding is currently not subject to Decree 2017-1265 regarding the declaration of non-financial performance as an unlisted joint-stock company (SAS). However, the listing in Hong Kong of Club Med’s holding company, the Chinese company Fosun Tourism Group, will likely reinforce the visibility of Club Med’s environmental results.

The process of developing this world CSR report continues to be identical to that audited by the independent third party organization during the work for the 2014 and 2015 attestations of attendance and reasoned opinions on the sincerity of CSR information.

This reporting document is about budget year 2018 that ended on October 31 2018 (Winter 2017-18 and Summer 2018).

Correspondence tables with the SDG (Sustainable Development Goals of the UN) and the GRI-4 (4th version of the Global Reporting Initiative standard) are presented in parts 1.3 and 5.5

For topics followed with the symbol “♀”, focus sheets are available upon request from the Sustainable Development Department.
2018
KEY FIGURES

1.42 million customers, including 1.165 million in 4&5 Tridents (including Villas & Chalets)

Steady rise in customer satisfaction

40% of customers from fast-growing countries

€1.6 billion in Village revenue and 50 million of income before tax and non-recurring items

68 exploited resorts around the world

80% of capacity and 82% of the customers in 4 & 5 Tridents

A presence in over thirty countries

25,000 GO®-GE from 109 different nationalities

• Club Med •

Founded in 1950 by Gérard Blitz, Club Med pioneered the all-inclusive vacation club with childcare concept with its Mini Club in 1967. Still guided by the same pioneering spirit, Club Med remains committed to exploring and discovering exceptional destinations.

Club Med is now the world leader in all-inclusive premium vacations with French flair for families and active couples.

Sales and marketing of vacations

On October 31, 2018, Club Med operated 68 villages. These break down into three operating structures: ownership, lease and management contract. The Group is continuing its Asset Right strategy which aims to establish a balanced portfolio of resorts:

- 19% of villages are owned: Club Med owns and manages the village
- 64% of villages are leased: the village is operated by Club Med, which pays rent to the owner of the premises
- 17% of villages are managed: Club Med has been entrusted with the management of a resort by its owner, who pays it a management commission. Capital expenditure as well as operating and maintenance costs for the village are incurred by the owner

Club Med mainly markets all-inclusive vacations in upscale holiday villages based worldwide, as well as Tours & Discovery programs. All of these services can be broken down for corporate seminars thanks to an adapted offer entitled “Meeting and Events by Club Med”.

In the framework of its all-inclusive offer, Club Med transported 35% of its customers.

Club Med offers its customers the opportunity to acquire outright Villas and Apartments-Chalets near its Plantation d’Albion (Mauritius) and Valmorel (France) villages.

The Group is present in about forty countries distributed over four continents, and employs 25,662 GO® (Gentils Organisateurs) and GE (Gentils Employés) of 109 different nationalities. The GO®-GE teams are the cement of the Club Med spirit, combine professionalism and conviviality and are at the heart of the Group’s HR policy.

A strategic vision focused on upscale and international business

With the support of its shareholder Fosun, Club Med maintains its ambition to be the world leader in all-inclusive premium vacations for families and active couples. This ambition is interpreted into three priority goals:

- being Global: opening three, four or five new resorts every year, while embracing the principles of more eco-responsible development
- being Premium: with the Club Med Spirit and an even stronger customer promise
- being Happy Digital: continuing the digital transformation to improve the customer experience and the experience of the GO® and GE staff in its villages and offices.
1 • INTRODUCTION, MAINSTAKES AND CSR GOVERNANCE

1.1. CSR Governance

The tourism industry has many environmental, social and societal impacts, both positive and negative, which are the subject of debate. As a historic and iconic actor in the sector, Club Med is exposed to ever higher demands for responsibility. Its upscale strategy, its presence in exceptional sites, its brand positioning associated with happiness, and its “Asset Right” policy all increase this exposure.

Nonetheless, Club Med does not consider social and environmental responsibility exclusively in terms of constraints to be managed or risks to be prevented, but as closely linked to its purpose and founding values. These issues are taken into account in every one of the Group’s assets: the brand, the product, employer branding, and developer branding (“license to operate”).

Sustainable Development and Philanthropy Department

Club Med’s Sustainable Development Department was created in 2005 to work closely with the Management Committee in defining the Group’s priorities in corporate social responsibility and to guide its various entities and departments in an improvement process to better grasp the impacts of their activities on the environment and society and to manage them in the best way possible.

The Sustainable Development and Club Med Foundation teams, merged in 2014, form the Sustainable Development and Philanthropy Department¹, reflecting the similarity of their values and their shared vision and making it possible to optimize synergies between them, whist still retaining their individuality.

Mission Handicap also reports to this department.

The Sustainable Development and Philanthropy Department currently has seven members (6 FTE²) located either at the Paris headquarters or at the Lyon office.

Relays on the ground and in operational business units

The SDPD teams also rely on a network of business and/or geographical correspondents, as well as on the four “Sustainable Development and Foundation Coordinators” within the Business Units, see § 4.1.4) who support in particular the deployment of the Green Globe certification process and the Club Med Corporate Foundation’s programmes in the villages.

1.2 Listening to stakeholders and defining key CSR issues

Listening to stakeholders

Ever since it was created, the Sustainable Development Department (SDD) has listened carefully to stakeholders as part of identifying major challenges and developing its own policy: document analysis, consultation with experts, scientists and NGOs, non-financial ratings, existing and prospective customer surveys, holiday village Life Cycle Assessment (LCAs), internal status reviews, discussions with Business Units (BUs), listening to customer reviews, ... Feedback from customers and local stakeholders is currently gathered via the on-site CSR contact form. Feedback is processed by the Sustainable Development Department, and forms the basis for internal monitoring of the issues concerned. These numerous sources, internal and external, more or less formalised, are analysed and summarised (see the diagram of the main listening methods and various groups of stakeholders).

The risks are assessed via several additional maps:

- The Group risk management policy is designed effectively to protect the interests of its customers, its environment and its shareholders. Since 2012, the key operational risks map has been updated every year, with risks ranked on the basis of their likelihood and their economic, human and image impact for the Group.
- Priority issues were formalized in 2014 and updated in 2019 as a result of in-depth analysis of the relevance of various stakeholder expectation issues.
- In 2016, CSR risks in purchases were mapped with the Buy Your Way organization in order to better hierarchize the priorities in reasonable vigilance approaches including audits.

Key issues and materiality matrix

In 2018, the formalisation of priority issues conducted in 2014 was updated

Over 200 topics broken down into fifty or so issues were identified from surveys conducted by the SDPD since 2005 and from sectoral benchmarks.

These issues were "filtered" by the four key questions of the AA1000 standard (existence of an internal policy on the subject, potential financial impact, social interest of the issue, formal expression of interest by Group stakeholders in the issue). 27 priority issues were selected.

Each of the 28 issues selected were rated according to the expectations of each stakeholder (employees, communities, civil

¹ Sustainable Development and Philanthropy Department (SDPD)
² FTP : Full-time equivalent
societies, customers, investors, suppliers, sectoral benchmarks). This rating was awarded internally on the basis of professional know-how acquired as a result of feedback from stakeholders (see above, table on ways of listening).

The 28 issues were then rated according to their impact on business: financial, image, commercial, regulatory, operational and according to their importance within the Group: 2018 CSR Ambition, geographical coverage, level of internal investment in the issue).

The materiality test methodology used in 2018 is the same as the one which was reviewed by an independent third party body in 2014.
### Main modes and listening channels of the different groups of stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Listening methods</th>
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<tr>
<td><strong>Customers</strong></td>
<td>Reports from operational and sales teams</td>
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<tr>
<td></td>
<td>&quot;GM Feedback&quot;, customer letters, contact forms for CSR, Foundation, Club Makers sites, Review Pro to follow comments on websites (e.g. TripAdvisor) and social networks,</td>
</tr>
<tr>
<td></td>
<td>Feedback from « Sustainable Development and Foundation Coordinators » (formalized direct discussions with clients in the Village about sustainable development)</td>
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<tr>
<td></td>
<td>Consumer trends survey</td>
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<td>Ad Hoc marketing studies</td>
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<td><strong>Employees</strong></td>
<td>Team ownership of sustainability initiatives and proposals from them</td>
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<td>Social dialogue (in particular CEDS)</td>
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<td></td>
<td>Report from HR and operational teams</td>
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<td></td>
<td>Internal employees surveys including the internal barometer GO-GE Voice</td>
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<td></td>
<td>Workplace: Facebook collaborative working tool</td>
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<tr>
<td><strong>Communities</strong></td>
<td>Feedback from local operational department, the Development and Construction departments, and the offices of the chairman and the Corporate Secretary</td>
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<td>Local supplier relationships</td>
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<td></td>
<td>Local relations with local staff representatives</td>
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<td>Feedback from partners of Club Med Foundation</td>
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<tr>
<td><strong>Civil society</strong></td>
<td>Feedback from partner associations (Group-wide, local, societal or environmental partnerships, e.g.: Agrisud, Turtle Sanctuary, Parc de la Vanoise, ECPAT,...)</td>
</tr>
<tr>
<td></td>
<td>Dialogue with scientists, academics, and associations</td>
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<td><strong>Investors</strong></td>
<td>Feedback requests and feedback from investors and funders</td>
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<td>Feedback from Development and Construction teams</td>
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<td><strong>Suppliers</strong></td>
<td>Feedback from buyers and suppliers</td>
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<td></td>
<td>Club Med suppliers site: <a href="http://www.suppliers.clubmed.com">www.suppliers.clubmed.com</a></td>
</tr>
<tr>
<td></td>
<td>Suppliers agreements</td>
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<tr>
<td></td>
<td>Exchanges with peers within ICS (Social Clause Initiative), risk mapping purchase with Buy your way (due diligence)</td>
</tr>
</tbody>
</table>

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**Sector benchmarks expressing expectations across all stakeholders**

- GRI Sustainability Topics for Sectors
- Global Sustainable Tourism Criteria
- Green Globe repository
- Expert consultations on carbon strategy

**Results and benchmarks of non-financial rating and analyses:**
- Ecovadis...

**Sustainable tourism intelligence:**
- Monitoring of literature and media on sustainable tourism
- Ongoing relationships with CSR, Tourism, and Sustainable Tourism experts
- Information sharing with industry companies
- Involvement in industry initiatives
1.3 Club Med responsibility and solidarity strategy

The new CSR Ambition

Club Med believes that tomorrow’s tourism, the one that will persist, will spare resources and carbon, will respect countries and humans, will resolutely contribute to host communities and will be a vector of understanding and peace.

Its ambition aims at developing this vision for all trades and aspects of the product.

In 2017 and 2018, this CSR ambition was reviewed with the General Management Committee. It was transposed in the BUs’ strategic plans and gives rise to an action plan ensuring that “at Club Med, responsibility is also part of the all-inclusive vacation” and based on the following areas of focus:

❖ Ensuring solid bases through certifications
- Certifying 100% of new resorts in terms of construction (BREEAM or equivalent) and ensuring that they comply with Club Med construction eco-standards
- Certifying Green Globe 100% of the resorts for their operation by 2021 (77% at the end of 2018)
- Maintaining the ATR label (Acting for Responsible Tourism) for Discovery Tours (1st label obtained in 2017)

❖ Responding to changes in expectations
- removing or reducing single-use plastic products at bars, in restaurants but also in rooms by 2021 (straws, dishware, amenities in the rooms…) in the context of the “Bye bye plastic” programme;
- deploying the “Healthy food” offer in all resorts and testing the “Organic baby corner” offer
- pursuing the policy of fight against food waste (testing and deploying a new monitoring solution of food waste in each BU);
- improving the standards of animal welfare in Club Med activities.

❖ Nature and solidarity at the core of the offer
- Contributing to local economic development by supporting and developing small farms around Club Med villages (including 3 new projects in 2019);
- developing nature activities (including the deployment of the “Club Med Play” application in 5 new resorts)
- developing the programme “Friends around the world” of the Club Med Corporate Foundation (6 new resorts in 2019);

Club Med CSR and UNDP Sustainable development Goals

The Sustainable Development Goals (SDG) of the United Nations Development Programme (UNDP) were signed in September 2015 by the UN. Club Med sees a relevant analysis and worldwide reporting framework in it.

Club Med’s CSR policy contributes to several Sustainable Development Goals.
<table>
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<tr>
<th>Sustainable Development Goals</th>
<th>Actions of Clubmed CSR Policy</th>
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<td>1 NO POVERTY</td>
<td>Support to local producers (§ 3.2.3), Foundation Education programs (§ 3.1.3)</td>
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<tr>
<td>3 GOOD HEALTH AND WELL-BEING</td>
<td>Health and safety at work (§ 2.4), Support to agro-ecology (§ 3.2.3), Foundation Sports Schools (§ 3.1.3)</td>
</tr>
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<td>4 QUALITY EDUCATION</td>
<td>Foundation Education programs, Foundation Job Links (§ 3.1.3)</td>
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<td>6 CLEAN WATER AND SANITATION</td>
<td>Control consumption: Water consumption, wastewater treatment (§ 4.1 &amp; 4.3), Phytoremediation (§ 4.1.3)</td>
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<td>7 AFFORDABLE AND DECENT HOUSING</td>
<td>Construction eco-standards (§ 4.1.3)</td>
</tr>
<tr>
<td>8 SUSTAINABLE GROWTH AND ECONOMIC GROWTH</td>
<td>Contributing actively to local development (§ 3.1.2), Employment (§ 2.1) / Well-being at work (§ 2.4), Responsible purchasing (§ 3.2), Agrisud partnership (§ 3.2.3)</td>
</tr>
<tr>
<td>10 REDUCED INEQUALITIES</td>
<td>Contributing to local development (§ 3.1.2), Foundation and Solidarity (§ 3.1.3)</td>
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<td>11 SUSTAINABLE CITIES AND COMMUNITIES</td>
<td>Development of the Breeam standards for resorts (§ 4.1.3)</td>
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<tr>
<td>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
<td>Food waste prevention (§ 4.2.2), &quot;Bye bye plastic&quot; program (§ 4.2.2), Green Globe, Breeam (§ 4.1.4) and ATR (§ 1.5) certifications</td>
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<tr>
<td>13 JEMAL ACTION</td>
<td>Sciences Based Target study on scope 1 + 2 (§ 4.4)</td>
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<tr>
<td>14 LIFE BELOW WATER</td>
<td>Responsible purchasing: Seafood charter (§ 3.2), Water: wastewater treatment and management (§ 4.3.1), &quot;Bye bye plastic&quot; program (§ 4.2.2), Preservation: sea turtles, coral reefs (§ 4.5.2), Awareness / Support Expedition MED (§ 4.6.2)</td>
</tr>
<tr>
<td>15 LIFE ON LAND</td>
<td>Protecting biodiversity with local protection associations (§ 4.5), Responsible purchasing: wood charter, Agrisud partnership (§ 3.2)</td>
</tr>
<tr>
<td>17 PARTNERSHIPS FOR THE PLANET</td>
<td>Partnership with Agrisud (§ 3.2.3), Foundation (skill-based sponsorship) and Friends of the Foundation (fundraising) (§ 3.1.3), 15 local partnerships (§ 3.1.3)</td>
</tr>
</tbody>
</table>
1.4 Anti-corruption plan and reasonable vigilance plan

1.4.1. Anti-corruption plan

Preventing corruption is a priority for the Company and all of its employees. Due to its international nature, some Company employees work in countries where the risk of corruption is considered high.

Over and above those internal procedures already in place for purchasing and construction, the anti-corruption plan effectively reasserts the commitment of the management team to counter corruption, provides more detailed information on training about high-risk situations, and provides greater support for the job functions most exposed to these risks.

A cross-disciplinary working group of representatives from Compliance, Risk Management, Purchasing, Corporate Legal Affairs, Employee Relations, Internal Audit, Accounting and Sustainable Development was formed in 2017 under the leadership of the General Secretariat. Since its formation, it has produced a corruption risk map and a Code of Conduct to fight against corruption and influence peddling (“Anti-Corruption Code”) and has launched the anti-corruption plan.

Corruption risk map

The corruption risk map was produced by the Risk Manager in 2017. It was developed on the basis of interviews with various Business Units and departments. The interviews focused primarily on the financial, development, purchasing, HR, operations, marketing and communication functions, covering issues such as gifts, influence peddling, donations, threats to conclude contracts, and potential scandals involving a partner or supplier.

The risks identified have been ranked on the basis of the number of villages in the country and the exposure of the job function concerned.

Assessment and ranking of corruption risks

The assessment of corruption risks has made it possible to confirm, clarify and rank the risks previously identified in relation to:

- establishing a presence via partners in countries where the risk of corruption is high, and via direct operations in specific geographic regions (official permit applications and supply chain)
- construction subcontracting
- the management of invitations and gifts

Anti-corruption measures

❖ Codes of conduct to combat bribery and trading in influence (“Anti-Corruption Code”)

In 2018, in terms of the fight against corruption action plan, Club Med developed its own “Anti-Corruption Code” based on the results of the mapping of corruption risks, the dissemination of which to Club Med employees is scheduled in 2019.

The Anti-Corruption Code constitutes an annex to the Ethics Charter applicable since 2009. The rewriting of the Ethics Charter in 2019 will allow to extend its scope, to include the Anti-Corruption Code therein in the form of a chapter and to refer to more specific internal procedures.

The CSR clauses of standard contracts rewritten in 2017 also explicitly include the prevention of corruption and a better distribution of these expectations with suppliers.

❖ Accounting controls procedure

The financial and accounting information control procedures are based on:

- the monthly financial controls applied to all accounting and financial information by the Business Units, at country level and at head office by all financial teams
- the legal obligations verified by the statutory auditors when reviewing the financial statements and information presented in the half-year and annual reports

Controls have been implemented for each entity by the Finance Department in order to assess the principal risks inherent in the conduct of business that have the potential to affect the account preparation process and the financial effects of those accounts.

These controls are applied monthly by all Finance Department staff at country, Business Unit and Group level with the aim of identifying any anomalies.

In accordance with the recommendations issued by the French Anticorruption Agency (AFA) in December 2017, Club Med intends to ensure that the accounting controls applied by the Group adequately cover all the operations identified as ‘at risk’ by the corruption risk map.

❖ Internal control and assessment process

In the context of the decentralization of functions and responsibilities, the Club Med internal control process is based on a set of organizational rules, policies, procedures and practices designed to ensure the implementation of the measures required to control all those risks with the potential to impose a significant negative impact on Group business activities.

To achieve these goals, the Group internal control process is applied in each Business Unit, and is the responsibility of the operational and functional departments at all levels of the organizational structure.
The Club Med anti-corruption action plan intends:
- to integrate the key level-one corruption prevention and detection controls into the existing internal control process self-evaluation system (the self-checking matrix issued periodically to all villages and country offices);
- to define level-two controls in accordance with a plan prepared by the Compliance Director to ensure correct implementation of the level-one controls covering all parts of the corruption prevention and detection process;
- to integrate an anticorruption measure implementation assessment mechanism into the Club Med internal audit plan.

❖ Training program

In terms of the action plan for the prevention and fight against corruption, Club Med implemented a training program. This work that started in 2017 continued in 2018 and will be completed in 2019 after the dissemination of the Anti-Corruption Code. This program includes both on-site training for the positions most exposed to risk and the dissemination of awareness modules.

Prior to the preparation of the training program itself, the corruption risk mapping interview phase provided the opportunity to raise the awareness of all BUs to all those functions most exposed to corruption risks, and to appoint the Compliance Director as the point of reference on these issues for these functions.

❖ Specific disciplinary regime

In terms of the action plan for the fight against corruption, the sanctions and procedures existing in the various companies within the group around the world will continue to apply.

❖ Internal alert procedure

In terms of the action plan for the prevention and fight against corruption, Club Med provided for the implementation in early 2019 an alert reporting and processing system. This system will allow any employee of the group (whether internal or occasionally external) to report situations in breach of the Anti-Corruption Code as well as sexual harassment to a point of contact.

❖ Anti-corruption measure monitoring process

In terms of the action plan for the prevention and fight against corruption, Club Med provided for the implementation of a program to monitor measures developed together with the Internal Audit Department. This work should be concluded in 2019.

As a major force in the tourism industry, Club Med operates at the cross of the expectations of national governments, local communities and its attentive customer base. Club Med must therefore comply with standards-based requirements and increasingly high expectations in terms of environmental protection and fundamental human rights.

The corporate duty of vigilance requires the company to align with existing procedures in order to optimize their application and ensure that they are as effective as possible in terms of risk prevention.

The internal involvement of the CSR, purchasing, security and legal departments has resulted in the preparation of diagnostic analyses and processes that contribute to exercising our corporate duty of vigilance.

CSR risk map

See chapter 1.2 Extra-financial risk analyse

Subcontractor and supplier assessment procedures

See chapter 3.2 Responsible purchasing and reasonable vigilance in the supply chain

Tailored mitigation and prevention initiatives

The results delivered by the policies and actions implemented in response to them are explained in each of the sections or sub-sections concerned.

❖ Supply-chain

See chapter 3.2 Responsible purchasing and reasonable vigilance in the supply chain

❖ The human rights and fundamental freedoms

See chapter 3.4 Human Rights

❖ Health & Safety

The health and safety measures applying to employees are described in chapter 2.4 Health & Safety and well-being at Work.

The health and safety measures applying to customers are described in chapter 3.3 Customers: Quality and Safety, the foundations of lasting trust.

❖ Environment

The environmental policy is described in chapter 4 - Environmental Report.

alert procedure

1.4.2. Reasonable vigilance plan
Feedback from clients and local stakeholders can be expressed via the CSR website contact form. It is processed by the Sustainable Development Department and gives rise to an internal audit of the topics concerned.

1.5. External commitments and recognition

External commitments

Club Med signed:

- the Global Code of Ethics for Tourism in November 2015, becoming the first French tourism operator to do so
- and the National Ethics for Tourism Charter in 2000 (the French Charter applying the principles of the Global Code of Ethics for Tourism)

To view the Code, go to: http://ethics.unwto.org/en/content/global-code-ethics-tourism

Club Med supports the adoption of a new international climate agreement formed under COP21 and has signed the "Paris Pledge for Climate".

As part of contributing to the collective effort to promote more sustainable tourism by sharing good practices between industry stakeholders and working jointly on practical initiatives, Club Med is a member of:

- ATR (Agir pour un Tourisme Durable), which it joined in 2017 (Discovery Tours by Club Med have carried the ATR label since November 2017)
- ATD (Acteurs du Tourisme Durable), which joined in 2016

External recognition

The Group has been rated by Ecovadis (the sustainability supplier ratings agency) as Silver level, with an overall score of 54/100.

- 49 Green Globe eco-certified villages (for more details, see subparagraph 4.1.4 on Green Globe certification leverage) or 77% of the village portfolio;
- 17 “Green Leaders” villages, a distinction awarded by TripAdvisor for environmentally-friendly tourist lodging, or 27% of the portfolio and 41% of the villages in the areas concerned by the Green Leaders program.

