

# Extra-financial performance declaration

2019



Ça fait du bien  
au quotidien

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## A culture of performance, both financial and non-financial, which will percolate through our management actions over time

In 2019, Up group's new governance was implemented for the purpose of being more agile, more responsive and closer to the ground. At our last General Assembly, Up cooperative employees elected the members of their new Board of Directors, which I now have the honor of chairing. And with a renewed Executive Committee, this makes us a team that includes persons with complementary experience, both in France and internationally, to implement our strategic project.

This year, our "Extra-Financial Performance Declaration" is 100% digital: it continues to evolve with an increased conciseness and a focus on our strategic project and is divided into two main areas:

- ➔ **First, presenting our Company:** who we are and what we do, our business model, our strategic project broken down into five programs, the selection of challenges in terms of Corporate Social Responsibility;
- ➔ **Next, a selection from our strategic project's governance, economic, social, societal and environmental programmes.** Each one describes the context, one or more implemented policies, the relevant action plans and associated key performance indicators.

Corporate Social Responsibility is a natural extension of our original resolve, since 1964, to positively impact the Society. It is inherent to our model which stems from activist roots, and is now embedded in the Group's strategy. Our aim is not to "change the world", but rather to make a modest contribution to this change, by providing evidence without which our credibility would be undermined. **That is why we believe that "performance" and "non-financial" must work together.**



***Our Parent Company and our recognized position in the Social and Solidarity Economy strengthen our commitment to a simpler life and a fairer society.***

Through its activities, Up group connects individual interests (those of employees, consumers or citizens) and collective interests (those of companies, merchants or public authorities) through simple, innovative and virtuous solutions. The cooperative status of our Parent Company and our recognized position in the Social and Solidarity Economy sector reinforce our commitment to a simpler life and a fairer society. Renewing our support for the 10 principles of the United Nations Global Compact (1) is therefore an obvious step.

For all the employees of our international cooperative group, CSR is a real mindset that percolates through all of our Company's management actions over the long term. This culture and these actions must empower us not only to make a difference in terms of maintaining customer satisfaction and attracting prospects, but also to build lasting relationships with our stakeholders.

**YOUSSEF ACHOUR,**  
President and CEO  
Up group

**WE ARE UP**



At Up, we have 3,750 employees creating business on 4 continents with the same purpose to serve others. We are committed to social progress and believe in collective development; our job is to convergence the interests of individuals with the aim of serving a fairer society.

## WHO ARE WE?

An international cooperative Group where engagement is part of its nature, and whose independence guarantees both balanced and trust-based relationships with its stakeholders.

At Up, commitment is at the heart of our identity, as embodied in our cooperative model. A model where every employee is mobilized to serve a common project and is involved in the Group's direction and success, thereby contributing to its growing reach in 27 countries.

From its very beginnings, Up was able to involve all its stakeholders (beneficiaries, companies, merchants, public authorities, social partners, Social and Solidarity Economy organizations...) in creating the Chèque Déjeuner lunch voucher. This original and pioneering model then guided our diversification process and took our development path out into the world. Today, it still inspires us to build tomorrow's everyday living, creating ethical bonds between organizations, individuals and territories, and leveraging the full potential of digital technology to co-construct innovative solutions that are simple and ergonomic.

## WHAT DO WE DO?

"Up, making every day better." We develop payment systems and management solutions that improve the vitality of businesses and territories, as well as the purchasing power and quality of life of employees and citizens, while offering freedom of choice and use.

Our solutions enable companies to strengthen the commitment of their employees, local communities to optimize their social policies, and merchants to retain their customers. We are actually coordinating a virtuous ecosystem where everyone is actively involved in improving people's living conditions.

We thereby participate in the emergence of a fairer and more sustainable society, based on 5 societal issues that foster, unite and reposition people at the heart of the economy.



### A HEALTHY DIET FOR EVERYONE

Food is a vector for health, well-being and pleasure. At Up we want to enable as many people as possible to eat well and enjoy all the benefits of their meal break: a balanced diet, switching off and creating social ties. Our solutions empower everyone to eat near their workplace or on the move, at a lower cost, without giving up quality. Our affiliates network is growing day by day to offer more choice, and pleasure for every day.

Our solutions create social bonding, strengthen group dynamics and contribute to local development.





## We are all actors in our consumption

Economic, social and environmental issues are prompting us to question how we consume, and invite us to take full responsibility. The world is becoming aware of the urgency of consuming differently and more sustainably. However, such a change needs to be made possible. Within our own purview, we encourage this momentum by empowering the greatest possible number of people to stay on top of their consumption through freedom of choice: being a better consumer means being able to choose food produced locally, ethically, organically...

**This means providing everyone with access to a diversity of networks, which fosters more responsible consumption.**



## Culture without limits or discrimination

Too many people still never set a foot inside a museum, a theater or a bookstore. Because they do not feel "legitimate" entering there, or because of financial constraints. Working with cultural mediation funders and players, we are helping to break down the barriers that still keep too many people away from cultural and leisure activities. Our solutions help to forge social bonding and encourage open-mindedness and curiosity.

**By democratizing access to culture, they promote artistic diversity and contribute to the vitality of cultural venues and events.**



## A better life balance

Today, everyone has a number of roles in society (parent, employee, family caregiver, etc.), and achieving a balanced life can sometimes be a daily challenge. And yet this balance is essential for our health and quality of life. In order to attract and retain talent, companies are evolving and looking for solutions that make everyday life easier for employees. This allows them to free their minds and be more serene and more efficient at work.

**To meet these needs, we design customized solutions that can be used in a wide network of partners, and that facilitate organizations' social policies and enable everyone to find a better balance between their private lives and their professional lives.**



## A society where everyone has a place

Disabilities, equal opportunities, independence, an aging population, energy transition... There are numerous issues in public and social action, yet all are essential to building an inclusive Society. A Society where everyone lives decently and is considered as a fully involved player. However, people now find themselves more frequently in vulnerable and uncertain situations, while public spending is shrinking. This means that allocating aid to the best effect has become essential, while ensuring the quality of the relationship with users. By dematerializing aid or grants, our solutions ensure that these are properly allocated and used, while also streamlining the relationship with users and improving coordination between the various stakeholders.

**Up is committed to ensuring that the digital transition is an opportunity to address the major challenges of public and social action, thereby guaranteeing a place for all.**



## UP IN THE WORLD



**26 COUNTRIES**  
ON 4 CONTINENTS



**1 M**  
CLIENTS



**€587 MILLION**  
IN SALES REVENUE



**€8.1 BILLION**  
IN ISSUE VOLUME



**28.6 M**  
BENEFICIARIES



**3,751**  
EMPLOYEES

## KEY FIGURES BY GEOGRAPHIC AREA

### AMERICAS



NUMBER OF  
EMPLOYEES  
**1,014**

NUMBER OF  
CLIENTS  
**256,038**

NUMBER OF  
BENEFICIARIES  
**6.6 M**



### NORTH WESTERN EUROPE



NUMBER OF  
EMPLOYEES  
**1,847**

NUMBER OF  
CLIENTS  
**157,591**

NUMBER OF  
BENEFICIARIES  
**1.8 M**



## MEDITERRANEAN EUROPE

 ITALY  MOROCCO  PORTUGAL  SPAIN  TUNISIA

NUMBER OF  
EMPLOYEES  
**270**

NUMBER OF  
CLIENTS  
**96,927**

NUMBER OF  
BENEFICIARIES  
**751,277**



## EURASIE

 BULGARIA  GREECE  MOLDOVA  ROMANIA  SERBIA  
 TURKEY

NUMBER OF  
EMPLOYEES  
**620**

NUMBER OF  
CLIENTS  
**111,745**

NUMBER OF  
BENEFICIARIES  
**3.3 M**



# BUSINESS MODEL



## HUMAN



**3,751 employees** worldwide in 2019  
Rate of access to training: **69.39%**

## Our resources



## CULTURAL



**Cooperative DNA**, a major player in the Social and Solidarity Economy sector  
Research and development **partnerships** with start-up  
**100% of the parent-company capital** is held by the cooperators

## TECHNOLOGICAL



**Electronic money platforms**, private payment systems

## ENVIRONMENTAL



**50.76%** of our paper comes from sustainably managed forests  
**76.54%** of our head offices electricity consumption comes from renewable energy

## ECONOMIC



Borrowing capacity, cash, WCR (Working Capital Requirement) negative, 5 documents govern the relationship between Up and its suppliers and subcontractors



## Our areas of expertise



Customer service



Electronic money



Regulatory and Public Affairs



E-money Services



Digital expertise



Industrial production management





# UP GROUP'S BOARD OF DIRECTORS & EXECUTIVE COMMITTEE



## THE BOARD OF DIRECTORS INCLUDES:



**12 members elected by the cooperators-shareholders** at the June 2019 General Meeting.



**members representing** the Trade Union Confederations CFDT, CGT and FO



**3 members with advisory votes,** representatives of the Company's Social and Economic Committee

A Director's term of office is **4 years**

In 2019, Up group's new governance was implemented for the purpose of being more agile, more responsive and closer to the ground. At our last General Meeting, the employees of the Up cooperative elected the members of their **new Board of Directors, half of them women.**

Ten Board meetings were held in 2019 to lay down the Group's strategic orientations and oversee their implementation. **The participation rate was 95%.**

Renewal will **take place in June 2023.**

## ON JANUARY 1, 2020, THE BOARD INCLUDED:

**YOUSSEF ACHOUR**  
PRESIDENT AND CEO

**JACQUES LANDRIOT**  
HONORARY PRESIDENT

**MARC BUISSON**  
DIRECTOR, SECRETARY  
GENERAL

**SAMIRA AIMENE**  
DIRECTOR

**JULIEN ANGLADE**  
DIRECTOR

**VÉRONIQUE  
CHARBONNIER**  
DIRECTOR

**HAWA DIA ROGER**  
DIRECTOR

**FERNANDA DE AZEVEDO**  
DIRECTOR

**BERTRAND LÉGER**  
DIRECTOR

**GAËLLE DO DANG VINH**  
DIRECTOR

**MARINA FERREIRA**  
DIRECTOR

**EMMANUEL MAUFOUX**  
DIRECTOR

**GRÉGORY VAAS**  
DIRECTOR

**AMOKRANE AMEUR**  
REPRESENTATIVE OF THE  
SOCIAL AND ECONOMIC  
COMMITTEE

**SERGE BREIT**  
REPRESENTATIVE OF THE  
SOCIAL AND ECONOMIC  
COMMITTEE

**RAPHAËL POULAIN**  
REPRESENTATIVE OF THE  
SOCIAL AND ECONOMIC  
COMMITTEE

**MARIE-ANDRÉE SEGUIN**  
DIRECTOR - REPRESENTATIVE  
OF THE TRADE UNION CFDT

**MARC BEUQIN**  
DIRECTOR - REPRESENTATIVE  
OF THE TRADE UNION CGT

**ANNE BALTAZAR**  
DIRECTOR - REPRESENTATIVE  
OF THE TRADE UNION FO

**GÉRALDINE NICOLETTI**  
BOARD SECRETARY

***"Who better than a cooperative company  
can lead to the emergence of a successful  
collective"***

## THE EXECUTIVE COMMITTEE

The Executive Committee includes the President and CEO, Functional Directors and Area Managing Directors. It deals with all matters relating to the implementation of the Group's strategic project and the management of the Group and its Subsidiaries, in line with the decisions made by the Board of Directors. The Committee meets about once a month.

### AS OF JANUARY 1ST, 2020, THE EXECUTIVE COMMITTEE INCLUDES:

**YOUSSEF ACHOUR**  
PRESIDENT AND CEO

**JULIEN ANGLADE**  
MANAGING DIRECTOR  
FRANCE

**OLIVIER BERNON**  
DIRECTOR MEDITERRANEAN  
EUROPE

**MARC BLANGY**  
DIRECTOR OF INFORMATION  
SYSTEMS

**MARC BUISSON**  
GROUP SECRETARY GENERAL  
- UP DAY PRESIDENT (ITALY)

**GAËTAN CHAUDERLOT**  
DIRECTOR OF DEVELOPMENT  
AND PARTNERSHIPS -  
DIRECTOR NORTH AMERICA

**YASSIR FICHTALI**  
DIRECTOR OF  
COMMUNICATION AND  
DIFFERENTIATION

**BERTRAND LÉGER**  
DIRECTOR NORTH-WESTERN  
EUROPE

**SYLVIE NOURRY**  
DIRECTOR OF MARKETING  
AND INNOVATION

**ELENA PAP**  
DIRECTOR EURASIA

**ALEXANDRE PEREZ**  
DIRECTOR SOUTH AMERICA

**RIJA RAKOTOARIVONY**  
DIRECTOR OF FINANCIAL AND  
LEGAL AFFAIRS

**AUDREY RICHARD**  
DIRECTOR OF HUMAN  
RESOURCES

The Executive Committee also draws on the expertise of the following three Departments:

**CYRIL BRUNEL**  
DIRECTOR, MOVE UP

**CATHERINE CANDELLA**  
DIRECTOR, COMPLIANCE &  
RISK

**EMMANUEL MAUFOUX**  
DIRECTOR, PUBLIC AND  
REGULATORY AFFAIRS



## STRATEGIC PROJECT



Up group's strategic project sets the ambitions and objectives that are the pillars of our transformation and our collective success. Updated each year and shared with all our employees in our 27 countries of operation, this project lays out a set of orientations that drive our daily actions with all our stakeholders and are developed in 5 programmes: governance, economic, social, societal and environmental.