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Agrisud partnership selected by UNWTO to illustrate good practices in sustainable development

ATR label awarded to the Discovery Tours by Club Med since December 2017

The Digital HR Team Award for 2017

77% of villages Green Globe eco-certified (end 2017)

50% of villages "Green Leaders" labeled by TripAdvisor in areas concerned by the GreenLeaders program

Grade of B in 2016 at the CDP Climate Change

2015, 2016 & 2017 Customer Relations prize for the tourism sector, awarded by BearingPoint and TNS Sofres

2015 Worldwide Hospitality Awards in the "Best initiative in sustainable development and social responsibility" category

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At the end of 2018, the Group includes:
2 • SOCIAL REPORT

The Group uses the HELIOS software application (PeopleSoft) for its human resources reporting and social indicators management. The data reporting process is managed at the corporate office with no intermediate levels of consolidation. The social reporting protocol thoroughly details the processes and definitions used for the Group, the data computing methods and the key indicators. Whenever data are unavailable or unreliable, the reporting scope is limited and specific.

See the social indicators table and methodology note in section 5.1.

Club Med’s employment model is based on the proposition of a life experience for all employees and on geographical mobility and internal promotion for its rising leaders.

The teams are very diverse, with strong local representation (75% of employees are nationals) which contributes to the vitality of the labor market around the villages and gives local employees the opportunity for mobility. In the villages, the uniqueness and attractiveness of this model is nurtured by multiculturalism, the special relationship between GM® and GO® and the teams’ highly visible presence. Team diversity and employee well-being are particularly crucial at Club Méditerranée because these issues directly impact service delivery, which plays a key role in the GM® experience.

In a world where the geographical mobility of workers is increasingly limited by changing regulations, and where the digital revolution is fundamentally changing behavior, promoting this model, attracting and growing talent to support the upscale strategy, and developing new villages are key challenges for the Group.

In 2017, Club Med has won the HR&M Digital HR Team Award for its HR Make It project to develop new communication tools and digital practices that make daily life easier for employees. The award was made in recognition of the HR digitalization strategy launched in 2016 by Club Med, which included the provision of digital safe and electronic signature services for its French employees. As part of its zero-paper strategy, the Group has now digitized its personnel records and HR documents (contracts of employment, payslips, etc.).

In 2018, the People1st project with the dematerialization of HR administration made it possible to simplify the daily

2.1 Employment

In 2018, Club Med had 25,662 employees, corresponding to 14,744 full-time equivalents (FTEs) (including 85% for villages) and 41,422 assignments...

The number of FTEs has increased by 4.9% since 2017. The Asia zone recorded the strongest increase with +14% followed by Europe Africa with an increase of 8%.

In 2018, the weight of the Greater China BU versus 2017 thus lost 2 pts to the EAF BU with +2 pts.

Due to the fact that recruits are often seeking to gain life experience, regardless of their nationality, employment in the villages is characterized by:

- a high percentage of seasonal contracts (61%), owing to the seasonality of the villages themselves;
- 17% of employees are under 25;

Ecolabel international GEO (TM) in 2013 for the Vittel Ermitage golf
Teams are generally larger at a Club Med village than at a traditional hotel (FTE per bed) owing to the wider range of amenities and activities offered. There are two categories:

- GE positions, which are mainly traditional hotel and back office positions (accommodation, food & beverage, technical services). There is little movement in these positions, which represent 63% of FTEs;
- GO® positions, which focus on leading activities and direct customer contact. These positions have the most geographical mobility. The result is highly multicultural teams (9 nationalities or more in 90% of villages and, on average, six different languages).

The wide range of amenities also entails very diverse job skills: a study identified some 200 trades and skill sets in 2018.

Average seniority within the Group is down to 6.2 years from 7.4 in 2017. It is 5.9 years in villages (including seasonal workers).

The average age is 35 in the Group, the same as in recent years.

See detailed information on headcount in appendix section 5.1

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### Outsourced activities

Club Med’s main concern in outsourcing is to limit fixed costs while maintaining optimal service quality, whether it relates to GM® activities or the back office.

Some services are outsourced in all relevant villages (ski school, diving, horse riding, IT services), and others in some villages only, depending on the context and quality of local offerings.

In 2018, there was no major change at world level in subcontracted activities (nearly 20% of the salary mass, which has been stable over the last 3 years).

See detailed information on outsourced activities in appendix section 5.1.

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### Hiring and departures

Although GO® retention4 is satisfactory (half of first-time GO® returned to Club Med in the following two years, and over 75% of these the following season), the structurally high proportion of seasonal employment requires continuous recruitment. In 2018, Club Med hired 6,823 seasonal and 1,017 permanent workers with a hiring rate5 (HR) of 27% and 6% respectively, making it a major player in the employment market.

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3 The Hiring Rate (HR) is expressed as a percentage, and is defined as the ratio of the number of recruitments reported to the number of positions in the period.

4 Retention is expressed as the percentage of employees who returned in a given period (the average over the last 3 years).

5 See the definition at the bottom of the previous page.
Average turnover (TO) was 11% in 2017, stable since 2016. Two-thirds of departures were due to resignations.

The average turnover rate (TO) is 9%, down since 2017. Two-thirds of departures result from resignation.

In the villages, hiring and departures are structurally very different between regions owing to differences in the types of contracts used (permanent/seasonal).

For permanent employees, there is a large disparity between Business Units with, for example, a turnover rate (TO) of around 12% in the Americas, 4% in Asia and 2% in the Europe-Africa region. More than half (63%) of permanent GO®-GE departures were the result of resignations.

There is less disparity for seasonal workers between Business Units with an overall TO of 10%, with 71% of departures resulting from resignations. GO®-GE who left the company before their contracts had expired worked almost two thirds of expected time.

Pressure on the employment market for certain skills and in some countries (e.g., food preparation in general; infant and child care; sports trainers in France) underlines the challenge of attracting talent.

The recruitment portal, Clubmedjobs.com, was completely redesigned in 2015 in order to adapt to evolutions in communication modes, and is now available through 38 websites around the world.

Organizational changes and village closures:

Club Med is developing its village portfolio on the basis of geopolitical context; the need to adapt to an increasingly demanding customer base in the operational context and relations with investment partners. In 2018, the operations at Chamonix-Mont Blanc, Avoriaz and les Deux-Alpes (France), Villars-sur-Ollion (Swiss) and Napitia (Italy) were discontinued. Discontinuing village operations is subject to negotiations in compliance with local laws.

See social indicators tables in section 5.1

Compensation and benefits

Club Med has a payroll of €341 million, which represents 225% of Group revenue, unchanged since 2013.

Evolution of average gross monthly compensation in euros at constant exchange rates (calculated by relating the base salary to FTEs):

The variation in the average salary of GEs of +3.8% vs 2017 is explained by an increase in the average basic salary (in volume and value, particularly in certain countries such as Brazil, the Dominican Republic and Mexico).

See social indicators tables in section 5.1

The Group has a wide variety of employment contracts owing to the regional diversity of the villages, the many home countries of employees, their employment status (permanent or seasonal, GO® or GE, etc.) and the jobs they do. Salary levels depend on the contract type and on the employment and recruitment market. The Group’s compensation policy respects all local laws.
on minimum wages and is governed by principles of merit recognition and fairness. Compensation is based on performance, which is formally evaluated during an annual or bi-annual meeting between the GO® or GE and his or her manager.

Salaries are raised once a year: an overall budget for salary increases is set with social partners if provided for by law. During the salary review process, consolidations are made to ensure that raises are linked to performance evaluations and that no discrimination is practiced, particularly related to age or gender (CMSAS level).

With regard to social protection, Club Med enrolls its employees in basic plans and, depending on local conditions and requirements, establishes supplemental plans for important risks.

The wide variety of payroll systems, which differs from country to country, means that consolidation is not always reliable. The Group is continuing to roll out a reporting tool to gain a more comprehensive overall view of its compensation and benefits systems.

2.2. Organization of working time

Within the Group’s different villages, working time is organized in line with applicable regulations and local legal working hours for both GO® and GE. The length of the work week varies between 35 and 48 hours. Working hours may be fixed or variable, depending on the period, to allow for adjustment to seasonal fluctuations in fill rates, including in the permanent French villages.

In the French villages, GO® working time is regulated by a CMSA collective agreement signed in 2000. GO® and GE are entitled to time off in lieu of overtime pay for time worked between 35 and 39 hours. The working time of GE personnel corresponds to the statutory working time, i.e. 35 hours, since the entry into force of an amendment to GE personnel working times signed on April 2, 2015.

The Paris and Lyon head offices and sales agencies have been covered by a working time agreement since 1999. These offices operate based on a work week of 37 hours and 30 minutes, supplemented by 12 days off in lieu as well as two extended weekends for public holidays per year. Very little overtime is recorded at these sites. Agencies operate based on annualized working time.

The CMSAS collective agreement on equal opportunities signed in 2012 includes a specific section on work/life balance. Its provisions include: limits on work meetings, which should not start before 9:00 am or end after 6:30 pm, except in exceptional cases; extension of leave days for “a sick child” to include “family obligations”, such as adjustment periods for children entering child care or preschool; the alignment of treatment of maternity leave with that of maternity leave; and, the expansion of places available at intercompany child care facilities.

In 2016, Club Med, concerned about maintaining the health and welfare of its employees, and about facilitating their work organization, signed an agreement enabling and governing the practice of telework. This agreement defines in a concerted way the conditions and details governing employees’ access to this form of work organization. At the end of 2017, those GO® staff using the teleworking option (60% of those eligible to do so) had worked in this way for a total of 5,000 days. 93% of these teleworkers say that teleworking has improved their wellbeing in the workplace.

### Absenteeism

Absenteism is calculated within a worldwide consolidation scope of 77%.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Villages</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Saisonal Villages</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Permanent Excl. Village</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Saisonal Excl. Village</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Worldwide</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

The absenteeism rate worldwide was 3.6%, in decrease stable versus 2016.

The absenteeism rate for permanent non-village staff was higher than for permanent village staff. This is mainly due to a higher proportion of non-village female employees, which entails more absences related to maternity leave (38% of non-village periods of absence).

2.3. Social dialogue

Club Med has continually focused on building and sustaining social dialogue at its various establishments around the world (villages and head offices). One manifestation of this is the presence of employee representatives at almost every village, including those that operate seasonally.

In Europe, the Group created a European Social Dialog Committee (ESDC) in 1996, before it was required by law. The committee brings together union representatives from the
various European countries where it operates. In 2004, the Group signed an agreement with international trade unions (EFFAT-IUF) on the respect for fundamental rights at work. This agreement, which was expanded and renewed in 2009, reaffirms the trade union rights of all employees around the world.

See section below on the summary of current agreements.

Organization of social dialogue

For CMSA and French employees assigned to foreign posts, regular dialogue is established

Social and trade union dialogue was reorganised in 2018 on the occasion of the negotiation of an agreement that was signed with all representative trade union organisations on 22 May 2018. A new body was created (the Economic and Social Committee) combining the former specialised committees (Health, Safety, Working Conditions, Training, Affordable Accommodation, VSCA Commission), with which the company’s economic situation, strategic orientations and any change that may impact the operation and organisation, are shared.

The new staff representatives were elected during the winter of 2018. Four trade unions have been represented at CMSA to negotiate and sign various collective bargaining agreements with the company.

At the European level, the European Social Dialog Committee (ESDC) has eight members: five French, one Italian, one Greek and one Portuguese member. It specifically addresses issues of employment, recruitment, development and CSR. In 2017, it met several times with the aim of negotiating an agreement, the objective being to continue to advance dialogue at European level. This new agreement was signed in 2018. It also renews the Club’s commitment to European dialogue.

Across the world, social dialogue is developed closest to the ground with elected employee representatives at almost all sites (villages and head offices). These teams meet regularly at each site, in facilities and with resources provided by Club Med. In most cases, the frequency of these meetings is higher than that stipulated by local law. Depending on the laws in force and the nature of the issue, agreements are negotiated at either the national level or at the establishment level with the country or regional HR managers.

Summary of collective agreements

More information about the agreements: ❭

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7 European and world-wide union federations of hotel-restaurant and tourism employees
2.4. Health & safety and well-being at work

Health and safety conditions at work

Club Med has developed a high degree of expertise in preventing risks related to the health and safety of its customers and employees.

All employee training stresses the safety of employees and customers as a top priority. Club Med also puts a special focus on prevention and on providing medical support and assistance to its teams whenever necessary. The Health and Safety (HS) department and its networks of coordinators are vital to this effort. See § 4.5.2

In 2017, the mechanism to track professional moves of office GOs abroad using the tool SSF Locator, selected in 2015 by the Department of Human Resources, Safety-Hygiene and Health, is being deployed in all agencies that the Group calls on. This tool enables to better anticipate, react to and communicate with those traveling, if needed. It integrates bookings made by the various booking agencies and notifies travelers prior to departure about the security situations at their destination. It also enables the traveler to be contacted during their trip if necessary.

The HHS Department implemented a module to raise awareness as to the risk of malevolent intrusion for the attention of Club Med Villages teams. A version adapted to the specificities of Baby, Petit and Mini Club was already created in the course of 2018, thus addressing the requirements of French Maternal and Child Welfare (Protection Maternelle et Infantile française).

Based on lessons learned in the villages, the prevention policy is based on identifying the causes of accidents.

The educational module for GOs and GE which combines all priority issues including health, lifestyle, alcohol, harassment, risky behaviors, addictions, drugs, alcohol, and impact on health and safety of self and others compiled in 2013 in conjunction with the TU (Talents University) continues to be rolled out for GOs and GE.

In the area of AIDS prevention, Club Med was the first company to distribute condoms freely to its employees (since 1985), and prevention guidelines are handed out in all GOs and GE training courses. Nurses in the villages and the HS department are available to assist GO and GE in obtaining free AIDS screenings.

In France, occupational hardships were evaluated in the villages, and 28 sensitive positions were identified.

Frequency and severity of work accidents and work-related illnesses

Work accidents are any incidents resulting in an inability to work at least one day in 2018.

Accidents during work-related travel or on the route usually taken by the employee between his or her home and place of work are recorded as travel accidents and classified as work accidents.

The unique features of village life and activities mean that some occupations have a higher risk of accidents - particularly food preparation and sports activities. Training sessions specific to each type of risk and ongoing accident investigation and analysis are helping to reduce the number of accidents.

In France, the single-document occupational risk assessment (known by the acronym “DUERP”) identifies problems by workplace and occupation in terms of working conditions and hardships. This assessment is used to develop corrective and/or preventive action plans. It also serves as a long-term management and tracking tool and allows for consolidation by scope (head office, agency, village, etc.).

It should be noted that the definition and recognition of work-related illnesses is dependent on country-specific regulations, making it hard to harmonize and consolidate data. The Group is currently working to standardize this information and increase its reliability, ready for publication at an international level with increased coverage each year.

In 2018, on a Global level (77% coverage), there were 591 periods of sick leave lasting a total of 12,622 days, or a rate of absenteeism of 0.3% (vs. 0.27% in 2017). Under equivalent conditions, with 77% coverage, the level of severity was 0.54 in 2018 (vs. 0.48 in 2017) and the frequency was 24.0 (vs. 21.4 in 2017).

Well-being at work

Convinced for decades that “happy GOs-GE make happy GM”, Club Med commits itself to the welfare and fulfillment of its employees in offices and agencies and in villages, where particular living and working conditions call for attention and specific actions adapted to them. In 2018, Club Med launched its first “#RaiseYourVoice” internal listening campaign with Obea, an independent firm specialised in Human Resources and opinion surveys.

The purpose of “GOs-GE Voice” is to listen to the voice of all GOs-GEs around the world in order to improve their well-being at work. The study is based on an on-line questionnaire dealing with subjects such as pride, integration, sense of pride in being a member, management, development and work environment. The questionnaire on PC and smart-phone is personal and is accessible for everyone; it has been translated into 20 languages and has an audio version adapted to people with a lower level of literacy.

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8 See the definition of the indicator in the methodological note to § 4.5.2

9 Idem previous note
Renewed every two years since 2014, the participation rate of 71% (that is more than 10,500 respondents) continually increases; +5 points since 2016 and +13 points since 2014. Year after year, this increasing mobilisation shows the trust of GO-GE in this barometer for both Offices and Villages.

Among the large brands in the study, it is noteworthy that GO-GE are genuine Club Med ambassadors. Indeed, their level of satisfaction of 90% is very high (+1 point vs 2016). Deeply committed (92%) and proud to work at Club Med (91%), GO-GE appreciate the corporate values and culture notably focussed on CSR commitment, the multicultural dimension, autonomy, integration, and work enjoyment. Finally, the power of recommendation is still very high: 87% of GO-GE would recommend working at Club Med.

Key indicators are far superior to standards observed by the benchmark of the firm Obea; satisfaction (+5 points), pride (+3 points), commitment (+11 points) and recommendation (+16 points). Finally, 65% of respondents to the survey are higher than the benchmark.

In villages, contact with GM®, the welcome reserved for GO-GEs and pleasure in going to work are all subjects that come out in particular among the satisfaction indicators.

Furthermore, almost 70% of the questions in the survey are stable and 25% have improved in comparison to 2016.

Finally, the survey also highlighted certain key areas of improvement in the experience of working at Club Med such as decision-taking, emergency work and overall remuneration.

Overall, few subjects had a significant drop, nonetheless, the items identified as down in 2016 will be studied in depth (listening to professional problems, one-on-one interview, internal tools and procedures).

With new digital tools, new organizational structures, new practices and new generations, Club Med is committed to supporting its teams in their transformation:

- by expanding its catalogue of training opportunities to increase the personal and career development options of its employees
- by redesigning the annual personal appraisal to create a more consistent and collaborative culture of feedback as well as the performance and development interview;
- by hosting more strategy sharing events to give greater meaning to specific actions
- by improving working conditions and resources (redesign of working and living areas, easier teleworking for GO-GE office staff, and increased access to company information via the in-house Club Med Workplace social media channel)
- by revising the management principles

2.5. Training and talent development

Developing employability is essential at Club Med because it is one of the key pillars that make it attractive as an employer, especially when recruiting for seasonal positions and new resorts. This development takes place through professional enrichment and personal growth related to the life experience offered by Club Med. For the Group, the main benefits it can offer are therefore training, and a rich and varied career path and professional and geographic mobility.
Training for development with the Talent University

As training is key to improving employability, in 2006 the Company has set up a Talent University by Club Med (TU), a vital element in the implementation of its strategy.

Figures on training reflect a time-lag with the data reporting periods, as from FY 2013 (from September 1 of year N-1 to August 31 of year N) and correspond to data observed on November 1, 2015. Adjustments are still possible for the year N.

For more details, see the tables in section 5.1

In 2018, 339,764 hours of training were delivered, benefiting 15,736 employees.

Compared to 2016, this represents a change of 8% in the number of GO®-GE trained and an increase of about 17% in the number of training hours and a 38.5% increase in the number of sessions per employee. This increase is due to a sharp increase in the number of training sessions, particularly on the themes of hotels, the EAF, AML, ESAP and GC BUs on transversal themes and on health and safety in NMA.

The University of Talents operates through a network. It is based in Paris and has relays in all Business Units: Lyon, Miami, Singapore, Shanghai, Rio, Milan... It is used to create a training structure connected to the strategic reality of the company and carries out actions to integrate and develop employees.

It has a standing team of 22 specialist job trainers; including 25 Villages Training Coordinators (VTC) based in the villages, as well as a network of nearly 130 ad hoc trainers. The University also regularly calls on external service providers to add to its training offer.

An annual training event: Talent Campus

The “Academy weeks” is a major annual training meeting, which brought together more than 1,200 employees from around the world in October and November. The training content concentrated on building the technical, conduct and managerial skills of trainees from all parts of the company. This edition 2019 also provided the opportunity to align participants with the strategic vision and challenges of Club Med, with particular focus on cooperation.

The team of trainers led and delivered more than 110 training sessions during the event. More than 150 GO® office and branch staff from around the world received leadership and personal development training.

Major development goals and achievements in 2018

❖ new programs to develop skills

In a French job market pressured by shortages in the hospitality trades, Club Med has partnered with the Rhone-Alps region, the national employment agency Pole Emploi and OPCALIA (the employee benefit fund collection body appointed by Club Med) to create a program that facilitates the hiring and integration of 132 unskilled job seekers.

The program offers a training course, the “Academy Weeks”, to familiarize them with the corporate culture and the expectations of a high-end clientele, to master technical trades and to understand the Club Med environment.

A specific training course for the Exclusive Collection range has also been developed in partnership with a recognized provider.

Language courses for village GO® and GE are regularly provided, in addition to language workshops (in English, Mandarin, German, Spanish, and Italian) for employees at the corporate offices.

In 2018, the Mountain Operations Department and the UDT Europe Mountain France-Switzerland-Italy maintain the Mountain School. More than 260 managers assigned to villages in the France Mountain area met in Arcs Panorama resort for a custom training program adapted to the novelties and specificities of the mountain area.
Developing GO®/GE employability through certification and diploma programs

In 2018, recognition of the professional and personal development of GO® and GE led to 218 GO® and GE receiving training under a professional development contract.

In this program, all GO® and GE with work/study contracts follow a 5-6 day “Club Med” course that lets them discover specific aspects of their future position within the corporate environment. This integration program allowed 194 GO® and 10 GE to learn a new job skill while obtaining a recognized diploma.

The rate of success in examinations was 94% due to the work completed with the training schools.

Developing management talent consistent with the strategy and originality of the Club Med Spirit

Launched in 2011, “Manager by Club Med” is a training program for Village and non-Village managers to align and standardize management practices at Club Med. These four days of training aim to support the development of the managerial culture of Club Med, to put people first when considering business performance, and to define and strengthen the differentiating aspects of a “Club Med” manager.

Talent development through career and geographical mobility

Club Med enables many GO® and GE to grow within the company, and to thus increase their level of responsibility. Indeed, nearly 35% of GO® and 6% of GE change positions from one year to the next (on average during winter/summer seasons).

The Group offers career development pathways that give GO® and GE the opportunity to rise to managerial responsibilities: 100% of village managers and about 80% of village service managers are the product of internal promotions (2017 data).

See figures on job mobility in the appendix to section 5.1.

Several mechanisms are in place to manage these movements:
- The Village talent committee, which manages talent pools and succession planning;
- The “Key GO®-GE” program, which offers personalized development and growth opportunities to rising leaders;
- The GO® Experts program: a training program that builds knowledge by sharing knowledge. The individual training modules focus on the new working methodologies and problem-solving to provide trainees with maximum support in their work as experts.

Moreover, an original agreement on transnational mobility of GE employees in the Europe-Africa region, was signed in 2004 and then expanded and renewed in 2009. It concerns GE from Turkey, Morocco, Tunisia, Mauritius, Greece, Italy and Portugal who have the necessary experience and qualifications. It allows them to take positions at Club Med sites other than in their home country, as long as it meets the needs of the company and the desires of the person concerned and where such solutions are unlikely to threaten positions, working conditions, wage levels or other social conditions for employees in the host country.

This mobility allows us to continue building our local talent pools by offering rising leaders the opportunity to travel and to receive training. It also helps to support Club Med’s upscale strategy through the assignment of the best hospitality professionals to the villages.

See summary table of agreements in section 5.1

2.6. Equal treatment

Diversity and preventing discrimination

As a signatory to the Diversity Charter in 2004 (the year of its launch), Club Med has long been sensitive to issues of diversity in the workplace. By tradition and especially considering the countries where it operates, Club Med promotes pluralism of origins and seeks diversity through recruitment and career management.

The principles of diversity and non-discrimination have been reaffirmed in the ethics charter since 2009.

This diversity, this “cultural melting pot”, is a central element that for many years - and now more than ever - has forged the culture and identity of Club Med. Among the elements that illustrate and help to ensure non-discrimination are the importance placed during the recruitment process on relational skills and on the objective assessment of associated skills.

Hiring diversity for GO® and GE is reflected today, for example, by the number of different nationalities represented in each village:
- 109 nationalities represented;
- 90% of Club Med villages have 9 or more nationalities among their employees;
- 1/3 of villages have 15 or more nationalities among employees;
- some villages can have up to 23 different nationalities (average of the 5 villages with the greatest spread of nationalities).

Sources 2018

Measures taken to promote equality between women and men

In 2012, Club Med introduced a set of dedicated measures to promote the principle of workplace gender equality and enable all employees to fulfill their family duties more easily.

This commitment is built around three action areas:
- hiring
- promotion
- work/life balance

Club Med operates a gender-transparent hiring policy, and offers the same salary to men and women of equivalent experience and job profile.
In the villages, women benefit somewhat more than men (in FTE) from occupational and geographical mobility, as well as from training. The proportion of women managers is slightly lower than that of men among village managers and Service managers.

In addition, the proportion of women on Club Med’s Leadership Committee was 45% in 2018, more than twice the average level observed in the world’s top 12 economies (source 2014: TheOfficialBoard.com, based on a panel of 38,000 companies worldwide).

In addition, a “comparative situation report” is prepared annually on the general conditions of employment and training for women and men in the company. It is subject to consultation with the Works Council and is shared with the Board of Directors.

### Measures taken against age-based discrimination

In 2015, Club Med signed an intergenerational agreement aiming, amongst other things, to keep seniors aged 50 or over in employment.

This agreement is a continuation of the collective agreement on the employment of seniors signed in 2009 and defines actions in the following areas:

- Development of skills, qualifications and access to training;
- Planning ahead for changes in working life;
- Planning for end of career and the transition between work and retirement.

The intergenerational agreement also aims to promote the sustained integration of young people into the employment market and to stimulate mechanisms for the transfer of knowledge and skills (head offices and villages) existing within CMSA.

Examples of commitments made as part of the agreement:

- to offer training to at least 50% of young people;
- to increase the number of young people recruited in the villages by offering a fixed-term contract to 50% of them at the end of the work/study period;
- to offer training to at least 50% of seniors;
- to implement initiatives to promote a calm end of career for employees approaching retirement age.

### Equal treatment related to disabilities

The company is continuing its commitment to integrate Club Med SAS people with disabilities through the fourth agreement running through to year end 2018.

The actions aim at integrating new disabled employees in the company and then addressing their specific needs in the course of their career path.

For more details on the actions of Mission Handicap, see the factsheet
Civil year 2018: 40 hirings and 136 salaried workers employed (fixed-term, permanent contracts), at the end of December 2017

**Change since 2014**

The diagram below shows the change in the **rate of employment of disabled workers** from 2015 to 2018. This rate is calculated on the basis of full-time equivalent disabled workers as a percentage of the total workforce. At year-end 2018, this rate is 4.6% in the company.

The theoretical **AGEFIPH contribution**\(^{11}\) is linked to the employment rate: this amount drops the closer the Company gets to the legal employment rate of 6%.

In the framework of the agreement, this contribution funds the actions carried out in the framework of the handicap policy.

<table>
<thead>
<tr>
<th>Rate of employees with disability</th>
<th>Theoretical contribution to the AGEFIPH (K €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of unit benefiting / FTE (%)</td>
<td>219</td>
</tr>
<tr>
<td>2015</td>
<td>4.6%</td>
</tr>
<tr>
<td>2016</td>
<td>4.6%</td>
</tr>
<tr>
<td>2017</td>
<td>4.6%</td>
</tr>
<tr>
<td>2018</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

In 2018:
- recruitment goals provided by the agreement (30 persons) were exceeded again by 25% with **40 appointments**;
- Club Med continued the **training of hospitality staff** of offices and holiday villages in France, the training regarding the **welcoming of disabled persons**, clients and employees, and deployed an **e-learning** module on this topic for the first time;
- the new provisions regarding teleworking maintain a **higher number of days** for handicapped workers (4 per month) than for employees in general (3 on average).

\(^{11}\) **DIRECCTE**: Regional Directorates for Business, Competition, Consumer affairs, Labor and Employment

\(^{12}\) **AGEFIPH**: Disabled Persons’ Occupational Integration and Training Management Association
3 • SOCIETAL REPORT

As a world pioneer in tourism, Club Med is firmly convinced it must actively contribute to the development of the regions where it operates.

The main identified issues for the Group are showing respect for its hosts, boosting the local economic and social fabric and supporting local production.

3.1. Communities: respect and contribution

Introductory comment: It should be noted that beyond the actions described below, the management of impacts on local communities is also reflected in the deployment of Green Globe certification (see section 4.1.4) especially through criteria based on socio-economic and cultural issues.

3.1.1 Respect for host communities: an invitation to respect and discover

Respect for host countries and their inhabitants is one of the founding principles of Club Med and is an essential condition for the local acceptance of its villages.

Fighting against sexual exploitation of children in tourism

This concern for respect relates to all of the riches of the country hosting a village, starting with the most precious of them: its children.

The actions defined in the partnership agreement signed with ECPAT in 2005 were renewed in 2017, with the further distribution of the joint Club Med – ECPAT leaflet that ties in with the NGO’s communication campaign. These leaflets are sent to the homes of French, Belgian and Swiss customers heading to sensitive countries. Outreach is also conducted via the commercial website in several countries, including France and the US.

In 2018, more than 44,800 leaflets were sent to French, Belgian and Swiss customers, bringing the total number sent since 2005 to more than 850,000.

A procedure intended for use by Reception staff of risk destinations to identify underage guests has been updated in 2014.

An invitation to respect the host country

Since 2008, the Discovery Centers at all African and European villages have displayed a charter on respecting the local hosts, their culture, environment and economy and distributed it to all GM® going on excursions. The charters are adapted to the environmental context and exist at least in French and English.

In villages where the Green Globe certification process is deployed (see section 4.1.4), the awareness poster in the rooms of all GM® invites them to refer to the Charter.

This charter is also included in the travel itineraries sent to clients of Discovery Tours by Club Med. In 2017, as part of ATR (Agir pour un Tourisme Responsable) certification for the Discovery Tours by Club Med, the Handbook for Guides was revised to provide even better training for our guides in terms of respect for cultures, people and environmental protection.

In addition, the Ethics Charter available to all GO® and GE, incorporates the principles and commitments that govern the company’s relationship with its host countries.

An invitation to discover

❖ Villages steeped in the local culture

Club Med villages have always been steeped in the local culture, as can be seen from their architecture, decoration, vegetation, cuisine and more. The activity programs offered also reflect local practices, frequently through lessons in dance, cooking and languages, as well as lectures on the host country. And, in addition, every week almost all Villages organize an evening, an entire day, or special events devoted to the host country or the region.

❖ Discovery tours by Club Med and excursions

In all villages, the Discovery Center is located in an area that is easily visible to the GM®; it invites them to discover the host country through a wide range of outside excursions and activities outside the villages. Services such as child care during the excursion day make organization easier for participating parents. As a result, about a quarter of GM® in the Europe-Africa region take excursions during their stay.

In addition, since its creation, Club Med has developed experiences alongside its village activities, such as vacation tours or vacations combining tours with stays in the villages. Each year, Club Med Discovery Tours offers the exploration of 62 countries, in small groups, directed by guides and assistants.

ECPAT is an international organization with a presence in over 70 countries worldwide. Its aim is to fight against child prostitution, child pornography, and the trafficking of children for sexual purposes. Many tourism professionals are committed with ECPAT to fight against the sexual exploitation of children in tourism.
3.1.2 Contributing actively to local development

The presence of a Club Med village has economic and social impacts on the host region. Club Med is committed to not contenting itself with observing the positive impacts, but to maximizing and developing them instead.

Through local employment

The level of comfort and service, and the variety of activities offered in a Club Med village are reflected in the high number of positions required for a village opening. In 2018, 75% of such positions were awarded to local GO® and GE.

The use of local subcontractors also contributes to boosting the economic and social fabric, in the same way as indirect employment, although this is more difficult to quantify precisely. (See section 2.1)

By developing the employability of local workers

Raising the skills and employability of local workers is a priority for the Group.

Thus in 2018, on a World scope:
- 58% of local GE assigned to a post were trained;
- 60% of local GE were evaluated in 2018 (evaluation for 2017, stable since 2016);
- 9% of GE worked outside their home country.

Training

The percentage of local GO® and GE receiving training increased over the last three years.

Evaluation

The evaluation rate for local GEs is 60%, compared with mobile GO®-GE staff and local GO® staff, whose rates have remained stable since 2015 at above 80%.

Geographical and occupational mobility

Assignment to posts in countries other than the employee's home country

The geographical mobility of our GO® and GE has remained stable for three years.
The professional mobility\textsuperscript{14} of local and mobile GO\textsuperscript{®} and GE varies significantly according to their status as a GO\textsuperscript{®} or GE. However, no medium-term trend is emerging, and percentages are subject to fluctuations related to village openings and closings and to the “jobs-mix”.

❖ Focus on the non-EU agreement

The agreement on transnational mobility of GE in Europe-Africa enabled 656 seasonal employees to be hired as hotel workers for one season at the French villages. Most of them were from Turkey, Morocco, Tunisia and Mauritius.

See section 2.3 on the summary of current agreements

<table>
<thead>
<tr>
<th>Examples of practices and techniques</th>
<th>year</th>
<th>sites</th>
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<td>Biological wastewater treatment via Jardins Filtrants with Phytorestore</td>
<td>2006</td>
<td>Albion (Mauritius)</td>
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<td>Yasmina (Morocco)</td>
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<td></td>
<td>2013</td>
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<td>Natural swimming pools with Phytorestore</td>
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<tr>
<td>Fighting the red palm weevil with INRA</td>
<td>depuis 2011</td>
<td>8 villages of the Mediterranean area</td>
</tr>
</tbody>
</table>

Through local purchases

See section 3.2 on responsible purchasing

Through the prevention of counterfeiting

The counterfeiting goes against the economic development of its host countries by hindering local creation and sidestepping all social and environmental standards. The Group therefore decided to raise awareness among its teams and GM\textsuperscript{®} on this topic, particularly through Sustainable Tourism training courses for Club Med Discovery guides, and as part of the roll out of the villages’ Green Globe eco-certification.

Through the transfer of know-how and innovation

Boosting the economic and social fabric of a community also involves the transfer of know-how. The Group is continually seeking to implement innovative practices and techniques on a local level.

3.1.3 Beyond contribution: Solidarity

The Club Med Corporate Foundation, which was founded in 1978 by Gilbert Trigano, aims to improve the environment and life conditions of the vulnerable youth by activating the Club Med’s value chain.

\textsuperscript{14} Professional mobility; change in function. See the details of the calculation of the rate in the methodological overview in § 4.5.1
Consequently, every year, nearly 2000 voluntary GO® and GE take action, under the supervision of the foundation, in the local area of the resorts or the business units, throughout the world.

In 2018, Club Med contributions to the Foundation stood at €526,000. This included the multiannual allocation to the Foundation, costs met by Club Med, valuation of skills transfer (within working hours) and in-kind donations to local communities. In addition, the Foundation also benefited from out of working hours volunteering by GO® and GE and solidarity donation on salary. This commitment by Club Med and its teams drives customer commitment and fosters the growth of the Friends of the Club Med Foundation.

For more information, https://www.amisfondationclubmed.com/fr/menu_item_pages/discover-the-foundation

❖ In the resorts

In the Resorts, there are several types of programs implemented according to the needs of our local partners:

- The education programs support long-term initiatives in local schools and associations: renovating buildings, providing facilities, school kits, and sometimes providing replacement educational staff as part of a one or two-week solidarity leave scheme.

- In the Sports Schools, the children are welcomed on a weekly basis in the Resorts and make the most of the facilities depending on the case under the leadership of the GO® or local professional educators in order to learn sports. The objective is to get as many young people as possible to experience a rewarding, challenging, educational and recreational time together, while also providing a training course in the role of a GO® for the more motivated young people. 2016 was noteworthy for the creation of a new Sports School in Thailand in the Phuket Village.

- In order to have more frequent meetings of GM, their children and the children of communities located around the Club Med resorts, the program "Friends from around the world" offers moments of exchange in the context of creative workshops, artistic shows or sport activities. It was deployed in 8 villages around the world and more than 1,200 children benefited from it in 2018.

- The Foundation Job Links, set up between a Club Med Resort and the neighbouring partner associations of the Foundation, seek to create job-related courses within the Club Med for the young people who are being monitored by these associations.

- The culmination of the charitable season is the Worldwide Snack, which invites children from the neighbouring associations and schools to each Resort: in 2018, for the 19th Worldwide Snack, 40 resorts received more than 3000 children in a very joyful and dreamlike atmosphere: bazaars, sporting and artistic activities, banquet buffets, entertainment, etc.

The Foundation also organises initiatives in favour of the environment and sustainable development, by facilitating ad hoc actions such as beach cleaning operations or by supporting long-term local projects with partner associations, such as Agrisud International in five countries, MOm in Greece and the Mauritian Wildlife Foundation on the island of Mauritius and Expedition MED association in France.

Foundation Corners, that the GM® can join. In order to respond to the ever-increasing numbers of GM® who want to get involved in initiatives, 'Foundation Corners', associated to local Education Programs, were created in 2006 to collect their donations of school supplies or products for very young children. Furthermore, in 2012, the 'Friends of Club Med Corporate Foundation' was created in order to collect the cash donations of GM®.

❖ At the headquarters and offices

At the Paris headquarters or in country offices in Miami, Sydney, Lyon, Rio or Montréal, GOs offer their skills to develop projects, and their time and skills to the benefit of local associations close to their place of employment. Others also dedicate part of their holidays to Solidarity Leave in the field of education (support of Education programs in neighbouring schools of our villages in Morocco and Senegal) or environment (eco-volunteering on a sailboat to study and prevent plastic pollution in the Mediterranean).

The Friends of the Club Med Foundation

LES AMIS DE LA FONDATION
Club Med

Géré par la fondation Roi Baudouin (Belgique)

The Friends of the Club Med Foundation charity account operated under the aegis of the Roi Baudouin Foundation (Belgium), was opened to receive financial donations from customers. In 2017, the Friends are able to provide financial support for about twenty solidarity projects targeted by the Club Med Foundation.

In 2018, it is thus possible to financially support around 20 solidarity projects targeted by the Club Med Corporate Foundation. In this way, € 89 K were collected in 2018 and projects were financed to the extent of € 106K.

For more information, https://www.amisfondationclubmed.com/en

15 Amount estimated to be within 1% (result of the Corporate Foundation not known in full at the closing date of the report) corresponding to the period from November 2017 to December 2018
Overall contribution in terms of time spent

Almost 1,800 GO and GE volunteers worked on solidarity or collection projects and their involvement represented 13,854 hours of volunteering or skills transfer in 2018.

Non-Foundation philanthropy (or direct patronage)

❖ Local partnerships

Other environmental and solidarity initiatives are carried out locally by the villages without all being identified. In particular, 2015 saw partnerships with the Observatoire de la Palméraie de Marrakech (OPM); the "Respecting is protecting" campaign in Switzerland, the LPO (Ligue de Protection des Oiseaux) in France, the SAD-AFAG in Turkey and MOm in Greece for the protection of Mediterranean monk seals, the Mauritian Wildlife Foundation, the Turtle Sanctuary in Malaysia, the Vanoise National Park, and since 2017 - the Écrins National Park for the three villages closest to it.

Direct patronage also includes other donations, including the contribution to Agrisud (see section 3.2.3).

❖ Actions with communities to promote hygiene and health

To fight against AIDS, Club Med offers free screening and support in accessing care for all its employees (see section 2.4.).

3.2. Responsible purchasing

Inventor of the all-inclusive vacation, Club Med has a role as an assembler of various services, in which purchasing plays an active part for more than 3/4 of the business volume. Responsible purchasing thus fits naturally into the Group’s strategy of responsible performance.

The Purchasing Department works with more than 4,700 suppliers broken down into 7 large categories:

breakdown of macro-family purchases (% amount) - 2018

- Corporate support
- Infrastructure
- Marketing & sales
- Operations & consumers goods
- Real estate & risk management
- Transportation & lands

Purchasing is a significant part of the Green Globe certification process for the villages: fifty criteria (out of some 350 Green Globe benchmark indicators) focus on purchasing and procurement. The aspects covered are social, local, environmental, and the issue of fairness.

The Group obtained in 2014 OEA/AEO customs certification. This customs procedures and safety/security quality label is a measure of the confidence invested in Club Med by European customs which recognizes the company as a reliable international trading partner. This internationally recognized certification accords certain privileges in terms of customs procedures and controls relating to safety and security.

3.2.1 Due diligence in the supply chain

The Purchasing Department strives to implement a reasonable vigilance policy through:

- the Group Ethics charter, which determines the behaviour of all Club Med employees
- the CSR clauses appended to supplier contracts to promote fundamental employment freedoms, environmental and health protection, corruption prevention and the implementation of action plans where any of these issues are not addressed
- the purchasing process which incorporates CSR at every stage
- a shared audit policy for supplier production facilities as part of ICS (Initiative Clause Sociale) membership, and follow-up monitoring of the resulting corrective measures
- regular dialog with strategic suppliers

Ethics of the Purchasing Department

The Ethical Guidelines for Professionnal Conduct in Supplier Relation sets the behavioral framework and rules of conduct expected from representatives of the Club Med Group Purchasing department. Its specifies and gives concrete examples of the Purchasing and Logistics department’s five rules of conduct (Honesty, Integrity, Fairness, Ethics and Confidentiality).

Its 2017 update strengthens the commitment to counter corruption, influence peddling and so-called ‘facilitation’ payments.

See www.suppliers.clubmed.com under the “Our values” tab

CSR clauses

A CSR clause incorporated into standard contracts since 2006 requires Club Med suppliers to comply with ethical principles and practices. This clause commits suppliers and service providers on key points: freedom from harassment; no use of child labor; no discrimination; no use of forced labor; existence
of a minimum wage; freedom of association and trade union rights.

In 2017, these clauses were rewritten to include more explicit environmental and health protection, the prevention of corruption and the implementation of an action plan in case of breach.

In 2018, 48% of contracts worldwide were identified as containing the clause (vs. 46% in 2015). Some were signed before the clause came into existence and it cannot always be traced for contracts signed since it came into being.

**Stages of the purchasing process**

Sustainable development actions are incorporated at each stage of the purchasing process:

- In defining the purchasing policy: managing risks and developing responsible purchasing is one of the four pillars of the policy;
- In sourcing criteria: certifications and/or the implementation of good environmental and social practices are one of the questions asked of any potential new supplier through the dedicated website;
- In the main operating specifications and the selection criteria for tenders and contracts;
- In reporting on sustainable purchasing: monitoring methods and computer tools have been developed; their use should continue to increase;
- In improvement processes requested by the buyers from their suppliers.

The commitment to eco-friendly purchasing has been clearly communicated and the sustainable purchasing charter can be downloaded from the website: www.suppliers.clubmed.com

**Subcontractor and supplier assessment procedures**

A purchasing risk map was prepared in 2016 to identify areas that pose high risks for the Group at every link in its supply chain.

Club Med now has better visibility regarding topics per category of purchase and per sourcing country to be addressed as a priority.

**ICS membership and pooled audits**

Since 2015, Club Med is a member of ICS (Initiative Clause Sociale) to complement its supply chain employment and human rights policies, to learn from the sharing of experience with other Initiative members and to share supplier audits.

Belonging to ICS has allowed the Group to increase competence in risks relating to Human Rights in the supply chain, to envisage common positions on specific achievements (Syrian, Thailand, Turkey ...), to be alerted to evolutions in regulations and to benefit from the ICS reference and ICS experience in auditing as well as the auditors’ quality monitoring.

Wherever possible, audits are based on the Buy Your Way map prepared in 2016, and conducted by Asia Inspection in accordance with ICS recommendations.

Gathering the addresses of supplier production plants remains a challenging exercise with which suppliers are still disinclined to cooperate. This task prioritizes production plants in the most high-risk countries and the most challenging sectors of the economy (clothing, entertainment, hotel consumables and small-scale equipment, spa/bathing products and sports equipment), excluding in a first time those major consumer brands that are directly exposed in the event of shortcomings.

In 2017, five Club Med suppliers were audited in the textile and clothing sectors and in the cosmetic sector in Asia. Monitoring action plans resulting from this is pooled among the various ICS principals concerned. In 2018, no new audit could be carried out due to the lack of transparency on the part of suppliers regarding the factories’ addresses.

ICS has decided to involve Elevate in the supply chain CSR training program. Club Med encourages those suppliers whose production plants have been identified as requiring further progress to ensure that their senior managers complete these e-learning courses to facilitate progress on CSR issues in their production plants. For example, a number of senior managers in the plant producing amenities products in China have obtained certifications following completion of these training modules, thereby demonstrating their willingness to address the requirements of their customers by training themselves in the appropriate regulations and values, and adapting their operating processes accordingly.

**3.2.2 Responsible purchasing**

**Purchase of responsible products**

In 2018, beyond reasonable vigilance and the fight against corruption, the main issues of responsible purchases concern:

- the consideration of criteria regarding water consumption, energy efficiency, the emission of greenhouse gas, waste reduction, the preservation of biodiversity and animal welfare in calls for tenders
- the development, as much as possible, of purchases of eco-certified products or products that obtained a fair trade label (Max Havelaar, Fairtrade, Ecocert équitable, Cosmebio...,)
- the removal of all disposable plastics by 2021,
- food purchases focusing on seasonal and local products (see § 3.2.3, the focus on the partnership with Agrisud).
Since 2007, raising the buyers’ proficiency in sustainable purchasing has been the focus of regular workshops. In particular, annual international seminars are the occasion to share the CSR issues and priorities of the year. Sustainable purchasing concerns everyone, and is addressed based on the degree of maturity of the geographical regions.

**Actions and actions follow-up**

- **Social, societal and Human Rights**
  The percentage of Fairtrade-accredited food purchased in 2018 was 28% (25.6% in 2017), and 86% of purchases were made locally in-country.

- **Environmental**
  Charters have been written for purchasing wood (Wood Charter in 2006) and for seafood (Seafood Charter since 2007 and revised each year according to scientists recommendations). In 2017 accordingly, only 0.2% (vs. 0.1% in 2016) of global seafood purchases comes from overfished species that are not compliant with the charter, and 21% (idem 2016) from restricted species.