Move from a group of payment voucher issuers to a global Group which designs integrated solutions to meet the needs of its different markets.



Be a reference for a different development model, fairer and more sustainable, backed by the Group's success which naturally reconciles the social, economic and environmental dimensions.



Be the innovative player making the most sense, for all our stakeholders.

### GOVERNANCE PROGRAMME

## COOPERATE



**Secure the Group** with resources and management suitable for its size and challenges.

**Guarantee risk management** and the conformity of our activities in the face of growing demands, with a willingness to be the player making the best offer.

**Increase operational performance** by deploying our participative management.

**Make all managers ambassadors** for the strategic project and players in its operational application.

**Deploy the commitments** of our Roots and Wings project throughout the Group.

**Make our cooperative difference** a competitive advantage backed by the Up brand.

### SOCIAL PROGRAMME

## ENCOURAGE



**Support staff skills development** and ensure they can be employed.

**Attract and develop the loyalty of competent staff**, motivated by our corporate development plan, with the support of strong employer branding.

**Keep the Group's values and the culture** of cooperation alive in our different countries.

**Put a social base in place** and initiate a social dialogue with the employees in all our subsidiaries.



#### ECONOMIC PROGRAMME

### PROGRESS



**Construct our offers as integrated** expanded digital responses to the requirements of our various markets as a result of a dynamic innovation policy.

**Balance our sources of income** and strengthen our relationships with financiers, traders and beneficiaries.

**The excellence of the quality of service** due to our customers must be the priority for all members of staff.

**Secure our historical core business** and focus our development on diversification to dilute risks and take advantage of opportunities.

#### SOCIETAL PROGRAMME

### INSPIRE



**Lead the sponsorship policy** and mobilize adequate human and financial resources.

**Prove our difference** through a Groupwide responsible purchasing policy.

#### ENVIRONMENTAL PROGRAMME

### PRESERVE



**Fight global warming by summoning up collective resources and encouraging individual initiatives.**

**Stimulate waste reduction and more especially fight food waste.**

## GOVERNANCE PROGRAMME



Guarantee risk management and the conformity of our activities in the face of growing demands, with a willingness to be the player making the best offer.

## Guarantee risk management

and the conformity of our activities in the face of growing demands, with a willingness to be the player making the best offer.

### CONTEXT

*In order to protect the Group and its stakeholders from the multiple risks associated with its activities, Up is committed to a risk management approach.*

To perform this transformation successfully, by prioritizing risk control over permanent monitoring and periodic control, the Group relies on its Compliance and Risks Department. In addition to defining and driving the risk management policy, the Department provides the subsidiaries with advisory services, with the ambition to develop risk appetite in their senior managers and develop each of them to become true risk managers.



### POLICY

*To secure its activities and its development, the Group began its risk management cultural revolution by organizing six complementary policies.*

#### CONTROLLING:

##### Compliance

→ with our regulatory obligations, including personal data protection and combating against fraud, corruption, money laundering and the financing of terrorism.

##### Long-term risks

→ by introducing rigorous monitoring of actions protecting the Subsidiary's long-term interests.

##### Short-term risks or operational risks

→ based on self-monitoring, managerial validations and control plans commensurate with the issues.

#### MANAGING:

##### Incidents

→ in all subsidiaries by recording and monitoring corrective and preventive actions.

##### Periodic monitoring

→ by investing the necessary resources to verify the robustness of business, support and steering processes.

##### Coordination

→ of the various aspects of controlling activities by training the teams in the different areas and providing support.



## RISK CONTROL

Risk control for the Group's companies is based on two very distinct but strongly inter-related missions: control (compliance, risks, processes) and management (incidents, audits, coordination).

## THE 360-DEGREE RISK APPROACH

To structure its risk management policy, the Group has classified the risks associated with its activities into four major families. This 360-degree risk analysis was presented in September 2018 to all the Subsidiary General Managers.





## GOALS AND ACTION PLAN

		<p><b>Protect the data of our customers, beneficiaries and employees</b> by setting up a network of data protection delegates by country, a compliance organization in each subsidiary, and a reporting process for subsidiaries based in a European Union member State.</p>
<b>Controlling compliance</b>	→	<p><b>Secure our activities</b>, whether regulated or not, by advancing the combat against fraud and corruption, against money laundering and the financing of terrorism within the Group's companies.</p> <p><b>Promote ethical behavior</b> by coordinating the ethical guidelines and strengthening the alert system across the Group.</p>
		<p><b>Document risk control</b> using a 360-degree approach based on 4 major risk families.</p>
<b>Controlling risk</b>	→	<p><b>Revisit the mapping</b> of long-term risks to update their criticality.</p> <p><b>Develop a methodology</b> for identifying operational risks and associated control activities.</p>
		<p><b>Industrialize the escalation of major incidents</b>, first at the local level and then at the central level.</p>
<b>Managing incidents</b>	→	<p><b>Increase best practices sharing/cross-fertilization</b> following incidents.</p>
		<p><b>Encourage subsidiaries to undergo a certification process</b> (ISO 9001, ISO 14001, ISO 27001, auditors' report), evaluations (CSR, EcoVadis), measures which are similar to periodic auditing (customer satisfaction barometer, surveys).</p>
<b>Managing periodic audits</b>	→	
		<p><b>Support managers</b> in structuring their local compliance and risk function.</p>
<b>Managing coordination</b>	→	<p><b>Inform, train, raise awareness and support</b> employees on risk management policy.</p>

## RESULTS AND KPI

### Certifications

With the introduction of the General Data Protection Regulation in May 2018, the ISO 27 001 standard for information security becomes a strategic issue and a competitive advantage.

In 2019, 5 companies in the Group were ISO 27001 certified:

- Multinet Teckno, Turkey
- SCS Kent, Turkey
- Tombou, Bulgaria
- Up Romania, Roumania
- Pollicard, Brazil

### Ratings

In 2019, 7 companies in the Group were evaluated by EcoVadis: an excellent way of comparing its CSR practices with those of other companies and improving them.

#### In France

- Cityzen, France (no medal)
- Up, France (Gold Medal)

#### In the world

- Up Slovensko, Slovakia (Bronze Medal)
- Up Si Vale, Mexico (Gold Medal)
- Up Day, Italy (Gold Medal)
- Up Romania, Romania (Gold Medal)
- Up Spain, Spain (Gold Medal)

## PROTECTING PERSONAL DATA

### Compliance with the General Data Protection Regulations

- ✓ 85% of the processes in the Group are described in one register for each subsidiary. This represents a marked improvement over 2018 and reflects the efforts made by the subsidiaries to pursue their compliance.

Topics	Year 2018	Year 2019	Change
GDPR Compliance	64 %	85 %	+ 21 points

### Awareness

- ✓ 1,162 European employees present on 31/12/2019 were made aware of data protection, i.e. 51.78% of the Group's European workforce. Compared to 2018, this is twice as many employees.

## PROMOTING ETHICS AND COMBATING FRAUD, CORRUPTION, MONEY LAUNDERING AND THE FINANCING OF TERRORISM.

### Compliance with the Sapin II Law

- ✓ The requirements of the Sapin II Law have been translated into priority actions. Their progress rate corresponds to the rate of compliance with the text. This rate fell by 9 points between 2018 and 2019. This drop is due to the addition of new priority actions in 2019 and to the withdrawing of the weighting of the Parent Company's initiated actions in 2018.

Achieving the actions	Year 2018	Year 2019	Change
Parent Company initiated actions	79 %	79 %	-
Subsidiaries	50 %	41 %	- 9 points

### Awareness/training

354 employees have been made aware of the fight against fraud and corruption in 2019. They join the 841 employees already trained in 2018.

634 employees were made aware of the fight against money laundering and terrorism financing in 2019. They join the 158 employees already trained in 2018.



Number of trained staff per statutory subject



As an internal audit service, we are aligned with the code of ethics and conduct that has been established in our subsidiary since 2014. In our industry, it is important to create and maintain a climate of trust with our customers in order to maintain our leadership position. As part of combating corruption and conflicts of interest (influence peddling or accepting gifts), we work with Senior Management on circulating the SAPIN II law among employees, to implement specific training programs for employees most exposed to the risk of corruption, to define and implement a periodic internal evaluation program in order to verify the effectiveness of implemented measures, and to provide for disciplinary action in the form of administrative and legal sanctions where appropriate...

**Ivon BRITO CASTANEDA**, Assistant to the Audit Department, Up Si Vale, Mexico

## HIGHLIGHTS

### > MARCH

Following the September 2018 seminar for Executive Committee members and subsidiary Senior Management, drafting and deployment of the roadmap backed by Compliance and Risks strategic orientation.



### > JUNE

Adoption of the Group's Risk Control Policy, and update of the 13 major risks identified by the Group.



### > AUGUST

Internal audit performed by the French Electronic Money Establishment (EME) after one year of actual activity.



### > SEPTEMBER

Definition of Compliance and Risks KPIs, thereby providing COMEX members and local management committees to acquire an additional resource for steering the Group's activities.

### > NOVEMBER

First GDPR seminar organized, with all European GDPR representatives from the Group's subsidiaries. A non-European subsidiary also took part in the seminar, to learn from good data protection practices.



The General Data Protection Regulation (GDPR) sets very strict rules for companies that hold and process personal data. In order to enable all of the Group's employees to understand the European regulation and its challenges, Up designed an e-learning tool dedicated to the GDPR since September 2018. This tool is based on the internalized recall methodology, and is organized into 4 fifteen-minute gradual learning modules. Available in French and English, the method is available to subsidiaries and has already been used by the Parent Company and Cityzen. In 2020, it will be rolled out in all subsidiaries that have not implemented awareness-raising activities with their employees.





*I have always been involved in combating corruption and influence peddling. It is very important for me to maintain a healthy and strong brand image in the market. As Vice-President of the National Chamber of Meal Voucher Issuers, it is essential for me to gain the support of my teams by being exemplary. For instance, in December 2018, in order to comply with the National Anti-Corruption Authority (INLUCC), I proceeded to report all my net worth and personal income. In addition, by mentoring and training my teams, I aim to raise awareness and develop a true culture of compliance.*

**Oifa BEN ABDALLAH, Director of TopChecks, Tunisia**

## CSR CHALLENGES: OUR SELECTION



### OUR CSR RISKS: OPPORTUNITIES FOR IMPROVING OUR PERFORMANCE

To meet the current challenges of digital transformation, as well as economic, social and environmental developments, Up group relies on its strategic project. The strategic project was created in 2015 following a reflection on Group risks. It involves all the Group's subsidiaries and supports our mission and our values.

Each year, the members of the Board of Directors and of the Executive Committee as well as the Subsidiary Directors meet in seminars to reassess the strategic project. They make sure that this project guarantees that risks resulting from the Group's activities are under control, and that it enables each entity to seize both business opportunities and opportunities in line with its social and societal missions, while reducing its environmental impact.

→ **Gathered at the Ordinary General Meeting on Saturday, June 22, 2019, Up Cooperative cooperator-employees elected their new Board of Directors, with Youssef Achour as Chairman. The next reassessment of the strategic project will take place at the end of 2020. Changes could then be made by the Group's new senior management teams.**

While the Group's employees and subsidiaries are each working to implement the strategic project's orientations in line with their business objectives and local priorities, this statement shows a selection of the most relevant orientations for the Group's collective efforts in 2019, in pursuance of the areas for improvement in the 2018 audit. A Steering Committee that includes the Functional Directors of the Group and the Secretary General of the Board of Directors made this selection in September 2019. The synergy of this Committee's areas of expertise enables us to monitor the commitments made by the Group, to share cross-functional issues as well as anticipate new risks and CSR issues in order to defend the interests of the Company and those of its external stakeholders.

For 2019, in addition to the 5 orientations selected in 2018, 2 new strategic orientations have been added to this statement with a view to best meeting our stakeholders' expectations:

# 01

**External expectation of the job market: *attracting and retaining employees motivated by our business project, driven by a strong employer brand.***

# 02

**External expectation of suppliers and customers: *demonstrating our difference through a responsible group-wide purchasing policy***

## Selecting the Strategic Orientations

The new map for the 13 risks and opportunities was submitted and validated in June 2019 by the Audit and Risks Committee. This table shows how the Group's risks, opportunities and commitments have enabled the DPEF (Extra-Financial Performance Declaration) Steering Committee to arbitrate the selection by strategic guidance programs that the Group is submitting this year for its second Non-Financial Performance Declaration.

<b>GOVERNANCE PROGRAMME</b> 	<i>Cooperating to control risks</i>		<ul style="list-style-type: none"> <li>• Risk of business failure</li> <li>• Risk of regulatory non-compliance</li> <li>• Fraud risk</li> </ul>
<b>ECONOMIC PROGRAMME</b> 	<i>Progress through digital transformation</i>		<ul style="list-style-type: none"> <li>• Risk of difficulty in transforming the business model</li> <li>• Risk of customer dissatisfaction</li> </ul>
<b>SOCIAL PROGRAMME</b> 	<i>Encourage skills development</i> <i>Attract and retain employees</i>		<ul style="list-style-type: none"> <li>• Risk of non-engagement of employees on issues</li> <li>• Risk of skills not matching business needs</li> <li>• Risk of imbalance between transmission of knowledge and changing practices</li> </ul>
<b>SOCIETAL PROGRAMME</b> 	<i>Inspire through philanthropy</i> <i>Responsible Purchasing Policy</i>		<ul style="list-style-type: none"> <li>• Risk of failure in the procurement process</li> <li>• Commitment to civil society to (re)empower those who are 'invisible'</li> </ul>
<b>ENVIRONMENTAL PROGRAMME</b> 	<i>Preserve by fighting global warming</i>		<ul style="list-style-type: none"> <li>• Environmental risks +</li> </ul>

**Digital transformation** is the opportunity which enables the Group to provide its customers with new solutions that improve their everyday well-being. In this context, training is the key tool that supports our employees for tomorrow's professions by developing their skills.