Where possible, certified purchases are prioritized: organic cotton for 17% of GO® clothing (in Europa-Africa), certified cleaning products, use of “green” energy, FSC or PEFC certified paper for catalogs (100% since 2010 on the FBS and NMEA market), vegetable-based inks for catalog printing, etc.

At the same time, the tonnage of catalogs in the France-Europe-Africa New Markets (FEAM) has been slashed by 23% since 2017 and by 95% since 2009 (125 tons in 2018) thanks to the merger of several catalogues into one, its simplification and the reduction of print runs.

**Tonnage of catalogues in the France-Europe-Africa market**

* this excludes countries that print their catalogs on-site (South Africa, Spain, Israel and Portugal for which data is not known)

**3.2.3 Focus on local purchases and partnership with Agrisud**

**Local purchases**
Throughout the year, the vast majority of purchases of goods and materials for the villages is from local suppliers in their countries of operation (ranging from 83% in the North America to 100% in China, with an average of 89.7%). If a portion of these purchases consists of imports by the local supplier (which is very difficult to assess), this rate nonetheless reflects Club Med’s intention to work as much as possible with local partners, producers and distributors.

See indicators in section 5.2.

**Supporting and developing local farming: a unique partnership with Agrisud**
Finding that in some cases local supply was inadequate to meet its villages’ demand for fresh produce, Club Med decided to help strengthen this network, thereby playing an active role in the economic development of the regions where it operates.

This decision led to a partnership with the NGO Agrisud, signed in late 2008, to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology.

The benefits of this are multiple and contribute to several of the Sustainable Development Goals (SDG):

- helping farmers to escape poverty (SDG 1 & 8) by training them (SDG 4) towards a market economy (SDG 10) and sustainable use of their lands (SDG 15);
- contributing to the relocation of subsistence farming (SDG8);
- buffets offering customers fresh produce that is local, eco-friendly and meaningful (SDG 3);
- securing supplies of fresh produce (SDG 3) and increasing the share of local purchases in Club Med’s procurement process (SDG 9);
- securing water supply for farms with solar energy;
- affording women equal rights to economic resources in the Senegal the project is specially focused on the women vegetable producer;
- about 33 tons of carbon sequestered by market gardening and arboriculture and reducing the CO2 impact of transporting such produces;

16 Excluding China
For nearly twenty years, the NGO Agrisud has been committed to the fight against poverty and to the food security of the poor in many developing countries in the southern hemisphere. Its answer is to assist these populations in the creation of very small sustainable family farms, rooted in the local market. Its approach is also environmentally friendly and promotes practices that reconcile local development with low environmental impact.

Agrisud, with the help of local partners that it trains, works with very small farms near the villages to:

- strengthen producers technically (sharing of agro-ecological practices), in terms of business management (supporting the development and analysis of the operating accounts), and organizationally (grouped seed purchases, irrigation systems maintenance, etc.);
- establish a local procurement system that is sustainable (participatory development of a purchasing protocol; positioning of local partners or groups as intermediaries between the producers and the Club Med village).

www.agrisud.org

- more firmly rooting the villages in their host communities
- involving diversified actors everywhere: customers … (SDG 17).

With 336 VSBs supported and more than 2,500 beneficiaries in four countries, cumulative financial support of €715,000, and over 182 tons of produce delivered at the end of 2018, Club Med is Agrisud’s largest partner in the tourism sector and its second private partner.

Furthermore the implication of clients allowed to collect € 25K in 2018 to finance the implementation of systems of collection and storage of rainwater for three family farms in Indonesia (16 persons); as well as the support of the marketing of products in two groups of agricultural operation in Morocco (240 persons).

The partnership with Agrisud was rewarded:

- by procurement professionals obtaining the Golden award for responsible supply at “Trophées Décision Achats” in 2013 ;
- by the actors of sustainable tourism in Morocco being the winner of the Moroccan Sustainable Tourism award in the “economic and social development” category in 2014 ;
- by personalities from the international hotel industry obtaining the Worldwide Hospitality Awards “Best initiative in sustainable development & social responsibility (deployed concept)” in 2015 ;
- by the World Tourism Organisation (UNWTO) that used the partnership in 2017 to illustrate the good practices efficiently contributing to the Sustainable Development Programme at the 2030 horizon.

2018 project review

The year 2018 saw:

- the carrying out of 3 diagnostics regarding 4 new Club Med Villages (Lake Paradise in Brazil, Albion and la Pointe aux Cannoniers in Mauritius, Guilin in China) with the start of actions in Lake Paradise in September and the scheduled start of actions in early 2019 for Mauritius and China
- the celebration of 10 years of partnership with vegetable producers in Casamance and its success with the increase from a couple hundred kilogrammes delivered in 2009 to 24 t in 2018
- the strengthening of villages and producers links with the active participation of Club Med Marrakech at the 2018 edition of “Guindo-mets”, a culinary competition organised with the Marrakesh palm grove (Palmeraie de Marrakech) by working on recipes based on products cultivated on the farmers’ plots
- another two-fold increase of production delivered to the Village from operations around Bali (Indonesia) for this third year of agroecological production vs 2017;
- the three-fold increase of production delivered to Villages vs 2017 from the operations of the Marrakesh palm grove and Rio das Pedras in Brazil.

In 2018, Club Med initiated a similar approach on the territory of Rhône-Alpes to develop local agroecological products for Club Med Villages in the Alps. An agreement was signed in December 2018 between Club Med and the Rhône-Alpes Federation of Nature Protection, the federation of associations of protection of nature and the environment in Rhône-Alpes (FRAPNA) to collaborate on a mission of study and analysis of the feasibility of local practices and the conversion of farms to agroecology; regarding fragile economic structures and the health and environment benefits for the territory’s inhabitants; and regarding short circuits and valuation and supply chains. Discussions with Agrisud will take place to exchange experiences.

To access the complete presentation of the Agrisud-Club Med partnership

Very Small Business
3.3. Customers: Quality and safety, the foundations of lasting trust

Club Med has grown alongside its members. They are the ones who, starting in 1950, called the activity leaders “Gentils Organisateurs” (GO®), and were in return called “Gentils Membres” (GM®). The close relationship of trust, and even complicity that has existed between Club Med and its GM® for 60 years is one of its most valuable assets. If it is especially evident in the relationship between the GO® and GM® in the Villages, it is also the reflection of the entire organization’s core commitments towards its customers.

This special customer relation had led Club Med to win, from 2014 to 2018, the French Customer Relation Prize for the tourism segment. This prize, awarded by BearingPoint and TNS Sofres, rewards the Company for its ability to create and maintain an innovative and personalized customer relationship before, during, and after the vacation.

3.3.1 Responsible communication to customers

The quality and reliability of sales information is the sine qua non of a relationship of trust between a company and its customers, especially when it comes to products as involved as vacations.

In light of this, and of its strong brand awareness and reputation, Club Med relies on a specific process managed by Marketing department, and on the various departments, including the Legal Department, to ensure that promotional materials are reliable and do not contain exaggerated promises. This includes making sure that the terms and conditions of sale provided for products and services are clear, complete, reliable and comply fully with all applicable tourism legislation and regulations.

Club Med is an associate member of SETO, the French trade union for tour operators, and adheres to its travel charter, which aims to inform the consumer about the commitments made by professional tour operators and the guarantees that they offer.

Club Med SAS attaches a great deal of importance to compliance with regulations and voluntary codes of conduct with regard to marketing communication. As far as the Company is aware, there were no significant complaints based on failure to comply with said regulations and codes in 2018.

Club Med SAS also attaches a great deal of importance to the protection, security and confidentiality of its customers’ and employees’ personal data. It pays close attention to ensuring full implementation of the provisions governing privacy and personal data processing, and full compliance with CNIL recommendations. In order to comply fully with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of personal data, which became effective on May 25, 2018, Club Med worked with a specialist external service provider during 2017 and 2018 to...
analyze its existing practices at Group level to ensure compliance with the provisions set out in the Regulation as part of extending the existing commitments of Club Med to customer consideration and employee protection. Achieving full compliance relies particularly on defining a governance model that will provide effective management of the data protection process, with the implementation of policies and procedures, the provision of information and management of personal consents, the introduction of processing records, the definition of security measures, and the training and awareness of employees regarding these issues and challenges of personal data. In January 2018, the Company appointed a Personal Data Protection Officer. To the best knowledge of the Company, no significant complaint was received during 2017 regarding infringement of customer privacy or loss of customer personal data.

3.3.2 Quality and customer satisfaction

Club Med’s quality approach is based on a historical culture of customer satisfaction, and on tools that are embedded in the practices of each profession.

Listening to the GM® begins in the Village through the GM® - GO® relationship. After their vacation, the listening continues through the “GM Feedback” satisfaction survey, an analysis of GM compliant letters and, increasingly, of feedback on specialist websites and social networks. Customer Service France handles customer feedback via these various channels, monitors and manages quality, and provides operations staff with monthly feedback reports.

Concerning the “GM® Feedback”, in 2018 the rate of “very satisfied” GM® is slightly above comparing 2017 and to the three previous years especially on the summer season. On the whole, the higher the category of village is, the higher the level of satisfaction is.

Furthermore, the “Quali-signs” quality standards are in all Villages and compliance with these standards is managed through staff training and various forms of monitoring.

3.3.3 Customer health and safety: Aiming for total peace of mind

The number one priority communicated to all GO® and GE is personal safety.

The health and safety policy relies on the expertise and coordination of a dedicated Health and Safety department.

For more details see also

GM® indicators and incidents

The accident and theft prevention policy implemented by Club Med allowed their number to be limited again in 2018.

In 2018, the number of claims (theft and accidents) in the Villages is stable in terms of ratio by number of clients, although there is a 5% increase in absolute terms. The costs related to these incidents also increased.

The specific ski accident prevention campaign, designed in collaboration with the Insurance Department and the ESF (French Ski School), continued.

An identical campaign for reducing accidents related to nautical activities also continued in 2018 with a special focus on Asia (the campaign completed at the end of 2017).

3.3.4 Disabled access in Villages

Accessibility agendas were filed by the statutory deadline of January 1, 2015. Work on compliance upgrades was launched in successive phases. To date, rooms have been made compliant in 82% of villages (vs 62% in 2015) and are scheduled in 2018/2019 for 18% of the villages and, on communal areas, compliance upgrades have been completed in 23%, nearly finished in 5% and started in 41% of villages and scheduled in 32% of the resorts.

In accordance with French legislation, Club Med has introduced accessibility registers and trained all its hospitality staff working in its French vacation villages and offices in how to welcome disabled customers and employees.

A project spanning all the villages around the world started in 2018 to make available Club Med premises and activity accessibility information to all customers through the website of our partner Picto Access.

Lastly, a training module called ‘Extending a warm welcome to disabled customers’ has been rolled out for reception teams in France, as part of the in-house receptionist training program and in preparation for the opening of new villages. This training is led by physicians from the village health network.

3.4. Respecting human rights

The human rights and fundamental freedoms of local communities

Club Med is committed to respecting the principles of human rights by:

- Fighting against the sexual exploitation of children in tourism (see section 3.1.1.1);
- Distributing the principles of its Ethics Charter to all employees, and making this document available to all stakeholders: on the corporate website http://www.clubmed-corporate.com/?cat=266 and the jobs website http://www.clubmedjobs.co.uk/knowing-us-better/our-strategy/our-commitments.

Moreover, Club Med ensures the respect of local populations and the non-monopolization of resources through:
CORPORATE SOCIAL RESPONSIBILITY

- compliance in the purchase and use of land, and with regard to regulations on protected areas and heritage sites.
- It also ensures that Village activities do not impact the water or energy supplies of local communities or compromise the sanitation or delivery of other essential services in neighboring communities. These are mandatory points for obtaining Green Globe certification and are reviewed at each audit.

Lastly, since 2000, Club Med has been a signatory to the National Charter of Ethics for Tourism. This is the French version of the Global Code of Ethics for Tourism. In November 2015, Chairman Henri Giscard d’Estaing signed the Global Code of Ethics for Tourism at the 16th meeting of the World Committee on Tourism Ethics in Paris.

For more details see http://ethics.unwto.org/content/global-code-ethics-tourism

Human rights and fundamental freedoms of employees

In addition to applying and promoting the freedom of association and the right to collective bargaining (see section 2.3 “Social relations”) and as part of fight against discrimination (see section 2.6 “Equal treatment”) in all countries where it operates, Club Med only hires employees who are over the age of 18 and prohibits all forms of forced or compulsory labor. This requirement is specifically met during hiring sessions in employment catchment areas, and subsequently by the village HR Manager.

It promotes fundamental rights at work through its Ethics Charter (see section 3.4 in the Societal report), specific contractual clauses with suppliers (see section 3.2.1 in the Societal report), as well as the collective agreement on the respect for fundamental rights at work (mentioned in section 2.3), which refers directly to ILO principles and describes in detail Club Med’s commitments to respect them.
4. General elements of the environment policy

4.1. Key issues and commitments

Promoting an appreciation for nature and its benefits is one of the founding principles of Club Med, whose very name reflects this vocation. Located in exceptional settings, Club Med is aware of their fragility and their vital need for protection. Being recognized as a tour operator with high standards as well as a pioneer in environmental management is a determining factor when it comes to enjoying the legitimacy to operate in some of the most beautiful sites in the world and also of meeting the increasing expectations of GO® and GE and customers.

Environmental issues are addressed at three major levels:
- resorts construction;
- resort operations;
- and outreach to customers, suppliers and GO®/GE.

In the context of its “Asset Right” strategy, Club Med’s ability to drive progress within its sphere of influence (i.e., its investment partners) is becoming a key element in the success of its environmental policy both during Village construction and operation. Promoting eco-certifications as being Club Med standards is a major source of leverage in terms of achieving such success.

Provision for contingencies and losses relating to the environment

No charge or penalty relating to the application of a final legal verdict on environmental issues has been recognized by the Group for the 2018 fiscal year, although one such case is currently before the Court of Appeal. Furthermore, no provision for environmental risk was recorded for the year.

4.1.2 Organization

Organization of teams

See section 1.1 for the organization of the Sustainable Development department.

See section 1.2 for the inclusion of stakeholder views.

Environmental issues are addressed in each Business Unit and at each stage of product delivery under the leadership of the Sustainable Development and Technical departments in each region.

The Development and Construction department relies on eco-construction expertise and consultants, in conjunction with our real estate partners.

In the villages, Technical Managers are key players in the environmental policy. Coordinated by the regional Technical departments, they work closely with all services, and particularly with the Green Globe Coordinators in certified villages or those seeking certification (see section 4.1.3.).

Regional Technical departments unify the work carried out by Technical Managers in each village.

With regard to compliance upgrades, energy efficiency as well as other topics (disabled access, elevators etc.), actions are placed in order of priority by the EAF Technical department across the village network, whatever the operating structure (owner, renter or “being managed”).

Tech Care: the environmental reporting tool

Since 2007, environmental data have been drawn from the Tech Care reporting tool (Indicia software, published by Ivalua) which covers all Group villages (World scope).

In 2016, a major update of the application was carried out which made it possible to simplify use while keeping the same philosophy and extending the field of application. From now on, this tool will also be used to monitor the Club Méditerranée Company Foundation’s sponsoring of competence.

This tool enables the consolidation of quantitative data (water, energy, waste, GHG emissions, etc.), as well as the collection of qualitative contextual information on equipment, practices, and so forth. It serves a threefold objective:
- As an operating tool to manage Village performance, to serve as a village “memory” regardless of technical team changes, and measure progress against targets and return on investment;
- As a baseline for management control of resource consumption (water, energy etc.) in villages;
- As a reporting and consolidation tool for the Group’s non-financial communication and management of the environmental policy roll out.

It uses data on actual consumption, which is recorded by the Technical Manager of each Village.

A dual control is performed:
- On the completeness of monthly data by the Tech Care administrator in the Sustainable Development department;
- On the consistency of data on a quarterly and/or monthly basis by the Technical departments.

Tech Care leads an annual project in September that covers nearly 350 qualitative and contextual indicators, which puts these analyses into perspective and provides a better understanding of all the villages’ environmental impacts.

### 4.1.3 Becoming an eco-construction pioneer: guidelines, promotion of certification and green innovation

Routinely incorporating an eco-friendly approach and standards into construction projects is a key aim of Club Med’s environmental policy.

**Finalisation of a BREEAM 18 - Club Med sustainable construction benchmark for resorts**

In 2017, the BREEAM sustainable construction standard for resorts has been finalised. It includes the characteristics (that are best adapted to the context of resort construction) of the two BREEAM benchmarks, “New Construction” and “Communities” with the requirements of this recognised international standard, certifiable by a third-party organisation and covering Club Med’s environmental know-how.

The “construction eco-standards” were also drafted in 2017. They are based on the Club Med know-how (former environmental construction guidelines) as well as on the items used from Breeam, Green Globe and Green Building Design Label (China) certifications, to be systematised. Eco-standards also focus on the obtainment of an eco-certification (at least Breeam Good or equivalent) and green innovation.

*See also section 4.5.1. “Protecting biodiversity during construction”*

**Obtaining a recognised environmental certification for any directly managed new project**

For villages built as well as for as well as for deep renovations, the Group aims to obtain an eco-certification (Breeam Good minimum or equivalent).

In 2018, the Grand Massif Resort Club Med Samoens Morillon obtained BREEAM "New Construction" certification (pass level) and in early 2019, Arcs Panorama obtained Breeam "New Construction" certification (Good level).

Seven construction or renovation projects are under BREEAM certification.

These follow on from the "NF HQE® Methods” certification for Valmorel resort for the design, programming and construction phases; and the "THPE" (Very High Energy Performance) energy label for Club Med Val Thorens Sensation resort.

**Promoting certification to our partners**

For villages built by third parties, Club Med’s objective is to convince its partners of the merits of a certification process. The Group’s objective between now and 2017 is to formally propose and defend the construction eco-certification principle to its partners.

To this end, this principle has been enshrined in the Eco-standards of the Development and Construction Department and in specific clauses incorporated in contracts.

**Promoting green innovation**

To experiment with promising and profitable technologies and to put into practice the brand’s pioneer spirit and reflect its environmental concerns, the Group’s objective is to experiment with at least 10 innovative solutions between 2008 and 2018, and has 17 in total to date.

Club Med also seizes the opportunity to play in his sphere of influence to raise the profile of innovative green technologies and share them with its customers (often decision-makers, influencers or investors).

More generally, innovative technologies are continuously being monitored by the technical teams and promising methods are tested.

---

18 BREEAM : Building Research Establishment Environmental Assessment Method
Green innovations put into practice since 2008

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Year</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological wastewater treatment via Jardins Phytorestore</td>
<td>2006</td>
<td>Albion (Mauritius)</td>
</tr>
<tr>
<td>Filtrean® with Phytorestore</td>
<td>2011</td>
<td>Yasmina (Morocco)</td>
</tr>
<tr>
<td>Natural swimming pools with Phytorestore</td>
<td>2013</td>
<td>Guin (China)</td>
</tr>
<tr>
<td>Automatic management of room amenities with wireless communication technology, or stack.</td>
<td>2012</td>
<td>Opio (France)</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>Kamarina (Italy)</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>Gregolimano (Greece)</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>Pointe aux Canonniers (Mauritius)</td>
</tr>
<tr>
<td>Hotel-specific thermostat from Aemec</td>
<td>2013</td>
<td>Gregolimano (Greece)</td>
</tr>
<tr>
<td>High-tech paint containing microspheres for increased reflection of solar radiation</td>
<td>2013</td>
<td>Punta Cana (Dominican Rep.)</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>Marrakech (Morocco)</td>
</tr>
<tr>
<td>“Self-learning” energy optimizer</td>
<td>2011</td>
<td>Valmorel (France)</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>Val Thorens (France)</td>
</tr>
<tr>
<td>“Smartgrid” and “load control switch” electricity load management in conjunction with EDF</td>
<td>2014</td>
<td>Alpes d’Huez, Serre-Chevalier, La Plagne 2100 et Val d’Isère (France)</td>
</tr>
<tr>
<td>LED to replace high-powered halogen lighting</td>
<td>2014</td>
<td>Da Balaila (Portugal)</td>
</tr>
<tr>
<td>Biomass urban heating</td>
<td>2014</td>
<td>Vittel le Parc (France)</td>
</tr>
<tr>
<td>Solar LED for autonomous external lighting</td>
<td>2014</td>
<td>Opio (France)</td>
</tr>
<tr>
<td>SiteControl software for centralized irrigation connected to a weather station</td>
<td>2015</td>
<td>Albion (Mauritius)</td>
</tr>
<tr>
<td>Photovoltaic biaxial tracking systems with Helioslite and CEA-INES</td>
<td>2015</td>
<td>Cap Skiring (Senegal)</td>
</tr>
<tr>
<td>Ice water unit with high efficiency electro-magnetic compressors without oil</td>
<td>2016</td>
<td>Pointe aux Canonniers (Mauritius)</td>
</tr>
<tr>
<td>Installation combining thermic solar, heating and A/C heat pump, and recovery of calories in the sanitary hot water network</td>
<td>2016</td>
<td>Gregolimano (Greece)</td>
</tr>
<tr>
<td>CO2 heat pump</td>
<td>2017</td>
<td>Da Balaila (Portugal)</td>
</tr>
<tr>
<td>Tweener® LED lighting suitable for outdoor tennis courts</td>
<td>2018</td>
<td>Opio (France)</td>
</tr>
<tr>
<td>High temperature heat pump for DHW preparation</td>
<td>2018</td>
<td>Pointe aux Canonniers (Mauritius)</td>
</tr>
</tbody>
</table>

See also section 4.3.2 on innovative energy equipment.

4.1.4 Becoming a leader in environmental management: Green Globe certification leverage

Increasingly demanding regulatory and company requirements on environmental and biodiversity protection, rising energy costs due to CO2 regulations, mounting pressure on water usage mean that villages have to be operated with increasingly complex constraints.

The certification process has proven to be effective and relevant for ramping up team commitment and instilling a continuous improvement mindset in each village.

The Green Globe benchmark indicators cover the entire CSR process for sustainable tourism. For more details see also.

In environmental terms, this benchmark validates the existence and efficacy of policies to reduce water and energy consumption, policies on waste management, pollution risk control, biodiversity protection and eco-purchasing.

Objective: all Villages certified by 2021

The Green Globe certification process launched in 2010 was continued in 2018 with the ongoing evolution of tools (e.g., village diagnostics, Green Globe self-assessments, configurable action plans, training modules, etc.) and with guidance, monitoring and support for the villages involved.

Change in percentage of eco-certified villages

At the end of 2018, 77% of all villages were eco-certified.

See details of eco-certified villages on the map below.

In 2018, Operational Directions have continued to perpetuating certifications already acquired and all the villages involved in the certification process renewed their certification.

In 2018, 4 new villages were certified: Grand Massif Samoëns-Morillon (France), Kamarina and Cefalu (Italy) and Sandpiper (United States). However, at the end of 2018, the 4 villages of Chamonix, Avoriaz (France), Napitia (Italy) and Villars-sur-
Ollon (Switzerland) that were certified are no longer in the Club Med portfolio.

A dedicated organization supports the deployment process:

- with a “Sustainable Development and Foundation Coordinator” for every BU, mandated on the scope of its BU in support of local Directorates as well as resorts for the maintaining of responsible operation;
- an operational reporting structure with “Green Globe Coordinators”, i.e., GO® and GE working in the villages who are trained by the “Sustainable Development and Foundation Coordinator” and spend a portion of their time ensuring coordination of the action plan and ownership of the process by the village teams. In the Southern Europe zone, the Administrative and Environment Managers (RAEs) are, naturally, also Green Globe Coordinators.

To ensure lasting progress in the company’s practices, tools and processes, a “CSR Manager”, reporting to the Sustainable Development department, coordinates the effort and provides necessary support to the “SD and Foundation Coordinators” in BU.

It is a highly structured approach for sustainable development implementation in the Villages, as well as at the corporate level, where it provides material support for the sustainability actions of the various departments, such as Purchasing, Operations, etc.

It enables better understanding and consideration of sustainable tourism issues in each Business Unit and by everyone concerned. All GO® and GE at Villages involved in the Green Globe certification or renewal process are trained in sustainable development issues and their day-to-day impact on what they do.

A process rewarded by other eco-certifications

- In 2018, 17 Club Med Villages were recognized as "Green Leaders" by TripAdvisor (lower than 2017, due to the exit from the portfolio of green leaders resorts), which is 27% of the portfolio and 41% of the villages located in areas concerned by the Green Leaders program. This distinction granted by TripAdvisor rewards tourist lodging committed to the protection of the environment and exposes the accommodation to the critical eye of web users in relation to the criteria set by the hotel operator.
- The Vittel golf courses are GEO™ ecocertified since 2013 (see section 4.5.2 on biodiversity)

Green Globe international certification for sustainable tourism was launched in 1993 in the United Kingdom. Based on the commitments made by the tourism industry at the Earth Summit in Rio de Janeiro in 1992, it applies to all tourism sectors. This demanding certification attests to an establishment’s commitment to an active approach to sustainable tourism and ensures that it achieves a high level of performance and instills good practices concerning environmental, social and societal issues.

The Green Globe standard, based on international standards, is recognized by the Global Sustainable Tourism Council (GSTC) and Green Globe is an affiliate member of the World Tourism Organization (UNWTO).

These benchmark indicators cover the three pillars of sustainable development and are based on 40 topics \(\sqrt{\text{broken down into more than 350 compliance indicators}}\), some of which are mandatory and others optional. Certification is awarded (by independent third-party audit) when the mandatory requirements are met and when the compliance rate with the indicators is over 50% on each topic. A new audit is conducted on an annual basis for each village and ongoing improvement is required in order to retain the certification.

To learn more: [www.greenglobe.com/france/](http://www.greenglobe.com/france/)
4.2. Pollution and waste management

4.2.1 Preventing pollution

Managing wastewater

See section 4.3.1 on water conservation

Managing the storage and use of harmful substances

Club Med uses harmful substances such as paints, swimming pool and kitchen maintenance products, cleaning agents and, to a far lesser degree, pesticides. Misuse or improper storage of these products would pose a threat to the environment and to human health.

Implementing the Green Globe certification process for all its villages has led Club Med to monitor even more closely the proper use and safe storage of these products. The Group aims to reduce their use or to replacing them with ecolabel products as soon as possible. The villages are routinely audited by an independent and officially accredited auditor of Green Globe on this topic made compulsory by Club Med.

The replacement of traditional dishwashing and rinse-aid products (this is the largest maintenance item, accounting for one-third of all cleaning products, by value) with ecolabel products was completed in Winter 2012 in France.

Other potential sources of pollution

❖ Refrigerant gases and CFCs

A plan to gradually phase out refrigeration or air conditioning units running on CFC (chlorofluorocarbon) gases and replace them with more energy efficient equipment had been established in 2013 after the 2012 inventory. The percentage of Villages with equipment using CFC gases dropped from 68% in 2012 to 36% in 2018. This equipment is being progressively eliminated in villages where it is still used (excluding China).

❖ ICPE Sites (facilities that pose an environmental risk)

Following the 2014 shutdown of the central heating system in the village of Vittel (France) and its replacement with connection to the district heating network, Club Med no longer has any ICPE sites.
Noise and specific actions to curb excessive noise:
49% of Villages have a decibel meter and 42% have been evaluated for noise by an outside expert (vs. 45% / 39% in 2017).

Light pollution
Steps have been taken to prevent light emitted by the company from having an impact on wildlife (especially in the context of marine turtle protection). This is a Green Globe criterion for respecting biodiversity that is generally met.

4.2.2 Waste management

Reducing and recycling waste
The waste management improvement process has been strengthened and accelerated by the Green Globe rollout and consists of:
- reducing waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging);
- increasing the reuse of resources and decreasing the use of disposable products;
- generalising quantitative monitoring of waste; and
- setting targets for reducing waste that is not recycled with the aim of moving toward zero waste.

“Bye-Bye Plastic”
In 2018, the Group launched its “Bye-Bye Plastic” programme aiming to remove single-use plastic products at the bar, in the restaurant but also in rooms by 2021 (straws, dishware, amenities in the rooms, etc.).

Waste sorting – circular economy
In 2018, commitments made under the Green Globe certification continued to be implemented with:
- Systematic sorting carried out in all departments;
- A more proactive search for waste channels,
- and signing of a food waste collection contract in France since 2017.

Lastly, villages continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic crates for fish to replace polystyrene bins, etc.).

Over and above the villages involved in the eco-certification process, all villages now systematically recycle where the appropriate channels are available, as shown by the growth of sorting since 2010. Nonetheless, development in countries where these channels do not exist explains the stagnation in some sorting rates.

Quantitative waste monitoring
Club Med has chosen a single indicator for monitoring waste: the quantity of residual waste (instead of recycled, reprocessed or recovered). This indicator reflects the end result of all waste reduction, sorting and recovery actions, and is the only one that can reasonably be consolidated on a world scope.
In early 2013, the new waste monitoring procedure, standardized for all sites, came into effect and the Inventory and Supply managers were tasked with monitoring waste. In the Southern Europe zone, processing waste is the number one mission assigned to the new Administrative and Environment Managers.

In 2018, 2/3 of villages reported residual quantities of waste. For 21% of villages where weight is reported by the service provider, the average quantity of residual waste was 1.9 kg/THD (and 1.3 kg/THD at isoperimeter which is stable compared to 2016).

❖ Combatting food waste

The strain on food resources due to food shortages in some destinations is an operational issue as well as a compelling image issue for Club Med, as an “all inclusive” operator with a reputation built, in part, on its buffets. Responsible purchasing, contributing to the development of local subsistence farming, banning over-fished products, (see section 3.2 on Purchasing), reducing food waste to a minimum … these are the issues on which the Group places the greatest importance.

The vast experience of Club Med villages in buffet management (knowing exactly how many meals to serve, and practices such as assisted service, on-demand preparation, frequent refilling of small containers on the buffet line, etc.) helps it to control the production of food waste per hotel day. Being highly vigilant about food waste, in 2014, the Group conducted a study quantifying waste per meal and bringing best practices together in an awareness raising/training tool for kitchen teams. Since 2015, an initiative for raising customer awareness has been implemented (see §4.6).

Since 2018, Club Med has worked with the service provider Winnow in its villages in South-East Asia – Pacific for the deployment of a tool-based approach for the monitoring and reduction of food waste. This allowed for the reduction of the value of food waste by more than 50% in villages that implemented this weighing.
4.3.1 Water

Often operating in regions under water stress, tourism is faced with the issue of drinking water shortages. This is:
- an issue of local acceptability, especially since the strain on water resources frequently coincides with periods of water shortage and local authorities' capacity to treat wastewater is sometimes insufficient;
- an operational issue with supply risks in regions under water stress which could lead to challenges to rights over wells or conflicts over water use.

Consumption and issues by area of water stress

Risks and opportunities related to water management are mainly local issues, unlike those involving greenhouse gas emissions.

The mapping of water consumption by country is based on the use of the World Resources Institute (WRI) Aqueduct tool. This tool enables an analysis of water stress for each village based on its location, by watershed.

Club Med frequently operates in seaside locations in warm weather regions, which explains the high percentage of water drawn by its villages in areas of high or very high water stress. Nevertheless, changes in the Group's product-mix reduced this percentage from 55% in 2010 to 40% in 2018 (stable compared to 2017) despite the opening of two new villages in an area of high water stress (Cefalu in Italy and Joyview Golden Coast in China).

In 2018, the ratio to hotel day capacity reached 544 liters for a change of -2.6% vs 2010, -5% compared to 2016.

Average consumption trends depend on the mix of village locations and categories, their irrigated surface area, equipment used, type of vegetation, as well as on visitor numbers and weather conditions.

The improvement seen in this ratio for 2018 is attributable to:
- more favourable rainfall levels around the Mediterranean
- the most important part of the mountain in the portfolio (+20% capacity growth (in HD) vs +3% outside of the mountain)
- continuing vigilance of daily water usage (garden watering systems, cleaning, etc.)

The 2014 peak was due in particular to the following:
- leaks that were hard to locate or repair in villages operating at full capacity (Albion, Latina America);
- the deterioration of the ratio accounted for by Albion villas (construction of four new villas) and refurbishment of the golf course water hazard in Agadir.

Notes: data on water consumption of the Belek (Turkey) sites in 2013 are excluded from the scope of analysis.
Mediterranean villages in areas of high or very high water stress are penalized by greater needs, particularly for watering (less rainfall, more evapotranspiration). This is addressed by more technical management (72% use drip irrigation 61% and 81% use timed sprinklers against 41% and 43% for the villages as a whole.

**Actions to control water consumption**

❖ **Reusing recycled water, curbing watering needs**

Due to the fact that its operations are often in far-flung locations, from very early on Club Med has frequently had to "produce" its own water by drilling wells or through desalination (seawater or brackish groundwater). Hence its ingrained conservation habits in these areas, such as night-time watering, reusing treated wastewater, and so forth. Water recycling is a common practice in the villages, especially those with green spaces where virtually all treated water is reused for irrigation.

- 39% of villages (excluding ski resorts)21 recycle their water for irrigation.
- 50% of villages (excluding ski resorts) use their own or purchased recycled water for irrigation.

❖ **Efficient equipment**

Village facilities and equipment have been designed to control water consumption (flow regulators on taps, pressure reducers, water-saving flushing, centralized irrigation management systems, drip irrigation, etc.). In addition, maintenance work is performed regularly at all Villages, such as repairing leaks in the water supply etc. For example, in 2018, all water-saving devices of shower heads were renewed in the Alps.

**Water-systems installed 2018 worldwide**

<table>
<thead>
<tr>
<th>System</th>
<th>Villages equipped</th>
<th>Villages not affected</th>
<th>Villages not equipped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow regulators</td>
<td>24%</td>
<td>60%</td>
<td>16%</td>
</tr>
<tr>
<td>Pressure reducers</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Water-saving flushing systems</td>
<td>69%</td>
<td>21%</td>
<td>10%</td>
</tr>
<tr>
<td>Drip irrigation</td>
<td>37%</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Timer sprinklers</td>
<td>66%</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Watering with recycled water</td>
<td>70%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>On-site recycling of...</td>
<td>42%</td>
<td>35%</td>
<td>23%</td>
</tr>
<tr>
<td>Graular pot washer</td>
<td>3%</td>
<td>62%</td>
<td>35%</td>
</tr>
<tr>
<td>Rainwater collection</td>
<td>35%</td>
<td>35%</td>
<td>30%</td>
</tr>
</tbody>
</table>

❖ **Leak detection**

21 excluding snow: exclusion of 21 mountain villages

The “Tech Care” environmental reporting module, developed specifically for Club Med, enables daily monitoring of consumption and makes it easier to detect leaks in the water supply network.

❖ **Special efforts in areas of water stress**

Generally speaking, and even more in water stressed regions, management of water resources in green spaces relies on water frugality (by choosing drought-tolerant vegetation), efficiency (efficiently supplying only what plants need), and on recycling water resources, where authorized, and more recently on the recovery of rain water (Mauritius since 2015 and Cefalu in Sicilia since 2018).

Mulching is mandatory, and every possible solution for reducing consumption of water for garden maintenance is systematically investigated. Contracts with service providers necessarily include both obligations. The consumption of water for garden maintenance is monitored to measure the effectiveness of those measures implemented.

❖ **Changing users’ behavior**

To control consumption, behavioral change is just as vital as technical progress. It is therefore natural that outreach to the teams and customers about conserving water resources is a key theme of the environmental policy.

For more than 15 years now, all customers of Club Med around the world have been invited to reuse their bath towels if they so wish. This procedure was revised as part of the Green Globe deployment to make it more efficient, and was extended to bed linens in the suites, given the more demanding hotel standards in this category of accommodation.

**Wastewater treatment and management**

❖ **wastewater sanitation**

Club Med has always tried to avoid discharging untreated wastewater into the natural environment.

Treatment plants are routinely built when satisfactory water treatment facilities are not available locally, particularly for Villages in remote areas or in those lacking infrastructure.

See also the above section on water recycling.

❖ **Preventing contamination of soil and groundwater**

Concerned with avoiding contamination of soil and groundwater, and with protecting its surrounding ecosystems,
Club Med’s policy is to prevent pollution through systematic wastewater treatment, run-off management, elimination of pesticides (see section 4.5.2 on protecting biodiversity) and switching to eco-certified maintenance and cleaning products.

Club Med is unable to provide consolidated measurements of wastewater discharge, as suggested by the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards. The only water discharged by Club Med is domestic wastewater. Water management is handled locally in the villages, with entries made in the “water logbook” which brings together technical data, administrative authorizations, physical, chemical and bacteriological analyses, treatment protocols and monitoring, network changes, etc., but does not allow for consolidation.

4.3.2 Energy

Reducing energy use is a major concern for the Group given the pressures on energy resources, both present and future, and the threat of future repercussions on energy prices and the quality and reliability of supplies, as well as the probable future existence of a carbon price.

The Group is looking at reducing its energy consumptions:
- for renovations, the aim to optimize energy use by 10% to 20%;
- for new projects, the aim of at least meeting European regulatory standards, and trying to exceed them;
- for the managed villages, involvement of Club Med operating teams in energy management.

Energy purchases in 2018 were held to 3.3% of the Group’s overall procurement spending (stable compared to 2017) to be compared to the 6% average for the hotel industry (source: EnergyStar).

Consumption ratios and levels

In 2018, the energy performance of buildings (ratio of kWh of direct and indirect energy) was at 30.7 kWh / capacity in hotel days, in other words a 2.7% deterioration vs. 2017 and a 5.8% deterioration vs. 2010. Nonetheless:
- and on the basis of World excluding Asia/China, it is down 2% vs. 2010.

The deterioration in the ratio in 2018 vs. 2010 can be explained by:
- a “villages mix” effect with the closure of villages with a low consumption ratio;
- the move upmarket with more services high in energy consumption.

Reducing energy needs: bioclimatic design for new buildings and retrofitting for old ones

The first step in reducing energy needs is to increase the energy efficiency of buildings.

For new buildings, see section 4.1.4 on sustainable construction.

For existing properties, Club Med invests each year to make strides in energy efficiency during the repair and maintenance of its buildings. Regular thermal imaging and analysis of buildings underpins decisions regarding investment in existing or new buildings, and in fluid supply networks.

Improving yields: Efficient facilities

- Regularly upgraded facilities

Energy use is closely monitored in the villages. Each village benefits from regular upgrades to facilities, including centralized building management systems, automatic HVAC shut-off systems, key tags, LED and energy-saving light bulbs, presence sensors, smart room controls for new EAF villages and village extensions, and learning Building Management Systems (BMS) in the new villages of Valmorel, Val Thorens and Grand Massif Samoëns-Morillon, heat pumps with CO2 for the production of sanitary hot water in Da Balaia (Portugal), a turbocor® electromagnetic refrigeration system without oil in Pointe aux Canonniers (Mauritius), the replacement of all halogen spotlights of villages in the Alps with LED, test of a dynamic energy monitoring software in 3 resorts (Opio, Valmorel and Marrakesh), systems recovering unavoidable energy in cold rooms (Arcs Panorama) etc.
Moreover, vehicles used in the villages are, to the extent where possible, electric vehicles, which now represent 43% of the villages’ fleet (+5pts vs 2017).

❖ Research and testing of innovative solutions

Club Med continuously researches and tests innovative energy solutions to rationalize its energy use and reduce its carbon footprint, like LED lighting specifically adapted to outdoor tennis courts in Opio-en-Provence (France), high-temperature heat pumps for the preparation of sanitary hot water (in replacement of fuel systems in La Pointe aux Cannoniers in Mauritius)

See the list in section 4.1.4. on green innovation in construction.

Improving the energy mix

See section 4.4 on climate change.

To change the behavior of users

As with water consumption, behavioral change is a vital factor in controlling energy consumption.

Outreach efforts to the teams include:
- Daily recording of actual consumption by the Technical Managers, as well as regular analyses based on the Tech Care system to alert and develop action plans for Villages that risk nonconformity;
- Training the GO® and GE teams on best practices;
- A procedure to rationalize use during off-peak seasons;
- And the monthly “energy reviews” for Villages in Europe_Africa since 2014.

GM® are educated as part of the Green Globe process, for example 15 000 posters “Together, let’s take care of our environment” are put up in the client rooms.

4.4. Climate change

4.4.1 Climate change-related risks and opportunities

Climate change impacts tourist destinations and operating conditions in many different ways.

In the short term, destinations are affected by the increased frequency of adverse weather conditions such as too little snow in winter or too much rain in summer, as well as by extreme weather events (hurricanes or cyclones in North America and the Caribbean etc.).

In the medium term, climate change impacts on the attraction of destinations for tourists: beach erosion, drying up of palm groves, disappearance of coral reefs, proliferation of jellyfish, return to a rise in tropical diseases etc.

In the long term, climate change impacts on the business’s operating conditions: contribution to reducing water resources and risks associated with conflicts with local communities and other business sectors over water use, growing tensions over food resources, supply shortages.

There is a risk that tourists will turn away from air travel as costs begin to reflect external factors (price increases in the event of carbon tax on flights in Europe and in other parts of the world, possible introduction of greenhouse gas quotas).

In modifying tourists’ behavior, climate change also opens up opportunities to develop summer season tourism in mountain regions with diverse activities and to develop business between seasons in more northern destinations.

The Group is seeking to plan ahead in order to adapt to all these changes in its water (see section 4.3.1 on water) and energy (see section 4.3.2 on energy) management, and in its research into reducing its direct and indirect greenhouse gas emissions.

Club Med has responded to the Carbon Disclosure Project (CDP) questionnaire since 2006. The rating attributed in 2016 is “B- management” (vs. 98 B in 2015). (see section 1.4. on "external recognition".)

GHG Estimates of orders of magnitude

Club Med - 2016

<table>
<thead>
<tr>
<th>Category</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
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</tr>
<tr>
<td>Energies</td>
<td>12%</td>
</tr>
<tr>
<td>Food</td>
<td>11%</td>
</tr>
<tr>
<td>Others (fret + refrigerant gas)</td>
<td>76%</td>
</tr>
</tbody>
</table>
4.4.2 Reducing greenhouse gas emissions

Detailed quantitative data are provided in the table of CSR indicators in section 5.3.

According to a study published in May 2018 in Nature Climate Change, the tourism industry accounts for 7% of global GDP and is estimated to contribute to 8% of greenhouse gas emissions, with an annual growth of 3.3% per year.

In 2018, the Groupe initiated a “Sciences-Based Target” approach to define reduction goals in line with scientific recommendations to limit global warming to 2°C, a first work concerned scopes 1 and 2, to be completed with scope 3 and an action plan in 2019.

Reducing GHG emissions linked to energy consumption

The Group’s aim is to reduce carbon intensity linked to the energy use of buildings.

Since 2010, carbon intensity to hotel capacity is down 20.3% excluding Asia (in the light of a decrease in capacities of 4% on the same perimeter), but it is up 1.93.3% on the world basis due to the increase in consumption of fossil fuels linked to the growth of the portfolio in Asia.
Energy substitution: a gradual, case-by-case move to less carbon-intensive energy

❖ Changing the energy mix

Club Med has adopted the objective of reducing its dependency on fossil fuels.

Since 2010, consumption of renewable energy has grown by 70.7% (and 12.9% since 2017) with the purchase of guaranteed renewable energy in particular. In France, the share of electricity guaranteed by renewable energy certificates has risen under contract to 65% for all French villages (excluding Corsica and the Caribbean where the EDF offer does not exist) since 2013.

However, since 2010, an 16.7% increase in the consumption of fossil fuels linked to the growth of the portfolio in Asia has been observed.

In 2018, 17% of electricity consumed came from renewable sources (EDF green certificates and hydropower produced in the village) + 5pts vs. 2010.

The decline in this rate is explained by the elimination of the use of hydroelectricity for the village of Rio das Pedras linked to the decline in the water regime.

In choosing its renewable energy equipment, the Group focused on already mature and high-yield technologies.
- Currently 4% of the villages are equipped with photovoltaic panels (6000 m²) and 28% of villages are equipped with solar thermal panels (about 3000 m²) corresponding on average to about 20% of needs in sanitary hot water.
- 23% of villages have refrigeration heat recovery units (vs 26% in 2017).
- Heat pumps are installed in 30% of villages as of 2018 (vs. 15% in 2017).

Geothermal and wind power are generally not yet cost-effective solutions, given the seasonal operation of the villages.

**Reduction of GHG related to refrigerant gases**

In 2018, greenhouse gases related to the use of refrigerant gases decreased by 21.8% vs 2017 with the introduction in Europe, Africa and North America of a new generation of HFO gas (HydroFluoro-Olefins) that not only has similar performance and safety characteristics similar to HFC (hydrofluorocarbons), but most importantly good environmental properties characterised by a low GWP (‘Global Warming Potential’).

**Reducing GHGs related to food**

In 2006, a Life Cycle Assessment (LCA) of one village by Bio Intelligence Service showed that food represented a significant share of vacation-related CO2 emissions. Actions taken in the resorts to promote vegetarian foods and agro-ecology, or to limit food waste, are helping to reduce these emissions, although for now they are difficult to track on a regular and precise basis.

*See section 4.6. on GM® awareness and promoting organic and vegetarian foods.*

**Logistics and goods transportation**

The main ways of reducing greenhouse gas emissions in *goods transportation* include:

- Prefering local purchases: 84 to 100% of goods and equipment are purchased in the countries where the Villages are located;
- Grouping village deliveries from one logistics hub per operating region (for example, Arnas, in the Rhône-Alpes region outside of Lyon, for the Europe-Africa region).

Criteria related to the reduction of GHG emissions (newer-generation vehicles, intermodal freight transportation, and the ratio of air to sea freight) were added in 2012 to key transportation indicators. The Global Purchasing and Logistics Department raises awareness of the need to reduce emissions by regularly surveying its transportation providers to test compliance with these criteria.

Finally, work with suppliers on the concentration of products and the reduction of packaging is another lever.

**Sorting waste**

The sorting of waste for recycling contributes to avoiding tons of CO₂ emissions that would otherwise be generated in the absence of recycling. The difficulty of gathering data on the total amount of waste recycled precludes monitoring of emissions avoided in this way.