**Engaging with civil society in order to (re)empower those who are 'invisible'**, and to give consideration to future generations by contributing to the environmental transition - these are the commitments that have been an integral part of the Group's identity since it was established. Through its commitments, the Group manages to reconcile economic success and common good.

**Risk control** is a great driver for differentiation in a context where markets demand increasing transparency and safety. This is an opportunity for the Group to be the full-fledged trusted third party for its stakeholders.

In addition, Up group wishes to inform its stakeholders that it is challenging the decision handed down on December 18, 2019 by the Competition Authority in France (ie. Autorité de la concurrence), imposing a 45 million euros fine, and is appealing this decision to the Court of Appeal in Paris. Up group refutes accusations of exchanging anti-competitive information and foreclosing the market.

The Group believes that the Competition Authority has not properly appreciated the competitive dynamics of the meal voucher industry which, with the dematerialization process which took place in 2014, resulted in new operators entering and expanding in the market.

Up group reiterates its commitment to strict compliance with regulations in force and, more broadly, its commitment to the ethical conduct of its activities in accordance with its values, which are those of a major player in the Social and Solidarity Economy and one of the largest French cooperative groups operating in nearly 30 countries around the world.

Finally, the COVID-19 (Coronavirus) pandemic, the extent and duration of which is still unknown, has spread throughout the world since the end of 2019. This is a post-closing event that has no impact on our 2019 extra-financial performance statement. And, at the time this current DPEF is prepared, the consequences of this health crisis on the Group's 2020 activity are not known yet.

In this context, Up Group is committed to protecting the health & safety of its employees and is closely monitoring its exposure to this health crisis, particularly in terms of impact on its stakeholders and on its economic and financial environment.

The Group immediately organized the continuation of its activities and the continuity of its services for its customers. Many Governments, local authorities or non-profit organizations called on our services to provide support during this crisis. Indeed, as a player in the Social and Solidarity Economy sector, it is obvious to make money be inclusive and smart in order to allocate resources to essential needs.

\* As part of the regulatory themes, animal welfare and food waste have not been identified as relevant to the management of our business for 2019.



## UP GROUP

### **Independent Third-Party Organization (ITO) report on verification of social, environmental and societal information in the management report**

Fiscal year ending December 31st, 2019

To the Members,

As an independent third-party organization accredited by COFRAC under the number 3-1103 (the scope of which is available on the website [www.cofrac.fr](http://www.cofrac.fr)), we hereby submit our report on the Non-Financial Performance Declaration for the year ending on 31/12/2019 (hereafter the "Statement"), presented in the Management Report under the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

#### **Responsibility of the Entity**

It is the responsibility of the Board of Directors to establish a Statement in accordance with legal and regulatory provisions, which includes a presentation of the business model, a description of key non-financial risks, a presentation of policies applied to these risks, and the results of said policies, including key performance indicators.

The Statement was drafted following the Entity's procedures (hereafter the "Repository"), the significant elements of which are presented in the Statement.

#### **Independence and quality control**

Our independence is defined by the regulations, the code of ethics of the profession as set forth in the decree of March 30th, 2012 relating to the practice of certified accountancy while factoring in the provisions in Article L. 822-11-3 of the Commercial Code. Furthermore, we have implemented a quality control system that includes documented policies and procedures, in order to ensure compliance with applicable ethical rules, professional standards as well as legal and regulatory texts.

#### **Responsibility of the independent third-party organization**

It is our responsibility, based on our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- The Statement's compliance with the provisions of Article R. 225-105 of the Code of Commerce;
- The accuracy of the information provided under 3° of I and II of Article R. 225-105 of the Code of Commerce, i.e. the results of the policies, including key performance indicators, and actions, relating to key risks, hereinafter the "information."

It is not our responsibility, on the other hand, to take a stand on the following:

- The Entity's compliance with other applicable legal and regulatory provisions, including the plan for vigilance and combating corruption and tax evasion;
- Compliance of products and services with applicable regulations.

## Nature and scope of the work

Our work as described below was performed in accordance with the provisions of Article A. 225-1 et seq. in the Commercial Code, which set forth the terms under which an independent third-party organization performs its mission, as well as in accordance with the professional guidelines of the National Company of Auditors as related to this assignment.

We performed the tasks which enable us to assess the regulatory compliance of the Statement and the accuracy of the information.

- We have taken cognizance of the activities of all the Companies included in the scope of consolidation, of the statement on the main social and environmental risks associated with this activity, and, where applicable, its effects on respect for human rights and the fight against corruption and tax evasion, as well as of the resulting policies and outcomes;
- We assessed the appropriateness of the Repository in terms of its relevance, comprehensiveness, reliability, neutrality and understandability, while taking into account industry best practices where appropriate;
- We have verified that the Statement covers each category of information as provided in Article L. III. 225-102-1 on social and environmental matters;
- We have verified that the Statement sets forth the business model and key risks associated with the activity of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators;
- We have verified, where relevant to the main presented risks or policies, that the Statement presents the information provided in Article R II. 225-105;
- We have assessed the process of selecting and validating key risks;
- We have inquired as to the presence of internal control and risk management procedures implemented by the Entity;
- We have assessed the consistency of the results and key performance indicators chosen with respect to the key risks and policies as presented;
- We have verified that the Statement includes a clear and reasoned explanation as to the rationale for the absence of policy regarding one or more of these risks;
- We have verified that the Statement covers the scope of consolidation, i.e. all companies included in the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Statement;
- We have assessed the process of data collection implemented by the Entity with the aim of providing comprehensive and accurate information;
- We have implemented the following as regards key performance indicators and other quantitative results that we considered most important:
  - Analytical procedures to verify the correct consolidation of the collected data and the consistency of changes therein across the Group's data as a whole;
  - Detailed tests based on surveys, which consist in verifying the correct implementation of definitions and procedures, and reconciling data with relevant supporting documents. Because of the Covid-19 epidemic and the resulting confinement, our work was carried out remotely. Our tasks were performed based on a selection of contributing entities<sup>2</sup>, covering 53.74% of the Group's consolidated workforce.
- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered most important;
- We assessed the overall consistency of the Statement as compared with our knowledge of all the companies included in the scope of consolidation.

We believe that the work we have performed in exercising our professional judgment leads us to draw a conclusion expressing a moderate assurance; higher-level assurance would have required more extensive verification.

## Means and resources

Our work involved the skills of four people and took place between October 2019 and May 2020, with total time for the process covering ca. 15 weeks.

To assist us in our work, we involved our specialists in the areas of sustainable development and social responsibility.

We conducted fifteen interviews with the persons responsible for preparing the Statement in the Departments that are in charge of the process of collecting information and, where necessary, who are responsible for internal control and risk management procedures.

We conducted interviews with the Parent Company (Up Cooperative) and four Up group Subsidiaries, namely Up Brazil, Up Day, Up Romania and Up Si Vale.

## Conclusion

Based on our endeavors, we found no significant anomaly that would question the fact that the Non-Financial Performance Statement is compliant with applicable regulatory provisions, and that the Information, taken as a whole, is presented in a manner that is accurate, in accordance with the Repository.

Done at Niort, on May 7th, 2020

## INDEPENDENT THIRD-PARTY ORGANIZATION

GROUPE Y Audit



Arnaud MOYON

Partner, Sustainable Development Department

### GROUPE Y AUDIT

Certified Accounting and Statutory Auditor  
Member of the Order of the Poitou-Charentes-Vendée Region - Member of the Poitiers Regional Company  
Independent member of the Nexis International network - Member of the A.T.N. Technical Association

SAS with capital in the amount of 37,000 euros  
Headquarters: 52 rue des Miroirs - CS 13421 - 79004 NIORT Cedex - Tél.: 05 49 33 49 01  
RCS NIORT B 377 530 563 - APE 6920 Z - TVA: FR 10 377 530 563

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[www.cofrac.fr](http://www.cofrac.fr)



## ECONOMY PROGRAMME

Construct our offers as integrated, expanded digital responses to the requirements of our various markets as a result of a dynamic innovation policy.



## Construct our offers

as integrated, expanded digital responses to the requirements of our various markets as a result of a dynamic innovation policy.

### CONTEXT

*In order to adapt to new uses, offer a simple, robust and streamlined experience to the users of its solutions, and stand out from the competition by innovating, Up has launched the "Integrated Digital Offer" transformation program, which aims to move faster and farther in the digital transformation of the Group's offers.*

This program is being gradually rolled out in the subsidiaries, with the aim of supporting their efforts to evolve and create their offers, as well as for all their development phases - evaluation, design, development and deployment.



### POLICY

#### *An approach that is both global and tailored*

The digital transformation program is designed to ensure consistency between the Group offer strategy and each country's context and specifics.

Thanks to feedback from the most advanced subsidiaries and collaborative work between different departments (marketing, human resources, sales, finance, IT, etc.) a structured 4-phase methodology was developed:

---

##### ➤ **Diagnostics and evaluation:**

Customer knowledge, market analysis, competition, current offer, user experience mapping, legal regulatory and compliance analysis, recruitment of new profiles.

---

##### ➤ **Design:**

Target user path, design of experience models and user interfaces, finalized marketing mix and business plan.

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##### ➤ **Development:**

IT and technology development of the solution, preparing the marketing strategy.

---

##### ➤ **Deployment:**

Offers launch, communication, deployment monitoring, indicators tracking, adjustment.

---

For each phase, the Marketing and Innovation Department, which drives the program, provides the subsidiaries with numerous resources (tools, models, mock-ups, etc.) and supports them by making its own experts available.

### 3 BODIES FOR OPTIMAL MANAGEMENT



#### **Local Steering Committee**



##### **Project monitoring and local project decisions**

Contributors to the subsidiary's project: Sponsor, Project Manager, Information Systems Department, Sales, Marketing, CFO...  
1 to 2 times per month



#### **Coordinating Committee**



##### **Project monitoring, resolving operational issues**

Local Operational Teams (Project Manager, Marketing Manager) and Program Team (Marketing & Innovation Department)  
1 to 2 times per month



#### **Group Steering Committee**



##### **Global reporting on all projects**

Strategic decisions relating to projects: Members of the Group Executive Committee  
Every 3 months

## GOALS AND ACTION PLAN

Continuing last year's policy, each subsidiary in the program must:

- Build a strong and robust technological foundation through electronic money offers, mobile applications, web spaces, IT systems and infrastructures, etc.,
- Design a consistent, simple and ergonomic overall user experience,
- Develop high value-added services by seizing opportunities offered by digital technology.

This program should lead us into an iterative process for creating new services, with a view to being as close as possible to customer and beneficiary consumption patterns.

## RESULTS

### COUNTRIES INVOLVED IN THE PROGRAM

#### 2018

6 countries: France, Slovakia, Czech Republic, Romania, Greece, Moldova – through Romania

#### 6 project teams set up in:

- France,
  - Italy,
  - Spain,
  - Slovakia,
  - Czech Republic,
  - Belgium,
- and a regional project (in Romania, Greece and Moldova)

#### 2019

3 new countries: Italy, Belgium, Spain

#### 3 offers put on the market

France: new lunch offer  
Czech Republic: new lunch offer  
Greece: creation of the "Go For Eat" meal card offer

## New beneficiary spaces

New beneficiary spaces already on the market in several countries: France, Romania, Greece and Italy.



*As part of the Integrated Digital Offer program, the teams of Up in France have relied on customer feedback to reinvent user experience for our lunch offer. This project became very hands on. This year, we set up a new digital ecosystem, a new electronic money offer and many services such as Google Pay and soon Apple Pay.*

**Julien ANGLADE, Managing Director France, Up Group**



*The Integrated Digital Offer program has had a positive impact in Romania. Thanks to this program, we have improved our digital ecosystem with a mobile application and spaces for beneficiaries, funders and affiliate partners. This program has enabled us to take a step back to rethink our offers from a 'user-centric' standpoint, starting from an in-depth and upstream assessment of market needs with a view to designing services that are in line with the expectations of our different targets, while using the best technologies in our developments to ensure a sustainable base. After the ODI program was implemented, we were able to offer streamlined and consistent paths to all our customers.*

**Ionut CONDRUZ, Head of Business Strategy and Performance, Up Romania**



*The presentation of the Integrated Digital Offer to Italy, being an integral part of the Group's strategy, was a positive experience for the Subsidiary. In my view, the most significant components were:*

- *The opportunity to share about specific topical strategic analyses within the subsidiary, such as converging instruments onto a single interface; a cultural and structural shift from a legacy single-product - single-target stance to a multi-product and multi-target offer; a new data structure organization based on single individuals and attributing different roles according to events.*
- *The possibility of benefiting from certain project management tools or visuals and a user experience (UX).*
- *A support team that is available so that we can move faster on certain levels.*

**Anna AISA, Head of Strategic Marketing, Up Day, Italy**



## HIGHLIGHTS

### 1ST RESULTS VISIBLE IN 2019

#### Revised beneficiary journeys and new online applications

France, the Czech Republic, Romania and Slovakia are in the development phase of their funders and affiliate clients extranets, with deployment expected in 2020.

In addition, the Czech Republic and Romania have also initiated mobile payment projects with existing wallets (Apple Pay and/or Google Pay).

At the same time, beneficiary customers can already take advantage of the first mobile services and applications that have been deployed and marketed:

#### > FRANCE

The new "MonEspaceUp" app for beneficiaries was added to the stores at end 2018 (December). The Up Déjeuner offer now also features the Google Pay mobile payment service.



#### > GREECE

Launch in early 2019 (January) of a "Go For Eat" lunch card offer, combined with a beneficiary mobile application. This new offer is accompanied by a CLO Hero Corp. offer.



#### > ROMANIA

The redesign of user journeys led to creating a new beneficiary mobile application, "Up Mobil", on Android and iOS in the summer of 2019.

#### > ITALY

Launch of a new "Up Day" mobile application that integrates all the meal voucher resources.

#### > AT GROUP LEVEL

Creation and sharing of the Design System Management, a platform that identifies all the new digital spaces created by Subsidiaries to inspire whichever one needs to design such spaces and speed up the design process.

### Italy: Smart digital platforms

#### Wellfare: the flexible benefits platform

Wellfare is a single platform for managing all benefits not relating to employee compensation (flexible benefits and other benefits), and where all our stakeholders can converge: customers, beneficiaries and affiliated partners. The range of services offered is very broad and is based on two major pillars. The first is for everything relating to social benefits: retirement, supplementary health insurance, social assistance, educational services (school and training). The second includes benefits relating to recreational and cultural activities, such as travel, sports, theater, films, concerts, etc. Employers can load credits directly onto the platform, distribute them among their employees, and monitor the progress of individual Welfare plans. Our partners can present and update their packaged offers in dedicated sections.

#### A new customer ecosystem

As part of exploring the ODI program, we have completely overhauled the structure of our digital ecosystem. We started out with the concept that every individual who encounters our ecosystem must be a unique user with their own digital identity. Depending on their needs and preferences, they can play one or more roles (funder, partner, beneficiary) and activate one or more solutions (meal, motivation, well-being, fuel...). In order to simplify and standardize their experience, we implemented a strategy, namely converging digital tools on unique user interfaces by role (funder, partner, beneficiary) available in both web format and mobile application. Once identified, each individual is directed towards a journey that is consistent with his or her role. Within this interface, they will be able to find all the solutions and services we have developed to make their experience unique, rewarding and interactive.



### Romania: Head of a regional project

Romania joined the program in 2019, and quickly demonstrated its ability to deliver the main components of its Integrated Digital Offer. Its developments will be duplicated and adapted to the contexts of Moldova and Greece, whose offers will receive support from Romania.

In concrete terms, after conducting qualitative and quantitative studies to better understand the needs of its customers (beneficiaries, traders and financiers), the Romanian subsidiary defined two objectives: redesigning all its customer journeys in the digital sphere, and developing new services to expand and make its overall offer more competitive.

In just 5 months, the subsidiary has created and launched the new mobile application to enroll and track expenses, UpDejun, UpVacanta and UpCadou. The client spaces for funders and merchants are being developed for a market launch scheduled for early 2020. The release of the Apple Pay service compatible with its UpDejun card is expected in the second quarter of 2020.



## SOCIAL PROGRAMME



Attract and develop the loyalty of competent staff, motivated by our corporate development plan, with the support of strong employer branding.

Support staff skills development and ensure they can be employed.



# Attract and develop the loyalty of competent staff, motivated by our corporate development plan, with the support of strong employer branding

## CONTEXT

In a context of transformation, the Group Human Resources policy offers solutions for employees to meet the requirements of digitalization, the evolution of jobs, and attractiveness.

Impacted by major external developments relating to product dematerialization, changes in customer expectations and behaviors, and business internationalization, Up group continues to transform its businesses and skills.

In pursuance of the orientation on skills and employability in 2018, and to achieve broader coverage of the experience of employees, issues related to attractiveness and retention are added to our priorities.

To support the implementation of these strategic orientations, the Group Human Resources Department seeks to provide answers to the different expectations of the Group, of the companies in the Group and of its employees.

## POLICY



In keeping with a strong and inspiring Up brand, a rendition of the employer brand was initiated based on attractiveness to employees and their retention. This Human Resources policy is Up's highlight in its commitment to what Up is as a Cooperative Group.

This pathway should strengthen employees' feeling of belonging and pride in an international Group that stands out for its values centered on the collective interest.

### **Enhance Up's image internally and externally through a strong employer brand**



Over and above its solutions, the Up brand is also based on asserting the Group's vocation and its cultural fundamentals. An employer promise has been built around this common goal: "Make your skills a force for a simpler life and a fairer society."

### **Combating discrimination and promoting diversity**



Up's ambition is to be a responsible and exemplary diversity company. The Group wishes to promote better coexistence within the Company, in a climate of trust and respect for every person, by promoting employee development and thereby contributing to the Company's performance.



## THE 4 CULTURAL FUNDAMENTALS, THE 3 COMPETENCIES AND THE UP MAKER CULTURE.



Up teams act with **benevolence** and aim for **collective efficiency**. The Group's strength lies in its employees' ability **to overcome** constraints and habits in order to satisfy customers. Every member of the collective is known for his or her **openness** to others and the world.



*In 2019, the Group explored a pathway for converging human resources information systems internationally. This was especially the case while examining the possible deployment, by January 2021, of streamlined annual performance reviews. One of the objectives would be to evaluate every Group employee through common skills.*

*This effort to achieve consistency has also enabled the Human Resources Group to formalize all its business needs and define a dedicated information system.*

*This year's roadmap on Group KPIs capitalized on the data collection, consolidation and visualization tool that is already being used by all the Group's entities.*

*For the Group Human Resources Department, the aim is management based on data in connection with the strategic guidelines developed. The 5 selected indicators are:*

- Workforce
- Turnover
- Absenteeism
- Training expenses / Sales Revenue
- Training rate

*Olivier GUEST, Head of HR Administration & Compensation, Up Group*

## GOALS

### EMPLOYER BRAND

Define and share the Group's commitments based on its calling and its cultural fundamentals, with a view to uniting present and future employees around a strong visual identity and the concept of "Up Makers".

"Those who are making Up"

## ACTION PLAN

### EMPLOYER BRAND

- > Update the career section in the website : <http://www.are-you-up-careers>
- > Define the employer brand platform through a survey of HR managers in 12 countries representing 14 Group companies.
- > Develop a plan to deploy the employer brand in different footprints and targets.
- > During the 2020 Group greetings and the annual performance review campaign in France, the employer brand's markers were a new design and the "Up Makers" banner.
- > Use the employer brand in HR policy marketing.
- > Plan for integrating employees in employer brand statements, especially when developing business videos.

## RESULTS AND KPIS

### EMPLOYER BRAND

#### ATTRACTIVENESS AND LOYALTY MARKERS:

Based on benchmark HR indicators, a company's attractiveness and position in the labor market can be assessed through common indicators such as headcount, turnover, absenteeism and seniority.



### FIGHTING DISCRIMINATION

Ensure equal opportunities in recruiting, integrating and retaining all employees regardless of their uniqueness. Raise awareness of differences to prevent discrimination, break down stereotypes and combat prejudice.

### FIGHTING DISCRIMINATION

- > Suggest and encourage Group subsidiaries to sign the diversity charter which has become European, depending on their maturity on the subject.
- > Raise awareness on the topic of professional equality on International Women's Rights Day.
- > Mobilize employees during Disability Week.
- > Initiate professional integration activities in France.

#### Staff per contract

		Permanent contracts		Short-time contracts (including part-time)		Corporate Officer		TOTAL Number
		Number	%	Number	%	Number	%	
GROUP	2018	3,379	94.04%	214	5.96%	-	-	3,593
	2019	3,560	94.91%	190	5.07%	1	0.03%	3,751

Average seniority (2019)



Turnover rate

	2018	2019	
	Turnover rate	Turnover rate	Trend
GROUP	19.98%	17.88%	-10.51%

Level of absenteeism

		Sickness	Maternity and Paternity	Work-Related	Unpaid Absence	TOTAL
GROUP	2018	2.04%	0.89%	0.04%	0.67%	3.65%
	2019	1.87%	0.85%	0.14%	0.67%	3.53%

2020 Greeting Card, which includes all the employer brand markers.



1 CONCEPT:

WE ARE **Up** MAKERS

1 SIGNATURE:

**Up** Making every day better

1 EMPLOYER PROMISE:

**"Make your skills a strength  
to make life simpler and society fairer"**

“

Building the employer brand to support change management and facilitate the Group's transformation has been a major goal in 2019 and will continue in 2020 through the deployment of HR communication on three fronts:

- Our image: internal and external reputation,
- Our mindset: DNA, values, cultural fundamentals,
- Our Practices: HR and Managerial Practices.

Thomas DEYSIEUX, Head of HR Communication and Cooperative Model France, Up Group



## FIGHTING DISCRIMINATION

### ACTIONS IMPLEMENTED ON THE TOPIC OF PROFESSIONAL EQUALITY

#### In France and internationally

"Journal 50/50" circulated with the goal of promoting diversity at all levels of the Company and offering improved work/life balance.

Posters with the message "As long as inequalities persist, let's make every day International Women's Rights Day" translated into several of the Group's languages, to mobilize employees.

Offering a digital quiz in France and Belgium, with the aim of differentiating sexist acts or sexual harassment situations, in order to learn how to react better in such cases.

#### In France, at Group headquarters

Organizing a conference with the Women's Foundation to deconstruct the illusion of equality and understand why it is so difficult to evolve.

### ACTIONS DEVELOPED ON DISABILITY ISSUES

#### In France and internationally

Digital Escape game broadcast internationally, to discover various psychological disorders.

#### In France, at Group headquarters

In connection with "European Disability Employment Week", activities were organized to promote sheltered work through exhibitors, booth for mobility impairment enactments.

### LAUNCHING ACTIONS TO PROMOTE PROFESSIONAL INTEGRATION

#### In France, at Group headquarters

Working with the Mairaux Employment area in Villeneuve la Garenne, persons undergoing professional integration were welcomed by Up group employees to share their experience at roundtables, with a luncheon served by ESAT staff "Le Castel Ensemble", during which they discussed their respective careers and professional networks.

#### OVERALL EMPLOYMENT RATE OF PEOPLE WITH DISABILITIES IN FRANCE 2018 2019



#### FOR THE COOPERATIVE UP IN 2019

**5.83%**



*The quiz "Sexist or not?" enables participants to quickly differentiate between silly jokes and ordinary sexism, or even harassment at work, while having fun. Most Belgian employees took the quiz, and it was the topic of conversations at many lunches afterwards!*

**Nadège FOCCART**, Communication Manager, Up Monizze, Belgium

## HIGHLIGHTS

### > EMPLOYER BRAND

A workshop on employee experience and employer branding was held at an international seminar for Group Human Resources and Communication communities.



### > FIGHTING DISCRIMINATION

A training course entitled "Coexisting Better" was organized for managers in France. The goals for this training program were:

- Deconstructing stereotypes and prejudices,
- Changing the way people look at disability, so as to better understand and integrate it,
- Broach the issue of managing religion in the company. There were several workshops on that day: theatrical skits, discussions, theoretical and educational contributions involving individual and collective explorations.
- Up Day in Italy supports the association "Clementines Anti-Violence" in connection with International Day to End Violence Against Women.
- In line with our commitments, Up Slovensko signed the European Diversity Charter and is therefore committed to its Company's workforce reflecting Slovak population in terms of diversity.

### > WORKING CONDITIONS

Following a request from Group HR, in 2019, AON firm presented the diagnostics of a study on differences in the social foundation between different countries (France, Belgium, Bulgaria, Czech Republic, Italy, Mexico, Poland, Romania, Slovakia, Spain).

The following results were presented at the European Works Council (EWC) in June 2019.

- Compliance of processes in the scope being analyzed.
- As a whole, the AON audit showed that countries are mostly at least within their obligations, or even beyond for certain aspects.
- Some aspects can still be improved because they are below market practices.
- Given the diversity of approaches and national specificities per item, it makes more sense to look for meaning and equity rather than seek complete uniformity across the Group.

### > SOCIAL DIALOGUE/AGREEMENTS

In France, agreements in 2019 focused on rights as relating to the new social dialogue bodies in France, including the Up CSE (Social and Economic Committee) and the OASCE France (Committee for Inter-Corporate Social and Cultural Activities).

### > 1ST SOCIAL FORUM IN FRANCE

This event was an opportunity to highlight social support mechanisms for employees in their daily lives, in terms of housing, early childhood, health and retirement. The human resources teams, partners and many other employees were able to discuss, get information, and receive support both at the Gennevilliers headquarter Gennevilliers and at Epemay office. This first experiment was a success, it will be repeated in 2020.





#### > GENDER EQUITY & EQUALITY

##### **Equal pay for women and men in the companies**

After including the 'equal pay for equal work' principle, the French law on the freedom to choose one's professional future obliges companies to show results. In this connection, it created the Equal Pay for Women and Men Index.