**GM® and GO® transportation policy**

Air transport accounts for almost 5% of greenhouse gas emissions globally and this percentage may increase with the continuing expansion of tourism worldwide. Club Med is reliant upon air transport for a large number of its destinations. Emissions relating to customers’ air travel is estimated to account for nearly three quarters of the Group’s overall emissions.

In the short term, Club Med has few means to curb the environmental impacts of transporting people. The Group does not have the operational control over transportation that it does over its core business of operating its villages. But acting on these means, however limited, remains a responsibility. Club Med strives to curb the environmental impact by working with environmentally responsible companies and by proposing alternatives to road transportation for all its villages accessible by train, and by seeking to maximize occupancy on its charter flights.

**Information about carbon offsetting and an invitation to take part in the scheme**

In parallel to its policy of curbing greenhouse gas emissions, and as part of its outreach to key actors in this effort, since 2008 Club Med has invited its GM® to learn about and offset the emissions linked to their travel through information in its marketing materials and on the website [www.clubmed.co.uk/offsetting](http://www.clubmed.co.uk/offsetting)

Since 2013, Club Med has met the French regulatory requirement to inform customers of the quantities of greenhouse gas emissions related to transportation. Where information is not forthcoming from all the airlines used to transport customers, Club Med refers its customers to the French civil aviation authority (DGAC) “eco-calculator” for aviation-related GHG emissions.

**4.4.3 Adapting to climate change**

Club Med seeks to take into account and anticipate the impacts that climate change could have on its business.

**Coastal erosion and vulnerability**

The risk of “sea” destinations losing their attractiveness due to coastal erosion is a key consideration in the design of these villages, which are set back from the shoreline or on stilts, as with the Kani village in the Maldives.

Furthermore, in light of increased coastal vulnerability due to climate change, in 2012 Club Med commissioned an expert report on beach erosion and sustainable coastal development. In fact, sometimes tourism fights this type of erosion with...
significant beach development which just exacerbates the existing problems. Developing and managing beaches in consideration of the complex systems governing their dynamics is an efficiency and sustainability issue. Five villages benefited in this way from a diagnosis with a proposal for technical solutions for flexible treatment of erosion.

After drafting the “Beaches” section of the Environmental Construction Guidelines (see section 4.4.3) in 2012, a protocol was developed for concerned sites in 2013 for the Technical managers on long-term beach monitoring, which includes documenting annual changes and storm impacts.

Other expert analyses have been requested during the upstream study phases for locating new villages.

Mountains: reduced snowfall and renewed summer season interest

The risk of winter sports resorts losing their attractiveness due to reduced snowfall is a key consideration in choosing the location of mountain villages.

The new mountain villages are adjoined to major ski areas and have been designed to open over two seasons (Valmorel in 2011-12, Pragelato in 2012-13, Grand Massif Samoëns-Morillon and Tomamu in Winter 2017-18). Activities in the villages are diversified (activities to supplement skiing in winter; summer activities).

Change in tourists’ behavior

Climate change also opens up opportunities to develop summer season tourism in mountain regions with diverse activities and to develop business between seasons in more northern destinations.

These opportunities are bound up with anticipating customers’ behaviors and expectations in order to implement strategic changes to the facilities and activities on offer.

Likewise, refurbishments or plans for new Mediterranean villages are researched with a view to opening all year round or opening beyond the summer season.

Changes in comfort, health and safety requirements

The risk of loss of attractiveness due to climate change (rainfall, high temperatures, extreme weather such as hurricanes and typhoons) is taken into account in risk management in the same way as natural disasters.

4.5. Protecting biodiversity

A major advantage of Club Med’s villages is the access they provide to protected natural areas. Indeed, 67% of the villages’ total surface area is located in or next to a protected site, with another 10% located at less than 10 km from a protected site.

Inside the villages, natural spaces and landscapes are preferred, with constructed areas occupying just 7% of the total surface area. Mountain villages often have a role to play in conserving biodiversity within tourist regions23. Around one-third of the coasts and maritime environments around Club Med resorts are protected areas.

Preserving sites means ensuring that they fit in with the landscape and conserving endemic species during the development phases; preserving biodiversity and ecosystems; controlling pollution risks when sites are operational and managing beaches with respect for ecosystems (see also section 4.4.3 on adapting to climate change).

4.5.1 Protecting biodiversity during the construction of Villages

Sensitive habitats have to be identified during the environmental impact study. The impact mitigation measures mentioned in the study (revision of the footprint plan, etc.) are taken into account during the project. The eco-standard construction aims to systematize these practices.

The eco-standard construction (presented in section 4.1.4) in fact contain a specific section on biodiversity which deals with the following topics:

- Environmental impact and biodiversity strategy study
- Vegetation alteration and restoration
- Differentiated management of green areas
- Habitats for the local fauna

4.5.2 Protecting biodiversity during the operation of Villages

Protecting biodiversity during operations is based on:

- The purchasing policy: the wood purchasing charter since 2007, the fish purchasing charter since 2008, increasing the purchase of organic food and eco-certified products: see section 3.2.2. on Responsible purchasing;
- Raising customer awareness of the exploration and protection of nature: see actions in this area in section 4.6.2. on Raising customer awareness;
- The policy on green space management and the protection of endangered species in the villages especially the differentiated management of green spaces (see below);
- Focus on biodiversity at the most sensitive sites, including invasive species and destabilizing species and pest organisms (eg red weevil).
**Green space management**

- **Differentiated management of green spaces**

Differentiated management of green spaces is a more environmentally-friendly method that advocates treating all green spaces differently according to their use, location and nature (lawns, planted or flowering spaces). Accordingly, village centers are carefully landscaped, while in their surroundings maintenance is more limited and the more remote areas are kept as natural spaces. In this way, an average of 59% of the total surface area occupied by the villages (World scope) remains in its natural state (except for some interventions, as needed: safety pruning, felling of dangerous trees, walkway maintenance, etc.).

Management of green spaces in each village is the responsibility of the Green Space and Environment Manager of the Business Unit.

Many villages have already committed to this approach through actions such as: higher and less-frequent mowing in time (delayed mowing) and in space (continuity of rich environments and preservation of breeding areas), mulching of garden beds (which limits the use of weed killers, enriches the soil, provides shelter and cover for invertebrates, limits drought sensitivity), moderate trimming, use of local flora, etc. Such actions can generate savings in many areas including irrigation water, waste, equipment, fertilizers, pesticides, interventions and energy.

- **Selection of plant species**

Plants are selected from the appropriate varieties (primarily local and non-invasive) and endemic species are always maintained and often replanted. The choice of vegetation depends on their natural local presence, sensitivity to the local weather conditions, water needs, ease of maintenance and, as the case may be, the environmental benefit the plants provide (stabilization of soil/beaches, soil drainage, protection against sea spray, etc.).

The Group is extremely vigilant on the choice of species to prevent the propagation of diseases. For example, importing and planting *Phoenix canariensis* palm trees has been prohibited since 2013 to fight against the proliferation of red palm weevil. Regarding the *Xylella fastidiosa* bacteria killing olive trees, one must remain attentive for the entire Mediterranean basin, no planting of vegetation not produced locally is authorised.

- **Green space care that respects the environment**

The Group is committed to eliminating pesticides for green spaces (trees, shrubs and lawns), and is turning its efforts towards gradually reducing pesticide use on golf courses.

The phytosanitary treatment policy for green areas follows a prophylaxis rationale in order to remove any use of phytosanitary products:

- identifying the diseases, the species that are the most sensitive to these diseases and the conditions favouring their appearance;
- knowing the attacker and its development cycle as best as possible in order to develop the most suitable strategy, by favouring mechanical and/or biological response techniques;
- removing the species that are impacted too strongly or too often;
- anticipating the appearance of these diseases and increasing of the level of vigilance at critical periods.

More specifically, this practice is for example reflected by the following actions:

- Eliminate preventive pesticide treatments, using them for pest remedies only;
- Eliminate chemical fertilizers by substituting organic matter inputs by spreading leaves on planting beds and increasing the use of mulching;24;
- Prohibit chemical weed killers in favor of thermal weed control or mechanical weeding;
- Replace pesticides by natural means that can be used without affecting the environment, such as specific predators for each type of invasion, beneficial insects (selected with scientists to avoid invasive species), sexual confusion and trapping, pheromone traps 25 ; natural products (essential oils, nettle manure, soap ...), etc.

Differentiated management of green spaces and recycling of green waste by shredding was incorporated into all maintenance contract renewals. Since 2016, 100% of all EAF service contracts have already incorporated grinding and mulching (vs 50% in 2014).

As a result, in 2018, 45% of villages (vs 43% in 2017) used no nitrogen fertilizers or external pesticides, 41% (vs. 38% in 2015) were using biological treatments and 6% (vs 5% in 2017) were using beneficial insects in lieu of pesticides. The fight against the red palm weevil and the mealy bug justifies the reuse of pesticides on the margins. Nitrogen fertilizers are used in low doses in certain cases.

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24 Mulching: when grass is cut, the lawn mower cute the grass finely enough for this waster (mulch) to be directly degradable and absorbable by the soil.

25 Pheromones: substances emitted by most animals and some plants that play in particular a role in sexual attraction between individuals of the same species.
Worldwide hat are “regulated and/or classed as
such as the protection o
regional innovation to local

39% 39% 39%

2017 2017 2017

2018 2018 2018

no chemical fertilizers
no external pesticides
no chemical fertilizers or external pesticides
biological treatments
use of beneficial insects

CHANGE IN THE % OF VILLAGES IMPLEMENTING ENVIRONMENT-FRIENDLY PRACTICES - WORLDWIDE

% 2016 2017 2018

45% 44% 45%

55% 63% 40%

45% 40% 39%

5% 41% 6%

Protection of endangered species

❖ Maintaining the fight against the red palm weevil

In order to cope with the rapid spread of the red palm weevil, the Technical Managers and our green space service managers in the Mediterranean basin continued to employ means of detecting, preventing and eradicating this extremely destructive pest for palm trees.

This initiative which has been in place since 2011 has achieved exceptional results: despite the loss of six palm trees in Greece and one palm tree on the Opio site in 2018, no other palm loss was observed in 2018 for the entire Europe-Africa area.

Since 2014, treatment has been administered via “endotherapy” by injection, which is more effective, less polluting, and less expensive (only requires two interventions a year, instead of nine). Since 2016, three new infested sites (Gregolimano, Sant’Ambrogio and Opio) have been treated. In 2018, the palm trees of the Cefalu site were identified as infested: a selection was made to keep at least six majestic Phoenix canariensis and thus for the entire construction phase to date.

See also section 3.1.2 on Transferring innovation to local communities.

❖ The fight against the bacteria Xylella fastidiosa:

Likewise, monitoring the bacteria Xylella fastidiosa, responsible for major damage on olive trees, is specifically monitored in the villages located in sensitive areas. No village was affected; monitoring continues to be in effect for all of the Mediterranean basin.

❖ Sharing best practices between Villages

After the “Very Important Turtles” kit was rolled out in 2013 to share best practices among Club Med villages in areas where sea turtles have their spawning grounds, a kit named “Mosquitoes - A most unwelcome guest” has been rolled to share good practices on healthy and environmentally-friendly ways of controlling mosquitoes since 2014.

❖ Local partnerships

Protecting biodiversity also takes the shape of partnerships forged at the village level with local environmental associations. These groups apprise the teams of local issues, share their best practices and communications tools, and occasionally lead joint activities. There are already 21 such partnerships (vs. 19 in 2017) covering 26 villages (vs. 19 in 2017) and addressing issues such as the protection of palm trees, turtles, birds, coral reefs and all local ecosystems.

The existence of such partnerships is one of the criteria valued and monitored by the Green Globe label.

Bio-sensitivity and measuring the biodiversity of sites

In 2014, a site biodiversity sensitivity audit was conducted with Gaia Domo to map any issues and place them in order of priority. An operational benchmark was used to rank the sites according to their proximity to natural or semi-natural areas, their proximity to areas that are “regulated and/or classed as sensitive” and the potential presence of sensitive species and/or habitats.

ENVIRONMENTAL AWARENESS OF CLUB MAD VILLAGES
Gaia Domo 2014 survey

PROXIMITY TO A "REGULATED OR SENSITIVE" AREA

<table>
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<th>Category</th>
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<tbody>
<tr>
<td>In or adjacent to a regulated zone</td>
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</tr>
<tr>
<td>Less than 3 km from a regulated zone</td>
<td>22%</td>
</tr>
<tr>
<td>More than 3 km from a regulated zone</td>
<td>39%</td>
</tr>
</tbody>
</table>

POTENTIAL SENSITIVE SPECIES/HABITATS

<table>
<thead>
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</thead>
<tbody>
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<td>High potential</td>
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</tr>
<tr>
<td>Medium potential</td>
<td>31%</td>
</tr>
<tr>
<td>Low potential</td>
<td>56%</td>
</tr>
</tbody>
</table>

Animal welfare

More generally, the Group works to protect animal welfare in situations potentially at risk as a result of activities involving animals, raises team awareness of the issues involved, recommends alternative activities, and identifies service providers recognized as responsible in terms of animal welfare. It contributes to the development of a benchmark of responsible elephant camps and sponsored the drafting by the World Cetacean Alliance (WCA) of the first international guidelines for the supervision of observation and interaction activities with cetaceans in a wild environment. A partnership with WCA is also being examined in order to support the service providers offering activities involving cetaceans for the implementation of guidelines for the compliance with animal welfare and possibly to identify alternative service providers.
In the context of ATR (Agir pour un Tourisme Responsable) certification, the revision of clauses in conjunction with hospitality operators has made it possible to include detailed references to animal welfare.

4.6. Raise GM® awareness and train GO®/GE

4.6.1 Training GO® and GE

❖ Team training

As part of Green Globe certification, all GO® and GE in the relevant villages are trained on environmental issues and eco-friendly behavior related to their position and their life in the village.

❖ Committed GO® and GE

Many villages initiate or support local projects that involve the employees in environmental protection: Beach clean-ups, protection of sea turtle eggs, coral reef preservation, and so on.

4.6.2 Raising GM awareness®

Just like the World Tourism Organization, Club Med believes that it also has a responsibility to raise its customers’ awareness of the fragility and beauty of nature and of the environmental issues faced by its destinations and, at the same time, to encourage them to get involved in environmental preservation.

The exceptional sites in which the villages are located, in fact, the perfect place to raise GM® awareness and Club Med’s credo is therefore to celebrate nature in order to create a desire to protect it.

Eco Nature Villages by Club Med

As a response to an emerging trend in the market for “green luxury”, Eco Nature villages by Club Med represent the quintessence of Club Med’s nature offerings. In the heart of a rare nature preserve, with authentic architecture, combining energy-efficient facilities with sustainable operations and a heightened awareness of the environment, they offer customers a nature experience that is even more spectacular than that of other villages.

Two villages fulfill these criteria: Cherating in Malaysia and Rio das Pedras in Brazil.
**Eco-nature activities for children**

❖ Creation of a kitchen garden in Bali (Indonesia)

Since 2014, a new "Garden Nature" activity has been introduced at the village of Bali (Indonesia), in line with the Mini-Club Med® "Fun with Nature Day" designed with Agrisud. Educational posters promote manual activities in the kitchen garden which help children to understand the life cycle of plants and how to care for them whilst still respecting the ecosystem.

**Raising GM® awareness throughout their journey**

❖ Offering transport carbon offsetting

*See section 4.4 on climate change*

❖ Discovering nature: educational paths and walking tours

Instructive signs, nature trails, botanical booklets, aromatic gardens, themed walking tours, educational films, biodiversity information points etc.: These and many more activities and tools allow GM® to better discover the natural wealth of the local surroundings. The deployment of these actions is accelerating with Green Globe certification, one criteria of which involves offering customers the opportunity to discover biodiversity.

❖ Discovering the natural and cultural wealth of a Village with a “Club Med Play” smartphone application

The Opio-en-Provence Village has offered an open-air environmental discovery game since summer 2016. The aim is to discover the natural treasures of the village and the proofs of its commitment through a smartphone application, “Club Med Play”, designed on the principle of a treasure hunt.

“Club Med Play” represents an innovative way to inform customer and to sensitize and train teams.

In 2018, this activity has also been deployed in Cherating (Malaysia) and Guilin (China).

❖ Exploring the marine world from the MobiReef base at Club Med Kani

Since 2017, the partnership between Club Med Kani and MobiReef has been contributing to the process of restoring coral reefs, and has given GMs the opportunity to explore the beauties of the marine world. MobiReef is an underwater snorkel trail developed by SM Solutions Marines and approved by the French Environment Ministry. It stimulates marine wildlife by adapting artificial habitats specific to certain species and improves the conservation of marine creatures, at the same time as offering an enjoyable way of exploring and understanding the subsea world for our GM®s.

❖ Green GO at Cherating (Malaysia) and Kani (Maldives)

A Green GO post has been created at Cherating. The Green GO is tasked with developing and promoting the natural heritage of the resort by offering GM®s experiences that interact with nature and the natural biodiversity of the location, including visits to the turtle sanctuary and nature walks.

In 2018, this experience was duplicated in Kani (Mauritius) with the creation of a “Marine Biologist” Green GO position to promote the rich marine heritage through two activities:

- a snorkelling route visiting various micro-habitats, each attracting a specific variety of marine life, allowing to raise the awareness of GM and re-boost marine life around the resort;
- the awareness of GM through the reimplantation of coral on a metal structure in order to repopulate the coral reef.

❖ Informing customers about eco-friendly behaviours in the villages and on excursions

In the villages, customers are informed about water and energy savings and protecting nature through messages at welcome meetings, on information boards and displayed in the rooms.

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26 Examples taken in Albion (Mauritius), Guilin (China), Cherating (Malaysia), Kabira (Japan), Kani (Maldives), Marrakech (Morocco), Val d’Isère, Vittel and Opio (France), Columbus (Bahamas), Turquoise (Turks & Caicos)....
A poster hung in all rooms of eco-certified villages (more than 15,000 rooms at the end of 2016) summarizes the village’s actions in areas of water, energy and waste management and biodiversity preservation and invites customers to adopt environmentally friendly practices during their stay. These include sorting plastic bottles, turning off lights, heaters or air conditioners, reusing their bath towels, etc.

In all villages, the Discovery Center displays and distributes a charter to GM® informing them about respecting the host country. Significant space is given over to recommendations on the behaviors to adopt to best preserve the resources and the ecosystem of the country visited. (See also section 3.1.1).

For example, since 2015, a new poster to raise customer awareness on the importance of not feeding wild animals and underwater wildlife has been put in place in all of the Green Globe villages concerned.

❖ Promoting organic and vegetarian products
Club Med strives to showcase vegetarian dishes and organic products. Products from producers backed by Agrisud are featured in the villages of Rio das Pedras (Brazil), Cap Skirring (Senegal), and Bali (Indonesia). And vegetarian options are offered daily as part of the Healthy package in Europe-Africa. See section 3.2.3. on the Agrisud partnership

❖ Teaching children about nutrition
Although obesity is not a critical issue for Club Med, in a context of vacations in the great outdoors and with a wide range of sporting activities, the Group supports raising children’s awareness of the importance of a balanced and varied diet. Since 2017, natural detox waters have been offered in preference to high-sugar sodas in Europe-Africa.

❖ The fight against food waste
2015, as part of the extension of the internal work on the quantification of waste and the dissemination of good practices, a poster for raising customer awareness "Food waste: what are our solutions..." has been put in place at main restaurant entrances in Green Globe certified villages. This was to raise the awareness of our GM® regarding food waste, by presenting what is already being done to fight waste at all stages of catering.

Scientific partnerships
❖ Partnership with Expédition Med
Since 2010, Club Med has supported Expédition Med, a scientific expedition that studies pollution caused by plastic in the Mediterranean Sea.

In 2016, along with Expédition Med, Club Med developed an exhibition called “there’s a little problem with plastic” to sensitize the public to plastic waste in the ocean, as well as a set of teaching cards for Mini Club GO®s to know how to talk to children about this.

Since 2015, solidarity leave has been offered to GO®s. Several GO®s went on the ship of the scientific expedition, Expédition Med, on an ecology volunteer service; for them, it was the chance to have a week’s holiday and to discover the sea bottom in the context of combating plastic waste in the Mediterranean Sea.

❖ Other outreach actions in the Villages with scientists
Other outreach actions are carried out occasionally or regularly. For example, in Rio das Pedras (Brazil), public awareness campaigns as well as work with the local university are focused on the biodiversity of the primary forest Mata Atlantica, which contains protected species, including cedars, breadfruit and jackfruit. In Malaysia, GM® are taught about the protection of
monkeys and turtles on the site through explanatory maps. In the Maldives, GM® are invited to cooperate in a scientific program to replant coral reefs.

*(see associated partnerships in appendix 5.4)*
5. ADDITIONAL INFORMATION

5.1. Additional information: CSR social indicators

Summary of reporting methodology

The Group uses the HELIOS software application for its reporting and social indicators management. The tool, which is used for global HR reporting, collects and consolidates social indicators simply upon request.

A Group reporting process has been created and is defined in the “social reporting protocol”. The data reporting process is managed centrally with no intermediate levels of consolidation. All requests for HELIOS tools are made to the head office. An organization has been set up with the aim of formalizing contributors’ responsibilities and making the Social Studies department responsible for centralizing and validating information for external publication. This document applies to all key participants in the reporting process. It thoroughly details the processes and definitions used for the Group, the data computing methods and the key indicators.

Unless stated otherwise, the sphere of influence of social reporting includes:
- village employees
- headquarters and country office employees

The Group’s social reporting does not include interns, external and temporary service providers

The reporting scope is currently worldwide, with the exception of some data for which the level of demand concerning the information to be produced in HELIOS by HR managers has been raised so that it can be published over the next few years. When information required on a global scale is not reliable or complete, we specify the fact that the scope is limited in our social reporting.

Reporting period: the period covered by the indicators corresponds to the Group’s fiscal year, from November 1, (N-1) to October 31, (N) with no specific details for some indicators such as training.

Employee movements and changes in the scope of consolidation

Changes in consolidation scope result from changes in our village portfolio (new, re-opened or closed). Some villages are also subject to changes in their hotel capacity in terms of days of opening and number of beds.

Definitions of indicators

❖ Workforce indicators
- Number of employees: number of employees who worked at least once for Club Med during the period.
- Number of job assignments: number of contracts/positions assigned to employees during the period.
- Number of FTE: theoretical annual full-time positions corresponding to the number of employees during the period.
- Number of hires: number of employees given job assignments for the first time at Club Med during the period.
- Number of departures: number of employees who left Club Med during the period.
- Number of permanisation: number of employees whose employment contracts were changed from fixed term to open term, or from seasonal to permanent during the period.

❖ Training indicators
- Because of delays in receiving supporting documentation, and in order to ensure the reliability of data by avoiding estimates, starting in FY 2013 this indicator covers a rolling 12-month period between September 1, year N-1 and August 31, year N.
- Training takes into account complete and incomplete sessions without deducting those who were absent. This absenteeism rate is estimated to be 2.7% (2013 sources).
- To avoid skewing the date, the training rate is calculated excluding employees assigned to any village for a period of less than 30 days and/or assigned to “filler” posts.