In 2020, Up group published the index for its French entities subjected to this obligation for 2019:

Up Cooperative: 90 points  
Cityzen: 74 points  
CEV: 89 points

This index is calculated each year based on 4 or 5 indicators, depending on the size of the company: remuneration, pay raises, promotions, maternity leave, parity in top management. If a result is below 75 points out of 100, as is the case with Cityzen, measures are implemented to improve the result within three years.

#### > ITEMS IN COMPENSATION

##### **"CAR POLICY" France**

Define a responsible and empowering "Car Policy"

- Setting up a project group, in partnership with Staff Representative Bodies and functional Departments in order to draft a Car Policy that could ultimately be included at Group level.
- Initiate energy transition in the automotive fleet.
- Highlight innovative, responsible and green offers.

#### > HR INFORMATION SYSTEM

The topics of payroll in France and international Talent Management are being examined, with a view to addressing the following challenges:

- Upgrading HR tools from a cross-functional and management perspective.
- Simplify and harmonize HR processes within the Group to improve the quality of service by capitalizing on good HR practices observed in the market.
- Digitalizing and modernizing the employee and manager experience.
- Urbanizing the different HR tool ecosystem.



## Diversity to make a difference

**2006:** Membership in the United Nations Global Compact, which commits signatory companies to take action in order "to eliminate discrimination in employment and occupations."

**2010:** Establishment of a diversity mission.

**2010:** Diversity charter signed for France -> the Company's workforce must reflect the French population in all its diversity.

**2011:** Signing of a Group Agreement on Combating Discrimination and promoting Diversity. The signatories state that these principles must be followed in all the Group's countries of operation.

**2013:** Signing of the Ageliph Convention for France.

**2013:** Signing of an agreement on professional equality and quality of life at work for the Up co-operative.

**2018:** Updated the agreement on professional equality and quality of life at work, and establishment of a commission with representatives of the social partners for the Up cooperative.

**2019:** Signing of the charter "Companies are engaged."

**2019:** The Diversity Charter extends to the European Union with the signature of Slovakia and the Czech Republic.





# Support staff skills development and ensure they can be employed

## CONTEXT

In a context of transformation, the Group Human Resources policy offers solutions for employees to meet the requirements of digitalization, the evolution of jobs, and attractiveness.

Impacted by major external developments relating to product dematerialization, changes in customer expectations and behaviors, and business internationalization, Up group continues to transform its businesses and skills.

In pursuance of the orientation on skills and employability in 2018, and to achieve broader coverage of the experience of employees, issues related to attractiveness and retention are added to our priorities.

To support the implementation of these strategic orientations, the Group Human Resources Department seeks to provide answers to the different expectations of the Group, of the companies in the Group, and of its employees.



## POLICY



The support policy implemented as part of developing employee skills and employability involves adapting existing processes and pursuing the work undertaken to adjust the Group's calling and cultural fundamentals. This policy is based on three pillars:

### 1. Supporting digital transformation

→ Support provided to every employee through specific programs dedicated to digitalization and new collaborative tools enables them to become active in the Group's transformation momentum.

### 2. Developing common skills

→ In order to harmonize practices in Group-wide human resources, facilitate employee mobility, optimize their career development and improve medium term training needs, Up seeks to develop skills that are common to all employees.

### 3. Managers, the prime ambassadors of a common culture

→ Discussions between managers must be fostered in order to enable them to converge managerial practices as closely as possible to the Group's calling and cultural fundamentals, in order to develop a sense of belonging to the Group.



*Continue the transformation. That is the leitmotiv.*

*Transforming the teams by supporting them in developing their skills, thereby ensuring their employability.*

*Transforming the Up employer brand to make it even more attractive, with a strong Company project both for the Group's employees and for those who wish to join it.*

*Transforming the management community and supporting it in its commitment to make everyone an ambassador for the brand.*

*Transforming the professions by preparing them for necessary adaptations to technological changes imposed on the world around us.*

*Transforming the way our employees are assessed by implementing cross-functional skills or mapping managerial skills.*

*Transforming and evolving the social foundation, thereby ensuring that everyone gets involved at the right level.*

*Transforming the appropriate steering tools from a*

Bureau 201292 - Desktop Viewer

*Transformation cannot be decreed. It is a living process.*

*Group HR is resolutely committed to supporting the Group's transformation through those who made Up, those who are making Up and those who will be making Up.*

**Audrey RICHARD**, Director of Human Resources and Employee Engagement, Up Group

## GOALS

### DIGITAL TRANSFORMATION

The Group's employees must take ownership of uses and new collaborative and digital tools, in line with labor market practices and the Group's products, through awareness and training activities.

### COMMON SKILLS

Anticipate, specifically through forward planning of employment and skills (GPEC), any developments in occupations within Up and build a common repository of skills.



### MANAGERS/COMMON CULTURE

Rely on a managerial structure with an entrepreneurial spirit by continuing to clarify the role of Up managers based on cultural fundamentals. For Top Management, develop a map of profiles available in the Company in anticipation of future needs and in order to pre-empt any loss of knowledge and skills: initiate the development of support and succession plans for key positions in the Group.

"Up consists of thousands of employees, working across 4 continents and all pursuing the same goal. We are committed to social progress, we believe in collective fulfilment and working to make the interests of every individual converge, for a fairer society. To make every day better."

## ACTION PLAN

### DIGITAL TRANSFORMATION

Deploy the "Digital Evolution" journey, and offer this to the Group's other Companies that will be able to adapt it according to their maturity and the needs of each employee.

Raise awareness of collaborative tools in order to infuse and encourage their use (Office 365), among community managers and then among employees.

Structure and increase the visibility of the training offer to employees in France.

Consider the establishment of a corporate university that provides visibility and consistency to the training offers available to all the Group's employees via a digital platform.

Inventory needs, expectations, and best practices in terms of digital transformation on an international scale through shared workshops, a Group documentary analysis, and interviews with several companies in France, Mexico, Romania and Turkey.

### COMMON SKILLS

#### Developments in occupations

Define the major change trends that impact the Group's activities and strategic vision through a forward-looking study by 2022.

Classify business families based on how they are evolving.

Identify the skills that need to be strengthened and acquired.

Provide managers with support for getting on board with business trends and skills.

#### Common skills

Define common skills for all employees, in collaboration with subsidiaries in France, Turkey, Spain, Romania, Mexico and the Czech Republic, based on the Group's values and cultural fundamentals.

Deploy these common skills to enable everyone to take ownership.

### MANAGERS/COMMON CULTURE

Pursue the integration of the Group's new senior managers via a personalized journey.

Formalize and provide a guide to managerial practices, based on cultural fundamentals: pushing oneself, benevolence, openness, collective efficiency.

Involve managers in cultural fundamentals ownership and deployment to their employees by creating, as a team, a "tree of commitments."

Following the approach initiated with managers, offer events to employees in order to strengthen ownership.

Strengthen the sense of belonging to a managerial community through managerial days and cooperation groups.

Map the profiles (potential/performance matrix) available to the Group in an initial footprint, namely Top Management.

Develop the framework for support and succession plans for key positions.

## 1. DIGITAL TRANSFORMATION

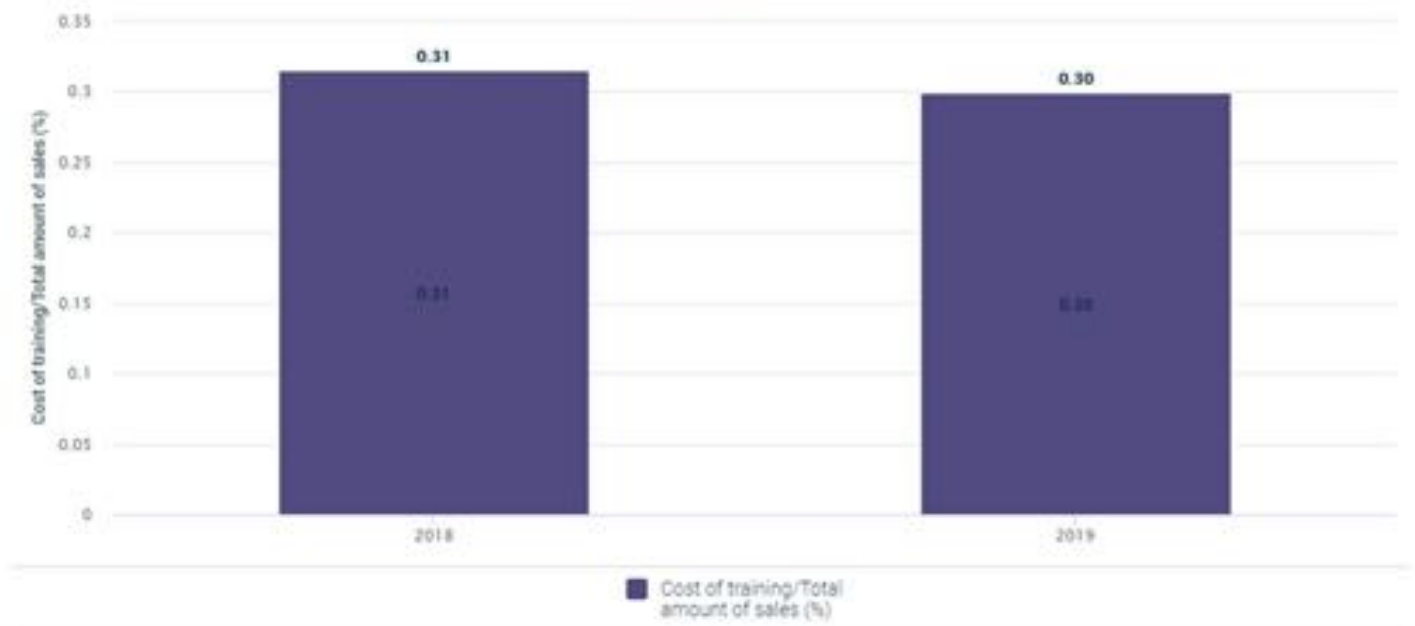
- > Skype workshops: 276 people involved with over 597 hours and 15 workshops at the Up Cooperative, Move Up Solutions and Interface Commerce.
- > 22 workshops on Office 365 collaborative tools.
- > Training catalog created that is available and visible in the software program for managing skills development. It can be accessed via a direct link built into the annual interview forms to facilitate discussions and choice of training programs. The deployment of the "Digital (R)evolution" journey evolved during the second half of 2019, following feedback from the first modules set up in France. It was decided that the "dematerialization of vouchers and customer experience" modules would be maintained for the employees of the Up cooperative. The other modules will be available in the France training catalogue.
- > Figures: Digital (R)evolution 2019, within the Parent Company:
  - 517 people who participated in at least 1 training module
  - 2,887 hours of training
- > Regarding international deployment, it has been decided that an offer in e-learning format will be provided as part of the corporate university project.
- > Validation and launch in December 2019 of the project to create a corporate university, "Up Academy".
- > ☑ 25.89 hours of training per Group employee trained on average over the year, an increase of more than 21% compared to 2018.
- > ☑ Up group's training effort, which corresponds to training expenditures/revenue, is 0.32%.

Level of access to training per gender





### Share of training effort



## 2. COMMON SKILLS

**Completion of a forward study in September 2019 on the evolution of Up group's activity by 2022 in its businesses through trend books. The study was shared with all HR managers of the Group's companies at the international HR seminar.**

3 common skills have been defined and shared with international HR managers. Portugal has deployed them in its progress review campaign as early as 2019, as have the French companies.

In 2019, 51.51% of employees registered at the end of the year had completed their progress reviews during the period planned by each entity in the Group.  
=> 100% of the annual appraisals in France have included the three common skills:



### Adaptability

The ability to adapt one's stance, attitude and mindset in the face of a changing environment while providing new solutions.



### Cooperation

The ability to work cross-functionally, to mobilize people and teams around business priorities, to establish and maintain collaborative relationships between services or Departments.



### Results focused

The ability to respond effectively to the needs of our internal and/or external clients, to guide our efforts and actions in order to achieve and exceed objectives, to meet our commitments by reliably achieving the expected result.

Performance interview per gender




### 3. MANAGERS/COMMON CULTURE

#### Cooperative

- > 3 'managers days' during the year
- > 14 cooperation groups for 150 managers
- > 209 employees participated in the "cultural transformation" events:
  - > Fresco: 54 employees illustrated the various representations of the Cooperative, from its inception to the present day
  - > Forum: 85 employees did a forward plan for the success of the Cooperative and explained the levers/keys to its success
  - > Hackaton: 70 employees experimented with the entrepreneurial approach by deploying solutions stemming from the forum

#### Group

- > 22 Participants in the Senior Executives Journey
- > 55 People were included in the map resulting from the profile reviews
- >  In 2019, 22.26% of our 574 managers in the Group were trained in management of which 47.66% are women

#### IMPLEMENTATION/MANAGERIAL GUIDE FOR DEPLOYMENT:



The Guide to Managerial Practices was translated and circulated among managers at the first Managers' Seminar in May 2019. It was used to launch the Up Brasil training plan and the "managerial culture" program.

Pierre-Jean FOSSAT, Managing Director Up Brasil and Polcard, Brazil

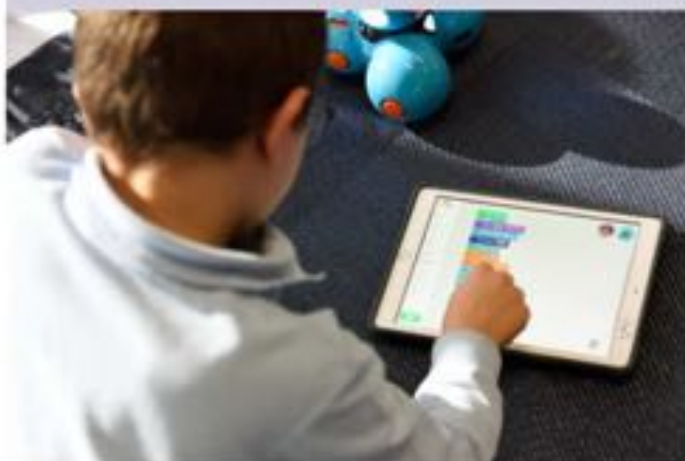
## HIGHLIGHTS

### Digital transformation

#### > E-LEARNING

#### **Facilitate access to e-learning by implementing the SSO for France**

Centralizing e-learning programs in the same tool as the annual appraisals provides employees with a single access portal to learn about offers and facilitate discussions with their manager about their needs.



### Digital transformation

#### > METRIO

#### **New features in the Group data collection tool: Métrio**

Developments and training were performed with the Human Resources Departments of each Group Company, in order to standardize and improve the management of training programs in all the countries where Up group operates.

### Digital transformation

#### > LEARNING

#### **Working toward an Up group corporate university**

In 2019, working with the different Group Companies, the Group Human Resources and Employee Engagement Department launched a study to build and offer a corporate university, with a view to meeting the need for belonging, for streamlining practices and skills development that are consistent with the current period of transformation.



### Manager / common culture

#### > CULTURE

#### **First calibration meeting**

A guide to managerial practices was drafted with the contribution of managers via cooperation groups, addressing all the Group's managers.

Managers were evaluated based on their support of employees, with two common objectives included in the progress reviews. This work was carried out following the Hackathon with the "winning" team and with the support of the Group Human Resources Department.

A map of profiles was presented at an Executive Committee meeting for members to validate the results in order to position their closest managers on this matrix.



### International mobility

#### **Applied practices**

A map of international mobility practices that are applied within the Group was developed in the second half of 2019. Based on this map, recommendations were made for overhauling the international mobility policy in 2020.

The fact is that the Group wishes to encourage international mobility to support its growth momentum and enrich its employees' skills and career development.

#### Common skills

##### > WORKSHOPS

#### **Workshops to boost managerial skills**

Managers in France can participate in workshops where they can train in a friendly and caring atmosphere under the watchful eye of a coach and a professional actor.

During these Workshops, situation enactments and role-playing are performed in small groups. These practical exercises provide support to managers when handling employee progress reviews, making discussions with employees easier during interviews that cover many topics such as motivating an employee, or addressing individual raises.

These workshops also offer a methodology for providing feedback and setting goals.

#### COOPERATION GROUPS



*Co-development is a win-win approach: we listen to participants' difficulties and provide concrete answers without ever judging or criticizing. In many cases, our background and personal management experience enable us to quickly provide solutions and action plans. This creates a genuine climate of trust, conducive to discussion and transparency. In our co-development group, we give as much as we receive! The hardest part is revealing yourself to others, but once the experience is launched, proposals quickly come in a spirit of mutual aid and solidarity.*

**Nicolas BELLETTIERI**, Commercial Director, Incentive, Loyalty and Rewards Market, France

#### POSITIVE IMPACTS ON THEIR E-LEARNING PLATFORM



*The Multinet Up Academy is an in-house training program. These training programs are developed by specialists to train our employees to become trainers themselves. To achieve this, we use our learning management system, which is integrated into Office 365. This enables employees to access the Academy calendar, sign up, and participate in the training program. Every quarter, new training programs will be added to the Academy's catalogue. Employees therefore have the opportunity to develop their professional skills, engage in personal development or develop their business expertise.*

**Kader SURAL**, HR Development Manager, Up Multinet, Turkey



A photograph of two hands, palms up, holding a small red heart. The hands are positioned in the upper left quadrant of the page. The background is a solid blue color.

## SOCIETAL PROGRAMME

Lead the sponsorship policy and mobilise adequate human and financial resources.

Prove our difference through a Groupwide responsible purchasing policy.

## Lead the sponsorship policy and mobilize adequate human and financial resources.

### CONTEXT

Since 2017, "impulse" has been Up group's philanthropy policy. It illustrates and embodies the "power to act together", by which Up group affirms its commitment to serve the general interest and its resolve to contribute to improving daily life for the greatest number, with the goal of social progress and local impact.

A source of enhancement for the Group's identity, having no commercial aim, its philanthropy efforts complement its societal activity (sponsoring, emergency aid and partnerships in connection with the general interest) that directly contribute to its economic development and its notoriety.



### POLICY



The power to act is the bond that resembles us, brings us together, and unites us deeply with society.

Up group's philanthropy policy contributes to creating social bonds to combat the exclusion of "invisible" people (people on the margins of society, who are isolated or dependent).

It aims to give them access to what is essential in order to flourish freely in society, by supporting longer-term projects (minimum 3 years), in 4 main areas of action:

#### *Food, as a vector for social bonding*

→ Projects aiming to protect and promote the livelihoods of vulnerable populations, to enable them to sustainably provide for their nutritional needs.

#### *Housing, to build a life project*

→ Projects aiming to create a bond with the heart of community living areas (neighborhoods, homes...) by promoting activities carried out for and with beneficiaries.

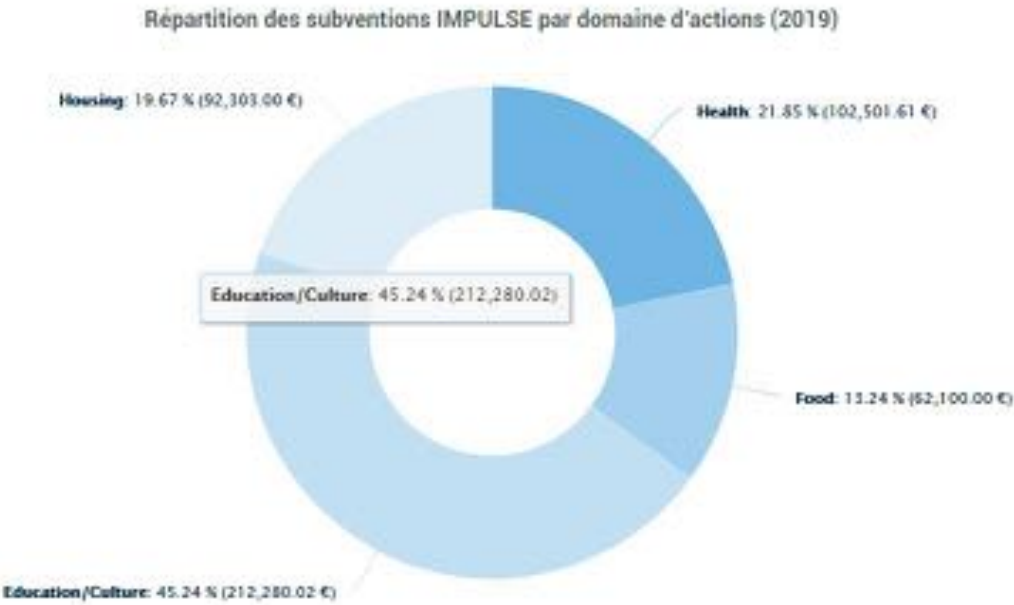
#### *Health, to live in harmony with oneself and others*

→ Projects aiming to facilitate daily life for patients and their entourage and enable them to thrive.

#### *Education and culture, to understand the world and the role we play in it*

→ Projects aiming to prevent and combat illiteracy and dropping out of school, giving access to cultural and artistic education.

“IMPULSE PHILANTHROPY PROGRAMME BREAKDOWN BY FIELD OF ACTION”



## GOALS AND ACTION PLAN

*Spinning off Up group's philanthropy in its territories, with more projects in more countries (more than 10)*



Support provided to the subsidiaries enabled the development of a philanthropic commitment specific to each, through financial assistance and volunteerism. Two projects in Brazil and in Tunisia were added at the end of 2019 and will be implemented in 2020 as a result of delays in processing the projects.

*Facilitating meeting with project owners, in the subsidiaries, in order to monitor, enhance and evaluate project impact*



Up group participates in project leader events, alongside them, and where possible implements societal actions.  
Up group promotes meetings on the same topics between actors in a territory, or identifies interesting crossovers, mainly in France.  
The Foundation's new website and its social networks also enable qualitative and frequent enhancement of each project that it supports.  
Lastly, after 2 years of providing support and evaluating projects, the Up Foundation has established an evaluation methodology. This methodology enables the compilation of social impact data and improved visualization of the project's evolution and results. The conclusions of this development make it possible to determine whether the project should be renewed or not.

*Engage employees in the service of territories and the general interest*



In addition to financial assistance, Up group offers a variety of opportunities and engagement schemes. They give meaning to work and share the values of the company based on solidarity. One of the aims is to increase the number of engaged employees which, in 2019, was 24 people per action, thanks to activities that are more diversified and collective.

## FOCUS

### FORMS OF SOLIDARITY WITHIN UP GROUP

#### IMPULSE PHILANTHROPY

Restoring the power to act to those who are invisible. Minimum 3-year commitment, without any commercial intent or consideration, to support actions in 4 areas: food, housing, health, education/culture.

#### NON-IMPULSE PHILANTHROPY

Specific grant provided without anything required in return, to organizations of general interest for issues such as emergencies, climate events, support to a specific population or cause...

#### SOCIETAL ACTIONS

Partnerships, philanthropy actions agreed between Up group and actors working in the field of solidarity (associations, foundations...) seeking a direct return on the action carried out (image, notoriety, commercial interest, for example).

## RESULTS AND KPI

### "IMPULSE PHILANTHROPY BECOMES THE PREMIER DRIVER FOR SOLIDARITY!"

The impulse program continued its progress in local territories with 8 new philanthropy projects launched in 2019.

Two new countries, Tunisia and Brazil, were added to this growth in 2020. In 2019, 45% of the total endowment in the amount of 1,250,000 euros for a 5-year period has already been invested in projects.

#### > Since 2017

10 countries have become involved: France, Belgium, Bulgaria, Italy, Spain, Mexico, Czech Republic, Romania, Slovakia, Turkey

#### > 2019

The scope remained constant despite the commitment of Tunisia and Brazil at the end of the year, to be included in 2020.

#### > 2020

5 countries on board in 2020.

#### > 2022

60% of the countries in which the Group operates are involved in impulse philanthropy.

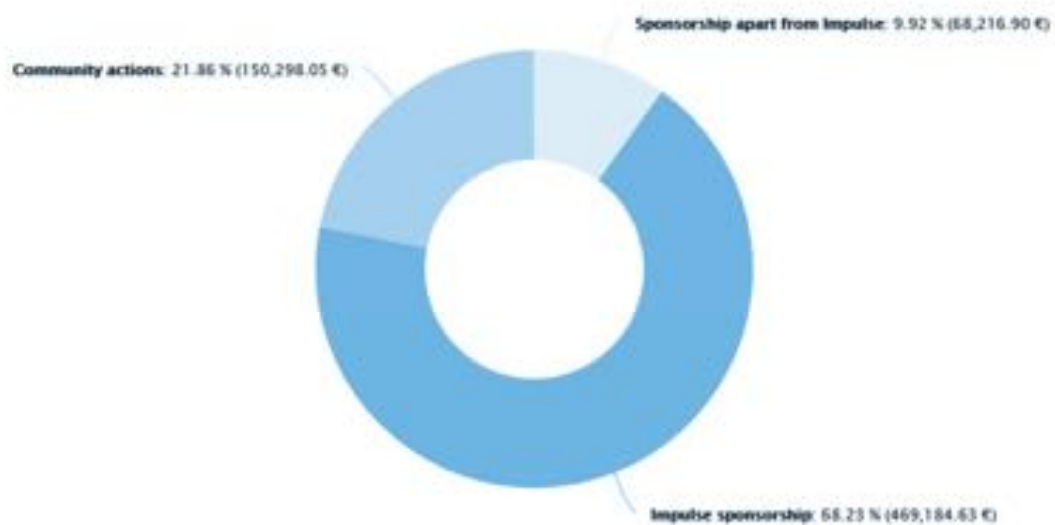
#### > 2022

More than 53,000 people are expected to regain the power to act through Up group's impulse philanthropy program, which began in 2017.