❖ Job mobility indicators
- The job mobility rate is calculated as the number of employees who changed jobs in the year N versus year N-1 in the Winter season divided by the total number of workers in the Winter season. The same calculation is performed for the Summer season before being weighted to obtain an annual figure. To avoid skewing the data, it excludes employees assigned to any village for a period of less than 30 days and/or assigned to “filler” posts.

❖ Geographical mobility indicators
- Geographical mobility is expressed as the number of employee job assignments to villages in a country other than their home country divided by the total number of village job assignments.

❖ **Evaluation indicators**

- To avoid skewing the data, the evaluation rate is calculated excluding employees assigned to any village for a period of less than 30 days and/or assigned to “filler” posts and/or who have left the Group during the period.

❖ **Absenteeism indicators**

- The absenteeism rate is defined as the percentage of the total number of days absent, converted to FTE, divided by the total number of FTEs over the period.

- The scope of the 2013 coverage did not include the Americas. Group-wide mapping work has made it possible to refine data collection by village and by status (GO/GE). This work has increased the reliability of data with 77% coverage on a like-for-like basis between 2015 and 2016.

- Absences due to accidents include work and commuting accidents resulting in sick leave.

- Absences for “other” reasons include: family events, therapeutic part-time, partial disabilities, unjustified absences, Solidarity Day, maternity and paternity leave, administrative formalities (tests, identity papers).

❖ **Health and Safety indicators**

- Theoretical hours worked were taken into consideration when calculating frequency and severity rates.

- The frequency rate of work accidents takes into consideration the number of accidents resulting in sick leave occurring during the year in question. The calculation formula is as follows: \( FR = \frac{\text{No. accidents resulting in sick leave} \times 1,000,000}{\text{No. theoretical hours worked}} \).

- The severity rate of work accidents takes into consideration the number of days of sick leave in the year resulting from work accidents occurring during the year in question. The calculation formula is as follows: \( SR = \frac{\text{No. of days lost as N} \times 1,000}{\text{No. of theoretical hours worked}} \).
Note:

1. Consolidated data are compiled in mid-November.

2. Absenteeism and incidents of accidents are treated following the same logic. In order to present comparable data in the table above, the absenteeism and accident figures for fiscal years 2015 and 2016 have had to be restated to cover strictly the same scope as the 83% scope previously covered.

Absences for "other" reasons include: family events, therapeutic part-time, partial disability, unjustified absences, Solidarity Day, maternity and paternity leave, administrative formalities (tests, identity papers).

3. Rate calculation methods are specified in the note on methodology – see section 5.1, below.

4. The theoretical length (in hours) is the number of hours set aside for the training.

5. The increase in this rate is related to both the increase in the number of employees trained and to the new protocol which has enabled more training sessions to be recorded.

6. SM-VM: Service/Activity Managers and village Managers.

7. Employee members of the Leadership Committee (LC): employee members of Club Med Business Unit management committees or major corporate functions (Finance, Marketing, HR and Development).
**ENTRES AND DEPARTURES - Worldwide**

<table>
<thead>
<tr>
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<td>6 549</td>
<td>6 628</td>
<td>7 364</td>
<td>11.1%</td>
</tr>
<tr>
<td>Made permanent</td>
<td>No. of employees</td>
<td>341</td>
<td>403</td>
<td>366</td>
<td>406</td>
<td>11.2%</td>
</tr>
<tr>
<td>Rate of permanent hires</td>
<td>% of posts</td>
<td>10%</td>
<td>9%</td>
<td>12%</td>
<td>7%</td>
<td>-4.9 pts</td>
</tr>
<tr>
<td>Rate of seasonal hires</td>
<td>% of posts</td>
<td>27%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
<td>-1.4 pts</td>
</tr>
<tr>
<td>Rate of global hires</td>
<td>% of posts</td>
<td>21%</td>
<td>22%</td>
<td>23%</td>
<td>20%</td>
<td>-2.6 pts</td>
</tr>
<tr>
<td><strong>GO® excluding Village</strong></td>
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<tr>
<td>Permanent</td>
<td>No. of employees</td>
<td>190</td>
<td>284</td>
<td>248</td>
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<td>No. of employees</td>
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<td>6 549</td>
<td>6 628</td>
<td>7 364</td>
<td>11.1%</td>
</tr>
<tr>
<td>Made permanent</td>
<td>No. of employees</td>
<td>22</td>
<td>62</td>
<td>39</td>
<td>34</td>
<td>-12.8%</td>
</tr>
<tr>
<td>Rate of permanent hires</td>
<td>% of posts</td>
<td>9%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
<td>+0.4 pts</td>
</tr>
<tr>
<td>Rate of seasonal hires</td>
<td>% of posts</td>
<td>28%</td>
<td>37%</td>
<td>26%</td>
<td>38%</td>
<td>+11.8 pts</td>
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<tr>
<td>Rate of global hires</td>
<td>% of posts</td>
<td>10%</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>+1.4 pts</td>
</tr>
<tr>
<td><strong>GO®-GE Villages</strong></td>
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<td></td>
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<tr>
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<td>No. of employees</td>
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<td>6 536</td>
<td>7 223</td>
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<td>% of posts</td>
<td>10%</td>
<td>9%</td>
<td>12%</td>
<td>6%</td>
<td>-6.0 pts</td>
</tr>
<tr>
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<td>% of posts</td>
<td>28%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
<td>-1.5 pts</td>
</tr>
<tr>
<td>Rate of global hires</td>
<td>% of posts</td>
<td>22%</td>
<td>23%</td>
<td>23%</td>
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<td>-2.3 pts</td>
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<td>63%</td>
<td>68%</td>
<td>70%</td>
<td>+1.9 pts</td>
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<td>% of employees</td>
<td>23%</td>
<td>28%</td>
<td>24%</td>
<td>23%</td>
<td>-0.4 pts</td>
</tr>
<tr>
<td>By mutual agreement</td>
<td>% of employees</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>+0.4 pts</td>
</tr>
<tr>
<td>Others (death, retirement, illnes)</td>
<td>% of employees</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
<td>-1.8 pts</td>
</tr>
<tr>
<td>Turnover</td>
<td>% of posts</td>
<td>9%</td>
<td>11%</td>
<td>11%</td>
<td>9%</td>
<td>-1.3 pts</td>
</tr>
<tr>
<td><strong>GO® excluding Village</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>No. of employees</td>
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<td>431</td>
<td>335</td>
<td>364</td>
<td>8.7%</td>
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<tr>
<td>Employee decision</td>
<td>% of employees</td>
<td>67%</td>
<td>53%</td>
<td>64%</td>
<td>74%</td>
<td>+10.4 pts</td>
</tr>
<tr>
<td>Employer decision</td>
<td>% of employees</td>
<td>17%</td>
<td>38%</td>
<td>28%</td>
<td>16%</td>
<td>-11.3 pts</td>
</tr>
<tr>
<td>By mutual agreement</td>
<td>% of employees</td>
<td>11%</td>
<td>6%</td>
<td>6%</td>
<td>8%</td>
<td>+2.7 pts</td>
</tr>
<tr>
<td>Others (death, retirement, illnes)</td>
<td>% of employees</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
<td>1%</td>
<td>-1.7 pts</td>
</tr>
<tr>
<td>Turnover</td>
<td>% of posts</td>
<td>9%</td>
<td>17%</td>
<td>13%</td>
<td>12%</td>
<td>-1.4 pts</td>
</tr>
<tr>
<td><strong>Permanents GO®-GE Villages</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>No. of employees</td>
<td>734</td>
<td>911</td>
<td>1 100</td>
<td>690</td>
<td>-37.3%</td>
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<tr>
<td>Employee decision</td>
<td>% of employees</td>
<td>60%</td>
<td>48%</td>
<td>57%</td>
<td>63%</td>
<td>+5.7 pts</td>
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<td>% of employees</td>
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<td>43%</td>
<td>36%</td>
<td>36%</td>
<td>-0.2 pts</td>
</tr>
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<td>By mutual agreement</td>
<td>% of employees</td>
<td>2%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>+1.0 pts</td>
</tr>
<tr>
<td>Others (death, retirement, illnes)</td>
<td>% of employees</td>
<td>7%</td>
<td>9%</td>
<td>6%</td>
<td>0%</td>
<td>-6.5 pts</td>
</tr>
<tr>
<td>Turnover</td>
<td>% of posts</td>
<td>7%</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
<td>-3.4 pts</td>
</tr>
<tr>
<td><strong>Seasonal GO®-GE Villages</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of employees</td>
<td>2 276</td>
<td>2 370</td>
<td>2 445</td>
<td>2 494</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Employee decision</td>
<td>% of employees</td>
<td>69%</td>
<td>70%</td>
<td>72%</td>
<td>71%</td>
<td>-1.2 pts</td>
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<tr>
<td>Employer decision</td>
<td>% of employees</td>
<td>30%</td>
<td>20%</td>
<td>19%</td>
<td>21%</td>
<td>+2.1 pts</td>
</tr>
<tr>
<td>By mutual agreement</td>
<td>% of employees</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>-0.6 pts</td>
</tr>
<tr>
<td>Others (death, retirement, illnes)</td>
<td>% of employees</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>-0.2 pts</td>
</tr>
<tr>
<td>Turnover</td>
<td>% of posts</td>
<td>10%</td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>-0.3 pts</td>
</tr>
</tbody>
</table>

**Payroll (worldwide)**

- **Excluding villages**: In ME constant rate (127,6) (127,5) (130,9) (136,6) 4.3%
- **Villages**: In ME constant rate (181,5) (186,6) (197,1) (204,4) 3.7%
- **Global**: In ME constant rate (309,1) (314,1) (328,1) (341,0) 3.9%

**Average basic salary**

- **Excluding Villages**
  - Permanent GO®: In ME constant rate (3 275) (3 330) (3 403) (3 395) -0.2%
  - Seasonal GO®: In ME constant rate (2 022) (2 157) (2 151) (2 064) -4.0%

- **Villages**
  - Permanent GO®: In ME constant rate (1 706) (1 745) (1 677) (1 866) -0.7%
  - Seasonal GO®: In ME constant rate (1 024) (1 236) (1 256) (1 273) 1.4%
  - Permanent GE: In ME constant rate (583) (580) (606) (586) -3.2%
  - Seasonal GE: In ME constant rate (849) (788) (787) (856) 8.7%
CSR SOCIALDATA
Reporting on fiscal year Nov. 1, N-1 to Oct. 31, N

<table>
<thead>
<tr>
<th>GO®-GE Abseentism - worldwide (coverage 81%)</th>
<th>note</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Evol. Vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taux Absenteeism rate (%) % of FTE</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.4%</td>
<td>-0.5 pts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total length in days</td>
<td>78 858</td>
<td>73 787</td>
<td>74 893</td>
<td>75 227</td>
<td>0.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which % illness</td>
<td>50%</td>
<td>52%</td>
<td>51%</td>
<td>51%</td>
<td>-0.9 pts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which % work place accident (commute or work)</td>
<td>17%</td>
<td>16%</td>
<td>14%</td>
<td>17%</td>
<td>+2.7 pts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which % others</td>
<td>33%</td>
<td>32%</td>
<td>34%</td>
<td>33%</td>
<td>1.8 pts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Permanent GO®-GE Villages
- Taux Absenteeism rate (%) % of FTE | 1.9% | 1.6% | 1.8% | 1.2% | -0.6 pts |
- Total length in days | 20 535 | 17 193 | 20 167 | 21 629 | 7.2% |
- of which % illness | 61% | 64% | 67% | 66% | +1.4 pts |
- of which % work place accident (commute or work) | 25% | 22% | 15% | 19% | +3.5 pts |
- of which % others | 14% | 14% | 18% | 13% | -4.9 pts |

Seasonal GO®-GE Villages
- Taux Absenteeism rate (%) % of FTE | 1.5% | 1.6% | 1.5% | 1.2% | -0.3 pts |
- Total length in days | 32 649 | 32 884 | 31 387 | 34 807 | 10.9% |
- of which % illness | 41% | 42% | 41% | 41% | +0.0 pts |
- of which % work place accident (commute or work) | 20% | 21% | 19% | 23% | +3.2 pts |
- of which % others | 40% | 36% | 39% | 36% | -3.2 pts |

GO®-GE Accidentology - worldwide (coverage 81%)
- Severity in no. of days | 0.60 | 0.54 | 0.48 | 0.54 | 13.3% |
- Frequency rate in periods of sickness | 25.9 | 24.4 | 21.4 | 24.0 | -12.3% |
- Taux Absenteeism rate (%) % of FTE | 0.34% | 0.30% | 0.27% | 0.30% | +0.03 pts |
- Total length in days | 13 514 | 11 861 | 10 568 | 12 622 | 19.4% |
- of which % illness | 58% | 53% | 52% | 48% | -4.3 pts |
- of which % work place accident (commute or work) | 8% | 4% | 6% | 4% | -2.7 pts |
- of which % others | 38% | 41% | 42% | 49% | +7.0 pts |

Excluding Villages
- Total length in days | 656 | 533 | 808 | 365 | -54.8% |
- nb periods of sickness | 2 059 | 1 077 | 1 420 | 736 | -48.2% |

Villages
- Total length in days | 11 455 | 10 784 | 9 148 | 11 886 | 29.9% |
- nb. periods of sickness | 556 | 497 | 460 | 460 | 0.0% |

SKILLS DEVELOPMENT - Worldwide
- Number of employees having received training in nb sessions x employees | 14 253 | 14 606 | 15 313 | 15 736 | 2.8% |
- Number of trainees in periods | 48 750 | 49 610 | 56 838 | 68 701 | 20.7% |
- Total training hours in No. of theoretical hours | 338 924 | 326 172 | 335 410 | 359 764 | 7.3% |
- of which % Europe and Africa | 48% | 56% | 57% | 65% | +7.8 pts |
- of which % Americas | 37% | 33% | 30% | 26% | -3.9 pts |
- of which % Asia | 16% | 11% | 13% | 9% | -3.8 pts |
- % of GO®-GE having received training | 4% |
- Shared of trained GO®-GE | 64% | 63% | 63% | 61% | +2.0 pts |
- Shared of trained GO® excluding villages | 55% | 52% | 53% | 50% | -2.5 pts |
- Shared of trained GO®-GE villages | 76% | 76% | 76% | 77% | -0.7 pts |
- Shared of trained GO®-GE villages | 57% | 57% | 56% | 59% | +2.8 pts |

EGAL OPPORTUNITY (Villages scope)
- % of GO®-GE subject to professional mobility | 17% | 16% | 20% | 16% | -2.1 pts |
- % of male GO®-GE subject to professional mobility | 12% | 14% | 18% | 16% | -2.0 pts |

Geographic mobility
- % of female GO®-GE subject to geographical mobility | 29% | 28% | 26% | 26% | +1.8 pts |
- % of male GO®-GE subject to geographical mobility | 24% | 25% | 24% | 26% | +2.4 pts |

Training
- % trained female GO®-GE | 70% | 69% | 69% | 67% | -2.3 pts |
- % trained male GO®-GE | 62% | 63% | 62% | 63% | 0.8 pts |

Managers
- % of female GO®-SM-VM & CDV | 9% | 8% | 11% | 12% | +1.2 pts |
- % of male GO®-SM-VM | 9% | 9% | 13% | 13% | +0.0 pts |
- Shared of trained GO®-GE in the LC worldwide | 6% | 47% | 48% | 44% | -45% |
5.2 Additional information: CSR societal indicators

**Summary of reporting methodology**

Societal data come from several sources.

For **information on GO/GE premises**: See social data.

**Purchasing data** are reported at Corporate level based on invoicing data from the Oracle/AP database, and the contracts database (for the percentage of contracts containing the CSR clause). All indicators are calculated once a year for the reporting period except for the rate of application of the “Seafood Charter”. This rate is calculated based on the Summer of year N-1 and Winter of year N based on data from the Web Nafi (access to queries providing consumption statistics from the Ecomat system used in the villages to place F&B and Supplies orders).

**Agrisud data** are drawn from Agrisud annual project summary reports.
## CSR Societal Indicators

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<tr>
<th>INDICATORS</th>
<th>note</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Evol. Vs 2016</th>
<th>ref. GRI4</th>
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<tbody>
<tr>
<td><strong>Local Contribution by Local Employees (Villages worldwide)</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Share of local jobs among GO®-GE % of employees</td>
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<td></td>
<td>75%</td>
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<td>- 75.0 pts</td>
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<td><strong>Local Development (Villages scope)</strong></td>
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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared of local GO® trained % of employees</td>
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<td></td>
<td>74%</td>
<td>76%</td>
<td>74%</td>
<td>- 1.8 pts</td>
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</tr>
<tr>
<td>Shared of mobile GO® trained % of employees</td>
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<td></td>
<td>78%</td>
<td>80%</td>
<td>82%</td>
<td>+ 2.2 pts</td>
<td></td>
</tr>
<tr>
<td>Share of local GE trained % of employees</td>
<td></td>
<td></td>
<td>57%</td>
<td>56%</td>
<td>58%</td>
<td>+ 2.4 pts</td>
<td></td>
</tr>
<tr>
<td>Share of mobile GE mobiles trained % of employees</td>
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<td>58%</td>
<td>62%</td>
<td>62%</td>
<td>- 0.1 pts</td>
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</tr>
<tr>
<td>Share of local GO®-GE trained % of employees</td>
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<td>62%</td>
<td>61%</td>
<td>62%</td>
<td>+ 0.9 pts</td>
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<td>% of employees</td>
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<td>Shared of local GO® evaluated % of employees</td>
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<td>83%</td>
<td>- 0.8 pts</td>
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<td>Shared of mobile GO® evaluated % of employees</td>
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<td>90%</td>
<td>91%</td>
<td>92%</td>
<td>+ 1.0 pts</td>
<td></td>
</tr>
<tr>
<td>Share of local GE evaluated % of employees</td>
<td></td>
<td></td>
<td>62%</td>
<td>61%</td>
<td>60%</td>
<td>- 0.6 pts</td>
<td></td>
</tr>
<tr>
<td>Share of mobile GE mobiles evaluated % of employees</td>
<td></td>
<td></td>
<td>85%</td>
<td>89%</td>
<td>91%</td>
<td>+ 1.7 pts</td>
<td></td>
</tr>
<tr>
<td>Share of local GO®-GE evaluated % of employees</td>
<td></td>
<td></td>
<td>68%</td>
<td>67%</td>
<td>68%</td>
<td>+ 1.1 pts</td>
<td></td>
</tr>
<tr>
<td><strong>Geographic mobility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of International GO® % of posts</td>
<td>1</td>
<td>% of posts</td>
<td>43%</td>
<td>42%</td>
<td>42%</td>
<td>- 0.2 pts</td>
<td></td>
</tr>
<tr>
<td>Share of International GE % of posts</td>
<td>1</td>
<td>% of posts</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>- 1.0 pts</td>
<td></td>
</tr>
<tr>
<td>Share of International GO®-GE % of posts</td>
<td>1</td>
<td>% of posts</td>
<td>26%</td>
<td>25%</td>
<td>25%</td>
<td>+ 0.5 pts</td>
<td></td>
</tr>
<tr>
<td><strong>Professional mobility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of local GO® who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>25%</td>
<td>34%</td>
<td>32%</td>
<td>- 2.3 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GO® who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>29%</td>
<td>38%</td>
<td>39%</td>
<td>+ 1.1 pts</td>
<td></td>
</tr>
<tr>
<td>% of GO® who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>27%</td>
<td>36%</td>
<td>35%</td>
<td>- 1.1 pts</td>
<td></td>
</tr>
<tr>
<td>% of local GE who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>6%</td>
<td>7%</td>
<td>5%</td>
<td>- 2.1 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GE who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>11%</td>
<td>10%</td>
<td>11%</td>
<td>+ 1.0 pts</td>
<td></td>
</tr>
<tr>
<td>% of GE who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
<td>- 1.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of local GO®-GE who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>11%</td>
<td>14%</td>
<td>12%</td>
<td>- 2.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GO®-GE who benefited from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>25%</td>
<td>32%</td>
<td>33%</td>
<td>+ 1.4 pts</td>
<td></td>
</tr>
<tr>
<td><strong>Local Contribution (Worldwide)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSB supported - Agrisud partnership nb of VSBs</td>
<td>424</td>
<td>407</td>
<td>336</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnage purchased from VSB supported tons</td>
<td>20</td>
<td>32</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Club Med Contribution to Charitable Activities (Worldwide)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct patronage € thousands</td>
<td>2</td>
<td>55</td>
<td>85</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation (including skill development devoted) € thousands</td>
<td>398</td>
<td>433</td>
<td>526</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friends of the Fondation (excluding GM® donations) € thousands</td>
<td>134</td>
<td>124</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Responsible Purchasing (Worldwide)</strong></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of purchases from host country suppliers % € thousands</td>
<td>92%</td>
<td>90%</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of contracts with sustainability clause (France) % no. of contracts</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current contracts with SD clause (World) % no. of contracts</td>
<td>52%</td>
<td>49%</td>
<td>48%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper for Club Med catalogs tons</td>
<td>4</td>
<td>638</td>
<td>127</td>
<td>125</td>
<td>G4-EN1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of PEFC/FSC papers in catalogs %</td>
<td>4</td>
<td>%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>Paper for Club Med catalogs tons</td>
<td>5</td>
<td>%</td>
<td>99%</td>
<td>99%</td>
<td>99%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of GO®-GE who benefitted from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>25%</td>
<td>32%</td>
<td>33%</td>
<td>+ 1.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GO®-GE who benefitted from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>11%</td>
<td>14%</td>
<td>12%</td>
<td>- 2.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GO®-GE who benefitted from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>25%</td>
<td>32%</td>
<td>33%</td>
<td>+ 1.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of local GO®-GE who benefitted from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>11%</td>
<td>14%</td>
<td>12%</td>
<td>- 2.4 pts</td>
<td></td>
</tr>
<tr>
<td>% of mobile GO®-GE who benefitted from professional mobility</td>
<td></td>
<td>% of employees</td>
<td>25%</td>
<td>32%</td>
<td>33%</td>
<td>+ 1.4 pts</td>
<td></td>
</tr>
<tr>
<td><strong>Responsibility Towards Customers (Worldwide)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of ecocertified Villages % no. of Villages</td>
<td>73%</td>
<td>77%</td>
<td>77%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer incidents No. of claims</td>
<td>3 288</td>
<td>3 107</td>
<td>3 274</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Actionsto Promote Human Right (Worldwide)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregated number of ECPAT flyers Number</td>
<td>750 000</td>
<td>800 000</td>
<td>850 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. Number of job assignments in which employees work in a country other than their home country (mobile vs. local).
2. Other donations are made locally (not listed exhaustively)
3. World scope (excluding China) all purchasing categories excluding distribution fees, royalties, VAT and duties.
4. All FBS countries (France, Benelux and Switzerland) + all NMEA countries (New Markets Europe Africa) with the exception of countries that print their brochures on site (South Africa, Spain, Israel and Portugal).
5. World scope for seafood purchases, Summer N-1 + Winter N.
## 5.3 Additional environmental information

### 5.3.1 Eco-certification of villages

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>Africa</th>
<th>Middle East</th>
<th>Americas</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Opio (*)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>no more operated: Chamonix Mont Blanc</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cancun (2009-13) (**)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Colombus (2010-13) (<strong>), Turquoise (2010-11) (</strong>*)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cherating Beach</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>La Palmyre-Atlantique Tignes Val Claret Val d'Isère Serre Chevalier Vittel Le Parc Vittel Ermitage Gregolimano</td>
<td>Marrakech Palmeraie Djerba la Douce La Plantation d'Albion Les Villas d'Albion La Pointe aux Cannoniers Palmyre</td>
<td>and no more operated: Marrakech Medina</td>
<td>Rio das Pedras (2011-13)(***)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Peisey-Vallandry Aime la Plagne La Plagne 2100 Valmorel Les Chalets de Valmorel St Moritz Wengen</td>
<td>Cap Skirring and no more operated: Djerba la Fidèle</td>
<td>Kemer Bodrum Palmyre</td>
<td>La Caravelle Les Boucaniers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Da Balaia</td>
<td></td>
<td></td>
<td>Saiconi</td>
<td>Phuket</td>
</tr>
<tr>
<td></td>
<td>Yasmina</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>Opio</td>
<td></td>
<td></td>
<td>Rio das Pedras</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Val Thorens Sensation Pragelato</td>
<td></td>
<td></td>
<td>Ixtapa</td>
<td>Yabuli</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cancun</td>
<td>DongAo</td>
</tr>
<tr>
<td>2016</td>
<td>Agadir</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Alps d'Huez</td>
<td></td>
<td></td>
<td>Punta Cana</td>
<td>Kani</td>
</tr>
<tr>
<td>2018</td>
<td>Grand Massif Samoens Kamarina Cefalu</td>
<td></td>
<td></td>
<td>Sandpiper</td>
<td></td>
</tr>
</tbody>
</table>

All the villages are Certified Green Globe except the villages mentioned with (*) or (**)  
(*) Village having obtained the European Ecolabel  
(**) Villages have achieved the EarthCheck certification until 2011, 2012 or 2013 (not renewed then)  
(***) Villages having achieved Green Globe Certification until 2011 (not renewed then)
5.3.2 CSR environmental indicators

Summary of reporting methodology

Environmental data are drawn from the Tech Care reporting tool (see section 4.12.).