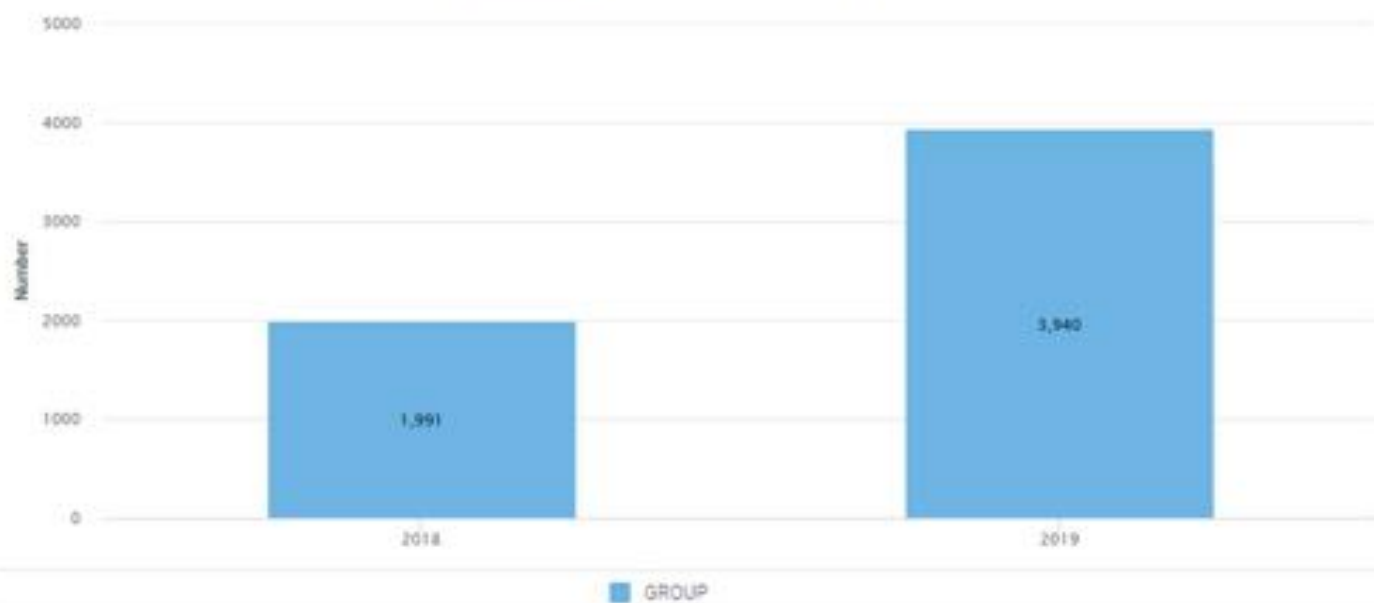




Breakdown of IMPULSE grants awarded by action area (2019)



Cumulative number of employees hired per year



## HIGHLIGHTS

### > IN 2019

#### General interest projects

In 2019, 44 grants for general interest projects were awarded through Impulse philanthropy, by 14 entities of the Group, including the Up Foundation. These projects received 63 grants, with a total commitment in the amount of 469,182 euros (up 15% from 2018)

In 2019, EUR 294,468 were committed exclusively by the Up Corporate Foundation for its second year. This covers 29 projects.



### > END OF 2019

At the end of 2019, two countries announced that they were joining the Impulse philanthropy program. Financial grants will be counted as of January 2020, because of a delay in administrative formalization.

### > BEGINNING OF 2019

#### Up group's employee engagement policy is rolled out to strengthen employee commitment to the Group's solidarity actions

In France, since February 4, 2019, this policy has been implemented on an employee societal engagement platform: [engagement.microdon.fr/groupeup](https://engagement.microdon.fr/groupeup)

In 2019, on average, for every general interest action initiated within Up group, there were 14 participating employees.

### > NON-IMPULSE

#### 66,217 euros were committed to non-impulse philanthropy

including 81% which converge with impulse's 4 areas of action, with 22 actions supported in 7 countries, including Brazil, Spain, France, Italy, the Czech Republic, Romania and Turkey

### > SOCIETAL ACTIONS

#### 150,298 euros were committed to societal actions

including 51% which converge with impulse's 4 areas of action, for 77 actions supported in 10 countries, including Belgium, Brazil, Spain, France, Italy, Mexico, the Czech Republic, Romania, Slovakia and Turkey.

## 1- "SALARY ROUND-UP DONATIONS EXPAND WITHIN UP GROUP"

4 subsidiaries in 2019 - 15.41% of Up group employees practice salary round-up donations worldwide!

Goal: Half of Up Group subsidiaries practicing salary round-up donations by 2022.

In response to a strong demand from the Kalidéa subsidiary in France, the solidarity round-up will be launched in early 2020.



Subsidiaries	Amount collected in Euros	Number of employee donors	Number of beneficiary entities
Up Cooperative	11,812	416	4
Up Česká republika	1,350	13	1
Up Spain	3,949	62	4
Up Day	1,259	87	2
Total	18,370	578	11

Up group philanthropy contributes to the fight against food insecurity, as evidenced by the 4 collective projects supported since 2018 by the Up Foundation and other subsidiaries of the Group:

- "Les Colverts" in France (project supported by Cityzen),
- "Les Anges Gardins" in France (project supported by the Up Foundation),
- "La Tablee des chefs" in France (project supported by the Up Foundation, Cityzen),
- "Nutre a un Nind" in Mexico (project supported by the Up Foundation and Up Si Vale)

Beyond the fight against food insecurity, these projects are part of an innovative social dimension, and contribute to a more responsible dietary transition.

In addition, these socially innovative projects also contribute to the emergence of more responsible food models that promote people's autonomy and combat food waste.

Beyond the primary objective of feeding people in vulnerable circumstances, these actions aim to promote the fight against food waste and the autonomy of populations.

These projects have strong local roots, with a commitment that is environmental, social, cultural and educational.

The actors in the supported entities highlight their multiple goals as a key success factor, promoting a qualitative project and relying on the idea that the support provided in the field of nutrition must be dignified, useful and sustainable, rather than providing only short-term quantitative food assistance.





## Prove our difference through a Groupwide responsible purchasing policy.

### CONTEXT



For Up, being an economic player of a different kind, as well as committed, means buying differently. In order to implement a purchasing policy that is in line with its strategy, and to build lasting relationships with its suppliers, Up has drafted a Responsible Purchasing Charter.

Beyond the so-called "standard" criteria (quality, costs, deadlines), responsible purchasing includes the social, societal and environmental dimensions throughout the phases of the purchasing process, especially through the choice of suppliers, products and services.

This approach is based on implementing relationships and cooperation with suppliers, to achieve bilateral control of sustainable development issues.

### POLICY

Published in 2015, the Responsible Purchasing Charter was developed by a working group that included Group employees either working, or not, in a purchasing-related position. It provides guidelines for maintaining long-term relationships with Up's suppliers.

A Responsible Purchasing Policy was drafted in 2018, placing the Charter and the approach in a regulatory and normative context that has changed significantly over the past 3 years (Duty of Care, Sapin II and ISO 20400). This policy reflects Up's resolve to govern its purchasing practices in accordance with the principles of the United Nations Global Compact, as well as local legislation and standards in force in the Group's countries of operation.

As part of operationalizing this strategy, several roadmaps were developed at the end of 2018 in order to drive the Group's various policies. They included 5 key milestones that gradually increased levels of competency and included key actions or objectives to be achieved over a 3-year period. One of them includes an action driver focused on Responsible Purchasing.





## OBJECTIVES



*To contribute to its differentiation, Up group aims to position Sustainable Development at the heart of its relationships with its suppliers and partners in order to stand out by purchasing differently.*

This translates into prioritizing actions by completing purchasing mapping, and integrating the so-called "Responsible" criteria, i.e. relating to CSR (Corporate Social Responsibility), in addition to "standard" criteria (quality, costs, deadlines, ...), at every step in the purchasing process.

The measurement and steering indicator for this objective is "the share of subsidiaries having at least one CSR criterion when selecting their suppliers."

## ACTION PLAN

*Create a position dedicated to coordinating Responsible Purchasing*



Pursuant to the initiatives launched in 2015, a position dedicated to coordinating the responsible purchasing process, and a specific community, were created within the Ecosystem and Commitments Department in September 2018.

*Taking stock of the situation*



In 2019, an update on existing Group responsible purchasing practices was carried out. Several lessons were learned:

- A lack of maturity or knowledge about Responsible Purchasing
- Few Responsible Purchasing actions
- A disparate Responsible Purchasing community

*Initial actions deployed in 2019*



As a result of this observation, several actions were carried out:

- Review of 2019 Responsible Purchasing indicators, to adapt them to the activity of subsidiaries.
- Updating the Responsible Purchasing driver in the roadmap, after a year of experimenting and feedback from the relevant Subsidiaries
- Development and qualification of the community: 57 contact persons, 25 of whom have a "buyer" function.
- Structuring the Responsible Purchasing approach, with a definition of the scope of intervention, prioritization and level of involvement of subsidiaries, as well as progress and action plans for the next 3 years.

All of these actions and the actions planned for 2020 will provide the Group's main subsidiaries with support in their own approach, and enable them to move forward according to their respective maturity levels.

*To support the Group's main subsidiaries, toolkits on purchases mapping and CSR criteria will be made available in 2020. The Responsible Purchasing community will be informed of these tools, so that it can own them and include them in its habitual practices.*

The CSR criteria sheet will list examples of social, societal and environmental criteria specific to the Group's activities, with the aim of promoting inclusion thereof in sourcing, pre-selecting and then choosing suppliers.

In 2019, 37.3% of the subsidiaries in the scope include at least one CSR criterion when selecting their suppliers, i.e. 6 subsidiaries: Alios, Up Day, Up Multinet, Up Cooperative, Up Romania and Up Spain.

Our challenge is for all the Group's main subsidiaries to use CSR criteria when selecting their suppliers within 3 years, thanks to this support.

**The Group has also implemented indicators to monitor the three commitments it has made in its Responsible Purchasing Charter:**

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> Placing CSR at the heart of buyer-supplier relationships: 7 out of 16 Subsidiaries provide their suppliers with an AR Charter or equivalent document: Alios, Day, Up Multinet, Up Si Vale, Up Cooperative, Up Romania and Up Spain.

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> Respecting all stakeholders involved in the value chain: In 2019, C&V, Up Cooperative and Up Romania evaluated their suppliers using CSR criteria. This represents 123 suppliers, or 1.80% of the Group's suppliers.

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> Working to preserve the common good for future generations: 130 suppliers from the sheltered and adapted sector represent 1.89 per cent of suppliers.

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More than half of the subsidiaries in the scope make purchases with high environmental value

Suppliers with fewer than 250 employees account for nearly 25% of the supplier panel.

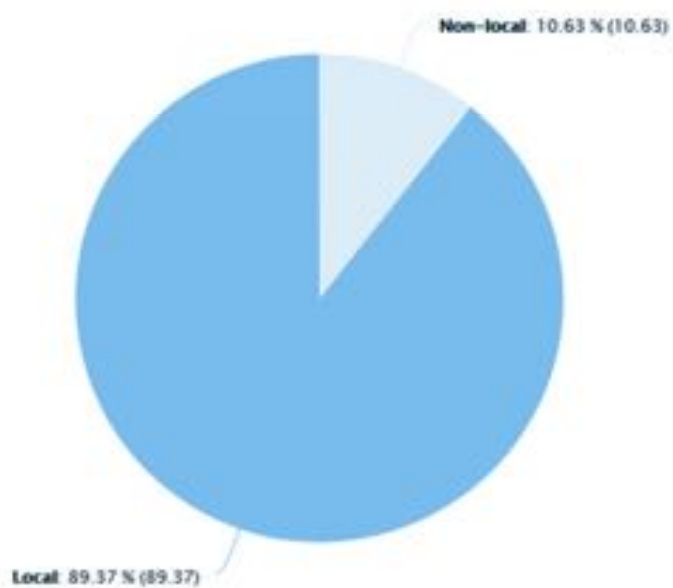
Local suppliers (from the same country as the subsidiaries) account for almost 90% of the supplier panel.



#### Share of subsidiaries with at least one CSR criterion in their purchases



#### Proportion of local suppliers (2019)



## HIGHLIGHTS

### > MEXICO

#### Up Si Vale

Up Si Vale in Mexico, for the sixth year in a row, is recognized as a "Socially Responsible Company". This label, awarded by the Mexican Center for Philanthropy (Ceme), highlights institutions and companies that voluntarily and publicly practice their social responsibility. The Company is aiming to win the Distinctivo level in 2021.



### > UP ROMANIA AND UP SPAIN

Up Romania and Up Spain have their suppliers sign a "Code of Conduct" or "Supplier Code of Conduct" with CSR criteria in a tender or new contract.

### > TURKEY

In 2019, Up Multinet, Turkey, drafted a document called "Supplier Rules of Conduct", which outlines the subsidiary's expectations regarding labor law and business ethics standards in the business practices of its suppliers. These are signed for any new contract or when contracts are renewed.

### > ITALY

Up Day in Italy applies specific environmental criteria when acquiring certain product categories.

For instance:

- Computer screens are mercury-free (i.e. Hg Free) and must be completely recyclable, in order to limit their impact on the environment.
- Cups in vending machines are made of recycled cardboard, and all available cutlery is made of wood, to achieve a "Plastic Free" approach.

Up group is evolving its development process for designing new products and services by involving more suppliers in the process for designing and industrializing its offer.

To speed up its ability to innovate, the Group is working with its ecosystem and is developing strategic partnerships. Some Subsidiaries have already implemented a co-development approach with partner suppliers, leading to a win-win relationship and creating shared value for both parties.

Calling upon these suppliers' know-how optimizes the time and cost of developing new products and services. This enables us to be more responsive and competitive than if these new skills were developed in-house, and as a result, we can become more efficient and create more value for customers. The gain is also significant for legacy suppliers, with whom this capacity to develop is increased tenfold, as well as the attractive competitive advantages: accessing new technologies, challenging design choices, expanding expertise and activities.



*For two of our projects that focus on offer digitalization, we have chosen suppliers who have expertise in the field of dematerialization because we do not have this type of knowledge and experience at the moment. The two chosen suppliers are local, and we have been working with them for a long time (between 3 and 6 years). They are providing support during this period of transformation.*

**Martin MULLER**, Chief Financial Officer, Up Česká republika





*We developed a partnership with the fintech company Konfao in 2019 to offer a financing solution to Mexican SMEs, building on Konfao's 100% digital platform and our network of SME customers, as well as the market power of our brand. This partnership is the most appropriate response to the needs of these small companies and creates shared value between Konfao and Up Si Vale.*

**Daniela AYALA**, Project Manager, Business News, Up Si Vale, Mexico.



*As part of the development of our digital offerings, both in the meal and the social assistance markets, or employee quality of life, we have entered into various agreements with suppliers who have become partners. For instance, in the meal offer, using our applications, "Buoni Up Day" for consumers and "DayMarket" for merchants, it is possible to buy, and have more than 1,300 varieties of fruits and vegetables delivered, via "Fruttaweb", co-developed with the Biaisi family, this site having thus become the premier Italian site for e-commerce.*

**Anna AISA**, Head of Strategic Marketing, Up Day, Italy

## ENVIRONMENTAL PROGRAMME



Fight global warming by  
summoning up collective resources  
and encouraging individual  
initiatives.



## Fight global warming

by summoning up collective resources and encouraging individual initiatives

### CONTEXT

Global warming is a global issue that needs to be addressed collectively. In addressing this major challenge, Up is being proactive and responsible.

By joining the United Nations Global Compact, by including the fight against global warming in its strategic plan, by encouraging its Subsidiaries to carry out substantive actions and by enhancing the initiatives undertaken by its employees... Up is acting at its own level and is helping to build a better world for future generations.



### POLICY

In 2018, the Group developed a policy to drive and guide environmental protection efforts. Mobilizing to address the climate challenge is seen as a strong commitment, and a carbon strategy is outlined as part of it.

### THIS STRATEGY IS ORGANIZED IN THREE STEPS:

#### Measuring

→ Often exceeding their regulatory obligations, the Group's main companies regularly perform an inventory of greenhouse gas emissions generated directly or indirectly by their activities.

#### Taking concrete action and involving employees

→ Actions to reduce greenhouse gas are at the heart of the Group's carbon strategy. 5 relevant areas of engagement have been identified:

- Dealing with our raw material supplies
- Fostering waste reduction
- Reducing the impact of our travel
- Dealing with energy consumption
- Providing our customers with sustainable and more responsible products and services

The Group's environmental policy sets a framework for developing reduction plans and awareness programs that are tailored to the specifics of its subsidiaries.

#### Compensating

→ Convinced that action must be taken today in order to limit the intensification of the greenhouse effect, Up group is now considering carbon neutrality. To achieve this, and without this being a substitute for reduction activities, the Group's strategy provides for offsetting residual carbon emissions.

## GOALS AND ACTION PLAN

### TO CARRY OUT OUR CARBON STRATEGY, WE HAVE DEFINED SEVERAL GOALS AND ACTION PLANS:

- > Renew the carbon footprint measurement process in the Group's main companies
- > Initiate and pursue concrete action to reduce greenhouse gases in line with the Group's environmental policy. These actions will be driven by the subsidiaries, and will be spun-off to stakeholders, and monitored by a specific roadmap.
- > Raise awareness and involve employees in the fight against global warming by offering, among other things, a cross-functional mobilization activity: World CleanUp Day.
- > Renew the voluntary compensation process for residual emissions in the main French companies.

## RESULTS AND KPIS

### MEASURING



In 2019, we renewed the broad-based goal of measuring the carbon footprint. At the beginning of the year, the Group's main companies collected the 2018 data needed to establish or update their carbon footprints. This annual exercise is mandatory for French carbon-neutral companies. For the other companies in the Group, it was a matter of fine-tuning the collection process and gaining maturity.

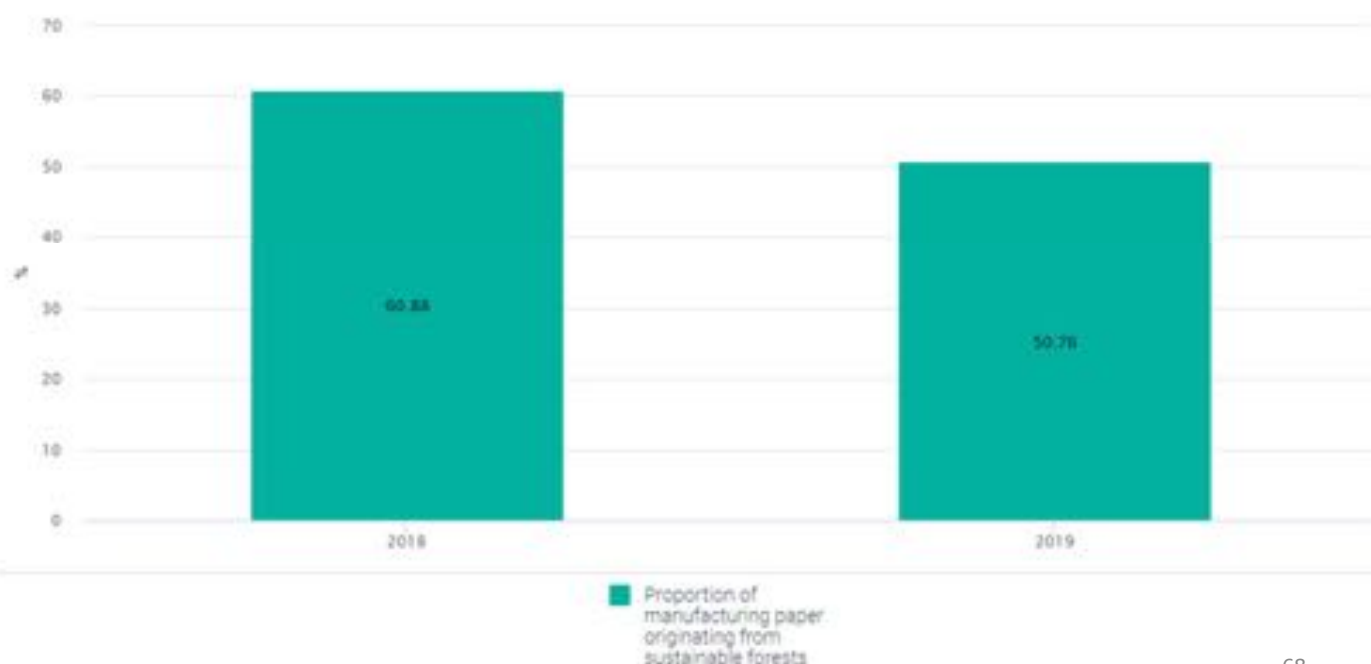
Fanny RECOULY, Head of Environmental Commitments, Up Group

### ACTING

#### RAW MATERIALS



Proportion of manufacturing paper originating from sustainable forests





## WASTE

67% of the main companies have implemented a recycling solution for their paper products  
14% of the main companies have implemented a recycling solution for their card products

## TRAVEL

0.83% Electric vehicles in the automotive fleet  
10.08% Hybrid vehicles in the automotive fleet  
89.09% Thermal vehicles in the automotive fleet

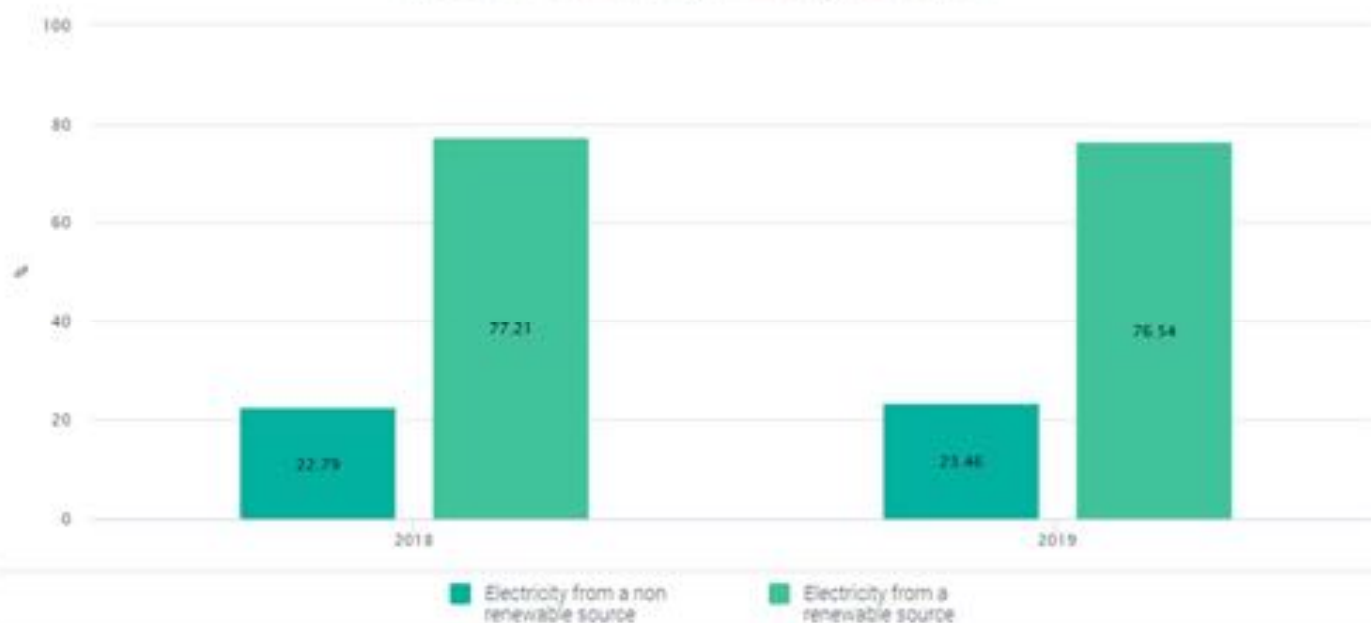
2019 was an opportunity to review the "Car Policy" that governs the automotive fleet in the French companies. This policy, which will come into effect in 2020, encourages choosing hybrid or electric engines.

## ENERGY

Share of renewable energy in head offices



Proportion of renewable energy within energy consumption



## SUSTAINABLE PRODUCTS AND SERVICES

4 environmental products

## COMPENSATING

In 2019, for the second year in a row, Up in France opted for carbon neutrality. In addition to reducing their footprints, the main French companies voluntarily offset their residual carbon emissions. 3 projects with strong social, environmental and internationally-recognized standards have been funded.

**Turkey:** the Balikesir Wind project contributes to the national energy mix improvement plan by co-financing the establishment of a wind farm.

**Mexico:** the MejoStoves project aims to reduce the use of traditional cooking stoves by replacing them with improved stoves. Increased performance limits wood consumption and helps reduce deforestation and respiratory diseases.

**Brazil:** the Jatoba project aims to preserve the native forest from deforestation by preventing illegal activities.



## HIGHLIGHTS

### ACTING THROUGH SUBSTANTIVE EFFORTS

#### > TELEPHONY IS BECOMING DIGITALIZED

Within the Group and as advocated by environmental policy, the classic phone handset is gradually disappearing in favor of software that allows users to make phone calls and especially video via the Internet. It is expected that travel will be reduced thanks to video conferencing becoming more widespread, although this is difficult to quantify.



#### > CARD RECYCLING

In the wake of the recycling process for paper vouchers, the Up cooperative now offers its beneficiaries the possibility of giving a second life to cards (UpDéjeuner and Up Cadoh) by recycling them.



#### > ECO-RESPONSIBLE PRODUCTS

In Bucharest, Up Romania supports the municipality in its aim to eliminate the most polluting vehicles from traffic. In exchange for scrapping them, residents can receive an eco-check, operated by Up Romania. These checks can be used to purchase new cars, or for alternative means of transport, but also for more energy-efficient appliances.

#### > FOOD WASTE

In Belgium, Up Monizze is partnering with "Too Good To Go", an app that enables merchants to sell their unsold items at break-even prices, while in Italy, Up Day is launching a new version of "Last Minute Sotto Casa". The application, which is now more stable, connects 1,000 affiliates with maturing products (including small convenience supermarkets) and more than 70,000 consumers.

#### > CARBON-NEUTRAL DELIVERIES

The Up cooperative favors carbon-neutral deliveries for shipping its paper products.



*To ship our French paper vouchers, we have opted for a carrier that provides carbon-neutral deliveries. Neutrality is achieved by combining reduction actions, such as developing a fleet of clean vehicles and compensating for residual transport emissions. This choice is consequently consistent with our own commitment to the climate and illustrates our commitment to reducing greenhouse gas emissions even when they are indirectly generated by our activity. In 2019, 80% of our shipments were performed by this carrier.*

**Perrine CREUZE**, Deputy Director of Operations, Up in France

## TAKING ACTION BY ENCOURAGING INITIATIVES AND RAISING AWARENESS AMONG EMPLOYEES

### > PRESERVING BIODIVERSITY BY PLANTING TREES

Like Up's volunteer employees in Romania who participated for the third year in a row in the event "New Trees for New Life", Up employees in the Czech Republic gathered for a volunteer day with the goal of planting trees as well as building a sheep pen on the outskirts of Prague.



### > WORLD CLEANUP DAY

After a first successful number of participants in 2018, the Group's employees again came forward for the 2019 edition of World Cleanup Day. More than 130 people (employees and their families) in Germany, Brazil, France, Tunisia and Slovakia got involved together with Up group in picking up waste. A similar action was also carried out by the Mexican Subsidiary.

### > AWARENESS/STOP PLASTIC

In 2019, a number of awareness-raising activities were offered to employees. This year the issue of plastic waste was especially highlighted, especially during World Environment Day or during the European Waste Reduction Week.





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