The reporting period is from November 1 to October 31 of each year, which corresponds to the company’s fiscal year.

For each fiscal year, environmental reporting takes into account all Club Med villages worldwide in operation for at least one season of the year concerned.

Since 2012, all villages have used the reporting software (two villages were excluded until 2011 because their environmental data were not previously provided by our partners: Buccaneer’s Creek [Les Boucaniers] in Martinique and Coral Beach in Israel).

The following are therefore excluded:
- Head offices, offices, agencies, and the Club Med 2 cruise ship;
- closed villages whose operations are discontinued but which remain in the Club Med portfolio and are therefore maintained;
- periods during which villages are not operated by Club Med but by third party organizations.

However, consumption during off-season periods (including those related to village maintenance work or renovations) is included in the reporting scope.

The reporting scope includes all businesses operated directly or indirectly by Club Med (spas, shops, etc.). From 2013 all fuel from vehicles and boats operated in the villages is also included.

This consists of monitoring actual consumption by the Technical Manager of each site, based on:
- The water, electricity, and natural gas meter index data; and
- The calculation of monthly consumption based on gauge readings from tanks that store other energy resources (fuel oil, LPG, LNG).

Water consumption in cubic meters is consolidated and includes all water used by the sites, whether paid or free of charge (except for the village of Belek in Turkey in 2013 and in Beidahu (China) in 2017 and 2018 that have no water meter.

Energy consumption is recorded in operational units (in kWh, m³, or kg). These units are converted and consolidated into kWh of final energy consumed using the ADEME conversion ratios, (for natural gas, at some sites such as Opio, Vittel and Chamonix, the conversion ratio used is the one on the invoice).

From 2013, energy-related greenhouse gas emissions are calculated using the Bilan Carbone® tool according to the GHG Protocol and based on energy quantities expressed in operational units. Historical data have been recalculated according to this methodology.

Management ratios are primarily expressed
- as per Total Hotel Days (THD), which comprises customers and employees living on-site, including during off-season,
- as per Hotel Day Capacity (number of beds x numbers of opening days) less disturbed by attendance variations,
- and ratios based on rooms sold (for sector comparability).

As a result, for Club Med, those ratios are the most representative of its business. The ratio of kWh per sq.m. is unsuitable for Club Med’s business because there is too great a disparity and variation from one year to the next in the number of opening days.
## CSR ENVIRONMENTAL DATA

**Reporting on the fiscal year from November 1, N-1 to October 31, N. - Consumptions recorded as Nov 1, 2018**

### SCOPE OF ENVIRONMENTAL REPORTING

<table>
<thead>
<tr>
<th>note</th>
<th>Unit</th>
<th>2010</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2018 vs. 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>World resorts operated (excl. boats)</td>
<td>number of resorts</td>
<td>72</td>
<td>64</td>
<td>64</td>
<td>65</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>World resorts included in the reporting</td>
<td>number of resorts</td>
<td>70</td>
<td>64</td>
<td>64</td>
<td>65</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Total Hotel Days (THD) of the reporting scope</td>
<td>% of resorts</td>
<td>97%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Hotel Day Capacity (HDC) of the reporting scope</td>
<td>thousands</td>
<td>11 775</td>
<td>12 095</td>
<td>11 670</td>
<td>11 839</td>
<td>12 536</td>
<td>6.5%</td>
</tr>
<tr>
<td>Occupied Rooms (OC) of the reporting scope</td>
<td>thousands</td>
<td>3 600</td>
<td>3 448</td>
<td>3 619</td>
<td>3 754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of the operated resorts eco-certified</td>
<td>% of resorts</td>
<td>11%</td>
<td>73%</td>
<td>73%</td>
<td>77%</td>
<td>77%</td>
<td>+6pts</td>
</tr>
<tr>
<td>Share of TripAdvisor GreenLeaders resorts</td>
<td>% of resorts</td>
<td>34%</td>
<td>34%</td>
<td>33%</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>% of resorts providing the data</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>WATER</td>
<td>Municipal water</td>
<td>thousands of m³</td>
<td>3 478</td>
<td>3 503</td>
<td>3 309</td>
<td>3 213</td>
<td>3 342</td>
</tr>
<tr>
<td>Surface water</td>
<td>thousands of m³</td>
<td>325</td>
<td>194</td>
<td>222</td>
<td>187</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>Ground water</td>
<td>thousands of m³</td>
<td>2 718</td>
<td>3 270</td>
<td>3 199</td>
<td>3 123</td>
<td>2 996</td>
<td></td>
</tr>
<tr>
<td>Purchased recycled water</td>
<td>thousands of m³</td>
<td>59</td>
<td>142</td>
<td>47</td>
<td>90</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Drinking water delivered by truck</td>
<td>thousands of m³</td>
<td>0</td>
<td>168</td>
<td>197</td>
<td>210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total water withdrawn</td>
<td>thousands of m³</td>
<td>6 579</td>
<td>7 111</td>
<td>6 946</td>
<td>7 680</td>
<td>6 792</td>
<td>3.2%</td>
</tr>
<tr>
<td>Water withdrawn by Hotel Day Capacity</td>
<td>m³</td>
<td>0,559</td>
<td>0,588</td>
<td>0,595</td>
<td>0,575</td>
<td>0,544</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Water withdrawn by Occupied Room</td>
<td>m³</td>
<td>0,560</td>
<td>1,975</td>
<td>2,014</td>
<td>1,873</td>
<td>1,809</td>
<td></td>
</tr>
<tr>
<td>Water withdrawn in water stress regions</td>
<td>thousands of m³</td>
<td>3 185</td>
<td>3 184</td>
<td>3 185</td>
<td>3 185</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water stress: golf (Agadir): m³ ha watered</td>
<td>m³</td>
<td>17 536</td>
<td>15 655</td>
<td>14 496</td>
<td>12 576</td>
<td>12 030</td>
<td>31.4%</td>
</tr>
<tr>
<td>Water stress: water withdrawn per HDC (excl. golf)</td>
<td>m³</td>
<td>0,432</td>
<td>0,476</td>
<td>0,495</td>
<td>0,486</td>
<td>0,461</td>
<td>6.8%</td>
</tr>
<tr>
<td>Water stress: water withdrawn per OC (excl. golf)</td>
<td>m³</td>
<td>0,020</td>
<td>0,166</td>
<td>0,179</td>
<td>0,161</td>
<td>0,153</td>
<td></td>
</tr>
<tr>
<td>Water recycled and reused in resorts</td>
<td>thousands of m³</td>
<td>772</td>
<td>970</td>
<td>743</td>
<td>806</td>
<td>727</td>
<td></td>
</tr>
<tr>
<td>% of water recycled and reused</td>
<td>%</td>
<td>12%</td>
<td>14%</td>
<td>11%</td>
<td>12%</td>
<td>11%</td>
<td>-1.0 pts</td>
</tr>
<tr>
<td>ENERGY</td>
<td>Gas</td>
<td>kWh</td>
<td>58 434</td>
<td>58 220</td>
<td>60 612</td>
<td>62 663</td>
<td>84 862</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>kWh</td>
<td>66 448</td>
<td>59 568</td>
<td>64 311</td>
<td>58 738</td>
<td>59 226</td>
<td></td>
</tr>
<tr>
<td>Total direct energy consumed</td>
<td>kWh</td>
<td>124 982</td>
<td>117 786</td>
<td>124 923</td>
<td>121 401</td>
<td>144 988</td>
<td>15.4%</td>
</tr>
<tr>
<td>Electricity purchased</td>
<td>MWh</td>
<td>219 412</td>
<td>227 654</td>
<td>226 366</td>
<td>224 146</td>
<td>237 113</td>
<td></td>
</tr>
<tr>
<td>which certified renewable energy electricity (France)</td>
<td>MWhref</td>
<td>23 475</td>
<td>32 139</td>
<td>35 165</td>
<td>34 290</td>
<td>39 056</td>
<td></td>
</tr>
<tr>
<td>Urban heat purchased</td>
<td>10 kWh</td>
<td>2 151</td>
<td>4 964</td>
<td>4 641</td>
<td>5 632</td>
<td>4 718</td>
<td></td>
</tr>
<tr>
<td>Total indirect energy consumed</td>
<td>MWh</td>
<td>221 563</td>
<td>232 618</td>
<td>231 007</td>
<td>229 470</td>
<td>241 231</td>
<td>8.9%</td>
</tr>
<tr>
<td>Hydroeol or generated in resort</td>
<td>MWh</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>PV electricity produced in resort</td>
<td>MWh</td>
<td>1,002</td>
<td>1,367</td>
<td>1,196</td>
<td>1,018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total renewable energy produced in resorts</td>
<td>MWh</td>
<td>1,002</td>
<td>1,367</td>
<td>1,196</td>
<td>1,018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total energy sold (Vittel)</td>
<td>MWh</td>
<td>3 493</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total direct + indirect energy consumed</td>
<td>MWh</td>
<td>342 952</td>
<td>351 407</td>
<td>307 297</td>
<td>352 066</td>
<td>386 337</td>
<td>12.7%</td>
</tr>
<tr>
<td>Total direct + indirect energy consumed per THD</td>
<td>kWh</td>
<td>33,0</td>
<td>33,1</td>
<td>34,9</td>
<td>32,9</td>
<td>34,5</td>
<td>3.3%</td>
</tr>
<tr>
<td>... per hotel day capacity</td>
<td>kWh</td>
<td>29,1</td>
<td>29,1</td>
<td>30,6</td>
<td>29,7</td>
<td>30,8</td>
<td>5.8%</td>
</tr>
<tr>
<td>... per occupied rooms</td>
<td>kWh</td>
<td>0,0</td>
<td>97,6</td>
<td>103,6</td>
<td>97,3</td>
<td>102,9</td>
<td></td>
</tr>
<tr>
<td>Share of electricity from renewable sources</td>
<td>% of MWh</td>
<td>11%</td>
<td>14%</td>
<td>16%</td>
<td>16%</td>
<td>17%</td>
<td>+6pts</td>
</tr>
<tr>
<td>Surface area of resorts</td>
<td>thousands of m²</td>
<td>4 317</td>
<td>8 425</td>
<td>8 818</td>
<td>10 177</td>
<td>9 933</td>
<td>135.7%</td>
</tr>
<tr>
<td>Share of energy in the total purchases (Group)</td>
<td>%</td>
<td>3.2%</td>
<td>4.4%</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>-0 pts</td>
</tr>
</tbody>
</table>

### BIODIVERSITY

- **Share of resort with saving systems:** see chart in section 4.3.2
- **Share of energy in the total purchases:** see chart in section 4.3.2

## GREENHOUSE GAS EMISSIONS (GHG Protocol)

### Direct emissions from building combustion system

eCO2 | 29 588 | 27 611 | 29 235 | 28 363 | 32 662 |

direct emissions related to vehicle and boat fuel | coverage of fuel reporting | 0% | 0% | 0% | 0% | 0% |

direct fugitive emissions (refrigerant gas) | eCO2 | unknown | 21 954 | 23 376 | 20 976 | 16 410 |

coverage of refrigerant gas reporting | % of resorts | 86% | 87% | |

### Total direct emissions (scope 1)
eCO2 | 51 990 | 55 566 | 52 816 | 52 121 |

### Indirect emissions related to purchased electricity

- **of which avoided emission deducted (RE emissions certificates)**
eCO2 | 3 135 | 1 800 | 1 969 | 1 920 | 2 187 |

### Indirect emissions related to urban heat

eCO2 | 1 261 | 1 245 | 1 376 | 1 133 |

### Total indirect emissions (scope 2)
eCO2 | 58 517 | 59 417 | 52 457 | 89 729 | 53 180 | 9.8% |

### Total emissions (scopes 1+2)
eCO2 | 147 407 | 148 022 | 142 542 | 146 000 |

### Carbon intensity (building energy) par THD

eCO2 | 11,1 | 11,6 | 11,9 | 11,0 | 11,1 | 0,7% |

### Carbon intensity (scope 1+2) par THD

eCO2 | 10,2 | 10,4 | 10,0 | 10,1 | 10,3% |

### Energy-related upstream emissions

eCO2 | 1 343 | 1 478 | 1 370 | 1 5028 |

### Realted to customer transportation

eCO2 | 1 343 | 1 478 | 1 370 | 1 5028 |

### Realted to employee transportation (France scope)
eCO2 | 1 343 | 1 478 | 1 370 | 1 5028 |

### Realted to freight and purchasing logistic (SAP scope)
eCO2 | 1 343 | 1 478 | 1 370 | 1 5028 |
Notes:

1. Villages (excluding boat) operated at least one season during the year regardless the operating mode of the activity (spa, boutiques, etc.). Tech Care monitoring includes 66 villages operated in 2017. To get the 67 announced in the presentation of the Group, the following have to be added: Club Med 2 boat. Finally, the 2 Méribel Villages only count for a single one in operational terms and in Tech Care.
2. Two villages not included until 2011: Coral Beach and Buccaneer’s Creek (Les Boucaniers)
3. THD: Total hotel days (customers + employees living on site, including during village off-seasons)
4. Areas of high or very high water stress according to the definition of the World Resources Institute's Aqueduct tool. See subsection 4.3.1
5. GHG Protocol, Emission Factors - ADEME / Bilan Carbone v7.1
6. Water reporting scope: excluding Belek (Turkey, in 2013), and excluding Beidahu (China, in 2017) - no water meter in village
7. Estimate based on 24% of villages with weight tracking provided by the service provider
8. Assumption: 1 tCO2-eq for a medium haul R/T and 3.5 tCO2-eq for a long-haul R/T
9. Case Study by Bilan Carbone V1.7 on food purchases at one site with extrapolation of the ratio obtained in kgCO2eq/THD to the Group (with an uncertainty rate of 50%)
10. From 2013 to 2017- Yabuli (China) figure estimated on the 2012 ratio in winter HDD
11. Data on reported Egencia scope: Corporate office, French offices and agencies + assignment of French GO®/GE (period: calendar year calculated from January 1, N-1 to December 31, N-1 reported in year N – given the time-lag in the data available, the data for the current year corresponds to emissions from the first ten months of the calendar year, from January 1 to October 31) – DEFRA emissions factors
12. World freight from France and returning to France - transportation directed by Club Med
## 5.5. CSR cross-reference table

<table>
<thead>
<tr>
<th>GRI 4 CSR disclosures</th>
<th>indicators published GRI G4</th>
<th>chapitre du rapport RSE 2016</th>
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<td><strong>General items of information</strong></td>
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<td></td>
</tr>
<tr>
<td>Strategy and analysis</td>
<td>G4-1, G4-2</td>
<td>1.2 Listening to stakeholders and defining CSR issues</td>
</tr>
<tr>
<td>Profile of the organization</td>
<td>G4-3 à G4-10, G4-13 à G4-16</td>
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</tr>
<tr>
<td>Relevant aspects and scope identified</td>
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<td>2. Social rapport</td>
</tr>
<tr>
<td>Stakeholder involvement</td>
<td>G4-24 à 26</td>
<td>5.2 CSR social indicators</td>
</tr>
<tr>
<td>Report profile</td>
<td>G4-28 à 33</td>
<td></td>
</tr>
<tr>
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<td>G4-34, 45, 46, 51, 52</td>
<td></td>
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<tr>
<td>Ethics and integrity</td>
<td>G4-56</td>
<td></td>
</tr>
<tr>
<td><strong>Specific items of information on relevant aspects</strong></td>
<td></td>
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<tr>
<td><strong>Economy</strong></td>
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<tr>
<td>Economic performance</td>
<td>G4-EC1, G4-EC4</td>
<td>4.4 Climate change</td>
</tr>
<tr>
<td>Indirect economic impacts</td>
<td>GA-EC3</td>
<td>3.1.2 Local contribution</td>
</tr>
<tr>
<td>Purchasing practices</td>
<td>G4-EC9</td>
<td>3.2.3 Agrisud partnership</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials</td>
<td>G4-EN1</td>
<td>3.2.2 Responsible purchasing policy</td>
</tr>
<tr>
<td>Energies</td>
<td>G4-EN3 à 6</td>
<td>4.3.2 Energies (+5.3 indicators)</td>
</tr>
<tr>
<td>Water</td>
<td>G4-EN5 à 10</td>
<td>4.3.1 Water (+5.3 indicators)</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>G4-11 à 13</td>
<td>4.5 Biodiversity (+5.3 indicators)</td>
</tr>
<tr>
<td>Emissions</td>
<td>G4-EN15 à 19</td>
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</tr>
<tr>
<td>Effluents and waster</td>
<td>G4-EN22 à 23</td>
<td>4.3.1 Water / 4.2.2 Waste (+5.3 indicators)</td>
</tr>
<tr>
<td>Product and services</td>
<td>G4-EN27</td>
<td>4.1.4 Certification Green Globe</td>
</tr>
<tr>
<td>Compliance</td>
<td>G4-EN29</td>
<td>4.1 Key issues ans commitments</td>
</tr>
<tr>
<td>Transport</td>
<td>GA-EN30</td>
<td>4.4.2 GHG emissions (+5.3 indicators)</td>
</tr>
<tr>
<td><strong>Social</strong></td>
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<tr>
<td>Employment</td>
<td>G4-LA1</td>
<td>2.1 Employment (+5.1 indicators)</td>
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<td>Health and safety at work</td>
<td>G4-LA6 à 7</td>
<td>2.4 Health&amp; safety and well-being at work</td>
</tr>
<tr>
<td>Training and education</td>
<td>G4-LA9 à 11</td>
<td>2.5 Training and talent development (+5.1 indicators)</td>
</tr>
<tr>
<td>Diversity and equal opportunities</td>
<td>G4-LA12</td>
<td>2.6 Equal treatment (+5.1 indicators)</td>
</tr>
<tr>
<td><strong>Human rights</strong></td>
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<tr>
<td>Child labor</td>
<td>G4-HR5</td>
<td>3.4 Human rights</td>
</tr>
<tr>
<td>Forced or compulsory labor</td>
<td>G4-HR6</td>
<td>3.4 Human rights</td>
</tr>
<tr>
<td>Rights of indigenous peoples</td>
<td>G4-HR8</td>
<td>3.4 Human rights</td>
</tr>
<tr>
<td><strong>Society</strong></td>
<td></td>
<td></td>
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<tr>
<td>Fight against corruption</td>
<td>G4-DMA</td>
<td>1.4 Compliance : anticorruption and vigilance plan</td>
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<td><strong>Product liability</strong></td>
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<tr>
<td>Consumer health ans safety</td>
<td>G4-DMA</td>
<td>3.3 Quality and customer safety</td>
</tr>
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<td>Labeling of products ans services</td>
<td>G4-DMA, G4-PR3</td>
<td>3.3.1 Customer communication / 4.4 GHG</td>
</tr>
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<td>Marketing communication</td>
<td>G4-PR7</td>
<td>3.3.1 Responsible communication to customers</td>
</tr>
<tr>
<td>Customer life</td>
<td>G4-PR8</td>
<td></td>
</tr>
</tbody>
</table>

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2018 CSR Report
5.6. Glossary

**Activity**
The activity is divided into three BUs:

- **Europe-Africa**:
  - FBS: commercial BU comprising the mature European markets (France, Benelux and Switzerland),
  - NMEA: commercial BU comprising the developing markets in Europe (UK, Germany, Russia, Italy, etc.), Africa (South Africa, etc.) and the Middle-East (Israel, Turkey, etc.),
  - Europe-Africa operations BU;

- **Americas**:
  - AMN: commercial BU and villages in North America,
  - AML: commercial BU and villages in South America;

- **Asia**:
  - ESAP: commercial BU and villages in Southeast Asia and the Pacific (Japan, Australia, New Zealand, Singapore, South Korea, Malaysia, Thailand, India, Indonesia),
  - Greater China: commercial BU and villages in China, Taiwan and Hong Kong.

**Other operating income and expenses**
This includes costs related to restructuring operations, claims and litigation, and the impact of natural disasters.

**Business Unit (BU)**
Level of activity consolidation in a geographical area.

**Capacity**
Hotel day capacity for sale over a season or year
Calculation: hotel capacity x days the village is open.

**CMSAS**
Club Med SAS

**FTE**
Full Time Equivalent.
Employee accounting measure (different to Manpower which corresponds to the number of registered employees).

**GE**
A *Gentil Employé* is a Club Méditerranée employee, originating in the country where the village is located. Their job is in a fixed location and they have a status different from that of a GO.

**GM®**
*Gentil Membre*: Club Med customer.

**GMT**
*GM Transporté*: Club Med customer having purchased a holiday package including transport.

**GO®**
*Gentil Organisateur*: a Club Med employee in direct contact with customers. A GO is above all a link creator within the village.

**HD**
Total Hotel Days

**THD**
Total hotel days.

**Villages Managed**
Operation wherein Club Med and the owner have signed a management contract. Club Med receives a commission which compensates the sales entities.